



Global Steel Trade Monitor

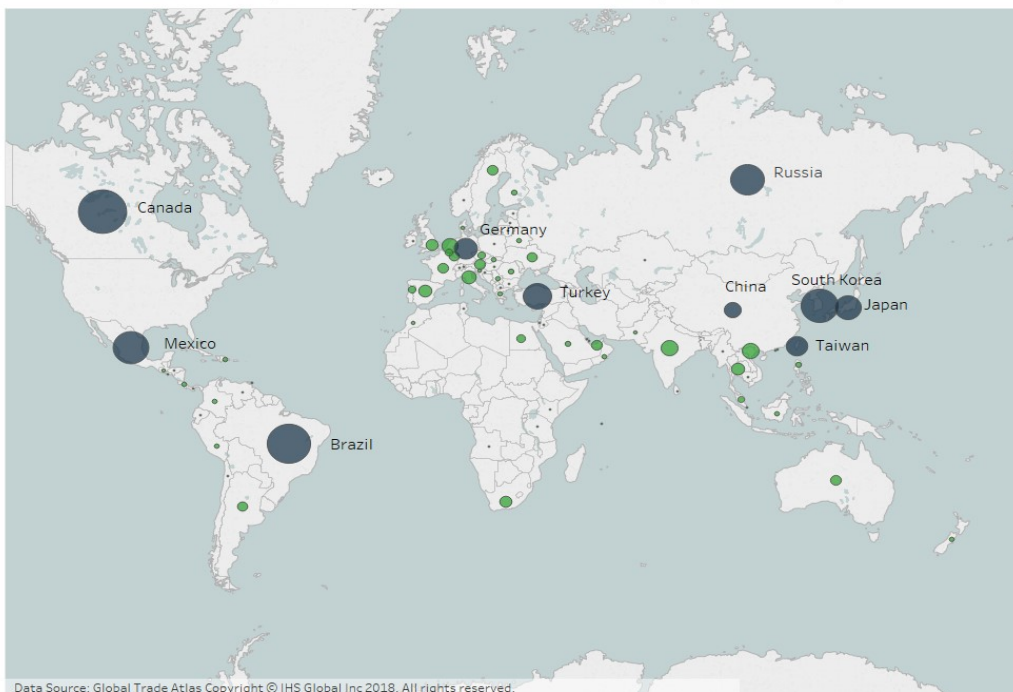
Steel Imports Report: United States

Background

The United States is the world's largest steel importer. In year-to-date 2018 (through June), further referred to as YTD 2018, the U.S. imported 16.2 million metric tons of steel, a decrease from 17.9 million metric tons in YTD 2017. U.S. imports in 2017 represented about 9 percent of all steel imported globally, based on available data. The volume of U.S. steel imports in 2017 was more than 25 percent larger than that of the world's second-largest importer, Germany. In value terms, steel represented just 1.2 percent of the total goods imported into the United States in 2017.

The United States imported steel from more than 85 countries and territories in 2017. The 10 countries highlighted in the map below represent the top sources for U.S. imports of steel, with the U.S. receiving more than 760 thousand metric tons from each and together accounting for 77 percent of U.S. steel imports in 2017.

U.S. Imports of Steel Mill Products-2017 (Top Ten in Blue)



Data Source: Global Trade Atlas Copyright © IHS Global Inc 2018. All rights reserved.

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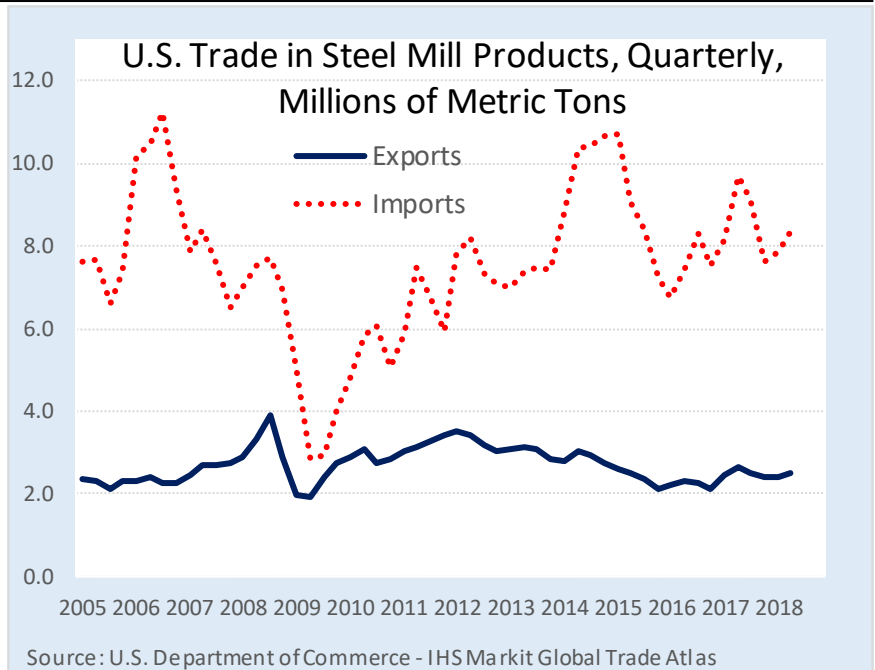
Quick Facts:

- World's largest steel importer: 16.2 million metric tons (YTD 2018)
- 192% steel import growth since Q2 2009
- YTD import volume down 9% while import value up 8%
- Import penetration down from 33.4% in YTD 2017 to 30.3% in YTD 2018
- Top three import sources: Canada, Brazil, Mexico
- Largest producers: Nucor, ArcelorMittal USA, U.S. Steel
- 167 trade remedies in effect against imports of steel mill products

Steel Imports Report: United States

Steel Trade Balance

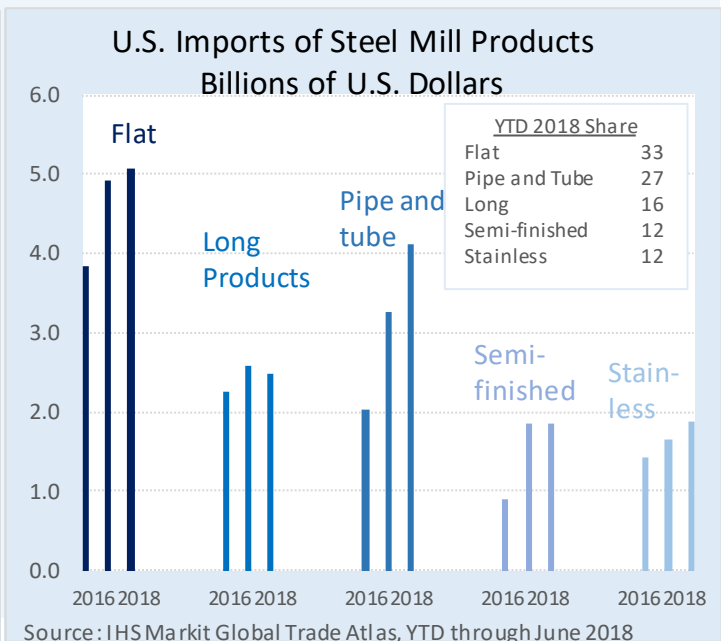
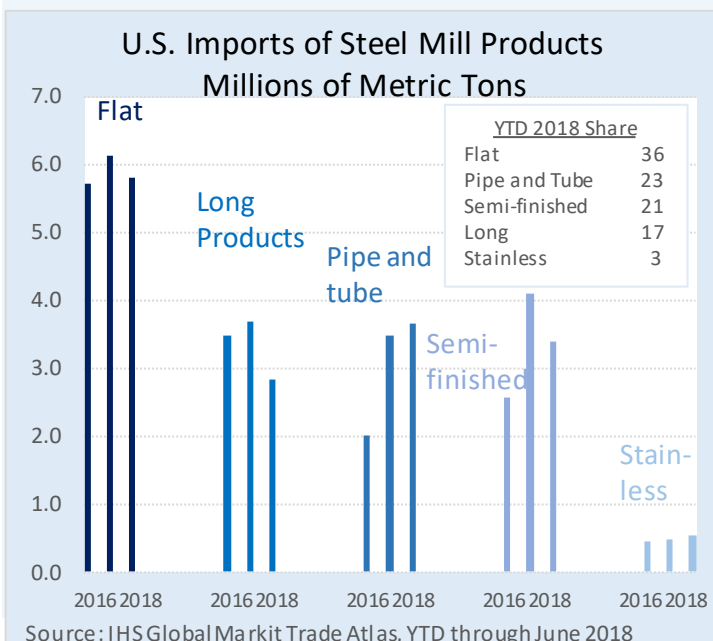
The United States deficit in steel products has persisted for over a decade. Since 2009, imports have returned to average levels seen prior to the 2008 global recession while exports have remained relatively flat in comparison, and the trade deficit has widened accordingly. Since their most recent low point, imports have grown by 192 percent between Q2 2009 and Q2 2018, while exports have increased by 32 percent. In YTD 2018, the U.S. steel trade deficit amounted to -11.3 million metric tons.



Import Volume, Value, and Product

In 2014, U.S. imports of steel products reached a near-record high of 40.3 million metric tons, only topped by the 41.3 million metric tons imported in 2006. Import levels fell from 2014 by 12 percent in 2015 and by 15 percent in 2016, before rising 15 percent in 2017 to 34.6 million metric tons. In YTD 2018, imports have decreased 9 percent compared to YTD 2017 to a total of 16.2 million metric tons. The value of imports in YTD 2018 has increased 8% percent to \$15.4 billion from \$14.3 billion in YTD 2017, due to higher steel prices.

In YTD 2018, flat products accounted for the largest share of U.S. steel imports at 36 percent, or 5.8 million metric tons. Pipe and tube products accounted for 23 percent, or 3.7 million metric tons, followed by semi-finished products at 21 percent (3.4 million metric tons), long products at 17 percent (2.8 million metric tons), and stainless products at 3 percent (535 thousand metric tons).

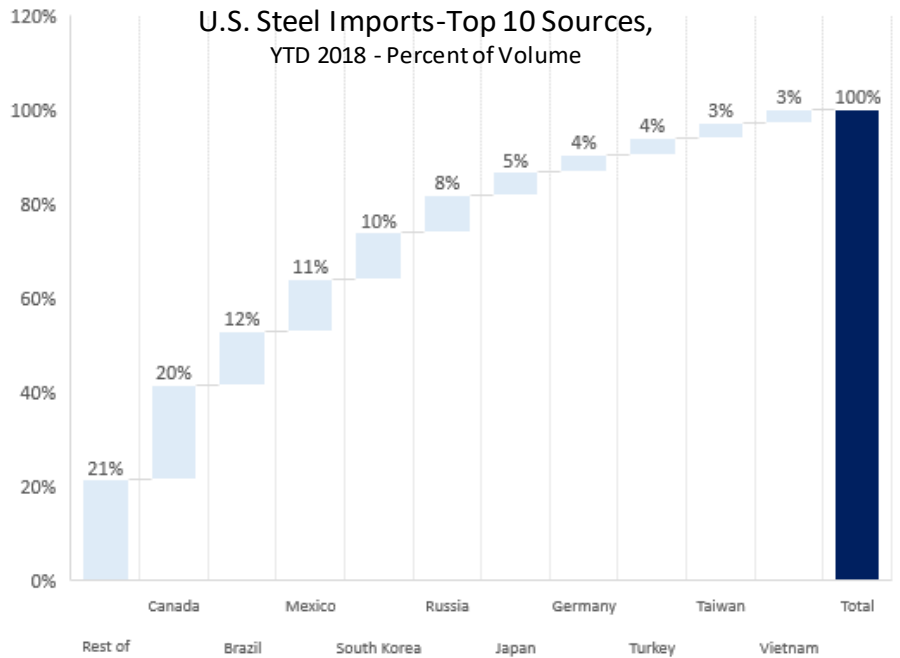


Steel Imports Report: United States

Imports by Top Source

The top 10 source countries for U.S. steel imports represented 79 percent of the total steel import volume in YTD 2018 at 12.7 million metric tons (mmt). Canada accounted for the largest share of U.S. imports by source country at 20 percent (3.3 mmt), followed by Brazil at 12 percent (1.9 mmt), Mexico at 11 percent (1.8 mmt), South Korea at 10 percent (1.6 mmt), and Russia at 8 percent (1.3 mmt).

While the rankings of the top 10 source countries for U.S. imports have fluctuated over time, Canada has retained the top spot.

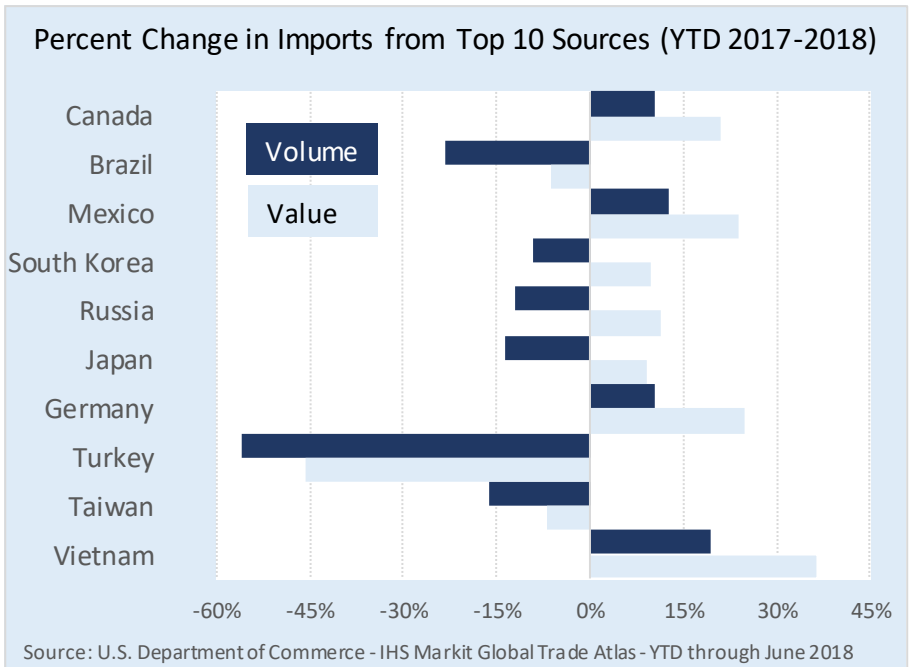


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through June 2018

Trends in Imports from Top Sources

Between YTD 2017 and YTD 2018, the volume of U.S. imports decreased from six of the United States' top 10 import sources. Imports from Turkey showed the largest decline in volume in YTD 2018, down 56 percent, followed by Brazil (-23%), Taiwan (-16%), Japan (-14%), Russia (-12%), and South Korea (-9%). United States imports increased by volume between YTD 2017 and YTD 2018 from Vietnam (+19%), Mexico (+13%), Canada (+11%), and Germany (+10%).

The overall value of U.S. imports increased from 7 of the top 10 sources. In value terms, imports from Vietnam increased the most in YTD 2018 (+37%), followed by Germany (+25%), Mexico (+24%), and Canada (+21%). Turkey, Taiwan, and Brazil were the only top import sources that had a decrease in value, down 46 percent, 7 percent, and 6 percent respectively in YTD 2018.



Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through June 2018

Outside the top 10 sources, other notable volume changes included U.S. imports from 14th-ranked India (-58%), 23rd-ranked Greece (+793%), and 26th-ranked Romania (+230%).

Steel Imports Report: United States

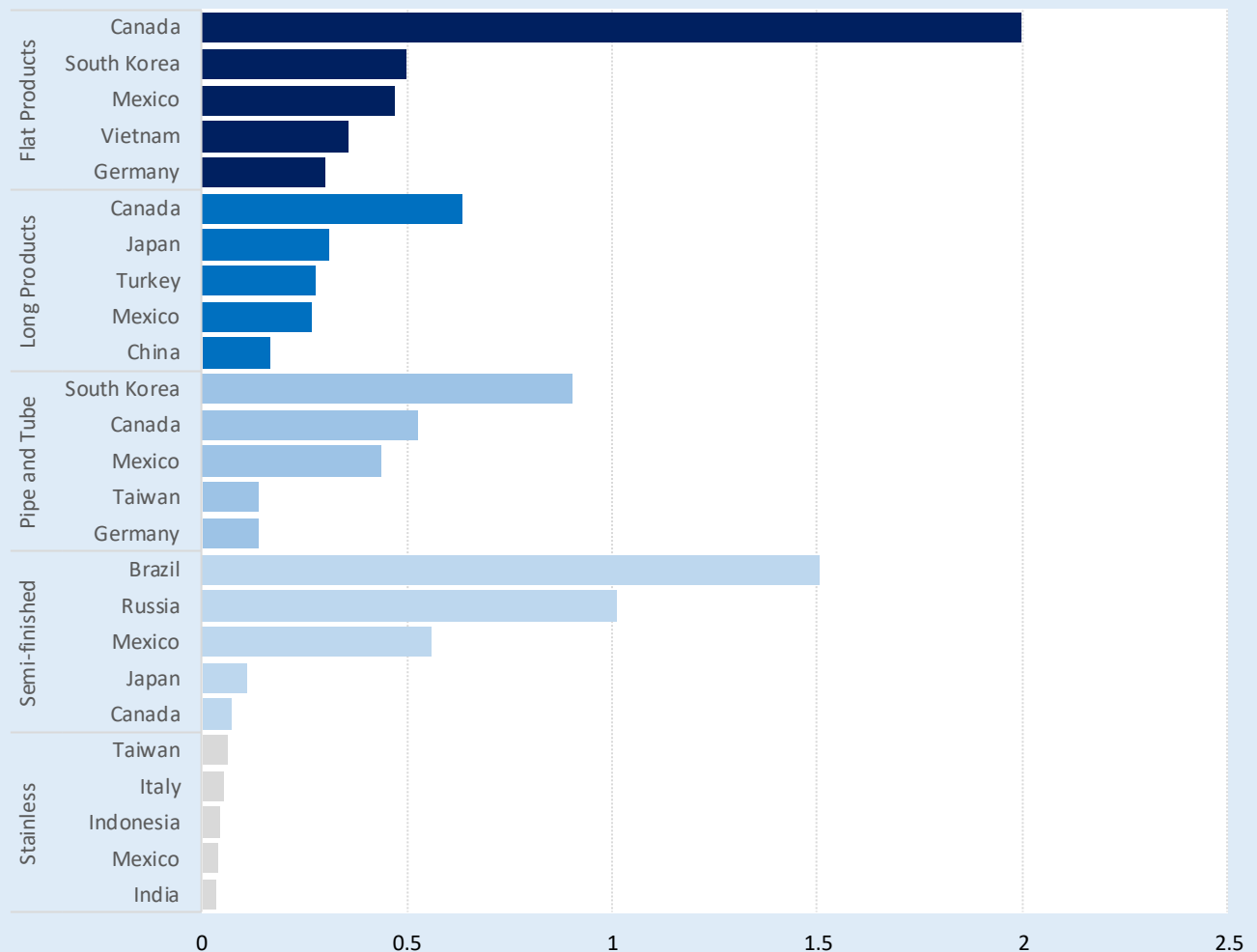
Top Sources by Steel Product Category

The top source countries for U.S. imports by volume vary across types of steel products. The United States imported the largest share of flat products from Canada in YTD 2018 at 34 percent (about 2 million metric tons). Canada was also the largest source for long product imports at 23 percent (635 thousand metric tons).

The United States imported 25 percent of its pipe and tube imports from South Korea (902 thousand metric tons), while nearly half of the United States' imports of semi-finished steel came from Brazil in YTD 2018 – a total of 1.5 million metric tons, or 45 percent.

Taiwan was the largest source of imported stainless products at 12 percent (about 64 thousand metric tons).

U.S. Top 5 Import Sources by Product - YTD 2018



Source: U.S. Department of Commerce - IHS Global Markit - YTD through June 2018

Millions of Metric Tons

Steel Imports Report: United States

U.S. Export Market Share from Top Source Countries

In 2017, the share of steel exports sent to the United States from its top import sources decreased in the majority of the U.S. top 10 sources. Mexico's share of exports to the U.S. showed the largest decrease between 2016 and 2017, down 7.9 percentage points. Other notable decreases included Turkey's share of exports to the U.S. (down 4.3 percentage points from 2016), followed by Brazil (down 1.2 percentage points). The share of exports to the U.S. in Japan and South Korea both decreased by less than one percentage point.

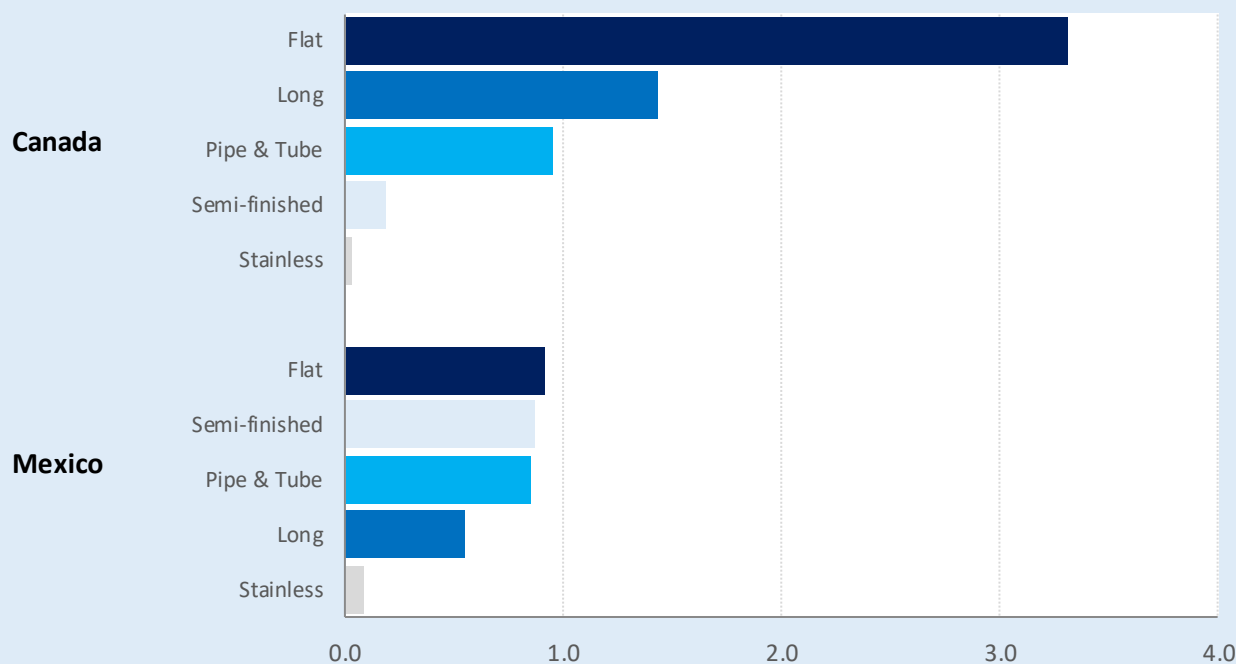
Top 10 Import Sources	U.S. Steel Export Market Share				
	Share of Exports to U.S. - 2016	U.S. Rank in 2016	Share of Exports to U.S. - 2017	U.S. Rank in 2017	Change in Share
Canada	87.7%	1	89.9%	1	↑
Brazil	34.0%	1	32.8%	1	↓
South Korea	12.1%	2	11.2%	3	↓
Mexico	72.9%	1	65.0%	1	↓
Russia*	2.3%	11	N/A	N/A	N/A
Turkey	15.0%	1	10.7%	1	↓
Japan	4.9%	7	4.7%	8	↓
Germany*	4.0%	9	N/A	N/A	N/A
Taiwan	9.2%	3	9.6%	3	↑
China	0.8%	25	1.1%	26	↑

Source: IHS Markit Global Trade Atlas, based on import data per reporting country
*Russia and Germany 2017 data unavailable

Countries with increases in their share of steel exports to the U.S. included Canada (up 2.2 percentage points), Taiwan (up 0.4 percentage points), and China (up 0.3 percentage points).

Among the U.S. top import sources, Canada and Mexico sent more than half of their total steel exports to the United States. In 2017, flat products accounted for the largest share of steel exports to the U.S. in both Canada at 56 percent (3.3 million metric tons) and Mexico at 28 percent (913 thousand metric tons).

Steel Import Composition of Top Market-Share Countries-2017

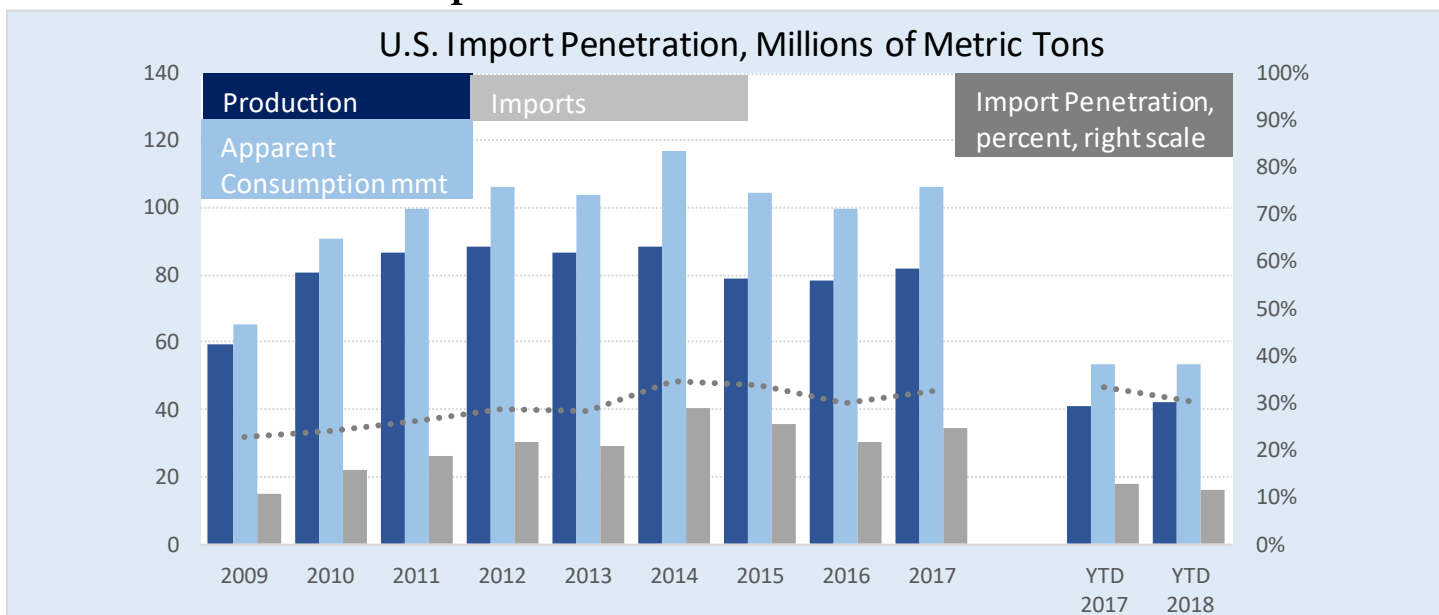


Source: IHSMarkit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

Steel Imports Report: United States

Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD 2017	YTD 2018
Production	59.4	80.5	86.4	88.7	86.9	88.2	78.8	78.6	81.6	40.7	42.1
Apparent Consumption	65.1	90.7	99.6	106.0	104.0	117.0	104.6	99.7	106.2	53.4	53.4
Imports	14.8	21.8	26.0	30.5	29.2	40.3	35.4	30.0	34.6	17.9	16.2
Import Penetration	22.7%	24.0%	26.1%	28.7%	28.1%	34.4%	33.8%	30.1%	32.6%	33.4%	30.3%

Source: U.S. Department of Commerce, World Steel Association, IHS Markit Global Trade Atlas - YTD through June 2018

U.S. crude steel production increased 3.5 percent between 2015 and 2017, from 78.8 million metric tons (mmt) in 2015 to 81.6 mmt in 2017. Production in YTD 2018 has increased 3.5 percent from 40.7 mmt in YTD 2017 to 42.1 in YTD 2018. Since 2009, apparent consumption (a measure of steel demand) has exceeded production. The gap between this measure of steel demand and production decreased to 11.3 mmt in YTD 2018 from 12.7 mmt in YTD 2017. Imports captured an increasing share of demand, from 2009 to 2014, but they stabilized after 2014. Since 2014, import penetration has been relatively flat, ranging from 33.8% in 2015, declining to 30.1% 2016, and then increasing to 32.6% in 2017. In YTD 2018, import penetration stood at 30.3%, down from 33.4% in YTD 2017.

Top Producers

The top seven steel producers in the United States are a mix of foreign and domestically-owned companies and a mix of electric arc furnace mills and blast furnace mills. The top three companies alone accounted for the majority of U.S. crude steel production in 2017.

Rank	Company	Production (mmt)	Main Products
1	Nucor Corporation	24.39	Bars, beams, sheets, plate
2	ArcelorMittal USA*	15.00	Hot-rolled, cold-rolled, plate, coated products, rails
3	United States Steel Corp.	14.43	Hot-rolled, cold-rolled, coated sheets, tubular products
4	Gerdau North America	12.40 (N. Amer. capacity)	Beams, pilings, billets, rebar, wire rod
5	Steel Dynamics Inc.	8.27	Flat-rolled, structural, bars, rails
6	AK Steel Corporation	5.60	Hot-rolled, cold-rolled, galvanized, stainless, electrical
7	Commercial Metals Co.	3.00 (capacity)	Rebar, bars, sections, billets

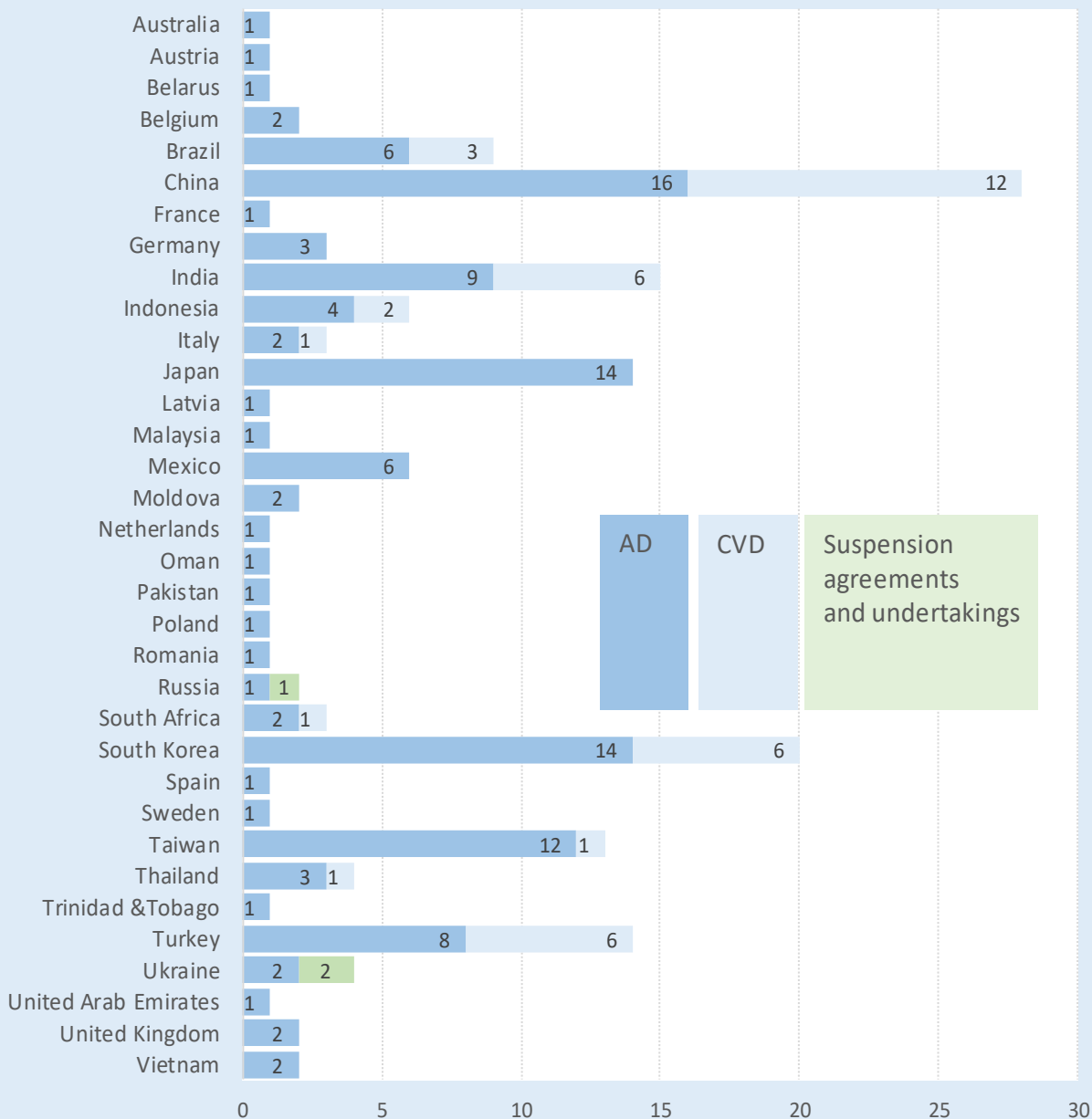
Source: Bloomberg; Company websites *Denotes foreign-owned producer

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Trade Remedies in the Steel Sector

Antidumping duties (AD), countervailing duties (CVD), associated suspension agreements, and safeguards are often referred to collectively as trade remedies. These are internationally agreed upon mechanisms to address the market-distorting effects of unfair trade, or serious injury or threat of serious injury caused by a surge in imports. Unlike anti-dumping and countervailing measures, safeguards do not require a finding of an “unfair” practice. Before applying these duties or measures, countries investigate allegations and can remedy or provide relief for the injury caused to a domestic industry. The table below provides statistics on the current number of trade remedies the United States has against imports of steel mill products from various countries. The U.S. has no steel mill safeguards in effect.

U.S. Steel Trade Remedies in Effect Against Steel Mill Imports



Source: World Trade Organization, through December 31, 2017

Steel Imports Report: Glossary

Apparent Consumption: Domestic crude steel production plus steel imports minus steel exports. Shipment data are not available for all countries, therefore crude steel production is used as a proxy.

Export Market: Destination of a country's exports.

Flat Products: Produced by rolling semi-finished steel through varying sets of rolls. Includes sheets, strips, and plates. Used most often in the automotive, tubing, appliance, and machinery manufacturing sectors.

Import Penetration: Ratio of imports to apparent consumption.

Import Source: Source of a country's imports.

Long Products: Steel products that fall outside the flat products category. Includes bars, rails, rods, and beams. Used in many sectors but most commonly in construction.

Pipe and Tube Products: Either seamless or welded pipe and tube products. Used in many sectors but most commonly in construction and energy sectors.

Semi-finished Products: The initial, intermediate solid forms of molten steel, to be re-heated and further forged, rolled, shaped, or otherwise worked into finished steel products. Includes blooms, billets, slabs, ingots, and steel for castings.

Stainless Products: Steel products containing at minimum 10.5% chromium (Cr) offering better corrosion resistance than regular steel.

Steel Mill Products: Carbon, alloy, or stainless steel produced by either a basic oxygen furnace or an electric arc furnace. Includes semi-finished steel products and finished steel products. For trade data purposes, steel mill products are defined at the Harmonized System (HS) 6-digit level as: 720610 through 721650, 721699 through 730110, 730210, 730240 through 730290, and 730410 through 730690. The following discontinued HS codes have been included for purposes of reporting historical data (prior to 2007): 722520, 722693, 722694, 722910, 730410, 730421, 730610, 730620, and 730660.

Special Note on U.S. Import Data: Import data for the United States used in this report are general imports, rather than imports for consumption, so as to be consistent across countries. Therefore, U.S. import data in this report may not match similar data used in our other U.S. import data products.

Global Steel Trade Monitor: The monitor provides global import and export trends for the top countries trading in steel products. The current reports expand upon the early release information already provided by the Steel Import Monitoring and Analysis (SIMA) system that collects and publishes data on U.S. imports of steel mill products. Complementing the SIMA data, these reports provide objective and current global steel industry information about the top countries that play an essential role in the global steel trade. Information in these reports includes global exports and import trends, production and consumption data and, where available, information regarding trade remedy actions taken on steel products. The reports will be updated quarterly.

Steel Import Monitoring and Analysis (SIMA) System: The Department of Commerce uses a steel import licensing program to collect and publish aggregate data on near real-time steel mill imports into the United States. SIMA incorporates information collected from steel license applications with publicly released data from the U.S. Census Bureau. By design, this information provides stakeholders with valuable information on the steel trade with the United States. For more information about SIMA, please go to <http://enforcement.trade.gov/steel/license/>.



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