

# Global Steel Trade Monitor

## Steel Exports Report: United States

August 2019

### Background

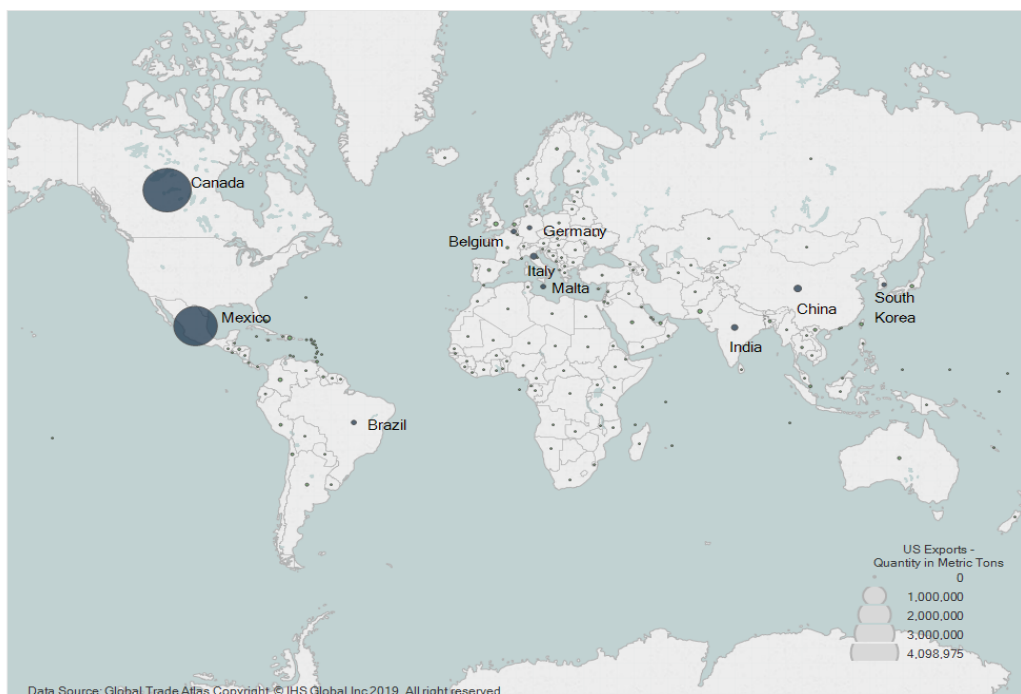
The United States was the world's seventeenth-largest steel exporter in 2018. In year-to-date 2019 (through March), further referred to as YTD 2019, the United States exported 1.8 million metric tons of steel, a 26 percent decrease from 2.4 million metric tons in YTD 2018. U.S. exports represented about 2 percent of all steel exported globally in 2017. The volume of U.S. 2018 steel exports was 1/7th the size of the world's largest exporter, China, and just over 1/4th that of the second-largest exporter, Japan. In value terms, steel represented just 0.8 percent of the total amount of goods the United States exported in 2018.

The United States exports steel to more than 150 countries and territories. The 10 countries labeled in the map below represent the top markets for U.S. exports of steel, with the top 2 countries alone receiving more than 3 million metric tons each. The top 10 countries

### Quick Facts:

- In YTD 2019, the U.S. exported 1.8 million metric tons of steel
- -9% steel export growth since Q1 2009
- YTD 2019 export volume down 26% and export value down 19% from YTD 2018
- Exports as a share of production down from 11.5% in YTD 2018 to 8.0% in YTD 2019
- Top two markets: Canada and Mexico
- Top Producers: Nucor, ArcelorMittal USA, U.S. Steel
- 6 trade remedies in effect in 3 countries and the European Union involving steel mill imports from U.S.

U.S. Exports of Steel Mill Products-2018 (Top Ten in Blue)

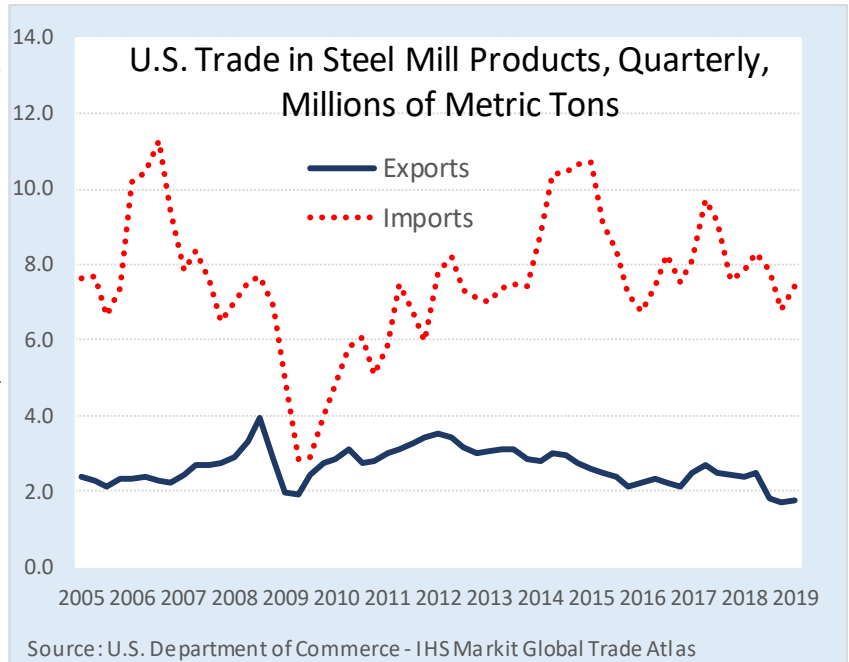


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## Steel Trade Balance

The United States has maintained a persistent trade deficit in steel products 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 49 percent between Q1 2009 and Q1 2019, while exports have decreased by 9 percent over the same period.

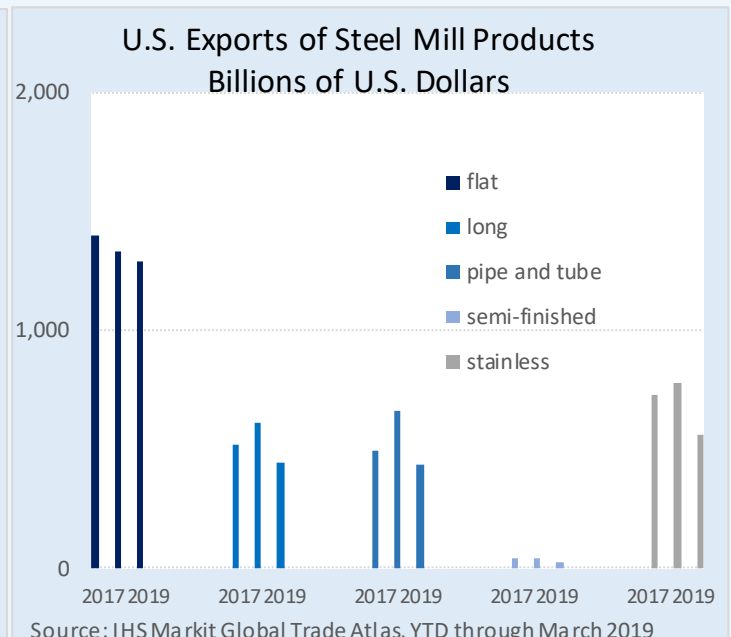
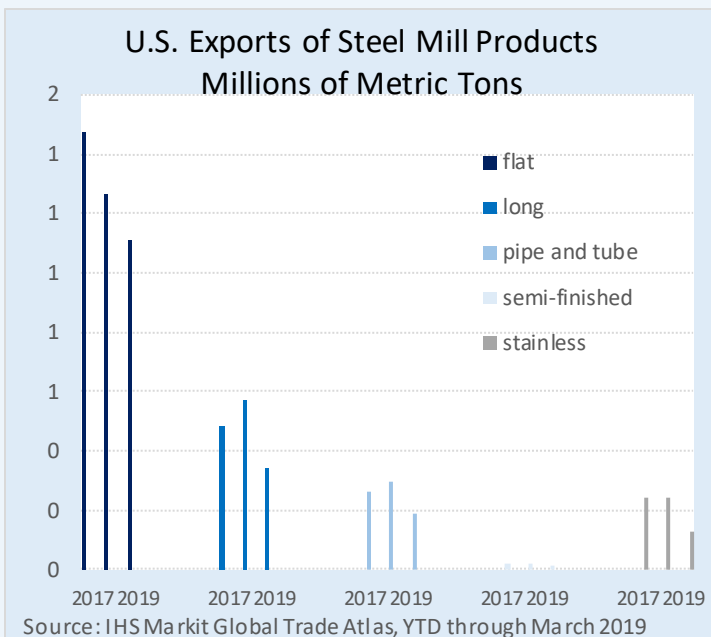
In YTD 2019, the U.S. steel trade deficit amounted to -5.7 million metric tons.



## Export Volume, Value, and Product

Since reaching a recent peak in 2012, the volume of U.S. steel exports had declined every year, until 2017, but has declined once more in 2018, and further in YTD 2019. In YTD 2019, U.S. steel exports were down 26 percent to 1.8 million metric tons from 2.4 million metric tons in YTD 2018. The value of YTD 2019 steel exports has decreased by 19 percent to \$2.75 billion from \$3.4 billion in YTD 2018.

Flat products accounted for the largest share of U.S. steel exports in YTD 2019 at 62 percent, or 1.1 million metric tons. Long products accounted for 19 percent, or 343 thousand metric tons, of U.S. exports of steel in YTD 2019, followed by pipe and tube products at 11 percent (188 thousand metric tons), stainless products at 7 percent (126 thousand metric tons), and semi-finished steel at 1 percent (11 thousand metric tons).

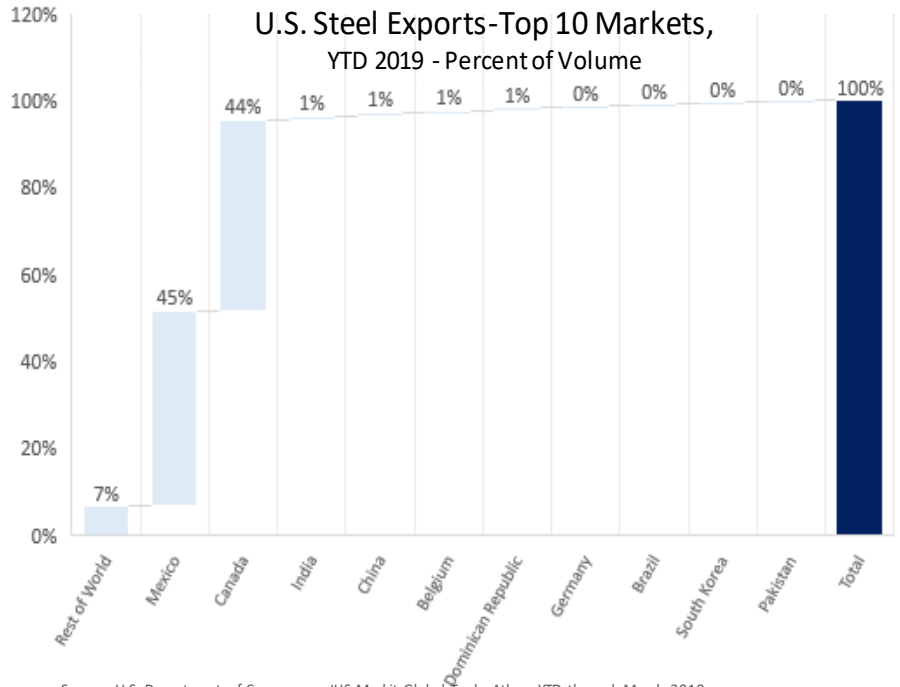


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## Exports by Top Market

Exports to the United States' top 10 markets represented 93 percent of U.S. steel export volume in YTD 2019 at 1.66 million metric tons (mmt). The top two steel markets alone represented 89 percent of U.S. steel export volume in YTD 2019. Mexico was the largest market for U.S. steel exports with 45 percent (797 thousand metric tons), followed by Canada at 44 percent (782 thousand metric tons).

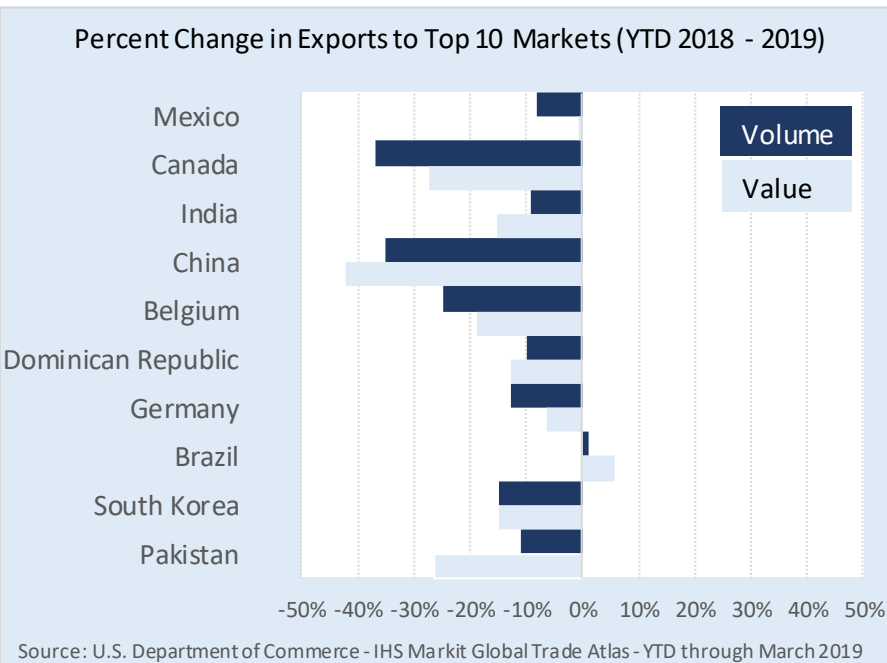
Canada and Mexico have ranked first and second as the top destinations for U.S. steel exports for more than a decade, likely due to NAFTA and geographic proximity.



Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through March 2019

## Trends in Exports to Top Markets

Between YTD 2018 and YTD 2019, the volume of the United States' steel exports decreased in nine of the country's top 10 steel export markets. U.S. exports to Canada saw the largest decrease in volume (-37%), followed by exports to China (-35%), Belgium (-25%), South Korea (-15%), Germany (-13%), Pakistan (-11%), the Dominican Republic (-10%), India (-9%), and Mexico (-8%). Brazil was the only top export partner which experienced an increase in volume, at 1 percent.



Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through March 2019

The value of U.S. exports between YTD 2018 and YTD 2019 decreased in nine of the top 10 markets. Export values decreased the most to China (-42%), followed by Canada and Pakistan (both -27%), Belgium (-19%), India and South Korea (both -15%), the Dominican Republic (-13%), Germany (-6%), and Mexico (-1%). Brazil was the only export partner which experienced an increase in value at 6 percent.

Outside the top 10 markets, other notable changes in export volume in YTD 2019 included exports to 12th-ranked Bahamas (up 43%), 15th-ranked Guyana (up 99%), 21st-

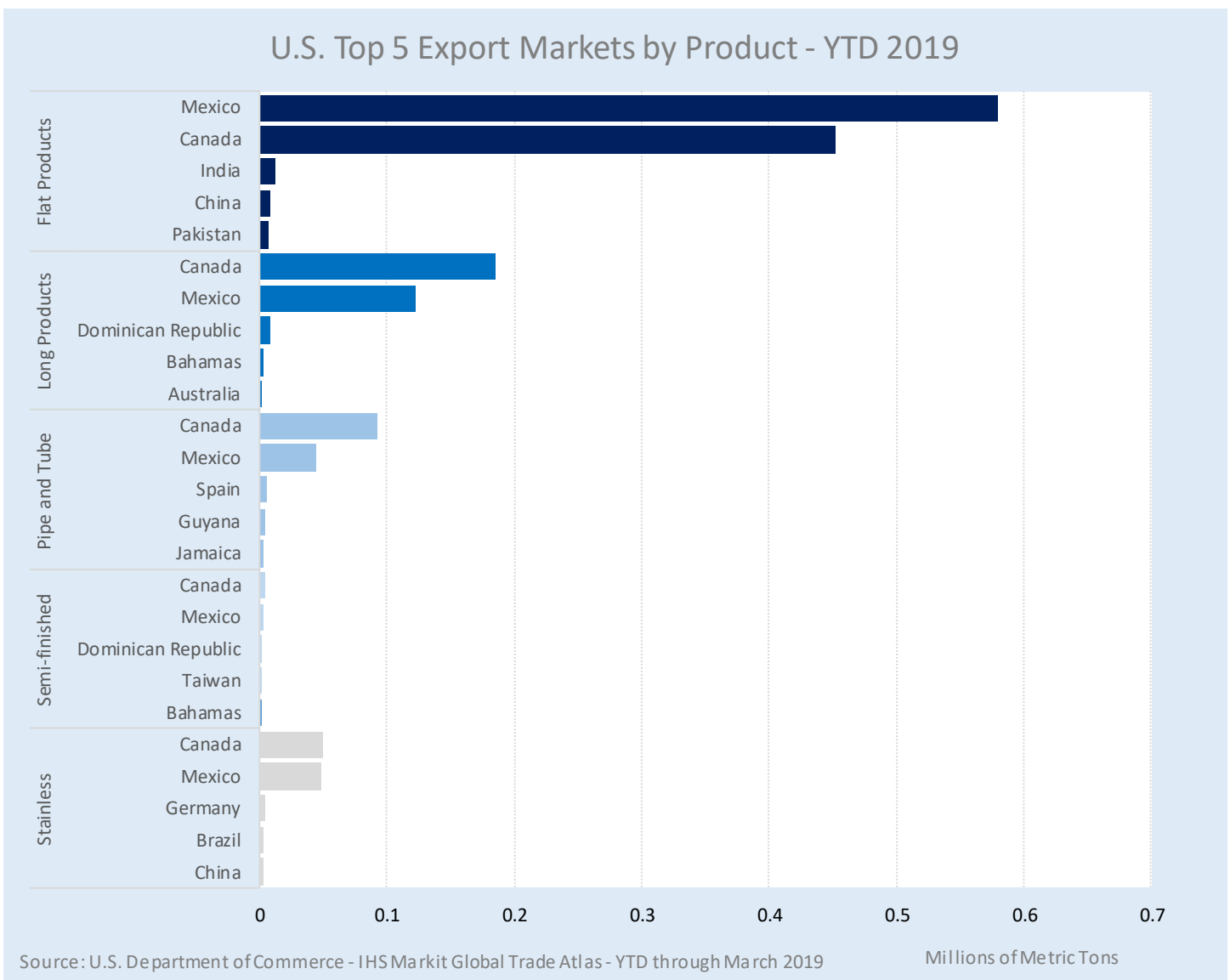
ranked Jamaica (up 157%), and 25th-ranked Nigeria (up 249%).

# Steel Exports Report: United States

## Top Markets by Steel Product Category

The United States' top export markets by volume vary across types of steel products, though Canada and Mexico dominate the top two spots in every product category. In YTD 2019, 52 percent of U.S. exports of flat products went to Mexico (580 thousand metric tons), followed by Canada with 41 percent (451 thousand metric tons). Canada was the largest market for U.S. exports of long products at 54 percent (185 thousand metric tons), followed by Mexico at 36 percent (122 thousand metric tons). Canada was the largest market for U.S. exports of long products at 54 percent (185 thousand metric tons), followed by Mexico at 36 percent (122 thousand metric tons).

The majority of U.S. pipe and tube exports also went to Canada at 49 percent (91.9 thousand metric tons), with 23 percent (43.9 thousand metric tons) going to Mexico. In semi-finished exports, the United States exported 45 percent (4.9 thousand metric tons) and 33 percent (3.6 thousand metric tons) to Canada and Mexico, respectively. Canada was the largest market for U.S. exports of stainless products at 39 percent (49 thousand metric tons). Mexico came in a close second place at 38 percent (48 thousand metric tons).



# Steel Exports Report: United States

## U.S. Import Market Share in Top Destinations

In 2018, the import market share for U.S. steel products decreased slightly or remained unchanged in eight of the U.S. top export destinations. The share of steel imports from the U.S. decreased the most in Canada, down 11.1 percentage points from 2017, followed by Mexico (-4.5 percentage points). U.S. imports declined by less than one percentage point in Italy, India, China, Belgium, Brazil, and South Korea.

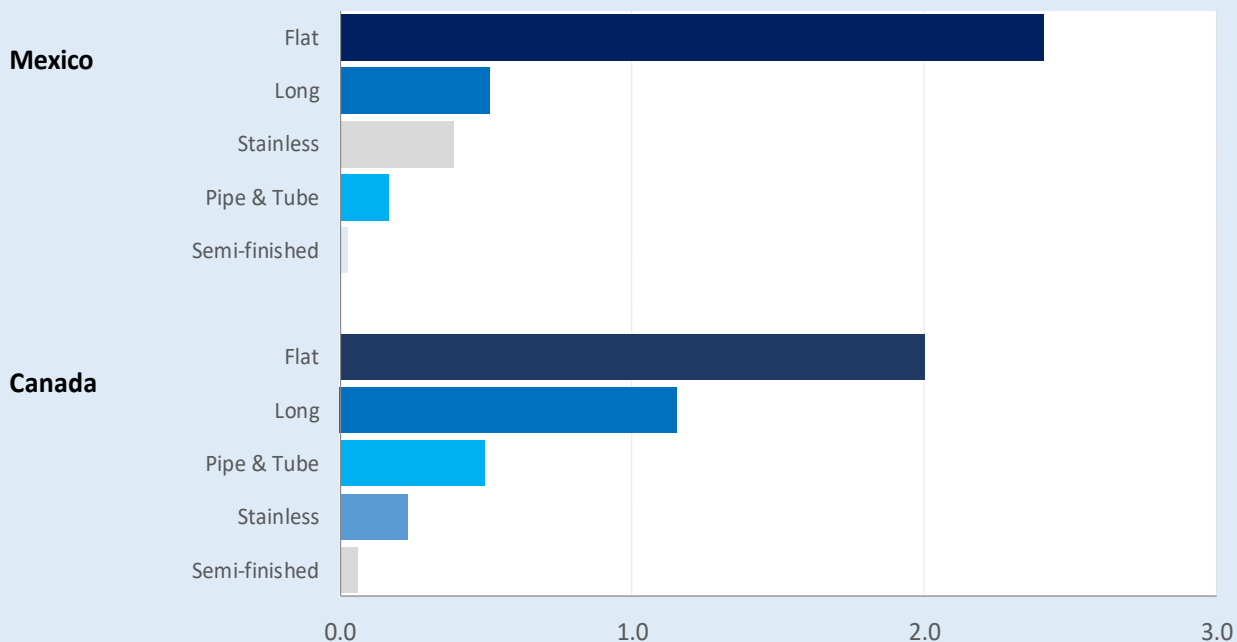
The share of imports from the U.S. increased the most in Honduras (up 5.1 percentage points), followed by Turkey (up one percentage point).

U.S. Steel Import Market Share						
Top 10 Export Markets	Share of Imports from United States-2017	United States' Rank in 2017	Share of Imports from United States - 2018	United States' Rank in 2018	Change in Share	
Canada	54.8%	1	43.7%	1	↓	
Mexico	36.3%	1	31.8%	1	↓	
Italy	0.6%	27	0.5%	28	↓	
India	1.2%	12	1.2%	13	↓	
China	0.6%	11	0.5%	13	↓	
Belgium	0.5%	18	0.3%	20	↓	
Brazil	2.3%	9	1.8%	11	↓	
Honduras	5.3%	5	10.4%	3	↑	
South Korea	0.2%	12	0.2%	15	↓	
Turkey	0.1%	40	0.1%	41	↑	

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

Among the U.S. top export markets, Canada and Mexico received 55 and 36 percent of their total steel imports from the United States. In 2018, flat products accounted by far for the largest share of steel imports from the U.S. in both Mexico (69% or 2.4 million metric tons), and Canada (51% or 2.0 million metric tons).

Steel Import Composition of Top Market-Share Countries-2018

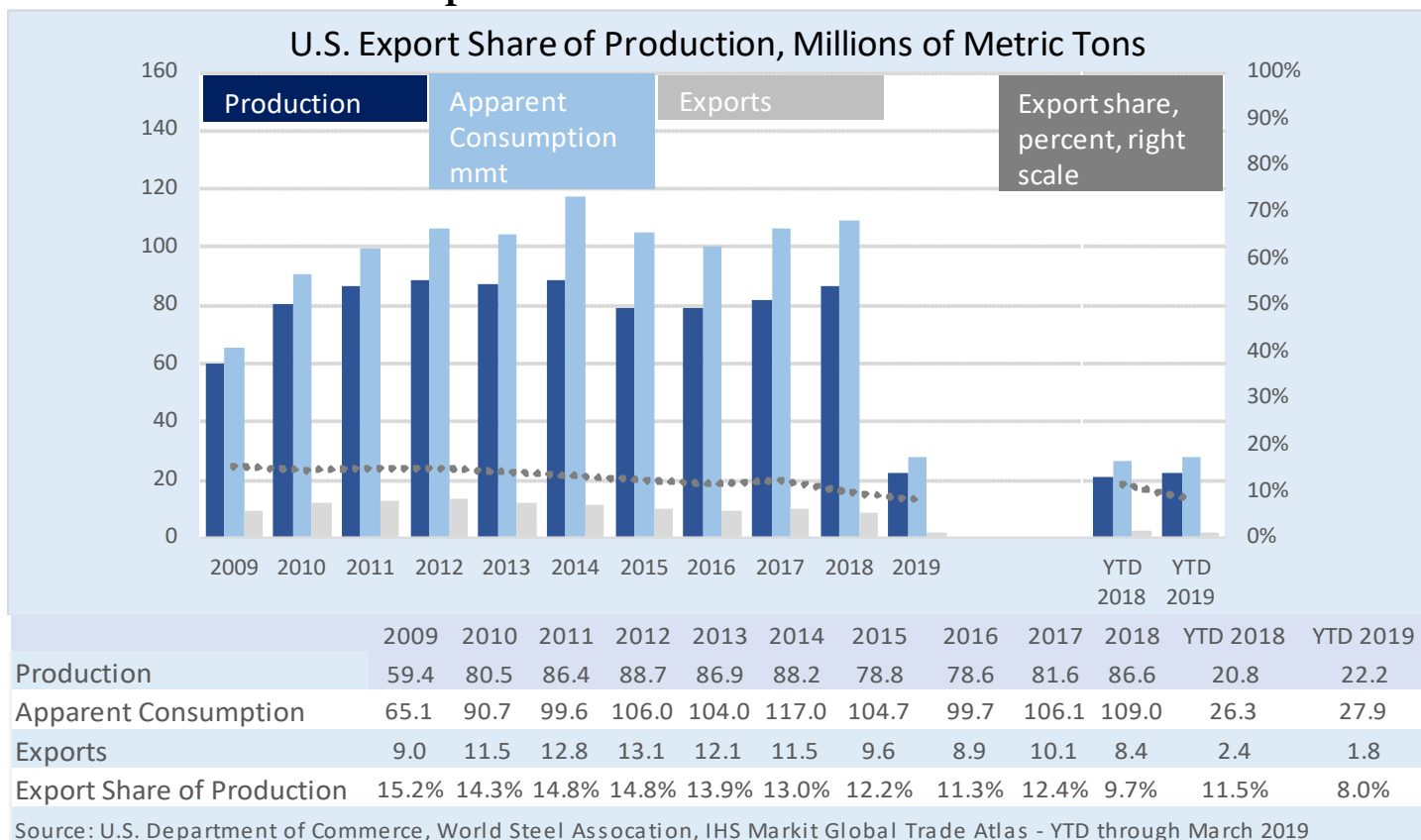


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

# Steel Exports Report: United States

## Overall Production and Export Share of Production



U.S. crude steel production increased 6 percent between 2017 and 2018, and further increased 7 percent from 20.8 million metric tons in YTD 2018 to 22.2 million metric tons in YTD 2019. Since 2009, apparent consumption (a measure of steel demand) has consistently outpaced production. This gap has exceeded 20 million metric tons in recent years, and has increased from -5.5 million metric tons in YTD 2018 to -5.7 million metric tons in YTD 2019. Steel exports as a share of U.S. production decreased between from 11.5 percent in YTD 2018 to 8 percent in YTD 2019. The largest single decrease in exports occurred between 2017 and 2018, from 12.4 percent to 9.7 percent, possibly due to a combination of the appreciating U.S. dollar, the high relative price of American steel, and retaliatory tariffs imposed on imports of American steel.

### Top Producers

The top six 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 2018 at 77 percent.

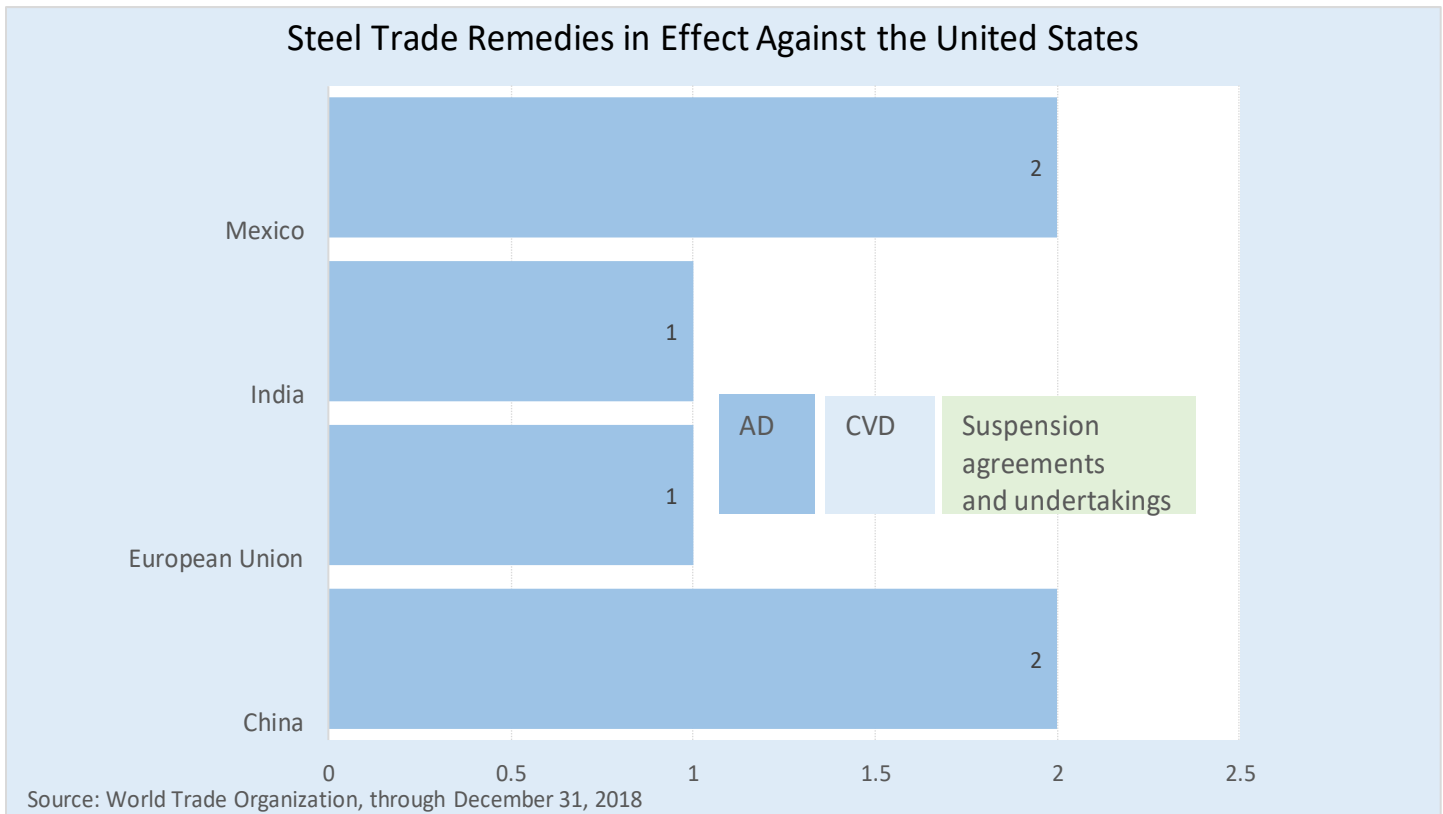
U.S. Top Steel Producers in 2018			
Rank	Company	Production (mmt)	Main Products
1	Nucor Corporation	25.49	Bars, beams, sheets, plate
2	ArcelorMittal USA	22.6 (N. Amer. Production)	Hot-rolled, cold-rolled, plate, coated products, rails
3	United States Steel Corp.	15.37	Hot-rolled, cold-rolled, coated sheets, tubular products
4	Steel Dynamics Inc.	10.6	Flat-rolled, structural, bars, rails
5	AK Steel Corporation	5.68	Hot-rolled, cold-rolled, galvanized, stainless, electrical
6	Commercial Metals Co.	3.4 (Capacity)	Rebar, bars, sections, billets

Source: World Steel Association; Hoover's; Bloomberg; Company websites

# Steel Exports Report: United States

## 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 various countries have against steel mill products from the United States.



## Global Steel Mill Safeguards in Effect

Country	Product(s)
EU	Steel Products
Gulf Cooperation Council	Flat-rolled steel
Indonesia	I and H sections of other alloy steel
Malaysia	1) Steel concrete reinforcing bar; 2) Steel wire rod and deformed bar-in-coil
Morocco	1) Cold-rolled sheets and plated or coated sheets; 2) Reinforcing bars and wire rods
South Africa	Hot-Rolled steel flat products
Thailand	Unalloyed hot-rolled steel flat products in coils and not in coils;
Vietnam	1) Semi-finished and certain finished products of alloy and non-alloy steel; 2) pre-painted galvanized steel sheet and strip

Source: World Trade Organization, through March 31, 2019

# Steel Exports Report: Glossary

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**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.

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**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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