



Global Steel Trade Monitor

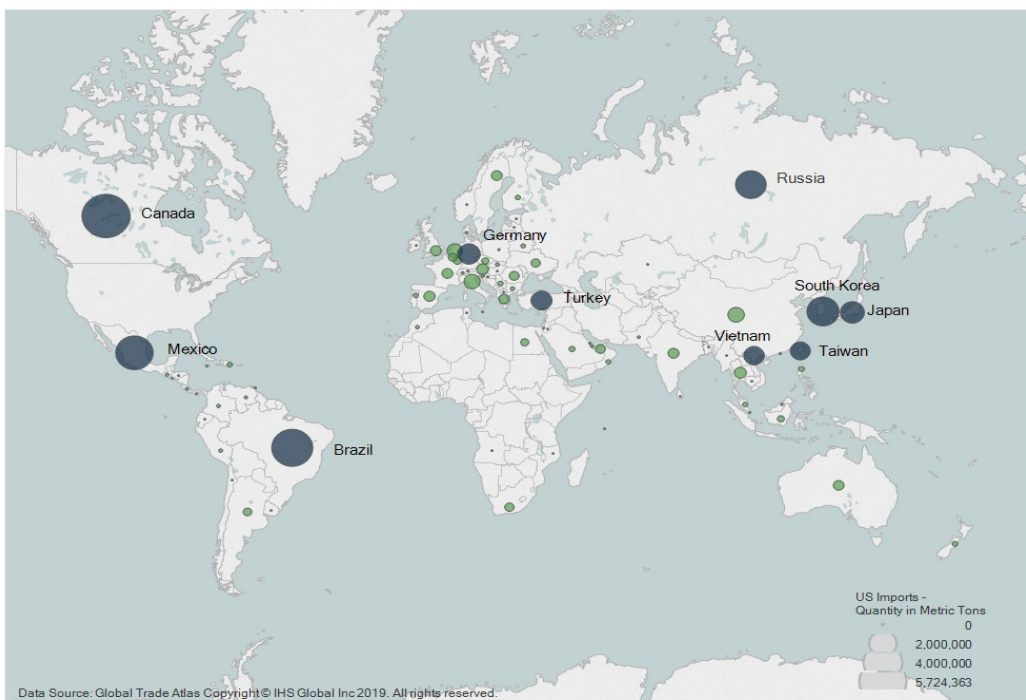
Steel Imports Report: United States

Background

The United States is the world's largest steel importer (2018 ranking). In year-to-date 2019 (through March), further referred to as YTD 2019, the U.S. imported 7.4 million metric tons of steel, a 5 percent decrease from 7.9 million metric tons in YTD 2018. 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 2018 was more than 25 percent larger than that of the world's second-largest importer, Germany in 2018. In value terms, steel represented just 1.2 percent of the total goods imported into the United States in 2018.

The United States imported steel from more than 100 countries and territories in 2018. 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 950 thousand metric tons from each and together accounting for 77 percent of U.S. steel imports in 2018.

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



August 2019

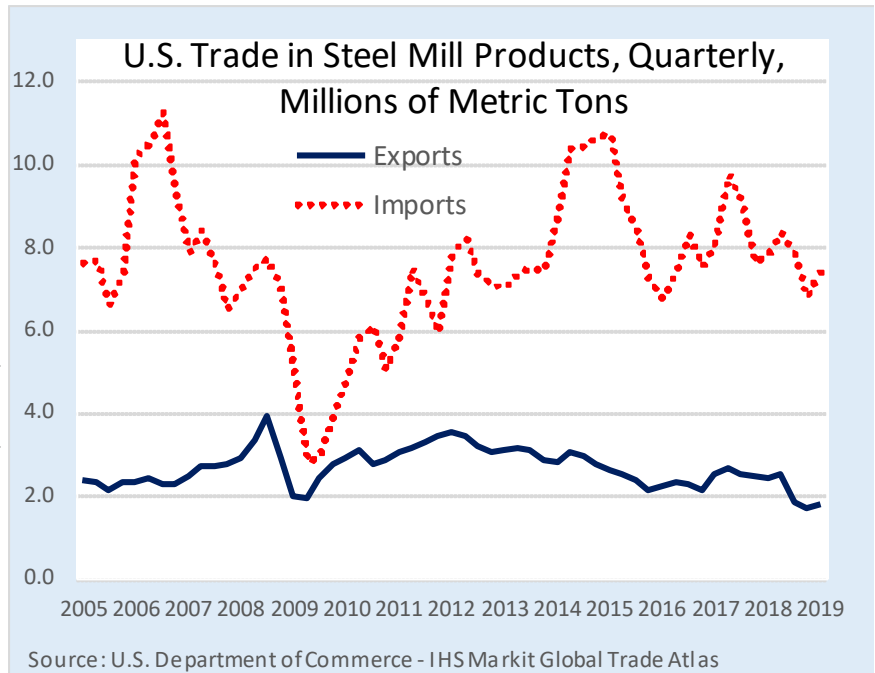
Quick Facts:

- 7.4 million metric tons in YTD 2019
- 49% steel import growth since Q1 2009
- YTD 2019 import volume down 5% and import value down 8% from YTD 2018
- Import penetration down from 29.9% in YTD 2018 to 26.7% in YTD 2019
- Top three import sources: Brazil, Canada, Mexico
- Largest producers: Nucor, ArcelorMittal USA, U.S. Steel
- 184 trade remedies in effect against imports of steel mill products

Steel Imports Report: United States

Steel Trade Balance

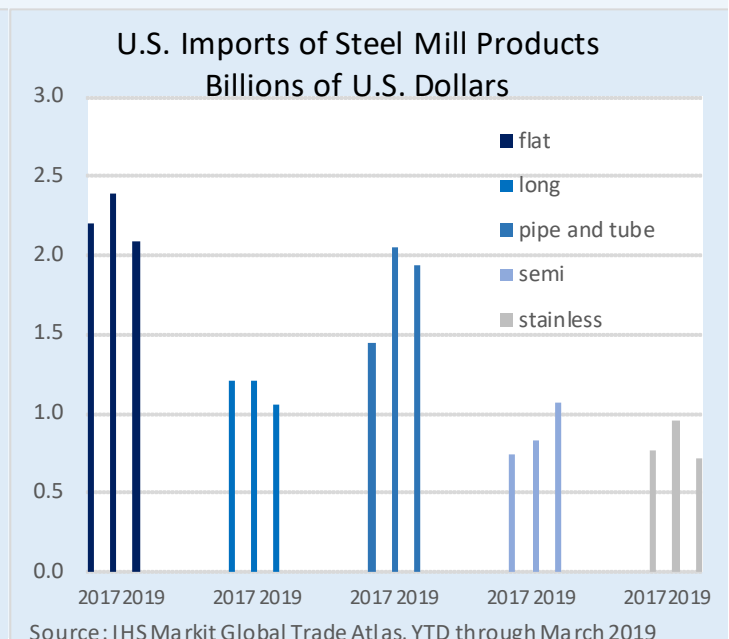
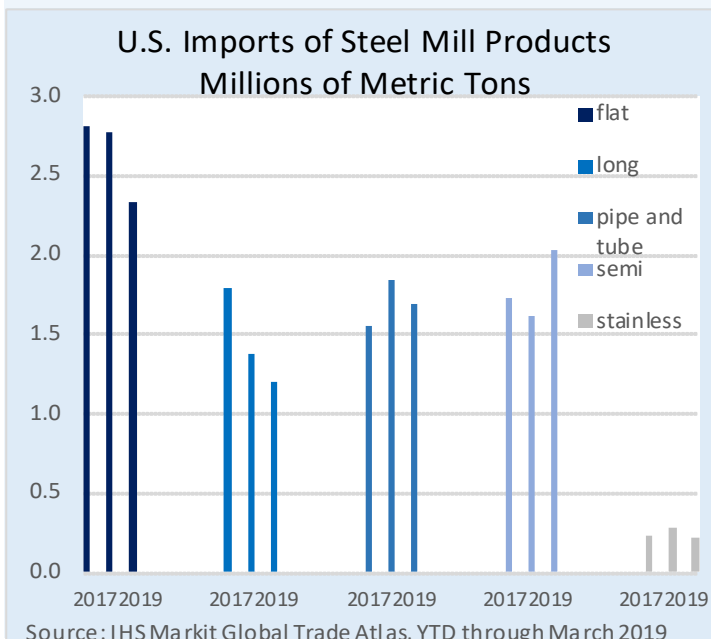
The United States' deficit in steel products has persisted for over a decade. Since 2009, imports have returned to average levels seen prior to the 2008 global recession while exports have remained relatively flat in comparison, and the trade deficit has widened accordingly. Since their most recent low year, imports have grown by 49 percent between Q1 2009 and Q1 2019, while exports have decreased by 9 percent. In YTD 2019, the U.S. steel trade deficit amounted to 5.7 million metric tons, a 4 percent increase from 5.5 million metric tons in YTD 2018.



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 then by 15 percent in 2016, before rising 15 percent in 2017 to 34.5 million metric tons. Imports have decreased in volume by 5 percent from 7.9 million metric tons in YTD 2018 to 7.4 million metric tons in YTD 2019. The value of imports in YTD 2019 has decreased 8 percent to \$6.8 billion from \$7.4 billion in YTD 2018.

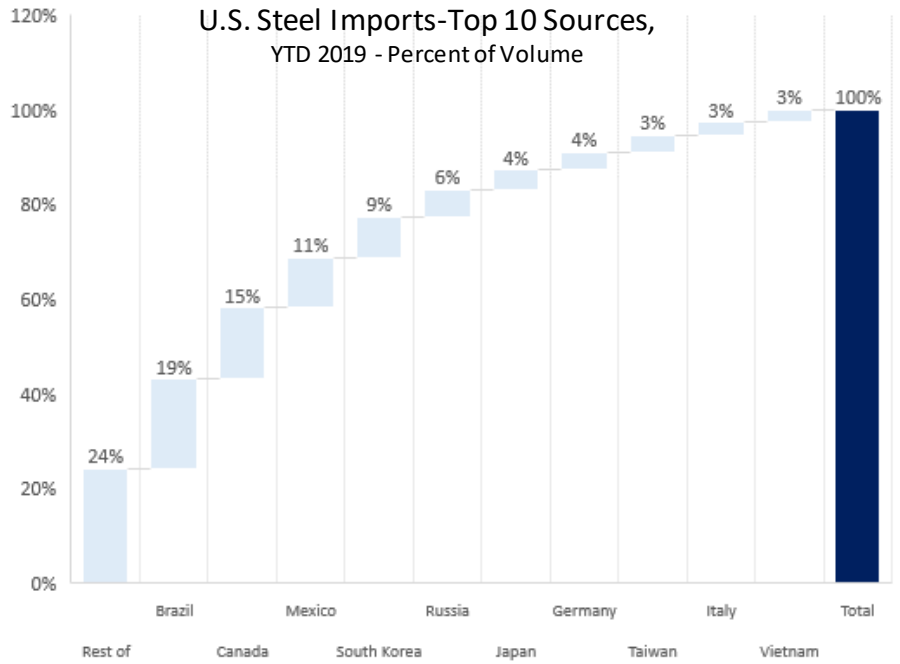
In YTD 2019, flat products accounted for the largest share of U.S. steel imports at 31 percent, or 2.3 million metric tons. Semi-finished products accounted for 27 percent, or 2 million metric tons, followed by pipe and tube products at 23 percent (1.7 million metric tons), long products at 16 percent (1.2 million metric tons), and stainless products at 3 percent (208 thousand metric tons).



Steel Imports Report: United States

Imports by Top Source

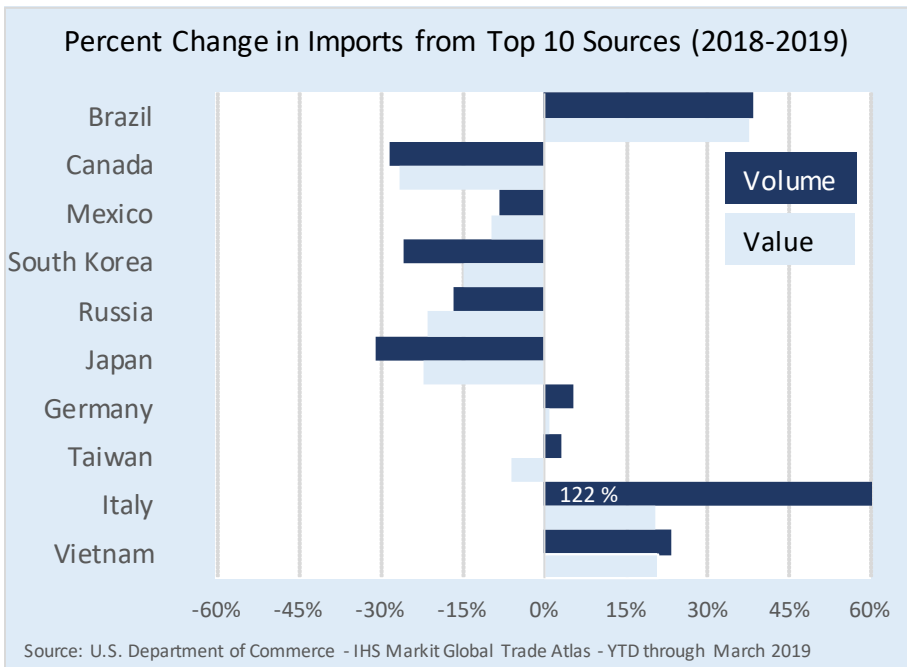
The top 10 source countries for U.S. steel imports represented 76 percent of the total steel import volume in YTD 2019 at 5.6 million metric tons (mmt). Brazil accounted for the largest share of U.S. imports at 19 percent (1.4 mmt), followed by Canada at 15 percent (1.1 mmt), Mexico at 11 percent (783 thousand metric tons), South Korea at 9 percent (636 thousand metric tons), and Russia at 6 percent (443 thousand metric tons).



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

Trends in Imports from Top Sources

From YTD 2018 to YTD 2019, the volume of U.S. imports increased from half of the United States' top 10 import sources. Imports from Italy (122%), showed the largest volume growth in YTD 2019, followed by Brazil (39%), Vietnam (23%), Germany (5%) and Taiwan (3%). Import volume to the U.S. from Japan (-31%) decreased the most, followed by Canada (-28%), South Korea (-26%), Russia (-16%), and Mexico (-8%).



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

The overall value of U.S. imports decreased from six of the top 10 sources. The value of imports from Canada decreased the most in YTD 2019 (-27%), followed by Japan (-22%), Russia (-21%), South Korea (-15%), Mexico (-10%), and Taiwan (-6%). Brazil (38%), Vietnam (21%), Italy (20%), and Germany (1%), increased in value in YTD 2019.

Outside the top 10 sources, other notable volume changes included U.S. imports from 12th-ranked Spain (99%), 19th-ranked Ukraine (119%), and 23rd-ranked Bulgaria (106,327%).

Steel Imports Report: United States

Top Sources by Steel Product Category

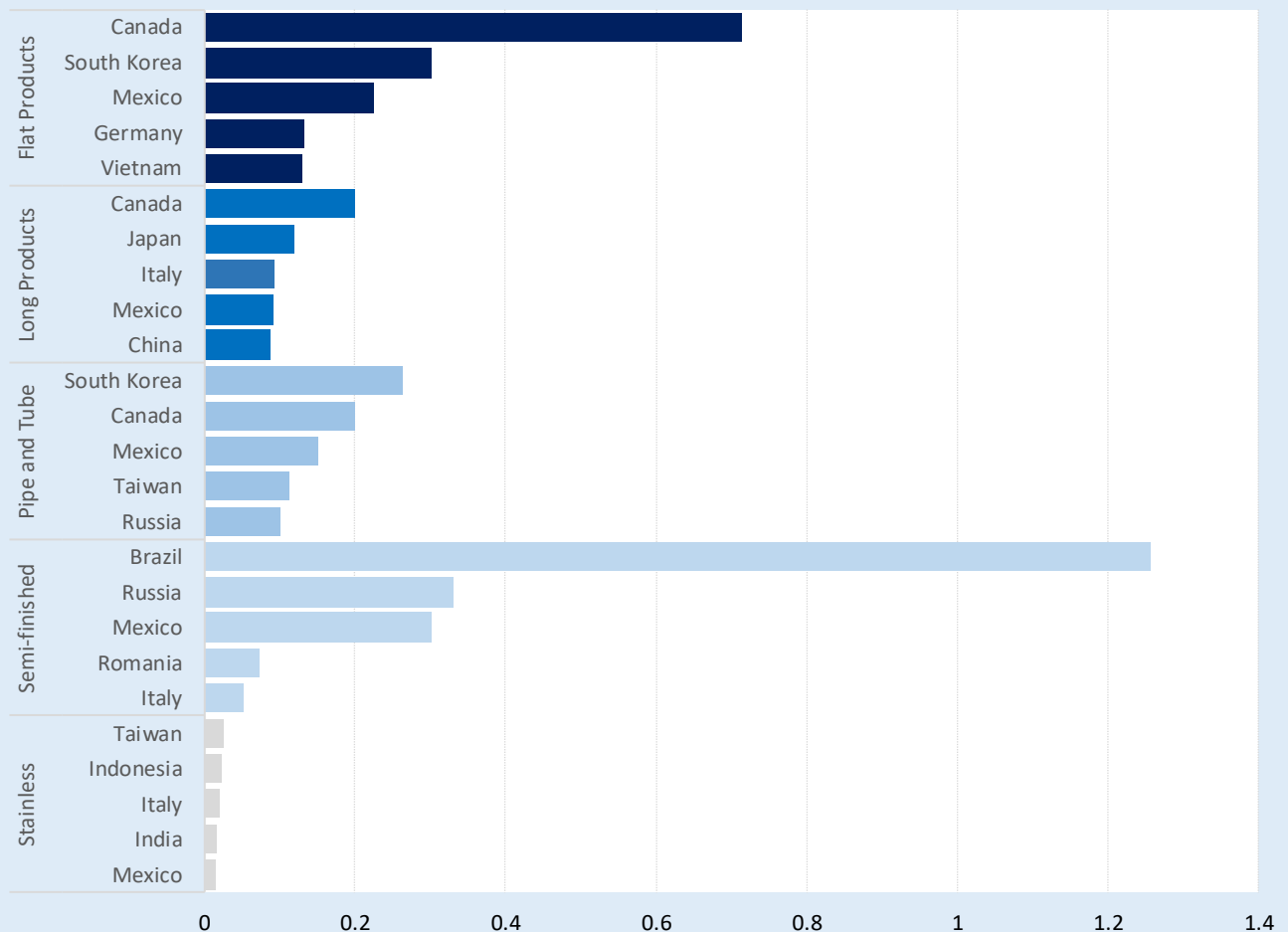
The top source countries for U.S. imports by volume vary across types of steel products. The United States imported the largest share of flat products from Canada in YTD 2019 at 31 percent (714 thousand metric tons), followed by South Korea at 13 percent (301 thousand metric tons). Canada was also the largest source for long product imports at 17 percent (200 thousand metric tons), while Japan sent the second largest share of long products at 10 percent (119 thousand metric tons).

The United States imported 16 percent of its pipe and tube imports from South Korea (264 thousand metric tons), followed by Canada at 12 percent (201 thousand metric tons).

The majority of United States' imports of semi-finished steel came from Brazil in YTD 2019, at 62 percent (1.3 million metric tons). Russia and Mexico were also major sources of semi-finished steel at 16 percent (329 thousand metric tons), and 15 percent (302 thousand metric tons), respectively.

Taiwan was the largest source of imported stainless products at 12 percent (25 thousand metric tons), followed closely by Indonesia at 11 percent (23 thousand metric tons).

U.S. Top 5 Import Sources by Product - YTD 2019



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

Millions of Metric Tons

Steel Imports Report: United States

U.S. Export Market Share from Top Source Countries

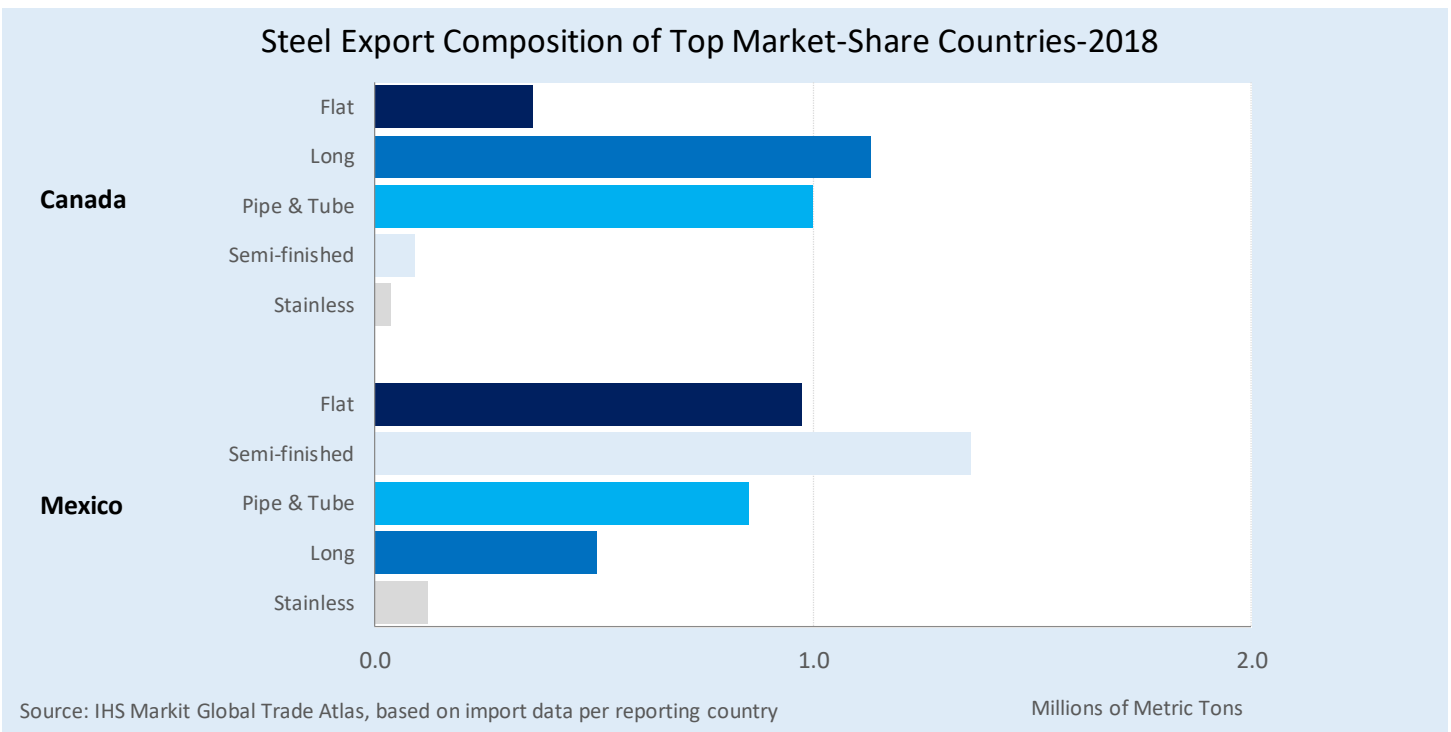
In 2018, the share of steel exports sent to the United States from its top import sources decreased in the majority of its top 10 sources. South Korea's share of exports to the U.S. showed the largest decrease between 2017 and 2018, down 3 percentage points. Taiwan's export share to the U.S. also declined by 1.6 percentage points. The share of exports to the U.S. in Russia, Canada, Japan and Germany all decreased by less than one percentage point.

U.S. Steel Export Market Share						
Top 10 Import Sources	Share of Exports to U.S. - 2017	U.S. Rank in 2017	Share of Exports to U.S. - 2018	U.S. Rank in 2018	Change in Share	
Canada	89.9%	1	89.5%	1	↓	
Brazil	32.8%	1	42.4%	1	↑	
South Korea	11.2%	4	8.2%	4	↓	
Mexico	65.0%	1	67.0%	1	↑	
Russia	3.7%	8	3.5%	8	↓	
Italy	2.9%	7	4.1%	7	↑	
Japan	4.7%	8	3.9%	8	↓	
Germany	5.0%	7	4.8%	8	↓	
Taiwan	9.6%	4	8.0%	4	↓	
Vietnam*	#DIV/0!	N/A	N/A	0	N/A	

Source: IHS Markit Global Trade Atlas, based on import data per reporting country
*Data unavailable for Vietnam

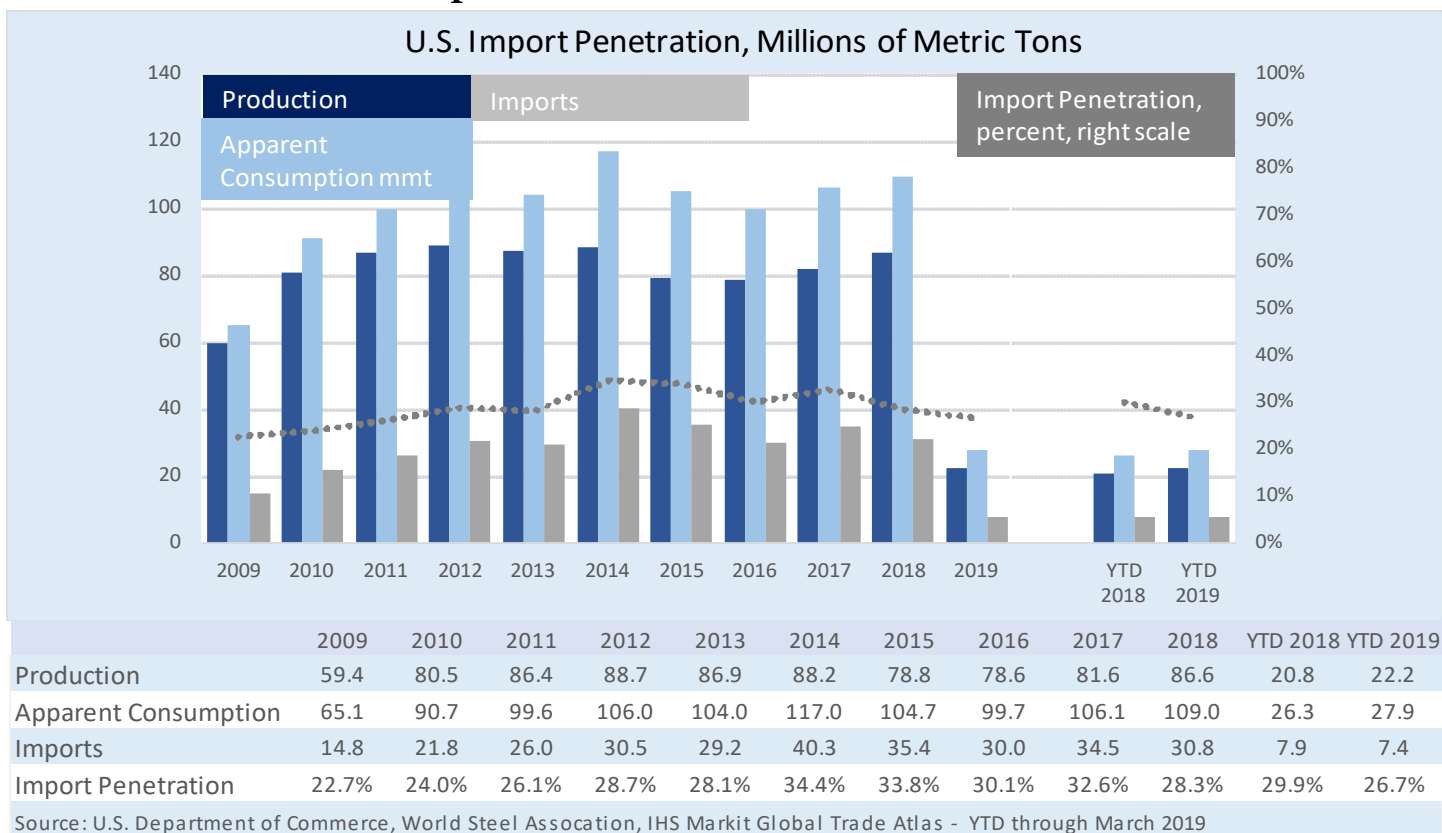
Countries with increases in their share of steel exports to the U.S. included Brazil (up 9.6 percentage points), Mexico (up 2.0 percentage points), and Italy (up 1.2 percentage points).

Among the U.S. top import sources, Canada and Mexico sent more than half of their total steel exports to the United States. In 2018, long products accounted for the largest share of steel exports to the U.S. in Canada at 43 percent (1.1 million metric tons). In Mexico, semi-finished products were the largest steel export to the United States, at 36 percent (1.4 million metric tons).



Steel Imports Report: United States

Overall Production and Import Penetration



Production in 2018 grew from 81.6 mmt in 2017 to 86.6 in 2018. Production further increased 6.8 percent from 20.8 mmt in YTD 2018 to 22.2 mmt in YTD 2019. Since 2009, apparent consumption (a measure of steel demand) has consistently exceeded production. The gap between this measure of steel demand and production increased to -5.7 mmt in YTD 2019 from -5.5 mmt in YTD 2018. 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 2018, import penetration stood at 28.3%, down 4.3 percent from 2017. Import penetration has decreased 10.8 percent from 29.9% in YTD 2018 to 26.7% in YTD 2019.

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.

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

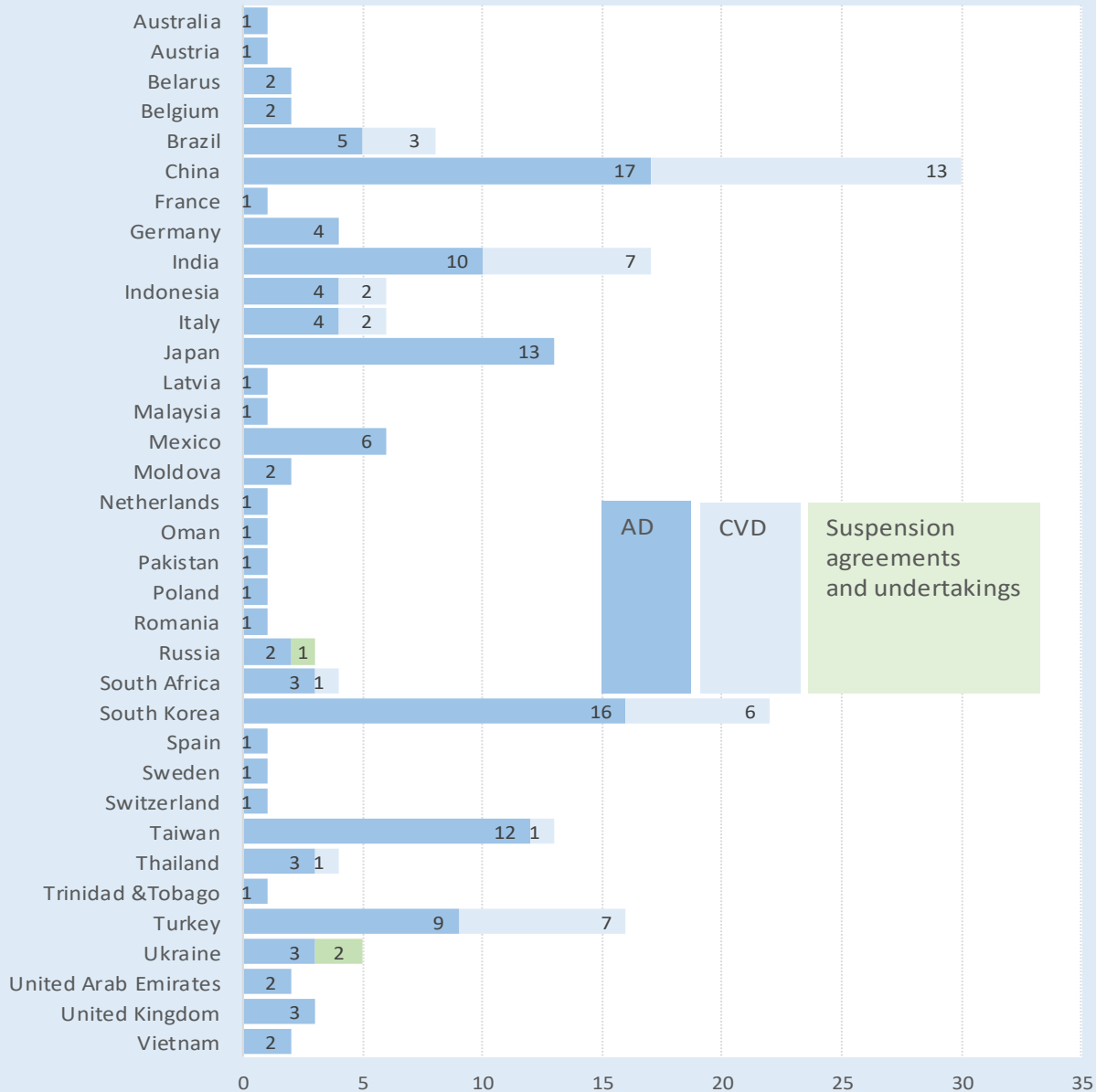
Source: World Steel Association; Hoover's; Bloomberg; Company websites

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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, 2018

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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