

Global Steel Trade Monitor

Steel Exports Report: Spain

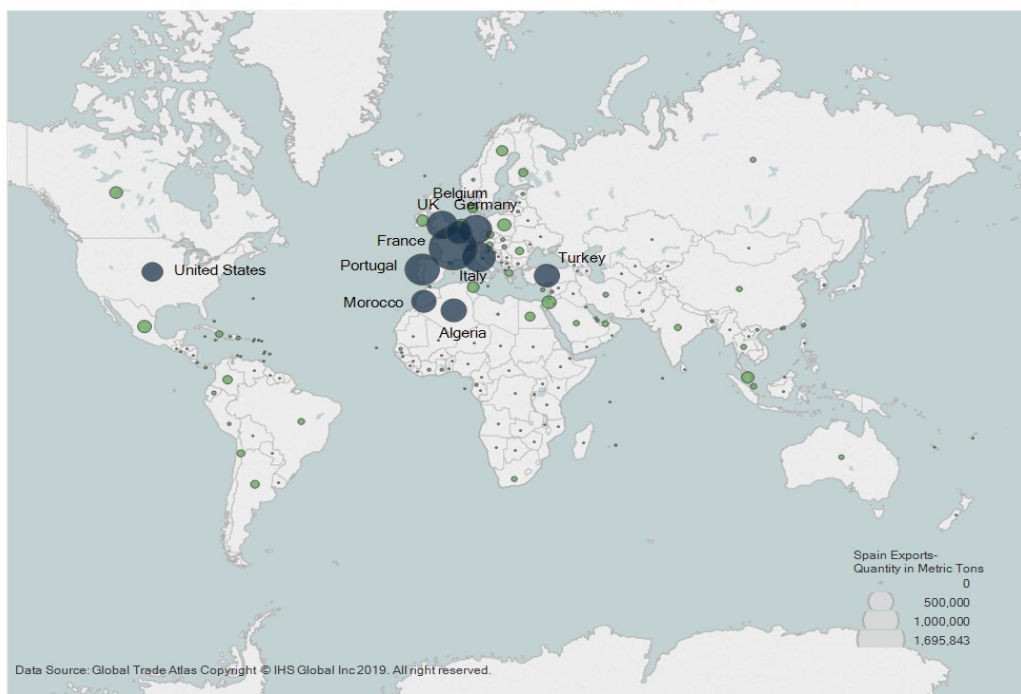
May 2019

Background

As of 2017, Spain is the world's sixteenth-largest steel exporter. In 2018, Spain exported 8.9 million metric tons of steel, a 7 percent decrease from 9.6 million metric tons in 2017. Spain's exports represented about 2 percent of all steel exported globally in 2017. The volume of Spain'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 0.6 percent of the total amount of goods Spain exported in 2018.

Spain exports steel to more than 150 countries and territories. The 10 countries labeled in the map below represent the top markets for Spain's exports of steel, receiving more than 300 thousand metric tons each. The top 10 countries accounted for 76 percent of Spain's steel exports in 2018.

Spain's Exports of Steel Mill Products-2018 (Top Ten in Blue)



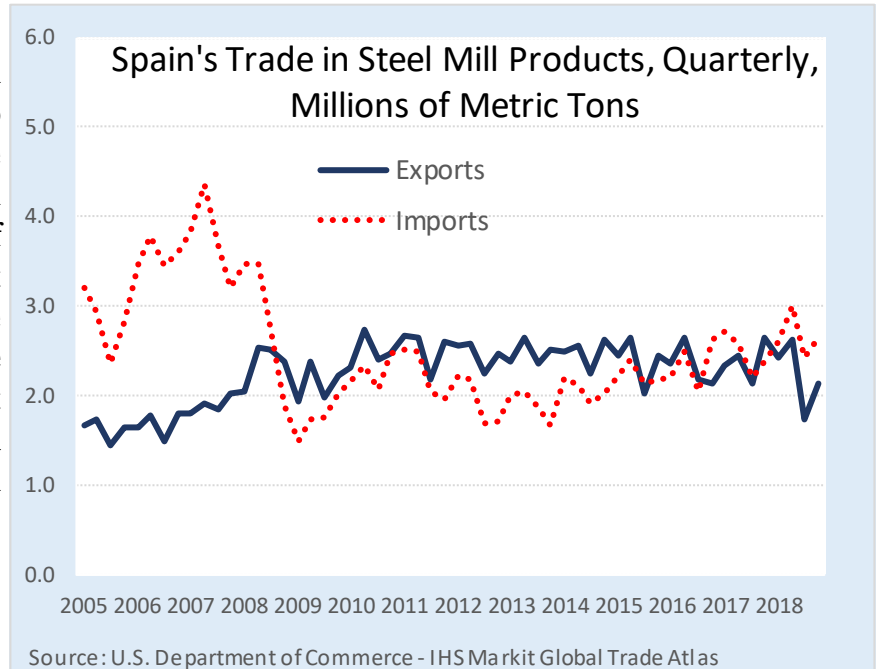
Quick Facts:

- Exported 8.9 million metric tons (2018)
- 5% steel export growth since 2009
- 2018 export volume down 7% while export value up 11%
- Exports as a share of production down from 66.3% in 2017 to 62.4% in 2018
- Top three markets: France, Portugal, Italy
- Top Producers: ArcelorMittal, Acerinox, MEGASA,, and Sidoror
- 11 trade remedies in effect involving steel mill imports from Spain

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Steel Trade Balance

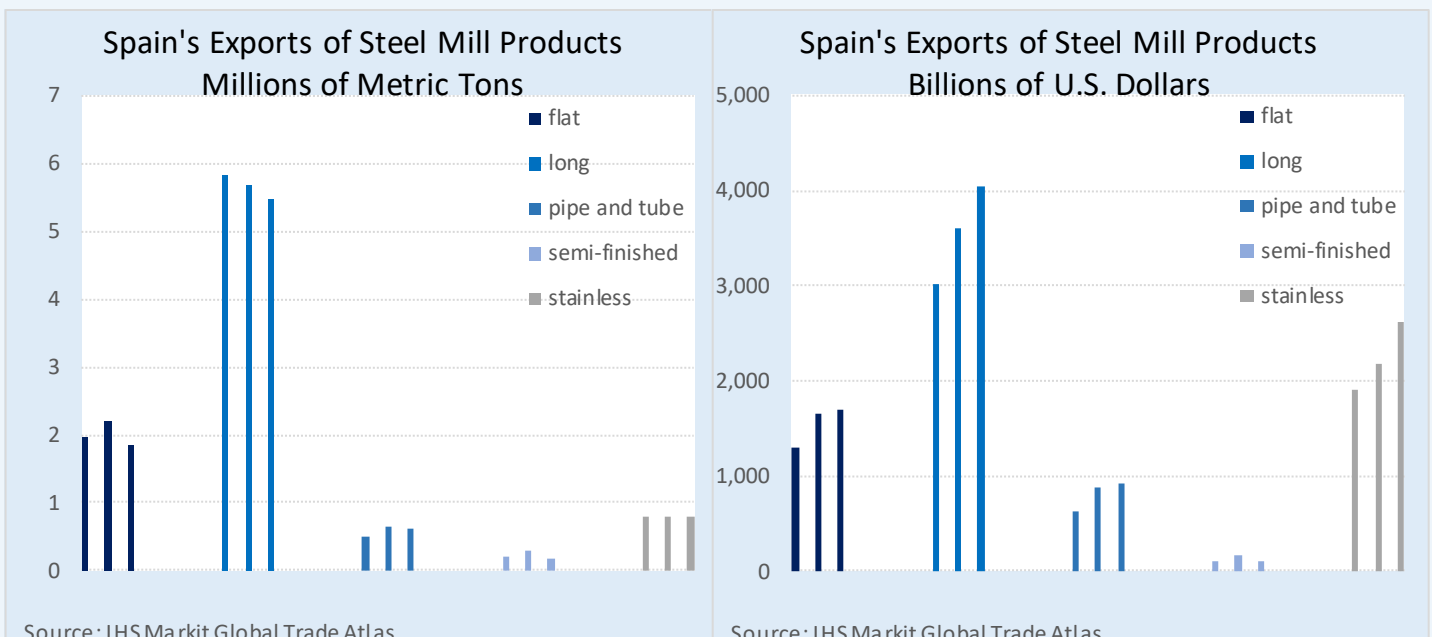
Spain was a net importer of steel from 2005 to 2008, while from 2009 to 2015 it was a net steel exporter. Since 2016, Spain has maintained a steel deficit once again, as the volume of exports has only increased 5 percent since 2009, while imports have increased 52 percent over the same period. Spain's 2018 steel trade deficit amounted to -1.7 million metric tons, a significant 458 percent increase from 2017 at -313 thousand metric tons.



Export Volume, Value, and Product

Spain's exports of steel have remained relatively stagnant and are currently around its 2009 level. In 2018, Spain's steel exports were down 7 percent to 8.9 million metric tons from 9.6 million metric tons in 2017. Conversely, the value of 2018 steel exports has increased by 11 percent to \$9.4 billion from \$8.5 billion in 2017.

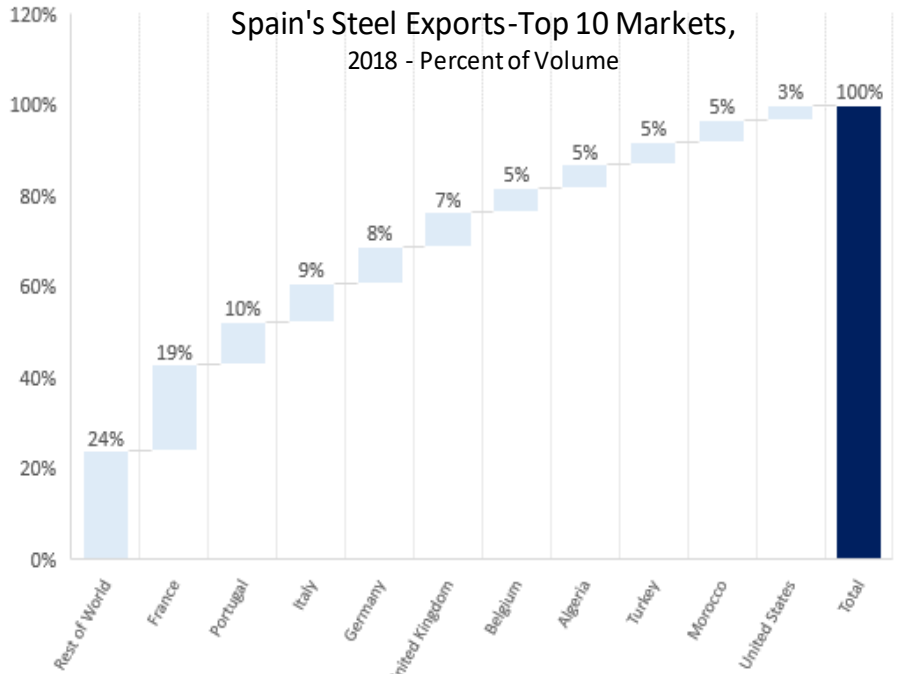
Long products accounted for the largest share of Spain's steel exports in 2018 at 61 percent, or 5.5 million metric tons. Flat products accounted for 21 percent, or 1.9 million metric tons, of Spanish exports of steel in 2018, followed by stainless steel products at 9 percent (808 thousand metric tons), pipe and tube products at 7 percent (620 thousand metric tons), and semi-finished steel at 2 percent (163 thousand metric tons).



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Exports by Top Market

Exports to Spain's top 10 markets represented 76 percent of Spain's steel export volume in 2018 at 7.8 million metric tons (mmt). France was the largest market for Spanish steel exports with 19 percent (1.7 mmt), followed by Portugal with 10 percent (0.9 mmt), and Italy with 9 percent (0.8 mmt). The rest of Spain's top steel exports go mainly to its European and Middle Eastern neighbors. The United States ranked tenth as a destination for Spanish steel exports, accounting for 3 percent (307 thousand metric tons).



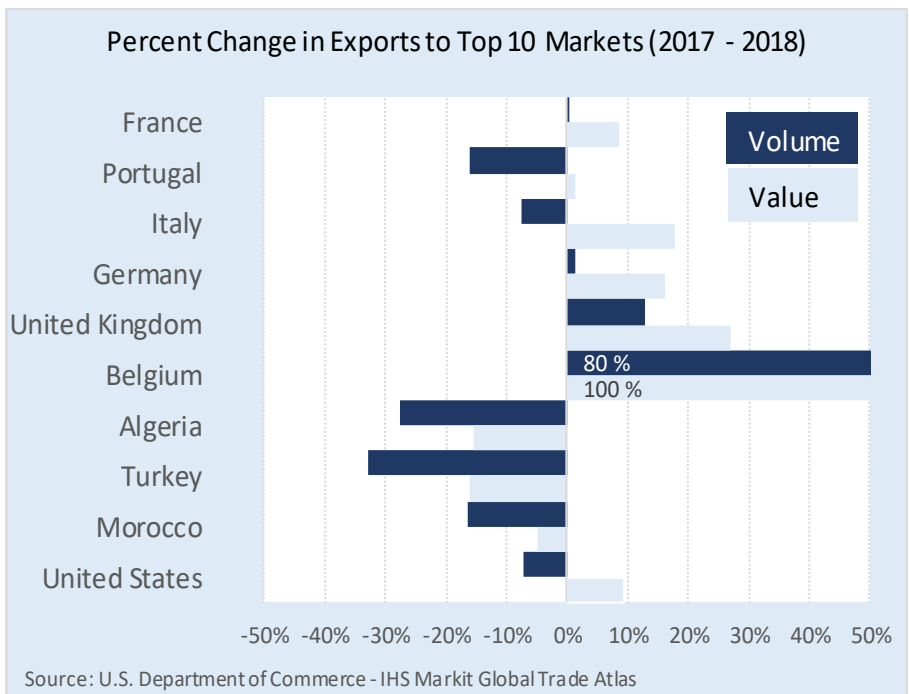
Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas

Trends in Exports to Top Markets

Between 2017 and 2018, the volume of Spain's steel exports decreased in 6 of the country's top 10 steel export markets. Spain's exports to Turkey saw the largest decrease in volume (-33% from 2017), followed by exports to Algeria (-28%), Morocco (-16%), Portugal (-16%), Italy (-8%), and the United States (-7%). Spain's exports to Belgium saw the largest increase in volume (80%), followed by the United Kingdom (13%), Germany (1%), and France (<1%).

The value of Spain's exports between 2017 and 2018 increased in 7 of its top 10 markets. Export values increased the most to Belgium (+100%), followed by the United Kingdom (27%), Italy (18%), Germany (16%), France (9%), the United States (9%), and Portugal (1%). The top 10 trading partners with the largest decreases in Spanish export value were Turkey (-16%), Algeria (-15%), and Morocco (-5%).

Outside of the top 10 markets, other notable volume changes in 2018 included Spanish exports to 11th-ranked Netherlands (-21%), 14th-ranked Poland (-20%), 18th-ranked Tunisia (-36%), and 19th-ranked Sweden (50%).



Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas

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Top Markets by Steel Product Category

Spain's top export markets by volume vary across types of steel products, though France was the top export market for 3 of the 5 product categories. In 2018, 24 percent of Spain's exports of flat products went to France (444 thousand metric tons). France was also the top market for Spain's exports of long products at 19 percent (1.1 million metric tons) and Spain's exports of pipe and tube products at 23 percent (142 thousand metric tons).

A plurality of Spain's semi-finished steel exports went to Morocco at 26 percent (42 thousand metric tons). Spain exported 19 percent (154 thousand metric tons) of its stainless steel exports to Germany.

The United States was the second largest export destination for Spain's exports of pipe and tube products, at 19 percent (120 thousand metric tons).



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Spain's Import Market Share in Top Destinations

In 2018, the import market share for Spanish steel products increased slightly or remained unchanged in six of the top export destinations, for which data are available. The share of steel imports from Spain increased in France, up 1.3 percentage points from 2017, followed by the U.K. (0.9 percentage points), Turkey (0.2 percentage points), Germany (0.1 percentage points), and Italy's and Belgium's shares were essentially unchanged.

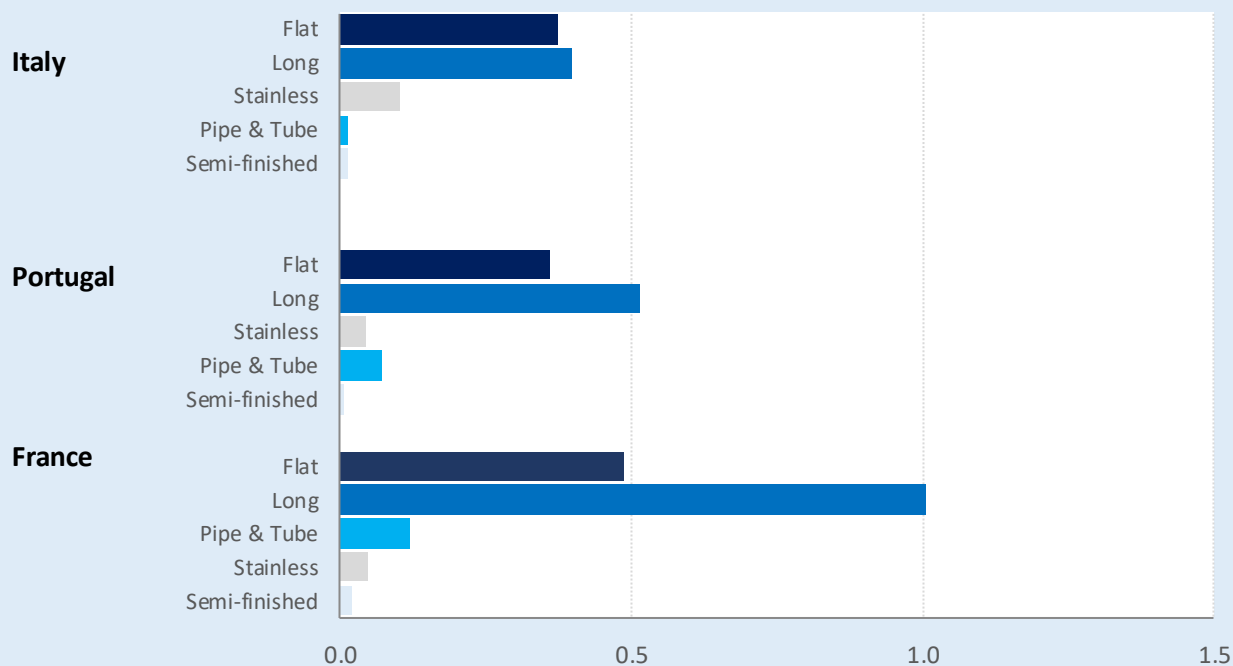
The share of imports from Spain showed a decrease in Portugal (-1.6 percentage points), followed by the U.S. (-0.3 percentage points), and Morocco (-0.2 percentage points).

Spain's Steel Import Market Share					
Top 10 Export Markets	Share of Imports from Spain - 2017	Spain's Rank in 2017	Share of Imports from Spain - 2018	Spain's Rank in 2018	Change in Share
France	10.0%	4	11.3%	4	↑
Portugal	34.3%	1	32.7%	1	↓
Italy	4.3%	8	4.3%	9	↑
Germany	2.3%	11	2.4%	11	↑
United Kingdom	8.5%	4	9.4%	3	↑
Belgium	1.5%	14	1.5%	15	↓
Algeria	14.5%	4	N/A	N/A	N/A
Turkey	4.8%	7	5.0%	7	↑
Morocco	29.9%	1	29.7%	1	↓
United States	1.2%	16	0.9%	16	↓

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

Among Spain's top export markets, long products were the main steel imports from Spain in both France and Portugal, accounting for 60 percent (1.0 million metric tons) and 52 percent (515 thousand metric tons) in these countries, respectively. Italy received the largest share (44 percent or 399 thousand metric tons) of its steel imports from Spain in the form of long products in 2018.

Steel Import Composition of Top Market-Share Countries - 2018

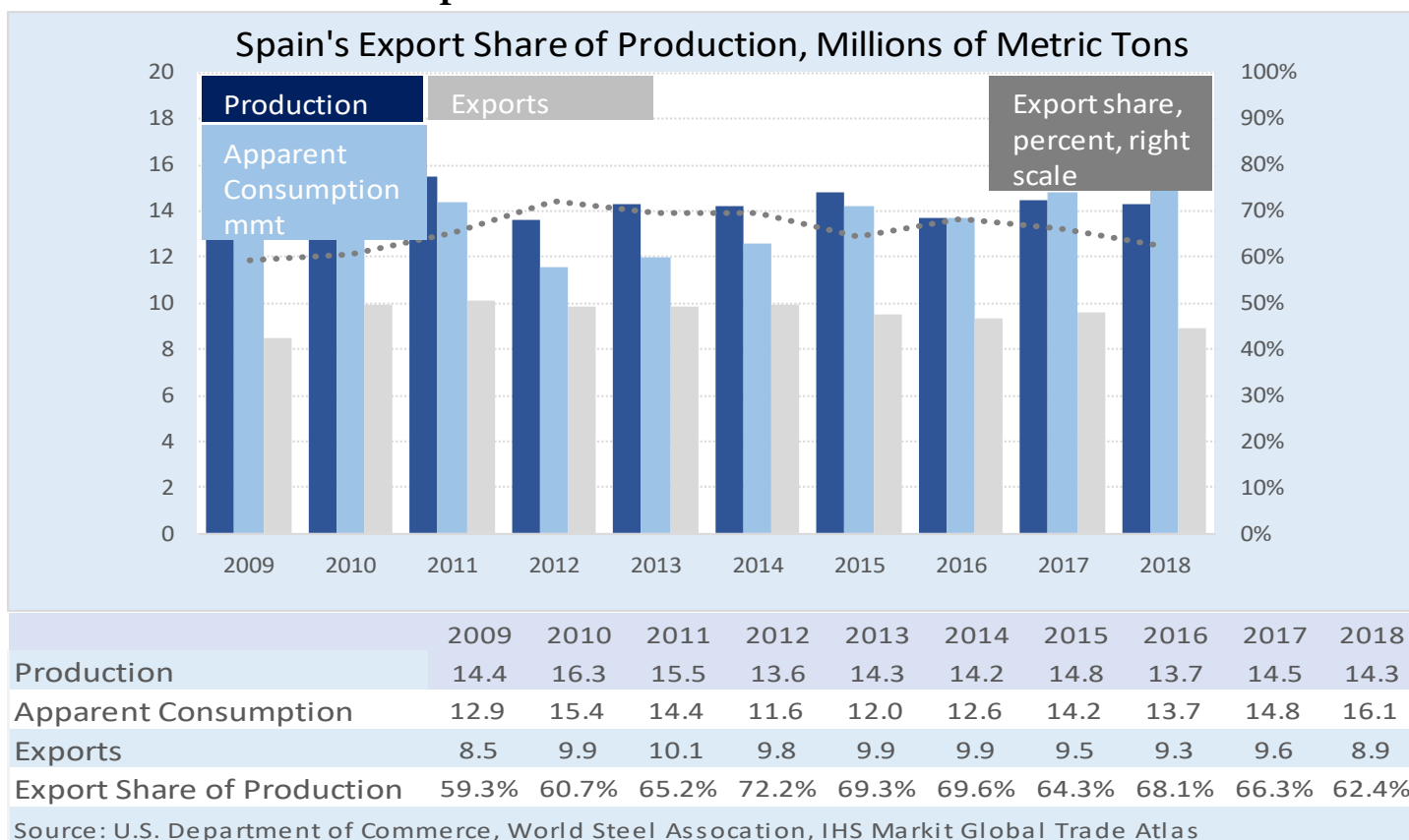


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

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Overall Production and Export Share of Production



Source: U.S. Department of Commerce, World Steel Association, IHS Markit Global Trade Atlas

Spain's crude steel production decreased 1 percent between 2017 and 2018, from 14.5 million metric tons to 14.3 million metric tons. Production has ordinarily exceeded apparent consumption (a measure of steel demand) in Spain until 2016, when the country began to run a deficit. Spain experienced a significant increase in demand for steel during 2018, rising 1.3 million metric tons from 14.8 in 2017 to 16.1 in 2018. As domestic consumption increased, exports declined from 9.6 million metric tons in 2017 to 8.9 million metric tons in 2018. In 2018, the gap between domestic production and apparent consumption stood at 1.8 million metric tons, a 1.5 million metric ton increase from 0.3 million metric tons in 2017.

Top Producers

The top steel producers in Spain are mostly domestically-owned firms, except for the multinational firm ArcelorMittal. Steel production is highly concentrated, with the top two firms accounting for well over half of Spain's total 2017 production of steel.

Spain's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal*	7.00	Flat-rolled sheets, long products
2	Acerinox SA	6.00	Stainless Sheet
3	MEGASA Group	N/A	rebar, wire rod
4	Sidenor	N/A	wire rods, billet, rebar

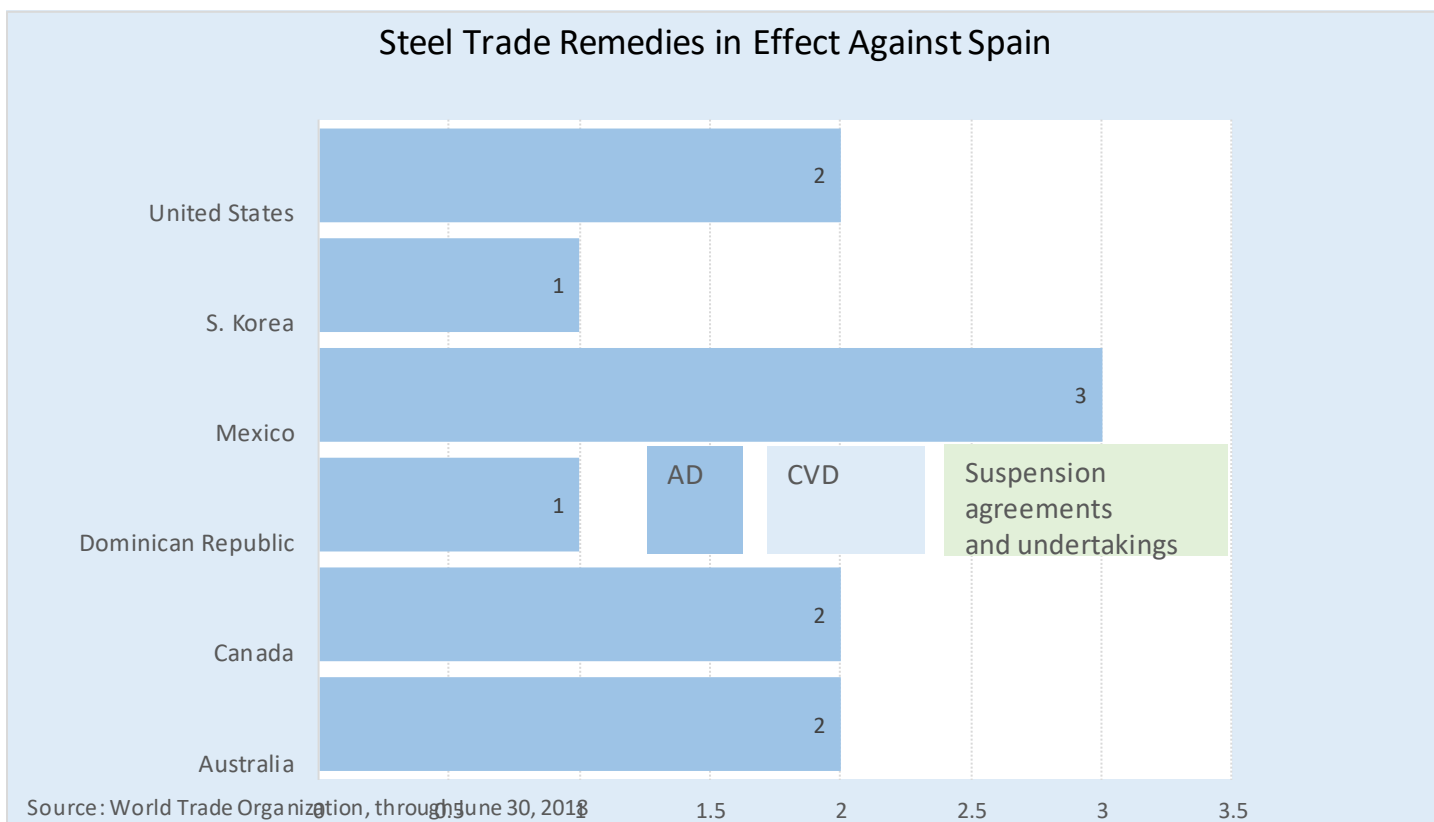
Source: Meta Bulletin, *Iron & Steel works of the World* ; Company websites

*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 various



Global Steel Mill Safeguards in Effect

Country	Product(s)
Gulf Cooperation Council	Flat-rolled steel
India	Hot-rolled steel flat sheets and plates
Indonesia	1) Flat-rolled products of iron or non-alloy steel; 2) 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
Philippines	Steel angle bars
South Africa	Hot-rolled steel flat products
Thailand	1) Hot-rolled steel flat products with certain amounts of alloying elements; 2) Unalloyed hot-rolled steel flat products in coils and not in coils; 3) Structural hot-rolled H-beams with alloy
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 September 30, 2018

Steel Exports 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.

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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