



Global Steel Trade Monitor

Steel Imports Report: Canada

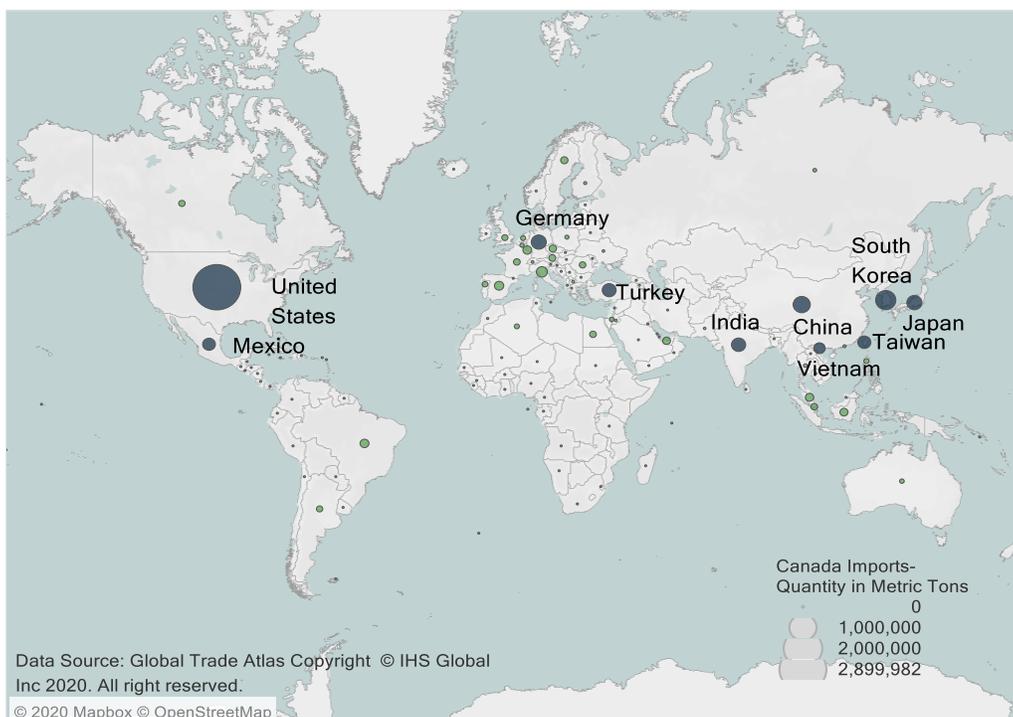
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Background

Canada was the world's nineteenth-largest steel importer in 2019. In 2019, Canada imported 6.8 million metric tons of steel, a 24 percent decrease from 8.9 million metric tons in 2018. Canada's imports represented about 2 percent of all steel imported globally in 2019. The volume of Canada's 2019 steel imports was almost one-fourth that of the United States, the world's largest steel importer. In value terms, steel represented about 2.0 percent of the total goods imported into Canada in 2018.

Canada imports steel from over 100 countries and territories. The ten countries and territories labeled in the map below represent Canada's top sources of steel in 2019, each sending more than 150 thousand metric tons and together accounting for 5.4 million metric tons of steel or 78 percent of Canada's total steel imports.

Canada's Imports of Steel Mill Products-YTD 2019 (Top Ten in Blue)



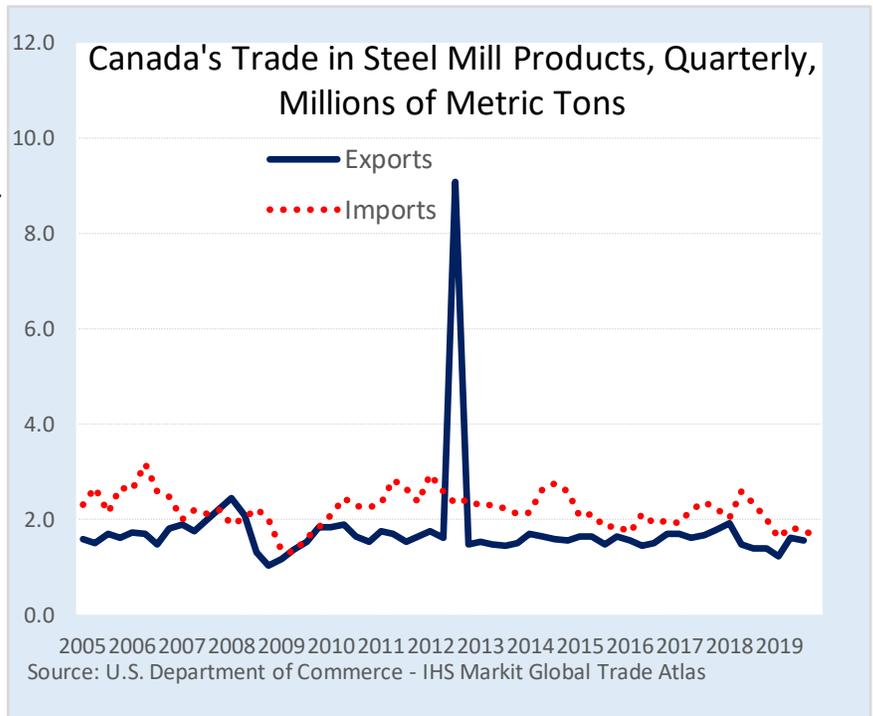
Quick Facts:

- In 2019, Canada imported 6.8 million metric tons of steel
- 12% steel import growth since 2009
- 2019 import volume down 24% and import value down 19% from 2018
- Import penetration at 49.2% in 2019, down from 56.5% in 2018
- Top three import sources: United States, South Korea, China
- Largest producers: ArcelorMittal, Essar Steel, Algoma

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Steel Trade Balance

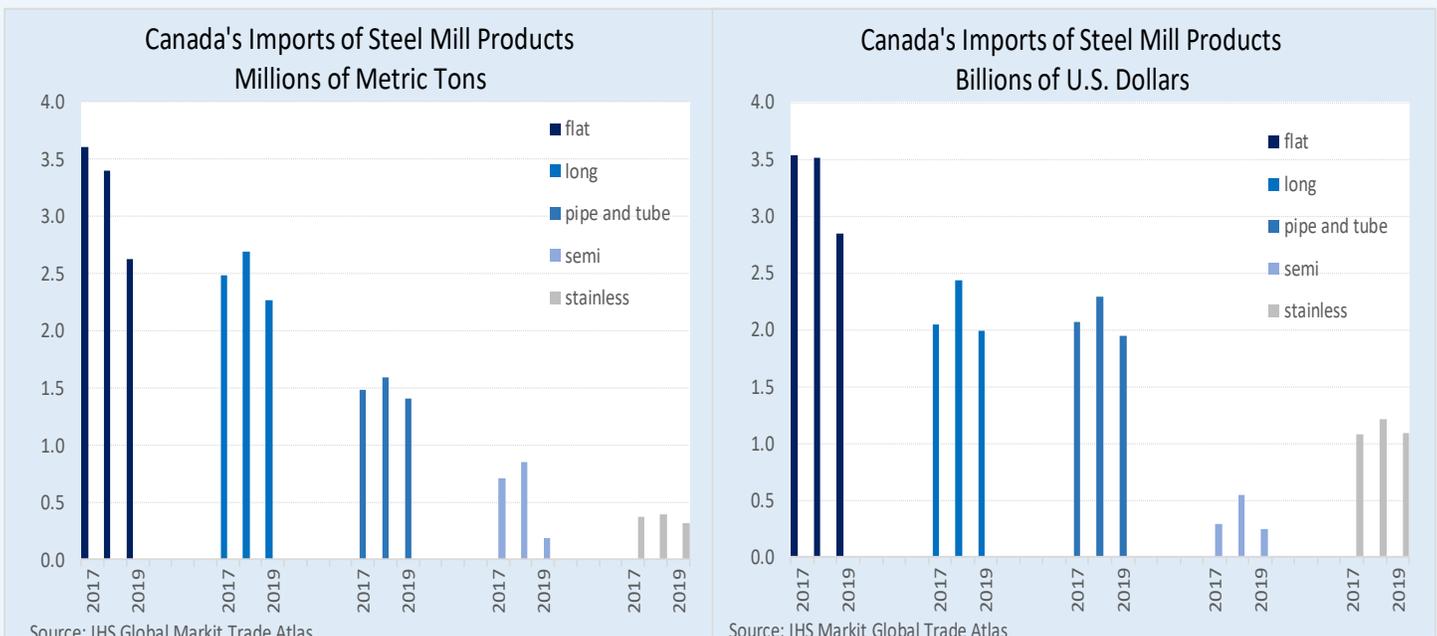
With the exception of three quarters, Canada has maintained a moderate trade deficit in steel products since 2005. Rising exports in the first half of 2008 and a spike in exports in Q4 2012 caused the deficit to briefly become a surplus. Since their recent low point in 2009, imports grew 12 percent by 2019, while exports grew 14 percent. In 2019, Canada's steel trade deficit amounted to 1.1 million metric tons, a 56 percent decrease from 2.4 million metric tons in 2018.



Import Volume, Value, and Product

Since 2016, the volume of Canada's imports of steel mill products have trended modestly upwards. In 2019, Canada imported 6.8 million metric tons, a 24% decrease from 8.9 million metric tons in 2018. In value terms, Canada's 2019 imports decreased by 19 percent to \$8.1 billion from \$10 billion in 2018.

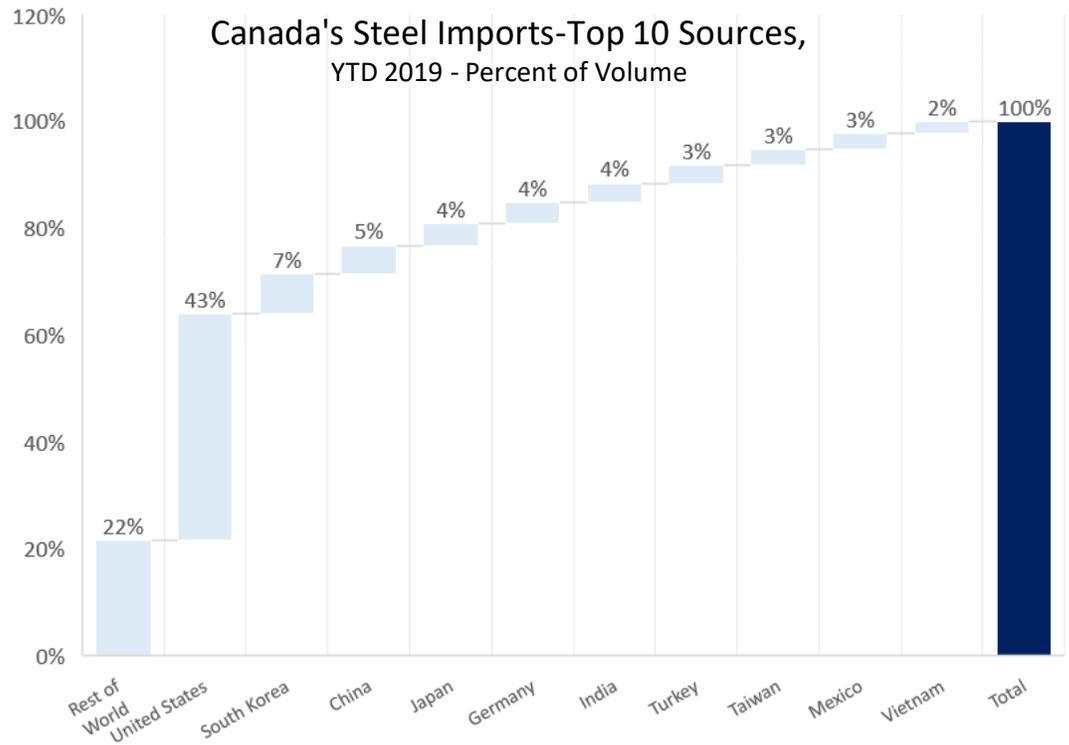
Flat products accounted for 39 percent of Canada's steel imports in 2019 — a total of 2.6 million metric tons. Long products accounted for 33 percent of imports (2.3 million metric tons), followed by pipe and tube products at 21 percent (1.4 million metric tons), stainless products at 5 percent (321 thousand metric tons), and semi-finished products at 3 percent (189 thousand metric tons).



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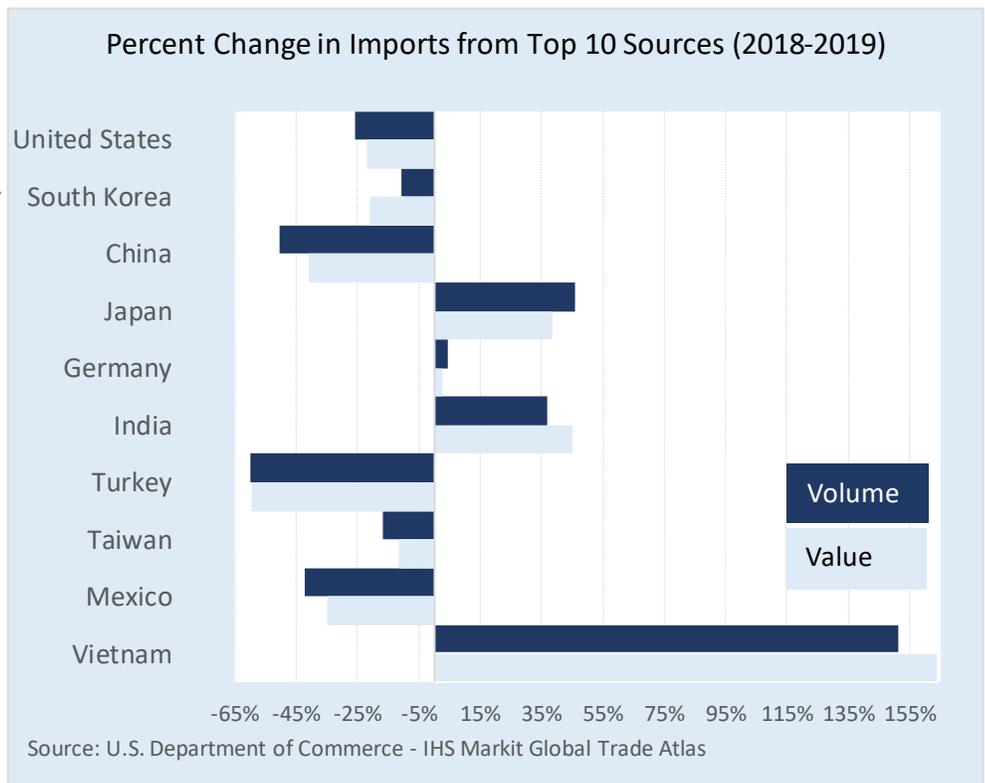
Imports by Top Source

The top 10 source countries for Canada's steel imports represent 78 percent of the total steel import volume in 2019 at 5.4 million metric tons (mmt). The United States accounted for the largest share of Canada's imports by source country with 43 percent (2.9 mmt), followed by South Korea at 7 percent (0.5 mmt), China at 5 percent (0.4 mmt), and Japan at 4 percent (0.3 mmt).



Trends in Imports from Top Sources

The volume of Canada's steel imports increased from 4 of Canada's top 10 steel import sources between 2018 and 2019. Imports from Vietnam increased the most in 2019, up 151 percent by volume. Imports from Japan showed the second largest increase, up 46 percent, followed by imports from India (37%) and Germany (4%). Imports from the United States decreased 26 percent, and imports from China declined 50 percent and from Turkey 60 percent.



Canada's imports in value terms increased also from 4 of its top 10 sources with the largest increases from Vietnam (164%), India (45%), Japan (39%), and Germany (3%). Imports from the United States decreased in value terms by 22 percent, while imports from Mexico declined 35 percent, and imports from China declined 41 percent.

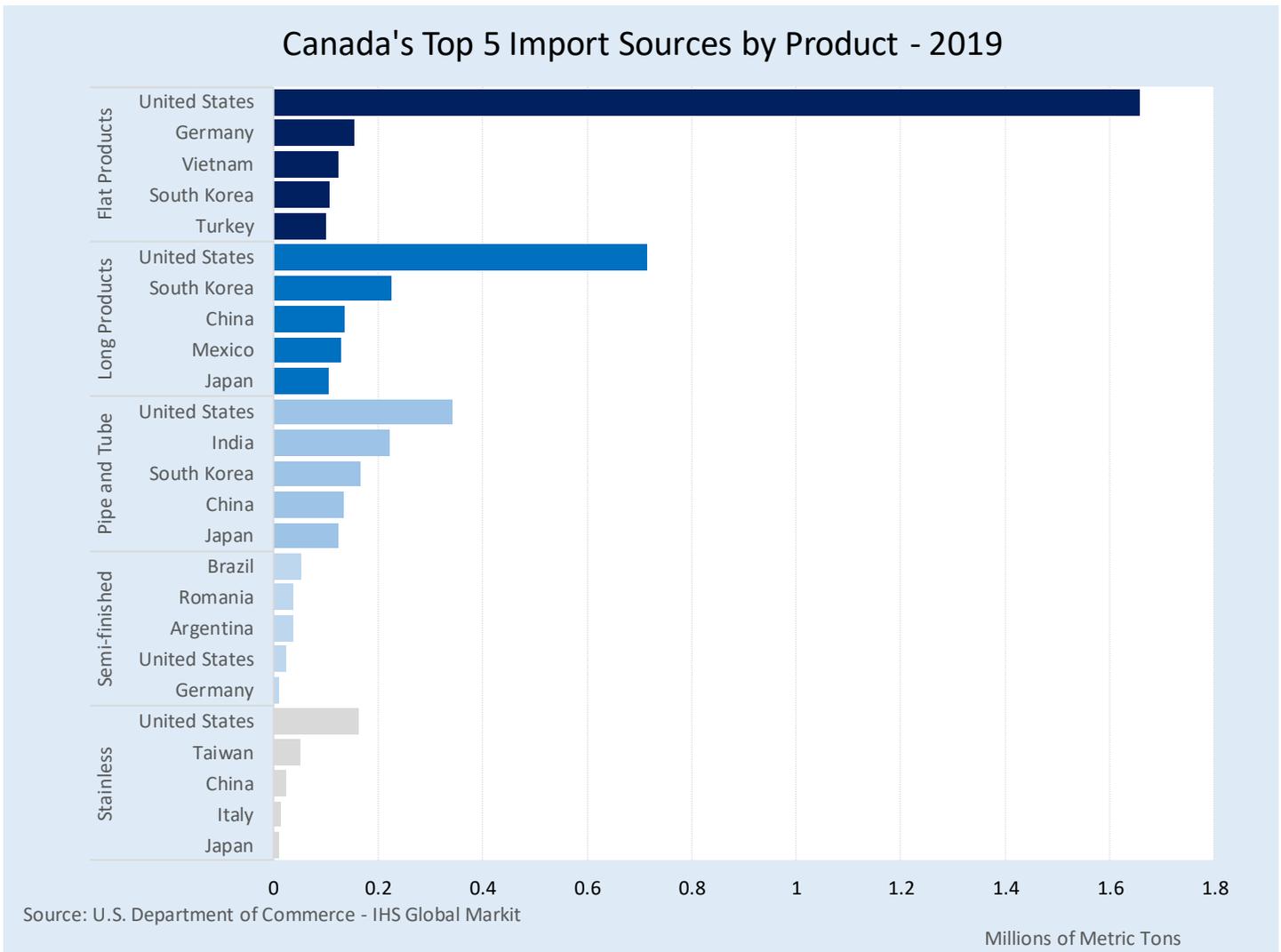
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Top Sources by Steel Product Category

The top source countries for Canada’s imports by volume vary across types of steel products, though the United States held the top position for imports in four of the five product categories. Additionally, the United States accounted for more than 50 percent of Canada’s imports in two of the five categories.

The United States was the largest source of Canada’s steel imports in flat, long, pipe and tube, and stainless products. In flat products, the United States accounted for 63 percent of Canada’s imports (1.7 million metric tons) in 2019. Imports from the United States accounted for 31 percent of Canada’s long product imports (713 thousand metric tons), 24 percent of pipe and tube imports (342 thousand metric tons), and 51 percent of stainless imports (164 thousand metric tons).

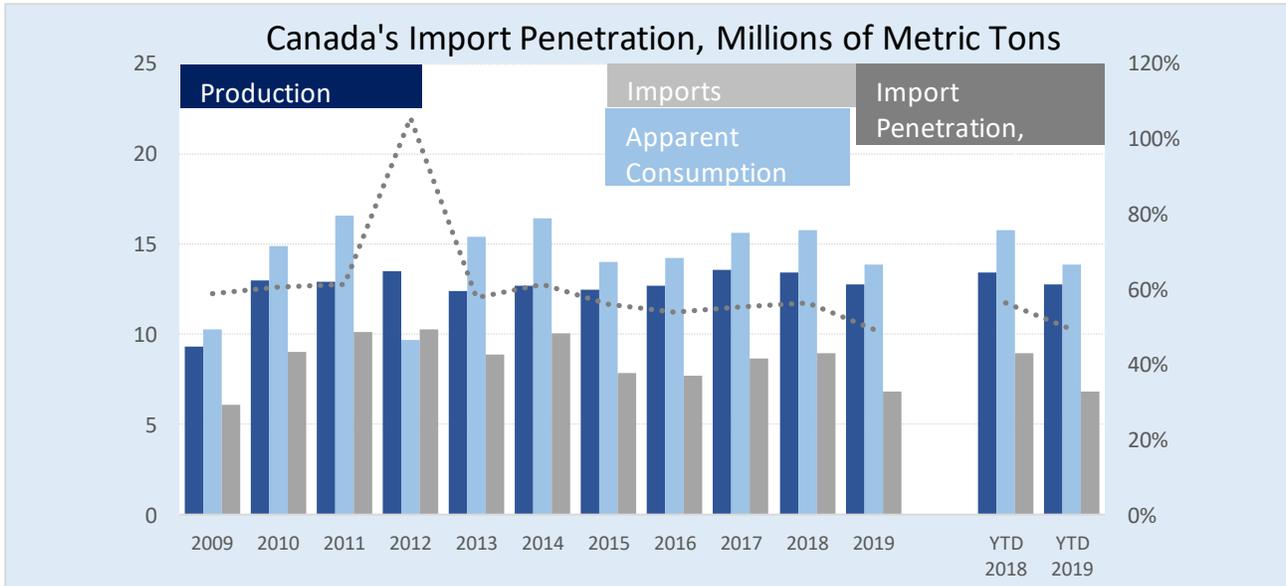
Brazil was the largest source of Canada’s semi-finished imports, accounting for 28 percent of imports (54 thousand metric tons).



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Overall Production and Import Penetration

Canada's crude steel production averaged around 12.6 million metric tons between 2009 and 2019. Production in 2019 was down 4 percent to 12.8 million metric tons from 13.4 million metric tons in 2018. Apparent consumption (a measure of steel demand) was greater than production for much of the period, excluding 2012 when a spike in exports pushed demand down. The gap between demand and production decreased from 2.4 million metric tons in 2018 to 1.1 million metric tons 2019. Import penetration averaged 62 percent between 2009 and 2019, with 2012 being a major aberration at 105.6 percent import penetration, due to a temporary jump in exports. Import penetration stood at 49 percent in 2019, a decrease from 57 percent in 2018.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2018	YTD 2019
Production	9.3	13.0	12.9	13.5	12.4	12.7	12.5	12.7	13.6	13.4	12.8	13.4	12.8
Apparent Consumption	10.3	14.9	16.6	9.7	15.4	16.4	14.0	14.3	15.6	15.8	13.9	15.8	13.9
Imports	6.1	9.0	10.2	10.3	8.9	10.1	7.9	7.7	8.7	8.9	6.8	8.9	6.8
Import Penetration	58.9%	60.7%	61.4%	105.6%	57.8%	61.4%	55.9%	54.1%	55.5%	56.5%	49.2%	56.5%	49.2%

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

Top Producers

Steel production in Canada is dominated by foreign-owned companies as many domestically-owned firms were purchased by steel companies from outside of Canada. The largest producer, Luxembourg-based ArcelorMittal, alone accounts for roughly half of Canadian steel production through its two subsidiaries.

Canada's Top Steel Producers in 2018

Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal Dofasco	4.5 (shipments)	Hot-rolled sheet, cold-rolled sheet, galvanized
2	ArcelorMittal Long Products Canada	2 (production)	Semi-finished, reinforcing bars, bars, wire rod, wire
3	Essar Steel Algoma	2.8 (capacity)	Hot-rolled sheet, cold-rolled sheet, plates
4	Evraz	N/A	Plate, coil, OCTG
5	Gerdau	N/A	Long products
6	U.S. Steel Canada (Stelco)	N/A	Hot-rolled sheet, cold-rolled sheet, galvanized

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

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.

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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