



# Global Steel Trade Monitor

## Steel Imports Report: China

May 2020

### Background

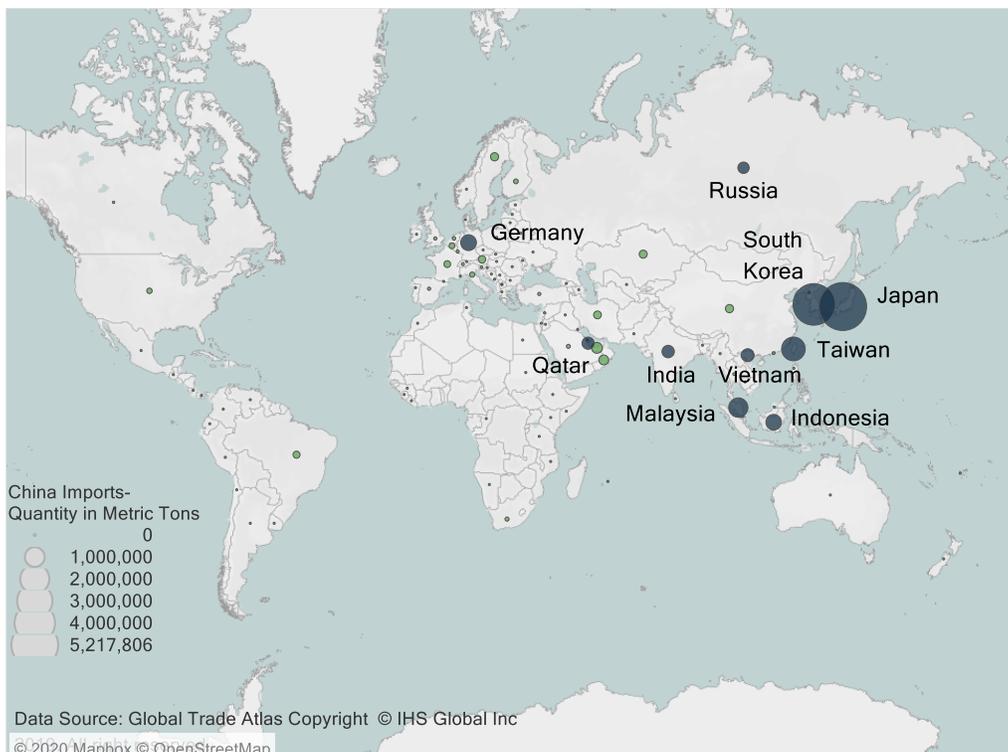
China was the world's eight largest steel importer in 2018. In 2019, China imported 15.3 million metric tons of steel, an 8 percent increase from 14.2 million metric tons in 2018. China's imports represented about 4 percent of all steel imported globally in 2019 (according to available data). The volume of China's 2019 steel imports was about 60 percent that of the world's largest importer, the United States. In value terms, steel represented under one percent of the total goods imported into China in 2019.

In 2019, China imported steel from over 80 countries and territories. The ten countries highlighted in the map below represent the top import sources for China's imports of steel, with each sending more

### Quick Facts:

- Imported 15.3 million metric tons in 2019
- 30.9% decline in steel imports since 2009
- 2019 import volume up 8.2% and import value down 12% since 2018
- Import penetration down from 1.63% in 2018 to 1.62% in 2019
- Top three import sources: Japan, South Korea, Taiwan
- Largest producers: China Baowu Group, HBIS Group and Shagang Group

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



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## Steel Trade Balance

In 2005, China's steel exports and imports were virtually in balance. Since then, with the exception of 2009, China's exports have increased dramatically, growing 169.7 percent between 2009 and 2019. During the same period, China's imports have trended downwards, and decreased by 30.9 percent.

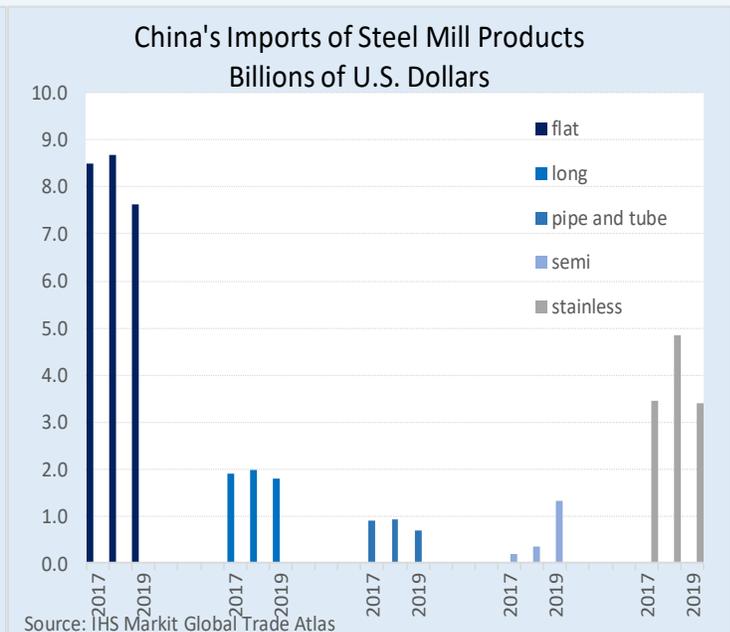
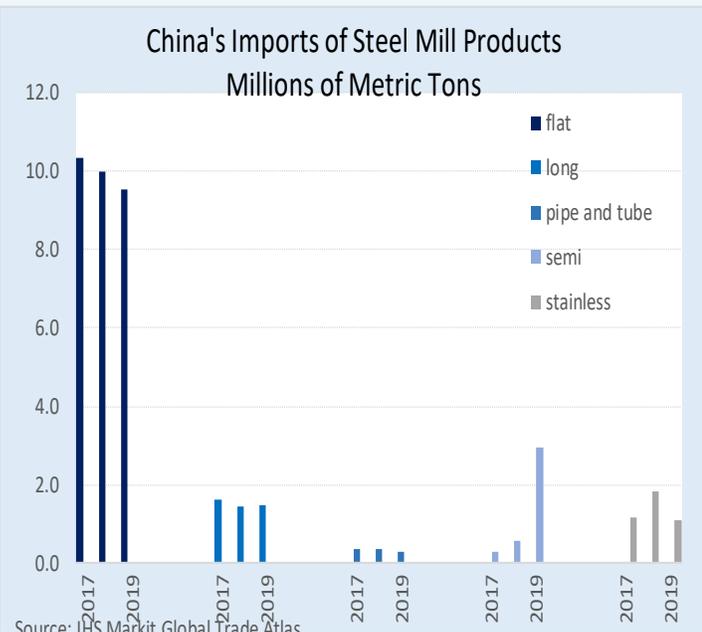
After a steel trade deficit in 2005, China has posted a steel surplus every year since 2006. China's steel trade surplus peaked at 97.0 million metric tons in 2015. In 2019, this surplus amounted to 46.7 million metric tons, an 11 percent decrease from a 52.7 million metric ton surplus in 2018.



## Import Volume, Value, and Product

China's level of steel imports has been trending downwards in recent years. However, in 2019, the volume of China's steel imports have increased 8 percent to 15.3 million metric tons from 14.2 million metric tons in 2018. The value of China's 2019 steel imports decreased 12 percent to \$14.8 billion from \$16.8 billion in 2018.

Flat products accounted for over half of China's steel imports amounting to 9.5 million metric tons (mmt) in 2019— 62 percent of all China's steel imports. Semi-finished steel accounted for 19% or 3.0 million metric tons. Long products and stainless steel accounted for 10 and 7 percent, or 1.5 million metric tons and 1.1 million metric tons of China's 2019 steel imports respectively. Pipe and tube products at 2% or 274 thousand metric tons.

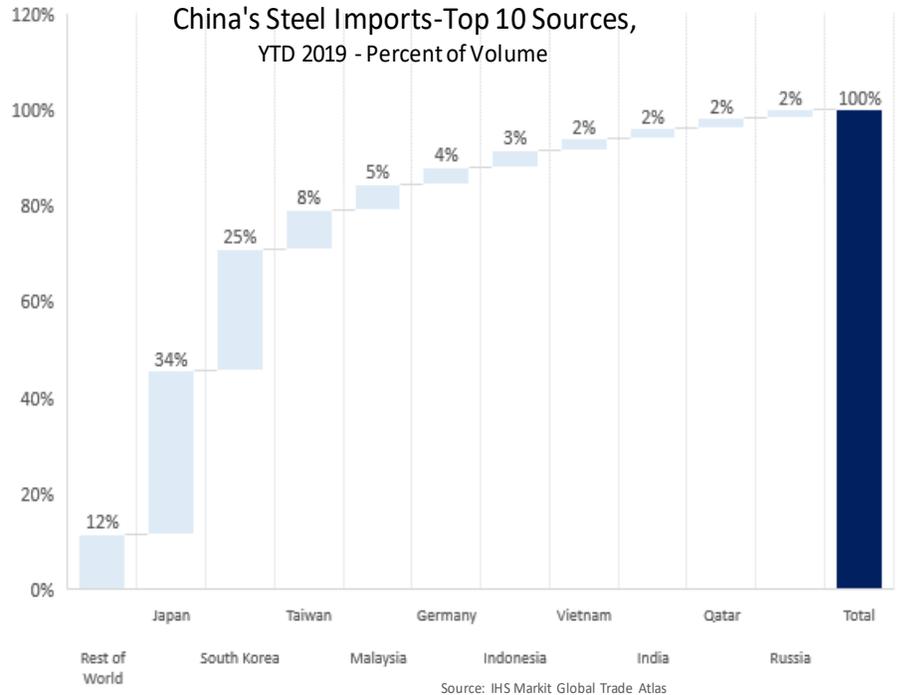


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## Imports by Top Source

The top 10 source countries for China's steel imports represented 88 percent of the total steel import volume in 2019 at 13.6 million metric tons (mmt). Japan accounted for the largest share of China's imports by source country at 34 percent (5.2 mmt), followed by South Korea at 25 percent (3.9 mmt), and Taiwan at 8 percent (1.3 million metric tons).

The United States ranked 21st as a source for China's imports in 2019, sending 58.0 thousand metric tons to China—a 24 percent decrease from 76.2 thousand metric tons in 2018.



## Trends in Imports from Top Sources

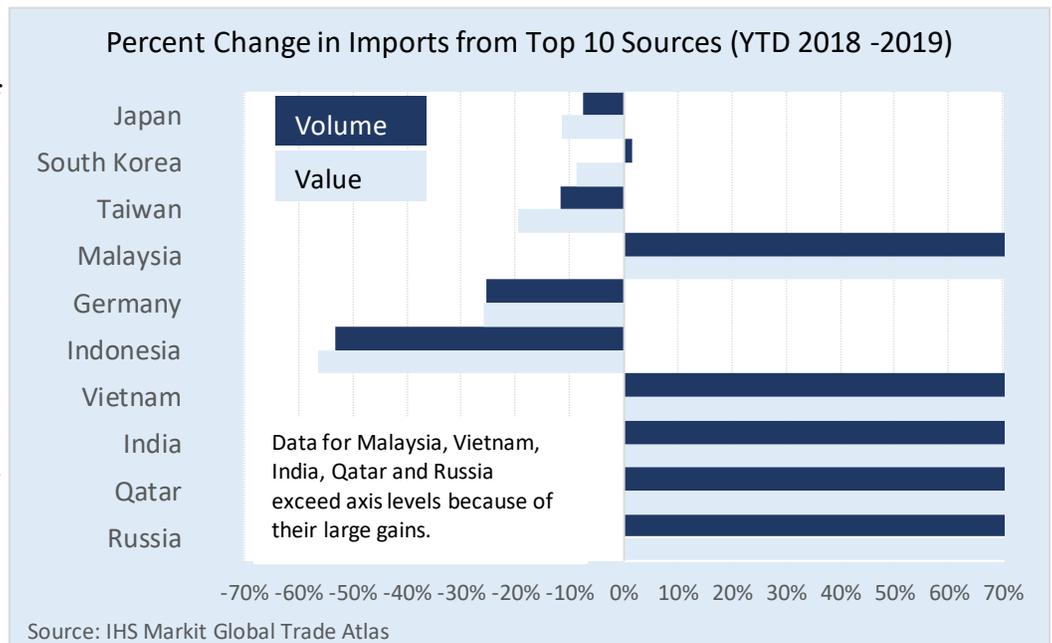
In 2019, the volume of China's steel imports decreased from 4 of the top 10 sources, while the value of imports decreased from 5 of the top 10 sources.

The volume of China's imports increased the most in 2019 from Qatar (5,267%), and Vietnam (3,246%), which represents reimportation of products finished

elsewhere. During this period, China's imports by volume declined the most from Indonesia (-53%), Germany (-25%), Taiwan (-12%), and Japan (-8%).

Imports increased by value from Qatar (4,074%), Vietnam (1,271%), Russia (1,094%), Malaysia (338%), and India (258%). Chinese imports by value decreased most from Indonesia (-57%), Germany (-26%), Taiwan (-20%), Japan (-11%), and South Korea (-9%).

Outside the top 10 sources, other notable volume changes in China's YTD 2019 imports came from 11th-ranked United Arab Emirates (751%), 12th-ranked Oman (442,416%), 16th-ranked Iran (153,898%), and 25th-ranked Saudi Arabia (1,762%).



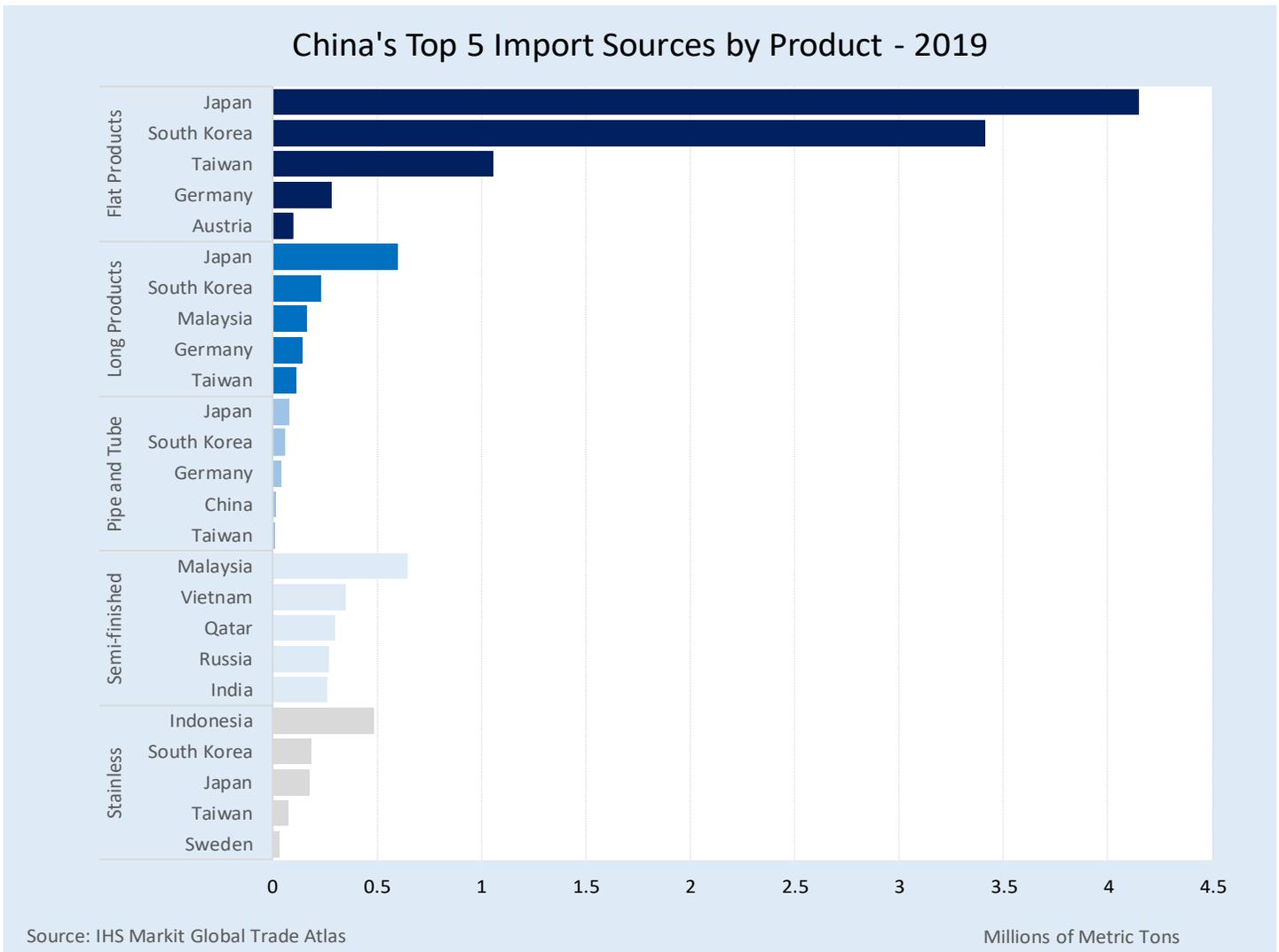
# Steel Imports Report: China

## Top Sources by Steel Product Category

The top source countries for China's imports by volume vary across types of steel products, though Japan held the top spot for imports in three of the five product categories. Japan accounted for 43 percent (4.1 million metric tons) of China's imports of flat products in 2019, followed by South Korea at 36 percent (3.4 million metric tons).

In 2019, China imported 41 percent of its long products from Japan (603 thousand metric tons), followed by South Korea at 16 percent (232.2 thousand metric tons). China also imported 30 percent of its pipe and tube imports from Japan (81.5 thousand metric tons), followed by South Korea at 20 percent (54.3 thousand metric tons). Malaysia was China's largest source for semi-finished imports, accounting for 22 percent (646.2 thousand metric tons). Vietnam was the second largest source for semi-finished imports at 12 percent (348.9 thousand metric tons). In 2019, China imported 44 percent (485 thousand metric tons) of its stainless steel imports from Indonesia.

The United States was not a top source of China's imports in any category of steel.



# Steel Imports Report: China

## Overall Production and Import Penetration



China's crude steel production has steadily increased since 2016. In 2019, production increased 8 percent to 992.9 million metric tons from 922.8 million metric tons in 2018. During this time, apparent consumption (a measure of steel demand), increased 9 percent, growing from 870.1 million metric tons in 2018 to 946.2 million metric tons in 2019. Since 2017, the gap between production and apparent consumption has decreased from 59.5 million metric tons to 52.7 million metric tons in 2018, and decreased 11.4 percent to 46.7 million metric tons in 2019. China's import penetration remained essentially unchanged from 2018 at 1.6 percent in 2019.

### Top Producers

China Baowu Group (the result of a merger between Baosteel Group and Wuhan Steel Group) is China's largest steel-producing company. China's steel production is spread out across many companies, with the country's top 10 producers accounting for only 329 million metric tons, or 35 percent, of total 2018 production, based on available data. Many of China's largest producers are state-owned.

China's Top Steel Producers in 2018			
Rank	Company	Production (mmt)	Main Products
1	China Baowu Group	67.43	Bars, plates, sheets, pipes
2	HBIS Group (Hesteel)	46.80	Coil, sheet, plates, rebar, wire rod, section, strip
3	Shagang Group	40.66	Rebar, wire rod, slabs, coils, pipes, plates, billets
4	Ansteel Group	37.36	Wire rod, pipe, plates, cold-rolled, section, rail
5	Jianlong Group	27.88	Plates, strips, wire, pipes
6	Shougang Group	27.34	Sheets, strips, rebar, billets, pipes
7	Shandong Steel Group	23.21	H-beams, strip, plates, bars
8	Valin Group	23.01	Pipe & tube, wire, wire rod
9	Maanshan Steel	19.64	Sheets, plates, sections, wire, bars
10	Benxi Steel	15.90	Coils, sheets, plates, wire rod

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

# Steel Imports 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.

**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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