INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Imports Report: **Spain**

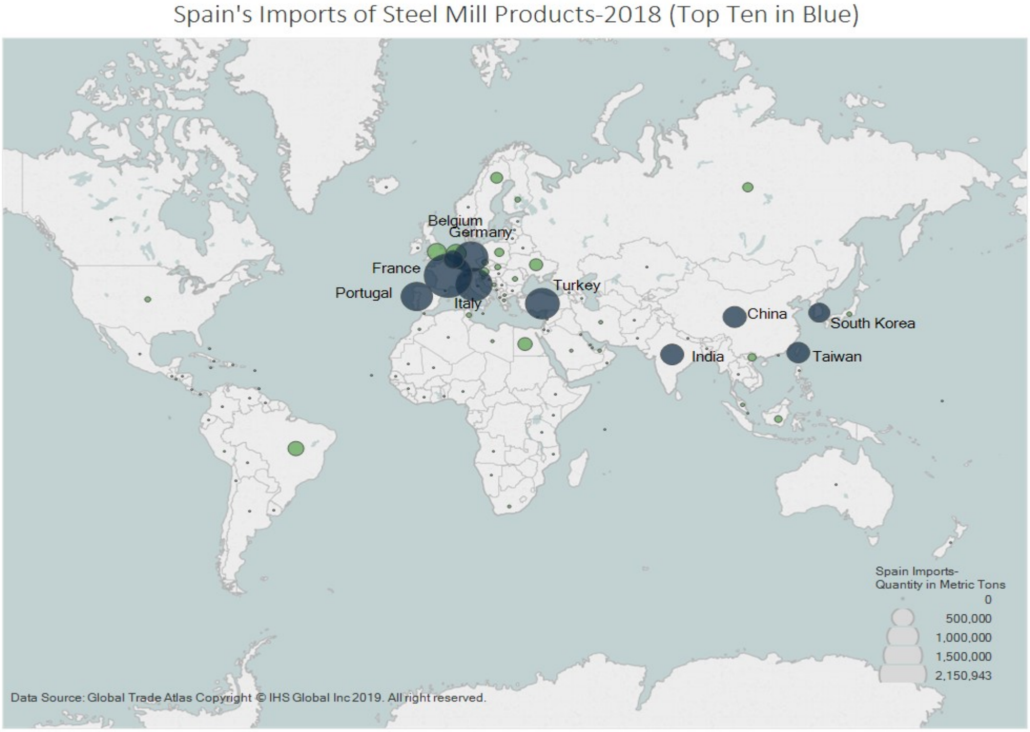
May 2019

Background

Spain is the world's fourteenth-largest steel importer as of 2017. In 2018, Spain imported 10.7 million metric tons of steel, an 8 percent increase from 9.9 million metric tons in 2017. Spain's imports represented about 3 percent of all steel imported globally in 2017. The volume of Spain's steel imports in 2018 was approximately a third of that of the world's largest importer, the United States. In value terms, steel represented just 2.4 percent of the total goods imported into Spain in 2018.

Spain imported steel from more than 150 countries and territories in 2018. The 10 countries highlighted in the map below represent the top sources for Spain's imports of steel, receiving more than 350 thousand metric tons from each and together accounting for 80 percent of Spain's steel imports in 2018.

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



Quick Facts:

- Imported 10.7 million metric tons in 2018
- 52% steel import growth since 2009
- 2018 import volume up 8% while import value up 19%
- Import penetration down from 67% in 2017 to 66.5% in 2018
- Top three import sources: France, Italy, Turkey
- Largest Poducers: ArcelorMittal, Acerinox, MEGASA Group:
- 38 EU trade remedies in effect against imports of steel mill products

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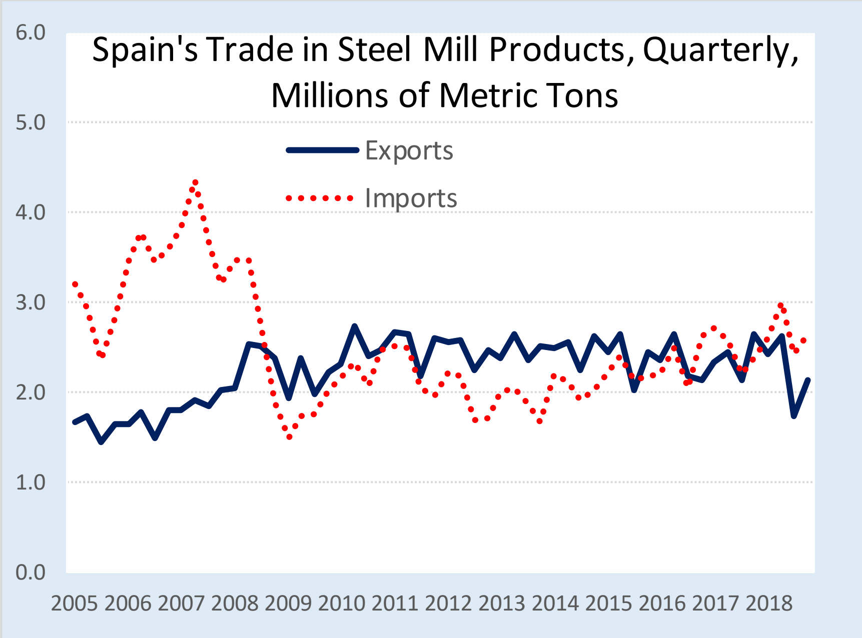
Steel Trade Balance

The 2008-2009 Global Financial Crisis caused a significant decrease in Spain's imports of steel, resulting in a trade surplus from 2009 until 2016, when it has since maintained a growing trade deficit. Since 2009, the volume of Spain's imports has increased 52 percent, while exports have only increased by 5 percent over the same period. In 2018, Spain's steel trade deficit amounted to –1.7 million metric tons, up 458 percent from –313 thousand metric tons in 2017.

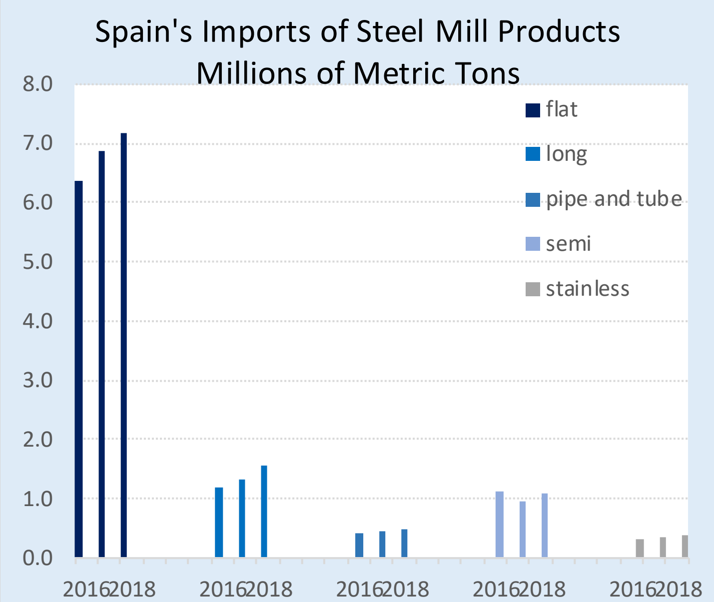


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas

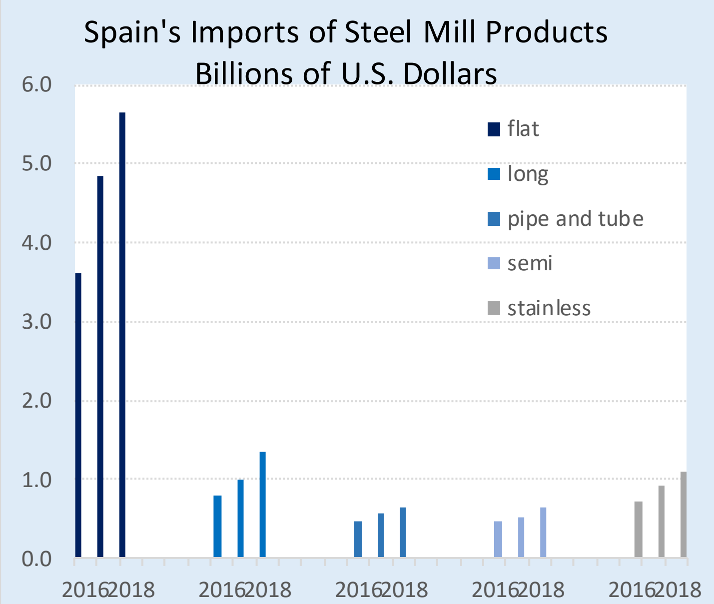
Import Volume, Value, and Product

In 2018, Spain imported 10.7 million metric tons of steel mill products, up 8 percent from 9.9 million metric tons in 2017. The value of Spain's imports in 2018 increased 19 percent to $9.4 billion from $7.9 billion in 2017 due to rising global steel prices.

Flat products accounted for the largest share of Spain's steel imports in 2018 at 67 percent, or 7.2 million metric tons. Long products accounted for 15 percent, or 1.6 million metric tons, followed by semi-finished products at 10.0 percent (1.1 million metric tons), pipe and tube products at 4.0 percent (471 thousand metric tons), and stainless products at 4 percent (377 thousand metric tons).



Source: IHS Markit Global Trade Atlas



Source: IHS Markit Global Trade Atlas

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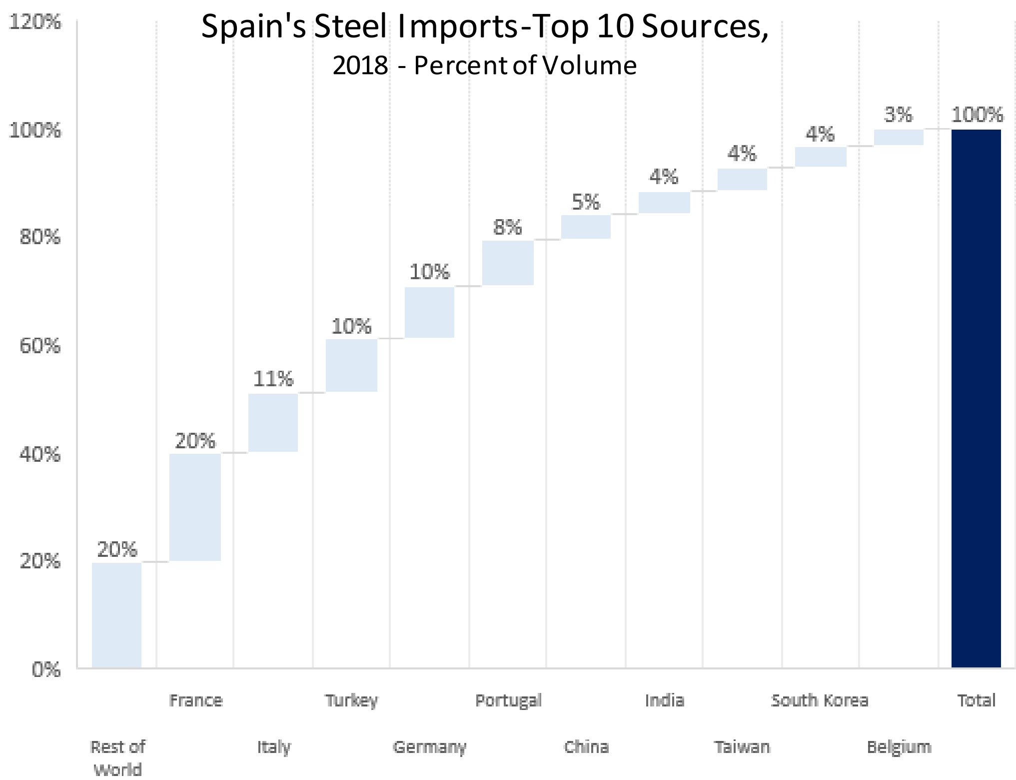
Imports by Top Source

The top 10 source countries for Spanish steel imports represented 80 percent of the total steel import volume in 2018 at 8.6 million metrics tons (mmt). France accounted for the largest share of Spain's imports at 20 percent (2.2 mmt), followed by Italy at 11 percent (1.2 mmt), Turkey at 10 percent (1.1 mmt), Germany at 10 percent (1.1 mmt), and Portugal at 8 percent (0.9 mmt)



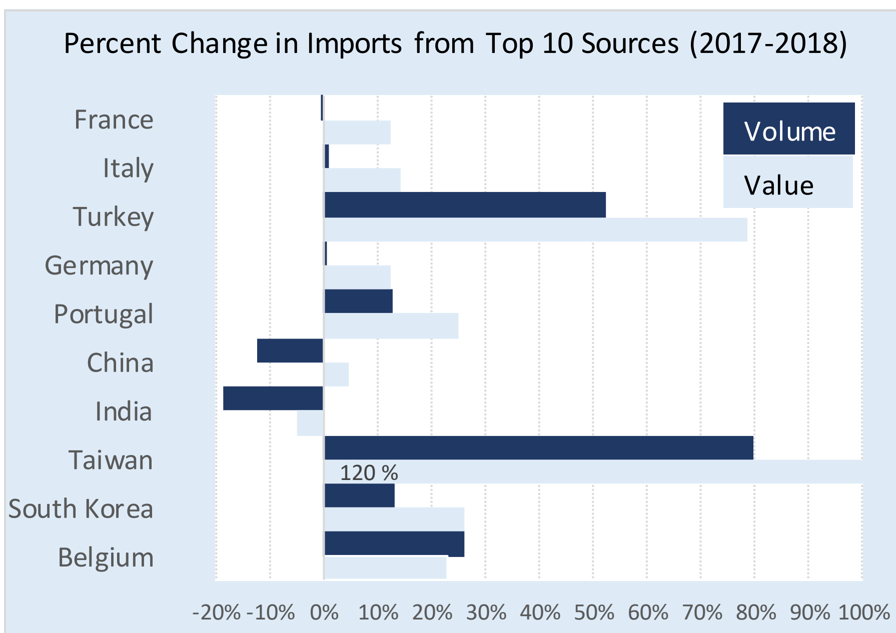
Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas

Trends in Imports from Top Sources

From 2017 to 2018, the volume of imports increased from 7 of Spain's top 10 import sources. Imports from Taiwan (80%) showed the largest volume increase in 2018, followed by Turkey (52%), Belgium (26%), Portugal (13%), South Korea (13%), Italy (1%), and Germany (1%). The volume of Spain's imports decreased only from India (-19%) and China (-12%). The volume of Spain's imports from France remained practically unchanged, decreasing by less than 1 percent.

The value of Spain's imports increased from 9 of its top 10 sources. The value of imports from Taiwan increased the most in 2018 (120%), followed by Turkey (78%), South Korea (26%), Portugal (25%), and Belgium (23%). Only Spain's imports from India decreased in value, down 5 percent.

Outside the top 10 sources, other notable volume changes included Spain's imports from 13th-ranked Brazil (88%), 15th-ranked Ukraine (85%), and 25th-ranked United States (27%).



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

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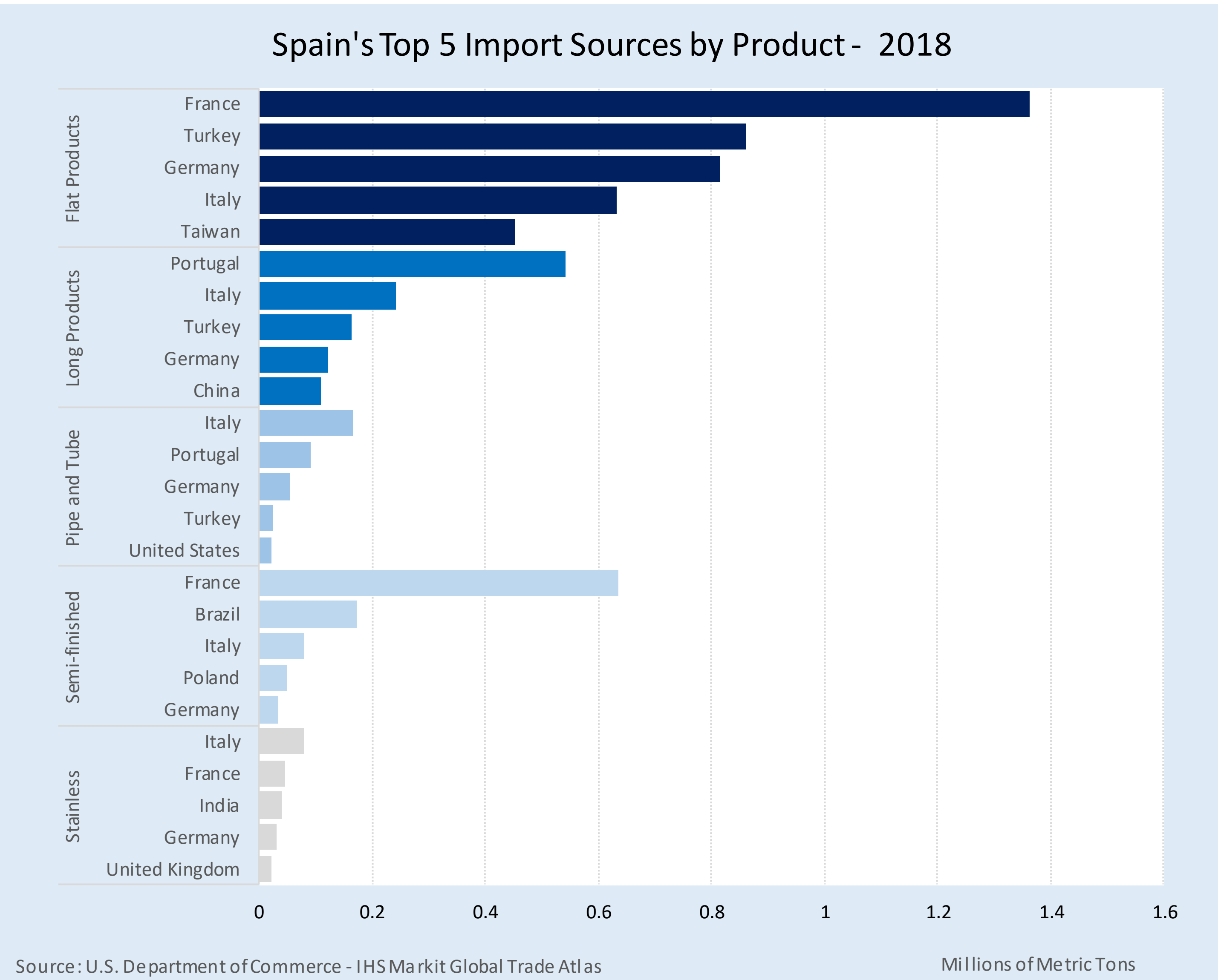
Top Sources by Steel Product Category

The top source countries for Spain's imports by volume vary across types of steel products. Spain imported the largest share of flat products from France in 2018 at 19 percent (1.4 million metric tons), followed by Turkey at 12 percent (860 thousand metric tons). Portugal was the largest source for long product imports at 34 percent (541 thousand metric tons).

Spain imported 35 percent of its pipe and tube imports from Italy (166 thousand metric tons), while the majority of its semi-finished imports came from France, at 59 percent (636 thousand metric tons).

Spain received the largest share of its stainless steel imports from Italy at 21 percent (81 thousand metric tons), followed by France at 13 percent (48 thousand metric tons).

The United States was a top source of Spain's pipe ant tube imports, accounting for 4 percent (21 thousand metric tons) of this category.



Spain's Export Market Share from Top Source Countries

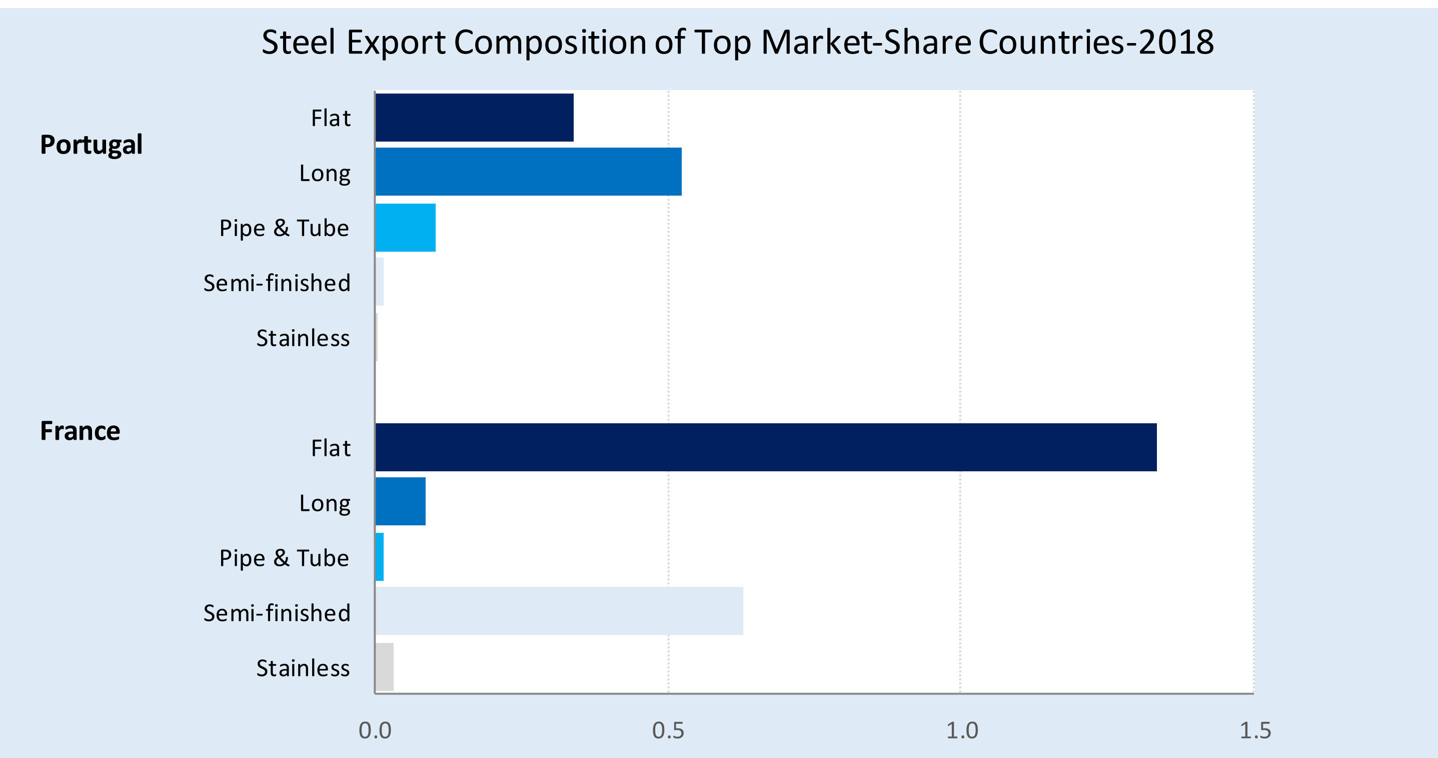
In 2018, the share of steel exports sent to Spain from its top import sources increased in the majority of its top 10 sources. Portugal's share of exports to Spain showed the largest increase between 2017 and 2018, up 6.6 percentage points. Other notable increases included Taiwan's share of exports to Spain (up 1.4 percentage points from 2017), followed by Turkey (up 1.2 percentage points). The share of exports to Spain in the other trading partners increased by less than one percentage point. The only country with a notable decrease in their share of steel exports to Spain was India, down 3.1 percentage points from 2017. Italy's share of steel exports to Spain remained basically unchanged, decreasing by less than one-tenth of one percent.

Spain's Steel Export Market Share

Top 10 Import Sources	Share of Exports to Spain - 2017	Spain's Rank in 2017	Share of Exports to Spain - 2018	Spain's Rank in 2018	Change in Share
France	14.4%	2	14.8%	2	↑
Italy	7.0%	3	7.0%	3	↓
Turkey	4.5%	6	5.7%	3	↑
Germany	4.0%	9	4.3%	10	↑
Portugal	35.8%	1	42.4%	1	↑
China	0.7%	32	0.8%	32	↑
India	5.8%	9	2.7%	6	↓
Taiwan	2.4%	12	3.8%	9	↑
South Korea	1.1%	20	1.2%	18	↑
Belgium	1.8%	8	2.0%	8	↑

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

Among Spain's top import sources, Portugal sent over 40 percent of its exports to Spain, while France sent almost 15 percent. In 2018, flat products accounted for the largest share of steel exports to Spain from France at 64 percent (1.3 million metric tons) and long products accounted for 53 percent of Portugal's steel exports to Spain.



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

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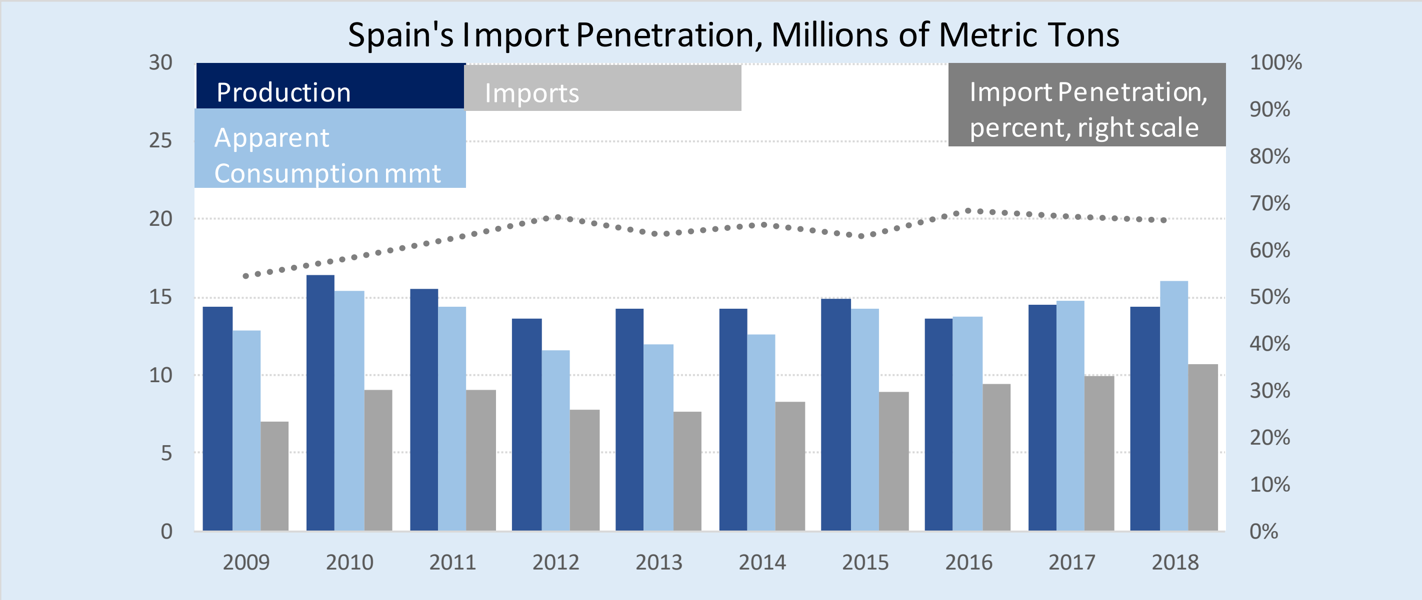
Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	14.4	16.3	15.5	13.6	14.3	14.2	14.8	13.7	14.5	14.3
Apparent Consumption	12.9	15.4	14.4	11.6	12.0	12.6	14.2	13.7	14.8	16.1
Imports	7.0	9.0	9.0	7.8	7.6	8.2	8.9	9.4	9.9	10.7
Import Penetration	54.5%	58.5%	62.6%	67.3%	63.5%	65.5%	62.8%	68.3%	67.0%	66.5%

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

Spain's crude steel production slightly decreased from 14.5 million metric tons in 2017 to 14.3 million metric tons in 2018, around the same as it was in 2009. Apparent consumption (a measure of steel demand) has rebounded from its malaise and is currently at the highest level in over a decade, resulting in Spain's current steel trade deficit. The gap between steel demand and production increased to 1.7 million metric tons in 2018 from 0.3 million metric tons in 2017. Import penetration peaked at 68.3% in 2016 and has since gradually declined, with import penetration at 66.5% in 2018.

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

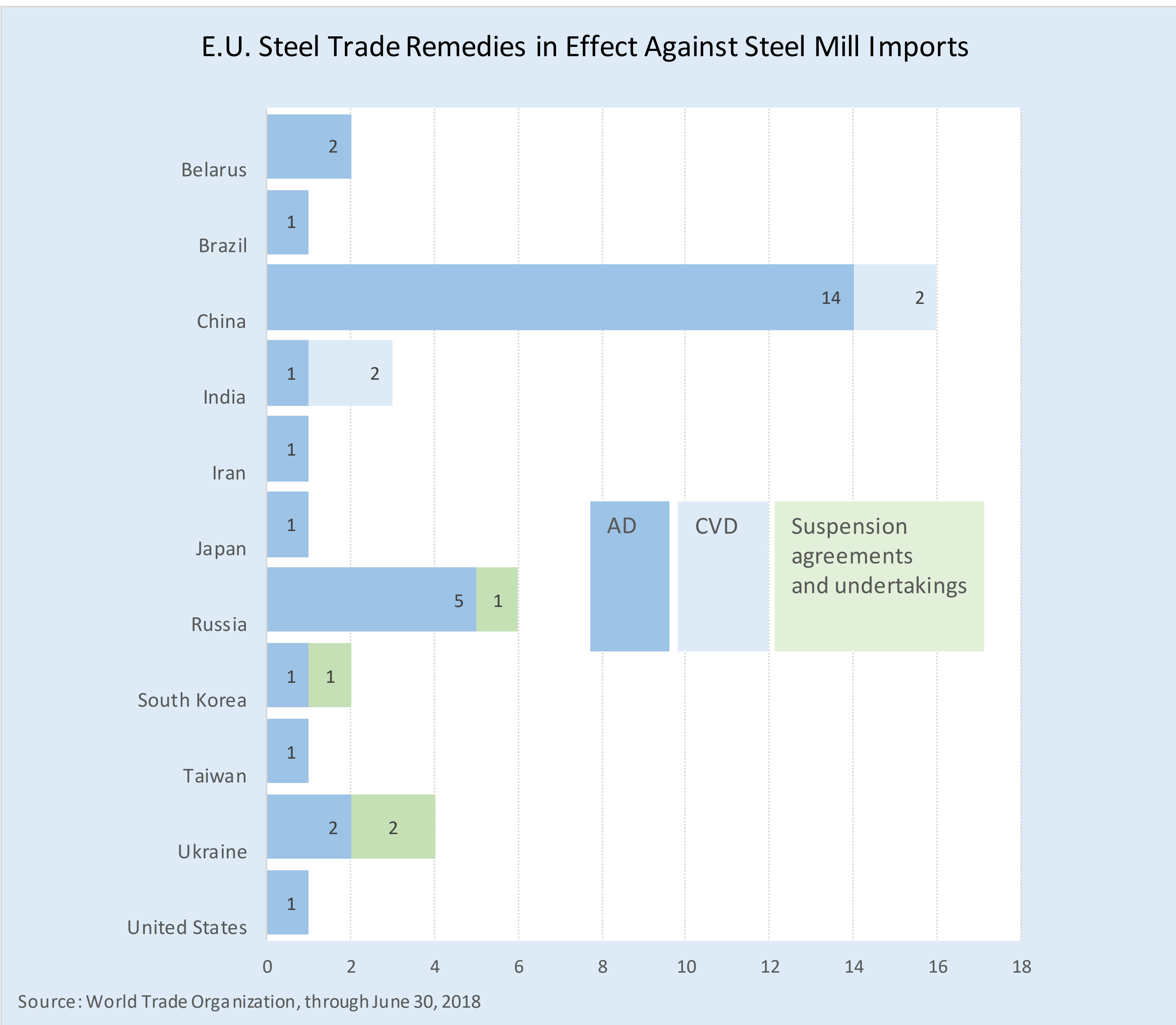
Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal*	7.00	Flat-rolled sheets, long products
2	Acerinox SA	6.00	Stainless Sheet
3	MEGASA Group	N/A	rebar, wire rod
4	Sidenor	N/A	wire rods, billet, rebar

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

*Denotes foreign-owned producer

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 European Union has against imports of steel mill products from various countries. The E.U. has no steel mill safeguards in effect.



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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