

Global Steel Trade Monitor

Steel Imports Report: European Union

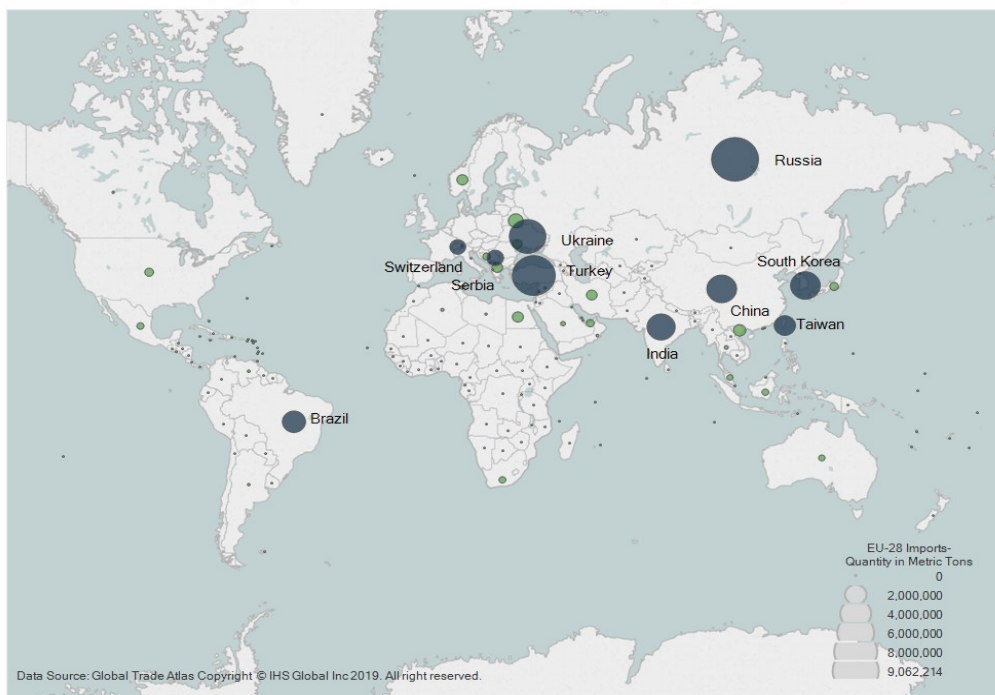
August 2019

Background

The European Union was collectively the world’s largest steel importer in 2018. In year-to-date 2019 (through March), further referred to as YTD 2019, the E.U. imported 11.2 million metric tons of steel, a 3 percent decrease from 11.5 million metric tons in YTD 2018. The volume of the E.U.’s steel imports in 2018 was nearly 50 percent larger than that of the world’s largest individual importer, the United States. In value terms, steel represented just 1.6 percent of the total goods imported into the E.U. in 2018.

The European Union imported steel from more than 150 countries and territories in 2018. The 10 countries highlighted in the map below represent the top sources for the E.U.’s imports of steel, with the E.U. receiving more than 250 thousand metric tons from each and together accounting for 88 percent of the E.U.’s steel imports in 2018.

EU (28) Imports of Steel Mill Products-2018 (Top Ten in Blue)



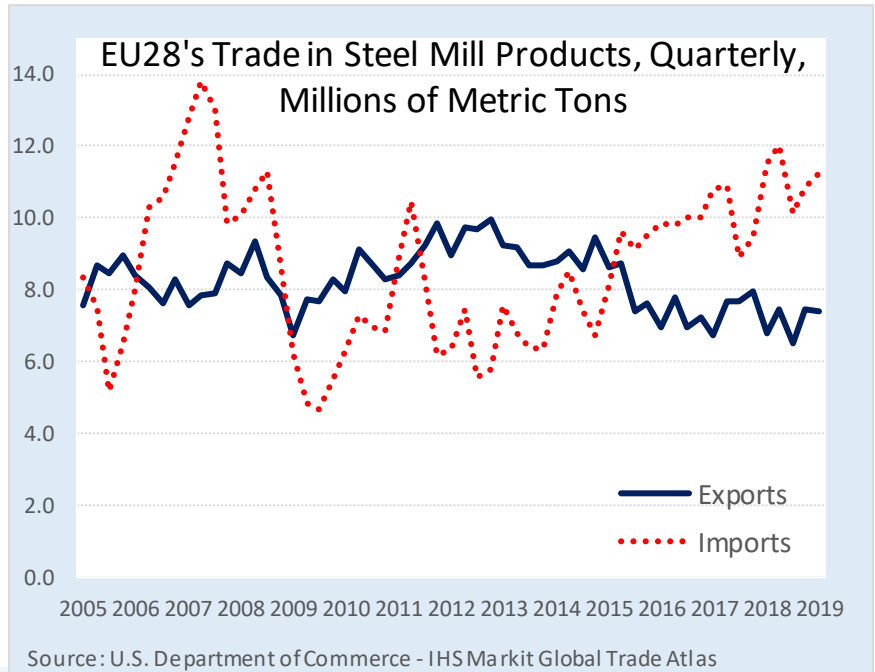
Quick Facts:

- Imported 11.2 million metric tons (YTD 2019)
- 81% steel import growth since Q1 2009
- YTD 2019 import volume down 3% while import value down 11% from 2018
- Import penetration down from 24.5 in YTD 2018 to 23.8% in YTD 2019
- Top three import sources: Turkey, Russia, Ukraine
- Largest producers: ArcelorMittal, Tata Steel Europe, Thyssenkrupp
- 36 European Union trade remedies in effect against imports of steel mill products

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Steel Trade Balance

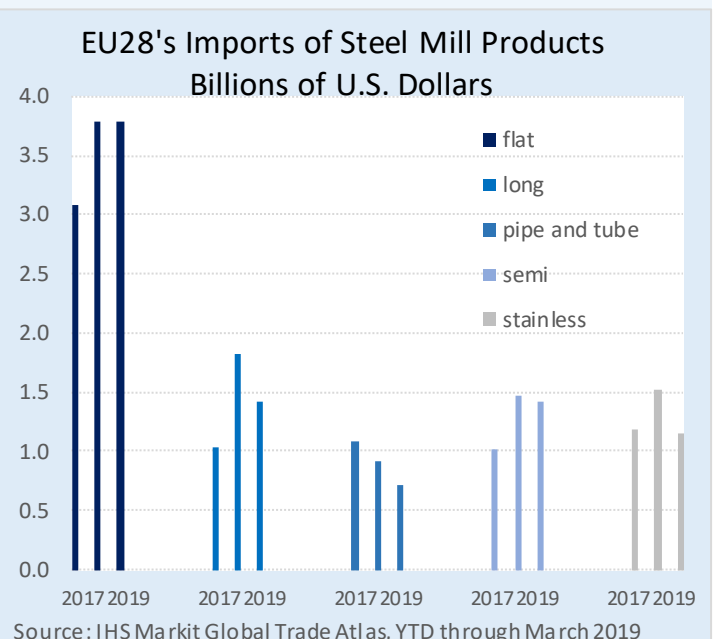
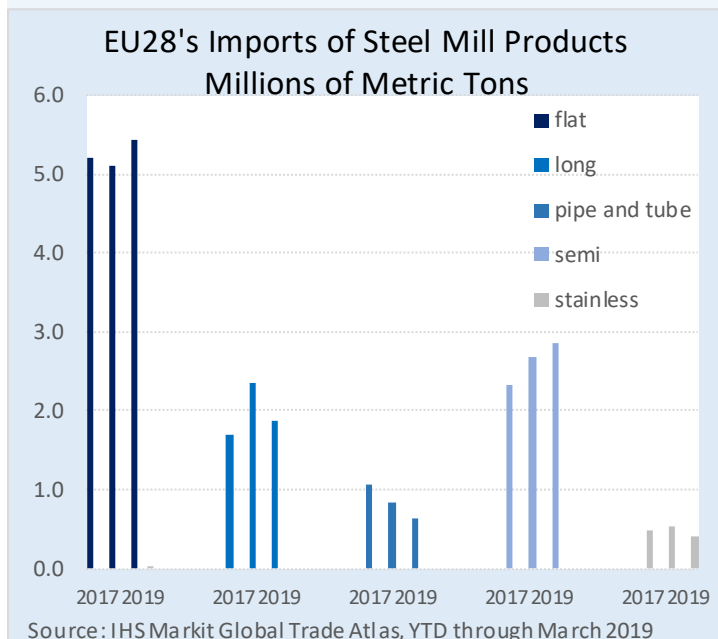
The E.U. has alternated between a steel trade surplus and trade deficit since 2005. Since 2015 the E.U. has experienced a trade deficit. Between YTD 2018 and YTD 2019 the trade deficit increased by 19 percent, amounting to 3.8 million metric tons in YTD 2019. After a low point in 2009 the E.U.'s imports and exports have both increased. Imports have grown 81 percent between Q1 2009 and Q1 2019, and exports have grown 10 percent over the same period.



Import Volume, Value, and Product

In 2018, the E.U.'s imports of steel products reached a near-record high of 44.5 million metric tons, only topped by the 49.5 million metric tons imported in 2007. After falling in 2009, import levels have consistently increased every year since 2012, rising 78 percent from 25.0 million metric tons in 2012 to 44.5 million metric tons in 2018. In YTD 2019, imports have decreased 3 percent from 11.5 million metric tons in YTD 2018 to a total of 11.2 million metric tons. The value of imports in YTD 2019 has decreased 11 percent to \$8.5 billion from \$9.5 billion in YTD 2018.

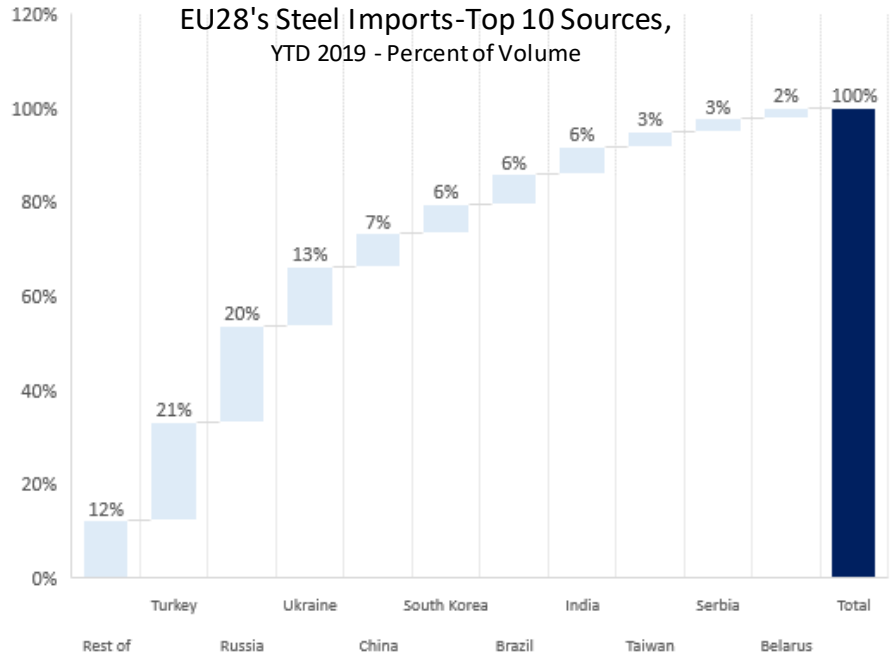
In YTD 2019, flat products accounted for the largest share of the E.U.'s steel imports at 48 percent, or 5.4 million metric tons. Semi-finished products accounted for 25 percent, or 2.9 million metric tons, followed by long products at 17 percent (1.9 million metric tons), pipe and tube products at 6 percent (641 thousand metric tons), and stainless products at 4 percent (416 thousand metric tons).



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Imports by Top Source

The top 10 source countries for the European Union's steel imports represented 88 percent of the total steel import volume in YTD 2019 at 9.9 million metric tons (mmt). Turkey accounted for the largest share of the EU's imports at 21 percent (2.4 mmt), followed by Russia at 20 percent (2.3 mmt), Ukraine at 13 percent (1.4 mmt), China at 7 percent (792 thousand metric tons), South Korea at 6 percent (716 thousand metric tons), Brazil at 6 percent (696 thousand metric tons) and India at 6 percent (668 thousand metric tons).



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

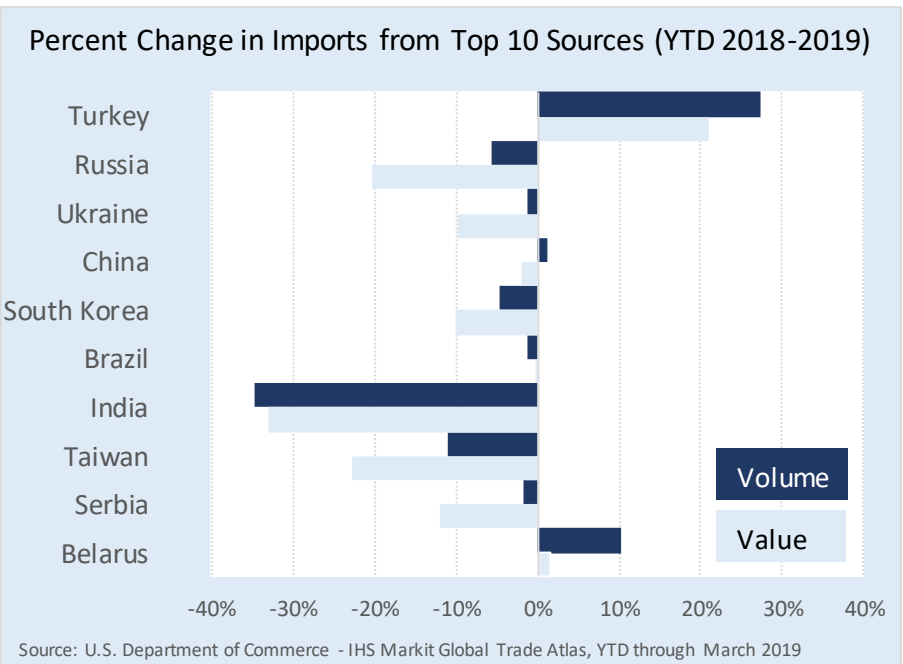
Trends in Imports from Top Sources

From YTD 2018 to YTD 2019, the volume of the E.U.'s imports decreased from 7 of the E.U.'s top 10 import sources. Imports from India (-35%), showed the largest volume decline in YTD 2019, followed by Taiwan (-11%), Russia (-6%), South Korea (-5%), Serbia (-2%), Brazil (-1%), and Ukraine (-1%). The volume of the E.U.'s imports only increased from Turkey (27%), Belarus (10%), and China (1%).

The overall value of the E.U.'s imports decreased from 8 of the top 10 sources. The value of imports from India decreased the most in YTD 2019 (-33%), followed by Taiwan (-23%), Russia (-20%), Serbia (-12%), Ukraine (-10%), South Korea (-10%), China (-2%) and Brazil (less than -1%). Imports from Turkey (21%) increased the most in YTD 2019, followed by Belarus (1%).

Outside the top 10 sources, other notable volume changes included the E.U.'s imports from 14th-ranked Mexico (164%), 16th-ranked

Indonesia (149%), 20th-ranked Moldova (-51%), 21st-ranked United States (-55%), 25th ranked Tunisia (6181%), and 28th-ranked Tunisia (77041%).



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

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Top Sources by Steel Product Category

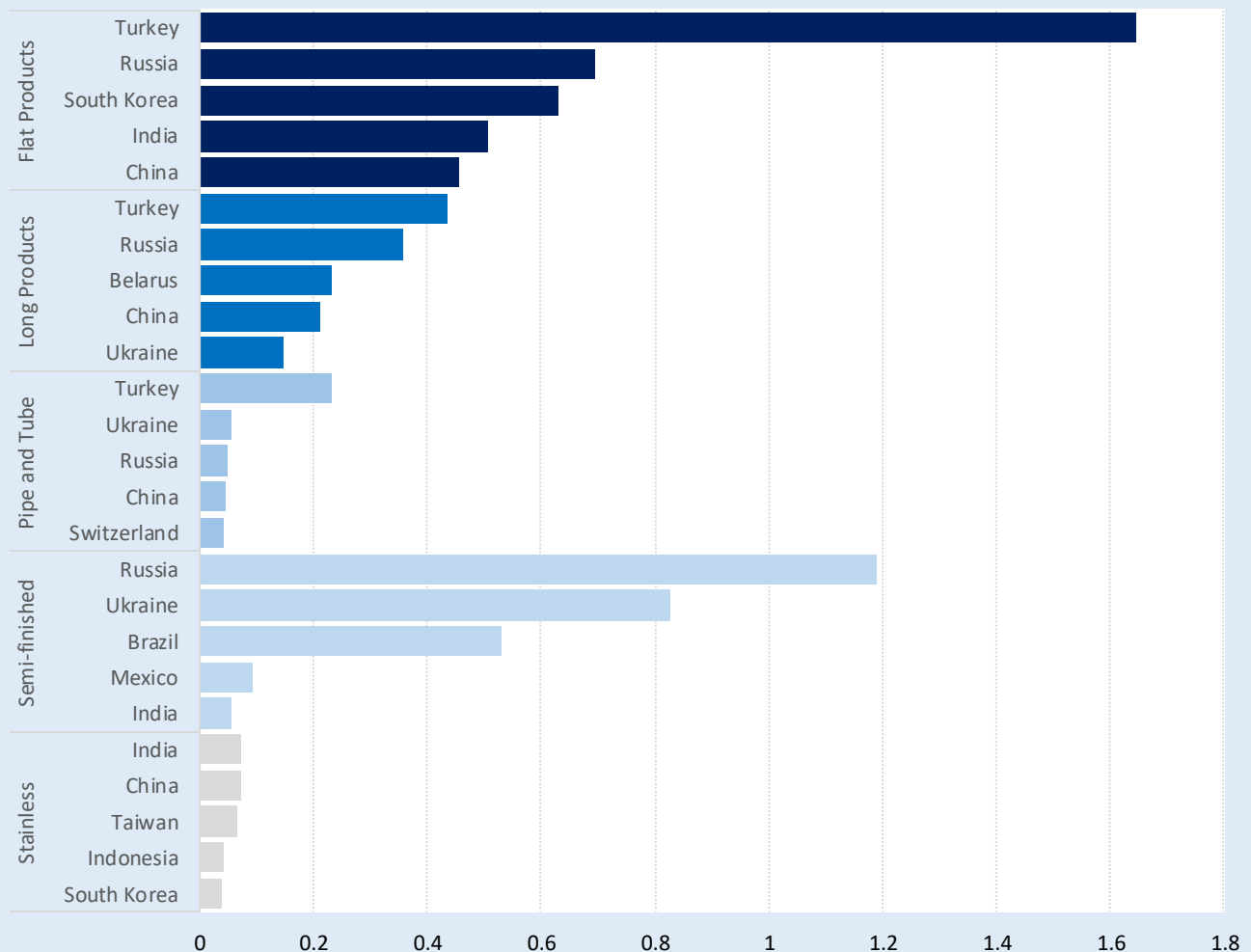
The top source countries for the European Union’s imports by volume vary across types of steel products. The E.U. imported the largest share of flat products from Turkey in YTD 2019 at 30 percent (1.6 million metric tons), followed by Russia at 13 percent (695 thousand metric tons). Turkey was also the largest source for long product imports at 23 percent (436 thousand metric tons), while Russia sent the second largest share of long products at 19 percent (356 thousand metric tons).

The largest share of the E.U.’s imports of pipe and tube products came from Turkey in YTD 2019, at 36 percent (230 thousand metric tons). Ukraine was the second largest source for pipe and tube products at 9 percent (55 thousand metric tons).

The E.U. imported 42 percent of its semi-finished steel imports from Russia (1.2 million metric tons), followed by Ukraine at 29 percent (825 thousand metric tons). India was the largest source of imported stainless products at 17 percent (73 thousand metric tons), followed by China also at 17 percent (72 thousand metric tons).

The U.S. was not a top source of any major category of steel for the EU in YTD 2019.

EU28's Top 5 Import Sources by Product - YTD 2019



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

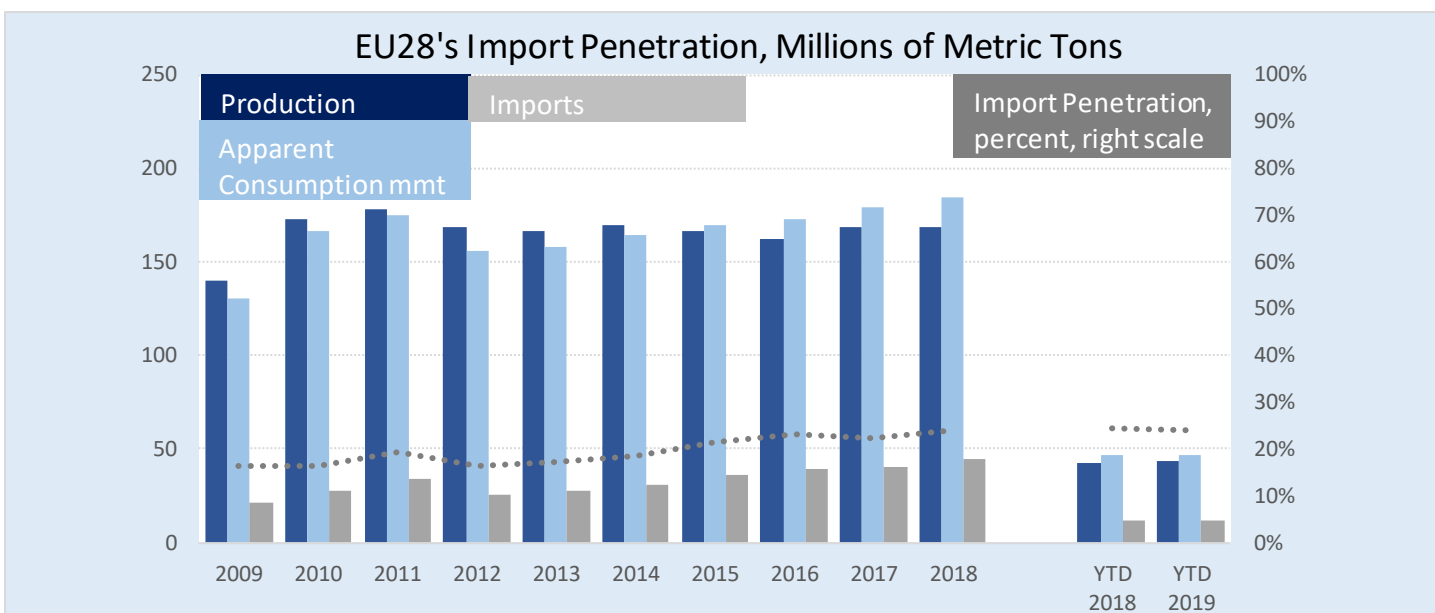
Millions of Metric Tons

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(Reverse Flows unavailable for the EU-28)

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Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD 2018	YTD 2019
Production	139.4	172.9	177.8	168.6	166.4	169.3	166.1	162.0	168.5	168.1	42.3	43.2
Apparent Consumption	130.2	166.1	175.3	155.3	157.7	164.0	170.0	172.8	178.6	184.4	47.0	47.0
Imports	21.2	27.3	33.8	25.1	27.1	30.6	36.3	39.7	40.1	44.5	11.5	11.2
Import Penetration	16.3%	16.4%	19.3%	16.2%	17.2%	18.6%	21.4%	23.0%	22.4%	24.2%	24.5%	23.8%

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

The E.U.'s crude steel production increased 20.6 percent between 2009 and 2018, from 139.4 million metric tons (mmt) in 2009 to 168.1 mmt in 2018. Production in YTD 2019 has increased a 2.1 percent from 42.3 mmt in YTD 2018 to 43.2 mmt in YTD 2019. Apparent consumption, (a measure of steel demand), trailed production from 2009 until 2014. Since 2015, apparent consumption has consistently exceeded production. The gap between this measure of steel demand and production decreased from -4.7 mmt in YTD 2018 to -3.8 mmt in YTD 2019. Imports captured an increasing share of demand from 2009 to 2016, before stabilizing. Since 2016, import penetration has been relatively flat, ranging from 23.0% in 2016, declining to 22.4% in 2017, and increasing to 24.2% in 2018. In YTD 2019, import penetration stood at 23.8%, down 2.6 percent from 24.5% in YTD 2018.

Top Producers

The top seven steel producers in the European Union are a mix of EU owned companies. The top three companies accounted for less than the majority of E.U. crude steel production in 2018.

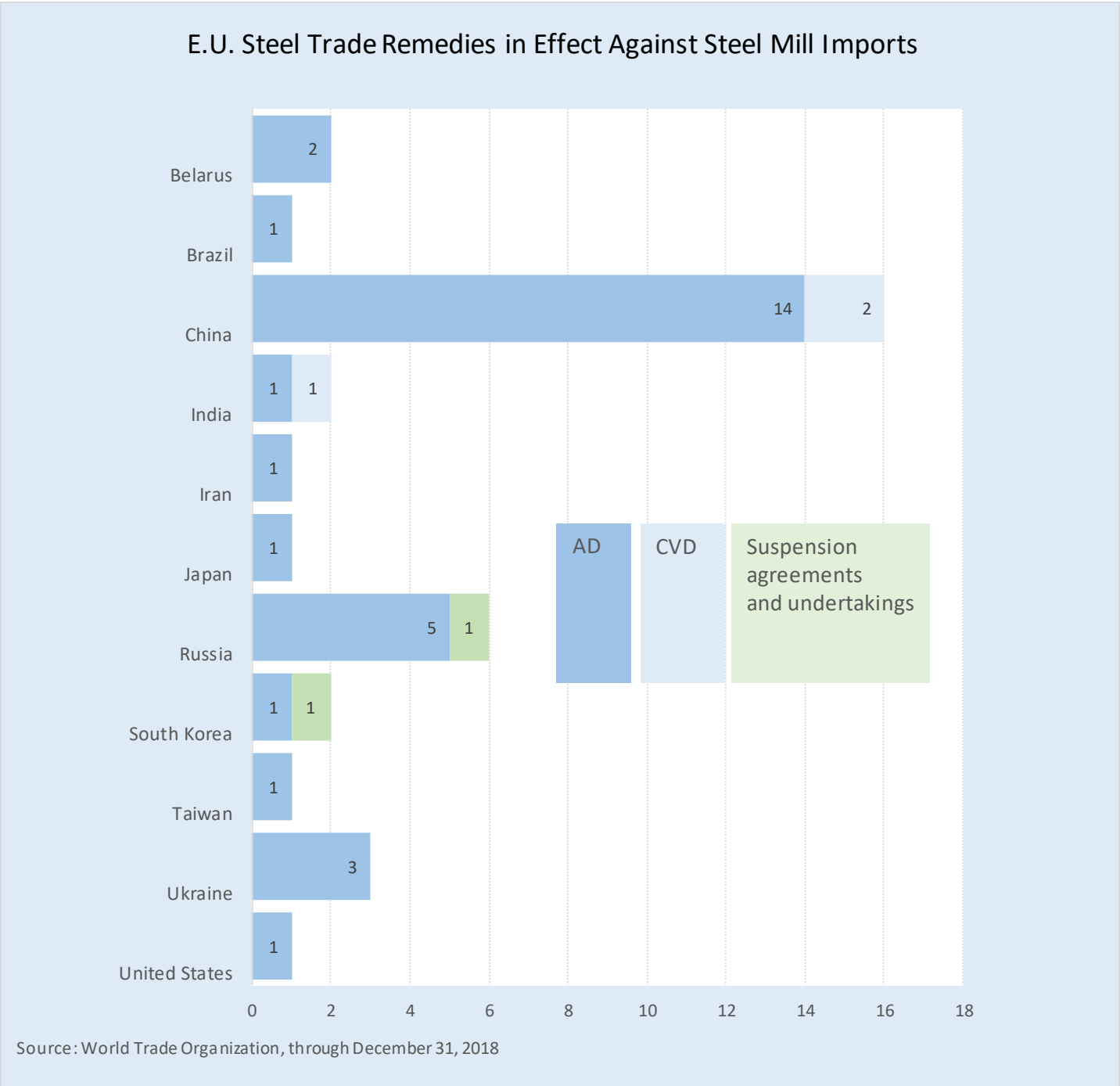
E.U. Top Steel Producers in 2018			
Rank	Company	Production (mmt)	Main Products
1	Arcelor Mittal	44.7	Hot-rolled, cold-rolled, plate, coated products, rails
2	Tata Steel Europe	33.16	Hot-rolled, cold-rolled, coated products, sheets, tubes
3	Thyssenkrupp	12.58	Hot-rolled, coated products, heavy plate, pipe, tube
4	Salzgitter Group	7.04	Heavy plate, pipe, strip steel
5	Celsa Group	7.1	Billets, wire rod, tube, wire, structural sections, reinforced steel, forged products
6	Riva Group	6.02	Hot-rolled, cold-rolled, semi-finished
7	SSAB	4.9	Structural forms, metal coated coils and sheets, tubes, pipes, wire

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 European Union has against imports of steel mill products from various countries. The European Union has one 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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