INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Imports Report: **Germany**

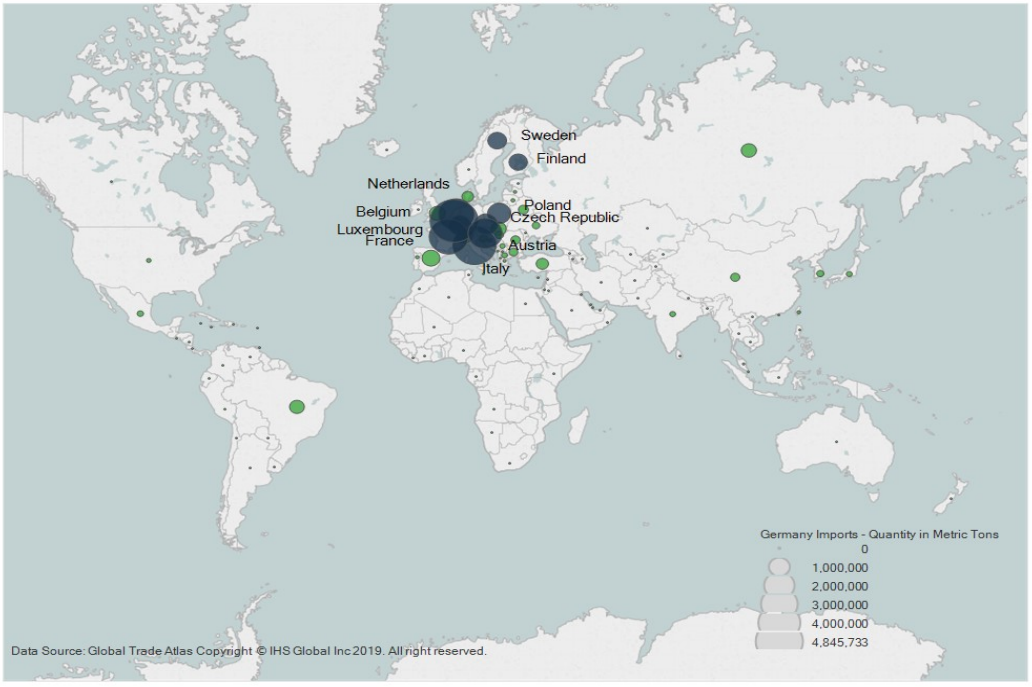
May 2019

Background

Germany was the world's 2nd-largest steel importer in 2017. In 2018, Germany imported 26.7 million metric tons of steel, a 4 percent decrease from 27.7 million metric tons in 2017. Germany's imports in 2017 represented about 7 percent of all steel imported globally, based on available data. The volume of Germany's steel imports in 2018 was only about 4 million metric tons less than the imports of the United States, the world's largest steel importer. In value terms, steel represented just 2.3 percent of the total goods imported into Germany in 2018.

Germany imported steel from more than 80 countries and territories in 2018. The 10 countries highlighted in the map below represent the top sources for Germany's imports of steel, with Germany receiving more than 650 thousand metric tons from each and together accounting for 80 percent of Germany's steel imports in 2018.

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



Quick Facts:

- Imported 26.7 million metric tons of steel in 2018
- 49% steel import growth since 2009
- 2018 import volume down 4% while import value up 12% from 2017
- Import penetration down from 62.3% in 2017 to 61.4% in 2018
- Top three import sources: Belgium, Italy and France
- Largest producers: ThyssenKrupp, ArcelorMittal, Salzgitter and HKM
- 38 European Union trade remedies in effect against imports of steel mill products

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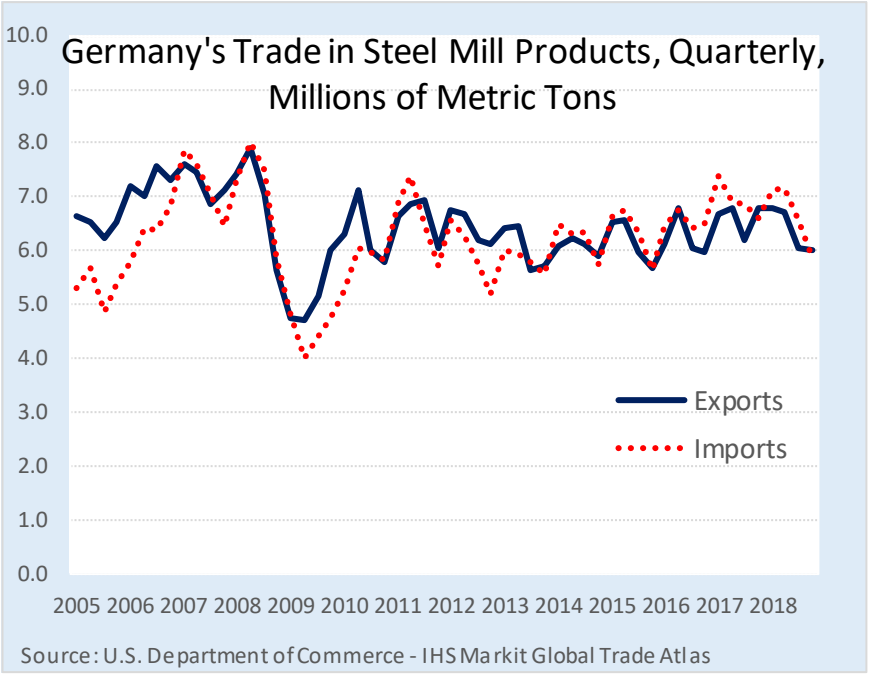
Steel Trade Balance

Germany has had fairly balanced trade in steel for most of the past decade. Both imports and exports fell in 2009 but have since recovered. Imports and exports have increased 49 percent and 24 percent, respectively, between 2009 and 2018.

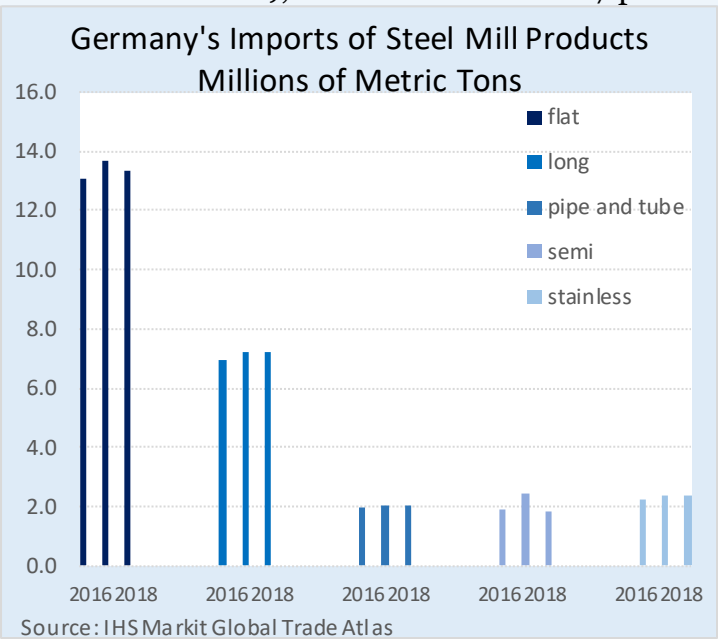
With import growth faster than export growth, Germany posted a modest steel trade deficit since 2014. This deficit has grown steadily, and reached 1.2 million metric tons in 2017, before declining 12 percent to 1.1 million metric tons in 2018.

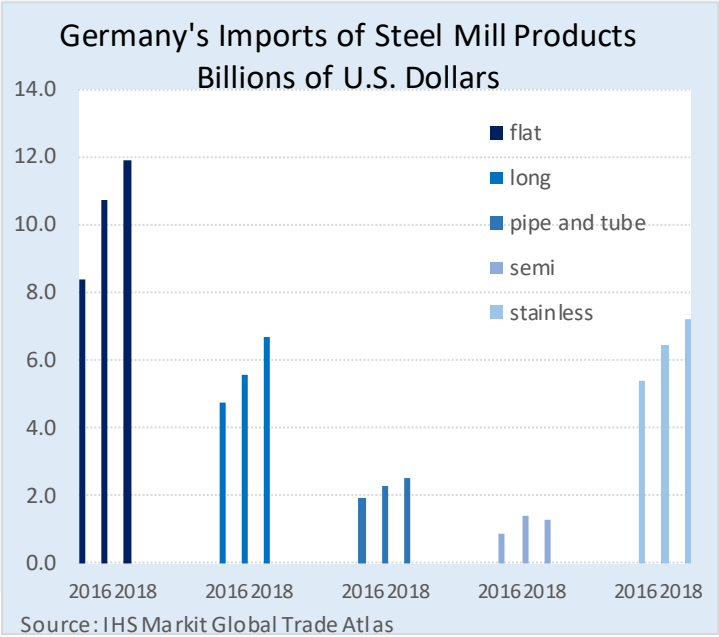


Import Volume, Value, and Product

Germany's imports of steel products hit a recent peak in 2017 at 27.7 million metric tons. Between 2010 and 2018, imports averaged 25.3 million metric tons per year. In 2018, the volume of Germany's steel imports has decreased by 4 percent to 26.7 million metric tons from 27.7 million metric tons in 2017. Between 2011 and 2018, import value fell by 14 percent, from $34.1 billion to $29.5 billion. In 2018, the value of Germany's steel imports has increased by 12 percent to $29.5 billion from $26.3 billion in 2017.

In 2018, flat products accounted for 50 percent of Germany's steel imports, or 13.3 million metric tons. Long products accounted for 27 percent, or 7.2 million metric tons of Germany's imports, followed by stainless steel at 9 percent (2.3 million metric tons), pipe and tube at 8 percent (2.0 million metric tons), and semi-finished at 7 percent (1.8 million metric tons).





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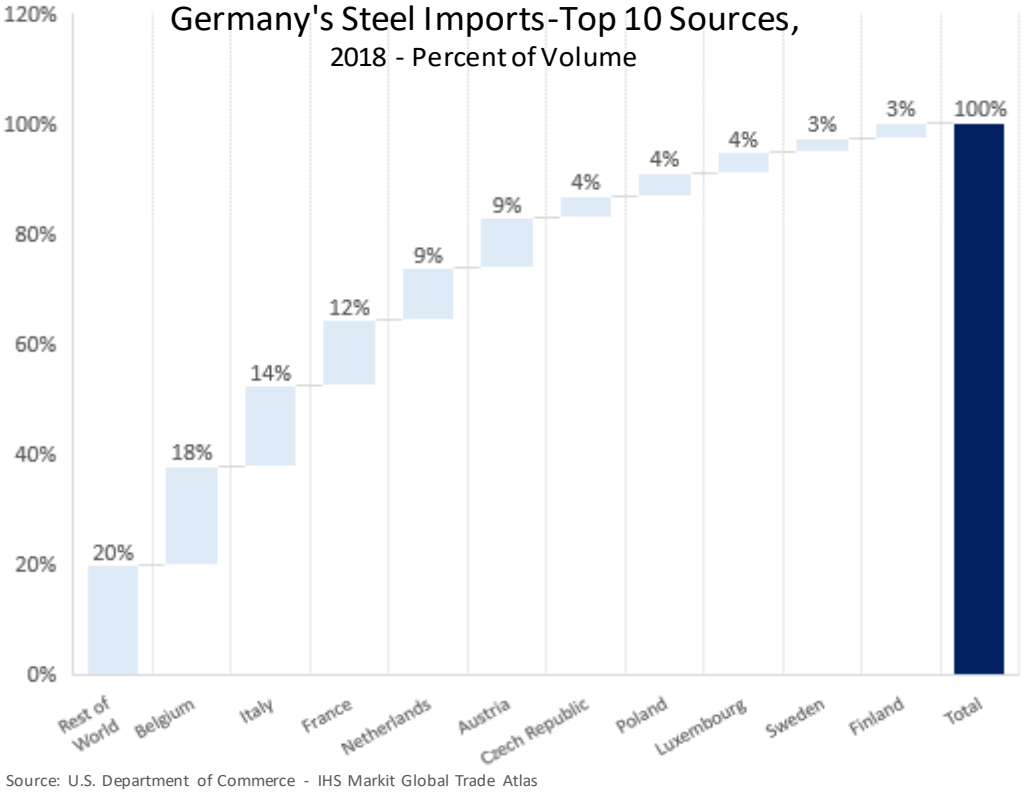
Imports by Top Source

Germany's steel imports from the top 10 sources represented 80 percent or 21.5 million metric tons (mmt) of Germany's steel import volume in 2018. At 4.8 tons mmt, Belgium accounted for 18 percent and the largest share of Germany's imports. The next largest source was Italy at 14 percent (3.9 mmt), followed by France at 12 percent (3.2 mmt), and the Netherlands and Austria, both at 9 percent (2.5 mmt and 2.4 mmt respectively).

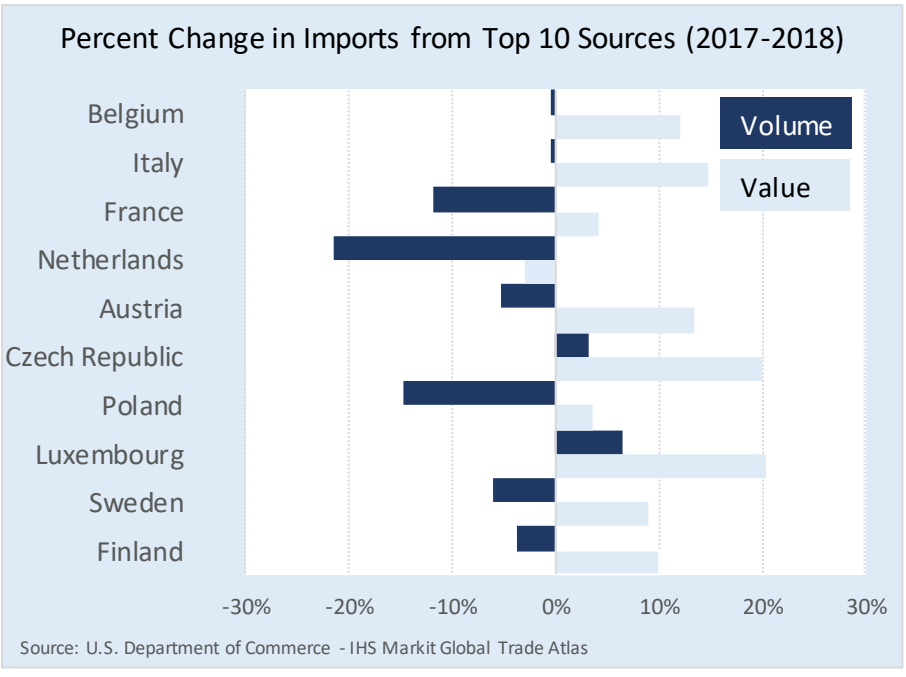


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas

Trends in Imports from Top Sources

Between 2017 and 2018, the volume of Germany's imports decreased from 8 of the country's top 10 sources. Imports from the Netherlands showed the largest decline (-22%), followed by Poland (-15%), France (-12%), Sweden (-6%), Austria (-5%) and Finland (-4%). Luxembourg had the largest increase among Germany's top 10 import sources (7%), followed by the Czech Republic (3%).

The value of Germany's imports increased from nine of its top 10 sources. Germany's imports from the Czech Republic and Luxembourg increased the most (both up 20%), followed by Italy (15%), Austria (13%), Belgium (12%), the Finland (10%), Sweden (9%) and France and Poland (both 4%). From 2017 to 2018, only imports from the Netherlands decreased in value (-3%) among Germany's top sources.



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

Outside the top 10 sources, other notable volume changes included Germany's imports from 14th-ranked Russia (29%), 16th-ranked Brazil (22%), 17th-ranked Turkey (59%), 18th ranked Denmark (25%), and 27th ranked Mexico (17,956%).

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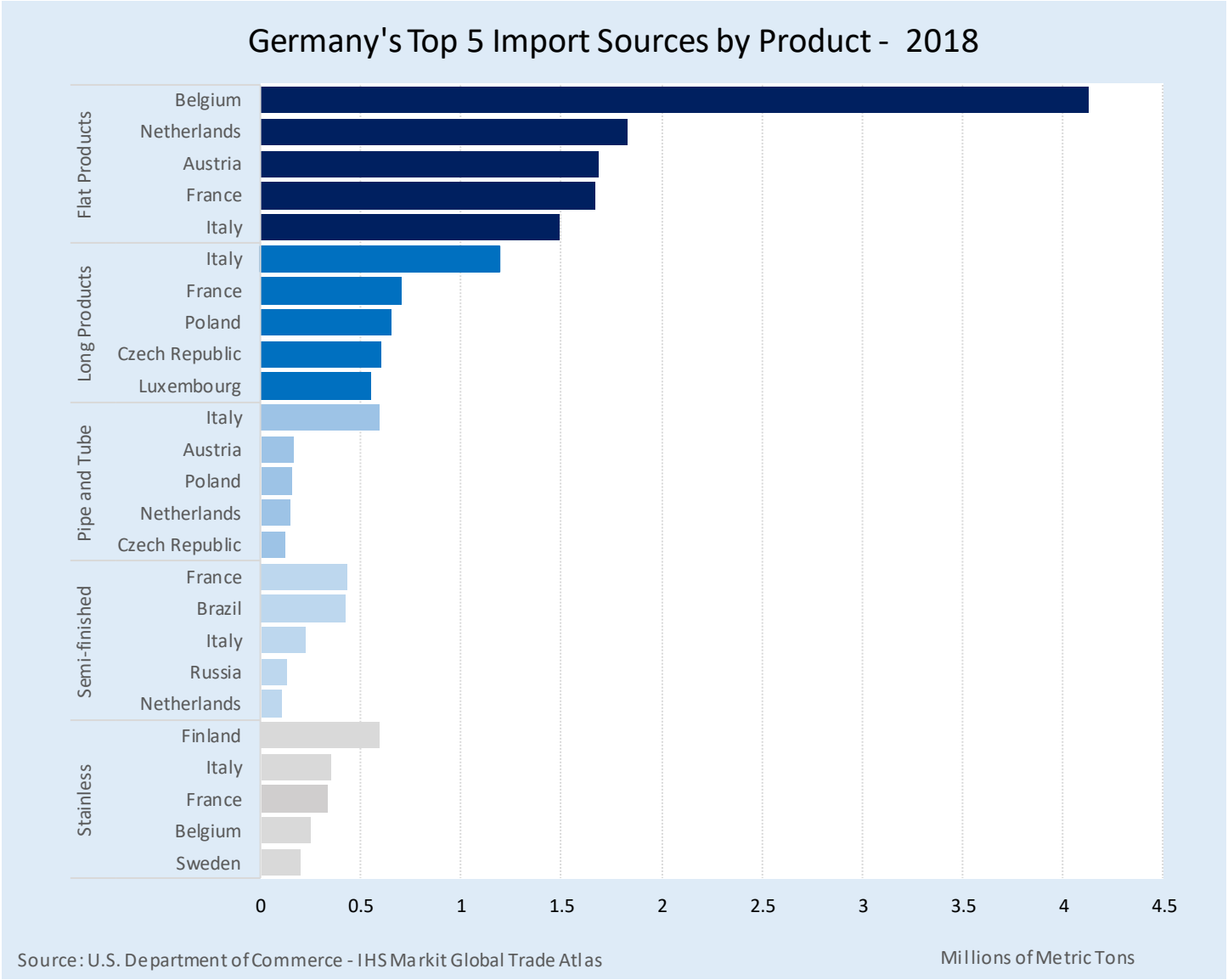
Top Sources by Steel Product Category

The top source countries for Germany's imports by volume vary across types of steel products. Belgium was the largest source of flat products in 2018, accounting for 31 percent (4.1 million metric tons) of Germany's imports. The Netherlands was the second-largest source at 14 percent (1.8 million metric tons).

Italy was the largest source for Germany's long product imports at 17 percent (1.2 million metric tons), followed by France at 10 percent (702 thousand metric tons). Italy was also the largest source for pipe and tube imports, accounting for 30 percent (600 thousand metric tons), while Austria was the second -largest source at 8 percent (161 thousand metric tons).

France was the largest source for semi-finished product imports, at 24 percent (433 thousand metric tons), followed closely by Brazil, which was also at 24 percent (430 thousand metric tons). Finland was the largest source for stainless steel products at 25 percent (592 thousand metric tons), followed by Italy at 15 percent (348 thousand metric tons), and France at 14 percent (332 thousand metric tons).

The U.S. was not a top source country for German imports of any steel category in 2018.



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Germany's Export Market Share from Top Source Countries

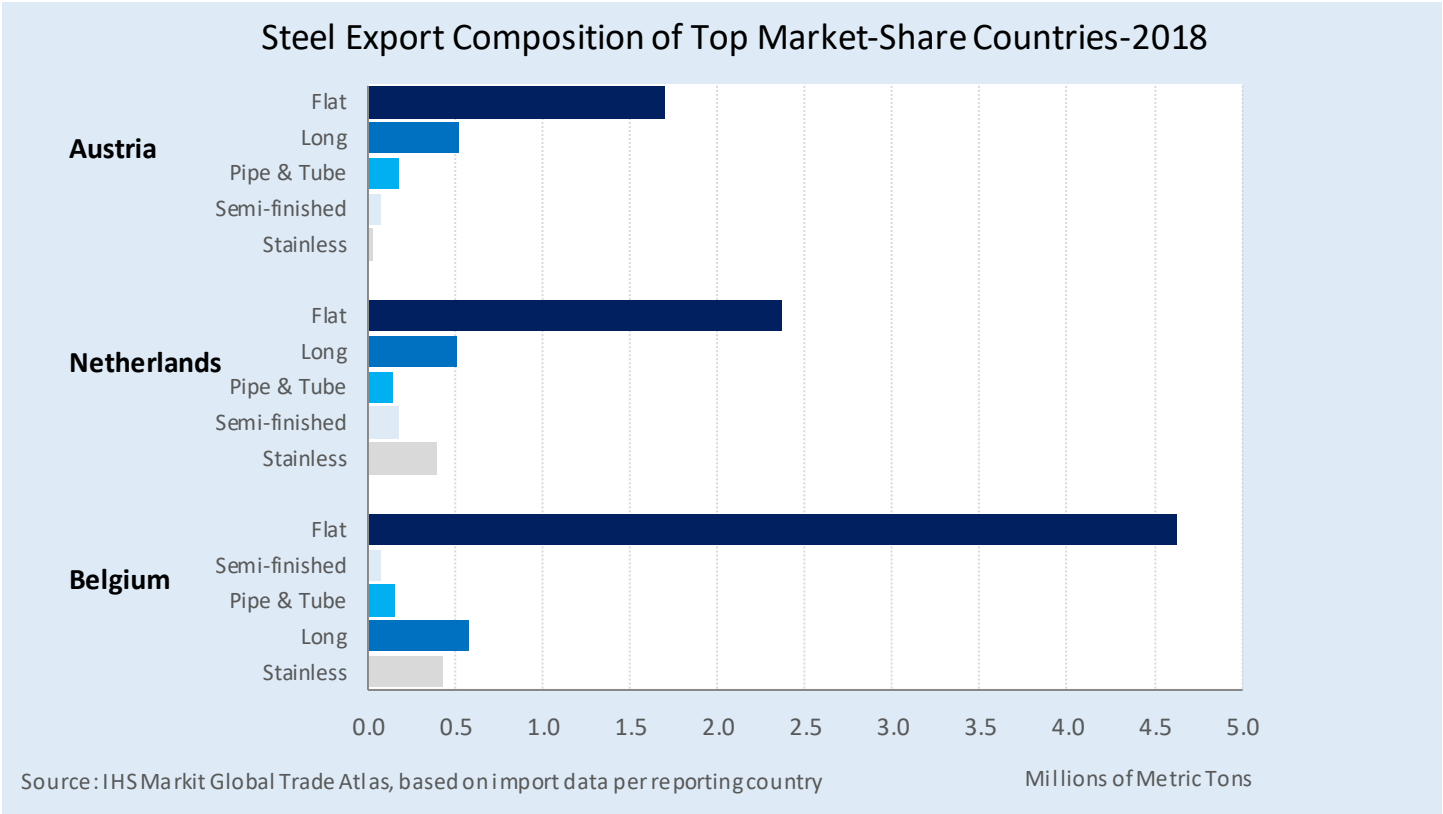
In 2018, the share of steel exports sent to Germany decreased in 7 of the top 10 import sources. The share of Finland's steel exports to Germany decreased the most (down 7.4 percentage points, followed by Poland (-2.5 percentage points), the Netherlands (-2.5 percentage points) and Belgium (-1.6 percentage points). Export shares to Germany in France, Luxembourg and the Czech Republic each decreased by less than a percentage point. Export shares in Italy, Austria, and Sweden, all increased by less than one percentage point in 2018.

Germany's Steel Export Market Share

Top 10 Import Sources	Share of Exports to Germany - 2017	Germany's Rank in 2017	Share of Exports to Germany - 2018	Germany's Rank in 2018	Change in Share
Belgium	33.8%	1	32.2%	1	↓
Italy	22.8%	1	23.4%	1	↑
France	23.9%	1	23.0%	1	↓
Netherlands	35.8%	1	33.3%	1	↓
Austria	33.5%	1	33.8%	1	↑
Czech Republic	24.2%	1	24.0%	1	↓
Poland	23.8%	1	21.3%	2	↓
Luxembourg	22.8%	1	22.1%	1	↓
Sweden	21.0%	1	21.7%	1	↑
Finland	24.8%	2	17.4%	2	↓

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

Among Germany's top sources, Belgium, the Netherlands, and Austria each sent more than 30 percent of their total steel exports to Germany in 2018. Flat products accounted for the majority of exports to Germany from each country. Flat product accounted for 79 percent (4.6 million metric tons of Belgium's steel exports to Germany, 66 percent (2.4 million metric tons) of the Netherlands steel exports to Germany and 68 percent (1.7 million metric tons) of Austria's exports to Germany.



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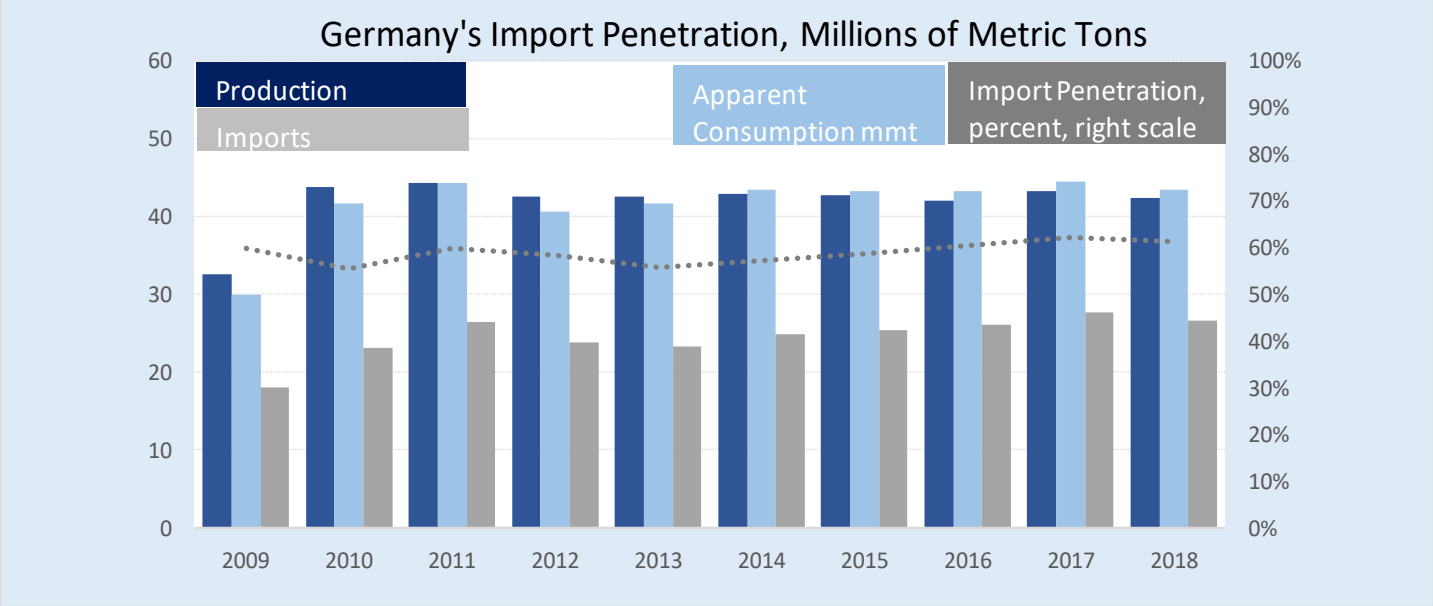
Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	32.7	43.8	44.3	42.7	42.6	42.9	42.7	42.1	43.3	42.4
Apparent Consumption	30.0	41.7	44.4	40.7	41.7	43.5	43.2	43.3	44.5	43.5
Imports	18.0	23.1	26.5	23.8	23.3	24.9	25.4	26.1	27.7	26.7
Import Penetration	59.9%	55.4%	59.8%	58.5%	55.9%	57.2%	58.6%	60.4%	62.3%	61.4%

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

Germany's crude steel production increased by 11.1 percent between 2009 and 2010 before maintaining a steady average of roughly 43 million metric tons (mmt) through 2018. Production in 2018 decreased 2 percent to 42.4 million metric tons, down from 43.3 mmt in 2017. Apparent consumption (a measure of steel demand) was either roughly on par with or slightly less than production between 2009 and 2014, and slightly outpaced production since 2014. In 2018, apparent consumption was at 43.5 mmt, slightly exceeding Germany's steel production of 42.4 mmt. The import penetration level in 2018 declined 0.9 percentage points, from 62.3 percent to 61.4 percent. Despite such high import penetration levels, Germany exported a similar percentage of its production, which helped to keep demand in line with production.

Top Producers

According to the German Steel Federation, 14 steel producers accounted for 99 percent of Germany's total steel production, based on available data — with the top four listed here accounting for nearly 66 percent of production. Production among Germany's top companies is heavily skewed towards electric arc furnace technology.

Germany's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	ThyssenKrupp	12.0	Sheet, strip, plate, loated flat products products
2	ArcelorMittal*	7.00	flat, long and tube
3	Salzgitter	7	strip, plates, sections, and pipe and tubes
4	HKM	3.8	semi-finished

Source: German Steel Federation; Company websites

*Denotes foreign-owned producer

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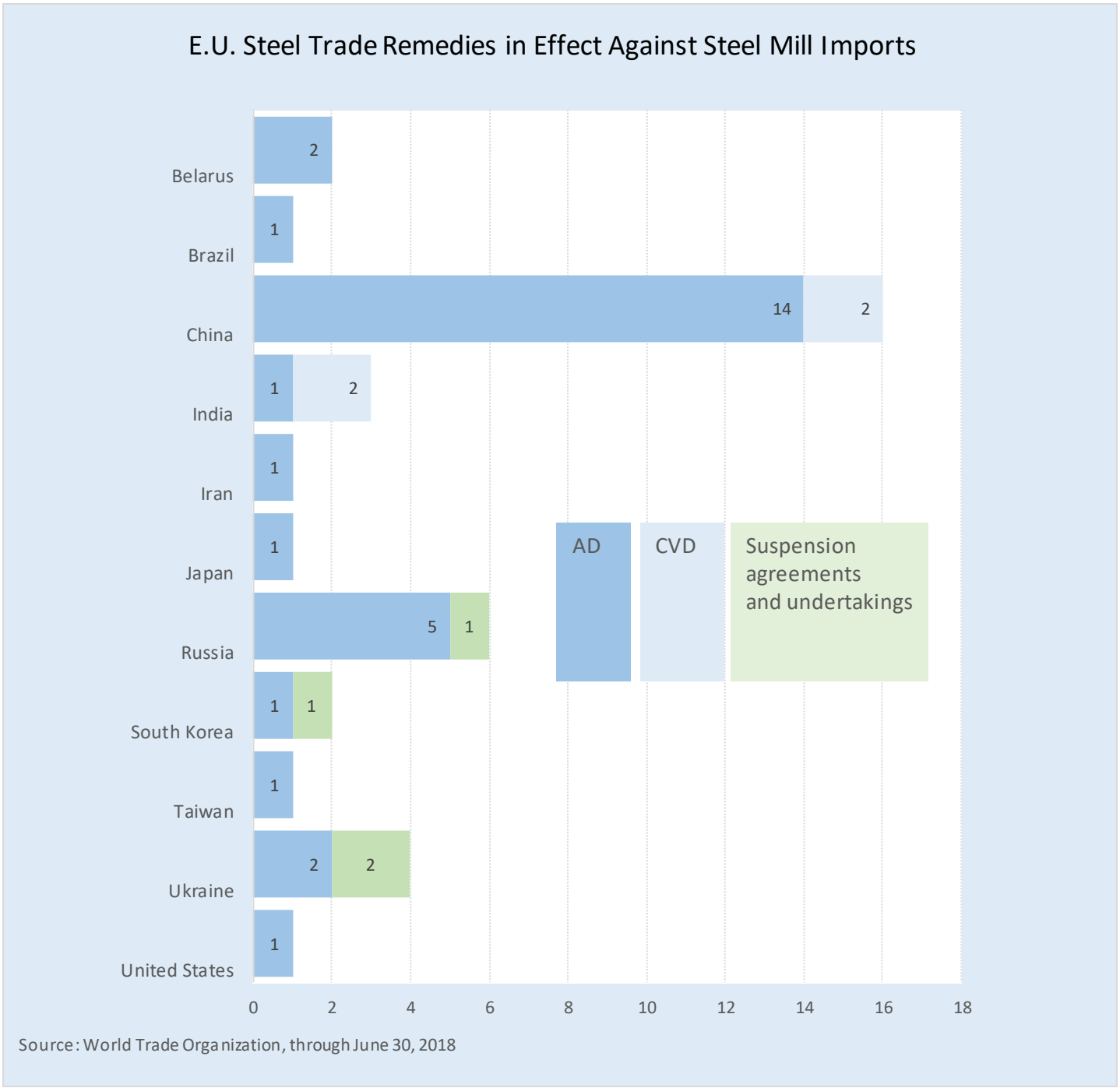
Trade Remedies in the Steel Sector

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 the European Union, which includes Germany, has against imports of steel mill products from various countries. The European Union 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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