INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Imports Report: **United States**

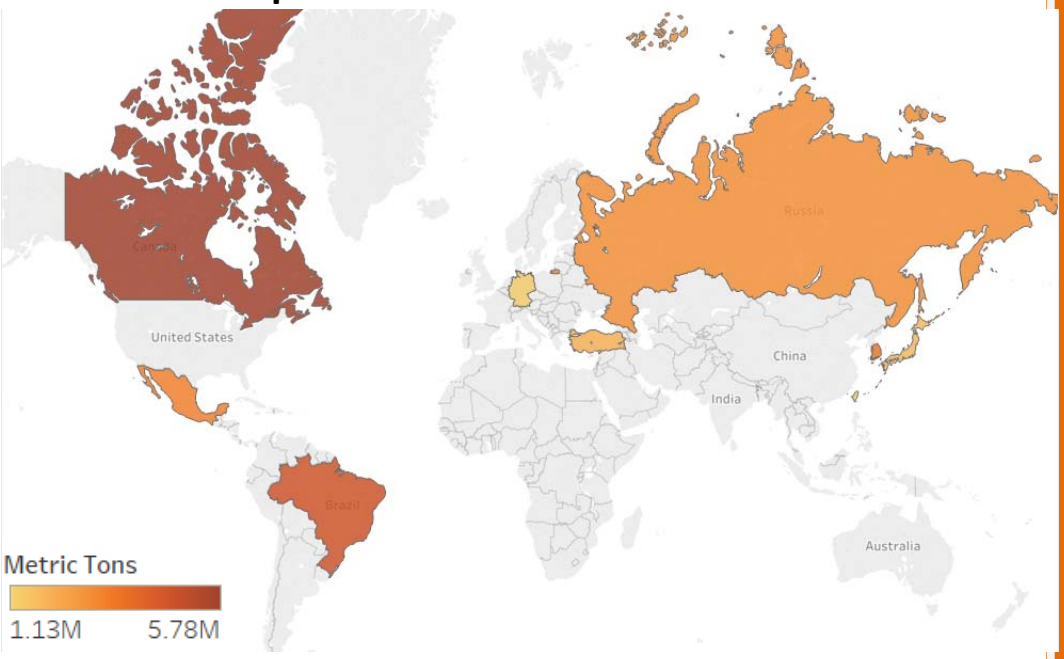
March 2018

Background

The United States is the world's largest steel importer. In 2017, the U.S. imported 34.6 million metric tons (mmt) of steel, a 15 percent increase from 30 mmt in 2016 and a 14 percent decrease from the near-record high of 40.3 mmt in 2014. In 2016, U.S. imports represented about 8 percent of all steel imported globally, based on available data. The volume of U.S. steel imports in 2016 was more than 15 percent larger than that of the world's second largest importer, Germany. In value terms, steel represented just 1.2 percent of the total goods imported into the United States in 2017.

The United States imported steel from 85 countries and territories in 2017. The 9 countries highlighted in the map below represent the top sources for U.S. imports of steel, with the U.S. receiving more than 1 million metric tons from each and together accounting for 75 percent of U.S. steel imports in 2017.

U.S. Imports of Steel Mill Products - 2017



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Quick Facts:

- World's largest steel importer: 34.6 million metric tons (2017)
- 134% steel import growth since 2009
- Year-on-year import volume up 15% while import value up 31%
- Import penetration up from 22.7% in 2009 to 32.6% in 2017
- Top three import sources: Canada, Brazil, South Korea
- Largest producers: Nucor, U.S. Steel, and ArcelorMittal USA
- 164 trade remedies in effect against imports of steel mill products

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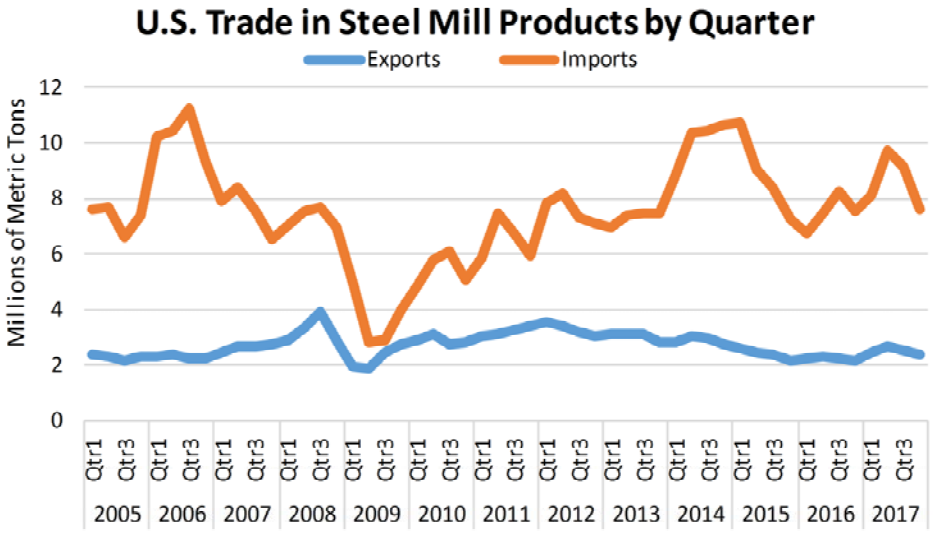
Steel Trade Balance

The United States has maintained a persistent trade deficit in steel products. Since 2009, imports have returned to the average levels seen prior to the 2008 global recession while exports have remained relatively flat in comparison, and the trade deficit has widened accordingly. Imports grew by 134% between 2009 and 2017, and the steel trade deficit grew by 327%.



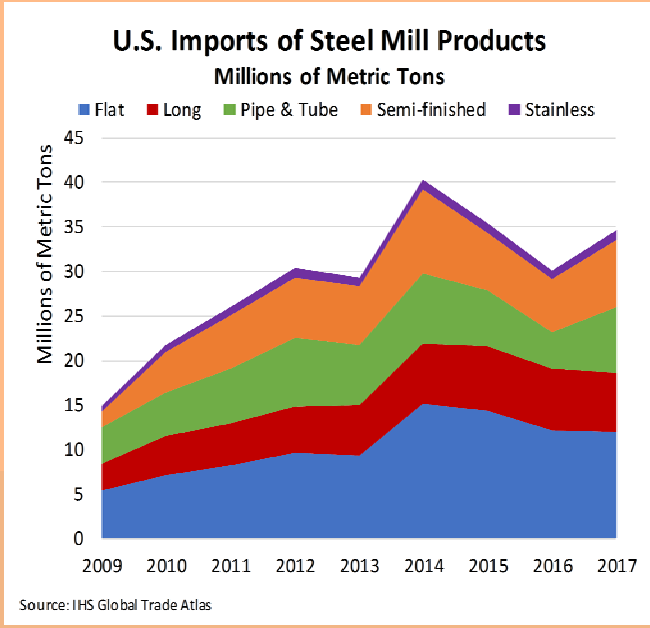
Source: IHS Global Trade Atlas

In 2017, the U.S. steel trade deficit amounted to -24.6 million metric tons.

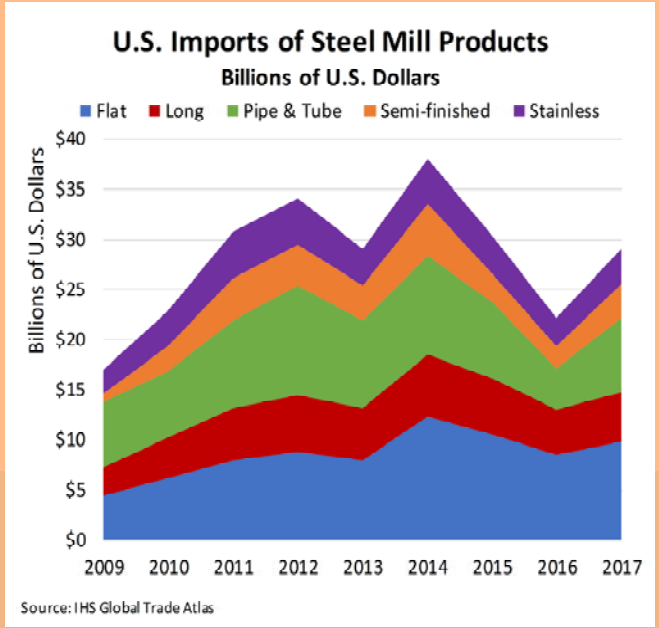
Import Volume, Value, and Product

In 2014, U.S. imports of steel products reached a near-record high of 40.3 million metric tons, only topped by the 41.3 million metric tons imported in 2006. Between 2014 and 2016, imports decreased 26 percent to 30 million metric tons. In 2017, the volume of U.S. steel imports increased by 15 percent to 34.6 million metric tons. The value of U.S. 2017 steel imports increased by 31 percent to $29 billion from $22.1 billion in 2016.

In 2017, flat products accounted for the largest share of U.S. steel imports at 35 percent, or 12.1 million metric tons. Semi-finished products accounted for 22 percent, or 7.5 million metric tons, of U.S. imports, followed by pipe & tube products at 22 percent (7.4 million metric tons), long products at 19 (6.5 million metric tons), and stainless products at 3 percent (1 million metric tons).



Source: IHS Global Trade Atlas



Source: IHS Global Trade Atlas

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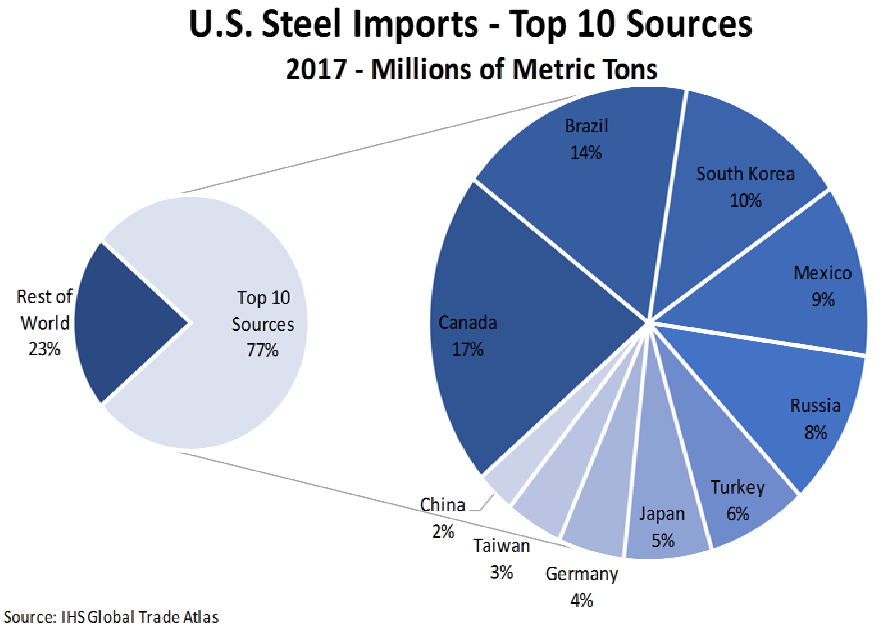
Imports by Top Source

The top 10 source countries for U.S. steel imports represented 77 percent of the total steel import volume in 2017 at 26.8 million metrics tons (mmt). Canada accounted for the largest share of U.S. imports by source country at 17 percent (5.8 mmt), followed by Brazil at 14 percent (4.7 mmt), South Korea at 10 percent (3.4 mmt), Mexico at 9 percent (3.2 mmt), and Russia at 8 percent (2.9 mmt).



Source: IHS Global Trade Atlas

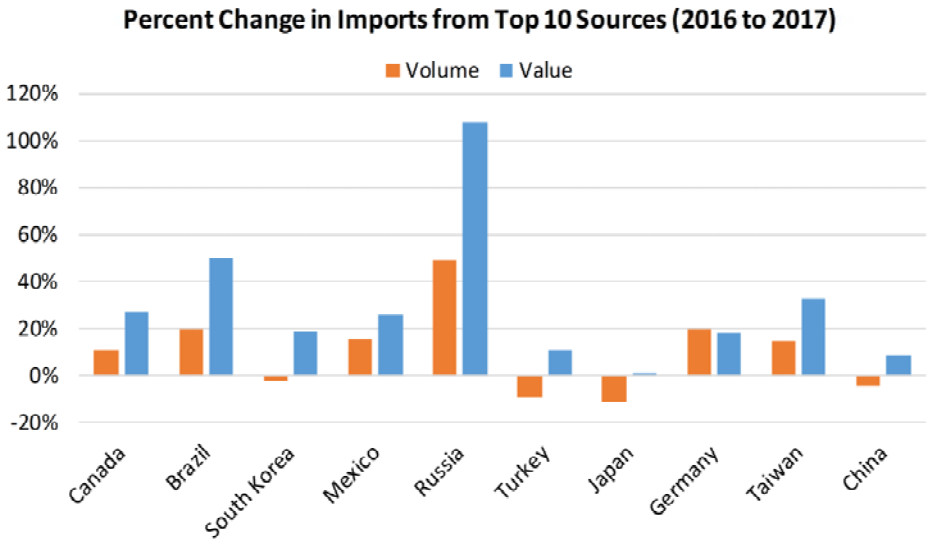
While the rankings of the top 10 source countries for U.S. imports has fluctuated over time, Canada has retained the top spot.

Trends in Imports from Top Sources

Between 2016 and 2017, imports from the U.S. top 10 source countries displayed significant trends in volume terms, with 6 of the top ten seeing increases. Imports from Russia showed the largest volume increase, up 49 percent from 2016, followed by Brazil (up 19.9%), Germany (up 19.5%), Mexico (up 15.5%), Taiwan (up 15.1%), and Canada (up 11%). The only decreases in volume came from Japan (down 11.4%), Turkey (down 9.3%), China (down 4.6%), and South Korea (down 2.1%).

Outside the top 10 sources, other notable volume changes included U.S. imports from 11th-ranked India (up 133%), 12th-ranked Vietnam (down 19%), and 15th-ranked Thailand (up 192%).

The overall value of U.S. imports increased from all of its top 10 sources, reflecting the increase in global steel prices. Imports from Russia, Brazil, and Taiwan showed the largest increases in value in 2017, up 108, 50, and 33 percent, respectively.



Source: IHS Global Trade Atlas

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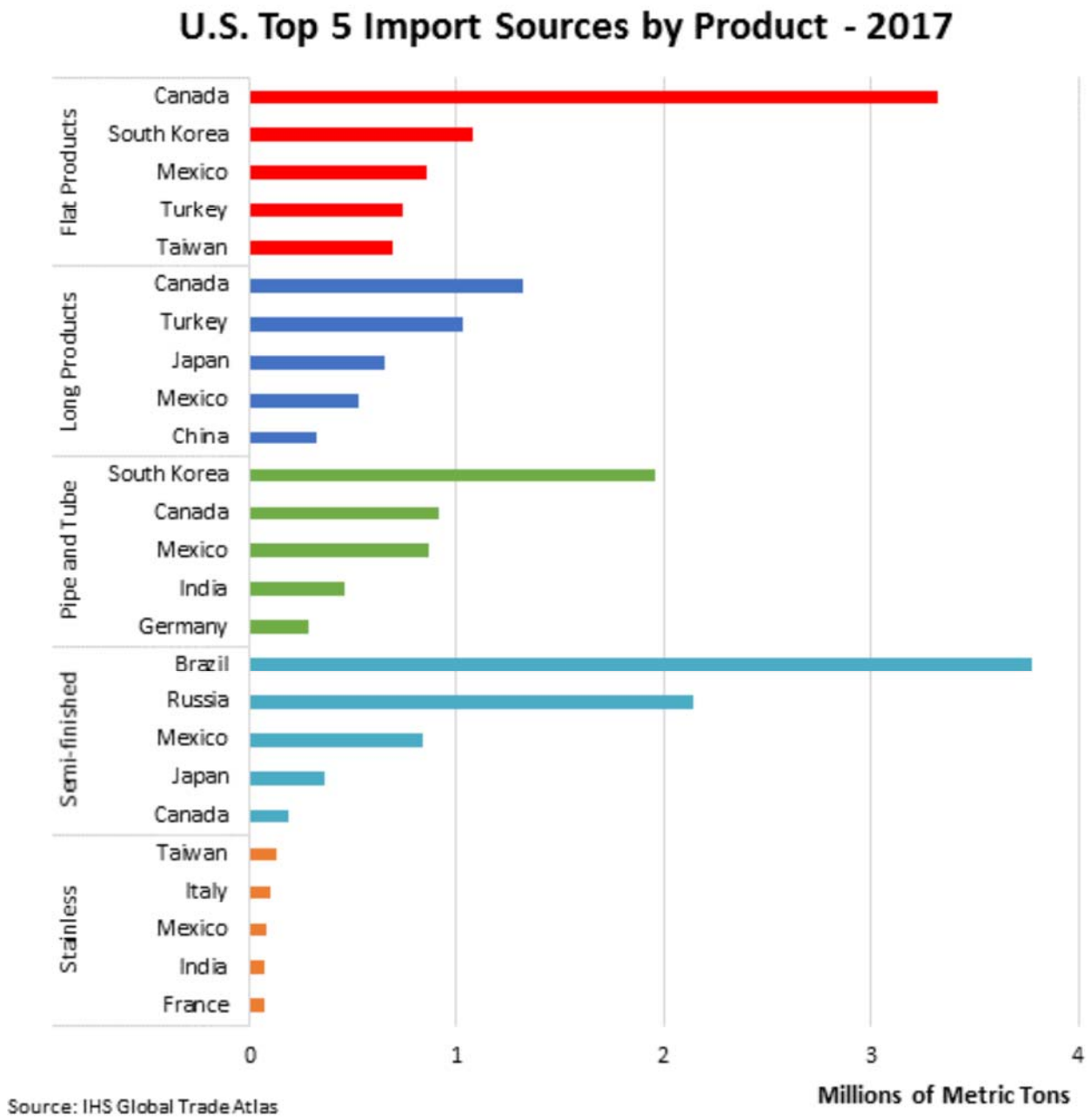
Top Sources by Steel Product Category

The top source countries for U.S. imports by volume vary across types of steel products. Canada accounted for the largest share of U.S. imports of flat products in 2017 at 28 percent (3.3 million metric tons), followed by South Korea at 9 percent (1.1 million metric tons).

The U.S. received the largest share of its long product imports from Canada in 2017 at 20 percent (1.3 million metric tons), received the largest share of pipe and tube imports from South Korea at 26 percent (2 million metric tons), and received the largest share of stainless products from Taiwan at 12 percent (126 thousand metric tons).

The U.S. imported half of its semi-finished steel products (50 percent) from Brazil in 2017, a total of 3.8 million metric tons.



Source: IHS Global Trade Atlas

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U.S. Export Market Share from Top Source Countries

In 2017, the share of steel exports sent to the United States from its top import sources decreased in the majority of the U.S. top 10 sources. Mexico's share of exports to the U.S. showed the largest decrease between 2016 and 2017, down 7.9 percentage points. Other notable decreases included Turkey's share of exports to the U.S. (down 4.3 percentage points from 2016), followed by Brazil (down 1.2 percentage points). The share of exports to the U.S. in Japan and South Korea both decreased by less than one percentage point.

Countries with increases in their share of steel exports to the U.S. included Canada (up 2.3 percentage points), Taiwan (up 0.4 percentage points), and China (up 0.3 percentage points).

U.S. Steel Export Market Share				
Top 10 Import Sources	**Share of Exports to U.S - 2016**	**U.S.'s Rank in 2016**	**Share of Exports to U.S. - 2017**	**U.S. Rank in 2017**
Canada	87.7%	1	89.9%	1
Brazil	**34.0%**	**1**	**32.8%**	**1**
South Korea	12.1%	2	11.2%	3
Mexico	**72.9%**	**1**	**65.0%**	**1**
Russia	2.3%	11	N/A	0
Turkey	**15.0%**	**1**	**10.7%**	**1**
Japan	4.9%	7	4.7%	8
Germany	**4.0%**	**9**	**N/A**	**0**
Taiwan	9.2%	3	9.6%	3
China	**0.8%**	**25**	**1.1%**	**26**

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

2017 Data not available for Russia and Germany

Among the U.S. top import sources, Canada and Mexico sent more than half of their total steel exports to the United States. In 2017, flat products accounted for the largest share of steel exports to the U.S. in both Canada at 56 percent (3.3 million metric tons) and Mexico at 28 percent (913 thousand metric tons).

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

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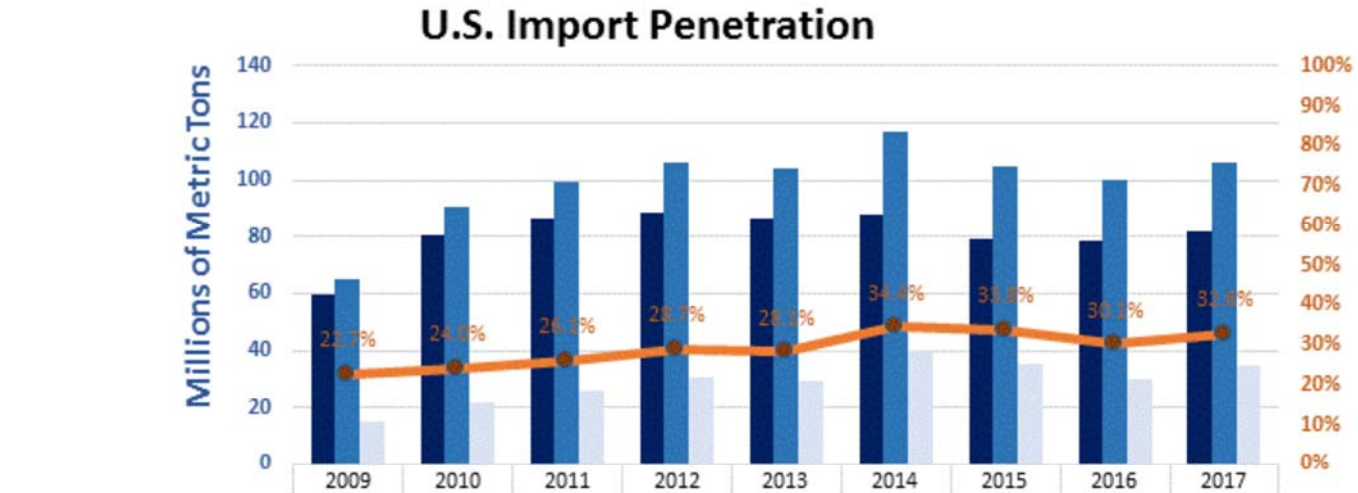
Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017
Production	59.4	80.5	86.4	88.7	86.9	88.2	78.8	78.6	81.6
Apparent Consumption	65.1	90.7	99.6	106.0	104.0	117.0	104.6	99.7	106.2
Imports	14.8	21.8	26.0	30.5	29.2	40.3	35.4	30.0	34.6
Import Penetration	22.7%	24.0%	26.1%	28.7%	28.1%	34.4%	33.8%	30.1%	32.6%

Sources: World Steel Association; IHS Global Trade Atlas

U.S. crude steel production increased to 81.6 million metric tons in 2017, an increase of 3.8 percent from 2016's total of 78.6 million metric tons. Since 2009, apparent consumption (a measure of steel demand) has increasingly outpaced production. Between 2009 and 2017, crude steel production grew by 37 percent, while apparent consumption increased by 63 percent. As U.S. steel exports have decreased, imports have captured an increasing share of demand, as shown by the relatively high levels of import penetration in 2014, 2015, 2016, and 2017 at 34.4, 33.8, 30.1, and 32.6 percent respectively.

Top Producers

The top seven steel producers in the United States are a mix of foreign and domestically-owned companies. Based on available data, the top three domestically-owned producers accounted for 56 percent of total United States production in 2016.

United States Top Steel Producers in 2016

Rank	Company	Production (mmt)	Main Products
1	Nucor Corporation	22	Bars, beams, sheets, plate
2	United States Steel Corp.	14	Hot-rolled, hardware, fittings
3	ArcelorMittal USA*	12	Flat products, long products, tubular products
4	Gerdau North America*	N/A	Beams, pilings, billets, rebar, wire rod
5	Steel Dynamics Inc.	8.6	Sheets, bars, beams
6	AK Steel Corporation	5.5	Carbon, stainless, electrical
7	Commercial Metals Co.	2.3	Long products, structural

Source: Bloomberg; 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 United States has against imports of steel mill products from various countries. The U.S. has no steel mill safeguards in effect.

U.S. Trade Remedies in Effect Against Steel Mill Imports

Country	AD	CVD	Suspension Agreements and Undertakings	Total
Australia	1			1
Austria	1			1
Belarus	1			1
Belgium	2			2
Brazil	6	3		9
China	16	12		28
France	1			1
Germany	3			3
India	9	6		15
Indonesia	4	2		6
Italy	2	1		3
Japan	14			14
Latvia	1			1
Malaysia	1			1
Mexico	6			6
Moldova	2			2
Netherlands	1			1
Oman	1			1
Pakistan	1			1
Poland	1			1
Romania	1			1
Russia	1		1	2
South Africa	2	1		3
South Korea	14	6		20
Spain	1			1
Sweden	1			1
Taiwan	12	1		13
Thailand	3	1		4
Trinidad &Tobago	1			1
Turkey	8	6		13
Ukraine	2		2	4
United Arab Emirates	1			1
United Kingdom	2			2
Vietnam	2			2
TOTAL	**125**	**39**	**3**	**167**

Source: World Trade Organization, through December 31, 2017

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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