

Global Steel Trade Monitor

Steel Exports Report: Germany

June 2016

Background

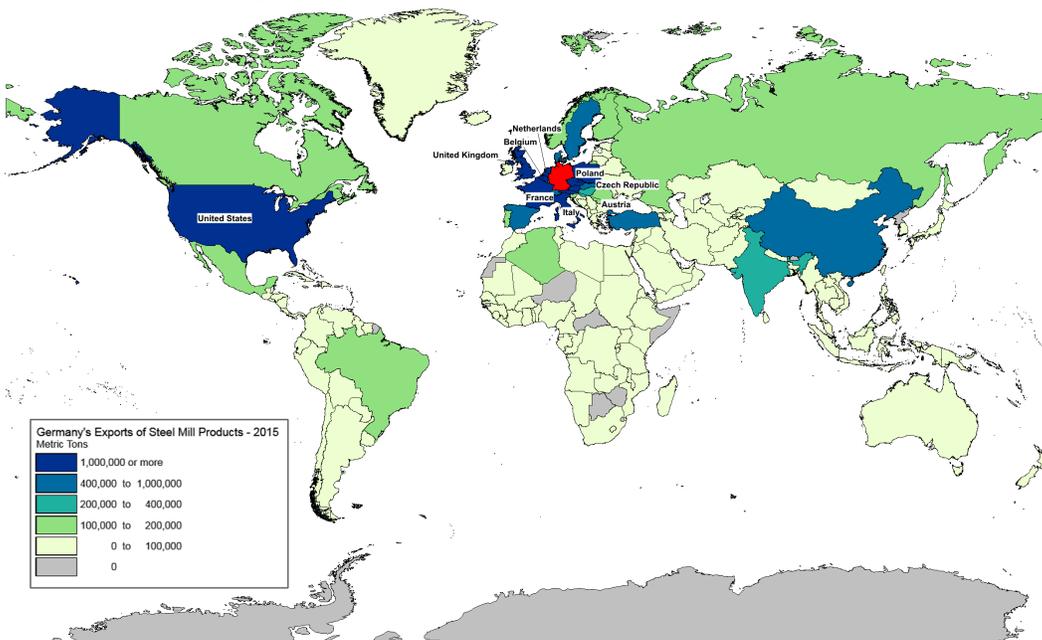
Germany is the world's fifth-largest steel exporter. In 2015, Germany exported 24.8 million metric tons of steel, a slight rise from 24.3 million metric tons in 2014. Germany's exports represented about 5 percent of all steel exported globally. The volume of Germany's 2015 steel exports was less than a quarter of the world's largest exporter, China. In value terms, steel represented just 2 percent of the total amount of goods Germany exported in 2015.

Germany exports steel to more than 200 countries and territories. The nine countries labeled in the map below represent the top markets for Germany's exports of steel, receiving more than 1 million metric tons each and accounting for 67 percent of Germany's steel exports in 2015.

Quick Facts:

- World's fifth-largest steel exporter: 24.8 million metric tons (2015)
- 20% steel export growth since 2009
- Year-on-year export volume up 1.8% while export value down 17.7%
- Top three markets: France, Netherlands, Poland
- Largest producers: ThyssenKrupp, ArcelorMittal, and Salzgitter
- 4 trade remedies in effect in 3 countries involving steel mill imports from Germany; 6 trade remedies in effect in 3 countries involving steel mill imports from the European Union

Germany's Exports of Steel Mill Products - 2015



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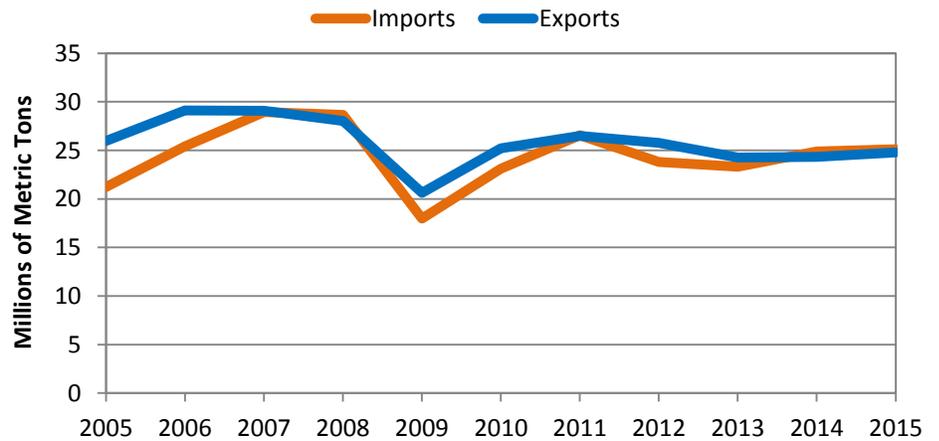
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Steel Trade Balance

Germany has posted a steel trade surplus for much of the past decade. Both imports and exports fell in 2009 and have recovered since then, increasing 40 percent and 20 percent, respectively, between 2009 and 2015.

With imports growing at a faster rate, Germany has posted a slight steel trade deficit in the past two years, amounting to -339 thousand metric tons in 2015.

Germany's Trade in Steel Mill Products



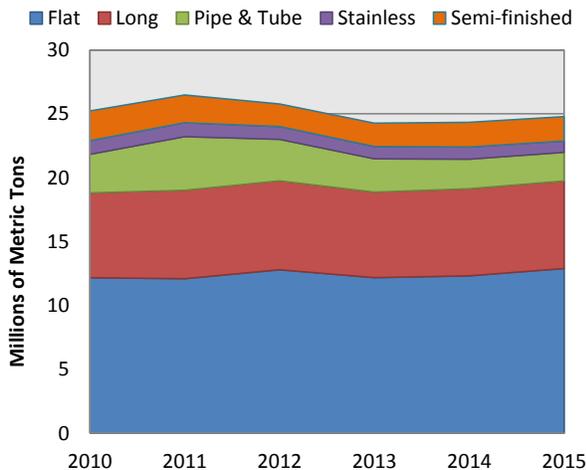
Source: IHS Global Trade Atlas

Export Volume, Value, and Product

In recent years, Germany's level of steel exports by volume has remained relatively flat. In 2015, Germany exported 24.8 million metric tons of steel, a 1.8 percent increase from 24.3 million metric tons in 2014. By contrast, the value of Germany's steel exports has declined every year since 2011. In 2015 alone, exports decreased in value by 17.7 percent to \$23.8 billion from \$28.9 billion in 2014, which can be attributed to a significant drop in global steel prices.

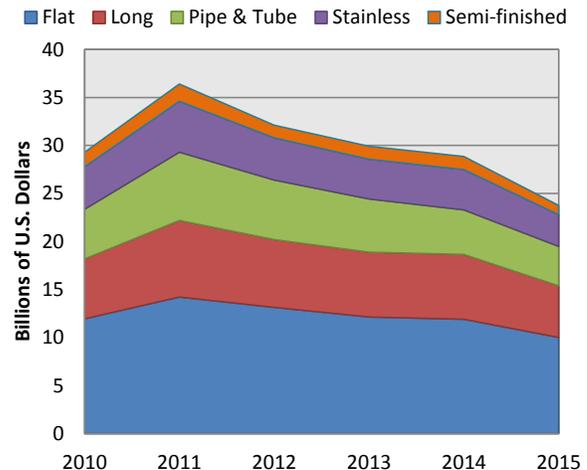
Flat products account for just over half of Germany's steel exports, amounting to 12.9 million metric tons in 2015. Long products accounted for 28 percent, or 6.9 million metric tons, of Germany's exports of steel in 2015, followed by pipe and tube products (9% or 2.2 million metric tons), semi-finished steel (8% or 1.9 million metric tons), and stainless products (4% or 891 thousand metric tons).

Germany's Exports of Steel Mill Products
Millions of Metric Tons



Source: IHS Global Trade Atlas

Germany's Exports of Steel Mill Products
Billions of U.S. Dollars



Source: IHS Global Trade Atlas

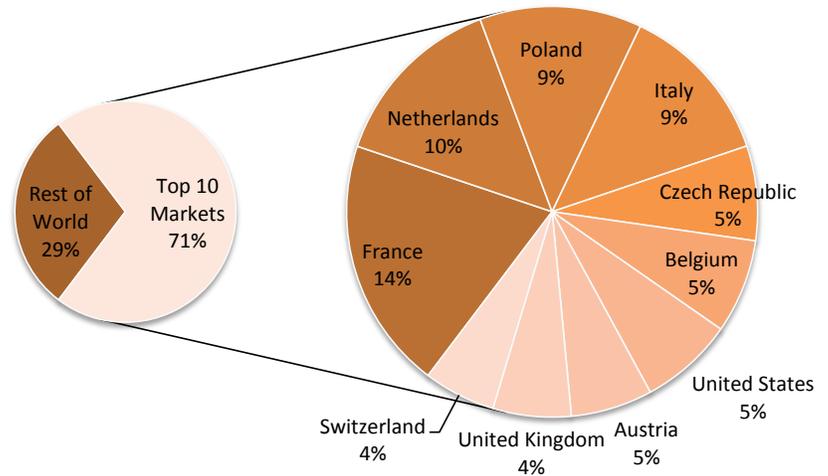
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Exports by Top Market

Exports to Germany's top 10 steel markets represented 71 percent of Germany's steel export volume in 2015 at 17.5 million metric tons (mmt). France received the largest share of Germany's exports with 14 percent (3.5 mmt), followed by the Netherlands at 10 percent (2.5 mmt), Poland at 9 percent (2.2 mmt), and Italy also at 9 percent (2.2 mmt).

The United States ranked seventh as a destination for Germany's steel exports, receiving 5 percent of exports (1.3 mmt) in 2015 – a 5.9 percent increase from 1.2 million metric tons in 2014.

Germany's Steel Exports - Top 10 Markets
2015 - Millions of Metric Tons



Source: IHS Global Trade Atlas

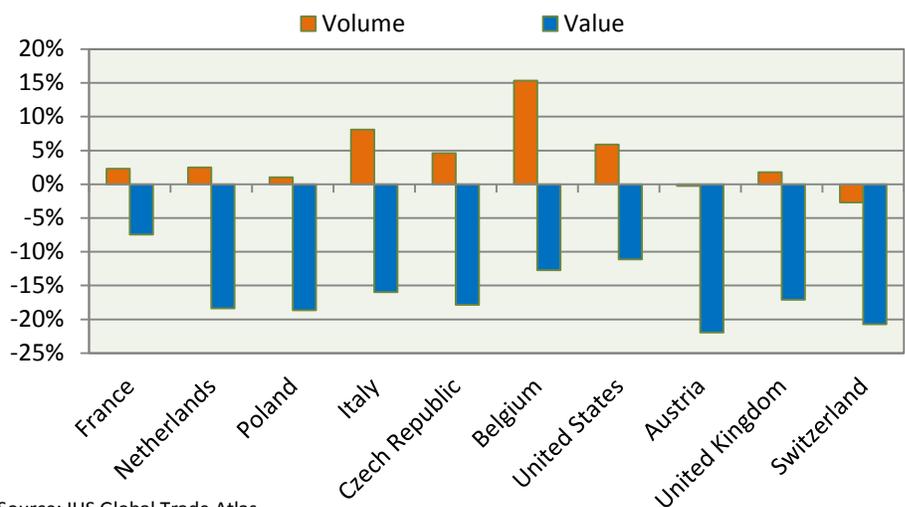
Trends in Exports to Top Markets

While the volume of Germany's steel exports increased in eight of Germany's top 10 steel export markets between 2014 and 2015, the overall value of Germany's steel exports decreased in all of its top 10 markets, reflecting the decline in global steel prices. Markets that experienced considerable decreases in steel value between 2014 and 2015 included Austria (down 21.9%), Switzerland (down 20.7%), Poland (down 18.7%), and the Netherlands (down 18.5%).

Only Switzerland and Austria experienced decreases in steel volume from Germany, down 2.7 and 0.2 percent, respectively.

Sizeable increases in Germany's steel export volume occurred in Belgium (up 15.3% from 2014), Italy (up 8.1%), and the U.S. (up 5.9%). Outside the top 10 markets, other substantial volume increases included exports to Turkey (up 53.5%), India (up 44.4%), and Argentina (up 286.7%).

Percent Change in Exports to Top 10 Markets (2014 to 2015)



Source: IHS Global Trade Atlas

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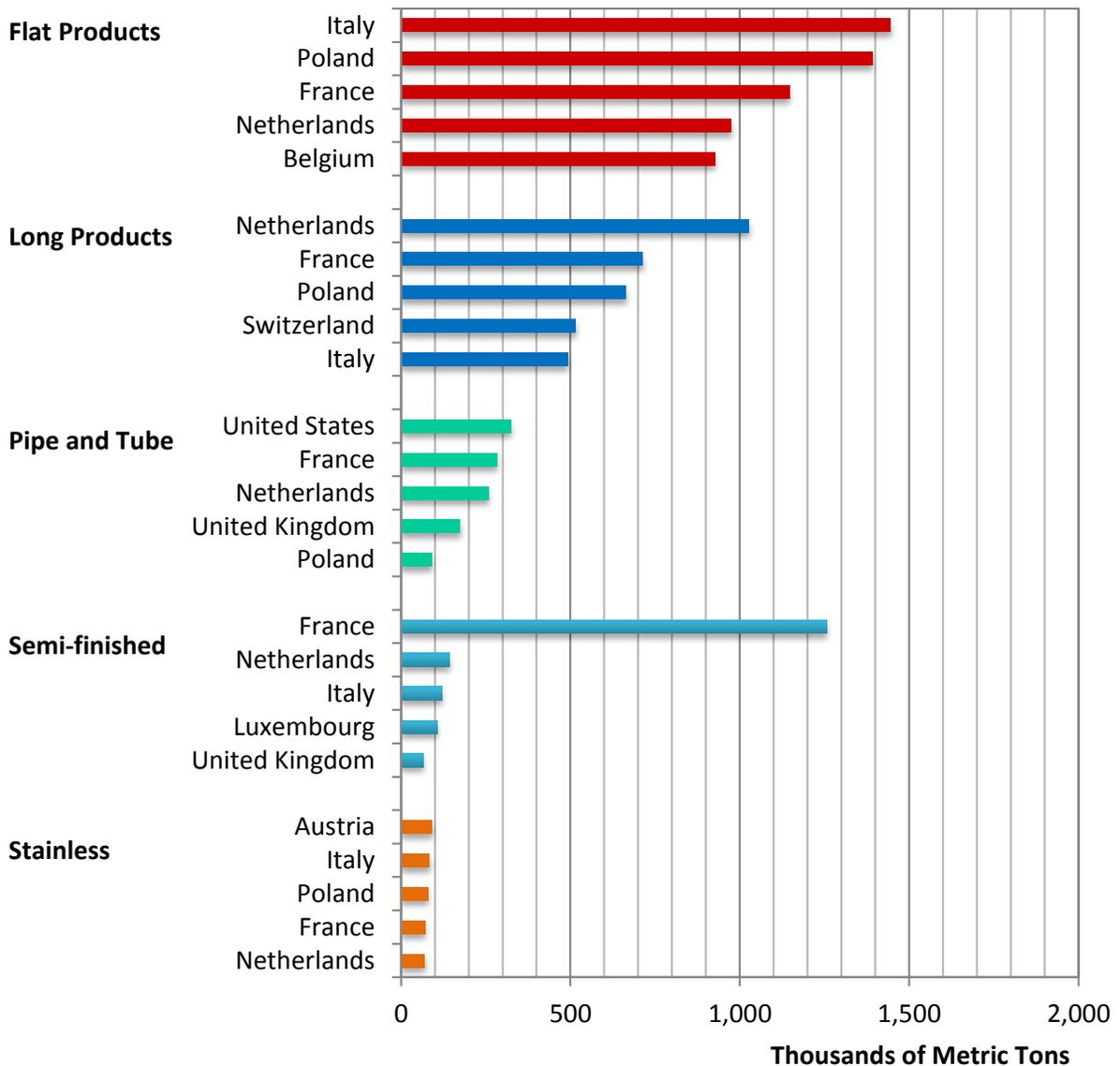
Top Markets by Steel Product Category

Germany's top export markets by volume vary across types of steel products. Italy accounted for the largest share of Germany's exports of flat products in 2015, receiving 11.2 percent (1.44 million metric tons), followed closely by Poland at 10.8 percent (1.4 million metric tons).

The Netherlands received the largest share of Germany's long product exports in 2015 at 15 percent (1 million metric tons), the United States received the largest share of pipe and tube exports at 15 percent (325 thousand metric tons), and Austria received the largest share of stainless exports at 10 percent (92 thousand metric tons).

France received two-thirds of Germany's exports of semi-finished products in 2015, a total of 1.3 million metric tons.

Germany's Top 5 Export Markets by Product - 2015



Source: IHS Global Trade Atlas

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Germany's Import Market Share in Top Destinations

In 2015, the import market share for Germany's steel products decreased in the majority of Germany's top export destinations. Austria's share of imports from Germany saw the largest decline (down 3.7 percentage points from 2014), followed by Italy (down 2.5 percentage points), and France (down 0.9 percentage points).

Import shares from Germany in the Netherlands, the Czech Republic, and Belgium each decreased by less than one percentage point.

In 2015, the share of steel imports from Germany increased in Poland, the United States, the United Kingdom, and Switzerland.

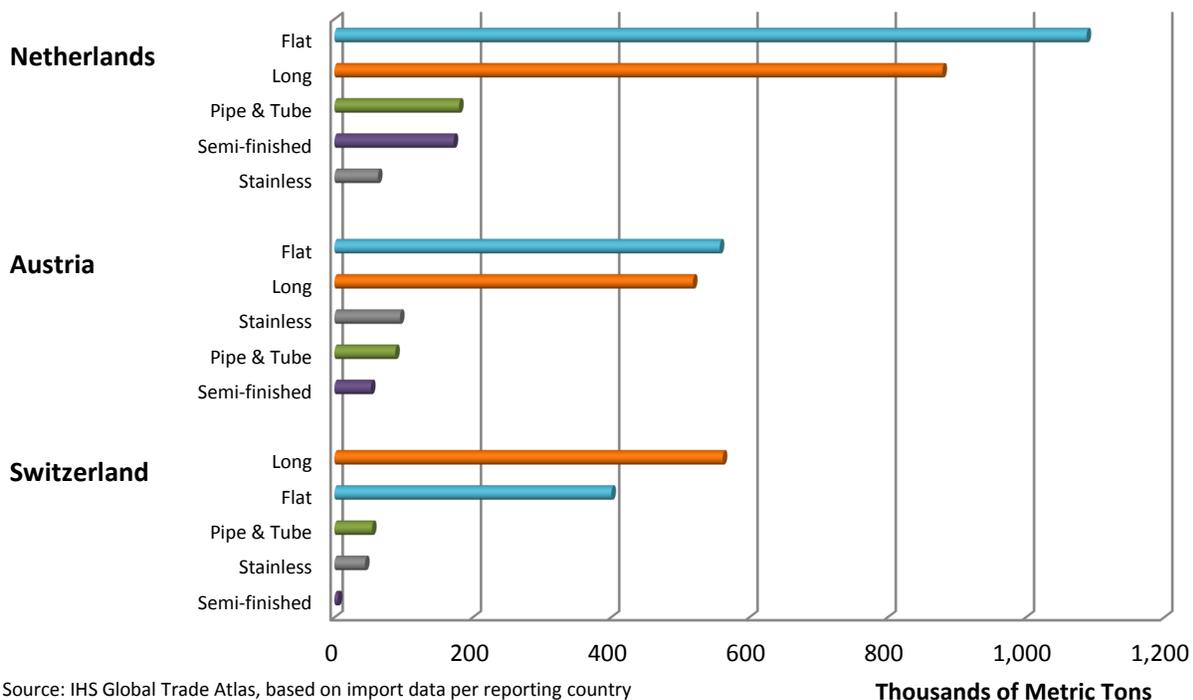
Among Germany's top export markets, the Netherlands, Austria, and Switzerland received more than 30 percent

Germany's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Germany - 2014	Germany's Rank in 2014	Share of Imports from Germany - 2015	Germany's Rank in 2015
France	26.9%	1	26.0%	1
Netherlands	32.4%	1	31.7%	1
Poland	25.5%	1	25.7%	1
Italy	14.3%	1	11.8%	2
Czech Republic	23.5%	1	22.9%	1
Belgium	13.4%	3	13.2%	4
United States	3.0%	10	4.0%	9
Austria	36.0%	1	32.3%	1
United Kingdom	14.8%	1	15.8%	1
Switzerland	44.4%	1	45.2%	1

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

of their total steel imports from Germany. In 2015, flat products accounted for the largest share of steel imports from Germany in the Netherlands (46% or 1.1 million metric tons) and Austria (42% or 557 thousand metric tons), while long products accounted for the largest share of Switzerland's imports from Germany (53% or 562 thousand metric tons).

Steel Import Composition of Top Market-Share Countries - 2015

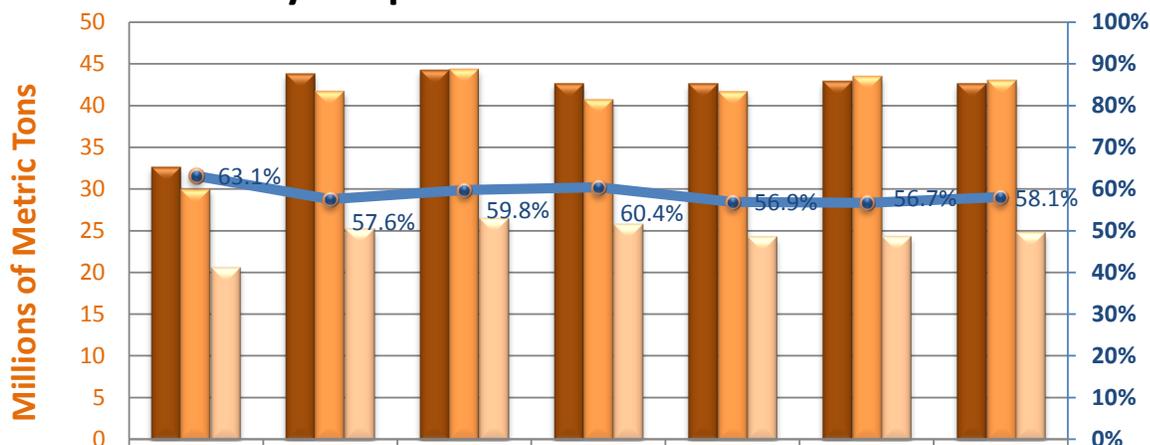


Source: IHS Global Trade Atlas, based on import data per reporting country

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Overall Production and Export Share of Production

Germany's Export Share of Steel Production



Production	32.7	43.8	44.3	42.7	42.6	42.9	42.7
Apparent Consumption	30.0	41.7	44.4	40.7	41.7	43.5	43.0
Exports	20.6	25.2	26.5	25.8	24.3	24.3	24.8
Export Share of Production	63.1%	57.6%	59.8%	60.4%	56.9%	56.7%	58.1%

Source: World Steel Association; IHS Global Trade Atlas

Germany's crude steel production increased by 36 percent between 2009 and 2011 but has maintained a steady average of 42.7 million metric tons since then. Apparent consumption (a measure of steel demand) was either on par with or slightly less than production between 2009 and 2015, and the gap between the two has narrowed over time. Germany's steel exports as a share of production have declined since 2009 but remained consistently over 50 percent – amounting to 58.1 percent in 2015. Despite having a high level of exports relative to production, Germany imported a similar percentage, which helped to keep demand in line with production.

Top Producers

Germany's steel production is a mix of domestic and foreign-owned companies and is concentrated among a handful of producers, with the country's top six producers accounting for 33.7 million metric tons, or 79 percent of total 2015 production.

Germany's Top Steel Producers in 2015

Rank	Company	Production (mmt)	Main Products
1	ThyssenKrupp	9.3	Strip, plate, tinplate, electrical, stainless
2	ArcelorMittal	7.8	Flat, long, tube
3	Salzgitter	5.3	Strip, plates, sections, pipe and tube
4	HKM	4.6	Semi-finished
5	Saarstahl	4.3	Wire rods, bars, semi-finished
6	Dillinger Hüttenwerke	2.4	Heavy plate

Sources: German Steel Federation; MarketLine; 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 tables below provide statistics on the current number of trade remedies various countries have against steel mill products from Germany and from the European Union, which includes Germany.

Steel Mill Trade Remedies in Effect Against Germany				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Brazil	1			1
Pakistan	1			1
United States	2			2
TOTAL	4	0	0	4

Source: World Trade Organization, through June 30, 2015

Steel Mill Trade Remedies in Effect Against the European Union				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	2			2
India	3			3
Morocco	1			1
TOTAL	6	0	0	6

Source: World Trade Organization, through June 30, 2015

Global Steel Mill Safeguards in Effect	
Country	Product(s)
India	Seamless pipes, tubes and hollow profiles of iron or non-alloy steel (other than cast iron and stainless steel)
Indonesia	1) Articles of finished casing and tubing; 2) Articles of iron or steel wire; 3) Bars and rods, hot-rolled, in irregularity wound coils; 4) Flat-rolled products of iron or non-alloy steel; 5) I and H sections of other alloy steel
Malaysia	Hot-rolled steel plate
Morocco	1) Cold-rolled sheets and plated or coated sheets; 2) Reinforcing bars and wire rods
Philippines	Steel angle bars
Thailand	1) Hot-rolled steel flat products with certain amounts of alloying elements; 2) Unalloyed hot-rolled steel flat products in coils and not in coils
Ukraine	Casing and pump compressor seamless steel pipes

Source: World Trade Organization, through March 1, 2016

Steel Exports 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.

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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