



Global Steel Trade Monitor

Steel Exports Report: China

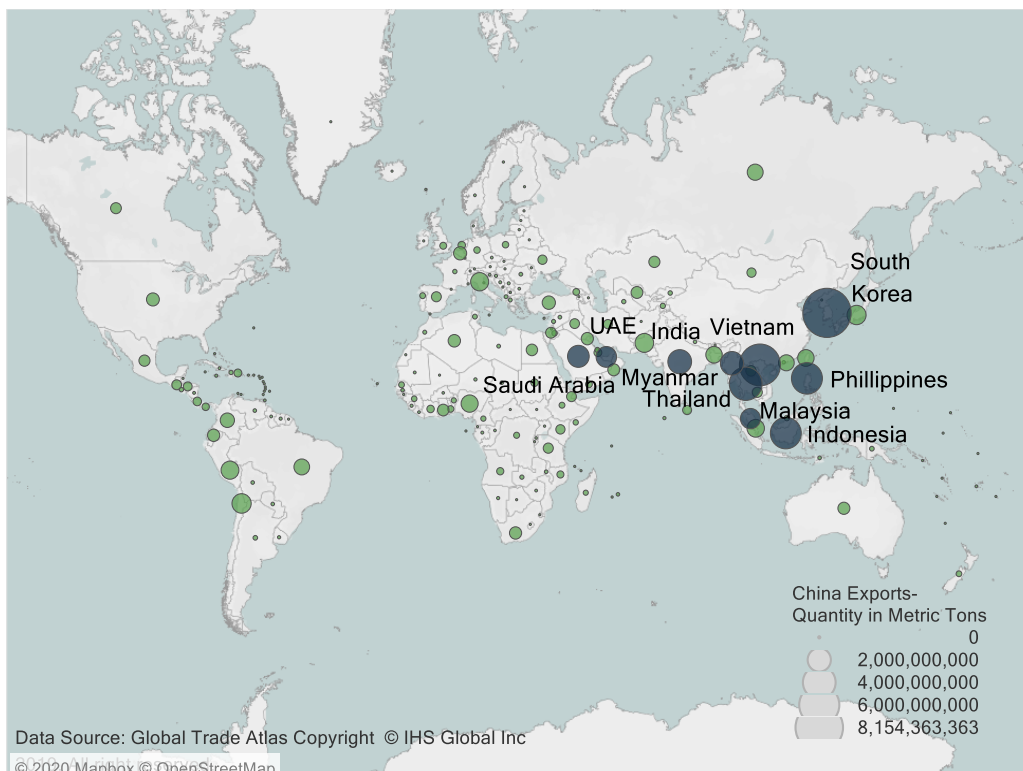
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Background

China was the world's largest steel exporter in 2019. In 2019, China exported 62.0 million metric tons of steel, a 7.3 percent decrease from 66.9 million metric tons in 2018. China's exports represented about 15 percent of all steel exported globally in 2019. The volume of China's 2019 steel exports was almost double that of the world's second-largest exporter, Japan. In value terms, steel represented about 2 percent of the total amount of goods China exported in 2019.

China exports steel to more than 200 countries and territories. The 10 countries highlighted in the map below represent the top markets for China's exports of steel, receiving more than 1.4 million metric tons each and accounting for over 50 percent of China's 2019 steel exports.

China's Exports of Steel Mill Products-YTD 2019 (Top Ten in Blue)



Quick Facts:

- 62.0 million metric tons (2019)
- 58% steel export growth since Q4 2009
- 2019 export volume down 7.3% and export value down 12.1% since 2018
- Exports as a share of production down from 7.2% in 2018 to 6.2% in 2019
- Top three markets: South Korea, Vietnam, Thailand
- Largest producers in 2018: China Baowu Group and HBIS Group (Hesteel)

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Steel Trade Balance

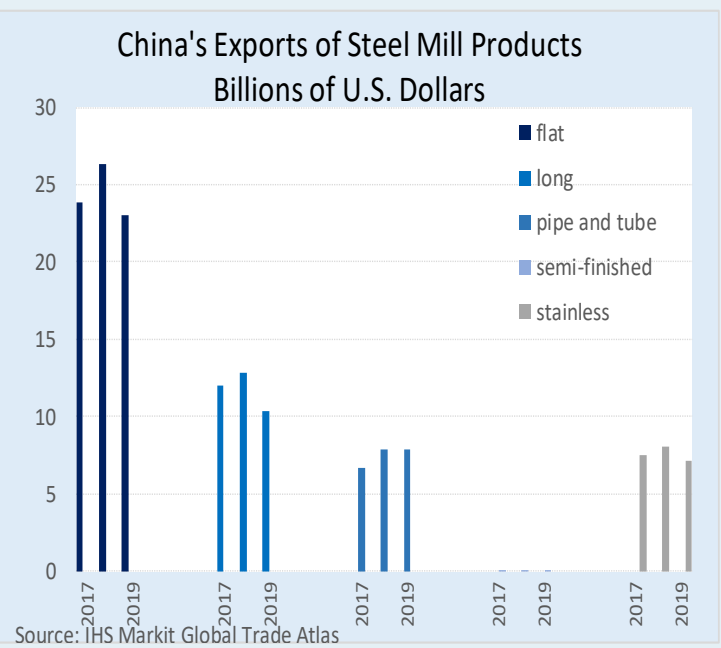
Throughout the last decade, China has maintained a trade surplus in steel products. After a brief decline in exports in 2009, due to the global recession, China's exports increased every year through 2015. Since 2016, Chinese exports have trended down, but are still up 169.7 percent for the period from 2009 to 2019. Imports decreased by 30 percent over the same period. The trade surplus has decreased 11 percent from 52.7 million metric tons in 2018 to 46.7 million metric tons in 2019.



Export Volume, Value, and Product

In 2015, China's steel exports reached a record high of 110 million metric tons — an increase of 21 percent from 2014 — before declining annually to 66.9 million metric tons in 2018. In 2019, the volume of China's steel exports have decreased 7.3 percent to 62.0 million metric tons compared to 66.8 million metric tons in 2018. The value of China's steel exports have decreased by 12.1 percent from \$55.0 billion in 2018 to \$48.4 billion in 2019.

Flat products accounted for over half the volume of China's steel exports in 2019 at 57.7 percent (35.8 million metric tons). Long products accounted for 24.0 percent (14.9 million metric tons), followed by pipe and tube products at 12.6 percent (7.8 million metric tons), stainless steel at 5.7 percent (3.5 million metric tons), and semi-finished steel at 0.05 percent (31.9 thousand metric tons).



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Exports by Top Market

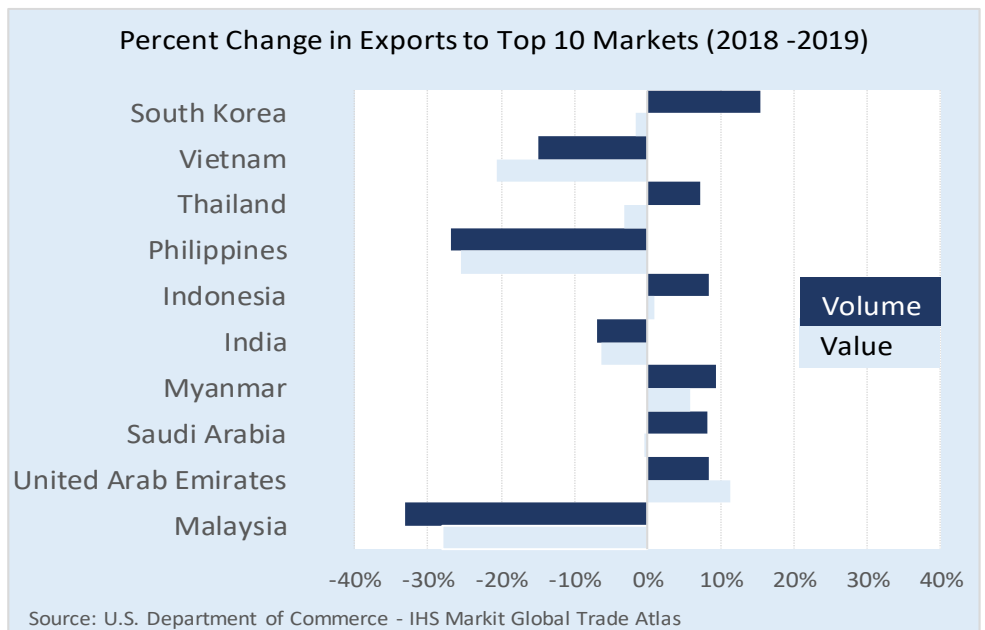
Exports to China's top 10 steel markets represented 52 percent of China's steel export volume in 2019 at 32.5 million metric tons (mmt). South Korea was the largest market for China's exports at 13 percent (8.2 mmt), followed by Vietnam at 9 percent (5.9 mmt), Thailand at 6 percent (3.7 mmt), the Philippines at 5 percent (3.3 mmt) and Indonesia at 5 percent (3.3 mmt).



The United States ranked 26th as a destination for China's steel exports, receiving 547 thousand metric tons in 2019, a 26 percent decrease from 2018.

Trends in Exports to Top Markets

Between 2018 and 2019, China's exports decreased in volume to 4 of its top 10 export markets. Export volumes to Malaysia showed the largest decrease, down 33 percent from 2018, followed by exports to the Philippines (-27%), Vietnam (-15%), and India (-7%). Over the same period, Chinese exports to South Korea increased 15 percent, Myanmar (9%), Indonesia (8%), the United Arab Emirates (8%), Saudi Arabia (8%), and Thailand (7%).



The value of China's exports decreased to the majority of its top 10 export markets in 2019. Malaysia had the largest decrease, falling 28 percent. This is followed by the Philippines (-25%), Vietnam (-21%), India (-6%), Thailand (-3%), South Korea (-2%), and Saudi Arabia (-1%). China's exports to three of its top export markets increased in value with the United Arab Emirates showing the largest increase (11%), followed by Myanmar (6%), and Indonesia (1%).

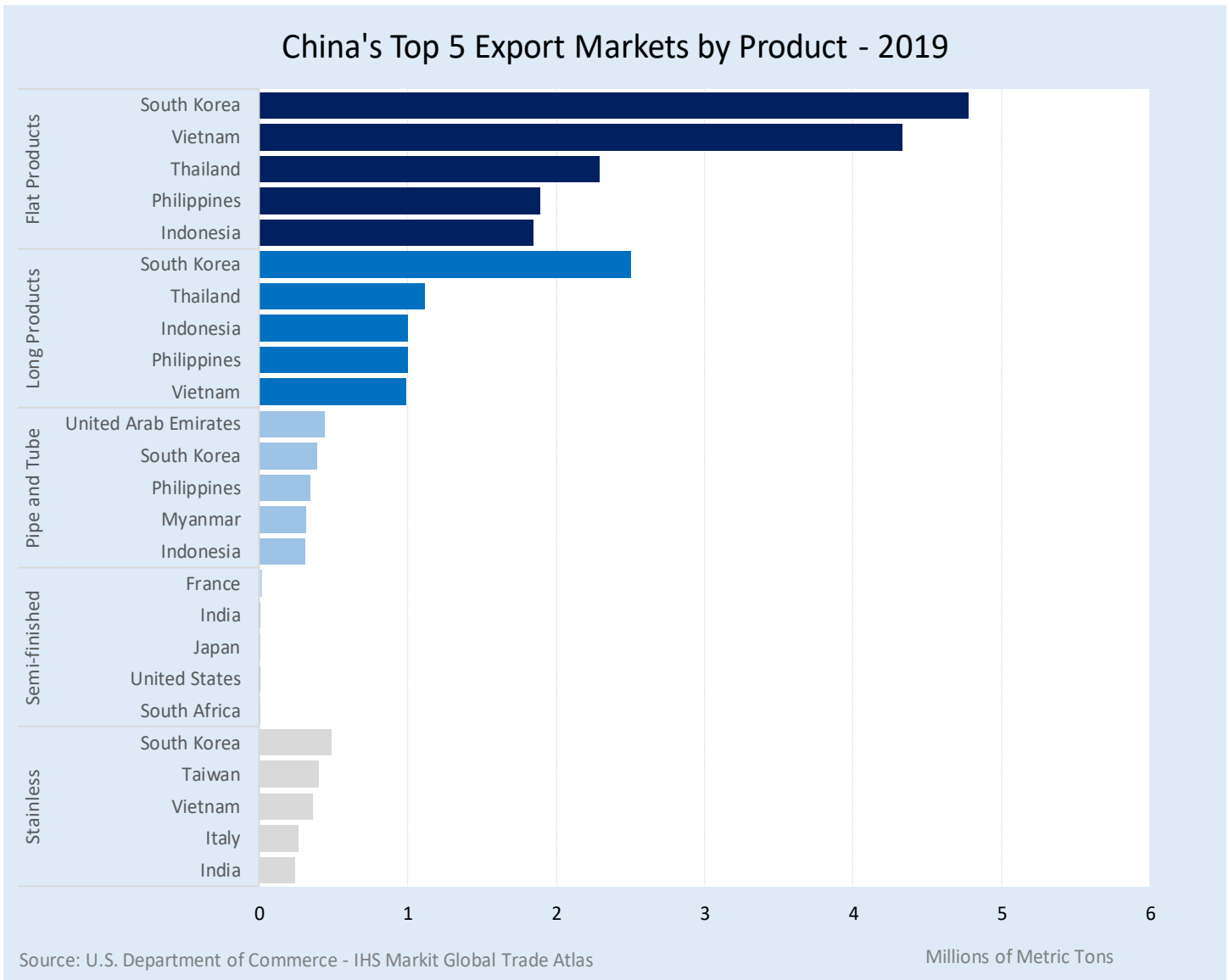
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Top Markets by Steel Product Category

China's top export markets by volume vary across types of steel products, with South Korea capturing the largest share in three product categories. South Korea received the largest share of China's flat products in 2019 at 13 percent (4.8 million metric tons), followed by Vietnam at 12 percent (4.3 million metric tons). South Korea received the largest share of stainless products at 14 percent (489.9 thousand metric tons), followed by Taiwan at 11 percent (396.9 thousand metric tons).

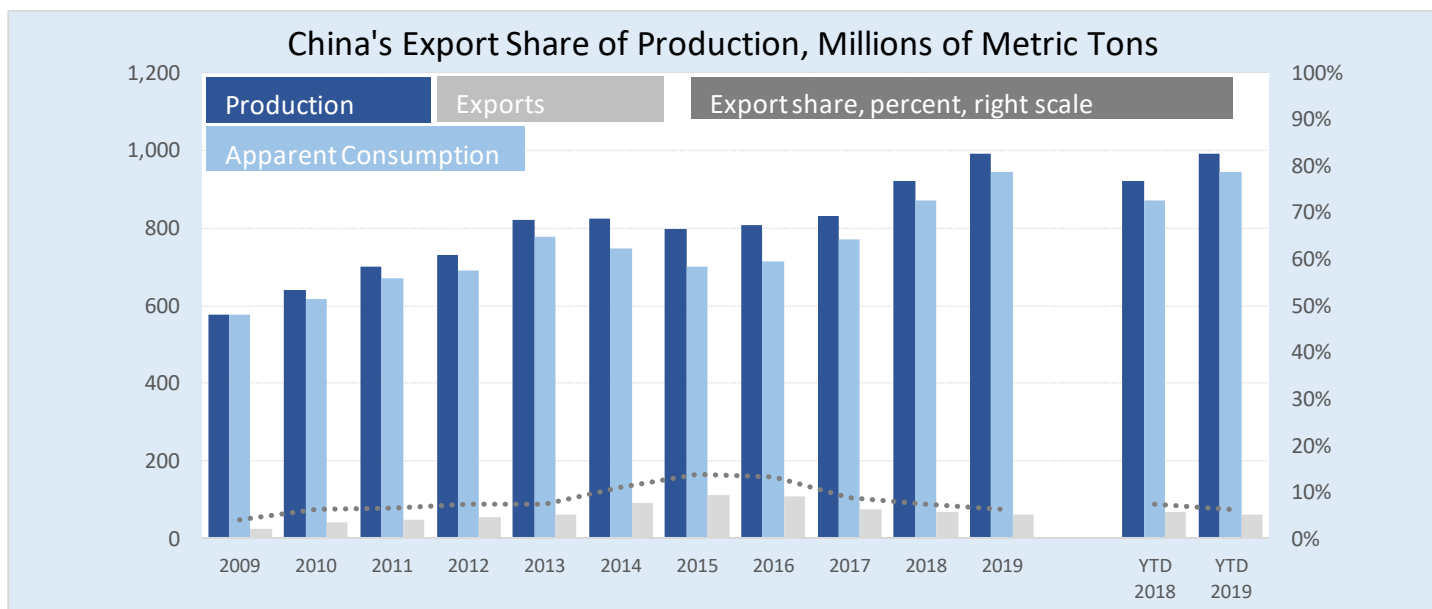
South Korea also received the largest share of China's long products at 17 percent (2.5 million metric tons), followed by Thailand at 8 percent (1.1 million metric tons). The United Arab Emirates received the largest share of China's exports of pipe and tube exports at 6 percent (444.1 thousand metric tons), closely followed by South Korea at 5 percent (388.2 thousand metric tons). France received the largest share of China's semi-finished exports at 61 percent (19.5 thousand metric tons).

The United States was not a top-five export destination in any product category in 2019.



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Overall Production and Export Share of Production



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2018	YTD 2019
Production	577.1	638.7	702.0	731.0	822.0	822.8	798.8	808.4	831.7	922.8	992.9	922.8	992.9
Apparent Consumption	576.3	615.2	671.6	691.7	776.5	746.2	701.8	715.2	772.2	870.1	946.2	870.1	946.2
Exports	23.0	40.5	46.5	53.3	60.1	91.3	110.0	106.6	73.3	66.9	62.0	66.9	62.0
Export Share of Production	4.0%	6.3%	6.6%	7.3%	7.3%	11.1%	13.8%	13.2%	8.8%	7.2%	6.2%	7.2%	6.2%

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

China's crude steel production increased steadily between 2015 and 2018. In 2019, production increased 8 percent to 992.9 million metric tons from 922.8 million metric tons in 2018. The gap between production and apparent consumption (a measure of steel demand) decreased 11.4 percent from 52.7 million metric tons to 46.7 million metric tons in 2019. Between 2018 and 2019, China's steel exports as a share of production decreased from 7.2 percent to 6.2 percent.

Top Producers

China Baowu Group (the result of a merger between Baosteel Group and Wuhan Steel Group) is China's largest steel-producing company. China's steel production is spread out across many companies, with the country's top 10 producers accounting for only 329 million metric tons, or 35 percent, of total 2018 production, based on available data. Many of China's largest producers are state-owned.

China's Top Steel Producers in 2018			
Rank	Company	Production (mmt)	Main Products
1	China Baowu Group	67.43	Bars, plates, sheets, pipes
2	HBIS Group (Hesteel)	46.80	Coil, sheet, plates, rebar, wire rod, section, strip
3	Shagang Group	40.66	Rebar, wire rod, slabs, coils, pipes, plates, billets
4	Ansteel Group	37.36	Wire rod, pipe, plates, cold-rolled, section, rail
5	Jianlong Group	27.88	Plates, strips, wire, pipes
6	Shougang Group	27.34	Sheets, strips, rebar, billets, pipes
7	Shandong Steel Group	23.21	H-beams, strip, plates, bars
8	Valin Group	23.01	Pipe & tube, wire, wire rod
9	Maanshan Steel	19.64	Sheets, plates, sections, wire, bars
10	Benxi Steel	15.90	Coils, sheets, plates, wire rod

Source: World Steel Association; Hoover's; Bloomberg; Company websites

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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