



North America (NA)

NA produced 111mn mt of steel in 2016 versus apparent demand of 152mn mt.

- The U.S. manufactured 78.5mn mt of steel against apparent demand of 102.6mn mt resulting in a steel deficit of 24.0mn metric tonnes in 2016.
- NA (ex-U.S.) produced 32.1mn mt of steel versus apparent demand of 49.5mn mt resulting in a steel deficit of 17.3mn mt during 2016.

Figure 26: North American Supply / Demand (000's of metric tonnes)

Global Steel Production (Supply)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Global
United States	98,101	91,895	59,384	80,486	86,398	88,695	86,878	88,174	78,845	78,475	5%
% Δ YoY	0%	-6%	-35%	38%	7%	3%	-2%	1%	-11%	0%	
Other North America	34,517	33,243	24,388	31,067	32,277	32,891	32,100	32,919	32,093	32,149	2%
% Δ YoY	3%	-4%	-27%	22%	4%	2%	-2%	3%	-3%	0%	
North America	132,618	125,138	83,772	111,562	118,675	121,586	118,978	121,093	110,938	110,624	7%
% Δ YoY	1%	-6%	-33%	33%	6%	2%	-2%	2%	-8%	0%	

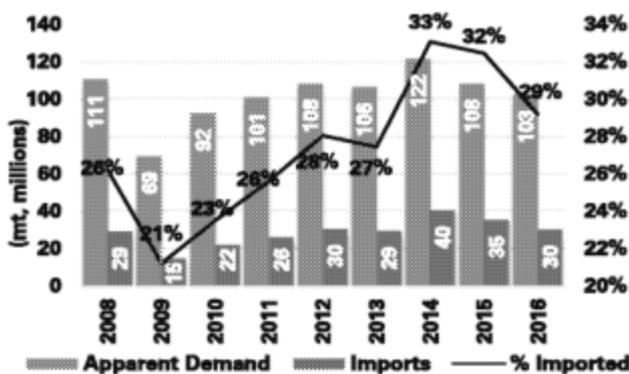
Global Steel Consumption (Demand)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Global
United States	120,381	110,500	69,400	92,400	101,000	108,300	106,300	121,600	108,300	102,570	6%
% Δ YoY	-19%	-8%	-37%	32%	9%	7%	-2%	14%	-11%	-5%	
Other North America	46,826	44,080	29,800	38,903	41,452	45,165	43,203	47,974	47,076	48,456	3%
% Δ YoY	-4%	-6%	-32%	31%	7%	9%	-4%	11%	-2%	5%	
North America	167,207	154,580	99,200	131,303	142,452	153,465	149,503	169,574	155,376	152,026	9%
% Δ YoY	-9%	-8%	-36%	32%	8%	8%	-3%	13%	-8%	-2%	

Global Steel Supply/Demand (000's)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
United States	(22,280)	(18,605)	(10,016)	(11,905)	(14,602)	(19,605)	(19,422)	(33,426)	(29,455)	(24,095)
Other North America (ex U.S.)	(12,309)	(10,837)	(5,412)	(7,836)	(9,175)	(12,274)	(11,103)	(15,065)	(14,983)	(17,307)
NORTH AMERICA	(34,589)	(29,442)	(15,428)	(19,741)	(23,777)	(31,879)	(30,525)	(48,481)	(44,438)	(41,402)

Source: Deutsche Bank, Bloomberg Finance LP, the World Steel Association

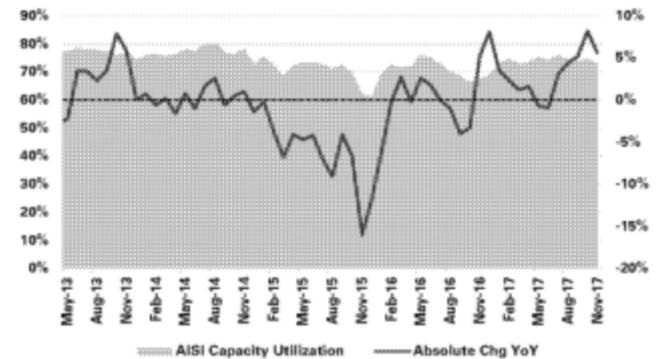
Historically, the U.S. has required steel imports to satisfy a portion of domestic market demand. From 2008-2013 steel imports oscillated in a range of 21-27% of U.S. apparent demand. However, beginning in 2014 U.S. mills watched this figure swell to greater than 30%, saturating the market with excess supply to the detriment of prices and capacity utilization. In the charts below, Figure 27 illustrates the increase in steel imports from 2014-2016, while Figure 28 shows capacity utilization at U.S. mills. Looking back to November 2015, following several sequential months of elevated levels of imports, the U.S. steel industry became oversupplied causing capacity utilization to decline precipitously. This eventually spurred a governmental review of steel trade practices that resulted in the enforcement of trade tariffs to deter unfairly-traded imports sold into the U.S. market. Maintaining consistent levels of steel imports is vital to the health of the U.S. steel industry. While some tariffs have been enacted to dissuade countries from inundating the U.S. with excess steel, we feel more protections are necessary going forward to prevent a sudden, unexpected surge of imports.

Figure 27: U.S. Steel Imports as % of Apparent Demand



Source: Deutsche Bank, U.S. Department of Commerce, the World Steel Association

Figure 28: AISI Capacity Utilization at Domestic Mills



Source: Deutsche Bank, Bloomberg Finance LP, American Iron and Steel Institute (AISI)