



## The European Union (EU) & Other Europe

The EU manufactured 162.0mn mt of steel and consumed 172.1mn mt in 2016 resulting in a steel deficit of 10.0mn mt. Like North America (NA), the EU is vulnerable to unfairly-traded steel imports and steelmakers in the region have also sought refuge from the government to enforce tariffs to counteract these imports. The EU was slower than the U.S. to respond to surging steel imports before adopting levies against offending nations. Germany (42.0mn mtpa) and Italy (23.3mn mtpa) represent the largest EU steelmakers.

Figure 31: The European Union & Other Europe, Supply / Demand (000's of metric tonnes)

Global Steel Production (Supply)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Global
European Union	210,262	198,706	139,435	172,911	177,790	168,587	166,357	169,298	166,116	162,024	10%
% Δ YoY	20%	-5%	-30%	24%	3%	-5%	-1%	2%	-2%	-2%	
Other Europe	30,533	31,621	29,034	33,651	39,080	39,918	38,627	38,374	35,777	37,651	2%
% Δ YoY	-6%	4%	-8%	16%	16%	2%	-3%	-1%	-7%	5%	
Global Steel Consumption (Demand)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Global
European Union	223,637	207,220	129,947	162,413	172,618	154,111	157,003	162,314	167,869	172,108	11%
% Δ YoY	7%	-7%	-37%	25%	6%	-11%	2%	3%	3%	3%	
Other Europe	32,103	29,441	24,589	30,627	34,654	36,126	39,143	39,276	42,450	43,190	3%
% Δ YoY	8%	-8%	-16%	25%	13%	4%	8%	0%	8%	2%	
Global Steel Supply/Demand (000's)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
EUROPEAN UNION	(13,375)	(8,514)	9,488	10,496	5,172	14,476	9,354	6,964	(1,753)	(10,084)	
OTHER EUROPE	(1,570)	2,180	4,445	3,024	4,426	3,792	(516)	(902)	(6,673)	(5,539)	

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

Other Europe produced 37.6mn mt of steel in 2016 versus apparent demand of 43.2mn mt resulting in a 5.5mn mt deficit. The large majority of crude steel production in the geography occurs in Turkey, which produced approximately 33.1mn mt in 2016 versus apparent demand in Turkey of 36.2mn mt. Turkey is significant in that approximately 70% of its steelmaking capacity is by way of electric arc furnaces (EAF) that manufacture steel from recycled scrap. Turkey is the largest global importer of scrap steel whereas the U.S. is the largest exporter. Turkey is also the top importer of U.S. scrap, consuming ~30% of U.S. scrap exports historically. In recent years a strong U.S. dollar has hindered Turkish demand for U.S. scrap and led Turkey to procure scrap from countries with weaker currencies like the Russian Ruble. In fact, in 2015 Turkey actually imported steel billets from China to melt down in EAF's due to cost advantages. Turkey is the key player to keep an eye on in the global scrap trade.

## Oceania

Oceania, which includes Australia and New Zealand, makes up less than 1% of global supply / demand for steel and is therefore less of a focus market.

Figure 32: Oceania Supply / Demand (000's of metric tonnes)

Global Steel Production (Supply)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Global
Oceania	8,784	8,424	6,014	8,149	7,248	5,805	5,588	5,466	5,718	5,836	0%
% Δ YoY	1%	-4%	-29%	36%	-11%	-20%	-4%	-2%	5%	2%	
Global Steel Consumption (Demand)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Global
Oceania	9,435	9,545	6,782	8,838	7,745	8,271	7,527	8,397	8,225	7,710	0%
% Δ YoY	8%	1%	-29%	30%	-12%	7%	-9%	12%	-2%	-6%	
Global Steel Supply/Demand (000's)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
OCEANIA	(651)	(1,121)	(768)	(689)	(497)	(2,466)	(1,939)	(2,931)	(2,507)	(1,874)	

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