

Recent Developments in the North American Steel Industry

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CSPA  ACPA



**American
Iron and Steel
Institute**



SSINA
Specialty Steel Industry
of North America



Overview of North American Steel Market Conditions

- The North American steel market declined slightly last year
 - Apparent steel use (ASU) decreased by 0.7 percent in 2023
 - North American steel production declined by 1.2 percent for 2023
- North American steel industry capacity utilization remains below global average
- Steel imports into North America remain elevated, even as North American steel exports continue to decline



Macroeconomic Data in North America

Gross Domestic Product (GDP) % Change (YOY)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024F
Canada	1.5	3.0	2.0	1.9	-5.3	5.0	3.4	1.0	1.0
Mexico	2.9	2.1	2.2	-0.2	-8.0	4.7	3.7	3.2	1.9
United States	1.7	2.2	2.9	2.3	-2.8	5.8	1.9	2.5	2.4

Industrial Production (IP) % Change (YOY)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024F
Canada	-0.3	4.9	3.1	-0.2	-8.3	4.5	3.8	0.5	1.0
Mexico	0.4	-0.2	0.4	-1.8	-9.4	5.4	3.2	2.0	1.8
United States	-2.2	1.3	3.2	-0.7	-7.0	4.4	3.4	0.2	0.0

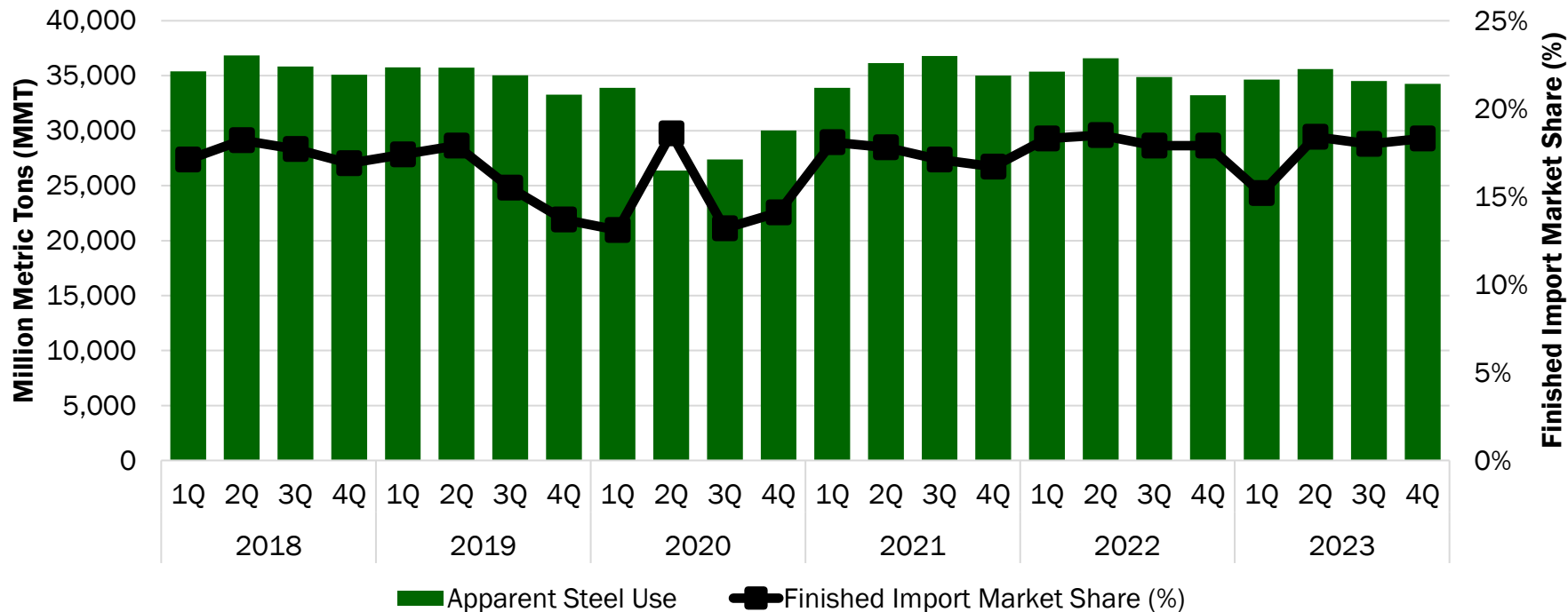
Source: U.S. Bureau of Economic Analysis (BEA), S&P Global (U.S. – Feb. 2024 forecast), BMO Capital Markets Economic Research, Country Economic Forecast Mexico, Oxford Economics 2024F = Forecast



Apparent Steel Demand Down 0.7 Percent in 2023

North American Apparent Steel Use

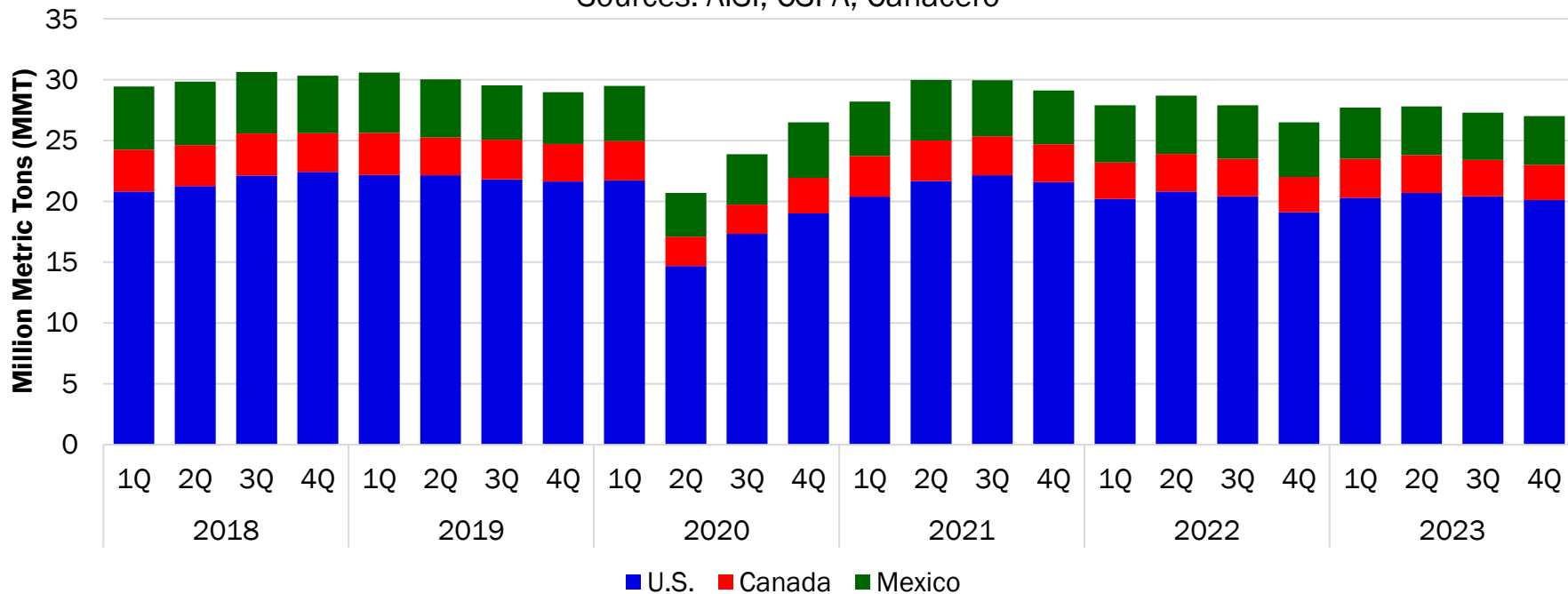
Sources: AISI, CSPA, Canacero, U.S. Census Bureau, Global Trade Atlas



North American Steel Production Declined by 1.2 Percent in 2023

North American Raw Steel Production

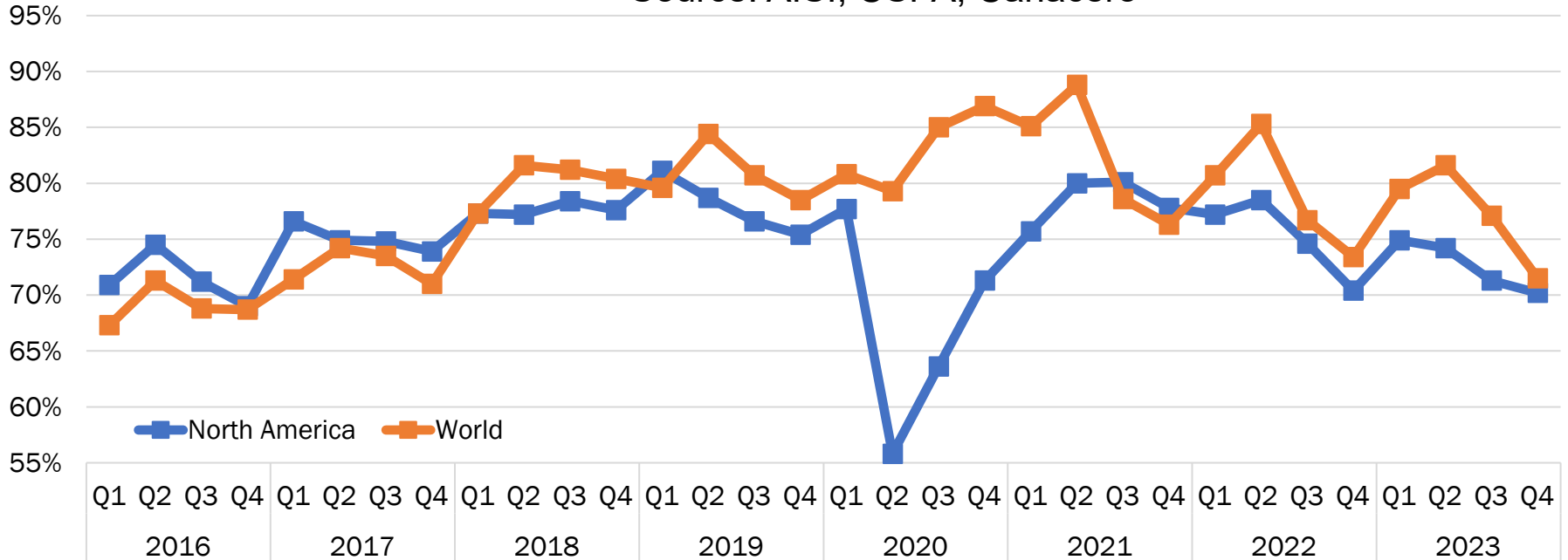
Sources: AISI, CSPA, Canacero



North American Capacity Utilization Remained Below Global Utilization Percentage

Capacity Utilization - North America vs. World

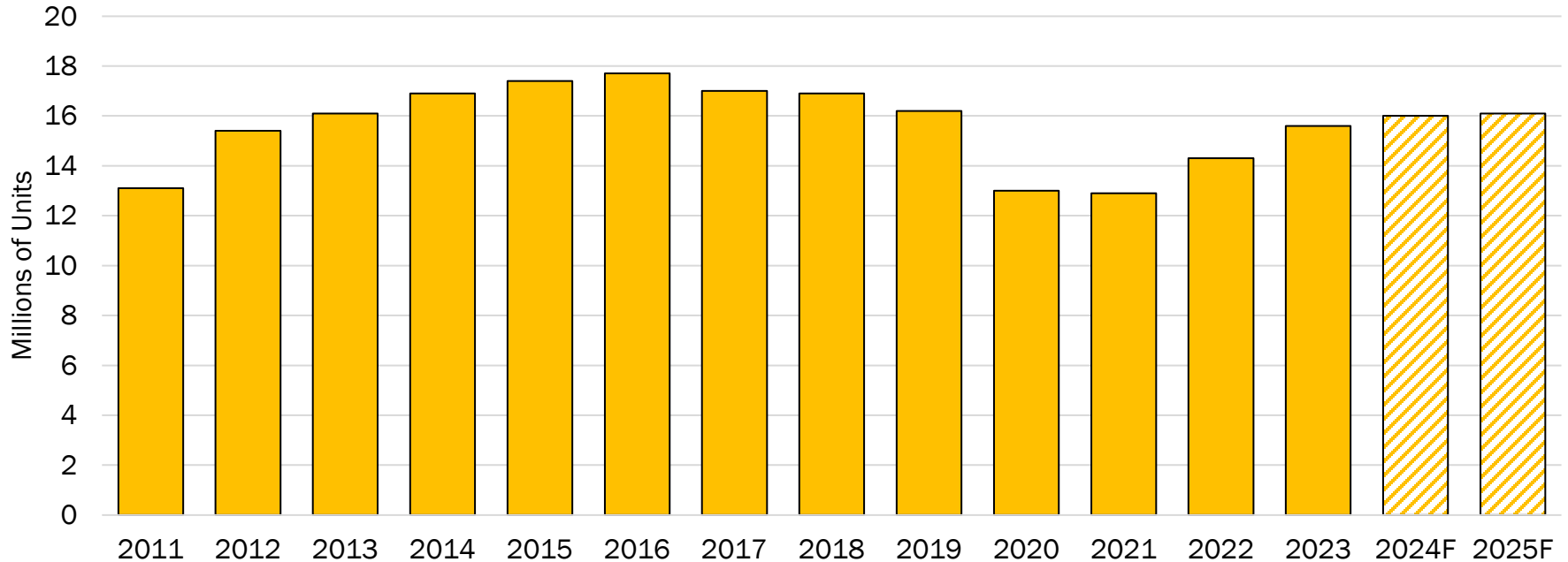
Source: AISI, CSPA, Canacero



Regional Auto Production Not Expected to Rebound to Pre-Pandemic Levels Before 2025

North American Light Vehicle Production

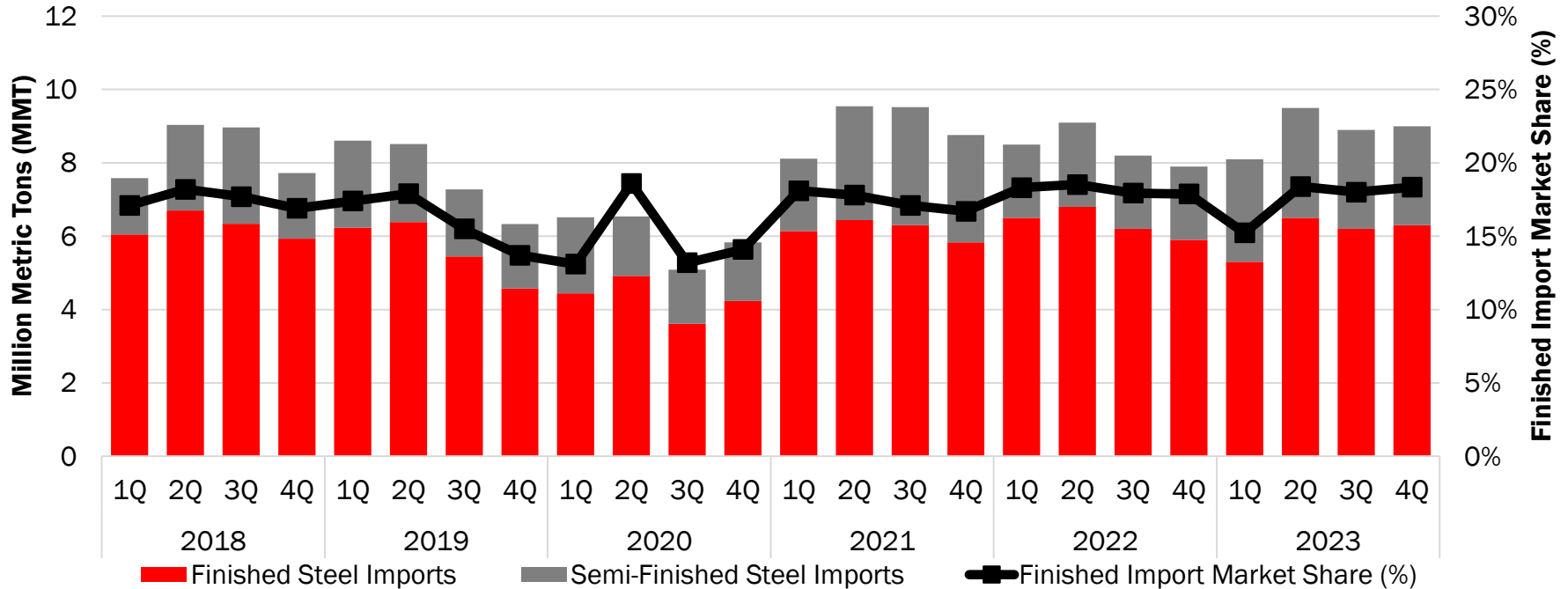
Source: Wards Intelligence



External Steel Imports Remain Elevated

Non-North American Steel Imports

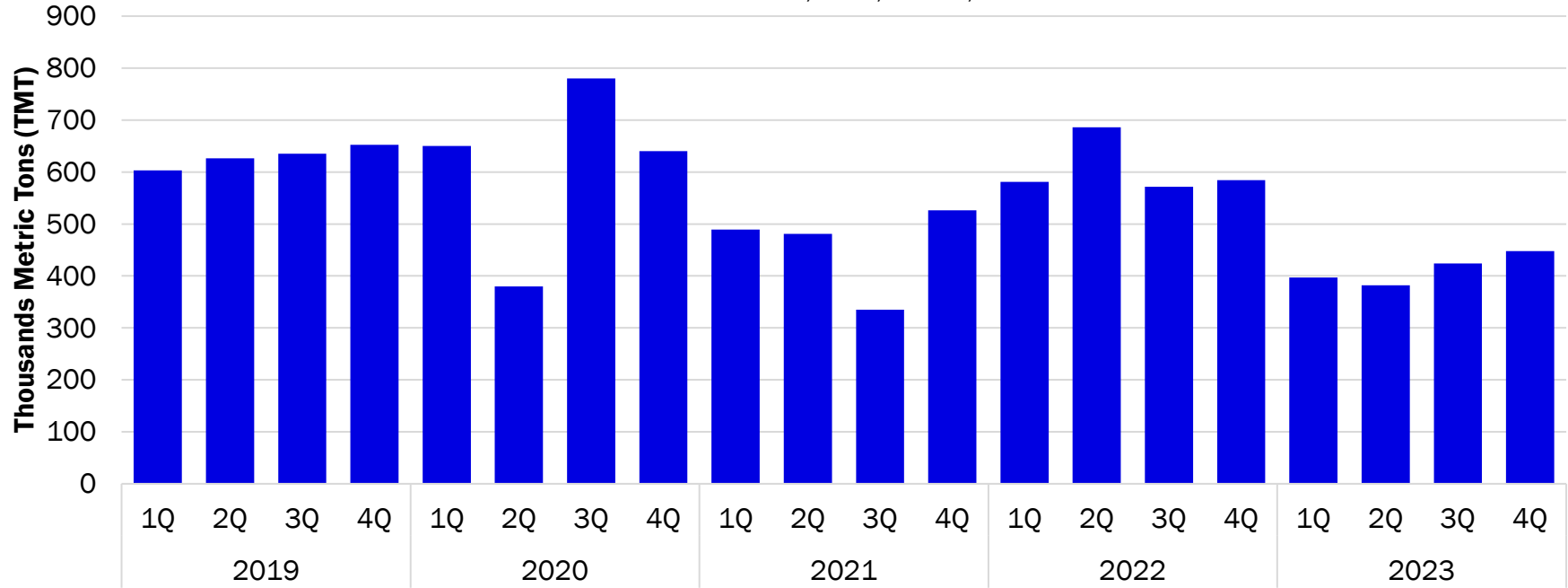
Sources: Global Trade Atlas, AISI, CSPA, Canacero



External Steel Exports Declined in 2023

Non-North American Steel Exports

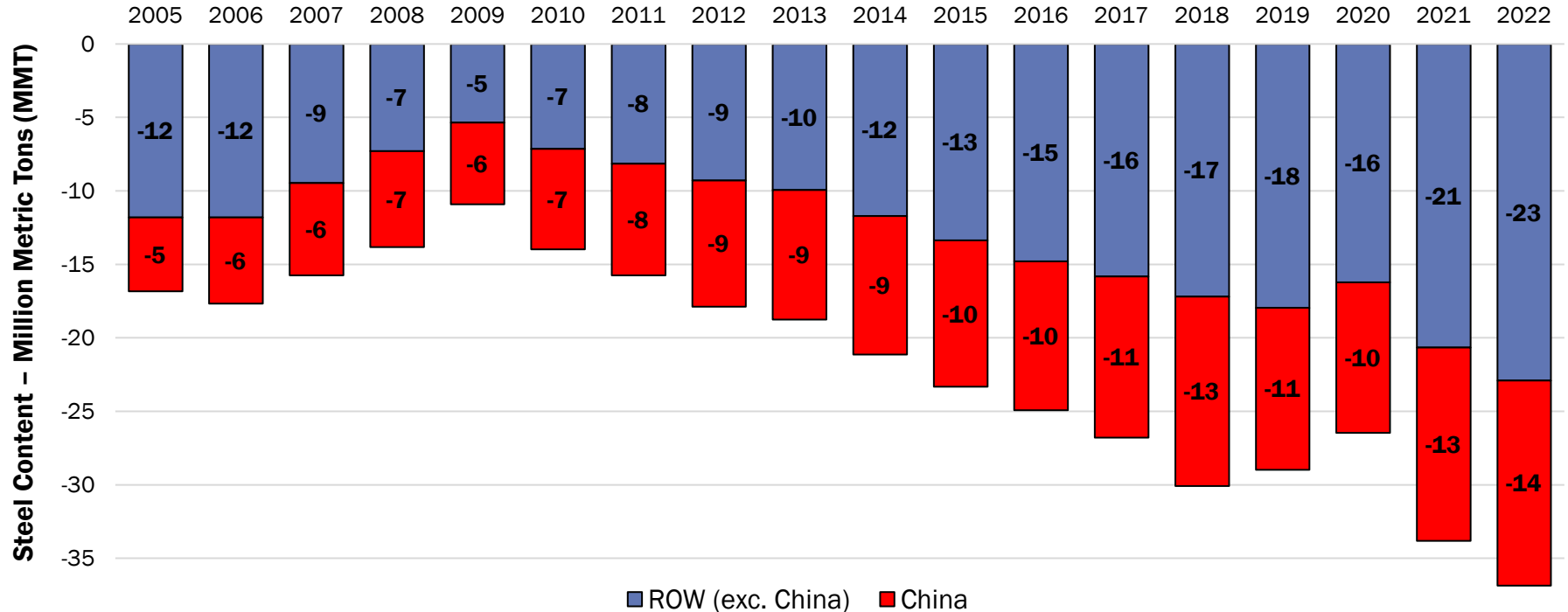
Sources: Global Trade Atlas, AISI, CSPA, Canacero



North American Indirect Steel Trade Deficit Surged in 2022 to Record Levels

North American Indirect Steel Trade Deficit – with China and Rest of World

Sources: AISI, Global Trade Atlas

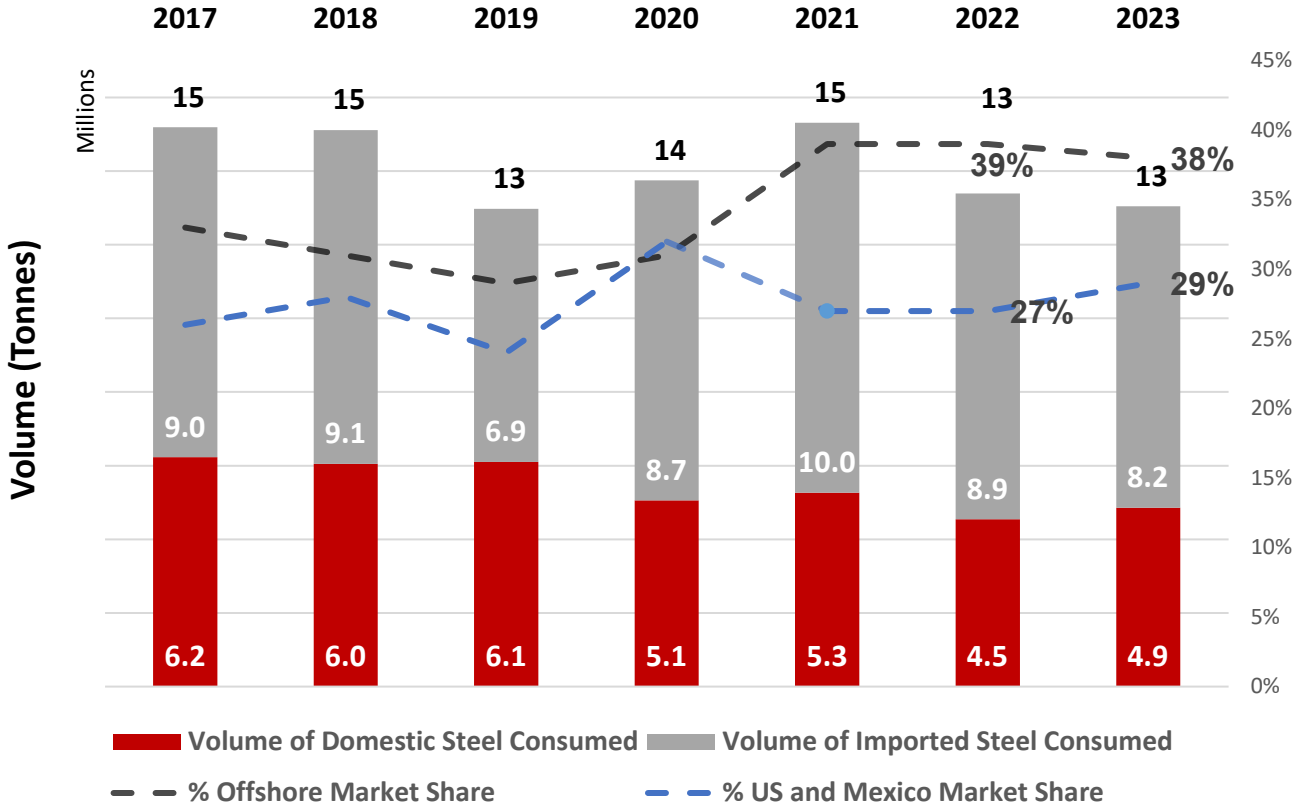


■ ROW (exc. China) ■ China



Developments in Canada

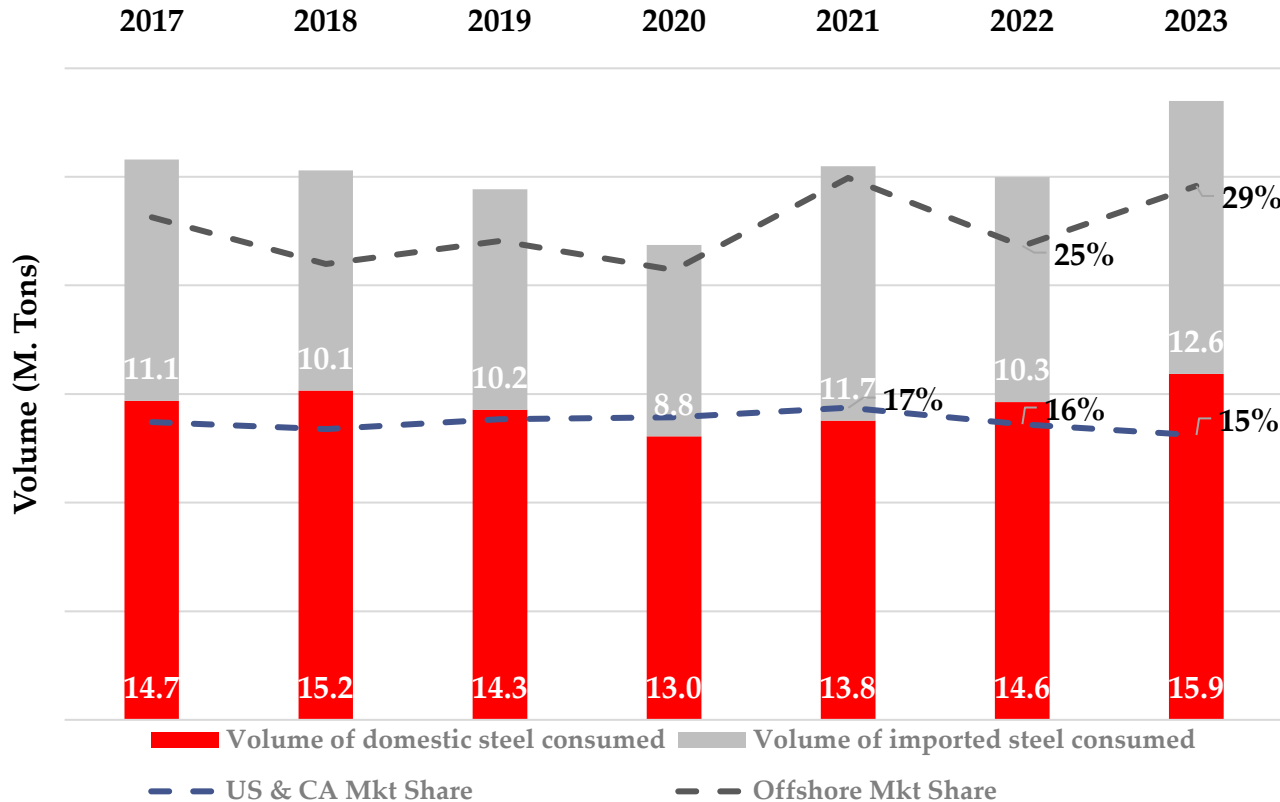
The Canadian Domestic Market 2017 - 2023



- Imports continue to dominate the Canadian market.
 - Over 50% of steel consumed in Canada is imported.
- Canada announced in February 2024 the implementation of a mandatory *Country of Melt and Pour* monitoring system for all steel imports.
 - Increasing transparency in steel supply chain.
- Antidumping policies, trade remedies and enforcement remain crucial elements of the Government of Canada's toolkit for a fair steel market.
 - Increasing use of retroactivity, PMS.
 - Of the 50 measures currently in force, 24 pertain to steel sector.

Developments in Mexico

The Mexican Domestic Market 2017 – 2023*



- Imports represent **44%** of the Mexican Market.

- In February 2024, Mexico announced the following measures:

- Harmonization of 25% MFN duties to 205 tariff codes of steel and aluminum products to match those of Section 232.

- Requirement of Mill Test Certificates with country of melted and poured for automatic import licensing.

- New tariff codes in order to homologate steel classification structure with the U.S.

- Antidumping enforcement in the steel sector has been crucial to defend fair trade:

- 36 measures in force.
- 2 ongoing investigations.

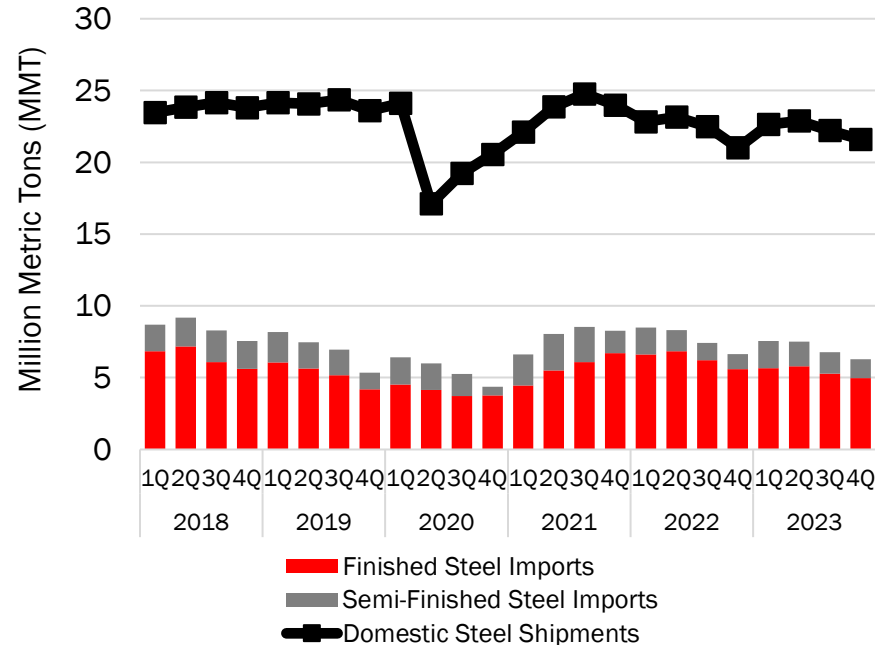
*Does not include semifinished steel.



U.S. 2023 Shipments and Utilization Down Slightly

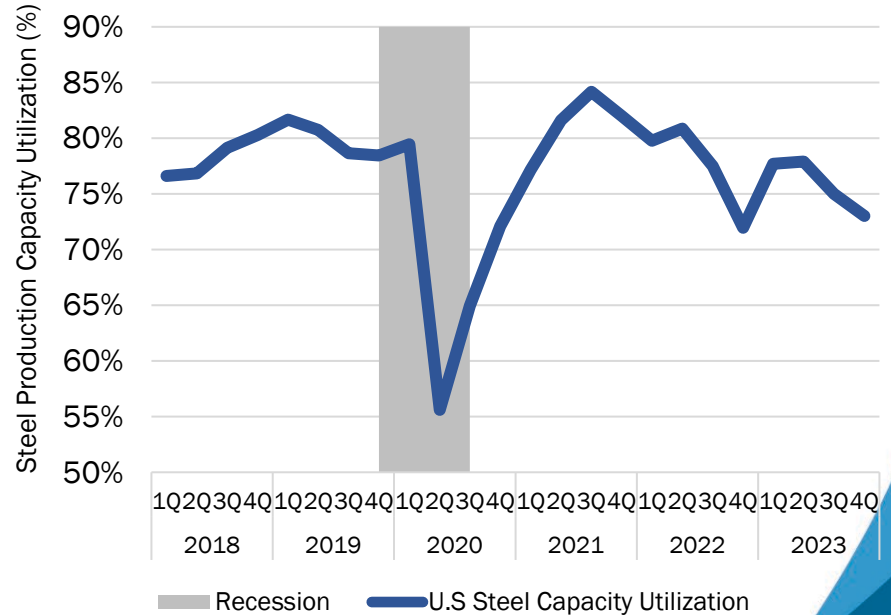
U.S. Domestic Shipments and Imports of Steel

Source: AISI



U.S. Steel Production Capacity Utilization

Source: AISI



North American Steel Producers' Priorities

- Reducing global steel excess capacity remains a top priority for North American steel producers, as steel imports remain a threat to the North American steel market
- Industry appreciates OECD focus on circularity and raw materials essential for the industry's low-carbon transition
- North American steel industry urges continued work on government subsidies and the role and impact of state-owned enterprises within the steel sector

