



CANACERO

Cámara Nacional de la Industria del Hierro y del Acero

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Steel exports from the United States represent a threat to the Mexican steel industry.

The Mexican steel industry faces a critical challenge due to a significant surge in the exports of finished steel products from the U.S., which do not comply with the *Joint Statement* agreed by both countries.

Between 2015 and 2023, the bilateral trade of finished steel products has reflected a 1.2 million tons average annual surplus in favor of the U.S. Furthermore, in 2024 the surplus is going to double, reaching historic levels without precedent. Based on annualized data as of November, in 2024 U.S. exports to Mexico registered a 21% increase compared to the 2015 – 2017 average. In contrast, Mexico's exports to the U.S. fell -2%, representing a 2.4 million tons surplus or more than \$4 billion USD.

While Mexico has consistently supported regionalization and integration within the United States – Mexico – Canada Agreement (USMCA), the current landscape shows that the Mexican steel industry is being displaced. In 2024, the U.S. held a 15.9% of the total Mexican steel market share, while Mexican exports accounted for only 2.2% of the U.S. steel market.

Additionally, according to data from *Mexico's Ministry of Economy*, 27% of the steel that the U.S. exports to Mexico has its origin in Asian countries, with possible cases of circumvention from Malaysia. In contrast, allegations that Mexico serves as a back door for China's triangulation of Asian steel to the U.S. are unfounded. Data from the U.S. Steel Import Monitoring System (SIMA) shows that from January to November 2024, exports of steel of Chinese origin amounted to only 580 tons, or 0.02% of total Mexican steel exports to the U.S. Moreover, 85% of Mexican exports are melted and poured in Mexico.

Mexico has adopted very relevant measures to protect the North American region from unfair trade practices including:

1. Imposition of steel tariffs of up to 50% against countries with which there is no Free Trade Agreement (FTA).
2. Implementation of automatic import notices that require mill certificates.
3. Various investigations of unfair trade practices (anti-dumping duties, circumvention, etc.) promoted by the Mexican steel industry.

Furthermore, Mexico has worked together with the U.S. through the U.S. Customs and Border Protection (CBP) to develop a steel traceability schema to identify its origin and prevent circumvention.

We reaffirm our belief that the USMCA and regional integration are the best tools to address unfair trade practices from China, which include circumvention, export subsidies received by their industry, excess capacity of Chinese steel, customs fraud, among other challenges. Additionally, and considering the unprecedented growth of U.S. steel exports to Mexico and the threat of tariffs on Mexican steel that would violate the USMCA, the Mexican steel industry fully supports President Claudia Sheinbaum: if needed, Mexico should impose proportional and immediate retaliatory measures, in this specific case on U.S. steel products exported to our country.

Mexican steel industry

Amores 338 Colonia Del Valle
C.P. 03100, Ciudad de México
T (55) 5448 8160
canacero.org