

PRESS RELEASE

American Scrap Coalition Releases Report on U.S. Scrap Market: Scrap Exports Hit Record Levels Despite Recession; China and India Led Increases

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The American Scrap Coalition released today its report on developments in the U.S. scrap market in 2009. The report shows that, despite a worldwide slump in steel production, exports of steel scrap from the United States continued to rise to reach record levels. In fact, in 2009 the United States exported nearly one-third of the scrap it produced, and was by far the largest exporter of scrap in the world.

China was the primary cause of the increase in scrap exports, said Alan Price, chair of Wiley Rein's International Trade Practice and counsel to the American Scrap Coalition. "China and India each doubled their purchases of U.S. scrap exports in 2009," Price said. "Despite the global economic downturn, China continued to fuel its growing excess capacity of steel production using U.S. scrap." These trends are continuing; scrap exports from the United States in 2010 are already about 14 percent higher than they were over the same period in 2009.

The report attributes rising U.S. scrap exports in large part to restrictions on scrap exports by China, Russia, Ukraine and other countries. These restrictions artificially depress world scrap supply, driving up prices in both international markets and in the United States. The report shows that China was the largest buyer of U.S. scrap, as its scrap purchases doubled from 2008 to 2009. Other major importers of American scrap included Turkey, Korea, Taiwan and India.

Related Professionals

Alan H. Price

Partner

202.719.3375

aprice@wiley.law

Timothy C. Brightbill

Partner

202.719.3138

tbrightbill@wiley.law

Practice Areas

Antidumping and Countervailing Duties/
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Russia maintains export taxes on scrap that constitute a barrier to free trade and should be removed, Price said. "Russia has recently shown renewed interest in joining the World Trade Organization. However, one prerequisite of Russia's accession must be an end to export taxes, quotas, and restraints of any type on steel scrap or raw materials."

The American Scrap Coalition is a trade association of more than 3,000 consumers of steel scrap in the United States, including steel producers, foundries, and other users of scrap. The 2009 steel scrap report is available [here](#).