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Scrap/Recycling: Institute of Scrap Recycling Industries Economist Testifies at U.S. Trade Representative/Department of Commerce Hearing

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The Institute of Scrap Recycling Industries ("ISRI") issued an April 13th news release noting that Joe Pickard, its Chief Economist, testified at a United States Trade Representative/U.S. Department of Commerce hearing titled "Policy Recommendations on the Global Steel Industry Situation and Impact on U.S. Steel Industry and Market."

ISRI states that the hearing featured nine panels related to the global steel industry situation and its impact on the United States steel industry (and related industries such as the ferrous scrap industry).

ISRI is a Washington, D.C. based trade association that represents more than 1,600 for-profit companies which include manufacturers and processors, brokers and industrial consumers of scrap commodities, including ferrous and nonferrous metals, paper, electronics, rubber, plastics, glass and textiles.

A few key points from Mr. Pickard's testimony include:

- Ferrous scrap (recycled iron and steel products) is typically processed at a rate between 70-75 million tons annually
- Total value of ferrous scrap processed in the United States in 2014 was 26.1 billion
- U.S. Geological Survey estimates that for 2015 the ferrous scrap processed in the United States declined to 18.3 billion (due to the decline of scrap prices and volumes because of domestic global market factors)
- The United States is the single largest exporter of ferrous scrap but most of the material processed in this country is also consumed in the United States
- Ferrous scrap accounted for 11% of the raw material supplied for steel producers in China in 2014 (i.e., the vast amount of steel production in China is currently made from iron ore and primary materials)
- The environmental benefits of using scrap v. primary material (i.e., reduced energy consumption and GHG emissions) means the excess production of steel in China has both significant economic costs along with environmental costs
- United States exports of ferrous scrap to China dropped from approximately 5.5 million tons in 2009 to less than 400,000 tons in 2015

- Because of global and domestic market factors, scrap processors profit margins have been “erased” and industry consolidated has ensued
- An estimated 100 scrap facilities have closed and 11,000 recycling jobs have been eliminated since early 2015
- The ferrous recycling industry depends on a healthy domestic steel industry and ISRI supports the strongest measures to protect the steel industry from an illegal dumping and unfair subsidies
- Vigorous enforcement of trade laws and other efforts by U.S. and other trade leaders are needed to ensure China remains committed to reign in excess production capacity for crude steel

[Click here to download a copy of the news release.](#)