

## IRON AND STEEL SCRAP<sup>1</sup>

(Data in million metric tons of metal, unless noted)

**Domestic Production and Use:** Total value of 1995 domestic purchases (receipts of ferrous scrap by all domestic consumers from brokers, dealers, and other outside sources) and exports was estimated at \$9 billion, compared with \$8 billion in 1994. The steel industry accounted for about three-fourths of the domestic scrap consumption, using scrap together with pig iron to produce steel products for the construction, transportation, oil and gas, machinery, container, appliance, and various other consumer industries. The ferrous castings industry consumed most of the remainder to produce cast-iron and steel products, such as motor blocks, pipe, and machinery parts. Relatively small quantities were used for producing ferroalloys, for the precipitation of copper, and by the chemical industry; these uses totaled less than 1 million tons.

<b>Salient Statistics—United States:</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995<sup>e</sup></b>
Production: Home scrap	22	21	21	20	21
Purchased scrap <sup>2</sup>	49	50	54	57	62
Imports for consumption <sup>3</sup>	1.2	1.4	1.6	1.9	2.2
Exports <sup>3</sup>	9.5	9.4	10.0	9.0	10.4
Consumption: Reported	62	63	68	70	74
Price, average, dollars per metric ton delivered:					
No. 1 Heavy Melting composite price, Iron Age					
Average: Pittsburgh, Philadelphia, Chicago	91.74	83.88	109.98	124.58	130.00
Stocks, consumer, yearend	4.1	3.7	3.7	4.1	4.5
Employment, dealers, brokers, processors <sup>4</sup>	37,000	37,000	37,000	37,000	37,000
Net import reliance <sup>5</sup> as a percent of apparent consumption	E	E	E	E	E

**Recycling:** All iron and steel scrap is recycled material, consisting of about 30% home scrap, 25% prompt industrial scrap, and 45% old (obsolete) scrap.

**Import Sources (1991-94):** Canada, 78%; Venezuela, 8%; Mexico, 6%; Japan, 4%; and other, 4%.

<b>Tariff: Item</b>	<b>Number</b>	<b>Most favored nation (MFN) 12/31/95</b>	<b>Non-MFN<sup>6</sup> 12/31/95</b>
Iron and steel waste and scrap:			
No. 1 bundles	7204.41.0020	Free	74¢/mt.
No. 1 Heavy Melting	7204.49.0020	Free	74¢/mt.
No. 2 Heavy Melting	7204.49.0040	Free	74¢/mt.
Shredded	7204.49.0070	Free	74¢/mt.

**Depletion Allowance:** Not applicable.

**Government Stockpile:** None.

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**Events, Trends, and Issues:** Raw steel production in 1995 was estimated at about 95 million tons, about 4% more than that produced in 1994. Net shipments of steel mill products were estimated at about 89 million tons compared with 86.3 million tons for 1994.

The domestic ferrous castings industry shipped an estimated 14 million tons of all types of iron castings in 1994, and an estimated 1.8 million tons of steel castings, including investment castings.

Scrap prices in the United States continued at fairly high levels throughout the year, as a result of strong demand. Composite prices published by *Iron Age Scrap Price Bulletin*, for No. 1 Heavy Melting steel scrap, delivered to purchasers in Chicago, Philadelphia, and Pittsburgh, averaged about \$130 per metric ton, about 4% higher than in 1994.

The price for nickel-bearing stainless steel scrap delivered to purchasers in Pittsburgh was much higher in 1995 than in 1994 due to higher prices for nickel and molybdenum. The average price as reported by *Iron Age Scrap Price Bulletin*, was about \$1,100 per metric ton, compared with about \$708 in 1994.

Total exports of ferrous scrap increased to about 10.4 million metric tons with an estimated value of about \$1.7 billion.

The problem of accidental smeltings/meltings of radioactive sources contained in scrap continues to be a concern. The U.S. Nuclear Regulatory Commission has created a Working Group to evaluate current regulations concerning the control of and accountability for licensed devices and to develop recommendations for alternative regulatory approaches.

**World Mine Production, Reserves, and Reserve Base:** Not applicable.

**World Resources:** Not applicable.

**Substitutes:** Approximately 2 million tons of direct-reduced iron, a potential substitute for iron and steel scrap, was used in the United States in 1995.

<sup>e</sup>Estimated. E Net exporter.

<sup>1</sup>See also Iron Ore and Iron and Steel.

<sup>2</sup>Receipts - shipments by consumers + exports - imports.

<sup>3</sup>Includes used rails for rerolling and other uses, and ships, boats, and other vessels for scrapping.

<sup>4</sup>Estimated, based on 1992 Census of Wholesale Trade.

<sup>5</sup>Defined as imports - exports + adjustments for Government and industry stock changes.

<sup>6</sup>See Appendix B.