

# Scrap execs unconcerned by Turkey tariffs

## American Metal Market

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The screenshot shows the Fastmarkets AMM website. At the top, there's a navigation bar with links: Home, News, Pricing, Magazine, About Our Prices, Subscribe, Classifieds, Sponsored Content, Industry, and Maps. Below this is a search bar and a 'Go' button. The main content area features the article title 'Scrap execs unconcerned by Turkey tariffs' with a sub-header 'Oct 15, 2019 1:12:21 PM | Budapest, Hungary | Lisa Gordon'. Below the title is a login section with two options: 'Current Subscriber?' with a 'Login' button and 'Not a current subscriber?' with a 'Take a trial' button. To the right of the login section is an advertisement for 'STRAUB METAL' with the text '1 PIECE or 100 TONS', '409 439 441', 'THE 409 PEOPLE', 'ISO 9001 Certified • Metallurgist on Staff', 'sales@straubmetal409.com', and '666-476-7262'. At the bottom, there's a 'Please note:' section and a 'Most read stories' section with a link to 'GM-UAW deal includes 3 plant closures'.

US President Donald Trump's decision to double the Section 232 tariff on steel imports from Turkey is not expected to have a significant impact on the US ferrous scrap market or to give other exporting countries the upper hand, according to two executives.

Trump on Monday October 14 said he will impose a 50% tariff on imports of steel from Turkey in response to that country's military actions in northeastern Syria.

"The Turks haven't shipped [to the US] at 25% so increasing to 50% is null," Greg Schnitzer, Bureau of International Recycling (BIR) ferrous division president and vice president of ferrous sales for Portland, Oregon-based Schnitzer Steel Industries, said.

George Adams, another BIR ferrous board member, agreed.

"Certainly the whole psychological impact of tariffs [has been] affecting the world and put negative spin on everybody's mentality that things are bad. But the damage done from the tariffs on Turkey – the 25-50% tariffs – already happened, and the fact they added more tariffs on top won't make that big a change," Adams, who also serves as chief executive officer of Orange, California-headquartered SA Recycling, said.

The two offered their comments on the final day of BIR's 2019 World Recycling Convention, held in Budapest, Hungary, October 14-15.

Fastmarkets' weekly steel scrap HMS 1&2 (80:20), export index, fob New York, was calculated at \$200 per tonne on October 9, up from \$190.67 per tonne previously. Fastmarkets' daily index for steel scrap, HMS 1&2 (80:20 mix), US origin, cfr Turkey, was \$239.88 per tonne on October 14, up by \$5.55 per tonne day on day.

## Market outlook

Noting that it is hard to predict where the scrap markets are headed, Adams acknowledged that shredders are facing headwinds but was encouraged by US investments in steel capacity being made at the moment.

"It has been a triple whammy – lower price, lower volume and lower zorba prices – that is really, really hurting. Usually you get one or two but not all three," Adams said, referring to the challenges automotive shredders face.

"Certainly, next quarter I am concerned about, but going into next year it is hard to see out there. I want to be wrong, but I have some concerns," Adams said of the downward pressure in US domestic ferrous scrap prices this year.

Fastmarkets assessed the price for steel scrap shredder feed, fob Midwest at \$68.61 per gross ton on October 14, down by 54.2% from \$149.69 per ton six months earlier on April 15. Still, the investment in new steel capacity in the United States has provided optimism.

"All the dealers are excited about the new steel mills coming on [under construction]. The fact they are not all being built by same company is exciting because it spreads the business around," Adams said.

<https://www.amm.com/Article/3898869/Scrap-execs-unconcerned-by-Turkey-tariffs.html>