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*Voice of the Recycling Industry*

Institute of  
Scrap Recycling  
Industries, Inc.

# The Scrap Metal Recycling Industry in the United States

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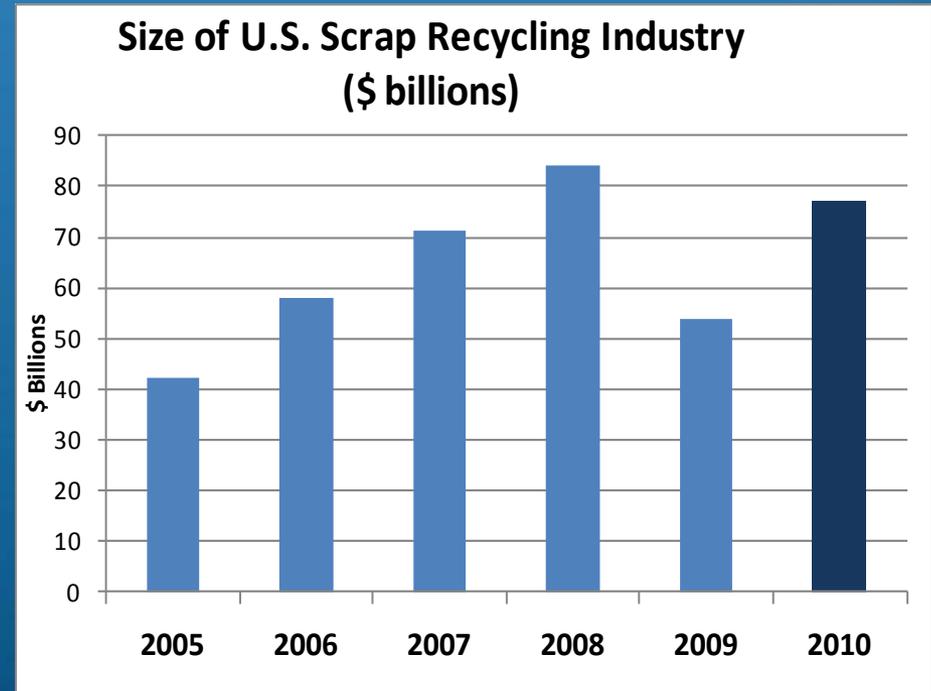
2011 Annual Conference

Virginia Beach, Virginia – May 11, 2011

# About ISRI and the Scrap Recycling Industry

The **Institute of Scrap Recycling Industries, Inc. (ISRI)** is the “Voice of the Recycling Industry.” ISRI represents nearly 1,600 companies in 21 chapters nationwide that process, broker, and consume scrap commodities, including metals, paper, plastics, glass, rubber, electronics, and textiles. With headquarters in Washington, D.C., the Institute provides education, advocacy, and compliance training, and promotes public awareness of the vital role recycling plays in the U.S. economy, global trade, the environment and sustainable development.

- In 2010 alone, more than **130 million metric tons** of scrap materials, valued at more than **\$77 billion**, were manufactured into specification grade commodities by the scrap recycling industry in the United States.
- The industry helps strengthen the US economy, creates **thousands of new jobs**, **protects the environment** and **saves energy**, and contributed nearly **\$30 billion in export sales** last year.
- The scrap recycling industry is the first link in the manufacturing supply and is a sophisticated, capital-intensive industry that employs approximately **110,000 workers** in the U.S.

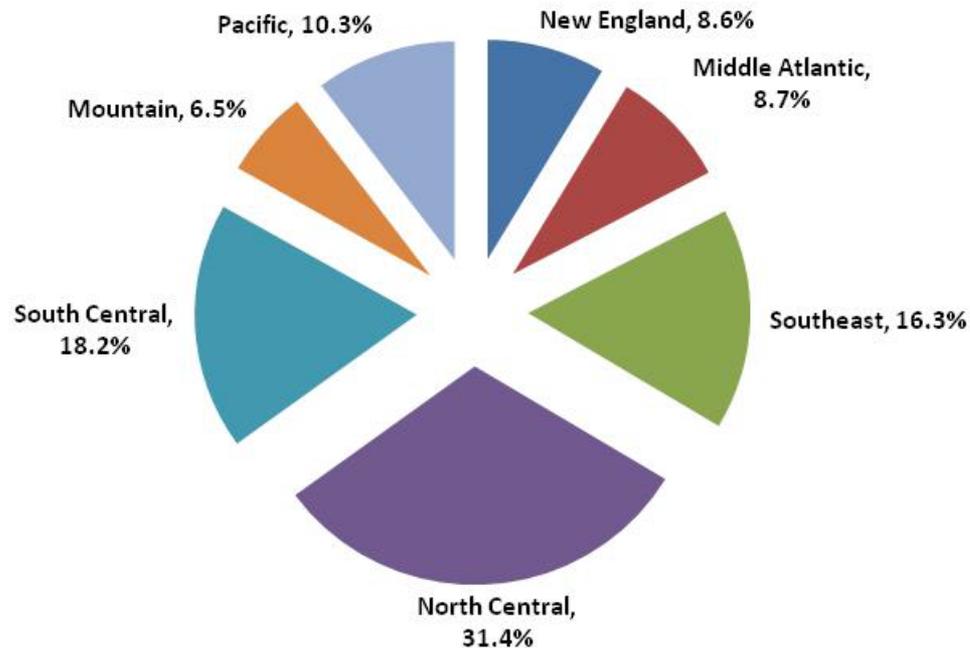


# Scrap Metal Market Dynamics: More Than Ample Supply

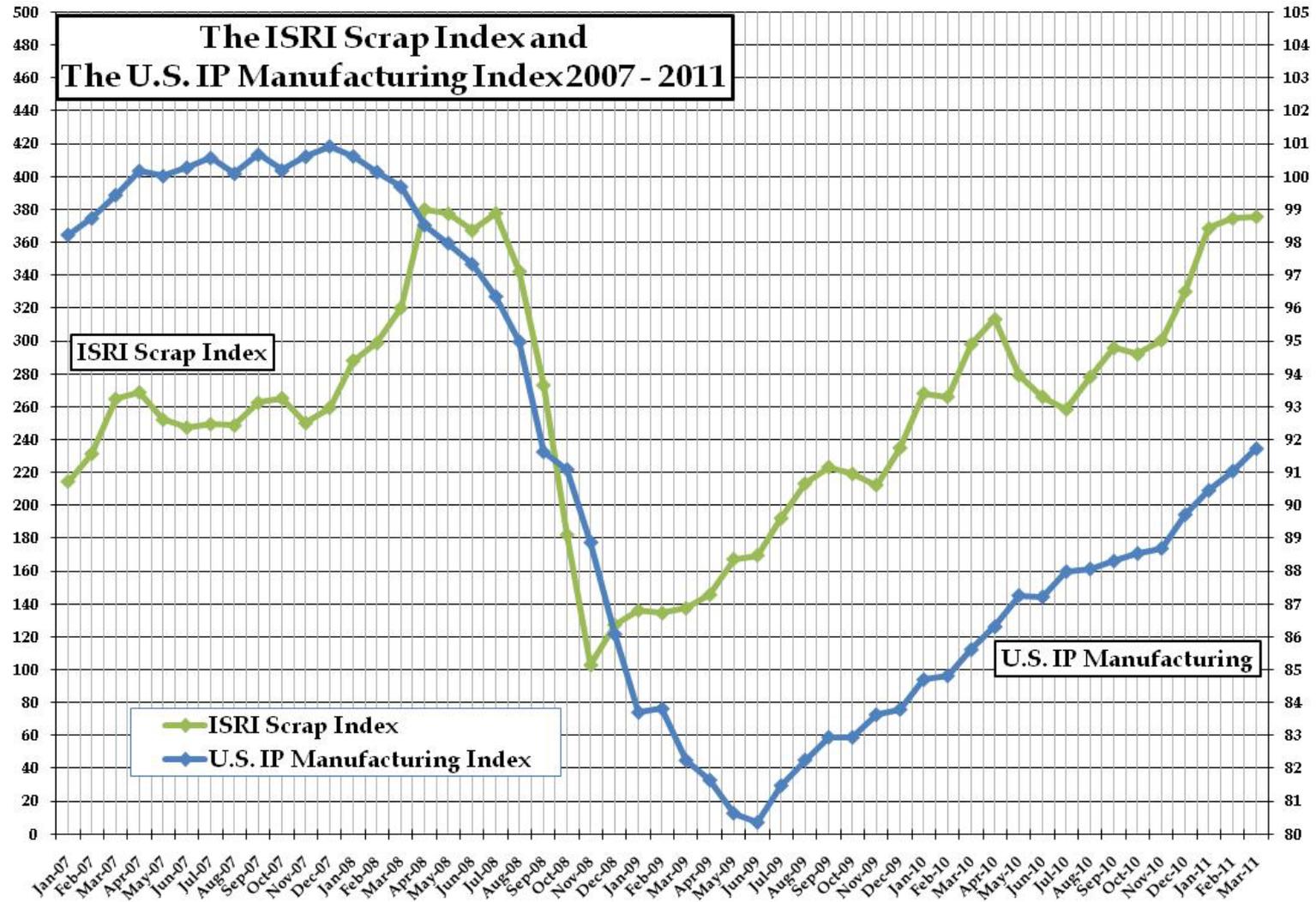
## Obsolete Ferrous Scrap Supply

A recent study by commissioned by ISRI reports that the U.S. obsolete scrap inventory as of December 31, 2009 stood at 1.18 billion tons

**Estimated Regional Distribution of Inventory of U.S. Obsolete Ferrous Scrap, 2009**



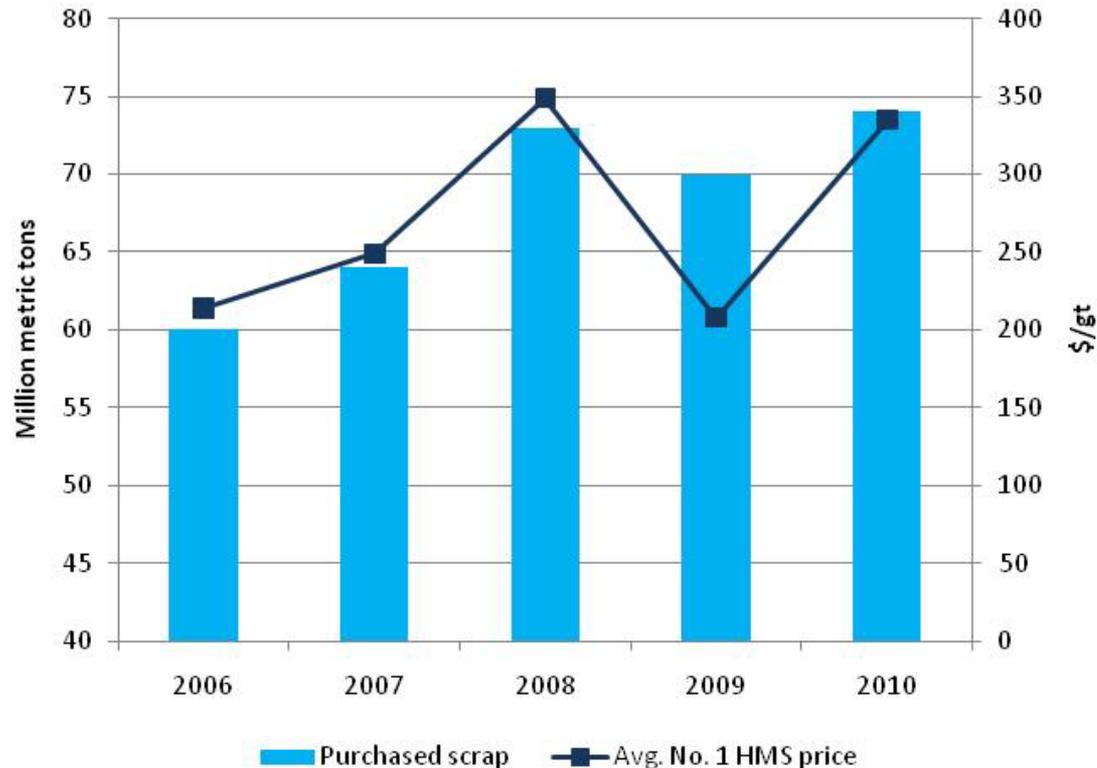
# Scrap Market Dynamics: Scrap Prices & Mfg. Closely Related



# Scrap Metal Market Dynamics: Prices Provide the Incentive

## United States: Purchased Ferrous Scrap\* and Avg. No. 1 HMS Prices, 2006-2010

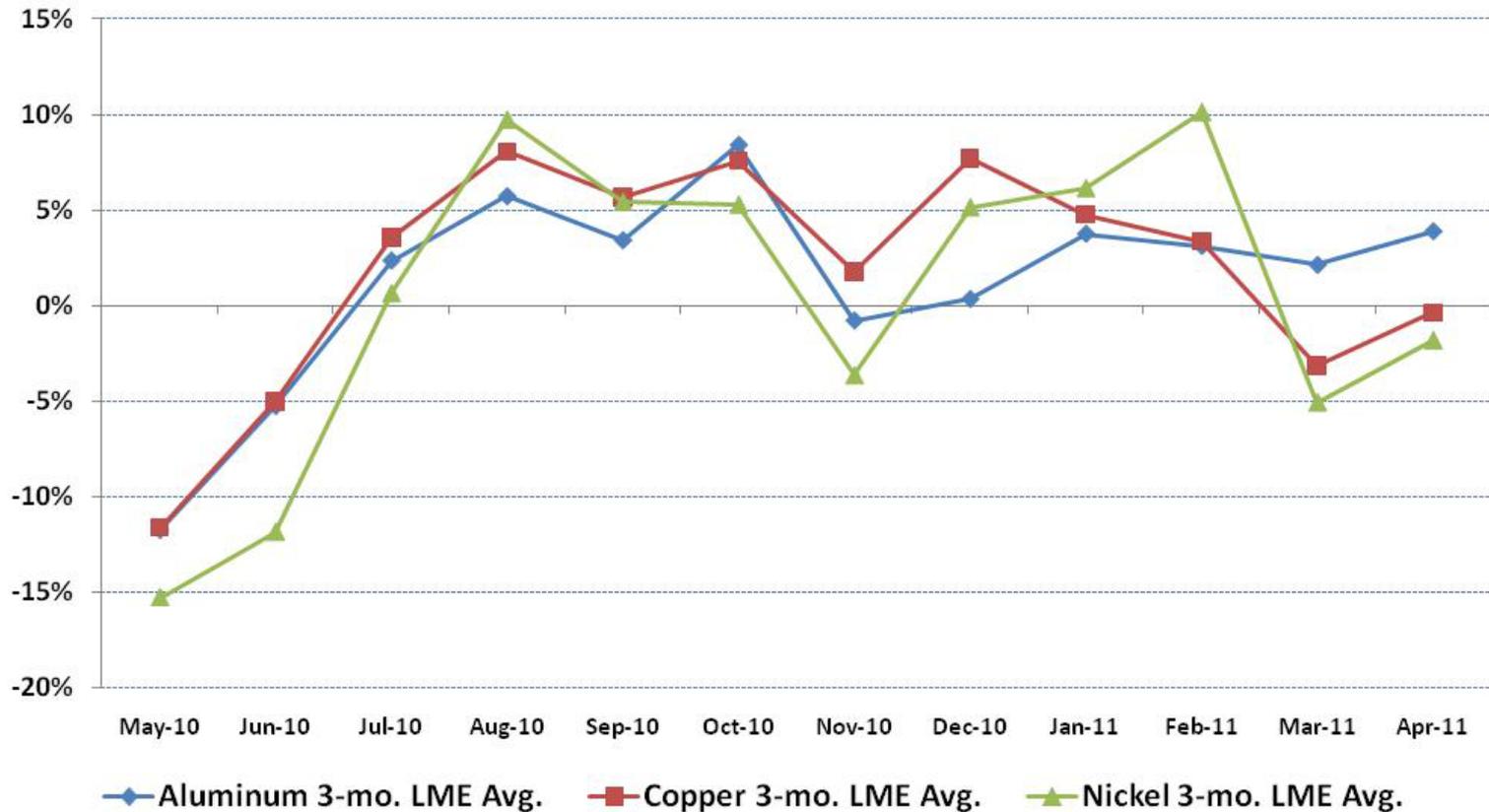
(Source: US Geological Survey)



\*Consumer shipments + exports - imports

# Recent Non-Ferrous Price Performance

Percentage Change in Average Monthly LME 3-Mo.  
Aluminum, Copper and Nickel Prices (%)  
May 2010-Apr 2011



# Scrap Market Trends: Scrap Goes Where Its Needed

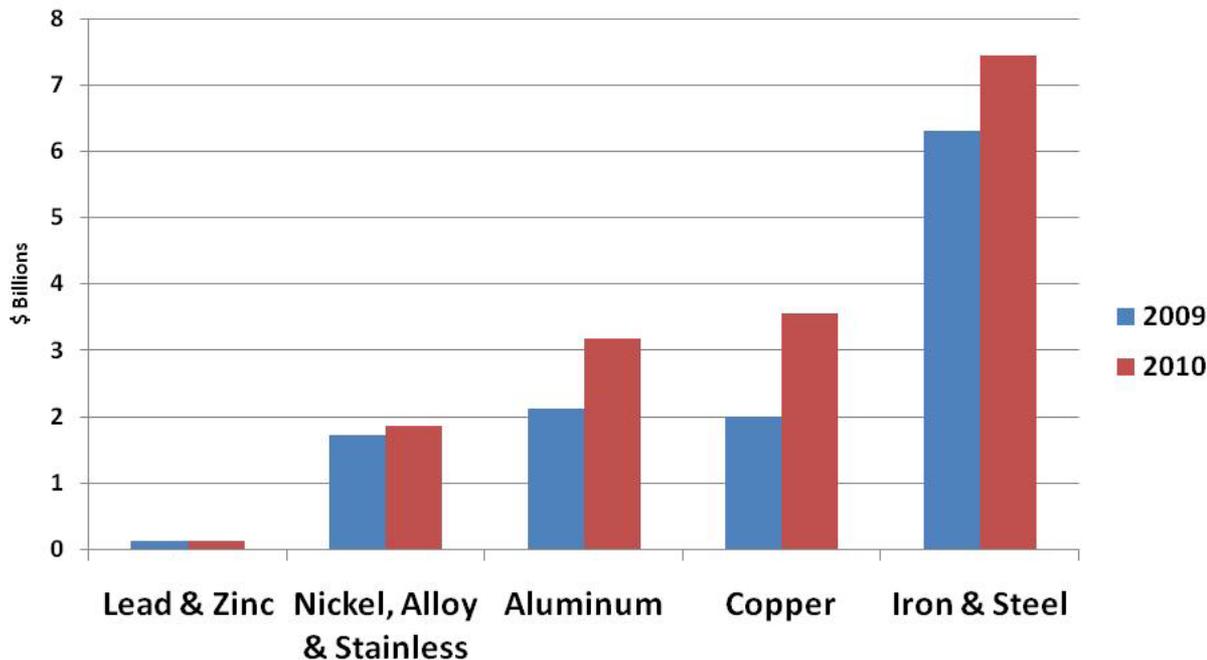
## Scrap Metal Processed in the United States (metric tons) and Share Exported (%), 2009 & 2010

Scrap Metal	2009	2010
Iron & Steel	70 million (30%)	74 million (26%)
Aluminum	4.7 million (36%)	4.6 million (41%)
Copper	1.7 million (50%)	1.9 million (53%)
Lead	1.3 million (11%)	1.2 million (4%)
Zinc	150,000 (31%)	160,000 (49%)

# Recent Scrap Metal Trends: Exports by Metal and Port

The scrap recycling industry in the U.S. exported nearly **\$30 billion** worth of scrap commodities to **over 150 countries** in 2010, including **nonferrous and ferrous scrap valued at over \$16 billion**

**Value of U.S. Scrap Metal Exports, 2009 & 2010  
(\$ billions)**



**Top 10 U.S. Scrap Metal Export Districts in 2010  
(by value)**

Export District	\$ millions
Los Angeles, CA	4,730
New York, NY	2,300
San Francisco, CA	1,240
Seattle, WA	807
Savannah, GA	636
Columbia-Snake, OR	555
New Orleans, LA	549
<b>Norfolk, VA</b>	<b>525</b>
Laredo, TX	473
Houston-Galveston, TX	471

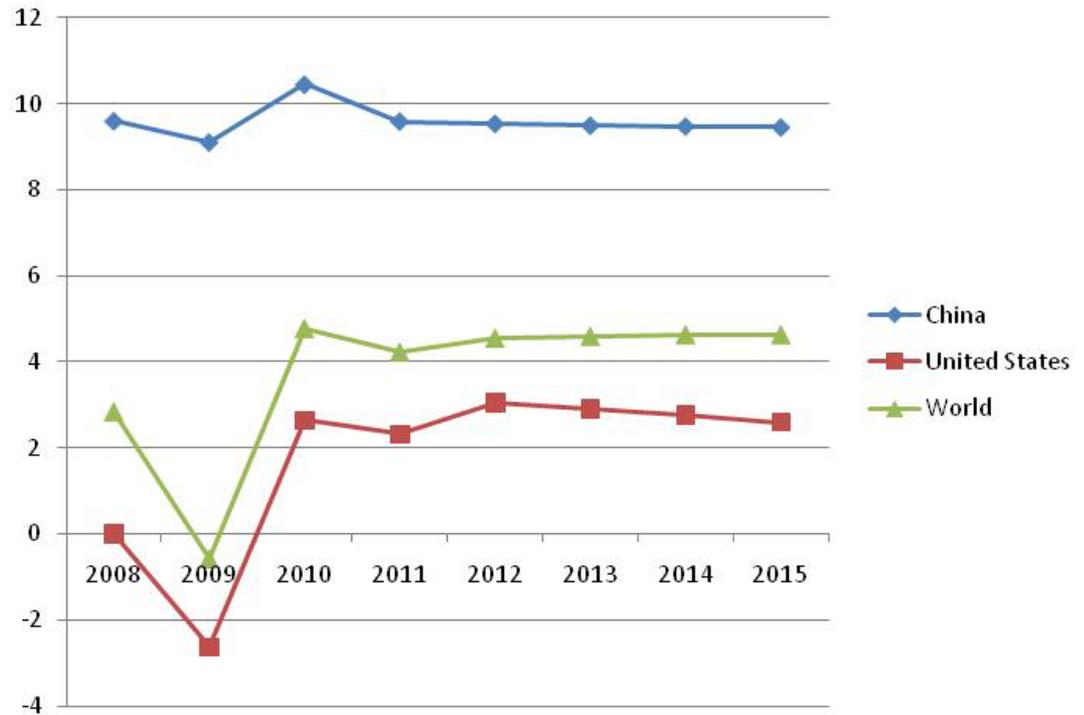
# Key Drivers and Outlook

## Key Drivers:

- Manufacturing in the United States
- Recovery of the Construction Industry
- Transportation and Energy Costs
- Pricing
- Demand from China and developing economies
- Global Economic Growth

### Recent and Forecast Real GDP Growth: China, the US and the World, 2008-2015

(Source: International Monetary Fund)



# Thank you!

For more information please visit:  
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