The dollar’s strong appreciation since 1991 and recent global economic turmoil have dramatically intensified the rivalry between domestic and foreign steel producers for U.S. market share. Iron and steel imports reached $21 billion (annual rate) in the first 10 months of 1998, surpassing the total for any previous year. Last year’s 17.6% gain exceeded even the recent strong pace of these imports. Since 1992, U.S. purchases of foreign iron and steel products have increased at a 12.5% average annual clip; in contrast, our iron and steel exports have remained flat.

U.S. manufacturers contend that imports have unfairly depressed domestic prices. Iron and steel producer prices slumped approximately 9% over the year ending November 1998, while the overall producer price index dipped only 0.7% for the same period.

Domestic steel makers and unions recently petitioned for U.S. trade restraints on hot-rolled steel products from Brazil, Japan, and Russia. They object to subsidies in Brazil and to “less than fair value pricing” by all three countries.