



## **AMERICAN STEEL INDEX – UPDATE**

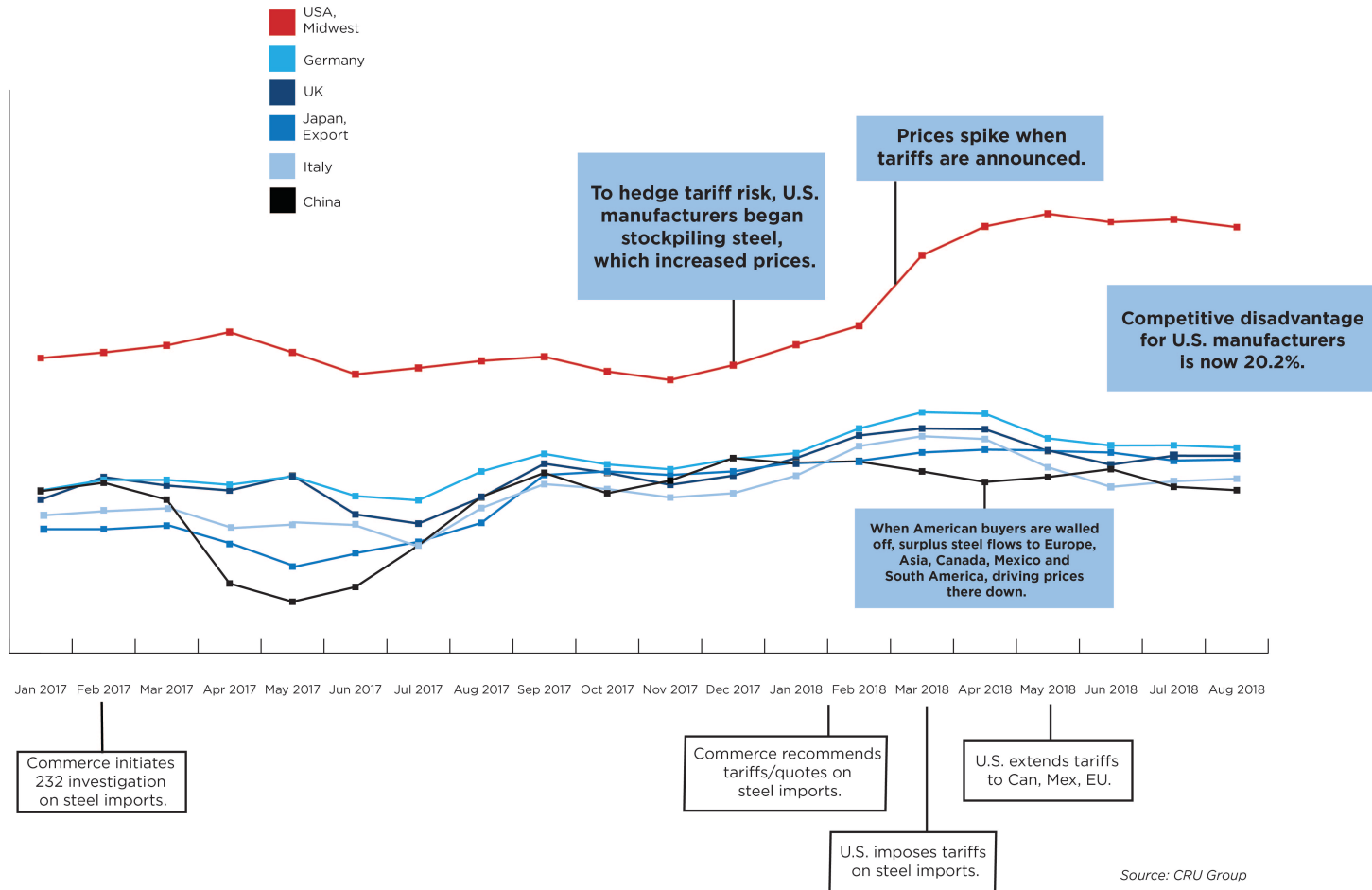
August 17, 2018

# TOP LINE

- U.S. steel prices have risen 19.7% since February, while competitors' prices have fallen 3.8%.
- The difference between U.S. and competitors' prices is 2.20 times larger since February.
- The increase in U.S. prices alone could wipe out more than 40% of a manufacturer's profit (assuming steel represents 20% of its total costs and profit margin is 10%).
- Harm to American manufacturers has increased: \$270 billion in auto and aerospace exports are at risk.

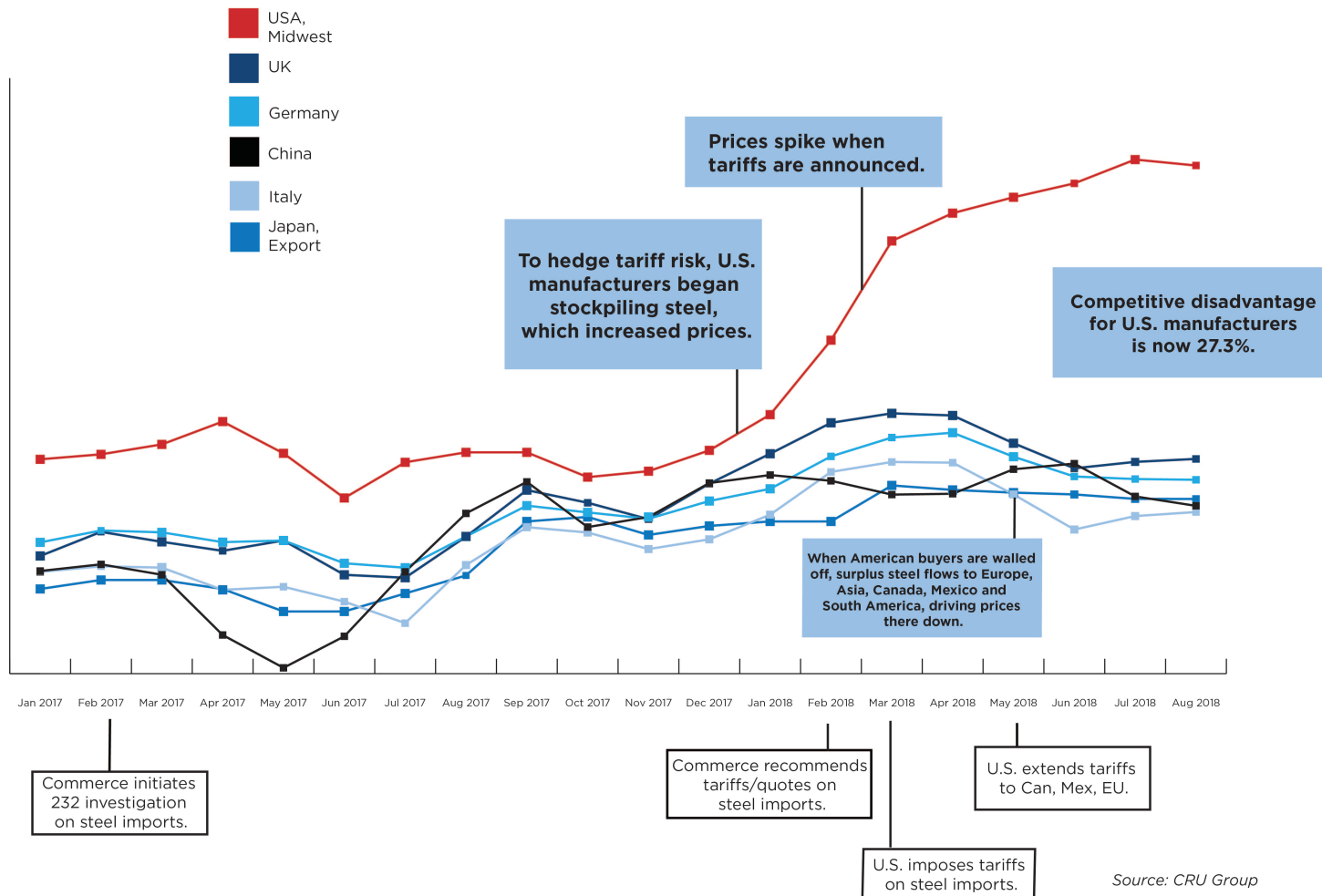
# COLD-ROLLED STEEL

Monthly cold-rolled coil prices, by country



# HOT- ROLLED STEEL

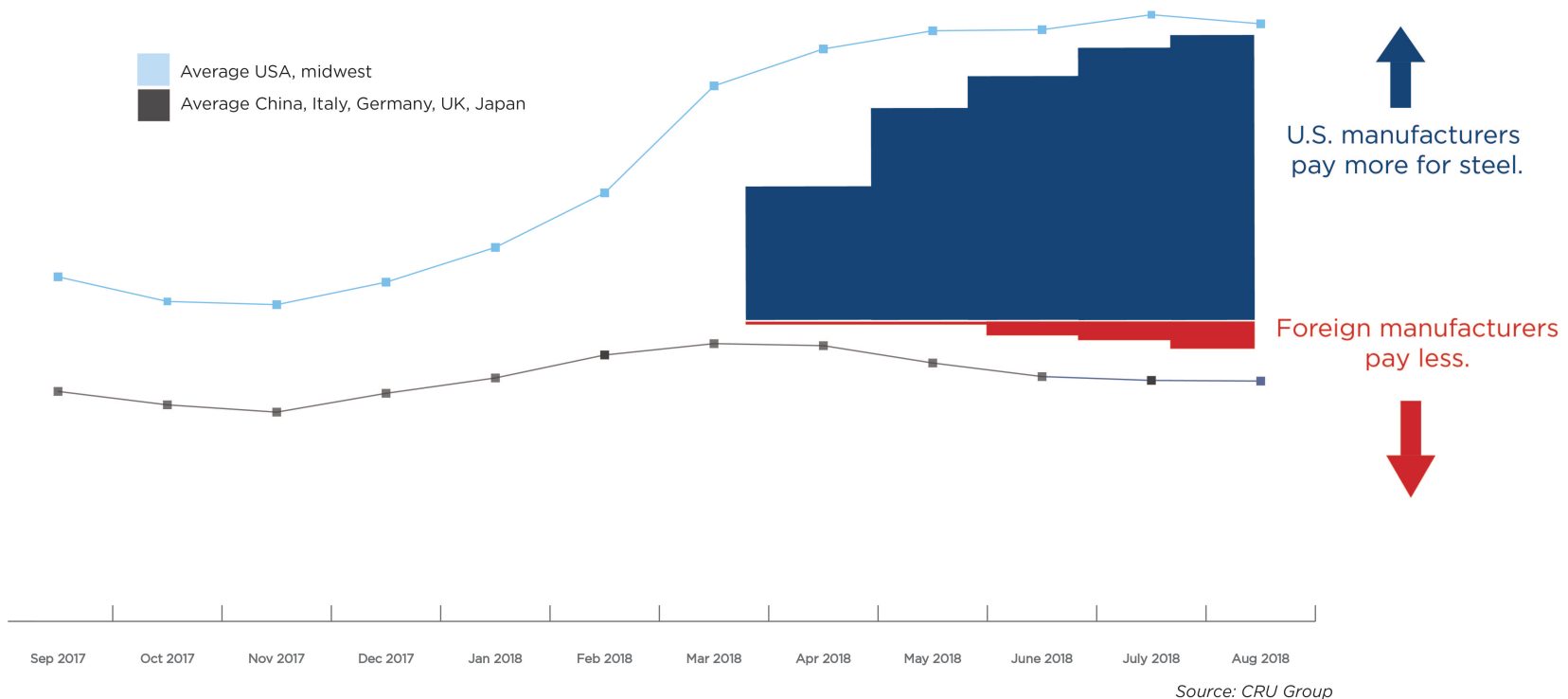
Monthly hot-rolled coil prices, by country



# GROWING PRICE GAP

Prices in the U.S. rose 19.7% from February to June, on average, while prices in the UK, Italy, China, Germany, and Japan dropped 3.8%, on average. The difference between prices here and in those markets has more than doubled since February (220%).

**Comparison of average hot- and cold-rolled coil prices**

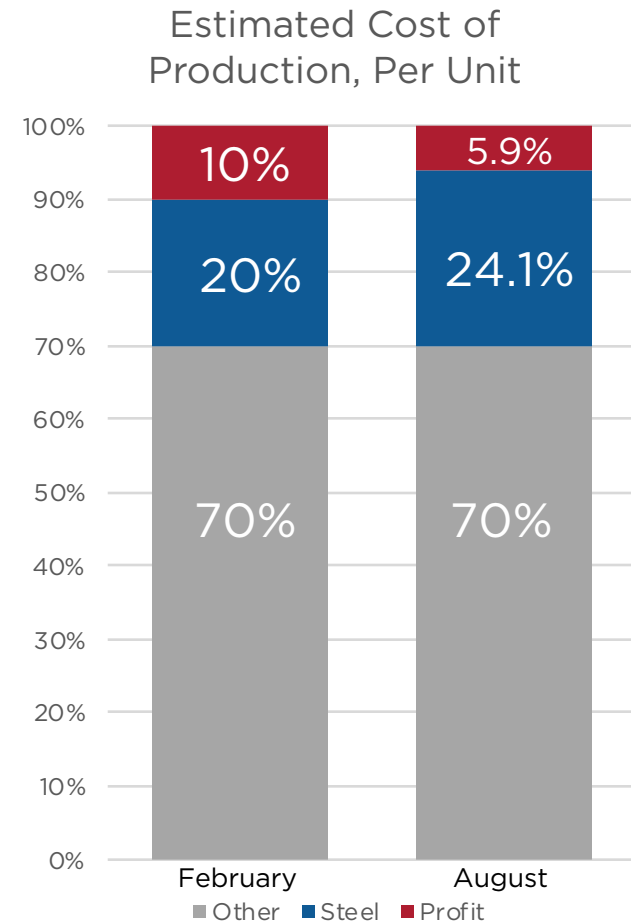


# IMPACT ON PROFITS

Trump Administration officials defend their tariffs by comparing price increases for steel with finished product prices. They should compare price increases with a manufacturer's profit margin.

Since February, U.S. steel prices have increased 19.7%, on average.

If steel represented 20% of your cost of production in February, and your profit margin was 10%, these price increases wiped out more than 40% of your profit.





With the help of more than 60 of America's most respected companies, Business Forward is making it easier for more than 100,000 business leaders from across America to advise Washington on how to create jobs and accelerate our economy. Business Forward is active in over 125 cities and has worked with more than 600 mayors, governors, members of Congress, and senior Administration officials.

Business leaders who have participated in our briefings have seen their suggestions implemented in the Affordable Care Act, the JOBS Act, the Clean Power Plan, the Toxic Substances Control Act, three trade agreements, and the President's budgets. Many have also shared their recommendations with their representatives in Congress and through phone calls, op-eds, and interviews with local media. Ninety-eight out of 100 business leaders who have participated in a Business Forward briefing would be interested in participating in another one.

**For more information, please contact:**  
[info@businessfwd.org](mailto:info@businessfwd.org)