

Gershow exec sees '11 scrap supply gains

PHILADELPHIA — More scrap metals could flow into New York scrapyards this year due to a tax law that will improve consumer confidence, spurring sales of vehicles and appliances, a major New York-area recycler said.

When companies and individuals buy more durable goods, the older products come to scrapyards, Kevin Gershowitz, president of Medford, N.Y.-based Gershow Recycling Corp., said in a statement. "The increase in durable good purchases shows that the economy is improving. . . . As people make more durable goods purchases or home improvements, we'll be one of the first industries to feel the impact as old appliances are brought in to be recycled.

The tax law adopted by Congress at the end of last year and signed by President Obama continues the tax cuts from the Bush administration and the homeowner's deduction of mortgage insurance premiums through 2011. The law also cuts the payroll tax to

4 percent from 6 percent.

New vehicle sales are expected to rise to 11.5 million units from 10.4 million last year, Gershowitz said. "When a new car is purchased, an older vehicle is taken off the road. As more people buy new cars, we'll see more old cars coming in to be recycled."

As the recession hit in 2008, Gershow, like most other businesses, tightened its belt by cutting back on overtime and Saturday hours. But in maintaining a long-term, optimistic view of the global economy and making itself well positioned during such economic circumstances, Gershow didn't have a single layoff, according to Gershowitz.

Instead, the company looked on the recession as an opportunity to expand in a down market, opening locations in Huntington Station, N.Y., in November 2007 and in Freeport, N.Y., in May 2010, he said. The company also pushed forward with a modernization program, recently coming to an agreement with the Long Island

Power Authority resulting in the electrification of Gershow's Medford facility.

"We have been in business for more than 45 years, so we have seen the economy at its highs and its lows," Gershowitz said. "The economy is very cyclical, especially in the steel recycling business. This was not our first recession and it will not be our last."

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AMM WEEKLY SCRAP COMPOSITE PRICES

Averages calculated each Friday, based on data effective from the previous Friday to Thursday. Prices are in US\$/gross ton.

SHREDDED SCRAP				
— calculation date —				
	01/21/11	Prior Wk	Year Ago	
Birmingham	\$480.00	\$480.00	\$350.00	
Chicago	470.00	470.00	350.00	
Houston	470.00	470.00	330.00	
Philadelphia	467.50	465.00	340.00	
Pittsburgh	480.00	480.00	345.00	
Composite	\$473.50	\$473.00	\$343.00	
NO. 1 BUSHELING				
— calculation date —				
	01/21/11	Prior Wk	Year Ago	
Chicago	\$495.00	\$495.00	\$390.00	
Cleveland	500.00	500.00	395.00	
Pittsburgh	500.00	500.00	400.00	
Composite	\$498.33	\$498.33	\$395.00	
NO. 1 HEAVY MELT				
— calculation date —				
	01/21/11	Prior Wk	Year Ago	
Chicago	\$440.00	\$440.00	\$305.00	
Philadelphia	432.50	417.00	295.00	
Pittsburgh	440.00	440.00	315.00	
Composite	\$437.50	\$432.33	\$301.67	