

US BUYERS SEE FEW FOREIGN OFFERS

BY PHILIP BURGERT

■ **CHICAGO** — Steel buyers surveyed by the Institute for Supply Management (ISM) in May said that interest being shown to them by foreign mills was at its lowest level seen in recent years and that offering prices of foreign products were frequently significantly higher than domestic prices.

The monthly survey of ISM's Steel Buyers Forum said 75 percent of buyers responding said foreign mills were showing subnormal or no interest in US business. That compares with readings earlier this year and late last year when more than 50 percent of respondents said they were getting offers for foreign-made steel products, the Arizona-based group said.

More than 46 percent of the steel buyers surveyed last month said that compared with three months ago, foreign mills were now less active in seeking US business, the highest response shown to that question in recent years.

Also at a recent high was 23.5 percent of buyers reporting that foreign mill offering prices were "well above" domestic steel offering levels, up from 5.9 percent in April.

Forty percent of the buyers responding said they expected that in comparison to their past practices, their dependence on offshore sources of steel would decrease in the next six months.

Other survey responses showed that the steel buyers were continuing to seek tighter inventories, although some suggested that they were reaching the limits of those efforts. Almost 60 percent of the buyers said their inventory levels were too high for demand but only 5.9 percent said their raw material receipts were higher than their own shipments.

Slightly more than 41 percent of the buyers said they expected that their raw material receipts would decline in the next three months and almost 59 percent said they would be attempting to decrease inventory levels during the next six months.