

Steel Trade Plunges at Houston Port

Contributed by Tom McGregor
Wed, Sep 26, 2012, 07:23 PM

The Port of Houston Authority announced on Tuesday that the amount of steel shipped into and out of Houston had declined by 10 percent in August. A port official cited high inventories in shale drilling due to low natural gas prices. The Houston Chronicle reports that, "steel tonnage in the authority's Turning Basin Terminal had been trending up for more than a year after big drop-off in 2009, when imports and exports declined to a total of 2.5 million tons. A record 6.3 million tons were shipped in 2008."

Steel tonnage experienced modest growth in 2010 as the shale gas boom moved forward and escalated dramatically last year since the amount of imported pipe exploded. Such strong growth continued into the spring, but has dropped in recent months as overall steel tonnage plunged for the first time in June by 1 percent, or 4,00 tons.

According to the Houston Chronicle, "in August, steel tonnage declined by 10 percent, or 39,000 tons, from the same month last year, statistics reported Tuesday to the authority's seven-member governing board showed."

Ricky Kunz, vice president of the port authority's origination division, which develops trade at the port, said, "it's tapering off because the drilling land-side of gas specifically has really kind of plateaued, so the inventories have built up really high."

To read the entire article from the Houston Chronicle, link here: Tmcgregordallas@yahoo.com