



Legislation Needed to Boost U.S. Ferrosilicon Production

By [Eugen Iladi](#)

November 17, 2023

Silicon alloys including ferrosilicon are vital to American industry. Ferrosilicon in particular is necessary in steel production. It is used to adjust the properties of the melt, the cooling process, and to improve the finished product.

Unfortunately, a large portion of the United States' ferrosilicon comes from Russia. The heavy reliance is a threat to national security and U.S. supply chains. In the summer of 2022, the U.S. increased tariffs on some ferroalloys and silicon metal to 35 percent. But it left unchanged the tariffs on a much-used form of ferrosilicon that is imported in large quantities from Russia. The situation constricts U.S.-based production of the material as well as the potential for job growth. This must change.

Si 75% ferrosilicon is the most widely used silicon alloy in the United States. Russia is the largest exporter to the U.S. with 47 percent of the import market share in 2021, according to S&P Global trade data. The silicon alloy is exempted from the 35 percent tariff imposed in 2022 to protect American consumers and businesses.

A bipartisan group of lawmakers – Senators Sherrod Brown of Ohio and Tommy Tuberville of Alabama, along with Representatives Carol Miller of West Virginia and Teri Sewell of Alabama – have proposed legislation to increase the tariff on ferrosilicon imported from Russia to 35 percent from 11.5 percent. Congress should approve their bill to harness the full potential of ferrosilicon and insulate the U.S. from a dangerous dependency.

The importance of steel cannot be overstated. Global demand for steel is set to steadily increase over coming years. The World Steel Association [forecasts](#) an increased demand of 1.85 billion tons in 2024. Coupled with the policy imperative of moving jobs back to the United States from overseas, the tariff increase is much needed.

Ferrosilicon is vital to the steelmaking process. It is used to improve the strength, ductility, and corrosion resistance of steel. Having ample domestic supply of ferrosilicon will play a key role in helping manufacturers meet rising demand. But where will the ferrosilicon come from? That's where the legislation comes in.

By increasing the tariff applicable to Russian and Belarusian ferrosilicon, U.S.-produced ferrosilicon can grow and thrive, which will change the American steel manufacturing landscape for the better.

The legislation, aptly named the Increasing American Ferrosilicon Production Act, would impose a 35 percent tariff on all Russian and Belarusian ferrosilicon imported into the United States, including Si 75% ferrosilicon.

If the United States aims to harness the potential of its own steel manufacturing industry, it must support domestic ferrosilicon production. At the moment, the U.S. has only two ferrosilicon producers. Establishing new facilities is complex and capital-intensive. U.S. manufacturers need government incentives and trade-related measures to stimulate domestic production and ensure the longevity and sustainability of the industry.

The two Si 75% ferrosilicon producers in the U.S. – Ferroglobe and CCMA – have enough excess capacity to meet domestic demand when supported by imports from non-Russian countries. The two companies together produce approximately 105,000 metric tons annually; this is not their maximum production capacity, and they can produce more. In fact, since October 2021 CCMA has invested more than \$10 million toward the expansion of its production operations in Kentucky and has created more than 30 new jobs.

Ferroglobe also is poised to expand its high-purity silicon production. It plans to increase capacity in Europe and North America to keep up with rising demand for ferrosilicon.

The transformative potential of ferrosilicon in America's steel manufacturing sectors is real. Legislative support like the bills introduced in both the Senate and the House is key.

Eugen Iladi writes about international business and development.