



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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FOR IMMEDIATE RELEASE

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U.S. Specialty Steel Producers Release Latest U.S Market Data

(Washington, D.C.) (October 11, 2004) – Despite a healthy rise in demand for specialty steel and its individual product lines, imports tightened their grip on U.S. market share in the first seven months of this year.

Data released today by the Specialty Steel Industry of North America (SSINA) reflect that U.S. specialty steel consumption increased 8% to 1,641,864 tons in January through July 2004 compared with the same 2003 period. The increase, however, did not offset a 14% year-on-year hike in imports to 449,187 tons. Consequently, domestic specialty steel producers lost 27% U.S. market share to imports, a one percentage point increase year-on-year. (Total specialty steel comprises stainless steel, electrical steel and tool steel.)

Demand for stainless steel, the industry's largest product category, increased 11% to 1,381,436 tons year-on-year. Imports, however, spiked 19% to 353,191 tons, pushing seven-month import penetration up two percentage points to 26%.

Stainless steel sheet/strip consumption increased 12% to 1,021,377 tons year on year. Imports increased 21% to 215,871 tons. Seven month import penetration for stainless steel sheet/strip increased one percentage point to 21%.

While domestic demand for stainless steel plate rose 8% to 174,803 tons year on year, imports increased 53% to 43,642 tons. Imports took a 25% bite out of the U.S. market, a seven percentage point increase over YTD July 2003.

Stainless steel bar consumption in the U.S. rose 5% to 115,414 tons year on year. Imports increased 1% to 44,590 tons, capturing 39% U.S. market share.

While U.S. consumption of stainless steel rod rose a significant 21% to 51,245 tons, imports still claimed almost half of the U.S. market. Stainless steel rod imports increased 6% to 25,116 tons year on year; seven month import penetration was 49%.

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Imports of stainless steel wire increased 18% to 23,972 tons. (Additional data for this product not available.)

Imports of alloy tool steel decreased 5% to 50,282 tons. (Additional data for this product not available.)

Electrical steel imports decreased year on year, as did U.S. consumption. Imports declined 2% to 45,714 tons year on year. U.S. consumption dropped 4% to 220,842 tons. Import penetration rose one percentage point to 21%.

SSINA is a Washington, DC-based trade association representing virtually all continental specialty steel producers. Specialty steels are high technology, high value stainless and other specialty alloy products. See chart for additional product data on U.S. imports, consumption and market penetration covering YTD July 2004, 2003, and 2002.

David A. Hartquist, an international trade attorney with the Washington, D.C. law firm Collier Shannon Scott, PLLC, serves as lead counsel to SSINA.

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**U.S. Imports, Consumption and Market Penetration Data 1/
For Specialty Steel Product Lines
2004/2003/2002**

Specialty Steel Product Lines	Imports			U.S. Consumption			Seven Month Import Penetration	
	Month Jul 2004	YTD Jul 2004	Increase/Decrease YTD 2004-03	Month Jul 2004	YTD Jul 2004	Increase/Decrease YTD 2004-03	YTD Jul 2004	YTD Jul 2003
Stainless Sheet/Strip	35,295	215,871	21%	136,725	1,021,377	12%	21%	20%
Stainless Plate	5,557	43,642	53%	23,313	174,803	8%	25%	18%
Stainless Bar	6,738	44,590	1%	15,899	115,414	5%	39%	40%
Stainless Rod	3,964	25,116	6%	7,774	51,245	21%	49%	56%
Stainless Wire 2/	3,729	23,972	18%	NC	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	55,283	353,191	19%	186,719	1,381,436	11%	26%	24%
Alloy Tool Steel 2/	8,163	50,282	-5%	NC	NC	NC	NC	NC
Electrical Steel	6,683	45,714	-2%	27,983	220,842	-4%	21%	20%
Total Specialty	70,130	449,187	14%	221,258	1,641,864	8%	27%	26%

2003 and 2002 statistical data in tons follow:

Specialty Steel Product Lines	Imports		U.S. Consumption		Twelve Month Import Penetration	
	2003	Increase/Decrease 2003 vs. 2002	2003	Increase/Decrease 03 vs. 02	2003	2002
Stainless Sheet/Strip	306,494	3%	1,571,120	-1%	20%	19%
Stainless Plate	51,994	-13%	283,334	13%	18%	24%
Stainless Bar	67,901	-20%	184,529	-8%	37%	42%
Stainless Rod	35,168	-39%	63,217	-30%	56%	65%
Stainless Wire	34,167	4%	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	495,724	-7%	2,127,194	-1%	23%	25%
Alloy Tool Steel	87,690	14%	NC	NC	NC	NC
Electrical Steel	80,492	14%	387,994	-9%	21%	17%
Total Specialty	663,906	-3%	2,586,937	-2%	26%	26%

NOTE: Changes in import penetration are percentage point changes.

1/ Imports adjusted to exclude hot bands imported for re-rolling and reported under shipments.

2/ Shipments of Stainless Wire and Alloy Tool Steel unavailable, hence consumption and import penetration not calculable.

NC = Not calculable.

Prepared by Georgetown Economic Services for the Specialty Steel Industry of North America

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