

NEWS



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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FOR IMMEDIATE RELEASE

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LATEST MARKET DATA RELEASED BY U.S. SPECIALTY STEEL TRADE GROUP **Specialty Steel Import Penetration On the Rise, Despite Gains in Domestic Consumption**

(Washington, DC) (November 22, 2004) -- Imports continue to chip away at the U.S. market for total specialty steel and total stainless steel, according to data released today by the Specialty Steel Industry of North America (SSINA).

Total specialty steel imports covering the eight-month January through August 2004 period captured 28% U.S. market share. This represents a two percentage point increase over the same 2003 period. (Unless otherwise noted, all comparisons are with January through August 2003.) Domestic consumption of total specialty steel increased 9% to 1,894,183 tons. Even with the growth in demand, U.S. specialty steel producers lost market share due to a 16% increase in imports to 523,045 tons. (Total specialty steel comprises stainless steel, electrical steel and alloy tool steel.)

For stainless steel, eight-month import penetration increased three percentage points to 26% year on year. U.S. demand for stainless steel increased 12% to 1,590,944 tons. A 24% increase in imports to 410,890 tons, however, translated into lost market share to foreign product. (Total stainless steel comprises sheet/strip, plate, bar, rod and wire.)

Imports of stainless steel sheet/strip, the industry's largest product category, took a 21% bite out of the U.S. market, up two percentage points from YTD August 2003. Imports increased 25% to 253,265 tons offsetting the 13% increase in demand to 1,179,243 tons.

U.S. stainless steel plate producers lost seven additional percentage points of U.S. market share to imports, from 18% to 25% in YTD August 2004. Imports increased 50% to 49,138 tons, while U.S. consumption rose only 6% to 197,328 tons.

Eight month import penetration for stainless steel bar remained at 39%. Imports increased 7% to 51,920 tons; consumption rose 8% to 133,574 tons.

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Stainless steel rod import penetration dropped to 49% from 56%. Consumption increased 25% to 59,601 tons; imports increased 9% to 29,259 tons.

Stainless steel wire imports increased 21% to 27,309 tons. (Other data for this product line not available.)

Alloy tool steel and electrical steel imports both declined. For alloy tool steel, imports dropped 1% to 58,788 tons. (Consumption and import penetration data not available.)

For electrical steel, imports fell 7% to 53,366 tons and demand declined 3% to 256,748 tons. Import penetration for YTD August 2004 dropped 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 August 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.

**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			Eight Month Import Penetration	
	Month Aug 2004	YTD Aug 2004	Increase/Decrease YTD 2004-03	Month Aug 2004	YTD Aug 2004	Increase/Decrease YTD 2004-03	YTD Aug 2004	YTD Aug 2003
Stainless Sheet/Strip	37,394	253,265	25%	157,866	1,179,243	13%	21%	19%
Stainless Plate	5,495	49,138	50%	22,525	197,328	6%	25%	18%
Stainless Bar	7,330	51,920	7%	18,160	133,574	8%	39%	39%
Stainless Rod	4,143	29,259	9%	8,356	59,601	25%	49%	56%
Stainless Wire 2/	3,337	27,309	21%	NC	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	57,699	410,890	24%	209,509	1,590,944	12%	26%	23%
Alloy Tool Steel 2/	8,507	58,788	-1%	NC	NC	NC	NC	NC
Electrical Steel	7,652	53,366	-7%	35,907	256,748	-3%	21%	22%
Total Specialty	73,857	523,045	16%	252,319	1,894,183	9%	28%	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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