

NEWS



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

3050 K Street, NW
Washington, DC 20007

FOR IMMEDIATE RELEASE

Contact: Meg Mullery 202.342.8439
mmullery@colliershannon.com

U.S. Specialty Steel Industry Grappling with Imports and Lackluster Demand

(Washington, D.C.) (December 19, 2003) – Data released today by the Specialty Steel Industry of North America (SSINA) reflect an industry that continued to grapple with lackluster demand and imports capturing substantial U.S. market share during the first nine months of 2003.

The nine-month comparison of specialty steel and individual product lines shows imports of all specialty steel declining 2% to 494,494 tons with an equivalent 2% drop in consumption to 1,946,211 tons. Imports captured 25% U.S. market share in YTD September 2003, dropping only one percentage point from annual 2002 and 2001.

Imports of total stainless steel product lines (sheet/strip, plate, bar, rod, wire) dropped 7% to 369,340 tons while U.S. consumption declined 2% to 1,597,039 tons. Stainless steel imports captured 23% of the U.S. market in YTD September 2003, reflecting little variance from YTD September 2002 and annual 2002 and 2001.

Demand for stainless steel sheet/strip, the industry's largest product line, dropped 2% to 1,178,877 tons. Imports, however, increased 2% to 226,125 tons. These imports grabbed 19% U.S. market share, up from 18% in YTD September 2002 and 17% in annual 2001.

The data for stainless steel plate reflect a downward shift in imports and an increase in domestic consumption. Specifically, imports decreased 17% to 35,785 tons while consumption increased 8% to 209,572 tons. Nine-month import penetration dropped to 17% from 22% in YTD September 2002.

Imports and consumption for stainless steel bar and stainless steel rod decreased. Imports, however, continued to control substantial U.S. market share. Stainless steel bar imports captured 39% U.S. market share year on year. Imports decreased 14% to 53,492 tons while consumption decreased 7% to 138,554 tons. Stainless steel rod imports declined significantly, but still

controlled more than half—55%—of the U.S. market. Imports decreased 37% to 28,648 tons and consumption declined 23% to 51,690 tons. Stainless steel wire imports increased 8% to 25,380 tons.

Imports of alloy tool steel and electrical steel increased 20% and 11%, respectively, in the first nine months of 2003. Electrical steel imports captured 20% U.S. market share, a three percentage point increase over YTD September 2002. (For additional information on all product lines, see attached chart on Imports, Consumption and Market Penetration Data for 2003/2002/2001.)

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. While shipments of specialty steel account for only 2% of all steel shipped, annual revenues of approximately \$8 billion account for 14% of the total value of all steel shipped.

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

-end-

**U.S. Imports, Consumption and Market Penetration Data 1/
For Specialty Steel Product Lines
2003/2002/2001**

Specialty Steel Product Lines	Imports			U.S. Consumption			Nine Month Import Penetration	
	Month Sept. 2003	YTD Sept. 2003	Increase/Decrease YTD 2003-02	Month Sept. 2003	YTD Sept. 2003	Increase/Decrease YTD 2003-02	YTD Sept. 2003	YTD Sept. 2002
Stainless Sheet/Strip	24,112	226,125	2%	132,240	1,178,877	-2%	19%	18%
Stainless Plate	3,009	35,785	-17%	23,122	209,572	8%	17%	22%
Stainless Bar	5,069	53,492	-14%	15,268	138,554	-7%	39%	41%
Stainless Rod	1,872	28,648	-37%	3,913	51,690	-23%	55%	67%
Stainless Wire 2/	2,730	25,380	8%	NC	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	36,793	369,430	-7%	176,544	1,597,039	-2%	23%	24%
Alloy Tool Steel 2/	5,568	65,185	20%	NC	NC	NC	NC	NC
Electrical Steel	2,717	59,879	11%	32,734	297,118	-8%	20%	17%
Total Specialty	45,079	494,494	-2%	214,103	1,946,211	-2%	25%	25%

2002 and 2001 statistical data in tons follow:

Specialty Steel Product Lines	Imports		U.S. Consumption		Twelve Month Import Penetration	
	2002	Increase/Decrease 2002 vs. 2001	2002	Increase/Decrease 02 vs. 01	2002	2001
Stainless Sheet/Strip	298,538	12%	1,594,657	3%	19%	17%
Stainless Plate	60,002	30%	251,093	9%	24%	20%
Stainless Bar	84,350	-17%	200,747	-10%	42%	46%
Stainless Rod	58,078	-7%	89,898	13%	65%	78%
Stainless Wire	32,711	7%	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	533,679	5%	2,157,962	2%	25%	24%
Alloy Tool Steel	77,006	6%	NC	NC	NC	NC
Electrical Steel	70,895	-35%	424,856	-12%	17%	23%
Total Specialty	681,580	-1%	2,635,311	0%	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

11-Dec-03