

NEWS



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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FOR IMMEDIATE RELEASE

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U.S. Producers See Growth in Demand for Specialty Steel

(Washington, D.C.)(December 23, 2004) – Domestic consumption of total specialty steel and stainless steel increased in the first nine months of 2004 compared to the comparable 2003 period, according to the latest data released today by the Specialty Steel Industry of North America (SSINA). (Unless otherwise noted, all comparisons are with January through September 2003.)

U.S. consumption of total specialty steel rose 11% to 2,154,567 tons. Imports increased 22% to 601,996 tons, capturing 28% U.S. market share. (Total specialty steel comprises stainless steel, alloy tool steel and electrical steel.)

U.S. consumption of total stainless steel increased 14% to 1,812,900 tons. Imports increased 28% to 473,946 tons, capturing 26% of the U.S. market for stainless steel. (Total stainless steel comprises stainless sheet/strip, stainless plate, stainless bar, stainless rod and stainless wire.)

By product line, stainless steel sheet/strip consumption increased 14% to 1,348,741 tons in YTD September 2004. With imports rising 31% to 297,182 tons; nine-month import penetration works out to 22%.

Demand for stainless steel plate was 221,118 tons, or a 6% increase year on year. Imports increased 50% to 53,750 tons, pushing import penetration up seven percentage points to 24%.

Stainless steel bar imports increased 11% to 59,259 tons. Consumption for this product line kept pace, increasing 10% to 151,761 tons. Nine month import penetration remained at 39%.

Stainless steel rod imports increased 16% to 33,096 tons. Consumption saw an increase of 31% to 67,529 tons, translating into a six percentage point decrease in import penetration to 49%.

Stainless steel wire imports continue to increase at alarming rates: up 21% year on year to 30,660 tons.

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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			Nine Month Import Penetration	
	Month Sep 2004	YTD Sep 2004	Increase/Decrease YTD 2004-03	Month Sep 2004	YTD Sep 2004	Increase/Decrease YTD 2004-03	YTD Sep 2004	YTD Sep 2003
Stainless Sheet/Strip	43,918	297,182	31%	169,498	1,348,741	14%	22%	19%
Stainless Plate	4,612	53,750	50%	23,789	221,118	6%	24%	17%
Stainless Bar	7,338	59,259	11%	18,187	151,761	10%	39%	39%
Stainless Rod	3,837	33,096	16%	7,928	67,529	31%	49%	55%
Stainless Wire 2/	3,351	30,660	21%	NC	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	63,056	473,946	28%	221,956	1,812,900	14%	26%	23%
Alloy Tool Steel 2/	8,247	67,035	3%	NC	NC	NC	NC	NC
Electrical Steel	7,648	61,014	2%	32,115	288,864	-3%	21%	20%
Total Specialty	78,951	601,996	22%	260,384	2,154,567	11%	28%	25%

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

18-Nov-04

Alloy tool steel imports increased 3% to 67,035 tons. (Other data for this product line and stainless steel wire not available.)

Electrical steel imports increased 2% to 61,014 tons, but demand decreased 3% to 288,864 tons in YTD September 2004. Imports captured 21% of the U.S. market for electrical steel, a one percentage point increase.

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.

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