

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

FOREIGN SPECIALTY STEEL EXTENDS REACH INTO U.S. MARKET

(Washington, DC) (July 8, 2003) -- Specialty steel imports in January through April 2003 tightened their grip on the U.S. market, according to the latest available data released today by the Specialty Steel Industry of North America (SSINA). Imports captured 27% of the U.S. market in YTD April 2003, up one percentage point over the comparable 2002 period.

The data also reflect significant increases in imports and import penetration for stainless steel sheet/strip year-on-year, particularly troublesome given that the U.S. price is one of the lowest in the world. The increases occurred while U.S. demand decreased. Specifically, imports of stainless steel sheet/strip, the industry's largest product line, shot up 13% to 107,183 tons in YTD April 2003 and captured 20% of the U.S. market, a three percentage point spike from YTD April 2002. Concurrently, U.S. consumption decreased 3%.

Stainless steel plate imports decreased 6% to 15,964 tons year-on-year. With U.S. consumption stagnant, however, domestic producers realized no benefit from the drop in imports. Four-month stainless steel plate import penetration remained high at 19%, down one percentage point year-on-year.

While U.S. producers of stainless steel rod saw a significant drop in imports year-on-year, more than half of the U.S. market was lost to foreign product. Imports decreased 38% to 15,296 tons, but captured 56% market share.

Stainless steel bar imports also declined, but, again, the decrease had little impact on U.S. market share. Four-month import penetration was 40%, down one percentage point year-on-year. With a 5% decrease in demand offsetting a 7% drop in imports to 25,368 tons, business remained flat for domestic producers.

Stainless steel wire imports increased 17% to 12,028 tons. Shipments of this product are unavailable; hence, consumption and import penetration not calculable.

SSINA/July 8, 2003/page two

Similarly, U.S. demand for total stainless steel (sheet/strip, plate, bar, rod, wire) declined, while imports and import penetration increased. U.S. consumption decreased 2% to 712,517 tons year-on-year. Imports, however, increased 1% to 175,839 tons, capturing a quarter of the U.S. market. At 25%, four month import penetration was one percentage point higher than 2002. (See attached chart for additional data on all specialty steel product lines.)

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			Four Month Import Penetration	
	Month Apr 2003	YTD Apr. 2003	Increase/Decrease YTD 2003-02	Month Apr. 2003	YTD Apr. 2003	Increase/Decrease YTD 2003-02	YTD Apr. 2003	YTD Apr. 2002
Stainless Sheet/Strip	27,709	107,183	13%	131,901	528,929	-3%	20%	17%
Stainless Plate	3,720	15,964	-6%	21,572	84,200	0%	19%	20%
Stainless Bar	7,357	25,368	-7%	16,398	63,278	-5%	40%	41%
Stainless Rod	4,159	15,296	-38%	6,914	27,315	NC	56%	NC
Stainless Wire 2/	3,496	12,028	17%	NC	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	46,441	175,839	1%	179,613	712,517	-2%	25%	24%
Alloy Tool Steel 2/	7,934	28,622	31%	NC	NC	NC	NC	NC
Electrical Steel	4,823	24,908	-24%	29,618	130,081	-15%	19%	21%
Total Specialty	59,198	229,369	0%	215,116	864,557	-3%	27%	26%

2002 and 2001 statistical data in tons follow:

Specialty Steel Product Lines	Imports		U.S. Consumption		Twelve Month Import Penetration	
	2002	Percent Increase/Decrease	2002	Percent Increase/Decrease	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	3%	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