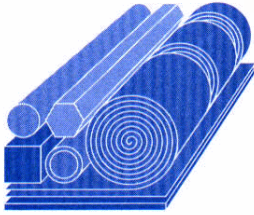


NEWS



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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Stainless Steel Imports Climb for Products Not Included in President's Steel Initiative

(Washington, DC) (July 15, 2002) -- Imports of stainless steel products covered by the Bush Administration's Section 201 steel import tariff program decreased in January/April 2002, according to the latest data released today by the Specialty Steel Industry of North America (SSINA). Imports increased for stainless steel sheet/strip and stainless steel plate, products not included in the program that went into effect last March. (All comparisons are with the corresponding period in the previous year, unless otherwise noted.)

While total stainless steel imports declined 5% to 174,020 tons in the first four months of 2002, imports of stainless steel sheet/strip increased 2% to 94,576 tons. Stainless steel sheet/strip, by far the industry's largest product line, accounts for more than half of the five stainless steel product lines. Stainless steel plate saw an 8% bounce in imports in the first four months of this year to 16,933 tons.

Imports of stainless steel bar and stainless steel wire, both included in the Section 201 action, declined 34% and 5%, respectively, in YTD April 2002, while stainless steel rod increased 12%. The tariff program imposed 15% tariffs on stainless steel bar and stainless steel rod and an 8% tariff on stainless steel wire.

"This import crisis began more than a decade ago with unfairly-traded imports flooding the U.S. and seizing market share," said SSINA Chairman H. L. Kephart. "The true impact of the tariff program won't be known for awhile. We continue to closely monitor imports, particularly those not covered by the President's steel initiative. It is worth noting that stainless steel sheet/strip imports in April were 24,771 tons, the highest monthly level this year." Kephart pointed out that stainless steel imports continue to capture 25% of the U.S. market. (See attached chart for more information on U.S. imports, consumption, and market penetration data.)

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Kephart also noted that U.S. trade laws are under unprecedented siege from global trading partners. "Trade laws play an incredibly important role in ensuring free and fair trade," said Kephart. "Our industry would be in worse shape if we had not been able to depend on strong trade laws during these past ten-plus years. We call on the Bush Administration and Congress to make sure no weakening of U.S. trade laws occurs."

Imports of total specialty steel, which includes stainless steel, tool steel, and electrical steel, declined 10% in YTD April 2002 with four-month import penetration at 26%. Tool steel imports, while decreasing 22%, captured 92% of U.S. market share in the first four months of this year. Electrical steel imports declined 25%; four-month import penetration was 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. 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.

**U.S. Imports, Consumption and Market Penetration Data 1/
For Specialty Steel Product Lines
2002/2001/2000**

Specialty Steel Product Lines	Imports			U.S. Consumption			Four Month Import Penetration	
	Month Apr. 2002	YTD Apr. 2002	Increase/Decrease YTD 2002-01	Month Apr. 2002	YTD Apr. 2002	Increase/Decrease YTD 2002-01	YTD Apr. 2002	YTD Apr. 2001
Stainless Sheet/Strip	24,771	94,576	2%	147,694	539,901	6%	18%	18%
Stainless Plate	3,283	16,933	8%	20,489	84,051	9%	20%	20%
Stainless Bar	4,807	27,370	-34%	14,375	66,380	-24%	41%	47%
Stainless Rod 2/	2,449	24,849	12%	NC	NC	NC	NC	--
Stainless Wire 2/	2,063	10,293	-5%	NC	NC	NC	NC	--
Total Stainless Steel 2/ (Sheet, Strip, Plate, Bar, Rod & Wire)	37,373	174,020	-5%	182,557	690,332	2%	25%	27%
Tool Steel	5,663	21,821	-22%	5,827	23,729	-23%	92%	91%
Electrical Steel	3,307	32,674	-25%	32,601	153,278	-12%	21%	25%
Total Specialty 2/	46,342	228,515	-10%	220,985	867,339	-2%	26%	29%

2001 and 2000 statistical data in tons follow:

Specialty Steel Product Lines	Imports		U.S. Consumption		Twelve Month Import Penetration	
	2001	Percent Increase/Decrease	2001	Percent Increase/Decrease	2001	2000
Stainless Sheet/Strip	267,739	-31%	1,550,899	-18%	17%	20%
Stainless Plate	46,170	-30%	230,955	-9%	20%	26%
Stainless Bar	101,236	-19%	222,325	-17%	46%	47%
Stainless Rod	62,149	-24%	78,526	-28%	79%	75%
Stainless Wire 4/	30,617	-1%	59,996	-29%	51%	37%
Total Stainless Steel 3/ (Sheet, Strip, Plate, Bar, Rod & Wire)	507,911	-27%	2,142,700	-18%	24%	27%
Tool Steel	72,493	-8%	76,403	-33%	95%	69%
Electrical Steel	109,326	-11%	482,889	-15%	23%	22%
Total Specialty	689,730	-23%	2,701,993	-18%	26%	27%

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 Rod and Wire unavailable for March 2002 and beyond, hence consumption and import penetration not calculable; totals unadjusted.

3/ Shipment and consumption data for these categories may be overstated due to the inclusion of shipments from wire redrawers which are already included in shipments/imports of rod; consequently import penetration may be slightly understated.

4/ Shipments of wire estimated and will be revised when actual data is received.

NC = Not calculable.

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

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