



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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FOR IMMEDIATE RELEASE

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SPECIALTY STEEL PRODUCTS ON IMPORT ROLLER COASTER

(Washington, DC)(September 9, 2002) -- Imports of specialty steel by product line fluctuated between a 27% increase for stainless steel plate and a 37% decrease for electrical steel in the first six months of 2002 compared to the same 2001 period, according to the latest available data released today by the Specialty Steel Industry of North America (SSINA). (Unless otherwise noted, all comparisons are with the corresponding period in the previous year.)

Stainless steel sheet/strip imports in YTD June 2002 increased 7% to 143,055 tons. This product, as well as stainless steel plate, is not covered by the safeguard tariffs imposed by President Bush last March. According to SSINA Chairman H.L. Kephart, "Total sheet/strip and plate imports in June went up to 30,063 tons, the highest monthly tonnage level this year. Preliminary statistics recently published by the Department of Commerce reflect that imports will remain at the same high level in July. Halfway into the year and, despite increased domestic demand for these products, the industry continues its struggle to maintain U.S. market share against increasing foreign tonnage." Six-month import penetration for stainless steel plate increased three percentage points to 21%; stainless steel sheet/strip remained the same at 17%. Demand for consumer goods and automobiles influences stainless steel sheet/strip consumption. Stainless steel plate is used principally in capital goods applications.

The import relief program covers stainless steel long products (bar, rod, and wire). Stainless steel bar and wire imports decreased 33% and 6%, respectively, in YTD June 2002. Stainless steel rod imports increased 2% and captured 72% of the U.S. market in the first six months of 2002. (See attached chart for more information on U.S. imports, consumption and market penetration data.)

The industry noted in its recent interim progress report submitted to the Bush Administration that the producers of stainless steel bar, rod and wire have yet to realize any measurable benefit from the section 201 import relief. The report cites substantially lower tariffs on stainless steel products compared to carbon steel, exempting certain key products from the program, and excluding imports from India as undermining the effectiveness of relief.

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Explained Kephart, "Effective import relief is essential to remain competitive over the long-term. This relief, coupled with an improvement in the overall economy, will permit our producers to improve their financial positions and invest in major capital expenditures." Demand for stainless steel long products is directly related to the capital goods market and manufacturing sector.

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.

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**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			Six Month Import Penetration	
	Month June 2002	YTD June 2002	Increase/Decrease YTD 2002-01	Month June 2002	YTD June 2002	Increase/Decrease YTD 2002-01	YTD June 2002	YTD June 2001
Stainless Sheet/Strip	24,772	143,055	7%	146,745	833,287	8%	17%	17%
Stainless Plate	5,291	26,921	27%	22,685	128,813	9%	21%	18%
Stainless Bar	6,834	41,197	-33%	16,282	99,772	-23%	41%	47%
Stainless Rod	3,810	32,267	2%	6,928	45,063	9%	72%	77%
Stainless Wire 2/	2,652	15,272	-6%	NC	NC	NC	NC	--
Total Stainless Steel 2/ (Sheet, Strip, Plate, Bar, Rod & Wire)	43,359	258,712	-2%	192,640	1,106,935	4%	23%	25%
Tool Steel	6,037	34,132	-15%	5,869	34,646	-17%	99%	96%
Electrical Steel	2,261	39,143	-37%	33,718	220,352	-15%	18%	24%
Total Specialty 2/	51,657	331,987	-10%	232,226	1,361,932	0%	24%	27%

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 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.

NC = Not calculable.

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

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