NEWS

SPECIALTY STEEL INDUSTRY
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FOR IMMEDIATE RELEASE

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First Quarter Specialty Steel Data Reflect High Import Penetration

(Washington, DC) (June 14, 2002) -- The Specialty Steel Industry of North America (SSINA) today released the most current data on imports, consumption and market penetration covering the first quarter of 2002. All comparisons are with the corresponding period in the previous year, unless otherwise noted.

Imports of all specialty steel captured more than a quarter – 28% – of the U.S. market in YTD March 2002, a one percentage point decrease from last year. Three-month import penetration for stainless steel, the industry's largest product line, remained at 27%. Tool steel import penetration increased four percentage points to 90%, while electrical steel remained at 24%.

According to SSINA Chairman H. L. Kephart, "In 2000, the industry lost 27% of the U.S. specialty steel market to imports; in 2001, 26% was lost. And now we're looking at 28% of the U.S. market being captured by imports in the first quarter of this year. Confronted with more than a quarter of U.S. market share lost to imports, the industry continues to closely monitor all imports, particularly those subject to Section 201 tariffs and antidumping and countervailing duties, to ensure compliance with unfair trade laws and that no circumvention is occurring."
The Section 201 tariffs on stainless steel bar, rod and wire went into effect on March 20. Their initial impact should be reflected in next quarter data.

In addition, Kephart said that the industry remains concerned about the pressure from imports on tool steel and stainless steel cut plate, both product lines denied the Section 201 safety net, and that a monitoring program is in place on these imports as well.

The data reflect no change in overall stainless steel imports in the first quarter of this year (136,648 tons

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compared to last year's 136,908 tons.) By product line, stainless steel imports in the 2002 first quarter ranged from an increase of 31% to a decrease of 23%, as follows: stainless steel rod imports increased 31%; stainless steel plate, 26%; stainless steel wire, 2%; and stainless steel bar decreased 23%. Sheet and strip, the product that accounts for more than half of the stainless steel imports, decreased 2% in YTD March 2002 to 69,805 from last year's 71,580 tons. Tool steel and electrical steel imports decreased 23% and 8%, respectively. (See attached chart for more information on U.S. imports, consumption and market penetration data.)

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 in North America, 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			Three Month Import Penetration	
	Month Mar. 2002	YTD Mar. 2002	Increase/ Decrease YTD 2002-01	Month Mar. 2002	YTD Mar. 2002	Increase/ Decrease YTD 2002-01	YTD Mar. 2002	YTD Mar. 2001
Stainless Sheet/Strip	23,133	69,805	-2%	138,510	392,134	3%	18%	19%
Stainless Plate	5,521	13,650	26%	22,645	63,555	13%	21%	19%
Stainless Bar	5,941	22,563	-23%	15,824	52,005	-19%	43%	46%
Stainless Rod 2/	5,975	22,399	31%	NC	NC	NC	NC	--
Stainless Wire 2/	2,454	8,230	2%	NC	NC	NC	NC	--
Total Stainless Steel 2/ (Sheet, Strip, Plate, Bar, Rod & Wire	**43,024**	**136,648**	**0%**	**176,980**	**507,694**	**1%**	**27%**	**27%**
Tool Steel	5,333	16,158	-23%	5,875	17,901	-27%	90%	86%
Electrical Steel	3,535	29,367	-8%	34,611	120,642	-10%	24%	24%
Total Specialty 2/	**51,892**	**182,173**	**-4%**	**217,466**	**646,236**	**-2%**	**28%**	**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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