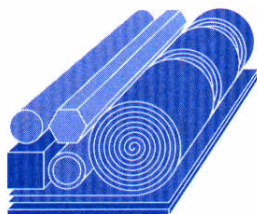


# NEWS



## SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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FOR IMMEDIATE RELEASE

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### **Foreign Specialty Steel Tonnage Again on the Rise**

(Washington, DC) (August 9, 2002) -- Stainless steel plate imports shot-up 10% to 21,630 tons in the first five months of this year compared to the same 2001 period, according to the latest data released today by the Specialty Steel Industry of North America (SSINA). Similarly, imports of stainless steel sheet/strip, the industry's largest product category, increased 3% to 118,284 tons in YTD May 2002. (Unless otherwise noted, all comparisons are with the corresponding period in the previous year.)

"Despite this year's increased domestic demand for stainless flat-rolled products, U.S. producers have been unsuccessful in reversing the recent years' trend of rising import penetration," said SSINA Chairman H.L. Kephart. He noted, "This is especially disconcerting when viewed within the context of improving foreign exchange rates."

Five-month import penetration for stainless steel sheet/strip declined only one percentage point to 17% compared to last year and remained at 20% for stainless steel plate. Kephart pointed out that stainless steel sheet/strip and stainless steel plate are not covered by the Bush Administration's Section 201 steel import relief program that went into effect last March.

Import statistics of stainless steel bar, rod and wire, all included in the Section 201 action, reflect mixed results. Stainless steel bar had the most dramatic decrease in imports. Year-to-date May imports were down 36% to 34,362 from last year's 53,741 tons. These imports, however, continue to capture a huge share of the U.S. market, i.e., 41% in YTD May 2002. Stainless steel rod imports increased 7%, while imports of stainless steel wire decreased 8%. Total stainless steel imports captured 25% of the U.S. market.

Imports of all specialty steel (stainless steel, tool steel and electrical steel) declined 11% in the first five months of this year. Even with the decline, U.S. specialty steel producers lost 26% of U.S. market share to imports.

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While imports of tool steel dropped 19% in YTD May 2002, five month import penetration was 90%. Electrical steel imports declined 30%; import penetration decreased 4 percentage points to 20%.

Kephart noted that monthly specialty steel import numbers in 2002 appear to be on the rise. According to Kephart, "Total specialty steel imports in April were 46,342 tons; May imports were 51,815 tons. Recently released preliminary data published by the Department of Commerce reflect the June number at 55,415 tons. If this trend continues, by the end of 2002 our competitive U.S. industry will have spent yet another year battling the rising tide of foreign imports."

SSINA is a Washington, DC-based trade organization 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			Five Month Import Penetration	
	Month May 2002	YTD May 2002	Increase/Decrease YTD 2002-01	Month May 2002	YTD May 2002	Increase/Decrease YTD 2002-01	YTD May 2002	YTD May 2001
Stainless Sheet/Strip	23,708	118,284	3%	143,721	683,626	7%	17%	18%
Stainless Plate	4,697	21,630	10%	22,086	106,125	8%	20%	20%
Stainless Bar	6,992	34,362	-36%	17,110	83,491	-25%	41%	48%
Stainless Rod 2/	3,608	28,457	7%	NC	NC	NC	NC	--
Stainless Wire 2/	2,327	12,620	-8%	NC	NC	NC	NC	--
<b>Total Stainless Steel 2/ (Sheet, Strip, Plate, Bar, Rod &amp; Wire)</b>	<b>41,333</b>	<b>215,353</b>	<b>-6%</b>	<b>182,918</b>	<b>873,243</b>	<b>3%</b>	<b>25%</b>	<b>27%</b>
Tool Steel	6,274	28,095	-19%	7,339	31,070	-16%	90%	94%
Electrical Steel	4,208	36,882	-30%	33,353	186,632	-14%	20%	24%
<b>Total Specialty 2/</b>	<b>51,815</b>	<b>280,330</b>	<b>-11%</b>	<b>223,609</b>	<b>1,090,944</b>	<b>-1%</b>	<b>26%</b>	<b>29%</b>

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%
<b>Total Stainless Steel 3/ (Sheet, Strip, Plate, Bar, Rod &amp; Wire)</b>	<b>507,911</b>	<b>-27%</b>	<b>2,142,700</b>	<b>-18%</b>	<b>24%</b>	<b>27%</b>
Tool Steel	72,493	-8%	76,403	-33%	95%	69%
Electrical Steel	109,326	-11%	482,889	-15%	23%	22%
<b>Total Specialty</b>	<b>689,730</b>	<b>-23%</b>	<b>2,701,993</b>	<b>-18%</b>	<b>26%</b>	<b>27%</b>

**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.

NC = Not calculable.

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

06-Aug-02