

Despite Economic Slump, America's Steel Industry Swiftly Recovers

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Washington, D.C. (AHN) - The American steel industry is sturdy and has recovered in less than 10 years. The rise once again of the iron and steel industry was attributed to inexpensive manpower costs, high demand for steel products on the international and local markets, consolidation of major players, the weaker U.S. currency and the tripling of steel prices in the past five years.

Proof of the industry's recovery is the rapid expansion of steel plants and high employment rates in the sector. Among the new steel facilities that will soon go into production are a \$4 billion plant in Alabama owned by German steel manufacturer ThyssenKrupp, which will open by 2010 and hire 2,700 steel workers; a \$2 billion plant in Louisiana owned by Nucor and the purchase by Russian firm Severstal of the Sparrows Point Steel plant near Baltimore and its infusion of \$500 million to modernize the plant.

Michael Locker, president of Locker Associates, a steel consulting firm, told the Washington Post, "There hasn't been this much building in 25 to 35 years... We are in a new period here. I don't see us going back to the old period of high imports and low prices."

Notwithstanding the economic slump across the nation, the Steel Index of the American Stock Exchange jumped by an annual average growth rate of 49 percent from 2003 to 2007. For the same period, Standard and Poor's 500-stock index showed an average yearly increase of 13 percent.

In 2002 the industry was on the verge of collapse due to bankruptcies and steel imports that flooded the country. Over 400,000 steel workers became jobless since the 1980s until the early part of the new millennium, while 40 steel companies folded up due to financial troubles.

Latest statistics from the American Iron and Steel Institute said for March 2008, 9.158 million net tons of steel products were exported to other nations. It was a slight decline, though, by 1.9 percent when compared to March 2007 data and by 0.2 percent set beside February 2008 data.

Nancy Gravatt, vice president of AISI, told the Washington Post, "Today you have fewer but more stronger companies that are able to manage across more volatile conditions more effectively."
