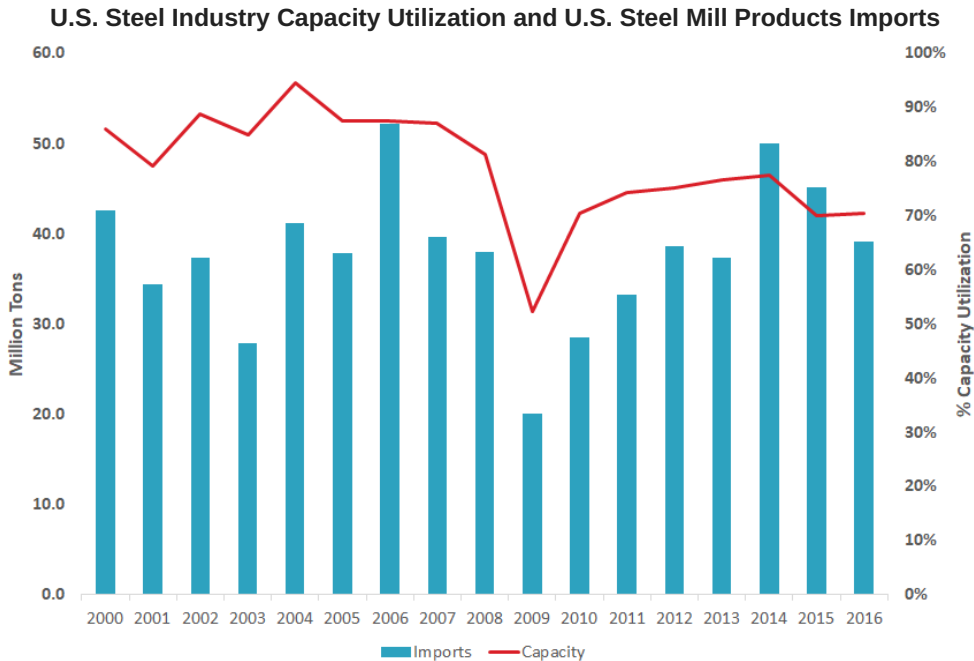


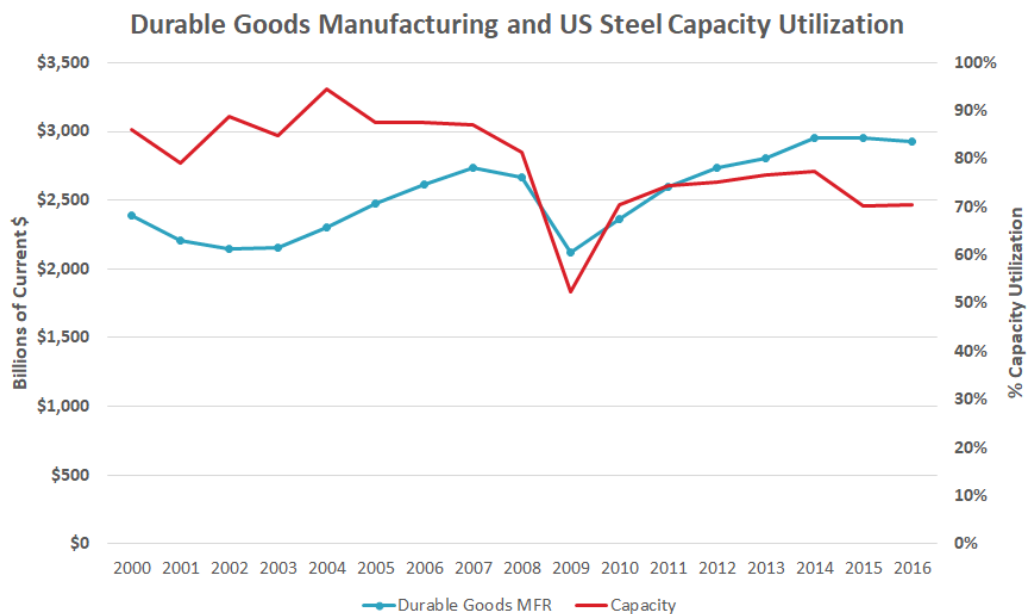
# Relationship Between Steel Imports and U.S. Steel Industry Capacity Utilization



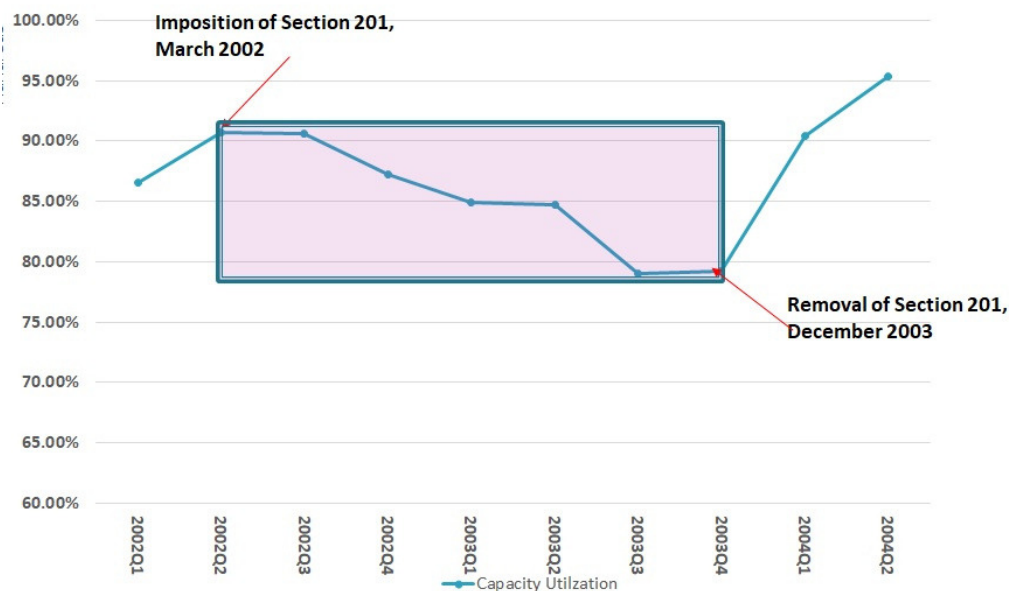
Capacity utilization tends to increase as imports increase, and decrease when imports decrease

Source: American Iron and Steel Institute (AISI)

U.S. steel industry capacity utilization is positively correlated with the value of output of U.S Durable Goods Manufacturing



Source: American Iron and Steel Institute (AISI)



U.S. steel industry capacity utilization actually declined during imposition of Section 201 from 90.7% in second quarter 2002 to 79.2% in fourth quarter 2003, and then increased after the tariffs were lifted

Source: American Iron and Steel Institute (AISI)

## Key Take Aways

- There does not appear to be a relationship between steel imports and U.S. steel industry capacity utilization.
- During the imposition of Section 201 import tariffs, the capacity utilization of the U.S. steel industry actually declined (March 2002 to December 2003).
- The imposition of the Section 201 steel import restrictions cost the U.S. Marine Transportation System 22 million person hours, \$77.3 million of Federal Taxes and \$391 million of output to the U.S. Economy (*The Economic Impact of the Section 201 Import Restrictions on the Marine Transportation System, 2006*, Martin Associates for the American Institute for International Steel).
- The proposed 25% tariffs on steel imports are projected to cost the U.S. Economy a loss of 146,000 jobs (*The Trade Partnership* - Laura Baughman).

## About Martin Associates

Martin Associates (John C. Martin Associates, LLC) is an internationally recognized leading economic and transportation consulting firm. Since its founding in 1986 by Dr. John C. Martin, Martin Associates has conducted more than 900 economic and planning studies for nearly every port in the United States, as well as ports in China, Europe, Ireland, South America and the Caribbean. Martin Associates provides consulting services to numerous global terminal operators and investment groups with respect to private sector development as well as identification of ports in which to establish terminal operations and is deeply involved in the development of private public partnerships (P3s) for marine terminal development. Martin Associates also provides economic studies to many of the leading airports in the United States. As a service to the American Institute for International Steel (AIIS), Martin Associates has prepared this study, quantifying the economic impact of imported iron and steel products on the U.S. economy.



