

PRESS RELEASE
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U.S. imposes steel tariffs to stop foreign competition

U.S. President George W. Bush announced yesterday evening that tariffs of between 8% and 30% will be levied on steel which is imported into the United States. For the sheet and plate which SSAB exports to the United States, the tariff has been set at 30%. During the next two years, the tariff will be decreased to 24% and 18%, respectively. SSAB's total export of these products to the United States in 2001 amounted to approx. SEK 300 million.

- The American decision is negative but expected, said SSAB's President Anders Ullberg in a comment on the decision. The decision was purely political, nothing else.

- Unfortunately, the American steel industry seeks protection against foreign competition and demands protective tariffs as soon as the economy slows down, says Anders Ullberg. This time, however, it's more serious since the tariffs affect most steel products. On previous occasions, the tariffs were directed against niche products and certain manufacturers. Therefore, it is somewhat of a black day for global free trade, says Anders Ullberg.

The protective tariffs which President Bush has now decided to impose will lead to an artificially high level for American steel prices which, in turn, will result in decreased competitiveness for the industries in the United States that are steel consumers. The American measures will also lead to a change in the flows of trade for steel and will result, therefore, in increased pressure on prices on all markets outside the United States.

- For SSAB, this is a matter not only of protecting its own business in the short term, emphasises Anders Ullberg. In the United States, we have built up close ties with a loyal group of customers whose businesses are dependent on deliveries from us, especially of our quenched steel in the plate area. Many of our customers have made this point clear to the American authorities in recent months.

- Therefore, we will continue unabated in our endeavours to seek exemptions for our key products, says Anders Ullberg. This is also completely logical since these particular steels cannot cause the American steel industry any harm.

- Our ambition is to continue to deliver at least our quenched steels to our customers despite the fact that, in the short-term, this will affect profitability. No matter how serious the tariffs are right now, they have been imposed for a limited period of time. The United States is a market which we have cultivated for a long time and where we have customers who obviously appreciate and need our steel. Therefore, it would be wrong at this time to "leave our customers in the lurch," concludes Anders Ullberg.