



ADVANCING THE TECHNICAL DEVELOPMENT, PRODUCTION, PROCESSING AND APPLICATION OF IRON AND STEEL

FROM: Association for Iron & Steel Technology (AIST)  
186 Thorn Hill Road  
Warrendale, PA 15086 USA

CONTACT: Stacy Varmecky  
(724) 776-6040 x 637

**FOR  
IMMEDIATE  
RELEASE**

**LEADING INDUSTRY EXECUTIVES FOCUS  
ON BUILDING SUSTAINABLE STEEL INDUSTRY**

*Town Hall Forum at AISTech 2006 Addresses  
Consolidation, China and Global Growth*

PITTSBURGH (May 8, 2006) – Thanks to industry consolidation, a more conciliatory labor environment and a strong global economy, a panel of leading steel executives believes that the vicious swings between periods of prosperity and scratch-and-claw survival may be part of their industry's past.

The executives, from locales as diverse as Australia, India and The Netherlands, gathered at the Cleveland Convention Center as part of a Town Hall Forum at AISTech 2006. The event, the steel industry's largest technical conference and technology exhibition, is sponsored by the Association for Iron & Steel Technology (AIST).

Participants included:

- **John H. Goodish**, Chief Operating Officer, United States Steel Corp.
- **Rauke Henstra**, Executive Director, Corus Strip Products Division
- **John F. Kaloski**, Senior Vice President — Operations, AK Steel Corp.
- **Malay Mukherjee**, Chief Operating Officer, Mittal Steel Co.
- **Joseph A. Rutkowski**, Executive Vice President — Business Development, Nucor Corp.
- **Stephan H.J.V. Weber**, General Manager — Technology and Operations, Hlsmelt Pty. Ltd., and
- **Mark Millet**, Vice President and General Manager, Steel Dynamics Inc., Flat Roll Division, and Vice President, Iron Dynamics Inc.

Goodish kicked off the discussion by noting that his company is making more steel with fewer people than it did even just a few years ago. "We've streamlined the way we do business," he explained. "Better efficiency and lower costs are allowing us to meet customer needs instead of building inventory."

--- more ---

## ***AISTech 2006 Town Hall Forum Focuses on Steel's Future***

Page 2

Rutkowski echoed that sentiment. Referring to the industry's difficulties earlier in the decade, during which more than 40 steel companies went bankrupt in a five-year period, he said, "Desperate players take desperate actions."

He added that the steel industry is now managed by people focused on making sound decisions based on business conditions rather than operator concerns. "Steel companies are trying to make money instead of just keeping people employed," he said.

Despite the strong position of the steel industry now, none of the panelists were ready to dismiss the notion of difficult times ahead. As Goodish said, "I've been in this business for more than 30 years, so I find it difficult to abandon the cycle theory." Nevertheless, he added that the "troughs will not be as deep, nor the mountains as high as in the past."

Several panelists also downplayed the threat of subsidized steel from China flooding the marketplace. Most notable was Malay Mukherjee, whose company is one of the most potent forces behind the industry's global consolidation. He does not believe China will become a major exporter of steel because the country imports almost all of its raw materials, which have become increasingly expensive, and is facing a severe energy shortage, with no oil and gas reserves from which to draw.

John Kaloski agreed, calling China's lower labor costs a "temporary economic advantage" that is being mitigated by the rising manufacturing and raw materials expenses.

Rutkowski cautioned against complacency with China, however, noting that many industrial customers in the United States are still purchasing steel from China at artificially deflated costs, due to government-backed currency subsidies.

To ensure the continued sustainability of the steel industry, forum participants said that their companies need to maintain their aggressiveness in pursuing young management talent in other businesses and from the world's top schools and universities.

One way to do that, they agreed, was to alter the perception of steel as a "rust belt" industry beset by labor problems and constrictive hierarchal management.

*--- more ---*

## ***AISTech 2006 Town Hall Forum Focuses on Steel's Future***

Page 3

To emphasize that point, Goodish said U.S Steel hired more than 180 new managers and young graduates in 2005 and expects to add more than 200 this year.

Panel participants said one enticement for new management recruits is the burgeoning growth and consolidation opportunities in the steel industry, which Mukherjee said could see consumption double in the next 50 years.

Another is the emergence of steel as a high-tech enterprise with control-driven processes motivated by the need for new grades of steel and enhanced environmental sustainability.

The Association for Iron & Steel Technology (AIST) was formed on Jan. 1, 2004, by the merger of the Iron & Steel Society and the Association of Iron and Steel Engineers. AIST is an international technical association representing iron and steel producers, their allied suppliers and related academia. The Association is dedicated to advancing the technical development, production, processing and application of iron and steel.

For more information about AIST, call (724) 776-6040, ext. 1 or visit [www.aist.org](http://www.aist.org).

# # #