

SSTAC Website Panel Discussion
April 26, 2016

Participants:

Phil Belejchak - Sandvik
Gary Boberick – Sandvik (*via teleconference*)
Holly Both - Plymouth Tube
Javier Lorenzo – Salem Tube
Rufino Orce – Salem Tube
Tony Thurman – Salzgitter Mannesmann Stainless Tubes
Skip Hartquist - Kelley Drye & Warren (moderator)

Moderator: First of all are there any new industries that are being served by our member companies?

(Nothing new reported by member companies.)

Moderator: How about the market outlook? How do things look in 2016?

Rufino Orce: The market outlook looks very bad. We don't see clear indications of improvement. We are working with the assumption that 2017 is also going to be challenging.

Moderator: That's interesting because many people in the steel industry think that 2017 is going to be a very good year.

Rufino Orce: We have seen oil and gasoline differ.

Holly Both: Yes, but what market?

Moderator: I'm just talking generally. Automotive, consumer appliances, housing maybe. Aerospace.

Holly Both: Managing intermittent large-project based business has been a challenge from the staffing perspective. A bright spot we see and continue to see is commercial aerospace.

Moderator: How about export markets? What's been happening to the export markets in the last year or so?

Gary Boberick: As far as exports we're not really exporting a whole lot out of the U.S. into other markets. The overall market situation is that Europe is still pretty slow so they're focusing on anything that's outside of U.S. as well. So we're not doing much with exporting from here.

Javier Lorenzo: If we were to export something it would be specialty products. The currency evolution of the dollar has not necessarily helped us to be more competitive along the export line. So it's not a harsh decline but exports were never big for us. We produce more for the domestic market. But any orders outside of the U.S. are mainly driven because it was competitive.

Moderator: Okay, thank you. How about any quality issues with imports whether it's Chinese or other imports? Do you see any problems with quality of the material that's coming in?

Rufino Orce: We don't see new products. The same ones.

Moderator: Okay, the last question. Is there any new production capacity, new equipment or new certifications that you would want to report on?

Tony Thurman: We had no new equipment or new certifications.

Moderator: Okay, thank you Tony.

Gary Boberick: Nothing for Sandvik.

Moderator: This concludes the website discussion.