

# Steel Tank Institute Steel Plate Fabricators Association

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## NEWS

### **THE STI/SPFA SPRING CONFERENCE SHOWCASES NEW WELDING TECHNOLOGIES, PRODUCTION OUTLOOK & STRATEGIES FOR COPING WITH THE STEEL CRISIS**

LAKE ZURICH, IL. – June 28, 2004 - Executive Vice President and Chief Operating Officer John Stropki, Jr., of the Lincoln Electric Company, welcomed fifty-two members of the Steel Tank Institute and Steel Plate Fabricators Association Divisions of STI/SPFA to the 2004 Spring Conference in Cleveland, Ohio on May 12. Through demonstrations of Lincoln's state-of-the-art Nextweld, Waveform and Digital Communications welding technologies, and Six Sigma, Lean Manufacturing and Pull Scheduling manufacturing technologies, John underscored the importance of the continued strength of the American manufacturing industry to the world economy. The good news for steel fabricators hurt by the dual problems of steel price increases and material shortages -- Lincoln reported robust first quarter sales signaling a significant improvement in demand in the metals manufacturing industry.

Edward Mihelin, Operations Manager for the Food, Beverage & Consumer Products Division of the Washington Group International, seconded the optimism with a review of the global construction market outlook for 2004. Citing anticipated growth of 4% in the US GDP for 2004, a 5.5% anticipated global market growth, and 5% annual growth rates projected for the next 2-3 years, Ed encouraged fabricators to look at supplying marketplace needs in the areas of technologies for Clean Air and Clean Fuels, Liquefied Natural Gas Facility development, the

modularization of piping-vessels-equipment, and in the chemicals markets. “Opportunities are developing in the areas of Homeland Security, Defense infrastructure, threat reduction, Iraq reconstruction, Bio-pharmaceuticals, oil/gas processing and in air quality retrofits,” Ed noted.

Climbing base prices, escalating surcharges, pricing volatility, material shortages, excess capacity, and the insatiable demand from the growing Chinese economy are impacting steel producers, service centers and buyers in unprecedented ways. Fred Schmeisser of Integris Metals, Terry Engle of Sandmeyer Steel and Richard Ison of Universal Steel explored the impact of these issues on service centers, providing a historical frame of reference for demand, materials availability, base prices and surcharges. Offering “cautious optimism” for improvement in steel pricing in 2005, panelists cited increased availability of raw materials and projected strengthening of the US dollar as factors which can help to mitigate the demand driving the current price escalations and volatility. Buyers were urged to maintain close relationships with their suppliers, as industry consolidations will continue.

The Steel Tank Institute and the Steel Plate Fabrications Association are Divisions of STI/SPFA, an association serving companies in the business of fabricating steel tanks, piping and pressure vessels for use in the petroleum, food, water and chemical processing industries. STI/SPFA provides training and certification for piping and tank inspections, performs quality assurance inspections, develops industry standards and specifications, produces safety manuals, and serves as a liaison to regulatory and code authorities. For further information, contact Anne Kiefer at STI/SPFA, 570 Oakwood Road, Lake Zurich, IL 60047, Phone: 847/438-8265 Fax: 847/438-8766 E-mail: [ankiefer@steeltank.com](mailto:ankiefer@steeltank.com) Web: [www.steeltank.com](http://www.steeltank.com) and [www.spfa.org](http://www.spfa.org).

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