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Steel Tube Institute Releases Data on Domestic Hollow Structural Sections Marketplace

“Market Map” Provides Greater Understanding of HSS Usage

CHICAGO, IL, Sept 5, 2013 -- The Steel Tube Institute (STI), which has a mission of promoting the growth and competitiveness of North America’s steel tubular products industry, has announced the completion of a research study titled, “Overview of the U.S. Market for Hollow Structural Sections.” This study was completed in early 2013 to provide an overview or “market map” of the domestic hollow structural sections (HSS) market targeting construction and OEM applications.

In late-2012 through early-2013, STI’s HSS Committee, comprised of 12 of the leading HSS manufacturers in North America, commissioned Frank Lynn & Associates research consultants (www.franklynn.com) to gain a more thorough understanding of the HSS marketplace. (HSS was defined as the ASTM specification A500.) Approximately 160 qualitative and quantitative interviews were completed with individuals active in the HSS industry including steel tubular products producers, architects, engineers, fabricators, purchasers, etc. These individuals responded to questions designed to help “map” the industry segment which often has a decentralized distribution channel.

“This research initiative has provided key data from the marketplace that up until now was reflected more in anecdotal and instinctual understandings,” said Mark Bula, Director of HSS for STI. “One key role of most any industry association is to help foster greater knowledge of the markets in which its members participate. Our initiative with Frank Lynn & Associates was an important opportunity for STI as well as our members. Our HSS Committee members saw the value in joining forces to become more data-driven as individual organizations. They also saw the opportunity this research provides the team at STI as we work on their behalf to raise awareness of and preference for HSS.”

The study provides an updated understanding of user segments and applications, helps foster understanding into the decision making process of HSS end-users, and profiles the role of channel partners in the distribution channel. The study contains data not only about the market but about the people within it. For example, many have long believed structural engineers consider HSS only after other structural materials fail to meet their needs, especially when aesthetics are a concern. This study confirms those beliefs as well as many other long-held opinions and anecdotal observations.

Highlights of the research include:

• HSS is found everywhere and awareness is high; however, it is often found in small amounts and has high-usage variability within applications

• There are commonly understood applications and other applications/market segments which have discrepancies of success
• Domestic is strongly preferred

• HSS is used most often in columns and is considered for architecturally exposed applications, farm equipment and construction equipment

• 63% of HSS used in construction is in education, manufacturing, retail/wholesale, healthcare and office

• 72% of HSS used in OEM/end-user applications are in farm equipment, construction equipment, transportation, and hoist/crane and aerial applications

• The growth of HSS tonnage has outpaced the growth of all other structural steel by over 50%

• In construction applications, education and highway spending in the public sector has driven growth

• Engineers utilize the AISC Manuals to determine viability of HSS in a construction application; word of mouth and success stories improve comfort level in applying new applications

• Fabricators can only influence the structural steel decisions if involved at the beginning of the project. Otherwise, fabricators follow specifications.

An Executive Summary of the HSS Market Map study can be found on the STI/HSS website at http://steeltubeinstitute.org/hss/market-map/. In addition, STI’s HSS Committee is releasing the study for purchase; however trend data is reserved for active members of the Committee only. Purchasing information is available at the above link. To inquire about becoming a member of STI, please visit http://steeltubeinstitute.org/membership.

About STI:

The Steel Tube Institute (STI) is dedicated to advancing the growth and competitiveness of North America’s steel tubular products. By representing the manufacturers of steel tubes and those in affiliated industries, our strength is bringing together resources to move the industry forward through active collaboration. Our primary focus is in areas that include innovations in production and manufacturing methods, exchanging technical knowledge and expertise, impacting codes and specifications, and increasing marketplace knowledge. For more information please visit http://steeltubeinstitute.org/.

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