



## Department of Development

Policy Research and Strategic Planning  
A State Affiliate of the U.S. Census Bureau

# THE IRON and STEEL INDUSTRY

October 2007



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Lee Fisher, Lt. Governor of Ohio  
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## EXECUTIVE SUMMARY

- Typically 14% to 17% of the raw steel produced each year in America comes from mills in Ohio.
- Ohio ranked second in the nation in manufacturing products made from purchased steel (NAICS 3312), third in iron, steel and ferroalloys (3311), and second in the combination of the two groups, in terms of dollar value-added according to the latest available data.
- 13 companies on Fortune magazine's U.S.-1,000 or Global-500 lists have iron and steel industry operations in Ohio; three of them – AK Steel, Timken, and Worthington Industries – have their world headquarters here.
- AK Steel is Ohio's largest iron and steel industry employer with over 4,000, followed by ArcelorMittal Steel with 2,500-plus, and Republic Engineered Products with over 2,000; General Motors and Ford are the two largest foundry operators in the state, with over 1,400 and 1,200 people, respectively.
- 234 iron and steel industry establishments in Ohio employed 34,000 people; those figures represent 9.5% of the U.S. industry's establishments and 13.6% of its work force in 2005 – the latest available data.
- The iron, steel and ferroalloys group (3311) was the largest iron and steel industry group in Ohio, with over 17,000 workers in 73 establishments – of which over 15,300 worked in 67 iron and steel mills (331111).
- The greatest concentrations of industry employment in Ohio were in electrometallurgical ferroalloy production (331112 – nearly 70% of the U.S.) and rolled steel shapes (331221 – 28% of the U.S.).
- Ohioans working in the iron and steel industry averaged close to \$59,700 in wages during 2005, higher than the national average of \$53,300-plus. This is driven by the high wages paid in iron and steel mills (331111) and iron foundries (331511).
- 56.5% of the industry jobs in 2005 were found in Butler, Cuyahoga, Defiance, Stark and Trumbull Counties; adding the jobs in Coshocton, Jefferson, Lake and Lorain raises the proportion to 70.2%.
- 59 counties had at least one industry establishment, with the majority in 10 counties: Columbiana, Cuyahoga, Franklin, Lake, Mahoning, Montgomery, Stark, Summit, Trumbull and Washington.

- 17 companies from 13 foreign nations employ through their subsidiaries and joint ventures about 9,300 people manufacturing steel mill products in Ohio; three of them were on Fortune's Global-500 list. ArcelorMittal and Industrias CH are the largest, combining to employ about 5,100.
- 28 companies announced 34 major industry investments in Ohio during the 2004-2006 period; the projects could total \$747 million – with 563 new jobs anticipated – upon completion.
- Overall, the proportion of industry expenditures going into Ohio for manufacturing iron and steel mill products (NAICS 3311 and 3312) averaged 97.3% of the proportion of value-added in Ohio during the 1997-2005 period, indicating the industry's intention to continue production here.
- Beginning in the 1960s, the three most significant developments transforming the U.S. iron and steel industry have been the rise of minimills, the rise of steel imports (i.e., foreign competition), and substitution of alternative materials for iron and steel (most notably by the motor vehicle industry).
- In particular, the rise of imports – both steel mill products as well as other goods incorporating steel – and the substitution of other materials reduced the demand and subsequent production of raw steel in Ohio and the nation beyond the normal variations of the economic cycle.
- Industry employment in Ohio fell from over 52,700 jobs in 1998 to 34,000 in 2005, a net loss of 35.6%; this has been a steeper drop than what has happened across the country.
- Steel production in 2007 is expected to be slightly lower than in 2006 due to a softer economy in general, and weaker demand from key markets – in particular construction and motor vehicles; the long-term growth trend for the industry is expected to be slower than average.
- The forecast real growth in output of steel mill products (from 2004 to 2014) is not expected to stem the loss of industry jobs during that time.