

The domestic demand/supply conditions favor an excess in supply in 1985 as aggressive, competitive railroad foundries and imports continue to penetrate these markets.

Although 90% of the steel castings consumed by the Mining Equipment market are carbon and low alloy grades, approximately 10,000 tons of various grades of manganese steel are projected for 1983, less than 10% of which are used on O.E.M. units. The balance of wear resistant steel castings is produced by a group of select foundries specializing in the production of blades, power shovel buckets, bucket teeth, and liners and wear plates used in crushing and ore processing. These castings are generally founded on order from parts supply houses or directly from firms engaged in mining or construction as replacement items on operating equipment.

In addition to the wear resistant parts, approximately 2,000 tons of heat resistant castings are forecast for use in the mining industry in 1983. These castings are predominately for primary ore processing equipment with typical parts being hearth chain links, pins, and flights used in heating and sintering operations.

Trucks, Buses, and Trailers (3rd Largest Steel Castings Market)

The demand for carbon and low alloy castings in these markets is expected to be approximately 116,000 tons in 1983 and to exercise a compound annual growth of 4% through 1985.

The trends toward reducing the average weight per vehicle have reflected some minimal casting weight reductions, however, the weight of steel castings per vehicle is projected to decrease by approximately 10% between 1983 and 1985 as the result of conversions from steel to ductile iron castings in drive train housings and wheel spiders.

Steel casting use in these markets is unique in that, except for three major Truck, Bus, and Trailer manufacturers, the component O.E.M. parts are not captively manufactured, but are purchased as finished assemblies from independent manufacturers such as Dana/Spicer, Rockwell International, and Dayton Walther.

Typical steel castings used in these markets are:

<u>Parts</u>	<u>Weight Range (Pounds)</u>
Small Spring Hangers and Suspension Parts	5 to 20
Fifth Wheels	150 to 300
Banjo Housings	300 to 600
Large Suspension Parts	70 to 100
Wheel Spiders	50 to 70

Total domestic supply is expected to exceed demand for these parts by 5% to 10% through 1985.