

January 20<sup>th</sup>, 2020

To our valued customers

**Subject: Price Increase – April 2020 Bailey Metal Products Limited**

Over the last few months, both global and domestic steel markets continue to experience upward price pressure. This upward trend is driven by additional import tariffs imposed by the Canadian Government along with current and forecasted domestic mill capacity interruptions.

In late 2019, the Government of Canada started a countervailing investigation into import practices of three additional countries (Turkey, the United Arab Emirates and Vietnam). The results of this investigation found evidence of dumping and the Canadian Border Services Agency (CBSA) has now applied severe and immediate import tariffs on all corrosive resistant steel originating from these three countries.

The supply side has also been impacted with domestic mills citing capacity interruptions:

- Stelco has announced a planned Q3 2020 outage for a “relining” of their Lake Erie blast furnace. This outage is expected to last approximately 60 days.
- US Steel announced the indefinite idling of their Great Lakes Works.

In addition to the above, scrap, iron ore and hard coking coal prices have all increased.

**Bailey Metal Products is forced to increase the price of all steel products by 10% effective April 1<sup>st</sup>, 2020.**

We are committed to offering an uninterrupted supply of steel to meet your needs.

Please contact your Bailey representative with any questions regarding current project quotes or if we can be of service in any way.

We appreciate your business and continued support!

Sincerely,



Derick Vinthers  
Vice President, Sales

CC: Angelo Sarracini