NOTIFICATION OF AN INVESTMENT PROJECT IN CANADA

Contact: Mr. Wolfgang Hübner, Head of Transport Division/Steel Unit, DSTI; tel: (33 1) 45 24 91 32; fax: (33 1) 44 30 62 63; E-mail: wolfgang.hubner@oecd.org
NOTIFICATION OF AN INVESTMENT PROJECT IN CANADA

1. **Company:** Dofasco Inc.

2. **Location:** Hamilton, Ontario

3. **Description of Principal Production Unit:** In May 2000, Dofasco announced that it was acquiring Powerlasers Limited and its Advanced Technology Centre (ATC), a division of Powerlasers, from Cosma International Inc.

   Powerlasers manufacturers laser welded automotive blanks and related items. The blank is then stamped into a part. As a result of innovations in laser welding technology, a single blank can contain different types and thicknesses of steel. In 1996 the firm introduced their new technologies to the automotive market to produce high volume laser welded blanks. The firm is QS 9000 and ISO 9001 certified.

   Powerlasers has manufacturing facilities in Concord, Ontario and Pioneer, Ohio as well as an Advanced Technology Centre in Kitchener, Ontario dedicated to the research, development and manufacture of leading edge laser welding technology for commercial applications.

4. **Date of Completion:** The acquisition is to be completed shortly

5. **Effect on Capacity:** In terms of steelmaking, none. This acquisition is seen as enabling Dofasco to gain market share in a higher value added segment of the market. The market for laser welded automotive blanks and related components is growing rapidly. Currently in North America, this market is approximately 30 million blanks per year but by 2005 it is expected to triple and this could rise to 150 million blanks per year with the introduction of new automotive platforms. Currently Powerlasers possesses about one-sixth of the North American market for laser welded automotive blanks and related components.
6. **Effect on Jobs:**

Powerlasers employs 139 people at its three locations, including 7 PhDs (6 of them laser physicists) and 10 engineers.

7. **Cost:** Unknown.

Dofasco's press release announcing this purchase stated “The terms of the acquisition are not material and will not be disclosed.”