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AMERICAN STEEL INDUSTRY SUPPORTS NEW WTO CASE AGAINST CHINA

*China's Export Quotas and Export Taxes are
Illegal Trade Barriers That Harm U.S. Manufacturing*

The American Iron and Steel Institute (AISI), the Committee on Pipe and Tube Imports (CPTI), the Steel Manufacturers Association (SMA), the Specialty Steel Institute of North America (SSINA) and the United Steelworkers (USW) today indicated their strong support for a new World Trade Organization (WTO) dispute filed by the United States and European Union. The case challenges China's export restrictions on key raw materials and minerals used in manufacturing.

Specifically, the United States and the EU have requested WTO consultations with the Chinese Government regarding export restrictions placed on a variety of raw materials and minerals, including bauxite, coke, zinc, silicon metal, silicon carbide, fluorspar, yellow phosphorous, magnesium and manganese. When China joined the WTO in 2001, it committed to removing these restrictions. The continued existence of these export restrictions benefits Chinese manufacturers at the expense of U.S. and EU manufacturers, by prohibiting or significantly increasing the cost of exporting these raw materials.

The five steel industry organizations, whose workers and member companies represent all of America's steelmaking capacity, commended the Obama Administration and the Office of the U.S. Trade Representative in particular, for leading the effort to bring the case. They indicated that they view it as a straightforward case of trade barriers that China should have removed years ago, and which are causing significant harm to U.S. manufacturers as a result. They also expressed assurance that USTR has carefully researched these trade barriers and identified how they violate China's WTO commitments.

The five organizations pointed to China's barriers on raw materials and minerals as just another way in which China favors its domestic manufacturing industries at the expense of the rest of the world. They indicated that removal of these barriers would improve the ability of U.S. manufacturers to obtain the raw materials they need, and to compete with Chinese producers who have benefited from these raw material export restrictions on a more level playing field. They applauded USTR's action as a demonstration of its commitment to enforcement of trade laws, and stressed that the United States is no longer in an economic position to provide unfettered access to its market for trade based upon foreign government intervention and subsidization.

Under WTO procedures, the parties have up to 60 days to engage in consultations on how to resolve the dispute. At that point, the United States would be able to request formation of a dispute settlement panel to hear the dispute. The WTO process, including a panel report and any Appellate Body ruling, takes approximately one year.



**American
Iron and Steel
Institute**

CPTI

THE COMMITTEE
ON PIPE AND TUBE
IMPORTS



SSINA
Specialty Steel Industry
of North America

UNITED STEELWORKERS
USW
UNITY AND STRENGTH FOR WORKERS

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