



FOR IMMEDIATE RELEASE
July 5, 2011

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**AISI Commends WTO Panel for Finding that China's Raw Materials
Export Restrictions Violate its WTO Obligations**

Washington DC – The American Iron and Steel Institute (AISI) today commended a World Trade Organization (WTO) dispute resolution panel that publicly released its report in the *China – Raw Materials* case, finding that China's restrictions on the exports of nine raw materials violate its international obligations. AISI welcomed the WTO panel's decision and commended the U.S. Trade Representative (USTR) for its strong advocacy over several years of involvement in the dispute resolution proceeding.

In response to challenges by the United States, the European Union, and Mexico, the WTO panel examined China's use of export quotas, export taxes, and other measures to limit exports of coke, bauxite, fluorspar, zinc, silicon carbide, and other materials. The panel's favorable ruling found that China's imposition of these measures violated WTO rules, including various provisions of the General Agreement on Tariffs and Trade (GATT) and specific commitments China undertook when it joined the WTO.

"This is a strong and decisive ruling by the WTO, confirming that China cannot impose export quotas, export taxes, and other restrictions on these raw materials," said Thomas J. Gibson, president and chief executive officer of AISI. "We call on China to immediately remove these export restrictions." In the event that China decides to appeal the panel's decision to the WTO Appellate Body, AISI also urged the Appellate Body to affirm the panel's ruling and reasoning.

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Page Two/AISI Commends WTO Panel

Removal of these export barriers by China should result in improved availability and lower prices for the affected raw materials in global markets. AISI will closely monitor the situation in hopes that China will implement the WTO's ruling as quickly as possible, by eliminating its restrictions on raw materials exports and other trade restrictive practices.

In addition to the raw materials restrictions found to be WTO-illegal, China maintains various other comparable export taxes, quotas and restrictions, including those on rare earth elements and other raw materials. AISI called on China to terminate all such export restrictions.

AISI serves as the voice of the North American steel industry in the public policy arena and advances the case for steel in the marketplace as the preferred material of choice. AISI also plays a lead role in the development and application of new steels and steelmaking technology. AISI is comprised of 25 member companies, including integrated and electric furnace steelmakers, and 118 associate and affiliate members who are suppliers to or customers of the steel industry. AISI's member companies represent approximately 80 percent of both U.S. and North American steel capacity. For more news about steel and its applications, view AISI's Web site at www.steel.org.

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