



BACKGROUND ON BUSINESS

A Marketplace Free From Government Interference

(NAPSA)—While the U.S. must fight any number of battles in order to protect its people and its shores, the nation is currently involved in one where the two sides can't even agree on the rules.

It's all part of competing in a free marketplace. On a world stage, countries develop products for export, and other countries shop around and find the best price and supply to fit their national needs. And if one producing country can find a way to lower its prices, it can gain an important advantage.

That's the way it should work. But when it comes to steel—which the U.S. imports *and* exports—America is presently locking horns with China. That's because the Chinese government subsidizes the nation's steel companies, creating unfair advantage in an otherwise free marketplace. By covering some of the manufacturing costs, the Chinese government enables its stainless steel producers to charge less for its products.

What does this mean for American manufacturers? Consider that the total U.S. consumption of specialty steel decreased 11.5 percent between June 2007 and June 2008, but the percentage of foreign steel—known as the import penetration—actually increased from 35.6 percent to 39.9 percent. At the same time, U.S. steel exports dropped.

The primary increase stems from the importation of stainless steel sheet/strip, which has jumped 13.4 percent despite the fact that the nation's total consumption went down.

“Stainless steel imports of sheet and strip products continue



Steel may be considered the fabric of America, but much of it is coming from overseas.

to surge, even in the midst of a 10 percent decline in U.S. consumption,” said Doug Kittenbrink, chairman of the Specialty Steel Industry of North America. “Currency manipulation and other subsidies are enabling Asian competitors to unfairly target our markets. We strongly believe it is time for the U.S. Congress to address the issue of China currency manipulation.”

Many Americans concerned about the country's economy—as well as their own—are calling on the new Congress to enact legislation to help level the playing field for the nation's steel manufacturers. You can reach your senators at www.senate.gov and your representatives at www.house.gov. For additional information, visit www.ssina.com.