



NEWS

For Immediate Release

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SSINA ISSUES REPORT ON CHINA'S USE OF ILLEGAL SUBSIDIES TO BOLSTER STAINLESS STEEL INDUSTRY

(Washington, D.C.) (October 14, 2008) – The Specialty Steel Industry of North America (SSINA) released a report today titled "China's Specialty Steel Subsidies – Massive, Pervasive, and Illegal." This compelling report explains how the Government of the People's Republic of China ("China") has employed a startling array of illegal subsidies and other interventionist measures to protect and foster, on an enormous scale, the long-term development of the primary downstream industries in its specialty steel sector. These actions undercut the U.S. stainless steel industry and are in direct conflict with China's international legal obligations at the World Trade Organization and International Monetary Fund.

The report supplements previous SSINA studies, which described how China has used a wide range of direct and indirect subsidies, as well as other support measures, to carry out the Chinese government's overarching plan to develop the Chinese specialty steel industry at government expense.

"Our SSINA member companies and many of their customers face unfair competition from Chinese companies subsidized by their government," said Douglas A. Kittenbrink, Chairman of SSINA. "It is unfair for a free-enterprise U.S. company to have to compete with Chinese companies which do not have to raise capital to finance investments or make profits to survive."

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In these uncertain economic times, the harmful impact of the Chinese government's industrial policies on domestic industries and their workers in the United States is impossible to ignore. These policies give Chinese firms an unfair advantage when competing against U.S. firms in the United States, in China, and in third countries. In 2007 alone, the Chinese government's industrial policies resulted in government subsidized exports that contributed to the United States' \$262 billion trade deficit with China and the loss or displacement of more than 366,000 jobs in the United States.

For an overview of the recent growth of China's stainless steel industry, the Chinese government's support of downstream industries in its specialty stainless steel sector, and the ways in which downstream industries in China's specialty stainless steel sector have benefitted from the use of these massive, pervasive, and illegal subsidies, please refer to the attached Power Point slides.

A PDF of the full report, "China's Specialty Steel Subsidies – Massive, Pervasive, and Illegal," is available on the SSINA website, www.ssina.com. To request a copy of the report via email, contact Amanda Eidshaug at amanda.eidshaug@sightlinemarketing.com.

About Specialty Steel Industry of North America

Specialty Steel Industry of North America (SSINA) is a Washington, DC-based trade association representing virtually all continental specialty metals producers, which include high technology, high value stainless and other specialty alloy products.

SSINA member companies include: AK Steel Corporation, West Chester, OH; ATI Allegheny Ludlum, Pittsburgh, PA and ATI Allvac, Monroe, NC (both Allegheny Technologies companies); Carpenter Technology Corporation, Reading, PA; Crucible Specialty Metals, Syracuse, NY; Electralloy, Oil City, PA; Haynes International Inc., Kokomo, IN; ThyssenKrupp Mexinox SA de CV, San Luis Potosí, S.L.P., Mexico; North American Stainless, Ghent, KY; Outokumpu Stainless, Inc., Schaumburg, IL; ThyssenKrupp VDM USA, Inc., Florham Park, NJ; Latrobe Specialty Steel Company, Latrobe, PA; Universal Stainless and Alloy Products, Bridgeville, PA; and Valbruna Slater Stainless Inc., Fort Wayne, IN.