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Report: China received steel subsidies

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A study commissioned by the Alliance for American Manufacturing finds that China has supported its steel industry with energy subsidies, in an apparent violation of World Trade Organization rules.

Usha C.V. Haley, professor of international business and director of the Global Business Center at the University of New Haven, who conducted the research, estimates that China's 2007 subsidies amounted to \$15.7 billion.

"Chinese subsidies exist, they are enormous and they are shaping the global steel market," Haley says in a statement. According to the U.S. Department of Commerce, Tennessee is the sixth largest exporting state to China, with the total value of goods at \$1.9 billion in 2006, up from just \$184.1 million in 2001.

That makes China Tennessee's third largest export partner behind Canada, with \$7 billion of Tennessee exports in 2006, and Mexico, with \$2.3 billion.

China is considered the largest steel exporter in the world. It joined the WTO in 2001.

The AAM called the practice "trade-distorting" in a release. Director Scott Paul said China's energy subsidies have "given Beijing an unfair competitive advantage while harming American businesses and workers."

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