













## COALITION OF U.S. MANUFACTURERS CALLS ON DEPARTMENT OF COMMERCE TO FAIRLY ASSESS CHINA'S ECONOMIC STATUS

Manufacturers for Trade Enforcement Says China Has Not Met Criteria for Market Economy
Status

**WASHINGTON, D.C., March 16, 2016** – A group of leading U.S. manufacturing associations today announced the formation of a new coalition, Manufacturers for Trade Enforcement, to oppose China's designation as a market economy at the end of 2016.

China has claimed that it should be automatically accorded treatment as if it were a market economy after the 15th anniversary of its accession to the World Trade Organization (WTO) in December 2016. U.S. law requires that the Department of Commerce make a market economy status (MES) determination based on established criteria, which many experts agree that China has not met.

"Our industries can compete against any other market-oriented competitors, but we cannot compete against the Chinese government," said Heidi Brock, President & CEO of the Aluminum Association. "The Chinese economy does not meet the basic requirements set forth by U.S. statutes and the Department of Commerce for a functioning market economy, and we will work together in this coalition to speak loudly, and with one strong voice, to prevent China from gaining a status that it does not yet deserve."

The groups united in their opposition to MES for China today include:

- Aluminum Association
- American Fiber Manufacturers Association
- American Iron and Steel Institute
- Narrow Fabrics Institute
- National Council of Textile Organizations
- PET Resin Association
- U.S. Industrial Fabrics Institute

These organizations represent 800,000 direct manufacturing jobs in the U.S. Granting market economy status to China would put these jobs at risk by limiting U.S. manufacturers' ability to seek remedies for unfair trade practices by Chinese firms.

"The unfortunate reality is China continues to be a state-run economy in many respects, creating an unlevel playing field for manufacturers here at home," said Thomas J. Gibson, President and CEO of the American Iron and Steel Institute. "What we are calling for is a fair and accurate assessment of the Chinese economy – and we believe that will show that market economy status for China is not warranted at this time."

"China has not taken appropriate steps over the past decade to warrant market economy status," said Paul O'Day, President of the American Fiber Manufacturers Association. "Granting MES to China would not only violate global trade rules but also put a huge number of domestic manufacturing jobs at risk."

State support of domestic manufacturing in China has distorted global markets, leading to significant oversupply and other issues that are hurting domestic manufacturers. In the aluminum industry alone, eight U.S.-based aluminum smelters have curtailed or closed since the beginning of 2015, representing more than 60 percent of U.S. primary aluminum capacity and impacting more than 3,000 workers. In November, the American Iron and Steel Institute presented <a href="research">research</a> performed by three NAFTA-region economists demonstrating the negative impact to the steel industry and related industries in North America of granting China market economy status before China has made the necessary market-oriented reforms to its economy.

According to Manufacturers for Trade Enforcement's position statement, "Fair international competition and a level playing field are essential for the global competitiveness of U.S. manufacturers. Effective and predictable trade enforcement mechanisms must include the accurate assessment of and response to distortions from state-run or other non-market economies, which risk endangering U.S. jobs and the economy."

Manufacturers for Trade Enforcement is a coalition of leading U.S. manufacturing associations united in opposing China's request to automatically grant Market Economy Status for the country at the end of 2016. U.S. law requires that the Department of Commerce make a market economy status (MES) determination based on established criteria, which China has not met. State support of domestic manufacturing in China has distorted global markets, hurting domestic manufacturers. To learn more, please visit www.tradeenforcement.org.