

Statement concerning passage of the “Buy American” provision

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On February 17, U.S. President Barack Obama signed into law the American Recovery and Reinvestment Act of 2009 (an economic stimulus package), which includes a “Buy American” provision concerning steel products and other manufactured goods.

At the November 2008 Summit on Financial Markets and the World Economy (the G-20 Washington summit), the leaders agreed to preserve free trade even as economies contract worldwide. But the United States has now established a provision that gives preference to domestic products. This is an extremely unfortunate action that may lead to the spread of protectionism on a global scale.

The Japan Iron and Steel Federation will carefully monitor U.S. actions to be certain that this “Buy American” provision is enforced in a manner that complies with the WTO Agreement on Government Procurement, the G-20 Washington summit agreement and other international agreements. We strongly hope that the countries of the world preserve the free trade system as they work toward achieving a global economic recovery as soon as possible.