

Key Performance Indicators of Selected Industries and Regions Through Second Quarter 2005¹

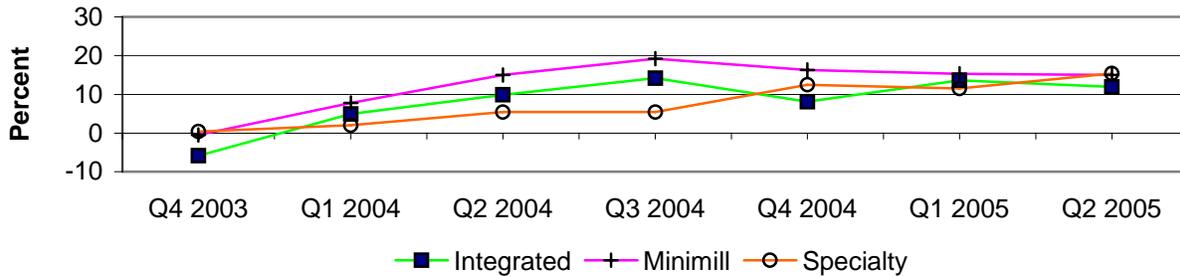
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¹The data and views presented for the following indicators are compiled from the industry sources noted and are those of the authors. They are not the views of the United States International Trade Commission as a whole or of any individual Commissioner. Nothing contained in this information based on published sources should be construed to indicate how the Commission would find in an investigation conducted under any statutory authority.

STEEL

Figure 1

Second quarter 2005 operating income¹ declines slightly for domestic integrated and minimill producers while specialty producers' positive trend continues



¹ Operating income (loss) as a percent of sales. Integrated group comprises 4 firms. Minimill group comprises 7 firms. Specialty group comprises 4 firms.

Note.- Beginning in second quarter 2005 integrated group operating income includes certain non-domestic production which cannot be disaggregated from domestic production, reflecting ownership changes in the industry.

Source: Individual company financial statements.

- Chaparral Steel Company announced record shipments of 603,000 tons for the 3-month period ending August 31, 2005. Chaparral, recently separated from Texas Industries, Inc., is the second-largest supplier of structural steel products in North America, with minimills in Midlothian, TX and Petersburg, VA. See www.chapusa.com
- Stelco, Inc., operating under bankruptcy protection for nearly 2 years, filed a restructuring agreement on September 20, 2005 which includes a tentative labor agreement with the United Steelworkers of America, a C\$100 million (\$85.5 million) loan from the Ontario government, and a C\$450 million (\$385 million) line of credit from Tricap Management Ltd. See www.stelco.com
- AK Steel Corporation's Ashland (KY) Works and the United Steelworkers of America ratified a 5-year labor agreement on September 26, 2005 that limits future pension exposure by defining company contributions rather than benefits. The contract also consolidates more than 100 job classifications into 5, and increases healthcare cost-sharing for employees and retirees. See www.aksteel.com
- Steel Dynamics, Inc. (SDI) announced on October 18, 2005 that it will acquire Roanoke Electric Steel Corporation, subject to approval by Roanoke's stockholders and regulatory approval. The acquisition would increase SDI's total steel making capability by 1 million tons per year to approximately 5.2 million tons. See www.steeldynamics.com

Table 1
Producer's shipments decrease during second quarter 2005 compared with second quarter 2004 and first quarter 2005

Item	Percentage change, Q2 2005 from Q1 2005		Percentage change, Q2 2005 from Q2 2004	
	Q1 2005	Q2 2005 ¹	Q2 2005 ¹	Q2 2005
Producers' shipments (1,000 short tons).....	26,696	-5.7	25,161	-14.1
Finished imports (1,000 short tons).....	6,448	5.7	6,813	-2.3
Semifinished imports (1,000 short tons).....	1,875	-14.1	1,611	-12.6
Exports (1,000 short tons).....	2,586	-8.0	2,379	22.5
Apparent supply, finished (1,000 short tons).....	30,557	-3.1	29,595	-13.8
Ratio of finished imports to apparent supply (percent) ...	21.1	² 1.9	23.0	² 2.7

¹ Preliminary.

² Percentage-point change.

Note.-Because of rounding, figures may not add to the totals shown.

Source: American Iron and Steel Institute.

STEEL

Table 2
Steel service center: Second quarter 2005 shipments decrease slightly compared with second quarter 2004

Item	Mar. 2005	Jun. 2005	Percentage change, Jun. 2005 from		Percentage change, Q2 2005 from	
			Mar. 2005	Q2 2004	Q2 2004	Q2 2004
Shipments (1,000 short tons)	5,034	4,720	-6.2	14,134	13,893	-1.7
Ending inventories (1,000 short tons).	15,638	14,862	-5.0	13,432	14,862	10.6
Inventories on hand (months).....	3.1	3.1	(¹)	2.8	3.1	(¹)

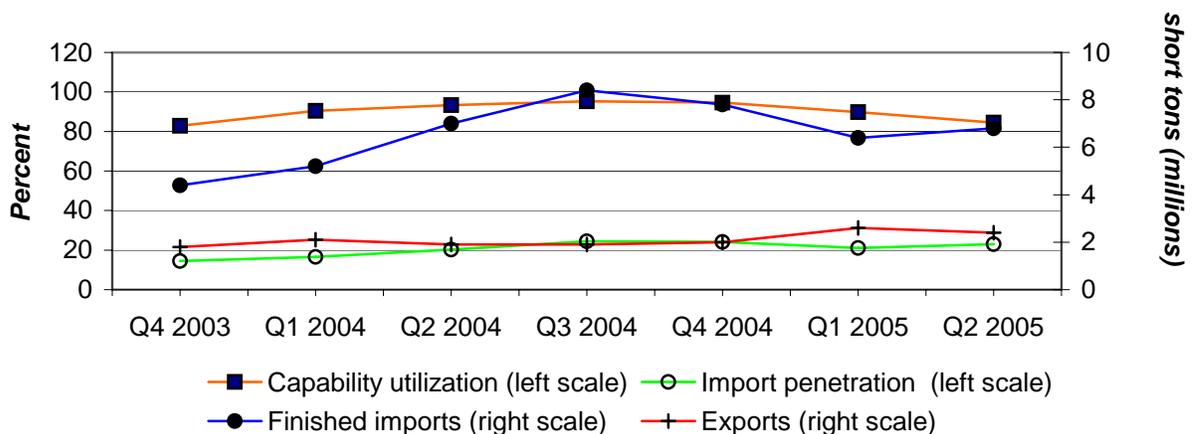
¹ Not applicable.

Source: Metals Service Center Institute.

- Shipments from U.S. steel service centers during second quarter 2005 declined by 6.2 percent compared with first quarter 2005 (table 2) as service centers sold off existing inventories. Monthly shipments during 2005 have continued to lag behind year-earlier monthly shipments, according to the Metals Service Center Institute. See <http://www.mscli.org>
- The American Institute for International Steel import market survey (August 2005) predicts increased imports of semi-finished steel, corrosion-resistant sheet, and merchant bar during the next 3 to 5 months. The survey predicts decreased imports of hot-rolled sheet and pipe and tube, and no significant changes in imports of cut-to-length plate. See <http://www.aiis.org>
- The 61 countries reporting to the International Iron and Steel Institute produced more than 700 million tons of crude steel during January-July 2005, a 7-percent increase compared with the same period in 2004. China, the leading producer, accounted for more than 30 percent of world production, with 28 percent higher output compared with the first 7 months of 2004. Output changed only slightly for other major steel producing countries during the first 7 months of 2005, with the exception of India, which increased output by almost 19 percent compared with the year-earlier period. See <http://www.worldsteel.org>
- Capability utilization of U.S. producers, which has gradually declined after third quarter 2004, is nearing the lowest level since 2003 while increased imports pushed import penetration up slightly during second quarter 2005 compared with first quarter 2005. (figure 2). See <http://www.steel.org>

Figure 2

Steel mill products, all grades: Capability utilization during first 6 months of 2005 drops below 2004 levels



Note.- Capability utilization is the raw steel tonnage produced divided by the tonnage capability to produce raw steel for a sustained full order book.

Source: American Iron and Steel Institute.

AUTOMOBILES

Table 3
Total U.S. sales of new passenger vehicles (cars and light trucks), domestic and imported, and share of U.S. market accounted for by sales of total imports and Japanese imports, by specified periods, January 2004 – June 2005

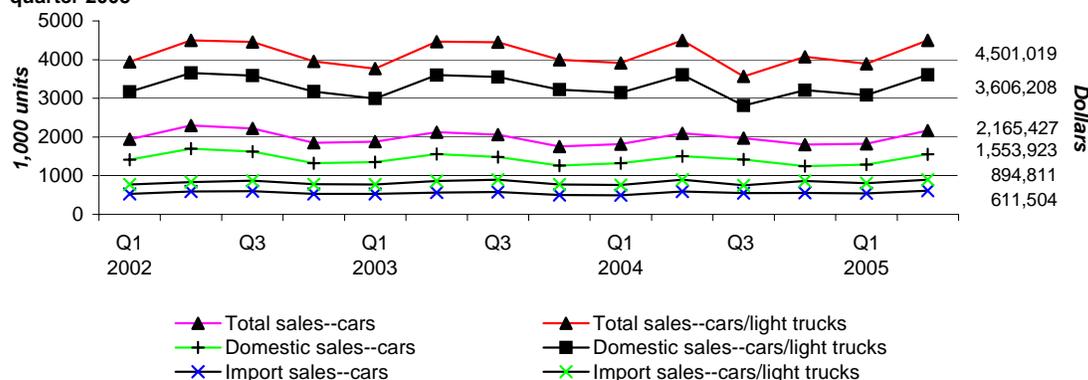
Item	Apr.-June 2005	Jan.-June 2005	Percentage change	
			Apr.-June 2005 from Jan.-Apr. 2005	Jan.-June 2005 from Jan.-June 2004
U.S. sales of domestic passenger vehicles (1,000 units)	3,606	6,845	14.5	1.3
U.S. sales of imported passenger vehicles (1,000 units).....	895	1,731	17.4	4.6
Total U.S. sales (1,000 units)	4,501	8,576	15.1	1.9
Ratio of U.S. sales of imported passenger vehicles to total U.S. sales (percent)	19.9	20.2	¹ 0.4	¹ 0.5
U.S. sales of Japanese imports as a share of total U.S. sales (percent).....	9.8	10.1	¹ -1.0	¹ 0.2

¹ Percentage point change.

Note.—Domestic passenger vehicles include U.S.-, Canadian-, and Mexican-built cars and light trucks sold in the United States. Imported passenger vehicles do not include cars and light trucks supplied by Canada and Mexico.

- Spending on incentives continued in the second quarter, with a report that GM was spending nearly two-thirds more than when incentives ramped up after September 11. However, the Big Three reportedly face diminishing returns from incentives.
- In April, although the Big Three accounted for 77 percent of the industry's incentives, domestic brands fared poorly with GM sales dropping by 7.4 percent and Ford sales down 1.5 percent compared with April 2004. In contrast Toyota (21.3 percent), Honda (13.6 percent), and Nissan (27.0 percent) registered sizeable increases in year-on-year sales, resulting in a record share of monthly sales for Asian brands in the U.S. new car market (37.5 percent) – a trend partly attributable to increased incentives by Japanese automakers, as well as increased sales of relatively fuel-efficient cars in the wake of increasing gasoline prices.
- June was a tremendous selling month for GM – its best since September 1986 – stemming from its “Employee Discount for Everyone” incentive program. Despite high gasoline prices, GM's light truck sales increased by 75 percent over June 2004, with car sales increasing by a more modest 7 percent. GM's U.S. market share reached 32.4 percent, up 6.8 percent over June 2004. Domestic brands claimed a 62-percent share of the U.S. new passenger vehicle market in June, the highest share since September 2004.
- Import brands that lost considerable market share during the first half of 2005 included Isuzu (down 48 percent), Mitsubishi (down 35 percent), Jaguar (down 29 percent), and Volkswagen (down 24 percent).

Figure A-3
Total U.S. sales of new passenger vehicles (cars and light trucks) increased significantly from first quarter 2005



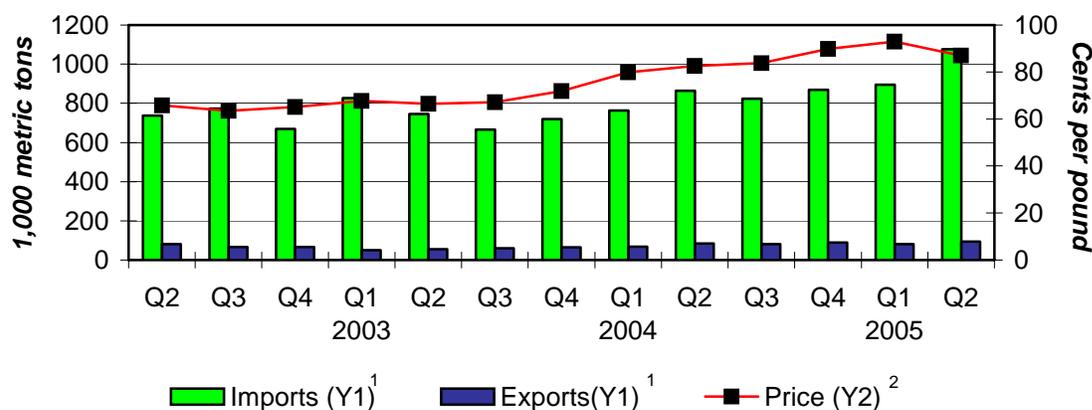
Note.—Domestic sales include U.S.- and Mexican-built vehicles sold in the United States; these same units are not included in import sales.

Source: *Automotive News*; prepared by the Office of Industries.

UNWROUGHT ALUMINUM¹

Figure 4

Imports increased 20.3 percent over the previous quarter as a result of high demand from the automotive and construction market



¹ Unwrought aluminum and aluminum alloys.

² Quarterly average of the monthly U.S. market price of primary aluminum ingots.

Source: Compiled by USITC staff based on data obtained from the U.S. Geological Survey.

- High prices and robust demand coupled with a net aluminum deficit in 2004 has driven the expansion of aluminum capacity worldwide. China, India, Qatar, Russia, and Venezuela have announced plans to significantly boost production capacity within the next 5 years.
- Despite intentions by the Chinese government to reign in aluminum production, through increased taxes on aluminum exports and caps on planned expansion projects, China exported record levels of aluminum in the first half of 2005 sustained by aluminum prices that remained relatively strong. The GoC is trying to curb aluminum production due to energy shortages, high alumina prices (of which China is a net importer), and low-profitability of many Chinese smelters.

Table 4

The aluminum price declined from 10-year highs during second quarter 2005 easing highly speculative buying during early 2005 as Chinese production was higher than anticipated

Item	Q2 2004	Q1 2005	Q2 2005	Percentage change	
				Q2 2005 from Q2 2004	Q2 2005 from Q1 2005
Primary production (1,000 metric tons)	630	614	631	0.2	2.8
Secondary recovery (1,000 metric tons)	755	773	763	1.1	-1.3
Imports (1,000 metric tons)	864	895	1,077	24.7	20.3
Import penetration (percent).....	39.9	40.7	45.3	¹ 5.4	¹ 4.6
Exports (1,000 metric tons)	84	81	94	11.9	16.0
Average nominal price (cents/lb).....	82.5	92.9	87.0	5.5	-6.4
LME inventory level (1,000 metric tons)	940.0	547	536	-43.0	-2.0

¹ Percent-point change.

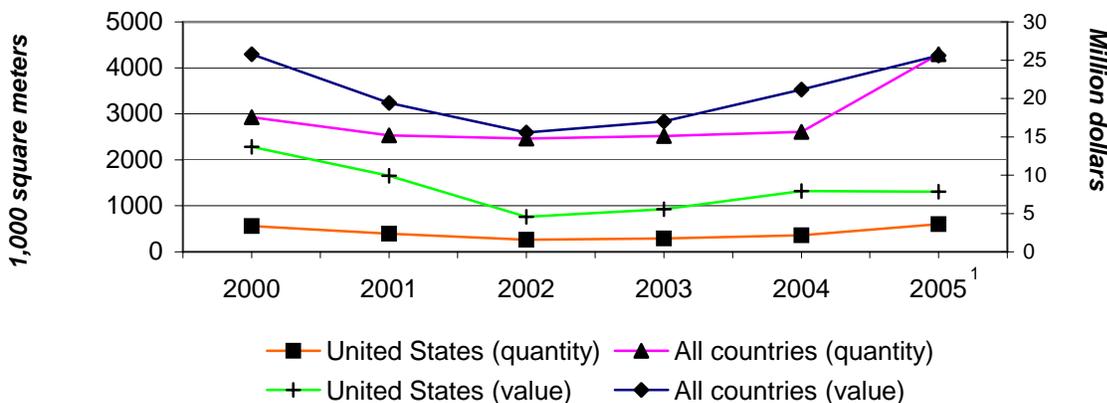
Note.—Revised data indicated by “r.”

Sources: Compiled from data obtained from U.S. Geological Survey and World Bureau of Metal Statistics.

¹Product coverage includes only unwrought aluminum and certain aluminum alloys for improved data comparability.

FLAT GLASS

Figure 5
Japanese monthly average imports from U.S. and world increased during first 6 months of 2005



¹ Data for Jan.-June (latest available).

Source: Compiled from "World Trade Atlas: Japan" at <http://www.globaltradeatlas.com>, using official statistics provided by the Government of Japan.

Background

- Although the U.S.-Japanese agreement on Japanese market access for imports of flat glass, which sought to increase access and sales of foreign flat glass in Japan, expired on December 31, 1999,¹ the U.S. Government continues to engage the Japanese Government in discussions over access to the Japanese market. Most recently, in the 2003 Trade Forum discussion held in July 2003 under the U.S.-Japan Partnership for Economic Growth, the U.S. Government "highlighted the continuing problems that prevent market entry, including the need for tighter enforcement of rules against anticompetitive behavior."² The U.S. Government also urged Japan to modify regulations to facilitate use of energy-efficient glass in Japan.
- U.S. and Japanese negotiators have agreed that Japan's Ministry of Trade and Industry (MITI), in conjunction with the Japan Fair Trade Commission (JFTC), should monitor Japanese flat-glass manufacturers and the glass distribution system in Japan to promote competition in the sector.³

Current

- As a result of increased Japanese economic growth during the first 6 months of 2005, Japanese average monthly demand for imported flat glass from all countries increased 65 percent for the first 6 months of 2005, to 4.3 million square meters, compared with the same period in 2004. The average monthly value of total Japanese flat-glass imports for the first 6 months of 2005 increased 20 percent, to \$25.6 million, compared with the same period in 2004.
- For U.S. producers, average monthly Japanese imports of U.S. flat glass increased 53 percent during the first 6 months of 2005, to 601,000 square meters, compared to the same period in 2004. However, by value, average monthly Japanese imports from the United States decreased 10 percent, to \$7.9 million, for the first 6 months of 2005, compared to the same period in 2004 reflecting fewer shipments of industrial glass categories and more non-industrial glass shipments to Japan.

¹ Office of the United States Trade Representative (USTR), *The President's 1999 Annual Report on the Trade Agreements Program*, p. 227, downloaded from <http://www.ustr.gov/reports/tpa/2000index.html> on Mar. 3, 2004.

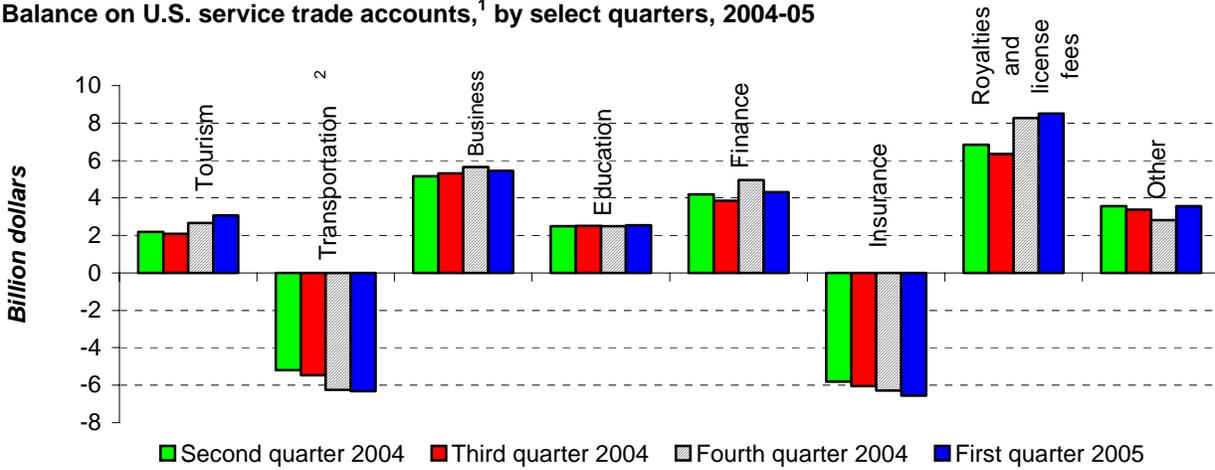
² USTR, *2004 Trade Policy Agenda and 2003 Annual Report of the President of the United States on the Trade Agreements Program* (final draft), 2003, pp. 21-22.

³ USTR, *Fourth Annual Submission by the Government of the United States to the Government of Japan on Deregulation and Competition Policy*, Oct. 12, 2000, p. 32.

SERVICES

Figure 6

Balance on U.S. service trade accounts,¹ by select quarters, 2004-05



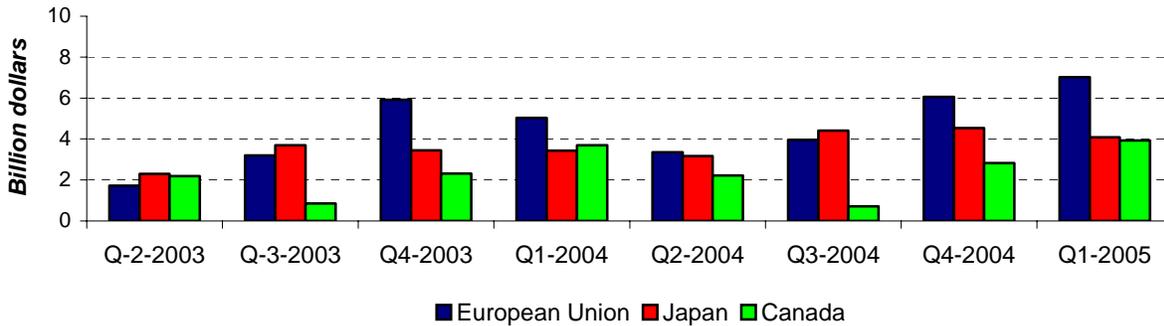
¹ Data for telecommunication services are too small to be revealed graphically.

² Includes passenger fares, freight, and port services.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, July 2005, pp. 100-101.

Figure 7

Surpluses on cross-border U.S. services transactions with selected partners, by select quarters, 2003-05¹



¹ Private-sector transactions only; military shipments and other public-sector transactions have been excluded.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, July 2005, pp. 112-117.

NORTH AMERICAN MERCHANDISE TRADE HIGHLIGHTS

U.S. merchandise trade with its North American partners is highlighted in table 5. The following is a summary of key developments during the first half of 2005 compared with the same period of 2004.

Macro trends

- During the first-half of 2005, resurgent commodity and energy prices continued to be an important factor underlying the increased value of U.S. imports from Canada and Mexico. During the period, U.S. economic growth continued to be strong largely due to a booming housing market, growth in personal expenditures, and increased business equipment investment and software purchases.¹ The robust growth in the U.S. economy resulted in increased demand for goods from both of our North American trade partners.
- During the January-June 2005/2004 period, the merchandise trade deficit with Canada increased by 3 percent (\$1.5 billion) to \$45.8 billion in 2005, in spite of a strong Canadian dollar. The principal economic drivers leading to the increasing merchandise trade deficit with Canada were principally high commodity prices for crude petroleum and natural gas, lumber, uranium, and coal, among other raw materials.² Moderate expansion of Canada's economy during the first half of 2005, and continued appreciation of the Canadian dollar vis-a-vis the U.S. dollar will likely result in an improvement of the merchandise trade balance with the United States latter part of 2005.
- The bilateral trade deficit with Mexico grew by 7 percent (\$2.3 billion) to \$32.9 billion during the January - June 2005/2004 period, and was due largely to an increase in the values of imported crude petroleum and automotive equipment and parts.³ A slowdown in the expansion of the merchandise trade deficit with Mexico will likely result later this year due to an anticipated decrease in the price for energy-related products, and a slackening in external demand for Mexican automotive products manufactured by the domestic Big-3 (General Motors, Daimler-Chrysler, and Ford) producers. The United States accounts for approximately 90 percent of Mexico's total merchandise exports.⁴ Mexico's economy is heavily reliant on its manufacturing export sector which in turn is largely dependent on U.S. economic activity to provide external demand for much of its merchandise exports.

Exports to Canada

- U.S. exports to Canada increased by 13 percent (\$10.5 billion) to \$92.1 billion during the January-June 2005/2004 period despite the Canadian dollar gaining value vis-a-vis the U.S. dollar. Energy-related products such as natural gas, crude petroleum, and other hydrocarbon commodities including gasoline, were the predominant U.S. export products that accounted for approximately 28 percent (\$26 billion) of total exports during the first 6 months of 2005. The bulk of these energy-related exports were sent to Canada's Maritime Provinces and to the industrial and population centers in Ontario and Quebec, which are largely served by cross-border petroleum and natural-gas pipelines originating in the United States. Petroleum and natural gas from the Western Canadian provinces of Alberta and Saskatchewan are transported by pipelines to the United States where they are blended with U.S.-extracted petroleum and natural gas prior to being re-exported to Eastern Canada.
- Canadian demand for U.S. exports of helicopters, satellites, and spacecraft rose by 67 percent (\$275 million) to \$683 million during the January-June 2005/2004. Canada's booming natural resource extraction industries, such as oil rig, pipeline construction, power line construction, logging; and

¹ David F. Seiders, "The Economy Still is Moving Ahead At A Solid Pace," National Association of Home Builders, June 1, 2005, p. 1.

² The Economic Intelligence Unit, *Country Report: Canada*, found at <http://www.eiu.com>, retrieved Nov. 4, 2005.

³ Deborah L. Riner, "Modest Growth Frames Economic Picture for 2005," *W.P. Carey, School of Business*, Arizona State University, Tempe, AZ, 2nd quarter 2005.

⁴ U.S. Department of State telegram, "Mixed Signs in Mexico's Auto Sector," message reference No. 3848, prepared by the U.S. Embassy, Mexico City, Mexico, June 28, 2005.

NORTH AMERICAN MERCHANDISE TRADE HIGHLIGHTS

Table 5
U.S.-Mexico trade, 2000-04, January-June 2004, and January-June 2005

Item	2000	2001	2002	2003	2004	January-June		Percent change 2004/05
						2004	2005	
Value (million dollars)								
U.S. -Mexico trade:								
Total imports from Mexico.....	134,734	130,509	134,121	137,199	154,959	75,557	81,912	8
U.S. imports under NAFTA:								
Total value.....	83,995	81,162	84,747	87,750	96,024	46,997	51,081	9
Percent of total imports	62	62	63	64	62	62	62	¹ 0
Total exports to Mexico.....	100,442	90,537	86,076	83,108	93,018	44,944	49,046	9
U.S. merchandise trade balance with Mexico ²	-34,292	-39,971	-48,045	-54,091	-61,941	-30,614	-32,866	-7
U.S. -Canada trade:								
Total imports from Canada.....	229,060	216,836	210,518	224,016	255,660	125,900	137,879	10
U.S. imports under NAFTA:								
Total value.....	123,052	113,179	115,807	119,416	131,678	65,191	69,271	6
Percent of total imports	54	52	55	53	52	52	50	¹ -2
Total exports to Canada.....	155,601	144,621	142,543	148,749	163,168	81,534	92,059	13
U.S. merchandise trade balance with Canada ³	-73,459	-72,215	-67,975	-75,267	-92,492	-44,366	-45,820	-3

¹ Percentage-point change.

² The negative (-) symbol indicates a loss or trade deficit. The \$61.9-billion deficit in U.S. merchandise trade with Mexico in 2004 was partially offset by a \$5.6-billion U.S. surplus in bilateral services trade, not seasonally adjusted. During the first half of 2005, the U.S. surplus in bilateral service trade was \$1.9 billion, not seasonally adjusted.

³ The \$92.5-billion deficit in U.S. merchandise trade with Canada in 2004 was partially offset by a \$9.3-billion U.S. surplus in bilateral services trade. During the first half of 2005, the U.S. surplus in bilateral service trade was \$7.0 billion, not seasonally adjusted.

Source: Compiled by USITC staff from official statistics of the U.S. Department of Commerce. Statistics on U.S. services trade with Canada and Mexico are based on preliminary data provided in U.S. Department of Commerce, Bureau of Economic Analysis, U.S. International Transactions Accounts Data, table 11, found at http://www.BEA.DOC.GOV/BEA/International/BP_web/list.CFM?ANON=92.

law enforcement sectors collectively posted record demand for helicopters and other rotorcraft imports from the United States.⁵

Exports to Mexico

- U.S. exports to Mexico increased by 9 percent (\$4.1 billion) to \$49.0 billion during the first-half 2005/2004. A representative sample of products with significant export increases included refined petroleum products, pneumatic and hydraulic tools, and beef products.
- During the period, U.S. petroleum exports to Mexico were the largest export product category, increasing by 72 percent (\$833 million) largely as a result of a shortage of Mexico's domestic refinery capacity for unleaded gasoline. Mexico imports a significant amount of unleaded gasoline and light motor fuel oils from its Deer Park petroleum-chemical refinery facility outside of Houston, Texas. The Government of

⁵ James Careless, "Canadian Maintenance, Repair, and Overhaul Sector On the UpSwing," *Helicopter Magazine*, Oct./Nov./Dec. 2005, found at <http://helicoptersmag.accountsupport.com/nm/anmviewer.asp?a=193&z=56>, retrieved on Nov. 18, 2005.

NORTH AMERICAN MERCHANDISE TRADE HIGHLIGHTS

Mexico is in the final stages of a \$3.9 billion, long-term investment to upgrade all six of its domestic petroleum refineries.⁶

- A shift in final assembly operations of power tools and components by major producer Black and Decker and Milwaukee Tool Co. from the United States to Mexico resulted in approximately a three-fold increase in exports of these products. U.S. exports of power tools (pneumatic and hydraulic) and components to Mexico totaled \$270 million, an increase of 295 percent (\$202 million) from the corresponding period in 2004.
- U.S. beef exports to Mexico in first-half 2005 totaled \$249 million, an increase of 135 percent (\$143 million) from the corresponding period in 2004. Mexico lifted its ban on U.S. beef in 2004 after discovery of bovine spongiform encephalopathy (BSE) in the United States.⁷ Demand and per capita consumption are growing rapidly among the Mexican middle and upper classes with increased disposable income.⁸

Imports from Canada

- Employee Discount Programs offered by General Motors, Ford, and Daimler-Chrysler in the United States resulted in a 19-percent (\$1-billion) increase during the January-June 2005/2004 period to \$6.7 billion in consumption of motor-vehicle imports from Canada in 2005. Canada exports approximately 90 percent of its automobile production to the United States and accounts for over 15 percent of all North America's vehicle production.⁹
- During the January-June 2005/2004 period, U.S. imports of flat-rolled products of iron or non-alloy steel from Canada rose by 79 percent (\$272 million) to \$617 million. Much of this export growth reflects the rapid increases in steel prices due to surging world demand, particularly from countries such as China. Producers of motor vehicles, ships, and major household appliances all rely on these flat-rolled products as integral to their manufacturing processes.

Imports from Mexico

- During January-June 2005, U.S. imports from Mexico increased by 8 percent (\$6.4 billion) to \$81.9 billion over the corresponding period in 2004.¹⁰ Sustained high crude petroleum prices, and increased U.S. consumption of Mexican oil and related products during the period resulted in a 27-percent (\$2.2-billion) increase to \$10 billion in import demand for these products. Greater U.S. demand for petroleum and related products from Mexico reflected concerns about continued political instability in other principal supplier nations such as Venezuela and Nigeria.¹¹
- U.S. imports of television receivers, such as high-definition, plasma and liquid crystal display, and large projection units, continued to expand during the first half of 2005, by 32 percent (\$964 million). Demand continues to expand for these products as prices continued to fall and consumers replaced conventional cathode-ray tube sets with much-sharper-picture, digital technology sets.¹² High transportation costs

⁶ Mexico Business Forecast Report, "Key Economic Sectors: 1st Quarter 2005," *Business Monitor International*, found at <http://web15.epnet.com/citation.asp>, retrieved Nov. 18, 2005.

⁷ Mexico was the second-largest importer of U.S. beef after Japan in 2004.

⁸ Clint Peck, "Southern Exposure: U.S. Beef is a Hit (Again) in Mexico," *Beef*, July 2004, p. 26.

⁹ U.S. Department of State telegram, "Ontario's Auto Bonanza Continues with Toyota's Decision to Build Seventh North American Assembly Plant in Canada," message reference No. 12958, prepared by the U.S. American Consulate, Toronto, Canada, July 7, 2005.

¹⁰ During the first half of 2005, Mexico was the second-largest supplier of crude petroleum to the United States being exceeded only by Canada. Venezuela, Saudi Arabia, and Nigeria followed Mexico as top petroleum suppliers to the United States.

¹¹ U.S. Department of Energy, Energy Information Agency, *Mexico: Country Analysis Briefs*, Nov. 2004, found at <http://www.eia.doe.gov/emeu/cabs/mexico.html>, retrieved Nov. 21, 2005.

¹² Cliff Edwards, "Dive into HDTV," *Business Week*, Nov. 7, 2005, found at <http://web22.epnet.com/DeliveryPrintSave.asp?fb=C734A8D4-9254-46FE-8>, retrieved Nov. 21, 2005.

for large-screen television sets and Mexico's proximity to the United States moderates imports of these products from Asia, particularly from China.¹³

- U.S. imports of semifinished products of iron and nonalloy steel registered an increase of 90 percent (\$252 million) during first-half 2005. This import growth is attributed to higher-than- expected demand in the construction and the machinery and equipment industry sectors.¹⁴

¹³ Diane Farrell, Antonio Puro, and Jaana K. Remes, "Beyond Cheap Labor: Lessons for Developing Economies," *MCKinseyQuarterly*, Nov. 15, 2005, p. 4.

¹⁴ "Stocks Slowing Demand Growth," *Purchasing*, Apr. 7, 2005, found at www.purchasing.com, retrieved Nov. 21, 2005.