

**BEFORE THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION**

**CARBON AND CERTAIN ALLOY STEEL  
WIRE ROD FROM CHINA**

Inv. Nos. 701-TA-512 and 731-TA-1248  
(Final)

**Business Proprietary Information has  
been removed from pages 1-4, 8-13, 15-  
23, 29-39, 42-44, the Exhibit List, and  
Exhibits 1-2, 4-9, and 14-16**

**NON-CONFIDENTIAL VERSION**

**NUCOR CORPORATION'S PREHEARING BRIEF**

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## I. INTRODUCTION

The record before the Commission presents a straightforward case of material injury by reason of subject imports. In 2011, the U.S. wire rod industry enjoyed 75.6% market share, and an operating income ratio of 7.0%.<sup>1</sup> By interim 2014, the industry's market share had declined by eleven points, and the operating income ratio had plummeted to 1.7%.<sup>2</sup> U.S. producers' Average Unit Values (AUVs) declined by \$74/short ton between 2011 and 2013, falling much faster than costs, with the result that the U.S. wire rod industry's COGS/net sales ratio rose to 94.8% in interim 2014.<sup>3</sup> Employee numbers declined, and U.S. capacity utilization fell to a dismal 67.5%.<sup>4</sup>

All of these negative trends occurred at a time of increasing U.S. consumption.<sup>5</sup> But they also occurred during an unprecedented influx of dumped and subsidized wire rod imports from China. Between 2011 and 2013, imports of Chinese wire rod increased by 429,615 percent – from a mere 144 tons in 2011 to 618,790 tons in 2013.<sup>6</sup> Fully [ ] of Chinese imports during the investigation period undersold domestic wire rod – and the margins of underselling only increased with time.<sup>7</sup> By means of this consistent and increasing underselling, Chinese imports were able to grab millions of dollars in sales from U.S. producers,<sup>8</sup> and to raise their share of apparent domestic consumption from 0.0% to nearly 13%.<sup>9</sup>

The fact that U.S. trade and financial indicators plummeted as massive imports of dumped and subsidized Chinese imports entered the market is no coincidence. [ ]% of

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<sup>1</sup> Prehearing Staff Report, *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final) (Oct. 29, 2014) (“Prehearing Staff Report”) at C-3 (Table C-1).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at IV-5 (Table IV-2).

<sup>7</sup> *Id.* at V-19 (Table V-9). These increasing underselling margins were particularly pronounced in the most commonly sold pricing products. *Id.* at V-9 (Table V-4) and V-10 (Table V-5).

<sup>8</sup> The value of Chinese shipments increased from \$162,000 in 2011 to \$336 million in 2013. Meanwhile, U.S. producers' annual shipment value fell by nearly \$500 million. *Id.* at C-3 (Table C-1).

<sup>9</sup> *Id.* at C-3 (Table C-1).

responding U.S. purchasers reported buying both Chinese and U.S. wire rod during the investigation period.<sup>10</sup> And one after another, these buyers reported shifting purchases away from domestic wire rod to Chinese product for one reason – *price*.<sup>11</sup> China's dumped and subsidized pricing lured buyers away from U.S.-produced rod, with the result that nearly every single domestic industry trade and financial indicator worsened significantly over the investigation period.<sup>12</sup>

Besides the material injury that they have already caused, Chinese imports threaten the U.S. wire rod industry with additional material injury in the future. Chinese imports have kept increasing, despite the filing of this case,<sup>13</sup> and their underselling margins have worsened over time.<sup>14</sup> There is no reason to believe that these trends – or the downward spiral of U.S. industry trade and financial indicators – will alter if no trade relief is forthcoming.

Moreover, this case presents the Commission with facts that are uniquely supportive of an affirmative critical circumstances determination. This case was anticipated by many in the importing community, who began to “stock up” on Chinese inventory even before the petitions were filed.<sup>15</sup> They redoubled their efforts in the months immediately following the petitions, in order to ensure that by the time any preliminary relief was imposed, they would have plenty of dumped and subsidized Chinese wire rod to work with.<sup>16</sup> This inventory pile-up significantly

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<sup>10</sup> See *Analysis of Purchaser Questionnaire Volumes*, attached at **Exhibit 1**.

<sup>11</sup> Prehearing Staff Report at II-22; see also discussion *infra* Part IV.B.

<sup>12</sup> Prehearing Staff Report at VI -18 - VI-19 and VI -19 (Table VI -4).

<sup>13</sup> *Id.* at C-3 (Table C-1).

<sup>14</sup> See *infra* Part III.B.

<sup>15</sup> [redacted], attached at **Exhibit 2**;  
Letter from Wiley Rein LLP to Acting Sec'y, U.S. Int'l Trade Commission, re: *Carbon and Certain Alloy Steel Wire Rod from China: Post Conference Brief & Answers to Staff Questions* (Feb. 26, 2014) (“Nucor’s Post-Conference Brief”) at 30.

<sup>16</sup> U.S. Producers’ Questionnaire Response of [redacted] [redacted] at II-3d (“[redacted] U.S. Producers’ Questionnaire Response”) ; U.S. Producers’ Questionnaire Response of [redacted] [redacted] at III-16 (“[redacted] U.S. Producers’ Questionnaire Response”); [redacted], attached at **Exhibit 15**.

undermines the relief that any forthcoming order would provide, and justifies an affirmative critical circumstances finding.

## II. THE CHINA IRON & STEEL ASSOCIATION HAS FAILED TO FULLY COOPERATE WITH THE COMMISSION'S INVESTIGATION

The China Iron & Steel Association ("CISA") represents the vast majority of China's steel mills.<sup>17</sup> CISA has entered an appearance in this investigation,<sup>18</sup> but only [ ] of CISA's dozens of wire-rod producing members have provided questionnaire responses.<sup>19</sup> Although fifty-eight Chinese wire rod producers were identified in the petitions,<sup>20</sup> only seven responded to the Commission's questionnaires.<sup>21</sup> These seven represent [ ] of China's [ ] tons of wire rod capacity.<sup>22</sup> Moreover, approximately a third of Chinese exports in 2014 are unaccounted for in the questionnaire data – clearly, there are significant Chinese exporters that have simply not responded.<sup>23</sup>

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<sup>17</sup> *China Iron & Steel Association*, China Daily, attached at **Exhibit 3**.

<sup>18</sup> See Letter from Husch Blackwell LLP to Acting Sec'y, U.S. Int'l Trade Commission, re: *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final): *Entry of Appearance and APO Application* (Sept. 3, 2014).

<sup>19</sup> See Comparison of Chinese Wire Rod Producers with CISA Membership List and List of Questionnaire Respondents, attached at **Exhibit 4**. (CISA's entry of appearance describes [ ] as members, but [ ]).

<sup>20</sup> See Petition for the Imposition of Antidumping and Countervailing Duties, *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China*, vol. I (Jan. 31, 2014) at Exhibit Gen-5 ("Petition"). [ ]. See Comparison of Chinese

Wire Rod Producer with CISA Membership List and List of Questionnaire Respondents, attached at **Exhibit 4**.

<sup>21</sup> See Prehearing Staff Report at II-8, n.17.

<sup>22</sup> See *Id.* at VII-3. The domestic industry has calculated Chinese capacity in 2014 at [ ] short tons. This figure was obtained by dividing the 2014 Chinese production figure (as converted from metric tons into short tons) provided in [ ] by the capacity utilization rate reported by the seven responding Chinese producers for the first half of 2014. The resulting calculation is [ ] short tons of production divided by a [ ] capacity utilization rate, equaling [ ] short tons of Chinese wire rod capacity for 2014. Compare *Chinese Wire Rod Industry Production Capacity*, attached at **Exhibit 5**, with Prehearing Staff Report at VII-8 (Table VII-7).

<sup>23</sup> 365,273 short tons of Chinese wire rod entered the United States in the first half of 2014, according to official import statistics. Prehearing Staff Report at IV-5 (Table IV-2). The foreign questionnaire respondents report having exported only 250,358 tons during this time. *Id.* at VII-8 (Table VII-3). A comparison of China's total global wire rod exports from 2011-2013 with the total exports reported by the foreign questionnaire respondents confirms that there is significant Chinese wire rod capacity unaccounted for in the questionnaire data. See *Id.* at VII-8 (Table VII-3) and VII-13 (Table VII-7).

It is common knowledge that CISA regularly collects and distributes statistics relating to the Chinese industry.<sup>24</sup> Nonetheless, [ ] responding Chinese producer has stated that it [ ] regarding Chinese production, shipments, etc.<sup>25</sup> This is demonstrably incorrect, a bare-faced attempt to avoid legitimate and relevant questions.

The lack of cooperation is particularly troubling given that, over the past year, CISA has repeatedly issued dire pronouncements about Chinese overcapacity, lack of domestic demand, and collapsing prices, and the need for Chinese mills to continue to expand exports in order to survive.<sup>26</sup> Yet CISA clearly took no effort to ensure its members' cooperation with the Commission's investigation. [ ] of CISA's wire-rod producing members have provided questionnaire responses – a transparent attempt to “appear” cooperative without providing information that might jeopardize Chinese producers' ability to continue to export increasing and injurious volumes of wire rod to the United States.<sup>27</sup>

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<sup>24</sup> See CISA Statistics Information, attached at **Exhibit 6**. For example, CISA regularly surveys its membership with respect to production, profits, inventories, etc., and provides monthly market analyses regarding prices, including wire rod prices.

<sup>25</sup> Similarly implausible are [ ]

[ ] See Foreign Producers'/Exporters' Questionnaire Response of [ ] ([ ] at I-6, II-4a, and II-8; Foreign Producers'/Exporters' Questionnaire Response of [ ] ([ ] at I-6, II-4a, and II-8; Foreign Producers'/Exporters' Questionnaire Response of [ ] ([ ] at I-6, II-4a, and II-8; Foreign Producers'/Exporters' Questionnaire Response of [ ] ([ ] at I-6, II-4a, and II-8; Foreign Producers'/Exporters' Questionnaire Response of [ ] ([ ] at I-6, II-4a, and II-8; Foreign Producers'/Exporters' Questionnaire Response of [ ] ([ ] at I-6, II-4a, and II-8; Foreign Producers'/Exporters' Questionnaire Response of [ ] ([ ] at I-6, II-4a, and II-8; Foreign Producers'/Exporters' Questionnaire Response of [ ] ([ ] at I-6, II-4a, and II-8. Given the vast number of non-responding Chinese producers, and the significant amount of capacity that is unrepresented in the questionnaire data, it would be appropriate for the Staff to revise the foreign capacity figures upward.

<sup>26</sup> See CISA Articles, attached at **Exhibit 7**.

<sup>27</sup> See Comparison of Chinese Wire Rod Producers with CISA Membership List and List of Questionnaire Respondents, attached at **Exhibit 4**. CISA's entry of appearance describes [ ] as members, but [ ]

But because CISA has entered an appearance, there is no reason that the Commission should simply accept Chinese producers' brush-off. Rather, the Commission should request that CISA, through its counsel, provide the data that individual Chinese producers have refused to give, and which CISA clearly collects: *i.e.*, information on "production, shipments, imports, exports, capacity, inventories, and prices of Chinese wire rod."<sup>28</sup> Should this information not be provided, Nucor notes that the Tariff Act authorizes adverse inferences wherever a party fails to act to the best of its ability to comply with information requests.<sup>29</sup> In this case, the responding Chinese producers have purposefully determined not to produce information that they clearly know exists, and to which they necessarily have access. Should neither they nor CISA come forward with this data, adverse inferences are entirely appropriate.

### **III. THE U.S. WIRE ROD INDUSTRY IS MATERIALLY INJURED**

The facts before the Commission present a textbook case of injury. Chinese wire rod imports increased exponentially from 2011 – 2013, and continued to increase in 2014.<sup>30</sup> These imports took significant market share from U.S.-produced wire rod,<sup>31</sup> by means of rampant and increasing underselling.<sup>32</sup> Although demand grew over the investigation period, U.S. producers saw their bottom lines collapse as purchasers switched to dumped and subsidized Chinese rod.<sup>33</sup> The result has been negative trends in almost every U.S. performance indicator.<sup>34</sup> This is material injury.

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<sup>28</sup> See, generally Foreign Producers'/Exporters' Questionnaire Response at I-6.

<sup>29</sup> 19 U.S.C. §1677e(b).

<sup>30</sup> Prehearing Staff Report at IV-5 (Table IV-2).

<sup>31</sup> *Id.* at IV-17 (Table IV-7).

<sup>32</sup> *Id.* at V-8 – V-11 (Tables V-3-V-6) and V-19 (Table V-9).

<sup>33</sup> *Id.* at VI-3 – VI-4 (Table VI-1).

<sup>34</sup> *Id.* at C-3 (Table C-1).



**A. Chinese Imports Increased Exponentially Over the Investigation Period**

The Tariff Act directs the Commission to consider whether any increase in subject import imports volumes is “significant.”<sup>35</sup> That standard is clearly met here. In fact, to call the increase in Chinese imports “significant” would be an understatement. Subject imports increased a staggering 429,615 percent from 2011-2013.<sup>36</sup> Almost no Chinese wire rod entered the United States in 2011 – a mere 144 tons.<sup>37</sup> But just a year later, official statistics reflect 241,966 tons in imported Chinese rod; 618,790 tons of Chinese wire rod entered the United States in 2013.<sup>38</sup> The imports show no sign of letting up. Despite the filing of the petitions in this case, imports in 2014 are on track to exceed 2013’s already staggering figure, having reached 365,273 tons by the end of June.<sup>39</sup>

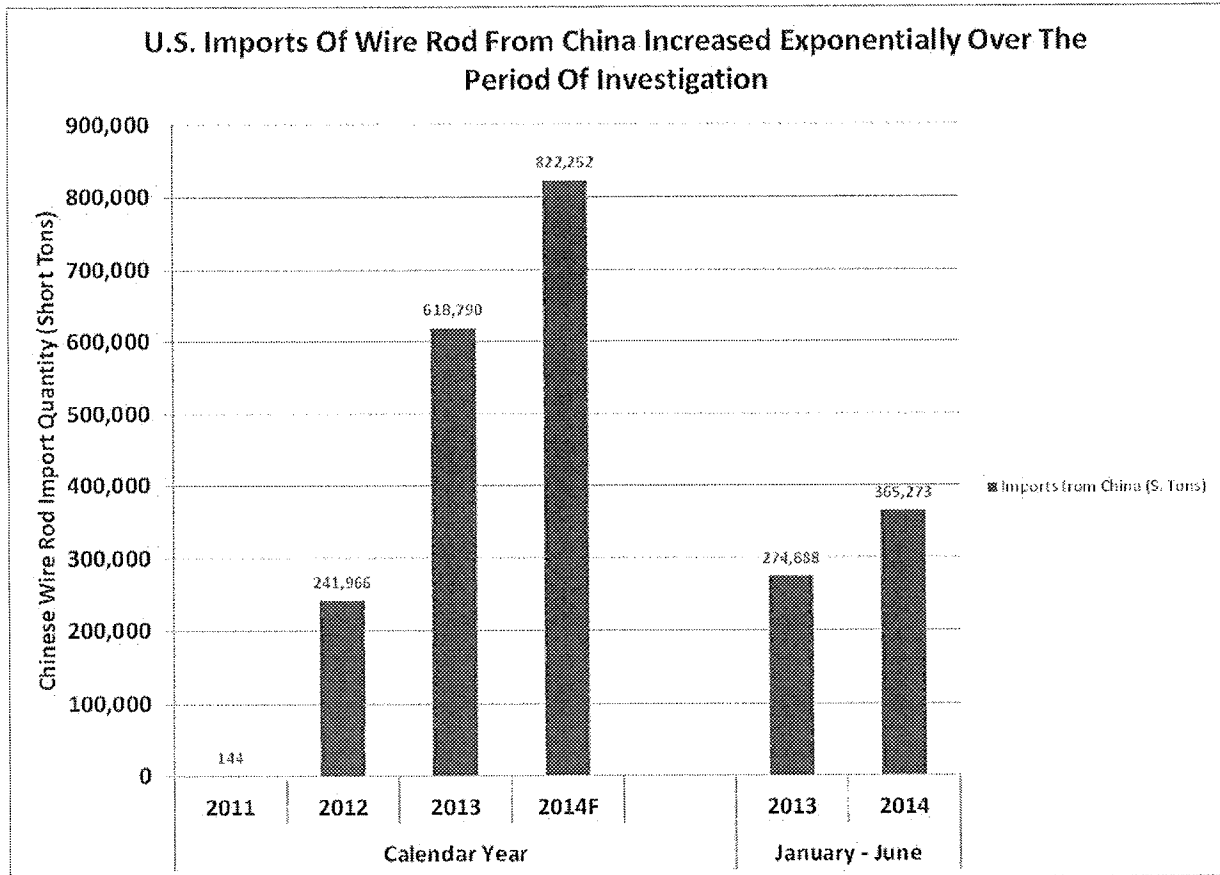
<sup>35</sup> 19 U.S.C. § 1677(7)(C)(i).

<sup>36</sup> Prehearing Staff Report at IV-5 (Table IV-2). Subject imports increased much faster than apparent U.S. consumption, which grew by 3.5% from 2011-2013. *See Id.* at C-3 (Table C-1). The Commission has previously found that such rapid increases are “significant,” and that where, as here, they are coupled with increases in market share at the expense of domestic producers’ share of apparent consumption, such increases are indicative of material injury. *See, e.g., Steel Concrete Reinforcing Bar from Mexico and Turkey*, Inv. Nos. 701-TA-502 and 731-TA-1227 (Final), USITC Pub. 4996 (Oct. 2014) at 25 (“Rebar”); *Certain Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam*, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1217 and 1219-1223 (Final), USITC Pub. 4489 (Sept. 2014) at 34-35 (“OCTG”).

<sup>37</sup> Prehearing Staff Report at IV-5 (Table IV-2).

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*



This increase is significant not just absolutely, but relative to U.S. consumption, and to domestic production as well. Chinese imports accounted for 0.0% of U.S. apparent consumption in 2011.<sup>40</sup> Only two years later, Chinese imports had an 11.7% market share.<sup>41</sup> And China's share of the U.S. wire rod market continues to grow – in the first half of 2014, it reached 12.8%.<sup>42</sup>

This share growth has come almost exclusively at the expense of U.S. production and sales.<sup>43</sup> U.S. producers had a 75.6% market share in 2011, when there were no Chinese imports

<sup>40</sup> *Id.* at IV-17 (Table IV-7).

<sup>41</sup> *Id.* at IV-17 (Table IV-7).

<sup>42</sup> *Id.* at IV-17 (Table IV-7).

<sup>43</sup> There do not appear to be any “replacement/benefit” issues here of the sort at issue in *Bratsk Aluminum Smelter v. United States*, 444 F.3d 1369 (Fed. Cir. 2006). Prior to the Chinese surge, non-subject imports accounted for approximately one quarter of apparent domestic consumption. Over the investigation period, such imports have

in the market.<sup>44</sup> This fell by 4.1 percentage points, to 71.5 percent, in 2012, when China gained a 4.5 percent market share.<sup>45</sup> By the first half of 2014, U.S. producers' market share had fallen by 10.8 percentage points, while China's share had grown to 12.8%.<sup>46</sup>

As dumped and subsidized wire rod has swamped the market, U.S. producers' production and sales have fallen, despite increased apparent consumption.<sup>47</sup> U.S. apparent consumption grew by 3.5 percent from 2011-2013, and has continued to rise year-on-year in 2014.<sup>48</sup> But U.S. producers have not benefited from the increase in demand. Instead, their shipments fell by 7.5% from 2011-2013.<sup>49</sup> And U.S. producers' shipments for the first half of 2014 were lower than those in the first half of 2013, despite a 4.4% increase in consumption over that period.<sup>50</sup>

By any measure, Chinese imports have increased more than significantly over the investigation period. These imports went from having no market share whatsoever in 2011 to claiming nearly 11.7% of U.S. apparent consumption in 2013. The imports have not flagged; rather, their volumes have continued to increase in 2014, both absolutely and by market share.<sup>51</sup> At the same time, U.S. producers' production, shipments, and market share have fallen by commensurate amounts.<sup>52</sup>

**B. Chinese Imports Caused Significant, Negative Price Effects**

The Commission's pricing data reflect rampant underselling. Of the [ ] short tons of Chinese wire rod represented in the Commission's pricing data, only [ ] tons were

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continued to have a relatively stable presence in the market, and along with AUVs above those of U.S. wire rod producers. *Id.* at C-3 (Table C-1).

<sup>44</sup> *Id.* at IV-17 (Table IV-7).

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.* at C-3 (Table C-1).

<sup>48</sup> *Id.* at IV-16.

<sup>49</sup> *Id.* at IV-17 (Table IV-7).

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> *Id.* at III-6 (Table III-3), III-7 (Table III-4), and IV-17 (Table IV-7).

priced at or above U.S. producers' prices.<sup>53</sup> In other words, fully [ ] of the Chinese wire rod represented in the pricing data undersold U.S.-produced rod.<sup>54</sup> Indeed, Chinese import AUVs were consistently well below U.S. wire rod producers' AUVs from 2012, the first year in which appreciable volumes of Chinese rod entered the U.S. market, through interim 2014.<sup>55</sup>

Over the period of investigation, the average margin of underselling was 9.2%.<sup>56</sup> But Chinese underselling worsened significantly over the investigation period, particularly with respect to the most commonly-sold pricing products.<sup>57</sup> The Commission's data reflects [ ] tons of

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<sup>53</sup> *Id.* at V-19 (Table V-9).

<sup>54</sup> *Id.*

<sup>55</sup> *Id.* at C-3 (Table C-1). The Commission has previously found that such consistent underselling permits subject imports to gain market share, and thus is indicative of a causal relationship between subject imports and the material injury of U.S. industries. *See, e.g., Rebar*, USITC Pub. 4996 at 29.

<sup>56</sup> Prehearing Staff Report at V-19 (Table V-9).

<sup>57</sup> *Id.*

Chinese imports of Pricing Product 2, C1008-C1010 industrial quality rod.<sup>58</sup> In 2011-2012, Chinese imports of this pricing product undersold U.S. rod at margins of [ ]% - 5.8%. But in 2013, underselling margins increased to as high at 10.8 percent, and reached 14.4% in the first quarter of 2014.<sup>59</sup> Tellingly, these increased underselling margins were associated with ever higher volumes of imports.<sup>60</sup> Likewise, when Chinese imports of the Pricing Product 3 first appeared in the United States in 2012, they undersold U.S.-produced rod at margins of [ ]% - [ ]%.<sup>61</sup> But in 2013, [ ], the underselling margin grew to 10.2% and thereafter, in 2014, to 13.7%.<sup>62</sup>

This consistent, increasing underselling had real-world effects for U.S. producers. Chinese imports forced U.S. producers to lower prices in an attempt to hold on to market share, and thereby resulted in significant price depression. In 2011, when Chinese wire rod was absent from the market, the Average Unit Value (“AUV”) for U.S. producers’ sales was \$778 per short ton.<sup>63</sup> Two years later, U.S. AUVs had plummeted \$74, to \$704 per ton.<sup>64</sup> Chinese underselling also resulted in significant price suppression. U.S. prices fell more rapidly than costs,<sup>65</sup> such that U.S. producers’ costs-to-net sales ratio increased over the investigation period, from 90% in 2011 to 92.4% in 2013, further increasing to 94.8% in the first half of 2014.<sup>66</sup> All of this occurred during a period of increasing demand.<sup>67</sup>

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<sup>58</sup> *Id.* at V-9 (Table V-4) and V-19 (Table V-9).

<sup>59</sup> *Id.* at V-9 (Table V-4).

<sup>60</sup> *Id.*

<sup>61</sup> *Id.* at V-10 (Table V-5).

<sup>62</sup> *Id.*

<sup>63</sup> *Id.* at VI-4 (Table VI-1).

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> *Id.* at VI-3 (Table VI-1).

<sup>67</sup> *Id.* at IV-16.

But despite lowering their prices at the expense of their operating income, net income, and gross profits,<sup>68</sup> U.S. producers saw their market share and sales volume erode further and further.<sup>69</sup> U.S. wire rod producers' annual sales values fell by nearly \$500 million, as purchasers abandoned U.S. product for dumped and subsidized Chinese imports.<sup>70</sup> These lost sales, lowered AUVS, and lost market share all came at a time when U.S. wire rod producers should have seen growing business, by reason of expanding U.S. consumption.<sup>71</sup> Instead of being able to take advantage of increased demand to offset recessionary losses and permit for greater investment, U.S. producers found themselves caught in the vice of a worsening cost-price squeeze.

**C. Subject Imports Negatively Impacted the U.S. Wire Rod Industry**

The one-two punch of exponentially increasing imports at ever-lower prices has wrought havoc on the U.S. wire rod industry. What should have been better times were instead busts, as Chinese producers grabbed all of the increasing U.S. demand, and ate into U.S. producers' established sales as well. Nearly every trade and financial indicator for U.S. producers reflects unfavorable trends over the investigation period.<sup>72</sup>

Domestic production, capacity, capacity utilization, shipments, and prices all fell over the investigation period. U.S. production decreased by 6.5% between 2011 and 2013.<sup>73</sup> Capacity itself fell by 1.9% over the same period.<sup>74</sup> In 2011, U.S. producers' capacity utilization was 75.9%.<sup>75</sup> This fell to 72.4% in 2013, and further to 67.5% in interim 2014.<sup>76</sup> Sales volumes fell

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<sup>68</sup> *Id.* at VI-3 (Table VI-1).

<sup>69</sup> *Id.* at IV-17 (Table IV-7) and VI-3 (Table VI-1).

<sup>70</sup> *Id.* at III-10 (Table III-5). While the Staff Report reflects more than [ ] in confirmed lost sales, see *id.* at V-21 – V-28 (Table V-10), additional sales were clearly lost. Indeed, many of those purchasers that disagreed with specific allegations nonetheless [ ]

<sup>71</sup> *Id.* at IV-16.

<sup>72</sup> *Id.* at VI -18 - VI-19 and VI -19 (Table VI -4).

<sup>73</sup> *Id.* at III-6 (Table III-3).

<sup>74</sup> *Id.*

<sup>75</sup> *Id.*

by hundreds of thousands of tons and sales values fell by nearly \$500 million.<sup>77</sup> Inventories rose significantly<sup>78</sup> – a further sign of distress in an industry where the vast majority of purchases are made to order.<sup>79</sup> This decrease in production and shipments affected U.S. workers. Employee numbers, hours worked, and wages paid all fell from 2011-2013.<sup>80</sup>

In 2011, the domestic wire rod industry's operating income ratio was 7.0%. By interim 2014, it had fallen to only 1.7%.<sup>81</sup> U.S. "operating profit was substantially lower in 2013 than in 2011 and was [ ] lower in interim 2014 than in interim 2013."<sup>82</sup> Industry cash flow tanked as sales volumes and values plummeted.<sup>83</sup> An [ ] of firms reported losses as the investigation period progressed,<sup>84</sup> including [ ].<sup>85</sup>

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<sup>76</sup> *Id.* In prior cases, the Commission has found that declines in U.S. capacity utilization at a time of increasing demand are indicative of material injury by reason of subject imports. *See, e.g., OCTG*, USITC Pub. 4889 at 40-41.

<sup>77</sup> Prehearing Staff Report at III-10 (Table III-5). U.S. producers' share of apparent consumption fell over the investigation period, as subject imports gained market share. U.S. producers' market share losses occurred despite increases in apparent domestic consumption. Chinese wire rod imports took the increased demand, as well as a substantial portion of U.S. producers' existing sales. Prehearing Staff Report at C-3 (Table C-1). In prior cases, the Commission has found that the loss of market share to subject imports at a time of increasing demand is indicative of material injury by reason of the subject imports. *See, e.g., Rebar*, USITC Pub. 4996, at 32.

<sup>78</sup> *Id.* at III-17 (Table III-7)

<sup>79</sup> *Id.* at II-16.

<sup>80</sup> *Id.* at III-18 (Table III-8).

<sup>81</sup> *Id.* at VI-3 (Table VI-1).

<sup>82</sup> *Id.* at VI -18.

<sup>83</sup> *Id.* at VI-3 (Table VI-1).

<sup>84</sup> *Id.* at VI-4 (Table VI-1).

<sup>85</sup> *Id.* at VI-13 (Table VI-3) and VI-17-VI-18.

U.S. producers' return on investment fell drastically over the investigation period, from 27.2% in 2011 to 2.7% in interim 2014.<sup>86</sup> U.S. producers also experienced negative effects in terms of their capital investments, with multiple firms reporting [

].<sup>87</sup> [ ] cancelled [ ] of its rod capacity, [ ] reported [ ], and nearly all firms reported [ ].<sup>88</sup> In the absence of trade relief, U.S. producers [ ].<sup>89</sup>

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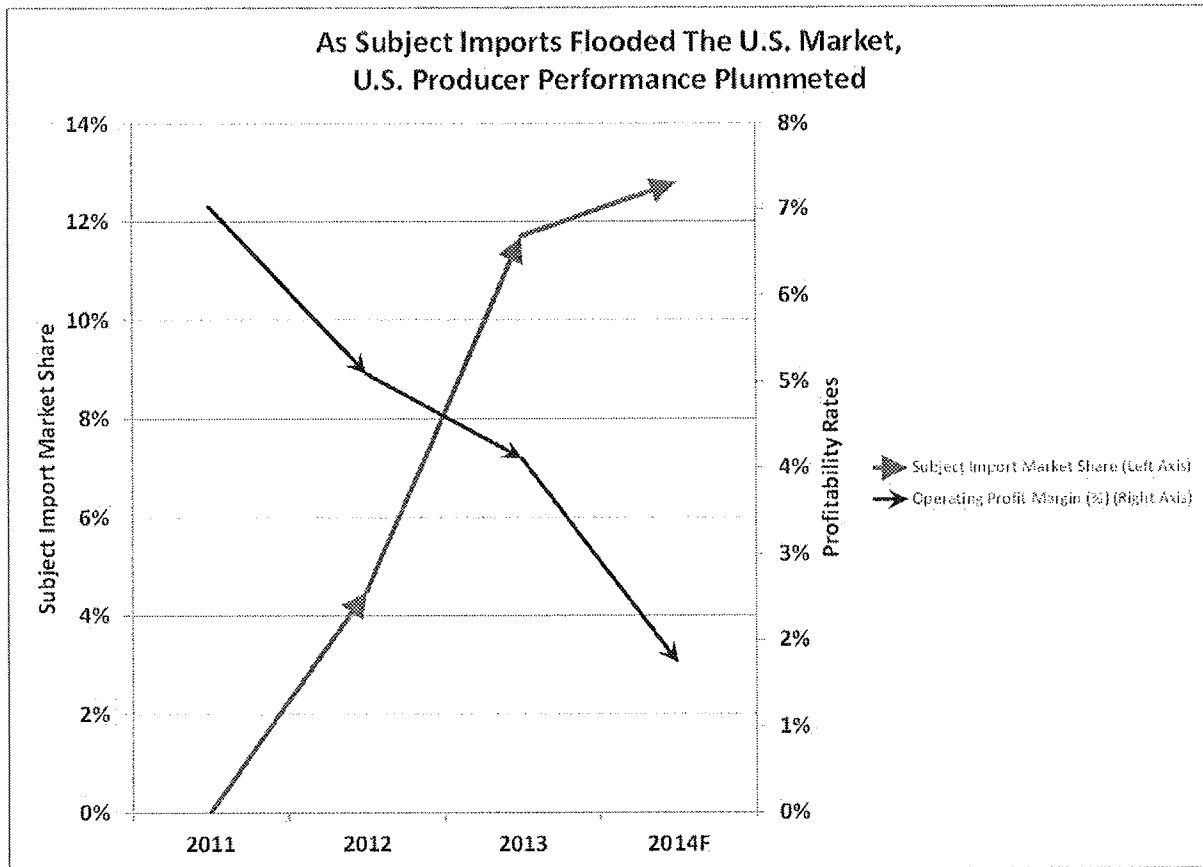
<sup>86</sup> *Id.* at VI-23 (Table VI-7).

<sup>87</sup> *Id.* at VI-24.

<sup>88</sup> *Id.*

<sup>89</sup> *Id.* at VI-25.





Their fears are borne out by the record. Chinese imports have increased significantly every year since 2011, and volumes in interim 2014 are higher than in interim 2013.<sup>90</sup> They have undersold U.S.-produced rod consistently over the investigation period, at increasing margins.<sup>91</sup> Chinese imports' market share has grown yearly, almost completely at the expense of domestic producers' sales.<sup>92</sup> Today, the domestic industry is much more than immaterially, insignificantly, or inconsequentially injured.<sup>93</sup>

<sup>90</sup> *Id.* at IV-17 (Table IV-7).

<sup>91</sup> *Id.* at V-8 – V-11 (Tables V-3-V-6) and V-19 (Table V-9).

<sup>92</sup> *Id.* at IV-17 (Table IV-7).

<sup>93</sup> 19 U.S.C. §1677(7)(A).

IV. CHINESE IMPORTS CAUSED MATERIAL INJURY TO THE U.S. WIRE ROD INDUSTRY

Any claim that the U.S. industry's current trade and financial position is unrelated to the incredible influx of dumped and subsidized Chinese imports is simply not credible. Chinese imports and domestic wire rod are sold to the very same customers, [

].<sup>94</sup> Shipments of both domestically-sourced and Chinese wire rod are focused on standard and industrial grades (75% of U.S.-produced wire rod and 98% of Chinese imports)<sup>95</sup> and purchasers overwhelmingly rate U.S. wire rod as comparable or superior to Chinese product on every potential purchasing factor but one – *price*.<sup>96</sup> Dumped and subsidized Chinese imports have captured sales that would otherwise have gone to domestic producers for one reason only – cheaper prices. This situation more than meets the requirement that subject imports be more than a “tangential” cause of the U.S. wire rod industry's current material injury.

A. Chinese and U.S. Wire Rod Are Purchased by the Same Purchasers

Chinese and U.S. wire rod compete for *the same sales to the same customers*. [ ] of the top ten responding purchasers reported buying both Chinese and U.S. wire rod during the investigation period.

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<sup>94</sup> Throughout the investigation, [ ] U.S.-produced wire rod was shipped to end-users, with approximately [ ] of U.S. producers' shipments destined for distributors. At the beginning of the investigation period, Chinese imports [ ]. However, by 2013, this situation [

] Prehearing Staff Report at II-3 (Table II-1).

<sup>95</sup> *Id.* at III-12 (Table III-6) and IV-9 (Table IV-4).

<sup>96</sup> *Id.* at II-24 (Table II-8).

[



]

In fact, each and every purchaser that reported buying Chinese wire rod also bought U.S. wire rod.<sup>98</sup> Collectively, these buyers accounted for [ ]% of total reported purchases.<sup>99</sup>

Individual review of large purchasers' buying patterns confirms that they increasingly choose Chinese wire rod over U.S. wire rod, in head-to-head competition for sales. For example, in 2011, less than [ ] purchases were of Chinese origin, while [ ] its wire rod

<sup>97</sup> Compiled from U.S. Purchasers' Questionnaire Responses. Both purchasers' reported purchases and direct imports are included. See Purchaser Shift Analysis, attached at **Exhibit 8**.

<sup>98</sup> Prehearing Staff Report at II-1, n.3.

<sup>99</sup> See Analysis of Purchaser Questionnaire Volumes, attached at **Exhibit 1**.

**Business Proprietary Information  
Has Been Deleted**

purchases were domestically-produced rod.<sup>100</sup> By interim 2014, Chinese rod accounted for [ ] purchases, while the share accounted for by U.S. rod fell to [ ].<sup>101</sup> Likewise, [ ] bought [ ] Chinese rod in 2011, while [ ] of its purchases were of domestic rod.<sup>102</sup> By interim 2014, [ ] Chinese purchase percentage had risen to [ ], while its domestic purchase percentage had fallen to [ ].<sup>103</sup>

These figures show that competition between Chinese and domestic wire rod is anything but attenuated. Rather, identical customers are selecting between two sources for the same product. They can choose to purchase from either but, as shown below, they have increasingly chosen subject imports for the simple reason that these dumped and subsidized goods are lower-priced.

**B. These Purchasers Select Between Chinese and Domestic Rod on the Basis of Price**

As the Staff Report notes, there was one overriding reason for purchasers' switch away from domestic wire rod to Chinese wire rod: "price."<sup>104</sup> Purchasers described their reasons for increasing Chinese-origin rod purchases at the expense of their purchases of domestic wire rod as follows: "[ ],"<sup>105</sup> "[ ],"<sup>106</sup> China's "[ ],"<sup>107</sup> the fact that [ ]<sup>108</sup>

<sup>100</sup> U.S. Purchasers' Questionnaire Response of [ ] ([ ]) at II-1 ("[ ] U.S. Purchasers' Questionnaire Response").

<sup>101</sup> [ ] U.S. Purchasers' Questionnaire Response at II-1.

<sup>102</sup> See U.S. Purchasers' Questionnaire Response of [ ] ([ ]) at II-1 ([ ]) ([ ] U.S. Purchasers' Questionnaire Response").

<sup>103</sup> See *id.*

<sup>104</sup> Prehearing Staff Report at II-22.

<sup>105</sup> U.S. Purchasers' Questionnaire Response of [ ] ([ ]) at II-2 ("[ ] U.S. Purchasers' Questionnaire Response").

<sup>106</sup> U.S. Purchasers' Questionnaire Response of [ ] ([ ]) at II-2.

<sup>107</sup> U.S. Purchasers' Questionnaire Response of [ ] ([ ]) at II-2.

<sup>108</sup> U.S. Purchasers' Questionnaire Response of [ ] ([ ]) at II-2.

“[ ],”<sup>109</sup> China’s “[ ],”<sup>110</sup> China’s “[ ],”<sup>111</sup> the fact that Chinese rod is the “[ ],”<sup>112</sup> “[ ],”<sup>113</sup> “[ ],”<sup>114</sup> China’s “[ ],”<sup>115</sup> “[ ],”<sup>116</sup> and Chinese rod’s “[ ].”<sup>117</sup>

Given the fact that the same customers are buying both Chinese and U.S. wire rod, and that they are increasingly selecting Chinese imports for the sole reason that Chinese rod is lower-priced, there is no persuasive claim to be made that the significantly increased volumes of underselling Chinese imports are unrelated to U.S. producers’ current trade and financial situation. Rather, it is clear that Chinese imports are a cause of material injury – and not merely a tangential one either.

#### V. UNFAIRLY TRADED IMPORTS FROM CHINA THREATEN ADDITIONAL MATERIAL INJURY TO THE DOMESTIC INDUSTRY

In addition to the present material injury caused by subject imports, Chinese wire rod poses a real and imminent threat of additional material injury to the U.S. industry.<sup>118</sup> Chinese wire rod production is enormous and growing.<sup>119</sup> Despite the Chinese government’s efforts to curtail production, Chinese producers’ massive capacity has reached record highs and only

<sup>109</sup> U.S. Purchasers’ Questionnaire Response of [ ] ([ ]) at II-2.  
<sup>110</sup> U.S. Purchasers’ Questionnaire Response of [ ] ([ ]) at II-2.  
<sup>111</sup> U.S. Purchasers’ Questionnaire Response of [ ] ([ ]) at II-2.  
<sup>112</sup> U.S. Purchasers’ Questionnaire Response of [ ] ([ ]) at II-2.  
<sup>113</sup> U.S. Purchasers’ Questionnaire Response of [ ] ([ ]) at II-2.  
<sup>114</sup> U.S. Purchasers’ Questionnaire Response of [ ] ([ ]) at II-2.  
<sup>115</sup> U.S. Purchasers’ Questionnaire Response of [ ] ([ ]) at II-2.  
<sup>116</sup> U.S. Purchasers’ Questionnaire Response of [ ] ([ ]) at II-2.  
<sup>117</sup> U.S. Purchasers’ Questionnaire Response of [ ] ([ ]) at II-2.  
<sup>118</sup> See 19 U.S.C. §§ 1673d(b)(1)(A)(ii) & 1677(7)(F) (“In determining whether an industry in the United States is threatened with material injury by reason of imports . . . of the subject merchandise, the Commission shall consider, among other relevant economic factors,” the existence of countervailable subsidies, existing unused capacity, significant increases of volume and market penetration, prices of subject imports, inventories of subject merchandise, and product-shifting).  
<sup>119</sup> See [ ], excerpts attached at Exhibit 9.

continues to expand.<sup>120</sup> Plagued with chronic overcapacity, Chinese producers have pushed significant volumes of wire rod into the U.S. market at incredibly low AUVs, eroding prices and stealing market share from the domestic industry.<sup>121</sup> These imports show no sign of letting up. Chinese producers continue to ship large volumes of wire rod into the U.S. market, threatening the vulnerable domestic industry with further material injury.

Although CISA is participating in this investigation,<sup>122</sup> a mere seven Chinese companies have reported production information to the Commission.<sup>123</sup> In spite of the widespread lack of Chinese industry participation,<sup>124</sup> the information that the handful of responding foreign producers have provided, along with other data on the record, demonstrate that Chinese wire rod producers have massive excess capacity that can – and will – wreak further devastation on the domestic wire rod industry if the Commission does not grant immediate relief.

In 2013, [ ] reported that total Chinese wire rod production exceeded [ ] short tons,<sup>125</sup> an amount [ ] the [ ] short tons of wire rod consumed in the U.S. that year.<sup>126</sup> Despite sluggish demand in their home market, China's wire rod producers have not slowed production in 2014, instead reaching record highs for output and

<sup>120</sup> See *Overcapacity, slowdown bring steel industry losses*, ChinaDaily (Apr. 29, 2014), attached at **Exhibit 10** (“Overcapacity, excess supply and sagging prices have taken Chinese steel companies from profit to loss in the first quarter, and the problems are set to get worse. . . According to a government work report in March, 27 million tons of production capacity must be cut in the sector this year, but things have not gone entirely to plan. The government placed strict controls on new steel production last year, but new projects are still carried out.”).

<sup>121</sup> See Chuin-Wei Yap, *China Steel Exports Hit Record High in September*, Wall Street Journal (Oct. 13, 2014), attached at **Exhibit 11**.

<sup>122</sup> See Letter from Husch Blackwell LLP to Acting Sec’y, Int’l Trade Commission, re: *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final): *Entry of Appearance and APO Application* (Sept. 3, 2014).

<sup>123</sup> Prehearing Staff Report at II-8, n.17.

<sup>124</sup> See *id.* at VII-4 (“The Commission issued foreign producers’ or exporters’ questionnaires to 29 firms believed to produce and/or export wire rod from China. Useable responses to the Commission’s questionnaire were received from {only} seven firms . . . . {However,} {n}one of these firms reported the approximate share of their production to total wire rod production in China nor did they report the approximate share of their exports to total exports of wire rod to the United States.”).

<sup>125</sup> See [ ], excerpts attached at **Exhibit 9**.

<sup>126</sup> Compare *id.*, with Prehearing Staff Report at C-3 (Table C-1).

exports.<sup>127</sup> According to [ ], total Chinese wire rod production in 2014 will increase [ ] percent, exceeding [ ] short tons.<sup>128</sup> Because “domestic demand {in China} is waning” and the Chinese market is unable to consume China’s increased production,<sup>129</sup> Chinese producers will continue to accumulate massive inventories<sup>130</sup> and to export their increased production to the expanding U.S. market<sup>131</sup> in the absence of antidumping and countervailing duty orders.

The Chinese steel industry, inclusive of wire rod, is inundated with overcapacity. According to Li Xinchuang, Executive Vice Secretary-General of CISA, overcapacity in the steel sector is “probably beyond our imagination.”<sup>132</sup> The small number of Chinese wire rod producers that responded to the Commission’s questionnaire reported that the industry’s capacity utilization was 86.4 percent between January and June 2014.<sup>133</sup> At this capacity utilization rate and China’s 2014 projected total wire rod production of [ ] short tons, Chinese wire rod producers will have over [ ] short tons of excess capacity this year.<sup>134</sup> Indeed, the

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<sup>127</sup> See *Daily Steel Output Hits Record High in June*, Global Times (July 28, 2014), attached at **Exhibit 12**; Chuin-Wei Yap, *China Steel Exports Hit Record High in September*, Wall Street Journal (Oct. 13, 2014), attached at **Exhibit 11**; David Stanway, *Update 2 – China Daily Steel Output Rises to Near Record High in Sept*, Reuters (Oct. 21, 2014), attached at **Exhibit 13** (“While production has remained close to record highs, the China Iron and Steel Association (CISA) has said that apparent steel demand actually fell in the first eight months of 2014, with all additional production over the period diverted to the export market.”).

<sup>128</sup> See [ ], excerpts attached at **Exhibit**

**9.**

<sup>129</sup> See Chuin-Wei Yap, *China Steel Exports Hit Record High in September*, Wall Street Journal (Oct. 13, 2014), attached at **Exhibit 11**; David Stanway, *Update 2 – China Daily Steel Output Rises to Near Record High in Sept*, Reuters (Oct. 21, 2014), attached at **Exhibit 13** (“While production has remained close to record highs, the China Iron and Steel Association (CISA) has said that apparent steel demand actually fell in the first eight months of 2014, with all additional production over the period diverted to the export market.”).

<sup>130</sup> See Prehearing Staff Report at VII-8 (Table VII-3) (The seven foreign respondents reported that their end-of-period inventories increased 40.5 percent from 2011 to 2013, and will exceed 1 million tons in 2015.).

<sup>131</sup> U.S. apparent consumption grew by 3.5% from 2011-2013, and by 4.4% from interim 2013 to interim 2014. *Id.* at IV-16.

<sup>132</sup> Nucor’s Post-Conference Brief at Exhibit 2F (David Stanway, *UPDATE 1-China’s Steel Sector Troubles Can’t Be Solved Easily – CISA*, Reuters (Feb. 24, 2014)).

<sup>133</sup> Prehearing Staff Report at VII-8 (Table VII-3).

<sup>134</sup> See Chinese Wire Rod Industry Production Capacity, attached at **Exhibit 5**. Nucor notes that it is difficult to determine the exact amount of Chinese wire rod capacity because although CISA is represented by counsel in this

handful of responding foreign producers alone have excess capacity sufficient to supply an additional [ ] percent of the U.S. market.<sup>135</sup> Furthermore, there are many more producers of wire rod in China. Petitioners have identified at least 40 additional Chinese wire rod producers, many of which have production capacities over [ ] tons.<sup>136</sup> Even if just a few of these producers directed their production capacity to the attractive U.S. market, domestic producers could be displaced completely. A mere fraction of China's current excess wire rod capacity could completely destroy the entire domestic industry.<sup>137</sup>

If this were not enough, Chinese wire rod producers are adding additional wire rod production capacity to their already massive amount. For example, Changzhi Iron and Steel Co., a subsidiary of the Shougang Group, added 1.1 million tons of wire rod capacity in 2013.<sup>138</sup> Shougang Qian'an Iron and Steel added 500,000 metric tons per year of capacity at the end of 2013.<sup>139</sup> Hanzhong Iron & Steel Group Co., Ltd. of the Shaanxi Steel Group also added 600,000 tons per year of wire rod capacity in 2013.<sup>140</sup> Because Chinese producers continue to add wire rod capacity and habitually flout the Chinese government's directives to reduce capacity,<sup>141</sup> Chinese producers will continue to flood the U.S. market with low-priced imports in the absence of trade relief.

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investigation, a mere seven producers have responded to the Commission's questionnaire and provided no reports from CISA, although the association collects such capacity and production information. Chinese producers' refusal to participate in the Commission's investigation justifies applying AFA to Chinese wire rod producers.

<sup>135</sup> See Prehearing Staff Report at VII-8 (Table VII-3) and C-3 (Table C-1).

<sup>136</sup> See Petition, vol. I at Exhibit INJ-5.

<sup>137</sup> See Conference Transcript, Carbon and Certain Alloy Steel Wire Rod from China, Inv. No. 701-TA-512 and 731-TA-1248 (Prelim.) (Feb. 21, 2014) ("Conf. Tr.") at 10 (Mr. Kerkvliet) ("The size of the Chinese industry is so great relative to the U.S. demand that the Chinese producers will basically wipe out the entire industry if they continue to export their significant overcapacity here.").

<sup>138</sup> Petition, vol. I at Exhibit INJ-5.

<sup>139</sup> *Id.*

<sup>140</sup> *Id.*

<sup>141</sup> See *supra* note 120.



The volume of wire rod imported from China has increased at unprecedented rates during the investigation period, without any sign of slowing down. Subject imports increased a staggering 429,615 percent from 2011-2013, skyrocketing from 144 short tons to 618,790 short tons.<sup>142</sup> Moreover, Chinese import volumes in interim 2014 were 32.9 percent greater than during interim 2013.<sup>143</sup>

Chinese producers have been simply relentless in pushing their dumped and subsidized wire rod into the U.S. market at the direct expense of the domestic industry. While Chinese wire rod was practically absent from the U.S. market in 2011, subject wire rod captured nearly 13 percent of the market by the first half of 2014.<sup>144</sup> Even after the Department of Commerce imposed preliminary duties of over 100 percent on all wire rod exported from China,<sup>145</sup> Chinese producers are still making offers.<sup>146</sup> Furthermore, U.S. importers have indicated that at least another [ ] short tons of wire rod are currently on the water; these tons represent additional sales that the domestic industry has lost to dumped and subsidized subject imports.<sup>147</sup>

Chinese producers have been able to increase their volume and grab market share from the domestic industry by offering subject merchandise at “rock bottom prices.”<sup>148</sup> Subject imports undersold domestic wire rod in 94.7 percent of the pricing comparisons by margins of up

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<sup>142</sup> See Prehearing Staff Report at C-3 (Table C-1).

<sup>143</sup> See *id.*

<sup>144</sup> See *id.*

<sup>145</sup> See *Carbon and Certain Alloy Steel Wire Rod From the People's Republic of China*, 79 Fed. Reg. 38,490 (Dep't Commerce July 8, 2014) (prelim. affirmative countervailing duty deter., prelim. affirmative critical circumstances deter., and alignment of final countervailing duty deter. with final antidumping duty deter.) (“Preliminary CVD Determination”); *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China*, 79 Fed. Reg. 53,169 (Dep't Commerce Sept. 8, 2014) (prelim. deter. of sales at less than fair value and prelim. affirmative deter. of critical circumstances, in part) (“Preliminary AD Determination”).

<sup>146</sup> See Chinese Wire Rod Offers, attached at **Exhibit 14**.

<sup>147</sup> See Prehearing Staff Report at VII-11.

<sup>148</sup> See Conf. Tr. at 16 (Mr. Stirnaman).

to [ ] percent during the POI.<sup>149</sup> Their underselling margins [ ],<sup>150</sup> and there is no reason to believe this behavior will stop. In interim 2014, subject import AUVs fell to a period low of \$524, well below the \$725 AUV of domestic producers' shipments.<sup>151</sup> Domestic producers' U.S. shipment AUVs decreased approximately 9.4 percent between 2011 and 2013 due to dumped and subsidized wire rod being imported at exceptionally low prices.<sup>152</sup> The slight improvement in domestic prices in 2014 is due solely to the filing of this case; domestic prices will certainly decline further in the imminent future if trade relief is not granted.

Subject imports have negatively affected the U.S. wire rod industry, causing a decline in market prices, deterioration of the domestic industry's financial performance, and job losses. The U.S. industry is currently operating at a period-low capacity utilization rate of 67.5 percent.<sup>153</sup> The domestic industry's operating margin has declined from 7.0 percent in 2011, to 5.1 percent in 2012, to 4.1 percent in 2013, and plummeted to 1.7 percent in the first half of 2014.<sup>154</sup> Additional imports will only further injure the domestic industry.

Moreover, investments that the domestic industry made when low-priced imports of Chinese wire rod were absent from the U.S. market are in jeopardy, along with domestic producers' ability to make new investments and reinvestments in property, plant, and equipment.<sup>155</sup> Nucor invested "over one hundred million dollars in {its} wire rod operations to better serve its customers,"<sup>156</sup> but these investments are threatened by increased low-priced

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<sup>149</sup> See Prehearing Staff Report at V-18 ("prices for wire rod imported from China were below those for U.S.-produced product in 36 of 38 instances ([ ] short tons)").

<sup>150</sup> *Id.* at V-9 (Table V-4), V-10 (Table V-5), and V-19 (Table V-9).

<sup>151</sup> *Id.* at C-3 (Table C-1).

<sup>152</sup> *See id.*

<sup>153</sup> *Id.*

<sup>154</sup> *Id.*

<sup>155</sup> See U.S. Producers' Questionnaire Response of [ ] ([ ] at III-16 ("[

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<sup>156</sup> Conf. Tr. at 21 (Mr. Nystrom).

imports from China. In light of the depressed financial performance as a result of subject imports, the incremental nature of projected demand increases, and needed but expensive investments, the U.S. wire rod industry is highly vulnerable to subject imports and threatened with material injury.

In sum, the domestic wire rod industry is threatened with material injury by reason of subject imports. Chinese producers and exporters have a track record of shipping massive volumes of wire rod to the U.S. at extremely low prices and quickly increasing their market share. Chinese producers also have massive excess capacity to unload. Low-priced Chinese imports are a direct cause of the domestic wire rod industry's deteriorated financial condition and the domestic industry will not benefit from any gradual increases in demand with dumped and subsidized Chinese imports in the market. Therefore, the Commission should find that unfairly traded imports from China threaten additional material injury to the domestic industry.

**VI. THE COMMISSION SHOULD FIND THAT CRITICAL CIRCUMSTANCES EXIST**

The Department of Commerce (the "Department") has issued affirmative preliminary critical circumstances determinations in its countervailing duty ("CVD") and antidumping ("AD") investigations.<sup>157</sup> With respect to the CVD investigation, the Department found that critical circumstances exist with respect to all Chinese exporters except Benxi Steel.<sup>158</sup> In relation to the AD investigation, the Department found that critical circumstances exist for all Chinese exporters except Rizhao Steel Wire Co., Ltd., Hunan Valin Xiangtan Iron & Steel Co.

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<sup>157</sup> Preliminary CVD Determination; Preliminary AD Determination.

<sup>158</sup> Preliminary CVD Determination.

Ltd, and Jiangsu Shagang International Trade Co. Ltd.<sup>159</sup> As a result, the Commission must now determine whether critical circumstances exist.<sup>160</sup>

Because Chinese wire rod imported prior to the effective date of relief is likely to seriously undermine the remedial effect of a future order,<sup>161</sup> the Commission should make an affirmative finding of critical circumstances in this case. As an initial matter, the Commission should, for purposes of this case, alter its current critical circumstances analysis to better reflect Congressional intent. In particular, the Commission should not duplicate the Department of Commerce's analyses; nor should it discount or ignore its sister agency's findings. But regardless of whether the Commission employs its traditional analysis or not, each of the three critical circumstances factors that Congress has directed the Commission to consider are met in this case: the timing and volume of subject imports, coupled with a rapid increase in inventories and other relevant circumstances, all indicate that the effectiveness of any eventual trade relief will be undermined if critical circumstances are not found.

**A. The Commission's Current Critical Circumstances Practice Does Not Effectuate Congressional Intent**

The Tariff Act's critical circumstances provision requires the Commission to analyze "whether the imports subject to {the Department of Commerce's (the "Department"))" affirmative determination . . . are likely to undermine seriously the remedial effect of the antidumping duty order to be issued . . . ."<sup>162</sup> The statute was intended to provide relief to the domestic industry from importers that rush to import subject merchandise before the

<sup>159</sup> Preliminary AD Determination.

<sup>160</sup> See 19 U.S.C. § 1673d(b)(4)(A)(i).

<sup>161</sup> See 19 U.S.C. § 1673d(b)(4)(A)(i). The Statement of Administrative Action ("SAA") indicates that the Commission's critical circumstances determination is intended to determine "whether, by massively increasing imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order." Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. No. 103-316, vol. 1 at 877 (1994) ("SAA").

<sup>162</sup> See 19 U.S.C. § 1673d(b)(4)(A)(i).

Department's preliminary determination.<sup>163</sup> Yet, despite the plain Congressional intent behind the provision, the Commission has only rarely found that critical circumstances exist.

Congress has long expressed its dissatisfaction with this state of affairs.<sup>164</sup> For example, by 1988, the Commission had only issued two affirmative critical circumstances determinations in eight years, leading Congress to explicitly characterize the provision as "ineffective."<sup>165</sup> Congress therefore amended the original provision, explaining that, "an improved critical circumstances procedure will significantly strengthen antidumping and countervailing duty procedures by revitalizing a provision that has up to now been ineffective."<sup>166</sup>

Despite Congress' attempt to revitalize the critical circumstances provision, the Commission has found that critical circumstances exist in only three cases since 1994.<sup>167</sup> In other words, despite Congress' clarifying amendments,<sup>168</sup> the critical circumstances provision is less effective now than when Congress initially criticized the Commission's application of the critical circumstance provision in 1988.<sup>169</sup>

The statute contemplates that both the Department and the Commission will be involved in critical circumstances determinations, but requires that they perform different analyses in

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<sup>163</sup> See SAA at 877.

<sup>164</sup> See H.R. Rep. No. 100-576, at 610-611 (1988). Congress amended the critical circumstances provision in 1988 and again in 1994 through the implementation of the Uruguay Round Agreements. Congress explained that the 1994 amendments to the critical circumstances provision were made to track the language of the Uruguay Round Agreement. The 1994 amendments changed the language of the factors that the Department is required to consider in making its final critical circumstances determination but the amended 1994 factors are essentially "reformulations of many of the factors in the {1988} statute. The new list not exclusive. The factors provided in the {1988} statute, even though not specifically mentioned in the bill, may be relevant in particular investigations." See SAA at 877. As a result, the legislative history of the 1988 amendments is also relevant in interpreting the critical circumstances provision.

<sup>165</sup> *Id.*

<sup>166</sup> *Id.*

<sup>167</sup> See *Honey from Argentina and China*, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Final), USITC Pub. 3470 (Nov. 2001); *Certain Preserved Mushrooms From China, India, and Indonesia*, Inv. Nos. 731-TA-777-779 (Final), USITC Pub. 3159 (Feb. 1999); *Synthetic Indigo from China*, Inv. No. 731-TA-851 (Final), USITC Pub. 3310 (June 2000).

<sup>168</sup> See SAA at 877.

<sup>169</sup> See H.R. Rep. No. 100-576, at 611 (1988).

support of these determinations. Specifically, Congress has tasked the Department with determining whether “there have been massive imports of the subject merchandise over a relatively short period.”<sup>170</sup> The Commission, by contrast, is required to consider: (1) the timing and the volume of the imports; (2) a rapid increase in inventories of the imports; and (3) any other circumstances indicating that the remedial effect of the antidumping order will be seriously undermined.<sup>171</sup> The statute specifically requires the Commission to analyze “whether the imports subject to the affirmative determination under subsection (a)(3) of this section {(which are the subject imports the Department already found increased massively over a relatively short period)} are likely to undermine seriously the remedial effect of the antidumping duty order to be issued.”<sup>172</sup>

The statute does not direct the Commission to re-perform analyses undertaken by the Department (such as that agency’s “massive increase” analysis).<sup>173</sup> Nor does it permit the Commission to ignore the Department’s critical circumstances findings, even if those findings are made on the basis of adverse facts available.<sup>174</sup> As a result, the Commission’s critical circumstances analysis should proceed from the premise that, as the Department has already found, a “surge” in imports has occurred. The Commission should then focus on the effects of those imports to determine if they are likely to undermine seriously the remedial effect of any antidumping and/or countervailing duty order.

Over time, however, the Commission’s critical circumstances analysis (at least with respect to “timing and volume”) has become duplicative of the Department’s analysis, focusing on a mathematical comparison of subject import volume in a period prior to and after the filing

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<sup>170</sup> See 19 U.S.C. § 1673d(a)(3)(B).

<sup>171</sup> 19 U.S.C. § 1673d(b)(4)(A)(ii).

<sup>172</sup> See 19 U.S.C. § 1673d(b)(4)(A)(i).

<sup>173</sup> Compare 19 U.S.C. § 1673d(b)(4)(A)(i) – (ii)(I), with 19 U.S.C. § 1673d(a)(3)(B).

<sup>174</sup> See 19 U.S.C. § 1673d(b)(4)(A)(i).

of the petition.<sup>175</sup> Specifically, the Commission's current analysis for the first statutory factor considers import quantities prior to the filing of the petition with those subsequent to the filing of the petition using monthly statistics on the record regarding those firms for which the Department has made an affirmative critical circumstance determination.<sup>176</sup> The statute does not appear to require – or even to contemplate – that the Commission conduct such an analysis.

Indeed, Congress used different language for the Commission's "timing and volume" analysis and the Department's "massive imports" analysis.<sup>177</sup> "It is an elementary canon of construction that, if the same language is used in two different provisions, the language is presumed to have the same meaning. . . By the same token, where . . . the language that is used is different, it is reasonable to assume that different meanings were intended."<sup>178</sup> As a result, the Commission's "timing and volume" analysis should not simply duplicate the Department's "massive imports" analysis.

In this case, the Commission can best fulfill Congress' intention to make the critical circumstances provision more effective by altering its analysis.<sup>179</sup> Typically, if the Commission finds that one of the factors does not support a finding of critical circumstances, the Commission will issue a negative finding of critical circumstances.<sup>180</sup> The Commission's analysis should not

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<sup>175</sup> See *Steel Wire Garment Hangers from Vietnam*, Inv. No. 701-TA-487 (Final), USITC Pub. 4371 (Jan. 2013) at 4-5. The legislative history of the 1988 Act indicates that Congress recognized that the Commission's analysis of the statutory factors is "not susceptible to precise mathematical calculations." See H.R. Rep. No. 100-576, at 612 (1988).

<sup>176</sup> *Id.* at 5.

<sup>177</sup> Compare 19 U.S.C. § 1673d(b)(4)(A)(i) - (ii)(I), with 19 U.S.C. § 1673d(a)(3)(B).

<sup>178</sup> See *Rubbermaid Commercial Products LLC v. United States*, No. 11-00463, Slip. Op. 14-113 (Ct. Int'l Trade Sept. 23, 2014).

<sup>179</sup> However, to the extent the Commission continues to utilize its current analysis, the Commission should place substantial weight on the Department's affirmative critical circumstances determination when analyzing the "timing and volume of subject imports."

<sup>180</sup> See *Circular Welded Carbon-Quality Steel Pipe from China*, Inv. Nos. 701-TA-447 and 731-TA-1116 (Final), USITC Pub. 4019 (July 2008) at 24; *Certain Tissue Paper Produces from China*, Inv. No. 731-TA-1070B (Final), USITC Pub. 3758 (Mar. 2005) at 24-25; *Certain Brake Drums and Rotors From China*, Inv. No. 731-TA-744 (Final), USITC Pub. 3035 (Apr. 1997). See also *Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-

be so rigid. Rather, the Commission should analyze the totality of the three statutory factors and make a holistic determination of whether the imports subject to the Department's affirmative critical circumstances determination have the effect of undermining an order. In any event, the absence of one factor should not preclude the Commission from issuing an affirmative critical circumstances determination.

Using this analysis, the Commission should find that critical circumstances exist in this case because importers shipped significant quantities of subject imports prior to the Department's preliminary determination and now have [

] <sup>181</sup> Although demand for wire rod is gradually increasing, [

]. <sup>182</sup> Indeed, both production and commercial shipments have decreased since the filing of the petition, with both metrics being 3.1 percent lower in January-June 2014 than in January-June 2013. <sup>183</sup> As a result, the totality of the circumstances demonstrates that the imports that were imported after the petition will undermine seriously the remedial effect of an order. Thus, the Commission should find that critical circumstances exist.

**B. The Timing and Volume of Subject Imports Suggest that Critical Circumstances Exist**

Even if the Commission declines to alter its critical circumstances analysis, the Commission should still issue an affirmative critical circumstances determination in this case. With respect to the first factor, the Commission should find that the timing and volume of Chinese wire rod imports suggest that critical circumstances exist. In considering the timing and

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1104 (Final), USITC Pub. 3922 (June 2007) at 35; *Steel Concrete Reinforcing Bars from Turkey*, Inv. No. 731-TA-745 (Final), USITC Pub. 3034 (Apr. 1997) at 34.

<sup>181</sup> See Prehearing Staff Report at VI-24; [ ] U.S. Producers' Questionnaire Response at III-16.

<sup>182</sup> [ ] U.S. Producers' Questionnaire Response at III-16.

<sup>183</sup> See Prehearing Staff Report at III-5, III-9.



volume of subject imports, the Commission's practice is to consider import quantities prior to the filing of the petition with those subsequent to the filing of the petition using monthly statistics on the record regarding those firms for which the Department has made an affirmative critical circumstance determination.<sup>184</sup> While the Commission's normal practice is to rely on data gathered for the six-month periods immediately preceding and following the filing of the petition,<sup>185</sup> the statute does not specify any time frames,<sup>186</sup> and the Commission has analyzed different periods where the circumstances so warrant.<sup>187</sup> As discussed below, the circumstances of the wire rod market warrant departure from the time period normally considered in the Commission's critical circumstances analysis.

1. Using a Three-Month Comparison Period, the Commission Should Find that the Timing and Volume of Subject Imports Indicates that Critical Circumstances Exist

In conducting its volume and timing analysis, the Commission should take into account the fact that importers and purchasers were buying Chinese wire rod in anticipation of the filing of this case. Indeed, [ ] has explained that "[ ]"<sup>188</sup> In fact, [ ], a major wire rod purchaser, stated that

[ ]

] <sup>189</sup>

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<sup>184</sup> See *Steel Wire Garment Hangers from Vietnam*, USITC Pub 4371 at 4-5.

<sup>185</sup> *Id.* at 5.

<sup>186</sup> *Circular Welded Carbon-Quality Steel Pipe from China*, USITC Pub. 4019 at 24.

<sup>187</sup> *Id.* at 4. See also *Certain Polyester Staple Fiber from China*, USITC Pub. 3922 at 35; *Steel Concrete Reinforcing Bars from Turkey*, USITC Pub. 3034 at 34.

<sup>188</sup> See Nucor's Post-Conference Brief at 30.

<sup>189</sup> See [ ]

[ ], attached at **Exhibit 15** (admitting that [ ]

Furthermore, [

] <sup>190</sup> As a result, the Commission

has an affirmative statement [ ] that it intentionally increased its import purchases in order to minimize the effect of the antidumping and countervailing duty orders.

Nevertheless, the Commission should use a three-month comparison period for its “timing and volume” analysis. A three-month period represents the most relevant period to analyze whether importers rushed subject merchandise into the United States to undermine significantly the remedial effects of the orders. First, because the lead times associated with imported subject merchandise, a three month comparison period signifies the latest period where importers could purchase subject merchandise and minimize the risk that the shipment would arrive in the United States after the Department issued its preliminary determination.<sup>191</sup> Second, pursuant to the Tariff Aft, the earliest period at which CVD duties can be imposed pursuant to a preliminary determination at the Department is 85 days from the date of the petition.<sup>192</sup> Indeed, in its preliminary CVD determination, the Department used a three-month comparison period and found that critical circumstances exist.<sup>193</sup> Although not required by the Commission’s

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<sup>190</sup> See *id.*

<sup>191</sup> See Preliminary CVD Determination; Preliminary AD Determination.

<sup>192</sup> 19 U.S.C. §1671a(c)(1)(A) states that the Department will initiate an investigation within twenty days of the petition. 19 U.S.C. §1671b(b) then directs the Department to make a preliminary subsidy determination within 65 days of initiation. Upon rendering its preliminary determination, the Department is directed to require the posting of appropriate cash deposits. 19 U.S.C. §1671b(d). Generally it takes five days for the Department’s Preliminary Determination to be published in the Federal Register; accordingly, the earliest that preliminary duties can be imposed is 90 days after the filing of a petition.

<sup>193</sup> Preliminary CVD Determination.

practice, using a three-month period would be consistent with the Department's critical circumstances determination.

The Commission has used a three-month comparison period in past cases. For example, in *Synthetic Indigo from China*, one of the three past cases where the Commission found that critical circumstances existed, the Commission used a three-month comparison period.<sup>194</sup> There the Commission selected three month comparison period because "subject imports may have been suppressed because they would have been within 90 days of Commerce's pending preliminary determination."<sup>195</sup> Based on the three-month comparison period, the Commission found that imports increased significantly.<sup>196</sup> However, after the three month surge, import volumes fell significantly and thereafter remained well below previous levels.<sup>197</sup>

Here, imports subject to the affirmative AD and CVD critical circumstances determination reached period highs three months after the petition was filed (*i.e.* April 2014), then [ ].<sup>198</sup> The decrease in imports after April 2014 reflects that "subject imports may have been suppressed because they would have been within 90 days of Commerce's pending preliminary determination."<sup>199</sup>

Using a three-month comparison period, the Commission should find that the timing and volume of subject imports support an affirmative critical circumstances determination. In particular, imports subject to the Department's CVD critical circumstances determination increased [ ] percent, exploding from [ ] short tons in November 2013-January 2014 to

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<sup>194</sup> See *Synthetic Indigo from China*, USITC Pub. 3310 at 14-15.

<sup>195</sup> *Id.* at 15.

<sup>196</sup> *Id.*

<sup>197</sup> *Id.*

<sup>198</sup> Prehearing Staff Report at IV-14 (Table IV-5) – IV-15 (Table IV-6).

<sup>199</sup> See *Synthetic Indigo from China*, USITC Pub. 3310 at 15.

[ ] short tons in February 2014-April 2014.<sup>200</sup> Imports subject to the AD critical circumstances determination also increased [ ] percent, rising from [ ] short tons in November 2013-January 2014 to [ ] short tons in February 2014-April 2014.<sup>201</sup>

Furthermore, the timing of subject imports after the filing of the case demonstrates that critical circumstances exist. In *Certain Preserved Mushrooms from China, India, and Indonesia*, the Commission found that critical circumstances existed based on the data for one Chinese producer that accounted for a substantial portion of the total imports from China.<sup>202</sup> The Commission described that prior to filing the petition, the Chinese producer's imports fluctuated but in the months immediately following the petition, its imports surged dramatically, far exceeding previous monthly levels.<sup>203</sup> Monthly import volume more than doubled between January and February, and the import volume for March "was over 50 percent above that for February and almost four times the level of January."<sup>204</sup>

Here, as in *Certain Preserved Mushrooms from China, India, and Indonesia*, the import volumes for both the CVD and AD critical circumstances determinations fluctuated in the months prior to filing the petition.<sup>205</sup> However, the volume of subject imports surged immediately after the petition was filed at the end of January 2014. For the AD critical circumstances determination, imports in April 2014 were nearly [ ] than the volume in February 2014.<sup>206</sup> Similarly, imports subject to the Department's CVD critical circumstances determination were [ ] short tons in February 2014.<sup>207</sup> By April 2014, subject

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<sup>200</sup> Prehearing Staff Report at IV-14 (Table IV-5).

<sup>201</sup> *Id.* at IV-15 (Table IV-6).

<sup>202</sup> *Certain Preserved Mushrooms From China, India, and Indonesia*, USITC Pub. 3159 at 23-25.

<sup>203</sup> *Id.* at 24.

<sup>204</sup> *Id.*

<sup>205</sup> See Prehearing Staff Report at IV-14 (Table IV-5) – IV-15 (Table IV-6).

<sup>206</sup> *Id.* at IV-15 (Table IV-6).

<sup>207</sup> *Id.* at IV-14 (Table IV-5).

imports were more than [ ] greater than the imports that entering the United States in February 2014.<sup>208</sup> These surges demonstrate that importers were attempting to beat the preliminary determination and undermine seriously the effectiveness of an order. Therefore, the Commission should find that critical circumstances exist using a three-month comparison period.

2. If the Commission Finds that the Business Cycle for Wire Rod is Seasonal, the Commission Should Analyze the Six-Month Interim Periods Consistent with Its Practice

Conversely, to the extent that the Commission finds that the wire rod market experiences some seasonality, the Commission should compare the six-month interim periods. In *Rebar from Turkey*, the Commission found that there was a seasonal cycle for rebar where shipments were “generally higher in the spring and summer, and slower in the fall and winter, primarily as a result of the peak construction activity during the summer months.”<sup>209</sup> The Commission therefore determined that it was appropriate to compare imports on the basis of six-month interim periods.<sup>210</sup> Similarly, if the Commission finds that “wire rod follows the seasonality of the construction market, which tends to slow during the winter months,”<sup>211</sup> it would be appropriate to analyze the six-month interim periods of January-June 2014 and January-June 2013. These months correspond to those in which imports are most likely to arrive so as to be usable in construction projects. This six-month comparison would support an affirmative critical circumstances finding.<sup>212</sup>

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<sup>208</sup> *Id.* at IV-14(Table IV-5) – IV-15 (Table IV-6).

<sup>209</sup> *Steel Concrete Reinforcing Bars from Turkey*, USITC Pub. 3034 at 20. *See also Rebar*, USITC 4996 at 19 (noting seasonal nature of construction activity and its effect on demand in the U.S. market).

<sup>210</sup> *Id.*

<sup>211</sup> Prehearing Staff Report at II-13.

<sup>212</sup> The Commission only requested [ ] import data from August 2013-January 2014 and February 2014 to July 2014. *See* Prehearing Staff Report at IV-14. Nucor notes that while the interim data would include Benxi Steel’s data for the CVD affirmative determination, Benxi Steel will likely be subject to the Commerce’s final affirmative critical circumstances determination because it has failed to participate in the final phase of the Department’s investigation and the agency will likely apply adverse inferences to its critical circumstances determination.

Based on this 6-month comparison period, the Commission should find that there was a substantial increase in imports for the purpose of beating the date of preliminary duty relief.<sup>213</sup> Specifically, imports of Chinese wire rod “were 32.9 percent higher in January-June 2014 than in January-June 2013,” increasing from 274,888 short tons to 365,273 short tons.<sup>214</sup> This is a significant increase in the volume of subject merchandise and, thus, clearly warrants an affirmative critical circumstances determination.

**C. The Rapid Increase in Inventories of Subject Merchandise Demonstrates that Critical Circumstances Exist**

The second statutory factor in the Commission’s critical circumstances analysis requires it to analyze whether there is a rapid increase in inventories of subject imports.<sup>215</sup> Congress has stated that “imports that remain in inventories . . . represent an additional blow to an already-injured industry.”<sup>216</sup> Because the presence of inventories of subject imports is particularly relevant to whether the effect of an order will be undermined, the Commission should ensure that it considers all evidence of rapidly increasing inventories.

In this case, the already-injured domestic wire rod industry has been hit with a one-two punch because both importers and purchasers hold significant inventories of subject merchandise. While the Commission has collected inventory data from importers,<sup>217</sup> the record does not contain inventory data for purchasers. However, [ ] have admitted that they built inventories of subject wire rod. These admissions are the highly probative information on the actions taken to undermine the effectiveness of trade relief.

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<sup>213</sup> See, e.g., [ ], attached at Exhibit 15.

<sup>214</sup> See Prehearing Staff Report at IV-4 (Table IV-2).

<sup>215</sup> 19 U.S.C. § 1673d(b)(4)(A)(ii).

<sup>216</sup> H. R. Rep. No. 100-576, at 611 (1988).

<sup>217</sup> Prehearing Staff Report at VII-10 (Table VII-5).

1. Inventories of Subject Wire Rod Rapidly Increased

From mid-2013 onward, U.S. buyers anticipated that a trade case would soon be filed. They therefore began to [ ]<sup>218</sup> In its questionnaire response, [ ] stated that the [ ]<sup>219</sup> [ ] explained that its “[ ]<sup>220</sup>

Indeed, [ ] have admitted as much to rapidly increasing their inventories of Chinese wire rod in order to ensure continuing supply of dumped and subsidized product. [ ]<sup>221</sup> [ ] short tons of Chinese wire rod in 2013, and an incredible [ ] short tons in just the [ ]<sup>222</sup> Likewise, [ ], a purchaser that reported [ ], reported that it [ ]<sup>223</sup>

Moreover, the fact that purchasers increased their purchases of Chinese wire rod and decreased their purchases of domestic wire rod, particularly in the first half of 2014, indicates

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<sup>218</sup> See *Id.* at VI-24; [ ] U.S. Producers’ Questionnaire Response at III-16, II-3d, IV-13.

<sup>219</sup> Prehearing Staff Report at VI-24; [ ] U.S. Producers’ Questionnaire Response at III-16, II-3d, IV-13.

<sup>220</sup> [ ] U.S. Producers’ Questionnaire Response at III-16.

<sup>221</sup> See [ ], attached at Exhibit 16 (“[ ]

<sup>222</sup> [ ] U.S. Purchasers’ Questionnaire Response at II-1.

<sup>223</sup> Prehearing Staff Report at V-31 – V-32.

that a significant portion of their purchases were for inventory.<sup>224</sup> For example, [

], a large purchaser of Chinese wire rod, brought [

].<sup>225</sup> Indeed, [ ] purchases of Chinese wire rod for January-June 2014 totaled [ ] short tons, while its purchases for 2012 and 2013, combined were [ ] short tons, an increase of more than [ ] percent.<sup>226</sup> The significant increase in [ ] post-petition purchases can be reasonably attributed to the company “stocking up” on wire rod given that the company reported that [

].<sup>227</sup>

Inventories held by purchasers undermine the effectiveness of an antidumping or countervailing duty order just as much as importer inventories, because they reduces sales orders for the domestic industry and decreases domestic production. As a result, the Commission should not rely exclusively on importer inventory data and incorporate purchasers’ inventories in its analysis. For example, using a conservative estimate of [ ] from January to June 2014, the Commission should add that figure (*i.e.* [ ] short tons) to the importers’ inventory for January to June 2014 and find that inventories increased rapidly.<sup>228</sup> Indeed, using this methodology (which as a conservative measure includes only one purchaser’s data), end of period inventories in the first half of 2014 increased [ ] percent compared to

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<sup>224</sup> See *supra* Part IV.A.

<sup>225</sup> See [ ] U.S. Purchasers’ Questionnaire at II-1 ([ ] D).

<sup>226</sup> *Id.*

<sup>227</sup> See *id.* at III-5(a), (b) ([ ] D).

<sup>228</sup> See [ ] U.S. Purchasers’ Questionnaire Response at II-1.



the first half of 2013.<sup>229</sup> Therefore, the Commission should find that critical circumstances exist because inventories increased rapidly.

2. Because Wire Rod is Produced to Order, the Commission Should Find that Importers' Inventory Increases are "Rapid"

Virtually all wire rod is produced to order.<sup>230</sup> U.S. producers reported that 97 percent of their 2013 U.S. commercial shipments were produced to order.<sup>231</sup> More importantly, importers reported that 99.6 percent of their 2013 U.S. commercial shipments were produced to order.<sup>232</sup> Nonetheless, U.S. importers have been increasingly accumulating inventories of subject wire rod. Indeed, while there were no inventories of subject imports in 2011, inventories increased to [ ] short tons in 2012, and to [ ] short tons in 2013.<sup>233</sup> Importers' end of period inventories for January to June 2014 were [ ] short tons, roughly commensurate with levels over the same period in 2013, when imports were surging into the market at unprecedented rates.<sup>234</sup> Moreover, on an annualized basis, 2014 inventories would equal [ ] tons, an amount larger than that held at the end of 2013.<sup>235</sup> Notably, this figure does not include the significant inventories held by U.S. purchasers.<sup>236</sup> The continued build-up and presence of large inventories of dumped and subsidized Chinese wire rod has continuing knock-on effects for U.S. producers. These include increasing domestic inventories as U.S. producers are increasingly unable to sell wire rod to consumers working off of inventories of Chinese rod.<sup>237</sup>

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<sup>229</sup> See *id.*; Prehearing Staff Report at VII-10.

<sup>230</sup> Prehearing Staff Report at II-16.

<sup>231</sup> *Id.*

<sup>232</sup> *Id.*

<sup>233</sup> *Id.* at VII-10.

<sup>234</sup> *Id.*

<sup>235</sup> *Id.*

<sup>236</sup> See *id.*; see also [ ], attached at Exhibit 15.

<sup>237</sup> Prehearing Staff Report at C-3 (Table C-1). U.S. producers' inventories/shipment ratio has increased in every year of the investigation period, reaching a period high of 8.3% in interim 2014. Given that the vast majority of wire rod is produced to order, see Prehearing Staff Report at II-16, this domestic inventory buildup is a palpable

The fact that there are increasing inventories of subject wire rod – a product that is primarily produced to order – is peculiar in itself, and suggests that inventories are being built up in order to decrease the effectiveness of trade relief. Indeed, [

] <sup>238</sup> and [

] <sup>239</sup> In other words, this

company, along with other market participants, understands that antidumping and countervailing duties will cause the low-priced Chinese wire-rod [

] <sup>240</sup> As a result, importers and purchasers are [

] <sup>241</sup> Therefore, the Commission should find that

importers' increased inventories of subject merchandise are "rapid" for the purpose of its inventories analysis.

**D. Additional Circumstances Indicate that the Remedial Effect of the Antidumping and Countervailing Duty Orders Have Been Seriously Undermined**

The third statutory factor in the Commission's critical circumstances determination requires the agency to analyze whether any other circumstances indicate that the remedial effect of the antidumping order will be seriously undermined.<sup>242</sup> In past cases, the Commission has considered whether adverse inferences should result in an affirmative critical circumstances

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sign of distress and further demonstrates the material injury that has been caused – and which is continuing – by reason of subject imports.

<sup>238</sup> See [ ], attached at Exhibit 15.

<sup>239</sup> See [ ], attached at Exhibit 16.

<sup>240</sup> See [ ], attached at Exhibit 16.

<sup>241</sup> *Id.*

<sup>242</sup> See 19 U.S.C. § 1673d(b)(4)(A)(ii)(III).

determination.<sup>243</sup> In addition, the SAA states that Commission may analyze any of the factors reviewed prior to the 1988 amendments to the critical circumstances provision.<sup>244</sup> The most relevant such factors to this case are (1) whether foreign economic conditions led to the massive imports and (2) whether such foreign economic conditions are likely to persist.<sup>245</sup> These additional circumstances indicate that the remedial effect of the orders will be undermined.

1. The Commission Should Apply Adverse Inferences In Its Critical Circumstances Determination

The Commission should apply adverse inferences in its critical circumstances determination because as discussed above, the Chinese wire rod industry has failed to fully participate in this investigation.<sup>246</sup> Specifically, CISA, an organization that represents the vast majority of the Chinese steel industry, is represented by counsel in this investigation, yet only seven Chinese wire producers submitted questionnaire responses.<sup>247</sup> The Commission should not tolerate this lack of responsiveness, which has not been limited to the Commission's portion of the investigation. Indeed, the Department will likely base its final AD and CVD determinations, including its critical circumstances determinations, on total adverse facts available because the mandatory respondents either withdrew from the Department's investigation or outright refused to participate.<sup>248</sup> To prevent foreign respondents from cherry-picking the investigations in which they would like to be active, the Commission should apply adverse inferences to at least the

<sup>243</sup> *Certain Crepe Paper Products From China*, Inv. No. 731-TA-1070A (Final), USITC Pub. 3749, (Jan. 2005) at 16, n.117 ("We have denied Petitioners' request that we draw adverse inferences against U.S. importers in considering available import and inventory data. The data collected by the Commission through its questionnaires generally covered all known major importers of crepe paper. . . (one major importer was unable to provide inventory data).").

<sup>244</sup> See SAA at 877 ("The new factors track the language of the Agreement, and essentially are reformulations of many of the factors in the current statute. The new list is not exclusive. The factors provided in existing statute, even though not specifically mentioned in the bill, may be relevant in particular investigations.").

<sup>245</sup> H. R. Rep. No. 100-576, at 611 (1988).

<sup>246</sup> See *supra* Part II.

<sup>247</sup> See Prehearing Staff Report at VII-4.

<sup>248</sup> See Preliminary AD Determination.

“timing and volume” factor of its critical circumstances analysis. Applying adverse inferences to Chinese wire rod producers for this factor will ensure that both agencies’ analyses are consistent and would encourage foreign respondents to fully participate in the both the dumping/subsidy and injury portions of U.S. trade cases. Therefore, the Commission should apply adverse inferences in reaching its critical circumstances determination.

2. Substantial Subsidies, Overcapacity, and Weak Demand Have Led to Massive Imports and These Economic Conditions Will Likely Persist

Economic conditions in China, such as substantial subsidies, overcapacity, and weak demand have led to the massive imports and these conditions are likely to persist because they are fundamental characteristics of the Chinese economy. The Chinese government provides massive subsidies to the Chinese wire rod industry and subject imports will likely continue to increase in the imminent future as a result. In fact, the Department has already found that the Chinese government subsidizes wire rod production at rates up 81.36 percent.<sup>249</sup> These subsidies promote excess production and capacity expansions, and encourage exports of subject merchandise to attractive markets such as the United States.

In addition to massive subsidies, the Chinese steel industry, including wire rod, is characterized by chronic overcapacity. According to Li Xinchuang, Executive Vice Secretary-General of CISA, overcapacity in the steel sector is “probably beyond our imagination.”<sup>250</sup> Furthermore, for the last ten years, the Chinese government’s attempts to reduce capacity have failed miserably.<sup>251</sup> There is no expectation that the Chinese government will be successful in

<sup>249</sup> Preliminary CVD Determination.

<sup>250</sup> Nucor’s Post-Conference Brief at Exhibit 2F (David Stanway, *UPDATE 1-China’s Steel Sector Troubles Can’t Be Solved Easily* – CISA, Reuters (Feb. 24, 2014)).

<sup>251</sup> See *Overcapacity, slowdown bring steel industry losses*, ChinaDaily (Apr. 29, 2014), attached at **Exhibit 10** (“Overcapacity, excess supply and sagging prices have taken Chinese steel companies from profit to loss in the first quarter, and the problems are set to get worse. . . According to a government work report in March, 27 million tons of production capacity must be cut in the sector this year, but things have not gone entirely to plan. The government placed strict controls on new steel production last year, but new projects are still carried out.”).

the future.<sup>252</sup> Currently, the Chinese wire rod industry is projected to produce [ ] short tons of wire rod in 2014, with [ ] tons of excess capacity.<sup>253</sup> Overcapacity and excess production will continue to persist as Chinese producers continue to add unnecessary capacity to their mills.<sup>254</sup>

Finally, wire rod demand in China is weak and is not expected to fully recover in the near future. Indeed, the Chinese government is increasingly redirecting “[

].”<sup>255</sup> In fact, [ ] forecasts that the Chinese long products market will experience negative growth after 2018.<sup>256</sup> Given the ongoing weakness in the domestic market, much China’s production is directed towards export markets. As a result, subsidized steel production, overcapacity, and weak demand in China are economic factors that have contributed to Chinese producers pushing massive quantities of wire rod into the United States after the petition was filed. Therefore, the Commission should find that the relevant factors included in the 1987 amendments to the critical circumstances provision demonstrate that subject imports will undermine the remedial effects of the order.

### 3. The Large Surge In Imports Found by the Department Will Delay the Beneficial Effects of the Order

There is no question that the post-petition surge in imports occurred to intentionally reduce the beneficial effect of a potential order. For example, [

],<sup>257</sup> stated that it

[

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<sup>252</sup>

*Id.*

<sup>253</sup>

*See* Chinese Wire Rod Industry Production Capacity, attached at **Exhibit 5**.

<sup>254</sup>

*See id.*, attached at **Exhibit 5**.

<sup>255</sup>

*See* [ ], excerpts attached at **Exhibit 9**.

<sup>256</sup>

*Id.* at [ ], excerpts attached at **Exhibit 9**.

<sup>257</sup>

*See* [ ] U.S. Purchasers’ Questionnaire Response at II-1; Prehearing Staff Report at C-3 (Table C-1).

].<sup>258</sup> Specifically, [

]<sup>259</sup> As a result, [ ] with other major U.S. purchasers have reduced their purchases of domestically produced wire rod and increased their purchases of subject merchandise.<sup>260</sup>

The surge in Chinese imports after the petition was filed has created [

].<sup>261</sup> Because [

] U.S. producers' production, capacity utilization rates, and shipments have fallen to the lowest levels of the POI.<sup>262</sup> Indeed, the domestic industry's capacity utilization fell from 71.0 percent in January-June 2013 to 67.5 percent in January-June 2014.<sup>263</sup> Similarly, domestic production and shipments in the first half of this year were 3.1 percent and 2.2 percent lower than in the first half of 2013, respectively.<sup>264</sup> As a result, the domestic industry's market share declined 4.4 percent to its period low of 64.8 percent in January-June 2014.<sup>265</sup>

With reduced sales orders due to the massive increase of Chinese wire rod after the petition was filed, the financial health of the domestic wire rod industry has also suffered.

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<sup>258</sup> See [ ], attached at **Exhibit 16** (stating that [

]”).

<sup>259</sup> See [ ], attached at **Exhibit 16**. See also [ ], attached at **Exhibit 15**.

<sup>260</sup> See [ ] U.S. Purchasers' Questionnaire Response at II-1; [ ] U.S. Purchasers' Questionnaire Response at II-1 ([ ]).

<sup>261</sup> [ ] U.S. Producers' Questionnaire Response at III-16.

<sup>262</sup> See [ ] U.S. Producers' Questionnaire Response at II-3d.

<sup>263</sup> Prehearing Staff Report at C-3 (Table C-1).

<sup>264</sup> *Id.*

<sup>265</sup> *Id.*

Congress has previously acknowledged that “the weaker the condition of the U.S. industry, the greater the need to levy a retroactive duty to prevent unfairly priced sales of imports.”<sup>266</sup> Here, the domestic wire rod industry is essentially at break-even profitability.<sup>267</sup> Operating income has fallen from 7.0 percent in 2011 to 1.7 percent in the interim period.<sup>268</sup> In fact, [ ] producers, representing [ ] percent of U.S. production reported losses as the investigation period progressed.<sup>269</sup>

In fact, the domestic industry’s condition worsened considerably in the first half of 2014 as subject importers and purchasers [

] before duties could be imposed.<sup>270</sup> The imports entered during this time period will have continuing deleterious effects for the U.S. industry’s sales, cash flow, and investment even if the Commission determines to grant relief. It is just this type of problem that the critical circumstances determination is intended to address.

Given the fragile condition of the domestic industry, the surge in imports has already undermined preliminary relief and will only continue to delay increased profits and necessary capital expenditures. The surge in imports will also delay the hiring of additional workers and the ability to increase their pay. Therefore, because the post-petition surge in imports have already undermined preliminary relief and will delay the beneficial effects of any forthcoming orders, the Commission should find that critical circumstances exist.

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<sup>266</sup> H. R. Rep. No. 100-576, at 611 (1988).

<sup>267</sup> Prehearing Staff Report at C-3 (Table C-1).

<sup>268</sup> *Id.*

<sup>269</sup> *Id.* at VI-4 (Table VI-1); *Id.* at VI-13 (Table VI-3) and VI-17 – VI-18.

<sup>270</sup> *Id.* at C-3 (Table C-1).

VII. CONCLUSION

For the foregoing reasons, Nucor requests that the Commission make an affirmative determination that there is a reasonable indication of material injury and threat of material injury by reason of wire rod from China, and to find that critical circumstances exist.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Daniel B. Pickard", is written over a horizontal line.

Daniel B. Pickard, Esq.  
Alan H. Price, Esq.  
Maureen E. Thorson, Esq.  
Derick G. Holt, Esq.

**WILEY REIN LLP**  
1776 K Street NW  
Washington DC 20006  
202-719-7000

*Counsel to Nucor Corporation*



**EXHIBIT LIST**

<b><u>Exhibit</u></b>	<b><u>Description</u></b>	
<b>1</b>	Analysis of Purchaser Questionnaire Volumes	BPI
<b>2</b>	[ ]	BPI
<b>3</b>	<i>China Iron &amp; Steel Association, China Daily</i>	PUBLIC
<b>4</b>	Comparison of Chinese Wire Rod Producers with CISA Membership List and List of Questionnaire Respondents	BPI
<b>5</b>	Chinese Wire Rod Industry Production Capacity	BPI
<b>6</b>	CISA Statistics Information	BPI
<b>7</b>	CISA Articles	BPI
<b>8</b>	Purchaser Shift Analysis	BPI
<b>9</b>	[ ]	BPI
<b>10</b>	<i>Overcapacity, slowdown bring steel industry losses, China Daily (Apr. 29, 2014)</i>	PUBLIC
<b>11</b>	<i>Chuin-Wei Yap, China Steel Exports Hit Record High in September, Wall Street Journal (Oct. 13, 2014)</i>	PUBLIC
<b>12</b>	<i>Xinhua, Daily Steel Output Hits Record High in June, Global Times (Jul. 28, 2014)</i>	PUBLIC
<b>13</b>	<i>David Stanway, Update 2 – China Daily Steel Output Rises to Near Record High in Sept, Reuters (Oct. 21, 2014)</i>	PUBLIC
<b>14</b>	Chinese Wire Rod Offers	BPI
<b>15</b>	[ ]	BPI
<b>16</b>	[ ]	BPI

# **Exhibit 1**

# **Exhibit Not Capable of Public Summary**

# **Exhibit 2**

# **Exhibit Not Capable of Public Summary**

# Exhibit 3

**CHINADAILY**.com.cn

Companies People Events Products Cities Govt Depts/Agencies Industries Data Back to Business Channel



中国钢铁工业协会

## China Iron and Steel Association

share to:

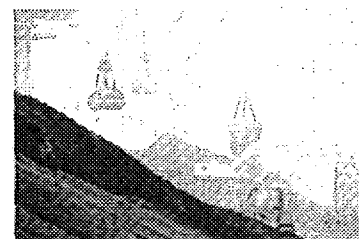
1

China Iron & Steel Association is a national, non-profitable organization founded in 1999 on the basis of China Metallurgical Enterprise Management Association. CISA members consist of China's steel enterprises, institutions, societies and individuals in the iron and steel industry, which participate the organization voluntarily according to certain regulations. CISA now has over 119

group members whose steel output, sales income and staff number account 92.6 percent, 90 percent and 75 percent respectively of the total in the domestic steel industry. CISA is made up of 7 administrative bodies with 30 staff and 7 working committees.

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Steel output

Xinjiang Uygur autonomous region

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## Articles

1-10 of 785 results

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Sort by: Newest | Oldest | Relevance

## China sees record steel output, price at 11-year low

(Xinhua) 2014-10-30 13:00

BEIJING - Chinese steel companies produced a record amount of crude steel in the first nine months, despite the government's efforts to thin the sector, according to an industrial report on Wednesday. China made over half of the world's crude steel from January to September, with total crude steel o...

## Exports soar as domestic demand weakens

By Du Juan (China Daily) 2014-10-30 06:53

Steel exports soared 39.3 percent year-on-year to 65.34 million metric tons in the first nine months of 2014 as domestic demand remained soft and prices fell, the China Iron and Steel Association announced on Wednesday. In comparison, China imported 11 million tons of steel, up 5 percent year-on-yea...

## Reforms will offer great opportunities for Hong Kong

By Kan Man-fung (China Daily) 2014-10-28 07:24

Recent central government statistics confirmed estimates by economists that the Chinese economy is cooling. China's gross domestic product (GDP) is falling to around 7.5 percent - as predicted. This is the reason some are less confident in the mainland economy. They fear it is in decline after year...

## Steelmaker looks abroad

(china.org.cn) 2014 10-21 15:38

Although dwindling domestic demand and excess capacity have shrunk profit margins for most Chinese steelmakers, it has inspired some to tap overseas markets for sustained, long-term growth. Hebei Iron & Steel Co, China's second-largest steelmaker by volume, however, believes that the current situa...

## Taking the road less traveled for growth

By Lyu Chang (China Daily) 2014-10-21 07:42

A visitor walks past the stand of HBIS (Hebei Iron and Steel Group Co Ltd) during an exhibition in Shanghai, Sept 26, 2011. [Photo/IC] Hebei Iron & Steel sets up mill in South Africa to circumvent dwindling demand, tough market conditions at home, reports Lyu Chang. Although dwindling domestic demand a...

## China sees deeper iron ore price declines

(china.org.cn) 2014-10-14 15:38

Weak demand of steel products continued to weigh down on iron ore prices in China, forcing dealers to stockpile inventories, the China Iron and Steel Association (CISA) said Tuesday. The China Iron Ore Price Index fell 8.81 percent from August to reach 282.24 points at the end of September, with im...

## China sees deeper iron ore price declines

(Xinhua) 2014-10-14 15:21

BEIJING -- Weak demand of steel products continued to weigh down on iron ore prices in China, forcing dealers to stockpile inventories, the China Iron and Steel Association (CISA) said Tuesday. The China Iron Ore Price Index fell 8.81 percent from August to reach 282.24 points at the end of September...

## Chinese firms equipped to prosper in India steel sector

By Du Juan (China Daily) 2014-10-09 07:55

Pace of economic development and infrastructure expansion offers a wealth of opportunities, reports Du Juan in Jamshedpur, India. India's steel capacity is expected to soar in the next 15 years, driven by the country's growth in infrastructure construction, which will create a huge market for China...

## Testing times lie ahead for steel firms

(Bloomberg) 2014-09-30 07:25

Manufacturing glut at home prompts steel mills to look abroad as profit margins shrink rapidly, reports Bloomberg. Tangshan Donghua Steel Enterprise Group Co was so eager for new customers overseas that it turned to cold-calling manufacturers and tried hawking metal on the e-commerce website run by ...

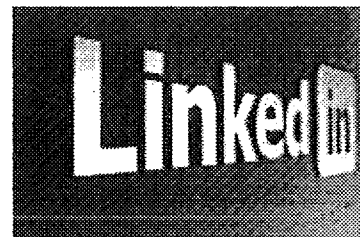
## Testing times lie ahead for steel firms

By Bloomberg (China Daily) 2014-09-30 07:17

Manufacturing glut at home prompts steel mills to look abroad as profit margins shrink rapidly, reports Bloomberg. Tangshan Donghua Steel Enterprise Group Co was so eager for new customers overseas that it turned to cold-calling manufacturers and tried hawking metal on the e-commerce website run by ...

1-10 of 785 results

Page: 1 2 3 4 5 NEXT &gt;&gt;



Nuclear power

Thermal power

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# **Exhibit 4**

**This Page Is Not  
Capable of Public  
Summary**

Home Iron and Steel Steel Special Industry Achievement Energy International Party building Legal Online

Your current location is: -> China Iron and Steel Association -> Steel Association Member -> Steel Association Member

China Steel Industry Association member units List (2014 Edition)

Source: Keywords: Date: 20140818 View 1175 times

## China Steel Industry Association member list ( 2014 edition)

First, the North China 152 homes

Beijing:

Shougang total public Division

Metallurgical Industry Planning Institute study hospital

Metallurgical Industry Letter income Standards Institute

China Metallurgical newspaper

Metallurgical Industry of Version agency

Economic Development Research Center of Metallurgical Industry

Metallurgical Industry Information Center

★ China Steel Corporation

China Iron and Steel Research Branch Technology Group Co., Ltd.

CFRI Engineering Technology Co., Ltd.

In Ye Jian building Research Institute Ltd.

Metallurgical Automation Research and Design Institute

Beijing Metallurgical Equipment research studies and Design Institute Ltd.

Beijing University of Science and Technology

Metallurgical Human Resources Development Center

Metallurgical Industry Education funding source development center

Metallurgical Technology Development Center

Metallurgical Industry Financial Services Centre

Metallurgical Industry Construction set amount Station

Metallurgical Industrial Engineering Quality Supervision Station

China Carbon Industry Association

Chinese coking line Industry Association

Chinese steel knot configuration Association

China Refractories line Industry Association

Chinese iron alloy Industry Association

China mold plate scaffolding Association

China Special Steel Enterprises Association

China Metallurgical gold Construction Association

China Association of scrap iron and steel applications

China Metallurgical Mining Enterprise Association

China International Metallurgical Council of CCPIT

China Steel Association Council Steel Branch

China Steel Association. Association of cold-formed steel

China Steel Association Stainless Steel Branch

Beijing United Steel Electric sub- commerce Co., Ltd.

Minmetals Development Co., a limited company

China Minmetals set of group companies

China Metallurgical set group limited company

The National Metallurgical Geology Bureau  
Chinese Society for Metals  
Chinese Society of Rare Earths  
Xuyang Coal Chemical Industry Group Co., Ltd.  
Beijing Jianlong Heavy Industry Group Co., Ltd.  
Metallurgical Archives  
China International Futures Co., Ltd.  
State of the Beijing authorities Logistics Services Ltd.  
China Metallurgical Institute of Education  
Beijing China Steel Metallurgical Consulting Ltd.  
Railway Materials Group Co., Ltd.  
Beijing Science and Technology Co., Ltd. thousand PHYLLIS  
China Qinghua Energy Group Co., Ltd.  
Red River zinc-Technology Development Co., Ltd.

#### Tianjin:

Tianjin Iron and Steel Industry Association  
 \* Bohai Steel Group Co., Ltd.  
Bohai Group metallurgy public Division  
Bohai Group Tiantie public Division  
Bohai Steel Group Company  
Bohai Steel Group Day  
 \* Tianjin United Steel Group Co., Ltd. Rong Cheng  
Tianjin Iron and Steel Group Co., Ltd. Metallurgical rolling a  
Tianjin Metallurgy Group rolling three Steel Co., Ltd.  
 \* Tianjin Tianfeng Steel Co., Ltd.

#### Hebei:

Hebei Metallurgical Industry Association  
 \* Hebei Iron and Steel Group Limited Company  
Hebei Iron and Steel Group Co., \*Tangshan Iron and Steel Group Co., Ltd.  
Hebei Iron and Steel Group Co., \*Handan Iron and Steel Group Co., Ltd.  
Hebei Iron and Steel Group \*Xuanhua Iron and Steel Group Co., LLC  
Hebei Iron and Steel Group Co., the company \*Chengde Iron and Steel Group  
Co., Ltd.  
Hebei Iron and Steel Group Co., \*Shijiazhuang Iron and Steel Co., Ltd.  
 \* Xinxing Ductile Iron Pipes Co., company  
Xingtai Iron and Steel Co., Ltd.  
Hebei Jinxi Steel Rail Group  
Delong Steel has a limited company  
Hebei Steel Gold has limited company  
Wuan Iron and Steel Co. wen'an  
Tangshan Guofeng Iron & Steel Co., Ltd.  
Tang Shan Hong Kong Gang Lu Railway Co.  
Hebei dedicated enterprise Industry Group  
Hebei Iron and Steel aspect Group Ltd.  
Hebei Wenfeng Iron and Steel Co., Ltd.  
Hebei Puyang Iron and Steel Group  
Hebei Puyang Iron and Steel has a limited company  
Pu (Handan) Iron & Steel Co., Ltd.  
Tangshan BA0YE Industrial Group Co.  
Hebei Iron and Steel Group Co., Ltd. Forward  
Tangshan Rui Feng Steel (Group) Co., Ltd.  
Hebei New Wuan Iron and Steel Group  
Hebei Tianzhu Iron & Steel Group Co., Ltd.  
Handan City Metallurgical Industry Association  
Tangshan Yan Shan Iron and Steel Co., Ltd.  
ANALYSTS-New Iron and Steel Co., Ltd.

Hebei Iron Products Wholesale Market Service Center  
Wall Tangshan Iron and Steel Group Co., Ltd. Jiuijiang Wire  
Hebei Shougang Qian'an Iron & Steel Co., Ltd.  
Qinhuangdao ShouQin Metal Materials Co., Ltd.  
Hebei Iron and Steel Group Co., Ltd. Hengshui Sheet  
Hebei Iron and Steel Group Mining Co., Ltd.  
Hebei Iron and Steel Group, Hebei Xuanhua Engineering Machinery Co., Ltd.  
Xinji City O-Steel Co., Ltd.  
Wuan Yuhua Iron & Steel Co. company  
Hebei New Wuan Iron and Steel Group Co., bake molten steel  
Jinding Heavy Industry Co., Ltd.  
Xinda Steel Co., Ltd.  
Songting Steel Co., Ltd.  
Hebei Steel Group Co., Ltd. Tokai  
Hiddenobu Steel Co., Ltd.  
Hebei will Hing Metal Products Co., Ltd.  
Tang Shandong Iron and Steel Enterprises Group Co., Ltd.  
Bazhou Xinli Steel has a limited company  
Handan City Purple Mountain Steel Group Co., Ltd.  
Survey and Design Institute of Metallurgical survey LLC  
Tangshan Iron and Steel Co., Ltd. is booming  
Hebei New Wuan Iron and Steel Group Co., Ltd. Ming-fang  
Energy Saving Technology Co., Ltd. Hebei Yu Jian  
Fengnan District of Tangshan City, Kay Heng Iron and Steel Co.  
Special Steel Co., Tangshan justice  
Tangshan City Chunxing Special Steel Co., Ltd.  
Tangshan Iron and Steel Group Co., Ltd. Tokai  
Aetna Tangshan Iron and Steel Co.  
Bainite Tangshan Iron and Steel (Group) Fu Feng Steel Co., Ltd.  
Luan County, Kinmen and Matsu Industrial Co., Ltd.  
Qinhuangdao An Feng Steel Co., Ltd.  
Changli County Hongxing Industry Co., Ltd.  
Changli County, First Industrial Co., Ltd.  
Bazhou macro 1 Industrial Co., Ltd.  
Tangshan Iron and Steel Industry Association  
Qinhuangdao Bai workers Iron and Steel Co.  
Wuan Yun-feng Metallurgical Industry Co., Ltd.  
Wuan Wing-casting industry limited liability company  
Tangshan Wen Feng mountains Wheel Co., Ltd.  
Tangshan Yu Tianjian Bang Industrial Co., Ltd.  
Qinglong Manchu Autonomous County Delong Casting Industry Development Co., Ltd.  
Tangshan Rui Feng Steel (Group) Yue Feng Steel Co., Ltd.  
Ding Metal Products Co., Ltd. Hebei first  
Purple Mountain Steel Group, Handan City, Chien-fa, high-strength standard Material Co., Ltd.

#### Shanxi:

Shanxi Iron and Steel Industry Association  
Taiyuan Iron and Steel (Group) Co., Ltd.  
TISCO Group Linfen Iron and Steel Co., Ltd.  
Shougang Changzhi Iron & Steel Co., Ltd.  
Haixin Iron and Steel Group Co., Ltd.  
Shanxi Yang Steel Co., Ltd.  
Shanxi Chang Ping Iron and Steel Co.

Shanxi Jianbang Group Ltd.  
Jiexiu Xintai Iron & Steel Co., Ltd.  
Jincheng Fusheng Steel Co., Ltd.  
Shanxi Li Heng Iron and Steel Co.  
Shanxi Hongda Steel Rail Group Ltd.  
 Owen Smelter Group Co., Ltd. Shanxi  
 Shanxi Meijin Iron and Steel Co., Ltd.

#### Inner Mongolia:

Baotou Iron and Steel (Group) Co., Ltd.  
Beris Engineering and Technology Co., Ltd.  
 Daan Baotou Iron and Steel Co., Ltd.

#### Second, the Northeast ( 19 companies)

##### Liaoning Province:

Anshan Iron and Steel Group Corporation  
Benxi Iron and Steel Group has a limited company  
Dongbei Special Steel Group Co., Ltd.  
Lingyuan Iron and Steel Group Co., Ltd.  
 Fushun New Steel Co., Ltd.  
Minmetals Yingkou Medium Plate Co., Ltd.  
Kam West Pipe Xinjiang Ltd.  
Northeast Big Science  
ACRE Coking & Refractory Engineering Technology Co., Ltd.  
MCC Northern Engineering Ltd.  
 Shenyang City, metallurgy and building materials industry federation  
 Anshan Iron and Steel Group Mining Company  
Western Group  
After the British Iron and Steel Group Co., Ltd. Haicheng  
Dalian Commodity Exchange

##### Jilin:

Tonghua Iron and Steel Group Co., Ltd.  
Siping Hyundai Steel Co., Ltd.

##### Heilongjiang Province:

Heilongjiang Provincial Metallurgical Industry Association  
Xilin Iron and Steel Group has limited company

#### Third, the East ( 89 )

##### Shanghai:

Baoshan Iron and Steel Group Co., Ltd.  
Baoshan Iron & Steel Co.  
CITIC Pacific Special Steel Set Group Ltd.  
Shanghai Shanghai Special Steel Co., Ltd.  
Shanghai Federation of Industry and Trade Association Steel  
Shanghai Steel Union Co., Ltd. E-Commerce  
Shanghai Futures Exchange

##### Jiangsu Province:

Jiangsu Province Metallurgical Industry Association  
Nanjing Iron and Steel Group has a limited company  
Jiangsu Sha Steel Group Co., Ltd.  
Jiangyin Xingcheng Special Steel Co., Ltd.  
Jiangsu Xishan Steel Group Co., Ltd.  
Saint-Gobain ( Xuzhou) Pipeline Co.  
Jiangsu Huai Steel Co., Ltd.

Jiangsu Yonggang Group Co., Ltd.  
Jiangsu Fasten Hong 1 Group Limited Company  
Jiangsu Suzhou Steel Group Co., Ltd.  
Jiangyin Huaxi Steel Co., Ltd.  
In the days of Steel Rail Group Ltd.  
Jiangsu hillside Industrial Corporation  
Jiangsu Sha Steel Group Co., Ltd. Tin Hing Steel  
Xuzhou Southeast Steel Co., Ltd.  
Jiangsu Shen Special Steel Co., Ltd.  
Jiangsu Huan Group Ltd.  
Jiangyin up Steel Co.  
Nanjing Iron & Steel United Co., Ltd.  
Roll Co., Ltd., Jiangsu co Chang  
Sanlian Group Holdings Ltd., Jiangsu West  
Changzhou Eastern Special Steel Co., Ltd.  
Changzhou Qaeda Heavy Industries Ltd.  
Nantong brilliant color plate Ltd.  
Changshu Dragon Special Steel Co., Ltd.  
Jiangsu Province Bin Xin Steel Group Co., Ltd.  
Special Steel Co., Ltd. Wuxi new three continents  
Lian Yungang Xin Steel Co., Ltd.  
Yancheng Xin Steel Co., Ltd.  
Special Steel Co., Ltd. Changzhou LIN  
Jianghai Environmental Protection Co., Ltd.

#### Zhejiang Province:

Nonferrous Metallurgy Industry Association of Zhejiang Province  
Hangzhou Iron and Steel Group Corporation  
Ningbo Metallurgical Research Corp. survey and design  
Ningbo Iron and Steel Industry Association  
Quzhou Yuan Li Metal Products Co., Ltd.  
Ningbo Iron & Steel Co., Ltd.  
Zhenshi Group Eastern Special Steel Co., Ltd.

#### Anhui Province:

Metallurgical Industry Association of Anhui Province  
Ma Steel (Group) Holding Co., Ltd.  
Anhui University  
Yum Hefei Science and Technology Development Co., Ltd.  
Special Steel Co., Ltd. in Anhui Guihang  
Tongling City, Fu Xin Steel Co., Ltd.  
Wuhu City, Fu Xin Steel Co., Ltd.

#### Jiangxi Province:

Xinvu Steel Iron Group Limited Company  
Jiangxi Fangda Steel Group Co., Ltd.  
Jiangxi Ping Steel Industrial stocks parts . Ltd.  
Fangda Special Steel Technology Co., Ltd.  
Jiangxi University

#### Fujian:

Fujian Metallurgical (Holdings) Co., Ltd.  
Fujian Sanming Iron and Steel (Group) Co., Ltd.  
Fujian Metallurgical Industry Association  
Fuzhou Iron and Steel Industry Association  
Sambo Group Inc.  
China International Iron and Steel Co., Ltd.  
Sanni Steel Co. Ltd. Fujian

Fujian Xinhai Metallurgical Co., Ltd.  
Steel Co., Ltd., Fuzhou Fort é

#### Shandong Province:

Shandong Iron and Steel Group Co., the company  
Shandong Metallurgical Industry Corporation  
Jinan Group Ltd.  
Laiwu Iron and Steel Group Co., Ltd.  
Qingdao Iron and Steel Holding Group Co., Ltd.  
Shandong Zibo Zhang Gang Iron and Steel Group Co., Ltd.  
Shandong Shiheng Group had limited company  
Rizhao Steel Holding Group Co., Ltd.  
Shandong Taishan Iron and Steel Group Co., Ltd.  
Jinan Iron and Steel Co., Ltd. Dragon  
Shandong Taishan Steel market  
Weifang Steel Group Company  
Shandong Iron and Steel Co. Foulon  
Yongfeng Shandong Laiwu Iron and Steel Co.  
Southern Gold Mega Group Ltd.  
Shandong Guangfu Group Co., Ltd.  
Linyi Jiang Xin Steel Co., Ltd.  
Shandong Chuan Yang Group Ltd.  
Zibo City Building Materials Metallurgical Industry Association  
Wang Shan things Iron and Steel Co., Ltd.  
Qingdao Technological University  
Shandong Huimin Technology Development Co., Ltd.  
Electrical Technology Co., Ltd. Qingdao letter states

#### Fourth, China and South Africa ( 51 companies)

##### Henan Province:

Henan Province, the steel workers Industry Association Council  
Anyang Iron and Steel Group Co., Ltd.  
Hebei Iron and Steel Group Wuyang Iron and Steel Co., Ltd.  
Henan Jiyuan Steel Iron (Group) Co., Ltd.  
Ann Yang Yongxing Iron and Steel Co., Ltd.  
Nanyang Han Ye Special Steel Co., Ltd.  
An Steel Group Henan Feng Bao Steel Co., Ltd.  
Anyang Iron and Steel Group, Xinyang Iron and Steel Co., Ltd.  
Jiyuan City, Cathay Pacific Powder Co., Ltd.  
Sinosteel Luoyang Institute of Refractories Research Co., Ltd.  
New Iron and Steel Group Co., Ltd., Henan Asia  
Zhengzhou Commodity Exchange  
Stainless Steel Plate Co., Ltd., Henan Shō tai  
Anyang Huacheng Special Steel Co., Ltd.

##### Hubei Province:

Hubei Provincial Metallurgical Industry Association  
Wuhan Iron and Steel (Group) Company  
Hubei Xinyegang Ltd.  
Wuhan Iron and Steel Group Co., Ltd. Echeng  
WISDRI Engineering Ltd.  
Wuhan University of Science and Technology  
Wuhan Urban Environmental Engineering Technology Co., Ltd.  
Wuhan Iron and Steel Co., Ltd.  
Wuhan Iron and Steel Group Mining Co., Ltd.  
Wuhan Iron and Steel Engineering Technology Group Co., Ltd.  
Wuhan Disynthesis tech research studies Development Co., Ltd.



Wuhan-Lok Stainless Steel Co., Ltd.

Hubei Xin Iron and Steel Group Co., Ltd.

#### Hunan Province:

Hunan Valin Iron & Steel Group Co., Ltd.

Hunan Valin Xiangtan Iron and Steel Group Co., Ltd.

Lianyuan Iron and Steel Group Co., Ltd.

Hunan Hengvang Steel Tube (Group) Co., Ltd.

Lengshuijiang Steel Co., Ltd.

Changsha Mining and Metallurgy Institute study hospital

Hunan LIANGANG Logistics Ltd.

Pacific reload Group Ltd.

Jishou Oba Mining Co., Ltd.

#### Guangdong Province:

Iron and Steel Industry Association, Guangdong Province

Guangdong Province steel trader will

Guangdong Iron and Steel Group Co., Ltd.

Baosteel Group Guangdong Shaoguan Iron & Steel Co., Ltd.

Guangzhou Iron and Steel Enterprises Group Co., Ltd.

Foshan Shunde Lecong Steel Trade Association

Enterprise Group Co., Ltd., Guangzhou Yufeng

Steel Co., Ltd. Zhuhai Yueyufeng

Panyu Zhujiang Steel Pipe Co., Ltd.

Guangdong Arima Iron and Steel Co., Ltd.

#### Guangxi:

Guangxi Liuzhou Iron and Steel (Group) Company

Guangxi Liugong Machinery Co., Ltd.

Metallurgical Co., Ltd. Guangxi Shenglong

Guigang Iron and Steel Group Co., Ltd.

#### Hainan:

Hainan Mining Industry Co. company

#### Fifth, the Southwest ( 21 companies)

##### Chongqing:

Chongqing Metallurgical Industry Association

Chongqing Iron & Steel (Group) Co., Ltd.

Chongqing Iron & Steel Company, Limited Division

CISDI Engineering Technology Co., Ltd.

Chongqing University of Science and Technology

South China Materials Group Co., Ltd.

#### Sichuan Province:

Metallurgical Economic Association of Sichuan Province

Panzhihua Iron and Steel

Panzhihua Iron and Steel Group Chengdu Steel & Vanadium Co., Ltd.

Sichuan Province Chuanwei set group Ltd.

Sichuan Dazhou Iron and Steel Group Co., Ltd.

Sichuan Desheng Group Vanadium and Titanium Co., Ltd.

Metallurgical Co., Ltd. Chengdu Experimental

#### Yunnan Province:

Metallurgical Industry Association of Yunnan Province

Kunming Iron and Steel Group Co., Ltd.

Fu Xian Yunnan Yuxi Steel Group Steel Co., Ltd.

Yunnan Yuxi Steel Group Yukun Steel Co., Ltd.

Wing Iron and Steel Group Co., Ltd., Yunnan

**Guizhou Province:**

Shougang Shuicheng Iron and Steel (Group) Co., Ltd.

Shougang Guiyang Special Steel Co., Ltd.

Guizhou Wire Rope (Group) Co., Ltd.

**Sixth, the Northwest Territories ( 12 companies)**

**Shaanxi Province:**

Shaanxi Province Iron and Steel Industry Association

Shaanxi Iron and Steel Group Co., Ltd.

Shaanxi Hanzhong Iron and Steel Group Co., Ltd.

Steel Co., Ltd. Shaanxi Lueyang

China Heavy Machinery Research Institute Co., Ltd.

Shaanxi Precision Metal ( Group ) Co., Ltd.

**Gansu Province:**

Gansu Province Nonferrous Metallurgy Industry Association

Wine Springs Steel (Group) Co., Ltd.

**Qinghai Province:**

Xining Special Steel Group Co., Ltd. special

**Ningxia:**

Ningxia Hengli Wire Rope Co., New Day

**Xinjiang:**

Xinjiang Iron and Steel Industry Association

Xinjiang Bavi Iron & Steel Group Co., Ltd.

Comments closed

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## 中国钢铁工业协会团体会员单位名单 (2014年版)

来源: 关键字: 日期: 20140818 浏览 1175 次

### 中国钢铁工业协会团体会员单位名单 (2014年版)

#### 一、华北地区152家

##### 北京市:

[首钢总公司](#)  
[冶金工业规划研究院](#)  
[冶金工业信息标准研究院](#)  
[中国冶金报社](#)  
[冶金工业出版社](#)  
[冶金工业经济发展研究中心](#)  
[冶金工业信息中心](#)  
[中国中钢集团公司](#)  
[中国钢研科技集团有限公司](#)  
[中冶京诚工程技术有限公司](#)  
[中冶建筑研究总院有限公司](#)  
[冶金自动化研究设计院](#)  
[北京中冶设备研究设计总院有限公司](#)  
[北京科技大学](#)  
[冶金人才资源开发中心](#)  
[冶金工业教育资源开发中心](#)  
[冶金科技发展中心](#)  
[冶金工业财务服务中心](#)  
[冶金工业建设工程定额总站](#)  
[冶金工业工程质量监督总站](#)  
[中国炭素行业协会](#)  
[中国炼焦行业协会](#)  
[中国钢结构协会](#)  
[中国耐火材料行业协会](#)  
[中国铁合金工业协会](#)  
[中国模板脚手架协会](#)  
[中国特钢企业协会](#)  
[中国冶金建设协会](#)  
[中国废钢铁应用协会](#)  
[中国冶金矿山企业协会](#)  
[中国国际贸促会冶金行业分会](#)  
[中国钢结构协会钢管分会](#)  
[中国钢结构协会冷弯型钢协会](#)  
[中国特钢协会不锈钢分会](#)  
[北京中联钢电子商务有限公司](#)  
[五矿发展股份有限公司](#)  
[中国五矿集团公司](#)  
[中国冶金科工集团有限公司](#)  
[中国冶金地质总局](#)

中国金属学会  
中国稀土学会  
旭阳煤化工集团有限公司  
北京建龙重工集团有限公司  
冶金档案馆  
中国国际期货有限公司  
北京国发机关后勤服务有限公司  
中国冶金教育学会  
北京中钢冶咨询有限公司  
中铁物资集团有限公司  
北京任亿达科技有限公司  
中国庆华能源集团有限公司  
红河锌联科技发展有限公司

**天津市：**

天津市钢铁工业协会  
渤海钢铁集团有限公司  
渤海集团冶金公司  
渤海集团天铁公司  
渤海集团钢管公司  
渤海集团天钢公司  
天津荣程联合钢铁集团有限公司  
天津冶金轧一钢铁集团有限公司  
天津冶金集团轧三钢铁有限公司  
天津天丰钢铁有限公司

**河北省：**

河北省冶金行业协会  
河北钢铁集团有限公司  
河北钢铁集团有限公司唐山钢铁集团有限责任公司  
河北钢铁集团有限公司邯郸钢铁集团有限责任公司  
河北钢铁集团有限公司宣化钢铁集团有限责任公司  
河北钢铁集团有限公司承德钢铁集团有限公司  
河北钢铁集团有限公司石家庄钢铁有限责任公司  
新兴铸管股份有限公司  
邢台钢铁有限责任公司  
河北津西钢铁集团  
德龙钢铁有限公司  
河北新金钢铁有限公司  
武安市文安钢铁有限公司  
唐山国丰钢铁有限公司  
唐山港陆钢铁有限公司  
河北敬业企业集团  
河北纵横钢铁集团有限公司  
河北文丰钢铁有限公司  
河北普阳钢铁集团  
河北普阳钢铁有限公司  
中普（邯郸）钢铁有限公司  
唐山宝业实业集团有限公司  
河北前进钢铁集团有限公司  
唐山瑞丰钢铁（集团）有限公司  
河北新武安钢铁集团  
河北天柱钢铁集团有限公司  
邯郸市冶金行业协会  
唐山燕山钢铁有限公司  
文安县新钢钢铁有限公司  
河北省铁矿产品批发市场服务中心  
唐山长城钢铁集团九江线材有限公司

河北省首钢迁安钢铁有限责任公司  
秦皇岛首秦金属材料有限公司  
河北钢铁集团衡水薄板有限责任公司  
河北钢铁集团矿业有限公司  
河北钢铁集团河北宣化工程机械股份有限公司  
辛集市澳森钢铁有限公司  
武安市裕华钢铁有限公司  
河北新武安钢铁集团烘熔钢铁有限公司  
金鼎重工股份有限公司  
鑫达钢铁有限公司  
松汀钢铁有限公司  
河北东海特钢集团有限公司  
荣信钢铁有限公司  
河北会兴金属制品有限公司  
唐山东华钢铁企业集团有限公司  
霸州市新利钢铁有限公司  
邯郸市紫山特钢集团有限公司  
中勘冶金勘察设计研究院有限责任公司  
唐山兴隆钢铁有限公司  
河北新武安钢铁集团明芳钢铁有限公司  
河北煜剑节能技术有限公司  
唐山市丰南区凯恒钢铁有限公司  
唐山国义特种钢铁有限公司  
唐山市春兴特种钢有限公司  
唐山东海钢铁集团有限公司  
唐山安泰钢铁有限公司  
唐山贝氏体钢铁(集团)福丰钢铁有限公司  
滦县金马工业有限公司  
秦皇岛安丰钢铁有限公司  
昌黎县宏兴实业有限公司  
昌黎县顺先实业有限公司  
霸州市宏升实业有限公司  
唐山市钢铁工业协会  
秦皇岛佰工钢铁有限公司  
武安市运丰冶金工业有限公司  
武安市永诚铸业有限责任公司  
唐山文丰山川轮毂有限公司  
唐山市玉田建邦实业有限公司  
青龙满族自治县德龙铸业开发有限公司  
唐山瑞丰钢铁(集团)粤丰钢铁有限公司  
河北首鼎金属制品有限公司  
邯郸市紫山特钢集团建发高强度标准材料有限公司

#### 山西省:

山西省钢铁行业协会  
太原钢铁(集团)有限公司  
太钢集团临汾钢铁有限公司  
首钢长治钢铁有限公司  
海鑫钢铁集团有限公司  
山西中阳钢铁有限公司  
山西常平钢铁有限公司  
山西建邦集团有限公司  
介休市新泰钢铁有限公司  
晋城福盛钢铁有限公司  
山西立恒钢铁股份有限公司  
山西宏达钢铁集团有限公司

山西华丰冶炼集团有限公司  
山西美锦钢铁有限公司

#### 内蒙古:

包头钢铁(集团)有限责任公司  
中冶东方工程技术有限公司  
包头市大安钢铁有限责任公司

### 二、东北地区(19家)

#### 辽宁省:

鞍山钢铁集团公司  
本钢集团有限公司  
东北特殊钢集团有限责任公司  
凌源钢铁集团有限责任公司  
抚顺新钢铁有限责任公司  
五矿营口中板有限责任公司  
锦西钢管新疆有限公司  
东北大学  
中冶焦耐工程技术有限公司  
中冶北方工程技术有限公司  
沈阳市冶金建材行业联合会  
鞍山钢铁集团公司矿山公司  
西洋集团  
后英集团海城钢铁有限公司  
大连商品交易所

#### 吉林省:

通化钢铁集团有限责任公司  
四平现代钢铁有限公司

#### 黑龙江省:

黑龙江省冶金行业协会  
西林钢铁集团有限公司

### 三、华东地区(89)

#### 上海市:

宝钢集团有限公司  
宝山钢铁股份有限公司  
中信泰富特钢集团有限公司  
上海申特型钢有限公司  
上海市工商联钢铁贸易商会  
上海钢联电子商务股份有限公司  
上海期货交易所

#### 江苏省:

江苏省冶金工业协会  
南京钢铁集团有限公司  
江苏沙钢集团有限公司  
江阴兴澄特种钢铁有限公司  
江苏锡钢集团有限公司  
圣戈班(徐州)管道有限公司  
江苏淮钢有限公司  
江苏永钢集团有限公司  
江苏法尔胜泓昇集团有限公司  
江苏苏钢集团有限公司  
江阴华西钢铁有限公司  
中天钢铁集团有限公司  
江苏汇山冶金集团有限公司

[江苏沙钢集团锡兴特钢有限公司](#)  
[徐州东南钢铁有限公司](#)  
[江苏申特钢铁有限公司](#)  
[江苏大恒集团有限公司](#)  
[江阴市长达钢铁有限公司](#)  
[南京钢铁联合有限公司](#)  
[江苏共昌轧辊有限公司](#)  
[江苏西城三联控股集团有限公司](#)  
[常州市东方特钢有限公司](#)  
[常州凯达重工科技有限公司](#)  
[南通辉煌彩色钢板有限公司](#)  
[常熟市龙腾特种钢有限公司](#)  
[江苏省镔鑫钢铁集团有限公司](#)  
[无锡新三洲特钢有限公司](#)  
[连云港兴鑫钢铁有限公司](#)  
[盐城市联鑫钢铁有限公司](#)  
[常州林洪特钢有限公司](#)  
[江海环保股份有限公司](#)

#### 浙江省:

[浙江省冶金有色行业协会](#)  
[杭州钢铁集团公司](#)  
[宁波冶金勘察设计研究股份有限公司](#)  
[宁波市钢铁行业协会](#)  
[衢州元立金属制品有限公司](#)  
[宁波钢铁有限公司](#)  
[振石集团东方特钢股份有限公司](#)

#### 安徽省:

[安徽省冶金工业协会](#)  
[马钢（集团）控股有限公司](#)  
[安徽工业大学](#)  
[合肥市百胜科技发展股份有限公司](#)  
[安徽省贵航特钢有限公司](#)  
[铜陵市富鑫钢铁有限公司](#)  
[芜湖市富鑫钢铁有限公司](#)

#### 江西省:

[新余钢铁集团有限公司](#)  
[江西方大钢铁集团有限公司](#)  
[江西萍钢实业股份有限公司](#)  
[方大特钢科技股份有限公司](#)  
[江西理工大学](#)

#### 福建省:

[福建省冶金（控股）有限责任公司](#)  
[福建省三钢（集团）有限责任](#)  
[福建省冶金工业协会](#)  
[福州市钢铁行业协会](#)  
[三宝集团股份有限公司](#)  
[中国国际钢铁制品有限公司](#)  
[福建三金钢铁有限公司](#)  
[福建鑫海冶金有限公司](#)  
[福州福泰钢铁有限公司](#)

#### 山东省:

[山东钢铁集团有限公司](#)

山东省冶金工业总公司  
济南集团有限公司  
莱芜钢铁集团有限公司  
青岛钢铁控股集团有限责任公司  
山东钢铁集团淄博张钢有限公司  
山东石横特钢集团有限公司  
日照钢铁控股集团有限公司  
山东泰山钢铁集团有限公司  
济南庚辰钢铁有限公司  
山东泰山钢材大市场  
潍坊钢铁集团公司  
山东富伦钢铁有限公司  
山东莱钢永锋钢铁有限公司  
南金兆集团有限公司  
山东广富集团有限公司  
临沂江鑫钢铁有限公司  
山东传洋集团有限公司  
淄博市建材冶金行业协会  
山东西王钢铁有限公司  
青岛理工大学  
山东慧敏科技开发有限公司  
青岛信邦机电科技有限公司

#### 四、中南地区（51家）

##### 河南省：

河南省钢铁工业协会  
安阳钢铁集团有限责任公司  
河北钢铁集团舞阳钢铁有限责任公司  
河南济源钢铁（集团）有限公司  
安阳永兴钢铁有限公司  
南阳汉冶特钢有限公司  
安钢集团河南凤宝特钢有限公司  
安钢集团信阳钢铁有限责任公司  
济源市国泰微粉科技有限公司  
中钢集团洛阳耐火材料研究院有限公司  
河南亚新钢铁集团有限公司  
郑州商品交易所  
河南昌泰不锈钢板有限公司  
安阳华诚特钢有限公司

##### 湖北省：

湖北省冶金工业协会  
武汉钢铁（集团）公司  
湖北新冶钢有限公司  
武钢集团鄂城钢铁有限责任公司  
中冶南方工程技术有限公司  
武汉科技大学  
武汉都市环保工程技术股份有限公司  
武汉钢铁股份有限公司  
武汉钢铁集团矿业有限责任公司  
武汉钢铁工程技术集团有限责任公司  
武汉迪赛高科技研究发展有限公司  
武汉顺乐不锈钢有限公司  
湖北新鑫钢铁集团有限公司

##### 湖南省：

湖南华菱钢铁集团有限责任公司  
湖南华菱湘潭钢铁集团有限公司



湖南华菱涟源钢铁集团有限公司  
湖南衡阳钢管(集团)有限公司  
冷水江钢铁有限责任公司  
长沙矿冶研究院  
湖南涟钢物流有限公司  
泰富重装集团有限公司  
吉首大庭矿业有限责任公司

#### 广东省:

广东省钢铁工业协会  
广东省钢铁贸易商会  
广东钢铁集团有限公司  
宝钢集团广东韶关钢铁有限公司  
广州钢铁企业集团有限公司  
佛山市顺德区乐从钢铁贸易协会  
广州市裕丰企业集团有限公司  
珠海粤裕丰钢铁有限公司  
番禺珠江钢管有限公司  
广东华冠钢铁有限公司

#### 广西:

广西柳州钢铁(集团)公司  
广西柳工机械股份有限公司  
广西盛隆冶金有限公司  
广西贵港钢铁集团有限公司

#### 海南省:

海南矿业股份有限公司

#### 五、西南地区(21家)

##### 重庆市:

重庆市冶金工业协会  
重庆钢铁(集团)有限责任公司  
重庆钢铁股份有限公司  
中冶赛迪工程技术股份有限公司  
重庆科技学院  
华南物资集团有限公司

##### 四川省:

四川省冶金经济协会  
攀钢集团有限公司  
攀钢集团成都钢钒有限责任公司  
四川省川威集团有限公司  
四川省达州钢铁集团有限责任公司  
四川德胜集团钒钛有限公司  
成都冶金实验厂有限公司

##### 云南省:

云南省冶金行业协会  
昆明钢铁集团有限责任公司  
云南玉溪钢铁集团仙福钢铁有限公司  
云南玉溪钢铁集团玉昆钢铁有限公司  
云南永钢钢铁集团有限公司

##### 贵州省:

首钢水城钢铁(集团)有限责任公司  
首钢贵阳特钢有限责任公司

贵州钢绳(集团)有限公司

## 六、西北地区(12家)

### 陕西省:

陕西省钢铁工业协会

陕西钢铁集团有限公司

陕西汉中钢铁集团有限公司

陕西略阳钢铁有限责任公司

中国重型机械研究院有限公司

陕西精密金属(集团)有限责任公司

### 甘肃省:

甘肃省冶金有色工业协会

酒泉钢铁(集团)有限责任公司

### 青海省:

西宁特殊钢集团有限责任公司

### 宁夏:

宁夏新日恒力钢丝绳股份有限公司

### 新疆:

新疆钢铁行业协会

新疆八一钢铁集团有限责任公司

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联系电话: 010-65133322-1216

# **Exhibit 5**

Estimated 2014 Total Wire Rod Capacity And Unused Capacity In China

	Metric	Short Tons
A	[ ] Estimate of Total Wire Rod Production in China during 2014	[ ] 1.1023113
	Responding Producers' Capacity in H1 2014	
	Responding Producers' Production in H1 2014	
B	Responding Producers' Capacity Utilization Rate (%) in H1 2014	[ ] 86.4%
	Estimated Total Capacity Using [ ] Production and Responding	
C	Producers' Capacity Utilization Rate. (A/B = C)	[ ] 76.7
D	Estimated Unused Capacity (C - A)	[ ] 36.7

# **Exhibit 6**

Declaration of [ ]

1. I have a degree in Mandarin Chinese from Washington University in St. Louis, MO and have worked and studied in China for a total of approximately three years. I speak and read Mandarin Chinese at an advanced level.
2. Based on a review of the China Iron and Steel Association ("CISA") website, CISA appears to compile and publish a broad range of detailed statistics covering the Chinese steel industry.
3. Attachment A is a printout of the "statistical information" page from CISA's website. The left-hand column indicates the categories of data that CISA collects and publishes: (1) steel production; (2) steel consumption; (3) steel trade; (4) raw materials; and (5) steel sales. In addition, CISA publishes weekly price information regarding a variety steel products in 13 major Chinese cities. Attachment B is an example of this pricing information.
4. According to its website, CISA also publishes an authoritative bi-monthly industry magazine, *Steel Information*, which includes monthly data on steel production, sales, trade and other categories of information, broken out by product category. According to CISA's description of this publication, the Chinese National Bureau of Statistics delegated statistics collection authority for the steel industry to CISA, so that this publication contains the most recent, accurate, and authoritative statistical information available regarding the Chinese steel industry. Attachment C is the description of *Steel Information* magazine from CISA's website.
5. That CISA collects and disseminates statistics regarding wire rod is confirmed by multiple references in the trade press. For example, [ ] reported on October 24 that CISA's [ ] included information on wire rod prices. On September 1, [ ] reported that CISA's [ ] included information on Chinese wire rod inventories. Copies of these and similar articles can be found in Exhibit 6 to this brief.
5. I declare that the foregoing is true and correct to the best of my knowledge.

[ ]

[ ]

Date: November 4, 2014

**Business Proprietary Information  
Has Been Deleted**

# **Attachment A**

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## 统计概况

> 钢铁生产  
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共113条 1/6

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1

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联系电话: 010-65133322-1216



# **Attachment B**

## 2014年10月底主要市场价格

单位：元/吨

品种	规格	北京	天津	沈阳	上海	南京	济南	郑州	武汉	广州	南宁	成都	昆明	西安
高线	Φ6.5mm	2910	2960	2850	2850	3080	3100	2970	3200	3000	3270	3050	3230	2910
螺纹钢	Φ16mm	2700	2750	2800	2950	3000	2880	2870	3130	3220	3290	3000	3130	2880
角钢	5#	3060	3010	3100	3080	3110	2940	2850	2970	3250	3480	3300	3400	3250
中厚板	20mm	2950	2860	3200	2930	2950	2970	2940	3030	3150	3380	3200	3400	2980
热板卷	3.0mm	3080	3100	3300	3080	3140	3120	3060	3100	3350	3570	3170	3460	3200
冷薄板	1.0mm	4100	4050	4150	3890	3890	3900	4100	3780	3980	4070	3950	4200	4250


<http://www.chinaisa.org.cn/gxportal/DispatchAction.do?efFormEname=ECTM40&key=C2gKNVswUDFTMIRjVTJQMVE1VTUHY1psBDVUY1EwUGYEFw1CDxRRYVZHBUIAFwFj>

# **Attachment C**



7. 邮政编码: 100711
8. 联系电话: (010)65133224/1332、(010)65133824
9. 传 真: (010)65133224/65225545
10. 联系人: 熊 峰 杨宝林 高春伟




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 邮编：100029

# **Exhibit 7**

# Exports soar as domestic demand weakens

By Du Juan (China Daily) Updated: 2014-10-30 06:53

Steel exports soared 39.3 percent year-on-year to 65.34 million metric tons in the first nine months of 2014 as domestic demand remained soft and prices fell, the China Iron and Steel Association announced on Wednesday.

In comparison, China imported 11 million tons of steel, up 5 percent year-on-year.

"The Chinese government has never encouraged domestic steel companies to export since the industry is a large energy consumer and its priority is to meet domestic demand," said Zhang Changfeng, vice-chairman of the association.

China exported 8.52 million tons of steel products in September, up 9.8 percent month-on-month.

For the first three quarters, the average steel export price was \$783 a ton, down \$74 a ton compared with the same period of last year.

Exports are mostly going to Asian countries, which account for about 70 percent of the total. China also exports high-end steel products to the European, United States and African markets.

The CISA estimates that China's full-year steel exports will surpass 80 million tons, accounting for about 10 percent of the national output. In previous years, exports only accounted for about 2 percent to 3 percent of total output.

Large volumes of low-end steel exports "will generate more trade friction, and will affect future exports. Thus, the authorities will adjust export policies accordingly," Zhang said.

Faced with a domestic economic slowdown and price gaps between local and foreign steel markets, however, Chinese steelmakers are increasingly turning to exports to raise their profits.

Wang Yingsheng, director of the market research department at the CISA, said that large steel mills such as Hebei Iron and Steel Group, Shagang Group and Baosteel Group, all have growing exports.

"China is no longer exporting just crude steel. Instead, Chinese companies' high-end steel products for the vehicle and shipbuilding industries are sold abroad at competitive prices," Wang said.

For the first nine months of this year, medium-sized and large steel producers reported an aggregate profit of 19.28 billion yuan (\$3.15 billion), up 71.3 percent year-on-year.

However, Zhang said the profitability of steel companies is generally still low. The improvement in profit mostly reflected lower raw material costs.

Oversupply and slowing demand have driven down international iron ore prices.

China imported 699 million tons of iron ore in the first nine months, up 16.5 percent. Last month alone, iron ore imports rose 13.1 percent month-on-month to 84.69 million tons.

The import price averaged \$108.09 a ton for the first three quarters, down \$21.66 a ton year-on-year, according to the association. Iron ore prices dropped below \$80 a ton in late September.

As supplies of cheaper imported ore have increased, domestic iron ore mines have had to cut production or shutter capacity.

In September, domestic iron ore output fell 0.36 percent year-on-year to 137 million tons. For the first three quarters, output was 1.12 billion tons, up 7.24 percent.

Chen Kexin, chief analyst of the Beijing-based Lange Steel Information Research Center, estimated that China will import more than 900 million tons of iron ore this year with annual growth of 15 percent.

"In 2015, China is expected to import more than 1 billion tons of iron ore to meet domestic needs," Chen said.

"If the iron ore import price drops below \$70 a ton, it is possible that imports next year may reach 1.2 billion tons."

Increasing iron ore imports will lead to closures of many domestic iron ore mines, he said.

[http://www.chinadaily.com.cn/business/2014-10/30/content\\_18826453.htm?](http://www.chinadaily.com.cn/business/2014-10/30/content_18826453.htm?)



## China sees record steel output, price at 11-year low

(Xinhua)Updated: 2014-10-30 13:00

BEIJING - Chinese steel companies produced a record amount of crude steel in the first nine months, despite the government's efforts to thin the sector, according to an industrial report on Wednesday.

China made over half of the world's crude steel from January to September, with total crude steel output up 2.34 percent from last year at 618 million tons in the period, the China Iron and Steel Association (CISA) said.

Since overtaking Japan to become the world's largest steel producer in 1996, China's steel production repeatedly hit new heights in recent years.

The country's soaring steel production came as the sector struggled with a worsening overcapacity problem amid the economic slowdown.

CISA data showed the output of pig iron, an intermediary product in steelmaking, added 0.38 percent year on year to 542 million tons in the first nine months, while rolled steel production expanded by 5.02 percent to 839 million tons.

However, the average rolled steel price dropped to the lowest level since January 2003 as steelmakers relied on price wars to attract customers due to oversupply.

"The increased output has made the oversupply problem even worse in the market," said Zhang Changfu, CISA vice president.

As domestic demand remained sluggish, some steelmakers turned to overseas markets, driving up the country's rolled steel exports by 39.3 percent to 65.34 million tons in the first nine months, according to CISA.

It looks certain that China's full-year steel exports will exceed 80 million tons, Zhang said, warning that such low value-added exports may increase trade frictions, and exporting the overcapacity won't be a long-term solution.

Sales revenues of large and medium steel companies dipped 0.22 percent year on year to 2.7 trillion yuan (\$440 billion) in the January-September period, according to CISA data.

Even as combined profits of steel companies expanded to 19.3 billion yuan in the period, one-fourth of steel makers were still operating at a loss, according to CISA.

[http://www.chinadaily.com.cn/business/2014-10/30/content\\_18828970.htm](http://www.chinadaily.com.cn/business/2014-10/30/content_18828970.htm)

**This Page Is Not  
Capable of Public  
Summary**

From Marketwatch (October 13, 2014):

*China steel now as cheap as cabbage, weighing on global price*

By Laura He \* Published: Oct 13, 2014 1:34 a.m. ET

HONG KONG (MarketWatch) — As global steel prices face downward pressure from falling demand, the situation in China is making the problem all the more intractable, as overcapacity is prompting Chinese steel enterprises to cut their prices in order to boost exports.

**Data from the China Iron & Steel Association (CISA) showed Monday that domestic steel prices have been falling for 12 straight weeks, with the Steel Composite Price Index down more than 13% compared since the end of last year, even as the nation's construction activity and real-estate market are cooling significantly.**

The average price for the range of steel products on offer has fallen to 3,212 yuan (\$520) per metric ton for the first half of the year, down 28% from the average price in 2012, **CISA data showed.**

And as a People's Daily report said Monday, the price level means the steel is now almost as cheap by weight as Chinese cabbage.

"Sharply slowing steel demand growth in an oversupplied sector is the key reason for China's currently low steel prices," CIMB analysts said in a recent note.

Standard & Poor's also cited Chinese oversupply as the largest headache for steel makers in the rest of Asia, and is likely to remain so.

**A recent survey by CISA said the steel-billet inventory of key enterprises was up 36% in July, compared to a year earlier, steel-product inventory climbed 21.3%.**

Pressures arising from expanding inventories and sluggish domestic demand have made for cut-throat competition among China's steel mills, resulting in meager profits. **The margin for China's large and medium-sized steel companies was 0.54% for the first seven months of 2014, CISA said.**

And the problems are affecting the global markets too, as the Chinese firms cut prices to try to boost exports so as to make up for the weak domestic sales.

Customs data released Monday showed China's net exports of steel product reached a record 7.2 million metric tons in September, up 4.5% from the last all-time high, posted in May, according to The Wall Street Journal.

That's bad news for the exporters, as many of them are suffering from the price-for-volume strategy.

**The average price for exported steel products was only \$793 per metric ton in the first half of this year, down 9% from a year ago, with companies breaking even at that level, getting benefit only from associated tax breaks for exporters, CISA said.**

Meanwhile, due to overcapacity, steel prices in both China and Europe have fallen more than 10% so far this year, while the price of iron ore — the key component for smelting steel — touched a five-year low in September, a Bloomberg report said earlier last week. In a forecast issued last week, the World Steel Association said global steel consumption would likely post a slower pace in 2014 as a whole, with “weaker performance in the emerging and developing economies.”

Among the main contributing factors to the downbeat forecast, the association said, was China’s structural shift to its economy and the cooling-down of its property market.

<http://www.marketwatch.com/story/china-steel-now-as-cheap-as-cabbage-weighing-on-global-price-2014-10-13>

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Summary**

# Exhibit 8

# **Exhibit Not Capable of Public Summary**

# Exhibit 9



# **Exhibit Not Capable of Public Summary**

# **Exhibit 10**

## Business / Industries

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Coach nuclear power CITIC Pacific Peugeot

China Business Search

NetEase



## Overcapacity, slowdown bring steel industry losses

(Xinhua)

Updated: 2014-04-29 10:38

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BEIJING - Overcapacity, excess supply and sagging prices have taken Chinese steel companies from profit to loss in the first quarter, and the problems are set to get worse.

More than 45 percent of steel companies reported losses.

Total losses stood at 2.33 billion yuan (\$380 million) against almost 8 billion yuan of profits in the same period last year, according to Monday's report by the China Iron and Steel Association (CISA).

"The first quarter of 2014 was the most difficult quarter since the start of the century," said CISA vice president Zhang Changfu at a press conference in Beijing. Seasonally low consumption means steel firms find themselves in the doldrums.

At the end of March, inventories amounted to 19.4 million tons, over 43.5 percent up on the start of the year, intensifying worries. Prices have flagged.

The China Steel Price Index stood at 94.83 at end of March, down 11.28 percent year on year, and 1.7 percent from a month ago. The average transaction price fell 10.14 percent year on year.

Despite weak demand, output kept rising, though less quickly than a year ago. Crude steel output in the first quarter stood at 203 million tons, up 2.4 percent; output rose 5.3 percent to 2611 million tons. Total sales revenues stood at 869 billion yuan, down 0.79 percent year on year.

According to a government work report in March, 27 million tons of production capacity must be cut in the sector this year, but things have not gone entirely to plan. The government placed strict controls on new steel production last year, but new projects are still carried out.

"And this is worrying," Zhang said.

Inventory growth was also fueled by private investment. Private fix-asset investment totalled 71.6 billion yuan in the first quarter, up 6.65 percent year on year. Capacity increased by 90 million tons in 2012 and 40 million tons in 2013. Despite the reduction, investment remains high.

Government data shows the top 10 steel firms only producing around 40 percent of the nation's crude steel, and the proportion is declining. Mergers and acquisitions among steel firms are badly needed to both improve competence and manage output.

"To break the vicious circle, firms must turn their attention to product quality and categories, with a view to low carbon, environmentally friendly products," said Zhang Lin, a researcher at Igm1.com, a leading Chinese e-commerce service for the steel sector.

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2 of 12



Fugitive  
Mexican Mayor  
Arrested

3 of 12



Global Inflation  
Eased Again in  
Septemb...



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## CHINA NEWS

# China Steel Exports Hit Record High in September

Steelmakers Boost Cheap Exports Amid China's Slowdown

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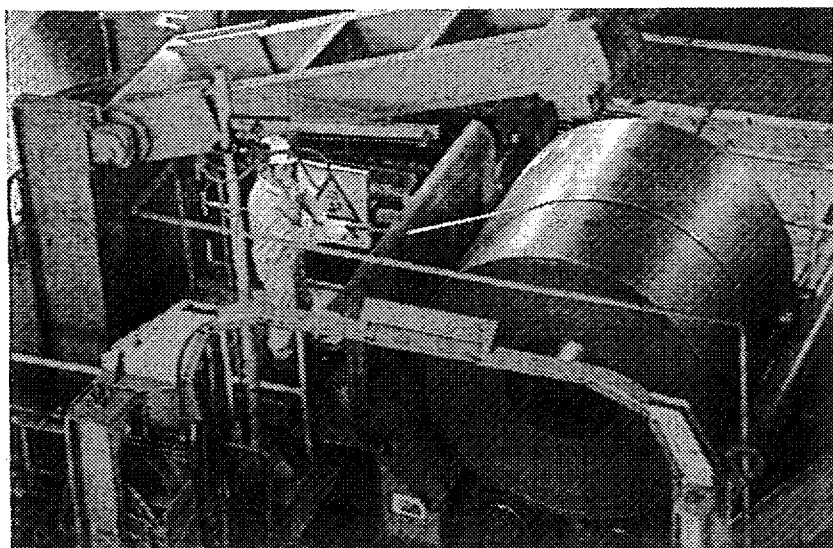
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By CHUIN-WEI YAP CONNECT

Updated Oct. 13, 2014 3:21 a.m. ET



A Baosteel mill in Shanghai last year. Chinese officials are trying to get mills to cut back on steel exports, which has led to trade disputes. *Agence France-Presse/Getty Images*

BEIJING—China's exports of steel products rose to a fresh record last month, up sharply from a year earlier, as steelmakers burdened by China's slowdown boosted cheap exports to make up for price cuts at home.

Chinese mills habitually use exports as a means to bolster sagging domestic sales, which has often threatened to swamp global markets and led to trade friction with major importers such as Europe and the U.S. Chinese steel officials say they are trying to get mills to cut back on such exports.

September net exports of steel products reached 7.2 million metric tons, rising 4.5% from the last high posted in May. Steel exports for the first nine months of the year are up 39% to 65.3 million tons. Net exports are exports less imports.

By absolute volume, exports reached 8.5 million tons, also a record. September shipments rose 73% from a year earlier.

Analysts say the U.S. remains a top destination for Chinese steel exports, as weak manufacturing conditions and slack demand for steel spurred price cuts and exports among domestic steelmakers, according to Applied Value, a consulting firm.

Cheap Chinese steel prices are boosting exports to record levels. In the U.S., current

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1 **One World Trade Center's First**

domestic hot-rolled steel prices are comparatively \$209 a ton higher, it said. Hot-rolled steel is used to make products like cars.

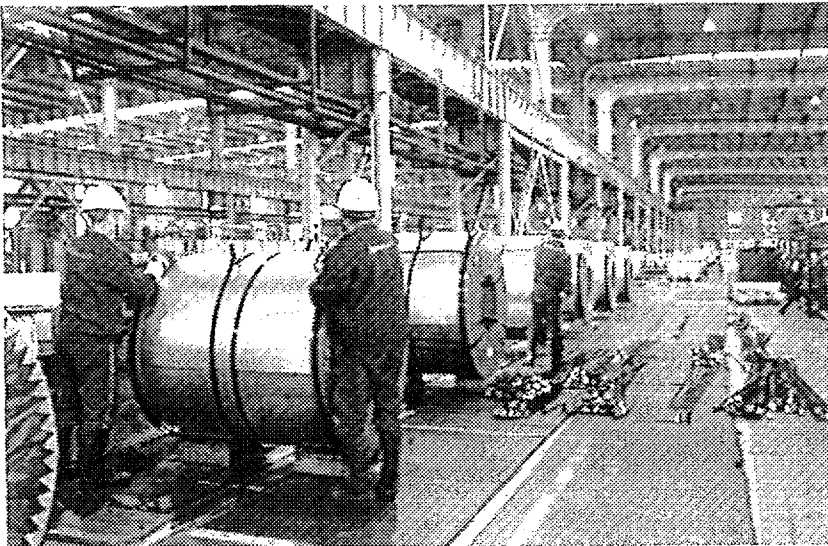
Past rounds of amped-up Chinese steel exports have triggered disputes with the U.S., Europe and other trading partners, who say Beijing unfairly subsidizes its steel producers and sells products globally at below-market prices.

In May, Washington imposed preliminary tariffs of 159.2% on imports of Chinese grain-oriented electrical steel, which is used to make transformers. Last year, U.S. steelmakers filed 38 trade cases, the highest number of such complaints in more than a decade, calling for the government to impose higher tariffs and penalties on unfairly traded steel.

Shandong Jingta Steel Co., a smaller firm that trades on behalf of producers, said it has seen exports rising among its clients on a level in line with the customs data. "Domestic consumption has been declining since the start of the year, without much reduction in production. So as long as there's an opportunity to export, people will take it," said Wendy Qin, a manager at Jingta.

The state-backed China Iron and Steel Association has called such measures protectionist, but at the same time has said it recognizes the problem and has been trying to persuade steelmakers—a highly fragmented and far-flung quilt of regional producers—to hold down cheap exports.

The association has urged its members to favor higher value-added products over cheap construction steel. "As trade friction with China rises, China's exporters must adjust export policies," it said.



China's exports of steel products rose to a record high in September. Here, steelworkers pack up galvanized plates in Ma'anshan City, east China's Anhui Province. Zuma Press

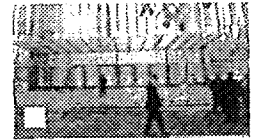
Factory activity in China fell to a three-month low in August, prompting worries about a prolonged slowdown in the world's second-largest economy. While headline trade data Monday exceeded expectations, economists say they still worry about soft economic growth due in part to a slumping property market. The construction sector consumes half of China's steel.

Overcapacity continues to plague the Chinese steel industry. Domestic demand for steel is waning, which compounds the problem of excessive production capacity, said Applied Value analyst Jason Yang.

China's crude steel production in the first eight months is up 2.6% at 550 million tons. Measured on a daily average basis, the country's mills are still producing at record levels.

Five-year lows in prices of iron ore, the key raw material for steel, are also spurring Chinese mills to produce. September iron ore imports rose 14% from a year earlier to 85 million tons. As global miners open new lines of fresh supply, iron ore for delivery to the

## Employees Arrive



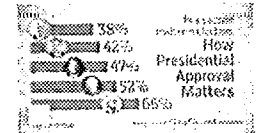
## 2 Apple and Google's Movie Deal With Disney



## 3 Tues., Nov. 4: Watch Alibaba Stock



## 4 Midterm Elections: the Presidential Approval Factor



## 5 The Digital Battle for Voters Heats Up



Chinese port of Tianjin reached \$80 a ton last Friday, down 40% from the beginning of the year, which is the lowest level since July 2009.

Write to Chuin-Wei Yap at [chuin-wei.yap@wsj.com](mailto:chuin-wei.yap@wsj.com)

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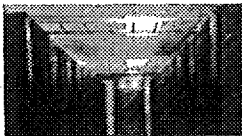
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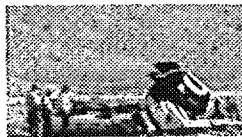
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# **Exhibit 12**

# 28 Daily steel output hits record high in June

Xinhua | Xinhua

Published on July 28, 2014 21:33

Chinese steel companies are growing despite widespread losses and government efforts to attenuate the sector.

Since overtaking Japan to become the world's largest steel producer in 1996, China's steel production reached new heights in June with record -high averages for daily crude steel output. But the country's soaring steel production came as the sector struggles with overcapacity and losses amid an economic slowdown.

China's average daily output reached 2.31 million tons in June, up 1.7 percent from the previous month, according to the latest data from the National Bureau of Statistics (NBS).

Total crude steel output in June increased 4.5 percent year-on-year to 69.29 million tons, according to the NBS.

In the first six months, China produced 411.91 million tons of crude steel, or 3 percent more than a year ago. In the same period, pig iron output grew 0.5 percent year-on-year to 362.02 million tons while rolled steel production increased 6.4 percent to reach 552.25 million tons.

But profits from steel production have been sluggish. Steel firms reported combined profits of 2.27 billion yuan (\$370 million) in the first half, following a loss of 2.33 billion yuan in the first quarter, according to data from the China Iron and Steel Association.

However, their steelmaking operations incurred huge losses that were offset by 4.32 billion yuan in investment revenues and 3.88 billion in non-operating income.


The record-high production capacity indicated the government's efforts to rein in the sector's growth have been in vain.

This month, the Ministry of Industry and Information Technology (MIIT) again ordered the steel sector to eliminate laggard and excessive capacity by as much as 46.86 million tons by the end of September.

According to the MIIT plan, 44 iron smelting companies and 30 steel smelting enterprises must eliminate substandard and excessive capacity.

Xinhua

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# **Exhibit 13**


**REUTERS**

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# UPDATE 2-China daily steel output rises to near record high in Sept

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\* Output dips 2 percent on month, but daily rates inch up

\* Daily crude steel output at highest in three months

\* Daily steel product output at record high of 3.2 mln T

\* Sector hopes rest on supply cut ahead of APEC summit (Adds steel product output figures, comments)

By David Stanway

BEIJING, Oct 21 (Reuters) - China's daily crude steel runs rose 1.3 percent in September to the highest level in three months, data from the country's statistics agency showed, suggesting mills were still close to full capacity despite weak demand and a steep slump in prices.

Persistently high steel output from the world's top producer could further drag on Shanghai rebar futures, which sank 13 percent re reeling  
...ing ingredient  
push ahead with expansion plans.

China produced 67.54 million tonnes of crude steel in September, down 2 percent from the previous month and flat compared to the corresponding month of 2013, data from the National Bureau of Statistics showed on Tuesday.

But the daily output rate rose to 2.25 million tonnes from 2.22 million tonnes in August, driven by a slight improvement in industrial activity. This was the highest since June when output touched a record of 2.31 million tonnes per day.

"The 1.3 percent increase matches the recovery in electricity consumption versus August as well as the slightly better monthly PMI results," said Melinda Moore, analyst with Standard Bank, referring to data showing growth in China's manufacturing sector held up in September.

China's total crude steel output is expected to reach around 820 million tonnes this year, short of its overall capacity estimated at 1.1 billion tonnes but still outstripping demand

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which has been hit hard by a sluggish economy.

A slowdown in China's economic growth - most recently to the lowest level since the 2008/09 global financial crisis - has shrunk steel demand in China, aggravating overcapacity problems in the sector.

While there are no signs that conditions will improve in the final quarter of the year, steel firms have continued to pursue a strategy based on outlasting rivals.

"Mills prefer market share maintenance, hoping the strong will survive and the weak will fall away," Moore added.

#### LITTLE UPCOMING JOY

Persistent overproduction in the world's biggest steel market has driven prices to record lows this year, and despite a surge in imports, iron ore prices .IO62-CNI=SI have also slumped around 40 percent since the beginning of 2014.

"We are about to head into the seasonal soggy winter steel demand period, with monthly demand volumes potentially to drop by 5 million tonnes, so there is little upcoming joy for raw material suppliers," analyst Moore said.

Crude steel output over the first three quarters of the year reached 618 million tonnes, up 2.3 percent on year, the National Bureau of Statistics said.

Based on September daily runs, output stood at 821.25 million tonnes on an annualised basis, up 5.4 percent from the official 2013 rate, according to Reuters calculations, which do not take into account a 3.7 percent upward revision to last year's January-September production data.

While production has remained close to record highs, the China Iron and Steel Association (CISA) has said that apparent steel demand actually fell in the first eight months of 2014, with all additional production over the period diverted to the export market.

Mounting losses and financing problems have already forced a number of steel producers to halt their operations, but the impact on overall output has been negligible, with other mills stepping in to fill the gap.

October production also appears to be holding up, with CISA data showing daily output from large steel mills reached 1.804 million tonnes in the first 10 days of the month, up 0.8 percent from Sept. 21-30.

However, steel product output fell 11.4 percent over the period, with several mills taking advantage of the Oct. 1-8 National Day holiday to overhaul their rolling facilities.

Many in the sector are now hoping that efforts to guarantee air quality during the Asia-Pacific Economic Cooperation (APEC) summit in Beijing in early November will serve to reduce supply and provide a short-term boost to steel prices.

All steel production within a 100-kilometre radius of Beijing is likely to be suspended during the summit, industry consultancy Mysteel said.

Substandard facilities within 200 kilometres of the capital - which would cover the major steel producing city of Tangshan - could also be closed over the Nov. 1-12 period.  
(Additional reporting by Manolo Serapio Jr. in SINGAPORE; Editing by Himani Sarkar)

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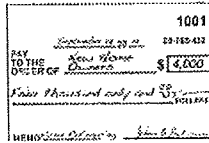
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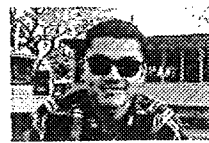
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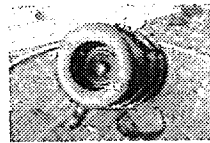
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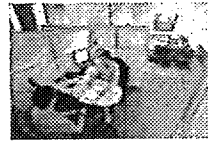
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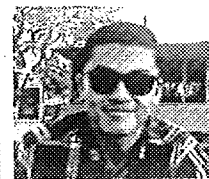
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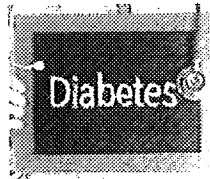
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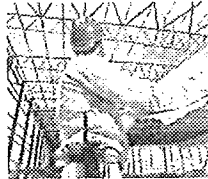
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# **Attachment B**

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# **Exhibit 15**

# **Exhibit Not Capable of Public Summary**

# **Exhibit 16**

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