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May 2, 2014

Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961 and 962 (2ND Review)

PUBLIC VERSION

BPI information removed from pages 8, 9, 12-13 and Exhibit 1 of the post-hearing brief, and from pages 4, 11, 14-16, 48-49 and Exhibits 1-4 of the Q&A response

APO information removed from pages 6-10 of the post-hearing brief, and from pages 3, 5, 11, 18-22, 24, 25, 27, 28, 30-32, 40-41 of the Q&A response

VIA EDIS

The Honorable Lisa R. Barton
Acting Secretary
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Re: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine: Yenakiieve Post-Hearing Brief and Response to Commissioner Questions

Dear Secretary Barton:

On behalf of Public Joint Stock Company Yenakiieve Iron and Steel Works ("Yenakiieve"), enclosed is the public version of Yenakiieve's post-hearing brief and response to commissioner questions for the above-referenced review.

Pursuant to 19 C.F.R. § 201.6, Yenakiieve respectfully requests confidential treatment for its confidential business information, which has been removed from brackets on pages 8, 9, 12-13 and Exhibit 1 of the post-hearing brief, and from pages 4, 11, 14-16, 48-49 and Exhibits 1-4 of the Q&A response. The bracketed information includes confidential business proprietary information pertaining to, among other topics, Yenakiieve's operations, production, and sales as well as other information of commercial value. Such information is not available to the public, and its disclosure to the public likely will have the effect of either impairing the Commission's ability to obtain such information as is necessary to perform its statutory functions or causing substantial harm to Yenakiieve's competitive position. Accordingly, it is the type of information normally treated as confidential business information pursuant to 19 C.F.R. § 201.6(a).

Included in this submission is the certification required by 19 C.F.R. 201.6(b)(3)(iii) and 207.3(a). Service has been effectuated as required by 19 C.F.R. 201.16 and 207.3(b).

Please contact the undersigned if there are any questions concerning this matter.

Respectfully submitted,

HOGAN LOVELLS US LLP

By: /s/ Craig Lewis
Craig Lewis
Jonathan T. Stoel
Wesley V. Carrington

Counsel to Public Joint Stock Company "Yenakiieve Iron and Steel Works"

CERTIFICATION

CITY OF WASHINGTON)
) SS:
DISTRICT OF COLUMBIA)

I, Craig A. Lewis, having been duly sworn on this 1st day of May, 2014, do hereby swear in accordance with the International Trade Commission's regulations, 19 C.F.R. § 201.6(b)(3)(iii), that information substantially identical to the information for which we are requesting proprietary treatment in the attached submission is not available to the public.

In accordance with the International Trade Commission's regulations, 19 C.F.R. § 207.3(a), I further certify that the information contained in the attached submission is accurate and complete to the best of my knowledge.

Craig A. Lewis

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Sworn and subscribed before me this 1st Day of May, 2014, in the District of Columbia.

Ernestine M. Diggs
Notary Public

My commission expires: 10/31/14

ERNESTINE M. DIGGS
NOTARY PUBLIC
DISTRICT OF COLUMBIA
NOTARY SEAL

PUBLIC
CERTIFICATE OF SERVICE

Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine
(Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961 and 962 (2ND Review))

I, Wesley V. Carrington, hereby certify that on May 2, 2014, a copy of the foregoing submission was served by hand delivery on the following parties:

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PUBLIC VERSION

BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.

CARBON AND CERTAIN ALLOY STEEL WIRE ROD FROM BRAZIL, INDONESIA, MEXICO, MOLDOVA, TRINIDAD AND TOBAGO, AND UKRAINE	Case Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (2nd Review)

PUBLIC VERSION

Business Proprietary Information removed from pages 8, 9, 12-13 and Exhibit 1

APO information removed from pages 6-10

POST-HEARING BRIEF OF THE RESPONDENT PUBLIC JOINT STOCK COMPANY "YENAKIIEVE IRON AND STEEL WORKS"

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May 2, 2014

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I. INTRODUCTION

Yenakiieve respectfully submits this post-hearing brief and the appended responses to the Commissioners' questions at the April 22 hearing. For the reasons set forth by Yenakiieve throughout this proceeding, we submit the following: (1) Ukraine should be decumulated from the other subject countries under review; (2) the likely volume of imports from Ukraine should the antidumping order be revoked will be negligible; (3) the domestic industry is not vulnerable to subject imports from Ukraine; and (4) the domestic industry will not suffer the continuation or recurrence of material injury if the antidumping order is revoked.

II. IMPORTS FROM UKRAINE SHOULD NOT BE CUMULATED WITH OTHER SUBJECT IMPORTS

Imports from Ukraine should not be cumulated with imports from other subject countries. Yenakiieve demonstrated in its prehearing brief that imports from Ukraine would have no discernible adverse impact on the domestic industry due to the very small possible volume of wire rod that could be shipped from Ukraine to the U.S. market. 1/ Additional information supporting this reason to decumulate Ukrainian imports is provided in our response to the Commission's hearing questions. 2/

We focus below on why the Commission also should exercise its discretion not to cumulate Ukraine with the other subject countries under review because Ukrainian imports compete under different conditions of competition. Yenakiieve respectfully submits that the Commission's conditions of competition analysis is particularly important in this review because Ukraine and its wire rod industry have changed substantially and dramatically since the

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1/ Yenakiieve Prehearing Brief at 32-45.

2/ See Yenakiieve Post-Hearing Responses to Commissioner Questions.

Commission's original investigation period nearly fifteen years ago, the last time the Ukrainian industry appeared before the Commission. Examples of these changes include:

(1) During the original period of investigation ("POI") Ukraine was a non-market economy characterized by state control. Today, following fundamental market reforms, Ukraine is a westward-looking market economy;

(2) Since the end of the POI Yenakiieve and ArcelorMittal Kriviiy Rih – the two relevant Ukrainian wire rod producers for purposes of the Commission's analysis – were privatized, restructured their operations and, for the first time, came under profit-oriented international management;

(3) In 2008, Ukraine acceded to the World Trade Organization and EU quotas on Ukrainian steel were lifted.

In light of these significantly changed conditions of competition for the Ukrainian wire rod industry, Yenakiieve demonstrates below that the following factors merit the Commission's decumulation of Ukraine: (1) the Ukrainian industry has adopted a domestic and regional supply strategy fundamentally different from that of any other country under review; (2) Ukraine has not shipped meaningful quantities of wire rod to the U.S. market since 2001 and is unlikely to do so in the foreseeable future, unlike certain other countries under review; and (3) Ukrainian producers have provided necessary information to the Commission in this proceeding, unlike those of many other subject countries.

A. Unlike All Other Subject Countries, Ukraine's Focus is Uniquely on the Ukrainian Market and Regional Exports to Europe and the Middle East/North Africa

The dominant condition of competition for Ukraine's wire rod industry is its exclusive focus on satisfying its customers in its home and regional markets in Europe and the Middle East/North Africa. None of the other subject countries competes significantly in these same markets.3/ Decumulating Ukraine on this basis alone is consistent with the Commission's practice in other reviews. 4//

Ukrainian producers have established home and regional export markets, where they have a strong customer base, and which offer more attractive transportation and logistical costs than shipments to the U.S. market. Global Trade Atlas has identified Ukraine's leading export destinations – all of them are in Europe, the Middle East, or Africa 5/ l – Yenakiieve, the only relevant producer for purposes of the Commission's analysis, ships wire rod ***exclusively*** to its home market and regional export markets (Europe and the Middle East/North Africa).

The regional focus of Ukraine producers on Europe, the Middle East, and Africa is an important condition of competition that separates and distinguishes Ukrainian exports from the other subject countries: (1) Brazil's exports are to the United States, South America, and East Asia; (2) Indonesia's exports are to Oceania and Asia; (3) Mexico's exports are to North America, Central America, and South America; (4) Trinidad & Tobago's exports are to Central and South America. 6/ As for Moldova, its industry is not participating in this review, and there

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3 / According to the Commission's Prehearing Report, more than 92 percent of Moldova Steel Works exports in 2013 were to Poland and Romania. April 2, 2014 Prehearing Staff Report, Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review), at IV-50 ("2014 Prehearing Report"). Moldova has no significant presence outside those two countries and therefore very limited overlap with Ukrain's regional exports.

4/ See, e.g., Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil, Japan, and Russia, Inv. Nos. 701-TA-384 and 731-TA-806-808 (Second Review), USITC Pub. No. 4237 (June 2011), at 17-18 (explaining how subject imports from Japan would likely compete under different conditions of competition due to Japan's focus on regional Asian export markets); Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation, at 42, Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review), USITC Pub. 3933 (July 2007) (determining to decumulate Belarus and Moldova and due to their focus on supplying markets in their regions).

5/ 2014 Prehearing Report at IV-70, Table IV-31. The destinations include: Israel, Nigeria, Turkey, Jordan, Senegal, Bulgaria, Romania, Iran, Iraq, and Italy.

6/ Id. at IV-24, Table IV-10; IV-33, Table IV-14; IV-45, Table IV-19; IV-50, Table IV-22; IV-58, Table IV-26. Trinidad & Tobago has only one producer, an ArcelorMittal affiliate, and is in the same is overlap between only one of Moldova's top 10 export markets – Romania – and Ukraine's export markets. Ukrainian producers therefore compete under different conditions than the other countries under review. Because of this difference in regional focus, Ukrainian wire rod producers face different demand conditions, different pricing structures, and different logistics costs than any of the other countries under review.

B. Unlike Mexico and Brazil, Ukraine Has No Longstanding Historical Ties to the U.S. Market and Has Not Shipped Meaningful Quantities of Wire Rod to the U.S. Market Since the POI

The Commission also should exercise its discretion to decumulate Ukraine from Mexico and Brazil because producers in Mexico and Brazil have longstanding historical ties to the U.S. market and have continued to ship meaningful quantities of wire rod to the U.S. market since the POI, unlike Ukrainian producers. The Commission has decumulated in several sunset reviews where imports had different historical import volume patterns and ties to the U.S. market. 7/

Ukrainian producers, in contrast, have not shipped ***any*** volumes of subject wire rod to the United States since 2005. 8/ This is markedly different from both Mexico and Brazil. Mexican producer Deacero's counsel testified at the hearing:

> Mexico alone maintained the presence in the U.S. market throughout the POR and is the only subject source of wire rod with which purchasers are familiar. This is significant because most purchasers require wire rod suppliers to be qualified before buying from them and the qualification process takes up to a year. 9/

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region as ArcelorMittal USA, making shipments under ArcelorMittal's local and regional supply strategy more logical than shipments from ArcelorMittal's Ukrainian affiliate, which is not in the same region.

7/ Cut-to-length Carbon Quality Steel Plate from India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-388-391 and 731-TA-817-821 (Second Review), USITC Pub. No. 4296 (Dec. 2011), at 21 (noting that the Italian industry shipped the least amount of subject product during the original investigations); Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil, Japan, and Russia, Inv. Nos. 701-TA-384 and 731-TA-806-808 (Second Review), USITC Pub. No. 4237 (June 2011), at 14-15 (comparing the historical volume and consistency of imports for cumulation purposes).

8/ 2014 Prehearing Report at I-8, Table I-1, and C-5, Table I-1.

9/ Hearing Transcript ("Tr.") at 154 (J. Campbell).

Brazil also has continued to ship regularly to the U.S. market through non-subject shipments of 1080 tire cord or tire bead. 10/ Brazil's regular participation in the U.S. market (and the presence of an affiliate of Gerdau in the U.S. market) presents a unique condition of competition.

The specific products shipped by Brazilian and Mexican producers to the U.S. market are also very different from the products produced by the Ukrainian industry. The Commission has in previous reviews considered different types of products to be an important factor in deciding to decumulate. 11/ First, counsel for Deacero explained that "Mexico is the only subject country that produces 4.75 {mm wire rod}. With this advantage the Mexican industry would compete under different conditions of competition than the other subject{} countries." 12/ Second, Brazil's exports to the U.S. market consist of tire cord/tire bead product that is used in the automobile industry. Wire rod manufactured in Ukraine, on the other hand, is not designed for the automobile industry. Ukraine thus should be decumulated from Mexico and Brazil.

C. Unlike Industries in Indonesia, Moldova, and Trinidad & Tobago, Ukraine is Actively Participating in This Sunset Review

Ukrainian producers have provided the data requested by the Commission to make its decision in this sunset review, have provided a knowledgeable industry witness to answer the Commission's questions, and have filed substantial prehearing and post-hearing submissions. This stands in stark contrast to the non-responsive industries in Indonesia, Moldova, and Trinidad & Tobago. It would be inherently unfair for Ukraine to be cumulated with the non-

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10/ 2014 Prehearing Report at IV-2 & IV-8, Table IV-2 (showing that Brazil shipped more than 100,000 tons to the U.S. market in four out of the six years of the review period, and never shipped less than 71,759 tons to the United States).

11/ See Cut-to-length Carbon Quality Steel Plate from India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-388-391 and 731-TA-817-821 (Second Review), USITC Pub. No. 4296 (Dec. 2011), at 22 (noting, in its conditions of competition analysis related to cumulation, how imports from Japan consisted of a very diverse mix of products, none of which were shipped to the United States by other subject countries); Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Third Review), USITC Pub. No. 4277 (Nov. 2011), at 9 (determining that the likely product mix for each country would be different if the orders were revoked).

12/ Tr. at 154 (J. Campbell).

participating counties, particularly because the necessary questionnaire information is not on the record, and the Commission will therefore need to apply facts otherwise available to fill gaps in the data related to those countries. 13/ Yenakiieve respectfully requests that the Commission exercise its discretion to cumulate those non-participating countries, consistent with its past practice, 14/ and consider Ukraine separately.

The record evidence with respect to Indonesia, Moldova, and Trinidad & Tobago in this review is spotty and unreliable despite the best efforts of the Commission Staff. The Commission received ***only two questionnaires in total*** from these industries, and the questionnaire received from the Indonesian producer/exporter accounted for only [ ] percent of total Indonesian capacity in 2013. 15/ Further, secondary sources such as the capacity and production data published by [ ] and the shipment data reported by Global Trade Atlas are not sufficient to reach reliable conclusions regarding non-responding countries' production trends, capacity trends, and export data. For example, [ ] does not explain the source of its data estimates on production capacity or whether the capacity estimates take into account product mix. This is important because, according to the Commission's questionnaire data, the same production equipment can be used to produce subject and non-subject (e.g., rebar) products, thereby affecting reported capacity and capacity utilization. Similarly, as the Prehearing Report

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13/ See 19 U.S.C. § 1677(e) (providing that the Commission shall apply facts otherwise available in reaching its determinations if the necessary information is not available).

14/ See Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania, Inv. No. 731-TA-847 (Second Review), USITC Pub. 4262, at 15 n.135 (Sept. 2011) (noting how Commissioner Aranoff evaluated subject imports from Japan and Romania on a cumulated basis because no respondent was participating in the proceeding, the record lacked updated information on several important findings, and the Commission was unable to gather updated information due to respondents' lack of participation).

15/ 2014 Prehearing Report at IV-28. Yenakiieve's prehearing brief identifies further deficiencies in the Commission's record with respect to Indonesia, Moldova, and Trinidad & Tobago at pages 18-21.

acknowledges, shipment data from Global Trade Atlas could include considerable quantities of non-subject 1080 grade wire rod, leading to further distortions.

The Commission has broad discretion not to cumulate subject imports if imports compete under different conditions of competition. The Federal Circuit has explained that the exercise of this discretion:

> responds to the potential for combined injurious effect from subject imports, while reducing the risk that overbroad cumulation may unreasonably assign culpability to imports that are not likely to contribute to a continuation or occurrence of material injury. 16/

Cumulating Ukrainian imports with those of the other countries under review runs afoul of the concerns identified by the Federal Circuit. Ukrainian producers face fundamentally different conditions of completion rendering it impossible to conduct a meaningful analysis of Ukraine on a cumulative basis. For all of these reasons and those stated in Yenakiieve's prehearing brief, Ukraine should be decumulated from the other countries under review.

III. ANY FUTURE VOLUME OF IMPORTS FROM UKRAINE IS LIKELY TO BE SMALL

Imports from Ukraine would likely be insignificant if the antidumping order were revoked due to: (1) ArcelorMittal's regional supply strategy, which will prevent exports to the United States; (2) Yenakiieve's lack of available production capacity; (3) stable home and regional markets; and (4) lack of developed sales structures and relationships in the United States.

A. ArcelorMittal Kryvyi Rih Will Not Ship Subject Merchandise to the United States

First, the record evidence in this review, as in the first review, shows that ArcelorMittal's regional supply strategy precludes its Ukrainian affiliate from shipping wire rod to the U.S. market. [

16/ Nucor Corp. v. United States, 601 F.3d 1291, 1296 (Fed. Cir. 2010).

]. 17/ This is an important factor in evaluating likely export volumes inasmuch as [ ] percent of Ukrainian capacity is represented by ArcelorMittal Kryvyi Rih.

B. Yenakiieve Lacks Available Capacity to Ship Significant Quantities to the United States

Yenakiieve, the sole potential source of Ukrainian imports, lacks the available capacity to ship significant quantities of wire rod to the United States if the order is revoked. Yenakiieve is operating at a [ ], and therefore has very limited ability to ship additional wire rod to new export markets, including the United States. 18/ The total volume of Yenakiieve's available capacity is approximately [ ] – a figure that is very small relative relative to U.S. consumption exceeding 5.3 million tons.

[ ]

17/ [ ].

18/ Yenakiieve Foreign Producers'/Exporters' Questionnaire Response at II-12 ("Yenakiieve Questionnaire Response").

In contrast to Petitioners' hearing testimony alleging "{t}otally uneconomical, totally irrational additions to capacity," 19/ Yenakiieve actually ***reduced*** its capacity by [ ] tons during the review period through the decommissioning of an entire wire rod mill following the acquisition of [ ]. 20/ Producers in Ukraine have [ ] plans to increase existing wire rod capacity in the event of revocation of the orders. 21/ Accordingly, the volume of Ukraine imports upon revocation would likely be limited due to Yenakiieve's lack of available capacity and its overall [ ] in capacity.

C. Strong Home Market and Regional Focus of Yenakiieve

Producers in Ukraine also are unlikely to ship significant quantities to the United States because of their strong home and regional markets.

1. Home Market

Ukrainian producers have significant (and [ ]) home market shipments, which have by more than [ ] percent from 2008 to 2013. Home market sales thus have [ ] from [ ] percent to [ ] percent of Ukraine's total shipments during the same period. 22/

19/ Tr. at 64 (P. Rosenthal).

20/ See 2014 Prehearing Report at IV-68-69; Tr. at 190-191 (C. Lewis).

21/ See Yenakiieve Questionnaire Response at II-11; see ArcelorMittal Kryvyi Rih Foreign Producers'/Exporters' Questionnaire at II-11. Nucor claims that 360,000 tons of additional wire rod capacity will come online in 2014 at Dneprovsky (Dzerzhinsky) Metallurgical Plant. Nucor Prehearing Brief at 32 & n.177. Yenakiieve is of the view that it is entirely speculative when or if this additional wire rod capacity will ever be brought online. For example, the plant is not included in the [ ] global wire rod rolling capacity tables. See id. at Exhibit 2. Moreover, this capacity is not in the Commission's Prehearing Report. This alleged "new" capacity is not currently in operation, may never be, and thus should not be included in the Commission's analysis.

22/ 2014 Prehearing Report at IV-64.

Existing contractual arrangements with Yenakiieve's customers in Ukraine also mean that home market shipments will continue to be strong, making unlikely any shift in shipments to export markets, including the United States. Further, Ms. Dimitrova testified that although Yenakiieve expects certain adjustments in home market demand due to Ukraine's political situation in Ukraine, home market consumption actually increased by 10 percent in the first quarter of 2014 (year over year), and that Yenakiieve does not expect consumption in Ukraine to decline. 23/

2. Increased, Reliable Exports to Non-U.S. Markets

Ukrainian producers have developed and cultivated important, non-U.S. export markets. These markets will continue to drive Yenakiieve's production and sales regardless of the outcome of this proceeding. According to Global Trade Atlas data, Europe, the Middle East, and

23/ Tr. at 203 (E. Dimitrova); see Metal Expert data supporting this year-over-year rise in Q1 2014 Ukraine consumption at Exhibit 1.

North Africa accounted for nearly two-thirds of Ukraine's exports, 24/ and that is where Yenakiieve has established strong customers.

a. Strong and Stable European Export Markets

European markets are especially important to Ukrainian steel producers, and European demand for wire rod is both growing and stable. 25/ Ukrainian producers have established customer relationships in Europe, and European shipments are attractive due to favorable logistical costs. Moreover, in contrast to the last review, there are currently ***no*** quantitative restrictions on imports of wire rod from Ukraine, and wire rod imports from Ukraine are duty-free and subject to no antidumping duty or anti-subsidy margins in Europe. In addition, Ukrainian wire rod producers expect to benefit from the negotiation and implementation of the 2011 deep and comprehensive free trade area (DCFTA) with the EU and the 2012 Association Agreement. 26/ The DCFTA and the Association Agreement will reduce import tariffs on Ukrainian industrial products, thereby spurring increased Ukrainian exports of those products and, consequently, demand for Ukrainian wire rod needed to manufacturer those exports. 27/ Lastly, there is no competition in European wire rod markets from China due to Europe's imposition of antidumping and countervailing duties on Chinese imports. 28/

b. Growing Middle East/North Africa Export Markets

The Middle East and North Africa are also important and established export markets for Ukrainian wire rod producers. In fact, Middle Eastern and North African markets (Israel, Nigeria, Jordan, Senegal, Iran, and Iraq) already comprise six of the Ukrainian producers' top ten

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24/ 2014 Prehearing Report at IV-70, Table IV-31.
25/ Yenakiieve Prehearing Brief at 41.
26/ Id. at 42.
27/ Tr. at 203-204 (C. Lewis).
28/ Id. at 59, 100 (P. Rosenthal).

export markets according to export data from Global Trade Atlas. 29/ Yenakiieve has worked successfully to develop customer relationships in several Middle Eastern and African countries, including [ ], 30/ and has established sales offices/agents in [ ].

Petitioners claim that Yenakiieve stopped shipping to Jordan due to the imposition of safeguard measures. 31/ This is inaccurate. Yenakiieve stopped shipping to Jordan due to closure of the Port of Tartous (as a result of the Syria crisis), not the safeguard measures.

c. Other Export Markets

Petitioners allege that third-country trade barriers in "important" third country markets mean that Ukrainian producers are likely to ship higher volumes to the United States. But, each of the measures cited by Petitioners do not have a significant impact on Ukrainian exports. 32/

- Jordan: Yenakiieve stopped shipping to Jordan due to closure of the Port of Tartous (as a result of the Syria crisis). The safeguard measures are not affecting Yenakiieve's exports.
- Mexico, Colombia, and Morocco: Yenakiieve has not shipped to these countries for a variety of logistical and certification reasons unrelated to the duty or safeguard measures. These measures also are not affecting Yenakiieve's exports.

3. Exporting to the U.S. Would Require Significant Effort and Expense

Ukrainian producers have limited relevant available capacity and have strong home markets and non-U.S. export markets that are more attractive than the U.S. market. However, even if producers in Ukraine decided to consider shipping product to the United States, making this a reality would require significant time and effort. Producers in Ukraine have not shipped

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29/ 2014 Prehearing Report at IV-70, Table IV-31.
30/ Yenakiieve Questionnaire Response at II-12.
31/ Nucor Prehearing Brief at 32-33; ArcelorMittal et al. Prehearing Brief at 75-76.
32/ See ArcelorMittal et. al Prehearing Brief at 75-76.

any subject wire rod to the United States since 2005. 33/ Re-starting commercial shipments of wire rod to the United States would require significant and time-consuming steps, including: (1) developing new customer relationships and/or engaging a third-party trading company to begin sales (engaging a trading company would reduce margins significantly for already financially less attractive shipments); (2) sending trials to potential new customers; (3) testing production on the producer's equipment, which could take a year alone; 34/ and (4) making new contractual arrangements. Ms. Dimitrova explained how each of these steps would require several months, meaning that no Ukrainian exports could possible be made to the U.S. market in less than eight to nine months. 35/ Finally, because wire rod is primarily produced-to-order, and Ukrainian producers have not been in the U.S. market for nearly a decade, it will require substantial additional lead time and coordination, as opposed to holding it in inventory. 36/

Finally, as detailed further in Yeankiieve's prehearing brief and post-hearing responses to Commissioner questions, U.S. prices are not attractive to Ukrainian producers. Yenakiieve's pricing comparison is reasonable and reliable for the Commission's assessment of the likely effect of revocation on volume and pricing from Ukraine.

4. Any Possible Export Volumes Would Be Minimal under Yenakiieve Company Projections

Yenakiieve has very limited capability to ship wire rod to the U.S. market due to limited relevant available capacity, strong existing home and non-U.S. export markets, and the difficulty, time and expense of starting shipments to the U.S. market. However, even assuming favorable pricing (which, as explained in Yenakiieve's responses to the Commission's questions, is not the

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33/ 2014 Prehearing Report at I-8, Table I-1 & C-5, Table I-1.
34/ Tr. at 154 (J. Campbell).
35/ Id. at 191-192 (E. Dimitrova).
36/ 2014 Prehearing Report at II-24. We further note that relevant Ukrainian inventories are [ ], accounting for [ ] of Yenakiieve's production.

case) and sufficient available capacity existed, Yenakiieve's export volumes to the United States will be minimal if the order is revoked. Yenakiieve has concluded that, at most, the company could spare between 3,000 to 5,000 tons of wire rod per quarter, or roughly 12,000 to 20,000 tons per year, 37/ an amount equivalent to only 0.4 percent of total U.S. consumption (based on 2013 figures). 38/ Accordingly, the Commission's consideration of the likely volume of subject imports strongly supports a finding that revocation of the antidumping order as to Ukraine will not likely lead to continuation or recurrence of material injury in the foreseeable future.

IV. THE DOMESTIC INDUSTRY IS NOT VULNERABLE

The domestic industry is not currently vulnerable to injury. The domestic industry has reported positive operating profits in 10 of the past 12 years, including every year of the current review period except 2009, the heart of the Great Recession. Moreover, as explained in greater detail in Yenakiieve's answers to the Commission's questions, the industry's true operating profit during the review period is actually ***$362 million higher*** than what the industry reported to the Commission. This is because in the current review period the domestic industry significantly undervalued its internal consumption and transfers to related firms, which accounted for 26.7 percent of the industry's total shipments by volume. 39/ The domestic industry testified to the Commission that it values internal consumption and transfers "at a competitive market price," 40/ but as explained at the Commission hearing, the data compiled by the Commission Staff demonstrate otherwise. For example, in 2013, the domestic industry undervalued its internal consumption and transfers by $73.54 per short ton, thereby undervaluing its 2013

37/ Tr. at 192 (E. Dimitrova).

38/ 2014 Prehearing Report at I-7, Table I-1.

39/ Id. at III-21, Table III-11.

40/ Tr. at 83 (E. Nystrom); see id. at 84 (J. Kerkvliet) ("We sell to them at a market price.").

revenue by ***$73.85 million***. If this figure is added to the industry's reported operating income of $107.69 million, the industry's ***actual 2013 operating margin was 7.1%***. 41/

Other important indicators likewise demonstrate the domestic industry's strength. For instance, the productivity of the U.S. industry is today at even higher levels – 858.4 short tons per 1000 hours in 2013 – than the industry experienced prior to the Great Recession. 42/ Moreover, the domestic industry has made very large capital expenditures ($450 million) during the current review period, and in excess of $250 million in 2012 and 2013 alone. 43/ These very significant capital expenditures, as well as their application to new capacity and operations such as Nucor's Darlington, SC facility, are not signs of a vulnerable industry. Rather, the evidence before the Commission reflects an industry that is more than prepared to withstand the very limited quantity of imports that could possibly be shipped from Ukraine if the order is revoked.

V. CONCLUSION

Yenakiieve respectfully submits that the Commission should revoke the antidumping order with respect to Ukraine.

Respectfully submitted,

/s/ Craig A. Lewis
Craig A. Lewis
Jonathan T. Stoel
Wesley V. Carrington

Counsel to PJSC "Yenakiieve Iron and Steel Works"

May 1, 2014

41/ 2014 Prehearing Report at C-4, Table C-1.
42/ Id. at C-4, Table C-1 & I-8, Table I-1.
43/ Id. at C-4, Table C-1.

PUBLIC VERSION

Exhibit List

1. Metal Expert data regarding Ukraine wire rod consumption

EXHIBIT 1

PUBLIC VERSION

PROPRIETARY INFORMATION DELETED FROM BRACKETS

BUSINESS PROPRIETARY TREATMENT REQUESTED FOR ENTIRE EXHIBIT

RESPONSES TO COMMISSIONER QUESTIONS

PUBLIC VERSION

BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.

CARBON AND CERTAIN ALLOY STEEL WIRE ROD FROM BRAZIL, INDONESIA, MEXICO, MOLDOVA, TRINIDAD AND TOBAGO, AND UKRAINE	Case Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (2nd Review)

PUBLIC VERSION

Business Proprietary Information removed from pages 4, 11, 14-16, 48-49 and Exhibits 1-4

APO information removed from pages 3, 5, 11, 18-22, 24, 25, 27, 28, 30-32, 40-41

POST-HEARING RESPONSES TO COMMISSIONER QUESTIONS
RESPONDENT PUBLIC JOINT STOCK COMPANY
"YENAKIIEVE IRON AND STEEL WORKS"

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YENAKIIEVE RESPONSES TO COMMISSIONER QUESTIONS

Page

I. CHANGES IN UKRAINE INDUSTRY SINCE ORIGINAL INVESTIGATION

COMMISSIONER BROADBENT (Pg. 129): Thank you. I wanted to talk a little bit more about Ukraine. Let's see, in the prehearing brief, the responding Ukrainian producer states that conditions have changed since the orders were imposed. Ukraine has completed a process of privatization and sales. And its pricing behavior that was observed in 1999 and 2001 don't reflect their efficiencies today and how they're making profit today.

Please talk about conditions of competition and have they -- can we assume that they're changed, but maybe they haven't changed in the right way. I know you think there's a lot of demand reasons why lower demand in Europe may push Ukrainian product in this direction, but in terms of their pricing behavior and their efficiencies and their privatization how would you characterize what's going on there?

COMMISSIONER KIEFF (Pg. 211): Okay, let me if I could then, pivot to the Ukraine question. Do -- can you tell us either now or in the post-hearing how imports from Ukraine were sold into the U.S. market during the original period and how things have changed since then? Just in a nutshell now and then later with detail in the brief.

CHAIRMAN WILLIAMSON (Pg. 239): Thank you, I just have a few questions. Ms. Dimitrova, you argue that privatization in the Ukraine is a condition of competition that supports decumulation. However, doesn't privatization make your industry more like industries in other subject countries? For example, Deacero where you absolutely have to depend on innovation as opposed to you know, government direction.

RESPONSE: The Commission's determination with respect to Ukraine must take into account the fundamental restructuring of Ukraine from a non-market economy characterized by state-ownership to the present private market economy that exists in Ukraine. Despite the importance of these changes, the Commission did not have an opportunity to fully consider them because no Ukrainian producer participated in the Commission's first review through filing briefs or testifying at the Commission's hearing. 1/ Yenakiieve's participation in this review offers the Commission an opportunity to fully consider all of the important changes that have occurred in the Ukrainian steel industry since the original investigation, as well as the substantial current differences in competition that warrant separate consideration.

1/ Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962 (First Review), USITC Pub. 4014 (June 2008) at 5 ("First Review Publication").

The original investigation examined and collected data for the period from 1999 through 2001. The country began a long process of market reforms after independence from the Soviet Union in 1991. Ukraine adopted its post-Soviet constitution only in 1996. The country joined the WTO in 2008.

At the beginning of the original investigation period, in 1999, the Ukrainian steel industry had yet to fully undergo the transition from state-ownership to private ownership. The Ukrainian steel wire rod industry was still characterized by state ownership – indeed, the Commerce Department continued to treat Ukraine as a non-market economy in the original investigation, 2/ and did not apply market economy status to Ukraine until 2006. 3/ The Ukraine steel industry during the original investigation period was driven by non-commercial state objectives such as production targets and full employment. The Ukrainian wire rod producer Krivorozhstal (which likely accounted for all of the wire rod exports to the United States at that time) sold wire rod in export markets principally through unrelated trading companies. As Ms. Dimitrova described it at the hearing "{i}f you refer to the period when the investigation was started and we have 1999 the year when all the steel mills seemed to – these were all affected sales through trading companies, it was like crazy sales without understanding the cost of, and understanding of markets, origin it was declare to one country and then switched to another." 4/ Under these circumstances, it is hardly surprising that volumes of wire rod from Ukraine spiked in 2000 and that pricing comparison data collected by the Commission showed underselling.

2/ Certain Carbon and Alloy Steel Wire Rod from Ukraine, 67 Fed. Reg. 55,785 (Dep't Commerce) (Aug. 30, 2002) (final determination of sales at less than fair value).

3/ See Final Results of Inquiry Into Ukraine's Status as a Non-Market Economy Country, 71 Fed. Reg. 9520 (Feb. 24. 2006), attached as **Exhibit 6**. As noted therein, even in 2006 an estimated 35 percent of Ukraine's domestic gross product was still state-controlled.

4/ Hearing Transcript ("Tr.") at 211 (E. Dimitrova).

But, that was then. Circumstances have fundamentally changed in Ukraine since the 1999-2001 period. Krivorozhstal was privatized and placed under the management policies of ArcelorMittal in 2005, as ArcelorMittal Kriviiy Rih. As the Commission well knows, the ArcelorMittal Group is a highly successful, sophisticated, and profit-oriented steel group with steel producing subsidiaries scatted across the globe. The ArcelorMittal Group brought, for the first time, western-style financial and operational management and profit-oriented policies to Ukraine's largest wire rod producer. As the Commission also well knows, rather than irresponsibly unloading its products to unrelated trading companies, the ArcelorMittal Group now carefully manages its exports of wire rod pursuant to strict regionally-focused marketing policies that are intended to protect local production assets, such as ArcelorMittal USA.

This change in ownership, management, and marketing policy for Krivorzshtal represents a tectonic change in the competitive landscape with regard to wire rod from Ukraine as compared to the original investigation period. Ukraine's **[ ]** – accounting for **[ ]** percent of total reported Ukrainian capacity in 2013 – has not only abandoned the non-economically-oriented policies of the past state ownership, but has become subject to a marketing policy that ensures that ArcelorMittal Kriviiy Rih is very unlikely to ship any subject wire rod to the United States as it did in the original investigation period. This ArcelorMittal marketing policy is discussed in detail herein. In short, the entity responsible for the data examined by the Commission in the original investigation is simply no longer a factor.

But, it is not the only important change in Ukraine's wire rod industry since the original investigation period. The other change is with respect to the other wire rod producer, Yenakiieve Iron and Steel Works. System Capital Management ("SCM"), the ultimate owner of the Metinvest Group, was not established until 2000. Yenakiieve Iron and Steel Works was acquired thereafter and become part of the Metinvest Group in 2005. Like ArcelorMittal, the Metinvest Group is a sophisticated profit-oriented steel and mining group. Also like ArcelorMittal, Metinvest [

]. Finally, and also like ArcelorMittal, Metinvest pursues a successful and profitable regional marketing strategy. [

]. 5/

Notwithstanding the dramatic privatization and restructuring described above that has occurred over the last nearly 15 years, Petitioners' counsel continue to see the clock stock at 1999. However, Petitioners' arguments don't hold up to examination. For example, Petitioners point to existing antidumping orders in Canada on certain Ukrainian steel as evidence of current injurious pricing behavior on subject products. 6/ However, one of these orders dates back to 2001 (hot-rolled carbon steel) and the other (on carbon steel plate) is not related to wire rod, or any other steel long product.7 The industries producing wire rod and flat-rolled carbon steel are different. Similarly, Petitioners point to existing U.S. antidumping orders or suspension agreements on Ukrainian steel products such as plate and rebar as indicating a proclivity to dump

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5/ Yenakiieve Foreign Producers'/Exporters' Questionnaire Response at II-12 ("Yenakiieve Questionnaire Response"). As indicated therein, the small sales of subject products to [
].

6/ Tr. at 109 (A. Price).

7/ See Measures in Force, Goods Subject to Anti-Dumping and Countervailing Duties, http://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev-eng.html (last accessed 5.1.2014).

in the U.S. market. 8/ The reality is that each of those antidumping measures pre-dates the structural changes in Ukraine discussed above – rebar (2001), hot-rolled steel (2001), and plate (1997). 9/ Likewise the Mexican antidumping order on Ukrainian bars and rods stems from 2000. 10/ All of these measure represent a Ukrainian industry that no longer exists.

Finally, Petitioners point to underselling by Ukrainian producers during the first review as evidence of "no change in pricing behavior." 11/ However, Petitioners neglect to inform the Commission that ***all*** of the price comparisons at issue occurred during [ ]. 12/ As such, these price comparisons reflect the selling behavior of [ ]. If anything, therefore, this evidence proves the point we are making – there is a clear dividing line between the past and the present in terms of the circumstances of the Ukrainian industry and the Commission cannot simply brush this aside, as Petitioners are urging, and assume that the world has not changed since 2001.

8/ Tr. at 106 (E. Nystrom)

9/ See https:/www.usitc.gov/trade_remed/documents/orders.xls, attached as **Exhibit 7**. While the rebar case was continued in 2013, no Ukrainian producer actively participated in that proceeding. See Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 878-880, 882 (Second Review), USTIC Pub. 4409 (July 2013).

10/ See Semi-Annual Report under Article 16.4 of the Agreement, G/ADP/N/252/MEX (6 February 2014), attached as **Exhibit 8**.

11/ Tr. at 130 (K. Cannon).

12/ See First Review Final Staff Report (confidential) at V-13, Table V-2 & V-17, Table V-3.

II. UKRAINE POLITICAL SITUATION

COMMISSIONER KIEFF (Pg. 107): Does their current, just one second, does their current political instability cut one way or the other or neither?

COMMISSIONER JOHANSON (Pg. 199): All right, thank you, and Miss Dimitrova while you are speaking, I was wondering. I know with the current political situation in Ukraine has impacted the country in many ways. Has it impacted the ports? From what I understand –

COMMISSIONER BROADBENT (Pg. 201): No, right, we appreciate the clarification, that's good. Mr. Lewis for your client, I'm not sure who's best to answer this, but can you talk to me about the recent developments in Russia, Russia's aggression there in Ukraine and what impact it's having on the wire rod market in Ukraine?

COMMISSIONER BROADBENT (Pgs. 202-203): Okay, thank you I appreciate the clarification. And then just to follow up and add a little bit more. Given the friction over there at this point, what's going on with the wire rod market in Ukraine itself? Demand for wire rod in Ukraine?

RESPONSE: The recent political turmoil in Ukraine, tragic as it is, so far has not disrupted Yenakiieve's operations or curtailed its sales in the Ukraine market. To the contrary, it has actually stimulated a significant short-term increase in demand for wire rod. As Ms. Dimitrova explained, Metinvest has actually seen a 10 percent increase in its sales of wire rod in the Ukraine market in the first quarter of 2014, compared to the corresponding period of the previous year. 13/ As Ms. Dimitrova further explained, this bump in demand was likely stimulated by seasonal demand and by the political instability itself because established customers in Ukraine are stocking up on wire rod as a precautionary measure to sustain their operations. 14/ So, ironically, the turmoil may be stimulating greater Ukraine market sales.

Ms. Dimitrova also testified that, in her capacity as the Head of Marketing at Metinvest Holding, that even with the current turmoil in Ukraine, long-term growth prospects for the wire rod industry are strong:

13/ Tr. at 203 (E. Dimitrova); see Exhibit 1 of Yenakiieve's Post-Hearing Brief.

14/ Id.

> Definitely there will be some adjustment, seasonable and due to political effect but we don't expect the consumption will drop, according to base scenario being expected, consumption of wire rods in Ukraine will be at the level of last year because we know that the potential of steel consumption in the Ukraine is still high because the level of consumption, steel consumption in Ukraine is one of the lowest in Europe and it has great potential to grow.15

Another positive factor for Ukrainian wire rod demand – particularly looking to the future - is the pivot toward the West and the opening of greater market access in Western Europe. As the Commission is aware, wire rod is an intermediate product used to manufacture downstream products such as fasteners, wire, nails, and wire mesh. As the European markets are opened to greater exports of these downstream products from Ukraine, this is, and will continue to, stimulate greater demand for wire rod in Ukraine. The representative of the Government of Ukraine at the hearing explained that:

> We have already signed political part of Association Agreement with the EU and plan to sign Deep and Comprehensive Free Trade Agreement with the EU this year as well. It is especially in these difficult political times and hard times for economy that Ukraine needs open trade with the United States consistent with the rules agreed upon at the WTO.
>
> As you may know, the European Union has recently responded to the situation in Ukraine by reducing tariffs on nearly all industrial products, and has demonstrated a commitment to helping Ukraine through greater integration to our economies. 16/

Thus, prospects for increased demand stimulated by European exports, including exports by downstream industries in Ukraine that consume wire rod, are good.

Of course, the flip side of these developments is the obvious likelihood of worsening trade relations with Russia. However, as Ms. Dimitrova confirmed to the Commission:

> If you take our shipments to Russia, if you take wire rod shipments to Russia, they are really insignificant because in Russia

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15/ Id. at 203 (E. Dimitrova).

16/ Id. at 26 (I. Baranetskyi).

> all wire processed in mills are integrated and, steel making producing mills, that's why we have no free market for wire rods in Russia. That's why as I mentioned in my testimony, there is no any threat of current relationship with Russia that can affect our shipments of wire rod to Russia because there is no shipments to this country. 17/

Thus, assuming relations with Russia continue to deteriorate, Yenakiieve does not expect this to have a significantly negative effect on the company's current and future operations. By contrast, the EU and the international community continues to demonstrate its financial support for Ukraine's economy, with the IMF recently approving a 2-year $17 billion stand-by arrangement for Ukraine.18

In summary, while it is difficult to predict how the events unfolding in Eastern Ukraine will end, the opening to Europe and pivot away from Russia bodes well for Ukrainian wire rod producers.

17/ Id. at 201-202 (E. Dimitrova).

18/ "IMF Executive Board Approves 2-Year US $17.01 Billion Stand-By Arrangement for Ukraine, US$3.19 Billion for Immediate Disbursement," International Monetary Fund (Apr. 30, 2014), attached as Exhibit 14.

III. LIKELY VOLUMES FROM UKRAINE

COMMISSIONER BROADBENT (Pg. 95): In terms of the projection we have to make on potential increase in volumes if the order was revoked, maybe sort of you can give me a sense of what a significant increase would be. Would it be the level, if you returned to the levels of imports in 1999 or to increase some other level, I mean how much would be significant if volumes increased and the order was revoked, and volumes increased?

COMMISSIONER KIEFF (Pgs. 105-106): Let's pivot yet again, just because I'm wary that it's getting close to later in the day and just in the interest in putting on the table the questions that we are struggling with, can we pivot to the Ukraine. The Ukrainian producers who have responded have in effect told us that they -- their conditions have changed a lot, and they in effect don't have either the capacity or the economic incentive to ship to the United States.

I would imagine you have a different view. You mentioned it briefly earlier but if you could just touch on that, any of you, that would help a lot.

COMMISSIONER JOHANSON (Pg. 230): All right, and I appreciate it. And my next question is for the Ukrainian witnesses. The petitioners point out that Ukraine has had significant volume shifts from year-to-year and this is at page 49 of the petitioner brief. Does this demonstrate that Ukraine could easily divert shipments to the U.S. market from other markets? Miss Dimitrova?

COMMISSIONER BROADBENT (Pgs. 235-236): Okay, thank you. I just had a couple of odds and ends here, hang on one second. What should we consider, if there is an increase in volume what would be significant and what kind of parameters would you put on that? If we revoke the order.

RESPONSE: If the order on imports from Ukraine were revoked, shipments from Ukraine to the United States, if any, would be minimal and insignificant. In response to Commissioner Broadbent's question regarding what level of import volumes would be significant, Mr. Nystrom from Nucor stated that "I can foresee a scenario where you would have a couple hundred thousand tons coming in and perhaps just as importantly at very low prices, so it would definitely be very impactful for the market." 19/ This is not what would occur if the Ukraine order were revoked. Ms. Dimitrova testified at the hearing that any import volumes from Ukraine would be nowhere near even the low end of the Mr. Nystrom's "significant" estimate (100,000) tons if the order were revoked. Yenakiieve has estimated that, assuming

19/ Id. at 95 (E. Nystrom).

favorable pricing conditions and available capacity (two big assumptions for the reasons explained in Yenakiieve's prehearing brief), Yenakiieve would ship at most 12,000 to 20,000 tons to the United States annually. 20/

There have been no shipments of wire rod from Ukraine to the United States for nearly a decade. As more fully explained at the hearing and in Yenakiieve's prehearing brief, shipments from Ukraine to the United States in the event of revocation would be very limited due to: (1) limited relevant excess capacity; (2) strong home and regional export markets; (3) the time and expense of entering the U.S. market; and (4) lack of favorable pricing in the United States. 21/

In claiming that producers in Ukraine would be likely to ship significant volumes of wire rod in the event of revocation, Petitioners also made several misleading statements. In Petitioners' prehearing brief, they claimed that Ukrainian producers' "significant volume shifts year to year in response to market conditions" would make Ukrainian producers likely to ship significant volumes to the United States upon revocation. 22/ They also claimed at the hearing that imports to the United States could be significant because the Ukrainian industry "is opportunistic." 23/ Petitioners are right about one thing – due to the privatization that occurred in the Ukrainian industry, Ukraine's wire rod producers now sell wire rod to maximize profitability and behave like normal profit-seeking corporations. However, it is precisely the Ukrainian producers' actual market behavior that makes them unlikely to sell significant shipments to the United States in the event of revocation. Ukrainian producers have established home and regional export markets and an established customer base which offer more attractive

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20/ Id. at 192 (E. Dimitrova).

21/ See Yenakiieve Prehearing Brief at 32-48; Tr. at 157-171 (E. Dimitrova, C. Lewis).

22/ ArcelorMittal et. al Prehearing Brief at 49.

23/ Tr. at 130 (A. Price).

transportation and logistical costs than shipments to the United States.

Home market shipments from producers in Ukraine [ ]. 24/ It is therefore unclear what Petitioners meant at the hearing when they said that "{Ukraine's} plants really don't have a significant domestic market." 25/ In **Exhibit 1** we provide a chart prepared by Yenakiieve to identify major customers and sales volumes committed to Ukraine and Europe.

Further, Yenakiieve's exports of wire rod to its major export markets of Europe and the Middle East/North Africa have been [ ] in recent years, with exports to the European Union hitting [ ] in 2013. 26/ In fact, according to Global Trade Atlas data regarding Ukraine's exports by destination, Europe, the Middle East, and Africa accounted for nearly two-thirds of Ukraine's exports in 2013. 27/ In sum, Yenakiieve's established home and regional export markets of Europe, the Middle East, and North Africa are growing and becoming more important to Yenakiieve, not less. Combined with Yenakiieve's capacity utilization rate at or above [ ], Yenakiieve simply does not have the capacity or incentive to ship significant quantities of wire rod to the United States in the event of revocation.

Finally, Yenakiieve submits that its lack of shipments to Canada is instructive. Canada has no current antidumping duty or other orders or restrictions on Ukrainian wire rod, and presents many of the same logistical and other challenges as would shipments to the United

24/ April 2, 2014 Prehearing Staff Report, Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review), at IV-64, Table IV-29 ("2014 Prehearing Report").

25/ Tr. at 107 (A. Price).

26/ Yenakiieve Questionnaire Response at II-12.

27/ 2014 Prehearing Report at IV-70, Table IV-31.

States. Yenakiieve has no record of shipping ***any*** wire rod to Canada.

IV. PRICES AND LOGISTICAL COSTS FOR UKRAINE SHIPMENTS TO THE UNITED STATES

COMMISSIONER PINKERT (Pg. 191): Thank you. Now Miss Dimitrova, you testified about the cost of shipping to the United States versus the possibly beneficial price and I understand your testimony and I am not questioning that, I'm just wondering if there were price shifts in the U.S. markets sufficient to make it economically advantageous for your company to ship to the United States, how long would it take you to solve the logistically and the marketing problems that would need to be solved in order to ship to the United States?

COMMISSIONER PINKERT (Pg. 192): Thank you, but at current pricing levels, you would anticipate no significant amounts of shipments to the United States from your company?

COMMISSIONER PINKERT (Pg. 192): Right, but assuming that there were, that the order did not exist, would you anticipate significant levels of shipments, at current pricing levels but without the duties?

RESPONSE: As detailed in Yenakiieve's prehearing brief and explained by its witness at the hearing, Yenakiieve has conducted a pricing comparison between home and regional export shipments versus potential shipments to the United States. 28/ To conduct this analysis, Yenakiieve used its own regional ex-factory weighted-average sales data to its home market and various export regions. Yenakiieve then added estimated transportation and logistics costs to arrive at a price which could reasonably be compared to average annual Platts SBB prices in the U.S. market on an ex-mill basis. The results of the pricing comparison suggest that U.S. shipments would not be financially attractive to Ukrainian producers, as Yenakiieve found that its "actual" comparison prices for its home market (Ukraine) and principal export markets (EU, Middle East, and Africa) are in fact comparable to or higher than U.S. prices in 2012 and 2013. 29/

28/ Yenakiieve Prehearing Brief at 47-48; Tr. at 164-165 (E. Dimitrova).

29/ Yenakiieve Prehearing Brief at 47.

Region	2011	2012	2013
Ukraine	[		]
EU	[		]
MENA	[		]
Africa	[		]
U.S. Comparison Price	[		]

Source of U.S. price: SBB Steel Prices, copyright SBB 14Wire Rod (mesh quality) / N. America domestic Ex-mill US Midwest $/s. ton

At the Commission's hearing, contrary to Yenakiieve's findings, Petitioners claimed that the U.S. market always was attractively priced compared to Ukraine's other markets and that transportation costs would not be a significant factor for Ukrainian shipments to the United States. 30 / Petitioners also questioned Yenakiieve's transportation and logistical cost adjustments and stated that they could not replicate Yenakiieve's pricing comparisons. 31/

Yenakiieve respectfully submits that the pricing comparisons submitted in its prehearing brief are accurate and represent the best available business projections regarding the attractiveness of the U.S. market for Yenakiieve. The pricing comparison demonstrates Yenakiieve's real business considerations regarding the relative attractiveness of the U.S. market after more than a decade of not shipping any wire rod to the United States. This is precisely the type of data relevant to the Commission's important determinations regarding the likely effect of revocation on volumes and pricing from Ukraine.

As further explained in Yenakiieve's prehearing brief and in the attached, signed declaration from [ ] at Yenakiieve, the pricing comparison was performed as follows:

- Yenakiieve started with its own sales prices from its sales database (annual weighted-average prices per region minus any transportation costs from the Yenakiieve mill, if any). Yenakiieve

30/ Tr. at 43 (E. Nystrom).

31/ Tr. at 107-108 (A. Price).

used its own sales databases maintained in the ordinary course of business to provide the most accurate pricing data possible on a per-region basis. 32/

- Yenakiieve adjusted its weighted-average sales prices to add estimated transportation and logistical costs totaling $[ ] as follows:
    - $[ ], including $[ ] of transportation costs from the Ukraine mill to the port, based on data from its transportation department, and $[ ] of payment charges (letter of credit charges), based on data from its financial department;
    - $[ ] for international ocean shipment costs from Ukraine to the United States, based on data from its freight department and a third-party shipping company;
    - $[ ] for inland U.S. freight costs, based on internal estimates and comparisons between inland costs in the United States and those in Ukraine; and
    - $[ ] for related lead time and other discounts, based on Yenakiieve's sales and marketing experience.
- Yenakiieve then compared the adjusted sales prices to Platts SBB prices in the U.S. on an ex-mill basis, converted to metric tons in order to compare to Yenakiieve's sales data.

The estimated transportation and logistical costs outlined above are based on Yenakiieve's best available business projections relying on the experience of its transportation, financial, and sales departments. At the hearing, Petitioners stated that "it's really cheap to sell by ocean freight, particularly the U.S. where you can do 20,000 ton boats, 40,000 ton boats at a time, ship large volumes, get really low rates…" 33/ In their briefs, Petitioners also claimed that ocean freight rates from Ukraine to the United States would be between $[ ]

32/ Yenakiieve notes that [ ].

33/ Tr. at 108 (A. Price).

per ton. 34/ Petitioners' figure of [ ] per ton significantly underestimates Yenakiieve's potential freight costs for the following reasons:

1. Petitioners selected the [ ] per ton figure from the quotes they provided, but the document also contains a quote of [ ] for shipments of the same product, from the same port, and to the same destination. 35/ It is not clear why they only cite the [ ] estimate. Petitioners' quotes also demonstrate that [ ]. Yenakiieve's ocean freight estimates, which are based on the small maximum volumes it could possibly ship to the United States if the order were revoked, are therefore [ ] than ocean freight estimates for companies able to ship larger quantities.

2. The quotes Nucor submits in its brief are for [ ]. 36/

3. Petitioners' freight rates assume very large volumes being shipped to the United States of [ ]. 37/ By contrast, as reported in its brief and at the hearing, Yenakiieve's ***maximum*** U.S. shipment projections (if the orders were revoked) are between 3,000 to 5,000 tons per quarter, or roughly 12,000 to 20,000 tons per year. 38/ Accordingly, the maximum amount shipped by Yenakiieve on any given ship to the United States would be likely much less than the [ ] tons used by Petitioners to calculate ocean freight. This is because ocean freight for "half freight" or partial freight is significantly more costly per ton than the amount of tonnage needed to fill an entire ship. Yenakiieve provides in **Exhibit 2** a letter from a third-party shipping company confirming Yenakiieve's ocean freight estimates for the likely quantities shipped by Yenakiieve.

4. Finally, Yenakiieve's inland U.S. freight estimate of $[ ] appears reasonable (and perhaps even underestimated) according to Petitioners' own expert witness: "We've seen imports from Mexico in the northeast market, the southeastern markets. And when you look at what the truck rates would be to ship products to those markets or even the rail rates, those rates could be ***north of $60 or 80 a ton depending on the way you're shipping, which you know, when you do some comparisons, and***

34/ Nucor Prehearing Brief at 41 and Exhibit 25.

35/ Id. at Exhibit 25.

36/ See id.

37/ See id.; Tr. at 108 (A. Price) ("{I}t's really cheap to sell by ocean freight, particularly the U.S. where you can do 20,000 ton boats, 40,000 ton boats at a time, ship large volumes . . . .").

38/ Yenakiieve Prehearing Brief at 45-46; Tr. at 192 (E. Dimitrova).

that's certainly not a cheap freight rate." 39/

Accordingly, Yenakiieve submits that its pricing comparison is reasonable and reliable for the Commission's assessment of the likely effect of revocation on volume and pricing from Ukraine. Yenakiieve provides a declaration at **Exhibit 3** signed by **[** **]** in support of the points made above.

39/ Tr. at 121-122 (E. Nystrom) (emphasis added).

V. ARCELORMITTAL AND REGIONAL POLICY

COMMISSIONER PINKERT (Pg. 84): This is more of a legal question and I am sure that Mr. Rosenthal will want to have a crack at it, but in the first review, the Commission found that a single entity directed all of ArcelorMittal's U.S. sales of wire rod, both imported and domestic. Is there any reason for us to revisit that finding from the first review?

Thank you, I take your answer as complete, but if there is anything you want to add in the post-hearing, that would be fine, thank you very much, thank you Mr. Chairman.

COMMISSIONER BROADBENT (Pg. 100): Okay and then, I wanted to thank Mr. Sanderson for coming and ask the Collier Standard folks in terms of, I guess I'm just curious why ArcelorMittal is not here today in terms of they participate pretty often and are a major player in this case.

COMMISSIONER BROADBENT (Pg. 132-133): Yeah, if you can give us some information on the relationship there between USA or someone in the USA and the producers in the subject, countries, that would be helpful.

COMMISSIONER BROADBENT (Pg. 132): Okay. Thank you. The Ukrainian respondents also argue in their brief as they have in past years that ArcelorMittal Companies globally pursue a regional supply strategy.

Do you agree that this is the case, and if so, would this policy act as a limit on exports of wire rod from our ArcelorMittal Companies to the United States?

RESPONSE: On the basis of the record before the Commission, there is no reasonable doubt that ArcelorMittal's well-established and centrally-controlled regional marketing policy will act to limit competing imports from its affiliated producer in Ukraine, ArcelorMittal Kriviiy Rih.

Counsel for ArcelorMittal confirmed at the Commission's hearing that "the information that is on the record from the first review articulated the ArcelorMittal policy well . . ." 40/ The Commission's Final Staff Report in the first sunset review quotes the following explanation from ArcelorMittal's post-hearing brief in that proceeding of how decisions are made for wire rod sales and importation:

[

40/ Id. at 84 (K. Cannon).

]. 41/

In response to Commission questions, ArcelorMittal also explained that:

[

]. 42/

Thus, the record unequivocally points to the conclusion that ArcelorMittal would not import from its non-regional affiliates, such as Ukraine, in competition with its U.S. facilities. If ArcelorMittal USA can sell the product in the U.S. market, it will.

Counsel for Nucor tried to undermine these facts at the hearing by asserting that ArcelorMittal's "U.S. investments are pretty minimal" and questioning ArcelorMittal's commitment to U.S. production. 43/ However, the Staff Report shows that ArcelorMittal USA is, in fact a significant U.S. producer, accounting for [ ] percent of total U.S. production capacity

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41/ First Review Final Staff Report (confidential) at IV-37.

42/ First Review Confidential Dissenting Views of Chairman Pearson and Commissioner Okun Concerning Subject Imports from Trinidad and Tobago at 4 n.9.

43/ See Tr. at 101 (A. Price).

in 2013, 44/ with over $[ ] in sales of subject merchandise in the same period. 45/ Such levels of U.S. operations led the Commission in the last review to conclude that "Arcelor Mittal USA has substantial production operations . . . ." 46/

Nucor's questioning of ArcelorMittal's commitment to U.S. production is also unjustified. This issue was explored in the first review. The first review Staff Report confirms that when asked if ArcelorMittal may be considering closing the Georgetown mill in favor of importing wire rod from subject or nonsubject countries, ArcelorMittal USA insisted that "it is fully committed to its U.S. wire business, as demonstrated by its investments there, and is not considering closing Georgetown in favor of importing from any affiliate". 47/

The suggestion was also made that ArcelorMittal would likely import subject merchandise from affiliated suppliers because it lacks sufficient domestic capacity or the ability to produce certain types of steel wire rod and would need to supplement local production. However, ArcelorMittal USA's U.S. Producers' Questionnaire Response reports that [ ]. 48/ Moreover, ArcelorMittal USA reported that its capacity utilization rate in 2013 was [ ] percent meaning, if the figures are to be believed, that [

44/ See ArcelorMittal USA U.S. Producers' Questionnaire Response at 11 (reporting [ ] tons of production capacity in 2013); 2014 Prehearing Report at C-4, Table C-1 (reporting total U.S. industry production capacity of 5,073,815.

45/ 2014 Prehearing Report at III-25, Table III-13 (reporting ArcelorMittal USA sales in 2013 of $[ ]).

46/ First Review Publication at 9.

47/ Id. at IV-39.

48/ ArcelorMittal USA U.S. Producers' Questionnaire Response at 15. [ ].

]. 49/ Thus, it is not credible to claim that ArcelorMittal would need to supplement its sales with product imported from affiliates.

Finally, even if a credible case could be made that ArcelorMittal USA lacks the capacity or ability to fully supply ArcelorMittal's U.S. sales objectives and would look to its affiliates for such supply in the event of revocation of the orders, it is inconceivable that ArcelorMittal would do so by sourcing from its Ukrainian facility. 50/ ArcelorMittal has a clearly established regional marketing policy that is driven both by the need to protect local investments and the profit rationale of minimizing logistics costs. It would be economically irrational for ArcelorMittal to source wire rod from Ukraine when it operates other facilities in the immediate region with lower logistics costs, such as those in Canada and Trinidad and Tobago.

This point is indirectly confirmed, in that [

]. 51/ In contrast, [

49/ Id. at 11.

50/ Nucor's counsel stated at the hearing that during the first sunset review of steel concrete reinforcing bar "ArcelorMittal Ukraine, showed up explicitly asking for revocation of the order so they could actually start exporting again to the United States." Tr. at 101 (A. Price). This is not true. The Commission's views correctly note that "Mittal argued that it has no intention of shipping from its Ukraine facility to the United States and endangering the commercial positions of Arcelor's North American facilities. According to Mittal, future exports from the Ukraine into North America would be coordinated through its regional marketing office in Dubai and then through Arcelor Mittal in Chicago." Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877880, and 882 (Review), USITC Pub. 3933 (July 2007) at 12, n.42.

51/ [
].

]. 52/

52/ [ ].

VI. DOMESTIC INDUSTRY OPERATIONS AND CAPACITY

CHAIRMAN WILLIAMSON (Tr. at 77): Okay, and thank you for that answer. I don't know if this is for you or someone else, please describe the state of the operations at the Georgetown facility between 2008 and 2013 and in particular, between July of 2009 and January 2011. Was the facility operating at all? Or ready to operate?

CHAIRMAN WILLIAMSON (Tr. at 78): Okay, thank you. For Gerdau, does Gerdau produce wire rod at its Perth Amboy facility since August 2009? And what are your estimates of the required time period to resume raw production at that facility?

COMMISSIONER PINKERT (Tr. at 81): Thank you, staying with you Mr. Kerkvliet, you talked about the possibility of resuming production at the Perth Amboy plant which has been idled since 2009. I have got two questions and you can answer them in any order.

First of all, how long would it take to resume production at that plant and what steps would you have to go through before you were able to resume production?

COMMISSIONER JOHANSON (Tr. 85-86): Thank you Mr. Chairman, and I would also like to thank the witnesses for appearing here today. Several purchasers reported supply constraints from about one-half of U.S. producers, particularly in 2011. Have there been periods of tight supply in the U.S. market and if so, what has caused that, what has the effect of that been?

COMMISSIONER KIEFF (Tr. at 104-105): I'm just curious, and again this one is probably more for the business people but it might be more comfortable to discuss later in the brief, so that's quite okay. The question is when you think about a plant like the Perth Amboy plant, so the notion is a plant that is for now, not operating. …

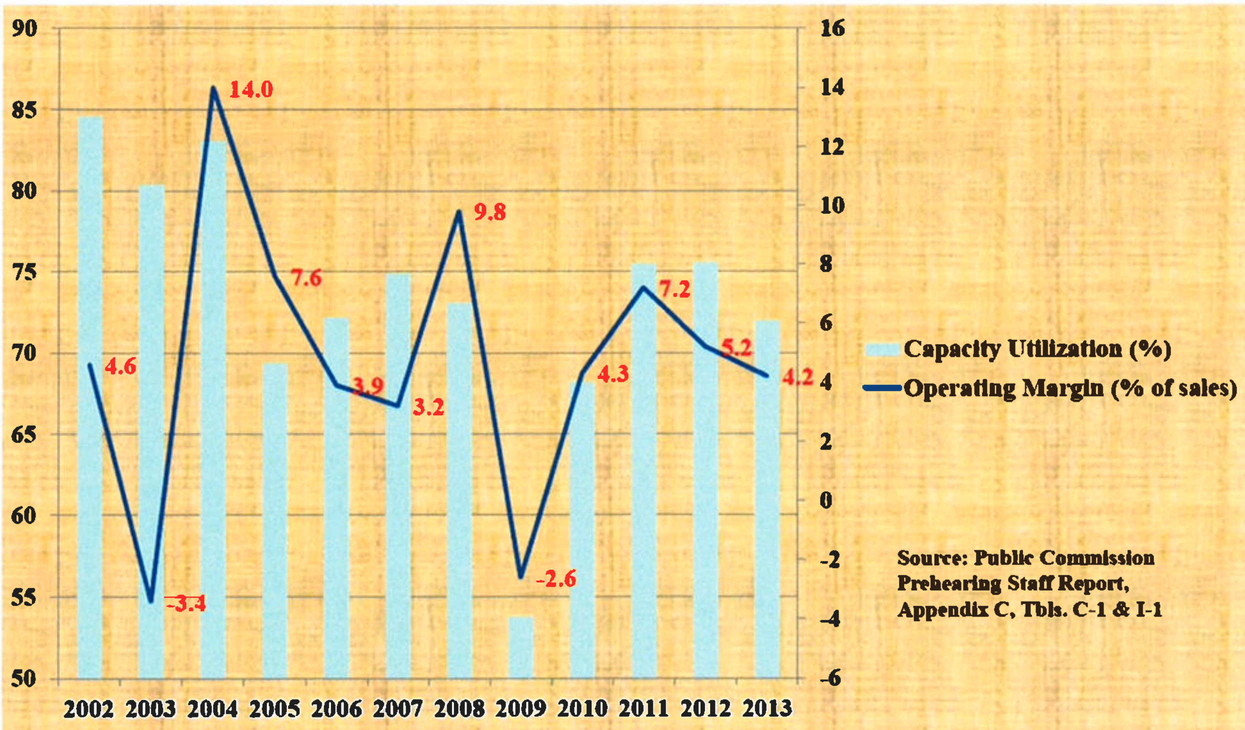
So the business questions and then the legal questions, what significance there is to that, if at all?

COMMISSIONER PINKERT (Tr. at 117): Thank you Mr. Chairman. Just a couple of questions about domestic supply, is the domestic industry able to supple {sic} the entire demand in the U.S. market?

COMMISSIONER PINKERT (Tr. at 119): Thank you. Now, have any domestic producers had difficult during the period of review in supplying particular customers? For example, having to put customers on allocation or having to tell customers that the domestic industry is unable to supply that customer during the period of review?

RESPONSE: If they are to be believed, the domestic industry's claimed production capacity and capacity utilization rates are not meaningful measures of the health and/or vulnerability of the domestic industry. The data presented to the Commission and reproduced below evidence this fact.

Domestic Industry's Capacity Utilization (%) v. its Operating Margin (% of sales)



This evidence suggests either that Petitioners are not accurately reporting their capacity or that there is simply no discernible correlation between capacity utilization and profitability for the industry.

Moreover, the Commission's questions and the responses of the domestic industry on this topic confirm that the Commission must view the domestic industry's reported capacity and its capacity utilization with skepticism. For example, we detailed in our prehearing brief why the capacity data reported by ArcelorMittal do not appear either accurate or reasonable. 53/ This is not an inconsequential matter. Arcelor Mittal USA accounted for more than [ ] percent of total U.S. capacity in 2013, and Arcelor Mittal USA's capacity utilization rate of [ ] percent during the review period was [ ] than the industry's average rate of 69.7

53/ Yenakiieve Prehearing Brief at 24-25.

percent during the review period. 54/

According to the domestic industry's witnesses and counsel at the Commission's hearing, any potential wire rod capacity – no matter how outdated or removed from actual production – has been included in the industry's reported capacity. The testimony provided to the Commission at its hearing with respect to Gerdau's Perth Amboy long-idled facility in New Jersey proves this point. Gerdau admits that this facility has not been operating since 2009. 55/ And yet, Gerdau insists that this facility should be counted toward the domestic industry's capacity. Mr. Rosenthal testified: "I understand there is some skepticism about whether this is real capacity that could be employed on behalf of the industry as Mr. Kerkvliet {of Gerdau} says … It is legitimate capacity that should be counted as part of the overall industry capacity and included in your capacity utilization numbers." 56/ Gerdau's request is plainly unreasonable. Notwithstanding the significant improvement in U.S. demand conditions since the Great Recession and the domestic industry's reported operating profits in 2010, 2011, 2012, and 2013, Gerdau has ***elected*** not to operate this facility for five years. We respectfully submit that the Commission should not accede to this request and should exclude any similarly dysfunctional capacity from its domestic industry analysis. To do otherwise would be based on speculation and not substantial evidence.

Lastly, the domestic industry itself is signaling that its reported capacity and capacity utilization are not meaningful indicators of its current condition. As detailed in our prehearing brief, Nucor has announced the following publicly:

54/ See ArcelorMittal USA U.S. Producers' Questionnaire Response at 11 (reporting [ ] tons of production capacity in 2013); 2014 Prehearing Report at C-4, Table C-1 (reporting total U.S. industry production capacity of 5,073,815).

55/ Tr. at 24 (J. Kerkvliet).

56/ Id. at 82 (P. Rosenthal).

> {P}lans to spend approximately $290 million for projects at our Tennessee, Nebraska and South Carolina bar mills that should expand Nucor's special bar quality ("SBQ") and wire rod capacity by one million tons. The projects, which we expect to be completed between the end of 2013 and the first half of 2014, will allow us to produce engineered bar for the most demanding applications while maintaining our market share in commodity bar products by shifting production to our other bar mills. 57/

According to American Metal Market, Nucor has actually begun producing wire rod at this new facility. 58/ This major investment and new capacity is convincing evidence that Nucor believes there is an expanding market for wire rod. As such, it is very difficult to reconcile Nucor's ***actions*** with its comments at the Commission hearing that "{o}ur Nucor mills are running at low levels of capacity utilization." 59/

In sum, the building and operation of new capacity – and the Commission record reflects that Nucor is not the only producer to do so recently 60/ – demonstrates that the U.S. industry itself believes that current U.S. capacity is not sufficient to meet market demand. Although this fact was strenuously objected to by the U.S. industry witnesses and counsel at the Commission's hearing, the evidence speaks to the contrary. The continued presence of imports in the U.S. market, notwithstanding the orders under review, demonstrates that there has been and continued to be significant U.S. demand that the U.S. industry is not meeting. The domestic industry's successful efforts to remove Chinese imports from the market will only improve this market condition going forward.

57/ Nucor Corporation 2012 Form 10-K at 1, attached as **Exhibit 9**.

58/ "Nucor's new rod mill begins shipments," American Metal Market (Oct. 9, 2013), attached as **Exhibit 10**.

59/ E.g., Tr. at 44 (E. Nystrom).

60/ Yenakiieve Prehearing Brief at 26.

VII. CUMULATED ANALYSIS

COMMISSIONER KIEFF (Pg. 213): ... and then the last request for the post-hearing and then I'll be done for the afternoon if that helps, is if you could also just be clear, is anyone this afternoon, making a full negative argument rather than a decumulation argument?

And if so, please say some more about that in the post-hearing so that we don't lose track of it if you want us to keep track of it. Great, thank you very much.

RESPONSE: As the Commission is aware, it is our position that imports from Ukraine should not be cumulated with other subject imports inter alia because of the unique conditions of competition faced by these companies in their geographic regions, their starkly differing levels of available production capacity, differences in terms of their presence in (or absence from) the U.S. market during the review period, and the level of their participation in this proceeding.

The latter point – level of participation in this review by the uncooperative countries – is of practical importance to any attempt by the Commission to conduct a meaningful cumulative analysis. Although the Commission obtained complete and usable foreign producer questionnaire responses from Ukrainian and Trinidad & Tobago producers accounting for 100 percent of wire rod production in 2013 and from Mexican producers accounting for [ ] percent of wire rod production in 2013, there are significant gaps in the administrative record with respect to all of the other non-participating countries 61/

- Of the five Brazilian producers of wire rod identified by the Commission, a foreign producer questionnaire response was received only from ArcelorMittal Brasil.62/ According to the Commission's Prehearing Report ArcelorMittal accounted for [ ] of Brazilian wire production (with [ ] estimates for 2013 suggesting that ArcelorMittal accounted for only [ ] percent of Brazilian production capacity in the same period). 63/

61/ 2014 Prehearing Report at IV-37, IV-52, IV-62.

62/ Id. at IV-17.

63/ Id. at IV-21.

- Of the four Indonesian producers of wire rod identified by the Commission, a foreign producer questionnaire response was received only from PT Ispat Indo. 64/ According to the Commission's Prehearing Report PT Ispat Indo accounted for [ ] percent of Indonesian wire rod production in 2013 and only [ ] percent capacity in the same period. 65/

- The only wire rod producer from Moldova, Moldova Steel Works, did not submit a questionnaire response. 66/

The Commission's staff report seeks to fill the large holes in the record created by the absence of data from these countries principally by relying on capacity and production data published by [ ] and shipment data reported by Global Trade Atlas. However, these sources are problematic. For example, it is unknown on what basis the [ ] data estimates production capacity or whether the capacity estimates take into account product mix. As the questionnaire data provided to the Commission shows, because the same production equipment is used to produce subject and non-subject (e.g., rebar) products, there can be substantially different capacity estimates depending on whether the capacity is correctly adjusted to take into account capacity that would be used for production of nonsubject merchandise, or incorrectly ignores such adjustments – in which case, the capacity data would be grossly overstated. Similarly, as the Prehearing Report acknowledges, shipment data from Global Trade Atlas may include considerable quantities of non-subject 1080 grade wire rod, leading to further distortions.

Given these limitations in the data, we question the accuracy and fairness of any attempt to draw conclusions with respect to future behavior of imports from Ukraine on the basis of the Brazil, Indonesia, and Moldova data.

Notwithstanding these limitations, the record evidence before the Commission supports

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64/ Id. at IV-27.

65/ Id.

66/ Id. at IV-48.

only one conclusion – that material injury is not likely to continue or recur by reason of cumulated imports from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine in the event of revocation of the orders on those countries.

A. The U.S. Industry is Not Vulnerable to Injury

First, as discussed and demonstrated elsewhere herein, the U.S. industry is not vulnerable to injury. Even accepting the distorted valuation of internal consumption and transfers in the Petitioners' questionnaire responses (see Response to Question VI above), the domestic industry's trade and financial performance has been robust over the review period. With the exception of 2009, at the very depth of the Great Recession, the U.S. industry has maintained profitability at healthy levels that equal or surpass prior historical profitability rates. If the financial data is corrected for the blatant undervaluation of internal consumption and transfers by the Petitioners, the results are substantially more favorable. Domestic producers have repeatedly demonstrated their market power by imposing price increases. Moreover, Chinese wire rod has just recently exited the U.S. market, freeing up almost 620,000 tons of consumption, based on 2013 data. Thus, the current condition of the U.S. industry is strong and demand conditions are improving.

B. Cumulated Subject Import Volumes are Not Likely to Be Significant

Second, the likely volume of cumulated subject imports in the event of revocation is small. To properly evaluate this question for the cumulated imports, the Commission logically has to first consider the likely volume of imports from each country separately. Thus, as discussed elsewhere herein, all wire rod production capacity represented by ArcelorMittal affiliates in Ukraine, Mexico, and Trinidad and Tobago should be viewed as unlikely to be directed to the United States in light of the well-known centrally-managed regional marketing policy established by ArcelorMittal. At the hearing, counsel for ArcelorMittal conceded the continued existence of this policy and, as discussed above, there is nothing unique about the wire rod industry that permits the Commission to conclude other than that this policy will continue to prevent any significant volumes from being shipped by ArcelorMittal affiliates to the United States. 67/

This removes from consideration approximately [ ] short tons of reported capacity out of a total of [ ] tons of capacity reported to the Commission 68/ – or over [ ] percent of total reported capacity in those countries.

ArcelorMittal Capacity in Subject Countries
Quantity (Short Tons)

Country	Capacity
Brazil	[ ]
Mexico	[ ]
Trinidad and Tobago	[ ]
Ukraine	[ ]
Total	[ ]

Source: Foreign producer questionnaires.

Of the remaining non-ArcelorMittal producers in these and the other subject countries, very little capacity can or will be directed outside of the home market or the immediate regional market:

First, as already documented at length in Yenakiieve's prehearing brief, Yenakiieve lacks the capacity or the incentive to export significant quantities to the United States.

Second, the Brazilian and Indonesian wire rod industries are not export oriented. Published data in the Prehearing Report indicates that [ ] percent of Brazilian production in

67/ Tr. at 84-85 (K. Cannon) ("I know the information that is on the record from the first review articulated the ArcelorMittal policy well and we can expand upon it here but basically the facts are the same as it applies to this industry.").

68/ 2014 Prehearing Report at IV-14, Table IV-6.

2013 was consumed domestically. 69/ Similar data shows that [ ] percent of Indonesian production was directed to the home market. 70/ Moreover, the Indonesian producer PT Ispat Indo [

]. 71/

The industry in Moldova is more export-oriented than Brazil and Indonesia 72/ – hardly a surprise given how very small the country is. However, Global Trade Atlas data provided in the Prehearing Report indicates that virtually all of Moldova's exports were made to regional markets in Europe, with fully 98 percent of exports in 2013 made to its immediate neighbors Romania, Poland, and Ukraine. 73/ There is simply no long-distance, let alone North American, focus to Moldova's exports of wire rod.

This leaves only Mexico as the sole country among the subject nations with any perceptible orientation toward the North American market. However, even in the case of Mexico, more than [ ] percent of total Mexican production was directed to the growing Mexican home market in 2013. 74/

The three Mexican companies providing questionnaire responses – Deacero, ArcelorMittal, and Ternium – accounted for theoretical coverage of [ ] percent of Mexican

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69/ Id. (reporting published production for Brazil of [ ] thousand tons and published exports of 293 thousand tons).

70/ Id. (reporting published production for Indonesia of [ ] thousand tons and published exports of 56 thousand tons).

71/ See First Review Staff Report (confidential) at IV-36, n.19 (noting that [

].).

72/ 2014 Prehearing Report at IV-49 (reporting published production for Moldova of [ ] thousand tons and published exports of [ ] thousand tons).

73/ Id. at IV-50, Table IV-22.

74/ Id. at IV-14, Table IV-6 (reporting published production for Mexico of [ ] thousand tons and published exports of 361 thousand tons).

production in 2013. 75/ As noted, ArcelorMittal will not export subject wire rod in competition with its sizable U.S. production assets. The reasons why Deacero is not likely to export significant additional volumes of subject merchandise, and why such volumes as would be exported would not likely have any negative price effects, are laid out in detail in Deacero's prehearing brief and the hearing testimony of its company witnesses. Those explanations will not be repeated here and we refer the Commission to Deacero's submissions.

Little, if any, additional volume can be expected from the remaining Mexican producer, Ternium Mexico S.A. de C.V. Ternium explained in its foreign producer questionnaire response that [

]. 76/ Ternium also reported that it was operating at a capacity utilization rate of [ ] percent in 2013 (with [

]). 77/ Ternium had a grand total of only [ ] tons of available capacity in 2013. 78/

In light of the above, the volume of cumulated country subject merchandise that would likely be imported in the event of revocation, beyond what is already being imported from Mexico without causing discernible injury, would likely be very small. It would clearly be far less than the "couple of hundred thousand tons" that Mr. Nystrom from Nucor publicly claimed at the hearing would be a "significant" enough volume (an even then, only if coupled with "very

75/ Id. at IV-37.

76/ Ternium Mexico S.A. de C.V. Foreign Producers'/Exporters' Questionnaire at 11.

77/ Id. at 13.

78/ Id.

low prices") to cause material injury to the domestic market consisting of over 5.3 million tons. 79/

C. Cumulated Subject Import Prices are Not Likely to Depress or Suppress Domestic Prices

Given the small likely volumes of subject merchandise, it is unlikely that such imports could have a depressing or suppressing impact on domestic prices – regardless of pricing levels. Moreover, even though the pricing comparison data collected by the Commission suggested underselling by Mexican exporters, there is no evidence that these imports have caused price depression or suppression in the U.S. market. To the contrary, the Prehearing Report acknowledges that "{p}rices for wire rod generally increased during 2008-13" with domestic price increases ranging from 2.6 percent to 11.9 percent and import prices by an even higher 5.1 percent to 23.8 percent. 80/ This was true, even in the face of large volumes of Chinese wire rod imported in the same period.

Nor is there evidence of significant price suppression. After a spike in 2009 to 98.4 percent (due to the precipitous drop in production caused by the Great Recession) the COGS/net sales ratio immediately dropped to 91.6 percent in 2010 and has been relatively stable thereafter – even in the face of a significant influx of Chinese product. 81/

There is, in summary, no reasonable basis to conclude that the very moderate quantities of additional subject merchandise that would likely be exported to the United States from the cumulated countries would have price depressing or suppressing effects.

D. Cumulated Subject Import Prices Are Not Likely to Cause Material Injury

Finally, given the lack of vulnerability of the domestic industry, the likely modest

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79/ Tr. at 236 (E. Nystrom); 2014 Prehearing Report at I-7, Table I-1.

80/ 2014 Prehearing Report at V-17.

81/ Id. at III-21, Table III-11.

increase in subject imports, and the unlikelihood of adverse price effects, it is not likely the domestic industry would suffer material injury if the orders were revoked. Demand for wire rod is increasing in the United States as the construction and automotive industries continue to pick up steam. Chinese product has exited the market.

The data supports a negative determination for cumulated imports.

VIII. CHINESE WIRE ROD SHIPMENTS' EFFECT ON UKRAINE PRODUCERS

COMMISSIONER BROADBENT (Pgs. 99-100): Okay, thank you. I wanted to look -- this would be either for Mr. Rosenthal or Ms. Cannon. On page 10 of the public handout we are looking at the buy-ins coming from China. The situation in Europe was that there is a CBD order on those exports from China, is that right?

COMMISSIONER BROADBENT (Pg. 100): Okay and then are these, so are they getting into Moldova or Ukraine, would you have a sense or does the order cover -- ?

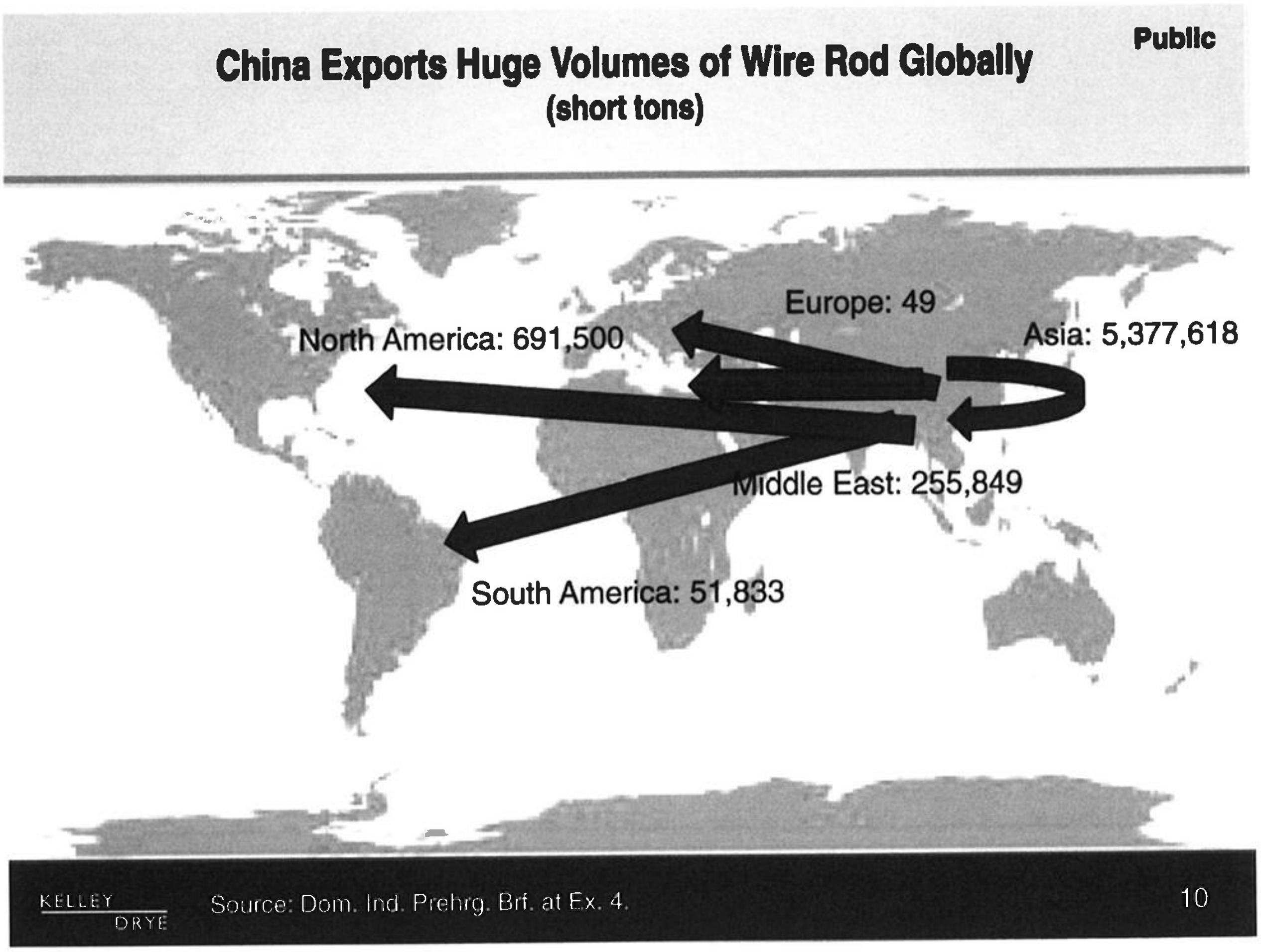
COMMISSIONER JOHANSON (Pg. 196): Thank you and this question is for all the respondents here today, Ukraine as well as Mexico. Can you all discuss what impact Chinese exports have to your home markets, and also to your third country export markets.

COMMISSIONER JOHANSON (Pg. 198): Miss Dimitrova, have Ukrainian producers been impacted by sales of Chinese product in third country markets?

RESPONSE: Yenakiieve has been able to maintain strong home and regional export markets despite competition from the enormous Chinese wire rod industry. Further, if orders are imposed on Chinese shipments of wire rod to the United States, any resulting additional Chinese shipments globally would not have a significant impact on Ukrainian shipment patterns.

First, as Petitioners acknowledge, since 2009 there has been an antidumping duty order in the European Union on wire rod from China. 82/ Accordingly, in one of Yenakiieve's biggest and most important regional export markets, Chinese imports have (and will continue to have) no impact. Petitioners themselves showcased this lack of Chinese shipments to Europe rather dramatically in their hearing slides:

82/ Tr. at 100 (P. Rosenthal), 59 (P. Rosenthal) ("Now Europe is pretty much closed to China, because there is a countervailing duty and anti-dumping duties imposed there and there are some other countries around the world that have shut their doors to the Chinese.").



In addition, Chinese exports have not adversely impacted Yenakiieve's important Middle East markets. As explained by Yenakiieve's witness, Ms. Dimitrova, at the hearing:

> . . . actually {there} is {a} recent increase of Chinese quantities of shipments of wire rods, mainly, they are active in Middle East countries, but their weakness is that their lead time is still high and they cannot compete to some customers, the same as we have stronger positions, <u>that's why we still find a way to keep market shares in Middle East countries and to keep selling to this region in stable volumes</u>. 83/

Accordingly, although Chinese shipments globally are sizeable, they have not adversely impacted Yenakiieve's primary regional export markets.

Finally, Chinese shipments of wire rod have not impacted Ukraine's home market. There were no (zero) shipments of Chinese wire rod into Ukraine during the review period.

83/ Tr. at 199 (E. Dimitrova) (emphasis added).

IX. EUROPEAN TREATMENT OF UKRAINIAN IMPORTS

COMMISSIONER BROADBENT (Pg. 204): Right, could you talk a little bit more detail about how the European Union trade treatment has changed the market from now verses in the original investigation, what the difference is in the tariff, for example. It's duty free as I understand it now, but what it was in the original investigation?

COMMISSIONER BROADBENT (Pg. 204): And is there anything that has happened recently in the trade treatment of Ukraine exports to the EU?

COMMISSIONER BROADBENT (Pg. 205): Okay and then wouldn't, I understand that they are talking about contemplating a free trade agreement, deep and something free trade agreement with the European Union, what would that entail? What would your understanding be that they would be thinking about? Would there be any other changes in your sector that might be contemplated, or there's probably not much more than they can do.

RESPONSE: There have been several significant favorable changes in European treatment of Ukrainian wire rod imports since the previous sunset review.

First, quotas were imposed on Ukrainian wire rod shipments to the EU in 1995. These quotas were in place during the previous sunset review period, but they were removed after Ukraine joined the WTO in 2008. 84/ Ukrainian wire rod shipments to the EU are ***not*** currently subject to any quantitative restrictions.

Second, the tariff duty rate for Ukrainian wire rod shipments to the European Union is currently zero pursuant to WTO tariff bindings.

Third, Ukraine negotiated a deep and comprehensive free trade area (DCFTA) with the EU in 2011 and signed an Association Agreement in 2012. 85/ Under the DCFTA, all customs duties will be eliminated except for three percent of products (mainly certain agricultural products). The European Parliament also recently backed a proposal eliminating roughly 98 percent of customs duties that Ukrainian exporters pay on iron, steel, and machinery as a way to

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84/ First Review Publication at IV-16; "EU-Ukraine bilateral trade," Delegation of the European Union to Ukraine, attached as **Exhibit 11**.

85/ Yenakiieve Prehearing Brief at 42.

show economic support for Ukraine during the recent political turmoil. 86/ Because the duty rate for imports into Europe of Ukrainian wire rod was already zero, tariff reductions under the DCFTA and the recent proposal will not directly impact imports of wire rod. However, as explained in the hearing, because wire rod is used in downstream products, the reduction in EU tariffs across a broad spectrum of industrial products is stimulating demand in Ukraine for wire rod incorporated into industrial products that are then shipped to Europe. 87/

Ukrainian wire rod shipments today are free of duty and quantitative restrictions, unlike in the original investigation or first sunset review. Europe is a critical export market for Yenakiieve, and one in which continued growth is expected.

86/ Yenakiieve Prehearing Brief at 42-43.

87/ Tr. at 203-204 (C. Lewis).

X. U.S. CONSUMPTION OF WIRE ROD

CHAIRMAN WILLIAMSON (Tr. at 111): What are your forecasts for future wire rod demand in the United States and subject countries in other markets and what are the key indicators that you used to forecast them?

COMMISSIONER JOHANSON (Tr. at 120): Mr. Ashby, I would like to ask you just a very quick question. You had mentioned that the automotive industry is consuming fairly high amounts of wire rod at this time. How would the automobile industry use wire rod?

RESPONSE: The evidence before the Commission in this sunset review unquestionably demonstrates that demand for wire rod has recovered from its collapse during the Great Recession and is forecast to continue to gain strength consistent with the increasing strength of the U.S. economy and of U.S. production in the key sectoral drivers of wire rod demand. Yenakiieve demonstrated in its prehearing brief that U.S. consumers foresee strengthening demand for wire rod for the foreseeable future, and Yenakiieve provided key, independently sourced data from both the automotive and construction sectors confirming this positive outlook. 88/

Petitioners' prehearing briefs and the testimony presented at the Commission hearing only serve to confirm that U.S. demand for wire is currently strong and likely to strengthen even further for the foreseeable future. The statements of wire rod industry witnesses are particularly telling. For example, the Director of Rod and Bar Sales, at Evraz Pueblo, Mr. Ashby, testified that "we are looking at somewhere between 2 and 3%" growth in the demand for wire rod. 89/ Mr. Ashby emphasized that the "highlight of the industry right now is the automotive business, which is pretty strong and expected to stay strong for some time." 90/ Mr. Ashby's positive assessment of the automotive sector was confirmed recently by a January 2014 Center for

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88/ Yenakiieve Prehearing Br. at 27-30 and Exhibits 6-10.

89/ Tr. at 113 (S. Ashby).

90/ Id. (emphasis added).

Automotive Research ("CAR") report. CAR's U.S. Vehicle Sales, Production, & Employment Outlook reported that in "October 2013, North America motor vehicle production set its highest monthly production record in 14 years." 91/ Moreover, CAR projects that U.S. motor vehicle production in 2013 grew by a remarkable 5.5 percent to 10.9 million units, and that 2014 and 2015 production totals will both exceed 11.5 million units, a further increase of 5.5 percent over 2013 production. 92/

Mr. Kerkvliet, Vice President of Sales and Marketing of Gerdau Ameristeel US, likewise testified that demand in "Mexico is going to be tied somewhat to the United States, from a growth standpoint so the North American Free trade arena, again that's between 2 and 3%" growth. 93/ Mr. Kerkvliet also confirmed the strong forecast for wire rod demand from the U.S. construction industry, testifying that "{w}e are grateful that {construction} is forecast to grow between 5 and 7%." 94/

Finally, Petitioners have placed on the Commission's record confidential data confirming the findings of the Commission Staff and the other evidence compiled by the parties demonstrating that U.S. demand has recovered significantly from its nadir during the Great Recession and is forecast to grow steadily for the foreseeable future. The [ ] published by [ ] shows that wire rod consumption in the United States [ ] by more than [ ] percent between 2010 and 2013. 95/ Moreover, [ ] forecasts that U.S. wire rod consumption will [ ] by [ ] percent in 2014,

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91/ Sean McAlinden & Yen Chen, "CAR's U.S. Vehicle Sales, Production, & Employment Outlook," Center for Automotive Research (Jan. 2014), at 3, attached as **Exhibit 4**.

92/ Id. at 4.

93/ Tr. at 114 (J. Kerkvliet).

94/ Id. at 112 (J. Kerkvliet).

95/ Nucor Brief at Exhibit 2, at 5.

[ ] percent in 2015, and [ ] percent in 2016. 96/

96/ Id.

XI. U.S. PRICES FOR WIRE ROD

COMMISSIONER PINKERT (Tr. at 82-83): Now another area where I am sure there would be disagreement about the commercial significance of certain domestic industry activities would be in the area of internal transfers and sales to related parties. And, I'm sure you have heard the argument that where there is a very significant level of internal transfers and sales to related parties, that the domestic industry is insulated from the impact of subject imports.

CHAIRMAN WILLIAMSON (Tr. at 114-15): In its pre-hearing brief, the American Wire Rod Producers Association presents evidence of recent price increased by domestic producers. Do either increases indicate a lack of vulnerability?

CHAIRMAN WILLIAMSON (Tr. at 220): Mr. Stoel you had argued that, you mentioned a whole bunch of price increases that you had heard about but you didn't address the petitioner's argument that you know, price increases can be announced, that doesn't mean they are going to stick.

RESPONSE: The American Wire Producers Association ("AWPA") provided evidence to the Commission that the U.S. domestic industry has the market power to be able to impose routine price increases for its wire rod products. The AWPA documented price increases of between \$120 and \$138 per short ton during 2013 and 2014. 97/ The ability of the industry to raise prices – apparently at any time – became particularly obvious in the days leading up to the Commission's sunset review hearing. American Metal Market reports that Gerdau, ArcelorMittal, and Keystone have all raised their wire rod prices by \$20 per ton, effective May 1, 2014. 98/ These continued, regular price increases reflect the strength of the domestic industry and its lack of vulnerability.

Another important condition of competition likewise insulates the domestic industry from price competition. That is, one key factor in the transformation and profitability of the domestic

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97/ American Wire Producers Association Prehearing Brief, Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Apr. 11, 2014), at Exhibit 2.

98/ "Gerdau raising wire rod product prices," American Metal Market (Apr. 11, 2014), attached as **Exhibit 13**; "ArcelorMittal raising long steel prices in Europe," American Metal Market (Apr. 11, 2014), attached as **Exhibit 13**; "Keystone raises wire rod product prices," American Metal Market (Apr. 11, 2014), attached as **Exhibit 13**.

industry since the original investigation is the domestic industry's significant relationships with downstream consumers of wire rod. These relationships have enabled the domestic industry to ship increasing amounts of their wire rod to related firms and to consume wire rod internally. The data assembled by the Commission Staff demonstrate that 26.7 percent of the domestic industry's total shipments by volume, and 25 percent of its shipments by value, were accounted for by internal consumption and transfers to related firms in the current review period. 99/ These percentages compare with only 14.9 percent by volume and 12.2 percent by value, respectively, during the original investigation. 100/ The public data compiled by the Commission shown below demonstrate just how significant these internal consumption and transfers are to the domestic industry.

	2008	2009	2010	2011	2012	2013
Commercial sales Q	2993932	2072311	2456711	2979103	2842314	2619518
Total Net Sales Q	4126388	2881432	3384018	3920918	3836475	3623777
Internal Consumption and Transfers Q	1132456	809121	927307	941815	994161	1004259
Internal Consumption and Transfers % of Total Net Sales Q	**27.44%**	**28.08%**	**27.40%**	**24.02%**	**25.91%**	**27.71%**

Source: Commission Prehearing Report, Public Tbl. III-11.

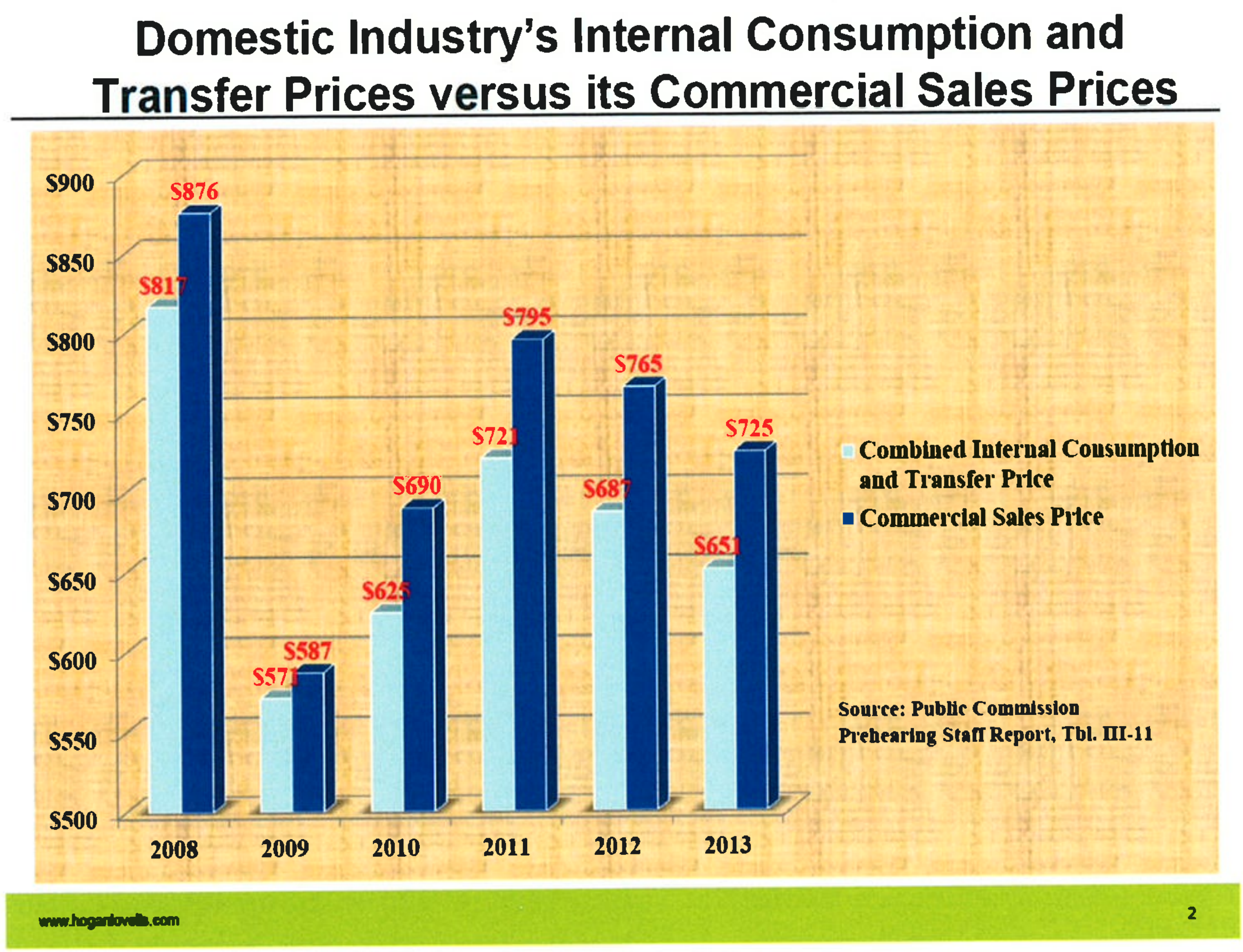
The domestic industry's ability to rely on internal consumption and transfers, which are made in the absence of competition, helps to insulate the domestic industry from price competition.

The domestic industry's valuation of its internal consumption and transfers also has a significant impact on the industry's revenues and profitability. At the Commission's hearing, domestic industry representatives testified that internal consumption and transfers are made "at a

99/ 2014 Prehearing Report at III-21, Table III-11.

100/ Investigation Final Staff Report (confidential) at II-7, Table III-3.

competitive market price." 101/ The data collected by the Commission do not support this contention. We have reproduced below the slide provided at the Commission's hearing as follows:



We also are providing the public pricing data from which the slide above was compiled. These data show the significant discount, on a percentage basis, at which the domestic industry is valuing its internal consumption and transfers.

101/ Tr. at 83 (E. Nystrom); Id. at 84 (J. Kerkvliet) ("We sell to them at a market price.").

	2008	2009	2010	2011	2012	2013
Commercial Sales Price	$875.75	$587.30	$689.94	$795.42	$765.40	$724.63
Combined Internal Consumption and Transfer Price	$816.90	$571.39	$624.77	$720.88	$687.09	$651.09
Internal Consumption and Transfers as % of Commercial Sales Price	**93.28%**	**97.29%**	**90.55%**	**90.63%**	**89.77%**	**89.85%**

Source: Commission Prehearing Report, Public Tbl. III-11.

In other words, the U.S. domestic industry has significantly undervalued these transfers and related-party sales, thereby diminishing the profits returned by its steelmaking operations through lower revenues and enhanced the profits returned by its downstream units through lower costs.

The domestic industry's undervaluation of its internal consumption and transfers has a very significant impact on the industry's revenues and bottom line. For example, in 2013, as shown above, the domestic industry's internal consumption and transfers amounted to 1.004 million tons, and the industry's reported price difference between its commercial shipment prices ($724.63) and its valuation of its transfers and related-party sales ($651.09) was $73.54. As a consequence, the domestic industry undervalued its 2013 revenue on its transfers and related-party sales by $73.85 million. If this figure is added to the industry's reported operating income of $107.69 million, the industry's actual operating margin was 7.1 percent (compared with reported operating margin of 4.2 percent). 102/ Reviewing the domestic industry's operating profit for the entire review period, its operation income would have been $362 million higher than the figure reported to the Commission if the domestic industry had only valued its transfers and related-party sales at commercial prices. This $362 million represents a 41 percent increase in operating profit above the already formidable $877 million in operating profit reported to the Commission for the current sunset review. In response to Commissioner Pinkert (Tr. at 187),

102/ 2014 Prehearing Report at C-4, Table C-1.

this is plainly not a "chronically vulnerable industry."

Finally, the domestic industry repeatedly contends that despite its market power and ability to raise prices, it is caught in "a real squeeze between raw materials and our realized prices." 103/ This allegation was also a concern of certain Commissioners in the first sunset review. 104/ The domestic industry financial data reported to the Commission in this review contradicts this claim. The ratio of COGS to sales in 2013 (92.4 percent) was lower than the same ratio (94.6 percent) in 2007, the last year of the first sunset review. 105/ Similarly, the annual average ratio of COGS to sales in the second sunset review (92 percent) was ***lower*** than the annual average ratio in the first sunset review (92.3 percent). 106/ In fact, the domestic industry's ability to limit its costs since the original investigation appears to be one of the key factors explaining the industry's ability to record operating profit in ***10 of the past 12 years*** (a period encompassing the Great Recession).

103/ Tr. at 115 (E. Nystrom).

104/ First Review Publication at 36 n.251 ("Vice Commissioner Aranoff, Commissioner Lane, and Commissioner Williamson find that the domestic industry is currently in a vulnerable or weakened state … Unit COGS are increasing faster than shipment unit values, …").

105/ Compare 2014 Prehearing Report at C-4, Table C-1, with I-8, Table I-1.

106/ Id.

XII. MOLDOVA AND AFFILIATION

COMMISSIONER BROADBENT (Pg. 200): For the Ukrainian witnesses please, you stated in your pre-hearing report on page, let's see, as stated in the pre-hearing report and I think it's 4-48, the sole Moldavian company is owned by your company, Metinvest.

Since you are affiliated with the Moldavian company, is there any information that you can give us about the producing status of this company, including the capacity and production levels in its export partnerships?

COMMISSIONER BROADBENT (Pg. 201): So you wouldn't have any information on the capacity or production?

RESPONSE: The statement in footnote 15 of the Staff's Prehearing Report (at page IV-48) claiming an affiliation between the Metinvest Group and Moldova Steel Works ("MSW") is incorrect. There is no direct or indirect affiliation between the two companies.

The information in the Prehearing Report stems from an erroneous assertion made in Petitioners' July 2, 2013, Response to the Notice of Institution. In that response, Petitioners stated that MSW's wire rod production facility in Moldova "is currently managed by Metalloinvest holding {sic}, Russia's largest iron ore miner which is owned by Alisher Usmanov (who owns MetInvest, which owns Ukraine CASWR producers Yenakiieve Steel and Makiivka Steel)." 107/ As support for this statement, the Petitioners cited to printouts from MSW's website – none of which references Metinvest or in any way substantiates the claim that Mr. Usmanov owns or controls Metinvest.

Yenakiieve Steel and Makiivka Steel are members of the Metinvest Group. The Metinvest Group is a vertically-integrated group of Ukrainian mining and steelmaking assets. Yenakiieve and Makiivka Steel are subsidiaries of, and controlled by, Metinvest Holding. Metinvest Holding is, in turn, held and controlled by companies affiliated with Systems Capital

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107/ See Letter from Counsel for ArcelorMittal USA LLC, Cascade Steel Rolling Mills, Inc., Evraz Rocky Mountain Steel, Gerdau Ameristeel US, Inc., Keystone Consolidated Industries, Inc. and Nucor Corporation to the U.S. International Trade Commission, Inv. Nos. 701-TA-417, 731-TA-953, 957-959, 961, and 962 (Second Review) (July 2, 2013) at 25-26.

Management ("SCM"), a Ukrainian financial and industrial group based in Dontesk, Ukraine. SCM is beneficially controlled by Mr. Rinat Akhmetov, a Ukrainian national. Copies of relevant pages from the SCM Ltd. Financial Report for 2012 and other documentation substantiating these facts are provided in **Exhibit 8**.

Mr. Usmanov has no ownership, or role in the management of, the Metinvest Group companies or SCM. As is widely reported, Mr. Usmanov is the founder of USM Holdings, which owns the similar sounding "Metalloinvest" Group – an unrelated Russian mining and steel producing group. See **Exhibit 9**.

According to its website, MSW's ownership currently is as follows:

EIM Energy Investment & Management Corporation:	45.6%
"Rumney Trust Reg":	45%
Decagon Avionics Limited:	8.23%
Employees:	1.17%

See **Exhibit 9**. None of these entities is affiliated with SCM or the Metinvest Group. The current relationship of Mr. Usmanov, Metalloinvest, or USM Holdings to MSW or its shareholders, if any, is not known to Yenakiieve.

While there is no affiliation or control relationship between Metinvest and Yenakiieve Steel on the one hand, and MSW on the other, we note that **[**

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Exhibit List

1. Yenakiieve major customers and sales volumes in Ukraine and Europe
2. Letter from third-party shipping company regarding freight costs
3. Declaration regarding pricing comparison
4. SCM Ltd. Financial Report and related documentation
5. MSW and USM Holdings website
6. Final Results of Inquiry Into Ukraine's Status as a Non-Market Economy Country, 71 Fed. Reg. 9520 (Feb. 24. 2006)
7. ITC duty order listing
8. Semi-Annual Report under Article 16.4 of the Agreement, G/ADP/N/252/MEX (6 February 2014)
9. Nucor Corporation 2012 Form 10-K (excerpt)
10. "Nucor's new rod mill begins shipments," American Metal Market (Oct. 9, 2013)
11. "EU-Ukraine bilateral trade," Delegation of the European Union to Ukraine
12. Sean McAlinden & Yen Chen, "CAR's U.S. Vehicle Sales, Production, & Employment Outlook," Center for Automotive Research (Jan. 2014)
13. Articles regarding price increases
14. "IMF Executive Board Approves 2-Year US $17.01 Billion Stand-By Arrangement for Ukraine, US$3.19 Billion for Immediate Disbursement," International Monetary Fund (Apr. 30, 2014)

EXHIBIT 1

PUBLIC VERSION

PROPRIETARY INFORMATION DELETED FROM BRACKETS

BUSINESS PROPRIETARY TREATMENT REQUESTED FOR ENTIRE EXHIBIT

EXHIBIT 2

PUBLIC VERSION

PROPRIETARY INFORMATION DELETED
FROM BRACKETS

BUSINESS PROPRIETARY TREATMENT REQUESTED FOR ENTIRE EXHIBIT

EXHIBIT 3

PUBLIC VERSION

PROPRIETARY INFORMATION DELETED
FROM BRACKETS

BUSINESS PROPRIETARY TREATMENT REQUESTED FOR ENTIRE EXHIBIT

EXHIBIT 4

SCM (System Capital Management) Limited

International Financial Reporting Standards Consolidated Financial Statements and Independent Auditor's Report

31 December 2012

All tabular amounts in millions of US dollars

1. SCM (System Capital Management) Limited and its operations

Organisation and operations. SCM (System Capital Management) Limited ("SCM Ltd" or the "Company") is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company is beneficially owned by Mr. Rinat Akhmetov, through various entities commonly referred to as System Capital Management ("SCM"). SCM and its subsidiaries ("SCM Group") form a large conglomerate operating in the steel production, electric power generation and distribution, banking and insurance, real estate, telecommunications and various other businesses primarily in Ukraine.

The principal subsidiaries of SCM Ltd Group (the "Group") as at 31 December 2012 and 2011 are as follows:

Name	Effective % interest as at 31 December 2012	2011	Segment	Country of incorporation
Metinvest B.V.	71	71	Steel - Holding company	Netherlands
Metinvest International S.A.	71	71	Steel	Switzerland
PJSC Northern Iron Ore Enrichment Works	45	45	Steel	Ukraine
PJSC Central Iron Ore Enrichment Works	54	54	Steel	Ukraine
PJSC Ingulets Iron Ore Enrichment Works	59	59	Steel	Ukraine
PJSC Khartsyzsk Pipe Plant	70	70	Steel	Ukraine
Ferriera Valsider S.p.A.	78	78	Steel	Italy
PJSC Azovstal Iron and Steel Works	68	68	Steel	Ukraine
JV Metalen LLC	71	71	Steel	Ukraine
PJSC Yenakiieve Iron and Steel Works	65	65	Steel	Ukraine
PJSC Avdiivka Coke Plant	66	65	Steel	Ukraine
PJSC Krasnodon Coal Company	66	65	Steel	Ukraine
Metinvest Trametal S.p.A	71	71	Steel	Italy
Spartan UK Limited	71	71	Steel	UK
United Coal Company LLC	71	71	Steel	USA
JSC Promet Steel	68	68	Steel	Bulgaria
OSC Komsomolske Flux Plant	71	71	Steel	Ukraine
PJSC Makiivka Iron and Steel Works	64	64	Steel	Ukraine
PJSC Ilyich Iron and Steel Works	71	71	Steel	Ukraine
PSC Ilyich Steel	71	71	Steel	Ukraine
DTEK Holdings B.V.	100	100	Energy - Holding company	Netherlands
DTEK Pavlogradugol PJSC	100	100	Energy	Ukraine
DTEK Mine Komsomolets Donbassa PJSC	95	95	Energy	Ukraine
DTEK Dobropolyeugol LLC	100	100	Energy	Ukraine
DTEK Rovenkiantracyte LLC	100	100	Energy	Ukraine
DTEK Sverdlovantracyte LLC	100	100	Energy	Ukraine
Eastenergo LLC	100	100	Energy	Ukraine
Wind Power LLC	100	100	Energy	Ukraine
Tehrempostavka LLC	100	100	Energy	Ukraine
Servis-Invest LLC	100	100	Energy	Ukraine
DTEK Energougol ENE PJSC	94	94	Energy	Ukraine
Kyivenergo PJSC	72	72	Energy	Ukraine
DTEK Donetskoblenergo PJSC*	71	31	Energy	Ukraine
DTEK Dniprooblenergo PJSC*	52	2	Energy	Ukraine
DTEK Krymenergo PJSC*	58	12	Energy	Ukraine
DTEK Dniproenergo PJSC*	73	48	Energy	Ukraine
DTEK Zakhidenergo PJSC*	72	26	Energy	Ukraine
Bilozerska Mine ALC*	95	-	Energy	Ukraine
Public company Don-Anthracite*	100	-	Energy	Russian Federation
Public Mining Corporation Obukhovskaya*	100	-	Energy	Russian Federation
Sulinathracite LLC*	100	-	Energy	Russian Federation
ESPV Limited	100	100	Other – Real Estate – Holding company	Cyprus
LLC Esta Holding	100	100	Other – Real Estate	Ukraine
LLC Hotel Donbass Palace	100	100	Other – Real Estate	Ukraine
LLC "Stolichniy CUM"	100	100	Other – Real Estate	Ukraine
LLC "Complex Pushkinskiy"	100	100	Other – Real Estate	Ukraine
LLC "Intern"	100	100	Other – Real Estate	Ukraine
UMBH Ukrainian Machine Building Holding Limited	100	100	Other - Machine building – Holding company	Cyprus
PJSC "Donetskiy energozavod"	91	91	Other - Machine building	Ukraine
JSC "Gorlovsky mashinostroitel"	100	100	Other - Machine building	Ukraine

All tabular amounts in millions of US dollars

1. SCM (System Capital Management) Limited and its operations (continued)

Name	Effective % Interest as at 31 December 2012	2011	Segment	Country of incorporation
PJSC "Druzhkovka machine-building plant"	87	87	Other - Machine building	Ukraine
PJSC "Gorlovsiy machine-building plant"*	100	-	Other - Machine building	Ukraine
PJSC "KMP Svit Shakhtera"	80	40	Other - Machine building	Ukraine
Lemtrans limited	100	100	Other – Transportation - Holding company	Cyprus
LLC Lemtrans*	100	-	Other - Transportation	Ukraine
Corporation MPS*	100	-	Other - Transportation	Ukraine
LLC Kerchenskiy Strelochnyi Zavod*	52	-	Other - Transportation	Ukraine
LLC Ukrainian Transport-Operating Company*	52	-	Other - Transportation	Ukraine
LLC UPK*	52	-	Other - Transportation	Ukraine
LLC Ukrtransleasing*	52	-	Other - Transportation	Ukraine
LLC Donpromtrans*	100	-	Other - Transportation	Ukraine
Other principal subsidiaries				
PJSC Avlita	100	100	Other - Stevedoring	Ukraine
PJSC Farlep Invest	100	100	Other – Telecom	Ukraine
JSC Zaporozhkoks*	58	25	Steel	Ukraine
JSC Donetskkoks*	58	38	Steel	Ukraine
LLC "Ukrainskiy Aptechniy Holding"*	100	-	Other-Pharmacy	Ukraine
TRK Media Holding*	100	-	Other-Media	Ukraine

* - entities acquired by the Group in 2012

The Company was formed by a comprehensive legal restructuring, whereby all controlling interests in SCM's major industrial assets were transferred to SCM Ltd. As the Group has been formed through a reorganisation of entities under common control, these financial statements have been prepared using the predecessor basis in a manner similar to the pooling of interest method. Accordingly, the financial statements, including corresponding amounts, have been presented as if the transfers of controlling interests in the subsidiaries had occurred at the beginning of the earliest period presented, or, if later, on the date of acquisition of the subsidiary by the transferring entities under common control. The assets and liabilities of the transferred subsidiaries were recorded in these financial statements at the carrying amount in the transferring entities' financial statements. The difference between the carrying amount of net assets and the purchase consideration was accounted for as an adjustment to the merge reserve in equity. As at 31 December 2012, this legal reorganisation is almost complete.

As at 31 December 2012, the Group employed approximately 278 thousand people (31 December 2011: 238 thousand).

The Company's registered address is Themistocles Dervi, 3 Julia House P.C. 1066, Nicosia, Cyprus. The principal location of production facilities of the Group are in Ukraine, Italy and the USA.

EXHIBIT 5

Internet Site JSC MOLDOVA STEEL WORKS
ОАО МОЛДАВСКИЙ МЕТАЛЛУРГИЧЕСКИЙ ЗАВОД

Russian version

April 30 2014, Wednesday

- About us
- Product
- Production
- Quality
- Orders
- Purchasing
- Corporate information
- Contact
- News
- Photo gallery

Corporative information

Moldova Steel Works (MMZ) was set up in 1985 following the Order of the USSR Iron and Steel Ministry.
In 1990, Moldova Steel Works was transformed into a lease enterprise based on the Lease Contract dd. 24.05.1990.
Operation under conditions of market economy and tough competition in the global steel market required MMZ to find new ways of integration into the global system of steel producers, and changing the ownership type was one of preconditions.
The lack of relevant legal framework and mechanisms to transform state enterprises into public companies in the Pridnestrovian Moldavian Republic impeded transformation of MMZ into a joint stock company. MMZ's senior executives carried out a great deal of work involving members of the PMR Supreme Council, government, ministries and agencies to transform MMZ into a joint stock company, to attract foreign investments into the company located in the region with an unrecognized political status and faltering economy in order to save production capacities of the largest employer in the region.

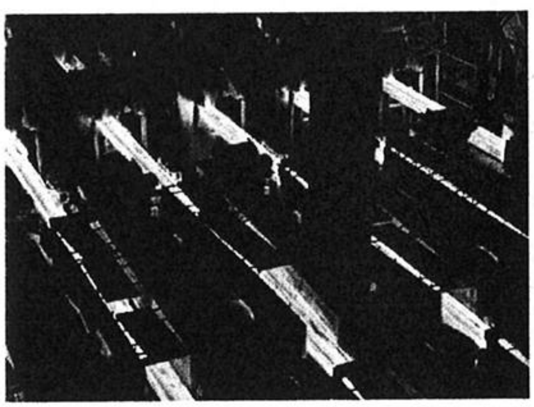
On March 19, 1998, based on the Regulation of the TMR Supreme Council about the state privatisation of LH MMZ, No. 159 dd.22.10.1997, the plant was registered as a Close Joint Stock Company, with 100% of shares being owned by the state.
On April 7, 1998, following the Regulation of the TMR Supreme Council about the size of the employees' block of shares in CJSC "MMZ", No.181, the employees received 28,8% block of the authorised capital. The working and retired employees became shareholders of CJSC Moldova Steel Works.
On the basis of the PMR Act about joint stock companies, dd.10.01.2004, the annual general meeting of shareholders of MMZ held on 30.05.2008 took a decision to change the legal form of Moldova Steel Works from Close Joint Stock Company to Joint Stock Company.

Shareholders of JSC Moldova Steel Works:

"EIM Energy Investment & Management Corporation"	**45,6%**
"RUMNEY TRUST REG."	**45%**
DECAGON AVIONICS LIMITED	**8,23%**
Employees	**1,17%**

Webmaster

USM Holdings Limited ("USM Holdings") is a diversified international company with significant interests across the metals and mining, telecoms, internet and media sectors. It was established to consolidate the various investments and holdings of Alisher Usmanov, which are the result of more than 20 years of his business development activities.



Bringing together Mr. Usmanov's interests into one company, USM Holdings has the right structure to enable sharing of both intellectual and financial capital amongst its various businesses. The group's companies benefit from a global network of relationships and a wealth of experience, which enable them to access international investment opportunities. Through its structure, reporting and transparency, USM Holdings aims to ensure that its companies adhere to the highest international standards of corporate governance.

In carrying out its operations, USM Holdings acts in a socially responsible way, investing in long-term sustainable enterprises, stimulating economic development and creating employment opportunities in Russia. The group cares about the communities in which it conducts its business, and supports them through a wide range of social projects in the fields of education, sports, arts, science and ecology.

STEEL & MINING

USM Holdings invests in a number of Russia's metals and mining companies. It controls 100% of Metalloinvest, the world's #5 merchant iron ore producer.

METALLOINVEST

Metalloinvest has the second largest measured iron ore reserve base in the world (c.14.6 billion tonnes).

The company is the fifth largest commercial iron ore producer globally and the number one in Russia and the CIS. It is #3 in pellet production, and the world's leading merchant HBI supplier.

Metalloinvest's main production assets are located in the European part of Russia and the Urals.

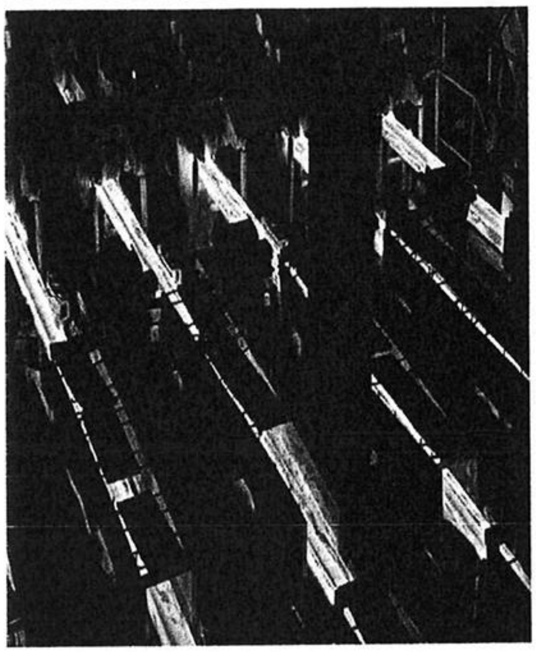
The company is organised into two integrated operating segments: mining and steel. The mining segment comprises Lebedinsky GOK and Mikhailovsky GOK, and the steel segment includes OEMK, Ural Steel and Ural Scrap Company. In addition to its mining and steel businesses, Metalloinvest owns a few auxiliary companies and other assets that provide services to the mining and steel segments.

Lebedinsky GOK is the leading Russian company focused on the extraction, benefication and treatment of iron ore. It has the largest iron ore reserves in the world. It is the sole producer of HBI in Russia and the CIS. Metalloinvest is in the process of constructing a third HBI plant with an annual production capacity of 1.8 million tonnes at Lebedinsky GOK. This plant will be the largest HBI module in the world.

Mikhailovsky GOK is the number two iron ore extraction and processing and pellet production operation in Russia, second only to Lebedinsky GOK. In 2014, Metalloinvest intends to finish construction of the largest pellet plant in Russia, with a capacity of five million tonnes a year at Mikhailovsky GOK.

The two GOKs' production capacities allow Metalloinvest to take leading positions in Russia and the CIS, as well as a top-five spot in iron ore production globally.

OEMK is one of the most modern fully integrated steel mills in Russia, employing technology for the direct



reduction of iron and electric arc furnace smelting, which enables the Company to extract metal practically free from harmful foreign substances and residual elements. The unique properties of OEMK's steel and finished products have ensured a stable demand for them in the local market and worldwide. OEMK is located close to Lebedinsky GOK, which supplies it with high-grade iron ore concentrate through a 26-kilometre slurry pipeline. OEMK supplies its products to engineering, automotive, pipe, hardware and bearings industries in Russia and abroad.

Ural Steel is a fully integrated iron and steel works, including coke blast furnace, steelmaking and rolling production. The plant occupies leading positions in the niche markets of merchant pig iron, pipe billets and strips, as well as bridge construction steel and heavy plates.

Ural Scrap Company purchases, processes and delivers ferrous scrap to Metalloinvest's steel segment assets.

Baikal Mining Company, a wholly-owned subsidiary of Metalloinvest, develops the Udokan copper deposit, which contains the major part of Russia's total copper resources. It is one of the world's largest undeveloped deposits of copper, with resources of c. 24.6 million tonnes according to JORC international standards.

Metalloinvest has a shareholding of approximately 5% in Norilsk Nickel, the world's largest producer of nickel (18% market share) and palladium (41%), as well as a leading producer of platinum (11%) and copper (2%). Norilsk Nickel also makes a number of by-products, such as cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium and sulphur.

With a 21% holding, Metalloinvest is the largest shareholder of the Canadian company Nautilus Minerals. Nautilus Minerals undertakes commercial seafloor exploration, searching for large sulphide deposits, which are a potential source of copper, gold, zinc and silver ore with high metal content. The company is developing the world's first seafloor copper-gold project in the territorial waters of Papua New Guinea.

STEEL AND MINING

STEEL AND MINING
ORGANIGRAM

STEEL
AND MINING

METALLOINVEST
HOLDING COMPANY

METALLOINVEST
MANAGEMENT COMPANY

MINING SEGMENT

STEEL SEGMENT

AUXILIARY BUSINESS

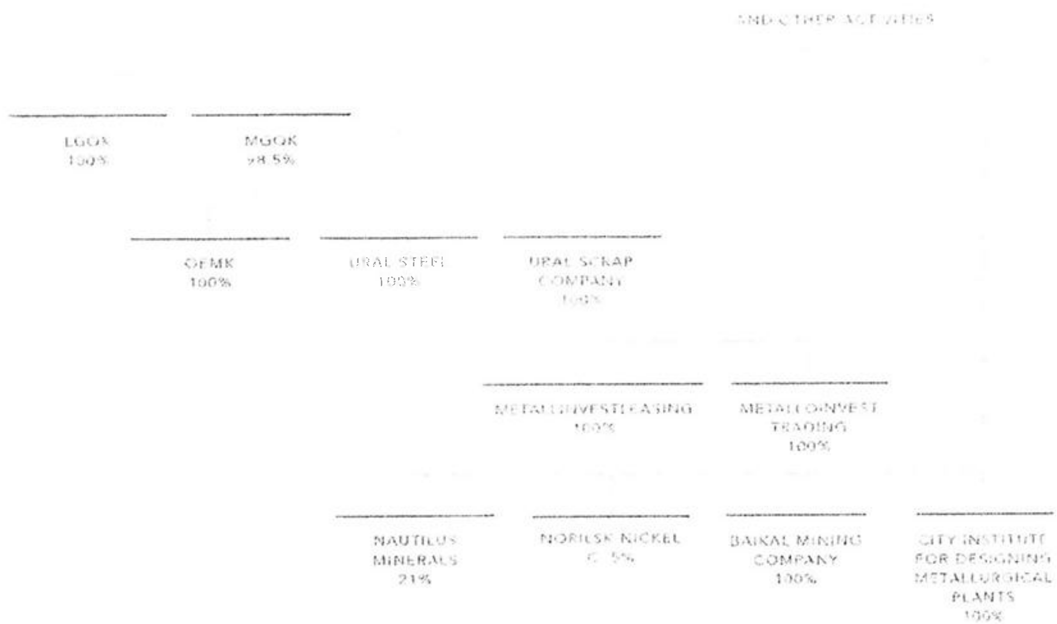

AND OTHER ACTIVITIES
LGOK
100%
MGOK
98.5%
OEMK
100%
URAL STEEL
100%
URAL SCRAP
COMPANY
100%
METALLOINVESTLEASING
100%
METALLOINVEST
TRADING
100%
NAUTILUS
MINERALS
21%
NORILSK NICKEL
BAIKAL MINING
COMPANY
100%
CITY INSTITUTE
FOR DESIGNING
METALLURGICAL
PLANTS
100%

EXHIBIT 6

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71 FR 9520, February 24, 2006

DEPARTMENT OF COMMERCE

International Trade Administration

[A-823-812]

Final Results of Inquiry Into Ukraine's Status as a Non-Market Economy Country.

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Final Results

SUMMARY: Ukraine has implemented economic and institutional reforms since gaining independence in 1991. The government of Ukraine (``GOU'') has undertaken substantial reforms relating to the factors examined by the Department of Commerce (``the Department'') under section 771(18)(B) of the Tariff Act of 1930, as amended (``the Act''). See memorandum to David Spooner from Lawrence Norton, Shauna Lee-Alaia, and Anthony Hill, Decision Memorandum Regarding Ukraine's Status as a Non-Market Economy Country for Purposes of the Antidumping Duty Law Under a Changed Circumstances Review of the Antidumping Duty Order on Carbon and Certain Alloy Steel Wire Rod from Ukraine (February 16, 2006) (``Decision Memorandum'').

Based on the preponderance of evidence on reforms in Ukraine to date, analyzed as required under section 771(18)(B) of the Act, the Department determines that (1) revocation of Ukraine's non-market economy (``NME'') status under section 771(18)(B) of the Act is warranted, and (2) the effective date of this decision is February 1, 2006. Accordingly, Ukrainian producers and exporters will be subject, to the antidumping rules applicable to market economy countries with respect to the analysis of transactions occurring on or after February 1, 2006.

EFFECTIVE DATE: February 1, 2006.

FOR FURTHER INFORMATION CONTACT: Lawrence Norton or Shauna Lee-Alaia, Office of Policy, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC, 20230; telephone: 202-482-1579 or 202-482-2793, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department has treated Ukraine as an NME country in all past antidumping duty investigations and administrative reviews. See, e.g., Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Ukraine, 67 FR 55785 (August 30, 2002); Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from Ukraine, 66 FR 50401

(October 3, 2001); and Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Ukraine, 66 FR 1857 (April 11, 2001). A designation as a NME remains in effect until it is revoked by the Department. See section 771(18)(C)(i) of the Act.

On April 2, 2005, the GOU's Ministry of Economy and European Integration requested that the Department conduct a review of Ukraine's status as a NME country within the context of a changed circumstances review of the antidumping duty order on carbon and certain alloy steel wire rod from Ukraine. In response to this request, the Department initiated a changed circumstances review in order to determine whether Ukraine should continue to be treated as a NME country for purposes of the antidumping law, pursuant to sections 751(b) and 771(18)(C)(ii) of the Act. See Initiation of a Changed Circumstances Review of the Antidumping Duty Order on Carbon and Certain Alloy Steel Wire Rod from Ukraine, 70 FR 21396 (April 26, 2005).

In its notice of initiation, the Department invited public comment on Ukraine's ongoing economic reforms. Extensive initial and rebuttal comments were received on July 11, and August 31, 2005, respectively. On January 12, 2006, the Department requested further comment on Ukraine's reforms and extended the deadline for completion of the proceeding to February 16, 2006. See Changed Circumstances Review of the Antidumping Duty Order on Carbon and Certain Alloy Steel Wire Rod from Ukraine: Opportunity to Comment on the Status of Ukraine as a Non-Market Economy Country and Extension of Final Results 71 FR 2904 (January 18, 2006). These comments have been made available to the public on the Import Administration Web site at the following address: http://enforcement.trade.gov/. In addition, the Department has compiled and analyzed information regarding Ukrainian economic reforms from independent third-party sources such as the International Monetary Fund, the World Bank, and the European Bank for Reconstruction and Development.

Ukraine's currency, the hryvnia, is freely convertible on the current account and is subject to market forces. Employees and management may freely negotiate wages, and workers have the right to unionize and engage in collective bargaining. Foreign direct investment is encouraged by the GOU in almost all sectors of the economy, and the law afford foreign and domestic investors equal treatment. Ukraine's efforts toward privatizing the economy have been substantial. At least 65 percent of Ukraine's gross domestic product is in the hands of the private sector, and there are relatively few large state-owned enterprises remaining. Land, including land for agricultural use, is privately held, and foreign investors may own the land on which their investments are located. The GOU has withdrawn from its previous role as the primary resource allocator in the economy by privatizing virtually the entire banking sector and eliminating most price controls. Additionally, Ukraine is in the process of joining the World Trade Organization.

Notwithstanding Ukraine's substantial progress, several aspects of Ukraine's economy require additional reform. Foreign direct investment, while increasing, has been very low. Ukraine should enhance the mechanisms for trade in land, particularly agricultural land. Ukraine continues to have a very difficult business environment, due to excessive government regulation, outdated legislation and corruption. In particular, small and medium-size enterprise growth and increases in foreign investment are hampered by Ukraine's difficult business environment.

Overall, though, given the significant reforms discussed above and in the Decision Memorandum, Ukraine warrants designation as a market-

[[Page 9521]]

economy country, effective February 1, 2006.

Dated: February 16, 2006.
Joseph A. Spetrini,
Acting Assistant Secretary for Import Administration.
[FR Doc. E6-2673 Filed 2-23-06; 8:45 am]

BILLING CODE 3510-DS-S

EXHIBIT 7

ANTIDUMPING AND COUNTERVAILING DUTY ORDERS IN PLACE
AS OF JANUARY 13, 2014

Key to ITC case number:	
AA	= Antidumping Act of 1921
A	= Section 731 of the Tariff Act of 1930 (antidumping)
C	= Section 701 of the Tariff Act of 1930 (countervailing duty)
C4	= Section 104 of the Trade Agreements Act of 1979 (countervailing duty)
C-None	= No Commission investigation (countervailing duty)

Key to product group:	
AG = Agricultural, forest, and processed food products	MM = Metals and minerals
CH = Chemicals and pharmaceuticals	MSC = Miscellaneous manufactured products
ISM=Iron & steel: Mill products	PRSG= Plastics, rubber, stone, and glass products
ISO=Iron & steel: Other products & castings	TR = Transportation
ISP=Iron & steel: Pipe products	TX = Textiles and apparel
ME = Machinery and electronic/scientific equipment	

Order date	Continued date	ITC case No.	DOC case No.	AD/CVD	Review Sequence Group No.	Product Group	Product	Country	Fed Reg	Pub date	Other
09/12/2001	06/12/2013	A-894	A-823-810	A	94	CH	Ammonium nitrate	Ukraine	78 FR 3525	6/12/2013	
09/07/2001	07/22/2013	A-882	A-823-809	A	92	ISM	Steel concrete reinforcing bar	Ukraine	78 FR 4385	7/22/2013	
11/29/2001	12/27/2007	A-908	A-823-811	A	93	ISM	Hot-rolled carbon steel flat products	Ukraine			
10/29/2002	07/30/2008	A-962	A-823-812	A	110	ISM	Carbon steel wire rod	Ukraine	73 FR 4421	7/30/2008	
10/24/1997	11/10/2009	A-756	A-823-808	A	7	ISM	Carbon steel plate (Suspended)	Ukraine	74 FR 5799	11/10/2009	
07/14/1987	12/20/2011	A-340-H	A-823-801	A	33	CH	Solid urea	Ukraine	76 FR 7888	12/20/2011	
09/17/2001	11/08/2012	A-673	A-823-805	A	80	MM	Silicomanganese	Ukraine	77 FR 3401	6/8/2012	

EXHIBIT 8

WORLD TRADE ORGANIZATION

G/ADP/N/252/CAN

3 March 2014

(14-1292)

Page: 1/14

Committee on Anti-Dumping Practices

Original: English

SEMI-ANNUAL REPORT UNDER ARTICLE 16.4 OF THE AGREEMENT

CANADA

Reproduced herewith is the semi-annual report for the period 1 July-31 December 2013 from **Canada**.

Reporting Member: **Canada**[1]

SEMI-ANNUAL REPORT OF ANTI-DUMPING ACTIONS[2]

FOR THE PERIOD 1 JULY-31 DECEMBER 2013

Original Investigations

Country or customs territory	Product	Initiation	Provisional measures and preliminary determinations	Final measures: Definitive duty	Final measures: Price undertaking	No final measures / termination	Other	Trade data (from published report(s))		Basis for normal value determination
	Description; HS 6-digit category covering investigated product[3]; ID number; (*) if investigation of >1 country	Date; period of investigation (D-dumping; I-injury)	Date of duties; range of individual dumping margins; "other" rates; [range of applied rates if different, reason]	Date of duties; range of individual dumping margins; "other" rates; [range of applied rates if different, reason]	Date of application; range of individual dumping margins or minimum prices	Date, Reason	Date, explanation	Import volume or value (units / currency); product coverage, period, if different from cols. 2/3 (Note 1)	Import volume as % of apparent domestic consumption or as % of total imports (Note 2)	Codes for all bases used in proceeding;
1	2	3	4	5	6	7	8	9	10	11
Brazil	Certain copper tube HS 7411.10; AD/1401/BR (*)	22.05.13 D: 01.05.12 – 30.04.13 I: 01.01.10 – 31.12.12[4]	20.08.13 12.1% "All others" rate: 109.8% of the export price of the goods	18.12.13 24.8% "All others" rate: 82.4% of the export price of the goods				CF	5.3% of total imports[5]	CV
	Certain steel plate HS 7208.51, 7208.52; AD/1402/BR (*)	05.09.13 D: 01.01.12 – 31.03.13					29.11.13 Extension of investigation	CF	3.17% of total imports	
China	Certain galvanized steel wire HS 7217.20, 7217.90, 7229.90; AD/1397/CN (*)	21.01.13 D: 01.01.12 – 31.12.12 I: 01.01.10 – 31.12.12[6]	22.04.13 45.1% - 51.7% "All others" rate: 64.8% of the export price of the goods			20.08.13 No injury/threat of injury		CF	29.9% of total imports	FA

[1] Documents can be found at: http://www.cbsa-asfc.gc.ca/sima-lmsi/menu-eng.html or http://www.citt.gc.ca/dumping/index_e.asp
[2] All terms and column headings used in this format have the meanings assigned to them in the instructions.
[3] For reference purposes only.
[4] The injury period of investigation also covered two interim periods: 01.01.12 – 30.06.12 and 01.01.13 – 30.06.13.
[5] The percentage ratio of subsidized imports to total imports was reported for the period of 1 January 2012 to 28 February 2013, which differs from the period of investigation.
[6] The injury period of investigation also covered two interim periods: 01.01.12 – 31.03.12 and 01.01.13 – 31.03.13.

1	2	3	4	5	6	7	8	9	10	11
China (Cont'd)	Certain unitized wall modules HS 7610.10, 7610.90, 7008.00, 7308.30; AD/1399/CN	04.03.13 D: 01.01.11 – 31.12.12 I: 01.01.10 – 31.12.12[7]	15.07.13 30.3% - 36.3% "All others" rate: 57.3% of the export price of the goods	12.11.13 15.7% - 49.3% "All others" rate: 120% of the export price of the goods			17.05.13 Extension of investigation	CF	96%[8] of total imports	CV
	Certain silicon metal HS 2804.69; AD/1400/CN	22.04.13 D: 01.01.12 – 31.12.12 I: 01.01.10 – 31.12.12[9]	22.07.13 "All others" rate: 35% of the export price of the goods	19.11.13 47.3% - 180.3% "All others" rate: 235% of the export price of the goods				CF	71.5% of total imports	FA
	Certain copper tube HS 7411.10; AD/1401/CN (*)	22.05.13 D: 01.05.12 – 30.04.13 I: 01.01.10 – 31.12.12[10]	20.08.13 4.6% - 12.0% "All others" rate: 109.8% of the export price of the goods	18.12.13 6.1% – 7.5% "All others" rate: 82.4% of the export price of the goods				CF	17.6% of total imports[11]	FA
Denmark	Certain steel plate HS 7208.51, 7208.52; AD/1402/DK (*)	05.09.13 D: 01.01.12 – 31.03.13					29.11.13 Extension of investigation	CF	1.18% of total imports	
Greece	Certain copper tube HS 7411.10; AD/1401/GR (*)	22.05.13 D: 01.05.12 – 30.04.13 I: 01.01.10 – 31.12.12[12]	20.08.13 12.7% "All others" rate: 109.8% of the export price of the goods	18.12.13 11.0% "All others" rate: 82.4% of the export price of the goods				CF	3.6% of total imports[13]	CV
Indonesia	Certain steel plate HS 7208.51, 7208.52; AD/1402/ID (*)	05.09.13 D: 01.01.12 – 31.03.13					29.11.13 Extension of investigation	CF	1.83% of total imports	
Israel	Certain galvanized steel wire HS 7217.20, 7217.90, 7229.90; AD/1397/IL (*)	21.01.13 D : 01.01.12 – 31.12.12 I : 01.01.10 – 31.12.1214	22.04.13 14.5% "All others" rate: 64.8% of the export price of the goods			20.08.13 No injury/threat of injury		CF	5.6% of total imports	CV
Italy	Certain steel plate HS 7208.51, 7208.52; AD/1402/IT (*)	05.09.13 D: 01.01.12 – 31.03.13					29.11.13 Extension of investigation	CF	2.56% of total imports	

[7] The injury period of investigation also covered two interim periods: 01.01.12 – 30.06.12 and 01.01.13 – 30.06.13.

[8] This number corresponds to import value. Since import volume information on the customs documentation was reported in various units of measure (i.e. m^2, number of modules, kg, etc.), it was not feasible to estimate the imports of subject goods and goods that are of the same description by volume.

[9] The injury period of investigation also covered two interim periods: 01.01.12 – 30.06.12 and 01.01.13 – 30.06.13.

[10] The injury period of investigation also covered two interim periods: 01.01.12 – 30.06.12 and 01.01.13 – 30.06.13.

[11] The percentage ratio of subsidized imports to total imports was reported for the period of 1 January 2012 to 28 February 2013, which differs from the period of investigation.

[12] The injury period of investigation also covered two interim periods: 01.01.12 – 30.06.12 and 01.01.13 – 30.06.13.

[13] The percentage ratio of subsidized imports to total imports was reported for the period of 1 January 2012 to 28 February 2013, which differs from the period of investigation.

[14] The injury period of investigation also covered two interim periods: 01.01.12 – 31.03.12 and 01.01.13 – 31.03.13.

1	2	3	4	5	6	7	8	9	10	11
Japan	Certain steel plate HS 7208.51, 7208.52; AD/1402/JP (*)	05.09.13 D: 01.01.12 – 31.03.13					29.11.13 Extension of investigation	CF	1.18% of total imports	
Korea, Rep. of	Certain liquid dielectric transformers HS 8504.23, ex-8504.90; AD/1395/KR	23.04.12 D: 01.10.10 – 31.03.12 I: 01.01.09 – 31.12.11[15]	23.07.12 16.9 - 17.4% "All others" rate: 72.7% of the export price of the goods				23.12.13 Notice of reconsideration of final determination[16]	CF	34.8% of total imports	CV
	Certain copper tube HS 7411.10; AD/1401/KR (*)	22.05.13 D: 01.05.12 – 30.04.13 I: 01.01.10 – 31.12.12[17]	20.08.13 6.0% "All others" rate: 109.8% of the export price of the goods	18.12.13 5.5% "All others" rate: 82.4% of the export price of the goods				CF	28.8% of total imports[18]	CV
	Certain steel plate HS 7208.51, 7208.52; AD/1402/KR (*)	05.09.13 D: 01.01.12 – 31.03.13					29.11.13 Extension of investigation	CF	10.41% of total imports	
Mexico	Certain copper tube HS 7411.10; AD/1401/MX (*)	22.05.13 D: 01.05.12 – 30.04.13 I: 01.01.10 – 31.12.12[19]	20.08.13 17.6% "All others" rate: 109.8% of the export price of the goods	18.12.13 23.5% "All others" rate: 82.4% of the export price of the goods				CF	8.9% of total imports[20]	CV
Spain	Certain galvanized steel wire HS 7217.20, 7217.90, 7229.90; AD/1397/ES (*)	21.01.13 D: 01.01.12 – 31.12.12 I: 01.01.10 – 31.12.12[21]	22.04.13 10.5% "All others" rate: 64.8% of the export price of the goods			20.08.13 No injury/threat of injury		CF	9.3% of total imports	HMP, CV
Chinese Taipei	Certain steel plate HS 7208.51, 7208.52; AD/1402/TW (*)	05.09.13 D: 01.01.12 – 31.03.13					29.11.13 Extension of investigation	CF	0.26% of total imports	

[15] The injury period of investigation also covered two interim periods: 01.01.11 – 30.06.11 and 01.01.12 – 30.06.12.

[16] Final determination of dumping set aside and matter referred back to the investigating authority for determination as a result of Federal Court of Appeal decision.

[17] The injury period of investigation also covered two interim periods: 01.01.12 – 30.06.12 and 01.01.13 – 30.06.13.

[18] The percentage ratio of subsidized imports to total imports was reported for the period of 1 January 2012 to 28 February 2013, which differs from the period of investigation.

[19] The injury period of investigation also covered two interim periods: 01.01.12 – 30.06.12 and 01.01.13 – 30.06.13.

[20] The percentage ratio of subsidized imports to total imports was reported for the period of 1 January 2012 to 28 February 2013, which differs from the period of investigation.

[21] The injury period of investigation also covered two interim periods: 01.01.12 – 31.03.12 and 01.01.13 – 31.03.13.

Reviews / Other subsequent proceedings

Country or customs territory	Product	Initiation	Preliminary results / determination	Final results: Definitive duty	Final results: Price undertaking	Revocation of Measures	Other (e.g., procedures not affecting the duty level)	Trade Data (if available from published report(s) on proceeding)		Basis for normal value determin-ation
	Description; HS 6-digit category covering investigated product; ID number; (*) if investigation of >1 country	Date, Type of Review or Procedure (code), Period Covered	Effective date; range of individual dumping margins; "other" rates; [range of applied rates if different, reason]	Effective date, range of individual dumping margins; "other" rates; [range of applied rates if different, reason]	Effective date; range of individual dumping margins or minimum prices; or other outcome (code)	Date Reason	Date, explanation	Import volume or value (units /currency); product coverage, period, if different from cols. 2/3	Import volume as % of apparent domestic consumption or as % of total imports	Codes for all bases used in proceeding
1	2	3	4	5	6	7	8	9	10	11
Bulgaria	Certain hot-rolled steel plate HS 7208.51, 7208.52; AD/1304/BG (*)	24.04.13 (SNR) D: 01.01.10 – 31.03.13 I: 01.01.10 – 30.06.13						CF	N/A	N/A
China	Certain carbon steel welded pipe HS 7306.30; AD/1373/CN	05.12.12 (SNR) D: 01.01.10 – 31.12.12 I: 01.01.10 – 31.03.13		19.08.13				768 metric tonnes	N/A	N/A
	Bicycles HS 8712.00; AD/962/CN (*)	01.03.13 (ADR)		26.07.13 "All others" rate: 64% of the export price of the goods		30.09.13 Order rescinded		N/A	N/A	N/A
	Certain thermoelectric coolers and warmers HS ex-8418.50, 8418.61, ex-8418.69, ex-8418.99; AD/1372/CN	27.03.13 (SNR) D: 01.01.10 – 31.03.13 I: 01.01.10 – 30.06.13		09.12.13				199 318 units	39.6% of Canadian market	N/A
	Certain aluminum extrusions HS 7604.10, 7604.21, 7604.29, 7608.10, 7608.20, 7610.10, 7610.90; AD/1379/CN	05.06.13 (SNR) D: 01.01.10 – 31.03.13						44,463,813 kg	N/A	N/A
	Certain mattress innerspring units HS 9404.10, 9404.29, 7320.20; AD/1383/CN	17.07.13 (ADR)		04.12.13 "All others" rate: 147.4% of the export price of the goods				N/A	N/A	HMP, CV

1	2	3	4	5	6	7	8	9	10	11
China (Cont'd)	Certain steel fasteners HS 7318.11, 7318.12, 7318.14, 7318.15; AD/1308/CN (*)	21.10.13 (ADR)								
	Certain stainless steel sinks HS 7324.10; AD/1392/CN	02.12.13 (ADR)								
	Certain unitized wall modules HS 7610.10, 7610.90, 7008.00, 7308.30; AD/1399/CN	20.12.13 (ADR)								
	Certain stainless steel sinks HS 7324.10; AD/1392/CN	Domestic Judicial Review (Note 3)					Appeal filed: 24.02.12[1]			
	Certain silicon metal, HS 2804.69; AD/1400/CN	Domestic Judicial Review (Note 3)					Appeal filed: 20.11.13[2]			
Czech Republic	Certain hot-rolled steel plate HS 7208.51, 7208.52; AD/1304/CZ (*)	24.04.13 (SNR) D: 01.01.10 – 31.03.13 I: 01.01.10 – 30.06.13						CF	N/A	N/A
Korea, Rep. of	Hollow structural sections HS 7306.30, 7306.50, 7306.61; AD/1303/KR (*)	10.04.13 (SNR) D: 01.01.10 – 31.12.12 I: 01.01.10 – 31.03.13		20.12.13				N/A	CF	N/A
	Certain liquid dielectric transformers HS 8504.23, ex-8504.90; AD/1395/KR	Domestic Judicial Review (Note 3)					Appeal filed: 21.11.12 Decision rendered 06.12.13[3]			
Netherlands	Certain greenhouse bell peppers HS 0709.60 AD/1387/NL	25.09.13 (ADR)		18.12.13 "All others" rate: 193% of the export price of the goods				N/A	N/A	FA
Romania	Certain hot-rolled steel plate HS 7208.51, 7208.52; AD/1304/RO (*)	24.04.13 (SNR) D: 01.01.10 – 31.03.13 I: 01.01.10 – 30.06.13						CF	N/A	N/A

[1] *Franke Kindred Canada Ltd. v. Jiangmen New Star Enterprise Ltd. et al.*, Federal Court file no. T-429-12.

[2] *Rio Tinto Alcan Inc., et al v. Quebec Silicon Ltd. Partnership, et al*, Federal Court of Appeal file no. A-383-13.

[3] *Hyundai Heavy Industries Co., Ltd. et al v. ABB Inc., et al*, Federal Court of Appeal file no. A-487-12. Application allowed with costs, final determination of dumping set aside and matter referred back to the investigating authority for determination.

1	2	3	4	5	6	7	8	9	10	11
South Africa	Hollow structural sections HS 7306.30, 7306.50, 7306.61; AD/1303/ZA (*)	10.04.13 (SNR) D: 01.01.10 – 31.12.12 I: 01.01.10 – 31.03.13				20.12.13 Order rescinded		N/A	CF	N/A
Chinese Taipei	Bicycles HS 8712.00; AD/962/TW (*)	01.03.13 (ADR)		26.07.13 "All others" rate: 64% of the export price of the goods		30.09.13 Order rescinded		N/A	N/A	N/A
	Certain steel fasteners HS 7318.11, 7318.12, 7318.14, 7318.15; AD/1308/TW (*)	21.10.13 (ADR)								
Turkey	Hollow structural sections HS 7306.30, 7306.50, 7306.61; AD/1303/TR (*)	10.04.13 (SNR) D: 01.01.10 – 31.12.12 I: 01.01.10 – 31.03.13		20.12.13				N/A	CF	N/A

BASIS FOR DETERMINATION CODES and OTHER CODES AND NOTATIONS

FA – Facts available
CF – Information not provided for reasons of confidentiality
N/A – not available
LDR – Lesser duty
EXP – Measure expired without review
HMP – Home market price
TMP – Third country price
CV – Constructed value
P – Publication date
C – Date of commencement of duty collection

Provisional Measures (Column 4): Provisional measures apply from the date of a preliminary determination of dumping to the date on which the Canadian International Trade Tribunal makes its finding regarding injury caused to the Canadian industry (maximum 120 days from the notice of the preliminary determination).

Definitive Duties (Column 5): Either the date of a positive injury finding, in the case of an investigation or the date of the conclusion of a review of injury; or the date of the conclusion of a review of normal values and export prices in cases where there is an existing Canadian International Trade Tribunal finding of injury. The percentage represents the weighted average margin of dumping, as a percentage of export price, for the final determination of dumping in the original investigation.

No injury (Column 7, original investigations): The Canadian International Trade Tribunal makes its finding regarding injury caused to the Canadian industry after the President of the Canada Border Services Agency renders his final determination of dumping (maximum 120 days from the notice of the preliminary determination). If the Canadian International Trade Tribunal finds that the dumped goods did not cause injury, definitive duties are not imposed and provisional duties are refunded.

Rescinded (Column 7, reviews/other proceedings): The Canadian International Trade Tribunal generally conducts the expiry review (sunset review) before the expiry of the finding or order imposing duties. If the Tribunal finds that the injury caused by the dumping of the goods is not likely to resume or continue, they will rescind the original finding or order, usually on the date of that the order or finding would have expired.

Interim Review (INR): An interim review is a review that is initiated where there is a reasonable indication that sufficient new facts have arisen or that there has been a sufficient change in the circumstances that led to the measure, or where there are sufficient facts that, although in existence, were not put into evidence during the previous review or investigation and were not discoverable by the exercise of reasonable diligence at that time.

The symbol **SNR** refers to a sunset review of the finding.

The symbol **ADR** refers to an administrative review of the normal values and export prices of an existing anti-dumping measure. These proceedings are not reviews of whether to extend or rescind measures in force; they are used to update normal values and export prices to reflect market conditions. The completion date of the review is shown in column 5. If this column is empty, the ADR has not been completed during the reporting period. Generally, it is not possible to state the range of individual dumping margins, as these are not calculated in an ADR. Furthermore, individual normal values and export prices are not provided for reasons of confidentiality.

NOTES
Note 1 Unless otherwise indicated, the volume of imports reported in column 9 is for the period of investigation for the dumping investigation.
Note 2 Unless otherwise indicated, the import volume in column 10 is reported as the percentage ratio of dumped imports to total imports.
Note 3 Under Canadian legislation, questions of law can be referred to the Federal Court and the Federal Court of Appeal for domestic judicial review.

ANNEXES

DEFINITIVE ANTI-DUMPING MEASURES IN FORCE AS OF 31 DECEMBER 2013 (Note 4)

Country/ Customs Territory	Product, investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
Brazil	Certain hot-rolled steel sheet (previously hot-rolled carbon steel sheet) AD/1262/BR (*)	Duties	17.08.01 C.Gaz.2001.I.135.34	16.08.06 C.Gaz.2006.I.140.34; 15.08.11 C.Gaz.2011.I.145.35
	Certain copper tube AD/1401/BR (*)	Duties	18.12.13 C.Gaz.2014.I.148.01	
Bulgaria	Certain hot-rolled steel plate (previously hot-rolled carbon steel plate) AD/1304/BG (*)	Duties	09.01.04 C.Gaz.2004.I.138.03	08.01.09 C.Gaz.2009.I.143.03
China	Certain hot-rolled steel plate (previously hot-rolled carbon steel plate) AD/1139/CN	Duties	27.10.97	10.01.03 C.Gaz.2003.I.137.03; 09.01.08 C.Gaz.2008.I.142.03 08.01.13 C.Gaz.2013.I.147.03
	Certain hot-rolled steel sheet (previously hot-rolled carbon steel sheet) AD/1262/CN (*)	Duties	17.08.01 C.Gaz.2001.I.135.34	16.08.06 C.Gaz.2006.I.140.34; 15.08.11 C.Gaz.2011.I.145.35
	Certain steel fasteners AD/1308/CN (*)	Duties	07.01.05 C.Gaz.2005.I.139.04	06.01.10 C.Gaz.2010.I.144.03
	Certain copper pipe fittings AD/1358/CN (*)	Duties	19.02.07 C.Gaz.2007.I.141.09	17.02.12 C.Gaz.2012.I.146.24
	Certain seamless steel casing AD/1371/CN	Duties	10.03.08 C.Gaz.2008.I.142.12	11.03.13 C.Gaz.2013.I.147.30
	Certain carbon steel welded pipe AD/1373/CN	Duties	20.08.08 C.Gaz.2008.I.142.35	19.08.13 C.Gaz.2013.I.147.40
	Certain thermoelectric coolers and warmers AD/1372/CN	Duties	11.12.08 C.Gaz.2008.I.142.51	09.12.13 C.Gaz.2013.I.147.51
	Certain aluminum extrusions AD/1379/CN	Duties	17.03.09 C.Gaz.2009.I.143.13	
	Certain mattress innerspring units AD/1383/CN	Duties	24.11.09 C.Gaz.2009.I.143.49	
	Certain oil country tubular goods AD/1385/CN	Duties	23.03.10 C.Gaz.2010.I.144.14	
	Certain steel grating AD/1389/CN	Duties	19.04.11 C.Gaz.2011.I.145.19	
	Certain pup joints AD/1390/CN	Duties	10.04.12 C.Gaz.2012.I.146.16	
	Certain stainless steel sinks AD/1392/CN	Duties	24.05.12 C.Gaz.2012.I.146.22	

Country/ Customs Territory	Product, investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
China (cont'd)	Certain steel piling pipe AD/1393/CN	Duties	30.11.12 C.Gaz.2012.I.146.49	
	Certain unitized wall modules AD/1399/CN	Duties	12.11.13 C.Gaz.2013.I.147.47	
	Certain silicon metal AD/1400/CN	Duties	19.11.13 C.Gaz.2013.I.147.48	
	Certain copper tube AD/1401/CN (*)	Duties	18.12.13 C.Gaz.2014.I.148.01	
Czech Republic	Certain hot-rolled steel plate (previously hot-rolled carbon steel plate) AD/1304/CZ (*)	Duties	09.01.04 C.Gaz.2004.I.138.03	08.01.09 C.Gaz.2009.I.143.03
Denmark	Refined sugar AD/1110/DK (*)	Duties	06.11.95	03.11.00 C.Gaz.2000.I.134.47; 02.11.05 C.Gaz.2005.I.139.46; 01.11.2010 C.Gaz.2010.I.144.47[1]
Germany	Refined sugar AD/1110/DE (*)	Duties	06.11.95	03.11.00 C.Gaz.2000.I.134.47; 02.11.05 C.Gaz.2005.I.139.46; 01.11.2010 C.Gaz.2010.I.144.47[2]
Greece	Certain copper tube AD/1401/GR (*)	Duties	18.12.13 C.Gaz.2014.I.148.01	
India	Certain hot-rolled steel sheet (previously hot-rolled carbon steel sheet) AD/1262/IN (*)	Duties	17.08.01 C.Gaz.2001.I.135.34	16.08.06 C.Gaz.2006.I.140.34; 15.08.11 C.Gaz.2011.I.145.35
	Certain carbon steel welded pipe AD/1396/IN (*)	Duties	11.12.12 C.Gaz.2012.I.146.51	
Korea, Republic of	Hollow structural sections AD/1303/KR (*)	Duties	23.12.03 C.Gaz.2004.I.138.02	22.12.08 C.Gaz.2009.I.143.01 20.12.13 C.Gaz.2014.I.148.01
	Certain copper pipe fittings AD/1358/KR (*)	Duties	19.02.07 C.Gaz.2007.I.141.09	17.02.12 C.Gaz.2012.I.146.24
	Certain liquid dielectric transformers AD/1395/KR	Duties	20.11.12 C.Gaz.2012.I.146.48	
	Certain carbon steel welded pipe AD/1396/KR (*)	Duties	11.12.12 C.Gaz.2012.I.146.51	
	Certain copper tube AD/1401/KR (*)	Duties	18.12.13 C.Gaz.2014.I.148.01	
Mexico	Certain copper tube AD/1401/MX (*)	Duties	18.12.13 C.Gaz.2014.I.148.01	

[1] The finding against Denmark was originally rescinded but this decision was reversed on appeal and duties were reinstated in accordance with the Tribunal's decision of 28 September 2012.

[2] The finding against Germany was originally rescinded but this decision was reversed on appeal and duties were reinstated in accordance with the Tribunal's decision of 28 September 2012.

Country/ Customs Territory	Product, investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
Netherlands	Greenhouse bell peppers AD/1387/NL	Duties	19.10.10 C.Gaz.2010.I.144.44	
	Refined sugar AD/1110/NL (*)	Duties	06.11.95	03.11.00 C.Gaz.2000.I.134.47; 02.11.05 C.Gaz.2005.I.139.46; 01.11.10 C.Gaz.2010.I.144.47[3]
Oman	Certain carbon steel welded pipe AD/1396/OM (*)	Duties	11.12.12 C.Gaz.2012.I.146.51	
Romania	Certain hot-rolled steel plate (previously hot-rolled carbon steel plate) AD/1304/RO (*)	Duties	09.01.04 C.Gaz.2004.I.138.03	08.01.09 C.Gaz.2009.I.143.03
Chinese Taipei	Certain hot-rolled steel sheet (previously hot-rolled carbon steel sheet) AD/1262/TW (*)	Duties	17.08.01 C.Gaz.2001.I.135.34	16.08.06 C.Gaz.2006.I.140.34; 15.08.11 C.Gaz.2011.I.145.35
	Certain steel fasteners AD/1308/TW (*)	Duties	07.01.05 C.Gaz.2005.I.139.04	06.01.10 C.Gaz.2010.I.144.03
	Certain carbon steel welded pipe AD/1396/TW (*)	Duties	11.12.12 C.Gaz.2012.I.146.51	
Thailand	Certain carbon steel welded pipe AD/1396/TH (*)	Duties	11.12.12 C.Gaz.2012.I.146.51	
Turkey	Hollow structural sections AD/1303/TR (*)	Duties	23.12.03 C.Gaz.2004.I.138.02	22.12.08 C.Gaz.2009.I.143.01 20.12.13 C.Gaz.2014.I.148.01
Ukraine	Certain hot-rolled steel sheet (previously hot-rolled carbon steel sheet) AD/1262/UA (*)	Duties	17.08.01 C.Gaz.2001.I.135.34	16.08.06 C.Gaz.2006.I.140.34; 15.08.11 C.Gaz.2011.I.145.35
	Certain steel plate AD/1384/UA	Duties	02.02.10 C.Gaz.2010.I.144.07	
United Arab Emirates	Certain carbon steel welded pipe AD/1396/AE (*)	Duties	11.12.12 C.Gaz.2012.I.146.51	
United Kingdom	Refined sugar AD/1110/GB (*)	Duties	06.11.95	03.11.00 C.Gaz.2000.I.134.47; 02.11.05 C.Gaz.2005.I.139.46: 01.11.10 C.Gaz.2010.I.144.47[4]

[3] The finding against the Netherlands was originally rescinded but this decision was reversed on appeal and duties were reinstated in accordance with the Tribunal's decision of 28 September 2012.

[4] The finding against the United Kingdom was originally rescinded but this decision was reversed on appeal and duties were reinstated in accordance with the Tribunal's decision of 28 September 2012.

Country/ Customs Territory	Product, investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
United States	Whole potatoes[5] AD/518/US & AD/689/US	Duties	04.06.84 18.04.86	14.09.90; 14.09.95; 13.09.00 C.Gaz.2000.I.134.39; 12.09.05 C.Gaz.2005.I.139.39; 10.09.10 C.Gaz.2010.I.144.39
	Refined sugar AD/1110/US	Duties	06.11.95	03.11.00 C.Gaz.2000.I.134.47; 02.11.05 C.Gaz.2005.I.139.46; 01.11.10 C.Gaz.2010.I.144.47
	Certain copper pipe fittings AD/1358/US (*)	Duties	19.02.07 C.Gaz.2007.I.141.09	17.02.12 C.Gaz.2012.I.146.24

Note 4 The Canada Gazette is available electronically since 1998.

TERMINATION OF MEASURES DURING THE PERIOD
1 JULY THROUGH 31 DECEMBER 2013

Country/Customs Territory	Product, investigation ID number	Date of termination	Reason for termination
China	Bicycles AD/962/CN (*)	30.09.13	Order rescinded after interim review
	Certain carbon steel pipe fittings AD/1291/CN	14.07.13	Expired without review
South Africa	Hollow structural sections AD/1303/ZA (*)	20.12.13	Order rescinded after sunset review
Chinese Taipei	Bicycles AD/962/TW (*)	30.09.13	Order rescinded after interim review

[5] This case was originally two separate dumping investigations concerning whole potatoes: one with respect to non-size A russets potatoes from the state of Washington (date of original imposition: 04.06.84) and another with regard to whole potatoes from the United States, excluding those potatoes covered by the previous finding (date of original imposition: 18.04.86). Those two investigations merged before the first expiry review in 1990.

REFUND REQUESTS UNDER ARTICLE 9.3 DURING THE PERIOD
1 JULY THROUGH 31 DECEMBER 2013 (NOTE 5)

Country Customs Territory	Product, Investigation ID number	Original effective date; date of most recent extension	Number of refund requests received	Number of refund reviews commenced, completed
China	Bicycles AD/962	11.12.92; 10.12.07	55	(commenced) 125 (completed) 119
	Certain carbon steel pipe fittings AD/1291	16.07.03; 15.07.08; (expired) 14.07.13	6	(commenced) 2 (completed) 9
	Certain hot-rolled Carbon & High Strength Low Alloy Steel Plate (Plate III) AD/1139	27.10.97 09.01.08	0	(commenced) 4 (completed) 0
	Certain steel fasteners AD/1308	07.01.05; 06.01.10	52	(commenced) 117 (completed) 95
	Certain copper pipe fittings AD/1358	12.02.07; 17.02.12	1	(commenced) 2 (completed) 5
	Certain seamless steel casing AD/1371	10.03.08;	0	(commenced) 0 (completed) 2
	Certain thermoelectric coolers and warmers AD/1372	11.12.08; 09.12.13	17	(commenced) 4 (completed) 13
	Certain aluminum extrusions AD/1379	17.03.09	30	(commenced) 26 (completed) 63
	Certain mattress innerspring AD/1383	24.11.09	0	(commenced) 5 (completed) 3
	Certain steel grating AD/1389	19.04.11	3	(commenced) 4 (completed) 0
	Certain stainless steel sinks AD/1392	24.05.12	35	(commenced) 42 (completed) 55
Korea, Rep. of	Copper pipe fittings AD/1358	12.02.07 17.02.12	0	(commenced) 0 (completed) 1
Netherlands	Greenhouse bell peppers AD/1387	19.10.10	0	(commenced) 0 (completed) 5
Chinese Taipei	Bicycles AD/962	11.12.92; 10.12.07	5	(commenced) 3 (completed) 5
	Certain steel fasteners AD/1308	07.01.05; 06.01.10	122	(commenced) 167 (completed) 75
United States	Whole potatoes AD/518 & AD/689	04.06.84/18.04.86; 10.09.10	6	(commenced) 9 (completed) 1
	Refined sugar AD/1110	06.11.95; 01.11.10	16	(commenced) 6 (completed) 11
	Certain copper pipe fittings AD/1358	12.02.07; 17.02.12	52	(commenced) 38 (completed) 76

Note 5 In Canada, domestic legislation allows importers to request refunds of anti-dumping and countervailing duties through a process called re-determinations. Requests for re-determinations of anti-dumping duties can be made on three grounds:

- Normal value of the imported goods;
- Export price of the imported goods;

- Whether the imported goods are goods of the same description as goods to which the order or finding applies (note: when an order or finding imposes both anti-dumping and countervailing duties, a refund request made on this ground will appear on both reports).

In Canada, requests for re-determinations follow a two-level appeal system under which the re-determination at the first level can further be appealed at the second level.

Consequently, the table records the number of requests made under both levels of re-determination, for any of the three grounds listed previously with respect to imported goods subject to anti-dumping measures.

Note that in the context of the Canadian system for processing refund requests, the following descriptions apply for the table headings:

- "Number of refund requests received": the number of requests received during the period covered by the report.
- "Number of refund reviews commenced": includes the number of requests received during the period covered by the report and the number of requests received in a preceding period that were not completed within the period covered by the report. Under the Canadian system once a request is received, a decision under both levels of appeal must be rendered within one year.
- "Number of refund reviews completed": the number of requests that were completed during the period covered by the report.

Further, under the Canadian duty refund system, a request can cover multiple entries. It may thus be possible for one request to represent a series of entries rather than an individual entry.

APPEALS ON REFUND REQUESTS UNDER ARTICLE 9.3 DURING THE PERIOD 1 JULY THROUGH 31 DECEMBER 2013 (NOTE 6)

Country/Customs Territory	Product, Investigation ID number	Date of filing of appeal	Date of appeal decision
China	Certain thermoelectric coolers and warmers AD/1372/CN	10.09.12	
	Certain carbon steel welded pipe AD/1373/CN	27.11.12	25.09.13[6]
	Certain aluminum extrusions AD/1379/CN	03.06.13[7]	
Chinese Taipei	Certain steel fasteners AD/1308/TW (*)	11.04.13	

Note 6 In Canada, decisions taken by the investigating authority pursuant to refund requests (as reported in the table titled "Refund Requests under Paragraph 9.3") may be further appealed by the importer to an independent administrative tribunal on questions of fact and law. The appeals that were decided upon during the period covered by the report are identified above.

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[6] Appeal allowed.
[7] Appellant withdrew its appeal.

WORLD TRADE ORGANIZATION

G/ADP/N/252/MEX

6 February 2014

(14-0723)

Committee on Anti-Dumping Practices

Original: Spanish

SEMI-ANNUAL REPORT UNDER ARTICLE 16.4 OF THE AGREEMENT

MEXICO

Reproduced herewith is the semi-annual report for the period 1 July to 31 December 2013 from **Mexico**.

Reporting Member: MEXICO[1]

SEMI-ANNUAL REPORT OF ANTI-DUMPING ACTIONS

FOR THE PERIOD 1 JULY TO 31 DECEMBER 2013

Original investigations

Country or Customs territory	Product	Initiation	Provisional measures and preliminary determinations	Final measures: Definitive duty	Final measures: Price undertaking	No final measures/ termination	Other	Trade data (from published report(s))		Basis for normal value determination
	Description; HS 6-digit category covering investigated product[2]; ID number; (*) if investigation of >1 country	Date; period of investigation (D-dumping; I-injury)	Date of duties; range of individual dumping margins; "other" rates; [range of applied rates if different, reason]	Date of duties; range of individual dumping margins; "other" rates; [range of applied rates if different, reason]	Date of application; range of individual dumping margins or minimum prices	Date; reason	Date; explanation	Import volume or value (units/ currency); product coverage; period, if different from columns 2/3	Import volume as % of apparent domestic consumption or as % of total imports	Codes for all bases used in proceeding
1	2	3	4	5	6	7	8	9	10	11
China	Steel ropes and cables (7312.10.01, 7312.10.05, 7312.10.07 and 7312.10.99); 10/13-CHN	22.8.13 (D: 1.1.12-31.12.12; I: 1.1.10-31.12.12)						6,716 t	24% of apparent domestic consumption	TMP (Substitute country: Brazil)
	Blenders for domestic and commercial use (8509.40.01); 08/13-CHN	9.8.13 (D: 1.1.12-31.12.12; I: 1.1.10-31.12.12)						569,928 units	8% of apparent domestic consumption	TMP (Substitute country: Brazil)
	Steel plate in sheets (7208.51.01, 7208.51.02, 7208.51.03, 7208.52.01, 7225.40.01 and 7225.40.02); 09/13-CHN	26.7.13 (D: 1.1.12-31.12.12; I: 1.1.10-31.12.12)						83,616 t	7% of apparent domestic consumption	TMP (Substitute country: United States of America)

[1] Website address where published reports on investigations are available: http://www.economia.gob.mx/comunidad-negocios/industria-y-comercio/upci/publicaciones
[2] For reference purposes only.

1	2	3	4	5	6	7	8	9	10	11
China (cont'd)	Galvanized carbon steel wire mesh (7314.19.02, 7314.19.03 and 7314.31.01); 03/13-CHN	4.6.13 (D: 1.10.11-30.9.12; I: 1.10.09-30.9.12)						886 t	48% of apparent domestic consumption	TMP (Substitute country: Brazil)
	Pencils (9609.10.01); 16/12-CHN	8.3.13 (D: 1.10.11-30.9.12; I: 1.10.09-30.9.12)	5.9.13 US$0.0227/unit					168,083,042 units	17% of apparent domestic consumption	TMP (Substitute country: India)
	Blankets of synthetic fibres (6301.40.01 and 9404.90.99); 02/13-CHN	1.3.13 (D: 1.7.11-30.6.12; I: 1.1.09-30.6.12)	9.9.13[3]					28,824 t	40% of apparent domestic consumption	TMP (Substitute country: Brazil)
	Seamless steel tubing (7304.19.01, 7304.19.04, 7304.19.99, 7304.31.01, 7304.31.10, 7304.31.99, 7304.39.01, 7304.39.05 and 7304.39.99); 13/12-CHN	21.11.12 (D: 1.4.11-31.3.12; I: 1.1.09-31.3.12)	25.6.13 US$1,568.92/t					6,899 t	33% of apparent domestic consumption	TMP (Substitute country: United States of America)
	Ceramic and porcelain dishware and loose articles (6911.10.01 and 6912.00.01); 06/12-CHN	30.8.12 (D: 1.4.11-31.3.12; I: 1.1.09-31.3.12)	2.5.13[4]					54,429 t	83% of apparent domestic consumption	TMP (Substitute country: Colombia)
Korea, Rep. of	Cold-rolled sheet (7209.16.01, 7209.17.01, 7209.18.01, 7225.50.02, 7225.50.03, 7225.50.04 and 7225.50.99); 08/12-KOR	1.10.12 (D: 1.4.11-31.3.12; I: 1.1.07-31.3.12)	3.6.13 6.45%-60.40%		26.12.13[5]			516,009 t	25% of apparent domestic consumption	HMP

[3] Duties will only be applied to imports the import prices of which, corresponding to the unit customs value of the goods, are lower than the reference price of US$12.10/kg net. The amount of the anti-dumping duty will be calculated as the difference between the import price and the reference price.

[4] Duties will only be applied to imports the import prices of which, corresponding to the unit customs value of the goods, are lower than the reference price of US$2.58/kg. The amount of the anti-dumping duty will be calculated as the difference between the import price and the reference price and will not exceed the specific dumping margin determined for each exporting enterprise.

[5] The anti-dumping investigation was suspended and the exporters' undertakings were accepted.

Reviews / Other subsequent proceedings

Country/ Customs territory	Product	Initiation	Preliminary results/ determination	Final results		Revocation of measures	Other (e.g. procedures not affecting the duty level)	Trade data (if available from published report(s) on proceeding)		Basis for normal value determination
				Definitive duty	Price undertaking					
	Description; HS 6-digit category covering investigated product[2]; ID number; (*) if investigation of >1 country	Date; type of review or procedure (code); period covered	Effective date; range of individual dumping margins; "other" rates; [range of applied rates if different, reason]	Effective date; range of individual dumping margins; "other" rates; [range of applied rates if different, reason]	Effective date; range of individual dumping margins or minimum prices; or other outcome (code)	Date; reason	Date; explanation	Import volume or value (units/ currency); product coverage; period, if different from columns 2/3	Import volume as % of apparent domestic consumption or as % of total imports	Codes for all bases used in proceeding
1	2	3	4	5	6	7	8	9	10	11
China	Radio guide (RG)-type coaxial cable with or without messenger (8544.20.01, 8544.20.02 and 8544.20.99); 01/11-CHN	20.11.13 (R) (D: 1.9.12-31.5.13)						n/a	n/a	n/a
	High-carbon ferro-manganese (7202.11.01); 10/02-CHN	6.9.13 (RQ) (D: 1.1.12-31.12.12; I: 1.1.08-31.12.12)						n/a	n/a	n/a
	Steel chain with welded links (7315.82.02); 07/02-CHN	8.7.13 (RQ) (D: 1.4.12-31.3.13; I: 1.1.09-31.3.13)						n/a	n/a	n/a
Korea, Rep. of	Short-fibre polyester (5503.20.01, 5503.20.02, 5503.20.03 and 5503.20.99); 04/92-KOR	7.8.13 (RQ) (D: 1.1.12-31.12.12; I:1.1.08-31.12.12)						n/a	n/a	n/a

1	2	3	4	5	6	7	8	9	10	11
United States	Stearic acid (3823.11.01 and 3823.19.99); 01/03-USA	19.10.12 (R)[1] (D: 1.10.11-30.9.12)	2.4.13**	1.10.13 4.15%[2]				n/a	n/a	HMP
	Ammonium sulphate (3102.21.01); 04/95-USA	25.5.12 (RQ) (D: 1.1.11-31.12.11; I: 1.1.07-31.12.11)				17.10.13[3]		61,982 t	6% of apparent domestic consumption	n/a
France	USP-grade liquid sorbitol (2905.44.01); 4/90-FRA	28.6.13 (RQ) (D: 1.1.12-31.12.12; I: 1.1.08-31.12.12)						n/a	n/a	n/a
Ukraine	Ferro-silico-manganese (7202.30.01); 11/02-UKR	6.9.13 (RQ) (D: 1.1.12-31.12.12; I: 1.1.08-31.12.12)						n/a	n/a	n/a

* Product under investigation in two or more countries.
** No provisional measures were imposed.

Key:

HMP	Home market price
TMP	Third country market price
CV	Constructed value
n/a	Not available
RQ	Five-year review
R	Review of existing anti-dumping measure
EXP	Measure expired without review
US$	United States dollars
t	Metric tonne(s)
kg	Kilogrammes(s)

[1] First review following the revocation of the anti-dumping duty on imports of stearic acid produced and exported by the company Vantage Oleochemicals, Inc.

[2] A definitive anti-dumping duty of 4.15% has been imposed on imports of stearic acid with the following characteristics: a titre of 57°C to 63°C, a maximum iodine value of 1.0, an acid value of 200 to 209, a maximum moisture content of 1.0, and a percentage by weight of fatty acids of a minimum of 15% of palmitic acid and a minimum of 55% of stearic acid.

[3] The domestic producers involved stated that it was no longer in their interest for the anti-dumping duty to be maintained.

ANNEXES

DEFINITIVE ANTI-DUMPING MEASURES IN FORCE
AS AT 31 DECEMBER 2013

Country/ Customs territory	Product; investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
Brazil	Corrugated rods 39/93-BRA	Duties	12.8.1995 (Official Journal of 11.8.1995)	11.8.2000 (Official Journal of 13.6.2002) 11.8.2005 (Official Journal of 20.6.2006) 12.8.2010 (Official Journal of 12.1.2012)
	Multilayer paper sacks for lime and cement 04/04-BRA	Duties	26.1.2006 (Official Journal of 25.1.2006)	26.1.2011 (Official Journal of 16.7.2012)
	Synthetic polybutadiene-styrene rubber in emulsion 21/94-BRA	Duties	28.5.1996 (Official Journal of 27.5.1996)	28.5.2001 (Official Journal of 23.7.2003) 28.5.2006 (Official Journal of 21.2.2007) 28.5.2011 (Official Journal of 23.10.2012)
	Bond paper, cut 09/11-BRA	Duties	12.3.2013 (Official Journal of 11.3.2013)	
Chile	Mushrooms of the genus *Agaricus* 01/05-CHL	Duties	18.5.2006 (Official Journal of 17.5.2006)	18.5.2011 (Official Journal of 25.10.2012)
China	Radio guide (RG)-type coaxial cable with or without messenger 01/11-CHN	Duties	11.8.2012 (Official Journal of 10.8.2012)	
	Graphite electrodes for electric arc furnaces 07/10-CHN	Duties	2.3.2012 (Official Journal of 1.3.2012)	
	Galvanized hexagonal mesh 11/01-CHN	Duties	25.7.2002 (Official Journal of 24.7.2002)	24.7.2007 (Official Journal of 2.4.2009) 25.7.2012 (Official Journal of 27.6.2013)
	Steel chain with welded links 07/02-CHN	Duties	18.7.2003 (Official Journal of 17.7.2003)	17.7.2008 (Official Journal of 5.1.2010)
	High-carbon ferro-manganese 10/02-CHN	Duties	26.9.2003 (Official Journal of 25.9.2003)	26.9.2008 (Official Journal of 8.2.2010)
	Sodium hexa-metaphosphate 03/03-CHN	Duties	4.8.2004 (Official Journal of 3.8.2004)	4.8.2009 (Official Journal of 2.2.2011)
	Carbon steel connections for welding 35/02-CHN	Duties	5.8.2004 (Official Journal of 4.8.2004)	5.8.2009 (Official Journal of 2.2.2011)
	Concrete steel nails 07/03-CHN	Duties	30.11.2004 (Official Journal of 29.11.2004)	30.11.2009 (Official Journal of 16.5.2011)

Country/ Customs territory	Product; investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
China (cont'd)	Hydraulic bottle jacks 17/04-CHN	Duties	24.9.2005 (Official Journal of 23.9.2005)	24.9.2010 (Official Journal of 2.3.2012)
	Mushrooms of the genus *Agaricus* 01/05-CHN	Duties	18.5.2006 (Official Journal of 17.5.2006)	18.5.2011 (Official Journal of 25.10.2012)
	Nuts of carbon steel, black or coated 01/08-CHN	Duties	3.8.2010 (Official Journal of 2.8.2010)	
	Plastic atomizers 12/07-CHN	Duties	(22.4.2009) (Official Journal of 21.4.2009)	
	Seamless steel tubing 09/09-CHN	Duties	25.2.2011 (Official Journal of 24.2.2011)	
Korea, Rep. of	Short-fibre polyester 04/92-KOR	Duties	20.8.1993 (Official Journal of 19.8.1993)	20.8.1998 (Official Journal of 29.7.1999) 20.8.2003 (Official Journal of 10.12.2004) 20.8.2008 (Official Journal of 20.11.2009)
United States	Monobutyl ether of ethylene glycol 29/10-USA	Duties	12.9.2012 (Official Journal of 11.9.2012)	
	Chicken legs and thighs 13/10-USA	Duties	7.8.2012 (Official Journal of 6.8.2012)	
	Partially hydrogenated fatty acid 02/03-USA	Duties	8.4.2005 (Official Journal of 7.4.2005)	8.4.2010 (Official Journal of 6.10.2011)
	Stearic acid 01/03-USA	Duties	9.4.2005 (Official Journal of 8.4.2005)	9.4.2010 (Official Journal of 7.10.2011)
	Carbon steel tubing with straight longitudinal seams 09/03-USA	Duties	28.5.2005 (Official Journal of 27.5.2005)	28.5.2010 (Official Journal of 18.11.2011)
	Liquid caustic soda 44/93-USA	Duties	13.7.1995 (Official Journal of 12.7.1995)	13.7.2000 (Official Journal of 6.6.2003) 13.7.2005 (Official Journal of 6.6.2006) 13.7.2010 (Official Journal of 3.1.2012)
	Epoxidized soya oil 01/04-USA	Duties	30.7.2005 (Official Journal of 29.7.2005)	30.7.2010 (Official Journal of 9.1.12)
Russian Federation	Cold-rolled sheet 16/97-RUS	Duties	30.6.1999 (Official Journal of 29.6.1999)	30.6.2004 (Official Journal of 12.12.2005) (Official Journal of 28.12.2010)
	Hot-rolled sheet 26/98-RUS	Duties	29.3.2000 (Official Journal of 28.3.2000)	29.3.2005 (Official Journal of 17.3.2006) 29.3.2010 (Official Journal of 8.9.2011)

Country/ Customs territory	Product; investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
Russian Federation (cont'd)	Carbon steel plate in sheets 10/03-RUS	Duties	22.9.2005 (Official Journal of 21.9.2005)	22.9.2010 (Official Journal of 12.3.2012)
	Steel plate in coils 22/94-RUS	Duties	8.6.1996 (Official Journal of 7.6.1996)	8.6.2001 (Official Journal of 11.6.2003) 7.6.2006 (Official Journal of 6.6.2007) 8.6.2011 (Official Journal of 22.11.2012)
France	USP-grade sorbitol 4/90-FRA	Duties	28.9.1990 (Official Journal of 27.9.1990)	28.7.1998 (Official Journal of 23.8.1999) 28.7.2003 (Official Journal of 30.8.2004) 28.7.2008 (Official Journal of 8.10.2009)
Japan	Seamless steel tubing 09/99-JPN	Duties	11.11.2000 (Official Journal of 10.11.2000)	11.11.2005 (Official Journal of 4.10.2006) 11.11.2010 (Official Journal of 20.4.2012)
Kazakhstan	Cold-rolled sheet 16/97-KAZ	Duties	30.6.1999 (Official Journal of 29.6.1999)	30.6.2004 (Official Journal of 12.12.2005) (Official Journal of 28.12.2010)
United Kingdom	Carbon steel tubing with straight longitudinal seams 40/07-GBR	Duties	6.1.2010 (Official Journal of 5.1.2010)	
Romania	Carbon steel plate in sheets 10/03-ROM	Duties	22.9.2005 (Official Journal of 21.9.2005)	22.9.2010 (Official Journal of 12.3.2012)
Ukraine	Ferro-silico-manganese 11/02-UKR	Duties	25.9.2003 (Official Journal of 24.9.2003)	25.9.2008 (Official Journal of 8.2.2010)
	Hot-rolled sheet 26/98-UKR	Duties	29.3.2000 (Official Journal of 28.3.2000)	29.3.2005 (Official Journal of 17.3.2006) 29.3.2010 (Official Journal of 8.9.2011)
	Bars and rods of iron or non-alloy steel 11/99-UKR	Duties	19.9.2000 (Official Journal of 18.9.2000)	19.9.2005 (Official Journal of 13.6.2006) 20.9.2010 (Official Journal of 7.3.2012)
	Carbon steel plate in sheets 10/03-UKR	Duties	22.9.2005 (Official Journal of 21.9.2005)	22.9.2010 (Official Journal of 12.3.2012)
Venezuela, Bolivarian Republic of	Collapsible tubular containers 21/02-VEN	Duties	14.5.2004 (Official Journal of 13.5.2004)	14.5.2009 (Official Journal of 13.8.2010)

REFUND REQUESTS UNDER ARTICLE 9.3 DURING THE PERIOD
1 JULY TO 31 DECEMBER 2013

Country/ Customs territory	Product; investigation ID number	Original effective date; date of most recent extension	Number of refund requests received	Number of refund reviews commenced, completed
-	-	-	-	-

TERMINATION OF MEASURES DURING THE PERIOD
1 JULY TO 31 DECEMBER 2013

Country/ Customs territory	Product; investigation ID number	Date of termination	Reason for termination
United States	Bond paper, cut 28/96-USA	28.10.13	On 23 September 2013, the domestic industry expressed interest in a review of the anti-dumping duty, only to withdraw the request on 11 October 2013. A notice eliminating the definitive anti-dumping duty as of 30 October 2013 was therefore published on 28 October 2013.
United States	Ammonium sulphate 04/95-USA	17.10.13	The domestic producers involved stated that it was no longer in their interest for the anti-dumping duty to be maintained; the investigation was therefore terminated and the anti-dumping duty eliminated.

EXHIBIT 9

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission file number 1-4119

NUCOR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**13-1860817** (I.R.S. Employer Identification No.)
1915 Rexford Road, Charlotte, North Carolina (Address of principal executive offices)	**28211** (Zip Code)

Registrant's telephone number, including area code: (704) 366-7000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value $0.40 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Aggregate market value of common stock held by non-affiliates was approximately $11.96 billion based upon the closing sales price of the registrant's common stock on the last business day of our most recently completed second fiscal quarter, June 29, 2012.

317,678,664 shares of common stock were outstanding at February 22, 2013.

Documents incorporated by reference include: Portions of the registrant's 2012 Annual Report (Parts I, II and IV), and portions of the registrant's Proxy Statement for its 2013 Annual Meeting of Stockholders (Part III) to be filed within 120 days after the registrant's fiscal year end.

Nucor Corporation

Table of Contents

PART I

Item 1. Business

Overview

Nucor Corporation and its affiliates ("Nucor" or the "Company") manufacture steel and steel products. The Company also produces direct reduced iron ("DRI") for use in the Company's steel mills. Through The David J. Joseph Company and its affiliates ("DJJ"), which the Company acquired in 2008, the Company also processes ferrous and nonferrous metals and brokers ferrous and nonferrous metals, pig iron, hot briquetted iron ("HBI") and DRI. Most of the Company's operating facilities and customers are located in North America, but increasingly, Nucor is doing business outside of North America as well. The Company's operations include several international trading companies that buy and sell steel and steel products manufactured by the Company and others.

Nucor is North America's largest recycler, using scrap steel as the primary raw material in producing steel and steel products. In 2012, we recycled approximately 19.2 million tons of scrap steel.

General Development of our Business in Recent Years

Nucor has employed a multi-pronged growth strategy in recent years that allows for the ability to capitalize on a variety of growth opportunities as they arise. The five prongs of that growth strategy are: (1) optimizing and continually improving our existing operations, (2) executing on our raw materials strategy, (3) growing through developing greenfield projects that capitalize on new technologies and unique marketplace opportunities, (4) acquiring other companies that will strengthen Nucor's position as North America's most diversified producer of steel and steel products and (5) growing internationally with an emphasis on leveraging strategic partnerships and new technologies.

Optimizing our existing operations primarily has involved spending a significant portion of our capital expenditures each year on projects that enhance productivity and improve costs as well as allow us to produce more value-added and typically higher margin products at our existing facilities. The heat treat line at our Hertford County, North Carolina mill became operational in 2010, which has allowed Nucor to grow its presence in higher margin products where greater strength and abrasion resistance is required. The heat treat line allows us to improve the product mix allocation between our two plate mills and four sheet mills to improve margins at those facilities. Also at the Hertford County mill, we commissioned a vacuum tank degasser in 2012, and we expect to begin operating a new normalizing line in 2013. Early in 2012, Nucor announced plans to spend approximately $290 million for projects at our Tennessee, Nebraska and South Carolina bar mills that should expand Nucor's special bar quality ("SBQ") and wire rod capacity by one million tons. The projects, which we expect to be completed between the end of 2013 and the first half of 2014, will allow us to produce engineered bar for the most demanding applications while maintaining our market share in commodity bar products by shifting production to our other bar mills. Other planned value-added projects at existing operations include the vacuum tank degasser that began operating at our Hickman, Arkansas mill in late 2012 and the modernization of casting, hot rolling and downstream operations that will allow us to produce wider and lighter gauge hot-rolled and cold-rolled steel products at our Berkeley, South Carolina mill beginning in early 2014.

Executing on our raw materials strategy involves putting the pieces into place to meet our goal of controlling between six and seven million tons of annual capacity in high quality scrap substitutes. Our 2,500,000 metric tons-per-year DRI facility in St. James Parish, Louisiana is scheduled to start-up in mid-2013. Between our existing DRI plant in Trinidad, which we expanded in 2011 to increase the annual capacity from 1,800,000 to 2,000,000 metric tons, and our new facility in Louisiana, we will be approximately two-thirds of the way towards that goal.

The DRI-making process requires significant volumes of natural gas. To provide the new DRI plant in Louisiana with a sustainable advantage from lower natural gas costs, Nucor entered into a long-term, onshore natural gas working interest drilling program in U.S.-based proven reserves with Encana Oil & Gas (USA) Inc.

EXHIBIT 10

American Metal Market

Nucor's new rod mill begins shipments

Oct 09, 2013 | 04:27 PM | Samuel Frizell

NEW YORK — Nucor Corp. has begun shipments from its wire rod mill in Darlington, S.C., as it concludes commissioning the new facility, a company spokeswoman told *AMM*.

The new mill, part of the company's Darlington bar mill, has an annual capacity of 300,000 tons in a range of sizes.

"Nucor is concluding the commissioning of its newly constructed wire rod mill at the Nucor Steel-South Carolina bar mill in Darlington. The new mill is capable of producing wire rod down to 5.5 mm (7/32 inch) and bar-in-coil up to 2 inches. Wire rod production from the plant will focus on the full complement of low-, medium- and high-carbon products," the spokeswoman said via e-mail.

Nucor plans to move up the product mix and produce wire rod for prestressed concrete (PC) strand by early 2014, *AMM* understands.

The Charlotte, N.C.-based steelmaker confirmed that customers have begun receiving wire rod from the mill. One rod buyer said he had some material in his yard that he was getting ready to test.

"So as far as we're concerned, this is going to improve the quality of what they sell us," a second wire rod buyer said.

Nucor said in 2012 that the mill would have a four-stand pre-finishing block, an eight-stand rod block and a four-stand sizing block, in addition to thermo-mechanical rolling capability and a 100-meter-long Stelmore deck (amm.com, April 11, 2012).

Darlington is less than 100 miles from ArcelorMittal SA's Georgetown, S.C., mill, which also produces wire as small as 7/32 inch.

Market sources speculated that the extra capacity brought online at Nucor's new wire rod mill could have a softening effect on prices as the two mills, Georgetown and Darlington, compete in the market.

Due to weak demand, Georgetown has been running two shifts instead of three for months and laid off 30 employees in the fourth quarter of 2012 (amm.com, March 19).

"It's going to make the market even more competitive for the mills, and it's going to drive prices down," the first wire rod buyer said.

A third wire rod buyer said it may be some time before Nucor can compete with Georgetown on high-carbon wire rod, however. "I wouldn't write Georgetown's obituary just yet," he said. "I think around the edges they're going to hurt them, but initially Nucor's entry over the next six months may have more of an effect on Gerdau" Long Steel North America's mill in Jacksonville, Fla., which produces low-carbon wire rod.

Nucor's new mill is part of a $290-million investment in special bar quality (SBQ) and wire rod capacity the company announced in January 2012 in Darlington, Memphis, Tenn., and Norfolk, Neb. (amm.com, Jan.

EXHIBIT 11

European Union

EU-Ukraine bilateral trade

In 2012 Ukraine was the EU's 22nd largest trading partner and 19th largest export market (1,4%), while ranked 26th by the volume of exports to the EU (0,8%).

The EU is Ukraine's second largest trading partner: in 2012, 28,7% of all Ukrainian exports of goods went to the EU and 39,1% of imports of goods came from the EU. EU-Ukraine trade in goods reached €36.6 billion in 2012 (an increase of 5,8% compared to 2011).

The main goods Ukraine exports to the EU are ferrous metals, iron ore, electric machinery and cereals. The main goods the EU exports to Ukraine are machinery, transport equipment, chemicals, textile and clothing, and agricultural products.

Ukrainian exports to the EU are to a large extent already liberalised thanks to the Generalised System of Preferences (GSP), which the EU granted to Ukraine in 1993. In 2011, total preferential exports to the EU under GSP amounted to 16.8 % of overall Ukrainian exports by volume. Preferential imports include machinery and mechanical appliances, plants, oils, base metals, chemicals and textiles. Furthermore, there are sectors where the Most Favoured Nation (MFN) duty applied by the EU is already zero (around 42% of all agricultural products can be sold duty-free by the Ukrainian exporters on the EU market).

Existing quantitative import restrictions on steel and textiles were cancelled on May 16 2008 when Ukraine acceded to the WTO. Since then Ukraine enjoys unrestricted exports of steel and textiles to the EU.

A detailed breakdown of the most recent bilateral trade statistics can be found here

Back to Trade and economic relations

Delegation of the European Union to Ukraine

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delegation-ukraine-press@eeas.europa.eu (Press Information Section)

EXHIBIT 12

CAR
CENTER FOR AUTOMOTIVE RESEARCH

CAR's U.S. Vehicle Sales, Production, & Employment Outlook

First Quarter - January 2014

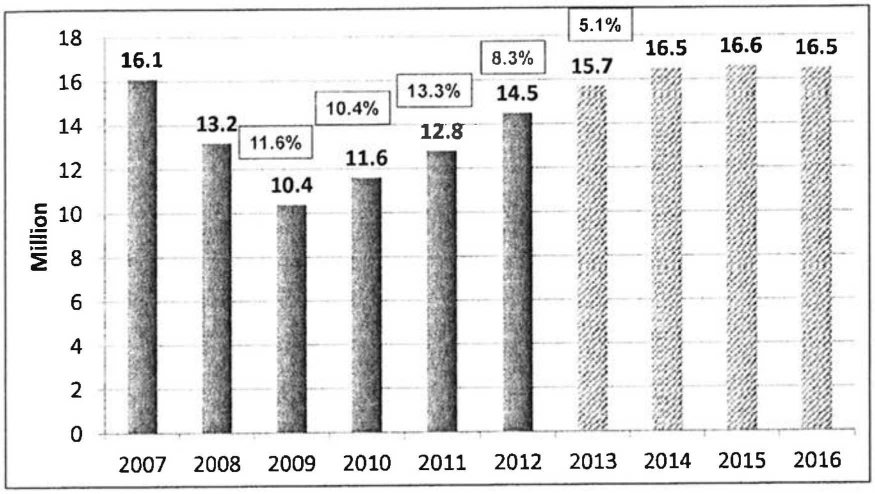
Dr. Sean McAlinden
Executive Vice President of Research and Chief Economist
Center for Automotive Research

Yen Chen
Senior Research Economist
Center for Automotive Research

3005 Boardwalk, Suite 200, Ann Arbor, MI 48108 ▪ 734 662-1287 tel ▪ 734 662.5736 fax ▪ www.cargroup.org

CAR
CENTER FOR AUTOMOTIVE RESEARCH

U.S. Light Vehicle Sales Forecast



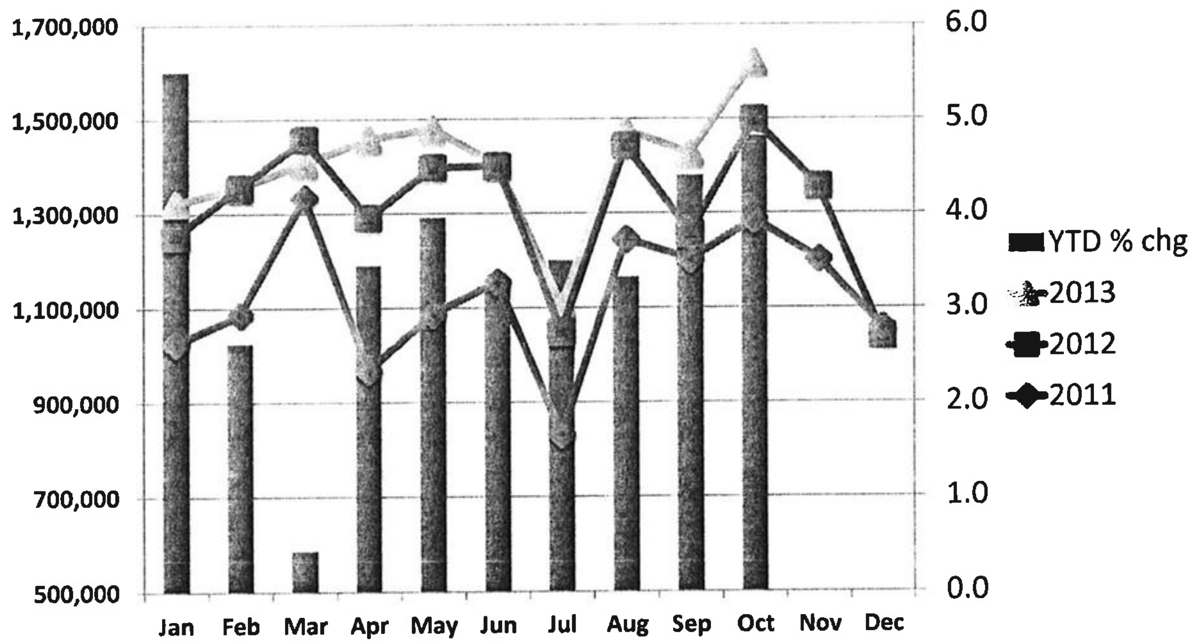
The second half of 2013 began with a mix of encouraging and disappointing news for the United States economy. The real gross domestic product (GDP) growth rate was 4.1 percent in the third quarter, the highest quarterly growth percentage since Q4 2011; however the unemployment rate still remained at 7.3 percent in the third quarter and only recently dropped to 7.0 percent in November. Since January 2013, U.S. non-farm employment has increased by 1.8 million; this is the slowest employment recovery after a recession in U.S. history. Many young adults are continuing to have a difficult time finding employment even though the baby boomer generation is leaving the labor force at an accelerating rate (1.1 million workers have retired from the labor force since January 2013). Before 2006, people age 65 or above who receive Social Security benefits increased at around 0.9 percent per year. In 2007 and 2008, the rate doubled to nearly 2.0 percent. In 2012 and 2013, the rate jumped to 3.2 percent. This means that as a result of increased retirement, the labor force participation rate dropped from 63.6 percent in January to 63.0 percent in November and will likely continue to drop for the foreseeable future.

In spite of high unemployment rates, the U.S. motor vehicle demand has remained strong. Third quarter auto sales ended with 15.7 million seasonally adjusted annual rate (SAAR), the highest since 2007. Gasoline prices remained at or below $3.50 per gallon for most of 2013, which helped push sales. In the fourth quarter, several auto makers increased price incentives to gain market share and the U.S. Federal Reserve's continuous bond buying policy kept short term interest rates at near zero percent. This monetary policy allowed car loans or lease payments to be more affordable to consumers. Fourth quarter auto sales could be at or even above 16.0 million SAAR when the final number are in.

As the labor force demographic changes, the unemployment rate will have a direct impact on motor vehicle sales compared to previous years. Growth in total employment is more relevant to the growth of the U.S. motor vehicle sales. Therefore, CAR's 2014 motor vehicle sales and production forecast model replaced the unemployment rate as a factor and used the total employment growth rate. This substitution allows the future sales to grow in our forecast despite persistently high unemployment rates.

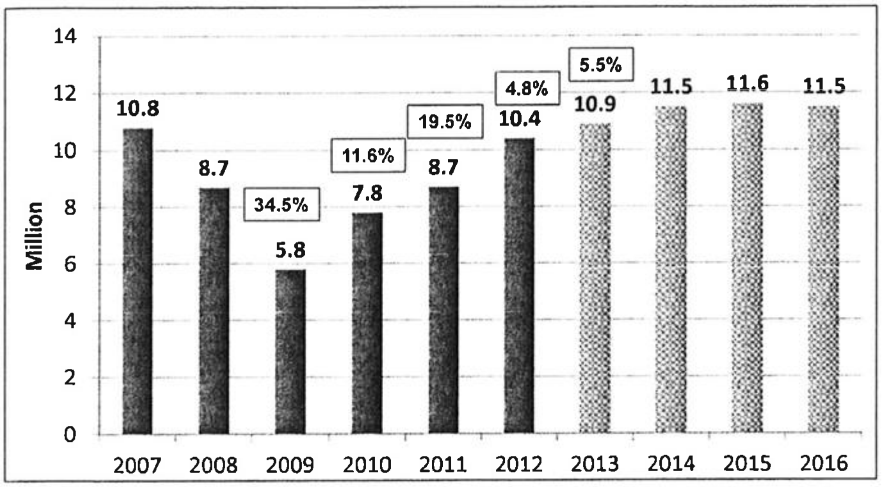
CAR
CENTER FOR AUTOMOTIVE RESEARCH

North America Motor Light Vehicle Production



In October 2013, North America motor vehicle production set its highest monthly production record in 14 years, at 1,577,683 units, according to Ward's Auto. Year-to-date production was up by 4.8 percent for North America from last year. As a result, motor vehicle production was facing capacity constraints, especially in the supplier sector. Automotive suppliers were reluctant to commit to capacity expansion in recent years because they were severely hurt by overcapacity during the 2008-2009 recession when many suppliers declared bankruptcy. Now, many automotive suppliers are finally gaining enough confidence to plan for expansions over the next few years. With the prospect of increased parts capacity, some auto makers can now choose whether to keep price discipline or to gain market share from competitors by increasing consumer incentives.

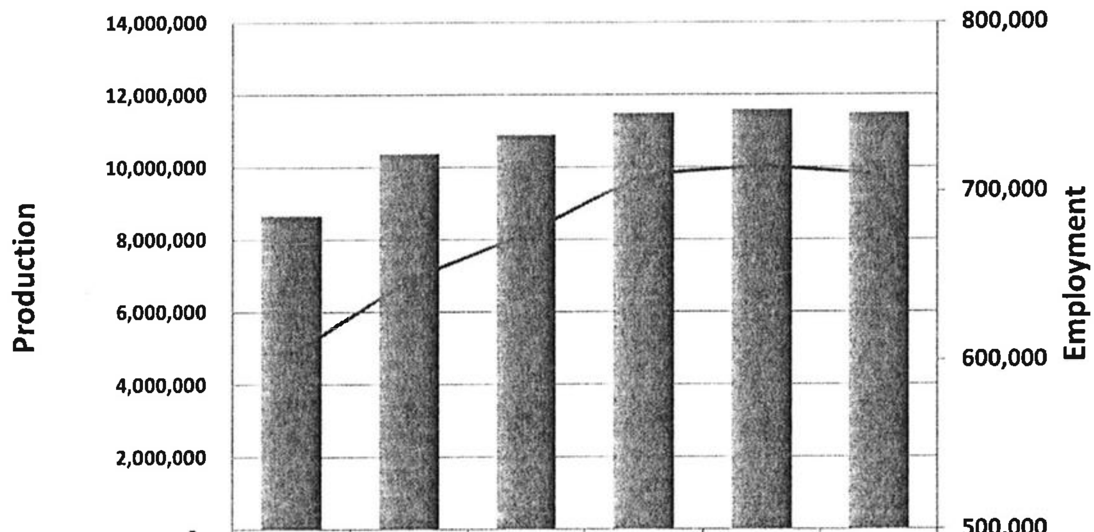
U.S. Production Forecast



As of October 2013, U.S. motor vehicle production has reached 9.4 million units, up 7.8 percent from the previous year. CAR forecasted that 2014 U.S. motor vehicle production will increase again by 5.5 percent in 2013 to 11.5 million. It is expected that the Federal Reserve will keep the interest rate at near zero percent for an unspecified amount of time, which will reduce the cost of business investment; therefore OEMs and suppliers will be able to responsibly expand capacity to meet the increasing global demand of motor vehicles in the coming years.

2017-2025 CAFE standards will be increasingly onerous in the 2016 and 2017 model-years. CAR expects that higher vehicle prices impacted by stringent CAFE regulations may hinder both vehicle sales and production for at least the short run. From a long run perspective, if gasoline prices are not high enough to justify these higher vehicle prices, consumers may not see the benefits of switching to newer model vehicles.

U.S. Automotive Manufacturing Employment Forecast



	2011	2012	2013	2014	2015	2016
Vehicle Production	8,669,700	10,375,257	10,900,000	11,500,000	11,600,000	11,500,000
Automotive Employment	603,400	647,500	675,000	710,000	715,000	710,000

U.S. automotive manufacturing industry employment has increased significantly this year, from 647,500 in 2012 to nearly 689,000 in October 2013. Motor vehicle manufacturing industry employment was up by nearly 20,000 workers, and automotive parts manufacturing industry employment was up by 22,000 jobs so far and is expected to show a further increase when numbers are reported for the 2013 year-end.

The historic relationship between motor vehicle manufacturing employment and automotive parts manufacturing employment implies for every job in auto manufacturing there are 2.8 supplier jobs to support it. This ratio remained constant during the recession and the recovery period after the recession. In coming years, this relationship is expected to continue. In 2014, CAR forecasts that U.S. automotive employment will be up by 35,000 jobs, with 9,000 additional jobs at the OEMs and 26,000 at suppliers.

EXHIBIT 13

DAILY AMM
American Metal Market
American Metal Market (AMM)

April 11, 2014 Friday

LENGTH: 62 words

HEADLINE: Gerdau raising wire rod product prices

BODY:

NEW YORK — Gerdau Long Steel North America is increasing its wire rod product prices by $20 per ton ($1 per hundredweight) effective with shipments May 1, it said in an April 8 letter to customers.

The move followed an announcement by Charlotte, N.C.-based Nucor Corp. that it was increasing wire rod prices by $20 per ton effective with shipments May 1 (amm.com, April 8).

LOAD-DATE: April 10, 2014

DAILY AMM

American Metal Market
American Metal Market (AMM)

April 11, 2014 Friday

LENGTH: 121 words

HEADLINE: ArcelorMittal raising long steel prices in Europe

BODY:

LONDON — ArcelorMittal SA, the world's largest steelmaker, has increased European prices on all long products by €20 ($28) per tonne, effective immediately, market sources told AMM sister publication Steel First April 9.

The increase, which will impact all commodity long products in northern and southern Europe, was in response to an improvement in the Luxembourg-based producer's order books and rising scrap prices in the region, sources said.

Spanish long steel producer Celsa Group said at the recent International Rebar Exporters and Producers Association meeting in Barcelona that rebar consumption is expected to stabilize in 2014.

A version of this article was first published by AMM sister publication Steel First.

LOAD-DATE: April 10, 2014

DAILY AMM

American Metal Market
American Metal Market (AMM)

April 11, 2014 Friday

LENGTH: 66 words

HEADLINE: Keystone raises wire rod product prices

BYLINE: Thorsten Schier

BODY:

NEW YORK — Keystone Steel & Wire Co. is increasing all wire rod base prices by $20 per ton ($1 per hundredweight) effective with all shipments May 1, the company said in an April 9 letter to customers.

The Peoria, Ill.-based company's move followed a similar increase by Charlotte, N.C.-based Nucor Corp. (amm.com, April 8) and Tampa, Fla.-based Gerdau Long Steel North America (amm.com, April 9).

LOAD-DATE: April 10, 2014

EXHIBIT 14

International Monetary Fund

■ عربي ■ 中文 ■ Français ■ Русский ■ Español ■ український

IMF Executive Board Approves 2-Year US$17.01 Billion Stand-By Arrangement for Ukraine, US$3.19 Billion for immediate Disbursement

Press Release No. 14/189
April 30, 2014

The Executive Board of the International Monetary Fund (IMF) today approved a two-year Stand-By Arrangement (SBA) for Ukraine. The arrangement amounts to SDR 10.976 billion (about US$17.01 billion, 800 percent of quota) and was approved under the Fund's exceptional access policy. The authorities' economic program supported by the Fund aims to restore macroeconomic stability, strengthen economic governance and transparency, and launch sound and sustainable economic growth, while protecting the most vulnerable.

The approval of the SBA enables the immediate disbursement of SDR 2.058 billion (about US$3.19 billion), with SDR 1.29 billion (about US$2 billion) being allocated to budget support. The second and third disbursements will be based on bi-monthly reviews and performance criteria, and the remainder of the program period will be subject to standard quarterly reviews and performance criteria.

Following the Executive Board's discussion, Ms. Christine Lagarde, Managing Director and Chair, said:

"Deep-seated vulnerabilities—together with political shocks—have led to a major crisis in Ukraine. The economy is in recession, fiscal balances have deteriorated, and the financial sector is under significant stress.

"Showing unprecedented resolve, the authorities have developed a bold economic program to secure macroeconomic and financial stability and address long-standing imbalances and structural weaknesses to lay a firm foundation for high and sustainable growth. The program focuses on (i) maintaining a flexible exchange rate to restore competitiveness; (ii) stabilizing the financial system; (iii) gradually reducing the unaffordable fiscal deficit; (iv) eliminating losses in the energy sector, while enhancing social safety nets; and (v) decisively breaking with problematic past governance practices.

"Following the floating of the hryvnia, the authorities are committed to maintaining a flexible exchange rate regime and focusing monetary policy on domestic price stability. With Fund technical assistance, they plan to adopt inflation targeting by mid-2015.

"The authorities are determined to stabilize the financial system, maintain confidence in banks, and strengthen balance sheets and financial regulation and supervision. To this end, they have launched diagnostic studies of the largest banks and started reforms which are critical to restore confidence and stem deposit outflows.

"Recognizing the need for fiscal consolidation, the authorities have put in place a package of revenue enhancements and expenditure restraints. Over the program horizon, they target a structural fiscal adjustment of 2 percent of GDP, which will appropriately balance the need to keep public debt on a sustainable path while minimizing the adjustment costs to the economy. To preserve competiveness, the authorities also aim to keep the minimum wage and public wage growth in line with productivity.

"The authorities plan to eliminate the large quasi-fiscal losses of Naftogaz by 2018 and strengthen the company's transparency and governance. To this end, they have embarked on the path of meaningful, broad-based, and sustained gas and heating increases over several years, starting from May 2014. Enhancing social assistance to protect the most vulnerable from energy price adjustments is a crucial element of the reforms. In this context, it is important to reach an early agreement on repayment of accumulated arrears and the gas price dispute with Gazprom to prevent disruptions in energy trade between Russia and Ukraine.

"A strong and comprehensive structural reform package is critical to reduce corruption, improve the business climate, and achieve high and sustainable growth. The authorities have already enacted a new public procurement law, reducing room for misuse of public resources. They have begun addressing governance issues in state-owned companies and are seeking recovery of stolen assets. They are also planning to build capacity to more effectively conduct enforcement of anti-money laundering and anti-corruption legislation, as well as enhance the effectiveness of the judiciary and tax administration.

"Risks to the program are high. In particular, further escalation of tensions with Russia and unrest in the east of the country pose a substantial risk to the economic outlook. Steady and rigorous implementation of policy measures, while maintaining broad public support, will be critical for the program's success and would unlock sizable international official assistance and private capital inflows. The authorities' program is an appropriate response to present challenges and constraints and deserves strong support."

Annex

Recent economic developments

Inconsistent macroeconomic policies pursued in recent years aggravated deep-seated vulnerabilities that made the economy susceptible to economic and political shocks and led to the second major economic crisis in six years. The pegged and overvalued exchange rate led to a deterioration of competitiveness and slower export growth. Together with a rising fiscal deficit and sizeable losses in the energy sector, this drove the current account deficit to over 9 percent of GDP in 2013 and slowed economic growth. Public debt rose to 41 percent of GDP, while external debt remained elevated at 79 percent of GDP. With significant external payments and restricted access to international debt markets, international reserves fell to a critically low level of around two months of imports.

In a first important break with past policies, with mounting pressures on the hryvnia and reserves at a critically low level, the National Bank of Ukraine (NBU) allowed the exchange rate to float in February. This change in the exchange rate regime, along with increased emergency financing to the budget and the banking system, helped stabilize financial markets. Nonetheless, the economic and political environment remains uncertain. Economic activity is contracting, and international debt markets are closed. The fiscal situation is challenging, as government revenues have fallen on the back of political uncertainty and weak economic performance. The political situation in some regions of the country remains tense. Early presidential elections are scheduled for May 25, 2014.

Program Summary

The authorities' economic reform program aims to restore macroeconomic stability, strengthen economic governance and transparency, and launch sound and sustainable economic growth while protecting the vulnerable groups in society. The program will focus on reforms in the following key areas: monetary and exchange rate policies; financial sector; fiscal policies; energy sector; and governance, transparency, and the business climate.

Monetary policy will focus on domestic price stability while maintaining a flexible exchange rate regime. To this end, the authorities will initially adopt a money-based monetary framework. With IMF technical assistance, the authorities plan on adopting inflation targeting by mid-2015.

Financial sector reforms will aim to maintain confidence in the financial system and strengthen the infrastructure for financial regulation and supervision. Assisted by independent diagnostic studies, the NBU will assess bank resilience to economic shocks and ensure that banks strengthen their balance sheets as necessary. In addition, the authorities will review and upgrade the regulatory and supervisory framework, and take steps to facilitate restructuring of banks' non-performing loans (NPLs).

Fiscal policy will seek to meet near-term spending obligations and gradually reduce the fiscal deficit over the medium-term. The authorities have already put in place a package of measures to stabilize revenue and start on a medium-term expenditure adjustment path that distributed the burden equitably. For 2015–16, further gradual expenditure-based fiscal adjustment—proceeding at a pace matching the economy's speed of recovery—will aim to reduce the fiscal deficit to about 3 percent of GDP by 2016.

Energy sector reforms will focus on reducing the sector's fiscal drag and enhancing its efficiency and transparency. The objective to bring Naftogaz's deficit to zero by 2018 will be accomplished by policies to raise its revenue and reduce costs. To this end, gradual, but meaningful and broad-based increases in the very low gas and heating retail tariffs will be accompanied by enhanced social assistance measures to mitigate the impact on the poorest. Structural and governance reforms in Naftogaz will improve its governance and reduce operational costs.

Reforms to strengthen governance, enhance transparency, and improve the business climate will be critical elements of the program. Policy measures in these areas will include capacity building to reform public procurement and tax administration, strengthen anti-money laundering activities, and fight corruption. These measures will help improve the business climate and alleviate long-standing barriers to growth in Ukraine.

In the current difficult environment, real GDP is expected to contract by about 5 percent in 2014 amid weak investor and consumer confidence. Inflation is expected to spike temporarily in response to the exchange rate depreciation and gas and heating tariff increases, reaching 16 percent at end-2014. The current account deficit should fall to about 4½ percent of GDP on the back of the exchange rate adjustment and subdued domestic demand. Replenished by international assistance, gross international reserves will stabilize at around 2½ months of import coverage. The currency devaluation and official borrowing (to help finance a still-wide government deficit) are expected to push public sector debt up to 57 percent of GDP and external debt to just below 100 percent of GDP.

Ukraine's economic prospects will improve in the medium-term. Real GDP growth is expected to rebound to 2 percent in 2015, rising to 4-4½ percent in the medium term. The unemployment rate, which reacts to economic recovery with a lag, will gradually decline from 8½ percent in 2014 to 7½ percent by 2016. Buoyed by the restored competitiveness, exports are projected to grow by over 6 percent a year in 2015–16. By end-2016, inflation will fall to about 6 percent and the NBU will build its international reserves to cover nearly 4 months of imports.

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