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April 24, 2017

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)
NON-CONFIDENTIAL VERSION

VIA ELECTRONIC FILING AND HAND DELIVERY

Ms. Lisa R. Barton
Secretary to the Commission
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Re: ***Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom***: Nucor Corporation's Post-Conference Brief and Answers to Staff Questions

Dear Secretary Barton:

On behalf of Nucor Corporation ("Nucor"), petitioner and domestic interested party in this proceeding, please find enclosed two copies of the non-confidential version of Nucor's Post-Conference Brief and Answers to Staff Questions (**Exhibit 1**) in the above-referenced proceeding.

The requisite certification is enclosed in accordance with Sections 201.6 and 207.3 of the Commission's rules. In addition, in accordance with Section 201.16 of the Commission's rules, the enclosed brief has been served, by hand delivery or express delivery, on all parties entitled to receive it as indicated on the attached public service list.

NON-CONFIDENTIAL VERSION

If you have any questions regarding this submission, please do not hesitate to contact the undersigned.

Respectfully submitted,

Derick Holt

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Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)

In accordance with section 207.3(a) of the Commission's rules (19 C.F.R. § 207.3(a)), I, Alan H. Price, of Wiley Rein LLP, counsel to Nucor Corporation, certify that under penalty of perjury under the laws of the United States of America and pursuant to the Commission's regulations:

(1) I have read the foregoing submission in the above referenced case;

(2) to the best of my knowledge and belief, the information contained therein is accurate and complete; and

(3) in accordance with section 201.6(b)(3)(iii) of the Commission's rules (19 C.F.R. § 201.6(b)(3)(iii)), information substantially identical to that for which we request confidential treatment is not available to the general public and the public disclosure of such information would cause substantial harm to the persons, firms, and other entities from which the information was obtained.

Alan H. Price

DISTRICT OF COLUMBIA: SS
Sworn and subscribed to before me
this April 21, 2017.

Notary Public

Natalia Xanthakos
Notary Public, District of Columbia
My Commission Expires 9/30/2019

My commission expires: 9/30/2019

NATALIA XANTHAKOS NOTARY PUBLIC MY COMMISSION EXPIRES 9/30/2019 DISTRICT OF COLUMBIA

CERTIFICATE OF SERVICE

PUBLIC SERVICE

Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358
(Preliminary)

I certify that a copy of this document was served on the following parties, via hand delivery or UPS Worldwide Express(*), on April 24, 2017.

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BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION

CARBON AND CERTAIN ALLOY STEEL WIRE ROD FROM BELARUS, ITALY, KOREA, RUSSIA, SOUTH AFRICA, SPAIN, TURKEY, UKRAINE, UNITED ARAB EMIRATES, AND UNITED KINGDOM

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)

Business Proprietary Information removed on pages 2-3, 12-15, 17-42, 44-48, the Exhibit List, and in Exhibits 1, 2, 4-7, 9-11 and 16

NON-CONFIDENTIAL VERSION

NUCOR CORPORATION'S POST-CONFERENCE BRIEF AND ANSWERS TO STAFF QUESTIONS

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April 21, 2017

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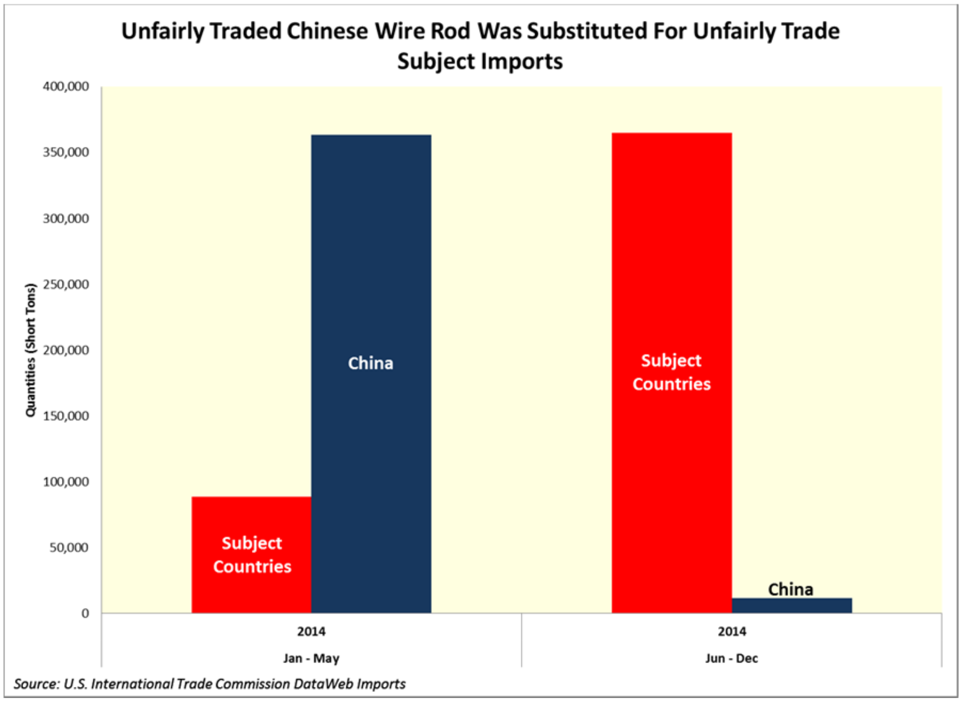
I. INTRODUCTION

The U.S. carbon and alloy steel wire rod ("CASWR") industry has suffered continued and deepening material injury by a massive surge of dumped and subsidized CASWR from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates ("UAE"), and the United Kingdom ("UK"). The flood of subject imports – totaling nearly 2 million tons during the period of investigation ("POI") – has pummeled the U.S. market, with devastating price and volume effects.

The surge of subject imports accelerated in June of 2014, stealing the benefits of trade relief from the antidumping and countervailing duty cases filed against unfairly traded CASWR from China.



Demand declined somewhat during the POI, but subject imports continued flooding unabated into the U.S. market, causing U.S. producers to lose more sales and prices to collapse. Subject imports robbed the domestic industry of the benefits that the Commission anticipated when determining that unfairly traded Chinese imports caused material injury. The domestic industry never recovered, and in fact, virtually all of the industry's key performance indicators plummeted in 2016. U.S. production, shipments and capacity utilization fell sharply, and the U.S. industry's net income declined [ ] percent from [ ]. Workers lost their jobs and saw their salaries cut substantially.

At this preliminary phase of the investigation, the Commission must only decide whether there is a "reasonable indication" that the U.S. CASWR industry is materially injured or threatened with material injury by reason of subject imports. The answer is an unequivocal yes. At the Staff Conference, respondents did not even contest that the industry is materially injured.[1] Rather, purchasers admitted that they must buy the lowest priced CASWR as a matter of competition. Further, both Petitioners and respondents agreed that subject imports undersold U.S. prices to capture the market share that unfairly traded Chinese imports originally stole from U.S. producers.[2]

The record shows that producers in all countries sold standard quality wire rod to the United States. To the extent that respondents make claims that they are only shipping so-called "specialty" wire rod, such assertions are unsupported by the facts of this case. Respondents' entire defense boils down to an argument that subject imports comprised almost exclusively "specialized product" that the U.S. industry cannot produce and thus that imports are needed. The suggestion that the nearly two million tons of subject imports were product that the U.S. industry is not capable of producing is absurd and contradicted by the record. The vast majority

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[1] Conference Transcript, *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom*, Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary) (Apr. 18, 2017) ("Conf. Tr.") at 105 (Mr. Stauffer) ("I have two mandates in my job. I'm supposed to buy cheaper than my competitors and I'm not supposed to run out").

[2] *Id.* at 100 (Mr. Nolan).

of subject CASWR is conventional low, medium, and high carbon wire rod which competes with domestic produced CASWR on a daily basis.

Claims that the U.S. industry cannot provide certain high quality 1080 wire rod is contradicted by the record. The U.S. industry is capable of providing the entire range of CASWR products imported into the United States, including high quality 1080 PC Strand, welding wire, and musical spring wire rod as well as tire bead and tire cord wire rod. Indeed, Evraz Rocky Mountain Steel produces tire bead and cord for rubber reinforcing material.[3] At the Staff Conference, respondents also argued that a blast oxygen furnace ("BOF") is necessary to produce tire cord and bead wire rod because the residual content from scrap cannot be controlled in an electric arc furnace ("EAF"), which is the technology employed by U.S. producers. This claim is demonstrably false.

While counsel for Global Steel Wire emphatically proclaimed that one of its client's primary CASWR products is tire cord wire rod, counsel conveniently neglected to mention that Global Steel Wire produces tire cord and tire bead wire rod using an EAF.[4] Furthermore, while importer Bekaert insisted that a BOF is necessary to produce tire cord and tire bead wire rod, the company [

]. The claim that BOF technology is necessary to produce tire cord and tire bead products is a red herring.

Other claims at the Staff Conference were equally spurious, including that the U.S. industry cannot produce grade 9254 suspension spring CASWR. The record shows that the U.S. industry is capable of producing the allegedly unavailable products.[5]

Contrary to respondents' arguments, both subject imports and U.S. producers serve all

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3 *See* Evraz Website Excerpts, attached at **Exhibit 19**

4 *See* Global Steel Wire Website Excerpts, attached at **Exhibit 20**.

5 *See* Answers to Staff Question, attached at **Exhibit 1-9.**

major sectors of the CASWR market, and compete head-to-head in the entire market, on the basis of price. Indeed, this substantial overlap of competition is what allowed subject imports to surge during the POI and steal the benefit of trade relief from U.S. producers, which materially injured the domestic industry.

This brief focuses on negligibility and threat of material injury. While we incorporate points on these topics to some extent, like product, domestic industry, conditions of competition, cumulation, and material injury are principally addressed in the Gerdau Ameristeel, Keystone Consolidated Industries, and Charter Steel Post-Conference Brief. For the reasons described herein and in that brief, there is a reasonable indication that the U.S. industry is materially injured and threatened with material injury from subject imports. Affirmative preliminary determinations are warranted for all subject countries.

II. IMPORTS FROM ALL SUBJECT COUNTRIES SURPASS THE STATUTORY NEGLIGIBILITY THRESHOLDS

Pursuant to Section 774(24) of the Tariff Act of 1930 (the "Act"), *as amended*, negligible imports are only those imports from a subject country that account for less than three percent of all such merchandise imported into the United States during the most recent 12 months for which data are available before the filing of the petition.[6] The Act also expressly provides an exception for imports that do not surpass the three-percent threshold, under which such imports are not considered negligible if they exceed a seven-percent threshold when combined.[7] In addition, the Act provides that even if imports from a subject country otherwise appear to be negligible, the Commission will not treat such imports as negligible for purposes of determining threat of material injury if it determines there is a potential that those imports "will imminently account for more than 3 percent of the volume of all such merchandise imported into the United States,"

[6] 19 U.S.C. § 1677(24)(A)(i).
[7] 19 U.S.C. § 1677(24)(A)(ii).

or, in the aggregate, "imminently exceed 7 percent of the volume of all such merchandise imported into the United States."[8]

No subject country's imports should be excluded from the material injury analysis on the basis of negligibility. Imports from Korea, Russia, Spain, Turkey, and Ukraine individually exceeded the three-percent threshold for negligibility, and imports from Belarus, Italy, South Africa, the UAE, and the UK collectively exceeded the seven-percent threshold for negligibility. And while under the plain language of the statute the Commission should not distinguish between dumped and subsidized imports from Italy to examine negligibility of Italian imports, even if the Commission decides to separately examine subsidized and dumped imports from Italy, the evidence of record indicates that subsidized Italian imports will nevertheless alone imminently exceed the three-percent threshold for negligibility. The following table provides the volume and percent of total subject imports held by each of the ten subject countries during the12-month period before the filing of the petition:

U.S. Imports of CASWR
(Mar. 2016 – Feb. 2017)

Country	Total Quantity (short tons)	Share of Total Imports
Korea	86,739	4.9%
Russia	106,227	6.0%
Spain	78,882	4.5%
Turkey	79,775	4.5%
Ukraine	164,775	9.3%
Subtotal	***516,398***	***29.2%***
Belarus	46,145	2.6%
Italy	44,558	2.5%
South Africa	20,511	1.2%
United Arab Emirates	22,159	1.3%

[8] 19 U.S.C. § 1677(24)(A)(iv).

United Kingdom	46,601	2.6%
Subtotal	***179,973***	***10.2%***
Total Subject	***696,371***	***39.4%***
All Others	1,073,075	60.6%
Total Imports	***1,769,446***	***100.0%***

Source: Negligibility Analysis, attached at **Exhibit 3**.

For its negligibility analysis, the Commission may rely on "reasonable estimates on the basis of available statistics,"[9] including official import statistics, questionnaire data, or a combination of sources.[10] In preliminary investigations, the legal standard for determining negligibility is whether there is a "reasonable indication" that imports are not negligible.[11] As such, the Commission finds negligibility only where (1) "the record as a whole contains clear and convincing evidence that imports are negligible;" and (2) "no likelihood exists that contrary evidence will arise in the final investigation."[12] Thus, absent "clear and convincing evidence" of negligibility and "no likelihood" that data in the final phase will demonstrate non-negligibility, the subject imports cannot be deemed negligible at this preliminary stage.[13] According to the legislative history, the statute was not intended for the Commission to easily find imports as negligible in a preliminary investigation. In fact, the statute was "intended to preclude termination based on negligibility in a preliminary investigation" in situations such as those where the Commission is "uncertain regarding like product definitions and corresponding import volumes," or where imports are "extremely close to the relevant quantitative thresholds and there is a reasonable indication that data obtained in a final investigation will establish that imports

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9 *Certain Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam*, USITC Pub. 4489, Inv. Nos. 731-TA-499-500 and 731-TA-1215-1217 and 1219-1223 (Final) (Sept. 2014) at 16 ("USITC Pub. 4489").

10 *See, e.g., Polyethylene Terephthalate Film, Sheet, and Strip From Brazil, China, Thailand, and the United Arab Emirates,* USITC Pub. 3962, Inv. Nos. 731-TA-1131-1134 (Preliminary) (Nov. 2007) at 12 ("USITC Pub. 3962").

11 19 U.S.C. §§ 1671b(a)(1), 1673b(a)(1).

12 *Polyvinyl Alcohol from China, Japan, Korea, and Taiwan*, USITC Pub. 2883, Inv. Nos. 731-TA-726-729 (Preliminary) (Apr. 1995) at I-16 n. 84 (internal citation omitted) ("USITC Pub. 2883").

13 *See American Lamb Co. v. United States,* 785 F.2d 994, 1001 (Fed. Cir. 1986) ("*American Lamb*").

exceed the quantitative thresholds."[14] As explained below, the Commission should preliminarily find that all subject imports surpass the negligibility thresholds established by the statute.

A. Imports from Korea, Russia, Spain, Turkey, and Ukraine Individually Surpass the 3 Percent Negligibility Threshold Under the Statute

Imports of CASWR from Korea, Russia, Spain, Turkey, and Ukraine, individually, exceed the three-percent negligibility threshold established by the statute.[15] Notably, counsel for an Italian respondent conceded at the Conference that Turkish imports clearly surpass the negligibility threshold.[16] According to official import statistics, from March 2016 to February 2017, Korean imports accounted for 4.9 percent of total imports, Russian imports accounted for 6 percent of total imports, Spanish imports accounted for 4.5 percent of total imports, Turkish imports accounted for 4.5 percent of total imports, and Ukrainian imports accounted for 9.3 percent of total imports.[17] As this data show, imports from these five subject countries were each well above the statute's three-percent threshold. Moreover, Petitioner believes that these statistics represent an appropriate source by which to measure the negligibility of imports. As the Commission has indicated in recent determinations, the agency makes reasonable estimates for its analysis of negligibility "on the basis of available statistics," which include official import statistics, questionnaire data, or a combination of sources.[18]

B. Imports from Belarus, Italy, South Africa, UAE, and the UK, in the Aggregate, Surpass the Negligibility Thresholds

While individually below the three-percent threshold, CASWR imports from Belarus, Italy, South Africa, United Arab Emirates, and the United Kingdom in the aggregate satisfy the

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[14] Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Rep. No. 103-316, vol. 1 (1994) at 857, *reprinted in* 19 U.S.C.C.A.N. 4040, 4189.

[15] 19 U.S.C. § 1677(24)(A)(i).

[16] Conf. Tr. at 55 (Mr. Cannistra), 88 (Mr. Cannistra).

[17] *See* Negligibility Analysis, attached at **Exhibit 3**.

[18] USITC Pub. 4489 at 16; USITC Pub. 3962 at 12;

exception under the statute that otherwise negligible imports are non-negligible if they exceed seven percent of the total subject import volume.[19] As official import statistics indicate, the aggregate volume of subject imports from these five countries equals 10.2 percent of all subject imports, surpassing the threshold under the exception by a significant 3.2 percent.[20]

Moreover, in reply to respondents' claims at the Conference that the Commission should terminate "the negligible countries,"[21] Petitioner reiterates that the language of the statute explicitly provides an exception to the three-percent threshold where aggregate volume exceeds seven percent.[22] As the data show, imports from Belarus, Italy, South Africa, UAE, and the UK, are individually below the three-percent threshold, but are collectively above the seven-percent threshold.[23] As such, these imports are simply not negligible and there is no basis to "decumulate" these imports, as respondents argue.[24] The Act requires the Commission to cumulate imports from all countries for which petitions were filed on the same day if the imports are not negligible and compete with each other and the domestic like product in the United States.[25] As discussed to greater extent in the Post-Conference Brief filed by Petitioners Gerdau Ameristeel, Keystone Consolidated Industries, and Charter Steel, all of these prerequisites for cumulation are met. And in particular, subject imports from Belarus, Italy, South Africa, UAE, and the UK are not negligible such that they should be terminated or decumulated for material injury and threat analyses. These imports fully meet the statutory exception to negligibility, and a failure to cumulate them in assessing material injury and threat would be entirely inconsistent with the plain language of the statute.

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19 19 U.S.C. § 1677(24)(A)(ii).
20 *See* Negligibility Analysis, attached at **Exhibit 3**.
21 Conf. Tr. at 89 (Ms. Mowry); Conf. Tr. at 55 (Mr. Cannistra).
22 19 U.S.C. § 1677(24)(A)(ii).
23 *See* Negligibility Analysis, attached at **Exhibit 3**.
24 Conf. Tr. at 55 (Mr. Cannistra).
25 19 U.S.C. § 1677(7)(G)(i); 19 U.S.C. § 1677(24).

Further, the Commission should make no distinction between dumped and subsidized imports from Italy for purposes of its negligibility analysis. Rather than separately analyzing the negligibility of dumped and subsidized Italian imports, as respondent's counsel argued at the Conference,[26] the Commission should assess the negligibility of Italian imports consistent with the statute, making no distinction between AD or CVD imports. The statute expressly and unambiguously covers <u>all</u> unfairly traded imports by providing negligibility thresholds for "imports from a country," without adding any modification to these terms.[27] Because Petitioners argue that all imports from Italy are unfairly traded, the Commission's negligibility analysis should only assess whether all 44,558 short tons of Italian imports entered from March 2016 to February 2017 exceeded the individual three-percent threshold or the aggregate seven-percent threshold.[28] As explained above, when Italian imports are properly combined with other imports that would otherwise be negligible, the aggregate volume exceeds seven percent of total volume, indicating that Italian imports are not negligible in this investigation. A separate consideration of subsidized Italian imports is unnecessary and plainly contrary to the language of the statute.

Italian respondent's counsel misleads the Commission by claiming that "there is no cross-cumulation for negligibility."[29] As explained above, the statute simply does not provide for separate negligibility analyses of "AD" and "CVD" imports. Nor has the Commission consistently analyzed AD imports separately from CVD imports for purposes of its negligibility analysis. In fact, there are numerous cases in which petitioners brought forth AD and CVD petitions and the Commission assessed the negligibility of "total imports" from a subject country,

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[26] *See* Conf. Tr. at 55 (Mr. Cannistra), 88 (Mr. Cannistra).

[27] *See* 19 U.S.C. § 1677(24)(A).

[28] *See* 19 U.S.C. § 1677(24)(A)(i) – (ii).

[29] Conf. Tr. at 55 (Mr. Cannistra); *id.* at 88 (Mr. Cannistra) ("As I mentioned, there's a separate negligibility test for those countries that are involved, the countervailing duty case versus those countries that are involved in the antidumping case.")

making no distinction for dumped versus subsidized imports.[30] In any event, as discussed below, even if the Commission separately assesses the negligibility of Italian imports subject to the CVD case, these imports are not negligible because the available data suggest they will imminently exceed the three-percent threshold for negligibility in the context of threat.[31]

C. <u>Even if the Commission Decides to Separate Dumped from Subsidized Italian Imports, Subsidized Imports from Italy Are Nevertheless Likely to Imminently Exceed the 3 Percent Negligibility Threshold</u>

As discussed above, the Commission should not separate dumped imports from subsidized imports for purposes of its negligibility analysis. Instead, the Commission should assess all imports from a country, pursuant the negligibility statute, and assess whether these imports are negligible in light of the available data. As such, the Commission should not separately examine subsidized Italian imports in its negligibility analysis. Instead, the agency should examine Italian imports as a whole and find that the available data show that Italian imports are not negligible because they exceed the statute's seven-percent threshold when combined with imports from Belarus, South Africa, UAE, and the UK. However, even if the Commission separately considers subsidized imports from Italy and finds that these cannot be combined with other imports that do not meet the three-percent threshold, available data indicates that Italian imports subject to the CVD case are still not negligible because they are

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[30] *See*, *e.g.*, USITC Pub. 4489 at 15, IV-10 – IV-11; *Non-Oriented Electrical Steel from China, Germany, Japan, Korea, Sweden, and Taiwan*, USITC Pub. 4502, Inv. Nos. 701-TA-506 & 508 and 731-TA-1238-1243 (Final) (Nov. 2014) at 11 n.41, IV-9; *Certain Large Residential Washers from Korea and Mexico*, USITC Pub. 4378, Inv. Nos. 701-TA-488 and 731-TA-1199-1200 (Final) (Feb. 2013) at 15, IV-4; *Multilayered Wood Flooring from China*, USITC Pub. 4278, Inv. Nos. 701-TA-476 and 731-TA-1179 (Final) (Nov. 2011) at 17 n.102, IV-5 – IV-6; *Narrow Woven Ribbons with Woven Selvedge from China and Taiwan*, USITC Pub. 4180, Inv. Nos. 701-TA-467 and 731-1164-1165 (Final) (Aug. 2010) at 11 n.54, IV-4; *Polyethylene Retail Carrier Bags from Indonesia, Taiwan, and Vietnam*, USITC Pub. 4144, Inv. Nos. 701-TA-462 and 731-TA-1156-1158 (Final) (Apr. 2010) at 10 n.47, IV-4; *Certain Lightweight Thermal Paper from China and Germany*, USITC Pub. 4043, Inv. Nos. 701-TA-451 and 731-TA-1126-1127 (Final) (Nov. 2008) at 10 n.51, IV-4.

[31] *See* 19 U.S.C. § 1677(24)(A)(iv).

likely to imminently exceed the three-percent threshold for the Commission's threat determination.[32]

According to the statute, the Commission "shall not treat imports as negligible if it determines that there is a potential that imports from a country . . . (i) will imminently account for more than 3 percent of the volume of all such merchandise imported into the United States."[33] To determine whether imports have the potential to "imminently exceed" the negligibility threshold, the Commission examines factors including market penetration, share of total imports during the POI, and absolute and relative excess production capacity.[34] And as the Commission has previously indicated, the Commission may rely on a range of available statistics in determining negligibility,[35] including official import statistics, questionnaire data, and a combination of sources.[36] In the most recent 12-month period before the filing of the petition, official import statistics indicate that imports from Italy accounted for 2.5 percent of total imports.[37] As an initial matter, this 2.5 percent of total imports represents a total of 44,558 short tons of Italian CASWR, which is only 8,525 short tons below the volume necessary to meet the three-percent threshold.[38] Given that the volume needed for Italian imports to reach the three-percent threshold is about the average quantity of short tons shipped from Italy in a month (according to official import statistics and Steel Import Monitoring & Analysis ("SIMA") licensing data),[39] subsidized Italian imports should be considered "extremely close to the relevant

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32 *See id.*

33 *See id.*

34 *See, e.g., Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova*, USITC Pub. 3440, Inv. Nos. 731-TA-873-874 and 877-879 (Final) (July 2001) at 10-11.

35 USITC Pub. 4489 at 16.

36 *See*, *e.g.*, USITC Pub. 3962 at 12.

37 *See* Negligibility Analysis, attached at **Exhibit 3**.

38 *See id.*

39 *See id.*

quantitative threshold{}" such that they are not negligible.[40] Moreover, import licensing data from SIMA indicate that Italian imports accounted for 3.4 percent of total imports.[41]

SIMA licensing data from March and April of this year also indicate that Italian imports are increasing rapidly and on track to imminently exceed the three-percent negligibility threshold for threat.[42] According to the SIMA data, Italian import volumes and shares have increased dramatically over the last two months, with volume rising by 355 percent from March to April and share of total imports increasing by 12.8 percentage points, from 1.9 percent in March to 14.7 percent in April (through April 18), representing an increase from 3,283 of 174,207 short tons to 14,935 of 101,788 short tons.[43] Further, the SIMA data from August 2016, *i.e.*, when subject imports from Italy began surging, through April 18, 2017, show that Italian imports totaled 5.4 percent of total wire rod imports during this period, exceeding the three-percent threshold by 2.4 percentage points.[44] And in the first four months of 2017 (through April 18, 2017), wire rod imports from Italy accounted for 5.7 percent of total imports.[45]

Preliminary questionnaire data reported by U.S. importers similarly indicates that Italian imports will imminently exceed the three-percent threshold. U.S. importers [

] and [

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40 *See* Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Rep. No. 103-316, vol. 1 (1994) at 857, *reprinted in* 19 U.S.C.C.A.N. 4040, 4189.

41 *See* Negligibility Analysis, attached at **Exhibit 3**.

42 *See also* Letter from Kelley Drye & Warren LLP and Wiley Rein LLP to Sec'y of Commerce and Sec'y of U.S. Int'l Trade Comm'n, re *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom - Petitions for the Imposition of Antidumping and Countervailing Duties* (Mar. 28, 2017) ("Petition"), Volume I at 18, Exhibit I-13.

43 *See* Negligibility Analysis, attached at **Exhibit 3**.

44 *See id.*

45 *See id.*

].[46] That CASWR imports from Italy were greater in March 2016 – February 2017 than January 2016 – December 2016 indicates that imports have been increasing and strongly indicates that subject imports from Italy will imminently exceed the three percent negligibility threshold for threat. Notably, the [ ] was [ ] short tons greater (*i.e.*, [ ] percent higher) than the 44,558 short tons of Italian imports provided by official import statistics for the same time period.[47]

Responses to the Commission's questionnaires' request for information on arranged imports also suggest that Italian imports are poised to imminently exceed the three-percent threshold. In particular, U.S. importer [ ].[48] These [ ].[49]

In addition, Italy's CASWR production capacity is massive. Italian producers' production capacity has consistently increased over the last three years and it totaled [ ] short tons in 2016, equal to [ ] percent of production capacity in 2016 reported by responding U.S. producers and [ ] percent of total production capacity in 2016 for all responding foreign

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[46] *See* [ ].

[47] *See* [ ].

[48] [ ].

[49] U.S. Importer Compilation, attached at **Exhibit 4**.

producers.[50] Excess and divertible production capacity in Italy, while remaining constant over the last few years, has been similarly extensive, with [ ].[51] This was equal to [ ], and enough to cover [ ].[52] Moreover, despite Italian respondent's counsel's claim at the Conference that "the vast majority of productive capacity is dedicated to captive uses within Italy itself,"[53] there is no evidence to suggest that Italian producers will not shift internally consumed volumes into exports to the United States under attractive and unrestricted market conditions. And contrary to claims by Italian respondents that "high" Italian capacity utilization rates somehow support a finding of negligibility,[54] Italian capacity utilization rates [ ].[55]

Ample evidence also suggests that Italian producers of the subject product are investing to expand production capacity.[56] Over the last few years, Italian producers have [ ].[57] Most recently, [ ].[58]

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50 Foreign Producer Compilation, attached at **Exhibit 5**; U.S. Producer Compilation, attached at **Exhibit 6**.

51 Petitioner defines excess and divertible capacity as the sum of exports to other countries, unused capacity, and ending inventories. *See* Foreign Producer Compilation, attached at **Exhibit 5**.

52 *See* CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.

53 Conf. Tr. at 55 (Mr. Cannistra); *see also id.* at 89 (Mr. Cannistra); 90 (Mr. Cannistra).

54 Conf. Tr. at 55 (Mr. Cannistra); *see also id.* at 89 (Mr. Cannistra); 90 (Mr. Cannistra).

55 *See* Foreign Producer Compilation, attached at **Exhibit 5**.

56 *See* Petition, Volume I at Exhibit I-15, Attachment 2 (Italy).

57 *See id.*

58 [ ], attached at **Exhibit 2A**; [ ], attached at **Exhibit 2B**.

Unsurprisingly, responding Italian producers [

].[59]

Moreover, as discussed in the Petition, the Italian government provides CASWR producers with a number of significant countervailable export subsidies to encourage the exportation of Italian CASWR to the United States.[60] Specifically, as Petitioners have alleged in the original petitions, the Italian government, through its official export credit agency SACE (*Servizi Assicurativi del Commercio Estero*), provides export credit and export insurance subsidies to Italian producers to support and encourage the exportation of metallurgical products like CASWR.[61] Consequently, the export subsidies provided by the Italian government are further evidence that subsidized Italian imports will imminently exceed the three-percent negligibility threshold.

For purposes of threat, even if the Commission treats subsidized imports separately from dumped imports for its negligibility analysis, Italian CVD imports are not negligible. In light of import data from official import statistics, licensing records, and questionnaires, and available information regarding Italian producers' ability to increase production and exports to the U.S. market, subsidized subject imports from Italy will imminently exceed three percent of total CASWR imports. There is no "clear and convincing evidence" to suggest otherwise.[62]

59 Foreign Producer Compilation, attached at **Exhibit 5**.
60 *See* Petition, Volume I at 36-37 and Volume XIII at 26-32.
61 *Id.*
62 *See American Lamb*, 785 F.2d at 1001.

III. THE DOMESTIC INDUSTRY IS THREATENED WITH FURTHER MATERIAL INJURY BY UNFAIRLY TRADED CASWR IMPORTS

A. Subject Imports Should be Cumulated for Purposes of the Commission's Threat Analysis

For the reasons discussed in Gerdau Ameristeel, Keystone Consolidated Industries, and Charter Steel's Post Conference Brief, the statutory factors supporting a cumulative analysis of the subject imports in assessing threat of material injury have been met in this case, and the Commission should cumulate the volume and price effects of all subject imports in its threat analysis as well.

B. The Domestic Industry is Vulnerable to the Threat of Additional Dumped and Subsidized Subject Imports

The domestic CASWR industry is extremely vulnerable to a continued surge of subject of imports. In 2015, the Commission found that the domestic industry was materially injured by a rapid surge of low-priced Chinese imports.[63] From 2011 to 2013, Chinese imports increased significantly to reach 618,790 short tons.[64] Through systematic underselling, Chinese imports captured significant market share at the direct expense of domestic industry.[65] Indeed, while U.S. producers market share fell from 70.1 percent in 2011 to 60.3 percent in 2013, Chinese producers market share increased to 10.8 percent.[66] Given the loss of market share, collapsing prices, and deteriorating financial performance, the Commission made affirmative determinations that subject imports materially injured the U.S.[67]

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[63] *See Carbon and Certain Alloy Steel Wire Rod from China*, USITC Pub. 4509, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final) (January 2015) at 1, 28 ("USITC Pub. 4509").

[64] *See id.* at Table C-2.

[65] *See id.* at 15, 16, Table C-2.

[66] *See id.* at Table C-2.

[67] *See id.* at 1, 28.

Since the Commission's determination, the U.S. industry's condition has become worse. The [ ] percentage points in market share that was captured by Chinese imports was simply stolen again by dumped and subsidized subject imports. Although subject imports comprised a small portion of the market at the beginning of 2014, by the year's end, dumped and subsidized subject imports from the 10 subject countries comprised [ ]. As such, U.S. producers never recovered from the injury inflicted by Chinese imports as subject imports have deepened the material injury caused by unfairly traded Chinese imports.

The domestic CASWR industry is presently in a highly vulnerable condition. U.S. demand has remained relatively flat throughout the POI. During the POI, the domestic industry saw its market share fall, prices, and profits tumble as low-priced subject imports flooded the United States.[68] In 2016, virtually all of the domestic industry's key trade and financial variables declined, its prices plunged, and the industry experienced significantly decreased profits.[69] In fact, the U.S. industry's net income dropped [ ] percent and its operating margin has declined from an anemic [ ] percent in 2014 to [ ] percent in 2016.[70]

These negative trends will only continue and intensify if the surge in subject imports – which shows no signs of abating on its own – is left unchecked. Relief is badly needed before the already injured domestic industry and its workers suffer additional injury in the form of additional plant shutdowns, more severe financial losses, and further worker layoffs due to dumped and subsidized subject imports. The domestic industry's prior investments and

68 *See* U.S. Producer Compilation, attached at **Exhibit 6**; CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.

69 *See* U.S. Producer Compilation, attached at **Exhibit 6**; *see also* Conf. Tr. at 18-19 (Mr. Price).

70 *See* U.S. Producer Compilation, attached at **Exhibit 6**.

necessary reinvestments in property, plant, and equipment are in jeopardy.[71] Indeed, Nucor has invested "over 100 million dollars into its wire rod operations to better serve its customers,"[72] but [ ] because of the surge of low-priced subject imports.[73] In light of the depressed financial performance caused by subject imports, flat demand projections for the U.S. market, and needed but expensive investments in equipment and technology, the U.S. CASWR industry is highly vulnerable to dumped and subsidized subject imports.

U.S. producer questionnaire responses confirm the industry's vulnerability in the face of softening domestic demand, the poor and declining financial performance of the industry as a whole, and the growing volumes and market shares of dumped and subsidized subject imports. For example:

- [ ]."[74]
- [ ].[75]
- [ ].[76]
- [ ][77]

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[71] [ ].
[72] Conf. Tr. at 129 (Mr. Nystrom).
[73] *See* [ ].
[74] [ ].
[75] *See* [ ].
[76] *See* [ ].
[77] *See* [ ].

C. <u>Subject Producers Will Target the U.S. Market with Large and Increasing Volumes of CASWR</u>

The ten subject countries have substantial and increasing capacity that will enable them to quickly ramp up production and exports that will be targeted at the U.S. market absent trade relief.[78] Combined, the subject countries had a total CASWR capacity of [ ] tons in 2016,[79] and a total excess capacity of [ ] tons[80] – nearly [ ] U.S. demand for the same year.[81] Many subject producers increased their CASWR capacity during the POI, [ ], which collectively increased their capacity by more than [ ] tons.[82] Such massive, growing, and excess capacity will compel subject producers to continue producing and exporting CASWR at high levels, regardless of demand or price.

Subject producers continue to export significant volumes of CASWR and have increasingly targeted those exports at the United States. CASWR exports to the United States grew by more than [ ] percent.[83] Moreover, through widespread underselling, subject imports grabbed significant market share that should have returned to U.S. producers during the POI.[84] Indeed, subject import market share increased by [ ] percentage points during the POI, from [ ] in 2014 to [ ] in 2016.[85] As subject producers struggle with weak demand conditions, unfairly traded imports (particularly those from China) in their home markets, and increasing trade barriers in their traditional export markets, they will seek to export even greater quantities of low-priced CASWR to the United States in the absence of trade relief.

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78 *See* Petition, Volume I at 33-35.
79 *See* Petition, Volume I at 34 (Table 3).
80 All quantities are in short tons unless specifically noted.
81 Petition, Volume I at 34 and Exhibit I-12.
82 *See* Foreign Producer Compilation at **Exhibit 5**.
83 Petition, Volume I at Exhibit I-12.
84 *Id.*
85 *See* CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.

1. Belarus

The Belarussian producer, state-owned Byelorussian Steel Mill ("BMZ"), has [ ] during the POI.[86] In 2015, BMZ [ ], with the potential of [ ].[87] During the POI, BMZ's [ ] percent, from [ ].[88] BMZ reports that [ ] tons in 2017 despite weak demand conditions in Belarus' home market.[89] By the end of the POI, BMZ [ ] and reported that it produced nearly [ ] tons of wire rod in 2016.[90] BMZ [ ].[91]

Belarus has become an export platform for CASWR and threatens the U.S. industry with material injury. In 2014, BMZ exported [ ] tons of CASWR as [ ].[92] Indeed, BMZ would normally sell [ ] short tons of billet annually.[93] But in 2015, Belarus opened a new rolling mill with over [ ] short tons of production capacity with the intention to [ ]."[94] Because BMZ [ ],

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[86] [ ].

[87] *See also id.*

[88] *Id.*

[89] *See Belarus President Sees 2 Percent GDP Decline in 2016*, Radio Free Europe, Nov. 17, 2016, attached at **Exhibit 2C**; Foreign Producer Compilation, attached at **Exhibit 5**.

[90] *See* [ ], attached at **Exhibit 2D**.

[91] *See* [ ].

[92] *See* GTA Export Data, attached at **Exhibit 8**; *see also* [ ].

[93] [ ], attached at **Exhibit 2E**.

[94] *See* [ ], attached at **Exhibit 2F**.

Belarussian exports of CASWR skyrocketed in 2015.[95] Indeed, from 2014 to 2015, Belarussian CASWR exports jumped 2,235 percent to reach 203,081 short tons and the United States became its second largest export destination.[96] In 2016, CASWR exports from Belarus continued to climb by another 70,000 short tons to reach their highest levels of the POI.[97] Without relief, BMZ exports will [ ] percent.[98] At the same time, Belarussian producers are encountering mounting trade barriers in many of their new export markets, including [ ], Chile, [ ], Indonesia, [ ], Malaysia, [ ], Morocco, [ ], and [ ], which makes it more likely that BMZ will target its growing capacity at the United States.[99]

BMZ is also facing sluggish demand in its home market. Despite [ ] during the POI, its [ ] percent, from [ ] tons in 2014 to [ ] tons in 2016.[100] In Belarus, GDP declined 3.9 percent in 2015, and fell another 2 percent in 2016.[101] The Belarusian economy is expected to contract again in 2017 by 1 percent as Belarus continues its trade dispute with Russia over energy supplies.[102] Furthermore, the construction industry "has a significant number of negative trends, which are being aggravated this year."[103] As Belarus continues to [ ], BMZ will seek to dump its steel in the United States at incredibly low prices.

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[95] *See* GTA Export Data, attached at **Exhibit 8**.
[96] *See id.*
[97] *See id.*
[98] *See* [ ].
[99] *See* Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries, attached at **Exhibit 9**.
[100] *See* [ ].
[101] *See Belarus President Sees 2 Percent GDP Decline in 2016*, Radio Free Europe, Nov. 17, 2016, attached at **Exhibit 2C**.
[102] *See Economic growth in Belarus may be delayed until 2018*, Belarus in Focus, Jan. 23, 2017, attached at **Exhibit 2G**.
[103] *See Andrei Kobyakov: Belarus' construction industry needs stabilization*, Stolichnoe Televidenie, Jul. 15, 2015, attached at **Exhibit 2H**.

Thus, an increase in CASWR imports from Belarus would cause further material injury to the U.S. industry in the absence of trade relief.

2. Italy

Italy maintained a CASWR production capacity of [ ] short tons during the POI and had excess capacity of [ ] tons (*i.e.*, nearly [ ] of Italian producers' total capacity) in 2016.[104] According to responses to questionnaires issued to Italian producers, excess and divertible capacity in Italy was [ ] in 2016, with [ ] short tons reported by responding Italian producers.[105] This is equivalent to [ ].[106]

[ ] expect to increase their production capacity of CASWR by at least [ ] this year despite weak demand and economic conditions in Italy's home market.[107] Indeed, ample evidence suggests that Italian CASWR producers are making investments to expand wire rod production capacity. Specifically, Italian producers have [ ].[108] Most recently, [ ].[109]

104 Petition, Volume I at 34 (Table 3), Exhibit I-14 ([ ].

105 Petitioner defines excess and divertible capacity as the sum of exports to other countries, unused capacity, and ending inventories. *See* Foreign Producer Compilation, attached at **Exhibit 5**.

106 *See* U.S. Producer Compilation, attached at **Exhibit 6**.

107 Foreign Producer Compilation, attached at **Exhibit 5**.

108 *See* Petition, Volume I at Exhibit I-15, Italy.

109 [ ], attached at **Exhibit 2A**; [ ], attached at **Exhibit 2B**.

Yet Italian producers are facing challenging demand conditions in their home market. Apparent consumption of CASWR in Italy decreased by [ ] in 2016,[110] falling from [ ] short tons in 2015 to [ ] short tons in 2016, according to [ ].[111] In addition, Italy's economy is at risk of a financial collapse, as the country currently faces a severe banking crisis.[112] Further, Italy faces numerous third-country barriers on CASWR imports in multiple non-U.S. markets, including [ ], Chile, India, Indonesia, [ ], Malaysia, [ ], and Vietnam.[113]

As Italian CASWR producers increasingly ramp up production in the face of weak domestic market conditions, they will look to the United States as an attractive market for dumping their significant excess CASWR capacity. Such an increase in unfairly traded Italian wire rod imports would cause further material injury to the U.S. industry in the absence of trade relief.

3. Korea

Korean CASWR producers have maintained significant capacity volumes of [ ] short tons per year during the POI,[114] which is equal to almost [ ] of average <u>total</u> capacity reported in the foreign producers' questionnaires and [ ] percent of average apparent U.S. consumption in 2016.[115] In addition, Korea over the course of the POI has had an excess

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[110] [ ], attached at **Exhibit 10**.

[111] [ ], attached at **Exhibit 10**.

[112] *See*, *e.g.*, John Mauldin, *Italy's Banking Crisis Is Nearly Upon Us*, Forbes, Dec. 8, 2016, attached at **Exhibit 2I**; Satyajit Das, *Why Italy's economy is about to collapse*, The Independent, Jun. 20, 2016, attached at **Exhibit 2J**.

[113] Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries, attached at **Exhibit 9.**

[114] Petition, Volume I at 34 (Table 3), Exhibit I-14 ([ ]).

[115] *See* Foreign Producer Compilation, attached at **Exhibit 5**; CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.

capacity between [ ] short tons, averaging at around [ ] short tons.[116] According to questionnaire responses submitted by Korean producers, these companies have [ ] excess capacity over the POI, between [ ] short tons, averaging at around [ ] short tons from 2014 to 2016.[117] Excess <u>and</u> divertible capacity in Korea is even more significant, and has remained relatively constant at high levels.[118] During the POI, Korean CASWR producers reported maintaining an average [ ] short tons of excess and divertible CASWR,[119] which is equal to almost [ ] percent of Korean producers' total capacity of [ ] short tons in 2016.[120] This amount of excess and divertible capacity would have also been enough to cover a significant [ ] percent of apparent U.S. consumption in 2016.[121]

Despite recent weak demand in Korea's home market,[122] [ ] predicts that Korean producers will increase their CASWR production over the next five years, starting in 2018, at percent increases of at least [ ] percent each year.[123] Korean producers' questionnaires indicate that responding producers expect [ ].[124] Other available sources indicate [

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116 Petition, Volume I at 34 (Table 3), Exhibit I-14 ([ ].

117 Foreign Producer Compilation, attached at **Exhibit 5**.

118 Petitioner defines excess and divertible capacity as the sum of exports to non-U.S. countries, unused capacity, and ending inventories. *See id*.

119 *Id.*

120 *Id.*

121 CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.

122 *See*, *e.g.*, *South Korean OEMs' global sales decline in January; domestic market to remain flat in 2017 according to IHS Automotive*, Automotive Analysis, Feb. 2, 2017, attached at **Exhibit 2K**; Jean Chung, *South Korea economic growth retreats further in Q4 on weak construction, consumption*, CNBC, Jan. 24, 2017, attached at **Exhibit 2L** Song Jung-a, *South Korea economy slows amid cluster of corporate woes,* The Financial Times, Oct. 25, 2016, attached at **Exhibit 2M**.

123 Petition, Volume I at Exhibit I-14 [ ]; [ ], attached at **Exhibit 10**.

124 Foreign Producer Compilation, attached at **Exhibit 5**.

].[125] Over the POI, Korean producers have [

].[126]

Demand conditions for CASWR in Korea are weak.[127] The Korean CASWR sector faces a deteriorating domestic economy,[128] with significantly unfavorable trends in the construction and automotive sectors. Specifically, Korean economic growth "retreated further in the last quarter of 2016 as the construction investment and private consumption that had supported the economy for most of {2016} fizzled out."[129] And Korean automakers "reported a combined 1.2% year-on-year (y/y) decline in global sales in January {2017}."[130] Because the automotive and construction sectors have long been dominant end use sectors for Korean CASWR,[131] Korean producers will need to find another outlet for their large and increasing production volumes. In the absence of trade restrictions on CASWR imports in the United States, producers will undoubtedly look to the U.S. market to increase their exports.

Importantly, Korean CASWR producers are encountering trade barriers in many of their export markets, including [ ], Chile, India, [ ], Malaysia,

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125 *See* Petition, Volume I at Exhibit I-15, Attachment 3 (Korea).

126 *See id.*

127 *See, e.g.*, *South Korean OEMs' global sales decline in January; domestic market to remain flat in 2017 according to IHS Automotive*, Automotive Analysis, Feb. 2, 2017, attached at **Exhibit 2K**; Jean Chung, *South Korea economic growth retreats further in Q4 on weak construction, consumption*, CNBC, Jan. 24, 2017, attached at **Exhibit 2L** Song Jung-a, *South Korea economy slows amid cluster of corporate woes*, The Financial Times, Oct. 25, 2016, attached at **Exhibit 2M**.

128 *See* Jean Chung, *South Korea economic growth retreats further in Q4 on weak construction, consumption*, CNBC, Jan. 24, 2017, attached at **Exhibit 2L**.

129 *Id.*

130 *South Korean OEMs' global sales decline in January; domestic market to remain flat in 2017 according to IHS Automotive*, Automotive Analysis, Feb. 2, 2017, attached at **Exhibit 2K**.

131 *See* Petition, Volume I at 7-8; USITC Pub. 4509 at 12 ("Wire rod is a hot-rolled intermediate steel product that is used in a variety of downstream products used in the construction, automotive, energy, and agriculture industries").

[ ], and Vietnam.[132] These barriers significantly increase the chances that Korean producers will instead turn to the U.S. market as they continue to face weak domestic demand conditions. In the absence of trade relief, Korean producers will consequently flood the U.S. market with unfairly-priced Korean CASWR exports, causing further material injury and threat of material injury to the U.S. industry.

4. Russia

As an initial matter, [ ]. This substantial [ ] indicates that Russian producers' own data is likely even more harmful to their case than the existing information of record, which already demonstrates that Russian producers have the ability and incentive to target massive volumes of unfairly traded CASWR at the U.S. market.

During the POI, the Russian economy experienced "a full-blown recession."[133] From 2014 to 2015, Russian GDP shrank by 2.8 percent, and contracted another 0.2 percent in 2016.[134] In particular, industrial production declined by over [ ] percent in 2015, [ ] in 2016.[135] Russian construction output declined in each year of the POI, with further declines projected for 2017.[136] The Russian automotive sector began declining in 2013 and today "continues to head south."[137]

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[132] *See* Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries, attached at **Exhibit 9**.

[133] *See* Rob Garver, *Putin's Economy May Be in Even Worse Shape Than It Looks*, The Fiscal Times, Aug. 18, 2015, attached at **Exhibit 2N**.

[134] *Russia Economic Outlook*, Focus Economics, Apr. 4, 2017, attached at **Exhibit 2O**.

[135] [ ], attached at **Exhibit 10**.

[136] *Id.* at [ ].

[137] Wolf Richter, *The Amazing Collapse of Russia's Auto Market*, Wolf Street, Nov. 12, 2016, attached at **Exhibit 2P**.

The Russian market for CASWR in particular is weak.[138] In the third quarter of 2016, [ ].”[139] Russian long products production [ ] with construction during this period [ ].”[140]

Despite catastrophic declines in the Russian economy as well as demand drivers for CASWR, Russian producers continued to add CASWR capacity during the POI. In 2014, Russian Steelmaker Severstal commenced commercial production at its new wire rod and bar mill with a capacity of [ ] short tons annually.[141] Russian CASWR producer, Abinsk, commissioned a [ ] short ton wire rod and bar mill in 2015.[142] In approximately one year, Abinsk’s wire rod mill reached designed capacity, and produces “[ ]” from the billets produced in its electric arc furnace.[143] Ishstal, a new long products mill, started a new mill in 2015 with a total capacity of [ ] short tons to produce wire rod, bar, and channels.[144] Although [ ] has not accounted for these capacity expansions, it reports that Russian CASWR producers have over [ ] short tons in capacity and more than half of it is unused. Indeed, Russian producers maintain

138 *See*, *e.g.*, [ ], attached at **Exhibit 10**.
139 *See id.*
140 *See id.*
141 *See* [ ], attached at **Exhibit 2Q**.
142 [ ], attached at **Exhibit 2R**.
143 [ ], attached at **Exhibit 2S**.
144 *See* [ ], attached at **Exhibit 2T**.

[ ] short tons of unused capacity, which is [ ] times greater than all U.S. open market shipments during the POI.[145]

Given its weak home market, Russian CASWR producers have turned to various export markets to unload its massive capacity. From 2014 to 2016, Russian CASWR exports increased 71 percent, from 621,871 short tons to 1.06 million short tons.[146] Exports to the United States grew 650 percent, leaping from 12,723 short tons to 95,309 during that same period.[147] As such, the United States has become a top five export market for Russian CASWR. And Russian producers have shown no signs of slowing down in 2017, exporting approximately 40,000 short tons of CASWR to the United States in the first four months of 2017.[148]

Looking forward, projections for Russian demand remain poor. [ ] expects "[ ]."[149] A recent steel analyst's report stated: "Demand for steel will remain weak in Russia into 2017" and "{t}he outlook for Russia's steel industry for 2017 is negative" with "fragile, volatile domestic steel demand and weak end user sentiment."[150] Furthermore, while production of CASWR and other long products will [ ] it will be [ ]."[151] As demand in Russia is not projected to significantly improve, Russia will target its massive unused and increasing CASWR capacity at the attractive U.S. market and threaten the U.S. industry with additional injury.

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145 *Compare* [ ], attached at **Exhibit 11**, *with* CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.

146 *See* GTA Export Data, attached at **Exhibit 8**.

147 *See id.*

148 *See* SIMA License Data, attached at **Exhibit 12**.

149 [ ], attached at **Exhibit 10**.

150 Artem Frolov, *Moody's: Outlook on Russia's steel industry for 2017 is negative as demand smoulders*, Moody's Investors Services, Oct. 26, 2016, attached at **Exhibit 2U**.

151 *See* [ ], attached at **Exhibit 10**.

5. South Africa

Despite having relatively small domestic consumption of just [ ] tons in 2016,[152] South African CASWR producers maintained a disproportionately large capacity of [ ] tons during the POI and had excess capacity of [ ] tons in 2016.[153] South Africa's excess capacity is [ ] in 2016.[154] Demand for CASWR in South Africa has been poor,[155] with apparent consumption decreasing by [ ] during the POI.[156] Despite this weak demand in their small home market, South African producers increased their CASWR production by [ ] in 2016.[157] [ ] predicts that South African CASWR production will increase an additional [ ] in 2017 and will continue to increase in the coming years.[158]

South African producers are also being increasingly displaced in their home market. Indeed, ArcelorMittal's [ ] because of the "[ ]."[159] However, South African producers have operated at extremely low levels of capacity utilization. Indeed, during the POI, ArcelorMittal has operated at utilization rates as low as 32 percent at its Newcastle Works where it produces high-carbon wire rod.[160] South Africa is also encountering trade barriers in export markets such as [ ], Chile, India, [ ], Malaysia, [ ], and

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[152] [ ].

[153] [ ], attached at **Exhibit 11**; Petition, Volume I at 34.

[154] *Compare* Petition, Volume I at 34, *with id.* at Exhibit I-10.

[155] [ ], attached at **Exhibit 11**.

[156] [ ].

[157] [ ].

[158] [ ], attached at **Exhibit 10**.

[159] *See* [ ], attached at **Exhibit 2V**.

[160] ArcelorMittalSA.com, Long Steel Products (last visited Apr. 20, 2017), http://arcelormittalsa.com/Operations/LongSteelProducts/Overview.aspx, attached at **Exhibit 13**.

[ ].[161] As a result, any capacity expansions in South Africa will not be used to satisfy home market demand but will likely be directed to attractive exports markets. It is therefore not surprising that the United States was the top export destination for South African CASWR. As South African CASWR producers continue to increase production while struggling with weak domestic demand conditions and greater competition from low-priced foreign product, they will increasingly look to the United States as an outlet for dumping their low-priced CASWR and cause further material injury to the U.S. industry in the absence of trade relief.

6. Spain

Spain maintained substantial CASWR production capacity of [ ] short tons during the POI and had an excess capacity of [ ] short tons (*i.e.*, almost [ ] of Spanish producers' total capacity) in 2016.[162] That Spanish producers had [ ] short tons of excess capacity in 2016 also meant that they had enough CASWR available to satisfy [ ] percent of apparent U.S. consumption reported for 2016.[163] Significantly, Spanish CASWR excess capacity had increased each year of the POI, rising [ ] short tons in 2014 to [ ] short tons in 2015, and then rising [ ] short tons in 2016.[164] Excess capacity in Spain is expected to remain at around [ ] short tons in 2017.[165]

[ ] to date indicate that Spanish producers expect to [ ] production into 2017 and 2018 to [ ] short tons, from an

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161 *See* Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries, attached at **Exhibit 9**.

162 Petition, Volume I at Exhibit I-14 ([ ]); Petition, Volume I at 35 (Table 3); [ ], attached at **Exhibit 10**.

163 *See* CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.

164 Petition, Volume I at 34 (Table 3), Exhibit I-14 ([ ]); Petition, Volume I at 35 (Table 3); [ ], attached at **Exhibit 10**.

165 Petition, Volume I at 34 (Table 3), Exhibit I-14 ([ ]; Petition, Volume I at 35 (Table 3); [ ], attached at **Exhibit 10**.

average of [ ] short tons produced over the POI.[166] According to recent reports, CASWR producers have invested significantly in restarting and increasing wire rod operations in Spain.[167] However, Spanish domestic demand is weak.[168] According to [ ] data, Spanish consumption of wire rod has decreased over the POI from approximately [ ] short tons to [ ] short tons.[169] At the same time, [ ].[170] Similarly, Spanish producers face a number of adverse trade barriers in third-country markets, including [ ].[171]

With plans to [ ] despite insufficient domestic demand conditions and negative trade barriers in numerous non-U.S. markets, Spanish CASWR producers are likely to direct their increasing volumes of unfairly priced product into the United States. Recent Spanish export data support this. Over the POI, Spanish exports to the United States increased by 122.6 percent, rising from 35,357 short tons in 2014, to 79,999 short tons in 2015, and 78,711 short tons in 2016.[172]

At the Staff Conference, Spanish CASWR producers argued that they focus on two products – suspension spring wire rod and tire cord/tire bead wire rod.[173] Yet there is nothing

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166 Foreign Producer Compilation, attached at **Exhibit 5**.

167 *See, e.g.*, [ ], attached at **Exhibit 2W**; [ ], attached at **Exhibit 2X**; Petition, Volume I at Exhibit I-15, Attachment 6 ([ ].

168 [ ], attached at **Exhibit 10**.

169 *Id.*

170 Petition, Volume I at Exhibit I-15 (Attachment 6) [ ].

171 *See* Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries, attached at **Exhibit 9**.

172 Petition, Volume I at Exhibit I-8.

173 *See* Conf. Tr. at 48-50 (Mr. Bond), 76 (Mr. Bond).

unique about any of these products, as they could all potentially be made using the same equipment in the United States. [

].[174] For instance, [ ] produces 9254 suspension spring wire and competes head to head with subject imports on a daily basis.[175]

As Spanish CASWR producers increasingly ramp up production in the face of weak domestic market conditions, they will look to the United States as an attractive market for dumping their significant excess CASWR capacity. Such an increase in unfairly traded Spanish wire rod imports would cause further material injury to the U.S. industry in the absence of trade relief.

7. Turkey

As discussed at the hearing and as will be further detailed in any final phase investigation, the Turkish exporters have demonstrated a "hit-and-run" pattern of targeting the United States. This may be due in part to the fact that Turkish CASWR producers are increasingly being pushed out of their home market by Chinese imports. [

]."[176] Indeed, Turkish CASWR producer, [

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174 *See* [ ]; [
].

175 *Cf.* Conf. Tr. at 93 (Mr. Bond).

176 *See* Petition, Volume I at Exhibit I-15, Attachment 7, [
].

]."[177] As a result, [ ] such as CASWR.[178]

CASWR producers in Turkey have continued to expand their capacity during the POI, despite dwindling demand. Turkey's [ ].[179] [ ].[180] With [ ]. The [ ] reports that [ ].[181]

According to [ ], Turkish CASWR producers had an excess capacity of [ ] short tons in 2016, which is equal to [ ] of their total capacity.[182] This was also enough to cover [ ] percent of apparent U.S. consumption in 2016 as reported in U.S. producers' questionnaires.[183] As Turkey's domestic market weakens, these conditions are expected to push Turkish CASWR producers to export markets. Specifically, [ ] predicts

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177 *See id.* at Exhibit I-15, Attachment 7, [ ].

178 *See id.*

179 *See id.* at Exhibit I-15, Attachment 7 [ ].

180 *See* [ ], attached at **Exhibit 2Y**.

181 *See* [ ] at 19, attached at **Exhibit 10**.

182 Petition, Volume I at 34, Exhibit I-14.

183 CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.

[ ].[184]

Turkish CASWR producers have recently [ ].[185] Indeed, in [ ].[186] Import license data from SIMA demonstrates that approximately 54,000 short tons of Turkish wire rod has been shipped to the United States from January 1, 2017 through April 18, 2017.[187] And the existing trade barriers against Turkey wire rod imports in countries other than the United States strongly indicate that Turkish imports will significantly increase exports to the U.S. market absent the imposition of an order. Specifically, Turkish producers are facing increasing trade barriers in many of its other export markets, including [ ], Chile, India, [ ], Malaysia, [ ], Morocco, [ ], and [ ].[188] In the absence of trade relief, the U.S. market will certainly witness imports of Turkish wire rod surge into the United States, and cause further material injury and threat of injury to the U.S. industry.

8. Ukraine

Ukrainian producers are extremely interested in dumping their excess capacity to the United States and will stop at nothing to ensure their unfettered access to the U.S. market. Three years ago at the Commission's 2014 sunset hearing, Ukrainian respondents testified that:

> Obviously prices can change over time. However, at least over the last two years, and continuing to today, prices in the U.S. market are not sufficiently attractive to our company to cause us to disrupt the relationships we have built with our long-

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184 *See* [ ] at 19, attached at **Exhibit 10**.

185 *See* [ ], attached at **Exhibit 2AA**.

186 *See id.*, attached at **Exhibit 2AA**.

187 SIMA License Data, attached at **Exhibit 12**.

188 *See* Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries, attached at **Exhibit 9**.

> term customers in Ukraine and other close regional markets and to send our wire rod halfway around the world. There is no economic incentive to do so and we do not have free capacities in any way.[189]

This was false testimony. Contrary to their arguments, Ukrainian CASWR prices are amongst the lowest in the world [ ].[190] [ ].[191] At the same time, Ukrainian producers reported declining sales to both its home market and all other markets, which demonstrates that Ukrainian producers disrupted existing relationships to increase CASWR shipments "halfway around the world."[192]

While the Ukrainian respondents argued at the Staff Conference that political turmoil has caused Yenakiieve to cease operations at the mill,[193] other Ukrainian producers are capable of producing and shipping large quantities of wire rod to the United States.[194] Indeed, [ ].[195] [ ]'s imports increased by a staggering [ ] percent doing the POI in spite of the political turmoil in Ukraine.[196] Further, [ ] with Ukrainian respondent's 2014 testimony that "it is highly unlikely that {increased} imports would come from ArcelorMittal Kriviyi Rih {since} ArcelorMittal established marketing policies would not allow it to compete with ArcelorMittal

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[189] Hearing Transcript, *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, Investigation Nos. 701-TA-417 and 731-TA-953, 957-959, 961 and 962 (Sunset Review) (Apr. 22, 2014) ("Sunset Tr.") at 165 (Ms. Dimitrova), attached at **Exhibit 14**.

[190] *Compare* GTA Export Data, attached at **Exhibit 8**, *with* U.S. Producer Compilation, attached at **Exhibit 6**.

[191] *See* Petition Volume I, at Exhibit I-10; U.S. Producers Compilation, attached at **Exhibit 6**.

[192] Sunset Tr. at 165 (Mr. Baranetskyi), attached at **Exhibit 14**.

[193] *Id.* at 28 (Mr. Baranetskyi).

[194] *See* [ ].

[195] *See id.*

[196] *See id.*

sizeable investments in the U.S."[197] As the Commission lifted the order on Ukrainian wire rod in the 2014 sunset review, the exact opposite occurred. [ ] immediately shipped [ ] short tons of CASWR to the United States.[198] [

]'s imports accelerated (along with those of other [ ]) to [ ] short tons in [ ]. The mill's imports accounted for [ ] percent of the imports from Ukraine that year. Although U.S. demand remained flat, [ ] and other Ukrainian imports continued to surge into the United States and account for the largest subject import source.[199]

Ukrainian producers are in dire need of a large export market to offload huge volumes of CASWR. Declining demand in Ukraine's home market, makes it more likely that those volumes are sent to the United States.

9. United Arab Emirates

CASWR producers from the UAE [

] can target their unused capacity at the United States. According to [

].[200] Despite the data [

]."[201] Moreover, industry publications report that [ ] short tons

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[197] *See* Sunset Tr. at 160-161 (Ms. Dimitrova), attached at **Exhibit 14**.
[198] *See* [ ].
[199] See Petition, Volume I at Exhibit I-10.
[200] *See id.* at 34.
[201] [ ], attached at **Exhibit 2Z**.

of wire rods per annum, yet the respondent reported that its capacity is [ ] percent [ ] than this figure.

Emirati CASWR producers are export oriented. In fact, only "[ ]."[202] [ ] percent during the POI.[203] [ ],[204] the Commission should find that CASWR from the UAE will increase rapidly absent trade orders.

10. United Kingdom

Excess and divertible capacity of CASWR among British producers has been large and relatively steady, with an increase in 2016 as compared to 2014.[205] According to responses submitted by CASWR producers in the United Kingdom, excess and divertible capacity increased from 2014 to 2016, rising from [ ] short tons in 2014 to [ ] short tons in 2016.[206] These volumes were equal to over [ ] percent of UK producers' CASWR production capacity each year.[207] British producers' plans to increase wire rod production, a weak domestic market, and the existence of export barriers in third-country markets, indicate that CASWR imports from the UK are poised to surge into the U.S. market. Available evidence indicates that [ ].[208] Specifically, [

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202 Petition, Volume I at Exhibit I-15 [ ].

203 [ ], attached at **Exhibit 2Z**.

204 Petition, Volume I at Exhibit I-8.

205 Petitioner defines excess and divertible capacity as the sum of exports to other countries, unused capacity, and ending inventories. *See* Foreign Producer Compilation, attached at **Exhibit 5**.

206 *Id.*

207 *Id.*

208 Petition, Volume I at Exhibit I-15, Attachment 10 ([ ]).

].[209] These [ ] metric tons, *i.e.*, [ ] short tons, per year.[210]

Despite plans to increase CASWR production, UK producers are facing declines in domestic demand. In fact, British CASWR producers [ ]"[211] Moreover, CASWR producers in the UK face numerous trade barriers on their exports to countries other than the United States.[212] These third-country markets include Chile, India, Indonesia, [ ], Malaysia, [ ], Morocco, [ ], and Vietnam.[213] Notably, British CASWR exports are subject to import duties of [ ] percent in [ ] percent in [ ], and [ ], 13.9 percent in Malaysia, and 10 percent in India.[214] In light of declining domestic demand and multiple trade barriers in other export markets, British producers' plans to expand CASWR production strongly indicates that unfairly priced CASWR from the UK will imminently surge into the United States at the direct expense of domestic CASWR producers.

D. <u>Subject Producers are Export-Oriented</u>

Each of the subject producers rely heavily on exports. CASWR producers in [ ], [ ] reported that they increased exports during the POI.[215] Similarly, Spanish and Ukrainian CASWR producers reported that exports account for a significant share of their production and that they expanded exports to the United States during

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209 *Id.*
210 *Id.*
211 *Id.* at Exhibit I-15, Attachment 10 ([ ]).
212 *See* Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries, attached at **Exhibit 9**.
213 *See id.*
214 *See id.*
215 *See* Foreign Producer Compilation, attached at **Exhibit 5**; GTA Export Data, attached at **Exhibit 8**.

the POI.[216] Finally, British CASWR producers [ ].”[217] With their ability to dump CASWR in other large markets impeded, reliance on exports to maintain production, and weak global demand, CASWR producers in the subject countries have every reason to continue to aggressively target U.S. sales. In fact, [ ].[218] For all these reasons, the Commission should find that the domestic industry is vulnerable to material injury caused by the subject imports.

E. The U.S. Market is Attractive to Subject Producers

The U.S. market’s importance to subject producers is demonstrated by the growing volumes of subject imports over the POI. From 2014 to 2016, subject imports increased 56 percent to reach nearly 710,000 short tons.[219] Subject imports not only filled the void left by Chinese imports but surpassed China’s peak volume in both 2015 and 2016.[220]

The U.S. market contains few barriers to trade and is attractively priced. Throughout the POI, prices in the United States were consistently greater than the prices subject producers could obtain in their home markets or in other non-subject markets.[221] Given these facts, these export oriented producers will continue to flood the U.S. market absent relief.

Global overcapacity will also lead subject producers to further increase their exports to the United States. Indeed, the global CASWR industry continues to suffer from massive and chronic overcapacity. Production of CASWR in the subject countries has outpaced demand

216 *See* Foreign Producer Compilation, attached at **Exhibit 5**; Petition, Volume I at Exhibit I-10.
217 Petition, Volume I at Exhibit I-15, Attachment 10 ([ ]).
218 *See* U.S. Importer Compilation, attached at **Exhibit 4**.
219 *See* Petition, Volume I at Exhibit I-10.
220 USITC Pub. 4509 at C-1.
221 *See* GTA Export Data, attached at **Exhibit 8**.

growth, resulting in substantial excess capacity.[222] As global demand for CASWR remains poor and shows no signs of any significant improvement, such excess capacity will likely persist for the foreseeable future.[223]

Furthermore, subject producers continue to face growing import competition in their home markets from CASWR producers in China and elsewhere, forcing subject producers from their home and traditional export markets. As global overcapacity persists and subject producers experience weak demand conditions in other markets, the open, large, and attractive U.S. market will continue to be a primary target for subject producers' excess capacity.

In addition, as discussed below, the ten subject countries all face import restrictions in major markets.[224] Specifically, barriers to entry against subject imports of CASWR are currently in place in [ ], Chile, Eurasian Economic Commission (*i.e.*, Russia, Kazakhstan, Belarus, Armenia, and Kygyzstan), India, Indonesia, [ ], Malaysia, Mexico, Morocco, Pakistan, [ ], and Vietnam.

In sum, substantial global capacity, unfairly traded imports in the subject producer's home markets, and third-country trade barriers demonstrate that subject producers will likely target their imports at the United States in the foreseeable future, absent trade relief.

F. <u>**Third Country Barriers Encourage Subject Producers to Redirect Imports to the United States**</u>

All ten countries at issue are subject to severe import restrictions in third-country markets, and new restrictions are likely.[225] As indicated by the number and magnitude of trade barriers facing subject producers in countries other than the United States, producers from the ten

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222 *See* Petition, Volume I at Exhibit I-14; [ ], attached at **Exhibit 10**.
223 Petition, Volume I at Exhibit I-14; [ ], attached at **Exhibit 10**.
224 *See* Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries, attached at **Exhibit 9**.
225 *See id.*

subject countries have significant incentives to redirect their unfairly traded CASWR into markets like the United States in the absence of an order. For example, subject imports from six of the ten subject countries – Italy, Korea, Russia, Spain, UAE, and UK – face safeguard duties in Vietnam of [ ] on wire rod imports.[226] Ukrainian wire rod producers have been subject to antidumping duty and countervailing duty orders in Mexico since 2000.[227] And CASWR producers in all ten subject countries face [

].[228]

Moreover, new trade barriers to imports from the subject countries are fast approaching. All ten subject countries [

].[229] In Vietnam, [

].[230] [

].[231] Because of significant existing trade barriers and the potential for

[226] *See id.*, Vietnam ([
]), attached at **Exhibit 9**.

[227] *See id.*, Mexico (WTO, *Semi-Annual Report Under Article 16.4*, G/ADP/N/286/MEX (Sept. 7, 2016)), attached at **Exhibit 9**.

[228] *See id.*, attached at **Exhibit 9**.

[229] *See id.*, South Africa ([
], attached at **Exhibit 9**.

[230] *See id.*, Vietnam ([
]), attached at **Exhibit 9**.

[231] *See id.*, European Union ([

new ones, it is likely that subject producers will divert shipments from third-country export markets to the United States. As such, in the absence of new antidumping and countervailing duty orders, foreign producers from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, UAE, and the UK threaten the U.S. CASWR industry with imminent material injury.

G. <u>Significant Rates of Increase of the Volume and Market Penetration of Subject Imports Indicate a High Likelihood that Imports Will Increase Substantially</u>

The volume of CASWR from the subject countries increased at astonishing rates during the POI. As Chinese CASWR peaked in 2013 and showed no signs of slowing down in 2014, subject imports comprised only a small portion of the market.[232] In the first five months of 2014, subject imports totaled approximately 88,000 short tons – a mere fraction of the devastating 355,000 short tons of Chinese imports that continued to wreak havoc on the U.S. industry in the first half of 2014.[233] However, with substantial import duties looming, Chinese imports quickly subsided and subject imports began to accelerate.[234] From June to December 2014, subject import volume increased to 453,212 short tons or nearly tripling their import volume once Chinese imports retreated from the market.[235] And those opposing relief essentially agreed that subject imports filled the void that was left by Chinese producers leaving the market. As Mr. Nolan explained at the Staff Conference, "what you're seeing is fill-in coming in from across the board. You know, when the Chinese exited, there was a huge hole created in the market."[236]

]), attached at **Exhibit 9**.

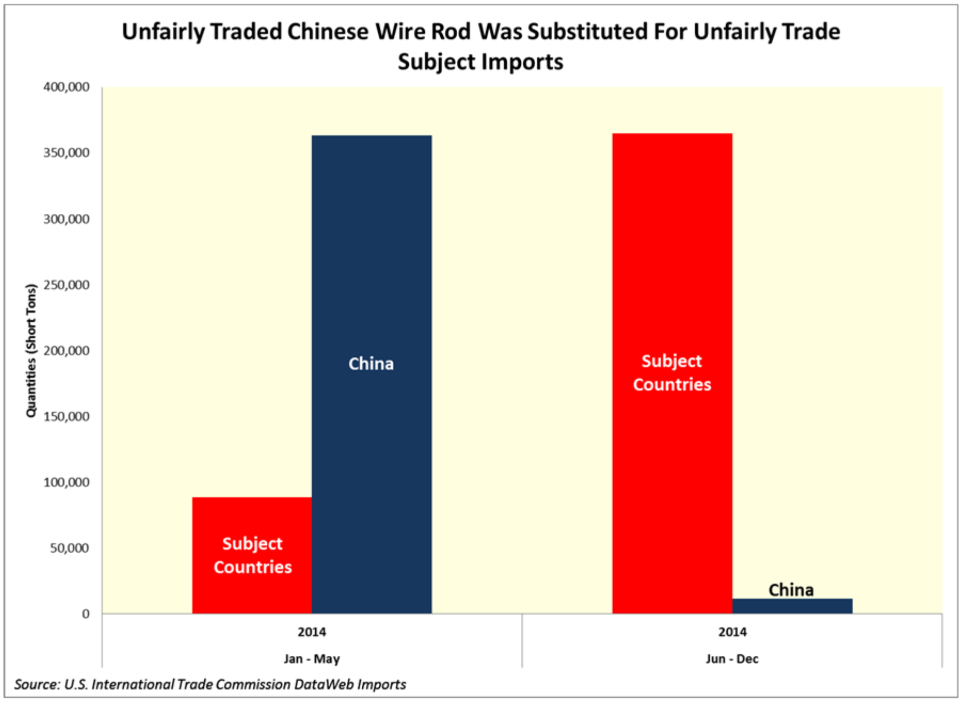
[232] *See* Monthly Import Statistics, attached at **Exhibit 15**; USITC Pub. 4509 at C-1.

[233] *See* Monthly Import Statistics, attached at **Exhibit 15**.

[234] *See id.*

[235] *See id.*

[236] Conf. Tr. at 100 (Mr. Nolan).



However, the record does not support Mr. Nolan's next assertion that "subject imports didn't fill that hole completely." According to Counsel for Turkish CASWR Producers, subject imports "filled part of it but not all of it by a long shot."[237] As the chart above demonstrates, dumped and subsidized Chinese imports were replaced by other dumped and subsidized subject imports. In fact, subject imports penetrated the U.S. market faster and to a greater extent than unfairly traded Chinese imports. By the end of 2015, subject imports exceeded the volume level of Chinese imports that the Commission found materially injured the domestic industry.[238]

While the data on this record shows that most of the market share that subject imports captured was from non-subject sources (*i.e.*, the share held by Chinese imports which were found to materially injure the domestic industry),[239] this demonstrates that subject imports will increase substantially absent trade relief. In fact, subject imports not only captured all of the market share

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[237] *Id.* (Mr. Nolan).

[238] *Compare* USITC Pub. 4509, *with* Petition, Volume I at Exhibit I-8.

[239] USITC Pub. 4509 at C-1; CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.

held by injurious Chinese imports, they grabbed market share from non-subject imports.[240] From 2014 to 2016, non-subject import share of the merchant market declined by [ ] percentage points while the share held by subject imports increased [ ] percent.[241]

During the POI, subject imports increased 56 percent, from 453,212 short tons in 2014 to 708,345 short tons in 2016.[242] Subject imports' market share has grown along with their surging volumes, taking share from both the domestic industry and non-subject imports. Without trade relief, domestic CASWR producers will continue to lose tonnage to dumped and subsidized subject imports.

H. <u>Subject Imports that are Entering the U.S. Market Will Continue to Suppress and Depress Prices</u>

During the POI, subject imports entered the U.S. at very low prices and will continue to do so in the imminent future. Subject imports undersold domestic CASWR in [ ] percent of the pricing comparisons by volume and at margins of up to [ ] percent during the POI.[243] In 2016, the subject import AUVs were [ ], well below the [ ] AUV of domestic producers' shipments during that same year.[244] Domestic producers U.S. net sales AUVs decreased approximately [ ] percent over the POI due to dumped and subsidized CASWR being imported at exceptionally low prices[245] and will decline further if trade relief is not granted.

Subject CASWR AUVs fell below $400 in 2016, and will likely continue to enter the United States at similarly low prices.[246] In fact, U.S. importers have significant orders of low-

240 USITC Pub. 4509 at C-1; CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.
241 *See* CASWR Apparent Domestic Consumption and Market Share, attached at **Exhibit 7**.
242 *See* Petition, Volume I at Exhibit I-10.
243 Pricing Product and Underselling Analysis, attached at **Exhibit 16**.
244 Petition,Volume I at Exhibit I-8; U.S. Producer Compilation, attached at **Exhibit 6**.
245 U.S. Producer Compilation, attached at **Exhibit 6**.
246 Petition, Volume I at Exhibit I-8.

priced subject CASWR that are scheduled to be [ ].[247] These subject imports will continue to depress and suppress U.S. prices in the imminent future. Thus, the domestic CASWR industry is threatened with material injury because the low prices of Chinese CASWR will continue to depress and suppress U.S. prices.

I. <u>Inventories of the Subject Merchandise Threaten Further Material Injury</u>

In addition to subject producers' substantial excess capacity, significant inventories of subject merchandise imminently threaten the domestic market. Questionnaire responses indicate that both subject producers and importers maintain significant inventories.[248] In 2016, subject producers reported end-of-period inventories of [ ] tons, an amount [ ] of subject imports during the same year.[249] Going forward, subject producers have projected that that inventories will continue to grow well into 2018, which can be used target the U.S. market. Similarly, importer inventories also increased during the POI.[250] Indeed, the massive inventories of low-priced subject merchandise ([ ]) held by subject producers and importers could immediately enter the United States and completely devastate the U.S. market in the absence of trade relief. Thus, the massive inventories of both subject producers and importers threaten the U.S. CASWR industry with further material injury.

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[247] *See* U.S. Importer Compilation attached at **Exhibit 4**.

[248] *See* [ ]; *See also* Foreign Producer Compilation, attached at **Exhibit 5**; U.S. Importer Compilation, attached at **Exhibit 4**.

[249] [ ]; U.S. Importer Compilation, attached at **Exhibit 4**; Foreign Producer Compilation, attached at **Exhibit 5**.

[250] *See generally* [ ].

J. Subject CASWR Producers Are Capable of Shifting Their Product Mix to Produce Additional CASWR

Subject producers in [ ] have the ability to shift production between subject merchandise and other products, and thus could substantially increase their CASWR exports to the United States in the event of revocation/ termination. In this investigation, the majority of CASWR producers responded that they could switch production to CASWR from other products or produced other products with the same equipment as CASWR.[251] While [ ], several CASWR producers in Russia commissioned steel mills that produce wire rod as well as other products such as merchant bar or rebar.[252] Companies can and have increased CASWR production on equipment being used to produce other products, which is very likely to occur absent the imposition of orders. As a result, the Commission should conclude that subject producers' ability to product shift further threatens the U.S. industry with material injury.

K. The Turkish and Italian Governments Encourage CASWR Exports Through Subsidies

Turkish and Italian CASWR are heavily subsidized and subject imports will likely continue to increase in the imminent future as a result. In fact, in the companion subsidy investigations to this case, the Department will investigate over 35 subsidy programs used by Turkish and Italian CASWR producers.[253] These subsidy programs include but are not limited

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[251] *See* [ ]; Foreign Producer Compilation, attached at **Exhibit 5**.

[252] *See* [ ], attached at **Exhibit 2Q**; [ ], attached at **Exhibit 2R**; [ ], attached at **Exhibit 2S**.

[253] *See* Enforcement and Compliance, Office of AD/CVD Enforcement, CVD Investigation Initiation Checklist, *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of Turkey* (Apr. 19, 2017), attached at **Exhibit 17**. *See* Enforcement and Compliance, Office of AD/CVD Enforcement, CVD Investigation Initiation Checklist, *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of Italy* (Apr. 19, 2017), attached at **Exhibit 18**.

to: cash grants; discounted inputs such as steel, land, and electricity; preferential loans and directed credit; special tax rebates and forgiveness for unpaid taxes; and VAT and tariff exemptions.[254] Further, these subsidies allow the Turkish and Italian CASWR producers to export CASWR at extremely low prices. Indeed, the AUV's for Turkish CASWR was priced [ ] below the AUVs of U.S. produced wire rod in 2016.[255] Likewise, Italian imports were priced [ ] below U.S. produced wire rod that same year. Additionally, both Turkish and Italian CASWR producers benefit from substantial export subsidies, such as export loans, credit, and insurance at preferential rates contingent on exporting; preferential income tax treatment or exemptions, contingent on exporting; and grants to assist in defense of trade disputes, development of export markets, and in recognition of export performance.[256] These government policies and massive subsidies increase the likelihood that subsidized Turkish and Italian CASWR imports will significantly increase in the imminent future.

L. <u>**Subject Imports are Hindering the Domestic Industry's Development and Production Efforts**</u>

Dumped and subsidized imports from the subject countries will continue to negatively impact the domestic industry's development and production efforts if orders are not imposed. U.S. producers were [ ], which threatens additional injury in the form of inhibiting future investments. Indeed, several producers reported [ ] because of the surge in subject imports. For example,

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254 *See id.*; *see generally* Petition, Volume I.
255 *Id.*, Volume I at Exhibit I-8 and U.S. Producer Compilation, attached at **Exhibit 6**.
256 *See* Petition, Volume I at 36; *See generally* Petition Volumes XII-XIII.

- [ ][257]
- [ ].[258]
- [ ][259]
- [ ][260]
- [ ].[261]
- [ ][262]

In short, subject imports have prevented the domestic industry from making the investments necessary to develop and maintain production and overall operations.

[257] *See* [ ].
[258] *See* [ ].
[259] *See* [ ].
[260] *See* [ ].
[261] *See* [ ].
[262] *See* [ ].

IV. CONCLUSION

For the foregoing reasons, Nucor requests that the Commission make an affirmative preliminary determination that there is a reasonable indication of material injury and threat of material injury by reason of CASWR from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom.

Respectfully submitted,

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WILEY REIN LLP
Counsel to Nucor Corporation

EXHIBIT LIST

Exhibit No.	Exhibit	Security
1	Answers to Staff Questions	BPI
2	Articles Compilation	BPI
3	Negligibility Analysis	Public
4	U.S. Importer Compilation	BPI
5	Foreign Producer Compilation	BPI
6	U.S. Producer Compilation	BPI
7	CASWR Apparent Domestic Consumption and Market Share	BPI
8	GTA Export Data	Public
9	Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries	BPI
10	[ ]	BPI
11	[ ]	BPI
12	SIMA License Data	Public
13	ArcelorMittalSA.com, Long Steel Products (last visited Apr. 20, 2017), http://arcelormittalsa.com/Operations/LongSteelProducts/Overview.aspx	Public
14	Hearing Transcript, *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, Investigation Nos. 701-TA-417 and 731-TA-953, 957-959, 961 and 962 (Sunset Review) (Apr. 22, 2014)	Public
15	Monthly Import Statistics	Public
16	Pricing Product and Underselling Analysis	BPI
17	Turkey CVD Initiation Checklist	Public
18	Italy CVD Initiation Checklist	Public
19	Evraz Website Excerpts	Public
20	Global Steel Wire Website Excerpts	Public

EXHIBIT 1

TABLE OF CONTENTS

I. PRODUCT SPECIFICATIONS

Grade 1080 Production Specifications:

Mr. LaRocca (Conf. Tr. at 189): When you submit your post-hearing briefs, could you please attach product descriptions and certification information? Especially with regards to 1080 series and above steel, and also with regards to steel tire and cord beads.

Nucor provides product specification information for 1080 series grade wire rod attached at **Exhibits 1-1, 1-2, and 1-3**. In addition, Nucor provides information regarding its [ ] at **Exhibit 1-9**.

II. PRICING

Energy Pricing:

Ms. Viray-Fung (Conf. Tr. at 173): That actually brings me to my next question. What were prices for gas and electricity like during the period of investigation?

Ms. Lo (Conf. Tr. at 189): I just wanted to piggyback on Andrew's last question, that is, on the energy costs related, if you would please work on getting those costs, those other factory costs, break out the energy portion of it, if possible, if you're going to address this question as well.

According to the International Energy Agency ("IEA"), the average industrial price for gas in the United States declined from 2014 to 2015.[1] Specifically, the IEA reports that industrial gas prices inclusive of taxes were $1.83 per kWh in 2014, but declined to $1.27 per KWh.[2] Information regarding average gas prices during 2016 have yet to be published by the IEA.

Similarly, the average industrial price for electricity in the United States fell from 2014 to 2015.[3] In particular, the IEA reports that industrial electricity prices inclusive of taxes were in $7.11 per kWh in 2014, but declined to $6.90 per kWh in 2015.[4] Information regarding average electricity prices during 2016 have yet to be published by the IEA.

Finally, at **Exhibit 1-4**, Nucor provides its other factory costs with a break outs for gas and electricity.

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1 *See* UK Dep't for Business, Energy & Industrial Strategy, *Industrial Gas Prices in the IEA* (Mar. 30, 2017), attached as **Exhibit 1-5**.

2 *See id.*

3 *See* UK Dep't for Business, Energy & Industrial Strategy, *Industrial Electricity Prices in the IEA* (Mar. 30, 2017), attached as **Exhibit 1-6**.

4 *See id.*

III. FOREIGN PRODUCER RESPONSES

Foreign Producer Coverage:

Mr. Szustakowski (Conf. Tr. at 143): I appreciate that. I don't expect you to comment on this now, but I'd also like—and Petitioners tend to do this about coverage for the foreign producers, with the response rate we have with them and the coverage, and off the top of my head I'm not familiar if there is an industry source that maybe Petitioners might have access to that would cover the wire rod industry and have specific data, country-specific, on the capacity and whatnot. If that information is available, please submit that on the confidential record as some way to check it against our questionnaire response coverage.

[ ] contains information regarding CASWR production and consumption of CASWR in the subject counties.[5] [ ] also provides information regarding the production capacities of CASWR producers in each subject country.[6] At **Exhibit 1-7**, Nucor provides a chart detailing the amount of foreign producer coverage accounted for by the foreign producer questionnaires submitted to the Commission. Nucor notes that to date, [

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5 *See* CRU Dec. 2016 Outlook, attached at **Exhibit 10**.

6 *See* CRU June 2016 Outlook, attached at **Exhibit 11**.

IV. NUCOR INVESTMENT

Nucor's Darlington Investment:

Mr. Szustakowski (Conf. Tr. at 144): What I'm trying to understand is Nucor's perspective. You're referencing that you made a $100 million investment in new facility, and we see a--you know, people are acknowledging a relative flat demand. What was the impetus for making that, what you called a sizeable investment? What would draw you into that if we see somewhat flat demand?

Mr. Szustakowski (Conf. Tr. at 144): But as part of that did you see--you're saying supporting your customer base, were you anticipating larger demand? Or was it to serve current slate of customers?

Mr. Szustakowski (Conf. Tr. at 145): Was that mill incremental capacity that was added to domestic capacity? Or was it designed to replace any domestic capacity, whether it's yours or another facility's?

Nucor decided to invest in CASWR capacity at its Darlington, South Carolina mill in 2011 when there appeared to be a positive outlook for demand and subject imports were absent from the market.[7] In 2011, there was virtually no Chinese wire rod imported into the United States.[8] During that time, there was tremendous expansion occurring in China, and as a result, Chinese imports did not have a presence in the United States.[9] Although in 2011, the U.S. construction market remained soft, Nucor anticipated a gradual recovery in demand from the depths of the Great Recession.[10] Accordingly, Nucor invested millions of dollars to support our wire rod customer base, which includes new and existing customers.[11] With the anticipated recovery, Nucor approved a new wire rod rolling facility for its Darlington, South Carolina mill to begin in late 2013.[12] Nucor's plant in Darlington, South Carolina was not designed to replace

---

7 *See* Conf. Tr. at 126 (Mr. Nystrom).

8 *See* Sunset Tr. at 39 (Mr. Nystrom), attached as **Exhibit 1-8.**

9 *Id.*

10 *Id.*

11 *Id.*

12 *Id.*

domestic capacity. Instead, the facility added extra capacity to the domestic industry, which ensures that there is plenty of domestic supply to serve the U.S. market.

Shortly after Nucor made its investment decision to open a new wire rod production facility, Chinese imports surged into the United States, decimated the market, and placed Nucor's investment in jeopardy. In 2015, the Commission found that unfairly traded Chinese imports materially injured the U.S. CASWR industry. Because subject imports have stepped into the place of unfairly traded Chinese imports, using similar aggressive tactics such as systematic underselling, Nucor [ ].[13]

[13] *See* [ ].

EXHIBIT 1-1

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EXHIBIT 1-2

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EXHIBIT 1-3

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EXHIBIT 1-4

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EXHIBIT 1-5

Department for Business, Energy & Industrial Strategy

Industrial gas prices in the IEA

Publication date:	30-Mar-2017
Data period:	Revised data for 2015 and 2014
Next Update	29-Jun-2017

Contents

Background

Data in these tables shows annual prices of gas to industrial consumers in the IEA, with and without tax.
Data is available back to 1979 on the historic data sheet.

Further information

Publication	Quarterly Energy Prices
Website	International industrial energy prices
Data sources & methodology	International statistics data sources and methodologies
Revisions policy	Energy statistics revisions policy
Glossary of terms	Digest of United Kingdom Energy Statistics (DUKES): glossary and acronyms

Contacts

BEIS Press Office media enquiries)	tel: 020 7215 6140 / 020 7215 8931	
Statistics team contact: Susan Lomas	tel: 0300 068 5047	e-mail: susan.lomas@beis.gov.uk

Table 5.7.1 Industrial gas prices in the IEA

Pence per kWh[1]

	Gas									
	Excluding taxes					Including taxes[2]				
	2005	2010	2013	2014	2015	2005	2010	2013	2014	2015
USA[5]	1.46	1.10	0.93	1.06	0.79	1.54	1.15	0.98	1.11	0.83

Source: Derived from the International Energy Agency publication, Energy Prices and Taxes

(1) Prices converted to pounds sterling using annual average exchange rates.
(2) Prices include all taxes where not refundable on purchase.
(3) Some prices are taken from Eurostat.
(4) Prices excluding taxes have been estimated for some years using average tax rates for years where both including and excluding tax data is available.
(5) Prices excluding taxes have been estimated using a weighted average of general sales taxes and fuel taxes levied by individual states.
Note: For EU comparisons, BEIS recommends use of the Eurostat data in Table 5.8.1

.. Data unavailable.
- BEIS estimates that the price is likely to be below the IEA median.
+/- BEIS estimates that the price is likely to be around the IEA median.
+ BEIS estimates that the price is likely to exceed the IEA median.

Annual Average Exchange Rates

	2010	2011	2012	2013	2014	2015
Australia	1.68	1.55	1.53	1.62	1.83	2.04
Austria	1.17	1.15	1.23	1.18	1.24	1.38
Belgium	1.17	1.15	1.23	1.18	1.24	1.38
Canada	1.59	1.59	1.58	1.61	1.82	1.95
Czech Republic	29.47	28.33	30.96	30.56	34.20	37.60
Denmark	8.68	8.59	9.17	8.78	9.26	10.28
Finland	1.17	1.15	1.23	1.18	1.24	1.38
France	1.17	1.15	1.23	1.18	1.24	1.38
Germany	1.17	1.15	1.23	1.18	1.24	1.38
Greece	1.17	1.15	1.23	1.18	1.24	1.38
Hungary	320.89	322.06	356.26	349.35	383.23	426.90
Ireland	1.17	1.15	1.23	1.18	1.24	1.38
Italy	1.17	1.15	1.23	1.18	1.24	1.38
Japan	135.54	127.77	126.47	152.50	174.38	185.02
Korea	1,784.54	1,775.04	1,784.18	1,710.82	1,734.87	1,729.83
Luxembourg	1.17	1.15	1.23	1.18	1.24	1.38
Netherlands	1.17	1.15	1.23	1.18	1.24	1.38
New Zealand	2.14	2.03	1.96	1.91	1.99	2.19
Norway	9.34	8.98	9.21	9.18	10.38	12.33
Poland	4.66	4.75	5.15	4.94	5.20	5.76
Portugal	1.17	1.15	1.23	1.18	1.24	1.38
Slovakia	1.17	1.15	1.23	1.18	1.24	1.38
Spain	1.17	1.15	1.23	1.18	1.24	1.38
Sweden	11.12	10.40	10.73	10.18	11.30	12.89
Switzerland	1.61	1.42	1.49	1.45	1.51	1.47
Turkey	2.32	2.68	2.84	2.98	3.61	4.16
UK	1.00	1.00	1.00	1.00	1.00	1.00
USA	1.54	1.60	1.58	1.56	1.65	1.53

Source: OECD

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EXHIBIT 1-6

Department for Business, Energy & Industrial Strategy

Industrial electricity prices in the IEA

Publication date:	30-Mar-2017
Data period:	Revised data for 2015 and 2014
Next Update	29-Jun-2017

Contents

Main points	Highlights page - with commentary on recent price movements
Table	Table 5.3.1: Industrial electricity prices in the IEA with and without tax
Charts	Charts - showing price trends
Historic data	Annual data from 1979 with and without tax
	Annual percentage changes in original currency
	Exchange rates

Background

Data in these tables shows annual prices of electricity to industrial consumers in the IEA, with and without tax.
Data is available back to 1979 on the historic data sheet.

Further information

Publication	Quarterly Energy Prices
Website	International industrial energy prices
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Contacts

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Statistics team contact: Susan Lomas	tel: 0300 068 5047	e-mail: susan.lomas@bei

Table 5.3.1 Industrial electricity prices in the IEA

Pence per kWh[1]

	Electricity									
	Excluding taxes					Including taxes[2]				
	2005	2010	2013	2014	2015	2005	2010	2013	2014	2015
USA[4]	3.00	4.19	4.17	4.11	-	3.15	4.40	4.38	4.31	4.51

Source: Derived from the International Energy Agency publication, Energy Prices and Taxes

(1) Prices converted to pounds sterling using annual average exchange rates.
(2) Prices include all taxes where not refundable on purchase.
(3) Some prices taken from Eurostat.
(4) Prices excluding taxes have been estimated using a weighted average of general sales taxes and fuel taxes levied by individual states.
Note: For EU comparisons, BEIS recommends use of the Eurostat data in Table 5.4.1

.. Data unavailable.
\- BEIS estimates that the price is likely to be below the IEA median.
+/- BEIS estimates that the price is likely to be around the IEA median.
\+ BEIS estimates that the price is likely to exceed the IEA median.

Annual Average Exchange Rates

	2010	2011	2012	2013	2014	2015
Australia	1.68	1.55	1.53	1.62	1.83	2.04
Austria	1.17	1.15	1.23	1.18	1.24	1.38
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Turkey	2.32	2.68	2.84	2.98	3.61	4.16
UK	1.00	1.00	1.00	1.00	1.00	1.00
USA	1.54	1.60	1.58	1.56	1.65	1.53

Source: OECD

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EXHIBIT 1-7

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EXHIBIT 1-8

THE UNITED STATES INTERNATIONAL TRADE COMMISSION

IN THE MATTER OF:) Investigation Nos.:
CARBON AND CERTAIN ALLOY STEEL WIRE) 701-TA-417 AND
ROD FROM BRAZIL, INDONESIA, MEXICO,) 731-TA-953, 957-959,
MOLDOVA, TRINIDAD AND TOBAGO, AND) 961 and 962
UKRAINE) (Second Review)

Tuesday, April 22, 2014
Main Hearing Room (Room 101)
U.S. International Trade
Commission
500 E. Street, S.W.
Washington, D.C.

The meeting commenced, pursuant to notice at 9:32 a.m., Chairman Irving A. Williamson (presiding).

Commissioners Present:

Chairman Irving A. Williamson (presiding)
Commissioner Dean A. Pinkert
Commissioner David S. Johanson
Commissioner Meredith M. Broadbent
Commissioner F. Scott Kieff

subject countries will lead to renewed production curtailments and employee layoffs at Keystone. Significant import volumes would severely harm our sales, revenue, production, employment, investments, and viability. Ultimately a resurgence in dumped imports will also reduce domestic capacity available to wire rod purchasers as companies like Keystone are forced to shut down operations.

It is therefore in everyone's interest, including our customers' interest, that the domestic wire rod industry remain viable.

This year Keystone celebrates its 125th year of doing business. We would like to continue our company's great tradition of providing quality steel rod and wire products for another 125 years. To do that, however, we need a level playing field in which foreign wire rod suppliers play by the rules.

These order provide the relief and stability needed to enable us to sell at fair prices. No more Keystone workers or other U.S. wire rod workers should lose their jobs to keep the wire rod mills in subject countries running.

On behalf of my company and all of the workers in Keystone's mill, I urge you to maintain these orders.

Thank you very much.

MR. NYSTROM: Good morning. My name is Eric

Nystrom and I'm the director for SBQ and wire rod for Nucor Corporation. I've been employed with Nucor for 14 years.

Nucor has four wire rod facilities in Nebraska, Connecticut, Arizona, and one in South Carolina which just started production in late 2013.

I appreciate the opportunity to speak with the Commission today and I urge the Commission to find that wire rod imports from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine will injure the domestic industry if the orders are revoked.

The last five years have been a perilous time for the domestic wire rod industry. We were hit by a one-two-punch which has left the domestic industry particularly vulnerable. The first punch was the great recession. After experiencing relatively strong demand for most of 2008 the great recession hit and caused everything to go south. Demand plummeted along with production, prices, and profits.

Construction in the automotive sector ground to a halt. Our customers stopped buying, so production was curtailed and our capacity utilization fell drastically from 73.1 percent in 2008 to 53.6 percent in 2009. As a result our employees worked less hours and took home less pay.

As the negative effects of the great recession began to bottom out, there appeared to be a positive outlook for demand. In anticipation of a gradual recovery, Nucor restarted its Kingman, Arizona production facility in 2010. Nucor also approved plans in 2011 for a new wire rod facility in Darlington, South Carolina to begin in late 2013 to better serve our customers.

However, just as we announced our new mill in late 2011, the domestic industry was hit with a second blow. This time from dumped and subsidized imports from China. As the Commission is aware, Chinese imports were virtually non-existent in 2011. Then in 2012 a wave of low-priced Chinese imports surged into the domestic market taking significant market share from the domestic industry.

Chinese producers continued to ship massive volumes of low-priced wire rod into 2013 eroding prices and stealing sales from the domestic industry. Just last month the Commission made a preliminary injury determination regarding Chinese imports.

As a result of the recession and the wave of Chinese imports, the domestic industry is currently vulnerable to even small volumes of unfairly traded imports. The domestic industry's operating income has been declining for the last three years and the industry is not realizing sufficient rate of return on its investments that were approved when there was a positive outlook for demand in 2011.

EXHIBIT 1-9

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EXHIBIT 2

ARTICLES LIST

Exhibit No.	Exhibit	Security
2A	[ ]	**BPI**
2B	[ ]	**BPI**
2C	*Belarus President Sees 2 Percent GDP Decline in 2016*, Radio Free Europe, Nov. 17, 2016.	**Public**
2D	[ ]	**BPI**
2E	[ ]	**BPI**
2F	[ ]	**BPI**
2G	*Economic growth in Belarus may be delayed until 2018*, Belarus in Focus, Jan. 23, 2017.	**Public**
2H	*Andrei Kobyakov: Belarus' construction industry needs stabilization*, Jul, 15, 2015.	**Public**
2I	John Mauldin, *Italy's Banking Crisis Is Nearly Upon Us*, Forbes, Dec. 8, 2016.	**Public**
2J	Satyajit Das, Why Italy's economy is about to collapse, The Independent, Jun. 20, 2016.	**Public**
2K	*South Korean OEMs' global sales decline in January; domestic market to remain flat in 2017 according to IHS Automotive*, Automotive Analysis, Feb. 2, 2017.	**Public**
2L	Jean Chung, *South Korea economic growth retreats further in Q4 on weak construction, consumption*, CNBC, Jan. 24, 2017.	**Public**
2M	Song Jung-a, *South Korea economy slows amid cluster of corporate woes*, The Financial Times, Oct. 25, 2016.	**Public**

2N	Rob Garver, *Putin's Economy May Be in Even Worse Shape Than It Looks*, The Fiscal Times, Aug. 18, 2015.	**Public**
2O	*Russia Economic Outlook*, Focus Economics, Apr. 4, 2017.	**Public**
2P	Wolf Richter, *The Amazing Collapse of Russia's Auto Market*, Wolf Street, Nov. 12, 2016.	**Public**
2Q	[ ]	**BPI**
2R	[ ]	**BPI**
2S	[ ]	**BPI**
2T	[ ]	**BPI**
2U	Artem Frolov, *Moody's: Outlook on Russia's steel industry for 2017 is negative as demand smoulders*, Moody's Investors Services, Oct. 26, 2016.	**Public**
2V	[ ]	**BPI**
2W	[ ]	**BPI**
2X	[ ]	**BPI**
2Y	[ ]	**BPI**
2Z	[ ]	**BPI**
2AA	[ ]	**BPI**

EXHIBIT 2A

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EXHIBIT 2B

EXHIBIT NOT CAPABLE OF PUBLIC SUMMARY

EXHIBIT 2C

RadioFreeEurope RadioLiberty

BELARUS

Belarus President Sees 2 Percent GDP Decline In 2016

November 17, 2016

Belarus's president has said the country's gross domestic product (GDP) will decline by 2 percent for 2016.

President Alyaksandr Lukashenka said in Minsk on November 17 that he expects the economy to grow in 2017.

Belarus's GDP declined 3.9 percent in 2015. The Eurasian Development Bank has forecast a decline of 2.6 percent for 2016, while the International Monetary Fund predicts a 3 percent fall.

Lukashenka also told reporters he plans to meet with Russian President Vladimir Putin around November 22. Earlier, Moscow announced a planned visit by Lukashenka toward the end of the month.

Lukashenka said "lots of problems" were complicating relations with Moscow.

"Regrettably, nothing new has been done [in 2016]," he said. "Negative aspects outweigh [the positive]."

He added, however, that Minsk and Moscow must "present a united front" to defend their interests in the international arena.

Based on reporting by Interfax and Gazeta.ru

EXHIBIT 2D

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EXHIBIT 2E

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EXHIBIT 2F

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EXHIBIT 2G

may be delayed until 2018

ECONOMY

JANUARY 23, 2017 11:13 / АРТЫКУЛ НА БЕЛАРУСКАЙ МОВЕ

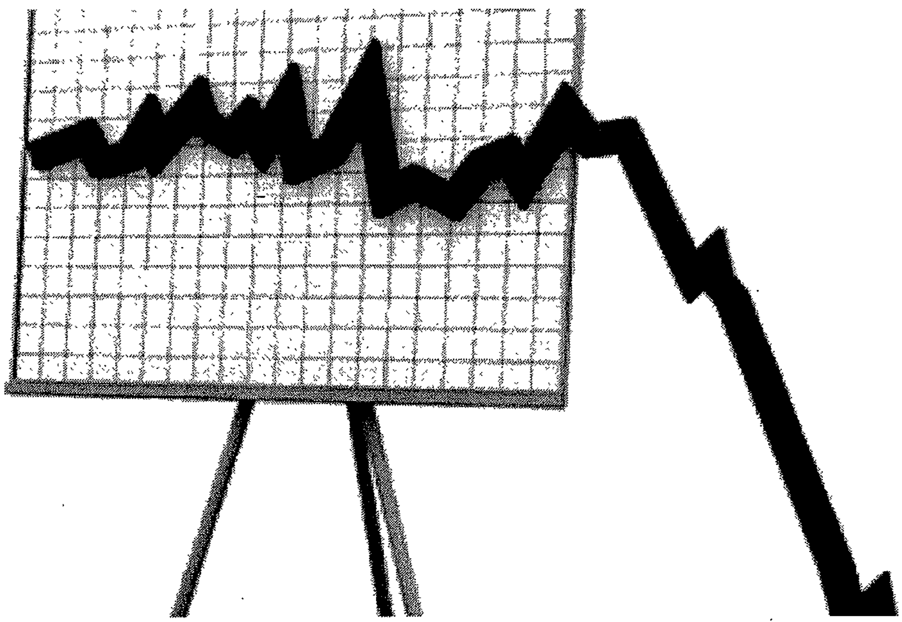


Image: Novy Chas

The Belarusian economy was shrinking for the second year in a row, in 2016, by 2.6%. Before 2015, the Belarusian economy was growing for 18 consecutive years. In order to stop the economic slump, Belarus needs a favourable international market situation and to settle all trade disputes with Russia. The Belarusian economy is unlikely to recover before 2018.

According to the preliminary reports, in 2016, Belarus had a 2.6% GDP decline. The Belarusian economy was shrinking for the second year in a row – a 3.8% decline in 2015. Most economic indicators in 2016, except in agriculture, had negative values. Wholesale trade had the most negative impact on GDP due to falling exports of potash fertilizers and petrochemicals, as well as construction, due to reduced investment in fixed assets by enterprises and decreased housing construction volumes.

In 1996-2011, the Belarusian economy was growing most rapidly, average GDP growth rate was 6.9% per year. In 2011, amid emission injections in the economy, disproportionate growth of wages against the

Belarus' budget for 2017 is based on anticipated 0.2% growth. The expected decrease in the construction volume is circa 17% in 2017, which is unlikely to allow industrial growth with the renewal of fixed assets by legal entities. Even if wages grow, they will be offset by the 15% increase in utility tariffs by late 2017. Wholesale trade is largely dependent on the potash market situation and the oil processing volume at the Belarusian refineries. In view of the planned reduction in Russian oil supply in Q1 2017 to 4 million tons, wholesale growth is only possible provided the potash market situation improves. In late 2016, engineering output increased significantly, but amid the trade conflict with Russia, she may prioritise purchases from domestic manufacturers. In the given circumstances, Belarus' GDP would only grow in 2017, provided the Russo-Belarusian dispute over energy supplies was fully resolved, Russia removed barriers for Belarusian exports and the potash market situation improved. That said, Belarus' GDP in 2017 is likely to decrease by 0.5% - 1% and is likely to be followed by an attempt to overcome the recession in 2018.

The Belarusian economy has been in recession for two consecutive years. Amid anticipated decline in retail trade, construction and unresolved dispute over energy supplies from Russia, economic recession is likely to persist in 2017 and the economic recovery may be postponed until 2018.

SIMILAR ARTICLES

Minsk hopes Warsaw would revise decision regarding ban on electricity supply from Belarusian NPP

EXHIBIT 2H

Belarusian Television Channel CTV
STOLICHNOE TELEVIDENIE

Custom Search

Andrei Kobyakov: Belarus' construction industry needs stabilization

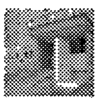
Новости "24 часа" за 19.30 15.07.2015

Today, the construction sector in Belarus is experiencing hard times, and that was the occasion for a serious discussion in the government on July 15. The Prime Minister noted the Government of Belarus will work out concrete proposals to stabilize the construction industry.

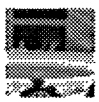
Premier Andrei Kobyakov drew attention to the difficult situation in the industry. He called on members of the government to review all the issues and to develop concrete proposals to overcome their situation.

Andrei Kobyakov:
The construction industry now has a significant number of negative trends, which are being aggravated this year. With the decline in investment activity and the volume of construction, the high debt load of organizations, we are faced with problems of created and modernized capacities of the complex, the preservation of labor collectives, the dispensation of barriers to increase exports, the imposition of order in mutual payments.

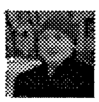
RELATED NEWS

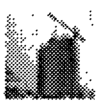

Alexander Lukashenko signs decree on apartment leasing

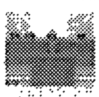

Belarus Premier: The "per square metre price" of accommodations to come up with average salary


Housing construction rate in Minsk to be gradually reduced


President Lukashenko: Private property on land premature


What Belarusians would like to ask President at big press conference


Belarus to improve state support for housing construction


When will mortgage become availabile in Belarus?


Belarus to supply timber houses to France

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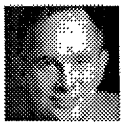
EXHIBIT 2I

Forbes



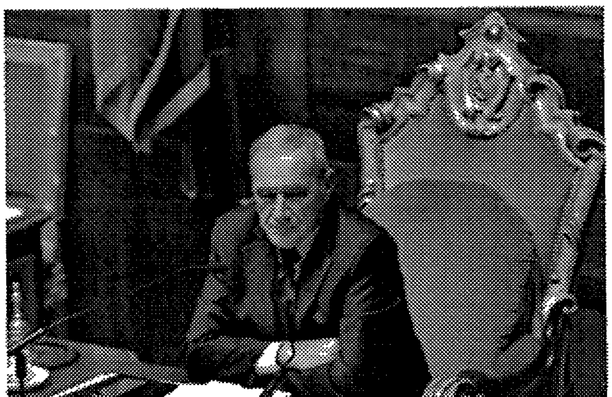
John Mauldin Contributor

I write about how you can make sense of unpredictable markets.

Opinions expressed by Forbes Contributors are their own.

INVESTING 12/08/2016 @ 1:55PM | 15,312 views

Italy's Banking Crisis Is Nearly Upon Us

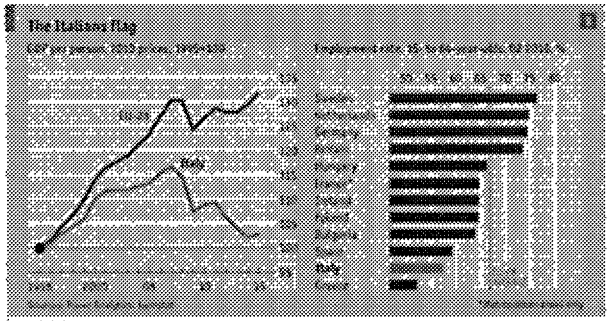


The President of the Italian Senate Pietro Grasso (C) presides the vote for the 2017 Budget on December 7, 2016 at the Senate in Rome. The Italian parliament approved the country's 2017 budget today, opening the way for the resignation of Prime Minister Matteo Renzi after his defeat in a referendum on constitutional change. / AFP / Andreas SOLARO (Photo credit should read ANDREAS SOLARO/AFP/Getty Images)

There is a high degree of probability (approaching 90%, I'd say) that Italy will experience a severe banking crisis in the next few quarters. Perhaps they can stave off the problem for a year, but something will have to be done about the banks.

Italian GDP per person lagging the rest of Europe

Italian citizens haven't had much fun the past decade, judging from their GDP. You can see on the left side of the chart below that GDP per person has lagged the EU since 1995. Worse, it kept falling after 2009, even as Italy's neighbors recovered.



This performance stands in stark contrast to Italy's pre-euro experience. Even though Italy constantly revalued the lira, that revaluation process allowed Italy to grow its GDP in real terms as fast as Germany did for decades. Notice in the graph above that the real drop off in Italian economic performance began shortly after the introduction of the euro in 1999.

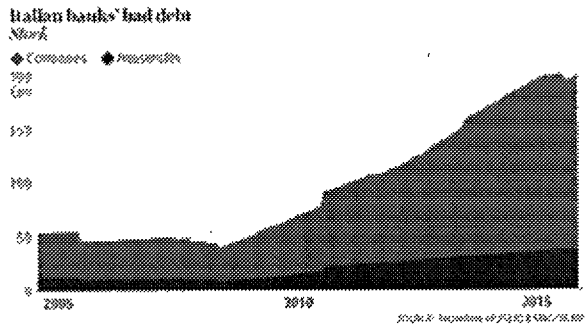
Italy was one of the economic miracles of the 1960s and 1970s. The northern part of Italy was a production powerhouse. The region was strong in the design and manufacturing of all manner of products across a whole host of industries. Even banking was strong.

You need to know that Italy is the eighth-largest economy in the world and has issued the third-largest amount of sovereign bonds. And that mountain of sovereign bonds is really the avalanche-in-waiting that an Italian banking crisis will send tumbling down on the rest of the world, because a large percentage of those bonds are outside of Italy—sitting on the books of banks and central banks.

The bar chart on the right above shows the employment rate for people ages 15–64 in various European countries. Italy is second worst on the list, with only Greece having fewer working-age jobholders.

Italian banks have horrendous amounts of bad debt

Eighteen percent of the total loans made by Italian banks are now considered to be nonperforming. Nonperforming loans occur everywhere of course, but not to this level. On an aggregated basis, the Italian banking system has less than 50% of the capital it would require to cover the bad debts. Estimates are that Italian banks may need €40 billion just to remain solvent. The banking situation gets even worse, as we will see.

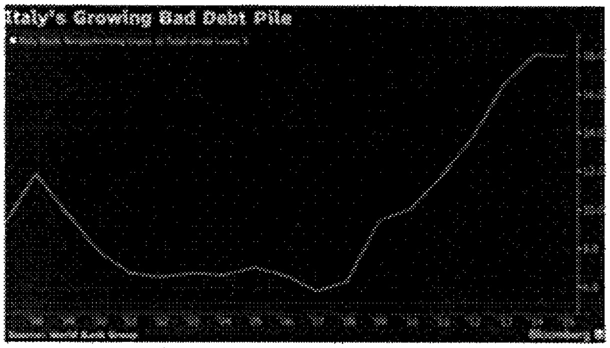


Italy is problematic for many of the same reasons that Greece, Spain, and Portugal are. Bank customers in these southern eurozone states borrowed to buy goods from the wealthier north, mainly from Germany; and then the economic growth they anticipated failed to occur. The purchased goods have mostly been consumed, so there is no collateral to recover. Many loans look like near-total losses.

Let's play "extend and pretend"

To adapt an old saying: If you owe the bank a million dollars, the bank owns you. If you owe the bank $100 million, you own the bank. Writing off a massive loan as a loss will render the bank insolvent. So, instead it goes into "extend and pretend" mode, allowing endless payment delays on the flimsiest premises, hoping against hope that you will win the lottery and resume paying your loan.

That's what is happening in Italy and indeed throughout Europe. It happened in the US during our housing crisis. The chart below shows Italy's pile of nonperforming loans in terms of its percentage of GDP. To put the bad debt in context for US readers, our banks would have to have nonperforming loans of $3.8 trillion to be this badly off. That total would dwarf any problems from the 2008 subprime crisis.



Italian banks need fresh capital

Eventually, even the bank has to admit that its delinquent borrowers aren't going to mend their ways and become creditworthy. Where do you find the needed bank capital? You go looking for a bailout. That is the current situation in Italy. The country's largest banks need fresh capital.

Banca Monte dei Paschi di Siena, the world's oldest bank, one of Italy's largest, and possibly its most troubled, is trying to raise €5 billion in new capital with a three-part plan: convert subordinated bonds to equity, sell new equity via private placement to institutions, and promote a new public equity offering. None of the three is going well.

You know a bank is in trouble when its stock drops 84% in less than a year and still no one sees a bargain.

Unicredit, which is even larger than Monte dei Paschi, intends to raise €13 billion early next year. Prospects for success range from slim to none. Time is running out too as depositors pull out their money and decline to deposit more. And we haven't even talked about the multiple lawsuits facing these banks, for which they have set aside only a fraction of the potential judgments.

Some of those judgments will arise from an unsavory practice engaged in by certain banks that have sold bank-issued bonds to customers who thought they were depositing money into a bank account.

Now the bonds have lost value and may lose even more—potentially 100%—if EU rules prevail and Italy has to bail in bondholders before using public funds for a bailout.

Loyal bank customers will be the big losers

This is not just a problem with Monte dei Paschi. There is roughly €240 billion of this type of bank debt scattered around Italy. Bank customers looking for yield were told that this was a safe way to get it. You trusted your local bank, right?

Except now these loyal customers are first in line to lose all of their investment if their bank hits the wall. And that's just what most of them are in danger of doing.

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EXHIBIT 2J

Voices

Why Italy's economy is about to collapse

A contracted economy, inadequate banking systems, engorged public sector and festering corruption mean that Italy is facing a troubled future

Satyajit Das | Monday 20 June 2016 10:23 BST | 143 comments

Italian Premier Matteo Renzi June 15, 2016 in Rome, Italy. *Getty*

Now the Five Star Party has secured the mayor-ship of Rome, Italian Prime Minister Matteo Renzi probably understands what Benito Mussolini meant when he stated: "Governing the Italians is not impossible, it is merely useless". Attempts at reformation by Renzi have not yielded the hoped-for results.

Italy's economy has shrunk by around 10 per cent since 2007, as the country endured a triple-dip recession. Output has regressed to levels of over a decade ago. Overall unemployment is around 12-13 per cent, with youth unemployment around 40 per cent. Consumption and investment are flaccid.

The damage is long term, with as much as 15 per cent of Italian industrial capacity destroyed, reducing employment and growth of financing .

Italy has a current account surplus of 1.9 per cent, reversing a number of years of deficits. The change reflects the deterioration of the Italian economy rather than a change in its trading position.

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Banking system problems have exacerbated the contraction. Italian banks are hamstrung by around €150-200 billion of bad or doubtful loans, which has exposed inadequate capital and reserves. Unlike counterparts in the UK and US, Italian banks have been unwilling or unable to tackle the asset quality problem. The most recent exercise (with a glorious title based on the Atlas) was underfunded and ill-conceived and did little more than support a few weaker banks at the expense of more solid enterprises.

This has constrained the supply of credit to the economy. Larger companies can use capital markets for finance but this option is less available to small and medium sized enterprises that are crucial to employment and activity. The lack of credit availability combined with the deformation of Italy's industrial structure will constrain any recovery.

Total real economy (government, household and business) debt is around 259 per cent of GDP, up 55 per cent since 2007. This understates real liabilities as it ignores unfunded pension and healthcare obligations. Household debt is low, relative to peers.

Despite its commitment to fiscal reform, Italy is running a budget deficit of 3 per cent. Government debt is US$2.4 trillion approaching 140 per cent of GDP. The government is tardy in paying suppliers, in an elaborate shell game to lower Italy's overall debt levels and mollify the EU and investors. There is an estimated $160 billion in taxes uncollected each year, the third highest rate in Western Europe.

While the Eurozone debt crisis has been a factor, Italy's problems are more fundamental with the economy having grown little since the introduction of the Euro in 1999.

READ MORE

Labour unrest in France needs to be defeated to avoid financial crash

Labour markets, the legacy of the power of the Italian Communist Party in the post-war period, are rigid, with high labour costs and multiple barriers to hiring and firing workers. A long-running government scheme requires the state to pay laid-

Italy's economy is increasingly unbalanced with high end producers, such as those in luxury products and also advanced manufacturing, benefitting from demand from emerging markets. Other sectors, such as standard automobiles, domestic appliances and low-priced fabrics and clothes have found it difficult to compete with manufacturers based in emerging markets.

Domestic appliances or white goods exemplify Italy's decline. In 2007, Italy, once a world leader in the sector, produced 24 million appliances. By 2012, it was down to 13 million; output of washing machines, dishwashers, refrigerators and cookers was down by 52 per cent, 59 per cent, 55 per cent and 75 per cent. Italian manufacturers have shifted production to lower cost countries, resulting in large job losses. These developments have increased the gap between the industrial North and the Mezzogiorno, the traditional term for the southern regions, which competes with emerging economies in price-sensitive sectors.

There are other structural problems. In World Bank studies, Italy ranks 65th out of 189 countries for ease of doing business. Infrastructure, dating back to the immediate post World War II era, is in need of renewal and lags leading economies. Energy costs are high. Italy spends less than 5 per cent of GDP on education, compared with a 6.3 per cent average across the OECD. The proportion aged 25-34 completing higher studies is 21 per cent, compared with a 39 per cent average for the OECD.

Italy's large public sector and bureaucracy is legendary. Tax and other revenues are around 46 per cent of GDP. According to the World Bank, the effective Italian corporate tax burden is around 65 per cent. The European average is around 41 per cent, with only France (64 per cent and Spain (58 per cent) in a comparable range. Switzerland and Croatia, both located close to Italy have affecting business promulgated annually.

The size of the government payroll is not matched by the quality of public services. Enforcement of a contract takes around three years compared to an OECD average of 18 months. Civil lawsuits take over eight years compared to less than three years in Germany.

Italian business is not much better, dominated by a group of well-connected monopolistic or oligopolistic firms and, in the words of author Alan Friedman, "self-congratulating and self-perpetuating" dynasties and salons, historically focused around figures such as Fiat's Gianni Agnelli and Mediobanca founder Enrico Cuccia. Complex corporate cross holdings ensure that external disciplines are minimal and resistance to change high.

Transparency International ranks Italy 69 out of 175 countries in perceived levels of public corruption, comparable to Romania, Greece and Bulgaria. The World Bank indicator for Control of Corruption and the World Economic Forum also ranks Italy poorly on indicators related to ethics and corruption. The International Monetary Fund considers bribery a serious problem. A number of prominent business figures are facing embezzlement charges as well as prosecutions for breaching regulations, highlighting the extent of the problem.

resultant economic losses, has been estimated by the Italian Court of Auditors at around €60 billion annually or 4 per cent of the country's GDP. It also creates economic incentives reducing potential output, investment and ultimately the growth without which Italy's debt problems threaten to overwhelm the nation.

Despite the weight of problems, the desire for change is limited. Italians favour "pannicelli caldi" that is small tinkering. Radical reforms are for Anglo Saxon or Teutons, but not for them.

Satyajit Das is a former banker and author. His latest book is 'A Banquet of Consequences'

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EXHIBIT 2K

(https://www.ihs.com)

Automotive Blog (http://blog.ihs.com/ihs-automotive)

South Korean OEMs' global sales decline in January; domestic market to remain flat in 2017 according to IHS Automotive

Thursday, 2 February 2017 by Automotive Analysts (http://blog.ihs.com/automotive-analysts)

A sluggish macroeconomic situation and a high level of political risk will keep vehicle sales in check during 2017 in South Korea, IHS Automotive forecasts.

IHS Markit Perspective:

- **Significance:** The five major South Korean automakers recorded mixed sales performances during January in global markets. Kia endured a difficult period, while GM Korea's sales also fell, but Hyundai, Renault Samsung, and SsangYong all managed to post positive results.
- **Implication:** The automakers have revealed their growth plans for 2017, planning to bring out new vehicles in order to achieve their targets.
- **Outlook:** IHS Automotive forecasts that light-vehicle sales in South Korea will remain flat at 1.8 million units in 2017, mainly due to a sluggish economic situation and political risk.

South Korea's automakers reported a combined 1.2% year-on-year (y/y) decline in global sales in January to 618,930 million units, mainly due to slowdowns in both their domestic and overseas markets, according to data released by the Yonhap News Agency. Of the total, overseas sales accounted for 512,720 units, down 1.4% y/y, while domestic sales stood at 106,210 units, slipping by just 0.1% y/y.

Hyundai sold a total of 342,607 units globally in January, up 1.3% y/y. Its domestic sales declined 9.5% y/y to 45,100 units, while its sales in overseas markets rose 3.1% y/y to 297,507 units.

Kia, meanwhile, posted a 7.0% y/y sales decline during the month to 198,805 units, split between a 9.1% y/y decrease in domestic sales to 35,012 units and a 6.5% y/y fall in overseas shipments to 163,793 units.

General Motors (GM) Korea, which is 17.02% owned by the Korea Development Bank, sold 46,842 units in January, down 4.8% y/y, with domestic sales of 11,643 (up 25.0% y/y) and overseas sales down 11.8% y/y to 35,199 units, mainly due to the Chevrolet brand's withdrawal from European markets two years earlier. Separately, GM Korea plans to stop production of the Chevrolet Orlando multi-purpose vehicle (MPV) in South Korea, according to report by the Business Korea Daily. The automaker also plans to import the Chevrolet Equinox sport utility vehicle (SUV) into South Korea instead of producing it in the country. The discontinuation of production of the Orlando is because an increasing number of consumers now prefer SUVs to MPVs and the model's engine and transmission have to be overhauled for the model to satisfy fuel economy regulations, says the automaker. Meanwhile, the decision to import the Equinox is largely due to the huge investment that is required for changes to manufacturing facilities, as well as cost factors.

Renault Samsung was the fourth largest-selling automaker in South Korea last month with total sales of 35,012 units, up 34.8% y/y. The automaker reported a 254.1% y/y increase in domestic sales during January to 7,440 units, while its overseas sales fell 0.8% y/y to 12,816 units. In January, SsangYong posted total sales of 10,420 units (up 3.4% y/y), lifted by a 6.8% y/y surge in domestic sales to 7,015 units, which helped offset a 3.0% y/y decline in overseas sales to 3,405 units.

Outlook and implications

South Korean automakers have already declared their growth plans for 2017. Hyundai, along with its affiliate Kia, aims to sell around 8.25 million units globally in 2017, up 4.9% y/y from the 2016 sales figure of 7,868,025 units. GM Korea expects its South Korean sales to exceed the 180,257 units it sold in 2016, while Renault Samsung Motors has announced that it is aiming to sell 270,000 units during 2017 globally, up 5.1% y/y. Meanwhile, SsangYong aims to achieve a 3.5% y/y increase in its global sales to 161,000 units in 2017. The automaker expects that this growth will come on the back of the rising popularity of its Tivoli nameplate. SsangYong has not provided a breakdown of its expected 2017 sales by market.

New vehicle sales in South Korea: IHS Automotive data

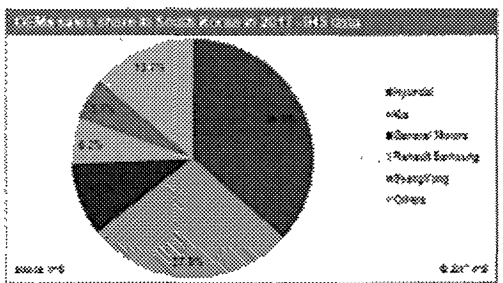
	2017	2016	Y/Y change (%)
Passenger vehicles	1,599,103	1,596,683	0.2
Light commercial vehicles	197,315	203,280	-2.9
Total	1,796,418	1,799,963	-0.2

Source: IHS Automotive

New light-vehicle sales in South Korea are expected to remain practically flat at 1.8 million units in 2017, a marginal decline of 0.2% year on year (y/y), according to IHS Automotive light-vehicle sales forecast data. Sales in the largest segment, passenger vehicles, are expected to grow marginally by 0.2% y/y to 1.6 million units during 2017, while light commercial vehicle (LCV) sales will register a 2.9% y/y decline to 197,315 units.

This forecast moderate decline can be attributed to a weaker macroeconomic environment, as well as political risk. Compared with 2016, GDP and private consumption are expected to fall in 2017. According to IHS Markit data, South Korean GDP is expected to grow by 2.7% in 2017, down from 2.8% in 2016. Moreover, around the second or third quarter, South Korea is due to hold a presidential election. This implies that the economy will be troubled by a couple of factors, resulting in uncertainty for investments and expenditures, according to IHS Automotive's South Korean light-vehicle sales forecasting analyst, Andy Bae.

Hyundai, along with its affiliate Kia, will continue to lead the South Korean new light-vehicle market in 2017 with a combined market share of 65.3%. At Hyundai, including its premium Genesis brand, light-vehicle sales are expected to grow by 6.3% y/y in 2017 to 655,039 units. Of this total, the Genesis brand is expected to witness a 25.2% y/y decline to 17,974 units. The growth in Hyundai's domestic sales will come on the back of the next-generation Grandeur sedan launched in November 2016, according to Bae. The vehicle is forecast to register 66.7% y/y sales growth this year to 107,532 units, up from a 2016 figure of 64,506 units. Meanwhile, affiliate Kia's sales in the country will decline by 7.0% y/y to 499,814 units this year. In 2016, Kia introduced two new vehicles in the country, the Niro SUV and K7, which helped the automaker to post higher sales. The K7, launched in January 2016, has already had its main growth spurt in the country. As a result, the sales boom for Kia has gradually waned and sales are likely to fall this year.

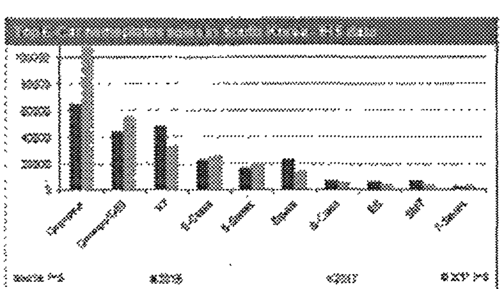


Sales of the third-largest domestic automaker, GM Korea, are forecast to decline by 1.9% y/y to 180,773 units in 2017. Renault Samsung's sales are expected to grow modestly by 0.4% y/y to 111,092 units, just enough to keep it ahead of SsangYong. The latter is likely to close 2017 with sales of 102,837 units, up 0.4% y/y.

The E-Car category is expected to remain the best-selling segment in South Korea in 2017, with sales of 295,011 units, up 6.8% y/y, giving it a market share of 16.4%. The segment is likely to be led by Hyundai's next-generation Grandeur. The D-car segment will follow as the second-largest category with a market share of 14.6%, although its sales are expected to decline 10.2% y/y to 262,062 units. Much of the segment's growth is expected to come from the Hyundai Sonata. During the year, the D-SUV segment is expected to be the third best-selling category with a market share of 11.6% and sales of 208,408 units, down 4.8% y/y. This segment will be led by the Kia Sorento.

Another prominent trend in South Korea is the emergence of B-segment SUVs. The surge in the number of models in the compact SUV categories has lured younger customers in South Korea who prefer the smaller, more fuel-efficient models with affordable price tags over more traditional A- and B-segment vehicles. The segment has also attracted customers from the C-Car segment.

According to our data, the South Korean B-SUV category grew from 15,896 units in 2014 to 77,275 units in 2016. The segment's market share went up from 1.0% in 2014 to 4.3% in 2016. A total of nine nameplates were sold in the B-SUV segment during 2016, compared with just six in 2016. Ssang Yong's Tivoli is the segment leader, and new additions to the segment include the Fiat 500X, Honda Vezel, and SsangYong Tivoli Air (a longer-wheelbase version of the Tivoli). Hyundai Group's only player in the B-SUV segment, the Kia Soul, will be joined by both Hyundai and Kia versions of a B-SUV model (B-CUV in our database) in 2017, which will help the group to capture a forecast 34.8% share of the B-SUV segment during the year, up from 2.9% in 2016. We expect the B-SUV segment to grow by around 47% y/y to 113,630 units in 2017.



Furthermore, sales of eco-friendly vehicles, including electric vehicles (EVs), hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs), and fuel-cell electric vehicles (FCEVs), are growing in South Korea. The confidence of South Korean automakers and buyers in alternative powertrains has been boosted by the government's commitment to spend KRW150 billion (USD125.9 million) in assisting the research and development (R&D) of alternative-powertrain vehicles during 2016–20. It aims to have about 820,000 HEVs, 200,000 EVs, 50,000 PHEVs, and 9,000 FCEVs on the country's roads by 2020. It is also looking to have nearly 1,400 EV charging stations and 80 hydrogen fuel stations in place across South Korea by 2020. During January to October 2016, sales of such vehicles in the country grew by 63.8% y/y to 53,631 units. Of the total, HEVs led the way with 50,544 units (up 68.1% y/y), accounting for 94.2% of the total alternative-powertrain vehicles sold in the country. The limited range of EVs, combined with an inadequate infrastructure, is believed to be one of the main reasons behind the slow uptake of these vehicles. However, the launch of the extended-range Chevrolet Bolt EV, along with the government's move to improve the charging infrastructure, will bring about an increase in EV sales in the country. According to IHS Automotive light-vehicle powertrain forecasts, production of plug-in vehicles, which include EVs and PHEVs, will grow to 75,109 units in South Korea in 2017, up from an estimated 19,960 units in 2016. This is expected to grow further to 107,763 units by 2020.

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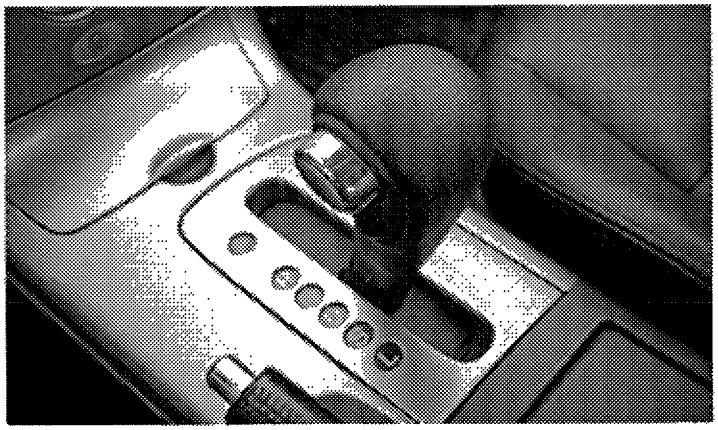

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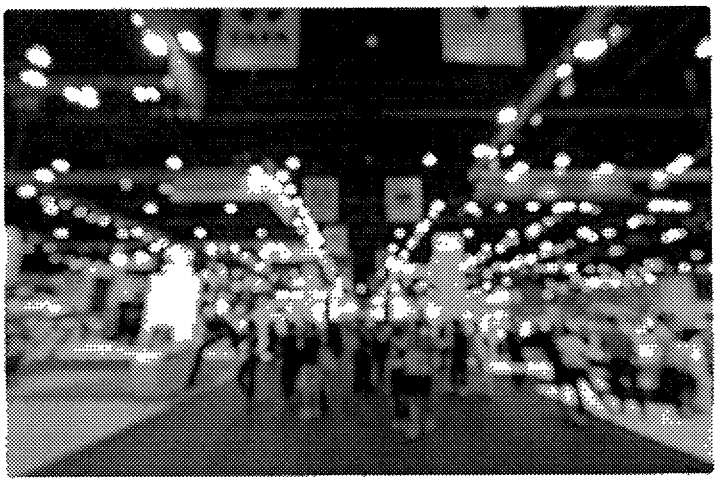

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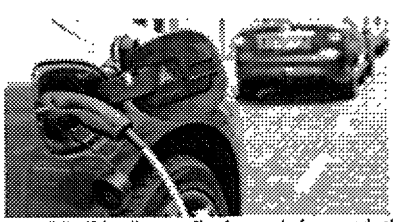

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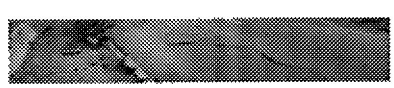
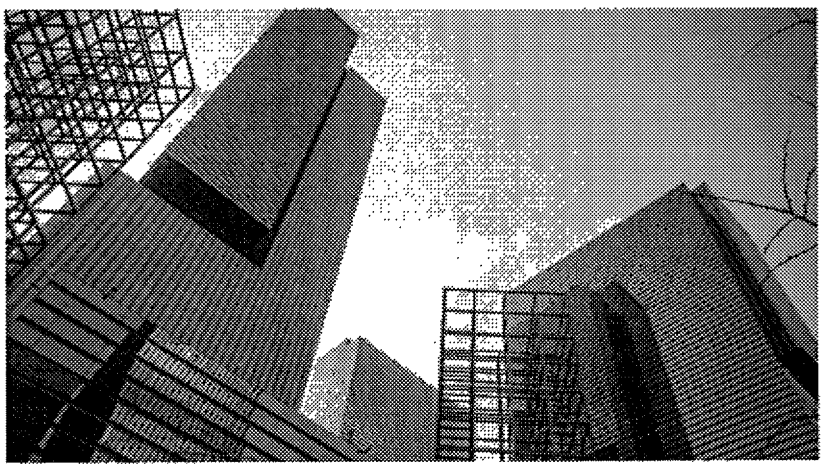


EXHIBIT 2L

ECONOMY

South Korea economic growth retreats further in Q4 on weak construction, consumption

Tuesday, 24 Jan 2017 | 7:12 PM ET



Jean Chung | Bloomberg | Getty Images

The Samsung Electronics Seocho office building in Seoul, South Korea on Jan. 13, 2017.

South Korea's economic growth retreated further in the last quarter of 2016 as the construction investment and private consumption that had supported the economy for most of the year fizzled out.

Gross domestic product for the October-December period rose 0.4 percent in seasonally adjusted terms on-quarter, the Bank of Korea said on Wednesday, slowing from a 0.6 percent rise in the September quarter and a 0.8 percent gain in the June quarter.

The 0.4 percent growth in seasonally adjusted terms beats the median forecast of 0.3 percent from a Reuters survey of 17 economists.

In annual terms, GDP rose 2.3 percent in the fourth quarter, down from a 2.6 percent rise in the third quarter.

The economy expanded 2.7 percent in 2016 from a year earlier, matching the bank's growth target and edging up after a 2.6 percent rise in 2015.

South Korea top major emerging market: BAML

Friday, 16 Dec 2016 | 4:02 AM ET | 02:30

"While 2.7 percent expansion is a notable pick-up, the construction investment failing to grow shows domestic demand is sluggish," Kim Doo-un, a Seoul-based economist with Hana Financial Investment said.

"An expansion of 0.4 percent (on-quarter) is quite low given that it's the weakest in a year and a half," he added.

Construction investment fell by a seasonally adjusted 1.7 percent during the October-December period after a 3.5 percent jump three months earlier, while private consumption expanded just 0.2 percent, slumping from a 0.5 percent rise in the September quarter.

Exports failed to lift growth in the December quarter, slipping by 0.1 percent after rising 0.6 percent in the previous three months.

By sector, manufacturing led the overall growth with a 1.8 percent gain on-quarter, while agriculture and fisheries declined 2.8 percent. Services remained unchanged from three months earlier.

The central bank said earlier that private spending would be weaker in 2017 as uncertainties arising from an influence-peddling corruption scandal involving President Park Geun-hye, and interest rate hikes expected from the U.S. Federal Reserve, are affecting consumer sentiment.

Park was impeached by parliament in December and the Constitutional Court will make a decision soon whether to uphold the vote. A presidential election will be automatically triggered within 60 days of the court's decision if she is removed from her position.

Credit costs rising in line with U.S. interest rates will increase the burden of household debt repayment, putting private consumption growth at risk.

The BOK sees growth at 2.5 percent this year, driven by a recovery in exports and facilities investment, even if global trade growth weakens on the fear or the reality of deepening protectionism.

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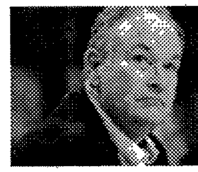
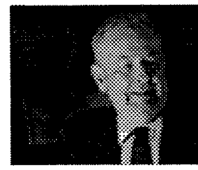


4. Bill O'Reilly could receive one year's salary in severance — reportedly up to $25 million



5. Bill O'Reilly was taken down by New York Times reporter he threatened in 2015

EXHIBIT 2M

South Korea Economy

South Korea economy slows amid cluster of corporate woes

GDP growth slows to 2.7% as troubles at Samsung, Hyundai and Hanjin bite

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OCTOBER 25, 2016 by: **Song Jung-a** in Seoul

South Korea's economy slowed in the third quarter as corporate woes such as Samsung (http://markets.ft.com/data/equities/tearsheet/summary?s=kr:A005930)'s smartphone recall, a strike at Hyundai Motor (http://markets.ft.com/data/equities/tearsheet/summary?s=kr:A005380) and Hanjin Shipping (http://markets.ft.com/data/equities/tearsheet/summary?s=kr:A117930)'s bankruptcy took a toll on the export-dependent nation.

Gross domestic product grew at an annual rate of 2.7 per cent in the third quarter, down from a 3.3 per cent pace between April and June and the slowest since the second quarter of

2015. The quarter-on-quarter rate was 0.7 per cent, down from 0.8 per cent in the previous three-month period.

While the data were slightly better than forecast, analysts expect the economy to deteriorate amid fallout from tough government-led corporate restructurings in troubled industries and Samsung's withdrawal (https://www.ft.com/content/69b8466e-91af-11e6-a72e-b428cb934b78) of its latest flagship smartphone, the Galaxy Note 7.

"Korea's economy lost momentum in the third quarter of 2016 and we expect growth will struggle in the coming quarters due to a combination of rising domestic headwinds and subdued global demand," said Krystal Tan at Capital Economics.

Exports rebounded in August after 19 months of decline but fell back in September, down 5.9 per cent compared with a year earlier. Shipments were hurt by Samsung's recall of the fire-prone Note 7 smartphone, with the company estimating the Note 7 demise would cut its operating profit by $5.3bn from the start of June to the end of March next year.

Hyundai Motor (https://www.ft.com/content/7556240c-83b6-11e6-8897-2359a58ac7a5) estimated that a wage dispute, now settled, that led to four months of labour unrest had cost the company about Won3tn ($2.6bn) in lost production. Meanwhile, the bankruptcy of Hanjin, once the country's largest shipping company, sparked a global logistics logjam and also dented the economy.

However, private consumption edged up 0.5 per cent from the previous quarter and construction investment rose 3.9 per cent amid an enduring building boom.

It remains unclear how long the country can sustain its construction-led growth model. Signs are emerging of housing oversupply while the government tries to curb soaring household debt, which jumped 11 per cent to a historic high of $1.1tn at the end of June.

The recovery in consumption has also been hampered by a rise in job losses amid government-led corporate restructurings of troubled industries such as shipping and shipbuilding.

Economists expect consumption to remain sluggish, with the country's tough new anti-graft law (https://www.ft.com/content/252ee402-8481-11e6-8897-2359a58ac7a5) introduced in late September — which bans expensive gifts and lavish wining and dining for civil servants, journalists and schoolteachers — likely to hit spending in restaurants and stores.

Some economic analysts, including those at Korea Economic Research Institute, expect GDP to contract in the fourth quarter. However, Yoo Il-ho, finance minister, has brushed aside the possibility. She expects the annual growth rate to stagnate at about 2.5 per cent this year and next, lower than the Bank of Korea's forecasts of 2.7 per cent and 2.8 per cent respectively.

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Policy + Politics

Putin's Economy May Be in Even Worse Shape Than It Looks

The Russian economy is in a full-blown recession and, according to analysts that study it, may be in even worse shape than is apparent to outside observers.

Last year, in addition to harsh international sanctions imposed over the invasion of Crimea, the Russian people suffered a massive devaluation of the ruble against international benchmark currencies. It took 30.4 rubles to buy one U.S. dollar in January 2013. By the end of January 2015, the price had more than doubled to 69.5 rubles to a dollar. Much of the fall was driven by the decline in oil prices, which are key to Russia's energy-heavy economy.

Related: Vladimir Putin's Spokesman Wears a Golden Skull Watch Worth $620K(http://www.thefiscaltimes.com/2015/08/04/Vladimir-Putin-s-Spokesman-Wears-Golden-Skull-Watch-Worth-620K)

The Kremlin spent tens of billions of dollars in foreign currency reserves in a largely futile attempt to prop up the ruble, and was eventually assisted by a firming of oil prices in the early part of this year, which drove the exchange rate down to about 50 rubles to the dollar. Now that oil prices have fallen, the ruble has hit the skids again as well, returning to 65.5 to the dollar, the same territory it was in during the worst of its slide earlier this year. (One of the reasons for the slide in oil prices is the prospect that Iran will be released from sanctions that limited its ability to sell oil. Russia, ironically, helped broker that deal — a good argument that the Kremlin acted as a global citizen first and an economic power second in that case.)

The economic pain is being felt across the vast country. Russia has 83 different regions with local governments that are capable of taking on debt, according to Lauren Goodrich, senior Eurasia analyst for the **business intelligence firm Stratfor**. "The Russian economic minister has suggested that possibly 60 of those 83 regions are in crisis mode at this time, and there's even speculation that 20 of them are already defaulting on their debt, even though the government itself doesn't want to make it really public yet," Goodrich says. Those regions were already in crisis before last year, she adds. "We've had close to 100 to 150 percent rise in debts within the Russian regions just over the past few years," she says.

Related: Vladimir Putin – 17 Things You Didn't Know About Russia's President(http://www.thefiscaltimes.com/2015/03/13/Vladimir-Putin-17-Things-You-Didn-t-Know-About-Russia-s-President)

The International Monetary Fund expects that the Russian economy **will contract a total of 3.5 percent in 2015(http://www.imf.org/external/pubs/ft/survey/so/2015/CAR080315B.htm)** and that, while it will begin to grow again in 2016, that growth will be anemic. "Investment and consumption are likely to remain sluggish and the effects of sanctions in terms of external access to financial markets and new investment technology will linger," a recent report found. "IMF staff expect weak GDP growth of around 1.5 percent in the medium term."

Russian President Vladimir Putin, meanwhile, reportedly faces substantial concern from his supporters that the regime he has built largely on the strength of his own personality and his popularity with the Russian people may struggle to survive if he continues what's been described as **a trend toward increasing disengagement(http://www.thefiscaltimes.com/2015/08/14/Growing-Alarm-Kremlin-Wheels-Come-Putin-Regime)**, or if the standard of living of the Russian people, which has risen almost continually during his hold on power, continues to decline.

Putin on Monday began a visit to Crimea, the Ukrainian region that his forces invaded last year and which Russia subsequently claimed to have "annexed." People there wanted to know what he was planning to do to revive the region's shattered economy, which has lost some 70 percent of its revenue from tourism due to a *de facto* boycott by Ukrainian tourists and terrible publicity resulting from the ongoing battle between Russian-backed separatists and the Ukrainian government nearby.

The Russian leader made promises about increasing the flow of tourists from other countries by making it easier for citizens of other developing economies, like China and Brazil, to travel to Crimea. The Kremlin has also been shipping in Russian tourists to the Crimea's largest resorts on heavily promoted holidays.

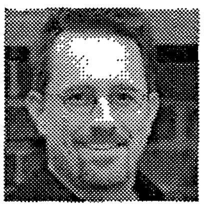
Related: Growing Alarm in the Kremlin as the Wheels Come Off the Putin Regime(http://www.thefiscaltimes.com/2015/08/14/Growing-Alarm-Kremlin-Wheels-Come-Putin-Regime)

The effort so far hasn't been enough, though, and Putin was forced to address the concerns of multiple ethnic groups, chief among them the Crimean Tatars, who feel that they are being particularly burdened under the new system of Russian control.

Without a trace of irony, Putin, who justified the invasion of Crimea and its continued occupation on the grounds of addressing the concerns of ethic Russians who live there, told representatives of various ethnic groups they shouldn't cast the region's problems in ethnic terms.

"Inter-ethnic relations are a delicate matter," Putin told them during a meeting Monday. "I see any speculation on any sort of special rights for one particular ethnicity as extremely dangerous."

The question now is just how dangerous Russia's economic strife will be for Putin.

- 
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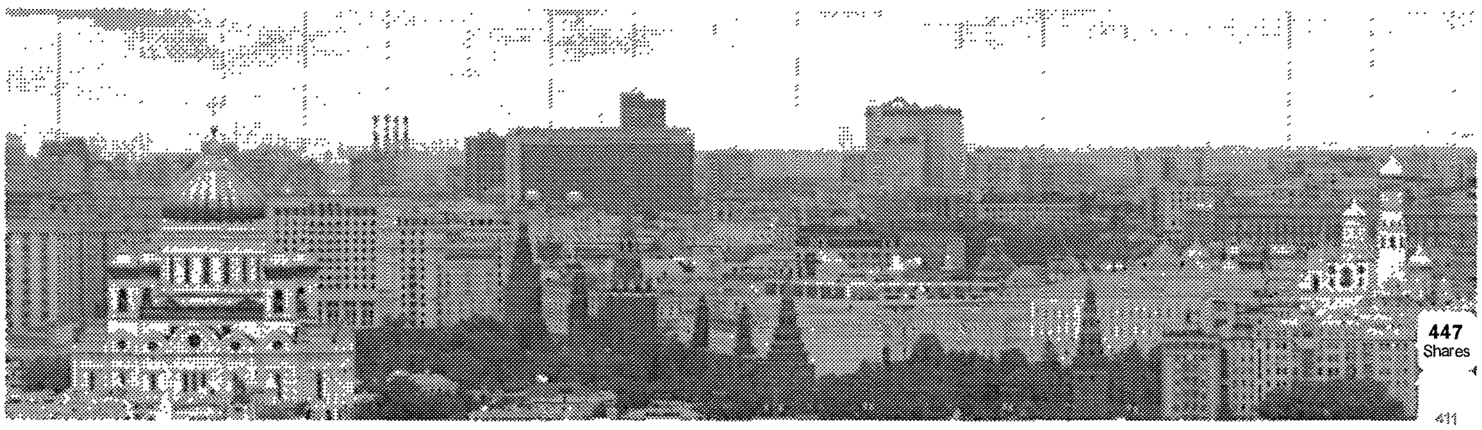

Russia Economic Outlook

April 4, 2017

The Russian economy has responded exceptionally well in the last two years to the dual shocks of collapsing oil prices and the continuation of Western sanctions. GDP decreased just 0.2% in 2016, which followed an upwardly revised 2.8% contraction in 2015 (previously reported: -3.7%). Tighter fiscal a monetary policies and a flexible exchange rate ensured a much smaller GDP decline in 2015 and 2016 combined than in 2009, when the economy plu nearly 8%, despite higher oil prices back then. Further indications that a nascent economic recovery remains in place at the beginning of this year were supported by PMI data for March and a strong increase in exports in January, which resulted from a pickup in exports both of oil—due to higher prices- of non-oil products, particularly machinery, reflecting stronger demand from other CIS countries.

Russia Economy Data

	2012	2013	2014	2015	2016
Population (million)	143	143	143	143	-
GDP per capita (USD)	15,025	15,553	14,146	9,503	-
GDP (USD bn)	2,153	2,230	2,029	1,363	-
Economic Growth (GDP, annual variation in %)	3.5	1.3	0.7	-2.8	-
Consumption (annual variation in %)	7.4	4.4	1.5	-9.8	-
Investment (annual variation in %)	6.0	0.9	-2.6	-9.4	-
Industrial Production (annual variation in %)	3.4	0.4	1.6	-0.8	-
Retail Sales (annual variation in %)	6.5	3.9	2.7	-9.7	-
Unemployment Rate	5.5	5.5	5.2	5.6	-
Fiscal Balance (% of GDP)	-0.1	-0.5	-0.4	-2.4	-
Public Debt (% of GDP)	9.7	10.6	13.2	13.6	-
Money (annual variation in %)	12.5	14.9	1.5	11.3	-
Inflation Rate (CPI, annual variation in %, eop)	6.5	6.5	11.4	12.9	-
Inflation Rate (CPI, annual variation in %)	5.1	6.8	7.8	15.5	-
Inflation (PPI, annual variation in %)	5.1	3.7	5.9	10.7	-
Policy Interest Rate (%)	5.50	5.50	17.00	11.00	-

	2012	2013	2014	2015	2016
Stock Market (annual variation in %)	5.2	2.0	-7.2	26.1	-
Exchange Rate (vs USD)	30.48	32.73	56.26	72.88	-
Exchange Rate (vs USD, aop)	31.09	31.85	38.42	61.06	-
Current Account (% of GDP)	3.3	1.5	2.8	5.1	-
Current Account Balance (USD bn)	71.3	33.4	57.5	69.0	-
Trade Balance (USD billion)	192	181	189	149	-
Exports (USD billion)	527	522	497	341	-
Imports (USD billion)	336	341	308	193	-
Exports (annual variation in %)	2.3	-1.1	-4.8	-31.3	-
Imports (annual variation in %)	5.4	1.6	-9.8	-37.3	
International Reserves (USD)	538	510	385	368	
External Debt (% of GDP)	29.6	32.7	29.6	38.0	

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5 years of Russia economic forecasts for more than 30 economic indicators.

Russia Economy Overview

Economic Overview of Russia

Following the collapse of the Soviet Union, the first decade of transition from a centrally-planned economy to market economy was disastrous for Russia: nominal gross domestic product (GDP) fell from USD 516 billion in 1990 to USD 196 billion in 1999, which represented a plunge of over 60%. In an attempt t address the economic turmoil and follow the recommendations from the IMF, the Soviet government began to privatize many Russian industries during the 1990s. Important exceptions were, however the energy and defense sectors.

The devaluation of the Russian ruble in 1998—after the financial crisis known as the ruble crisis—together with the uninterrupted upward trend that oil prices experienced in the period from1999 to 2008 propelled the Russian economy—heavily reliant on its energy sector exports—to grow at an annual average rate of 7%. Russia was among the hardest-hit economies by the 2008-2009 global economic crisis: the economy plunged 7.8% in 2009 as oil prices plummeted and foreign credit dried up. The economic contraction was the sharpest since 1994, but no long-term damage was caused due to the government and Centr Bank's proactive and timely response to ring fence key sectors of the economy, in particular the banking sector, from the effects of the crisis. As a result, Russia's economy began to grow again and increased 4.5%, 4.3% and 3.4% in 2010, 2011 and 2012, respectively, before slowing to 1.3% in 2013 and 0.6% in 2014.

The Russian economy experienced two major shocks in 2014, narrowly avoiding recession with moderate growth of 0.6%. The first shock was the sharp decline in oil prices during the third and fourth quarter of 2014, exposing Russia's extreme dependence on global commodity cycles. After fluctuating within a tight band near USD 105 per barrel from 2011-2013, crude oil prices ended 2014 at less than USD 60 per barrel. The second shock was the economic sanctions resulting from geopolitical tensions, which negatively affected investor appetite for Russian investments. Capital flights and high inflation compound Russia's economic woes as the economy registered the steepest contraction since 2009 contracting 3.7% in the full year 2015. Forecasts are pointing to an end to the recession coming soon in 2017.

Inflation has been falling rapidly since August 2015, when it reached a peak of 15.8%. Along with the fall in inflation, Central Bank lending rates have been reduced. Russian bonds and equities are performing well against those of other emerging markets and a modest recovery in oil prices has bolstered econom sentiment.

Considering that the price for Urals oil will average USD 38 per barrel in 2016, the Central Bank expects the economy to contract between 0.3% and 0.7% th year, which is less than the Bank's previous estimate that saw the economy contracting between 1.3% and 1.5%. The Bank expects the economy to expand a a rate of between 1.1% and 1.4% in 2017, assuming that Urals oil prices average USD 40 per barrel. Previously, the Bank had expected the price for Urals o to average USD 35 per barrel and had projected economic growth rising to within a range of minus 0.5% and plus 0.5% in 2017.

Following the economy's collapse in 2015, analysts surveyed by FocusEconomics expect the Russian economy to continue contracting in 2016, although at a more moderate pace. FocusEconomics Consensus Forecast panelists project that Russia's GDP will fall 0.7% in 2016, which is up 0.1 percentage points from last month's forecast. Panelists expect the economy to expand 1.3% in 2017.

Russia's Balance of Payments

Russia's current account records regular trade surpluses largely due to exports of commodities such as crude oil and natural gas. From 2010 to 2014, Russia's average current account surplus was USD 66.8 billion, reaching a peak in 2011 at USD 98.8 billion.

Russia's balance of payments suffered a significant terms-of-trade shock in the fourth quarter of 2014 as a result of falling oil prices, which were, in part, offse by a drop in imports. Simultaneously, geopolitical uncertainties and related sanctions in 2014 resulted in large capital outflows, further deteriorating Russia's BoP. Private sector capital outflows increased from USD 60.7 billion in 2013 to USD 130.5 billion in 2014. During the same period, capital and financial accounts of the Russian Federation fell from a deficit of USD 45.4 billion to a deficit of USD 146 billion (2.2% and 7.8% of GDP, respectively).

Russia's economy registered the steepest contraction since 2009 last year as a combination of external factors—such as a plunge in oil prices and international sanctions—coupled with structural weaknesses took a heavy toll on growth. The economy contracted 3.7% in the full year 2015, which contraste the meagre growth registered in the previous year. However, the contraction in the Russian economy in the second quarter of 20167 was the slowest s'--- the recession began in late 2014. Comprehensive data showed that GDP contracted 0.6% annually in Q2, which came in above the 1.2% decrease rec in Q1. Although industrial production shrank in September, falling at the fastest pace seen in 8 months, it is expected to expand slightly in 2016 after suf the worst contraction in six years in 2015.

Russia's trade structure

Crude oil, petroleum products and natural gas comprise roughly 58% of total exports, iron and steel represent 4% and other mining sector related exp(including gems and precious metals account for about 2.5%. Sales to Europe represent over 60% of total exports while Asia has an export share of rou 30%. Russian exports to the United States, Africa and Latin America combined represent less than 5% of total shipments.

Russia's main imports are food and ground transports, which represent 13% and 12% of total imports, respectively. Other significant imports include pharmaceuticals, textile and footwear, plastics and optical instruments. Exports peaked in 2012 reaching USD 527 billion; imports peaked in 2013 reach USD 341 billion.

In August of 2015, Russian exports amounted to USD 25.0 billion, which marked a 39.7% contraction in annual terms. This marked the 10th consecutive contraction at a double-digit rate. Imports totaled USD 16.5 billion, which marked a 34.7% year-on-year contraction.

Russia's trade surplus is narrowing rapidly. Russia's trade surplus narrowed to USD 4.4 billion in August of this year, which came in dramatically below the USD 8.8 billion registered in the same month last year and the USD 16.2 billion the prior year. August's result prompted the 12-month rolling surplus to decrease to USD 99.5 billion, the smallest accumulated surplus in over a decade. The fall in the trade surplus continues to reflect the free fall that Russian exports have registered over the last few years.

Following a period of heightened volatility, oil prices have recently stabilized especially since the extraordinary meeting of the OPEC Conference in Algiers in the last week of September, which concluded with a commitment to freeze oil production at between 32.5 and 33.0 million barrels a day. Analysts expect the commitment to be honored by most members at OPEC's official meeting in November where non-OPEC oil exporters are also encouraged to sign on the dotted line. The re-establishment of OPEC's price leadership prompted global oil prices to spike, including for Urals oil. On 30 September, the price for Urals oil settled at USD 46.3 per barrel, which was 4.6% higher than at the end of August. Urals oil has also recovered from the lows registered earlier this year an was 31.8% on a year-to-date basis.

Russia's Monetary Policy

The Central Bank of Russia (Bank Rossii), founded in 1990, has several responsibilities in compliance with the Russian Constitution and Russian Federal Lav maintaining the value and stability of the ruble, overseeing Russian financial institutions (including acting as a lender of last resort), managing Russia's foreign reserves and foreign exchange, and setting short-term interest rates, which is one of the main instruments of the bank's monetary policy implementation.

Low oil prices and sanctions shocks to the Russian economy resulted in the ruble losing 46% of its value against the U.S. dollar in 2014, prompting policies from the Bank Rossii aimed at stabilizing the financial system. Bank Rossii raised its key interest rate in December 2014 by 650 basis points to a lofty 17% to curb runaway inflation caused by the weakened ruble (core inflation reached 11.2% in December 2014, year-on-year). Bank Rossii spent USD 27.2 billion in October 2014 and USD 11.9 billion in December of the same year on interventions to support the ruble.

Russia's Central Bank gradually reduced interest rates over the course of 2015, starting the year at 17.00% and reduced to 11.00% by July. Interest rates were kept steady for nearly a year until June 2016 when they were cut by 50 basis points to 10.50%. In making the decision to cut interest rates, the Central Bank indicated that authorities were more confident about the evolution of inflation and noted the positive results of a drop in inflation expectations and decreased inflation risks against a backdrop of their slowly but surely recovering economy.

Since then there has been a noticeable drop in inflation, which drove the Bank to cut rates in September 2016 from 10.50% to 10.00%. Authorities did however state that in order to cement a sustainable fall in inflation, "the current value of the key rate needs to be maintained till end-2016 with its further possible cuts in 2017 Q1-Q2." Considering its decision, the Bank remains confident that with a still relatively-tight monetary policy, inflation will fall to 4.5% in Q 2017 and decrease further toward its 4.0% target at the end of 2017. The bank also indicated that it will hold off from further monetary easing until the first c second quarters of 2017.

Russia's Exchange Rate Policy

On 10 November 2014, Bank Rossii un-pegged the ruble from a dual-currency (U.S. dollar and euro) basket band, ending two decades of exchange rate controls and moving Russia to a free-float exchange rate system. The Central Bank also ended the regular interventions with the ruble, but signaled that it remained committed to intervening in support of the Russian currency in case there were risks to financial stability. As the ruble continued to slide against the greenback because of falling oil prices and higher uncertainty among investors, the Central Bank decided to continue intervening in the foreign exchange market, costing the Central Bank hundreds of millions per day.

The value of the ruble first began to fall in early 2014 after several years of an exchange rate of roughly 30 RUB per USD, as the country was acutely affecte by weak economic growth, high geopolitical risks following the annexation of Crimea and the outbreak of war in Ukraine. However, it was with the collar oil prices at the end of 2014 when the ruble's value could not defy gravity and thus began its free fall against the U.S. dollar, with the currency bottomin 68.5 RUB per USD on 16 December. Throughout 2015, the Russian ruble has been on a roller coaster. High volatility and strong fluctuations in oil pric weighed heavily on the country's currency. The beginning of 2015 saw strong volatility in the foreign exchange market, but the Russian currency stabiliz within a corridor of 50 to 60 RUB per USD at the end of the first half of the year. There was another episode of strong volatility at the outset of second the year and, on 24 August, the Russian currency closed the trading day at 70.9 RUB per USD, which was even lower than the aforementioned low p the December 2014 ruble crash and represented a new all-time low. The sharp drop in August was primarily a response to falling oil prices and rising f regarding the effects that the shockwave caused by China's stock-market crash could have on the global economy. The ruble closed 2015 at 72.9 RUE USD—a 30% loss in value compared to the end of 2014.

Fluctuations of the Russian ruble are largely driven by the price of oil, which along with gas, is Russia's main commodity export. The currency took a dr fall to an all-time low of 82.4 RUB per USD on 21 January 2016, as oil prices fell to lows not seen in over a decade. It has gradually stabilized between . 70 RUB per USD as the economy has improved and oil prices have crept back up since January 2016.

Russia's Fiscal Policy

Since the country's 1998 debt crisis, a nearly decade-long environment of favorable commodities prices (particular in the energy sector), a relatively weak ruble and tight fiscal policy allowed Russia to run budget surpluses from 2001 to 2008 until the global financial crisis hit.

Russia depends heavily on its energy exports. In fiscal year 2008, oil and gas revenues reached a peak, accounting for half of the Russian federal budget. However, since the global financial crisis hit the country in 2009, the Russian economy began to run fiscal deficits. In 2012, 2013 and 2014 Russia ran budget deficits representing -0.02%, -0.7% and -0.6% of GDP, respectively. The exception was the year 2011, when the Russian budget incurred a 0.8% of GDP surplus.

Low oil prices and a collapse in domestic demand and imports as the economy fell into recession decimated fiscal revenues in 2015. In fact, the impact of low oil prices on Russia's fiscal revenues raised questions about the country's long-term economic prospects as well as fiscal sustainability. With the decline of energy prices and the Russian government's dependence on energy revenues to fund its budget—revenues from oil and natural gas represented around 52% of the Russian budget—forced the Russian government to rethink its fiscal policy. The Finance Ministry announced in early September 2015 that it had decided to suspend the fiscal rule—a law designed to limit government spending.

The fiscal rule went into effect in 2013 to prevent the government from wasting windfall oil revenues and instead divert them into rainy-day funds. The rule also aimed to limit government expenditure to projected non-oil revenues, oil revenues calculated using long-term historical oil prices, and a fiscal deficit of at no more than 1.0% of GDP. At the time the rule was created, Russian authorities were concerned that the income generated from rising oil prices would encourage pro-cyclical spending. However, within the context of weak economic growth and oil prices at just half the level observed in 2014, Russia faced the opposite problem.

Because the budget rule limits government spending to long-term historical oil prices, if the law were to continue into 2016, it would have implied a reference price higher than the one that was forecast for 2016—which was an average USD 50 per barrel.

Officially, the fiscal rule was suspended temporarily. Some advisors, among them former-Finance Minister Alexei Kudrin, voiced support for suspending the rule, at least for a year. Moreover, in addition to the suspension of the fiscal rule, the government also announced a transition from a three-year budget plan t one-year budgeting. The three-year budget plan was designed to force the government to take a medium-term approach and avoid making unsustainable pledges. All in all, the changes to the budget process paved the way for a more accommodative fiscal stance in an effort to mitigate the low oil prices and weaker economic growth.

Some analysts suggest that, with sizeable reserves and low public debt, Russia can afford to run a modest fiscal deficit without imperiling fiscal sustainability.

The fiscal deficit ended at 2.8% in 2015.

Russia has two fiscal buffers, the Reserve Fund and the National Welfare Fund (NWF), both of which have been under pressure as a result of deteriorating economic conditions. The Ministry of Finance indicated that the budget deficit projected for 2015 (RUB 2.7 trillion, equivalent to 3.8% of GDP) would be covered by the country's Reserve Fund, rather than by raising debt. Unfortunately, the government was unable to sustain that deficit due to the inability to fu it. Due to international sanctions, the government has been unable to borrow from abroad. The government allowed for increased discretionary use of NWF resources in December of 2014 in order to help stabilize the financial system. The Russian government had no choice but to continue to draw down on the NWF.

Sample Report

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Russia Facts

	Value	Change	Date
Bond Yield	7.85	-0.13 %	Apr 06
Exchange Rate	55.89	-1.17 %	Apr 06
Stock Market	2,055	-0.08 %	Apr 06

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Russia Economic Growth

April 4, 2017

This year, the gradual economic recovery is expected to be supported by higher oil prices and the continuation of a disciplined policy approach, as Russian authorities seem determined to persist with prudent policymaking. Economists project that the economy will expand by 1.3% in 2017, which was left unchanged from last month's forecast. For 2018, analysts see GDP growth accelerating to 1.7%.

Russia Economic News

Russia: Consumer confidence continues to improve in Q1

April 11, 2017

The consumer confidence indicator published by the Federal Statistics Service (Rosstat) registered a fourth consecutive period of improvement in Q1 2017, rising to minus 15 points from minus 18 points in Q4 2016.

Russia: Inflation falls to lowest level in March in nearly five years

April 6, 2017

In March, consumer prices rose 0.1% from the previous month, undershooting both the 0.2% increase in February and the 0.2% increase the markets had expected.

Russia: Goods producers maintain solid growth in March

April 3, 2017

Business activity in Russia's manufacturing sector continued to grow in March, showing little change from February's developments.

Russia: Economy crawls out of recession in Q4 2016

March 31, 2017

Comprehensive data showed that Russia's GDP returned to growth in the final quarter of 2016.

Russia: Solid trade recovery continues at beginning of 2017

March 30, 2017

Merchandise exports in Russia totaled USD 25.1 billion in January, which represented a substantial 47.2% increase compared with the USD 17.1 billion observed in the same month last year.

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Unemployment
Fiscal Balance
Public Debt
Monetary and Financial Sector

Inflation
Interest Rate
Money
Exchange Rate
External Sector

Current Account
Trade Balance
Exports
Imports

International Reserves
External Debt
Energy

Brent Crude Oil
Coking Coal
Ethanol
Gasoil
Gasoline
Natural Gas

Thermal Coal
Uranium
WTI Crude Oil
Base Metals

Alumina
Aluminium
Aluminium Alloy
Copper
Iron Ore
Lead

Nickel
Steel (Europe)
Steel (USA)
Tin
Zinc
Agricultural

Cocoa
Coffee
Corn
Cotton
Oats
Soybeans

Sugar

Wheat
Wool

Precious Metals

Gold
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EXHIBIT 2P

WOLF STREET
Howling about Business and Finance

The Amazing Collapse of Russia's Auto Market

by Wolf Richter • Nov 12, 2016

New vehicle sales down 53% since 2012.

We don't hear much from the global automakers and their analysts about the multi-year sales fiasco in Russia, in part because they don't like to bring up crummy data unless they have to. And they don't have to. For them, Russia is just a tiny market, compared to China and the US: through October this year, new light vehicle sales in Russia amounted to about 8% of sales in the US.

Since 2010, auto sales in China, the US, and many other countries have boomed. And they grew in Russia too, but only until late 2012, when the market began to stall. They declined in 2013. Then, when the sanctions hit in 2014, the market sagged. When the oil bust hit in 2015, the market crashed. And to this day, it continues to head south. The numbers are stunning.

In October, new vehicle sales – measured by registrations and reported by the Association of European Businesses – fell 2.6% year-over-year to 126,568. Year-to-date sales fell 13% to 1,147,670 vehicles.

Compared to 2012, the last good year, October sales plunged 50%! And year-to-date sales plunged 53%.

When the Association of European Businesses, an

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industry lobby group, released the October figures, it begged the government to continue the subsidies:

> This is not a bad result, confirming our earlier voiced expectation that the new car registration trend should improve towards year end. Seasonality is a factor, of course, but the main driver here are the government programs offering purchase incentives to end customers. These programs are running out, in any case in the well-established form as we know them. What awaits us in 2017 remains to be seen. But it is clear already that, without meaningful support from the government, any trend stabilization would be very short-lived.

The government seems to have gotten the message. The sales decline in 2016 could have been a lot worse if it hadn't been for government subsidies, President Vladimir Putin told plant workers in Yaroslavl (central Russia), according to Reuters, which cited an Interfax report published today.

Auto sales would have crashed by another 30% to 40% this year without government subsidies, he said. The government spent about 65 billion rubles in 2016 to support the industry, Putin told the workers, and this support would continue next year.

Hit hard by the oil price crash, the economy has been shrinking for six quarters in a row, longer than during the Global Financial Crisis. The ruble has lost about half its value against the dollar since 2013, making imports of all kinds, including auto components and fully assembled cars, much more expensive for Russian consumers, already struggling with a big bout of inflation on day-to-day items.

Here are the year-over-year percentage changes for October sales, going back five years. Note the collapse in 2015:

FAVORITE READS

Advisor Perspectives, Doug Short

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Mish's Global Economic

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Who's Behind China's Wild House Price Bubble? State-Owned Property Developers, Funded by State-Owned Banks.

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collapse in 2015:

- October 2016 -2.6%
- October 2015 -38.5%
- October 2014 -9.9%
- October 2013 -8.0%
- October 2012 5.0%

In October 2012, sales were still up from prior year. But by then already, long before the sanctions and the oil bust were even on the horizon, the industry was feeling a slowdown, enough so that the Association of European Businesses felt it necessary to warn:

> For a while now, the market has been feeling a cool down in consumer appetite. By contrast, retail registrations are still performing above prior year level, supported by robust order banks generated in the first half of the year and a visible increase in market incentives in recent weeks. **Current new order intake however is generally slower compared to the same period one year ago, and will impact sales performance in the coming months.**

This kicked off the depression in the Russian auto market. Here are the top 20 survivors and their sales through October this year, compared to the same periods in 2015 and in 2012:

Russia's Collapsing Auto Market
Top 20 Brands, Jan - Oct 2016

		Units	% Change	
		2016 YTD	from 2015	from 2012
1	Lada	213,159	-5%	-52.5%
2	Kia	121,723	-9%	-22.7%
3	Hyndai	115,428	-14%	-21.3%
4	Renault	91,834	-6%	-40.9%
5	Toyota	76,070	-4%	-41.3%
6	VW	59,659	-5%	-56.5%
7	GAZ LCV	43,154	3%	-40.5%
8	UAZ	38,297	1%	-20.5%
9	Nissan	57,524	-24%	-56.2%
10	Skoda	45,569	0%	-43.1%
11	Ford	34,569	13%	-67.2%
12	Mercedes-Benz	31,428	12%	3.9%
13	Chevrolet	24,503	-43%	-85.8%
14	Lexus	19,594	20%	50.6%
15	BMW	22,841	-1%	-23.8%
16	Mazda	17,454	-25%	-55.1%
17	Lifan	13,835	30%	-18.1%
18	Audi	17,573	-17%	-38.1%
19	Mitsubishi	14,095	-55%	-76.5%
20	Datsun (Nissan)	14,145	-48%	

Source: Association of European Businesses WOLFSTREET.com

enigma inside the riddle of Japan."

By **Wolf Richter**

The car business is tough even in growing markets. It's competitive and globalized. But Russia's market has collapsed over the past four years, and even hanging on is tough. Since 2012, a number of brands have thrown in the towel and pulled out, including Opel (GM) which pulled out in 2015, and Volvo and Fiat-Chrysler which pulled out in 2016.

Russia's top brand, Lada, owned by Russian automaker AvtoVAZ, has been able to nudge up its market share to 18.6% in 2016 from 18.4% in 2012. But its sales have suffered 52.5% since 2012. The Korean brands are muscling in on it, filling the void left behind by Chevrolet.

Chevrolet was Russia's second largest brand in 2012, now reduced to number 13. It has lost 85% of its sales. Ford, number 8 in 2012, has dropped to number 11, after having lost 67% of its sales. The sanctions do bite.

This four-year collapse of the auto market, and auto manufacturing in Russia along with it, shows just how tough the economy has become for Russian consumers, particularly since 2015, when the effects of the oil bust started spreading across the effects of the oil bust started spreading across the economy.

But even in the US, where auto sales set a new record in 2015, the auto boom is running out of fuel. Read… The Chilling Thing Hertz Just Said about the US Auto Boom

33 comments for "The Amazing Collapse of Russia's Auto Market"

nick kelly
Nov 12, 2016 at 7:54 pm

Note that the decline began in 2013 before the crash in oil and before the sanctions resulting from the take over of the Crimea and their tightening after the fighting in east Ukraine.
This slowdown was mirrored in the whole economy: it was hitting the wall before outside shocks.
Under Putin the share of the economy controlled by the state has doubled from 35% to 70%.
So although he may not have yet reached his stated dream of re-creating the Soviet Union-

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Moody's
INVESTORS SERVICE

Announcement: Moody's: Outlook on Russia's steel industry for 2017 is negative as demand smoulders

Global Credit Research - 26 Oct 2016

London, 26 October 2016 -- The outlook for Russia's steel industry for 2017 is negative as fragile, volatile domestic steel demand and weak end user sentiment outweigh its steelmakers' continued high profitability, says Moody's Investors Service in a report published today.

Moody's report, titled "Steel -- Russia: Weak Domestic Demand Keeps Outlook Negative", is available on www.moodys.com. The report is part of a series of outlooks on a wide variety of sectors globally published by Moody's. For other reports in the series, go to: https://www.moodys.com/researchandratings/market-segment/corporates/-/005000/4294966622%204294963919/4294966848/0/0/-/0/-/-/-/-1/-/-/-/en/global/pdf/-/rra

"Demand for steel will remain weak in Russia into 2017 unless there is sustainable recovery in the economy and domestic consumers' confidence and purchasing power, particularly in the construction sector -- the biggest steel end-user. We are also seeing reduced orders for large diameter pipes and sharply falling domestic car sales hammering demand for steel," says Artem Frolov, a Moody's Vice President -- Senior Analyst and author of the report.

In Moody's view it is uncertain whether demand for steel in Russia will recover sustainably in 2017, following a 5% drop estimated by Moody's in 2016, after an 8.3% drop in 2015 according to the World Steel Association. The Markit Russia manufacturing purchasing managers' index (PMI) -- the first key outlook driver -- may not recover sustainably from the negative range of below 50 over the next 12-18 months. Steel capacity utilization -- the second key outlook driver -- will likely remain within the stable range of 75%-85%.

Russian steelmakers will remain competitive in export markets owing to their low costs in US dollar terms, backed by continuing operational improvements and the weak rouble. NLMK (Ba1 negative), PAO Severstal (Ba1 negative), Magnitogorsk Iron & Steel Works (Ba1 negative) and Evraz Group S.A. (Ba3 negative), with largely rouble costs and substantial foreign currency revenues, will maintain a comfortable profitability cushion against any fall in steel prices as long as rouble weakness persists.

Russian steelmakers will also be able to increase exports if domestic demand is insufficient to maintain high capacity utilization, although trade protection measures against cheap imports of steel from Russia pose increasing risk. While each single duty is likely to only modestly reduce companies' earnings, the cumulative impact would be stronger if such measures were widely introduced across more markets and products.

Moody's subscribers can access the report at: http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_1045933

NOTE TO JOURNALISTS ONLY: For more information, please call one of our global press information hotlines: London +44-20-7772-5456, New York +1-212-553-0376, Tokyo +813-5408-4110, Hong Kong +852-3758-1350, Sydney +61-2-9270-8141, Mexico City 001-888-779-5833, São Paulo 0800-891-2518, or Buenos Aires 0800-666-3506. You can also email us at mediarelations@moodys.com or visit our web site at www.moodys.com.

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EXHIBIT 3

U.S. Imports of Carbon and Alloy Steel Wire Rod (CASWR)
March 2016 - February 2017

Quantities in short tons

	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Period Total	% of Period Total
Turkey	12,521	568	3,756	9,967	7,019	4,089	547	16,789	6,317	4,902	10,143	3,156	79,775	4.5%
Russia	13,808	3,619	17,145	1,902	7,411	17,207	12,500	4,578	8,590	-	1,979	17,489	106,227	6.0%
Korea	12,608	14,504	4,084	11,721	6,390	12,148	6,214	13,704	929	853	3,382	201	86,739	4.9%
Ukraine	13,707	16,953	14,996	9,674	6,700	19,759	13,930	18,190	4,276	8,060	7,705	30,825	164,775	9.3%
Spain	1,001	2,581	7,507	9,891	4,810	1,838	16,987	10,331	8,751	4,496	9,267	1,422	78,882	4.5%
Subtotal	53,646	38,225	47,488	43,154	32,330	55,041	50,179	63,591	28,865	18,310	32,476	53,093	516,398	29.2%
United Kingdom	4,368	7,359	7,773	9,121	4,346	3,989	388	5,117	747	263	2,902	226	46,601	2.6%
South Africa	124	9,286	4,528	3,342	-	-	-	-	-	-	-	3,231	20,511	1.2%
Belarus	4,649	6,941	2,644	-	-	15,127	-	22	-	-	-	16,762	46,145	2.6%
UAE	27	3,349	54	8,065	5,189	-	5,447	-	27	-	-	-	22,159	1.3%
Italy	-	9	-	-	-	11,998	-	9,195	11,906	55	11,395	-	44,558	2.5%
Subtotal	9,167	26,945	15,000	20,528	9,535	31,114	5,835	14,335	12,680	318	14,297	20,219	179,973	10.2%
Subject Countries Total	62,813	65,170	62,488	63,682	41,865	86,155	56,014	77,926	41,545	18,629	46,773	73,311	696,371	39.4%
All Others	92,708	82,424	100,631	91,254	98,712	87,261	90,173	90,238	77,517	100,356	80,995	80,806	1,073,075	60.6%
Total	**155,520**	**147,594**	**163,118**	**154,936**	**140,577**	**173,416**	**146,187**	**168,165**	**119,062**	**118,985**	**127,768**	**154,117**	**1,769,446**	**100.0%**

Source: Data compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission; HTS codes 7231.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6085 (removed from HTSUS in January, 2014), 7227.90.6030 (added to HTSUS in January, 2014), and 7227.90.6035 (added to HTSUS in January, 2014).

U.S. Imports of Carbon and Alloy Steel Wire Rod (CASWR) from Italy
March 2016 - April 2017

Quantities in short tons

Country	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total for Mar 2016 to Feb 2017	% of Total	Total for Aug 2016 to Apr 2017	% of Total
Italy	-	9	-		-	11,998	-	9,194	11,905	55	11,395	-	3,283	14,935	62,773	3.4%	62,764	5.4%
Total Imports	137,467	128,077	142,318	133,711	125,303	156,036	130,308	149,674	102,060	101,120	105,836	134,467	174,207	101,788	1,822,374	100.0%	1,155,498	100.0%

Country	Mar-17	Apr-17	% of Total for Mar 2017	% of Total for Apr 2017	% Point Difference
Italy	3,283	14,935	1.9%	14.7%	12.8%
Total Imports	174,207	101,788	100.0%	100.0%	

SOURCE: U.S. Department of Commerce, Enforcement and Compliance. Table last modified on: April 18, 2017, with Licensing data collected through April 18, 2017 and Final Census data compiled through February 2017.

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EXHIBIT 6

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U.S. CASWR Producers' Total Market Sales Trade Data
2014-2016
(Quantity in short tons, Value in $1,000, Average Unit Value ("AUV") in $/ton)

Trade Data:		2014	2015	2016	% Change 2014 - 2016	
Production Capacity	[					]
Production	[					]
Capacity Utilization	[					]
Total U.S. Shipments (Q)	[					]
Total U.S. Shipments (V)	[					]
Total U.S. Shipments (AUV)	[					]
Exports (Q)	[					]
Exports (V)	[					]
Exports (AUV)	[					]
End of Period Inventories	[					]
Number of PRWs	[					]
Hours worked by PRWs (1,000's)	[					]
Wages paid ($1,000's)	[					]

Source: Prod. QRs at II-7 and II-11.

U.S. CASWR Producers' Open Market Sales Financial Data
2014-2016
(Quantity in short tons, Value in $1,000, Average Unit Value ("AUV") in $/ton)

		2014	2015	2016	% Change 2014 - 2016	
Financial Data:						
Net Sales (V)	[					]
Net Sales (AUV)	[					]
Total COGS	[					]
Gross Profit	[					]
SG&A	[					]
Operating Income	[					]
Net Income	[					]
Operating Income (Loss) to Net Sales Ratio	[					]
Net income (Loss) to Net Sales Ratio	[					]
Capital Expenditures	[					]

Source: Prod. QRs at III-9b.

EXHIBIT 7

CASWR Apparent Domestic Consumption and Market Share, Based on Open Market Sales
2014 -2016

	2014	**2015**	**2016**	**% Change 2014 vs. 2016**
Import Volume (in short tons)				
Ukraine	14,625	79,053	161,451	1003.9%
Russia	12,329	6,857	103,322	738.0%
Korea	109,026	128,862	101,970	-6.5%
Turkey	210,096	259,183	98,497	-53.1%
Spain	35,357	78,999	78,711	122.6%
United Kingdom	71,380	45,507	51,642	-27.7%
Belarus	0	9,059	35,381	NA
Italy	346	246	33,163	9484.7%
United Arab Emirates	53	17,889	22,159	41709.4%
South Africa	0	45,605	22,049	NA
Total Subject Imports	**453,212**	**671,260**	**708,345**	**56.3%**
All Others	1,351,078	1,119,904	1,078,941	-20.1%
Total	1,804,290	1,791,164	1,787,286	-0.9%
U.S. Shipments [				]
Apparent U.S. Consumption [				]
Market Share of:				
Imports from Ukraine [				]
Imports from Russia [				]
Imports from Korea [				]
Imports from Turkey [				]
Imports from Spain [				]
Imports from United Kingdom [				]
Imports from Belarus [				]
Imports from Italy [				]
Imports from United Arab Emirates [				]
Imports from South Africa [				]
Total Subject Imports [				]
Imports from All Others [				]
U.S. Producers [				]

Source: Prod. QRs at II-7 and U.S. Department of Commerce.

EXHIBIT 8

Exports of CASWR* from South Africa
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
United States	0	17,488	25,071
Zambia	4,544	4,511	5,408
Kenya	7,372	16,923	4,993
Zimbabwe	3,789	4,768	4,459
Namibia	2,764	2,161	4,361
Swaziland	2,133	4,533	4,117
Botswana	930	1,005	2,081
Tanzania	244	8,609	1,324
Uganda	26,094	11,491	729
Mozambique	1,735	1,317	635
Lesotho	60	142	621
Burundi	-	809	510
Malawi	340	408	354
Rwanda	-	1,256	328
Congo, Dem. Rep.	116	77	154
All Others	*84*	*4,902*	*70*
Total	**50,206**	**80,400**	**55,214**

Value (FOB, USD)

	2014	2015	2016
United States	616	5,078,595	6,353,592
Zambia	2,911,242	2,482,338	2,452,095
Kenya	4,623,027	6,720,050	1,302,920
Zimbabwe	2,640,781	2,324,985	2,091,559
Namibia	2,249,554	1,554,793	2,369,506
Swaziland	2,161,039	2,750,764	2,364,903
Botswana	731,710	611,518	1,193,719
Tanzania	167,378	2,756,712	354,396
Uganda	13,011,359	3,836,391	169,814
Mozambique	1,356,869	1,084,813	551,158
Lesotho	192,479	143,158	386,814
Burundi	-	262,789	118,187
Malawi	232,129	221,071	186,364
Rwanda	-	396,461	76,318
Congo, Dem. Rep.	185,711	127,091	89,670
All Others	*430,666*	*1,415,321*	*105,234*
Total	**30,894,560**	**31,766,850**	**20,166,249**

AUV ($/ST)

	2014	2015	2016
United States	37,255	290	253
Zambia	641	550	453
Kenya	627	397	261
Zimbabwe	697	488	469
Namibia	814	719	543
Swaziland	1,013	607	574
Botswana	787	608	574
Tanzania	685	320	268
Uganda	499	334	233
Mozambique	782	824	869
Lesotho	3,233	1,006	623
Burundi	-	325	232
Malawi	682	542	527
Rwanda	-	316	233
Congo, Dem. Rep.	1,600	1,645	583
All Others	*5,129*	*289*	*1,506*
Total	**615**	**395**	**365**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

Prepared by Georgetown Economic Services, LLC

Exports of CASWR* from Belarus
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
Netherlands	-	45,336	112,617
United States	-	28,869	52,339
Lithuania	5,442	26,846	22,902
Poland	-	27,581	16,459
Belgium	-	10,629	16,220
Canada	-	-	15,321
Hungary	-	5,249	8,624
Germany	43	6,739	7,024
Russia	892	1,578	5,641
Italy	-	6,499	4,888
Romania	-	1,101	4,311
Israel	-	4,206	3,125
Ukraine	-	645	1,162
Slovakia	-	774	1,140
Spain	-	82	861
All Others	*2,319*	*36,948*	*1,557*
Total	**8,696**	**203,081**	**274,191**

Value (FOB, USD)

	2014	2015	2016
Netherlands	-	12,290,000	29,180,200
United States	-	7,916,000	14,078,400
Lithuania	2,814,900	9,496,400	6,095,900
Poland	-	9,500,800	5,236,000
Belgium	-	2,889,200	4,092,600
Canada	-	-	4,171,500
Hungary	-	1,590,000	2,506,000
Germany	24,500	2,092,900	2,049,800
Russia	550,700	580,800	2,092,900
Italy	-	2,249,000	1,455,000
Romania	-	378,900	1,238,100
Israel	-	1,323,400	740,100
Ukraine	-	204,500	363,700
Slovakia	-	292,000	315,600
Spain	-	30,400	280,100
All Others	*1,097,100*	*11,866,600*	*502,300*
Total	**4,487,200**	**62,700,900**	**74,398,200**

AUV ($/ST)

	2014	2015	2016
Netherlands	-	271	259
United States	-	274	269
Lithuania	517	354	266
Poland	-	344	318
Belgium	-	272	252
Canada	-	-	272
Hungary	-	303	291
Germany	565	311	292
Russia	617	368	371
Italy	-	346	298
Romania	-	344	287
Israel	-	315	237
Ukraine	-	317	313
Slovakia	-	377	277
Spain	-	371	325
All Others	*473*	*321*	*323*
Total	**516**	**309**	**271**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

Exports of CASWR* from Italy
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
Austria	113,761	117,645	127,062
Germany	90,533	81,810	121,776
Algeria	397,490	374,015	120,443
Slovenia	54,876	60,561	58,919
France	34,369	31,206	57,562
United States	344	370	47,866
Mexico	-	10	44,205
Slovakia	8,231	12,775	29,573
Spain	9,984	11,174	29,023
Czech Republic	16,828	15,721	27,717
Poland	8,709	14,703	18,265
Bosnia & Herzegovina	9,145	15,987	18,114
Netherlands	430	1,232	15,429
Tunisia	9,641	13,382	14,687
Romania	4,646	6,695	14,025
All Others	*78,160*	*56,003*	*111,436*
Total	**837,147**	**813,291**	**856,100**

Value (FOB, USD)

	2014	2015	2016
Austria	64,618,568	48,038,012	48,215,363
Germany	69,276,390	46,418,342	58,561,329
Algeria	217,767,075	152,698,230	42,260,239
Slovenia	30,429,838	25,707,613	23,322,321
France	29,887,395	21,964,376	31,336,094
United States	530,404	379,871	17,267,544
Mexico	-	5,585	15,961,318
Slovakia	4,843,391	5,131,015	11,310,371
Spain	8,414,941	7,374,148	13,897,120
Czech Republic	9,818,315	6,906,863	10,826,097
Poland	7,386,795	9,378,326	10,237,179
Bosnia & Herzegovina	6,154,527	7,588,881	7,766,124
Netherlands	350,546	563,571	5,917,352
Tunisia	5,332,839	5,602,647	5,415,678
Romania	2,705,798	2,868,378	5,263,276
All Others	*55,287,424*	*32,269,475*	*53,031,605*
Total	**512,804,246**	**372,895,333**	**360,589,010**

AUV ($/ST)

	2014	2015	2016
Austria	568	408	379
Germany	765	567	481
Algeria	548	408	351
Slovenia	555	424	396
France	870	704	544
United States	1,542	1,026	361
Mexico	-	563	361
Slovakia	588	402	382
Spain	843	660	479
Czech Republic	583	439	391
Poland	848	638	560
Bosnia & Herzegovina	673	475	429
Netherlands	815	457	384
Tunisia	553	419	369
Romania	582	428	375
All Others	*707*	*576*	*476*
Total	**613**	**459**	**421**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

Exports of CASWR* from South Korea
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
Vietnam	117,995	128,401	170,374
Malaysia	173,292	129,539	129,571
China	126,277	83,121	117,570
Taiwan	115,100	104,176	111,545
United States	119,885	133,217	105,037
Japan	97,799	110,071	104,282
Thailand	36,402	68,466	82,934
Turkey	20,994	18,937	33,604
India	46,222	44,920	32,625
Slovenia	12,782	15,864	23,344
Colombia	-	26,873	21,964
Indonesia	19,118	11,187	15,559
Belgium	106	11,971	11,926
Mexico	7,223	26,290	11,066
France	3,960	4,049	10,472
All Others	*64,731*	*81,651*	*26,391*
Total	**961,886**	**998,733**	**1,008,264**

Value (FOB, USD)

	2014	2015	2016
Vietnam	73,034,881	66,437,612	76,203,573
Malaysia	100,088,571	62,429,627	52,966,914
China	94,088,918	59,270,156	78,664,473
Taiwan	61,713,772	44,802,749	43,122,128
United States	66,868,962	56,502,313	41,253,383
Japan	60,678,255	53,293,354	49,902,847
Thailand	26,656,500	34,521,477	36,907,219
Turkey	12,831,207	9,024,000	15,248,778
India	29,133,892	22,389,028	15,954,320
Slovenia	9,402,435	8,951,172	12,472,804
Colombia	-	8,345,097	6,919,215
Indonesia	12,937,005	7,028,246	8,771,017
Belgium	74,943	3,693,847	3,599,462
Mexico	4,695,994	12,431,705	4,931,016
France	2,742,389	1,801,667	4,159,839
All Others	*42,378,785*	*41,166,117*	*10,772,715*
Total	**597,326,509**	**492,088,167**	**461,849,703**

AUV ($/ST)

	2014	2015	2016
Vietnam	619	517	447
Malaysia	578	482	409
China	745	713	669
Taiwan	536	430	387
United States	558	424	393
Japan	620	484	479
Thailand	732	504	445
Turkey	611	477	454
India	630	498	489
Slovenia	736	564	534
Colombia	-	311	315
Indonesia	677	628	564
Belgium	704	309	302
Mexico	650	473	446
France	693	445	397
All Others	*655*	*504*	*408*
Total	**621**	**493**	**458**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

Exports of CASWR* from Russia
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
Taiwan	82,238	67,355	126,373
Belgium	47	5,417	109,605
Lithuania	85,138	100,233	102,409
Kazakhstan	111,443	114,413	101,419
United States	12,723	8,825	95,309
Uzbekistan	67,517	66,393	59,267
Netherlands	-	-	55,708
Ukraine	27,004	21,240	37,205
Spain	-	13,399	34,386
Italy	20,326	39,008	33,261
Azerbaijan	48,024	40,133	29,602
Egypt	-	9,066	29,162
Belarus	14,304	20,896	28,998
Turkmenistan	58,781	33,764	24,148
Tunisia	-	1,725	21,647
All Others	*94,327*	*124,601*	*173,716*
Total	**621,871**	**666,468**	**1,062,214**

Value (FOB, USD)

	2014	2015	2016
Taiwan	37,311,972	21,474,049	35,626,571
Belgium	23,996	1,888,209	38,160,978
Lithuania	41,034,506	36,383,989	31,529,080
Kazakhstan	57,440,156	37,299,703	31,884,668
United States	6,084,593	2,520,025	28,662,832
Uzbekistan	37,996,338	24,328,059	21,322,217
Netherlands	-	-	15,367,866
Ukraine	12,971,208	7,551,114	11,427,210
Spain	-	4,073,191	10,605,534
Italy	10,186,742	13,656,321	9,533,806
Azerbaijan	26,224,210	15,134,147	10,006,497
Egypt	-	2,656,443	7,707,995
Belarus	7,856,324	7,833,363	10,878,410
Turkmenistan	31,284,230	12,712,332	7,342,529
Tunisia	-	545,488	6,372,871
All Others	*45,960,127*	*42,730,700*	*53,771,994*
Total	**314,374,402**	**230,787,133**	**330,201,058**

AUV ($/ST)

	2014	2015	2016
Taiwan	454	319	282
Belgium	506	349	348
Lithuania	482	363	308
Kazakhstan	515	326	314
United States	478	286	301
Uzbekistan	563	366	360
Netherlands	-	-	276
Ukraine	480	356	307
Spain	-	304	308
Italy	501	350	287
Azerbaijan	546	377	338
Egypt	-	293	264
Belarus	549	375	375
Turkmenistan	532	377	304
Tunisia	-	316	294
All Others	*487*	*343*	*310*
Total	**506**	**346**	**311**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

Prepared by Georgetown Economic Services, LLC

Exports of CASWR* from Spain
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
France	128,922	134,482	227,594
Turkey	205,377	220,866	210,226
Italy	107,723	135,757	100,870
United States	62,456	84,164	88,355
Portugal	89,733	74,200	72,435
Germany	90,200	75,953	57,868
Algeria	83,478	43,140	12,576
United Kingdom	23,086	20,699	10,069
Netherlands	1,403	11,538	8,555
Belgium	17,318	13,971	8,095
Mexico	3,514	9,673	5,325
Taiwan	1,603	627	4,493
Iran	-	1,103	3,631
Morocco	11	10,615	3,330
Sweden	3,651	3,305	2,920
All Others	*52,657*	*13,065*	*6,771*
Total	**871,132**	**853,157**	**823,114**

Value (FOB, USD)

	2014	2015	2016
France	94,006,210	74,434,837	108,042,433
Turkey	121,968,411	102,712,758	87,581,467
Italy	71,850,749	69,038,508	46,528,447
United States	39,194,184	45,156,447	42,249,326
Portugal	54,747,215	33,359,440	30,198,834
Germany	77,363,645	54,344,597	36,915,471
Algeria	46,537,034	18,190,312	4,157,539
United Kingdom	15,680,663	10,185,362	5,407,850
Netherlands	1,393,912	9,751,102	6,490,358
Belgium	10,369,190	5,845,849	3,573,241
Mexico	2,345,717	6,037,760	3,265,638
Taiwan	891,399	273,850	1,912,957
Iran	-	497,859	2,084,179
Morocco	31,648	3,380,970	1,083,870
Sweden	3,600,091	2,764,560	2,270,221
All Others	*38,028,932*	*7,648,892*	*3,672,703*
Total	**578,009,000**	**443,623,103**	**385,434,534**

AUV ($/ST)

	2014	2015	2016
France	729	553	475
Turkey	594	465	417
Italy	667	509	461
United States	628	537	478
Portugal	610	450	417
Germany	858	716	638
Algeria	557	422	331
United Kingdom	679	492	537
Netherlands	993	845	759
Belgium	599	418	441
Mexico	668	624	613
Taiwan	556	437	426
Iran	-	451	574
Morocco	2,871	319	325
Sweden	986	837	777
All Others	*722*	*585*	*542*
Total	**664**	**520**	**468**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

Prepared by Georgetown Economic Services, LLC

Exports of CASWR* from Turkey
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
Egypt	15,972	79,275	138,327
United States	291,406	217,440	88,949
Netherlands	1	-	73,486
Morocco	62,322	19,104	49,042
Libya	74,281	42,138	48,831
Spain	25,884	34,551	45,650
Iraq	43,487	30,239	32,967
Portugal	149	149	29,715
Israel	3,065	13,300	28,777
Italy	59,936	39,647	21,240
Saudi Arabia	917	83	20,644
Romania	17,693	20,505	19,030
Jordan	4,480	3,610	18,896
France	1,788	3,428	18,508
Bulgaria	2,293	559	12,376
All Others	*127,928*	*60,616*	*100,842*
Total	**731,601**	**564,645**	**747,279**

Value (FOB, USD)

	2014	2015	2016
Egypt	7,906,337	27,988,256	45,652,495
United States	152,402,284	85,018,786	32,012,122
Netherlands	539	-	28,308,571
Morocco	32,956,476	7,627,519	17,371,844
Libya	40,078,572	17,135,509	17,058,233
Spain	13,434,645	12,266,078	17,132,884
Iraq	23,767,833	11,830,737	11,714,178
Portugal	94,512	69,190	11,103,099
Israel	1,678,100	5,193,391	10,254,508
Italy	34,092,360	16,933,226	7,569,900
Saudi Arabia	589,852	45,676	7,701,171
Romania	9,744,566	8,349,076	7,189,667
Jordan	2,298,226	1,196,782	6,733,857
France	958,246	1,262,372	7,076,525
Bulgaria	1,164,643	210,645	4,293,401
All Others	*69,557,106*	*24,228,285*	*37,042,673*
Total	**390,724,297**	**219,355,528**	**268,215,128**

AUV ($/ST)

	2014	2015	2016
Egypt	495	353	330
United States	523	391	360
Netherlands	978	-	385
Morocco	529	399	354
Libya	540	407	349
Spain	519	355	375
Iraq	547	391	355
Portugal	636	465	374
Israel	547	390	356
Italy	569	427	356
Saudi Arabia	643	548	373
Romania	551	407	378
Jordan	513	332	356
France	536	368	382
Bulgaria	508	377	347
All Others	*544*	*400*	*367*
Total	**534**	**388**	**359**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

Prepared by Georgetown Economic Services, LLC

Exports of CASWR* from Ukraine
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
Israel	180,765	143,612	171,015
United States	21,153	99,218	141,620
Netherlands	71	35,053	128,872
Romania	91,717	86,150	126,898
Egypt	29,529	19,386	112,316
Poland	74,176	50,061	104,874
Senegal	73,020	83,998	76,265
Bulgaria	59,271	82,356	75,739
Colombia	136	21,661	58,910
Italy	46,414	83,876	44,554
Turkey	188,687	113,825	42,072
Serbia	17,384	17,605	32,859
Spain	-	22,101	32,088
Greece	32,802	31,821	24,642
Georgia	19,052	17,756	10,805
All Others	*405,459*	*253,489*	*114,768*
Total	**1,239,634**	**1,161,967**	**1,298,297**

Value (FOB, USD)

	2014	2015	2016
Israel	86,711,173	52,240,411	54,048,275
United States	10,690,049	36,863,874	46,168,481
Netherlands	33,575	12,035,272	43,547,916
Romania	46,284,471	33,720,171	43,567,545
Egypt	14,434,135	6,309,193	35,577,436
Poland	38,350,216	17,426,874	35,528,930
Senegal	36,314,002	31,000,631	24,874,446
Bulgaria	28,608,409	30,148,254	24,118,257
Colombia	66,086	7,228,288	17,646,277
Italy	22,545,066	29,812,155	12,915,557
Turkey	91,937,032	40,178,488	11,404,030
Serbia	8,639,640	6,508,667	10,715,095
Spain	-	7,643,288	9,947,722
Greece	16,133,149	11,072,637	7,775,481
Georgia	9,960,355	6,569,630	3,576,143
All Others	*197,477,200*	*90,942,466*	*36,112,250*
Total	**608,184,558**	**419,700,299**	**417,523,841**

AUV ($/ST)

	2014	2015	2016
Israel	480	364	316
United States	505	372	326
Netherlands	476	343	338
Romania	505	391	343
Egypt	489	325	317
Poland	517	348	339
Senegal	497	369	326
Bulgaria	483	366	318
Colombia	485	334	300
Italy	486	355	290
Turkey	487	353	271
Serbia	497	370	326
Spain	-	346	310
Greece	492	348	316
Georgia	523	370	331
All Others	*487*	*359*	*315*
Total	**491**	**361**	**322**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

MIRRORED Exports of CASWR* from the United Arab Emirates
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
Qatar	56,762	92,876	119,249
Malaysia	33,008	6,330	52,329
United States	53	17,889	22,159
Taiwan	2,755	2,274	15,435
India	1,922	9,386	12,867
Mexico	-	-	10,930
Sri Lanka	27,135	761	8,341
Iran	42,504	99,314	2,918
Thailand	-	-	2,564
Pakistan	5,415	1,387	917
Italy	-	-	247
Indonesia	1,314	580	164
Senegal	-	1	55
Austria	-	-	45
France	2	7	29
All Others	*4,084*	*4,073*	*89*
Total	**174,953**	**234,877**	**248,337**

Value (FOB, USD)

	2014	2015	2016
Qatar	34,946,676	41,844,251	23,603,776
Malaysia	17,650,187	2,792,443	18,578,211
United States	34,262	6,017,609	7,017,765
Taiwan	1,471,209	905,880	5,828,226
India	1,043,880	4,077,785	5,160,932
Mexico	-	-	3,569,485
Sri Lanka	14,776,960	309,771	2,916,538
Iran	23,941,191	42,343,640	1,147,976
Thailand	-	-	1,008,515
Pakistan	3,661,164	1,147,350	702,198
Italy	-	-	114,803
Indonesia	638,461	244,074	63,125
Senegal	-	344	15,599
Austria	-	-	43,995
France	5,032	2,956	13,713
All Others	*2,361,156*	*2,656,801*	*38,956*
Total	**100,530,178**	**102,342,904**	**69,823,813**

AUV ($/ST)

	2014	2015	2016
Qatar	616	451	198
Malaysia	535	441	355
United States	651	336	317
Taiwan	534	398	378
India	543	434	401
Mexico	-	-	327
Sri Lanka	545	407	350
Iran	563	426	393
Thailand	-	-	393
Pakistan	676	827	766
Italy	-	-	465
Indonesia	486	421	386
Senegal	-	670	285
Austria	-	-	973
France	2,282	447	478
All Others	*578*	*652*	*436*
Total	**575**	**436**	**281**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**Calculated from partner country reported imports. Consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

Exports of CASWR* from the United Kingdom
Annual 2014 - 2016

Quantity (short tons)

	2014	2015	2016
Belgium	100,267	122,428	102,499
Germany	62,415	74,364	92,430
Italy	75,581	91,509	60,035
United States	72,661	49,712	49,645
Sweden	47,705	45,726	37,943
Turkey	40,642	35,803	29,396
Poland	20,475	29,746	27,392
France	37,905	24,255	25,713
Taiwan	19,671	10,686	23,386
Spain	23,836	21,335	19,843
Ireland	13,633	18,959	15,986
Czech Republic	17,719	14,010	12,586
Netherlands	3,257	12,959	10,232
Hungary	6,395	7,897	8,212
Slovakia	11,798	2,955	7,937
All Others	*54,891*	*54,899*	*35,080*
Total	**608,852**	**617,245**	**558,314**

Value (FOB, USD)

	2014	2015	2016
Belgium	61,985,225	54,044,271	42,580,014
Germany	43,682,297	39,452,214	41,789,169
Italy	51,351,909	48,927,976	27,414,492
United States	44,491,768	29,192,649	23,946,488
Sweden	29,860,278	22,811,862	16,863,276
Turkey	27,472,791	18,109,330	13,526,047
Poland	14,067,500	14,952,801	12,523,373
France	24,759,901	12,289,311	11,021,979
Taiwan	11,120,737	4,826,785	8,604,241
Spain	17,966,924	12,483,364	9,714,072
Ireland	7,913,125	7,749,918	6,306,281
Czech Republic	12,934,555	7,402,590	5,920,452
Netherlands	1,818,896	4,777,967	3,997,524
Hungary	5,241,784	4,941,135	4,838,911
Slovakia	8,113,714	1,431,536	3,801,013
All Others	*35,949,356*	*30,247,983*	*17,928,036*
Total	**398,730,760**	**313,641,692**	**250,775,368**

AUV ($/ST)

	2014	2015	2016
Belgium	618	441	415
Germany	700	531	452
Italy	679	535	457
United States	612	587	482
Sweden	626	499	444
Turkey	676	506	460
Poland	687	503	457
France	653	507	429
Taiwan	565	452	368
Spain	754	585	490
Ireland	580	409	394
Czech Republic	730	528	470
Netherlands	558	369	391
Hungary	820	626	589
Slovakia	688	484	479
All Others	*655*	*551*	*511*
Total	**655**	**508**	**449**

Source: IHS Global Trade Atlas (retrieved 4-17-17)
**consisting of HS codes 7213.91, 7213.99, 7227.20, and 7227.90.*

EXHIBIT 9

Summary of Third Country Barriers on Carbon and Alloy Steel Wire Rod From Subject Countries

Supporting Articles	Export Market	Existing Import Barrier	Covered Products	Export Country Tariff Subheadings (if available)	Subject Country
1	**[ ]**	**[ ]**	**[ ]**		**[ ]**
2	**[ ]**	**[ ]**	**[ ]**		**[ ]**

Supporting Articles	**Export Market**	**Existing Import Barrier**	**Covered Products**	**Export Country Tariff Subheadings (if available)**	**Subject Country**
3	Chile	Safeguard Measure imposed Apr. 22, 2016 – 38.9% duty	Steel wire rod	7213.20.00 7213.91.10 7213.91.20 7213.91.90 7227.10.00 7227.20.00 7227.90.00	Belarus Italy Korea Russia South Africa Spain Turkey Ukraine United Arab Emirates United Kingdom *Unless self-identifying as a Developing Country WTO Member and whose imports are less than 3% of Chile's steel wire rod imports*

Supporting Articles	Export Market	Existing Import Barrier	Covered Products	Export Country Tariff Subheadings (if available)	Subject Country
4	Eurasian Economic Commission (Russia, Kazakhstan, Belarus, Armenia, and Kyrgyzstan)	AD Order since Mar. 29, 2016	Bars and rods	7213.10.0000 7213.91.1000 7213.91.4100 7213.91.4900 7213.91.7000 7213.91.9000 7213.99.1000 7213.99.9000 7214.20.0000 7214.99.1000 7214.99.3900 7214.99.7900 7227.20.0000 7227.90.1000 7227.90.9500 7228.20.9100 7228.20.9900 7228.30.6900 7228.30.8900 7228.60.8000	Ukraine

Supporting Articles	Export Market	Existing Import Barrier	Covered Products	Export Country Tariff Subheadings (if available)	Subject Country
5	India	Import Duties increased to 10%	Long products		Belarus Italy Korea Russia South Africa Spain Turkey Ukraine United Arab Emirates United Kingdom
6	Indonesia	Safeguard Measure imposed Aug. 11, 2015 as follows: Aug. 2015-Aug. 2016: 14.5% Aug. 2016-Aug. 2017: 10% Aug. 2017-Aug. 2018: 5.5%	Bars and rods, hot-rolled, in irregularity wound coils, of iron or non-alloy steel or of other alloy steel	7213.91.1000 7213.91.2000 7213.91.9000 7213.99.1000 7213.99.2000 7213.99.9000 7227.90.0000	Belarus Italy Spain United Kingdom

Supporting Articles	**Export Market**	**Existing Import Barrier**	**Covered Products**	**Export Country Tariff Subheadings (if available)**	**Subject Country**
6	Indonesia	**[ ]**	**[ ]**		**[ ]**
7	**[ ]**	**[ ]**	**[ ]**		**[ ]**
8	Malaysia	AD Order since Feb. 20, 2013	Steel wire rod		Korea

Supporting Articles	**Export Market**	**Existing Import Barrier**	**Covered Products**	**Export Country Tariff Subheadings (if available)**	**Subject Country**
8	Malaysia	Provisional Safeguard Measure – 13.90% duty	Steel wire rod and deformed bar in coil	7213.10.000 7213.91.000 7213.99.000 7227.90.000	Belarus Italy Korea Russia South Africa Spain Turkey Ukraine United Arab Emirates United Kingdom *Unless self-identifying as a Developing Country WTO Member; Korea not excluded*

Supporting Articles	**Export Market**	**Existing Import Barrier**	**Covered Products**	**Export Country Tariff Subheadings (if available)**	**Subject Country**
8	Malaysia	**[ ]**	**[ ]**	7213.10.000 7213.20.000 7213.91.000 7213.99.000 7214.10.210 7214.10.290 7214.10.910 7214.20.210 7214.20.290 7214.20.910 7214.30.100 7214.30.900 7214.91.200 7214.99.210 7214.99.290 7214.99.910	**[ ]**
9	Mexico	AD Order since Sept. 19, 2000	Bars and rods of iron or non-alloy steel	7213.9101 7213.9102 7213.9901 7213.9999	Ukraine

Supporting Articles	Export Market	Existing Import Barrier	Covered Products	Export Country Tariff Subheadings (if available)	Subject Country
9	Mexico	**[ ]**	**[ ]**		**[ ]**
9	Mexico	**[ ]**	**[ ]**	**[ ]**	**[ ]**
10	Morocco	Safeguard Measure imposed Mar. 21, 2015	Wire rods and reinforcing bars	7213.91.9900 7214.20.9000 7214.99.9100	Belarus Russia Spain Turkey Ukraine United Kingdom

Supporting Articles	**Export Market**	**Existing Import Barrier**	**Covered Products**	**Export Country Tariff Subheadings (if available)**	**Subject Country**
11	Pakistan	**[ ]**	**[ ]**		**[ ]**
12	**[ ]**	**[ ]**	**[ ]**		**[ ]**

Supporting Articles	Export Market	Existing Import Barrier	Covered Products	Export Country Tariff Subheadings (if available)	Subject Country
13	**[ ]**	**[ ]**	**[ ]**		**[ ]**
14	**[ ]**	**[ ]**	**[ ]**		Russia
15	Vietnam	Safeguard Measure since Aug. 2, 2016	Certain semi-finished and finished products of alloy and non-alloy steel, including rods of iron or non-alloy steel	7207.11.00 7207.19.00 7207.20.29 7207.20.99 7224.90.00 7213.10.00 7213.91.20 7214.20.31 7214.20.41 7227.90.00 7228.30.10 9811.00.00	Italy Korea Russia Spain United Arab Emirates United Kingdom

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3. Chile

WORLD TRADE ORGANIZATION

G/SG/N/6/CHL/16
G/SG/N/7/CHL/12
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8 October 2015

(15-5255)

Page: 1/4

Committee on Safeguards

Original: Spanish

NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON SAFEGUARDS ON INITIATION OF AN INVESTIGATION AND THE REASONS FOR IT

NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT ON SAFEGUARDS BEFORE TAKING A PROVISIONAL SAFEGUARD MEASURE REFERRED TO IN ARTICLE 6

NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2, OF THE AGREEMENT ON SAFEGUARDS

CHILE

(Steel Wire Rod)

The following communication, dated 7 October 2015, is being circulated at the request of the delegation of Chile.

A. NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON SAFEGUARDS ON INITIATION OF AN INVESTIGATION AND THE REASONS FOR IT

1. Date when the investigation was initiated

The National Commission responsible for investigating the existence of distortions in the price of imported goods decided to initiate the investigation, and this decision was published in the Official Journal on 5 October 2015.[1]

2. Product subject to the investigation

The product subject to the proposed provisional safeguard is steel wire rod. The product is classified under tariff subheadings 72132000, 72139110, 72139120, 72139190, 72271000, 72272000 and 72279000 of Chile's customs tariff.

The domestic industry is made up of steel wire rod producers, inasmuch as it is observed from the preliminary information available that the steel wire rod produced in Chile is like or directly competitive with imported steel wire rod, since both products have the same physical and technical characteristics, are of the same quality and have the same end-use, and the prices of imported steel wire rod have determined the prices of domestic steel wire rod.

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[1] A copy of the decision, as published in the Official Journal, was submitted (in original language only) in electronic form. To view this document, please contact Ms Budd (hilary.budd@wto.org) or Ms Richards (anne.richards@wto.org) of the Rules Division.

3. Reasons for initiation of the investigation

With the information available, it was determined that the serious injury sustained by the domestic industry had been caused, on the one hand, by a sharp drop in import prices, which had had a major impact on the domestic industry's selling price and, consequently, its margins, and, on the other hand, by the dramatic increase in imports in recent years, which had led to a loss of sales volume and market share for domestic production.

Accordingly, it was established that there was sufficient evidence to justify the initiation of the investigation in order to determine whether or not a safeguard measure should be applied.

B. NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT ON SAFEGUARDS BEFORE TAKING A PROVISIONAL SAFEGUARD MEASURE

1. Product subject to the proposed provisional safeguard measure

The product subject to the proposed provisional safeguard measure is steel wire rod classified under tariff subheadings 72132000, 72139110, 72139120, 72139190, 72271000, 72272000 and 72279000 of Chile's customs tariff.

The domestic industry is made up of producers of steel wire rod.

2. Proposed provisional safeguard measure

The National Commission responsible for investigating distortions in the price of imported goods recommended the imposition of a provisional safeguard of 37.8% on imports of steel wire rod classified under tariff subheadings 72132000, 72139110, 72139120, 72139190, 72271000, 72272000 and 72279000 of Chile's customs tariff.

3. Entry into force of the proposed provisional safeguard measure

It is proposed that the provisional safeguard measure enter into force upon publication in the Official Journal.

4. Expected duration of the provisional safeguard measure

The provisional safeguard measure would be applied for a period of up to 200 days from the date of publication in the Official Journal.

5. The basis for:

(a) Making a preliminary determination, as provided for in Article 6 of the Agreement on Safeguards, that increased imports have caused or are threatening to cause serious injury:

The Commission responsible for investigating the existence of distortions in the price of imported goods decided to recommend the application of a provisional safeguard of 37.8% on imports of steel wire rod, since it considered that the available facts supported a finding of critical circumstances for the domestic industry which, in the absence of immediate protection, would face injury that was difficult to repair.

Increased imports

Imports of wire rod in the period January-September 2015 amounted to 64,569 tonnes, an increase of 33.6% in relation to the same period in 2014. This increase was preceded by a decrease of 40.1% in 2014/2013 and increases of 113.8% in 2013/2012 and 233.1% in 2012/2011.

In the period January-July 2015, the ratio of imports to domestic production of wire rod grew by 16.6% in relation to the same period in 2014, as a result of the fall in domestic production and the increase in imports in that period. This ratio had fallen by 44.1% in 2014/2013 and increased by 188.8% in 2013/2012 and 252.1% in 2012/2011.

The analysis found that imports of the product concerned increased considerably during that period.

Serious injury

In order to make a preliminary determination of serious injury to the domestic industry producing like or directly competitive products, an evaluation of all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry has been undertaken.

1. Apparent consumption and market share

In the period January-July 2015, the apparent consumption of wire rod grew by 8.2% in relation to the same period in 2014. In 2014, domestic apparent consumption fell by 20.9%. In 2013, apparent consumption remained more or less steady, while in 2012 it increased by 15.9%. In the period January-July 2015, the share of imports in apparent consumption rose by 1.0% in relation to the share in the same period in 2014. In 2014, this share fell by 24.2% in relation to 2013, while in 2013/2012 it rose by 114.1% and in 2012/2011, by 187.5%.

2. Domestic price

In the period January-July 2015, the average domestic price of wire rod in Chile fell by 3.8% in pesos, 6.9% in UF (*unidades de fomento* - Chilean inflation-indexed monetary units) and 12.3% in dollars, in relation to the average prices recorded in 2014. When comparing July 2015 to January 2015, decreases of 12.0%, 13.5% and 15.9% can be observed in pesos, UF and dollars, respectively.

The coefficient of correlation between the price for domestic wire rod and import prices was 0.80 for the period January 2011-July 2015.

3. Production costs

Since 2012, there has been a steady drop in production costs per tonne of wire rod. These costs fell by 35.3% between 2011 and July 2015. In the period January-June 2015, total production costs fell by 11.9% in relation to 2014, due primarily to a drop in the cost of raw materials and some indirect costs.

4. Margins

The profit margin for wire rod has been negative for all the years in which CAP Acero provided data (2011 to July 2015).

5. Production

Between 2011 and 2014, domestic production decreased by 24.9%. In the period January-July 2015, production fell by 6.3% in relation to the same period in 2014.

6. Sales

Between 2011 and 2014, sales to the domestic market fell by 25.6%. In the period January-July 2015, production fell by 4.0% in relation to the same period in 2014.

7. Installed capacity

In 2014, capacity utilization increased by 20.1%, reversing the decline of 30.1% recorded in 2013 and 6.2% recorded in 2012.

8. Employment

In the period January-June 2015, employment in the production of wire rod fell by 2.8% in relation to 2014. Between 2014 and 2013, employment fell by 13.7%.

9. Productivity

In 2014, productivity, measured in tonnes of wire rod produced per worker employed, increased by 39.4% in relation to the previous year. In both 2013 and 2012, however, productivity fell by 32.5% and 8.4%, respectively.

Conclusion

Since 2014, there has been a significant increase in imports of the product concerned, in both absolute and relative terms, which has led to a deterioration in domestic industry indicators, as shown by the decline in market share, the fall in price, and operating losses.

Causation

For the above-mentioned reasons, the preliminary conclusion is that there is a causal link between the significant increase in imports at decreasing prices and the serious injury sustained by the domestic industry.

(b) Determining the existence of critical circumstances where delay would cause damage which it would be difficult to repair

It has been determined that critical circumstances exist in which delay in applying a measure to contain or eliminate the injury would cause damage which it would be difficult to repair.

As indicated above, the serious injury sustained by the domestic industry has worsened in 2015 with the ever-increasing volume of imports at low prices. Given the rate of increase of imports and the situation of the domestic industry, it is considered that the latter will sustain damage, which will be difficult to repair, in the absence of a provisional safeguard measure.

6. Offer of consultations under Article 12.4

In accordance with Article 12.4 of the Agreement on Safeguards, Chile is prepared to hold consultations on the provisional safeguard measure, once the measure has been taken, with those Members having a substantial interest as exporters of the subject product.

C. NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2 OF THE AGREEMENT ON SAFEGUARDS, FOLLOWING THE DECISION NOT TO APPLY THE PROVISIONAL SAFEGUARD MEASURE TO CERTAIN PRODUCTS ORIGINATING IN DEVELOPING COUNTRIES

Developing countries exempted from the safeguard measure

Imports from developing country Members will not be subject to the proposed provisional safeguard measure provided that each Member's imports do not exceed 3% of total imports into Chile and that Members with less than 3% import share collectively account for not more than 9% of total imports into Chile.

Correspondence intended for the competent authority should be sent to the Technical Secretariat of the National Commission responsible for investigating the existence of distortions in the price of imported goods, at the following address:

Morandé 115, piso 1
Santiago - Chile
Tel:+56 2 2670 2564

WORLD TRADE ORGANIZATION

G/SG/N/8/CHL/7
G/SG/N/10/CHL/9
G/SG/N/11/CHL/10

12 April 2016

(16-2036)

Committee on Safeguards

Original: Spanish

NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON SAFEGUARDS ON FINDING SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

NOTIFICATION PURSUANT TO ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS

NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2, OF THE AGREEMENT ON SAFEGUARDS

CHILE

(Steel Wire Rod)

The following communication, dated 8 April 2016, is being circulated at the request of the delegation of Chile.

The Republic of Chile submits herewith to the Committee on Safeguards:

a. a notification under Article 12.1(b) of the Agreement on Safeguards of a finding of a serious injury or threat thereof caused by increased imports of steel wire rod;

b. a notification pursuant to Article 12.1(c) of the Agreement on Safeguards of a recommendation on the application of a safeguard measure to imports of steel wire rod.

c. a notification pursuant to Article 9, footnote 2, of the Agreement on Safeguards, of the decision not to apply the measure to products originating in developing countries.

(1) Increased imports of steel wire rod

Imports of steel wire rod in the period January-July 2015 amounted to 36,036.3 tonnes, an increase of 9.7% compared with the same period in 2014. This rise was preceded by a decline of 40.3% in 2014/2013 and increases of 114.1% in 2013/2012 and 246.1% in 2012/2011.

The ratio of imports to production grew by 466.2% between 2011 and 2014, and by 22.8% in the period January-July 2015 compared with the same period in 2014. In 2014, the ratio fell by 48.9% in relation to 2013, but had risen in 2013 and 2012 by 203.0% and 265.8% respectively.

Table 1: Imports in tonnes

	Imports (tonnes)
2011	13,254.5
2012	45,872.9
2013	98,230.5
2014	58,656.6
Jan-Jul 2014	36,036.3
Jan-Jul 2015	39,535.8

Table 2: Annual rate of variation in the ratio imports/production[1]

	Variation imports/production
Var. % 12/11	265.8%
Var. % 13/12	203.0%
Var. % 14/13	-48.9%
Var. % Jan-Jul 15/14	22.8%

(2) Unforeseen developments

The unforeseen developments that explain the sudden increase in imports are as follows:

i. the current mismatch between the global supply of and demand for steel, which is largely due to a greater-than-expected slowdown in the Chinese economy in 2015;

ii. the measures recently imposed on imports of Chinese steel wire rods in other markets, which has diverted trade towards countries that have not adopted protection measures, such as Chile; and,

iii. the application of anti-distortion measures that restrict exports of Chinese rebar which share installed capacity with steel production, thus affecting the global supply of wire rod.

(3) Evidence of serious injury or threat thereof caused by increased imports

Following an evaluation of the overall position of the Domestic Industry (DI), in light of the relevant factors outlined below, it has been concluded that serious injury exists and that the increased imports of the product in question continue to represent a threat of serious injury for the DI. Such a threat stems from the risk that the enterprise manufacturing the product concerned may have to close if it fails to achieve the minimum technical levels of utilization required in order to operate.

Domestic prices

During the period January-July 2015, the average price of domestic wire rod in Chile fell by 3.9% in pesos and 12.2% in dollars, compared with the average prices recorded in 2014. In 2014, the average price increased by 4.2% in pesos and fell by 9.9% in dollars compared with 2013, while in 2013 average prices fell by 9.7% and 10.8%, in pesos and dollars, respectively, in relation to 2012.

Table 3: Variations in domestic prices

	Domestic prices	
	Pesos	**US$**
Var. % 12/11	-4.4%	-5.0%
Var. % 13/12	-9.7%	-10.8%
Var. % 14/13	4.2%	-9.9%
Var. % Jan-Jul 15/14	-3.9%	-12.2%

Share of imports and production in apparent consumption

In 2012, the share of imports in apparent consumption rose by 197.9% in relation to 2011, while in 2013 it rose by 120.5% in relation to the previous year. This growth was characterized mainly by an increase in imports, since production decreased during these periods. In 2014, the share of imports in apparent consumption fell by 30.2% compared with 2013. In the period January-July 2015, the share of imports in apparent consumption grew by 4.2% in relation to the same period in 2014.

[1] Data on production is confidential and therefore the annual rate of variation in the ratio imports/production is shown.

Opposing trends have been observed in the share of production in apparent consumption, which fell by 18.6% and 27.2% in 2012/2011 and 2013/2012, respectively, and which then increased at an annual rate of 36.6% in 2014. In the period January-July 2015, the share declined by 15.1% compared with the same period in 2014.

Table 4: Variation in the ratio imports/apparent consumption

	Variation imports/ apparent consumption
Var. % 12/11	197.9%
Var. % 13/12	120.5%
Var. % 14/13	-30.2%
Var. % Jan-Jul 15/14	4.2%

Table 5: Variation in the ratio production[2] /apparent consumption

	Variation production/ apparent consumption
Var. % 12/11	-18.6%
Var. % 13/12	-27.2%
Var. % 14/13	36.6%
Var. % Jan-Jul 15/14	-15.1%

Production

Production in 2012 and 2013 fell at an annual rate of 5.4% and 29.3%, respectively. In 2014, production increased by 16.9% compared with 2013, but did not return to the levels recorded in previous years. In the period January-July 2015, production decreased by 10.7% compared with the same period in 2014.

Table 6: Production index[3]

	Production index
2011	100.0
2012	94.6
2013	66.9
2014	78.2
Jan-Jul 2014	46.0
Jan-Jul 2015	41.1

Domestic sales

Domestic sales shows trends that are very similar to those described in the section on production. In 2012 and 2013, domestic sales declined by 3.5% and 35.8%, respectively, but grew by 18.4% in 2014. In the period January-July 2015, they dropped by 2.8% compared with the same period in 2014.

Table 7: Domestic sales index[4]

	Domestic sales index
2011	100.0
2012	96.5
2013	62.0
2014	73.4
Jan-Jul 2014	44.6
Jan-Jul 2015	43.3

[2] Based on production estimated by CAP (Pacific Steel Company) for 2011 and 2012, and for 2013 onwards, on production reported by CAP and Gerdau (sole producers in Chile).

[3] 2011 and 2012: estimated by CAP; 2013 onwards: using production reported by CAP and Gerdau (sole producers in Chile).

[4] 2011 and 2012: estimated by CAP; 2013 onwards: using sales reported by CAP and Gerdau (sole producers in Chile).

Utilization of installed capacity

In the period January-July 2015, the utilization of installed capacity in Chile for domestic wire rod decreased by 6.8%, compared with 2014. In 2014, it increased by 20.3% compared with 2013, and fell in 2013 and 2012 at an annual rate of 30.1% and 6.2%, respectively.

Table 8: Variation in the utilization of installed capacity

	Variation utilization installed capacity
Var. % 12/11	-6.2%
Var. % 13/12	-30.1%
Var. % 14/13	20.3%
Var. % Jan-Jul 15/14	-6.8%

Financial losses

The profit margin for CAP Acero was negative for the period 2011-July 2015. Although it improved from 2013 onwards, it has remained at levels similar to those reached in 2011. Gerdau, however, recorded positive yet decreasing margins for the period 2013-August 2015.

Employment

In 2012 and 2013, employment increased by 2.4% and 3.5%, respectively. In 2014, the trend changed and employment fell by 13.8% compared with 2013. This trend was confirmed in mid-2015 when employment dropped by 2.8% compared with 2014.

Table 9: CAP employment index for steel wire rod

	CAP employment index for wire rod
2011	100.0
2012	102.4
2013	106.0
2014	91.4
2015 (until June)	88.8

Productivity

According to the available data, productivity per worker fell by 8.4% in 2012, and then by 32.4% in 2013. In 2014, it improved by 39.3%, but decreased by 2.7% in mid-2015, compared with 2014.

Table 10: CAP index of productivity per worker employed in wire rod production

	CAP index of productivity per worker employed in wire rod production
2011	100.0
2012	91.6
2013	61.9
2014	86.2
Jan-Jul 2015*	83.9

* Based on the assumption that the number of workers employed in July is the same as that in the period January-July.

(4) Product subject to the proposed final safeguard measure

Steel wire rod, excluding imports of cold heading quality (CHQ) steel wire rod and alloy steel bars for construction.

(5) Harmonized System numbers under which the product enters at least at a 6-digit HS level, and at a national level

Chilean Harmonized System (SACH) numbers 7213.2000, 7213.9110, 7213.9120, 7213.9190, 7227.1000, 7227.2000 and 7227.9000.

(6) If the final measure replaces a provisional measure, or if a final measure is extended, a Member is encouraged to provide a written description of any part of the imported product that will no longer be subject to the measure and the Harmonized System numbers under which it enters at least at a 6-digit level, and at a subnational level (e.g. 8-digit, 9-digit or 10-digit level) if practicable.

The final measure does not apply to imports of:

i. CHQ steel wire rod that enters under all of the Harmonized System numbers included; or

ii. alloy steel bars for construction that enter under Harmonized System number 7227.9000.

(7) Proposed measure

The National Commission responsible for investigating distortions in the price of imported goods (CNDP) recommended the imposition of a final safeguard measure of 38.9% on imports of steel wire rod classified under tariff subheadings 7213.2000, 7213.9110, 7213.9120, 7213.9190, 7227.1000, 7227.2000 and 7227.9000 of Chile's customs tariff.

(8) Proposed date of introduction of the measure

Under Article 26 of the Anti-Distortion Regulations (Decree No. 1314), on the application of final measures, the CNDP will transmit, by means of a resolution, together with the background information and the conclusions of the investigation, its recommendation on the measure through the intermediary of the Ministry of Finance to the President of the Republic, who shall rule on the proposed measure and formalize its application through a Ministry of Finance decree published in the Official Journal.

(9) Expected duration of the measure

Under Article 26 of the Anti-Distortion Regulations (Decree No. 1314), the resolution, together with and the background information and conclusions of the investigation, to be transmitted through the intermediary of the Ministry of Finance to the President of the Republic, must specify the duration of the final safeguard measure that is being recommended.

The CNDP recommended that the proposed measure be established for a six-month period as from the date of its publication in the Official Journal.

(10) Offer to hold consultations under Article 12.3

In accordance with Article 12.3 of the Agreement on Safeguards, Chile is prepared to hold consultations with those Members having a substantial interest as Chile's suppliers of the product concerned.

(11) The major exporting Members of imports of the product involved and Members to which the measure does not apply

Imports of the product come mainly from China and Brazil.

In the light of Chile's trade agreements with Mexico, Canada and Peru, the measure will not apply to these countries.

Developing countries are exempted from the safeguard measure

Imports from developing country Members will not be subject to the final safeguard measure as long as each Member's imports do not exceed 3% of total imports into Chile and the share of the Members with less than a 3% import share do not collectively account for more than 9% of total imports into Chile.

Correspondence intended for the competent authority should be sent to the Technical Secretariat of the National Commission responsible for investigating the existence of distortions in the price of imported goods (CNDP), at the following address:

Morandé 115, piso 1
Santiago - Chile
Tel: (+56 2) 2670 2564

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WORLD TRADE ORGANIZATION

G/SG/N/8/CHL/7/Suppl.1
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26 April 2016

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Committee on Safeguards

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NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON SAFEGUARDS ON FINDING SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

NOTIFICATION PURSUANT TO ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS

NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2, OF THE AGREEMENT ON SAFEGUARDS

CHILE

(Steel Wire Rod)

Supplement

The following communication, dated 22 April 2016, is being circulated at the request of the delegation of Chile.

The Republic of Chile hereby informs the Committee on Safeguards that the definitive safeguard measure entered into force on 22 April 2016, the date of its publication in the Official Journal.

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5. India

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Steel ministry wants MIP continuation for 21 products

The Financial Express

October 4, 2016 Tuesday

Length: 552 words

Byline: Surya Sarathi Ray

Body

The steel ministry has recommended continuation of minimum import price (MIP) for 21 flat-rolled products of non-alloy steel such as corrugated products while suggesting no action on 30 semi-finished products.

The government imposed provisional anti-dumping duty on 15 ***wire rod*** of alloy or non-alloy products last week.

Following the imposition of MIP on 173 steel products in the range of $341-752 per tonne for six months in February, aimed at containing imports, the government extended MIP on 66 items in August for two months. The term is set to expire on October 4.

Steel ministry sources said no recommendations have been made for 30 semi-finished products such as slabs and billets, mostly used by secondary producers, as imports of these items have been "negligible" so far. Currently, MIP on these items is in the range of $341-364 per tonne.

The domestic industry has already sought protection in the form of anti-dumping duty on the 21 products of coated sheets where MIP is in place now.

Indian Steel Association (ISA), an industry lobby, however, recently urged the government to extend MIP on 66 products by another six months from its scheduled expiry on October 4. The situation would be adverse if these are now imported at dismally low prices leading to an unwarranted glut in the domestic market, it said.

Steel imports to India increased to 12.7 MT, at an average of over 1 MT a month, in 2015-16 from 10.2 MT in 2014-15 and 5.7 MT in 2013-14. China, Japan and Korea accounted for three-fourths of total steel imports last fiscal.

Once the dumping duties are imposed, the MIPs become redundant. India has been under pressure in multilateral fora to remove the MIPs seen as an outdated measure that is WTO-incompatible. Shortly after MIP was imposed, steel imports started falling and the domestic industry's sales and margins picked up. But after correcting positively till May, steel prices became very volatile.

Replacing MIP, the directorate general of anti-dumping in August recommended provisional duties in the range of $69-152 per tonne on hot-rolled coil and "HR not in coil" from specified producers in China, Japan, Korea, Brazil, Russia and ***Indonesia***, after concluding these items are being imported into India at below normal (cost) price. In the same month, it had also slapped anti-dumping duty on certain cold-rolled flat steel products from four nations, including China and South Korea, to guard the domestic industry from cheap imports.

The government has also taken a series of other measures to bail out the domestic steel industry which was reeling under severe stress for the last two years due to imports at predatory prices, subdued demand and poor prices. It raised the rate of basic customs on both flat and non-flat steel to 15% from 10% in the Budget for 2016-17 and hiked import duty in August 2015 on flat steel from 10% to 12.5%, long steel from 7.5% to 10% and semi-finished steel from 7.5% to 10%.

The government had also imposed in June 2015 an anti-dumping duty for five years on imports of certain varieties of stainless steel from China ($309 per tonne), Korea ($180 per tonne) and Malaysia ($316 per tonne). Further, ***safeguard*** duty of 20% was imposed in March 2016 on hot-rolled flat products of non-alloy and other alloy steel, on coils of width of 600 mm or more.

Classification

Language: ENGLISH

Publication-Type: Newspaper

Subject: TARIFFS & DUTIES (90%); IMPORT TRADE (90%); ANTIDUMPING LAWS (90%); IMPORT PRICES (89%); PRICES (89%); LOBBYING (77%)

Industry: IRON & STEEL MILLS (89%); IRON & STEEL MARKETS (78%)

Geographic: INDIA (93%); CHINA (93%); JAPAN (92%); KOREA, REPUBLIC OF (79%); BRAZIL (79%); ***INDONESIA*** (79%)

Load-Date: October 3, 2016

End of Document

6. Indonesia

NON-CONFIDENTIAL VERSION
Business Proprietary Information Has Been Deleted

WORLD TRADE ORGANIZATION

G/SG/N/6/IDN/24

24 January 2014

(14-0395)

Committee on Safeguards

Original: English

NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON SAFEGUARDS ON INITIATION OF AN INVESTIGATION AND THE REASON FOR IT

INDONESIA

(Bars and Rods, Hot-Rolled, in Irregularity Wound Coils)

The following communication, dated 24 January 2014, is being circulated at the request of the delegation of Indonesia.

Pursuant to Article 12.1(a) of the WTO Agreement on Safeguards, the Republic of Indonesia hereby wishes to notify the Committee on Safeguards that the Indonesian Safeguards Committee (*Komite Pengamanan Perdagangan Indonesia*/KPPI), hereinafter referred as "the Investigating Authority", has initiated a safeguard investigation on the imports of bars and rods, hot-rolled, in irregularity wound coils, of iron or non-alloy steel or of other alloy steel, under HS Codes 7213.91.10.00, 7213.91.20.00, 7213.91.90.00, 7213.99.10.00, 7213.99.20.00, 7213.99.90.00, and 7227.90.00.00.

On 23 December 2013, an application for a safeguard measures was received by the Investigating Authority from PT. Ispat Indo and PT. Krakatau Steel (Persero), Tbk., hereinafter referred as "the Applicant", against importation of bars and rods, hot-rolled, in irregularity wound coils, of iron or non-alloy steel or of other alloy steel, under HS Codes 7213.91.10.00, 7213.91.20.00, 7213.91.90.00, 7213.99.10.00, 7213.99.20.00, 7213.99.90.00, and 7227.90.00.00. After examining the properly documented application, the Investigating Authority concluded that there was a sufficient evidence to justify the initiation of a safeguard investigation.

1 THE DATE OF INITIATION

The investigation initiated on 17 January 2014.

2 SUBJECT GOOD

a. Bars and rods, hot-rolled, in irregularity wound coils, of iron or non-alloy steel, other than containing indentations, ribs, grooves or other deformations produced during the rolling process, and other than other, of free cutting steel, of circular cross-section measuring less than 14 mm in diameter, of a kind used for producing soldering sticks, under HS. code 7213.91.10.00.

b. Bars and rods, hot-rolled, in irregularity wound coils, of iron or non-alloy steel, other than containing indentations, ribs, grooves or other deformations produced during the rolling process, and other than other, of free cutting steel, of circular cross-section measuring less than 14 mm in diameter, of a kind used for concrete reinforcement (rebars), under HS. code 7213.91.20.00.

c. Bars and rods, hot-rolled, in irregularity wound coils, of iron or non-alloy steel, other than containing indentations, ribs, grooves or other deformations produced during the rolling process, and other than other, of free cutting steel, of circular cross-section measuring less than 14 mm in diameter, other than of a kind used for producing soldering sticks, other than of a kind used for concrete reinforcement (rebars), and other than containing aluminium at least 0.02% or silicon at least 0.10% or sulfur up to 0.010%, under HS. code 7213.91.90.00.

d. Bars and rods, hot-rolled, in irregularity wound coils, of iron or non-alloy steel, other than containing indentations, ribs, grooves or other deformations produced during the rolling process, and other than other, of free cutting steel, of circular cross-section measuring other than less than 14 mm in diameter, of a kind used for producing soldering sticks, under HS. code 7213.99.10.00.

e. Bars and rods, hot-rolled, in irregularity wound coils, of iron or non-alloy steel, other than containing indentations, ribs, grooves or other deformations produced during the rolling process, and other than other, of free cutting steel, of circular cross-section measuring other than less than 14 mm in diameter, of a kind used for concrete reinforcement (rebars), under HS. code 7213.99.20.00.

f. Bars and rods, hot-rolled, in irregularity wound coils, of iron or non-alloy steel, other than containing indentations, ribs, grooves or other deformations produced during the rolling process, other than, other, of free cutting steel, of circular cross-section measuring other than less than 14 mm in diameter, other than of a kind used for producing soldering sticks, other than a kind used for concrete reinforcement (rebars), and other than containing silicon at least 0.10% or aluminium at least 0.02% or sulfur up to 0.010%, under HS. code 7213.99.90.00.

g. Bars and rods, hot-rolled, in irregularity wound coils, of other alloy steel, other than of high speed steel and of silicon-manganese steel or of containing chrome at least 0.9%, under HS. code 7227.90.00.00.

3 REASONS FOR INITIATION OF INVESTIGATION PROCEDURE

The investigation was initiated following an evaluation of *prima facie* evidence provided in the application for a safeguard measure by the Applicant, which represents a major producer of the Subject Good in Indonesia.

The data submitted by the Applicant showed that there was an increased of volume of import of the subject good cause or threaten to cause serious injury to the Applicant.

The documents also showed a negative development which indicates to cause a serious injury, covering information on share of the domestic market taken by increased import, profits and losses, employment, and inventory.

4 FURTHER INFORMATION

All views or comments should be made in writing and submitted to the following address:

THE INDONESIAN SAFEGUARDS COMMITTEE
(*Komite Pengamanan Perdagangan Indonesia*/KPPI)
Jl. M.I. Ridwan Rais No.5, Building I, 5th floor, Jakarta 10110
Telephone / Facsimile: (62-21) 385 7758
E-mail: kppi@kemendag.go.id

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WORLD TRADE ORGANIZATION

G/SG/N/8/IDN/18/Suppl.1
G/SG/N/10/IDN/18/Suppl.1
G/SG/N/11/IDN/16

7 September 2015

(15-4566)

Committee on Safeguards Original: English

NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

NOTIFICATION OF A PROPOSAL TO IMPOSE A MEASURE

NOTIFICATION PURSUANT TO ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS

INDONESIA

(Bars and Rods, Hot-Rolled, in Irregularity Wound Coils, of Iron or Non-Alloy Steel or of Other Alloy Steel)

The following communication, dated 1 September 2015, is being circulated at the request of the Delegation of Indonesia

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Pursuant to Article 12.1(c) of the WTO Agreement on Safeguards, the Government of the Republic of Indonesia hereby notifies the issuance of Minister of Finance's Regulation Number 155/PMK.010/2015 dated 11 August 2015, promulgated in the Official Gazette of the Republic of Indonesia Year 2015 Number 1184 on 11 August 2015 regarding the imposition of a safeguard measure on the importation of Bars and Rods, Hot-Rolled, in Irregularity Wound Coils, of Iron or Non-Alloy Steel or of Other alloy Steel, for a period of 3 (three) years starting 11 August 2015.

1 GENERAL BACKGROUND

On 05 January 2015 The Republic of Indonesia notified on the findings of safeguard investigation in which it was concluded that there was strong evidence that the increased of volume of imports have caused of serious injury to the domestic industry concerned (G/SG/N/8/IDN/18-G/SG/N/10/IDN/18).

It was also indicated in the notification that the Investigating Authority was proposing to the Government of the Republic of Indonesia the imposition of a safeguard measure on the importation of the product involved.

2 DESCRIPTION OF THE PRODUCT INVOLVED

a. There was an adjustment on the description of the subject goods that proposed to the imposition of a safeguard measure based on the result of public interest.

b. Refering to the document G/SG/N/8/IDN/18-G/SG/N/10/IDN/18, the description of the subject goods are as follows:

   Wire Rod in a form of bars and rods, hot rolled, in irregularity wound coils, of iron or non-alloy steel or of other alloy steel which taken all together, particular size of circular cross-section diameters, chemical compositions, and Harmonized System (HS) Codes, as follows:

Steel wire Rod	Harmonized System (HS)	Circular Cross Section Diameter Size (mm)	Chemical Composition (%)		
			C	B	Al
Non Alloy Steel	7213.91.10.00	< 14	0.25 max	0.0002 min	0.02 max
	7213.91.20.00	5.5 – 14			
	7213.91.90.00	5.5 – 14			
	7213.99.10.00	14 – 20			
	7213.99.20.00	14 – 20			
	7213.99.90.00	14 – 20			
Alloy Steel	7227.90.00.00	5.5 – 20	0.17 max	0.0008 min	-

c. As mentioned on point a. above, the subject goods in point b. has been adjust based on the chemical composition, circular cross section diameter size, and HS. Codes. Therefore, the description of the subject goods imposed with the measure are as follows:

Steel wire Rod	Harmonized System (HS)	Circular Cross Section Diameter Size (mm)	Chemical Composition (%)		
			C	B	Al
Non Alloy Steel	ex. 7213.91.10.00	< 14	≤ 0.15	-	< 0.02
	ex. 7213.91.20.00	5.5 - <14			
	ex. 7213.91.90.00	5.5 - <14			
	ex. 7213.99.10.00	14 – 20			
	ex. 7213.99.20.00	14 - 20			
	ex. 7213.99.90.00	14 - 20			
Alloy Steel	ex. 7227.90.00.00	5.5 - 20	0.10 – 0.15	≥ 0.0008	< 0.02

3 DESCRIPTION OF THE PROPOSED MEASURE

a. With reference to the proposal of the Investigating Authority, and taking into account the need to effectuate the safeguard measure as proposed and the relevant requirements stipulated in the WTO Agreement on Safeguards, the Government of the Republic of Indonesia has decided to impose the following safeguard duty:

TIMETABLE OF THE SAFEGUARD DUTY

Period	**Safeguard Duty**
17 August 2015 – 16 August 2016	14.5%
17 August 2016 – 16 August 2017	10%
17 August 2017 – 16 August 2018	5.5%

b. Below is the list of developing countries excluded from the said safeguard measure, and the Government of the Republic of Indonesia reserves the right to modify this list in light of changing import volumes.

LIST OF DEVELOPING COUNTRIES EXCLUDED FROM THE MEASURES

No.	Negara	No.	Negara
1.	Albania	62.	Malawi
2.	Angola	63.	Maldives
3.	Antigua and Barbuda	64.	Mali
4.	Argentina	65.	Mauritania
5.	Armenia	66.	Mauritius
6.	Bahrain, Kingdom of	67.	Mexico
7.	Bangladesh	68.	Moldova, Republic of
8.	Barbados	69.	Mongolia
9.	Belize	70.	Montenegro
10.	Benin	71.	Morocco
11.	Bolivia, Plurinational State of	72.	Mozambique
12.	Botswana	73.	Myanmar
13.	Brazil	74.	Namibia
14.	Brunei Darussalam	75.	Nepal
15.	Bulgaria	76.	Nicaragua
16.	Burkina Faso	77.	Niger
17.	Burundi	78.	Nigeria
18.	Cabo Verde	79.	Oman
19.	Cambodia	80.	Pakistan
20.	Cameroon	81.	Panama
21.	Central African Republic	82.	Papua New Guinea
22.	Chad	83.	Paraguay
23.	China Taipei	84.	Peru
24.	Chile	85.	Philippines
25.	Colombia	86.	Poland
26.	Congo	87.	Qatar
27.	Costa Rica	88.	Republic of Korea
28.	Côte d'Ivoire	89.	Romania
29.	Croatia	90.	Russian Federation
30.	Cuba	91.	Rwanda
31.	Democratic Republic of the Congo	92.	Saint Kitts and Nevis
32.	Djibouti	93.	Saint Lucia
33.	Dominica	94.	Saint Vincent and the Grenadines
34.	Dominican Republic	95.	Samoa
35.	Ecuador	96.	Saudi Arabia, Kingdom of
36.	Egypt	97.	Senegal
37.	El Salvador	98.	Sierra Leone
38.	Fiji	99.	Solomon Islands
39.	Gabon	100.	South Africa
40.	The Gambia	101.	Sri Lanka
41.	Georgia	102.	Suriname
42.	Ghana	103.	Swaziland
43.	Grenada	104.	Tajikistan
44.	Guatemala	105.	Tanzania
45.	Guinea	106.	Thailand
46.	Guinea-Bissau	107.	The Former Yugoslav Republic of Macedonia
47.	Guyana	108.	Togo
48.	Haiti	109.	Tonga
49.	Honduras	110.	Trinidad and Tobago
50.	Hungary	111.	Tunisia
51.	India	112.	Turkey
52.	Jamaica	113.	Uganda
53.	Jordan	114.	Ukraine
54.	Kenya	115.	United Arab Emirates
55.	Kuwait, the State of	116.	Uruguay
56.	Kyrgyz Republic	117.	Vanuatu
57.	Lao People's Democratic Republic	118.	Viet Nam

No.	Negara	No.	Negara
58.	Lesotho	119.	Yemen
59.	Lithuania	120.	Zambia
60.	Macao, China	121.	Zimbabwe
61.	Madagascar		

It is requested that this notification under Article 12.1(c) of the WTO Agreement on Safeguards be brought to the notice of Members.

WORLD TRADE ORGANIZATION

G/SG/N/8/IDN/18/Suppl.1/Corr.1
G/SG/N/10/IDN/18/Suppl.1/Corr.1
G/SG/N/11/IDN/16/Corr.1

2 October 2015

(15-5110)

Committee on Safeguards

Original: English

NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

NOTIFICATION OF A PROPOSAL TO IMPOSE A MEASURE

NOTIFICATION PURSUANT TO ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS

INDONESIA

(Bars and Rods, Hot-Rolled, in Irregularity Wound Coils, of Iron or Non-Alloy Steel or of Other Alloy Steel)

Corrigendum[*]

The following communication, dated 28 September 2015, is being circulated at the request of the Delegation of Indonesia

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Please note that the "List of developing countries excluded from the measures" on page 3 of document G/SG/N/8/IDN/18/Suppl.1 - G/SG/N/10/IDN/18/Suppl.1 - G/SG/N/11/IDN/16 should read as follows.

[*] In English only.

LIST OF DEVELOPING COUNTRIES EXCLUDED FROM THE MEASURES

No.	Negara	No.	Negara
1.	Albania	62.	Malawi
2.	Angola	63.	Maldives
3.	Antigua and Barbuda	64.	Mali
4.	Argentina	65.	Mauritania
5.	Armenia	66.	Mauritius
6.	Bahrain, Kingdom of	67.	Mexico
7.	Bangladesh	68.	Moldova, Republic of
8.	Barbados	69.	Mongolia
9.	Belize	70.	Montenegro
10.	Benin	71.	Morocco
11.	Bolivia, Plurinational State of	72.	Mozambique
12.	Botswana	73.	Myanmar
13.	Brazil	74.	Namibia
14.	Brunei Darussalam	75.	Nepal
15.	Bulgaria	76.	Nicaragua
16.	Burkina Faso	77.	Niger
17.	Burundi	78.	Nigeria
18.	Cabo Verde	79.	Oman
19.	Cambodia	80.	Pakistan
20.	Cameroon	81.	Panama
21.	Central African Republic	82.	Papua New Guinea
22.	Chad	83.	Paraguay
23.	Chinese Taipei	84.	Peru
24.	Chile	85.	Philippines
25.	Colombia	86.	Poland
26.	Congo	87.	Qatar
27.	Costa Rica	88.	Republic of Korea
28.	Côte d'Ivoire	89.	Romania
29.	Croatia	90.	Russian Federation
30.	Cuba	91.	Rwanda
31.	Democratic Republic of the Congo	92.	Saint Kitts and Nevis
32.	Djibouti	93.	Saint Lucia
33.	Dominica	94.	Saint Vincent and the Grenadines
34.	Dominican Republic	95.	Samoa
35.	Ecuador	96.	Saudi Arabia, Kingdom of
36.	Egypt	97.	Senegal
37.	El Salvador	98.	Sierra Leone
38.	Fiji	99.	Solomon Islands
39.	Gabon	100.	South Africa
40.	The Gambia	101.	Sri Lanka
41.	Georgia	102.	Suriname
42.	Ghana	103.	Swaziland
43.	Grenada	104.	Tajikistan
44.	Guatemala	105.	Tanzania
45.	Guinea	106.	Thailand
46.	Guinea-Bissau	107.	The Former Yugoslav Republic of Macedonia
47.	Guyana	108.	Togo
48.	Haiti	109.	Tonga
49.	Honduras	110.	Trinidad and Tobago
50.	Hungary	111.	Tunisia
51.	India	112.	Turkey
52.	Jamaica	113.	Uganda
53.	Jordan	114.	Ukraine
54.	Kenya	115.	United Arab Emirates
55.	Kuwait, the State of	116.	Uruguay
56.	Kyrgyz Republic	117.	Vanuatu
57.	Lao People's Democratic Republic	118.	Viet Nam
58.	Lesotho	119.	Yemen
59.	Lithuania	120.	Zambia
60.	Macao, China	121.	Zimbabwe
61.	Madagascar		

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8. Malaysia

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WORLD TRADE ORGANIZATION

G/ADP/N/286/MYS

31 August 2016

(16-4601)

Committee on Anti-Dumping Practices

Original: English

SEMI-ANNUAL REPORT UNDER ARTICLE 16.4 OF THE AGREEMENT

MALAYSIA

Reproduced herewith is the semi-annual report for the period 1 January-30 June 2016 from **Malaysia.**

Reporting Member: MALAYSIA[1]

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

FOR THE PERIOD 1 JANUARY-30 JUNE 2016

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	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	Prepainted, Painted or Colour Coated Steel Coils 7210.70 210, 7210.70 290, 7210.70 900) AD02/15/CHN	28/04/2015 D: 01/10/11-30/09/14 I: 01/10/13-30/09/14	26/09/2015 52.10%	24/01/2016 52.10%	n/a	n/a	n/a	n/a	n/a	n/a
	Cold Rolled Coils Of Alloy and Non-Alloy Steel 7209.15 000 7209.16 000 7209.17 000 7209.18 290 7209.18 900 7225.50 000 AD03/15/CHN	27/08/2015 D: 01/01/12-31/12/14 I: 01/01/14-31/12/14	25/01/2016 Nil to 23.78%	24/05/2016 5.61% to 23.78%	n/a	n/a	n/a	n/a	n/a	n/a

[1] Website address where published reports on investigations are available: http://www.miti.gov.my/.
[2] All terms and column headings used in this format have the meanings assigned to them in the instructions.
[3] For reference purposes only.

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Business Proprietary Information Has Been Deleted

1	2	3	4	5	6	7	8	9	10	11
Korea, Rep. of	Cold Rolled Coils Of Alloy And Non-Alloy Steel 7209.15 000 7209.16 000 7209.17 000 7209.18 290 7209.18 900 7225.50 000 AD03/15/KOR	27/08/2015 D: 01/01/12-31/12/14 I: 01/01/14-31/12/14	25/01/2016 Nil to 21.64%	24/05/2016 3.78% to 21.64%	n/a	n/a	n/a	n/a	n/a	n/a
Viet Nam	Prepainted, Painted or Colour Coated Steel Coils 7210.70 210, 7210.70 290, 7210.70 900) AD02/15/VNM	28/04/2015 D: 01/10/11-30/09/14 I: 01/10/13-30/09/14	26/09/2015 5.68% to 16.45%	24/01/2016 Nil to 34.85%	n/a	n/a	n/a	n/a	n/a	n/a
	Cold Rolled Coils Of Alloy And Non-Alloy Steel 7209.15 000 7209.16 000 7209.17 000 7209.18 290 7209.18 900 7225.50 000 AD03/15/VNM	27/08/2015 D: 01/01/12-31/12/14 I: 01/01/14-31/12/14	25/01/2016 4.58% to 10.55%	24/05/2016 3.06% to 13.68%	n/a	n/a	n/a	n/a	n/a	n/a

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., proce dures not affecting the duty level)	Trade Data (if available from published report(s) on proceeding)		Basis for normal value determination
	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
Thailand	Cellulose Fibre Reinforced Cement Flat and Pattern Sheets 6811.82 100 6811.82 900 AD04/13/THA	18.03.2016, Administrative Review D:01/04/14 – 30/11/15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Polyethylene Terephthalate 3907.60 000 AD 01/05/THA	20.04.2016, Administrative Review (Sunset), D:01/07/10 – 30/09/15 I:01/07/14 – 30/09/15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

ANNEXES

DEFINITIVE ANTI-DUMPING MEASURES IN FORCE
AS OF 30 JUNE 2016

Country/ Customs Territory	**Product, investigation ID number**	**Measure(s)**	**Date of original imposition; publication reference**	**Date(s) of extension; publication reference(s)**
China	Steel Wire Rod AD01/12/CHN	Duties	20.02.2013 Gazette, P.U. (A) 53	n/a
			10.12.2014 Gazette, P.U. (B) 494	
	Biaxially oriented polypropylene film AD03/12/CHN	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a
	Electrolytic Tinplate AD01/13/CHN	Duties	16.11.2013 Gazette, P.U. (A) 339	n/a
			13.09.2014 Gazette, P.U. (A) 258	n/a
	Polyethylene Terephthalate AD01/14/CHN	Duties	14.03.2015 Gazette, P.U. (A) 45	n/a
	Hot Rolled Coil AD02/14/CHN	Duties	14.02.2015 Gazette, P.U. (A) 24	n/a
	Prepainted, Painted or Colour Coated Steel Coils AD02/15/CHN	Duties	24.01.2016 Gazette, P.U. (A) 11	n/a
	Cold Rolled Coils Of Alloy and Non-Alloy Steel AD03/15/CHN	Duties	24.05.2016 Gazette, P.U. (A) 144	n/a
Indonesia	Steel Wire Rod AD01/12/IDN	Duties	20.02.2013 Gazette, P.U. (A) 53	n/a
	Biaxially oriented polypropylene film AD03/12/IDN	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a
	Polyethylene Terephthalate AD01/14/IDN	Duties	14.03.2015 Gazette, P.U. (A) 45	n/a
	Hot Rolled Coil AD02/14/IDN	Duties	14.02.2015 Gazette, P.U. (A) 24	n/a
Korea, Rep. of	Steel Wire Rod AD01/12/KOR	Duties	20.02.2013 Gazette, P.U. (A) 53	n/a
	Electrolytic Tinplate AD01/13/KOR	Duties	16.11.2013 Gazette, P.U. (A) 339	n/a
	Polyethylene Terephthalate AD01/14/KOR	Duties	14.03.2015 Gazette, P.U. (A) 45	n/a
	Cold Rolled Coils Of Alloy and Non-Alloy Steel AD03/15/KOR	Duties	24.05.2016 Gazette, P.U. (A) 144	n/a

Country/ Customs Territory	Product, investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
Chinese Taipei	Steel Wire Rod AD01/12/TPKM	Duties	20.02.2013 Gazette, P.U. (A) 53	n/a
	Biaxially oriented polypropylene film AD03/12/TPKM	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a
Thailand	Polyethylene Terephthalate AD 01/05/THA	Duties	23.10.2005 Gazette, P.U. (A) 414	21.04.2011 Gazette, P.U. (A) 142
	Biaxially Oriented Polypropylene Film AD03/12/THA	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a
	Cellulose Fibre Reinforced Cement Flat and Pattern Sheets AD04/13/THA	Duties	30.03.2014 Gazette, P.U. (A) 81	n/a
Viet Nam	Biaxially oriented polypropylene film AD03/12/VNM	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a
	Prepainted, Painted or Colour Coated Steel Coils AD02/15/VNM	Duties	24.01.2016 Gazette, P.U. (A) 11	n/a
	Cold Rolled Coils Of Alloy and Non-Alloy Steel AD03/15/VNM	Duties	24.05.2016 Gazette, P.U. (A) 144	n/a

REFUND REQUESTS UNDER ARTICLE 9.3 DURING THE PERIOD
1 JANUARY THROUGH 30 JUNE 2016

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
NIL				

TERMINATION OF MEASURES DURING THE PERIOD
1 JANUARY THROUGH 30 JUNE 2016

Country/Customs Territory	Product, investigation ID number	Date of termination	Reason for termination
NIL			

WORLD TRADE ORGANIZATION

G/SG/N/6/MYS/5

2 June 2016

(16-2954)

Committee on Safeguards

Original: English

NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON SAFEGUARDS ON INITIATION OF AN INVESTIGATION AND THE REASONS FOR IT

MALAYSIA

(Steel Wire Rod and Deformed Bar-In-Coil)

The following communication, dated 1 June 2016, is being circulated at the request of the Delegation of Malaysia.

Pursuant to Article 12.1(a) of the WTO Agreement on Safeguards, Malaysia wishes to notify the Committee on Safeguards that its competent authority has initiated a safeguard investigation on the imports of Steel Wire Rod and Deformed Bar-In-Coil.

An application for a safeguard measure was received by the Authority from the Malaysia Steel Association and after examining the application, the Authority concluded that there was sufficient evidence to justify the initiation of a safeguard investigation.

1. The date of initiation

The investigation was initiated on 29 May 2016.

2. The product subject to the investigation

The products under investigation are hot-rolled alloyed or non-alloy wire rods and Deformed-Bar-In-Coil (DBIC), in regularly or in irregularly wound coils (excluding carbon content ≥ 0.60% and diameter greater than 16.0 mm). (Herein after referred to as "Wire Rod"). Steel Wire Rod (SWR) products can be used as Wire mesh, Galvanized wires, Common nails, Caging, Welding wires, Welding Electrodes, Steel fencing, Concrete nails, Springs, Free-cutting parts, PC wires, Pre-stressed bar, Screen mesh, Hard drawn wires, Free-cutting hard drawn wires, Precision shafting, Submerged arc welding wires, Screws, bolts and nuts, High Tensile bolts and nuts while DBIC is used as reinforcement of concrete.

The products subject to the investigation are classified under the Harmonised System Code (H.S. Code) Number 7213.10 000, 7213.91 000, 7213.99 000, 7227.90 000 and ASEAN Harmonised Tariff Nomenclature (AHTN) 7213.10.00 00, 7213.91.10 00, 7213.91.20 00, 7213.91.90 00, 7213.99.10 00, 7213.99.20 00, 7213.99.90 00, 7227.90.00 00

3. The reasons for the initiation of investigation

The investigation was initiated following an evaluation of a safeguard petition from the domestic industry.

Based on preliminary assessment of the data submitted by the Petitioner and all relevant factors, it showed that:

(a) the volume of imports of the product under investigation has increased significantly by 35.98% from 786,608MT in 2013 to 1,069,630MT in 2014 and continued to increase by 23.07% in 2015 to 1,316,350MT; and

(b) the domestic industry has suffered serious injury in terms of market share, sales, capacity utilization, profitability, cash flow and employment and wages.

4. Further information

Any interested party shall identify themselves within 15 days from the date of publication of the notice provided in the Government *Gazette* of Malaysia. Any importer requesting for a questionnaire shall do so within 15 days from the date of publication of the notice in the Government *Gazette* of Malaysia.

All interested parties are invited to present their views in writing and submit questionnaire responses within 30 days from the date of publication of the notice in the Government *Gazette* of Malaysia if such views and submissions are to be taken into consideration during the investigation, unless otherwise specified.

Any participating interested party may, within 30 days from the date of initiation of the investigation, file a written application for a public hearing to the competent authority.

All submissions, questionnaire responses, correspondences and requests must be made officially in writing and sent by e-mail, post or facsimile and with clear indication of the name, address, e-mail address, telephone and facsimile numbers of the interested parties to::

Trade Practices Section
Ministry of International Trade and Industry (MITI)
Level 9, No. 7, Menara MITI, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur
Malaysia

Telephone Number: (+603) 6208 4636/4639
Facsimile Number: (+603) 6211 4429
Email Address: alltps@miti.gov.my

NON-CONFIDENTIAL VERSION
Business Proprietary Information Has Been Deleted

WORLD TRADE ORGANIZATION

G/SG/N/7/MYS/3
G/SG/N/11/MYS/3

29 September 2016

(16-5203)

Committee on Safeguards Original: English

NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT ON SAFEGUARDS BEFORE TAKING A PROVISIONAL SAFEGUARD MEASURE REFERRED TO IN ARTICLE 6

NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2 OF THE AGREEMENT ON SAFEGUARDS

MALAYSIA

(Steel Wire Rod and Deformed Bar in Coil)

The following communication, dated 28 September 2016, is being circulated at the request of the delegation of Malaysia.

(In continuation to documents G/SG/N/6/MYS/5 dated 2 June 2016)

1. Background

On 29 May 2016, Malaysia initiated a safeguard investigation on Steel Wire Rod and Deformed Bar in Coil (hereinafter referred to as "products under investigation") imported from various countries.

2. Products under investigation and tariff classification

Products under investigation are hot-rolled alloyed or non-alloy wire rods and Deformed-Bar-In-Coil in regularly or in irregularly wound coils (excluding carbon content ≥ 0.60% and diameter greater than 16.0 mm). The products are classified under the Harmonised System Code (H.S. Code) Number 7213.10 000, 7213.91 000, 7213.99 000 and 7227.90 000 and ASEAN Harmonised Tariff Nomenclature (AHTN) 7213.10 00 00, 7213.91 10 00, 7213.91 20 00, 7213.91 90 00, 7213.99 10 00, 7213.99 20 00, 7213.99 90 00 and 7227.90 00 00. The H.S. Code and AHTN Number are only for information and shall have no binding effect on the classification of the products.

3. Evidence of Serious Injury caused by increased imports

There is evidence of increase in imports in both absolute and relative terms. The imports of the product concerned increased in imports of the product concerned to Malaysia by 35.98% from 786,608MT in Year 1 to 1,069,630MT in Year 2 and continued to increase by 23.07% in Year 3. The imports have increased sharply by 67.35% from Year 1 to Year 3. In relative term, it is observed that the proportion of total imports in relation to domestic production continually increased from 83.16% in Year 1 to 122.16% in Year 2 and further increased to 290.94% during Year 3 (Year 1: 1 October 2012 - 30 September 2013; Year 2: 1 October 2013 - 30 September 2014; Year 3: 1 October 2014 – 30 September 2015).

The increase in imports has caused serious injury to the Domestic Industry in terms of market share, decline in domestic sales, low production and capacity utilisation, decline profitability, decline in cash flow and reduction in employment and wages.

4. Proposed provisional safeguard measure

A provisional safeguard duty was imposed at the rate of 13.90% of CIF price effective from 27 September 2016. However, the product concerned which imported for the purpose of automotive, electrical & electronic, oil & gas and earth quake resilience construction industry end usage of all grades and specifications are exempted from the provisional safeguard duty. The imports from developing countries except the People's Republic of China, Republic of Korea and Singapore are not subjected to the provisional safeguard duty.

5. Expected duration of the provisional safeguard measure

The provisional safeguard duty will remain in force for a period not exceeding two hundred (200) days from the date of enforcement of the provisional safeguard measure.

6. Further information

Information on the decision of the imposition of the provisional safeguard duty on the products under investigation is accessible at the website of the Ministry of International Trade and Industry (www.miti.gov.my). Further information and comments should be sent to:

Trade Practices Section
Ministry of International Trade and Industry (MITI)
Level 9, Menara MITI, No. 7, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur
Malaysia

Telephone Number: (+603) 6208 4632
Facsimile Number: (+603) 6211 4429
Email Address: alltps@miti.gov.my

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Business Proprietary Information Has Been Deleted

WORLD TRADE ORGANIZATION

G/ADP/N/294/MYS

8 March 2017

(17-1375)

Committee on Anti-Dumping Practices

Original: English

SEMI-ANNUAL REPORT UNDER
ARTICLE 16.4 OF THE AGREEMENT

MALAYSIA

Reproduced herewith is the semi-annual report for the period 1 July-31 December 2016 from **Malaysia**.

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Business Proprietary Information Has Been Deleted

Reporting Member: MALAYSIA[1]

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

FOR THE PERIOD 1 JULY-31 DECEMBER 2016

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	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
Nil										

[1] Website address where published reports on investigations are available: http://www.miti.gov.my/.
[2] All terms and column headings used in this format have the meanings assigned to them in the instructions.
[3] For reference purposes only.

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 determination
	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
Thailand	Cellulose Fibre Reinforced Cement Flat and Pattern Sheets 6811.82 100 6811.82 900 AD04/13/THA	18.03.2016, Administrative Review D:01/04/14 – 30/11/15	n/a	14.09.2016 19.74%	n/a	n/a	n/a	n/a	n/a	n/a
	Polyethylene Terephthalate 3907.60 000 AD 01/05/THA	20.04.2016, Administrative Review (Sunset), D:01/07/10 – 30/09/15 I:01/07/14 – 30/09/15	n/a	n/a	n/a	19.10.2016 Measure terminated	n/a	n/a	n/a	n/a

ANNEXES

DEFINITIVE ANTI-DUMPING MEASURES IN FORCE
AS OF 31 DECEMBER 2016

Country/ Customs Territory	Product, investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
China	Steel wire rod AD01/12/CHN	Duties	20.02.2013 Gazette, P.U. (A) 53	10.12.2014 Gazette, P.U. (B) 494
	Biaxially oriented polypropylene film AD03/12/CHN	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a
	Electrolytic Tinplate AD01/13/CHN	Duties	16.11.2013 Gazette, P.U. (A) 339	13.09.2014 Gazette, P.U. (A) 258
	Polyethylene terephthalate AD01/14/CHN	Duties	14.03.2015 Gazette, P.U. (A) 45	n/a
	Hot Rolled Coil AD02/14/CHN	Duties	14.02.2015 Gazette, P.U. (A) 24	n/a
	Prepainted, painted or colour coated steel coils AD02/15/CHN	Duties	24.01.2016 Gazette, P.U. (A) 11	n/a
	Cold rolled coils of alloy and non-alloy steel AD03/15/CHN	Duties	24.05.2016 Gazette, P.U. (A) 144	n/a
Indonesia	Steel wire rod AD01/12/IDN	Duties	20.02.2013 Gazette, P.U. (A) 53	n/a
	Biaxially oriented polypropylene film AD03/12/IDN	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a
	Polyethylene terephthalate AD01/14/IDN	Duties	14.03.2015 Gazette, P.U. (A) 45	n/a
	Hot rolled coil AD02/14/IDN	Duties	14.02.2015 Gazette, P.U. (A) 24	n/a
Korea, Rep. of	Steel wire rod AD01/12/KOR	Duties	20.02.2013 Gazette, P.U. (A) 53	n/a
	Electrolytic tinplate AD01/13/KOR	Duties	16.11.2013 Gazette, P.U. (A) 339	n/a
	Polyethylene Terephthalate AD01/14/KOR	Duties	14.03.2015 Gazette, P.U. (A) 45	n/a
	Cold rolled coils of alloy and non-alloy steel AD03/15/KOR	Duties	24.05.2016 Gazette, P.U. (A) 144	n/a
Chinese Taipei	Steel wire rod AD01/12/TPKM	Duties	20.02.2013 Gazette, P.U. (A) 53	n/a
	Biaxially oriented polypropylene film AD03/12/TPKM	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a

Country/ Customs Territory	Product, investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
Thailand	Biaxially oriented polypropylene film AD03/12/THA	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a
	Cellulose fibre reinforced cement flat and pattern sheets AD04/13/THA	Duties	30.03.2014 Gazette, P.U. (A) 81	14.09.2016 Gazette, P.U. (A) 239
Viet Nam	Biaxially oriented polypropylene film AD03/12/VNM	Duties	23.04.2013 Gazette, P.U. (A) 146	n/a
	Prepainted, painted or colour coated steel coils AD02/15/VNM	Duties	24.01.2016 Gazette, P.U. (A) 11	n/a
	Cold rolled coils of alloy and non-alloy steel AD03/15/VNM	Duties	24.05.2016 Gazette, P.U. (A) 144	n/a

REFUND REQUESTS UNDER ARTICLE 9.3 DURING THE PERIOD
1 JULY THROUGH 31 DECEMBER 2016

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
NIL				

TERMINATION OF MEASURES DURING THE PERIOD
1 JULY THROUGH 31 DECEMBER 2016

Country/Customs Territory	Product, investigation ID number	Date of termination	Reason for termination
Thailand	Polyethylene terephthalate AD 01/05/THA	19.10.2016	Measure terminated

NON-CONFIDENTIAL VERSION
Business Proprietary Information Has Been Deleted

23 September 2016
23 September 2016
P.U. (B) 421

WARTA KERAJAAN PERSEKUTUAN

FEDERAL GOVERNMENT GAZETTE

NOTIS PENENTUAN AWAL AFIRMATIF PENYIASATAN MENGENAI KELUARAN ROD DAWAI KELULI DAN BAR BEBUNGA DALAM GEGELUNG YANG DIIMPORT KE DALAM MALAYSIA

NOTICE OF AFFIRMATIVE PRELIMINARY DETERMINATION OF AN INVESTIGATION WITH REGARD TO STEEL WIRE RODS AND DEFORMED BAR IN COILS PRODUCTS IMPORTED INTO MALAYSIA

DISIARKAN OLEH/
PUBLISHED BY
JABATAN PEGUAM NEGARA/
ATTORNEY GENERAL'S CHAMBERS

AKTA PELINDUNG 2006

NOTIS PENENTUAN AWAL AFIRMATIF PENYIASATAN MENGENAI KELUARAN ROD DAWAI KELULI DAN BAR BEBUNGA DALAM GEGELUNG YANG DIIMPORT KE DALAM MALAYSIA

(SM 02/16)

PADA menjalankan kuasa yang diberikan oleh subseksyen 20(3) Akta Pelindung 2006 [*Akta 657*] dan peraturan 11 Peraturan-Peraturan Pelindung 2007 [*P.U. (A) 386/2007*], Kerajaan telah membuat penentuan awal afirmatif berhubung dengan penyiasatan mengenai keluaran rod dawai keluli dan bar bebunga dalam gegelung yang diimport ke dalam Malaysia sebagaimana yang diperihalkan dalam perenggan 1 ("keluaran").

Keluaran yang disiasat dan pengelasan tarif

1. Keluaran yang disiasat ialah rod dawai keluli dalam aloi atau bukan aloi gulungan panas dan bar bebunga dalam gegelung, dalam gegelung belitan sekata atau tidak sekata, tidak termasuk—

(a) rod dawai keluli dan bar bebunga dalam gegelung dengan kandungan karbon 0.60 peratus atau lebih atau berdiameter lebih besar daripada 16.0 milimeter; dan

(b) keluaran yang diimport bagi maksud penggunaan akhir industri automotif, elektrik dan elektronik, minyak dan gas dan pembinaan tahan gempa bumi daripada semua gred dan spesifikasi,

yang dikelaskan di bawah Kod Sistem yang Diharmonikan (Kod H.S.) 7213.10 000, 7213.91 000, 7213.99 000 dan 7227.90 000 dan Tatanama Tarif Berharmonis ASEAN (AHTN) 7213.10 00 00, 7213.91 10 00, 7213.91 20 00, 7213.91 90 00, 7213.99 10 00, 7213.99 20 00, 7213.99 90 00 dan 7227.90 00 00. Kod H.S. dan AHTN ini diberikan hanya untuk makluman dan tidak mempunyai kesan mengikat terhadap pengelasan keluaran itu.

Keluaran serupa atau keluaran yang bersaing secara langsung

2. Keluaran serupa atau keluaran yang bersaing secara langsung ialah keluaran yang dikeluarkan oleh industri dalam negeri dan mempunyai perihalan yang sama dengan keluaran yang dinyatakan dalam perenggan 1.

Sebab bagi penentuan awal afirmatif

3. Berdasarkan penyiasatan, pihak berkuasa penyiasat telah mendapati bahawa—

(a) terdapat peningkatan import keluaran, secara mutlak dan relatif kepada pengeluaran dalam negeri semasa tempoh penentuan kemudaratan, iaitu mulai 1 Oktober 2012 hingga 30 September 2015; dan

(b) dalam keadaan itu, ia telah menyebabkan kemudaratan yang serius kepada industri dalam negeri yang mengeluarkan keluaran serupa atau keluaran yang bersaing secara langsung berkenaan dengan penurunan bahagian pasaran, jualan dalam negeri, keberuntungan, aliran tunai, pengeluaran dan penggunaan kapasiti rendah, dan pengurangan dalam penggajian dan gaji pekerjanya.

Langkah perlindungan sementara yang terpakai

4. Langkah perlindungan sementara yang terpakai hendaklah dalam bentuk duti pelindung sementara sebanyak 13.90 peratus dan dikenakan terhadap negara yang dinyatakan dalam Jadual.

Tempoh bagi membuat penentuan muktamad

5. Penentuan muktamad berhubung dengan penyiasatan hendaklah dibuat dalam tempoh dua ratus hari mulai 27 September 2016.

JADUAL

[Perenggan 4]

NEGARA YANG DIKENAKAN DUTI PELINDUNG SEMENTARA

1. Armenia
2. Australia
3. Kanada
4. Croatia
5. Republik Czech
6. Kesatuan Eropah
7. Republik Persekutuan Jerman
8. Perancis
9. Greece
10. Hungary
11. Ireland
12. Itali
13. Jepun
14. Negara Belgium
15. Negara Denmark
16. Negara Norway
17. Negara Sepanyol
18. Negara Sweden
19. Negara Belanda
20. Liechtenstein
21. Luxembourg
22. New Zealand
23. Republik Rakyat China
24. Republik Portugal
25. Republik Austria
26. Republik Bulgaria
27. Republik Cyprus
28. Republik Estonia

29. Republik Finland
30. Republik Iceland
31. Republik Korea
32. Republik Latvia
33. Republik Lithuania
34. Republik Malta
35. Republik Poland
36. Republik Singapura
37. Republik Slovenia
38. Romania
39. Republik Slovak
40. Switzerland
41. United Kingdom of Great Britain dan Ireland Utara
42. Amerika Syarikat

Bertarikh 21 September 2016
[MITI: ID/(S)/AP/SG/045/5; PN(PU2)529/XXII]

DATO' SRI MUSTAPA BIN MOHAMED
Menteri Perdagangan Antarabangsa dan Industri

SAFEGUARDS ACT 2006

NOTICE OF AFFIRMATIVE PRELIMINARY DETERMINATION OF AN INVESTIGATION WITH REGARD TO STEEL WIRE RODS AND DEFORMED BAR IN COILS PRODUCTS IMPORTED INTO MALAYSIA

(SM 02/16)

IN exercise of the powers conferred by subsection 20(3) of the Safeguards Act 2006 [*Act 657*] and regulation 11 of the Safeguards Regulations 2007 [*P.U. (A) 386/2007*], the Government has made an affirmative preliminary determination in relation to the investigation with regard to the steel wire rods and deformed bar in coils products imported into Malaysia as described in paragraph 1 ("products").

Products under investigation and tariff classification

1. The products under investigation are steel wire rods in hot rolled alloy or non-alloy and deformed bar in coils, in regular or irregular wound coils, excluding—

(a) steel wire rods and deformed bar in coil with carbon content of 0.60 percent or more or diameter greater than 16.0 millimetres; and

(b) products imported for the end-usage purposes of automotive, electrical and electronic, oil and gas and earthquake proof construction industries of all grades and specifications,

classified under the Harmonised System Code (H.S. Code) 7213.10 000, 7213.91 000, 7213.99 000 and 7227.90 000 and ASEAN Harmonised Tariff Nomenclature (AHTN) 7213.10 00 00, 7213.91 10 00, 7213.91 20 00, 7213.91 90 00, 7213.99 10 00, 7213.99 20 00, 7213.99 90 00 and 7227.90 00 00. These H.S. Code and AHTN are given only for information and have no binding effect on the classification of the products.

Like products or directly competitive products

2. The like products or directly competitive products are products which are produced by the domestic industry and have the same description as the products specified in paragraph 1.

Reasons for affirmative preliminary determination

3. Based on the investigation, the investigating authority has found that—

(a) there was an increase in imports of the products, absolute and relative to the domestic production during the period of injury determination, that is from 1 October 2012 to 30 September 2015; and

(b) under such conditions, it has caused injury to the domestic industry that produces like products or directly competitive products in respect of the decline in market share, domestic sales, profitability, cash flow, low production and capacity utilization, and reduction in employment and wages.

Provisional safeguard measures applicable

4. The provisional safeguard measures applicable shall take the form of provisional safeguard duties in the amount of 13.90 percent and shall be imposed on the countries specified in the Schedule.

Period for making final determination

5. A final determination in relation to the investigation shall be made within the period of two hundred days from 27 September 2016.

SCHEDULE

[Paragraph 4]

COUNTRIES IMPOSED WITH PROVISIONAL SAFEGUARD DUTIES

1. Armenia
2. Australia
3. Canada
4. Croatia
5. Czech Republic
6. European Union
7. Federal Republic of Germany
8. France
9. Greece
10. Hungary
11. Ireland
12. Italy
13. Japan
14. Kingdom of Belgium
15. Kingdom of Denmark
16. Kingdom of Norway
17. Kingdom of Spain
18. Kingdom of Sweden
19. Kingdom of the Netherlands
20. Liechtenstein
21. Luxembourg
22. New Zealand
23. People's Republic of China
24. Portuguese Republic
25. Republic of Austria
26. Republic of Bulgaria
27. Republic of Cyprus
28. Republic of Estonia

29. Republic of Finland
30. Republic of Iceland
31. Republic of Korea
32. Republic of Latvia
33. Republic of Lithuania
34. Republic of Malta
35. Republic of Poland
36. Republic of Singapore
37. Republic of Slovenia
38. Romania
39. Slovak Republic
40. Switzerland
41. United Kingdom of Great Britain and Northern Ireland
42. United States of America

Dated 21 September 2016
[MITI: ID/(S)/AP/SG/045/5; PN(PU2)529/XXII]

DATO' SRI MUSTAPA BIN MOHAMED
Minister of International Trade and Industry

PAGES NOT CAPABLE OF PUBLIC SUMMARY

9. Mexico

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Business Proprietary Information Has Been Deleted

WORLD TRADE ORGANIZATION

G/ADP/N/286/MEX

7 September 2016

(16-4777) Page: 1/15

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 January to 30 June 2016 from **Mexico**.

ANNEXES

DEFINITIVE ANTI-DUMPING MEASURES IN FORCE
AS AT 30 JUNE 2016

Country/ Customs territory	Product; investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
Argentina	Epoxidized soya oil; 09/14-ARG	Duties	13.2.2016 (Official Journal of 12.2.2016)	
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)
	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	Prestressed products; 22/14-CHN	Duties	27.2.2016 (Official Journal of 26.2.2016)	
	Steel and zamak handles; 04/14-CHN	Duties	24.12.2015 (Official Journal of 23.12.2015)	
	Hot-rolled steel coils; 12/14-CHN	Duties	23.12.2015 (Official Journal of 22.12.2015)	
	Children's bicycles; 11/14-CHN	Duties	22.12.2015 (Official Journal of 21.12.2015)	
	Ammonium sulphate; 06/14-CHN	Duties	10.10.2015 (Official Journal of 9.10.2015)	
	Cold-rolled sheet; 26/13-CHN	Duties	20.6.15 (Official Journal of 19.6.2015)	
	Stainless steel sinks; 21/13-CHN	Duties	9.5.2015 (Official Journal of 8.5.2015)	
	Steel ropes and cables; 10/13-CHN	Duties	17.12.2014 (Official Journal of 16.12.2014)	
	Blenders for domestic and commercial use; 08/13-CHN	Duties	10.12.2014 (Official Journal of 9.12.2014)	
	Steel plate in sheets; 09/13-CHN	Duties	15.10.2014 (Official Journal of 14.10.2014)	
	Galvanized carbon steel wire mesh; 03/13-CHN	Duties	10.10.2014 (Official Journal of 9.10.2014)	

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)	Pencils; 16/12-CHN	Duties	27.5.2014 (Official Journal of 26.5.2014)	
	Blankets of synthetic fibres; 02/13-CHN	Duties	27.5.2014 (Official Journal of 26.5.2014)	
	Ceramic and porcelain dishware and loose articles; 06/12-CHN	Duties	14.1.2014 (Official Journal of 13.1.2014)	
	Seamless steel tubing; 13/12-CHN	Duties	8.1.2014 (Official Journal of 7.1.2014)	
	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) 18.7.2013 (Official Journal of 21.7.2014)
	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) 26.9.2013 (Official Journal of 30.7.2014)
	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) 4.8.2014 (Official Journal of 2.7.2015)
	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) 5.8.2014 (Official Journal of 2.7.2015)
	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) 30.11.2014 (Official Journal of 10.11.2015)
	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)

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)	Plastic atomizers; 12/07-CHN	Duties	22.4.2009 (Official Journal of 21.4.2009)	22.4.2014 (Official Journal of 16.2.2015)
	Seamless steel tubing; 09/09-CHN	Duties	25.2.2011 (Official Journal of 24.2.2011)	
France	Hot-rolled steel coils; 12/14-FRA	Duties	23.12.2015 (Official Journal of 22.12.2015)	
Germany	Hot-rolled steel coils; 12/14-DEU	Duties	23.12.2015 (Official Journal of 22.12.2015)	
India	Carbon steel tubing with straight longitudinal or helical seams; 18/14-IND	Duties	21.4.2016 (Official Journal of 20.4.2016)	
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) 30.6.2014 (Official Journal of 1.7.2015)
Korea, Rep. of	Cold-rolled sheet; 08/12-KOR	Price undertaking	27.12.2013 (Official Journal of 26.12.2013)	
	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) 20.8.2013 (Official Journal of 26.6.2014)
Portugal	Prestressed products; 22/14-PRT	Duties	27.2.2016 (Official Journal of 26.2.2016)	
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)

Country/ Customs territory	Product; investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
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) 30.6.2014 (Official Journal of 1.7.2015)
	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) 29.3.2015 (Official Journal of 28.1.2016)
	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)
Spain	Carbon steel tubing with straight longitudinal or helical seams; 18/14-ESP	Duties	21.4.2016 (Official Journal of 20.4.2016)	
	Prestressed products; 22/14-ESP	Duties	27.2.2016 (Official Journal of 26.2.2016)	
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) 25.9.2013 (Official Journal of 9.10.2014)
	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) 29.3.2015 (Official Journal of 28.1.2016)
	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)

Country/ Customs territory	Product; investigation ID number	Measure(s)	Date of original imposition; publication reference	Date(s) of extension; publication reference(s)
United Kingdom	Carbon steel tubing with straight longitudinal seams; 40/07-GBR	Duties	6.1.2010 (Official Journal of 5.1.2010)	6.1.2015 (Official Journal of 18.12.2015)
United States	Carbon steel tubing with straight longitudinal or helical seams; 18/14-USA	Duties	21.4.2016 (Official Journal of 20.4.2016)	
	Ammonium sulphate; 06/14-USA	Duties	10.10.2015 (Official Journal of 9.10.2015)	
	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) 8.4.2015 (Official Journal of 9.5.2016)
	Stearic acid; 01/03-USA	Duties	9.4.2005 (Official Journal of 8.4.2005)	9.4.2010 (Official Journal of 7.10.2011) 9.4.2015 (Official Journal of 9.5.2016)
	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)

REFUND REQUESTS UNDER ARTICLE 9.3
DURING THE PERIOD 1 JANUARY TO 30 JUNE 2016

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
Not applicable				

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GLOBAL TRADE ALERT

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Independent monitoring of policies that affect world trade

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Mexico: Extension of antidumping duty on imports of bars and rods of iron or non-alloy steel from Ukraine

Measure #7815 | Published 29 Nov 2014 | Last Updated 05/09/2015

Description

On August 30, 2010, the Mexican Ministry of Economy decided to initiate a sunset review of the antidumping duty imposed on imports of bars and rods of iron or non-alloy steel from Ukraine.
The products subject to investigation are classified under the following HS codes: 7213.9101, 7213.9102, 7213.9901 and 7213.9999.
This review follows the applications lodged on August 10 and 11, 2010 by Ternium México, S.A. de C.V. and Deacero, S.A. de C.V. respectively. The investigation started on the day following the publication of the resolution in the Official Journal of the Federation, i.e. on September 8, 2010.
On November 15, 2011, the Mexican authorities issued the preliminary resolution and decided upon the continuation of the existing antidumping duty (30.52%) until the end of the revision.
On February 22, 2012, the Mexican authorities terminated the review and decided upon the continuation of the antidumping measure imposed on imports of bars and rods of iron or non-alloy steel originating in Ukraine. The rate of this definitive duty is 41%. This duty entered into force on the day following the publication of the resolution in the Official Journal of the Federation, i.e. on March 8, 2012. It shall be enforced for a period of five years, starting from September 20, 2010. The original antidumping duty entered into force on September 19, 2000.
On August 25th, 2015, the Mexican Ministry of Economy decided to initiate a third sunset review of the antidumping duty imposed on imports of bars and rods of iron or non-alloy steel originating in Ukraine. This review follows the application lodged on August 7th, 2015 by Deacero, S.A.P.I. de C.V. and Ternium México, S.A. de C.V. The review started on the day following the publication of the resolution in the Official Journal of the Federation, i.e. on September 5th, 2015. The existing antidumping measure remains in force during the review.

On 3 September 2016, following the conclusion the above sunset review, the Mexican Ministry of Economy extended the current definitive antidumping duty on bars and rods of iron or non-alloy steel originating in Ukraine. The duty enters into force on 19 September 2015 for a period of five years.

Any Evidence-Based Deliberation:

QUESTION	RESULT
Is there anything in the public record to suggest that evidence of the effectiveness of the proposed measure was considered during official deliberations?	
Is there any evidence that alternatives to the proposed measure were considered?	
Is there anything in the public record that suggests that empirical evidence informed the comparison across the alternatives available to government?	
Was such evidence identified?	
Is such evidence publicly available?	
Did the official decision-maker in question provide an explanation as to why a chosen measure was favoured over alternatives?	
Is there any evidence to suggest that potentially affected trading partners were consulted before the measures were taken?	
Is there any evidence that safeguards have been put in place to ensure that implementation of the initiative is transparent and non-discriminatory?	

Implementing Jurisdiction:
Mexico
Affected Trading Partners:
Ukraine
Measure type:
Trade defence measure (AD, CVD, safeguard)
Affected Sectors:
41
Affected Tariff Lines:
7213
(mouse over for more info)

Date Discovered: 30/08/2010
Implemented: Yes
Date of inception: 8 Mar 2012
GTA Evaluation: Red

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Did the government state its intention to review the measure within one year of implementation?

Source:

Diario Oficial de la Federación, 07.09.2010, Secretaría de Economía, Resolución por la que se declara el inicio de examen de vigencia y de la revisión de oficio de la cuota compensatoria impuesta a las importaciones de alambrón de hierro o acero sin alear originarias de Ucrania, independientemente del país de procedencia (30.08.2010):
http://www.contactopyme.gob.mx/upci/paginas/1487.pdf
Diario Oficial de la Federación, 22.11.2011, Secretaría de Economía, Resolución preliminar de la revisión de oficio de la cuota compensatoria impuesta sobre las importaciones de alambrón de hierro o acero sin alear, originarias de Ucrania, independientemente del país de procedencia (15.11.2011):
http://www.contactopyme.gob.mx/upci/paginas/1583.pdf
Diario Oficial de la Federación, 07.03.2012, Secretaría de Economía, Resolución final del examen de vigencia y de la revisión de oficio de la cuota compensatoria impuesta sobre las importaciones de alambrón de hierro o acero sin alear, originarias de Ucrania, independientemente del país de procedencia (22.02.2012):
http://www.contactopyme.gob.mx/upci/paginas/1612.pdf
Diario Oficial de la Federación, 04.09.2015, Secretaría de Economía, Resolución por la que se declara el inicio del examen de vigencia de la cuota compensatoria impuesta a las importaciones de alambrón de hierro o acero sin alear, originarias de Ucrania, independientemente del país de procedencia (25.08.2015), in Spanish:
http://www.economia.gob.mx/files/comunidad_negocios/upci/publicaciones_d...

Diario Oficial de la Federación, 02.09.2016, Secretaría de Economía, Resolución Final del examen de vigencia de la cuota compensatoria impuesta a las importaciones de alambrón de hierro o acero sin alear originarias de Ucrania, independientemente del país de procedencia: http://dof.gob.mx/nota_detalle.php?codigo=5450971&fecha=02/09/2016

Government Response:

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10. Morocco

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WORLD TRADE ORGANIZATION

G/SG/N/8/MAR/3/Suppl.2
G/SG/N/10/MAR/3/Suppl.1
G/SG/N/11/MAR/2/Suppl.2

11 April 2014

(14-2267)

Page: 1/2

Committee on Safeguards

Original: French

NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

NOTIFICATION UNDER ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS

NOTIFICATION UNDER ARTICLE 9, FOOTNOTE 2, OF THE AGREEMENT ON SAFEGUARDS

(Wire Rods and Reinforcing Bars)

MOROCCO

Supplement

The following communication, dated 7 April 2014, has been received from the Permanent Mission of Morocco.

The results of the final determination in the safeguard investigation into imports of wire rods and reinforcing bars and the recommended definitive safeguard measure were notified by Morocco to the Committee on Safeguards in document G/SG/N/8/MAR/3/Suppl.1-G/SG/N/10/MAR/3-G/SG/N/11/MAR/2/Suppl.1.

In accordance with safeguard investigation procedures, the final results of the investigation were published by means of a notice announcing the recommendation to apply a definitive safeguard measure and indicating Morocco's readiness to enter into consultations with those Members having a substantial interest as exporters of the products concerned, pursuant to Article 12.3 of the Agreement on Safeguards.

As a result of these publications, the European Commission requested consultations under Article 12.3 of the WTO Agreement on Safeguards and Article 27 of the Morocco-EU Association Agreement.

Morocco therefore held consultations with the European Union on 22 January and 3 March 2014, which enabled the parties to discuss the proposed measure and reach an agreement on the definitive measure.

In light of the foregoing, Morocco hereby submits its notification concerning the decision to apply a definitive safeguard measure to imports of wire rods classified under tariff subheading 7213.91.90.00 and reinforcing bars classified under tariff subheadings 7214.20.90.00 and 7214.99.91.00, in accordance with Article 12.1(c) of the Agreement on Safeguards.

The decision mentioned in this notification supersedes the decision contained in the above-mentioned notification, published on 20 December 2013 in document G/SG/N/8/MAR/3/Suppl.1-G/SG/N/10/MAR/3-G/SG/N/11/MAR/2/Suppl.1.

1 DESCRIPTION OF THE PRODUCTS

The products subject to the investigation are reinforcing bars with a diameter ranging from 5.5 to 40 millimetres and wire rods with a diameter of 5.5 to 14 millimetres. These products are imported under Moroccan Harmonized System tariff subheadings 7213.91.90.00 (wire rods) and 7214.20.90.00 and 7214.99.9100 (reinforcing bars).

2 DEFINITIVE SAFEGUARD MEASURE

The definitive safeguard measure will consist of an additional specific duty of the order of DH 0.55/kg applicable to imports in excess of the quotas of 100,000 tonnes for wire rods and 60,000 tonnes for reinforcing bars.

3 EXPECTED TIMETABLE FOR PROGRESSIVE LIBERALIZATION OF THE DEFINITIVE MEASURE

For the purposes of liberalizing the definitive safeguard measure, the established quotas will be increased by around 10% in 2015.

4 DURATION OF THE MEASURE

The measure will be applied until 31 December 2015.

5 DATE OF INTRODUCTION OF THE DEFINITIVE SAFEGUARD MEASURE

The definitive safeguard measure will enter into force on the date of publication in Morocco's Official Journal of the joint order imposing the measure.

6 DEVELOPING MEMBERS EXEMPT FROM THE MEASURE IN ACCORDANCE WITH ARTICLE 9.1 OF THE AGREEMENT ON SAFEGUARDS

The following developing countries are exempt from the definitive measure:

Albania; Angola; Antigua and Barbuda; Argentina; Armenia; Bahrain, Kingdom of; Bangladesh; Barbados; Belize; Benin; Bolivia; Botswana; Brazil; Brunei Darussalam; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Central African Republic; Chad; Chile; China; Chinese Taipei; Colombia; Congo; Congo, Democratic Republic of the; Costa Rica; Côte d'Ivoire; Croatia; Cuba; Djibouti; Dominica; Dominican Republic; Ecuador; El Salvador; Fiji; Gabon; the Gambia, Georgia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Honduras; Hong Kong, China; India; Indonesia; Jamaica; Jordan; Kenya; Korea, Republic of; Kuwait; Kyrgyz Republic; Lao People's Democratic Republic; Lesotho; Macao, China; Macedonia, Former Yugoslav Republic of; Madagascar; Malawi; Malaysia; Maldives; Mali; Mauritania; Mauritius; Mexico; Moldova, Republic of; Mongolia; Montenegro; Mozambique; Myanmar; Namibia; Nepal; Nicaragua; Niger; Nigeria; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Qatar; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; Saudi Arabia, Kingdom of; Senegal; Sierra Leone; Singapore; Solomon Islands; South Africa; Sri Lanka; Suriname; Swaziland; Tajikistan; Tanzania; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Turkey; Uganda; United Arab Emirates; Uruguay; Vanuatu; Venezuela, Bolivarian Republic of; Vietnam; Zambia; and Zimbabwe.

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WORLD TRADE ORGANIZATION

G/SG/N/8/MAR/3/Suppl.1/Corr.1
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G/SG/N/11/MAR/2/Suppl.1/Corr.1

26 May 2014

(14-3109) Page: 1/1

Committee on Safeguards Original: French

NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

NOTIFICATION UNDER ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS

NOTIFICATION UNDER ARTICLE 9, FOOTNOTE 2, OF THE AGREEMENT ON SAFEGUARDS

(Wire Rods and Reinforcing Bars)

MOROCCO

Corrigendum

The following communication, dated 19 May 2014, has been received from the Permanent Mission of Morocco.

Paragraph 9 "Developing members exempt from the measure in accordance with Article 9.1 of the Agreement on Safeguards" on page 4 of document G/SG/N/8/MAR/3/Suppl.1-G/SG/N/10/MAR/3-G/SG/N/11/MAR/2/Suppl.1 should be amended to read as follows:

9 DEVELOPING MEMBERS EXEMPT FROM THE DEFINITIVE SAFEGUARD MEASURE IN ACCORDANCE WITH ARTICLE 9.1 OF THE AGREEMENT ON SAFEGUARDS

The following developing countries are exempt from the definitive measure:

Albania; Angola; Antigua and Barbuda; Argentina; Armenia; Bahrain, Kingdom of; Bangladesh; Barbados; Belize; Benin; Bolivia; Botswana; Brazil; Brunei Darussalam; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Central African Republic; Chad; Chile; China; Chinese Taipei; Colombia; Congo; Congo, Democratic Republic of the; Costa Rica; Côte d'Ivoire; Croatia; Cuba; Djibouti; Dominica; Dominican Republic; Ecuador; El Salvador; Fiji; Gabon; the Gambia, Georgia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Honduras; Hong Kong, China; India; Indonesia; Jamaica; Jordan; Kenya; Korea, Republic of; Kuwait; Kyrgyz Republic; Lao People's Democratic Republic; Lesotho; Macao, China; Macedonia, Former Yugoslav Republic of; Madagascar; Malawi; Malaysia; Maldives; Mali; Mauritania; Mauritius; Mexico; Moldova, Republic of; Mongolia; Montenegro; Mozambique; Myanmar; Namibia; Nepal; Nicaragua; Niger; Nigeria; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Qatar; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; Saudi Arabia, Kingdom of; Senegal; Sierra Leone; Singapore; Solomon Islands; South Africa; Sri Lanka; Suriname; Swaziland; Tajikistan; Tanzania; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Uganda; United Arab Emirates; Uruguay; Vanuatu; Venezuela, Bolivarian Republic of; Viet Nam; Zambia; and Zimbabwe.

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WORLD TRADE ORGANIZATION

G/SG/N/10/MAR/3/Suppl.2
G/SG/N/14/MAR/1

4 September 2015

(15-4521)

Committee on Safeguards Original: French

NOTIFICATION UPON INITIATION OF A REVIEW PURSUANT TO ARTICLE 7.2 REGARDING THE EXTENSION OF A SAFEGUARD MEASURE

MOROCCO

(Wire Rods and Reinforcing Bars)

The following communication, dated 31 August 2015, is being circulated at the request of the delegation of Morocco.

Pursuant to Article 7.2 of the Agreement on Safeguards, Morocco hereby notifies the initiation of an investigation regarding the extension of the safeguard measure on imports of wire rods and reinforcing bars.

1. Date of initiation of the investigation

The Ministry of Foreign Trade (MCE) decided to initiate the investigation regarding the extension of the safeguard measure on imports of wire rods and reinforcing bars on 29 July 2015.

An announcement by the Ministry of Foreign Trade was made available to the public on the Ministry website (http://www.maroc-trade.gov.ma).

2. Description of the products involved

The products under investigation are wire rods with a diameter of 5.5 to 14 millimetres and reinforcing bars with a diameter ranging from 5.5 to 40 millimetres.

These products are imported under Moroccan Harmonized System tariff subheadings 7213.91.90.00 (wire rods) and 7214.20.90.00 and 7214.99.91.00 (reinforcing bars).

3. Reference to the WTO document containing the most recent Article 12.1(c) notification

The WTO document containing the most recent Article 12.1(c) notification is document G/SG/N/8/MAR/3/Suppl.1 - G/SG/N/10/MAR/3 - G/SG/N/11/MAR/2/Suppl.1, dated 20 December 2013, and the amendment thereto, published on 26 May 2014 in document G/SG/N/8/MAR/3/Suppl.1/Corr.1 - G/SG/N/10/MAR/3/Corr.1 - G/SG/N/11/MAR/2/Suppl.1/Corr.1.

4. Reasons for the initiation of the review

The investigation regarding the extension of the safeguard measure on imports of wire rods and reinforcing bars was initiated by the Ministry of Foreign Trade following a request submitted by the Moroccan Iron and Steel Industry Association (*Association des Sidérurgistes du Maroc*, ASM) on behalf of the domestic wire rod and reinforcing bar industry and on the basis of the information and evidence contained in that request.

The purpose of the investigation is to ascertain whether the safeguard measure continues to be necessary to prevent or remedy the serious injury caused by imports of wire rods and reinforcing bars and whether the domestic industry is adjusting.

The initiation of the review investigation for the purposes of extending the safeguard measure on imports of wire rods and reinforcing bars will enable the Ministry of Foreign Trade to evaluate the adjustment programme adopted by the ASM, in particular its level of implementation and the impact of programme activities on the domestic industry's performance. The Ministry will also consider measures yet to be implemented in order to restore the domestic industry's competitiveness in relation to imports.

The non-confidential summary of the report on the initiation of the investigation regarding the extension of the safeguard measure is available on the Ministry website http://www.maroc-trade.gov.ma under "*Mesures de défense commerciale*"/"*Avis publics et nouvelles*"/"*Sauvegarde*" (Trade defence measures/Public notices and news/Safeguards).

5. Deadline(s) for exporters and other interested parties to submit comments in writing

Interested parties have a period of 30 days from the date of initiation of the investigation to make themselves known as such and to comment on the investigation by contacting the Ministry of Foreign Trade by fax or email at the number or address provided below.

The Ministry of Foreign Trade may hold a public hearing, either ex officio or at the request of the parties concerned, in which interested parties may participate provided that they so request and show that they are in fact likely to be affected by the results of the investigation.

For information concerning the investigation procedure, please contact:

Ministère Délégué auprès du Ministre de l'Industrie, du Commerce, de l'Investissement et de l'Économie Numérique chargé du Commerce Extérieur
Direction de la Politique des Échanges Commerciaux
Division de la Défense Commerciale / Service des Mesures Sauvegarde
Parcelle 14, Business Center, Aile Nord, Bd Riad, Hay Riad
PB 610, Rabat Chellah, Maroc
Tel.: (212) 537 70 18 46
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WORLD TRADE ORGANIZATION

G/SG/N/10/MAR/3/Suppl.3
G/SG/N/11/MAR/2/Suppl.3
G/SG/N/14/MAR/1/Suppl.1

22 December 2015

(15-6840)

Committee on Safeguards

Original: French

NOTIFICATION UNDER ARTICLE 12.1(C)
OF THE AGREEMENT ON SAFEGUARDS
(EXTENSION OF THE EXISTING MEASURE)

NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2
OF THE AGREEMENT ON SAFEGUARDS

MOROCCO

(Wire Rods and Reinforcing Bars)

Supplement

The following communication, dated 17 December 2015, is being circulated at the request of the delegation of Morocco.

Pursuant to Article 12.1(c) of the Agreement on Safeguards, Morocco hereby notifies the extension of the safeguard measure on imports of wire rods and reinforcing bars.

1 DESCRIPTION OF THE PRODUCT SUBJECT TO THE SAFEGUARD MEASURE

The products subject to the safeguard measure are wire rods with a diameter of 5.5 to 14 millimetres and reinforcing bars with a diameter ranging from 5.5 to 40 millimetres. These products are imported under Moroccan Harmonized System tariff subheadings 7213.91.90.00 (wire rods) and 7214.20.90.00 and 7214.99.91.00 (reinforcing bars).

2 DESCRIPTION OF THE PROPOSED MEASURE

The safeguard measure consists of an additional specific duty of DH 0.55/kg applicable to imports in excess of the quotas of 121,000 tonnes for wire rods and 72,600 tonnes for reinforcing bars.

3 PROPOSED DATE OF INTRODUCTION OF THE MEASURE

The definitive safeguard measure will enter into force on the day immediately following that on which the order imposing this measure is published in Morocco's Official Journal.

4 EXPECTED DURATION OF THE MEASURE

The Moroccan Ministry of Foreign Trade (MCE) plans to renew the safeguard measure for an additional duration of three years, i.e. until 31 December 2018.

5 EXPECTED TIMETABLE FOR PROGRESSIVE LIBERALIZATION OF THE MEASURE

The level of the quota will continue to increase by 10% each year in order to meet the liberalization requirement, in accordance with Article 65 of Law No. 15-09 on trade defence measures and Article 7.4 of the WTO Agreement on Safeguards.

Table 1: Annual quota levels for wire rods and reinforcing bars

(In tonnes)

	From the date of the entry into force of the measure until 31 December 2016	From 1 January 2017 to 31 December 2017	From 1 January 2018 to 31 December 2018
Wire rods	121,000	133,100	146,410
Reinforcing bars	72,600	79,860	46

6 EVIDENCE THAT THE SAFEGUARD MEASURE CONTINUES TO BE NECESSARY TO REMEDY OR PREVENT SERIOUS INJURY AND THAT THE INDUSTRY CONCERNED IS ADJUSTING

In order to determine whether the safeguard measure continues to be necessary to remedy or prevent serious injury and whether the Moroccan industry is adjusting in accordance with Article 69 of Law No. 15-09 and Article 7.2 of the WTO Agreement on Safeguards, the MCE examined whether the safeguard measure was still needed to remedy serious injury. In this connection, it examined wire rod and reinforcing bar import trends and the Moroccan industry's economic indicators. The MCE then examined whether the safeguard measure continued to be necessary to prevent serious injury. The examination focused, for that purpose, on the foreseeable and imminent behaviour of the imports and their effects on the Moroccan wire rod and reinforcing bar industry after the lifting of the safeguard measure. The MCE also examined this industry's restructuring programme.

6.1 The safeguard measure continues to be necessary to remedy or prevent serious injury

In order to determine whether the safeguard measure continues to be necessary to remedy serious injury, the MCE examined the domestic industry's economic indicators, namely production, production capacity, rate of capacity utilization, sales, production costs, profitability, inventories, productivity and employment. A slight, but nevertheless very fragile, improvement in the situation of the Moroccan wire rod and reinforcing bar industry was observed.

Table 2: Overview of indicators* of serious injury suffered by the domestic wire rod and reinforcing bar industry

Index: 2011 = 100; 2014 (first half) = 100

		2011	2012	2013	2014	2014 (first half)	2015 (first half)
Imports (tonnes)	Wire rods	72,846	134,146	183,021	165,035	85,970	75,207
	Reinforcing bars	32,973	65,480	179,698	136,996	54,357	52,109
Imports/ Production	Wire rods	100	314	616	526	100	102
	Reinforcing bars	100	250	800	600	100	89
Production (tonnes)	Wire rods	100	59	41	43	100	86
	Reinforcing bars	100	92	83	80	100	103
Production capacity	Wire rods	100	97	97	97	100	100
	Reinforcing bars	100	102	116	116	100	120
Rate of capacity utilization	Wire rods	100	60	42	44	100	86
	Reinforcing bars	100	89	71	69	100	86
Sales (tonnes)	Wire rods	100	56	36	41	100	104
	Reinforcing bars	100	96	86	82	100	109
Turnover (DH thousand)	Wire rods	100	53	35	37	100	95
	Reinforcing bars	100	94	83	76	100	98

		2011	2012	2013	2014	2014 (first half)	2015 (first half)
Average price (DH/T)	Wire rods	100	94	96	90	100	91
	Reinforcing bars	100	96	97	91	100	90
Production costs (DH/T)	Wire rods	100	100.12	91.14	88.47	100	94.13
	Reinforcing bars	100	99.92	92.16	92.96	100	89.57
Results (DH thousand)	Wire rods	100	-67	65	27	100	53
	Reinforcing bars	100	-124	15	15	100	76
Profitability	Wire rods	100	-133	167	67	100	67
	Reinforcing bars	100	-100	18	21	100	100
Final inventories (tonnes)	Wire rods	100	115	94	91	100	30
	Reinforcing bars	100	89	83	104	100	212
Productivity tonne/employee	Wire rods	100	61.43	45.71	51.43	100	90.91
	Reinforcing bars	100	105.86	97.07	93.95	100	99.62
Employment	Wire rods	100	95.84	89.89	84.83	100	96.13
	Reinforcing bars	100	86.48	85.16	85.42	100	104.01

* Source: Data compiled from Foreign Exchange Board statistics and results of a survey for domestic producers.

6.2 Determination as to whether the safeguard measure continues to be necessary to prevent serious injury

In order to determine whether the safeguard measure continues to be necessary to prevent serious injury, the MCE examined the risk that imports would continue to increase in the coming years due to factors such as the following:

- Global (in particular European) over-capacity;
- The threat posed by Chinese exports;
- Measures taken by a number of countries that put further pressure on the international market; and
- The dramatic fall in the price of iron ore.

Having examined the above factors, Morocco concluded that there is a real and imminent risk of imports of wire rods and reinforcing bars increasing once the safeguard measure is lifted, most notably due to the over-capacity of European and Chinese producers.

6.3 Domestic industry adjustment plan

The Moroccan wire rod and reinforcing bar industry has provided evidence showing that it has instituted a structural adjustment plan aimed at increasing the competitiveness of the Moroccan steel sector. However, other adjustment measures are being implemented, which require the application of the safeguard measure for an additional period.

In light of the above-mentioned evidence, Morocco concludes that the safeguard measure continues to be necessary to remedy or prevent serious injury to the domestic wire rod and reinforcing bar industry and that the Moroccan wire rod and reinforcing bar industry is making adjustments to improve its competitiveness.

7 REFERENCE TO THE WTO DOCUMENT THAT NOTIFIED THE INITIAL APPLICATION OF THE MEASURE

The WTO document containing the most recent Article 12.1(c) notification is document G/SG/N/8/MAR/3/Suppl.1 – G/SG/N/10/MAR/3 – G/SG/N/11/MAR/2/Suppl.1, dated 20 December 2013, and the amendment thereto, published on 26 May 2014 in document G/SG/N/8/MAR/3/Suppl.1/Corr.1 – G/SG/N/10/MAR/3/Corr.1 – G/SG/N/11/MAR/2/Suppl.1/Corr.1.

8 THE DURATION OF THE MEASURE FROM INITIAL APPLICATION UNTIL THE DATE ON WHICH IT WILL BE EXTENDED

Morocco applied a provisional safeguard measure to imports of wire rods and reinforcing bars, which entered into force on 30 May 2013. This measure was applied definitively, for a period of two years, on 21 March 2015 and should expire on 31 December 2015. Morocco now intends to extend this safeguard measure until 31 December 2018.

9 DEVELOPING COUNTRIES TO WHICH THE MEASURE IS NOT APPLIED UNDER ARTICLE 9.1 OF THE AGREEMENT ON SAFEGUARDS

Albania; Angola; Antigua and Barbuda; Argentina; Armenia; Kingdom of Bahrain; Bangladesh; Barbados; Belize; Benin; Plurinational State of Bolivia; Botswana; Brazil; Brunei Darussalam; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Central African Republic; Chad; Chile; China; Colombia; Congo; Democratic Republic of the Congo; Costa Rica; Côte d'Ivoire; Cuba; Djibouti; Dominica; Dominican Republic; Ecuador; El Salvador; Fiji; Former Yugoslav Republic of Macedonia (FYROM); Gabon; Gambia; Georgia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Honduras; Hong Kong, China; India; Indonesia; Jamaica; Jordan; Kenya; Republic of Korea; State of Kuwait; Kyrgyz Republic; Lao People's Democratic Republic; Lesotho; Macao, China; Madagascar; Malawi; Malaysia; Maldives; Mali; Mauritania; Mauritius; Mexico; Republic of Moldova; Mongolia; Montenegro; Mozambique; Myanmar; Namibia; Nepal; Nicaragua; Niger; Nigeria; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Qatar; Rwanda; Saint Lucia; Saint Kitts and Nevis; Saint Vincent and the Grenadines; Samoa; Kingdom of Saudi Arabia; Senegal; Sierra Leone; Singapore; Solomon Islands; South Africa; Sri Lanka; Suriname; Swaziland; Chinese Taipei; Tajikistan; Tanzania; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Uganda; United Arab Emirates; Uruguay; Vanuatu; Bolivarian Republic of Venezuela; Viet Nam; Yemen; Zambia; Zimbabwe.

WORLD TRADE ORGANIZATION

G/SG/N/10/MAR/3/Suppl.3/Corr.1
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G/SG/N/14/MAR/1/Suppl.1/Corr.1

19 April 2016

(16-2202) Page: 1/1

Committee on Safeguards Original: French

NOTIFICATION UNDER ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS (EXTENSION OF THE EXISTING MEASURE)

NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2 OF THE AGREEMENT ON SAFEGUARDS

MOROCCO

(Wire Rods and Reinforcing Bars)

Corrigendum

The following communication, dated 18 April 2016, is being circulated at the request of the delegation of Morocco.

Paragraph 5, "**Expected timetable for progressive liberalization of the measure**" on page 2 of document G/SG/N/10/MAR/3/Suppl.3-G/SG/N/11/MAR/2/Suppl.3-G/SG/N/14/MAR/1/Suppl.1, should be amended to read as follows:

5 EXPECTED TIMETABLE FOR PROGRESSIVE LIBERALIZATION OF THE MEASURE

The level of the quota will continue to increase by 10% each year in order to meet the liberalization requirement, in accordance with Article 65 of Law No. 15-09 on trade defence measures and Article 7.4 of the WTO Agreement on Safeguards.

Table 1: Annual quota levels for wire rods and reinforcing bars

(In tonnes)

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Reinforcing bars	72,600	79,860	87,846

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11. Pakistan

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Pricing
Import duty explained

Import duty & taxes for Wire rod non alloy

The import duty rate for importing **Wire rod non alloy** into Pakistan is 20% , the import GST is 0%, when classified under Industrial Machinery & Hardware → Mining & Construction | materials & installations - → Balusters & Balustrades of iron & steel with HS commodity code 7326.90.90

- Calculate landed costs
- More
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  - Get duty rates
  - Lookup HS codes
  - Request classification by customs expert

Below you can find HS commodity codes, import duty & tax rates and any import restrictions for Wire rod non alloy for your country of import.

Calculate import duty in a few steps

START CALCULATION

Share 614

HS commodity codes, import duty & taxes and import restrictions for Wire rod non alloy

Import to country	HS commodity code	MFN duty rate	Sales tax	Additional duties & taxes	Country specific import restrictions
Algeria	7326.90.90	30%	19%		
Andorra	7326.90.9890	2.7%	4.5%		
Antigua And Barbuda	7326.90.90	20%	15%	Customs service tax (CST) (0% CIF)	

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Argentina	7326.90.90900X	18%	21%	* Statistical fee (0.5% CIF)
Aruba	7326.90.00	5%	No sales tax	
Australia	7326.90.9060	5%	10%	* Import Processing Charge (AU$50.00)
Austria	7326.90.9890	2.7%	20%	
Azerbaijan	7326.90.9800	10%	18%	
Azores	7326.90.9890	2.7%	18%	
Bahrain	7326.90.99	5%	No sales tax	
Bangladesh	7326.90.90	25%	15%	* Regulatory Duty (RD) (4% (CIFD + Supplementary Duty (SD))) * AIT(Advance Income Tax) (5% CIFD)
Barbados	7326.90.90	20%	17.5%	* Entry Processing Fee (Bds$10.00 charge on all imports)
Belarus	7326.90.9808	7.5%	20%	
Belgium	7326.90.9890	2.7%	21%	
Belize	7326.90.90	20%	12.5%	* Environmental Levy (2% CIF)
Bermuda	7326.90.0	22.25%	No sales tax	
Bolivia	7326.90.90000	10%	14.94%	
Bosnia And Herzegovina	7326.90.9800	10%	17%	* Customs record keeping charge (1% CIF)
Botswana	7326.90.907	0%	12%	
Brazil	7326.90.90	18%	Depends on province	* Airport fee (50% (Storage fee + Handling fee)) * Storage fee (1% CIFD) * Handling fee (US$0.015 per KG) * Declaration fee (BRL185.00) * IPI (5% CIFD) * PIS PASEP COFINS tax ((12.75% (CIF * (1 + ICMS%) * (Duty% + IPI% * (1 + Duty%)))) / (0.9075 * (1 - ICMS%)))
Brunei Darussalam	7326.90.9900	0%	No sales tax	
Bulgaria	7326.90.9890	2.7%	20%	
Burundi	7326.90.90	25%	18%	* Administrative Licence Fee (0.5% CIF) * Security Tax (1.15% CIF)
Cambodia	7326.90.99	15%	10%	* Special tax
Canada	7326.90.9090	6.5%	Depends on province	
Canary Islands	7326.90.9890	2.7%	7%	
Cayman Islands	7326.90.00	22%	No sales tax	
Chile	7326.90.00	6%	19%	* Classification Charge (1% CIF)

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China	7326.90.9000	8%	17%	Parcel Tax (30%)
Colombia	7326.90.9000	5%	19%	
Costa Rica	7326.90.0090	0%	13%	Golfito Tax (Tourism development tax) (14% CIFD); Law 6946 (National Emergency Law) (1% CIFD)
Croatia	7326.90.9890	2.7%	25%	
Cyprus	7326.90.9890	2.7%	19%	
Czech Republic	7326.90.9890	2.7%	21%	
Denmark	7326.90.9890	2.7%	25%	
Dominica	7326.90.90	20%	15%	Customs service charge (5% CIF); Environmental surcharge
Dominican Republic	7326.90.90	20%	18%	
Ecuador	7326.90.9000	25%	14%	Fodinfa (Children development fund) (0.5% CIF)
Egypt	7326 90.90	30%	13%	
El Salvador	7326.90.0000	0%	13%	
Estonia	7326.90.9890	2.7%	20%	
Finland	7326.90.9890	2.7%	24%	
France	7326.90.9890	2.7%	20%	
French Guiana	7326.90.9890	2.7%	No sales tax	Sea excise - French Guiana (15% CIF); Regional sea excise - French Guiana (2.5% CIF)
Germany	7326.90.9890	2.7%	19%	
Gibraltar	7326.90.0000	12%	No sales tax	
Greece	7326.90.9890	2.7%	24%	
Grenada	7326.90.90	20%	15%	Customs service charge (CSC) (5% CIF)
Guadeloupe	7326.90.9890	2.7%	8.5%	Sea excise - Guadeloupe (7% CIF); Regional sea excise - Guadeloupe (2.5% CIF)
Guatemala	7326.90 0000	0%	12%	
Guernsey	7326.90.9890	2.7%	No sales tax	
Guyana	7326.90.90	20%	16%	
Honduras	7326.90.0000	0%	15%	
Hong Kong	7326.90.90	0%	No sales tax	
Hungary	7326.90.9890	2.7%	27%	
Iceland	7326.90.19	0%	24%	
India	7326.90.99	10%	No sales tax	Landing charges (1% CIF); Countervailing duty (12.5% (CIFD + Landing charges)); CESS (3% (Duty + Landing charges + CEX (Education & Higher Education CESS) + Countervailing duty))

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				• Additional Countervailing Duty (4% (CIFD + [illegible] CESS + CEX (Education & Higher Education CESS)))
Indonesia	7326.90.9990	7.5%	10%	• Income tax (15% CIFD)
Iran	7326.90.90	5%	9%	
Ireland	7326.90.9890	2.7%	23%	
Isle of Man	7326.90.9890	2.7%	20%	
Israel	7326.90.99	10%	17%	• Import port fee (US$50.31 Import port fee if weight more 50 kg per shipment)
Italy	7326.90.9890	2.7%	22%	
Jamaica	7326.90.90	20%	16.5%	• Standard compliance fee (SCF) (0.3% CIF) • Environmental levy (0.5% CIF)
Japan	7326.90.090	0%	8%	
Jersey	7326.90.9890	2.7%	5%	
Jordan	7326.90.90	20%	16%	
Kazakhstan	7326.90.9808	7.5%	12%	
Kenya	7326.90.90	25%	16%	• Import Declaration Fee (2.25% CIF)
Kuwait	7326.90.99	5%	No sales tax	
Lao People's Democratic Republic	7326.90.9900	5%	10%	
Latvia	7326.90.9890	2.7%	21%	
Lebanon	7326.90.90	5%	0%	
Lesotho	7326.90.907	0%	14%	
Liechtenstein	7326.90.13	0% + CHF6.20 per 100 kg	8%	
Lithuania	7326.90.9890	2.7%	21%	
Luxembourg	7326.90.9890	2.7%	17%	
Macau	7326.90.00	0%	No sales tax	
Madeira	7326.90.9890	2.7%	22%	
Malaysia	7326.90.900	5%	6%	
Maldives	7326.90.0011	10%	6%	
Malta	7326.90.9890	2.7%	18%	
Martinique	7326.90.9890	2.7%	8.5%	• Sea excise - Martinique (7% CIF) • Regional sea excise - Martinique (2.5% CIF)
Mayotte	7326.90.9890	2.7%	No sales tax	• Sea excise - Mayotte (2.5% CIF) • Regional sea excise - Mayotte (7% CIF)
Mexico	7326.90.99	0%	16%	• DTA (0.8% CIFD)
Monaco	7326.90.9890	2.7%	20%	
Montserrat	7326.90.90	20%	No sales tax	• Consumption tax (15% CIFD)
Morocco	7326.90.1?90	17.5%	20%	•

Parafiscal tax (0.25% CIF)

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Myanmar	7326.90.9900	1.5%	5%	
Namibia	7326.90.907	0%	15%	
Netherlands	7326.90.9890	2.7%	21%	
New Zealand	7326.90.0939H	5%	15%	• Import entry transaction fee (NZ$49.24)
Nicaragua	7326.90.000090	0%	15%	
Nigeria	7326.90.9000	20%	5%	
Norway	7326.90.00	0%	25%	
Oman	7326.90.99	5%	No sales tax	
Pakistan	7326.90.90	20%	0%	
Panama	7326.90.9000	10%	7%	
Paraguay	7326.90.90	18%	10%	
Peru	7326.90.9000	0%	16%	• Municipal tax (2% (CIFD + Excise + Tariff surcharge))
Philippines	7326.90.99	15%	12%	
Poland	7326.90.9890	2.7%	23%	
Portugal	7326.90.9890	2.7%	23%	
Puerto Rico	7326.90.8688	2.9%	12.5%	
Qatar	7326.90.99	5%	No sales tax	
Reunion	7326.90.9890	2.7%	8.5%	• Sea excise - Reunion (4% CIF) • Regional sea excise - Reunion (2.5% CIF)
Romania	7326.90.9890	2.7%	19%	
Russian Federation	7326.90.9808	7.5%	18%	
Rwanda	7326.90.90	25%	18%	• Withholding tax (5% CIF)
Saint Kitts And Nevis	7326.90.90	20%	17%	
Saint Lucia	7326.90.90	20%	15%	• Service charge (6% CIF)
Saint Martin	7326.90.9890	0%	No sales tax	
Saint Vincent And The Grenadines	7326.90.90	20%	15%	• Customs service charge (5% CIF)
San Marino	7326.90.9890	2.7%	No sales tax	
Saudi Arabia	7326.90.99	5%	No sales tax	
Serbia	7326.90.9800	10%	20%	
Singapore	7326.90.99	0%	7%	
Slovakia	7326.90.9890	2.7%	20%	
Slovenia	7326.90.9890	2.7%	22%	
South Africa	7326.90.907	0%	14%	
South Korea	7326.90.9000	8%	10%	
Spain	7326.90.9890	2.7%	21%	
Sri Lanka	7326.90.90	15%	15%	• PAL (Ports and Airport Levy) (5% CIF)
Suriname	7326.90.90	20%	10%	• Consent law (1.5% CIF) • Statistics law (0.5% CIF)

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Swaziland	7326.90.907	0%	14%	
Sweden	7326.90.9890	2.7%	25%	
Switzerland	7326.90.13	0% + CHF6.20 per 100 kg	8%	
Taiwan (ROC)	7326.90.90906	6.2%	5%	* Trade promotion fee (0.04% CIF)
Tanzania	7326.90.90	25%	18%	
Thailand	7326.90.99090	10%	7%	
Trinidad And Tobago	7326.90.90	20%	12.5%	
Turkey	7326.90.980019	2.7%	18%	
Turks And Caicos Islands	7326.90.90	30%	No sales tax	
Uganda	7326.90.90	25%	18%	* Withholding tax (6% CIF)
Ukraine	7326.90.9890	5%	20%	
United Arab Emirates	7326.90.99	5%	No sales tax	
United Kingdom	7326.90.9890	2.7%	20%	
United States	7326.90.8688	2.9%	Depends on state	* Merchandise Processing Fee
Uruguay	7326.90.9090	18%	22%	* Consular fee (2% CIF)
Venezuela	7326.90.90	18%	12%	
Vietnam	7326.90.99	10%	10%	

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15. Vietnam

WORLD TRADE ORGANIZATION

4 January 2016

(16-0031) Page: 1/2

Committee on Safeguards Original: English

NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON SAFEGUARDS ON INITIATION OF AN INVESTIGATION AND THE REASONS FOR IT

VIET NAM

(Semi-finished and certain finished products of alloy and non-alloy steel)

The following communication, dated 28 December 2015, is being circulated at the request of the Delegation of Viet Nam.

Pursuant to Article 12.1(a) of the WTO Agreement on Safeguards, the Socialist Republic of Viet Nam hereby wishes to notify the Committee on Safeguards that the Viet Nam Competition Authority hereafter referred as "the Investigating Authority" has initiated a safeguard investigation on the imports of "Semi-finished and certain finished products of alloy and non-alloy steel under HS Code 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.00; 7213.91.20; 7214.20.31; 7214.20.41; 7227.90.00; 7228.30.10; 9811.00.00".

On 15 December 2015, the Investigating Authority received an application for a safeguard measure from the 04 companies, hereinafter referred to as "the Applicant". After examining the properly documented application, the Investigating Authority concluded that there was sufficient evidence to justify the initiation of a safeguard investigation.

1. The date of initiation

The investigation was initiated on 25 December 2015.

2. Subject good

The steel products covered by the investigation include:

a. Semi-finished products of iron or non-alloy steel products;

b. Bars & rods of iron or non-alloy steel.

Certain steel products under HS Code: 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.00; 7213.91.20; 7214.20.31; 7214.20.41; 7227.90.00; 7228.30.10; 9811.00.00

3. Reasons for initiation of investigation procedure

The investigation was initiated following an evaluation of *prima facie* evidence provided in the application for a safeguard measure by the Applicant which accounts for a major proportion in the total production of products in Viet Nam.

The data submitted by the Applicant showed that there was an increase of volume of import of the subject good that causes or threaten to cause a serious injury to the domestic industry producing similar products.

The currently available data also showed a situation of sharply declining in capacity, market share, productivity, labour and losses, in conjunction with the increase in imports.

4. Further information

Any request for information regarding the investigation must be submitted within 30 days after the initiation of the investigation.

Interested parties who desire to present evidence, documents and opinions pertaining to the investigation shall submit their evidence, documents and opinions so stated in writing within a period of 30 days after the initiation of the investigation to the following address:

VIETNAM COMPETITION AUTHORITY
(Trade Remedies Investigation Division)
25 Ngo Quyen Street, Ha Noi, Viet Nam
Tel: (84 4) 22205002 ext.1038
Fax: (84 4) 22205003
Email: thanhlk@moit.gov.vn; quynhpm@moit.gov.vn

WORLD TRADE ORGANIZATION

NON-CONFIDENTIAL VERSION

Business Proprietary Information Has Been Deleted

G/SG/N/11/VNM/2

11 March 2016

(16-1429)

Page: 1/7

Committee on Safeguards

Original: English

NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT ON SAFEGUARDS BEFORE TAKING A PROVISIONAL SAFEGUARD MEASURE REFERRED TO IN ARTICLE 6

NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT ON SAFEGUARDS

VIET NAM

(Certain semi-finished and finished products of alloy and non-alloy steel)

The following communication, dated 10 March 2016, is being circulated at the request of the Delegation of Viet Nam.

In accordance with Ordinance No. 42/2002/PL-UBTVQH10 dated 25 May 2002 of the Standing Committee of the National Assembly on Safeguards on Imports of Foreign Goods into Vietnam and Decree No. 150/2003/ND-CP dated 8 December 2003 of the Government providing detailed regulations for implementation of Ordinance on safeguards on imports of foreign goods into Vietnam, the Ministry of Industry and Trade notifies the application of provisional safeguard measures on Certain semi-finished and finished products of alloy and non-alloy steel under HS code of 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.00; 7213.91.20; 7214.20.31; 7214.20.41; 7229.90.00; 7228.30.10; 9811.00.00

1. Background

On 25 December 2015, the Ministry of Industry and Trade issued the Decision No. 14296/QD-BCT on the initiation of safeguard investigation on certain semi-finished and finished products of alloy and non-alloy steel (hereinafter referred to as "subject products") imported from various countries.

2. Subject product

The steel products covered by the investigation include:

a. Semi-finished products of iron or non-alloy steel products;

b. Bars & rods of iron or non-alloy steel.

Certain steel products under HS Code: 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.00; 7213.91.20; 7214.20.31; 7214.20.41; 7227.90.00; 7228.30.10; 9811.00.00.

3. Provisional safeguard measures applied

Ministry of Industry and Trade shall apply provisional safeguard measure in the form of import. Duty on subject products imported into Vietnam as follows:

3.1. Semi-finished products of iron or non-alloy steel products

The provisional safeguard measure which applied to Semi-finished products of iron or non-alloy steel products is 23.3% in the form of import duty under HS code as follows:

No.	HS Code	Description
	7207	Semi-finished products of iron or non-alloy steel.
1	7207.11.00	- - Of rectangular (including square) cross-section, the width measuring less than twice the thickness
2	7207.19.00	- - Other
	7207.20	- Containing by weight 0.25% or more of carbon:
3	7207.20.29	- - - - Other
4	7207.20.99	- - - - Other
	7224	Other alloy steel in ingots or other primary forms; semi-finished products of other alloy steel.
5	7224.90.00	- Other

3.2. Bars & rods of iron or non-alloy steel.

The provisional safeguard measure which applied to Bars & rods of iron or non-alloy steel. Is 14.2% in the form of import duty under HS as follows:

No.	HS code	Description
	7213	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel.
1	7213.10.00	- Containing indentations, ribs, grooves or other deformations produced during the rolling process
2	7213.91.20	- - - Of a kind used for concrete reinforcement (rebars)
	7214	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extracted, but including those twisted after rolling.
	7214.20	- Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling: - - Containing by weight less than 0.6% of carbon: - - - Of circular cross-section:
3	7214.20.31	- - - Of a kind used for concrete reinforcement (rebars)
4	7214.20.41	- - - Of a kind used for concrete reinforcement (rebars)
	7227	Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel.
5	7227.90.00	- Other
	7228	Other bars and rods of other alloy steel; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel.
	7228.30	- Other bars and rods, not further worked than hot-rolled, hot-drawn or extruded:
6	7228.30.10	- - Of circular cross-section
	9811	
7	9811.00.00	Alloy steel contain Boron and/or Chrome except hot-rolled steel.

4. Countries or origin of products under investigation subject to provisional safeguard measure

Provisional safeguard measure is applied to imported products from all countries under investigation, except for countries excluded from the investigation in accordance with the regulation on negligible volume of imports (Article 13 of Decree 150/2003/ND-CP of 8 December 2003 detailing regulations for implementation of Ordinance on safeguards on imports of foreign goods into Vietnam). Please see the list of countries excluded from the investigation in the Appendix below.

5. Effective date of the provisional safeguard measures

Provisional safeguard measures will take effect after 15 days from the date of signing of the Decision of the Minister of Industry and Trade, i.e. 22 March 2016.

6. Duration of the provisional safeguard measures

Provisional safeguard measures will be applied for a period not exceeding 200 days since the effective date, i.e. until 7 October 2016. The provisional safeguard measures will be terminated in the case of Minister of Industry and Trade decides to apply the definitive safeguard measures or to terminate the investigation.

7. Basis for application of the provisional safeguard measures

Based on the information provided by interested parties, the Investigating Authority determines as follows:

- The domestic industry is a group of steel companies whose manufacturing certain semi-finished and finished products of alloy and non-alloy steel in Vietnam, that represent more than 50% of total Vietnam production.

- Domestically produced like product consists of certain semi-finished and finished products of alloy and non-alloy steel. These products have the same components of raw materials, specification, production methods, purposes of use with the imported subject products above.

- The volume of subject products imported to Vietnam increased in both relative and absolute terms.

- The domestic industry has suffered serious injury. Specifically, the domestic industry has got losing market share, reduction of productivity, turnover, employment, increase of inventories in the period of 2012-2015, especially 2015.

- The increase of import of subject products has caused serious injury to the domestic industry

- The economic crisis in China in recent years and the excess of capacity with the large amount of inventories of steel products in China; and the application of trade remedy measures to certain semi-finished and steel finished products of some countries are considered as "unforeseen development" and are the reasons for the surge of imports to Vietnam.

8. Next procedures

The Investigating Authority will conduct a public hearing with interested parties before finishing the investigation. Time for the public hearing will be notified to interested parties at least 30 days before the hearing. Interested parties have to submit the registration to attend the hearing and written submissions of the view expressed at the hearing no later than 10 days before the date of public hearing.

9. Further information

Information on the decision to apply provisional safeguard measures on subject products is accessible at the website of the Ministry of Industry and Trade (http://www.moit.gov.vn) and Vietnam Competition Authority (http://www.vca.gov.vn or http://www.qlct.gov.vn).

Further information and comments should be sent to:

Trade Remedies Investigation Division
Vietnam Competition Authority - Ministry of Industry and Trade
Address: 25 Ngo Quyen Street, Hoan Kiem District, Hanoi, Vietnam
Phone: (+84 4) 222.05002 (ext: 1035) (Ms. Mai Quynh)
Fax: (+84 4) 222.05003
Email: quynhpm@moit.gov.vn; ninhtt@moit.gov.vn.

APPENDIX

LIST OF COUNTRIES EXCLUDED FROM THE INVESTIGATION

1. Sub-Sahara Africa

Angola	Madagascar	Nigeria
Benin	Malawi	Rwanda
Botswana	Mali	Sao Tome and Principe
Burkina Faso	Mauritania	Senegal
Burundi	Mauritius	Sierra Leone
Cabo Verde	Mozambique	Somalia
Cameroon	Namibia	South Africa
Central African Republic	Niger	South Sudan
Chad	Gabon	Sudan
Comoros	Gambia, The	Swaziland
Congo, Dem. Rep.	Ghana	Tanzania
Congo, Rep.	Guinea	Togo
Cote d'Ivoire	Guinea-Bissau	Uganda
Eritrea	Kenya	Zambia
Ethiopia	Lesotho	Zimbabwe
	Liberia	

2. Asia Pacific

American Samoa	Myanmar
Cambodia	Palau
Fiji	Papua New Guinea
Indonesia	Philippines
Kiribati	Samoa
Korea, Dem. Rep.	Solomon Islands
Lao PDR	Thailand
Malaysia	Timor-Leste
Marshall Islands	Tonga
Micronesia, Fed. Sts.	Tuvalu
Mongolia	Vanuatu

3. Europe and Central Asia

Albania	Macedonia, FYR
Armenia	Moldova
Azerbaijan	Montenegro
Belarus	Romania
Bosnia and Herzegovina	Serbia
Bulgaria	Tajikistan
Georgia	Turkey
Kazakhstan	Turkmenistan
Kosovo	Ukraine
Kyrgyz Republic	Uzbekistan

4. Latin America and Caribbean

Belize	Guyana
Bolivia	Haiti
Brazil	Honduras
Colombia	Jamaica
Costa Rica	Mexico
Cuba	Nicaragua
Dominica	Panama
Dominican Republic	Paraguay
Ecuador	Peru
El Salvador	St. Lucia
Grenada	St. Vincent and the Grenadines
Guatemala	Suriname

5. Middle East and North Africa

Algeria	Libya
Djibouti	Morocco
Egypt, Arab Rep.	Syrian Arab Republic
Iran, Islamic Rep.	Tunisia
Iraq	West Bank and Gaza
Jordan	Yemen, Rep.
Lebanon	

6. South Asia

Afghanistan	Maldives
Bangladesh	Nepal
Bhutan	Pakistan
India	Sri Lanka

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WORLD TRADE ORGANIZATION

G/SG/N/8/VNM/3
G/SG/N/10/VNM/2
G/SG/N/11/VNM/4

2 August 2016

(16-4110)

Page: 1/6

Committee on Safeguards

Original: English

NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

NOTIFICATION UNDER ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS

NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2 OF THE AGREEMENT ON SAFEGUARDS

VIET NAM

(Certain semi-finished and finished products of alloy and non-alloy steel)

The following communication, dated 28 July 2016, is being circulated at the request of the Delegation of Viet Nam.

In accordance with Ordinance No. 42/2002/PL-UBTVQH10 dated 25 May 2002 of the Standing Committee of the National Assembly on Safeguards on Imports of Foreign Goods into Vietnam and Decree No. 150/2003/ND-CP dated 8 December 2003 of the Government providing detailed regulations for implementation of Ordinance on safeguards on imports of foreign goods into Vietnam, the Ministry of Industry and Trade notifies the application of definitive safeguard measures on Certain semi-finished and finished products of alloy and non-alloy steel under HS code of 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.00; 7213.91.20; 7214.20.31; 7214.20.41; 7229.90.00; 7228.30.10; 9811.00.00

1. Background

On 25 December 2015, the Ministry of Industry and Trade issued the Decision No. 14296/QD-BCT on the initiation of safeguard investigation on certain semi-finished and finished products of alloy and non-alloy steel (hereinafter referred to as "subject products") imported from various countries.

2. Subject products

The steel products covered by the investigation include:

a. Semi-finished products of iron or non-alloy steel products;

b. Bars & rods of iron or non-alloy steel.

Certain steel products under HS Code: 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.00; 7213.91.20; 7214.20.31; 7214.20.41; 7227.90.00; 7228.30.10; 9811.00.00.

3. Safeguard measures applied

3.1. Semi-finished products of iron or non-alloy steel products

Ministry of Industry and Trade shall apply safeguard measure in the form of import duty on semi-finished products of iron or non-alloy steel products imported into Vietnam as follows:

Effective period	Safeguard duties
22/3/2016 (the date which provisional safeguard measure take into effect) - 21/3/2017	23.3%
22/3/2017 - 21/3/2018	21.3%
22/3/2018 - 21/3/2019	19.3%
22/3/2019 - 21/3/2020	17.3%
From 22/3/2020 onwards	0% (if not extended)

The safeguard measure applied to semi-finished products of iron or non-alloy steel products in the form of import duty under HS code as follows:

No.	HS Code	Description
7207		**Semi-finished products of iron or non-alloy steel.**
1	**7207.11.00**	**- - Of rectangular (including square) cross-section, the width measuring less than twice the thickness**
2	**7207.19.00**	**- - Other**
7207.20		**- Containing by weight 0.25% or more of carbon:**
3	**7207.20.29**	**- - - - Other**
4	**7207.20.99**	**- - - - Other**
7224		**Other alloy steel in ingots or other primary forms; semi-finished products of other alloy steel.**
5	**7224.90.00**	**- Other**

3.2. Bars & rods of iron or non-alloy steel

Ministry of Industry and Trade shall apply safeguard measure in the form of import duty on Bars & rods of iron or non-alloy steel imported into Vietnam as follows:

Effective period	Safeguard duties
22/3/2016 (the date which provisional safeguard measure take into effect) - 01/8/2016 (one day before the definitive safeguard measure take into effect)	14.2% (provisional safeguard measure)
02/8/2016 (the date which definitive safeguard measure take into effect) - 21/3/2017	15.4% (definitive safeguard measure first year)
22/3/2017 - 21/3/2018	13.9%
22/3/2018 - 21/3/2019	12.4%
22/3/2019 - 21/3/2020	10.9%
From 22/3/2020 onwards	0% (if not extended)

The definitive safeguard measure which applied to Bars & rods of iron or non-alloy steel in the form of import duty under HS as is follows:

No.	HS code	Description
7213		Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel.
1	**7213.10.00**	- Containing indentations, ribs, grooves or other deformations produced during the rolling process
2	**7213.91.20**	- - - Of a kind used for concrete reinforcement (rebars)
7214		Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extracted, but including those twisted after rolling.
7214.20		- Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling: - - Containing by weight less than 0.6% of carbon: - - - Of circular cross-section:
3	**7214.20.31**	- - - Of a kind used for concrete reinforcement (rebars)
4	**7214.20.41**	- - - Of a kind used for concrete reinforcement (rebars)
7227		Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel.
5	**7227.90.00**	- Other
7228		Other bars and rods of other alloy steel; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel.
7228.30		- Other bars and rods, not further worked than hot-rolled, hot-drawn or extruded:
6	**7228.30.10**	- - Of circular cross-section
9811		
7	**9811.00.00**	Alloy steel contain Boron and/or Chrome except hot-rolled steel.

4. Countries or origin of products under investigation subject to definitive safeguard measure

Definitive safeguard measure is applied to imported products from all countries under investigation, except for countries excluded from the investigation in accordance with the regulation on negligible volume of imports (Article 13 of Decree 150/2003/ND-CP of 8 December 2003 detailing regulations for implementation of Ordinance on safeguards on imports of foreign goods into Vietnam). Please see the list of countries excluded from the investigation in the Appendix below.

5. Effective date of the definitive safeguard measures

Definitive safeguard measures will take effect after 15 days from the date of signing of the Decision of the Minister of Industry and Trade, i.e. **02 August 2016**.

6. Duration of the definitive safeguard measures:

Definitive safeguard measures will be applied for a period of 4 years since the effective date.

7. Basis for application of the definitive safeguard measures

Based on the information provided by interested parties, the Investigating Authority determines as follows:

- The domestic industry is a group of steel companies whose manufacturing certain semi-finished and finished products of alloy and non-alloy steel in Vietnam, that represent more than 50% of total Vietnam production.
- Domestically produced like product consists of certain semi-finished and finished products of alloy and non-alloy steel. These products have the same components of

raw materials, specification, production methods, purposes of use with the imported subject products above.

- The volume of subject products imported to Vietnam increased in both relative and absolute terms.

- The domestic industry has suffered serious injury. Specifically, the domestic industry has got losing market share, reduction of productivity, turnover, employment, increase of inventories in the period of 2012-2015, especially 2015.

- The increase of import of subject products has caused serious injury to the domestic industry

- The economic crisis in China in recent years and the excess of capacity with the large amount of inventories of steel products in China; and the application of trade remedy measures to certain semi-finished and steel finished products of some countries are considered as "unforeseen development" and are the reasons for the surge of imports to Vietnam.

8. Further information

Information on the decision to apply definitive safeguard measures on subject products is accessible at the website of the Ministry of Industry and Trade (http://www.moit.gov.vn) and Vietnam Competition Authority (http://www.vca.gov.vn or http://www.qlct.gov.vn).

Further information and comments should be sent to:

Trade Remedies Investigation Division
Vietnam Competition Authority - Ministry of Industry and Trade
Address: 25 Ngo Quyen Street, Hoan Kiem District, Hanoi, Vietnam
Phone: (+84 4) 222.05002 (ext: 1035) (Ms. Mai Quynh)
Fax: (+84 4) 222.05003
Email : quynhpm@moit.gov.vn; ninhtt@moit.gov.vn.

APPENDIX
LIST OF COUNTRIES EXCLUDED FROM THE INVESTIGATION

1. Sub-Sahara Africa

Angola	Gambia, The	Rwanda
Benin	Ghana	Sao Tome and Principe
Botswana	Guinea	Senegal
Burkina Faso	Guinea-Bissau	Sierra Leone
Burundi	Kenya	Somalia
Cabo Verde	Lesotho	South Africa
Cameroon	Liberia	South Sudan
Central African Republic	Madagascar	Sudan
Chad	Malawi	Swaziland
Comoros	Mali	Tanzania
Congo, Dem. Rep.	Mauritania	Togo
Congo, Rep.	Mauritius	Uganda
Cote d'Ivoire	Mozambique	Zambia
Eritrea	Namibia	Zimbabwe
Ethiopia	Niger	
Gabon	Nigeria	

2. Asia Pacific

American Samoa	Myanmar
Cambodia	Palau
Fiji	Papua New Guinea
Indonesia	Philippines
Kiribati	Samoa
Korea, Dem. Rep.	Solomon Islands
Lao PDR	Thailand
Malaysia	Timor-Leste
Marshall Islands	Tonga
Micronesia, Fed. Sts.	Tuvalu
Mongolia	Vanuatu

3. Europe and Central Asia

Albania	Macedonia, FYR
Armenia	Moldova
Azerbaijan	Montenegro
Belarus	Romania

Bosnia and Herzegovina	Serbia
Bulgaria	Tajikistan
Georgia	Turkey
Kazakhstan	Turkmenistan
Kosovo	Ukraine
Kyrgyz Republic	Uzbekistan

4. Latin America and Caribbean

Belize	Guyana
Bolivia	Haiti
Brazil	Honduras
Brazil	Jamaica
Colombia	Mexico
Costa Rica	Nicaragua
Cuba	Panama
Dominica	Paraguay
Dominican Republic	Peru
Ecuador	St. Lucia
El Salvador	St. Vincent and the Grenadines
Grenada	Suriname
Guatemala	

5. Middle East and North Africa

Algeria	Libya
Djibouti	Morocco
Egypt, Arab Rep.	Syrian Arab Republic
Iran, Islamic Rep.	Tunisia
Iraq	West Bank and Gaza
Jordan	Yemen, Rep.
Lebanon	

6. South Asia

Afghanistan	Maldives
Bangladesh	Nepal
Bhutan	Pakistan
India	Sri Lanka

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15. European Union

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EXHIBIT 10

EXHIBIT NOT CAPABLE OF PUBLIC SUMMARY

EXHIBIT 11

EXHIBIT NOT CAPABLE OF PUBLIC SUMMARY

EXHIBIT 12

SIMA - U.S. Imports of C&A Steel Wire Rod

Country	Census Data - short tons													License Data	
	16-Feb	16-Mar	16-Apr	16-May	16-Jun	16-Jul	16-Aug	16-Sep	16-Oct	16-Nov	16-Dec	17-Jan	17-Feb	17-Mar	17-Apr
WORLD	137,242	137,467	128,077	142,318	133,711	125,303	156,036	130,308	149,674	102,060	101,120	105,836	134,467	174,207	101,788
CANADA	38,105	40,512	37,840	39,369	34,842	30,799	36,710	36,753	32,389	35,387	29,413	27,890	32,131	48,212	18,995
BRAZIL	13,954	7,711	32	17,394	4,557	22,940	7,197	12,334	13,345	10,680	22,816	13,653	18,628	8,491	-
UKRAINE	20,258	13,706	16,952	14,995	9,673	6,700	19,759	13,930	18,189	4,276	8,059	7,704	30,824	21,434	17,402
JAPAN	9,926	22,827	17,598	13,313	20,005	15,920	17,627	17,350	22,196	10,901	17,319	11,248	7,340	20,799	7,045
RUSSIA	14,593	13,808	3,618	17,144	1,901	7,411	17,206	12,500	4,577	8,590		1,978	17,488	11,324	8,710
TURKEY	9,252	12,521	568	3,756	9,966	7,018	4,088	547	16,788	6,316	4,901	10,142	3,156	29,485	11,093
MEXICO	3,154	3,283	3,617	6,228	5,364	6,721	5,159	7,571	3,254	2,410	8,803	6,037	2,636	6,492	2,248
BELARUS	1,376	4,648	6,941	2,643	-	-	15,126	-	22	-	-	-	16,761	-	22
SPAIN	1,063	1,001	2,581	7,506	9,891	4,809	1,838	16,987	10,331	8,751	4,495	9,267	1,421	8,213	4,268
ITALY	-	-	9	-		-	11,998	-	9,194	11,905	55	11,395	-	3,283	14,935
KOREA	11,121	12,607	14,504	4,083	11,720	6,390	12,147	6,213	13,703	929	853	3,381	201	7,802	3,096
GERMANY	1,113	309	3,818	3,524	5,260	6,605	2,948	169	547	1,133	3,069	223	410	1,854	4,997
UNITED KINGDOM	7,809	4,367	7,359	7,772	9,121	4,345	3,989	388	5,117	747	263	2,901	226	5,111	5,627
SOUTH AFRICA	4,767	124	9,286	4,528	3,341	-	-	-	-	-	-	-	3,230	1,699	3,273
INDIA	-	-	-	-	-	-	-	-	-	-	1,069	-	8	-	-
FRANCE	500	-	-	-	-	-	-	5	15	-	-	7	-	-	-
NETHERLANDS	-	-	-	-	-	-	-	110	-	-	-	5	-	-	-
DENMARK	-	-	-	-	-	-	-	0	-	0	0	-	0	-	-
ARGENTINA	-	-	-	-	-	447	-	-	-	-	-	-	-	-	-
CHINA	19	11	-	-	-	5	-	-	-	-	-	-	-	0	12
TAIWAN	225	-	-	-	-	-	238	-	-	-	-	-	-	-	-
UNITED ARAB EMIRATES	-	27	3,349	54	8,064	5,189	-	5,447	-	27	-	-	-	-	-
UNITED STATES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIETNAM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59

SOURCE: U.S. Department of Commerce, Enforcement and Compliance

Table last modified on: April 18, 2017, with

Licensing data collected through April 18, 2017 and

Final Census data compiled through February 2017

EXHIBIT 13

ArcelorMittal
(http://arcelormittalsa.com/Home.aspx)

Contact Us (/Contact.aspx)
ArcelorMittal.com (http://www.arcelormittal.com/)
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Operations (http://arcelormittalsa.com/Operations.aspx)

Long Steel Products (http://arcelormittalsa.com/Operations/LongSteelProducts/Overview.aspx)

Overview (http://arcelormittalsa.com/Operations/LongSteelProducts/Overview.aspx)

Long Steel Products

Newcastle Works, located in the northern part of South Africa’s KwaZulu-Natal Province, is the country’s foremost supplier of profile products.

This highly efficient and low cost operation, rated among the lowest billet cash-cost producer's in the world by a leading commodities research institute, bears testimony to the success of the intensive re-engineering programmes undertaken at ArcelorMittal South Africa

The plant employs around 2237 permanent staff and 51 contract employees. The plant has the capacity to produce 1.9 million tonnes per annum post the reline in 2014.

The profile products produced include low and medium-carbon commercial grades, low-carbon rimming steel substitutes, sulphur containing free-cutting steels, micro-alloyed steels, high-carbon wire-rod steels and low, medium and high-alloy steels

Sizeable capital expenditure has been invested for the extensive refurbishment of the plant and to introduce sophisticated information systems. This has optimised operations and sustained global competitiveness at all levels.

Newcastle Works' strategic priorities revolve around expanding its strong position in the African market.

Growth of its present market share is being realised by providing customised attention to

Vanderbijlpark Works (http://arcelormittalsa.com/Operations/VanderbijlparkWorks/Overview.aspx)

Long Steel Products (http://arcelormittalsa.com/Operations/LongSteelProducts/Overview.aspx)

Saldanha Works (http://arcelormittalsa.com/Operations/SaldanhaWorks/Overview.aspx)

Tubular Works (http://arcelormittalsa.com/Operations/TubularWorks.aspx)

Coke & Chemicals (http://arcelormittalsa.com/Operations/CokeChemicals/Overview.aspx)

Production Processes (http://arcelormittalsa.com/Operations/ProductionProcesses.aspx)

client requirements, enhanced delivery reliability and product quality.

Internationally, the focus of the operation has been to identify specific global locations where it can maximise export volume and price, and concomitantly reduce the risk of exposure to volatile markets abroad.

Successful implementation of re-engineering and continuous improvement programmes at the business unit has honed the business into a modern, internationally aligned operation.

The ISO 9002, 14001 and 18001 listed plant is an integrated operation that produces rolled steel from iron ore via a blast furnace route. The plant has three coke oven batteries, one sinter plant, one blast furnace, two basic oxygen furnaces and four rolling mills.

Vereeniging Works is the country's major supplier of speciality steel products, seamless tube and forge products. The ISO 14001 certified plant employs 908 staff and produces 0.4 million tonnes of final product per annum, of which some 32% is exported.

Its strategic priorities are focused on retaining and expanding its share of the Southern African market, whilst supplying high quality, value added steels to select international markets.

It supplies input material for the manufacture of safety critical components (SCC's) for the automotive industry, seamless tube for the petrochemical, oil and gas industries and wire rod wire for fencing and hoisting rope used in deep shaft mining.

The plant's seamless tubes are manufactured and tested in accordance with API standards and meet the requirements of the petrochemical oil and gas industries. It is manufactured via a mini-mill, incorporating a multi-stand pipe mill and in-line downstream finishing facility. The manufacturing facility consists of a rotary hearth furnace, a cone-type rotary piercer and a multi-stand pipe mill. In addition it has a 22-stand stretch reducer followed by two straighteners, cutting and beveling facilities, as well as an EMI and ultrasonic testing unit.

Forge products includes an extensive range in sizes from 90 mm to 1 400 mm. The Vereeniging plant produces rounds, squares, flats, thick-wall tubes, step-forgings, rings, disks and blocks. Products are supplied in the "as-forged" condition or heat-treated to specification. Extensive machining facilities are available.

Special profiles, which are produced at a scaled down Pretoria operation, includes a full range of window sections, which are used for manufacturing of residential and industrial windows. Other products include Y and I standard fencing posts, T-section droppers and palisade fencing sections.

Management

Charlton Whitcher
General Manager: Long Steel Products

Colin Hill
Works Manager: Iron Making

Fanie Conradie

Works Manager: Primary Steelmaking,

Finishing & Dispatch, QM

Bruce Mc Quade
Works Manager: Secondary Rolling

Prakesh Krishanlall
Works Manager: Eng. & Projects

Jean van der Merwe
Manager: Marketing: Long Steel Products

Andre Moolman
Manager: Planning & Logistics

Tom Singh
Manager: Procurement

Bernice Skinner
Manager: Finance

Mthetho Phakathi
Manager: Human Resources

André Moolman
Manager: Planning Long Steel

Brian Cragg
Manager: SHERQ

Pieter Conradie
Manager: Information Management

Sipho Mntambo
Manager: Environmental

Frikkie van Zyl
Manager: Business Improvement

Vereeniging Works Process Flowchart (/Portals/0/Vereeniging%20Process%20Flow.pdf)

Newcastle Works Process Flowchart (/Portals/0/PS-0183-Rev-1.pdf)

Read more

- Annual Financial Results (/InvestorRelations /AnnualResults.aspx)
- Interim Financial Results (/InvestorRelations /InterimResults.aspx)
- Presentations (/InvestorRelations /Presentations.aspx)
- Foundation Projects (/Whoweare /CorporateSocialResponsibility /Projects.aspx)
- Operations Overview (/Operations.aspx)
- ArcelorMittal Vacancies (/Peopleamp;Careers /JoinusVacancies.aspx)
- ThinkSteel (http://thinksteel.arcelormittalsa.com/)

EXHIBIT 14

THE UNITED STATES INTERNATIONAL TRADE COMMISSION

IN THE MATTER OF:	) Investigation Nos.:
CARBON AND CERTAIN ALLOY STEEL WIRE	) 701-TA-417 AND
ROD FROM BRAZIL, INDONESIA, MEXICO,	) 731-TA-953, 957-959,
MOLDOVA, TRINIDAD AND TOBAGO, AND	) 961 and 962
UKRAINE	)(Second Review)

Tuesday, April 22, 2014
Main Hearing Room (Room 101)
U.S. International Trade
Commission
500 E. Street, S.W.
Washington, D.C.

The meeting commenced, pursuant to notice at 9:32 a.m., Chairman Irving A. Williamson (presiding).

Commissioners Present:

Chairman Irving A. Williamson (presiding)
Commissioner Dean A. Pinkert
Commissioner David S. Johanson
Commissioner Meredith M. Broadbent
Commissioner F. Scott Kieff

investigation and is now part of Metinvest group of companies that trades steel assets, mostly in the Donetsk area of Ukraine.

Like ArcelorMittal Metinvest is managed in accordance with international corporate standards aiming to maximize profits and shareholder value.

As a part of the commitment to efficiently manage its assets Metinvest has been willing to evaluate its production capacities and make hard decisions including where appropriate reducing excess production capacities.

In October 2010, Yenakiieve obtained a controlling interest in CJSC Makiiva. Our firm made a decision to permanently decommission its own wire production facilities resulting in the permanent elimination of that production capacity.

In 2011, Yenakiieve resumed production of wire rod solely at facilities leased from Makievka. As a result, total level of production capacity in Ukraine was reduced in 2009 to 2011.

There also appears to be some confusion about how many wire producers exist in Ukraine. To be clear, only Yenakiieve Makeevka branch and ArcelorMittal Kriviiy Rih produce wire rod today in Ukraine.

I understand that one of the questions the Commission is ultimately trying to answer today is what likely volumes of wire rod will be exported from Ukraine to the United States if the antidumping order is terminated. I can tell you first that it is highly unlikely that such imports would come from ArcelorMittal Kriviiy Rih. ArcelorMittal established marketing policies would not allow it to compete with ArcelorMittal sizeable investments in the U.S.

Second, while I cannot tell you that my company will never ship wire rod to the United States in the future, the volume of such shipments would have to be very small.

Yenakiieve has very limited use capacities to produce wire rod. As we reported to the Commission, in our questionnaire, Yenakiieve is already operating at nearly full capacity and has limited abilities to ship additional quantities of wire rod without diverting shipments from its existing customers. Yenakiieve also has no plans to increase its existing wire rod capacity within the foreseeable future.

Yenakiieve is also not going to shift shipments from its existing customers. Our firm has long-standing contractual agreements with all of the major wire rod customers in Ukraine including industrial wire processing mills.

Yenakiieve contracts specify regular shipments of wire rod to this important customers and such sales are a don't work. To me the price comparison in our brief to the Commission, we used our sales prices based on the regional annual weighted average. We then added transportation and logistic costs to arrive to a so-called actual minimum landed price for our product in the U.S. market. We then compared this actual U.S. price to the published prices of Platts SBB prices in the U.S. on an ex-mill basis and what we found is that the actual U.S. prices for 2012 and 2013 are typically lower than the prices in our home and regional markets. In other words, U.S. prices are not particularly attractive to Yenakiieve when all of their additional transportation and logistic costs are included.

Obviously prices can change over time. However, at least over the last two years, and continuing to today, prices in the U.S. market are not sufficiently attractive to our company to cause us to disrupt the relationships we have built with our long-term customers in Ukraine and other close regional markets and to send our wire rod halfway around the world.

There is no economic incentive to do so and we do not have free capacities in any way.

As I said at the beginning, the industry of Ukraine today is not the industry the Commission looked at 15 years ago. Yenakiieve and other Ukrainian producers are not a threat to the U.S. companies in this room and I hope political situation in Ukraine is affecting demand in Ukraine for the wire rod that we're looking at in this investigation?

MR. BARANETSKYI: Of course I can't answer you right now, but I can give you some definite figures. I think we will provide some figures to you lately in writing. But definitely this situation impacted our economy deeply and you know that because of external pressure from our neighbor, we artificially losing our markets and of course it's very artificial pressure to our economy.

So in this regard we need to really need support from our partners and from the United States as well. But regarding figures, some definite figures as I told -- I can provide them to you later.

COMMISSIONER PINKERT: Thank you very much.

CHAIRMAN WILLIAMSON: Thank you. Does any other Commission have questions? Commissioner Broadbent?

COMMISSIONER BROADBENT: Yeah. Thank you, sir.

Could you speak a little bit to your experience having joined the WTO? Was this beneficial for Ukraine's economy?

MR. BARANETSKYI: So, thank you much for this question. You know, I would like to admit that right now we have very good dialogue with the U.S. Tariff, for example, and we are discussing -- I would say, new approach of

EXHIBIT 15

Imports of Wire Rod Quantities (Shown in Short Tons); Year 2014												
Country	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Turkey	0	0	0	895	3,391	48,628	0	19,589	33,597	66,639	9,181	28,176
Russia	0	0	2,843	3,136	6,350	0	0	0	0	0	0	0
Korea	6,031	2,645	4,599	6,166	12,253	28,328	4,821	6,515	9,905	9,580	10,121	8,062
Ukraine	0	0	0	0	0	0	0	0	0	2,089	12,537	0
Spain	838	557	1,590	1,702	1,618	2,377	209	8,837	4,926	921	8,377	3,405
United Kingdom	7,217	4,999	6,272	10,300	5,010	7,380	351	4,585	625	13,722	817	10,104
United Arab Em	0	0	0	0	0	0	0	0	53	0	0	0
Italy	0	0	0	83	0	260	0	3	0	0	0	0
Subtotal	14,085	8,201	15,304	22,283	28,622	86,972	5,381	39,529	49,106	92,951	41,032	49,747
China	73,199	33,256	55,262	123,328	78,364	1,865	3,344	46	5,910	0	59	152
All Others	71,300	66,929	76,776	94,245	82,587	77,693	92,660	82,701	108,042	77,822	59,329	86,211
Total	158,584	108,386	147,342	239,856	189,573	166,530	101,385	122,276	163,058	170,772	100,420	136,110

Note: U.S. International Trade Commission DataWeb Monthly Imports 2014; South Africa and Belarus did not import Wire Rod in 2014.

EXHIBIT 16

EXHIBIT NOT CAPABLE OF PUBLIC SUMMARY

EXHIBIT 17

UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

C-489-832
Investigation
1/1/16 – 12/31/16
Public Version ~~Proprietary Document~~
E&C/V: PW

April 17, 2017

ENFORCEMENT AND COMPLIANCE
OFFICE OF AD/CVD OPERATIONS
COUNTERVAILING DUTY INVESTIGATION INITIATION CHECKLIST

SUBJECT: Carbon and Alloy Steel Wire Rod from the Republic of Turkey

CASE NUMBER: C-489-832

PETITIONERS:

Charter Steel Division of Charter Manufacturing Co., Inc.
1658 Cold Springs Road
Saukville, WI
(800) 437-8789

Gerdau Ameristeel U.S. Inc.
4221 West Boy Scout Boulevard, Suite 600
Tampa, FL 33607
(800) 637-8144

Keystone Consolidated Industries, Inc.
7000 S.W. Adams Street
Peoria, IL 61641
(309) 697-7628

Nucor Corporation
2100 Rexford Road
Charlotte, NC 28211
(214) 689-4300

COUNSEL TO PETITIONERS:

Alan H. Price
Daniel B. Pickard
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WILEY REIN LLP
1776 K Street, NW
Washington, DC 20006
(202) 719-7000

Paul C. Rosenthal
Kathleen W. Cannon
R. Alan Luberda
David C. Smith
Brooke M. Ringel
KELLEY DRYE & WARREN LLP
3050 K Street, NW, Suite 400
Washington, DC 20007
(202) 342-8400

POTENTIAL RESPONDENTS:

A list of the producers of carbon and alloy steel wire rod (wire rod), in the Republic of Turkey (Turkey), identified by Charter Steel, Gerdau Ameristeel US Inc., Keystone Consolidated Industries, Inc., and Nucor Corporation (the petitioners), can be found in the "Petition for the

Imposition of Countervailing Duties on Imports of Carbon and Alloy Steel Wire Rod from Turkey," dated March 28, 2017 (the Petition).[1]

SCOPE: *See* Attachment I – Scope of the Investigation, to this checklist.

IMPORT STATISTICS:

Turkey	2014	2015	2016
Volume (short tons)	210,096	259,183	98,497
Value (USD)	116,601,073	118,914,522	41,437,292

Source: U.S. International Trade Commission (ITC) Dataweb, available at http://dataweb.usitc.gov/. The petitioners reported the volume (converted from kilograms to short tons) and customs value for imports of wire rod using the Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035.[2]

APPROXIMATE CASE CALENDAR:

Event	No. of Days	Date of Action	Day of Week
	Countervailing Duty Investigation		
Petition Filed	0	March 28, 2017	Tuesday
Initiation Date	20	April 17, 2017	Monday
ITC Preliminary Determination	45	May 12, 2017	Friday
ITA Preliminary Determination†**	85	June 21, 2017	Wednesday
ITA Final Determination†	160	September 5, 2017	Tuesday*
ITC Final Determination***	205	October 19, 2017	Thursday
Publication of Order****	212	October 26, 2017	Thursday

*Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.
† These deadlines may be extended under the governing statute.
** This will take place only in the event of a preliminary affirmative determination from the ITC.
*** This will take place only in the event of a final affirmative determination from the International Trade Administration (ITA).
**** This will take place only in the event of a final affirmative determination from the ITA and the ITC.
Note: The ITC final determination will take place no later than 45 days after a final affirmative ITA determination.
Note: Publication of order will take place approximately seven days after an affirmative ITC final determination.

[1] *See* Volume I of the Petition, at 9 and Exhibit I-9.
[2] *See* Volume I of the Petition, at 7 and Exhibit I-6.

INDUSTRY SUPPORT:

Do the petitioners and those expressing support for the Petition account for more than 50% of production of the domestic like product?

☒	Yes
☐	No

If No, do those expressing support account for the majority of those expressing an opinion and at least 25% of domestic production?

☐	Yes
☐	No
☒	Not Applicable

Describe how industry support was established - specifically, describe the nature of any polling or other step undertaken to determine the level of domestic industry support.

See Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom, to this checklist.

Was there opposition to the Petition?

☐	Yes
☒	No

Are any of the parties who have expressed opposition to the Petition either importers or domestic producers affiliated with foreign producers?

☐	Yes
☐	No
☒	Not Applicable

INJURY TEST:

Because Turkey is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Tariff Act of 1930, as amended (the Act), Section 701(a)(2) of the Act applies to this investigation. Accordingly, the ITC must determine whether imports of the subject merchandise from Turkey materially injure, or threaten material injury to, a U.S. industry.

INJURY ALLEGATION:

We received a copy of the notice of institution of antidumping and countervailing duty investigations from the ITC, which was signed March 28, 2017. It indicates that the ITC has instituted an investigation to determine whether there is a reasonable indication that the domestic industry producing wire rod is materially injured or threatened with material injury.[3]

The relevant injury data can be found in Volume I of the Petition, at 9-37 and Exhibits I-8 and I-10 – I-15; and General Issues Supplement to the Petition, dated April 4, 2017 (General Issues Supplement), at 1 and Exhibit I-SUPP-1.[4]

Does the Petition contain evidence of causation? Specifically, does the Petition contain information relative to:

☒ volume and value of imports (*See* Volume I of the Petition, at 9-11, 16-19, 23-24, 32-33, and Exhibits I-8, I-10, and I-13.)

☒ U.S. market share (*i.e.*, the ratio of imports to consumption) (*See* Volume I of the Petition, at 11, 24, 32-33 and Exhibit I-10.)

☒ actual pricing (*i.e.*, evidence of decreased pricing) (*See* Volume I of the Petition, at 24-25, 35 and Exhibits I-8, I-11, and I-12.)

☒ relative pricing (*i.e.*, evidence of imports underselling U.S. products) (*See* Volume I of the Petition, at 24-25, 35 and Exhibit I-12.)

PETITION REQUIREMENTS:

Does the Petition contain the following?

☒ the name, address, and telephone number of the petitioners (*See* Volume I of the Petition, at 2 and Exhibit I-1.)

☒ the names, addresses, and telephone numbers of all domestic producers of the domestic like product known to the petitioning companies (*See* Volume I of the Petition, at 2 and Exhibits I-1 and I-2.)

☒ the volume or value of the domestic like product produced by the petitioner and each domestic producer identified for the most recently completed 12-month period for which data is available (*See* Volume I of the Petition, at 3 and Exhibit I-3; *see also* General Issues Supplement, at 4 and I-SUPP-4 and I-SUPP-5.)

Was the entire domestic industry identified in the Petition?

☒ Yes (*See* Volume I of the Petition, at 2 and Exhibits I-1 and I-2; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1.)

☐ No

☒ a clear and detailed description of the merchandise to be investigated, including the

[3] *See* Attachment IV, Notice of Institution from the ITC, to this checklist.
[4] *See* Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom, to this checklist.

appropriate Harmonized Tariff Schedule numbers (*See* Volume I of the Petition, at 6-8 and Exhibits I-5 and I-6; *see also* General Issues Supplement, at 1-4 and Exhibits I-SUPP-2 and I-SUPP-3.)

☒ the name of each country in which the merchandise originates or from which the merchandise is exported (*See* Volume I of the Petition, at 9.)

☒ the identity of each known exporter, foreign producer, and importer of the merchandise (*See* Volume I of the Petition, at 9-10, and Exhibits I-7 and I-9.)

☒ a statement indicating that the Petition was filed simultaneously with the Department of Commerce and the ITC (*See* cover letter to the Petition, at 1-2.)

☒ an adequate summary of the proprietary data (*See* public version of the Petition, and public version of the General Issues Supplement.)

☒ a statement regarding release under administrative protective order (*See* cover letter to the Petition, at 1-4, and cover letter to the General Issues Supplement, at 1-2.)

☒ a certification of the facts contained in the Petition by an official of the petitioning firm(s) and its legal representative (if applicable) (*See* attachments to cover letter to the Petition, attachments to cover letter to the General Issues Supplement, and attachments to cover letter to the CVD Supplement,[5] dated April 4, 2017.)

☒ import volume and value information for the most recent two-year period (*See* Volume I of the Petition, at 9-11, 16-19, 23-24, 32-33, and Exhibits I-8, I-10, and I-13.)

COUNTERVAILING DUTY ALLEGATIONS:

The proposed period of investigation (POI) is January 1, 2016, through December 31, 2016.[6]

The petitioners filed the Petition on March 28, 2017. On March 31, 2017, and April 4, 2017, the Department sought clarification on certain issues in the Petition.[7] Petitioners provided additional information in response to the Department's questionnaires between April 4 and 6, 2017.

CONSULTATIONS:

Pursuant to section 702(b)(4)(A)(ii) of the Act, on April 4, 2017, we invited representatives of the

[5] *See* Letter from Petitioners, "Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom - Petitioners' Amendment to Volume XII Relating to Turkey Countervailing Duties," April 6, 2017 (CVD Supplement); *see also* General Issues Supplement.
[6] *See* 19 CFR 351.204(b)(2).
[7] *See* Letter from the Department, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, the Republic of Turkey, Ukraine, United Arab Emirates, and the United Kingdom: Supplemental Questions," March 31, 2017; *see also* Letter from the Department, "Petition for the Imposition of Countervailing Duties on Imports of Carbon and Alloy Steel Wire Rod from Turkey: Supplemental Questions," April 4, 2017.

Government of Turkey (the GOT) for consultations with respect to the Petition.[8] We held the consultations via teleconference on April 11, 2017.[9]

COUNTERVAILING DUTY INVESTIGATION INITIATION STANDARD:

Section 702(b) of the Act states that petitioners must allege the elements necessary for the imposition of a CVD under section 701(a) of the Act (*i.e.*, the existence of countervailable subsidies and material injury, or threat of material injury, by reason of the subsidized imports). Section 702(b)(1) of the Act requires that these allegations be supported by information reasonably available to petitioners.

ALLEGED SUBSIDY PROGRAMS:

We recommend investigating the programs described under "Programs on Which the Department is Initiating an Investigation." For each program, petitioners alleged the elements of a countervailable subsidy (*i.e.*, financial contribution, benefit, and specificity). We find that petitioners' allegations are supported by adequate and accurate information that was reasonably available to them. In those instances where petitioners partially supported their allegation (*i.e.*, where the allegation is broader than the supporting evidence), we recommend limiting our inquiry as described under "Recommendation."

We do not recommend investigating the programs described under "Programs on Which the Department is Not Initiating an Investigation" and discuss the Department's decision to not initiate under "Recommendation."

I. PROGRAMS ON WHICH THE DEPARTMENT IS INITIATING AN INVESTIGATION

Provision of Goods for Less/More than Adequate Remuneration

1. Natural Gas for Less than Adequate Remuneration

Description: The petitioners allege that the GOT provides subsidies to certain Turkish steel wire rod producers in the form of discounted natural gas prices.[10] The petitioners explain that a majority of the raw steel manufactured in Turkey is produced using electric arc furnaces, which consume "vast amounts of power."[11] For this reason, Turkish steel wire rod producers, including Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. (Icdas) and Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. (Habas), operate vertically integrated, cross-owned cogeneration power plants fueled by natural gas, providing a critical supply of needed power for production.[12] The petitioners assert that power plants fueled by natural gas receive a countervailable subsidy because Boru Hatlari Ile Petrol Tasima AS (BOTAS), a GOT "authority" within the meaning of the Act, controls the market for natural gas.[13] Specifically, the petitioners claim that, although BOTAS's *de jure*

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[8] *See* Letter from the Department, "Countervailing Duty Petition on Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Invitation for Consultations to Discuss the Petition," dated April 4, 2017.
[9] *See* Department Memorandum, "Countervailing Duty Petition on Carbon and Alloy Steel Wire Rod from the Republic of Turkey," April 13, 2017.
[10] *See* Petition, Volume XII at 8.
[11] *Id*.
[12] *Id*.
[13] *Id*., at 8 – 9.

control over the Turkish natural gas market was abolished by decree in 2001, BOTAS currently retains a greater than 75 percent market share and, thus, maintains *de facto* control over the import, export, transmission, and storage of natural gas in Turkey.[14] Due to its command of such critical points in the supply chain, the petitioners contend, BOTAS is able to dictate pricing and allocation of natural gas within Turkey.[15]

The petitioners allege that BOTAS imports natural gas and absorbs losses in resale to provide natural gas for less than adequate remuneration (LTAR) to Turkey's power industry.[16] As a result, natural gas-fueled power producers, such as Habas' affiliated power plant(s), receive a subsidy from the GOT.

Financial Contribution: Pursuant to section 771(5)(D)(iii) of the Act, the provision of natural gas is a financial contribution. The petitioners argue that the GOT, through BOTAS, provides a direct financial contribution to Turkish power producers buying natural gas directly from BOTAS, as well as an indirect financial contribution to Turkish power producers buying natural gas from privately owned suppliers that "have no choice but to sell at BOTAS' subsidized price."[17]

Regarding direct subsidies, the Department has previously determined that BOTAS is a "government authority" within the meaning of section 771(5)(B)(i) of the Act.[18] Accordingly, Turkish power producers that obtain natural gas from BOTAS receive a direct financial contribution from the GOT.[19]

Regarding indirect subsidies, the petitioners allege that BOTAS's control over the Turkish natural gas market forces privately owned suppliers to sell natural gas at BOTAS's subsidized price, thereby entrusting and directing such privately owned suppliers to provide natural gas for LTAR, which constitutes an indirect financial contribution within the meaning of section 771(5)(D)(iii) of the Act.[20]

Benefit: Pursuant to section 771(5)(E)(iv) of the Act, a benefit is conferred when the government provides a good or service for LTAR. The petitioners argue that because Turkey's entire natural gas market is dominated and, thus, distorted by BOTAS, consistent with the Department's prior findings,[21] we should compare Turkish domestic prices to an offshore benchmark.[22]

In accordance with the Department's input supplier rule at 19 CFR 351.525(b)(6)(iv), benefits from subsidies provided to cross-owned power plants are attributable to combined sales of the input product (*i.e.*, power supplied by the cross-owned power plants) and the wire rod producers' downstream product (*i.e.*, wire rod). The petitioners provided evidence that Habas controls at least one power plant that is fueled by natural gas and generates power "primarily dedicated" to Habas' production of a downstream steel product.[23]

Specificity: The provision of natural gas for LTAR is *de facto* specific under sections

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[14] *Id.*, at 9 – 12.
[15] *Id.*
[16] *Id.*, at 12 – 13.
[17] *Id.*, at 15 – 16.
[18] *See Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Affirmative Countervailing Duty Determination Final Affirmative Critical Circumstances Determination*, 79 FR 54963 (September 15, 2014) (*Rebar 2014*), and accompanying Issues and Decision Memorandum (IDM) at 8 -10.
[19] *See* section 771(5)(B)(i) of the Act.
[20] *See* Petition, Volume XII at 14 – 16.
[21] *See Rebar 2014*, and accompanying IDM at 8 – 13.
[22] *See* Petition, Volume XII at 17.
[23] *Id.*, at 17 – 18, Exhibits CVD-TR-23 and 38.

771(5A)(D)(iii)(II)-(III) of the Act because, as we have found in prior proceedings,[24] the power industry is the "predominant user" of natural gas in Turkey, receiving a disproportionately large amount" of the subsidy.

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[25] including Exhibits CVD-TR-3, CVD-TR-20 through 41, and CVD-TR-70. We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of the alleged direct subsidy provided by BOTAS. We recommend not initiating an investigation of the alleged natural gas provided for LTAR by privately owned suppliers because petitioners did not properly allege or provide enough evidence that the GOT entrusts and directs such suppliers to sell natural gas to particular steel or power producers.

2. Electricity for More than Adequate Remuneration

Description: The petitioners allege that the GOT provides subsidies to certain Turkish steel producers in the form of purchases of electricity for more than adequate remuneration (MTAR).[26] According to the petitioners, vertically integrated Turkish steel producers, including Habas, operate cross-owned power plants, which supply the power for their own production but also generate excess power that they sell to the GOT.[27]

The petitioners explain that, although Turkey's power sector "has been and continues to be dominated by state-owned enterprises,"[28] such as the Turkish Electricity Transmission Corporation and the Market Financial Settlement Center, the Electricity Generation Company (EUAS), the Turkish Electricity and Wholesale Trading Company (TETAS), and the Turkish Electricity and Distribution Company, private power production "has been advanced by governmental support and the continuing need for additional electricity generation within Turkey."[29] Specifically, the petitioners claim that the GOT pays at least six cents per kilowatt hour above market price for such power generated by privately owned producers.[30]

The petitioners state that, despite passage of a legal framework for liberalization and privatization of Turkey's power sector in 2001 (*i.e.*, Turkish Law No. 6446), the GOT has not effectively implemented the reforms.[31] As part of the transition, however, a national tariff system supported by a price equalization mechanism was applied to power utilities through 2015.[32] The petitioners assert that, using the price equalization mechanism, TETAS balances the cash flow deficiencies (*i.e.*, losses) of some utilities against the excess cash flow (*i.e.*, profits) of other utilities.[33] In particular, the costs of "relatively expensive electricity" purchased from privately owned producers is balanced against the costs of "relatively cheap" electricity purchased from the GOT-owned EUAS, then all electricity would be sold to TETAS at a uniform price.[34] As a result, the GOT

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[24] *See Rebar 2014*, and accompanying IDM at 9.
[25] *See* Petition, Volume XII at 8 – 22.
[26] *See* Petition, Volume XII at 22 – 23.
[27] *Id.*, at 23; Exhibit CVD-TR-22 (in a CVD investigation of rebar from Turkey, Habas reported that it operates two power plants) Exhibit CVD-TR-43 (electricity generated by Habas is sold on the domestic market).
[28] *Id.*, at 24.
[29] *Id.*
[30] *Id.*
[31] *Id.*, at 25 – 28.
[32] *Id.*, at 31.
[33] *Id.*
[34] *Id.*, at 32.

effectively cross-subsidizes private power plants with revenues earned from the state owned power plants.[35]

Moreover, the petitioners provided supplemental information indicating that recent amendments to the Electricity Market Law allow the GOT to purchase electricity from coal-fired power plants at above-market prices, with a commitment to buy a total of six billion kilowatt hours annually.[36] According to the petitioners, wire rod producers such as Icdas operate coal-fired power plants, from which the GOT may have purchased electricity under this arrangement.

Financial Contribution: The petitioners allege that, to the extent Turkish wire rod producers like Habas sell their excess electricity to "government authorities" for MTAR,[37] this program provides a financial contribution under section 771(5)(D)(iv) of the Act.[38]

Benefit: In accordance with section 771(5)(E)(iv) of the Act, the petitioners allege that this program provides a countervailable benefit to the extent that the GOT purchases electricity from wire rod producers for MTAR.[39] Accordingly, the benefit is determined by measuring the difference between the government price and the market price.[40] Based on reasonably available information, the petitioners assert that the benefit provided to privately owned power producers is at least six cents per kilowatt hour.[41] Additionally, recent amendments to the Electricity Market Law guarantee a price of five cents per kilowatt hour for coal-generated electricity.[42]

In accordance with the Department's input supplier rule at 19 CFR 351.525(b)(6)(iv), benefits from subsidies provided to cross-owned power plants are attributable to the combined sales of the input product (*i.e.*, power supplied by the cross-owned power plants) and the producer's downstream product, wire rod. The petitioners provided evidence that Habas controls at least one power plant that generates power "primarily dedicated" to production of Habas' downstream steel product.[43]

Specificity: The petitioners allege that this program is both *de jure* specific, under section 771(5A)(D)(i) of the Act, and *de facto* specific, under section 771(5A)(D)(iii)(I) of the Act because the subsidy is limited to entities which produce power.[44]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition and the CVD Supplement,[45] including Exhibits CVD-TR-3, CVD-TR-24, CVD-TR-27, CVD-TR-42 through 59 from the Petition, and Exhibits CVD-TR-Supp-1 and 2, from the CVD supplement. We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

3. Provision of Funds for Electricity for Less than Adequate Remuneration

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[35] *Id*.
[36] *See* CVD Supplement, at 1.
[37] *See* section 771(5)(B)(i) of the Act.
[38] *See* Petition, Volume XII at 35.
[39] *Id*., at 35 – 36.
[40] *See* section 771(5)(E)(iv) of the Act.
[41] *See* Petition, Volume XII at 36.
[42] *See* CVD Supplement, at 1.
[43] *Id*., at 36 – 37.
[44] *Id*., at 37
[45] *Id*., at 22 – 37.

Description: The petitioners allege that, within the framework of Turkish Law No. 5084, as amended, the GOT provides "energy support" (*i.e.*, support for 20 to 50 percent of energy expenses) to certain enterprises, included in a list of eligible "sectors," located in qualifying provinces (*e.g.*, provinces with a gross domestic product less than or equal to US$1,500 per capita).[46]

Financial Contribution: The petitioners allege that this program provides a financial contribution in the form of funds, which is consistent with section 771(5)(D)(i) of the Act.[47]

Benefit: In accordance with section 771(5)(E)(iv) of the Act, the petitioners allege that this program provides a countervailable benefit to the extent that Turkish wire rod companies can obtain a good (*i.e.*, electricity) for less than they would pay in the absence of a subsidy.[48]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iv) of the Act because the energy support is limited to companies in eligible provinces and particular Organized Industrial Zones (OIZs).[49]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[50] including Exhibits CVD-TR-4, CVD-TR-86, CVD-TR-91, CVD-TR-91, CVD-TR-95, and CVD-TR-109. Furthermore, this program has been found countervailable as a non-recurring grant in prior proceedings.[51] We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

4. Steam Coal for Less than Adequate Remuneration

Description: The petitioners allege that the GOT provides steam coal, a type of coal used to generate electricity.[52] The petitioners assert that the GOT controls the steam coal market through two state-owned enterprises: Turkish Hard Coal Enterprises (TTK) and Turkish Coal Enterprises (TKI).[53] Icdas operates a cross-owned, autoproduction (*e.g.*, cogeneration) coal-fired power plant, according to the petitioners, and, therefore, likely benefited from this program.[54] The petitioners submitted International Energy Agency data which indicates that the average subsidy provided was USD 250 per ton.[55]

Financial Contribution: State-owned mining operations run by entities such as TKI and TTK are "government authorities" within the meaning of section 771(5)(B)(i) of the Act. Therefore, this program constitutes a financial contribution under section 771(5)(D)(iii) of the Act in the form of the provision of steam coal provided by an authority.

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[46] *See* Petition, Volume XII at 74, *see also* CVD Supplement at 1 – 2.
[47] *Id.*, at 75.
[48] *Id.*
[49] *Id.*
[50] *Id.*, 74 – 75.
[51] *See Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review*, 77 FR 46713 (August 6, 2012) (*Circular Welded Pipe*), and accompanying Issues and Decision Memorandum (IDM) at 14-16.
[52] *See* Petition, Volume XII at 38.
[53] *Id.*, at 39.

[54] *Id.*, at 38.
[55] *Id.*, at 40 and 42 – 43.

Benefit: This program provides a benefit pursuant to section 771(5)(E)(iv) of the Act, in that Turkish wire rod producers can obtain a good (*i.e.*, steam coal) for LTAR.

In accordance with the Department's input supplier rule at 19 CFR 351.525(b)(6)(iv), benefits from subsidies provided to cross-owned power plants are attributable to the combined sales of the input product (*i.e.*, power supplied by the cross-owned power plants) and the wire rod producers' downstream products (*i.e.*, steel products such as wire rod). The petitioners provided evidence that at least one wire rod producer, Icdas, operates a power plant that is fueled by steam coal dedicated to Icdas' production of downstream steel products.[56]

Specificity: This program is specific under section 771(5A)(D)(iii)(II) of the Act because the good is predominantly used by select producers of subject merchandise that own or operate thermal power plants.

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[57] including Exhibits CVD-TR-3, CVD-TR-20, CVD-TR-21, CVD-TR-24, CVD-TR-60 through 69, and CVD-TR-71 through 75. We relied on all such information in our analysis of this allegation.

Recommendation: The team recommends initiating on the allegation as described in the Petition based on the support provided therein as noted above.

5. Land for Less Than Adequate Remuneration

Description: The petitioners allege that, under Turkish Law No. 5084, the GOT's Ministry of Science, Industry and Technology administers a free land allocation support program, which provides non-allocated land parcels free of charge to entities in OIZs located in 49 provinces or other provinces covered under the priority regions for development with a gross domestic product less than US$1,500 or which have a negative socio-economic development index value.[58]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(iii) of the Act. The petitioners allege that this program constitutes a countervailable subsidy in prior cases.[59]

Benefit: In accordance with section 771(5)(E)(iv) of the Act, the petitioners allege that this program provides a countervailable benefit, in that producers are able to obtain goods (*i.e.*, land) for less that they would pay in the absence of a subsidy.[60]

Specificity: The petitioners allege that this program is specific under 771(5A)(D)(iv) of the Act because the subsidy is limited to entities located in qualifying provinces and OIZs.[61]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[62] including Exhibits CVD-TR-91 and CVD-TR-95. We relied on all such information in our analysis of this allegation.

[56] *Id.*, at Exhibits CVD-TR-60, CVD-TR-71 – 73.
[57] *Id.*, at 41 – 45.
[58] *Id.*, at 72.
[59] *Id.*, at 73.
[60] *Id.*, at 73.
[61] *Id.*
[62] *Id.*, at 72 – 73.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating and investigation of this alleged program.

Government Loans and Assistance

6. Turkish Development Bank Loans

Description: The petitioners allege that the Turkish Development Bank (TDB), a direct extension of the GOT, provides "strategic and preferential loans based on state policies and national interests."[63] TDB has stated that it "exhaustively supports energy efficient projects and provides energy efficiency financing to private sector enterprises that operate in various sectors such as iron and steel, cement, aluminum, tourism and cogeneration."[64] According to the petitioners, specific policy loans disbursed under TDB's programs include: Kalkinma Investment Loans, targeting industries chosen by the Undersecretaries of the Turkish Treasury; Kalkinma Working Capital Loans, financing the industry, tourism, education, and health sectors; Islamic Development Bank Investment Loans, financing loans specifically for machinery and equipment; European Bank SME Investment Loans, targeting small- and medium-sized service and industrial enterprises; and World Bank Renewable Energy and Energy Efficiency Loans, increasing investments in renewable technology and energy efficiency projects.[65]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of funds.[66]

Benefit: In accordance with section 771(5)(E)(ii) of the Act, the petitioners allege that this program provides a countervailable benefit to the extent that Habas and other Turkish wire rod producers pay less on a TDB loan than they would on a comparable commercial loan.[67] The petitioners allege that the amount of the benefit is equal to the difference between Habas' TDB interest payments during the POI and the interest payments Habas would have made on comparable commercial loans.[68]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iii)(IV) of the Act.[69]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[70] including Exhibits CVD-TR-75 through 79. We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

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[63] *Id.*, at 46.
[64] *Id.*, at 48.
[65] *Id.*
[66] *Id.*, at 49.
[67] *Id.*
[68] *Id.* (citing 19 CFR 351.505(a)).
[69] *Id.*, at 50.
[70] *Id.*, at 46 – 50.

<u>Export Credits, Loans and Insurance by Turkish ExIm Bank</u>

7. Pre-shipment Export Credits

Description: The petitioners allege that the Export Credit Bank of Turkey (Turkish ExIm Bank), a "fully state-owned bank acting as the {GOT's} major export incentive instrument,"[71] provides short-term Pre-shipment Turkish Lira Export Credits (PSEC-TL) to qualifying exporters in all manufacturing sectors through intermediary commercial banks.[72] In general, such exporters must commit to export the relevant merchandise within a specified period. The petitioners provided evidence that PSEC-TL loans are extended for a period of 360 to 720 days and cover up to 100 percent of the export value.[73] The petitioners also claim that Turkish ExIm Bank establishes the interest rate for PSEC-TL loans, which is less than the interest rate for comparable commercial loans.[74]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of funds from the GOT.[75]

Benefit: In accordance with section 771(5)(E)(ii) of the Act, the petitioners allege that this program provides a countervailable benefit to the extent that Habas and other Turkish producers pay less on a PSEC-TL loan than they would on a comparable commercial loan.[76] The amount of the benefit is equal to the difference between wire rod producers' interest payments during the POI and the interest payments that would have been made on comparable commercial loans.[77]

Specificity: The petitioners allege that this program is specific under section 771(5A)(B) of the Act because the receipt of a PSEC-TL loan is contingent upon export performance.[78]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[79] including Exhibits CVD-TR-82 through 88, and CVD-TR-91. Furthermore, this program has been found countervailable in prior proceedings.[80] We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

8. Foreign Trade Company Export Loans

Description: The petitioners allege that Turkish ExIm Bank provides short-term export financing to foreign trade companies (FTCs) qualifying as Foreign Trade Corporate Companies (FTCCs) and Sectoral Foreign Trade Companies (SFTCs).[81] According to the petitioners, an FTCC is a company with at least 75,000,000 USD worth of export sales the previous year,[82] and an SFTC is an association of smaller companies operating in the same sector formed for the purpose of

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[71] *Id.*, at 50 (noting that the Turkish Treasury is Turkish ExIm Bank's sole shareholder).
[72] *Id.*, at 52.
[73] *Id.*
[74] *Id.*, at 53.
[75] *Id.*
[76] *Id.*, at 53 – 54.
[77] *Id.*, (citing 19 CFR 351.505(a)).
[78] *Id.*, at 54.
[79] *Id.*, at 50 – 54.
[80] *See, e.g.*, *Circular Welded Pipe*, and accompanying IDM at 7.
[81] *See* Petition, Volume XII at 54.
[82] *Id.*

receiving benefits.[83] The petitioners claim that wire rod producers likely met the sales volume threshold for FTCCs given that, *e.g.*, in 2013 Habas Group's total export and trade volumes amounted to USD 1.7 billion and USD 3.3 billion, respectively.[84] The petitioners provided evidence that FTC export loans are extended for a period of 180 days, in either Turkish Lira or foreign currency, and cover up to 100 percent of the export commitment.[85] The petitioners also claim that Turk ExIm Bank establishes the interest rate for FTC export loans, which is less than the interest rate for comparable commercial loans.[86]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of funds from the GOT.[87]

Benefit: In accordance with section 771(5)(E)(ii) of the Act, the petitioners allege that this program provides a countervailable benefit to the extent that wire rod producers pay less on an FTC export loan than they would on a comparable commercial loan.[88] The amount of the benefit is equal to the difference between a wire rod producer's FTC export loan interest payments during the POI and the interest payments it would have made on comparable commercial loans.[89]

Specificity: The petitioners allege that this program is specific under section 771(5A)(B) of the Act because the receipt of an FTC export loan is contingent upon export performance.[90]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[91] including Exhibits CVD-TR-82, CVD-TR-84, CVD-TR-86, and CVD-TR-89 through 91. Furthermore, this program has been found countervailable in prior proceedings.[92] We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

9. Pre-Export Credits

Description: The petitioners allege that Turkish ExIm Bank provides short-term financing to companies that do not qualify as a Foreign Trade Corporation Company (FTCC) or a Sector Foreign Trade Company (SFTC).[93] The petitioners provided evidence that pre-export credits under this program are extended for a period of 540 days, in either Turkish Lira or foreign currency.[94]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of funds from the GOT.[95]

Benefit: In accordance with section 771(5)(E)(ii) of the Act, the petitioners allege that this program provides a countervailable benefit to the extent that the recipient pays less on a pre-credit loan than

[83] *Id.*, at 55.
[84] *Id.*
[85] *Id.*
[86] *Id.*
[87] *Id.*, at 56.
[88] *Id.*
[89] *Id.* (citing 19 CFR 351.505(a)).
[90] *Id.*
[91] *Id.*, at 54 – 56.
[92] *See*, *e.g.*, *Circular Welded Pipe*, and accompanying IDM at 5.
[93] *See* Petition, Volume XII at 56 – 57.
[94] *Id.*, at 57.
[95] *Id.*

it would on a comparable commercial loan.[96] The amount of the benefit is equal to the difference between the wire rod producer's pre-export credit loan interest payments during the POI and the interest payments the wire rod producer would have made on comparable commercial loans.[97]

Specificity: The petitioners allege that this program is specific under section 771(5A)(B) of the Act because the receipt of the pre-export credit is contingent upon export performance.[98]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition[99] including Exhibits CVD-TR-82, CVD-TR-86, and CVD-TR-91.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

10. Short-Term Export Credit Discount Program

Description: The petitioners allege that Turkish ExIm Bank provides post-shipment on short-term financing for deferred payments.[100] The petitioners presented evidence that discounts under this program are provided by the Central Bank of Turkey or the Turkish ExIm Bank, depending on the maturity of the applicable export receivables, and are calculated based on LIBOR + spread, with the spread determined by Turkish ExIm Bank.[101]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of funds from the GOT.[102]

Benefit: In accordance with section 771(5)(E)(ii) of the act, the petitioners allege that this program provides a countervailable benefit to the extent that the recipient pays less on a discounted loan than it would on a comparable commercial loan.[103] The amount of the benefit is equal to the difference between the borrower's discounted loan interest payments during the POI and the interest payments the borrower would have made on comparable commercial loans.[104]

Specificity: The petitioners allege that this program is specific under section 771(5A)(B) of the Act because the receipt of an export credit discount is contingent upon export performance.[105]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[106] including Exhibits CVD-TR-83, CVD-TR-84, CVD-TR-86, CVD-TR-87, CVD-TR-91, and CVD-TR-92. Furthermore, this program has been found countervailable in prior proceedings.[107] We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

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[96] *Id.*, at 58.
[97] *Id.*
[98] *Id.*
[99] *Id.*, at 56 – 58.
[100] *Id.*, at 58-59.
[101] *Id.*
[102] *Id.*, at 59.
[103] *Id.*
[104] *Id.*
[105] *Id.*, at 60

[106] *Id.*, at 58 – 60.
[107] *See*, *e.g.*, *Circular Welded Pipe*, and accompanying IDM at 7.

Investment Incentives

11. Regional Investment Scheme

Description: The petitioners allege that, under Turkish Decree No. 2002/3305, the GOT implemented several investment incentive schemes, including the Regional Investment Scheme, to encourage investment in Turkey's least developed regions.[108] The petitioners state that Turkish Decree No. 2002/3305 provides investment incentives, including tax and customs duty exemptions, social security premium supports, interest support, and free land allocation.[109]

Financial Contribution: The petitioners allege that any funds disbursed under this program provide a financial contribution under section 771(5)(D)(i) of the Act.[110] The petitioners further state that the GOT's provision of tax benefits and social security support constitutes a financial contribution in the form of revenue foregone, pursuant to section 771(5)(D)(ii) of the Act.[111] Finally, land provided for LTAR provides a financial contribution within the meaning of section 771(5)(D)(iii) of the Act.[112]

Benefit: The petitioners allege that this program provides a countervailable benefit equal to the value of taxes saved by recipients and the amount of income taxes and wage salaries not paid, in accordance with section 771(5)(E) of the Act, as well as the value of any land acquired for LTAR, under section 771(5)(E)(iv) of the Act.[113]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iv) of the Act because the program is limited to certain geographical regions.[114]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[115] including Exhibits CVD-TR-93, CVD-TR-95, CVD-TR-96, and CVD-TR-97. We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

12. Large-scale Investment Scheme

Description: The petitioners allege that, under Turkish Decree No. 2012/3305, the GOT provides incentives for large-scale investments.[116] The petitioners state that, pursuant to Turkish Decree No. 2012/3305, the Large-scale Investment Scheme provides incentives for investment in 12 investment categories, including integrated metal production, that satisfy minimum investment thresholds.[117] According to the petitioners, incentives are provided in the form of VAT exemptions, tax reductions, social security premium support (employer and employee shares), land allocations, interest payment support, and income tax withholding support.[118]

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[108] *Id.*, at 62 – 63.
[109] *Id.*, at 63.
[110] *Id.*, at 64.
[111] *Id.*
[112] *Id.*
[113] *Id.*
[114] *Id.*, at 65.
[115] *Id.*, at 62 – 65.
[116] *Id.*, at Exhibit CVD-TR-93.
[117] *Id.*, at 65.
[118] *Id.*, at 65 – 66.

Financial Contribution: The petitioners allege that any funds disbursed under this program provide a financial contribution under section 771(5)(D)(i) of the Act.[119] The petitioners further state that the GOT's provision of VAT, customs duties and social security exemptions and support constitutes a financial contribution in the form of revenue foregone, pursuant to section 771(5)(D)(ii) of the Act.[120] Finally, land provided for LTAR provides a financial contribution within the meaning of 771(5)(D)(iii) of the Act.[121]

Benefit: The petitioners allege that this program provides a countervailable benefit equal to the value of taxes on wages and salaries not paid by recipients in accordance with section 771(5)(E) of the Act, as well as the value of any land acquired for LTAR, under section 771(5)(E)(iv) of the Act.[122]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iii)(I) of the Act because actual recipients of the subsidy are limited in number, as well as section 771(5A)(D)(iii)(II) of the Act because the subsidies are directed at specific industries, including the steel industry.[123]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[124] including Exhibits CVD-TR-86, CVD-TR-91, CVD-TR-93, and CVD-TR-98. We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

<u>Tax Benefit Programs</u>

13. Deductions from Taxable Income for Export Revenue

Description: The petitioners allege that, pursuant to the Turkish Income Tax law, the GOT allows companies to deduct 0.5 percent of the income derived from export activities from their corporate income taxes.[125] Addendum 4108 to Article 40 of the Income Turkish Income Tax Law also allows companies operating internationally to deduct 0.5 percent of the foreign exchange revenue earned from export sales and certain other international activities from their corporate income taxes.[126]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(ii) of the Act in the form of tax revenue foregone.[127]

Benefit: In accordance with section 771(5)(E) of the Act and 19 CFR 351.509(a)(1), the petitioners allege that this program provides a countervailable benefit in the amount of income taxes not paid by the recipient.[128]

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[119] *Id.*, at 66.
[120] *Id.*
[121] *Id.*
[122] *Id.*, at 66 – 67.
[123] *Id.*, at 67.
[124] *Id.*, at 65 – 67.
[125] *Id.*, at 67.
[126] *Id.*, at 67 – 68.
[127] *Id.*, at 68.
[128] *Id.*

Specificity: Petitioners allege that this program is specific under section 771(5A)(B) of the Act because the this program is contingent on export performance.[129]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[130] including Exhibit CVD-TR-91. Furthermore, this program has been found countervailable in prior proceedings.[131]

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

14. Incentives Provided under Turkish Law No. 5746

Description: The petitioners allege that, pursuant to Turkish Law No. 5746, Turkish steel producers are eligible for various incentives related to research and development (R&D) activities, including corporate tax breaks, income tax exemptions, insurance premium supports, "Technopreneurship" grants, and special tax-free revenue accounts.[132] The petitioners state that the Turkish steel industry "appears to be a focus of the GOT's R&D subsidies, in order to increase the efficacy of the industry."[133]

Financial Contribution: The petitioners allege that any funds disbursed under this program provide a financial contribution under section 771(5)(D)(i) of the Act.[134] The petitioners further state that the GOT's provision of tax benefits constitutes a financial contribution in the form of revenue foregone, pursuant to section 771(5)(D)(ii) of the Act.[135]

Benefit: In accordance with section 771(5)(E) of the Act, the petitioners allege that this program provides a countervailable benefit from tax savings via reduced taxes, as well as disbursing direct infusions of capital.[136]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iii)(III) of the Act because steel producers receive a disproportionately large amount of these R&D incentives.

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[137] including Exhibits CVD-TR-91, CVD-TR-99, CVD-TR-100, CVD-TR-101, CVD-TR-102, CVD-TR-105, and CVD-TR-106. We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

15. Withholding of Income Tax on Wages and Salaries

Description: The petitioners allege that, pursuant to Turkish Law No. 5084, the GOT exempts the wages or salaries of workers in qualifying provinces (*e.g.*, provinces with a gross domestic product

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[129] *Id.*
[130] *Id.*
[131] *See Rebar 2014*, and accompanying IDM at 18-19.
[132] *See* Petition, Volume XII at 69.
[133] *Id.*, at 70.
[134] *Id.*
[135] *Id.*
[136] *Id.*, at 71.
[137] *Id.*, at 69 – 71.

less than or equal to US$1,500 per capita) from income tax, in whole or in part.[138] According to the petitioners, the program allows for 100 percent cancellation of income tax calculated on the wages of certain workers in OIZs and 80 percent cancellation of income tax calculated on the wages of certain workers in other areas of the 49 qualifying provinces.[139]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(ii) of the Act in the form of tax revenue forgone.[140]

Benefit: In accordance with section 771(5)(E) of the Act, the petitioners allege that this program provides a countervailable benefit in the amount of income taxes cancelled.[141]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iv) of the Act because the tax exemption/discount is limited to companies located in eligible provinces.[142]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[143] including Exhibit CVD-TR-91 and CVD-TR-95. Furthermore, this program has been found countervailable in prior proceedings.[144] We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

16. Exemption from Property Tax

Description: The petitioners allege that, pursuant to Turkish Law No. 3365, the GOT does not collect property taxes on buildings located in OIZs during the first five years after construction.[145] According to the petitioners, the purpose of this program is to increase investment in OIZs.[146]

Financial Contribution: Petitioners allege that this program provides a financial contribution under section 771(5)(D)(ii) of the Act in the form of tax revenue forgone.[147]

Benefit: In accordance with section 771(5)(E) of the Act, the petitioners allege that this program provides a countervailable benefit in the amount of property taxes not paid.[148]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iv) of the Act because the tax exemption is limited to companies located in OIZs.[149]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[150] including Exhibit CVD-TR-91. Furthermore, this program has been found

[138] *Id.*, at 76.
[139] *Id.*
[140] *Id.*, at 77.
[141] *Id.*
[142] *Id.*
[143] *Id.*, at 76 – 77.
[144] *See*, *e.g.*, *Circular Welded Pipe*, and accompanying IDM at 9-11.
[145] *See* Petition, Volume XII at 77.
[146] *Id.*
[147] *Id.*, at 78.
[148] *Id.*
[149] *Id.*
[150] *Id.*, at 77 – 78.

countervailable in prior proceedings.[151] We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

17. Tax, Duty, and Land Benefits for Wire Rod Producers Located in Free Zones

Description: The petitioners allege that, pursuant to Turkish Law No. 3218, as amended by Turkish Law No. 5810, companies operating in Turkey's designated "Free Zones" are eligible for certain incentives, intended to, *inter alia*, increase export-oriented investment and production.[152] Qualifying companies are eligible for the following benefits: exemptions from customs duties, corporate income taxes, VAT, special consumption taxes, stamp taxes and charges, and certain income taxes on employee salaries; preferential lending rates from banks also located in Free Zones; exemptions from foreign exchange restrictions; and discounted land rent/purchase prices.[153]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(ii) of the Act in the form of revenue forgone.[154]

Benefit: In accordance with section 771(5)(E) of the Act, the petitioners allege that this program provides a countervailable benefit in the amount of revenue foregone by the GOT.[155]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iv) of the Act because the incentives are limited to companies located in certain geographical regions (*i.e.*, Free Zones).[156]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[157] including Exhibits CVD-TR-100, CVD-TR-110, CVD-TR-111, CVD-TR-113. Furthermore, this program has been found countervailable in prior proceedings.[158] We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

Other Financial Assistance

18. Employers' Share in Insurance Premiums Program

Description: The petitioners allege that, pursuant to Turkish Law No. 5084, the GOT's Social Security Institution provides employers in qualifying provinces (*e.g.*, provinces with a gross domestic product less than or equal to US$1,500 per capita) with incentives under the "Employers' Share in Insurance Premiums Program."[159] Companies located in OIZ or Industrial Zones in the 49

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[151] *See*, *e.g.*, *Circular Welded Pipe* IDM at 16.
[152] *See* Petition, Volume XII at 80-81.
[153] *Id.*
[154] *Id.*, at 81.
[155] *Id.*
[156] *Id.*, at 82.
[157] *Id.*, at 80 – 82.
[158] *See*, *e.g.*, *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review; Calendar Year 2011*, 78 FR 64916 (October 30, 2013), and accompanying IDM at 15.
[159] *See* Petition, Volume XII at 79.

provinces can benefit from a 100 percent cancellation of the income tax calculated on the wages of all workers who were hired by income or corporate tax payers hiring at least 10 workers. Companies located outside of OIZs and Industrials Zones in the 49 provinces are entitled to a 80 percent calculation of the income tax calculated on the wages of all workers who were hired by income or corporate tax payers hiring at least 10 workers.

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(ii) of the Act in the form of social security revenue forgone.[160]

Benefit: In accordance with section 771(5)(E) of the Act, the petitioners allege that this program provides a countervailable benefit in the amount of premiums it did not pay.[161]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iv) of the Act because the subsidy is only available to companies located in one of the qualifying provinces.[162]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[163] including Exhibits CVD-TR-91 and CVD-TR-95. Furthermore, this program has been found countervailable in prior proceedings.[164] We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

19. Assistance to Offset Costs Related to AD/CVD Investigations

Description: The petitioners allege that the Turkish Exporters Assembly (TEA), which is controlled by the GOT's Ministry of Economy and, as such, is a government authority, provides financial support for legal fees incurred by Turkish exporters subject to foreign trade investigations.[165] The petitioners explain that, although the relevant funds are disbursed by the TEA, the GOT implemented and continues to regulate the financial support program.[166] Because Turkish wire rod producers were previously subject to a prior CVD investigation,[167] the petitioners argue that they likely benefitted from this alleged subsidy.

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of funds by a government authority.[168]

Benefit: In accordance with section 771(5)(E) of the Act, the petitioners allege that this program provides a countervailable benefit in the amount of the legal fees rebated to Turkish producers of wire rod.[169]

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[160] *Id.*
[161] *Id.*, at 80.
[162] *Id.*
[163] *Id.*, at 78 – 80.
[164] *See*, *e.g.*, *Circular Welded Pipe*, and accompanying IDM at 11-12.
[165] *See* Petition, Volume XII at 82 – 83.
[166] *Id.*
[167] *Id.*, at 83

[168] *Id.*
[169] *Id.*, at 84.

Specificity: The petitioners allege that this program is specific under section 771(5A)(A) and (B) of the Act because it is contingent on export activity, as well as section 771(5A)(D)(i) of the Act because receipt of the subsidy is limited by law to certain enterprises (*i.e.*, companies subject to trade investigations).[170]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[171] including Exhibits CVD-TR-114, CVD-TR-115, and CVD-TR-116. We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

20. Industrial R&D Projects Grant Program

Description: The petitioners allege that the Scientific and Technological Research Council of Turkey provides funding for R&D activities through the Industrial R&D Projects Grant Program.[172] According to the petitioners, the purpose of this alleged program is to develop or improve new products, develop new techniques to diminish the cost of and/or raise the quality of a product, and develop new product technologies.[173] Because other Turkish steel producers have reported receiving grants under this program in prior CVD proceedings, the petitioners argue that Turkish wire rod producers may have also benefited from the alleged subsidy.[174]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of funds.[175]

Benefit: In accordance with 19 CFR 351.504(a), the petitioners allege that this program provides a countervailable benefit in the amount of the grant.[176]

Specificity: The petitioners allege that this program is specific under section 771(5A)(D)(iii) of the Act because the Scientific and Technological Research Council of Turkey is mandated to fund research "in line with national targets and priorities" and, as such, provides grants to select sectors of the Turkish economy.[177] Therefore, the petitioners claim that the actual recipients of this alleged subsidy are either limited in number or, alternatively, that certain industries receive a disproportionate benefit.[178]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[179] including Exhibit CVD-TR-117. We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend initiating an investigation of this alleged program.

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[170] *Id.*
[171] *Id.*, at 82 – 84.
[172] *Id.*, at 84.
[173] *Id.*
[174] *Id.*, at 85.
[175] *Id.*
[176] *Id.*
[177] *Id.*
[178] *Id.*
[179] *Id.*, at 84 – 85.

21. Other Government Loans and Grants

Description: The petitioners allege that the GOT, through state-owned banks, has provided preferential loans and grants to Turkish steel producers.[180] In particular, the petitioners note that financial statements for Turkey's largest steel producer, Erdemir, indicate that the company received various "government grants and incentives" during the POI and argue that Habas likely received similar, unidentified loans and incentives.[181]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of funds.[182]

Benefit: In accordance with section 771(5)(E)(ii) of the Act, the petitioners allege that loans provided under this program provide a countervailable benefit to the extent that Erdemir and other Turkish producers of wire rod pay less on a loan from a state-owned bank than it would on a comparable commercial loan.[183] The amount of the benefit is equal to the difference between a recipient's interest payments to state-owned banks during the POI and the interest payments the recipient would have made on comparable commercial loans.[184] Pursuant to section 771(5)(E) of the Act, the petitioners allege that grants provided under this program provide a benefit equal to the amount of the grant.[185]

Specificity: Petitioner claims that the alleged grants are specific under 771(5A)(D)(iii)(I) and (II) of the Act because the steel industry is a priority industry that has benefitted from significant GOT support and there is reason to believe or suspect that the steel industry and/or the specifically alleged wire rod producers/exporter are beneficiaries of government grants, which are limited in number.[186]

Support: The Department examined the evidence provided in support of this allegation in Volume XII of the Petition,[187] including Exhibits CVD-TR79 through 81. We relied on all such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition and the CVD Supplement, as described above, we recommend initiating an investigation of this alleged subsidy only on the grants portion of this program and to the extent that Erdemir, whose financial statements indicate that it received a grant from the GOT, is selected as a mandatory respondent in this proceeding. The petitioners did not provide sufficient evidence of government loans falling under this program.

II. PROGRAM ON WHICH THE DEPARTMENT IS NOT INITIATING AN INVESTIGATION

1. Export Insurance from the Export Credit Bank of Turkey

Description: The petitioners allege that Turkish ExIm Bank provides short-, medium-, and long-

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[180] *See* Petition, Volume XII at 48 – 50.
[181] *Id.*; *see also* CVD Supplement at 2-3.
[182] *See* Petition, Volume XII at 41.
[183] *Id.*
[184] *Id.* (citing 19 CFR 351.505(a)).
[185] *Id.* (citing 19 CFR 351.504(a)).
[186] *See* CVD Supplement; *Countervailing Duty Investigation of Certain Hot-Rolled Steel Flat Products from the Republic of Turkey: Preliminary Negative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 81 FR 2166 (January 15, 2016).
[187] *See* Petition, Volume XII at 40 – 41; *see also* CVD Supplement at 2-3.

term export insurance to Turkish exports on a concessional basis.[188] The petitioners provided evidence that Turkish ExIm Bank's export insurance program covers up to 90 percent of losses due to political and/or commercial risks.[189] Furthermore, the "machinery/electrical/appliances/metal products" sector accounted for 24 percent of the short-term export credit insurance policies during 2015.[190]

Financial Contribution: The petitioners allege that this program provides a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of liability.[191]

Benefit: The amount of the benefit is equal to the difference between the amount of the premiums paid by the Turkish ExIm Bank and the amount received under the insurance program during the POI.[192]

Specificity: The petitioners allege that this program is specific under 771(5A)(B) of the Act because the insurance is only applicable to Turkish exports.[193]

Support: The Department examined evidence provided in support of this allegation in Volume XII of the Petition, including Exhibits CVD-TR-82 and CVD-TR-83. We relied on such information in our analysis of this allegation.

Recommendation: Based on the information provided in the Petition, as described above, we recommend not initiating an investigation of this alleged subsidy because petitioners did not properly allege or provide reasonably available information as to whether premiums collected by the Turkish ExIm Bank were inadequate to cover the export credit insurance program's long-term costs and losses of the program, consistent with 19 CFR 351.520(a)(1).

RECOMMENDATION:

We examined the accuracy and adequacy of the evidence provided in the Petition, as discussed in this checklist and attachments, and recommend determining that the evidence is sufficient to justify the initiation of a CVD investigation with regard to wire rod from Turkey. We also recommend determining that the Petition was filed by, or on behalf of, the domestic industry.

ATTACHMENTS:

I. Scope of the Investigation
II. Analysis of Industry Support
III. Analysis of Allegations and Evidence of Material Injury and Causation
IV. Action Letter from the ITC

[188] *See* Petition, Volume XII at 60.
[189] *Id.*
[190] *Id.*, at 60 – 61.
[191] *Id.*, at 62
[192] *Id.*
[193] *Id.*

Attachment I

Scope of the Investigation

The merchandise covered by this investigation are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Attachment II

Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom

Background

Sections 702(c)(4)(A) and 732(c)(4)(A) of the Tariff Act of 1930, as amended (the Act), state that the administering authority shall determine that a petition has been filed by or on behalf of the industry if the domestic producers or workers who support the petition account for: (1) at least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product. Thus, to determine whether a petition has the requisite industry support, the Act directs the Department of Commerce (the Department) to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.[194]

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," *i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions.[195] While the Department is not bound by the criteria used by the ITC to determine the domestic like product in answering this question, we have reviewed the ITC's prior determinations in proceedings involving carbon and alloy steel wire rod (wire rod), as presented by the petitioners[196] in the Petitions.[197] With regard to the domestic like product, the petitioners do not offer a definition of domestic like product distinct from the scope of the investigations.[198] In addition, the petitioners contend that the domestic like product definition should be "coextensive with the scope of the investigations."[199]

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[194] *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989)).
[195] *See* Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom – Petitions for the Imposition of Antidumping and Countervailing Duties, dated March 28, 2017 (the Petitions). The petitioners filed the General Issues Supplement to the Petitions, dated April 4, 2017 (General Issues Supplement), in response to the Department's request for additional information regarding the Petitions.
[196] The petitioners are Charter Steel, Gerdau Ameristeel US Inc., Keystone Consolidated Industries, Inc., and Nucor Corporation (collectively, the petitioners).
[197] *See* Volume I of the Petitions, at 12-15; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1.
[198] *See* Attachment I, Scope of the Investigation, to this Checklist.
[199] *See* Volume I of the Petitions, at 14.

Analysis of Domestic Like Product

The petitioners contend that the like product definition should "mirror" the scope and should be defined as all wire rod, consistent with the like product definition adopted by the ITC in its investigations and reviews involving wire rod from Brazil, China, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine.[200] The petitioners note that in the recent investigation of wire rod from China, the ITC "defined a single domestic like product that was coextensive with {the Department's} scope based on the absence of clear dividing lines" among different types of wire rod.[201] The petitioners also note that in the ITC's original investigations on wire rod from Brazil, China, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine, the ITC concluded that "the wire rod industry is composed of so many different applications, that the only clear and dividing line is between wire rod and other steel products."[202] The petitioners further note that the ITC found no material changes in product characteristics in the first and second reviews of those orders to warrant a change in the like product definition.[203]

For support of its like product definition, the petitioners contend that all wire rod has similar physical characteristics, citing to the ITC's finding that wire rod is an "intermediate circular, hot-rolled steel product that is typically sold in irregularly wound coils."[204] The petitioners note that, though wire rod of different grades, sizes, or end use categories are not necessarily interchangeable, the ITC has previously found an overlap in metallurgical qualities, chemistry, and physical characteristics.[205] The petitioners also argue that industrial quality grades of wire rod, which the petitioners contend account for the majority of U.S. consumption, are highly substitutable.[206] In addition, the petitioners note that the ITC has previously found that "there is no clear demarcation between low-end and high-end wire rod products, but rather a range of at least 11 major types of wire rod products."[207] The petitioners further submit that most wire rod is sold through the same distribution channels, and that all wire rod is produced using the same basic manufacturing processes using the same hot-rolling mills and equipment and in the same facilities with the same employees.[208] Furthermore, the petitioners contend that all wire rod has the same producer and customer perceptions, arguing that all wire rod comprises "a single continuum of products with different types of {wire rod} that serve different end-use applications, but share overlapping characteristics that create a correlated range of prices."[209]

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[200] *Id.*, at 12-13.
[201] *Id.*, at 13; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248, USITC Pub. 4509 (Final) (January 2015) (*2015 China Wire Rod Final*), at 5-6.
[202] *See* Volume I of the Petitions, at 13; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *Carbon and Certain Alloy Steel Wire Rod from Brazil, et al.*, Inv. Nos. 701-TA-417-421 and 731-TA-953-954, 956-959, and 961-962, USITC Pub. 3546 (Final) (October 2002) (*2002 Wire Rod from Brazil, et al.*), at 13.
[203] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *Carbon and Certain Alloy Steel Wire Rod from Brazil, et al.*, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962, USITC Pub. 4472 (Second Review) (June 2014) (*Wire Rod from Brazil 2nd Review*), at 8-9.
[204] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248, USITC Pub. 4458 (Prelim) (*2014 China Wire Rod Prelim*), at 6.
[205] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *2014 China Wire Rod Prelim*, at 7.
[206] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *2014 China Wire Rod Prelim*, at 6-7.
[207] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *2014 China Wire Rod Prelim*, at 7.
[208] *See* Volume I of the Petitions, at 15; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *2014 China Wire Rod Prelim*, at 7; and *2002 Wire Rod from Brazil, et al.*, at 10-11.
[209] *See* Volume I of the Petitions, at 15; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *2014 China Wire Rod Prelim*, at 7; and *2002 Wire Rod from Brazil, et al.*, at 11-12.

We note that the petitioners' domestic like product definition is consistent with the domestic like product defined by the ITC in its past investigations of wire rod.[210] Based on our analysis of the information submitted in the Petitions, we have determined that the domestic like product consists of wire rod, as defined in the proposed scope of these investigations.[211] Furthermore, unless the Department finds the petitioners' definition of the domestic like product to be inaccurate, we will adopt the domestic like product definition set forth in the Petitions. This is consistent with the Department's broad discretion to define and clarify the scope of an antidumping or countervailing duty investigation in a manner that reflects the intent of the petition.[212] Consequently, the Department's discretion permits interpreting the Petitions in such a way as to best effectuate not only the intent of the Petitions, but the overall purpose of the antidumping and countervailing duty laws as well.[213]

Industry Support Calculation

In determining whether the petitioners have standing (*i.e.*, those domestic workers and producers supporting the Petitions account for (1) at least 25 percent of the total production of the domestic like product and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions), in accordance with sections 702(c)(4)(A) and 732(c)(4)(A) of the Act, we conducted the following analysis.

We considered the industry support data contained in the Petitions with reference to the domestic like product as defined in Attachment I, "Scope of the Investigation," to this Checklist, and as discussed above. The petitioners established the universe of producers based on their knowledge of the industry "by virtue of direct competition in the domestic market" and through their participation in the ITC's most recent investigation of wire rod from the People's Republic of China.[214] The petitioners identify 10 producers of the domestic like product (including the petitioners) as the U.S. wire rod industry.[215]

To establish industry support, the petitioners provided their own production of the domestic like product for calendar year 2016.[216] In addition, the petitioners provided [

].[217] The petitioners also provided the [

] of wire rod.[218]

[210] *See* Volume I of the Petitions, at 12-15; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1.
[211] *See* Attachment I, Scope of the Investigation, to this Checklist.
[212] *See*, *e.g.*, *Fujitsu Ltd. v. United States*, 36 F. Supp. 2d 394 (CIT 1999) (citing *Kern-Liebers USA, Inc. v. United States*, 19 C.I.T. 393, 396, 881 F. Supp. 618, 621 (1995) (citation omitted)) and *Initiation of Antidumping Duty Investigations: Spring Table Grapes from Chile and Mexico*, 66 FR 26831 (May 15, 2001).
[213] *See Notice of Final Determination of Sales at Less Than Fair Value: Freshwater Crawfish Tail Meat from the People's Republic of China*, 62 FR 41347, 42357 (August 1, 1997).
[214] *See* Volume I of the Petitions, at 2; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *see also 2015 China Wire Rod Final*.
[215] *See* Volume I of the Petitions, at 2 and Exhibits I-1 and I-2.
[216] *See* Volume I of the Petitions, at 3 and Exhibit I-3; *see also* General Issues Supplement, at 3-4 and Exhibit I-SUPP-5.
[217] *See* General Issues Supplement, at 4 and Exhibit I-SUPP-4. [

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[218] *See* Volume I of the Petitions, at Exhibit I-3; *see also* General Issues Supplement, at Exhibit I-SUPP-5.

The petitioners [ ].[219]

For support, the petitioners provided [ ].[220]

The petitioners added their own 2016 production volume, [ ], to the [ ] to calculate the total 2016 production volume of the domestic like product.[221]

Based on information provided in the Petitions, the [ ] account for [ ] percent of total production of the domestic like product.[222]

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[219] *See* Volume I of the Petitions, at Exhibit I-3.
[220] *Id.*
[221] *See* General Issues Supplement, at 3-4 and Exhibit I-SUPP-5.
[222] *Id.*; *see also* Table 1, Calculation of Industry Support.

Table 1
Calculation of Industry Support

U.S. Producers of Steel Wire Rod	2013 Production of Steel Wire Rod (short tons)	Position
Charter Steel	[ ]	Petitioner
Gerdau Ameristeel US Inc.	[ ]	Petitioner
Keystone Consolidated Industries, Inc.	[ ]	Petitioner
Nucor Corporation	[ ]	Petitioner
[ ]	[ ]	[ ]
[ ][223]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
Total 2016 U.S. Production of the Supporters of the Petitions	[ ]	
Total 2016 U.S. Production of Wire Rod	[ ]	
Total Industry Support	[ ]%	

Challenge to Industry Support

None.

Findings

We relied on information provided by the petitioners, as described above, to establish total 2016 production of wire rod. Using these data, as demonstrated above, we find that the domestic producers and workers who support the Petitions account for at least 25 percent of total production of the domestic like product. We further find that domestic producers and workers who support the Petitions account for more than 50 percent of the total production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. Therefore, we find that there is adequate industry support within the meaning of sections 702(c)(4)(A) and 732(c)(4)(A) of the Act.

[223] The petitioners note that [ ]. *See* Volume I of the Petitions, at Exhibits I-2 and I-3.

We conducted a search of the Internet and have been unable to locate information that contradicts the petitioners' assertions. We find that the petitioners have provided data that are reasonably available. For these reasons, we find that there is adequate industry support for initiating these investigations. Accordingly, we find that the Petitions have met the requirements of sections 702(c)(4)(A) and 732(c)(4)(A) of the Act.

Attachment III

Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom

I. Introduction

When making a determination regarding the initiation of antidumping and countervailing duty investigations, the Department of Commerce (the Department) examines, on the basis of sources readily available to the Department, the accuracy and adequacy of the evidence contained in the petitions, and determines whether the petitions allege the elements necessary for the imposition of antidumping and countervailing duties and contain information reasonably available to the petitioner that supports the allegations.[224] This attachment analyzes the sufficiency of the allegations and supporting evidence regarding material injury and causation.

II. Definition of Domestic Industry

The domestic industry is described with reference to producers of the domestic like product, as provided for in section 771(4)(A) of the Act. The Petitions[225] define the domestic industry as U.S. producers of wire rod.[226] The petitioners[227] identify themselves, as well as six other producers of the domestic like product, as the companies constituting the domestic industry in the United States.[228] For a discussion of the domestic like product, *see* Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom, to this Checklist.

III. Evidence of Injury and Threat of Injury

To determine injury, the statute requires an evaluation of the volume, price effects, and impact of imports on the domestic industry and permits consideration of other economic factors.[229] Specifically, in examining the impact of imports, section 771(7)(C)(iii) of the Act states that:

> In examining the impact {of imports on domestic producers} …, the {International Trade} Commission {ITC} shall evaluate all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to–
>
> (I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,
> (II) factors affecting domestic prices,
> (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment,

[224] *See* sections 702(c)(1)(A)(i) and 732(c)(1)(A)(i) of the Tariff Act of 1930, as amended (the Act).
[225] *See* Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom – Petitions for the Imposition of Antidumping and Countervailing Duties, dated March 28, 2017 (the Petitions). The petitioners filed the General Issues Supplement to the Petitions, dated April 4, 2017 (General Issues Supplement), in response to the Department's request for additional information regarding the petitions.
[226] *See* Volume I of the Petitions, at 15 and Exhibits I-1 and I-2.
[227] The petitioners are Charter Steel, Gerdau Ameristeel US Inc., Keystone Consolidated Industries, Inc., and Nucor Corporation (the petitioners).
[228] *See* Volume I of the Petitions, at 1-3 and Exhibit I-1.
[229] *See* sections 771(7)(B)(i) and (ii) of the Act.

(IV) actual and potential negative effects on the existing development and production efforts of the domestic industry..., and
(V) in {an antidumping proceeding}…, the magnitude of the margin of dumping.

The Petitions allege that the domestic industry has experienced the following types of injury by reason of imports from Belarus, Italy, the Republic of Korea (Korea), the Russian Federation (Russia), the Republic of South Africa (South Africa), Spain, Turkey, Ukraine, United Arab Emirates (UAE), and the United Kingdom (UK):

- Reduced market share (Volume I of the Petitions, at 11, 24, 32-33 and Exhibit I-10);
- Underselling and price depression or suppression (Volume I of the Petitions, at 25, 27, and Exhibits I-8 and I-11 – I-12);
- Declining production capacity, [ ] capacity utilization, declines in net sales, and declines in domestic producers' average U.S. shipments unit value (Volume I of the Petitions, at 27-28 and Exhibits I-10 and I-11);
- Negative impacts on domestic industry employment, including declines in wages paid to production-related workers (Volume I of the Petitions, at 28 and Exhibit I-11);
- Declines in financial performance (Volume I of the Petitions, at 28 and Exhibits I-10 and I-11); and
- Lost sales and revenues (Volume I of the Petitions, 25, 29, and Exhibit I-12).

The Petitions also allege that the domestic industry could be threatened with further injury by reason of imports from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, UAE, and the UK:

- Vulnerability of domestic industry to material injury by reason of the subject imports (Volume I of the Petitions, at 31-32 and Exhibits I-10 and I-11);
- Rapid and significant increase in the volume and market share of subject imports (Volume I of the Petitions, at 32-33 and Exhibits I-8 and I-10);
- Significant volumes of new and unused production capacity to increase imports from the subject countries (Volume I of the Petitions, at 33-35 and Exhibits I-14 and I-15);
- Continued price depression or suppression (Volume I of the Petitions, at 35 and Exhibits I-8 and I-11);
- Export-orientation of subject producers (Volume I of the Petitions, at 35 and Exhibit I-15); and
- Countervailable subsidies, including export subsidies, received by subject producers in Italy and/or Turkey (Volume I of the Petitions, at 36); and

IV. Cumulation

Section 771(7)(G)(i) of the Act requires the ITC to cumulate imports from all countries for which petitions were filed on the same day if such imports compete with each other and with the domestic like product in the United States market. On March 28, 2017, the petitioners filed the Petitions against the ten subject countries. The petitioners argue that a reasonable overlap of competition exists with subject imports, and as such, the criteria for cumulation have been satisfied.[230]

[230] *See* Volume I of the Petitions, at 19-23 and Exhibit I-8; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1.

In determining whether cumulation is appropriate, the ITC uses a framework of four factors.[231] Each factor, along with the sections of the Petitions in which it is addressed, is listed below.

- The degree of fungibility between imports from the ten subject countries and between the imports and the domestic like product.

  The petitioners submit that subject imports are generally substitutable with each other and with the domestic like product are fungible. The petitioners note that wire rod imported into the United States has similar chemical and physical properties and is sold to the same end users for the same end use applications, regardless of the source of the wire rod. According to the petitioners, the same is true of the domestic like product.[232] Furthermore, the petitioners note that, in its most recent sunset review of wire rod from various countries, the ITC found, based on data from market participants, that subject imports are interchangeable with other imports and the domestic like product.[233]

- The presence of sales or offers for sale of the imports and the domestic like product in the same geographic markets.

  According to the petitioners, subject imports compete with each other and the domestic like product throughout the U.S. market. The petitioners note that, in previous investigations and reviews of wire rod from multiple countries, the ITC determined that "the domestic like product was marketed and sold throughout the entire U.S. market, and that subject imports competed with each other and the domestic like product in most or all regions of the United States."[234] The petitioners argue that wire rod that is produced in the United States and imported from each of the subject countries "continues to be sold on a nationwide basis."[235]

- Whether the imports and the domestic like product are handled in common or similar channels of distribution.

  The petitioners state that "{c}ommercial shipments of domestically-produced {wire rod} and subject imports are sold to both distributors and end users, with the majority of shipments going to end users."[236] According to the petitioners, this is consistent with the ITC's findings on channels of distribution in recent wire rod investigations and reviews.[237]

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[231] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986); *see also Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988), *aff'd,* 859 F.2d 915 (Fed. Cir. 1988).
[232] *See* Volume I of the Petitions, at 20.
[233] *Id*., at 20-21; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1 (*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), USITC Pub. 4472 (June 2014) (*Wire Rod from Brazil et. al. Second Review*), at 23-25 and 43; and *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine*, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final), USITC Pub. 3546 (October 2002) (*Wire Rod from Brazil et. al. Final*), at 20).
[234] *See* Volume I of the Petitions, at 21; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1 (*Wire Rod from Brazil et. al. Final*, at 23; *Wire Rod from Brazil et. al. Second Review*, at 24; and *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final), USITC Pub. 4509 (January 2015) (*Wire Rod from China Final*), at II-3.).
[235] *See* Volume I of the Petitions, at 21.
[236] *Id.*
[237] *Id.*; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1 (*Wire Rod from China Final*, at II-1 – II-2; *Wire Rod from Brazil et. al. Final*, at 23; and *Wire Rod from Brazil et. al. Second Review*, at 24-25).

- Whether the imports are present in the U.S. market simultaneously.

  The petitioners note that imports of wire rod from each of the subject countries have been simultaneously present in the U.S. market for most of the ITC's period of investigation. Furthermore, the petitioners state that domestically-produced wire rod has also been available in the U.S. market throughout the same period.[238]

V. Negligibility

Section 771(24)(A)(i) of the Act states that "imports from a country of merchandise corresponding to a domestic like product identified by the Commission are 'negligible' if such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which the data are available . . ." Section 771(24)(A)(ii) of the Act further provides that "{i}mports that would otherwise be negligible under clause (i) shall not be negligible if the aggregate volume of imports of the merchandise from all countries described in clause (i) with respect to which investigations were initiated on the same day exceeds 7 percent of the volume of all such merchandise imported in to the United States during the applicable 12-month period."

The petitioners provided import data for the 12-month period of March 2016 through February 2017 to calculate each country's share of total imports.[239] Based on the data provided by the petitioners, the import shares are as follows:

Country	Share of Total Imports (%)
Belarus	2.64
Italy	2.50
Korea	4.87
Russia	5.96
South Africa	1.15
Spain	4.43
Turkey	4.46
Ukraine	9.52
United Arab Emirates	1.24
United Kingdom	2.62

The data provided by the petitioners demonstrate that wire rod imports from Korea, Russia, Spain, Turkey, and Ukraine each exceed the three percent negligibility threshold provided under section 771(24)(A)(i) of the Act.[240]

With regard to Belarus, Italy, South Africa, UAE, and the UK, while the allegedly dumped imports from each of these countries do not individually exceed the statutory requirements for negligibility, the petitioners note that the aggregate import share from these five countries is 10.15 percent, which exceeds the seven percent threshold established by the exception in section 771(24)(A)(ii) of the Act. Therefore, the imports from these countries are not negligible for purposes of the material

[238] *See* Volume I of the Petitions, at 22 and Exhibit I-8.
[239] *Id.*, at 17 and Exhibit I-13. For the period of March 2016 – January 2017, the petitioners provided data from the ITC's Dataweb. For February 2017, the petitioners provided import license data from the Department's Steel Import Monitoring and Analysis System (SIMA). *Id.*
[240] *Id.*, at 17 and Exhibit I-13.

injury analysis in these Petitions.[241]

While the allegedly subsidized imports from Italy do not individually meet the statutory negligibility threshold of three percent, the petitioners argue that imports from Italy are not negligible for purposes of the threat of material injury analysis because "'there is a potential'" that imports from Italy will imminently exceed the individual country negligibility threshold.[242] According to the petitioners, the Department's Steel Import Monitoring and Analysis (SIMA) program's import license data as of March 21, 2017, "demonstrate that subject imports from Italy are increasing rapidly and are on track to imminently exceed the three percent threshold."[243] Specifically, the petitioners note that, starting in August 2016 subject imports from Italy began surging. Using official import statistics and SIMA data, the petitioners demonstrate that during the period August 2016 through March 21, 2017, Italian imports were 4.02 percent of total wire rod imports during the period, which surpasses the three percent negligibility threshold.[244] Furthermore, the petitioners note that the data on imports of wire rod from Italy demonstrate that imports from Italy were not negligible on a quarterly or annualized basis in 2017. According to the data provided by the petitioners, imports from Italy in the first quarter of 2017 accounted for 3.6 percent of total imports. The petitioners contend that annualizing imports from Italy in the first quarter of 2017 results in an estimated annual volume of imports from Italy that is 77.2 percent greater than the total volume of imports from Italy in 2016.[245] Finally, the petitioners argue that "information indicates that [ ]"[246] As a result, the petitioners argue that "subsidized imports from Italy are not negligible because they will imminently exceed three percent of total wire rod imports."[247]

VI. Causation of Material Injury and Threat of Material Injury

The petitioners contend that the material injury and the threat of material injury to the domestic industry discussed in Section III above were caused by the impact of the allegedly dumped and subsidized imports from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, UAE, and the UK. In support of their argument, the petitioners provide information on the historical trend of the volume of the allegedly dumped and subsidized imports, focusing on the period beginning with 2014 and ending with 2016, the most recently available quarterly data at the date of filing.[248] In the Petitions, the petitioners demonstrate the effect of these import volumes, and their respective values, on domestic prices, market share, production capacity, capacity utilization, and employment, and the consequent impact on the domestic industry, specifically on financial performance, net sales and revenue.[249] The petitioners argue that this evidence reflects the injurious effects on the U.S. industry's performance and market share caused by increasing imports of the subject wire rod at prices substantially lower than prices offered from the petitioners, thereby resulting in significant incidents of lost sales and revenues.[250]

In making a determination regarding causation of material injury, the ITC is directed to evaluate the volume of subject imports (section 771(7)(B)(i)(I) of the Act), the effect of those imports on the prices of domestically produced products (section 771(7)(B)(i)(II) of the Act) and their impact on

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241 *Id.*, at 17-18 and Exhibit I-13.
242 *Id.*, at 18.
243 *Id.*, at 18 and Exhibit I-13.
244 *Id.*, at 18-19 and Exhibit I-13.
245 *Id.*, at 19 and Exhibits I-8 and I-13.
246 *Id.*, at 19 and Exhibit I-15.
247 *Id.*, at 19.
248 *Id.*, at 9, 23-24, and Exhibits I-8 and I-10. The petitioners provided additional import data for 2017 (through March 21, 2017) for purposes of their negligibility of subject imports analysis. *Id.*, at 17-19 and Exhibit I-13.
249 *Id.*, at 11, 24-25, 27-29 and Exhibits I-8 and I-10 – I-12.
250 *Id.*

the domestic operations of U.S. producers (section 771(7)(B)(i)(III) of the Act). The petitioners base their allegations of causation of current injury upon the domestic industry's reduced market share; declining production capacity, [ ] capacity utilization, declines in net sales, and declines in domestic producers' average U.S. shipments unit value; underselling and price depression or suppression; negative impacts on domestic industry employment, including declines in wages paid to production-related workers; declines in financial performance; and lost sales and revenues.[251]

With regard to the threat of material injury, the petitioners base their allegations upon the vulnerability of the domestic industry to material injury by reason of the subject imports; the rapid and significant increase in the volume and market share of subject imports; the significant volumes of new and unused production capacity to increase imports from the subject countries; continued price depression or suppression; the export-orientation of subject producers; and countervailable subsidies, including export subsidies, received by subject producers in Italy and/or Turkey.[252]

The allegations of causation of material injury and the threat of material injury are based upon the factors indicating current injury, as well as the factors indicating threat of material injury as noted above. The factors related to causation presented in the injury section of the Petitions are the types of factors that the ITC is directed to consider for the purpose of evaluating causation under sections 771(7)(C) and 771(7)(F) of the Act.

VII. Conclusion

In order to assess the accuracy and adequacy of the evidence relating to the allegations regarding material injury, threat of material injury, cumulation, negligibility, and causation, we examined the information presented in the Petitions, and supplement to the Petitions, and compared it with information that was reasonably available (*e.g.*, import data on the ITC website). We did not locate any information that contradicts the petitioners' assertions.

We analyzed the petitioners' evidence regarding material injury, threat of material injury, cumulation, negligibility, and causation and have found that the information in the Petitions demonstrates a sufficient showing of injury or threat of injury to the U.S. industry producing wire rod. Therefore, we find the overall evidence of injury included in the Petitions to be adequate to initiate the investigations of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, UAE, and the UK. Ultimately, the ITC will make the final determination with respect to material injury, or threat thereof, cumulation, negligibility, and causation.

[251] *See* Section III above.

[252] *Id.*

Attachment IV

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)

Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea,

Russia,
South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom

Institution of antidumping and countervailing duty investigations and scheduling of preliminary phase investigations.

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the institution of investigations and commencement of preliminary phase antidumping and countervailing duty investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary) pursuant to the Tariff Act of 1930 ("the Act") to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom, provided for in subheadings 7213.91.30, 7213.91.45, 7213.99.00, 7227.20.00, and 7227.90.60 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value and alleged to be subsidized by the Governments of Italy and Turkey. Unless the Department of Commerce extends the time for initiation, the Commission must reach a preliminary determination in antidumping and countervailing duty investigations in 45 days, or in this case by May 12, 2017. The Commission's views must be transmitted to Commerce within five business days thereafter, or by May 19, 2017.

EFFECTIVE DATE: March 28, 2017.

FOR FURTHER INFORMATION CONTACT: Michael Szustakowski ((202) 205-3169), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background.--These investigations are being instituted, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a) and 1673b(a)), in response to petitions filed on March 28, 2017, by Charter Steel, Saukville, Wisconsin; Gerdau Ameristeel US Inc., Tampa, Florida; Keystone Consolidated Industries, Inc., Peoria, Illinois; and Nucor Corporation, Charlotte, North Carolina.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A and B (19 CFR part 207).

<u>Participation in the investigations and public service list</u>.--Persons (other than petitioners) wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in sections 201.11 and 207.10 of the Commission's rules, not later than seven days after publication of this notice in the *Federal Register*. Industrial users and (if the merchandise under investigation is sold at the retail level) representative consumer organizations have the right to appear as parties in Commission antidumping duty and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance.

<u>Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list</u>.--Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these investigations available to authorized applicants representing interested parties (as defined in 19 U.S.C. 1677(9)) who are parties to the investigations under the APO issued in the investigations, provided that the application is made not later than seven days after the publication of this notice in the *Federal Register*. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

<u>Conference</u>.--The Commission's Director of Investigations has scheduled a conference in connection with these investigations for 9:30 a.m. on Tuesday, April 18, 2017, at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC. Requests to appear at the conference should be emailed to William.bishop@usitc.gov and Sharon.bellamy@usitc.gov (DO NOT FILE ON EDIS) on or before April 14, 2017. Parties in support of the imposition of countervailing and antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

<u>Written submissions</u>.--As provided in sections 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before April 21, 2017, a written brief containing information and arguments pertinent to the subject matter of the investigations. Parties may file written testimony in connection with their presentation at the conference. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's Handbook on E-Filing, available on the Commission's website at https://edis.usitc.gov, elaborates upon the Commission's rules with respect to electronic filing.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Certification.--Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these investigations must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that any information that it submits to the Commission during these investigations may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of these or related investigations or reviews, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

AUTHORITY: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.12 of the Commission's rules.

By order of the Commission.

Lisa R. Barton
Secretary to the Commission

Issued:

EXHIBIT 18

C-475-837
Investigation
POI: January 1 – December 31, 2016
~~**Proprietary Document**~~
Public Version
E&C/VI: JC

April 17, 2017

ENFORCEMENT AND COMPLIANCE
OFFICE OF AD/CVD OPERATIONS
COUNTERVAILING DUTY INVESTIGATION INITIATION CHECKLIST

SUBJECT: Carbon and Alloy Steel Wire Rod from Italy
CASE NUMBERS: C-475-837

PETITIONERS:

Charter Steel
(Division of Charter Manufacturing Co., Inc.)
1658 Cold Springs Road
Saukville, WI
Tel: (800) 437-8789

Keystone Consolidated Industries, Inc.
7000 S.W. Adams Street
Peoria, IL 61641
Tel: (309) 697-7628

Gerdau Ameristeel US Inc.
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1915 Rexford Road
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POTENTIAL RESPONDENTS:

A list of the producers of carbon and alloy steel wire rod (wire rod) in Italy identified by Charter Steel, Gerdau Ameristeel US Inc., Keystone Consolidated Industries, Inc., and Nucor Corporation (the petitioners) can be found in the "Petition for the Imposition of Countervailing Duties on Imports of Carbon and Alloy Steel Wire Rod from Italy," dated March 28, 2017 (the Petition).[1]

SCOPE: *See* Attachment I – Scope of the Investigation, to this checklist.

IMPORT STATISTICS:

Italy	2014	2015	2016
Volume (short tons)	346	246	33,163
Value (USD)	481,267	256,802	12,197,582

Source: U.S. International Trade Commission (ITC) Dataweb, available at http://dataweb.usitc.gov/. The petitioners reported the volume (converted from kilograms to short tons) and customs value for imports of wire rod using the Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, 7227.90.6035, and 7227.90.6085.[2]

[1] *See* Volume I of the Petition, at 9 and Exhibit I-7.
[2] *See* Volume I of the Petition, at 9 and Exhibit I-8.

APPROXIMATE CASE CALENDAR:

Event	**No. of Days**	**Date of Action**	**Day of Week**
	Countervailing Duty Investigation		
Petition Filed	0	March 28, 2017	Tuesday
Initiation Date	20	April 17, 2017	Monday
ITC Preliminary Determination	45	May 12, 2017	Friday
ITA Preliminary Determination†**	85	June 21, 2017	Wednesday
ITA Final Determination†	160	September 5, 2017	Tuesday*
ITC Final Determination***	205	October 19, 2017	Thursday
Publication of Order****	212	October 26, 2017	Thursday

*Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.
† These deadlines may be extended under the governing statute.
** This will take place only in the event of a preliminary affirmative determination from the ITC.
*** This will take place only in the event of a final affirmative determination from the International Trade Administration (ITA).
**** This will take place only in the event of a final affirmative determination from the ITA and the ITC.
Note: The ITC final determination will take place no later than 45 days after a final affirmative ITA determination.
Note: Publication of order will take place approximately seven days after an affirmative ITC final determination.

INDUSTRY SUPPORT:

Do the petitioners and those expressing support for the Petition account for more than 50% of production of the domestic like product?

☒	Yes
☐	No

If No, do those expressing support account for the majority of those expressing an opinion and at least 25% of domestic production?

☐	Yes
☐	No
☒	Not Applicable

Describe how industry support was established - specifically, describe the nature of any polling or other step undertaken to determine the level of domestic industry support.

See Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom, to this checklist.

Was there opposition to the Petition?

☐	Yes
☒	No

Are any of the parties who have expressed opposition to the Petition either importers or domestic producers affiliated with foreign producers?

☐	Yes
☐	No
☒	Not Applicable

INJURY TEST:

Because Italy is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Tariff Act of 1930, as amended (the Act), Section 701(a)(2) of the Act applies to this investigation. Accordingly, the ITC must determine whether imports of the subject merchandise from Italy materially injure, or threaten material injury to, a U.S. industry.

INJURY ALLEGATION:

We received a copy of the notice of institution of antidumping and countervailing duty investigations from the ITC, which was signed March 28, 2017. It indicates that the ITC has instituted an investigation to determine whether there is a reasonable indication that the domestic industry producing wire rod is materially injured or threatened with material injury.[3]

The relevant injury data can be found in Volume I of the Petition, at 9-37 and Exhibits I-8 and I-10 – I-15; and General Issues Supplement to the Petition, dated April 4, 2017 (General Issues Supplement), at 1 and Exhibit I-SUPP-1.[4]

[3] *See* Attachment IV, Notice of Institution from the ITC, to this checklist.
[4] *See* Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of

Does the Petition contain evidence of causation? Specifically, does the Petition contain information relative to:

- ☒ volume and value of imports (*See* Volume I of the Petition, at 9-11, 16-19, 23-24, 32-33, and Exhibits I-8, I-10, and I-13.)
- ☒ U.S. market share (*i.e.*, the ratio of imports to consumption) (*See* Volume I of the Petition, at 11, 24, 32-33 and Exhibit I-10.)
- ☒ actual pricing (*i.e.*, evidence of decreased pricing) (*See* Volume I of the Petition, at 24-25, 35 and Exhibits I-8, I-11, and I-12.)
- ☒ relative pricing (*i.e.*, evidence of imports underselling U.S. products) (*See* Volume I of the Petition, at 24-25, 35 and Exhibit I-12.)

PETITION REQUIREMENTS:

Does the Petition contain the following?

- ☒ the name, address, and telephone number of the petitioners (*See* Volume I of the Petition, at 2 and Exhibit I-1.)
- ☒ the names, addresses, and telephone numbers of all domestic producers of the domestic like product known to the petitioning companies (*See* Volume I of the Petition, at 2 and Exhibits I-1 and I-2.)
- ☒ the volume or value of the domestic like product produced by the petitioner and each domestic producer identified for the most recently completed 12-month period for which data is available (*See* Volume I of the Petition, at 3 and Exhibit I-3; *see also* General Issues Supplement, at 4 and I-SUPP-4 and I-SUPP-5.)

  Was the entire domestic industry identified in the Petition?

  - ☒ Yes (*See* Volume I of the Petition, at 2 and Exhibits I-1 and I-2; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1.)
  - ☐ No
- ☒ a clear and detailed description of the merchandise to be investigated, including the appropriate Harmonized Tariff Schedule numbers (*See* Volume I of the Petition, at 6-8 and Exhibits I-5 and I-6; *see also* General Issues Supplement, at 1-4 and Exhibits I-SUPP-2 and I-SUPP-3.)

Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom, to this checklist.

☒ the name of each country in which the merchandise originates or from which the merchandise is exported (*See* Volume I of the Petition, at 9.)

☒ the identity of each known exporter, foreign producer, and importer of the merchandise (*See* Volume I of the Petition, at 9-10, and Exhibits I-7 and I-9.)

☒ a statement indicating that the Petition was filed simultaneously with the Department of Commerce and the ITC (*See* cover letter to the Petition, at 1-2.)

☒ an adequate summary of the proprietary data (*See* public version of the Petition, public version of the General Issues Supplement, and Italy CVD Supplement.)

☒ a statement regarding release under administrative protective order (*See* cover letter to the Petition, at 1-4; cover letter to the General Issues Supplement, at 1-2)

☒ a certification of the facts contained in the Petition by an official of the petitioning firm(s) and its legal representative (if applicable) (*See* attachments to cover letter to the Petition, attachments to cover letter to the General Issues Supplement, and Italy CVD Supplement.)

☒ import volume and value information for the most recent two-year period (*See* Volume I of the Petition, at 9-11, 16-19, 23-24, 32-33, and Exhibits I-8, I-10, and I-13.)

COUNTERVAILING DUTY ALLEGATIONS:

The proposed period of investigation (POI) is January 1, 2016, through December 31, 2016.

The petitioners filed the Petition on March 28, 2017. On March 31, 2017, the Department sought clarification on certain subsidy issues in the Petition. The petitioners provided additional information in response to the Department's questionnaires on April 4, 2017.

CONSULTATIONS:

Pursuant to section 702(b)(4)(A)(ii) of the Act, on March 30, 2017, we invited representatives of the Government of Italy (GOI) for consultations with respect to the CVD petition. We held the consultations at the Department on April 11, 2017.[5]

COUNTERVAILING DUTY INVESTIGATION INITIATION STANDARD:

Section 702(b) of the Act states that petitioners must allege the elements necessary for the imposition of a CVD under section 701(a) of the Act; *i.e.*, the existence of countervailable

[5] *See Ex-Parte* Meeting with Officials from the Government of Italy and European Commission on the Countervailing Duty Petition on Carbon and Alloy Steel Wire Rod from Italy, dated April 13, 2017.

subsidies and material injury, or threat of material injury, by reason of the subsidized imports. Section 702(b)(1) of the Act requires that these allegations be supported by information reasonably available to petitioners.

ALLEGED SUBSIDY PROGRAMS:

We recommend investigating the programs listed under "Programs on Which the Department is Initiating an Investigation." For each program, the petitioners alleged the elements of a subsidy, *i.e.*, financial contribution, benefit, and specificity. We find that the petitioners' allegations are supported by adequate and accurate information that was reasonably available to them. In those instances where the petitioners partially supported their allegation, *i.e.*, where the allegation is broader than the supporting evidence, we recommend limiting our inquiry, as described under "Recommendation."

We do not recommend investigating the programs listed under "Programs on Which the Department is Not Initiating an Investigation," and discuss the Department's decision to not initiate under "Recommendation."

I. PROGRAMS ON WHICH THE DEPARTMENT IS INITIATING AN INVESTIGATION

A. Electricity Subsidies

1. Exemptions from General Electricity Network Costs

Description: According to the petitioners, the GOI passes on to end consumers the costs of financing "so-called stranded costs" that were incurred when Italy's electricity sector was liberalized. The electricity users in Italy are required to contribute to 'general electricity network costs.' The petitioners allege that the GOI provides exemptions to energy-intensive industries, such as the steel industry, which enable them to reduce their contribution to 'general electricity network costs.' Energy-intensive industries, such as the steel industry, are exempted from these costs per Italian law, *e.g.* Legislative Decree No. 26 of 2 February 2007, Decree-Law No 83 of 22 June 2012, and Ministerial Decree of 5 April 2013, which defines energy-intensive businesses.[6] The petitioners state that Italian wire rod producers' production processes require substantial amounts of energy, and, thus, qualify for the exemption.

The petitioners state that the *Cassa per I Servizi Energetici e Ambientali* (CSEA), formerly the Compensation Fund for the Electricity Sector, is a public economic entity under the supervision of the Ministry of Economy and Finance.[7] The petitioners add that the CSEA collects revenue towards 'general electricity network costs,'[8] and it is tasked with the disbursement of grants related to 'general electricity network costs' under this alleged program.[9] According to the

[6] *See* Exhibit CVD-IT-6; *see also* Exhibit CVD-IT-Supp-1.
[7] *See* Exhibit CVD-IT-Supp-2.
[8] *See* Exhibit CVD-IT-6
[9] *See* Exhibits CVD-IT-Supp-2 and 4.

petitioners, wire rod producer Ferriere Nord's financial statements indicate that it received funds from the CSEA, which "provides for electricity intensive companies to benefit from exemption on some tariff components."[10] The petitioners provide a list of companies CSEA defined as "energy-intensive" in 2014.[11] This list includes multiple wire rod producers identified in the Petition, *e.g.* ABS Accaiaierie Bertoli Safau SpA and Ferriere Nord.

Financial Contribution: The petitioners allege that the reductions and exemptions from general electricity network costs provided by this program constitute a financial contribution consistent with section 771(5)(D)(ii) of the Act, *i.e.* revenue forgone.

Benefit: The petitioners allege that this program confers a benefit in the full amount by which compulsory financial contributions are reduced for "energy-intensive" manufacturing firms under 19 CFR 351.509(a)(1).

Specificity: The petitioners allege that this program is specific within the meaning of section 771(5A)(D)(i) of the Act because benefits are limited exclusively to "energy-intensive" manufacturing firms. The petitioners state that the GOI defines "energy-intensive businesses" in Article 39 of the Decree-Law No. 83, in accordance with Article 17 of Directive 2003/96.[12]

Support: We examined the evidence provided to support the allegation on pages 4-6 of the Petition and pages 1-5 of the Italy CVD Supplement, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above. In addition, the team notes that the petitioners have provided information reasonably available to them that indicates that the element of this program may include the direct transfer of funds, such as grants. During the course of the investigation, we will determine whether the financial contribution through direct transfer of funds was provided under this program.

2. Energy Interruptibility Contracts

Description: The petitioners allege that, since 2010, the GOI has operated interruptibility schemes under which energy-intensive manufacturers, such as wire rod producers, receive substantial subsidies. Specifically, the petitioners state that the Terna Group (Terna) is responsible for transmission and management of power flows on the high- and very-high-voltage grid throughout Italy. One of Terna's objectives is to maintain the balance between energy supply and demand. The petitioners add that Terna is controlled by the GOI, owns 99.7 percent of the Italian National Transmission Grid, and is responsible for the planning, construction, and maintenance of that grid.

[10] *See* Exhibit CVD-IT-Supp-5, at 80.
[11] *See* Exhibit CVD-IT-Supp-6.
[12] *See* Exhibit CVD-IT-6; *see also* Italy CVD Supplement, at 1. The petitioners state that the related the Guidelines of the Minister for Economic Development of 24 July 2013 implementing Article 39(3) of the 2012 Decree and Article 3 of the 2013 Ministerial Decree were not reasonably available to them.

The petitioners state that the GOI has established interruptibility schemes, *via* legislation, under which large energy users contractually agree to be disconnected automatically from the power grid when the transmission system operator (TSO) must balance energy demand. The petitioners argue that heavy power users pay lower bills in a scheme that amounts to a disguised state subsidy. Further, the European Commission also expressed concerns that interruptibility contracts could be "a subsidy." The petitioners state that Terna only reimburses assignees under this program whose minimum consumption of electricity must be approximately 7,000MWh/year.[13] According to the European Commission, "the payments are attractive and related mostly to availability payments rather than real utilization." The petitioners allege that Italian wire rod producers require substantial amounts of energy, *e.g.* because of their usage of electric arc furnaces for production, likely sign interruptibility contracts, and thereby receive reduced energy bills. Lastly, the petitioners state that Italian steel producers maintain interruptibility contracts.[14]

Financial Contribution: The petitioners state that this program constitutes a financial contribution because it involves a direct transfer of funds or in the form of revenue foregone by the GOI under section 771(5)(D)(ii) of the Act.

Benefit: The petitioners allege that this program confers a benefit in the full amount of the reduction in energy expenses pursuant to the interruptibility contract under section 771(5)(E) of the Act.

Specificity: The petitioners allege that this program is specific within the meaning of section 771(5A)(D)(i) of the Act because the benefits are limited to energy-intensive businesses that qualify for demand response capacity.[15]

Support: We examined the evidence provided to support the allegation on pages 6-10 of the Petition and pages 6-8 of the Italy CVD Supplement, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: Based on the supporting evidence, the team recommends initiating on the allegation, in part. The team finds adequate evidence for initiation was submitted for direct transfer of funds and the program is limited to energy-intensive businesses. With regard to benefit, the team finds adequate evidence was submitted to show that this program confers a benefit a benefit equal to the amount of the grant received under section 771(5)(E) of the Act and 19 CFR 351.504(a).

B. Grant and Preferential Loan Programs

1. Industrial Development Grants Under Law 488/92

[13] *See* Exhibit CVD-IT-Supp-8.

[14] *Id.* The petitioners state that information regarding wire rod producers' maintenance of interruptibility contracts is not reasonably available to them, and instead provide supporting information regarding Italian steel producers more generally.

[15] *See* Exhibit CVD-IT-7, at 61.

Description: The petitioners assert that Law 488/92 provides industrial development grants to companies located in eligible economically depressed regions and eligible sectors. The petitioners allege that the program is used to reduce territorial disparities in Italy by offering non-repayable grants to firms willing to invest in poorer areas. The petitioners state that a number of wire rod producers are both eligible for grants under Law 488/92 as manufacturers and are located in these eligible geographic regions in Italy.

Financial Contribution: The petitioners allege that in *Certain Pasta from Italy*, the Department found Law 488/92 provides a direct transfer of funds in the form of a grant from the GOI.[16]

Benefit: The petitioners allege that grants made under Law 488/92 provide a benefit equal to the amount of the grant.[17]

Specificity: The petitioners allege that grants provided under Law 488/92 are specific,[18] as recipients must be in eligible sectors and located in eligible geographic regions. Because this subsidy program is limited to such companies, it is specific within the meaning of section 771(5A) of the Act. The petitioners further allege that a number of wire rod producers are located in eligible geographic regions in Italy.

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[19] We examined the evidence provided to support the allegation on pages 10-12 of the Petition, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above. Further, the team recommends initiating on the allegations as described in the Petition on the basis of section 771(5)(D)(i) of the Act and 19 CFR 351.504 with respect to benefit, and section 771(5A)(D)(iv) of the Act with respect to specificity, and the support provided therein.

2. Technological Innovation Fund Grants Under Law 46/82

Description: The petitioners assert that Article 14 of Law 46/82 authorizes the creation of a revolving fund, the *Fondo Innovazione Tecnologica* (FIT Program), for technological innovation. The petitioners allege the fund provides technological grants to firms to conduct experimental and industrial research. The petitioners contend firms of a certain size are eligible if they are involved in the industrial production of goods and services. The petitioners assert that Law 46/82 is directed towards large firms in northern Italy, in the high-tech sectors and specialized in the development of large research projects. The petitioners speculate that it is

[16] *See Certain Pasta from Italy: Final Results of the Tenth (2005) Countervailing Duty Administrative Review*, 73 FR 7251 (February 7, 2008) (*Certain Pasta from Italy*), and accompanying Issues and Decision Memorandum (IDM) at 5.
[17] *Id.*
[18] *Id.*
[19] *See Certain Pasta from Italy: Final Results of Countervailing Duty Administrative Review; 2012*, 80 FR 11172 (March 2, 2015) (*Certain Pasta from Italy 2012*), and accompanying IDM at 19 – 21.

likely that wire rod producers benefit from this program because a number of wire rod producers are located in northern Italy and the Organization for Economic Co-operation and Development (OECD) has found the steel sector to be eligible for assistance under Law 46/82.

Financial Contribution: The petitioners allege that in *Certain Pasta from Italy 2009*, the Department found that Law 46/82 provides a direct transfer of funds from the GOI within the meaning of section 771(5)(D)(i) of the Act.[20]

Benefit: The petitioners allege that grants made under Law 46/82 provide a benefit equal to the amount of the grant within the meaning of section 771(5)(E) of the Act and 19 CFR 351.504(a).[21]

Specificity: The petitioners allege that benefits are limited to companies in designated geographical regions and are therefore specific under section 771(5A)(D)(iv) of the Act.[22]

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[23] We examined the evidence provided to support the allegation on pages 12-15 of the Petition, including all referenced exhibits therein.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

3. Technological Innovation Fund Loans Under Law 46/82

Description: The petitioners assert that Article 14 of Law 46/82 creates a revolving fund, the FIT Program, for technological innovation. The petitioners allege the fund provides technological loans to firms to conduct experimental and industrial research. The petitioners contend that firms of a certain size are eligible if they are involved in the industrial production of goods and services. The petitioners assert that Law 46/82 is directed towards large firms in northern Italy, in the high-tech sectors and large research projects. The petitioners speculate that it is likely that wire rod producers benefit from this program because a number of wire rod producers are located in northern Italy and the OECD has found the steel sector to be eligible of assistance under Law 46/82.

Financial Contribution: The petitioners allege that in *Certain Pasta from Italy 2009*, the Department found that Law 46/82 provides a direct transfer of funds from the GOI within the meaning of section 771(5)(D)(i) of the Act.[24]

Benefit: The petitioners allege that the benefit under the loan component of this allegation is

[20] *See Certain Pasta from Italy: Final Results of the 2009 Countervailing Duty Administrative Review*, 77 FR 7129 (February 10, 2012) (*Certain Pasta from Italy 2009*), and accompanying IDM at 17.
[21] *Id.*
[22] *Id.*, at 17. In *Certain Pasta from Italy 2009*, the Department based its determination regarding specificity for this program upon adverse facts available.
[23] *Id.*, at 18.
[24] *Id.*, at 17.

equal to the difference between the payments made on the loan and the payments that would have been made on a benchmark loan, in accordance with 19 CFR 351.505(c)(2).[25]

Specificity: The petitioners allege that benefits are limited to companies in designated geographical regions and are therefore specific under section 771(5A)(D)(iv) of the Act.

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[26] We examined the evidence provided to support the allegation on pages 12-15 of the Petition, including all referenced exhibits therein.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

4. Preferential Financing Under Law 266/97

Description: The petitioners speculate that under Law 266/97, the GOI offers financial incentives to firms that are or will be established in economically depressed areas including northern Italy. The petitioners contend that several wire rod producers are located in northern Italy and are eligible to receive benefits under Law 266/97.

Financial Contribution: The petitioners assert grants provided under Law 266/97 are financial contributions under section 771 (5)(D)(i) of the Act because they are a direct transfer of funds from the GOI.

Benefit: The petitioners allege grants made under Law 266/97 provide a benefit equal to the amount of the grant within the meaning of 19 CFR 351.504(a).

Specificity: The petitioners allege preferential financing provided under Law 266/97 is specific under section 771(5A)(D)(iv) of the Act, as recipients must be in eligible sectors and located in eligible geographic regions.

Support: We examined the evidence provided to support the allegation on pages 15-16 of the Petition, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

5. Grants to Revive Industrial Areas Under Law 181/89

Description: The petitioners state that under Law 181/89, the GOI offers grants to revive industrial areas. The petitioners contend that funds available under Law 181/89 are managed by Invitalia, the Italian national agency for investment and economic development,[27] and are only available to certain industries which are investing in specific areas. The petitioners contend that

[25] *Id.*, at 18.
[26] *Id.*
[27] *See* Petition, at Exhibit IX-26.

producers and exporters of wire rod are located in these geographic areas and that those producers reasonably could have benefited from this program during the POI.

Financial Contribution: The petitioners allege that the grants provided under Law 181/89 are financial contributions under section 771(5)(D)(i) of the Act because they are a direct transfer of funds from the GOI.

Benefit: The petitioners allege that grants made under Law 181/89 provide a benefit equal to the amount of the grant received under section 771(5)(E) of the Act and 19 CFR 351.504(a).

Specificity: The petitioners allege the grants under Law 181/89 are specific, as recipients must be in eligible industrial sectors and located in eligible regions consistent with sections 771(5A) of the Act.

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[28] Additionally, we examined the evidence provided to support the allegation on pages 16-18 of the Petition, including all referenced exhibits therein.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above. Further, the team recommends initiating on the allegations as described in the Petition on the basis of section 771(5A)(D)(iv) of the Act with respect to specificity, and the support provided therein.

6. Preferential Loans to Revive Industrial Areas Under Law 181/89

Description: The petitioners state that under Law 181/89, the GOI offers preferential financing to revive industrial areas. The petitioners contend that funds available under Law 181/89 are managed by Invitalia, the Italian national agency for investment and economic development,[29] and are only available to certain industries which are investing in specific areas. The petitioners contend that producers and exporters of wire rod are located in these geographic areas and that those producers reasonably could have benefited from this program during the POI.

Financial Contribution: The petitioners allege that these preferential loans provided under Law 181/89 are financial contributions under section 771(5)(D)(i) of the Act because they are a direct transfer of funds from the GOI.

Benefit: The petitioners allege that the benefit conferred through these loans is equal to the difference between the payments made on the loan and the payments that would have been made on a benchmark loan, in accordance with 19 CFR 351.505(c)(2).

Specificity: The petitioners allege that the loans under Law 181/89 are specific, as recipients must be in eligible industrial sectors and located in eligible regions consistent with sections

[28] *See Final Affirmative Countervailing Duty Determination: Grain-Orientated Electrical Steel from Italy*, 59 FR 18537 (April 18, 1994) (*Italy GOES*), and accompanying IDM at Comment I. F.
[29] *See* Petition at Exhibit IX-26.

771(5A) of the Act.

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[30] Additionally, we examined the evidence provided to support the allegation on pages 16-18 of the Petition, including all referenced exhibits therein.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

7. ***Patti Territoriali*** **Grants Under Law 662/96**

Description: The petitioners contend that the GOI provides *Patti Territoriali* grants under Article 2 of Law 662/96 for entrepreneurial initiatives such as new plants or additions, modernization, restructuring, conversion, reactivation, or transfer of existing facilities. Citing *Certain Pasta from Italy 2012*, the petitioners state that under the program, a *Patti Territoriali* is signed between the provincial government and the GOI.[31] The provincial government ranks the projects submitted and selects the projects that will receive a grant. The provincial government then submits the detailed plans to the GOI, which, if the project is approved, issues a special authorizing decree specifying the investment required and a schedule of the benefits. To be eligible for these grants, companies must be located within specific regions and involved in specific industries, including manufacturing.

Financial Contribution: The petitioners allege *Patti Territoriali* grants confer a financial contribution within the meaning of section 771(5)(D)(i) of the Act because they constitute a direct transfer of funds from the GOI.[32]

Benefit: The petitioners allege *Patti Territoriali* grants confer a benefit on the recipients in the full amount of the grant, as defined in 19 CFR 351.504(a).[33]

Specificity: The petitioners allege that *Patti Territoriali* grants are regionally specific within the meaning of section 771(5A)(D)(iv) of the Act because they are limited to companies located within certain region of Italy.[34]

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[35] We examined the evidence provided to support the allegation on pages 18-19 of the Petition, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

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[30] *See Italy GOES*, and accompanying IDM at Comment I. F.
[31] *See Certain Pasta from Italy 2012* at Comment A.6.
[32] *See Certain Pasta from Italy: Final Results of the 12th (2007) Countervailing Duty Administrative Review*, 74 FR 47204 (September 15, 2009) (*Certain Pasta from Italy 2007*).
[33] *Id.*
[34] *Id.*
[35] *See Certain Pasta from Italy 2012*, and accompanying IDM at Comment A.6.

C. Income Tax Programs

1. Income Tax Deferral Under Article 42 of Law 78/2010

Description: Citing *Certain Pasta from Italy 2012*, the petitioners assert that under Article 42 of Law 78/2010, companies can receive a deferral of income tax when the companies create a corporate network with the purpose of pooling their profits in non-distributed reserves.[36] Income taxes are then deferred until the network implements new investments. The petitioners contend that wire rod producers belong to these corporate networks qualifying for this program.

Financial Contribution: The petitioners allege the tax deferral granted under Article 42 of Law 78/2010 constitutes a financial contribution in the form of revenue foregone by the Italian government, consistent with section 771(5)(D)(ii) of the Act.

Benefit: The petitioners allege that this program provides a benefit under section 771(5)(E) of the Act, and that the benefit from the tax deferral is treated as a government-provided interest-free loan, under 19 CFR 351.509(a)(2).[37] The petitioners assert that to calculate the benefit received, the Department should use as a benchmark the interest that would have been paid on a comparable commercial loan in the amount of the taxes deferred.

Specificity: The petitioners allege that because the tax benefit is available only to companies that belong to corporate networks, the income tax deferral under Article 42 of Law 78/2010 is specific as described in section 771(5A)(D)(i) of the Act because it is limited as a matter of law to certain enterprises.[38]

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[39] We examined the evidence provided to support the allegation on pages 20-22 of the Petition, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

2. Tax Credits Under Article 1 of Law 296/06

Description: The petitioners contend that the GOI provides tax credits to companies that invested in new manufacturing facilities located in disadvantaged areas. The petitioners contend that Article 1 of Law 296/06 provides a specific monetary deduction per long term employee, deductions of social security contributions per long term employee, and deductions for compulsory insurance related to work place accidents. The petitioners assert that at least one

[36] *See Certain Pasta from Italy 2012*, and accompanying IDM at 17.
[37] *Id.*, at 18.
[38] *Id.*
[39] *Id.* In *Certain Pasta from Italy 2012*, the Department based its determination regarding financial contribution and specificity for this program upon partial adverse facts available.

wire rod producer is located in a geographic eligible for benefits under Law 296/06.

Financial Contribution: The petitioners allege that the tax credits constitute a financial contribution in the form of revenue foregone by the GOI, consistent with section 771(5)(d)(ii) of the Act, and further note in the alternative that the Department has previously found the benefits granted by Article 1 of Law 296/06 to constitute a direct transfer of funds from the GOI, under section 771(5)(D)(i) of the Act.[40]

Benefit: The petitioners allege that the tax credits granted under Article 1 of Law 296/06 confer a benefit on the recipients in the amount of the tax savings, under 19 CFR 351.509(a)(1), and in the alternative, they confer a benefit under 19 CFR 351.504(a) in the amount of the disbursed funds.[41]

Specificity: The petitioners allege, based on the Department's previous finding in *Certain Pasta from Italy 2012*, that the GOI's provision of tax credits under Law 296/06 is specific within the meaning of section 771(5A)(D)(iv) of the Act because it is limited to certain enterprises located within designated geographical regions of Italy.[42]

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[43] We examined the evidence provided to support the allegation on pages 20-22 of the Petition, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

3. Tax Credits Under Article 62 of Law 289/02

Description: The petitioners state that under Article 62 of Law 289/02, the GOI promotes investment in disadvantaged areas by providing a tax credit to companies that make investments in such areas, including the purchase of new equipment for existing structures, or the building of new structures. These tax credits are available to Italian companies in the regions of Calabria, Campania, Basilicata, Pugilia, Sicilia and Sardegna, certain municipalities in the Abruzzo and Molise region, and certain municipalities in central and northern Italy.[44] The petitioners state that at least one wire rod producer has likely made investments in an eligible region and would therefore be eligible to receive tax credits under Article 62 of Law 289/02.

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[40] *See, e.g., Certain Steel Grating from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 74 FR at 56796 and 56801 (November 3, 2009) (*Steel Grating from the PRC*).
[41] *See Certain Pasta from Italy 2012*, and accompanying IDM at 19.
[42] *Id.*
[43] *Id.*
[44] *See Certain Pasta from Italy*, and accompanying IDM at 9.

Financial Contribution: The petitioners allege, citing *Certain Pasta from Italy*, that tax credits under Article 62 of Law 289/02 confer a financial contribution upon recipients within the meaning of section 771(5)(D)(ii) of the Act, as they constitute revenue foregone by the GOI.[45]

Benefit: The petitioners allege that, as the Department has previously found in *Certain Pasta from Italy*, tax credits under Law 289/02 confer a benefit upon recipients in the amount of the tax savings received by the companies per section 771(5)(E)(iv) of the Act.[46]

Specificity: The petitioners allege tax credits provided under Law 289/02 are specific within the meaning of section 751(5A)(D)(iv) of the Act because they are limited to certain geographical regions in Italy, including the regions of Calabria, Campania, Bas1licata, Pugilia, Sicilia and Sardegna, certain municipalities in the Abruzzo and Molise region, and certain municipalities in central and northern Italy.[47]

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[48] We examined the evidence provided to support the allegation on pages 24-25 of the Petition and pages 9-10 of the Italy CVD Supplement, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

4. Certain Social Security Reductions and Exemptions ("*Sgravi*" Benefits)

Description: Citing *Certain Pasta from Italy 2012*, the petitioners contend that Italian law allows companies to use a variety of exemptions from, and reductions of, payroll contributions that employers make to the Italian social security system for health care benefits, and pensions.[49] These social security reductions and exemptions, also known as *Sgravi* benefits, are regulated by a complex set of laws and regulations, and are sometimes linked to conditions such as job creation. Benefits under some of these laws (*e.g.*, Law 1089) are available only to companies located in the Mezzogiorno and other "disadvantaged" regions, while certain other laws (*e.g.*, Law 407/90) provide benefits to companies throughout Italy (with a higher level of benefits for companies in the Mezzogiorno and other "disadvantaged" regions).

Financial Contribution: The petitioners allege, citing *Certain Pasta from Italy 2012*, that the reduced tax revenue due to the GOI through the *Sgravi* benefits constitutes a financial contribution within the meaning of section 771(5)(D)(ii) of the Act as revenue forgone by the government.[50]

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[45] *Id.*
[46] *Id.*
[47] *Id.*
[48] *Id.*
[49] *See Certain Pasta from Italy 2012*, and accompanying IDM at 12.
[50] *Id.*, at 5. In *Certain Pasta from Italy 2012*, the Department based its determination regarding financial contribution for this program upon partial adverse facts available.

Benefit: The petitioners allege that the Department has previously found in *Certain Pasta from Italy 2012*, the tax reductions granted through the *Sgravi* benefits confer a benefit on the recipients in an amount equal to the tax savings, under 19 CFR 351.509(a)(1).[51]

Specificity: The petitioners allege the GOI's provision of tax reductions through the *Sgravi* benefits is specific within the meaning of section 771(5A)(D)(iv) of the Act because it is limited to certain enterprises located within designated geographical regions of Italy.

Support: The Department has previously determined that this program confers a countervailable subsidy under U.S. law.[52] We examined the evidence provided to support the allegation on pages 25-26 of the Petition, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

D. Export Subsidies

1. Export Credit Subsidies

Description: The petitioners allege that the Special Section for Export Credit Insurance (SACE) provides Italian companies with a wide range of insurance and financial products: export credit; investment protection; financial guarantees; and surety bonds and factoring. The petitioners claim that SACE was created under Article 2 of Law 227/77 as the branch of the GOI responsible for the administration of government export credit insurance and guarantee programs. The petitioners claim that SACE is wholly owned by Cassa Depositi e Prestiti, which is more than 80 percent owned by the GOI. The petitioners assert that SACE provided the metallurgy industry with export assistance, from which the Italian wire rod producers likely benefited. The petitioners also assert that Società italiana per le imprese all'estero (SIMEST), which is also controlled by Cassa Depositi e Prestiti, provides export assistance to Italian companies pursuant to Italian law. The petitioners contend that wire rod producers likely received export assistance from SIMEST because its 2013 annual report indicates that SIMEST has provided assistance to the metal/steel sectors.[53]

Financial Contribution: The petitioners allege that preferential loans and other benefits granted under these export credit programs represent direct transfers of funds under section 771(5)(D)(i) of the Act. The petitioners further contend that loans provided by government banks are direct loans from the government and thus direct financial contributions under the Act.[54]

Benefit: The petitioners allege that these export credit policies appear to be administered on preferential, non-commercial terms, which confers a benefit to recipients within the meaning of

[51] *See, e.g., Steel Grating from the PRC*, 74 FR at 56801.
[52] *See Certain Pasta from Italy 2012*, and accompanying IDM at 13.
[53] *See* Exhibit CVD-IT-37, at 25 and 29.
[54] *See, e.g., Coated Free Sheet Paper from the People's Republic of China*, 72 FR 60645 (October 25, 2007), and accompanying IDM at 54.

section 771(5)(E)(ii) of the Act. The benefit is equal to the difference between what the recipient paid in interest on the loan and the amount of interest that would have been paid on a comparable commercial loan.

Specificity: The petitioners allege that the benefits conferred under these programs are specific because they are contingent on export performance, under section 771(5A)(B) of the Act.

Support: We examined the evidence provided to support the allegation on pages 26-30 of the Petition, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends initiating on the allegation as described in the Petition on the basis of the support provided therein, as noted above.

II. PROGRAMS ON WHICH THE DEPARTMENT IS NOT INITIATING AN INVESTIGATION

1. Export Insurance Subsidies

Description: The petitioners state that SACE, Italy's official export credit agency, provides Italian companies with export insurance. The petitioners assert SACE insures and reinsures political, catastrophic, economic, commercial, and exchange-rate risks which Italian operators are exposed to in their foreign activities. Citing *Pasta Sunset 2007*, the petitioners assert that the Department has previously found Article 33 of Law 227/77 provides for the remission of insurance taxes on policies directly insured or reinsured with SACE.[55] For reinsurance policies, this remission of insurance taxes applied not only to the portion of the risk covered by SACE, but also the remaining portion covered by the private insurance company. As a result, export credit insurance policies sold by the private insurance company were totally exempt from the insurance tax by virtue of its reinsurance agreement with SACE. The petitioners claim that wire rod producers likely benefited from the export insurance program as SACE provided substantial assistance to the metallurgical industry.[56]

Financial Contribution: The petitioners allege that funds disbursed under the export insurance program constitute financial contributions under section 771(5)(D)(i) of the Act because they are direct transfers of liability to the GOI.

Benefit: The petitioners allege these export insurance policies appear to be administered on preferential, noncommercial terms, which confers a benefit to recipients within the meaning of section 771(5)(E)(ii) of the Act. The benefit is equal to the difference between what the recipient paid on the insurance and the amount that would have been paid on a comparable commercial insurance plan.

Specificity: The petitioners allege the benefits conferred under the export insurance program are specific because they are contingent on export performance, under section 771(5A)(B) of the

[55] *See Certain Pasta from Italy: Final Results of Expedited Five-Year ("Sunset") Review of the Countervailing Duty Order*, 72 FR 5271 (February 5, 2007) (*Pasta Sunset 2007*), and accompanying IDM at Article 6.1.1.
[56] *See* Exhibit CVD-IT-33, at 74.

Act.

Support: We examined the evidence provided to support the allegation on pages 30-32 of the Petition and page 10 of the Italy CVD Supplement, including all referenced exhibits therein. We relied on all information submitted.

Recommendation: The team recommends not initiating on the allegation as described in the Petition because there is insufficient evidence demonstrating that SACE was operating at a loss during the relevant period. The petitioners provided SACE's 2015 Annual Report in response to the Department's supplemental questionnaire. That report indicates that SACE was profitable in 2015, *i.e.* the most recent year for which SACE's financial data was reasonably available to the petitioners.[57]

RECOMMENDATION:

We examined the accuracy and adequacy of the evidence provided in the Petition as discussed in this checklist and attachments, and recommend determining that the evidence is sufficient to justify the initiation of a countervailing duty investigation with regard to Italy. We also recommend determining that the Petition was filed by, or on behalf of, the domestic industry.

ATTACHMENTS:

I. Scope of the Investigation
II. Industry Support
III. Analysis of Allegations and Evidence of Material Injury and Causation
IV. Notice of Institution from the ITC

[57] *See* Exhibit CVD-IT-Supp-10.

Attachment I

Scope of the Investigation

The merchandise covered by this investigation are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Attachment II

Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom

Background

Sections 702(c)(4)(A) and 732(c)(4)(A) of the Tariff Act of 1930, as amended (the Act), state that the administering authority shall determine that a petition has been filed by or on behalf of the industry if the domestic producers or workers who support the petition account for: (1) at least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product. Thus, to determine whether a petition has the requisite industry support, the Act directs the Department of Commerce (the Department) to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.[1]

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," *i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions.[2] While the Department is not bound by the criteria used by the ITC to determine the domestic like product in answering this question, we have reviewed the ITC's prior determinations in proceedings involving carbon and alloy steel wire rod (wire rod), as presented by the petitioners[3] in the

[1] *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989)).
[2] *See* Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom – Petitions for the Imposition of Antidumping and Countervailing Duties, dated March 28, 2017 (the Petitions). The petitioners filed the General Issues Supplement to the Petitions, dated April 4, 2017 (General Issues Supplement), in response to the Department's request for additional information regarding the Petitions.
[3] The petitioners are Charter Steel, Gerdau Ameristeel US Inc., Keystone Consolidated Industries, Inc., and Nucor

Petitions.[4] With regard to the domestic like product, the petitioners do not offer a definition of domestic like product distinct from the scope of the investigations.[5] In addition, the petitioners contend that the domestic like product definition should be "coextensive with the scope of the investigations."[6]

Analysis of Domestic Like Product

The petitioners contend that the like product definition should "mirror" the scope and should be defined as all wire rod, consistent with the like product definition adopted by the ITC in its investigations and reviews involving wire rod from Brazil, China, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine.[7] The petitioners note that in the recent investigation of wire rod from China, the ITC "defined a single domestic like product that was coextensive with {the Department's} scope based on the absence of clear dividing lines" among different types of wire rod.[8] The petitioners also note that in the ITC's original investigations on wire rod from Brazil, China, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine, the ITC concluded that "the wire rod industry is composed of so many different applications, that the only clear and dividing line is between wire rod and other steel products."[9] The petitioners further note that the ITC found no material changes in product characteristics in the first and second reviews of those orders to warrant a change in the like product definition.[10]

For support of its like product definition, the petitioners contend that all wire rod has similar physical characteristics, citing to the ITC's finding that wire rod is an "intermediate circular, hot-rolled steel product that is typically sold in irregularly wound coils."[11] The petitioners note that, though wire rod of different grades, sizes, or end use categories are not necessarily interchangeable, the ITC has previously found an overlap in metallurgical qualities, chemistry, and physical characteristics.[12] The petitioners also argue that industrial quality grades of wire rod, which the petitioners contend account for the majority of U.S. consumption, are highly substitutable.[13] In addition, the petitioners note that the ITC has previously found that "there is

Corporation (collectively, the petitioners).

[4] *See* Volume I of the Petitions, at 12-15; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1.

[5] *See* Attachment I, Scope of the Investigation, to this Checklist.

[6] *See* Volume I of the Petitions, at 14.

[7] *Id.*, at 12-13.

[8] *Id.*, at 13; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248, USITC Pub. 4509 (Final) (January 2015) (*2015 China Wire Rod Final*), at 5-6.

[9] *See* Volume I of the Petitions, at 13; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *Carbon and Certain Alloy Steel Wire Rod from Brazil, et al.*, Inv. Nos. 701-TA-417-421 and 731-TA-953-954, 956-959, and 961-962, USITC Pub. 3546 (Final) (October 2002) (*2002 Wire Rod from Brazil, et al.*), at 13.

[10] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *Carbon and Certain Alloy Steel Wire Rod from Brazil, et al.*, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962, USITC Pub. 4472 (Second Review) (June 2014) (*Wire Rod from Brazil 2nd Review*), at 8-9.

[11] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248, USITC Pub. 4458 (Prelim) (*2014 China Wire Rod Prelim*), at 6.

[12] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *2014 China Wire Rod Prelim*, at 7.

[13] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *2014 China*

no clear demarcation between low-end and high-end wire rod products, but rather a range of at least 11 major types of wire rod products."[14] The petitioners further submit that most wire rod is sold through the same distribution channels, and that all wire rod is produced using the same basic manufacturing processes using the same hot-rolling mills and equipment and in the same facilities with the same employees.[15] Furthermore, the petitioners contend that all wire rod has the same producer and customer perceptions, arguing that all wire rod comprises "a single continuum of products with different types of {wire rod} that serve different end-use applications, but share overlapping characteristics that create a correlated range of prices."[16]

We note that the petitioners' domestic like product definition is consistent with the domestic like product defined by the ITC in its past investigations of wire rod.[17] Based on our analysis of the information submitted in the Petitions, we have determined that the domestic like product consists of wire rod, as defined in the proposed scope of these investigations.[18] Furthermore, unless the Department finds the petitioners' definition of the domestic like product to be inaccurate, we will adopt the domestic like product definition set forth in the Petitions. This is consistent with the Department's broad discretion to define and clarify the scope of an antidumping or countervailing duty investigation in a manner that reflects the intent of the petition.[19] Consequently, the Department's discretion permits interpreting the Petitions in such a way as to best effectuate not only the intent of the Petitions, but the overall purpose of the antidumping and countervailing duty laws as well.[20]

Industry Support Calculation

In determining whether the petitioners have standing (*i.e.*, those domestic workers and producers supporting the Petitions account for (1) at least 25 percent of the total production of the domestic like product and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions), in accordance with sections 702(c)(4)(A) and 732(c)(4)(A) of the Act, we conducted the following analysis.

We considered the industry support data contained in the Petitions with reference to the domestic like product as defined in Attachment I, "Scope of the Investigation," to this Checklist, and as discussed above. The petitioners established the universe of producers based on their knowledge

Wire Rod Prelim, at 6-7.

[14] *See* Volume I of the Petitions, at 14; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; and *2014 China Wire Rod Prelim*, at 7.

[15] *See* Volume I of the Petitions, at 15; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *2014 China Wire Rod Prelim*, at 7; and *2002 Wire Rod from Brazil, et al.*, at 10-11.

[16] *See* Volume I of the Petitions, at 15; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *2014 China Wire Rod Prelim*, at 7; and *2002 Wire Rod from Brazil, et al.*, at 11-12.

[17] *See* Volume I of the Petitions, at 12-15; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1.

[18] *See* Attachment I, Scope of the Investigation, to this Checklist.

[19] *See, e.g., Fujitsu Ltd. v. United States*, 36 F. Supp. 2d 394 (CIT 1999) (citing *Kern-Liebers USA, Inc. v. United States*, 19 C.I.T. 393, 396, 881 F. Supp. 618, 621 (1995) (citation omitted)) and *Initiation of Antidumping Duty Investigations: Spring Table Grapes from Chile and Mexico*, 66 FR 26831 (May 15, 2001).

[20] *See Notice of Final Determination of Sales at Less Than Fair Value: Freshwater Crawfish Tail Meat from the People's Republic of China*, 62 FR 41347, 42357 (August 1, 1997).

of the industry "by virtue of direct competition in the domestic market" and through their participation in the ITC's most recent investigation of wire rod from the People's Republic of China.[21] The petitioners identify 10 producers of the domestic like product (including the petitioners) as the U.S. wire rod industry.[22]

To establish industry support, the petitioners provided their own production of the domestic like product for calendar year 2016.[23] In addition, the petitioners provided [

].[24] The petitioners also provided the [

] of wire rod.[25]

The petitioners [

].[26] For support, the petitioners provided [

].[27]

The petitioners added their own 2016 production volume, [

], to the [

] to calculate the total 2016 production volume of the domestic like product.[28]

Based on information provided in the Petitions, the [

] account for [ ] percent of total production of the domestic like product.[29]

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[21] *See* Volume I of the Petitions, at 2; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1; *see also 2015 China Wire Rod Final*.
[22] *See* Volume I of the Petitions, at 2 and Exhibits I-1 and I-2.
[23] *See* Volume I of the Petitions, at 3 and Exhibit I-3; *see also* General Issues Supplement, at 3-4 and Exhibit I-SUPP-5.
[24] *See* General Issues Supplement, at 4 and Exhibit I-SUPP-4. [

].
[25] *See* Volume I of the Petitions, at Exhibit I-3; *see also* General Issues Supplement, at Exhibit I-SUPP-5.
[26] *See* Volume I of the Petitions, at Exhibit I-3.
[27] *Id.*
[28] *See* General Issues Supplement, at 3-4 and Exhibit I-SUPP-5.
[29] *Id.*; *see also* Table 1, Calculation of Industry Support.

Table 1
Calculation of Industry Support

U.S. Producers of Steel Wire Rod	2013 Production of Steel Wire Rod (short tons)	Position
Charter Steel	[ ]	Petitioner
Gerdau Ameristeel US Inc.	[ ]	Petitioner
Keystone Consolidated Industries, Inc.	[ ]	Petitioner
Nucor Corporation	[ ]	Petitioner
[ ]	[ ]	[ ]
[ ][30]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
Total 2016 U.S. Production of the Supporters of the Petitions	[ ]	
Total 2016 U.S. Production of Wire Rod	[ ]	
Total Industry Support	[ ]%	

Challenge to Industry Support

None.

Findings

We relied on information provided by the petitioners, as described above, to establish total 2016 production of wire rod. Using these data, as demonstrated above, we find that the domestic

[30] The petitioners note that [ ]. *See* Volume I of the Petitions, at Exhibits I-2 and I-3.

producers and workers who support the Petitions account for at least 25 percent of total production of the domestic like product. We further find that domestic producers and workers who support the Petitions account for more than 50 percent of the total production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. Therefore, we find that there is adequate industry support within the meaning of sections 702(c)(4)(A) and 732(c)(4)(A) of the Act.

We conducted a search of the Internet and have been unable to locate information that contradicts the petitioners' assertions. We find that the petitioners have provided data that are reasonably available. For these reasons, we find that there is adequate industry support for initiating these investigations. Accordingly, we find that the Petitions have met the requirements of sections 702(c)(4)(A) and 732(c)(4)(A) of the Act.

Attachment III

Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom

I. Introduction

When making a determination regarding the initiation of antidumping and countervailing duty investigations, the Department of Commerce (the Department) examines, on the basis of sources readily available to the Department, the accuracy and adequacy of the evidence contained in the petitions, and determines whether the petitions allege the elements necessary for the imposition of antidumping and countervailing duties and contain information reasonably available to the petitioner that supports the allegations.[1] This attachment analyzes the sufficiency of the allegations and supporting evidence regarding material injury and causation.

II. Definition of Domestic Industry

The domestic industry is described with reference to producers of the domestic like product, as provided for in section 771(4)(A) of the Act. The Petitions[2] define the domestic industry as U.S. producers of wire rod.[3] The petitioners[4] identify themselves, as well as six other producers of the domestic like product, as the companies constituting the domestic industry in the United States.[5] For a discussion of the domestic like product, *see* Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom, to this Checklist.

III. Evidence of Injury and Threat of Injury

To determine injury, the statute requires an evaluation of the volume, price effects, and impact of imports on the domestic industry and permits consideration of other economic factors.[6] Specifically, in examining the impact of imports, section 771(7)(C)(iii) of the Act states that:

> In examining the impact {of imports on domestic producers} ..., the {International Trade} Commission {ITC} shall evaluate all relevant economic

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[1] *See* sections 702(c)(1)(A)(i) and 732(c)(1)(A)(i) of the Tariff Act of 1930, as amended (the Act).
[2] *See* Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom – Petitions for the Imposition of Antidumping and Countervailing Duties, dated March 28, 2017 (the Petitions). The petitioners filed the General Issues Supplement to the Petitions, dated April 4, 2017 (General Issues Supplement), in response to the Department's request for additional information regarding the petitions.
[3] *See* Volume I of the Petitions, at 15 and Exhibits I-1 and I-2.
[4] The petitioners are Charter Steel, Gerdau Ameristeel US Inc., Keystone Consolidated Industries, Inc., and Nucor Corporation (the petitioners).
[5] *See* Volume I of the Petitions, at 1-3 and Exhibit I-1.
[6] *See* sections 771(7)(B)(i) and (ii) of the Act.

factors which have a bearing on the state of the industry in the United States, including, but not limited to–

(I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,
(II) factors affecting domestic prices,
(III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment,
(IV) actual and potential negative effects on the existing development and production efforts of the domestic industry..., and
(V) in {an antidumping proceeding}..., the magnitude of the margin of dumping.

The Petitions allege that the domestic industry has experienced the following types of injury by reason of imports from Belarus, Italy, the Republic of Korea (Korea), the Russian Federation (Russia), the Republic of South Africa (South Africa), Spain, Turkey, Ukraine, United Arab Emirates (UAE), and the United Kingdom (UK):

- Reduced market share (Volume I of the Petitions, at 11, 24, 32-33 and Exhibit I-10);
- Underselling and price depression or suppression (Volume I of the Petitions, at 25, 27, and Exhibits I-8 and I-11 – I-12);
- Declining production capacity, [ ] capacity utilization, declines in net sales, and declines in domestic producers' average U.S. shipments unit value (Volume I of the Petitions, at 27-28 and Exhibits I-10 and I-11);
- Negative impacts on domestic industry employment, including declines in wages paid to production-related workers (Volume I of the Petitions, at 28 and Exhibit I-11);
- Declines in financial performance (Volume I of the Petitions, at 28 and Exhibits I-10 and I-11); and
- Lost sales and revenues (Volume I of the Petitions, 25, 29, and Exhibit I-12).

The Petitions also allege that the domestic industry could be threatened with further injury by reason of imports from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, UAE, and the UK:

- Vulnerability of domestic industry to material injury by reason of the subject imports (Volume I of the Petitions, at 31-32 and Exhibits I-10 and I-11);
- Rapid and significant increase in the volume and market share of subject imports (Volume I of the Petitions, at 32-33 and Exhibits I-8 and I-10);
- Significant volumes of new and unused production capacity to increase imports from the subject countries (Volume I of the Petitions, at 33-35 and Exhibits I-14 and I-15);
- Continued price depression or suppression (Volume I of the Petitions, at 35 and Exhibits I-8 and I-11);
- Export-orientation of subject producers (Volume I of the Petitions, at 35 and Exhibit I-15); and

- Countervailable subsidies, including export subsidies, received by subject producers in Italy and/or Turkey (Volume I of the Petitions, at 36); and

IV. Cumulation

Section 771(7)(G)(i) of the Act requires the ITC to cumulate imports from all countries for which petitions were filed on the same day if such imports compete with each other and with the domestic like product in the United States market. On March 28, 2017, the petitioners filed the Petitions against the ten subject countries. The petitioners argue that a reasonable overlap of competition exists with subject imports, and as such, the criteria for cumulation have been satisfied.[7]

In determining whether cumulation is appropriate, the ITC uses a framework of four factors.[8] Each factor, along with the sections of the Petitions in which it is addressed, is listed below.

- The degree of fungibility between imports from the ten subject countries and between the imports and the domestic like product.

  The petitioners submit that subject imports are generally substitutable with each other and with the domestic like product are fungible. The petitioners note that wire rod imported into the United States has similar chemical and physical properties and is sold to the same end users for the same end use applications, regardless of the source of the wire rod. According to the petitioners, the same is true of the domestic like product.[9] Furthermore, the petitioners note that, in its most recent sunset review of wire rod from various countries, the ITC found, based on data from market participants, that subject imports are interchangeable with other imports and the domestic like product.[10]

- The presence of sales or offers for sale of the imports and the domestic like product in the same geographic markets.

  According to the petitioners, subject imports compete with each other and the domestic like product throughout the U.S. market. The petitioners note that, in previous investigations and reviews of wire rod from multiple countries, the ITC determined that "the domestic like product was marketed and sold throughout the entire U.S. market, and that subject imports competed with each other and the domestic like product in most or

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[7] *See* Volume I of the Petitions, at 19-23 and Exhibit I-8; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1.

[8] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986); *see also Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

[9] *See* Volume I of the Petitions, at 20.

[10] *Id.*, at 20-21; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1 (*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), USITC Pub. 4472 (June 2014) (*Wire Rod from Brazil et. al. Second Review*), at 23-25 and 43; and *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine*, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final), USITC Pub. 3546 (October 2002) (*Wire Rod from Brazil et. al. Final*), at 20).

all regions of the United States."[11] The petitioners argue that wire rod that is produced in the United States and imported from each of the subject countries "continues to be sold on a nationwide basis."[12]

- Whether the imports and the domestic like product are handled in common or similar channels of distribution.

  The petitioners state that "{c}ommercial shipments of domestically-produced {wire rod} and subject imports are sold to both distributors and end users, with the majority of shipments going to end users."[13] According to the petitioners, this is consistent with the ITC's findings on channels of distribution in recent wire rod investigations and reviews.[14]

- Whether the imports are present in the U.S. market simultaneously.

  The petitioners note that imports of wire rod from each of the subject countries have been simultaneously present in the U.S. market for most of the ITC's period of investigation. Furthermore, the petitioners state that domestically-produced wire rod has also been available in the U.S. market throughout the same period.[15]

V. Negligibility

Section 771(24)(A)(i) of the Act states that "imports from a country of merchandise corresponding to a domestic like product identified by the Commission are 'negligible' if such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which the data are available . . ." Section 771(24)(A)(ii) of the Act further provides that "{i}mports that would otherwise be negligible under clause (i) shall not be negligible if the aggregate volume of imports of the merchandise from all countries described in clause (i) with respect to which investigations were initiated on the same day exceeds 7 percent of the volume of all such merchandise imported in to the United States during the applicable 12-month period."

The petitioners provided import data for the 12-month period of March 2016 through February 2017 to calculate each country's share of total imports.[16] Based on the data provided by the petitioners, the import shares are as follows:

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[11] *See* Volume I of the Petitions, at 21; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1 (*Wire Rod from Brazil et. al. Final*, at 23; *Wire Rod from Brazil et. al. Second Review*, at 24; and *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final), USITC Pub. 4509 (January 2015) (*Wire Rod from China Final*), at II-3.).
[12] *See* Volume I of the Petitions, at 21.
[13] *Id.*
[14] *Id.*; *see also* General Issues Supplement, at 1 and Exhibit I-SUPP-1 (*Wire Rod from China Final*, at II-1 – II-2; *Wire Rod from Brazil et. al. Final*, at 23; and *Wire Rod from Brazil et. al. Second Review*, at 24-25).
[15] *See* Volume I of the Petitions, at 22 and Exhibit I-8.
[16] *Id.*, at 17 and Exhibit I-13. For the period of March 2016 – January 2017, the petitioners provided data from the ITC's Dataweb. For February 2017, the petitioners provided import license data from the Department's Steel Import Monitoring and Analysis System (SIMA). *Id.*

Country	Share of Total Imports (%)
Belarus	2.64
Italy	2.50
Korea	4.87
Russia	5.96
South Africa	1.15
Spain	4.43
Turkey	4.46
Ukraine	9.52
United Arab Emirates	1.24
United Kingdom	2.62

The data provided by the petitioners demonstrate that wire rod imports from Korea, Russia, Spain, Turkey, and Ukraine each exceed the three percent negligibility threshold provided under section 771(24)(A)(i) of the Act.[17]

With regard to Belarus, Italy, South Africa, UAE, and the UK, while the allegedly dumped imports from each of these countries do not individually exceed the statutory requirements for negligibility, the petitioners note that the aggregate import share from these five countries is 10.15 percent, which exceeds the seven percent threshold established by the exception in section 771(24)(A)(ii) of the Act. Therefore, the imports from these countries are not negligible for purposes of the material injury analysis in these Petitions.[18]

While the allegedly subsidized imports from Italy do not individually meet the statutory negligibility threshold of three percent, the petitioners argue that imports from Italy are not negligible for purposes of the threat of material injury analysis because "'there is a potential'" that imports from Italy will imminently exceed the individual country negligibility threshold.[19] According to the petitioners, the Department's Steel Import Monitoring and Analysis (SIMA) program's import license data as of March 21, 2017, "demonstrate that subject imports from Italy are increasing rapidly and are on track to imminently exceed the three percent threshold."[20] Specifically, the petitioners note that, starting in August 2016 subject imports from Italy began surging. Using official import statistics and SIMA data, the petitioners demonstrate that during the period August 2016 through March 21, 2017, Italian imports were 4.02 percent of total wire rod imports during the period, which surpasses the three percent negligibility threshold.[21] Furthermore, the petitioners note that the data on imports of wire rod from Italy demonstrate that imports from Italy were not negligible on a quarterly or annualized basis in 2017. According to the data provided by the petitioners, imports from Italy in the first quarter of 2017 accounted for 3.6 percent of total imports. The petitioners contend that annualizing imports from Italy in the first quarter of 2017 results in an estimated annual volume of imports from Italy that is 77.2 percent greater than the total volume of imports from Italy in 2016.[22] Finally, the petitioners

[17] *Id.*, at 17 and Exhibit I-13.
[18] *Id.*, at 17-18 and Exhibit I-13.
[19] *Id.*, at 18.
[20] *Id.*, at 18 and Exhibit I-13.
[21] *Id.*, at 18-19 and Exhibit I-13.
[22] *Id.*, at 19 and Exhibits I-8 and I-13.

argue that "information indicates that [ ]"[23] As a result, the petitioners argue that "subsidized imports from Italy are not negligible because they will imminently exceed three percent of total wire rod imports."[24]

VI. Causation of Material Injury and Threat of Material Injury

The petitioners contend that the material injury and the threat of material injury to the domestic industry discussed in Section III above were caused by the impact of the allegedly dumped and subsidized imports from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, UAE, and the UK. In support of their argument, the petitioners provide information on the historical trend of the volume of the allegedly dumped and subsidized imports, focusing on the period beginning with 2014 and ending with 2016, the most recently available quarterly data at the date of filing.[25] In the Petitions, the petitioners demonstrate the effect of these import volumes, and their respective values, on domestic prices, market share, production capacity, capacity utilization, and employment, and the consequent impact on the domestic industry, specifically on financial performance, net sales and revenue.[26] The petitioners argue that this evidence reflects the injurious effects on the U.S. industry's performance and market share caused by increasing imports of the subject wire rod at prices substantially lower than prices offered from the petitioners, thereby resulting in significant incidents of lost sales and revenues.[27]

In making a determination regarding causation of material injury, the ITC is directed to evaluate the volume of subject imports (section 771(7)(B)(i)(I) of the Act), the effect of those imports on the prices of domestically produced products (section 771(7)(B)(i)(II) of the Act) and their impact on the domestic operations of U.S. producers (section 771(7)(B)(i)(III) of the Act). The petitioners base their allegations of causation of current injury upon the domestic industry's reduced market share; declining production capacity, [ ] capacity utilization, declines in net sales, and declines in domestic producers' average U.S. shipments unit value; underselling and price depression or suppression; negative impacts on domestic industry employment, including declines in wages paid to production-related workers; declines in financial performance; and lost sales and revenues.[28]

With regard to the threat of material injury, the petitioners base their allegations upon the vulnerability of the domestic industry to material injury by reason of the subject imports; the rapid and significant increase in the volume and market share of subject imports; the significant volumes of new and unused production capacity to increase imports from the subject countries; continued price depression or suppression; the export-orientation of subject producers; and

[23] *Id.*, at 19 and Exhibit I-15.
[24] *Id.*, at 19.
[25] *Id.*, at 9, 23-24, and Exhibits I-8 and I-10. The petitioners provided additional import data for 2017 (through March 21, 2017) for purposes of their negligibility of subject imports analysis. *Id.*, at 17-19 and Exhibit I-13.
[26] *Id.*, at 11, 24-25, 27-29 and Exhibits I-8 and I-10 – I-12.
[27] *Id.*
[28] *See* Section III above.

countervailable subsidies, including export subsidies, received by subject producers in Italy and/or Turkey.[29]

The allegations of causation of material injury and the threat of material injury are based upon the factors indicating current injury, as well as the factors indicating threat of material injury as noted above. The factors related to causation presented in the injury section of the Petitions are the types of factors that the ITC is directed to consider for the purpose of evaluating causation under sections 771(7)(C) and 771(7)(F) of the Act.

VII. Conclusion

In order to assess the accuracy and adequacy of the evidence relating to the allegations regarding material injury, threat of material injury, cumulation, negligibility, and causation, we examined the information presented in the Petitions, and supplement to the Petitions, and compared it with information that was reasonably available (*e.g.*, import data on the ITC website). We did not locate any information that contradicts the petitioners' assertions.

We analyzed the petitioners' evidence regarding material injury, threat of material injury, cumulation, negligibility, and causation and have found that the information in the Petitions demonstrates a sufficient showing of injury or threat of injury to the U.S. industry producing wire rod. Therefore, we find the overall evidence of injury included in the Petitions to be adequate to initiate the investigations of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, UAE, and the UK. Ultimately, the ITC will make the final determination with respect to material injury, or threat thereof, cumulation, negligibility, and causation.

[29] *Id.*

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)

Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom

Institution of antidumping and countervailing duty investigations and scheduling of preliminary phase investigations.

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the institution of investigations and commencement of preliminary phase antidumping and countervailing duty investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary) pursuant to the Tariff Act of 1930 ("the Act") to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom, provided for in subheadings 7213.91.30, 7213.91.45, 7213.99.00, 7227.20.00, and 7227.90.60 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value and alleged to be subsidized by the Governments of Italy and Turkey. Unless the Department of Commerce extends the time for initiation, the Commission must reach a preliminary determination in antidumping and countervailing duty investigations in 45 days, or in this case by May 12, 2017. The Commission's views must be transmitted to Commerce within five business days thereafter, or by May 19, 2017.

EFFECTIVE DATE: March 28, 2017.

FOR FURTHER INFORMATION CONTACT: Michael Szustakowski ((202) 205-3169), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background.--These investigations are being instituted, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a) and 1673b(a)), in response to petitions filed on March 28, 2017, by Charter Steel, Saukville, Wisconsin; Gerdau Ameristeel US Inc., Tampa, Florida; Keystone Consolidated Industries, Inc., Peoria, Illinois; and Nucor Corporation, Charlotte, North Carolina.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A and B (19 CFR part 207).

Participation in the investigations and public service list.--Persons (other than petitioners) wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in sections 201.11 and 207.10 of the Commission's rules, not later than seven days after publication of this notice in the *Federal Register*. Industrial users and (if the merchandise under investigation is sold at the retail level) representative consumer organizations have the right to appear as parties in Commission antidumping duty and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.--Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these investigations available to authorized applicants representing interested parties (as defined in 19 U.S.C. 1677(9)) who are parties to the investigations under the APO issued in the investigations, provided that the application is made not later than seven days after the publication of this notice in the *Federal Register*. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Conference.--The Commission's Director of Investigations has scheduled a conference in connection with these investigations for 9:30 a.m. on Tuesday, April 18, 2017, at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC. Requests to appear at the conference should be emailed to William.bishop@usitc.gov and Sharon.bellamy@usitc.gov (DO NOT FILE ON EDIS) on or before April 14, 2017. Parties in support of the imposition of countervailing and antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

Written submissions.--As provided in sections 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before April 21, 2017, a written brief containing information and arguments pertinent to the subject matter of the investigations. Parties may file written testimony in connection with their presentation at the conference. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's Handbook on E-Filing, available on the Commission's website at https://edis.usitc.gov, elaborates upon the Commission's rules with respect to electronic filing.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Certification.--Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these investigations must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that any information that it submits to the Commission during these investigations may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of these or related investigations or reviews, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

AUTHORITY: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.12 of the Commission's rules.

By order of the Commission.

Lisa R. Barton
Secretary to the Commission

Issued:

EXHIBIT 19

EVRAZ Rocky Mountain Steel is vertically integrated, manufacturing virtually all of the billets for its Rod and Bar mill.

WIRE ROD AND COILED REINFORCING BAR

EVRAZ Rocky Mountain Steel is vertically integrated, manufacturing and providing virtually all of the billets for its Rod and Bar mill.

Our products exhibit excellent drawability, tensile uniformity, microstructure and chemical control. This provides our customers with superior, consistent performance and excellent value.

Wire Rod

- Low Carbon
- Medium Carbon (control-cooled)
- High Carbon (control-cooled)
- High Carbon Tensile Refined

Sizes

- 0.197 - 0.750 in (5.5 - 20 mm)

Grades

- 1003B to 1093
- High Carbon Tensile Refined Grades
- High Carbon Chemistry Grades

Coil Weights

- 4,600 and 5,800 lb

Wire Rope

Because wire rope is a premium quality product with demanding requirements, it is produced to rigorous internal standards which meet or exceed industry specifications.

Compositional aspects such as segregation control are achieved by controlled melting, casting and rod cooling practices. Surface decarburization is controlled by our walking beam reheat furnace practices, and our ultra heavy duty no-twist V-Block ensures exceptional dimensional control of the rod, which permits more accurate prediction of finished wire properties. Precise controlled cooling of the rod is possible via our modern Stelmor cooling conveyor. Our processes produce carbon steel grades of 1045 up to 1093 to meet the tensile refined grade requirements.

PC Strand

Due to the critical nature of this product, EVRAZ Rocky Mountain Steel employs selective scrap control along with electromagnet stirring both in the mold and below the mold to ensure our products meet the demanding requirements of this application. Tensile Refined grades are typically employed in these applications due to the requirement of precise final wire/strand tensile strength.

Tire Bead and Cord

The high strength, flexibility and adhesive qualities of steel bead and cord make it an ideal rubber reinforcing material. EVRAZ Rocky Mountain Steel produces 5.5 mm high-carbon rods to meet the high quality standards required by our customers. All heats are carefully analyzed for chemical components and the wire rod is critically inspected for surface and internal defects. Each heat of steel is processed as a single unit under controlled conditions.

Representative chemical specification

Carbon

- 0.67 - 0.80%

Copper

- Trace

Manganese

- 0.40 - 0.70%

Nickel

- Trace

Silicon

- 0.15 - 0.30%

Chromium

- Trace

Phosphorus

- 0.020% max.

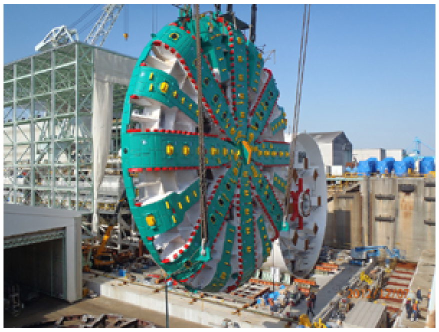
Nitrogen

- 60 ppm

Sulfur

- 0.020% max.

Coiled Reinforcing Bar



Big Bertha drilled the Seattle Tunnel; EVRAZ supplied the rebar for its reinforced concrete supporting arches.

Our coiled reinforcing bar represent some of the highest quality rebar products in the world. Our bar exhibits excellent tensile and yield strength, as well as deformation uniformity, microstructure and chemical control. And it provides our customers with superior, consistent performance and value.

The EVRAZ Rocky Mountain Steel facility produces deformed material to ASTM A615, ASTM A706, Dual Grade and CSA standards in the following size ranges:

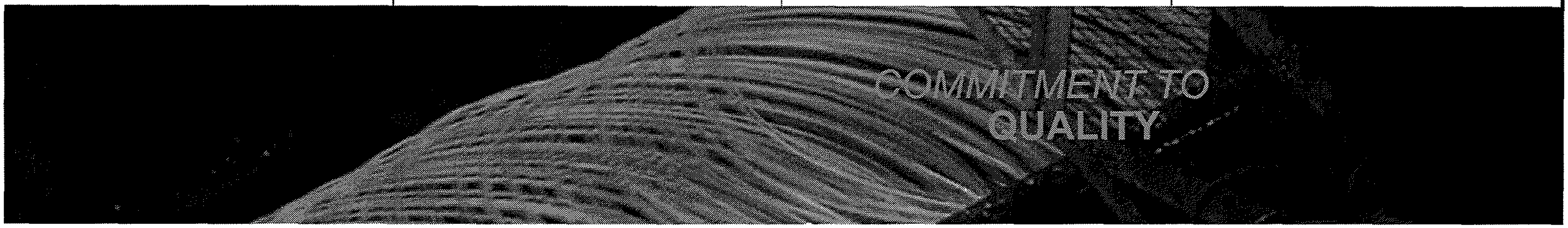
Sizes available in 4,200 lb coils

- #3 (10 mm)
- #4 (13 mm)
- #5 (16 mm)
- #6 (19 mm)
- 10M Metric
- 15M Metric

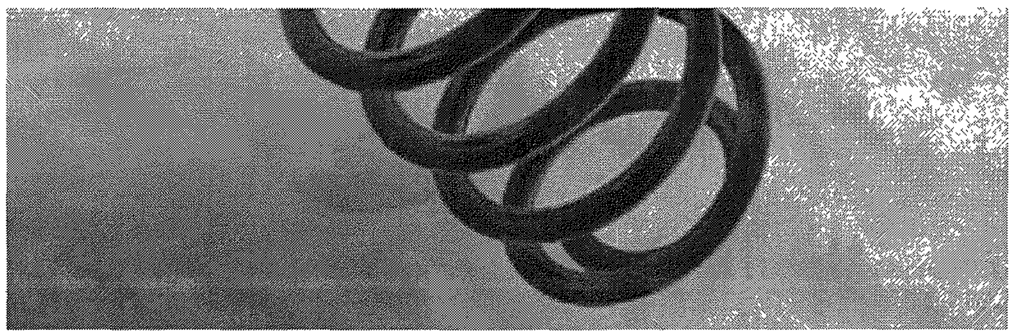
Also available: ASTM A-36 and A-615 Grade 40 and 60 smooth bar in rod diameters between .197" to .8125" in coil weights ranging from 4,200 to 5,800 lbs.

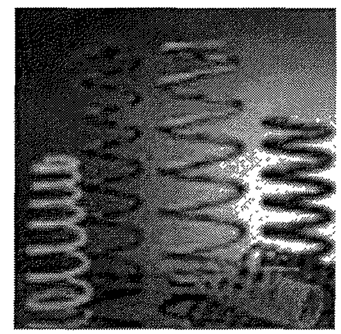
Contact us for more information regarding wire rod and coiled reinforcing bar products.

EXHIBIT 20



PRODUCTS > Products > Wire rod for suspension springs





Steels designed for manufacturing suspension elements (spiral springs, torsion bars, stabiliser bars, fastening clips, etc.) and used in the automotive and railway industries need to have, after quenching and tempering, elevated characteristics of strength, elastic limit, coefficient of reduction of area and elongation.

Other metallurgical characteristics such as inclusion, decarburization and segregation are also important so that the steel response satisfies the high forces to which it will be subjected.

Our modern facilities allow us to apply the appropriate fusion, refi ning and casting techniques in order to reach the indications and requirements of these steels.

An electric arc furnace specially designed for working with high load proportions of sponge iron pellets (HBI-DRI), an ladle furnace using special slags in order to achieve an excellent inclusion level and a continuous casting installation with integrated process control allow us to obtain billets in the 180 x 180 format, with excellent microcleanliness properties, surface defect properties and segregation properties.

The rolling of billets in our MORGAN mill, equipped with the RSM system (Reducing Sizing Mill), with billet heating by controlled natural gas combustion and with controlled cooling in our Stelmor installation, guarantees optimum levels of decarburization and dimensional and structural tolerances in a natural state.

STANDARD CHEMICAL COMPOSITIONS

Numerical Designation	EN 10089 Designation	Others	%C	%Si	%Mn	%P	%S	%Cr	%V
1.5023	38SI7	40SI7	0,35-0,42	1,50-1,80	0,50-0,80	<= 0,025	<= 0,025	-	-
1.7176	55CR3	-	0,52-0,59	<= 0,40	0,70-1,00	<= 0,025	<= 0,025	0,70-1,00	-
1.7102	54SICR6	-	0,51-0,59	1,20-1,60	0,50-0,80	<= 0,025	<= 0,025	0,50-0,80	-
1.8152	54SICRV6	-	0,51-0,59	1,20-1,60	0,50-0,80	<= 0,025	<= 0,025	0,50-0,80	0,10-0,20
1.7108	61SICR7	-	0,57-0,65	1,60-2,00	0,70-1,00	<= 0,025	<= 0,025	0,20-0,45	-
1.8159	51CRV4	50CRV4	0,47-0,55	<= 0,40	0,70-1,10	<= 0,025	<= 0,025	0,90-1,20	0,10-0,25
1.8153	60SICRV7	-	0,56-0,64	1,50-2,00	0,70-1,00	<= 0,025	<= 0,025	0,20-0,40	0,10-0,20

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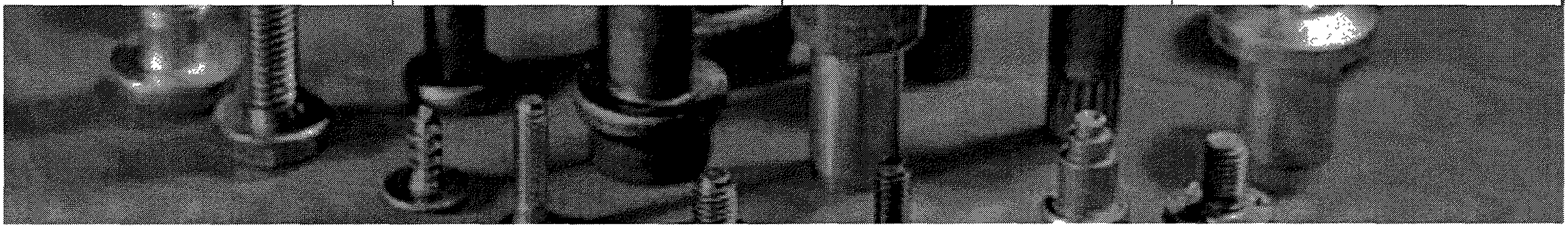
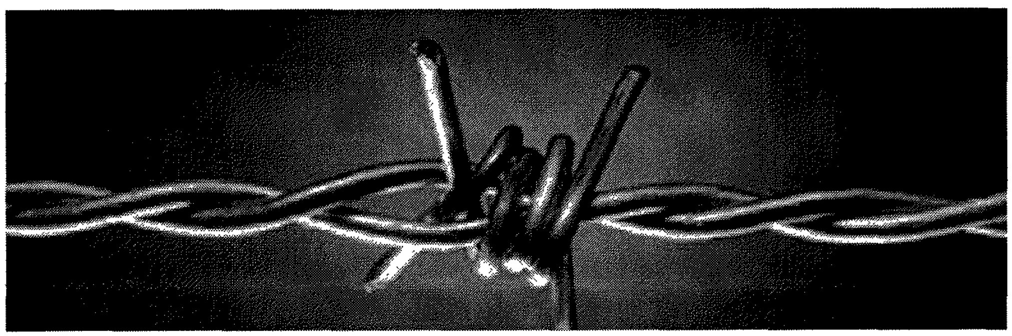
CELSA GROUP | GLOBAL STEEL WIRE



PRODUCTS > Products > Low carbon wire rod



This designation includes the entire range of wire rods with a low carbon content (C < 0.18%), in diameters from 5.5 to 52.0 mm.

The applicable range of low carbon wire rod is extensive, and some of the common applications include the following:

- Thin, annealed, grey and galvanised wires for agricultural and commercial uses.
- Bright wire and bars for coating by chrome plating, nickel plating, electrolytic zinc coating, painting, etc.
- Industrial and paper staples.
- Normal and special mails and for automatic nailing.
- Barbed wire, metal mesh, fencing, etc.
- Chains.
- Industrial wires, shaped parts for automobiles, etc.
- Screws, nuts and bolts.

- Shaped wires.
- Wire for manufacturing of steel wool.
- Electrowelded wire and mesh for concrete, etc.

Drawability:

High drawability, with both chemical and mechanical descaling.

STANDARD CHEMICAL COMPOSITIONS OF GSW

GSW Designation	EN 10016 Equivalence	%C	%Mn	%Si	%P(max)	%S(max)	STRENGTH kg/mm2
C3D1Q	C3D1	<= 0.05	0,20 0.40	<= 0,05	0,025	0,025	<=38,5
K 05	C3D2	<= 0,05	0,30 0,45	<= 0,10	0,030	0,030	37/43
K 06	C5D2	<= 0,06	0,30 0,45	<= 0.15	0,030	0,030	38/45
K 08	C8D2	<= 0,08	0,30 0,60	0,10 0,30	0,030	0,030	39/46
K 10	C10D2	0,07 0,10	0,30 0,60	0,10 0,30	0,030	0,030	42/48
K 13	C15D2	0,08 0,13	0,30 0,60	0,10 0,30	0,030	0,030	43/48
K 18	C18D2	0,13 0,18	0,30 0,60	0,10 0,30	0,030	0,025	48/54
K 08 L1	?	<= 0,10	<= 0,65	<= 0,30	<= 0,050	<= 0,050	38/48
K 10 L1	?	<= 0,15	<= 0,65	<= 0,30	<= 0,050	<= 0,050	42/52

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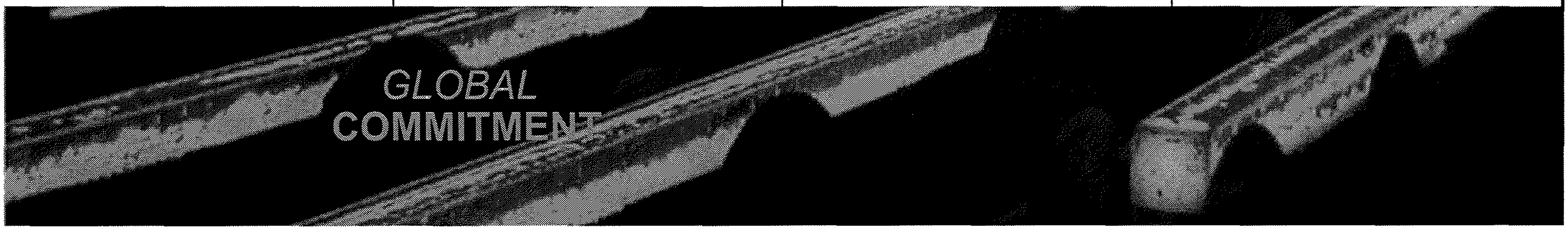
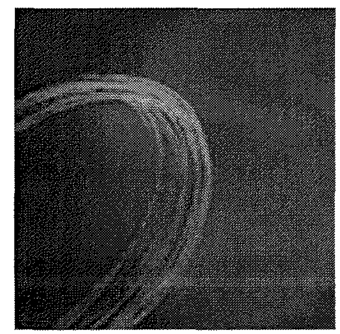


PRODUCTS > Products > Wire rod for tyre reinforcement



This designation includes 5.5-mm diameter, high carbon wire rod for manufacturing metal reinforcements for tyres and similar products.

- Bead wire
- Steel cord

In order to satisfy the high level of requirements for manufacturing these products, GSW manufactures wire rod with the highest quality level in the following aspects:

- Chemical composition.
- Cleaning of non-metallic micro-inclusions.
- Low segregation levels.
- Fine and uniform microstructure.

- Surface quality.
- Aptitude for mechanical descaling.

The statistical techniques used for process control are based on 6 Sigma, with the help of the appropriate software (? Minitab?...).

GSW adapts its specifications to every customer based on using the JIS, AFNOR and DIN standards and using a range of carbons from 0.6% to 0.7% to 0.8%.

The use of high direct reduced iron (DRI/HBI) levels in the raw materials mix allows us to guarantee the regular attainment of the desired chemical composition.

Our laboratory guarantees maximum control of the castings designed for our customers using X-rays for analysing the slag, Leco C/S/N and spectrum analysis of residuals, among other controls.

There is a Level 2 process at all facilities, and it includes tracking from the billet (through the casting and shifting line) to the final coil.

We can carry out specific research with Electronic Microscope (MEB/CAMEBAX) when necessary.

Our geographic location allows us to provide a global offer to customers worldwide, covering Central and Southern Europe by land with an excellent base in the North Atlantic for maritime supplies to the rest of the world (GSW has a dock lease with its own stowage).

Logistics handling of the material is maintained at all times, thereby preventing the steel from coming into contact with any abrasive surface.

Forklifts are equipped with Teflon sheaths, and the warehouses have a rubber-coated floor, which guarantees continuous care of the surface quality.

For maritime transport, individual plastic packaging is used on each coil, and ?box? ships are used at all times, which allow perfectly normal stowage of the coil.

For land transport, cardboard separators are used between rolls, and anchoring with wood chocks is used to prevent any undesired movement in the truck.

The usual weight of our specially manufactured coil for this application is 2500 kg, at about 1650 mm in length, and the outside and inside diameters are 1210 mm and 900 mm, respectively.

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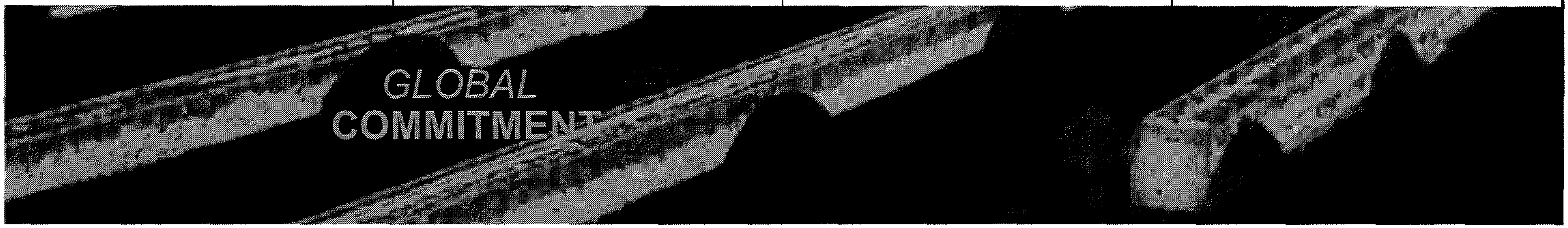
CELSA GROUP | GLOBAL STEEL WIRE

< HOME

ABOUT GSW | PRODUCTS | CHEMICAL ANALYSIS | CONTACT



PRODUCTS

- Products
- Manufacturing Process
  - Introduction
  - Raw Material: scrap metal
  - Steelshop
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PRODUCTS > Manufacturing Process > Introduction

Global Steel Wire, S.A. manufactures steel by recycling scrap, thus contributing to the protection of the environment.

Its industrial entirely ecological process uses scrap as its basic raw material, smelting it at a steelshop, made up of an electric furnace, to obtain a semi-product steel known as billet.

Said billet is then transformed in a rolling mill into a wide variety of different qualities of rod coils, which are used by our customers to manufacture products such as wire, cords, cables, meshes, steel cords, springs, cold-pressed nuts and bolts or tyre reinforcing.

Global Steel Wire, S.A. has a PPE (Product and Processes Engineering) department dedicated to research and development. This makes it possible for us to offer more technologically advanced products, which is a key factor when competing on markets that are more and more demanding.

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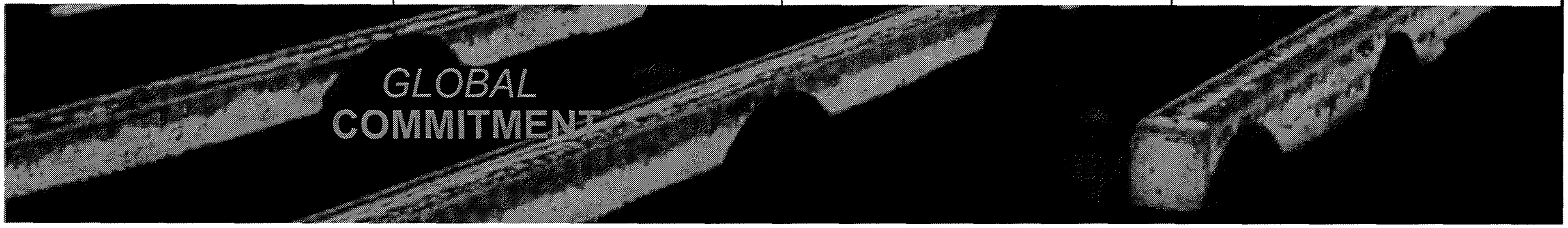

PRODUCTS > Manufacturing Process > Raw Material: scrap metal

The metal load of each heat comprises an adequate mix of selected scrap and sponge iron pellets in order to obtain the appropriate content of residual elements according to the type of steel to be produced.

The use of sponge iron pellets allows very low content levels of residual elements such as Cr, Ni, Cu, Mo, Sn and N2.

Both the scrap and the sponge iron pellets, as well as the rest of the raw materials ? ferroalloys, recarburizers and synthetic slags ? are acquired according to the purchase specifications from approved suppliers and are subjected to regular controls on reception.

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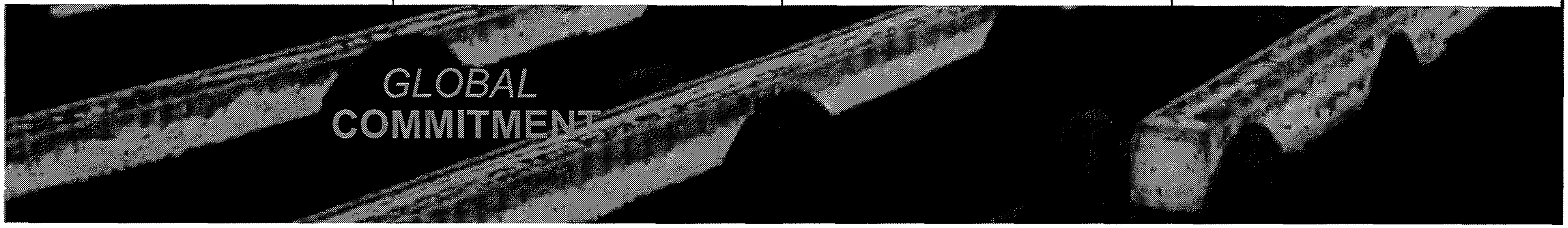

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PRODUCTS > Manufacturing Process > Steelshop

The steel shop consists of three basic installations:

The electric furnace, where the scrap and all other raw materials required are melted. The tank diameter is 7.2 metres and it has a capacity of 150 t. It uses a 140-MVA transformer, and the electrode diameter is 600 mm. The liquid steel is tapped using the EBT casting system through the bottom, which prevents the slag from exiting.

The ladle furnace, where the chemical composition of the steel is definitively adjusted by spectrometric analysis of the successive samples of molten steel and the ensuing corrections made by additions through the automatic additive system or by injection.

The continuous casting machine, where the steel is solidified and where 180 x 180-mm square billets are obtained, which are 10 to 13 metres long and weigh 2500 to 3250 kg.

The continuous casting machine has six strands with a radius of 8.5 metres. The tundish capacity is 24 t with a 900-mm fill level; ladle-tundish and tundish-mould splashing protection by means of a submerged nozzle with a sliding gate on the tundish; an electromagnetic stirring system on the mould and automatic speed-temperature-water control system.

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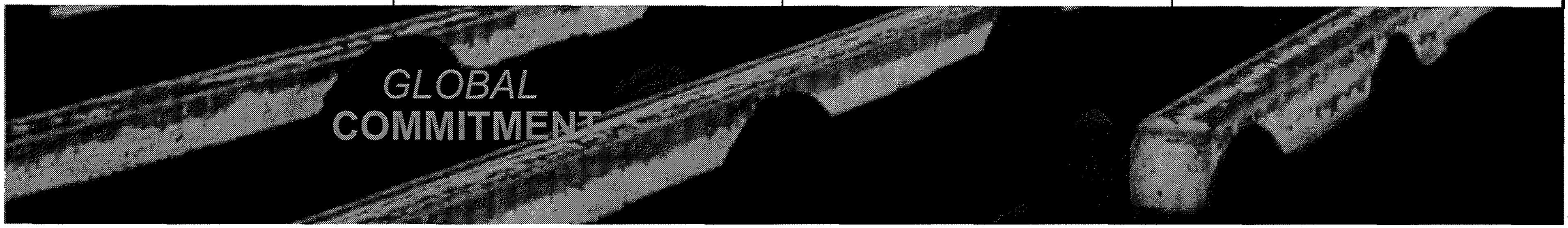

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The process begins with entry of the 180-mm cross section square billets with a weight varying from 2500 to 3250 kg, heated in a water-cooled walking beam furnace with a capacity of 170 t/hour, with bottom and top heating. Once heated, they are rolled in a 4-pass blooming mill, a mill with one horizontal/vertical channel, down to 140-mm square crosssection billets.

These billets are kept hot in a pusher furnace arranged to continue the rolling in a continuous wire rod mill with two strands. The first 11 passes are common, and starting from the intermediate mill, the two rolling strands are separated with a total of 4 knot twist shapers.

Line for diameters from 5.5 mm to 24 mm:

The steel goes to the preparation and intermediate mill, with nodular cast rollers. The last 18 passes are made with tungsten carbide rollers in 3 mini-blocks with a no-twist, 8 passes finisher blocks with automatic cropping shears at the entry, and finally the 4-pass Reducing Sizing Mill (RSM).

Having the RSM enables the adjustment of the roundness tolerance to +/- 0.10 mm, manufacturing diameters from 5.5 mm to 24 mm and rolling at speeds of 105 m/s.

Before and after the RSM, we have entry and exit cross-section control systems that use laser heads. Likewise, we have Eddy Current equipment for surface control of defects along the length of the coil.

Subsequently, the wire rod is subjected to a cooling process controlled by water and air, ?Stelmor Optifl ex High Capacity?.

Optionally, the retarded cooling system can be used. The entire cooling process is controlled continuously in a closed computer loop.

Coils are shaped vertically with an orbital lap distribution system.

Line for diameters from 22 to 52 mm:

A line connected to a ?Garret? type intermediate mill. It has water boxes for rolling at a temperature of up to 850o C, automatic cropping and sampling shears, a Bar Reducing Sizing Mill for obtaining a roundness tolerance of +/-0.10 mm, the Garret winder itself, fans for cooling the coils, a walking beam conveyor and a transfer car for connecting the coils to the compacting machines.

This production line also has two diameter metering units that use lasers and continuous defect control by Eddy Current.

Finally, the coils coming from the two lines are compacted by 40 t presses and automatically fastened using four, 6.5-mm diameter wire rod ties.

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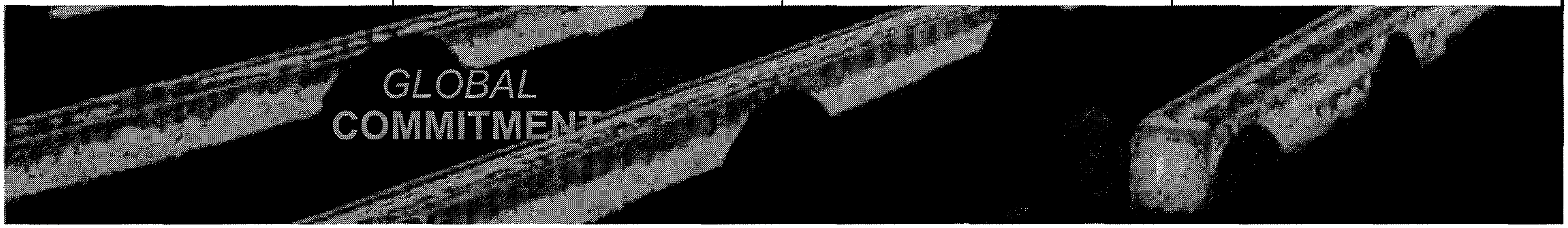

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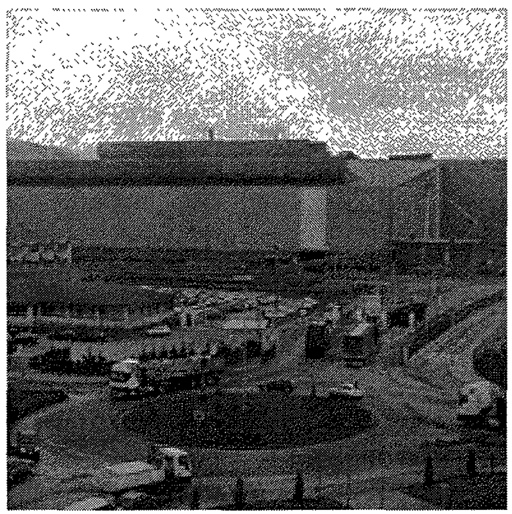

Global Steel Wire, S.A. is the Celsa Group company engaged in manufacturing wire rod in an extensive range of steels and dimensions, which have been progressively expanded in order to be increasingly present in **higher technology sectors**.

We are present in all sectors where products based on **wire rod are manufactured**, with increasing presence in the **automotive industry** and other industries with similar requirements.

With the leading **objective of satisfying our customers**, we have continuously made considerable investments to keep our facilities and processes in line with the latest technological developments.

Likewise, our **Total Quality Management system** (T.Q.M.) allows us to focus the entire organisation towards our customers in order to give them the quality and service they require at all times.

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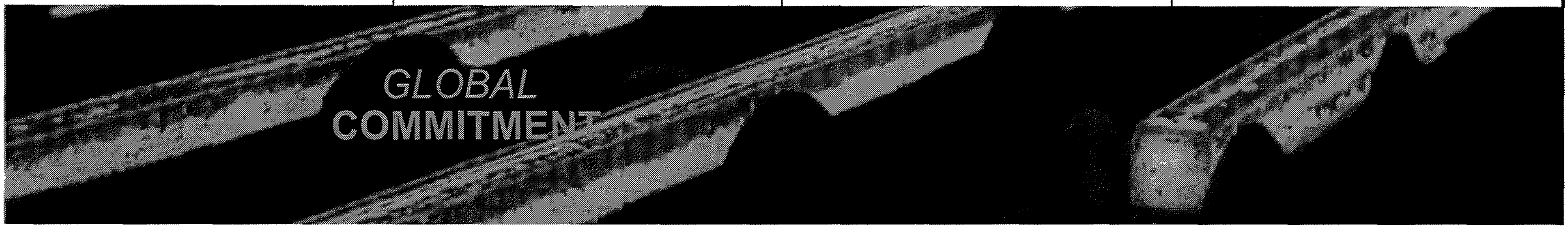

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ABOUT GSW > Mission

We are the company within the Celsa Group expert in **special steel** wire rod and billet with a strong presence in the automotive industry.

With EVERYONE's implication, we want:

- To be a **highly competitive producer** of wire rod.
- To be an **excellent company in health and safety**, respectful with the environment and integrated in our urban surrounding.
- To grow and develop products for automotive applications where technical and logistics support are a differentiating factor

To achieve it:

- We make customer closeness, **technical and logistical integral service** a source of value
- We apply **TQM** to:
  - Improve our processes continuously
  - Reduce costs continuously
  - Develop people
- We maintain our facilities technically updated
- We value **results-oriented** attitude, **respect for people**, agility, **flexibility**, leadership and initiative.
- We manage **raw materials value** throughout the production process.
- We develop an extensive product range

We will have satisfied end customers, contribute to the Celsa Group profitability and **generate wealth within the community**.

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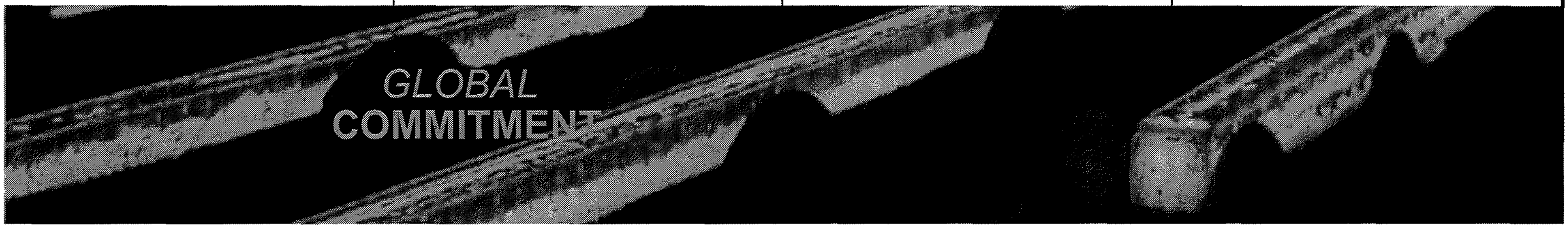

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ABOUT GSW > Corporate Responsibility

Health and Safety

One of the main objectives of the CELSA GROUP is to provide secure jobs and a health-aware setting for all our workers. This commitment is extended to all those who, without being part of our organization, participate in it constantly, such suppliers, contractor, clients, visitors or the residents who live in our surroundings. The Celsa Group should be a safe place for them too. (www.celsagroup.com)

Environment

All the companies operating under the Celsa Group are aware of their responsability towards the surroundings in wich they operate. As our production process makes us majors recyclers, we are also particularly committed towards taking care of the milieu closest to us and we are aware that this has repercussions on the wellbeing of our employees and their families and that our future growth depends on it.(www.celsagroup.com)

Community

In the framework of its commitment towards the community, the CELSA GROUP firmly believes in boosting training programs which lead to the personal and professional development not only of those who form part of our organization but also of students wishing to form part of it in the future. These initiatives have been implemented by setting up Chairs such as the Universitat Politècnica de Catalunya (UPC) and those at the IESE Business School as well as at the various Research Development Centers, together with the collaboration agreements reached with various institutions. (www.celsagroup.com)

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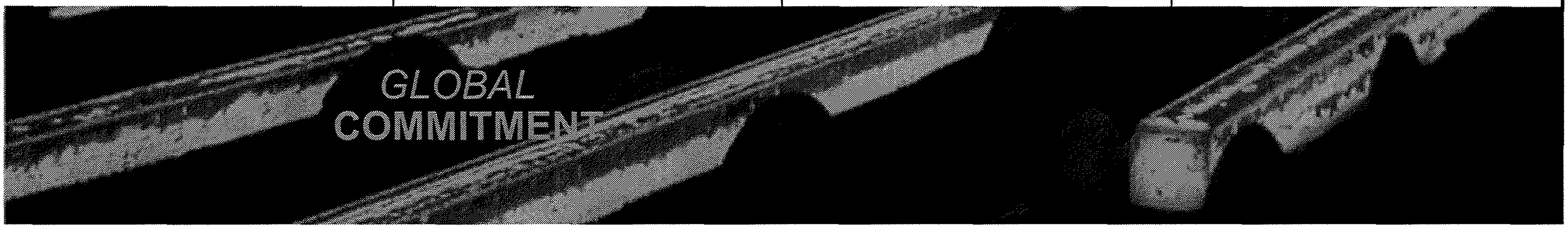

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Innovative, global and professional, the companies that operate under the CELSA GROUP brand have become situated among the leading steel producers in Europe.

We provide an excellent quality of service. We deal directly with our costumers in order to adapt to the needs of each one. More information at www.celsagroup.com.

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