

April 24, 2017

VIA EDIS & HAND DELIVERY

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701-TA-573-574 &
731-TA-1349-1358 (Preliminary)

NON-CONFIDENTIAL VERSION

Confidential Business Information appears at Pages
2-7, 13-17, 19, 20, 22, 23, 25, 26 & 28, Exhibit List
and Exhibits 2, 4-6, 8-12, 17, 19 and 20

Re: Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom: Turkish Producers' & Exporters' Post-Conference Brief

Dear Ms. Barton:

On behalf of Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. ("Icdas"), the Istanbul Minerals and Metals Exporters Association ("IMMIB") and its members, and the Turkish Steel Exporters' Association (Çelik İhracatçıları Birliği, referred to as "ÇİB") and its members (collectively, the "Turkish Producers and Exporters"), and in accordance with 19 C.F.R. § 207.15, we hereby submit the non-confidential version of our Post-Conference Brief in the above-referenced proceedings.

Pursuant to 19 C.F.R. § 201.6, we respectfully request that certain information contained in this submission, identified by brackets, be accorded proprietary treatment. The disclosure of such business proprietary information as described below is likely to have the effect of either: (1)

impairing the Commission's ability to obtain such information as is necessary to perform its statutory functions; or (2) causing substantial harm to the competitive position of the person, firm, partnership, corporation, or other entity from which the information was obtained. This information relates to production, capacity, sales, pricing, shipments, financial data, conditions of competition related to the U.S. domestic producers and to the respondents in this proceeding. Substantially identical information is not available to the public, and unauthorized disclosure of this information could cause substantial harm to the business operations and competitive position of Turkish Exporters and Producers.

Copies of this document have been served on all interested parties as set forth in the attached Certificate of Service. An attorney certification pursuant to 19 C.F.R. § 207.3(a) and 19 C.F.R. §201.6(b)(3)(iii) is attached to this submission.

Please contact the undersigned if there are any questions regarding this submission. If you have any questions or require any additional information, please do not hesitate to contact the undersigned.

Sincerely,

/s/ Matthew M. Nolan

Matthew M. Nolan

Andrew Jaxa-Debicki

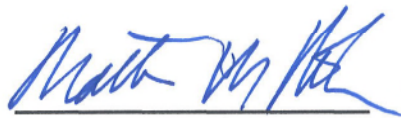
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CERTIFICATION

CITY OF WASHINGTON)
) SS:
DISTRICT OF COLUMBIA)


In accordance with section 201.6(b)(3)(iii) of the rules of the U.S. International Trade Commission (the "Commission") (19 C.F.R. § 201.6(b)(3)(iii)), I, Matthew M. Nolan, of Arent Fox LLP, counsel to Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. ("Icdas"), the Istanbul Minerals and Metals Exporters Association ("IMMIB") and its members, and the Turkish Steel Exporters' Association (Çelik İhracatçıları Birliği, referred to as "ÇİB") and its members (collectively, the "Turkish Producers and Exporters"), hereby certify that I have read the foregoing submission in the above referenced proceeding and that the information contained in the attached submission is accurate and complete to the best of my knowledge. Further, I certify pursuant to 19 C.F.R. § 201.6(b)(3)(iii), that the confidential information contained in this submission is not available to the public in substantially identical form.

Dated: April 21, 2017

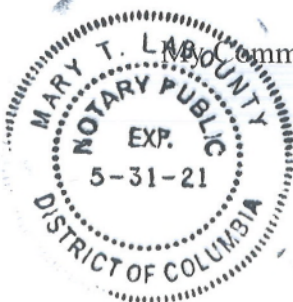

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District of Columbia, ss:
Subscribed and sworn to before me this 21st day of April, 2017.


Notary Public

My Commission Expires: May 31, 2021



PUBLIC CERTIFICATE OF SERVICE

Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom 701-TA-573-574 & 731-TA-1349-1358 (Preliminary)

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

Carbon and Certain Steel Wire Rod From)
Belarus, Italy, Korea, Russia, South Africa,)
Spain, The United Arab Emirates, Ukraine,)
And The United Kingdom.)

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

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28, Exhibit List and Exhibits 2, 4-6, 8-12,
17, 19 and 20

**POST-CONFERENCE BRIEF OF
THE TURKISH PRODUCERS AND EXPORTERS**

Of Counsel:

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April 21, 2017

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I. INTRODUCTION

On behalf of the Turkish Steel Exporters Association and Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. (“Turkish Exporters and Producers”), and in accordance with 19 C.F.R. § 207.15, and the scheduling notice published in the *Federal Register* on April 3, 2017 at 82 Fed. Reg. 16232, we hereby submit this post-conference brief in the preliminary investigation on *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).

As set forth below, the U.S. International Trade Commission (“Commission”) should find that there is no reasonable indication that subject imports have caused, or threaten to cause, material injury to the U.S. wire rod industry. The data collected by the Commission show a domestic industry that is highly integrated, has maintained market share, and whose performance over the period of investigation (“POI”) was positive overall, particularly when certain anaolmous reported costs are adjusted.¹ As discussed at the Preliminary Conference, most performance indicators that the Commission considers in determining whether there is material injury and threat of injury were positive and modestly improving during the POI , particularly when internal transfers to affiliated downstream wire producers and fabrication operations are included. More important, the preliminary data shows an industry that is largely insulated from the effects of foreign competition, enjoys the advantages of both upstream and downstream integration, and benefits from both Buy America restrictions and transportation barriers. This is reflected in the utilization rates. While Petitioners seem to anchor their case on subject import volumes, those volumes did not negatively affect domestic sales quantities or market share. Any

¹ Counsel notes that corrections to domestic producers’ data continue to be received as of this writing so certain reported costs may have been adjusted after submission.

decline in sales values is attributable to a rapid and sustained decline in raw material prices, which has recently reversed. While at first blush profits appear to be negatively affected, this is due more to anomalies in reported costs than to declines in actual profitability. As the data collected show, Turkish producers maintained high levels of capacity utilization, consumed a significant amount of their production in a growing local market, and spread their exports over a large number of countries, principally in Europe and the middle east region. More importantly, Turkish imports actually DECLINED during the POI, and the pricing analysis indicates significant [], especially during 2015 when Turkish imports were highest.

Turkey's exports to the United States did increase during the POI, but they increased because China exited the market and U.S. producers did not have capacity to fill those orders. U.S. customers sought out Turkish and other subject imports as an alternative source of supply. However, in 2016, Turkey greatly reduced its exports to the U.S. in favor of better market opportunities closer to home.

II. CONDITIONS OF COMPETITION

As was the case in the 2014 China wire rod investigation, the Commission will find that the U.S. industry is dominated by a few large, well-financed, U.S. producers.² This level of dominance is *largely* the result of the high level of vertical integration that characterizes this industry, and effectively insulates most of their wire rod operations from import competition.

A. The Dominant Players In The U.S. Market Are Vertically Integrated And Shielded From Imports

The U.S. wire rod market is dominated by relatively few producers, including petitioners Nucor Corporation ("Nucor"), Gerdau Ameristeel US Inc. ("Gerdau"), Charter Steel, and Keystone Consolidated Industries, Inc. In 2016, these companies accounted for over [] of

² *Carbon & Certain Alloy Steel Wire Rod From China*, Inv. No.s 701-TA-512 & 731-TA-1248, USITC Pub. 4509 (Jan. 2015) (final) ("*Wire Rod from China Final*").

reported U.S. capacity, []% of production, and [] of sales.³ Over []% of their sales are transfers to related firms which consist mainly of downstream wire manufacturing or fabrication affiliates.⁴ The wire rod operations of all four companies are part of much larger steel conglomerates, and they all have their own downstream wire production operations. Nucor and Gerdau dominate both the scrap supply-side of the market and the downstream demand-side of the market. The Commission should consider how the factors that have consolidated the U.S. producers' dominance in the U.S. market have affected the overall supply and demand conditions.⁵

Vertical integration *via* upstream scrap operations means that U.S. wire rod producers have more secure sources of high quality scrap supply and are able to achieve lower raw material costs by transferring material to their wire rod operations and deferring some costs by selling excess lower quality scrap on the open market. Turkish producers have no such luxury – they must purchase scrap on the open market at whatever price the market will allow.

U.S. producers' downstream wire production and fabrication operations are an even more important consideration in assessing the U.S. industry and conditions restricting foreign competition. Petitioners' wire rod mills are used to feed their downstream wire operations, which then compete with other independent wire producers who must purchase wire rod from Petitioners, or import. At the conference the Commission heard from numerous witnesses regarding the issues faced by independent wire producers.⁶

³ Derived from U.S. Producer Questionnaire responses.

⁴ See **Exhibit 1**, and U.S. Producer Questionnaire Responses of [].

⁵ The Commission has considered these conditions in other cases. See, e.g., *Steel Concrete Reinforcing Bar from Mexico and Turkey*, Inv. Nos. 701-TA-502 and 731-TA-1227, USITC Pub. 4496 (Oct. 2014) (final) (“*2014 Rebar Final Determination*”); *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*, Inv. Nos. 731-TA-873-875, 878-880, and 882, USITC Pub. 4409 (July 2013) (2d review) (the “*2013 Rebar Sunset*”).

⁶ See Preliminary Conference Transcript, at 21-44 (Apr. 18, 2017) (Testimony of the American Wire Producers Association (“AWPA”) witnesses) (“Tr.”).

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The Commission has the benefit of detailed information regarding these integrated downstream operations from the China wire rod case completed in late 2014. The degree of consolidation has increased with Nucor's opening of a 300,000 ton annual capacity modern wire rod mill in Darlington, South Carolina. The new Nucor plant is less than 100 miles from the Arcelor Mittal wire rod plant that closed in 2015, within 2 years of the Darlington plant's opening.

U.S. producers compete with each other, and have a distinct preference for selling wire rod to their downstream fabrication units, which provide higher value added services and capture greater revenue. Turkish and other subject imports do not have downstream fabrication operations in the United States, and do not ship fabricated wire products to the United States. This condition of competition greatly favors U.S. producers who use their downstream operations to support their wire rod mills and to insulate those mills from import competition.

Downstream fabrication operations also permit U.S. producers to extract profits from both wire rod operations and downstream fabrication operations, or to shift profits among businesses. A review of preliminary questionnaire responses indicates that [

] . Based on aggregate reported questionnaire responses, the average unit value of commercial sales relative to internal consumption/transfers to related firms shows some

[] during the POI:

Year	AUV Commercial	AUV Related Transfers⁷	Difference⁸
2014	[] ST	[] ST	[]
2015	[] ST	[] ST	[]
2016	[] ST	[] ST	[]

⁷ Includes Internal Consumption and Transfers to Affiliates as reported in U.S. Producer Questionnaire Responses.

⁸ See Aggregated U.S. Producers Data, Aggregate sales value/Aggregate sales quantity, calculated from US Producer questionnaire responses, attached at **Exhibit 2**.

This suggests that a [] commercial sales prices is provided to related downstream operations, affecting overall sales values and profitability analysis.

The trend toward vertical integration has strengthened those producers who have adopted this strategy, while causing unease among independent wire producers and fabricators who are at a competitive disadvantage vis a vis the integrated mills. Turkish respondents join in the brief filed by the American Wire Producers Association (“AWPA”) and their members who testified at the Preliminary Conference regarding these concerns.

B. U.S. Demand for Wire Rod Has Been Stable, But Recent Trends Point to Growth

From the 2014 China case we know that apparent U.S. consumption of wire rod was approximately 5.3 million ST in 2012 and 2013.⁹ Data reported in this investigation so far indicates [] of the POI.¹⁰ Thus, market demand increased modestly in the first year of the POI.

Demand for wire rod must be broken down into several components. As discussed at the Preliminary Conference, there are several different markets for wire rod, including automotive, industrial, and construction.¹¹ This is discussed in detail in the Commission Staff Report for Wire Rod From China.¹² These markets require wire rod with different chemistries, manufacturing processes, and grades, so wire rod should not be treated simply as a generic commodity. So, while demand for wire rod used to make wire for the automotive tire sector improved during the POI with new auto sales rising, demand was flat to declining in the industrial and construction sectors. In 2016, construction growth slowed somewhat with growing

⁹ *Wire Rod from China Final* at 12-13.

¹⁰ See Exhibit 5, Aggregated data from U.S. Producer Questionnaire Responses.

¹¹ See, e.g., Tr. at 165-66 (Testimony of M. Canosa, Gerdau).

¹² *Wire Rod From China Final* at I-16 - I-17.

uncertainty fueled by the pending Presidential elections, interest rates and other factors, but most projections for 2017 still call for 5.6% overall growth.¹³

The market situation for wire rod was essentially stable during the POI with slight declines in overall apparent consumption.¹⁴ However, recent press reports indicate the U.S. industry has been able to pass through multiple price increases: “{m}ill supply has been tight,” domestic mills “busy enough to turn back or delay orders by weeks or even a month, as they’ve filled up order books nicely, . . . lead times have stretched into May {from March} for certain sizes from one major mill”¹⁵ Clearly the market has turned up and U.S. producers are benefiting from increasing demand trend.

As demand improves, domestic mills will prefer to supply their internal downstream wire production and fabrication units, leaving independent buyers to pay higher domestic prices, assuming material could be obtained at all on a timely basis. The only alternative source of supply, imports, is needed to maintain the health of the wire industry in the United States.

C. A Large Portion Of the Domestic Wire Rod Market Is Shielded from Competition With Subject Imports

Imports have always been a necessary part of the U.S. market because domestic producers have never had the capacity to meet overall demand. Indeed imports of wire rod in 2002 were much higher than they are today, topping out at 3.3 million short tons based on a 2003 Commission Study.¹⁶ During that period U.S. production topped out at 2 million tons.¹⁷ And, while U.S. production has increased significantly since then, imports have actually shrunk. We realize this is not directly relevant to the current POI, but it is important to put the current state of

¹³ Kermit Baker, *Even with uncertainties looming, healthy gains projected for 2017 building activity*, AIA (Jan. 25, 2017), attached at **Exhibit 3**.

¹⁴ See Exhibit 5.

¹⁵ [], attached as **Exhibit 4**.

¹⁶ *Certain Steel Wire Rod: Evaluation of Effectiveness of Import Relief*, Inv.TA-204-11, USITC Pub. 3629, at II-4 (Table II-3) (Aug. 2003) (“*Wire Rod Evaluation*”).

¹⁷ *Wire Rod Evaluation* at II-8 (Table II-5).

the industry in context. This indicates that current import levels ARE NOT endangering the future of the U.S. wire rod industry.

During the POI, the domestic industry did not lose market share. Overall imports remained constant and U.S. producer shipments declined by [].¹⁸ Integrated operations are an important reason why domestic producers' have maintained their production and market share levels. Another reason is that a significant portion of U.S. producers' shipments are sold either directly or indirectly to downstream wire producers under the Buy America and Buy American preference programs).¹⁹

1. Domestic Supply Preference

As noted above, a significant part of the domestic market is reserved to the U.S. industry through domestic preference programs.²⁰ The reason for these significant domestic preference sales is simple. Buy America provisions provide a distinct price preference if not absolute requirement to use domestic steel on federal and state infrastructure projects. For example, under U.S. Department of Transportation ("DOT") procurement rules, the DOT is required to use domestically produced materials in projects unless the material is either not available or the cost of using domestic material would result in an increase in the cost of a project by over 25%.²¹ This clearly gives U.S. steel producers a significant price premium potential over imports for federally funded projects.

The U.S. Government has signaled it will engage in a sustained increase in public works and infrastructure investment which will directly benefit U.S. producers. While this will take

¹⁸ See Exhibit 5.

¹⁹ See Tr. at 27-30 (Testimony of C. Stauffer, Insteel Industries).

²⁰ Buy America provisions appear in a variety of federal and state procurement laws. A survey of these laws was conducted by the Congressional Research Service ("CRS"). See J. Luckey, CRS, *Domestic Content Legislation: The Buy American Act and Complementary Little Buy American Provisions* (Apr. 25, 2013) (the "CRS Study"), available at http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1917&context=key_workplace.

²¹ See 49 U.S.C. § 24405(a)(2)(D) and *CRS Study*.

some time to solidify, it only adds to the U.S. industry's positive outlook.

Beyond Buy America, there is a strong continuing preference among many purchasers for domestic sources of wire rod. Domestic producers are located throughout the U.S. market²² and have shorter lead times and offer greater flexibility than imports. Meeting these requirements, such as "just-in-time inventories" require a logistics network in the U.S. market that subject imports simply do not have. Imports from Turkey are at a logistical disadvantage due to long lead times.

Importers also incur the additional costs of getting material from the dock in Houston or Tampa to potential customers further inland. While Turkish and other foreign producers have a logistical advantage in that ocean freight rates are much lower than U.S. inland freight rates, that advantage evaporates after the cargo reaches the U.S. port. Any U.S. inland transportation of wire rod costs the same for all material. U.S. overland freight rates are generally high for heavy steel products. Barge traffic is subject to the Jones Act, which mandates the use of U.S. flagged and crewed vessels involving coastwise trade.²³ Competition from imports naturally becomes more attenuated as the product moves inland. Several U.S. mills and their downstream fabrication units are located inland close to their main markets.²⁴ This means the product travels less to get to the customer. Less travel means less transportation cost for those U.S. mills relative to imports which must travel from the coast and pay added freight. What matters to the customer is the delivered price, not FOB. This gives closer located mills in the U.S a significant advantage in certain geographic areas.

²² All of the major wire rod producers have a coast-to-coast footprint that allows them to service clients locally.

²³ See e.g., Maritime Law Center, *The Jones Act*, available at http://www.maritimelawcenter.com/html/the_jones_act.html.

²⁴ See e.g., Nucor and Gerdau location maps on their websites and annual reports.

Most foreign producers have very limited, if any, access to either affiliated downstream production operation, or the Buy America domestic preference segment of the market, and due to long lead times and the lack of a production platform in the United States, they will remain at a disadvantage in these market segments.

III. LIKE PRODUCT AND DOMESTIC INDUSTRY

The Turkish Exporters and Producers join in the briefs filed by other respondents with respect to Like Product arguments.

IV. THERE IS NO REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF SUBJECT IMPORTS

A. Legal Standard for Material Injury

During the preliminary phase of the investigation, the Commission must determine whether there is a reasonable indication that the domestic industry has been materially injured by reason of subject imports.²⁵ Material injury is defined as “harm which is not inconsequential, immaterial, or unimportant.”²⁶ In determining whether the domestic industry has been materially injured, the statute requires that the Commission consider:

- (1) the volume of imports of the subject merchandise,
- (2) the effect of imports of that merchandise on prices in the United States for domestic like products, and
- (3) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and
- (4) may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.²⁷

²⁵ 19 U.S.C. §§ 1671b(a), 1673b(a).

²⁶ 19 U.S.C. § 1677(7)(A).

²⁷ 19 U.S.C. § 1677(7)(B)(i)(I) – (III) and § 1677(7)(B)(ii).

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With respect to volume, “the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”²⁸ The price effect of any imports is measured by both the presence of significant underselling and price depression or suppression due to subject imports.²⁹ Lastly, the impact of subject imports is evaluated in terms of how subject imports have affected “all relevant economic factors which have a bearing on the state of the industry in the United States.”³⁰ As the Commission noted in a recent decision, “{n}o single factor is dispositive, and all relevant factors are considered ‘within the context of the business cycle and conditions of competition that are distinctive to the affected industry.’”³¹

The simple fact that the domestic industry has been declining is not sufficient to meet the statutory requirements. Rather, any injury that is suffered by the domestic industry must be “by reason of” subject imports. “This evaluation under the ‘by reason of’ standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely temporal, nexus between subject imports and material injury.”³²

It is important to note that an increase in subject imports in the market alone is not a sufficient basis to find that material injury exists. In a prior investigations, the Commission made a preliminary negative determination that an industry in the United States is materially injured or threatened with material injury, despite a significant volume increase in subject imports and underselling.³³ The Commission found that the subject imports did not adversely affect the domestic industry because the industry saw substantial improvement in almost all

²⁸ 19 U.S.C. § 1677(7)(C)(i).

²⁹ 19 U.S.C. § 1677(7)(C)(ii).

³⁰ 19 U.S.C. § 1677(7)(C)(iii).

³¹ *Xanthan Gum from Austria and China*, Inv. Nos. 731-TA-1202-03, USITC Pub. 4411, at 12 (July 2013) (final).

³² *Id.*

³³ *Oil Country Tubular Goods from Austria, Brazil, China, France, Germany, India, Indonesia, Romania, South Africa, Spain, Turkey, Ukraine, and Venezuela*, Inv. Nos. 701-TA-428 and 731-TA-992-994 and 996-1005, USITC Pub. 3511, at 1 (May 2002) (prelim.) (“OCTG 2002”)

major indicators of industry performance.³⁴ The Commission determined that the domestic industry was not threatened with material injury due, in part, to the following factors:

- increased profitability in the POI;
- volume and market share increases of subject imports were related to increased demand and had little adverse effect on the U.S. industry;
- recent trends in subject import volumes did not support a finding that imports would increase substantially;
- there was “no indication” that the unused capacity or “imminent increases in production capacity” would lead to substantially increased imports, due in part to increasingly high capacity utilization levels of the subject producers and evidence that such production would be directed to home and third-country markets;
- capital expenditures of the domestic industry increased substantially; and
- positive trends in the industry’s financial performance despite the increase in subject import volume and only began to weaken when subject imports declined.³⁵

Many of the Commission’s finding in that case are also compelled by the record of this investigation and should similarly lead to a finding that the U.S. industry is neither materially injured nor threatened with injury by reason of the subject imports.

B. The Volume of Subject Imports Does Not By Itself Indicate Material Injury

The Commission is tasked with determining whether the volume of subject imports, and any increase in that volume during the POI is significant, *both absolutely and relative to production and consumption* in the United States.³⁶ Turkey freely admits that subject imports increased during the POI. Based on Census Bureau data, subject imports increased from

³⁴ *Id.* at 26.

³⁵ *Id.* at 29-30.

³⁶ 19 U.S.C. § 1677(7)(C)(i).

approximately 449,600 ST to 708,000 ST, or about 258,400 ST.³⁷ This volume increase, however, must be placed in context.

In 2013, the year just prior to the POI, China shipped nearly 619,000 ST to the U.S. market³⁸ Imports from China surged between 2011 and 2013, displacing over 164,000 ST of other imports, as well as increasing overall import levels.³⁹ Displaced imports during this period included a large volume of subject imports. After the antidumping and countervailing duty investigations commenced against China in 2014, buyers began to move away from China. Once the preliminary determination imposing 106%+ margins was issued, Chinese imports virtually disappeared from the market in short order.⁴⁰ Imports from China fell to 374,785 ST (40%) and to near zero in 2015/2016.⁴¹ Total apparent consumption had increased, so the Chinese departure created a void. Subject- and non-subject imports that had been displaced by China then returned to the market. Granted, subject imports did increase, but most of the increase is related to recovering the market previously lost to China, and in any event the total increase in subject imports, 258,000 ST, is far less than the 618,000 tons that left the U.S. market from 2013, or even than the 375,000 tons of Chinese imports in 2014.⁴² The balance came from non-subject imports, which also increased significantly between 2013 and 2014, led by Canadian imports which increased over 43,540 ST in 2014.⁴³

During the POI, overall import volumes were stable and actually declined slightly from 1.8 million ST in 2014 to 1.78 million ST in 2016.⁴⁴ What did change was the composition of

³⁷ See **Exhibit 5**, Calculation of Apparent Consumption and Imports.

³⁸ *Wire Rod From China Final*, at IV-5 (Table IV-2).

³⁹ *Id.*

⁴⁰ *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248, USITC Pub. 4458 (Mar. 2014) (prelim.).

⁴¹ See **Exhibit 5**, Calculation of Apparent Consumption and Imports.

⁴² *Id.*

⁴³ See *id.* and *Wire Rod From China Final*, at IV-6 (Table IV-3).

⁴⁴ U.S. Census Bureau Statistics. See **Exhibit 5**.

those imports. Subject imports replaced non-subject imports. In 2014 non-subject imports accounted for 1,350,698 ST of total imports. By 2016 non-subjects were 1,070,880 ST, a decline of 279,818 ST. This more than accounts for the increase in subject imports. Moreover, some non-subject imports also increased. As shown in **Exhibit 5**, imports from Brazil and Mexico, which are both under Orders, actually increased by over 70,000 ST during the POI. In short, there was no shortage of non-subject imports in the market, and subject imports merely replaced non-subject product during the POI.

C. Subject Imports Have Not Had Significant Adverse Price Effects

The record demonstrates that the subject imports did not have significant adverse price effects during the POI. Quite simply, the underselling data shown in the collected pricing data do not correlate with significant declines in U.S. prices. What does correlate quite closely is the price of wire rod and the cost of the principal raw material, scrap, as well as energy costs. The price data collected from U.S. producer questionnaires indicates that prices fell during the POI, at first relatively modestly in 2014 (approximately [], then more quickly in 2015 []).⁴⁵ In 2016 prices recovered somewhat [] by the third quarter.⁴⁶ This correlates quite closely with monthly scrap market prices reported in the [], attached at **Exhibit 6**. As can be seen in this data, scrap prices fell almost [] in 2014, nearly [] in 2015, and recovered by approximately [] in 2016. The correlation is illustrated by the slides presented at the preliminary conference, and attached at **Exhibit 7 and 8**. As can be seen in the **Exhibits**, indexing and comparing published scrap prices with either [] monthly wire rod prices or quarterly producer price data yields the same result – an extremely close correlation between scrap and wire rod prices. This is also consistent with

⁴⁵ Calculated from Aggregate data in US producer questionnaire responses.

⁴⁶ *Id.*

published news reports on announced wire rod price changes – these published reports generally cite to scrap price changes for changes in wire rod prices and are widely monitored by sellers and buyers.⁴⁷

As important, the indexed data shows that the gap between scrap and wire rod prices charged by domestic producers actually increased during the course of much of the POI. This widening gap means that U.S. producers were able maintain prices despite falling scrap prices for much of the POI, and especially during 2015 when subject imports were increasing the most. Though it is clear that scrap prices largely determine wire rod prices, U.S. producers were able to exercise some market power to maintain prices and even increase them in 2016 despite the presence of subject imports. The reported data shows that subject imports did not suppress the prices of the domestic product during the POI.

In sum, the record of this investigation shows no evidence of price depression or suppression by subject imports.

D. Key Performance Indicators for the Domestic Industry Show That It Has Not Experienced Any Adverse Impact From Subject Imports

The adjusted data on financial performance reported by the domestic industry does not support their injury case.

First, U.S. producers [] market share. In 2014 domestic commercial shipments held a [] market share. In 2016 domestic shipments accounted for a [] market share, or a [].⁴⁸ Overall U.S. shipments [], but so did apparent consumption. Total imports [] fell.

⁴⁷ See **Exhibit 6**.

⁴⁸ See **Exhibit 5**, aggregate data from U.S. producers responses but [].

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Second, U.S. producers maintained a relatively healthy capacity utilization rate, despite the presence of subject imports. Based on U.S. Producer responses, aggregate capacity utilization for U.S. producers was [] in 2014, and [] in 2016.⁴⁹ This compares with utilization rates of 72% in 2013 and 76% in 2011.⁵⁰ In addition, there were significant variations in utilization rates among U.S. producers that bears scrutiny.

Third, the financial performance of the U.S. industry, as reflected in the domestic producers' questionnaire responses, indicates that subject imports have not had a negative impact on the industry. As noted earlier, raw material costs fell dramatically during the POI. Based on published [] data, scrap prices fell from over [] ST in January 2014 to under [] ST in January 2015, or over [].⁵¹ The decline was particularly precipitous in 2015.⁵² Lower scrap costs means lower raw material costs, as reflected in the aggregate U.S. producer questionnaire data. Overall reported raw material costs fell by almost [].⁵³ So, while prices fell, so did the most important component of costs. As a result, the gross profit margins for U.S. producers as a whole [] from [] in 2014 to [] in 2016.⁵⁴ Thus, domestic producers not only lowered costs, they were able to maintain prices and increase their margins in the presence of subject imports. Operating income levels also [] in 2016 after [] 2015, resulting in an overall increase in operating income as a percentage of open market sales values.⁵⁵ Actual profit values did decline somewhat, but that is due to lower sales prices triggered by lower scrap costs.

⁴⁹ See US producer questionnaire responses, aggregated responses.

⁵⁰ *Wire Rod From China Final* at III-6.

⁵¹ See [], **Exhibit 6**.

⁵² *Id.*.

⁵³ See **Exhibit 9**.

⁵⁴ See *Exhibit 9*.

⁵⁵ See *id.* Derived from Aggregate Data from U.S. Producer Questionnaire Responses.

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Fourth, employment levels were not adversely affected. U.S. aggregate employment data shows the average number of production workers [] in 2014 to [] in 2015 before [] to [] in 2016, for a total [] workers.⁵⁶ However, hours worked per week remained [], and wages per hour [].⁵⁷

The aggregate data masks significant differences among domestic producers. For example, [] in sales volumes during the POI, from [], or an increase of nearly [] ST.⁵⁸ But [] also reported the [].⁵⁹ This is likely the result of the []

[]. The fact that [] indicates they feel confident in the market. Given overall production levels, it is also clear that [] took away market share from other U.S. producers, most immediately from Arcelor Mittal which closed its aging plant in Georgetown, S.C. shortly after []. Subject imports did not close Georgetown, high operating costs, an aging plant and [] did.⁶⁰

[] gross profit margins also improved [] during the POI to over []. []⁶¹

[] reported capacity utilization rates exceeding [] which indicates they have been fully booked in the presence of subject imports.⁶²

⁵⁶ See *id.* Calculated from U.S. Producers Questionnaire Responses.

⁵⁷ *Id.*

⁵⁸ **Exhibit 9.**

⁵⁹ *Id.*

⁶⁰ See **Exhibit 19**.

⁶¹ See **Exhibit 9** and [] U.S. Producer Questionnaire Response.

⁶² See **Exhibit 9** and [] U.S. Producer Questionnaire Response.

[] also reported [], and gross profit margins [].⁶³ [] also reported [] SG&A expenses as a percentage of sales [] relative to [].⁶⁴ As these SG&A rates directly affect profitability, they are a material indicator that some members of the domestic industry are more efficient than others.

E. Georgetown Mill Closure Not Related to Imports

At the Preliminary Conference Petitioners repeatedly commented that the Arcelor Georgetown South Carolina mill closure was caused by subject imports. However, news reports indicate otherwise. The Georgetown mill was an older mill built in 1969. It had a history of issues, including a bankruptcy, a closure during the great recession, a closure due to an oil leak in 2014, high legacy and energy costs, and a disadvantageous location.⁶⁵ Nucor's construction of a new, modern wire rod mill only 100 miles away in Darlington South Carolina, and high operating costs had much more to do with the Georgetown closure.

F. U.S Producers Are Raising Prices

During the Preliminary conference, domestic producers talked about the need to drop prices in the face of subject imports.⁶⁶ However, based on news reports and price change announcements, it is clear that changes in scrap prices and overall demand have far more to do with determining price levels. Indeed, a quick survey of price announcements and articles on wire rod pricing during the last year indicates the following:⁶⁷

⁶³ See **Exhibit 9** and [] U.S. Producer Questionnaire Response.

⁶⁴ See U.S. Producer questionnaire responses.

⁶⁵ See Exhibit 19.

⁶⁶ See, e.g. Testimony of Marcelo Canosa, Gerdau, Preliminary Transcript at 133, 188.

⁶⁷ See Exhibit 20, articles from [].

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- April 14, 2016: U.S. producers announce \$50 per ton price increase in part due to higher scrap prices. “A U.S. mill withdrew a ‘foreign fighter’ deal” to a customer.
- May 12, 2016: U.S. producers announce \$20-40 per ton price increase based on scrap price increase..
- November 28, 2016: U.S. mills announce \$40 per ton price increase reflecting \$30 ton scrap price increase. “December rolling is very full”.
- December 14, 2016: U.S. producers announce \$45 per ton price or increase raw material surcharge increase based on scrap price increase.
- January 12, 2017: U.S. Producers announce \$45 per ton price increase. Based on scrap price increase. “Mill order books are robust.”
- March 23, 2017: U.S. producers announce \$40 per ton price increase based on scrap price increase. “domestic mills were busy enough to turn back orders by weeks or even a month, . . . lead times have stretched to May for certain sizes.

Based on these articles, the domestic industry has likely raised wire rod prices by well over \$200 per ton in the last year, driven by increasing scrap prices and full mill order books. While US producers may not have gotten every dollar of these announced increases, they most certainly were able to capture most of each price increase. Subject imports were clearly not a deterrent to increasing prices.

G. Anomalies in Reported U.S. Producer Financial Data

As noted at the Preliminary Conference, there appear to be a number of anomalies in certain versions of the U.S. producer financial data that has been reported to the Commission.⁶⁸ Though they are to some extent masked or smoothed out in the aggregate data, and some have been corrected, cost and expense figures for certain U.S. producers show significant anomalous shifts or changes over the POI that warrant further scrutiny.

The masking effect of compiling industry-wide data, as well as the sensitivity of the aggregate data to even comparatively small adjustments in the data for a single producer, is

⁶⁸ Tr. at 110 (M. Nolan).

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dramatically illustrated by reference to one income statement line item for a single producer

[]. The company initially reported a [

].⁶⁹ The amount of this item reported for 2016 was almost [],

approximately [] percent higher than the 2015 amount.⁷⁰ If the 2015 figure for [] is

carried over for 2016, the effect on **aggregate** data is to increase the industry-wide [

] from [] percent to [] percent.

Updated figures for [] have confirmed the necessity of carefully reviewing company-specific U.S. producer data in order to obtain an accurate picture of the state of the industry. The new amount for [] shown in the company's income statement for 2016, [] is almost [] percent lower than the amount initially reported, and aggregate [] has risen to [] percent.⁷¹

Other examples of shifts in cost and expense data that warrant scrutiny include:

<u>Aggregate Data</u> ⁷²				
<u>Items</u>		<u>2014</u>	<u>2016</u>	<u>% Change</u>
COGS	Initially Reported	[]	[]	[]
	Revised	[]	[]	[]
SG&A	Initially Reported	[]	[]	[]
	Revised	[]	[]	[]
Operating Income	Initially Reported	[]	[]	[]
	Revised	[]	[]	[]

⁶⁹ [] U.S. Producer Questionnaire Response.

⁷⁰ *Id.*

⁷¹ Calculations based on U.S Producer questionnaire response.

⁷² *Id.*

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		[] ⁷³		
<u>Items</u>		<u>2014</u>	<u>2016</u>	<u>% Change</u>
COGS	Initially Reported	[]	[]	[]
	Revised	[]	[]	[]
OFC	Initially Reported	[]	[]	[]
	Revised	[]	[]	[]
SG&A	Initially Reported	[]	[]	[]
	Revised	[]	[]	[]

		[] ⁷⁴		
<u>Items</u>		<u>2014</u>	<u>2016</u>	<u>% Change</u>
COGS	Initially Reported	[]	[]	[]
	Revised	[]	[]	[]
SG&A	Initially Reported	[]	[]	[]
	Revised	[]	[]	[]

As discussed, petitioners enjoy a number of advantages by virtue of being vertically integrated. One of those is the ability to allocate costs in many different ways over many different operations and products. Consequently, as demonstrated above, it is important for the Commission to examine the data carefully to assure that the data on the record is an accurate reflection of the U.S. industry's actual costs and profitability. .

V. CUMULATION FOR PURPOSES OF THREAT

In determining whether to cumulate imports for the purposes of determining whether there is a threat of material injury, “{t}o the extent practicable . . . the Commission may cumulatively assess the volume and price effects of imports of the subject merchandise from all countries with respect to which . . . petitions were filed . . . on the same day . . . if such imports

⁷³ *Id.*

⁷⁴ *Id.*

compete with each other and with domestic like products in the United States market.”⁷⁵ In contrast, the Commission has the discretion not to cumulate subject imports for purposes of determining whether there is threat of material injury.⁷⁶ In deciding whether to exercise this discretion:

{t}he Commission has traditionally considered factors such as (1) whether the imports are increasing at similar rates in the same markets, (2) whether the imports have similar margins of underselling, and (3) the probability that imports will enter the United States at prices that would have a depressing or suppressing effect on domestic prices of that merchandise.⁷⁷

VI. IMPORTS FROM TURKEY SHOULD NOT BE CUMULATED WITH SUBJECT IMPORTS FROM OTHER COUNTRIES FOR PURPOSES OF THE COMMISSION’S THREAT DETERMINATION

Wire rod imports from Turkey should not be cumulated with other subject imports. Wire rod exports from Turkey did not increase during the period of investigation. In fact, imports from Turkey to the United States decreased during the POI.⁷⁸ In 2014, Turkey imported 210,096 short tons of wire rod and, while imports increased in 2015, by 2016, imports from Turkey had dropped 53.1% to 98,497 short tons.⁷⁹ During the same period, imports from five of the ten subject countries increased.⁸⁰ Imports from Belarus, Italy, Russia, United Arab Emirates and Ukraine all increased dramatically from 2014 to 2016.

⁷⁵ 19 U.S.C. § 1677(7)(H).

⁷⁶ See e.g. *Certain Magnesia Carbon Bricks from China and Mexico*, Inv. Nos. 701-TA-468 and 731-TA-1166-1167, USITC Pub. 4182, at 34-35 (Sept. 2010) (final) (“*Magnesia Carbon Bricks*”) (“Cumulation for determining threat of material injury, in contrast to cumulation for material injury, is within the discretion of the Commission.”); *Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova*, Inv. Nos. 731-TA-873-784 and 877-879, USITC Pub. 3440, at 6 (July 2001) (final).

⁷⁷ *Magnesia Carbon Bricks* at 34-35.

⁷⁸ See **Exhibit 5** (Calculation of Apparent U.S. Consumption).

⁷⁹ *Id.*

⁸⁰ *Id.*

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In past cases, the Commission has declined to cumulate for threat purposes where one country's imports are decreasing while the others are increasing.⁸¹ Additionally, in *Certain Magnesia Carbon Bricks from China and Mexico*, the Commission held that differing incentives to ship product to the U.S. market supported a finding that imports should not be cumulated for threat purposes.⁸² Specifically, the ITC found that Mexican producers had less of an incentive to ship product to the U.S. due to higher operating margins on their home market sales. In contrast, Chinese producers had a significant incentive to ship their product to the U.S. and these differing incentives supported the Commission's decision to not cumulate subject imports for purposes of its threat analysis.⁸³ Similarly here, the strong home and regional markets for Turkish producers decreases the incentive to ship product to the U.S. Europe, Middle East and Africa are areas where demand for Turkish product is strongest. Given the divergent volume trends of the different subject countries and the differing incentives driving those trends, the Commission should decline to cumulate .

The imports from the subject countries have varying margins of underselling. The average margin of underselling ranges from []% for [] to []% for [].⁸⁴ Four subject countries have average underselling margins less than 10%, while the remainder are over 10%.

There are differences in the product mix being shipped from the ten sources. Turkey exports Product [] but has minimal exports of [].⁸⁵ [] all imported

⁸¹ *Magnesia Carbon Bricks* at 35-36; *Steel Wire Rope from China, India, Malaysia, and Thailand*, Inv. Nos. 731-TA-868-871, USITC Pub. 3294, at 18 (Apr. 2000) (prelim.); *Certain Structural Steel Beams from Germany, Japan, Korea, and Spain*, Inv. Nos. 701-TA-401 and 731-TA-852-855, USITC Pub. 3225, at 21-22 (Sept. 1999) (prelim.).

⁸² *Magnesia Carbon Bricks* at 36.

⁸³ *Id.*

⁸⁴ See **Exhibit 10** (Summary Underselling Statistics)

⁸⁵ *Id.* See also Turkish foreign producer questionnaire responses.

[] into the United States.⁸⁶ [] into the United States.⁸⁷ As a result, each country has its own unique mix of imports into the United States and, therefore, these do not compete directly with each other.

Turkey also exhibited different trends of under and overselling. Turkey's overall levels of underselling and overselling were decidedly more mixed than other subject imports, with [] of imports overselling U.S. prices.⁸⁸ More important, Turkish imports oversold U.S. producers 3 out of 4 quarters in 2015 when Turkish imports were at their highest, and most underselling occurred as Turkish imports declined rapidly in 2016.⁸⁹ This is in contrast to other subject imports with more persistent, and pronounced, underselling.

Lastly, there is a low probability that imports from Turkey will have a price depressing or suppressing effect on domestic prices. Imports from Turkey are unlikely to suppress or depress prices in light of the projected lack of shipment volumes for 2017 and 2018.⁹⁰ Turkish mills have been operating at near full capacity, and other export markets close to Turkey like Egypt and Europe are increasing in volume. Turkish inventories are low and the projected lower import volumes for Turkish product in 2017-2018 are not likely to have a price depressing or suppressing effect.

The factors discussed above suggest that imports from Turkey will only have a limited effect on the domestic wire rod market and should not be cumulated with imports from the ten other countries for purposes of the threat analysis.

⁸⁶ See foreign producer questionnaire responses.

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ See **Exhibit 11** (Summary of Turkish Producers' Questionnaire Response Data).

VII. THERE IS NO REASONABLE INDICATION THAT IMPORTS FROM TURKEY POSE A THREAT OF MATERIAL INJURY TO THE DOMESTIC INDUSTRY

In evaluating whether a U.S. industry is threatened with material injury, the Commission must consider “whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted”⁹¹ “An affirmative threat determination must be based upon ‘*positive evidence*’ tending to show *an intention* to increase the levels of importation.”⁹² In making its threat determination, the Commission analyzes a series of factors, which are addressed below.⁹³ If considered separately, subject imports from Turkey do not threaten to injure the U.S. wire rod industry.

A. The Domestic Industry Is Not Vulnerable

Apart from consideration of the statutorily enumerated factors, the Commission often examines whether the domestic industry is vulnerable.⁹⁴ As discussed above, the record of this investigation shows that the industry is far from being in a “weakened state.” It is not vulnerable..

B. The Allegation of Countervailable Subsidies Is Not Evidence of Threat of Material Injury

While Petitioners allege several countervailable subsidies described in Article 3 of the World Trade Organization (“WTO”) Subsidies Agreement, including subsidies contingent upon export, the Commission should put little weight on these allegations.⁹⁵ The Department of

⁹¹ 19 U.S.C. § 1677(7)(F)(ii).

⁹² *Metallwerken Nederland B.V. v. United States*, 744 F. Supp. 281, 287 (Ct. Int’l Trade 1990), quoting *Am. Wire Corp. v. United States*, 590 F. Supp. 1273, 1280 (Ct. Int’l Trade 1984), *aff’d sub nom. Armco, Inc. v. United States*, 760 F.2d 249 (Fed. Cir. 1985) (emphasis added).

⁹³ 19 U.S.C. §§ 1677(7)(F)(i)(I-IX). Factor I is not relevant because no subsidy is involved. Factor VII is not applicable because this investigation does not involve an agricultural product.

⁹⁴ See, e.g., *Liquid Sulfur Dioxide from Canada*, Inv. No. 731-TA-1098, USITC Pub. 3826, at 24 (Dec. 2005) (prelim.).

⁹⁵ 19 U.S.C. § 1677(7)(F)(i)(I).

Commerce has conducted multiple administrative reviews of the countervailing duty order on several steel products, covering many of the same programs as those alleged in this investigation, and has consistently found *de minimis* subsidies.

C. Capacity Utilization in Turkey Is High And There Are No Imminent, Substantial Increases That Would Indicate the Likelihood of Substantially Increased Imports of Subject Merchandise into the United States

For there to be a significant, imminent increase in shipments of wire rod to the United States, the producers in Turkey would need to have significant available capacity to produce wire rod, the ability and the incentive to redirect wire rod produced for other markets to the U.S. market, and/or the ability and incentive to shift capacity from the production of similar products to the production of wire rod. None of these conditions is present in this case.

As the questionnaire responses show, the Turkish Producers have produced wire rod at levels [] to meet increasing demand in the home market and their export markets.⁹⁶ The capacity utilization rates for the Turkish Producers was []% in 2014, []% in 2015 and []% in 2016.⁹⁷ The projections for 2017-2018 are for capacity utilization to [], *i.e.* []%. These levels of capacity utilization are consistent with the evidence reflecting the positive market conditions of the export markets where the Turkish Producers have focused much of their efforts, *e.g.* the European, Middle Eastern and African markets, which are some of the strongest in the world.⁹⁸ Since the Turkish respondents are running at [] and other regional markets have been strong, it does not make economic or business sense for Turkey to abandon its current strategy and divert substantial product to the U.S. market. Further, in their questionnaire responses, the Turkish producers expect lower export volumes to the United States in 2017-

⁹⁶ See **Exhibit 11** (Summary of Turkish Producers' Questionnaire Response Data).

⁹⁷ See **Exhibit 11** (Summary of Turkish Producers' Questionnaire Response Data).

⁹⁸ See **Exhibit 13-15** (articles discussing demand in Turkey and regional export markets).

2018.⁹⁹

D. The Volume of Subject Imports from Turkey Will Not Increase Substantially Due to High Demand in the Domestic Market and Regional Export Markets

1. Turkey's Main Export Markets

Exports by Turkish Producers to other markets almost doubled during the POI. In 2014, Turkish Producers reported that they exported [] short tons to markets other than the United States, by 2016, that number had increased to [] short tons.¹⁰⁰ Overall, [] is the largest market for Turkish wire rod with [] tons exported in 2016, which was a []% increase from 2014 when Turkey exported [] tons.¹⁰¹ Comparatively, during the same time period, exports to the United States dropped []% from [] tons in 2015 to [] ST in 2016.¹⁰² The drop in exports to the United States was offset by exports to Europe. Turkish producers exported [] tons of wire rod to European Union countries (Netherlands, Spain, Portugal, Italy, Romania, France and Belgium) in 2016, which was a []% increase from 2014 when [] tons was exported.¹⁰³ The Middle East (Iraq, Israel, Saudi Arabia and Jordan) and other African countries (Libya and Morocco) also accounted for a large quantity of exports. Turkish producers exported [] tons to the Middle East and [] tons in 2016.¹⁰⁴ Therefore, Europe, Africa and the Middle East are robust markets for wire rod from Turkey.

Further, there is no expectation that demand will be significantly reduced in these countries. Egypt is investing heavily in infrastructure and large scale construction projects

⁹⁹ See **Exhibit 11** (Summary of Turkish Producers' Questionnaire Response Data).

¹⁰⁰ See **Exhibit 11** (Summary of Turkish Producers' Questionnaire Response Data).

¹⁰¹ *Id.*

¹⁰² See **Exhibit 12** (Chart with Exports from Turkey).

¹⁰³ See **Exhibit 12** (Chart with Exports from Turkey).

¹⁰⁴ See **Exhibit 12** (Chart with Exports from Turkey).

including the construction of a new capital city, an international airport and economic zones.¹⁰⁵

Similarly, Saudi Arabia and Germany also expect increased construction which will sustain demand for Turkish wire rod.¹⁰⁶

High levels of capacity utilization for Turkish wire rod producers, combined with the existence of several export markets where Turkey has been and continues to be successful, make it unlikely that Turkish imports will be diverted to the U.S. market.

2. Turkey's Domestic Market

Turkey is a high growth market due to its economic growth, large population and rising incomes. The IMF's World Economic Outlook estimates continued economic growth for Turkey in the long term through 2018. According to IMF data, economic growth is expected to increase 2.5% in 2017 and 3.3% in 2018.¹⁰⁷ A sizeable amount of the Turkish wire rod production is dedicated to the domestic market.¹⁰⁸ Official Turkish statistics show that total value of domestic construction in Turkey has increased in the last three years.¹⁰⁹ News sources report that investments in the construction sector in Turkey, including housing construction, industrial developments, power plants, and other projects continue to increase.¹¹⁰

The resilient demand in Turkey's export markets and in its domestic market means that Turkey's wire rod production will continue to be absorbed in Turkey's home market and in its traditional export markets.

¹⁰⁵ See **Exhibit 13** (*Egypt: 2016/2017 Discovering Business*).

¹⁰⁶ See **Exhibit 14** (PR Newswire, *Construction in Saudi Arabia - Key Trends and Opportunities to 2020* (Apr. 19, 2016) and **Exhibit 15** (Erich Gluch, *BAU Info Talks: The German and European construction industry to 2018*, IFO Institute (Oct. 13, 2016)).

¹⁰⁷ See **Exhibit 16** (International Monetary Fund, *World Economic Outlook: Subdued Demand - Symptoms & Remedies*, Annex Table 1.1.1, Europe: Real GDP, Consumer Prices Current Account, and Unemployment (Oct. 2016)).

¹⁰⁸ See **Exhibit 11** (Summary of Turkish Producers' Questionnaire Response Data).

¹⁰⁹ See **Exhibit 17** (Turkish Domestic Construction Activity).

¹¹⁰ See **Exhibit 18** (Articles related to Construction Projects in Turkey)

E. Subject Imports from Turkey Are Not Entering at Prices that Are Likely to Have a Significant Depressing and Suppressing Effect on Domestic Price and Are Not Likely To Increase Demand for Further Imports

Subject imports from Turkey had significant overselling margins across the three product categories it exports to the U.S., thus limiting any significant depressing and suppressing effect on domestic prices. This is especially true when the small underselling margins during critical time periods are taken into account. For example, for Product 1, Turkish imports [] by underselling margins of []% and []%.¹¹¹ However, for one quarter, Turkish imports oversold by []. For the same product, Turkish producers oversold U.S. producers for three quarters in 2015, with overselling margins ranging from []% to []%. Similarly, for [] U.S. producers for []. The pricing of Turkish imports was not consistently below the U.S. producers' price to the extent necessary to exert a significant depressing or suppressing effect on domestic prices. As discussed above, a decline in raw material prices is the primary reason for the decreasing U.S. prices. Even when Turkish imports were consistently overselling U.S. product in 2015, U.S. prices still declined. The pricing of U.S. wire rod is moored to raw material prices, not Turkish imports.

¹¹¹ See **Exhibit 10** (underselling analysis for Products 1 to 4).

VIII. CONCLUSION

There is clear and convincing evidence on the record for the Commission to conclude that subject imports have not caused material injury to the U.S. wire rod industry. With respect to its threat determination, the Commission should exercise its discretion not to cumulate imports from Turkey with those from other respondent countries and find that imports from Turkey do not pose a threat of injury to the domestic industry.

Respectfully submitted,

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LIST OF EXHIBITS

Exhibit List

<u>Exhibit</u>	<u>Description</u>
1	Domestic producer wire rod web pages
2	Operations on Wire Rod - Total Market Sales - Aggregate
3	Kermit Baker, <i>Even with uncertainties looming, healthy gains projected for 2017 building activity</i> , AIA (Jan. 25, 2017)
4	[]
5	Calculation of Apparent U.S. Consumption (Total Market), Market Shares & U.S. Census Bureau Official Import Statistics
6	[] Scrap & Wire Rod Pricing Data
7	Turkish Exporters' & Producers' Presentation Slides introduced at Preliminary Staff Conference, Apr. 18, 2017
8	Scrap Prices & Wire Rod Prices
9	U.S. Producers' Operations on Wire Rod - Open Market Sales - Aggregate and Certain Individual Producers
10	Underselling Analysis - Summary Statistics
11	Turkey Trade Data - Aggregation
12	Turkey Wire Rod Exports by Country
13	U.K. Trade & Investment, <i>2016/2017 Discovering Business: Egypt</i>
14	PR Newswire, <i>Construction in Saudi Arabia - Key Trends and Opportunities to 2020</i> (Apr. 19, 2016)
15	Erich Gluch, <i>BAU Info Talks: The German and European construction industry to 2018</i> , IFO Institute (Oct. 13, 2016)
16	International Monetary Fund, World Economic Outlook: Subdued Demand - Symptoms & Remedies, Annex Table 1.1.1, Europe: Real GDP, Consumer Prices Current Account, and Unemployment (Oct. 2016)

<u>Exhibit</u>	<u>Description</u>
17	Turkey: Construction Sector (2005-2017) & Construction Sector Value (2011-2020)
18	Articles related to Construction Projects in Turkey
19	Articles related to U.S. industry
20	[] articles related to Wire Rod Pricing & Sales

EXHIBIT 1



GerdaU produces wire rod at two mills in North America, hot-rolling a range of sizes shipped in coils.

Steel Wire Rods are an engineered product made to the exact chemical, mechanical and physical requirements of individual customers and applications. It is estimated that Wire Rods are used to produce more than 100,000 finished products. These include automotive fasteners, barbed wire, nails, galvanized wire, pre-stressed concrete strand, tie wire, ground rods, chains, fencing, bed springs, wire shelving, welding wire, bolts, wire rope, concrete reinforcing mesh, concrete pipe, rubber tire reinforcement wire, annealed wire, staples, steel mesh filters, coat hangers, cold finished bar, threaded rods and many other products.


Reinforcing GerdaU's commitment to environmentally-responsible steel production, all wire rod products are manufactured with high levels of recycled raw scrap material.

Select a Product Category



SELECT A PRODUCT

- Welded Wire Reinforcement
- Drawn Wire

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CARBON STEEL

BAR & STRUCTURAL
SHEET & PLATE
MESH
ENGINEERED BAR
COLD FINISH STEEL BARS
SBQ STEEL BARS
WIRE ROD
DRAWN WIRE
COILED REBAR
GRATING

FASTENERS

FINISHED HEX NUTS
HEX HEAD CAP SCREWS
HEX FLANGE BOLTS
STRUCTURAL BOLTS
STRUCTURAL NUTS

ALLOY STEEL

COLD FINISH STEEL BARS
FINISHED HEX NUTS
HEX HEAD CAP SCREWS
STRUCTURAL BOLTS
STRUCTURAL NUTS
SBQ STEEL BARS

STEEL PRODUCTS

COMPOSITE FLOOR JOIST
FLOOR DECK
JOIST GIRDERS
JOISTS
METAL BUILDING SYSTEMS
ROOF DECK
SIGNPOSTS & BARRIER SYSTEMS
SPECIAL PROFILE STEEL TRUSSES
REBAR FABRICATION
TUBE

RAW MATERIALS

FERROUS SCRAP BROKERAGE
NON-FERROUS SCRAP BROKERAGE
FERRO ALLOY BROKERAGE
TRANSPORTATION & LOGISTICS
MILL SERVICES
DIRECT REDUCED IRON

SDS BY PRODUCT

BAR
BUILDING SYSTEMS
COLD FINISH
DECK
FASTENERS
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WHY KEYSTONE STEEL & WIRE?



PROCESS CONTROL

Quality products begin with quality steel. Keystone maintains total control over every step of steel and wire production, from the processing of scrap metal through final packaging. Our capabilities enable KSW to produce the finest American-made steel possible, and then process it to match the most stringent customer specifications. In fact, our internal standards routinely exceed AISI and ASTM standards. Keystone's ability to monitor the process from beginning to end provides a high degree of predictability and consistent quality.



FLEXIBLE

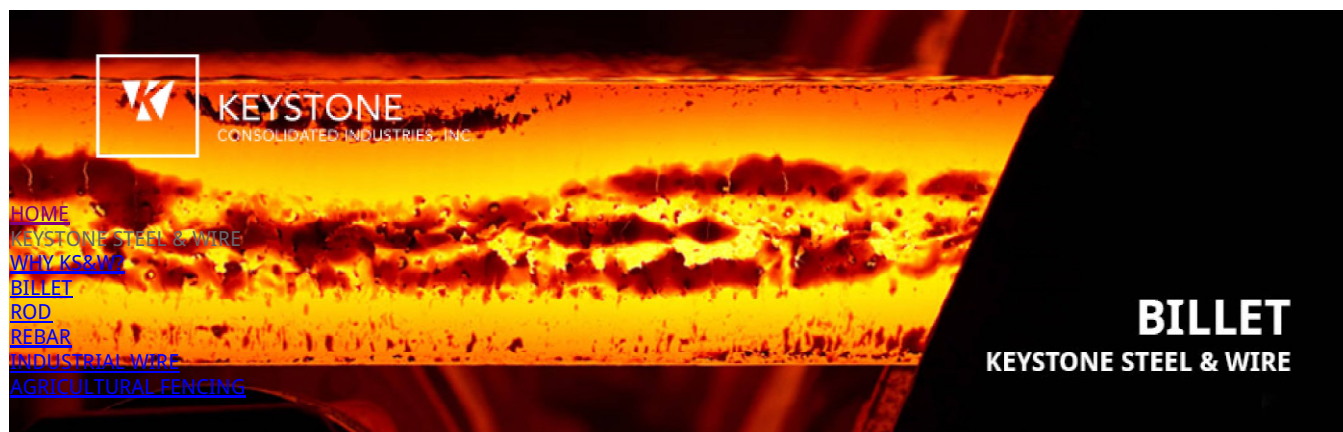
Keystone's flexibility allows for the production of customized grades of steel to meet individual customer needs quickly and efficiently. KSW has over 20 steel grades that are classified as 1008 steel. We work closely with our customers to help control inventory lead times while meeting exacting specifications for every pound of steel created.



IDEALLY LOCATED

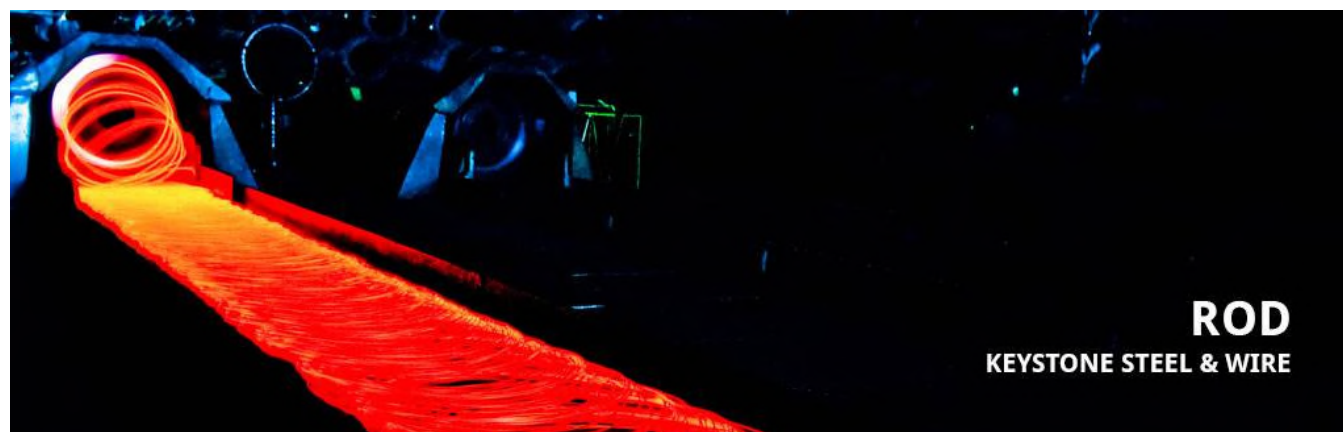
KSW is strategically located, making it possible to ship by truck, rail or barge. This advantage means we can reach our customers by the most time and cost efficient mode of transportation regardless of destination.

PRODUCTS



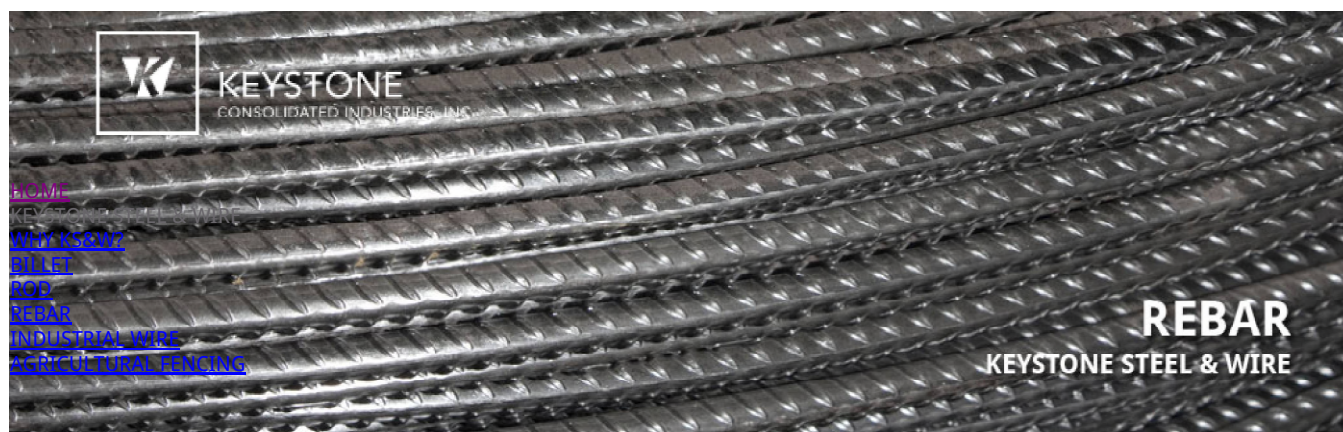
Keystone's continuous billet caster uses state-of-the-art clean steel practices, yielding consistent, high-quality steel billets. Our large production capacity enables us to meet the volume demands of all our customers.

Contact Steve Ashby at ashbyst@keystonesteel.com or 309.697.7416



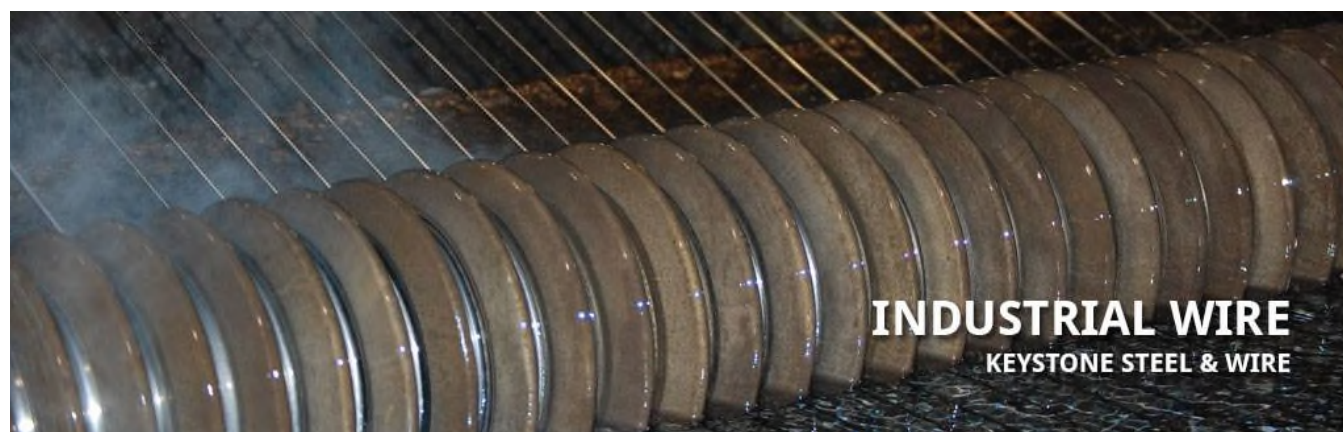
Keystone's Rod Mill facility features a Morgan® No-Twist finishing mill for consistent rod quality. Retarded cooling provides system flexibility to meet a variety of end product specifications. Rods are available for mechanical descaling or chemical cleaning.

[Product Specifications](#) | [Schedule](#) | Contact Steve Ashby at ashbyst@keystonesteel.com or 309.697.7416



Keystone rebar products are produced with the same quality and consistency you've come to expect in Keystone steel. Our integrated : allows us continuous control from beginning to end, enabling KSW to produce the finest rebar products possible.

[Product Specifications](#) | Contact Steve Ashby at ashbyst@keystonesteel.com or 309.697.7416



With 22 different drawing machines available for customer specifications, Keystone's extensive wire drawing capabilities make KSW a leader in the wire industry, with each product produced in accordance with applicable ASTM standards.

[Product Specifications](#) | Contact Tom Roschek at roschetm@keystonesteel.com or 309.697.7131



The only ag fence completely made in the U.S. from start to finish, Red Brand's use of high-quality materials and expert craftsmanship earned KSW-manufactured Red Brand the reputation of 'the most respected name in farm fence.'

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THE QUALITY OF OUR STEEL PRODUCTS BEGIN WITH THE WORLD'S FINEST STEEL.

Laurel Steel's vision has always been to be North America's major supplier of free-machining steel. It's innovative approach includes three branded products of superior quality: [Cutter's Choice](#), [Cutter's Choice Green](#), [Miner's Choice](#) and [Plater's Choice](#) - each designed and produced for specific industry.

Laurel Steel's financial strength provides tremendous power - reinforcing its capabilities in customer service and anchoring the company's long-term

commitment to leadership.

Its commitment to quality has resulted in several landmark designations. It is the first North American cold-finisher to receive ISO 9002 registration - an international stamp of approval. It is also among the first to earn QS 9000 registration.

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ABOUT LAUREL STEEL NEW PRODUCTS. NEW LEVELS OF QUALITY. NEW EQUIPMENT.

Solidly established as North America's premier supplier of cold-drawn steel, Laurel Steel has earned its reputation through a continuous pursuit of quality.

Founded in 1967, Laurel Steel is a member of the prestigious [Harris Steel Group](#). It has experienced constant growth, including launching its branded products - Cutter's Choice, Cutter's Choice Green, Miner's Choice and Plater's Choice, which are precisely designed to meet the needs of specific industries. The company occupies a 350,000 square foot, state-of-the-art facility on a 22 acre site in Burlington, Ontario, Canada. Its commitment to quality has resulted in several landmark designations. It is the first North American cold-finisher to receive ISO 9002 registration - an international stamp of approval. It is also among the first to earn QS 9000 registration.

First cold finished bar and wire manufacturer in North America to achieve ISO/TS16949 certification. Laurel Steel approved for new quality standard.



Burlington, Ontario, May 19, 2004 – Laurel Steel is the first North American cold-finisher to receive ISO/TS16949 certification, a standard that will be required of all tier one automotive suppliers (those selling directly to Ford, GM and Daimler Chrysler) by 2006. ISO/TS16949 specifies the quality system requirements for the design/development, production, installation and servicing of automotive-related products.

"As a tier two automotive supplier, Laurel Steel was not technically required to become compliant with ISO/TS16949, said Sandro DeSordi, Quality Assurance Manager, Laurel Steel. "But Laurel Steel has always been committed to quality. We were the first North American cold-finisher to receive ISO 9002 registration and among the first to earn QS 9000 registration so it seems fitting that we were first to achieve ISO/TS16949 as well."

ISO/TS16949 is not merely a quality standard but also a business standard. Based on QS-9000, ISO TS16969 includes additional, stricter requirements that satisfy the standards of almost all automobile manufacturers around the world.

"Companies who register for ISO/TS16949 certification go through a rigorous examination of every sector of the company and establish solid performance criteria for each," said Lane Pate, President, Laurel Steel. "Being the first in North America to achieve this certification is a testament to our strong commitment to ongoing employee training, performance tracking and quality measurement."

Ford, GM, Daimler Chrysler, PSA Peugeot-Citroen, Renault, Fiat, BMW, Daimler Benz and Volkswagen all support ISO/TS 16949. Japanese and Korean manufacturers may also recognize ISO/TS16949:2002 as a valid supplier approval mechanism in the future.

QUALITY POLICY STATEMENT

Our Quality Policy is to have the Customer Return, not the Product.

We are committed to meeting our customer's requirements and continually improving our Quality Management System.

The Quality Policy is reviewed each year for continued suitability.

The Quality Policy and the importance of quality to the success of Laurel Steel is communicated to all employees through regular meetings and postings.

Annual improvement objectives are established and monitored and reviewed throughout the year

Roles and responsibilities for quality are clearly defined.



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EXHIBIT 2

Public Version

U.S. Producers' Questionnaire

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

**Table III-9a
Operations on Wire Rod - Total Market Sales**

Aggregation

Quantity (in short tons) and Value (in \$1,000)				
Item	Calendar years			
	2014	2015	2016	
Net Sales Quantities:				
Commercial Sales ("CS")	[]
Internal Consumption ("IC")	[]
Transfers to related firms ("Transfers")	[]
Total net sales quantities	[]
Net Sales Values:				
Commercial Sales	[]
Internal Consumption	[]
Transfers to related firms	[]
Total net sales values	[]
Cost of Goods Sold (COGS):				
Raw materials	[]
Direct labor	[]
Other factory costs	[]
Total COGS	[]
Gross profit or (loss)	[]
Selling General, and administrative (SG&A) expenses:				
Selling expenses	[]
General and administrative expenses	[]
Total SG&A expenses	[]
Operating income or (loss)	[]
Other expenses and income:				
Interest expense	[]
All other expense items	[]
All other income items	[]
All other income or expenses, net	[]
Net income or (loss) before income taxes	[]
Depreciation/amortization included above	[]
Net Cash Flow	[]

As a Percent of Total Net Sales Values				
Cost of Goods Sold	[]
Gross Profit or (loss)	[]
Operating Expenses (SG&A)	[]
Operating Income or (Loss)	[]
Net Income or (Loss)	[]
Net Cash Flow	[]

Income Statement (Dollars per short ton)				
Average Sales Value	[]
Cost of Goods Sold:				
Raw materials	[]
Direct labor	[]
Other factory costs	[]
Total cost of goods sold	[]
Gross profit or (loss)	[]
Selling General, and administrative (SG&A) expenses:				
Selling expenses	[]
General and administrative expenses	[]
Total SG&A expenses	[]
Operating income or (loss)	[]
Other income and expenses:				
Interest expense	[]
All other expense items	[]
All other income items	[]
All other income or expenses, net	[]
Net income or (loss) before income taxes	[]
Depreciation/amortization included above	[]

EXHIBIT 3


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Even with uncertainties looming, healthy gains projected for 2017 building activity

By Kermit Baker, Hon. AIA, January 25, 2017

Consensus		Estimated \$ 2016	Forecast % Change	
			2017	2018
Dodge Data & Analytics	Nonresidential Total	–	5.6	4.9
IHS Economics	Commercial Total	–	8.3	4.4
	Office	–	10.6	4.6
Moody's Economy.com	Retail & Other Commercial	–	6.8	5.3
	Hotel	–	7.2	1.8
FMI	Industrial Total	–	0.4	3.3
ConstructConnect	Institutional Total	–	5.7	5.8
	Health	–	4.9	4.9
Associated Builders and Contractors	Education	–	6.3	6.7
	Religious	–	-1.9	0.6
Wells Fargo Securities, LLC	Public Safety	–	-0.7	4.0
	Amusement & Recreation	–	7.7	4.3

THIS IS A SCREENSHOT FROM THE CONSENSUS CONSTRUCTION FORECAST, DECEMBER 2016. CLICK THE LINK BELOW TO VIEW INDIVIDUAL FORECAST DETAILS.

View the interactive Consensus Construction Forecast >

2016 was a chaotic year for nonresidential building activity. For most serving this market, it turned out to be a successful year—construction spending in this sector rose almost 8 percent, according to current estimates—even as challenges to the industry were continually emerging. Construction labor remains a major concern. Virtually every segment of the design and construction market is reporting that recruiting and retaining qualified staff is a growing issue. Many workers left the industry during the downturn, and others left the workforce entirely. Rebuilding a competent and productive workforce is a challenge, particularly when the national unemployment rate is below 5 percent.

The decade-long decline in interest rates is coming to an end. Long-term rates have been edging up in recent months, and the Federal Reserve Board's hike in short-term interest rates in December is likely to be matched by another two to three increases this year. Many feel that this current economic cycle is well past its prime, so a recession watch remains. While the imminent threat of a national economic recession seems modest, most analysts have it in the back of their minds and each new economic threat will be viewed in this context.

However, entering 2017, the industry is looking forward to another couple of years of healthy growth. The economy in general is doing well, with healthy job growth, rising wages, low interest rates, and very strong levels of business and consumer confidence. Construction levels surprised many on the upside this past year, particularly for most commercial categories. According to current estimates, spending on offices increased more than 20 percent in 2016, hotel spending was up about 25 percent, and even retail and other commercial facilities saw growth of about 10 percent. Industrial construction was weak, as expected. Institutional project activity was somewhat disappointing, particularly for healthcare facilities.

For the coming year, the AIA Consensus Forecast panelists are projecting growth in overall nonresidential building spending of almost 6 percent, virtually identical to their projection from mid-year 2016. Commercial

construction activity is expected to increase in excess of 8 percent this year, which is slightly above the projection from mid-2016. Industrial construction looks to remain essentially flat at 2016 levels, below the growth expected as of the last forecast. Institutional construction is projected to grow at an almost 6 percent pace, largely unchanged from **last summer's consensus**.

The Consensus Forecast panel sees the construction cycle continuing to ease moving into 2018. Overall building spending should increase by about 5 percent that year, with the commercial and industrial sectors growing at a slower rate than the overall building sector. Institutional building activity will pick up some of the slack, growing nearly 6 percent. Educational facilities are expected to see healthy gains, and even healthcare spending is projected to be fairly strong.

How the new administration's potential policies may impact construction

The general uncertainty surrounding the construction outlook has been heightened by new policy directions being proposed by the Trump administration. Many of these policy discussions are not yet sufficiently developed to project specific implications, but there is a long list of issue areas that may have an impact.

- **Infrastructure investment:** The infrastructure investment proposal is the one area under discussion that has the greatest direct impact on the construction industry. With national construction spending currently running at about a \$1.2 trillion a year pace, this proposal to increase spending by up to \$1 trillion over the coming decade would have a dramatic impact on the industry. In all likelihood, buildings would not be much a focus for most of these projects. However, the additional demand for labor and materials would put pressure on an already stressed industry.
- **Repeal and replace Obamacare:** Healthcare accounts for about 10 percent of building spending nationally, so major changes to the healthcare system, or even uncertainty surrounding the possibility of major changes, could have significant impacts on building construction levels.

- **Roll back governmental regulations:** A widely cited study by the National Association of Home Builders concludes that, on average, regulations imposed by government at all levels account for 25 percent of the final price of a new single-family home built for sale. While the federal government has limited ability to influence state and local regulations, initiatives to reduce government's involvement in the private sector construction process would likely streamline the design and construction process.
- **Tax reform:** Trump administration proposals for simplifying and potentially reducing tax burdens are likely to have disproportionate benefits to the corporate sector and upper-income individuals. This would likely increase the availability of capital for investment, thereby increasing commercial and industrial construction, at least in the short term.
- **Trade:** Restricting trade would likely increase prices of imported construction products. For construction product manufacturers, those relying on exports could see reduced demand, as our trading partners may decide to match any US restrictions on their goods. Those with import competition might see increased demand, as tariffs or restrictions likely would raise prices on these imported goods.
- **Immigration:** Construction is one of the US industries that is most reliant on immigration for its workforce. Limiting immigration could exacerbate an already serious labor problem in the industry.
- **Financial deregulation:** Rolling back Dodd-Frank provisions would increase the availability capital for mortgage, real estate, and construction loans. Privatizing government-sponsored enterprises like Fannie Mae and Freddie Mac could reduce lending to the residential sector.
- **Energy policy:** Efforts to make the US energy independent would unleash programs to boost fossil-fuel production. Incentives to encourage the development of renewable energy sources and promote sustainable design and construction would likely be significantly reduced with these programs.

While few of the proposals around these ideas directly affect construction, most have at least some potential impact on the industry. Some would generate more construction activity, and others less. Monitoring progress along these agenda items will help to assess how construction will fare in the coming years.

Encouraging outlook for construction

The prospects for the construction sector for this year and next remain quite positive. Even with all the challenges facing the industry, the expectations are that construction spending will outperform the broader economy this year and next. The AIA's [Architecture Billings Index \(ABI\)](#), an accurate indicator of construction activity that leads spending in the nonresidential sector by nine to 12 months, moved up sharply in December. Firms with a commercial/industrial, as well as those with an institutional specialization reported the strongest growth of the year in December, once seasonal adjustments are applied. New design work is coming into architectural firms at a healthy pace, and firm backlogs are at sound levels, so the industry has a lot of momentum heading into 2017.

Still, it is clear that the industry is on the down side of this construction cycle, meaning the growth rates will slow in the coming quarters. The commercial sector is typically the first building sector to see a slowdown, and that is expected to be the case again this time, with growth in construction spending on commercial buildings projected to fall from about 17 percent last year to 8 percent this year to just over 4 percent in 2018. Institutional construction will offset some of this slower growth, with spending growth of about 4.5 percent last year rising to around 6 percent this year and next. However, being this late in the cycle, the industry is more vulnerable to external disruptions, and the list of possibilities in this category is very long at present.

Kermit Baker, Hon. AIA, is the AIA's Chief Economist and part of the AIA Economics and Market Research Group, which provides AIA members with insights and analysis of the economic factors that shape the business of architecture.

[View the interactive Consensus Construction Forecast >](#)



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EXHIBIT 4

**This Exhibit Is Not Susceptible to Public
Summarization**

EXHIBIT 5

Public Version

Carbon and Certain Alloy Steel Wire Rod ("Wire Rod") from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, the United Arab Emirates, Ukraine, and the United Kingdom
Calculation of Apparent U.S. Consumption and Market Shares
Annual 2014-2016
(Quantity in short tons)

Calculation of Apparent U.S. Consumption (Total Market)
Based on U.S. Producers' Questionnaire Data and U.S. Census Bureau Import Statistics

	2014	2015	2016	Percent Change 2014-2016	Percent Change 2015-2016
U.S. Producers' U.S. Shipments:	[]
Imports from Belarus:	-	9,059	35,381	--	290.6%
Imports from Italy:	346	246	33,163	9472.6%	13373.4%
Imports from Korea:	109,026	128,862	101,968	-6.5%	-20.9%
Imports from Russia:	12,329	6,857	103,322	738.0%	1406.8%
Imports from South Africa:	-	45,451	22,049	--	-51.5%
Imports from Spain:	31,778	79,976	78,665	147.5%	-1.6%
Imports from Turkey:	210,096	259,183	98,497	-53.1%	-62.0%
Imports from the UAE:	28	17,673	22,159	78897.0%	25.4%
Imports from Ukraine:	14,625	79,053	161,451	1003.9%	104.2%
Imports from the UK:	71,379	45,507	51,622	-27.7%	13.4%
Subtotal, Subject Imports	449,609	671,866	708,277	57.5%	5.4%
Imports from Canada:	524,324	561,752	552,362	5.3%	-1.7%
Imports from China:	374,785	1,672	44	-100.0%	-97.3%
Imports from other Non-Subject Countries:	451,590	553,789	518,473	14.8%	-6.4%
Subtotal, Nonsubject Imports	1,350,698	1,117,214	1,070,880	-20.7%	-4.1%
Total Imports including Subject Imports	1,800,307	1,789,080	1,779,156	-1.2%	-0.6%
Total, Apparent U.S. Consumption	[]

Public Version

Carbon and Certain Alloy Steel Wire Rod ("Wire Rod") from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, the United Arab Emirates, Ukraine, and the United Kingdom
Calculation of Apparent U.S. Consumption and Market Shares
Annual 2014-2016
(Quantity in short tons)

Calculation of Market Shares (In Percent)

	2014	2015	2016	Percentage Point Change 2014-2016	Percentage Point Change 2015-2016
U.S. Producers' U.S. Shipments:	[]
Imports from Belarus:	[]
Imports from Italy:	[]
Imports from Korea:	[]
Imports from Russia:	[]
Imports from South Africa:	[]
Imports from Spain:	[]
Imports from Turkey:	[]
Imports from the UAE:	[]
Imports from Ukraine:	[]
Imports from the UK:	[]
Subtotal, Subject Imports	[]
Imports from Canada:	[]
Imports from China:	[]
Imports from other Non-Subject Countries:	[]
Subtotal, Nonsubject Imports	[]
Total Imports including Subject Imports	[]
Total, Apparent U.S. Consumption		100.0%	100.0%	100.0%	100.0%

U.S. Shipments includes U.S. commercial shipments, internal consumption, and transfers.
Sources: U.S. Producers' Questionnaires at II-7; U.S. Census Bureau Official Import Statistics for HTS Codes 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.

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

Quantity in ST, Landed Duty-Paid Value in \$, AUV in \$/ST

Country	2014			2015			2016		
	Quantity	Value	AUV	Quantity	Value	AUV	Quantity	Value	AUV
Belarus			--	9,059	3,131,385	\$ 346	35,381	11,582,981	\$ 327
Italy	346	543,384	\$ 1,569	246	291,229	\$ 1,183	33,163	12,696,752	\$ 383
Korea, South	109,026	69,377,074	\$ 636	128,862	67,290,064	\$ 522	101,968	51,871,920	\$ 509
Russia	12,329	7,552,393	\$ 613	6,857	2,230,073	\$ 325	103,322	35,214,811	\$ 341
South Africa	-		--	45,451	18,829,709	\$ 414	22,049	8,000,340	\$ 363
Spain	31,778	22,392,251	\$ 705	79,976	52,357,508	\$ 655	78,665	47,006,729	\$ 598
Turkey	210,096	124,577,094	\$ 593	259,183	126,483,153	\$ 488	98,497	44,005,025	\$ 447
United Arab Emirates	28	17,768	\$ 633	17,673	6,952,054	\$ 393	22,159	7,630,838	\$ 344
Ukraine	14,625	8,683,728	\$ 594	79,053	35,022,488	\$ 443	161,451	59,506,596	\$ 369
United Kingdom	71,379	46,428,190	\$ 650	45,507	24,795,082	\$ 545	51,622	24,329,412	\$ 471
Subtotal, Subject	449,609	279,571,882	\$ 622	671,866	337,382,745	\$ 502	708,277	301,845,404	\$ 426
Canada	524,324	405,564,491	\$ 774	561,752	358,636,895	\$ 638	552,362	326,184,596	\$ 591
Japan	198,802	179,207,806	\$ 901	265,401	234,712,444	\$ 884	254,372	232,062,393	\$ 912
China	374,785	196,660,904	\$ 525	1,672	887,092	\$ 530	44	39,820	\$ 896
Brazil	103,483	66,020,100	\$ 638	128,799	72,575,986	\$ 563	143,841	71,177,815	\$ 495
Mexico	29,050	18,196,825	\$ 626	42,731	18,184,446	\$ 426	59,307	21,524,898	\$ 363
All Other	120,254	101,156,901	\$ 841	116,858	94,775,530	\$ 811	60,953	52,150,158	\$ 856
Total, All Imports	1,800,307	1,246,378,909	\$ 692	1,789,080	1,117,155,138	\$ 624	1,779,156	1,004,985,084	\$ 565

Source: U.S. Census Bureau Official Import Statistics for HTS Codes 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.

EXHIBIT 6

**This Exhibit Is Not Susceptible to Public
Summarization**

EXHIBIT 7

Carbon and Certain Alloy Steel Wire Rod form
Belarus, Italy, Korea, Russia, South Africa, Spain,
Turkey, Ukraine, and the United Kingdom; Inv.
Nos. 701-TA-573-574 & 731-TA-1349-1358
(Preliminary)

Turkish Exporters' & Producers' Presentation

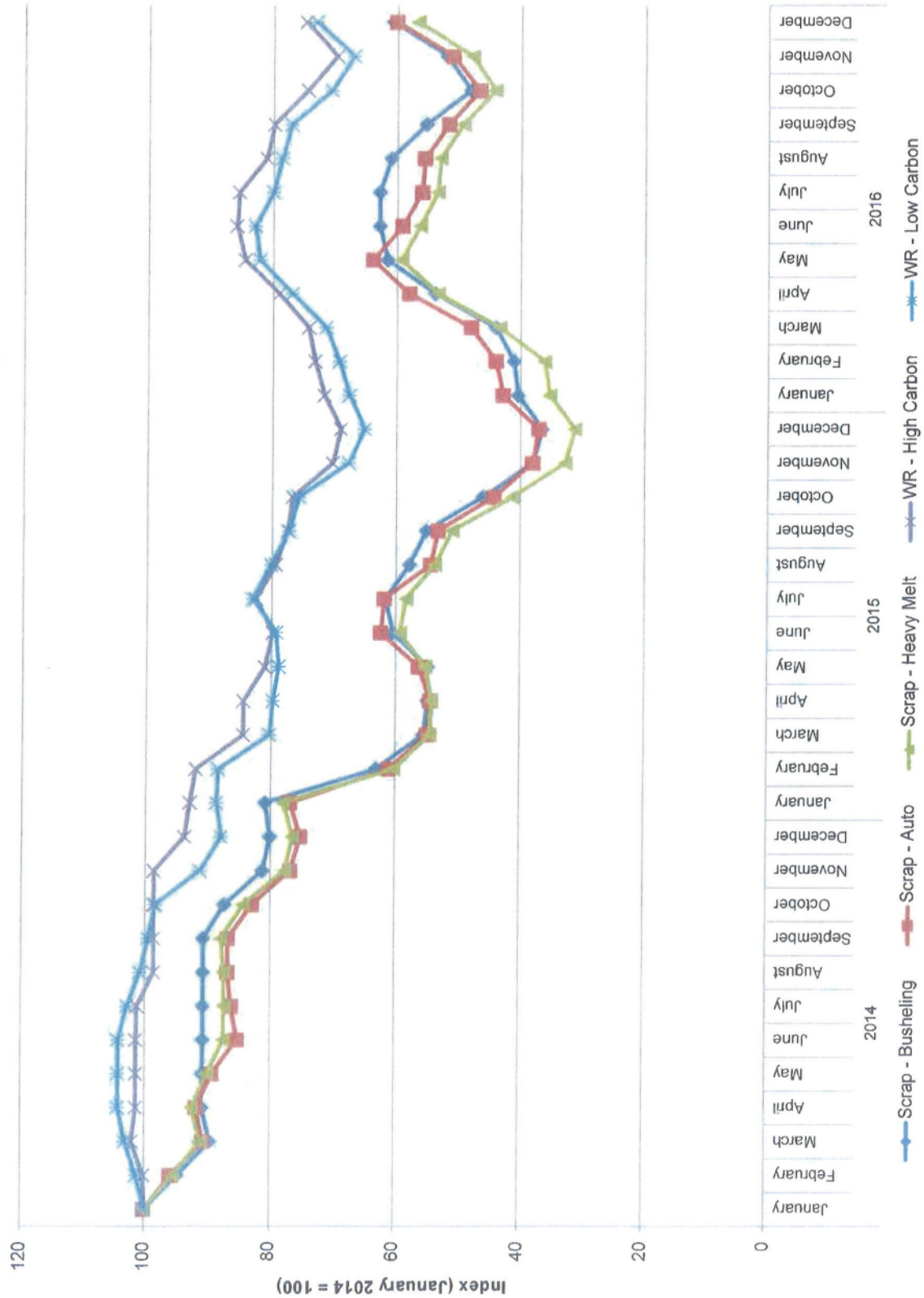
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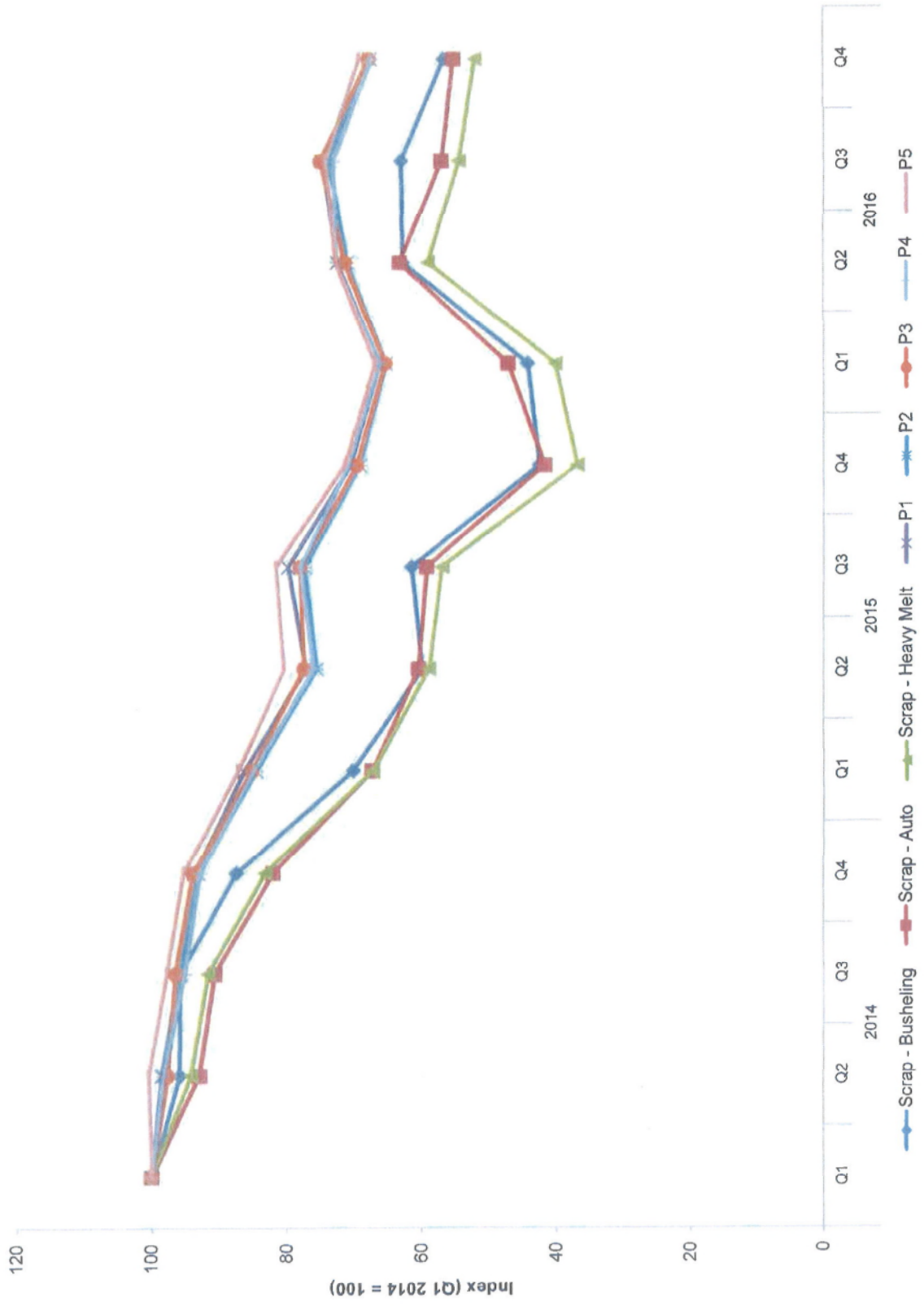
Matthew Nolan, Arent Fox LLP

April 18, 2017

Indexed Scrap Prices and Wire Rod Prices, Monthly 2014-2016

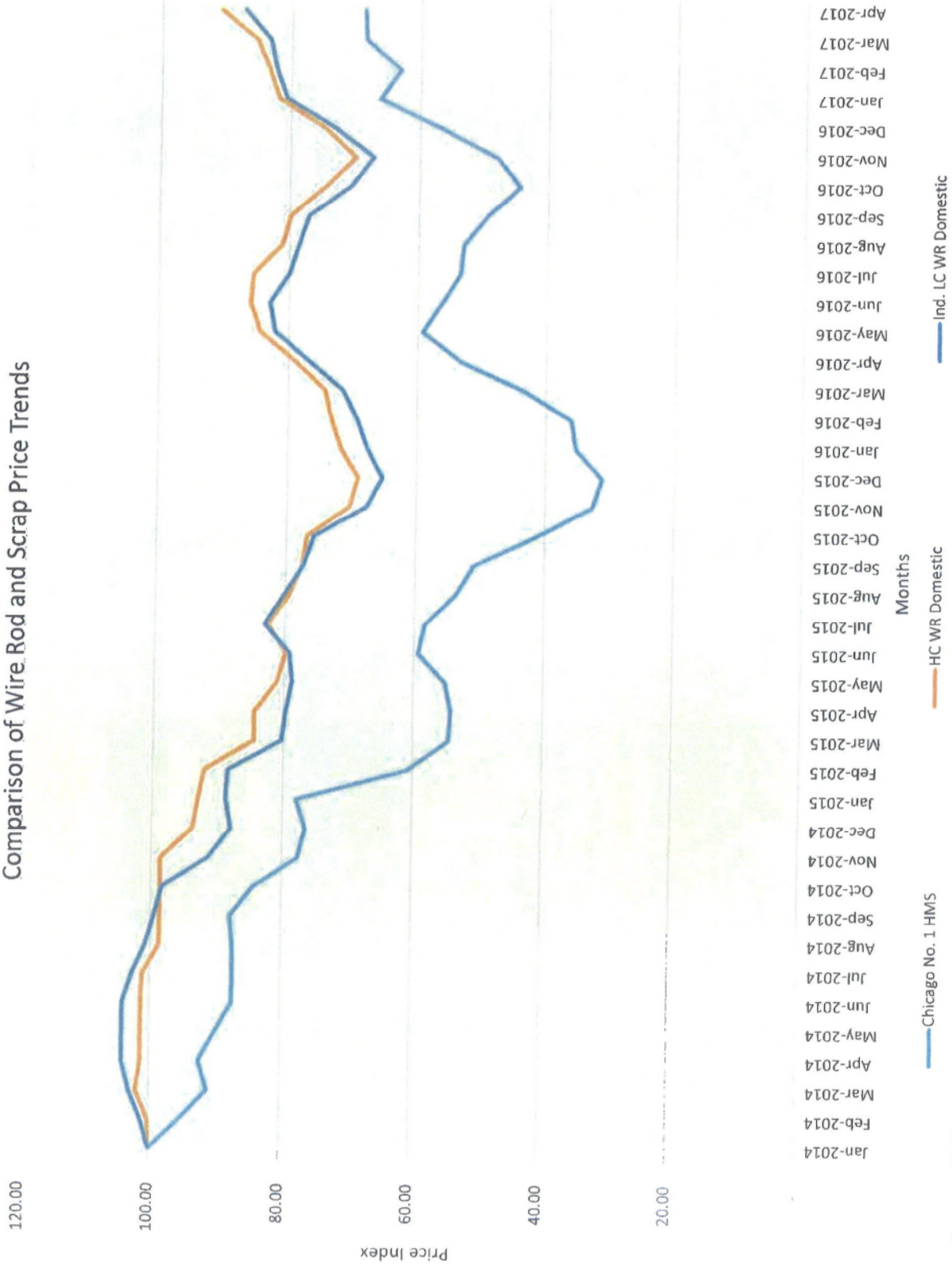


Indexed Scrap Prices and U.S. Producers' Price Data, Quarterly 2014-2016



Source: American Metal Market and U.S. Producers' Questionnaires at IV-2.

Comparison of Wire Rod and Scrap Price Trends



Source: AMM scrap and wire rod pricing data

EXHIBIT 8

**This Exhibit Is Not Susceptible to Public
Summarization**

EXHIBIT 9

U.S. Producers' Questionnaire
Carbon and Certain Alloy Steel Wire Rod ("Wire Rod") from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, the United Arab Emirates, Ukraine, and the United Kingdom

Table III-9b
Operations on Wire Rod - Open Market Sales

Aggregation

Quantity (in short tons) and Value (in \$1,000)				
Item		Calendar years		
		2014	2015	2016
Net Sales Quantities:				
Commercial sales quantities from III-9a	[]
Net Sales Values:				
Commercial sales values from III-9a	[]
Cost of Goods Sold (COGS):				
Raw materials	[]
Direct labor	[]
Other factory costs	[]
Total COGS	[]
Gross profit or (loss)	[]
Selling General, and administrative (SG&A) expenses:				
Selling expenses	[]
General and administrative expenses	[]
Total SG&A expenses	[]
Operating income or (loss)	[]
Other expenses and income:				
Interest expense	[]
All other expense items	[]
All other income items	[]
All other income or expenses, net	[]
Net income or (loss) before income taxes	[]
Depreciation/amortization included above	[]
Net Cash Flow	[]

As a Percent of Open Market Sales Values				
Cost of Goods Sold	[]
Gross Profit or (loss)	[]
Operating Expenses (SG&A)	[]
Operating Income or (Loss)	[]
Net Income or (Loss)	[]
Net Cash Flow	[]

Income Statement (Dollars per short ton)				
Average Sales Value	[]
Cost of Goods Sold:				
Raw materials	[]
Direct labor	[]
Other factory costs	[]
Total cost of goods sold	[]
Gross profit or (loss)	[]
Selling General, and administrative (SG&A) expenses:				
Selling expenses	[]
General and administrative expenses	[]
Total SG&A expenses	[]
Operating income or (loss)	[]
Other income and expenses:				
Interest expense	[]
All other expense items	[]
All other income items	[]
All other income or expenses, net	[]
Net income or (loss) before income taxes	[]
Depreciation/amortization included above	[]

U.S. Producers' Questionnaire
Carbon and Certain Alloy Steel Wire Rod ("Wire Rod") from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, the United Arab Emirates, Ukraine, and the United Kingdom

Table III-9b
Operations on Wire Rod - Open Market Sales

[Charter Steel]

Quantity (in short tons) and Value (in \$1,000)				
Item		Calendar years		
		2014	2015	2016
Net Sales Quantities:				
Commercial sales quantities from III-9a	[]			
Net Sales Values:				
Commercial sales values from III-9a	[]			
Cost of Goods Sold (COGS):				
Raw materials	[]			
Direct labor	[]			
Other factory costs	[]			
Total COGS	[]			
Gross profit or (loss)	[]			
Selling General, and administrative (SG&A) expenses:				
Selling expenses	[]			
General and administrative expenses	[]			
Total SG&A expenses	[]			
Operating income or (loss)	[]			
Other income and expenses:				
Interest expense	[]			
All other expense items	[]			
All other income items	[]			
All other income or expenses, net	[]			
Net income or (loss) before income taxes	[]			
Depreciation/amortization included above	[]			
Net Cash Flow	[]			

As a Percent of Open Market Sales Values		
Cost of Goods Sold	[]	
Gross Profit or (loss)	[]	
Operating Expenses (SG&A)	[]	
Operating Income or (Loss)	[]	
Net Income or (Loss)	[]	
Net Cash Flow	[]	

Income Statement (Dollars per short ton)		
Average Sales Value	[]	
Cost of Goods Sold:		
Raw materials	[]	
Direct labor	[]	
Other factory costs	[]	
Total cost of goods sold	[]	
Gross profit or (loss)	[]	
Selling General, and administrative (SG&A) expenses:		
Selling expenses	[]	
General and administrative expenses	[]	
Total SG&A expenses	[]	
Operating income or (loss)	[]	
Other income and expenses:		
Interest expense	[]	
All other expense items	[]	
All other income items	[]	
All other income or expenses, net	[]	
Net income or (loss) before income taxes	[]	
Depreciation/amortization included above	[]	

U.S. Producers' Questionnaire
Carbon and Certain Alloy Steel Wire Rod ("Wire Rod") from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, the United Arab Emirates, Ukraine, and the United Kingdom

Table III-9b
Operations on Wire Rod - Open Market Sales

Gerdau Ameristeel US Inc.

Quantity (in short tons) and Value (in \$1,000)				
Item		Calendar years		
		2014	2015	2016
Net Sales Quantities:				
Commercial sales quantities from III-9a	[]			
Net Sales Values:				
Commercial sales values from III-9a	[]			
Cost of Goods Sold (COGS):				
Raw materials	[]			
Direct labor	[]			
Other factory costs	[]			
Total COGS	[]			
Gross profit or (loss)	[]			
Selling General, and administrative (SG&A) expenses:				
Selling expenses	[]			
General and administrative expenses	[]			
Total SG&A expenses	[]			
Operating income or (loss)	[]			
Other income and expenses:				
Interest expense	[]			
All other expense items	[]			
All other income items	[]			
All other income or expenses, net	[]			
Net income or (loss) before income taxes	[]			
Depreciation/amortization included above	[]			
Net Cash Flow	[]			

As a Percent of Open Market Sales Values		
Cost of Goods Sold	[]	
Gross Profit or (loss)	[]	
Operating Expenses (SG&A)	[]	
Operating Income or (Loss)	[]	
Net Income or (Loss)	[]	
Net Cash Flow	[]	

Income Statement (Dollars per short ton)		
Average Sales Value	[]	
Cost of Goods Sold:		
Raw materials	[]	
Direct labor	[]	
Other factory costs	[]	
Total cost of goods sold	[]	
Gross profit or (loss)	[]	
Selling General, and administrative (SG&A) expenses:		
Selling expenses	[]	
General and administrative expenses	[]	
Total SG&A expenses	[]	
Operating income or (loss)	[]	
Other income and expenses:		
Interest expense	[]	
All other expense items	[]	
All other income items	[]	
All other income or expenses, net	[]	
Net income or (loss) before income taxes	[]	
Depreciation/amortization included above	[]	

U.S. Producers' Questionnaire
Carbon and Certain Alloy Steel Wire Rod ("Wire Rod") from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, the United Arab Emirates, Ukraine, and the United Kingdom

Table III-9b
Operations on Wire Rod - Open Market Sales

[**Keystone Consolidated Industries, Inc.**]

Quantity (in short tons) and Value (in \$1,000)				
Item		Calendar years		
		2014	2015	2016
Net Sales Quantities:				
Commercial sales quantities from III-9a	[]			
Net Sales Values:				
Commercial sales values from III-9a	[]			
Cost of Goods Sold (COGS):				
Raw materials	[]			
Direct labor	[]			
Other factory costs	[]			
Total COGS	[]			
Gross profit or (loss)	[]			
Selling General, and administrative (SG&A) expenses:				
Selling expenses	[]			
General and administrative expenses	[]			
Total SG&A expenses	[]			
Operating income or (loss)	[]			
Other income and expenses:				
Interest expense	[]			
All other expense items	[]			
All other income items	[]			
All other income or expenses, net	[]			
Net income or (loss) before income taxes	[]			
Depreciation/amortization included above	[]			
Net Cash Flow	[]			

As a Percent of Open Market Sales Values		
Cost of Goods Sold	[]	
Gross Profit or (loss)	[]	
Operating Expenses (SG&A)	[]	
Operating Income or (Loss)	[]	
Net Income or (Loss)	[]	
Net Cash Flow	[]	

Income Statement (Dollars per short ton)		
Average Sales Value	[]	
Cost of Goods Sold:		
Raw materials	[]	
Direct labor	[]	
Other factory costs	[]	
Total cost of goods sold	[]	
Gross profit or (loss)	[]	
Selling General, and administrative (SG&A) expenses:		
Selling expenses	[]	
General and administrative expenses	[]	
Total SG&A expenses	[]	
Operating income or (loss)	[]	
Other income and expenses:		
Interest expense	[]	
All other expense items	[]	
All other income items	[]	
All other income or expenses, net	[]	
Net income or (loss) before income taxes	[]	
Depreciation/amortization included above	[]	

U.S. Producers' Questionnaire
Carbon and Certain Alloy Steel Wire Rod ("Wire Rod") from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, the United Arab Emirates, Ukraine, and the United Kingdom

Table III-9b
Operations on Wire Rod - Open Market Sales

[**Nucor Corporation**]

Quantity (in short tons) and Value (in \$1,000)				
Item		Calendar years		
		2014	2015	2016
Net Sales Quantities:				
Commercial sales quantities from III-9a	[]
Net Sales Values:				
Commercial sales values from III-9a	[]
Cost of Goods Sold (COGS):				
Raw materials	[]
Direct labor	[]
Other factory costs	[]
Total COGS	[]
Gross profit or (loss)	[]
Selling General, and administrative (SG&A) expenses:				
Selling expenses	[]
General and administrative expenses	[]
Total SG&A expenses	[]
Operating income or (loss)	[]
Other income and expenses:				
Interest expense	[]
All other expense items	[]
All other income items	[]
All other income or expenses, net	[]
Net income or (loss) before income taxes	[]
Depreciation/amortization included above	[]
Net Cash Flow	[]

As a Percent of Open Market Sales Values		
Cost of Goods Sold	[]
Gross Profit or (loss)	[]
Operating Expenses (SG&A)	[]
Operating Income or (Loss)	[]
Net Income or (Loss)	[]
Net Cash Flow	[]

Income Statement (Dollars per short ton)		
Average Sales Value	[]
Cost of Goods Sold:		
Raw materials	[]
Direct labor	[]
Other factory costs	[]
Total cost of goods sold	[]
Gross profit or (loss)	[]
Selling General, and administrative (SG&A) expenses:		
Selling expenses	[]
General and administrative expenses	[]
Total SG&A expenses	[]
Operating income or (loss)	[]
Other income and expenses:		
Interest expense	[]
All other expense items	[]
All other income items	[]
All other income or expenses, net	[]
Net income or (loss) before income taxes	[]
Depreciation/amortization included above	[]

EXHIBIT 10

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

Underselling Analysis

Summary Statistics
Per Table DP IV-2 & IM III-2

	Underselling				Overselling			
Source	# of Instances	Low Range (percent)	High Range (percent)	Avg Margin (percent)	# of Instances	Low Range (percent)	High Range (percent)	Avg Margin (percent)
Belarus	[]
Italy	[]
Korea	[]
Russia	[]
South Africa	[]
Spain	[]
Turkey	[]
UAE	[]
Ukraine	[]
UK	[]
Total Subject Imports	[]
Canada	[]
Total Imports	[]

EXHIBIT 11

Foreign Producers'/Exporters' Questionnaire
Carbon and Certain Alloy Steel Wire Rod ("Wire Rod") from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, the United Arab Emirates, Ukraine, and the United Kingdom

Table II-10
Trade Data
TURKEY

Aggregation

Quantity (<i>in short tons</i>)						
Item		Actual Experience			Projections	
		Calendar year			Calendar year	
		2014	2015	2016	2017	2018
Average production capacity	[]
Beginning-of-period inventories	[]
Production	[]
Home market shipments:						
Internal consumption/transfers	[]
Commercial shipments	[]
Exports to the United States	[]
Exports to all other markets	[]
Total exports	[]
Total shipments	[]
End-of-period inventories	[]
Capacity Utilization Rate (%)	[]

EXHIBIT 12

**This Exhibit Is Not Susceptible to Public
Summarization**

EXHIBIT 13

Egypt



2016 | 2017 Discovering Business



UK Trade
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Bold reforms aim to build a new Egypt

A radical overhaul of the country's economy aims to prioritise removing obstacles to investment and to stimulate the private sector, which is seen by the Government as the key to modernising Egypt's economy.

The strategy envisages that many large scale infrastructure schemes and industrial and manufacturing projects will now take shape after years of uncertainty. In particular, there are expectations that major changes to the 1997 Investment Law, will stimulate much more domestic and foreign investor interest to launch long planned projects.

The infrastructure sector especially, is about to experience a period of sustained growth in areas such as wastewater and desalination projects. These urgently needed improvements are being backed by World Bank loans totalling US\$1.1 billion as part of the Government's programme to improve sewage treatment services along heavily populated areas, including the Rosetta branch of the Nile River.

Egypt has shown that it can manage mega scale projects effectively with its completion of the US\$8.2 billion Suez Canal expansion in 2015, on time and on budget. The project has involved work in deepening and widening channels to allow much larger vessels to transit and also create a two lane system permitting ships to proceed simultaneously in both directions.

The return on investment is likely to be substantial. Extra traffic accommodated by the expansion is expected to see a doubling of Egypt's hard currency revenues from operation of the Canal. These revenues totalled US\$5.5 million alone in 2014.

Egypt's mega project list is extensive. Proposed work includes two new underground railway lines in Cairo costing US\$4.8 billion. These are expected to be progressed on a PPP basis. In March 2015, a US\$20 billion urban development for 6th of October City, covering 46km² to include housing, utilities, retail projects and hotels was announced.

A series of developments valued at more than US\$13 billion around Cairo International Airport are also planned. These involve establishing a Free Trade Zone, exhibition centre, housing schemes, in addition to logistics and cargo businesses, retail and recreational projects.

The most eye catching national development project is an entirely new capital city to be built east of Cairo. The new capital is designed to be developed over 700km² and accommodate five million people. An airport is also planned to serve the new community. The project could involve an estimated initial investment of up to US\$45 billion in providing housing, utilities, schools, hospitals, businesses and government offices.



Despite the huge development costs, the Government is pushing ahead with considerable foreign investor interest coming from the Middle East, and has been discussing the proposal with leading Gulf real estate developers including Abu Dhabi's Eagle Hills and Dubai's Emaar.

In terms of developing Egypt's economy, the pivotal project is the giant Suez Canal Economic Zone. This is designed to utilise one of the country's most iconic revenue earning assets, to create a huge new industrial and manufacturing area linked to the Canal and its ports.

A masterplan calls for extensive new industrial estates to be built around the cities of Ismailia, Port Said and Ain Sokhna. These will accommodate companies involved in shipping, logistics, energy services and ICT activities. Officials predict that up to one million jobs could be provided by 2030. It is an expansion which the country urgently needs to combat unemployment.

The overall concept is enormous and aims for US\$20 billion of investment in industrial development. Another US\$15 billion is expected to be needed for new infrastructure including 6,000MW of power plants, wastewater and desalination facilities, a freight railway, roads and tunnels for both roads and rail under the Suez Canal.

A similar scale of expenditure is going to be required to expand and modernise the ports which will serve the new industries. These include East Port Said and West Port Said with the former due to be developed into an international container and trans-shipment hub. Ports at Al-Arish, Ain Sokhna, Adabiya and El-Tor are also due to receive major enhancements.



The most eye catching national development project is an entirely new capital city to be built east of Cairo. The new capital is designed to be developed over 700km² and accommodate five million people.



The masterplan identifies Ismailia as the site for the Economic Zone's administrative centre and also as a technology investment zone for firms serving the sector, as well as renewable energy projects. The technology area is due to be created on the east bank of the Canal and linked to the city by a new road tunnel.

Additional parts of the Economic Zone at Qantara are planned to concentrate on agribusiness, food processing industries and textiles. There will be a concentration on heavy industry at Ain Sokhna including oil refining and petrochemicals production.

The Suez Canal Economic Zone is expected to have extensive transport links with other development projects including the planned new capital and also to the Golden Triangle project. The latter envisages

development of a 6,000km² region between the Red Sea ports of Safaga and Qusair and the city of Qena in the Nile Valley. The latter's focus, is the processing of phosphates and other minerals in addition to agricultural products.

A multitude of opportunities are opening up for investors as Egypt readies its economy to provide much more additional value to its commodities and encourage manufacturing enterprises which will save on imports and also gain export markets in the region and beyond.

The General Authority of the Economic Zone for the Suez Canal (GAESC) was established by the Government in August 2015, to make the process of investment far easier. The Chairman is Ahmed Darwish, who was formerly Minister of State for Administrative Development.

His task is to ensure that the Zone effectively acts as a one-stop-shop and deals with potential investors directly without them being redirected to a multitude of government departments and agencies.

The Industrial Development Authority, which is currently responsible for allocating state controlled land to project developers, is among the agencies represented in the new GAESC administration. Obtaining land to establish enterprises has been a complex task in the past.

The industrial sector is likely to be the main beneficiary of changes to land allocation that will streamline procedures. Incentives are also being offered to investors in remoter areas of the country with lower purchase prices or lease terms for land in addition to low energy prices. Government sponsored vocational training programmes for workers in such areas will also be provided.

In addition to tax concessions, the Government is offering help to set up labour intensive projects or investments in specific sectors including energy, agriculture and transport. Among the guarantees is one which shields executives of companies from prosecutions for legal infringements carried out by employees.

As Egypt's investment environment becomes more attractive, it is also seeing a revival of PPP projects, which though not new, their development has been muted until recently. However, they are now seen as a way to accelerate long dormant projects with the energy sector, water supply and highway development, among a range of areas in which the PPP formula is likely to play a bigger role.

The Ministry of Finance's PPP Unit is set to put three desalination projects out to tender on behalf of Egypt's National Authority for Potable Water & Sewage.

One scheme calls for a plant to be built on the north coast, to serve Alexandria which will be able to process up to 100,000m³ per day. The other two plants are set to be developed at Hurgada and El-Tor City,

to process 40,000m³ and 20,000m³ per day of water respectively. The PPP Unit's Director, Atter Hannoura, has said another three desalination projects are also being prepared for tender.

The International Finance Corporation, European Bank for Reconstruction and Development and European Investment Bank, are expected to back projects adopting the PPP model, which is extending beyond traditional infrastructure and utility developments.

In November 2015, The Ministry of Finance was preparing to invite bids on a PPP basis for a project to build a technology park to accommodate an extensive complex of call centres and business outsourcing centres, potentially involving the construction of up to 65 buildings in Southwest Cairo's Maadi District.

Other PPP ventures include an overhaul and automation of the Government's commercial and real estate registries, as well as setting up a river transport passenger service on the Nile to serve those living in Cairo and its suburbs. At present the only commercial vessels carrying people are cruise ships.

Egypt's expansive economic strategy enjoys the backing of international institutions and powerful regional and world economies. At the 2015 Investment Summit held at Sharm el-Sheikh, Saudi Arabia, Kuwait, the UAE and Oman pledged combined contributions of US\$12.5 billion.

In January 2016, China signed 21 deals in Cairo which could see Chinese enterprises significantly improve investments. In addition to financial support for the banking system, the agreements cover several infrastructure projects from power generation to the initial phase of the planned new capital project.

One of the most vital aspects of the new strategy is the Government's determination to press ahead with the reforms necessary to modernise Egypt and make the country a regional economic force. ■

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and skilled labor

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Wages & Salaries



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Egypt-EU, Egypt-EFTA,
Agadir, GAFTA, QIZ,
COMESA, Egypt-Turkey



Egypt in position to become manufacturing hub

Egypt's role as an international trading route via the Suez Canal and its leading position in the region's tourism industry, together with remittances from Egyptians working abroad, comprise vital hard currency revenue sources for the country. The focus on these sectors overlooks the fact that Egypt's economy is far more diversified with a wide ranging industrial base now poised for expansion.

Manufacturing in particular has the potential to become a powerful engine of sustainable economic growth for Egypt, generating employment, providing import substitution and producing exports.

In view of this, the Government is targeting an average annual growth rate for manufacturing of 9%, with the aim of increasing the sector's share of GDP to 25% by 2020, and in the process also creating up to three million new jobs.

Egypt has the ability to produce much more of the items the country buys from abroad. This drawing in of foreign goods has contributed to a long running budget deficit problem and it has become an urgent necessity to save on import costs.

The production of petrochemicals is one area where new investments are due to make a big difference. Currently, imported plastics account for an estimated 70% of domestic consumption.

The Government's National Petrochemicals Plan aims to boost output and double ethylene capacity in Egyptian plants, an effort that is designed to expand production of both plastics and fibres and turn the country into a regional petrochemicals producing hub.

A new production complex for Egyptian Ethylene & Derivatives Company (ETHYDCO), was nearing its commissioning stage at the end of 2015. The US\$1.9 billion project is designed to have an annual output of 460,000 tonnes of ethylene, 400,000 tonnes of polyethylene and 20,000 tonnes of butadiene.

India's Chennai based Sanmar Group, which operates a petrochemicals plant in Port Said has announced that it will increase its existing US\$1.1 billion investment there by US\$350 million to set up a second polyvinyl chloride production line.

The biggest catalyst for the sector's development is set to be the Tahrir Petrochemicals complex due to be constructed by Carbon Holdings, a privately owned Egyptian company, at Ain Sokhna located in the Suez Economic Development Zone.

The US\$7.4 billion project will develop the largest petrochemicals plant in the country and feature the largest naphtha cracker plant in the world. The complex will produce a range of products for the domestic



Egypt is home to the only fully integrated textiles industry in the Middle East, with the entire production process from cultivation of cotton to finished garments carried out domestically.



market and export propylene, polypropylene, hexane, butadiene, benzene and styrene.

Carbon Holdings Chief Executive, Basil El-Baz, says that finance is being obtained by a 17 year debt facility provided by the US' Export-Import Bank, Export-Import Bank of Korea, Korea Trade Insurance Corporation, Italy's SACE and US' Overseas Private Investment Corporation.

With this large balance of financing and participation from international organisations, the project signals a resurgence in confidence by foreign investors in the local market.

Expansion of oil refining activities is also designed to save on costly imports. In Alexandria, the Midor refinery is being expanded to increase diesel output by 4.5 million tonnes per year. Once this development comes on stream in 2017, and an upgrade at Egyptian Refining Company's plant at Mostorod, east of Cairo, is completed, the country's entire diesel needs are expected to be covered. New

gasoline refineries are also being developed in Alexandria and Assiut in Upper Egypt.

In addition to petrochemicals and oil refining, Egypt's industrial sector also features large scale iron and steel plants as well as the production of cement and other building materials.

While heavy industry in its construction phase will create many job opportunities, long term employment for many more will be provided by an expansion of Egypt's manufacturing base in established areas such as textiles, vehicle assembly, furniture, pharmaceuticals and food and beverages - also essentially in a range of more value added industries including ICT.

Foreign investors are showing their confidence in the market. The country, for example, represents a major regional market for low priced consumer items, such as toiletries, beverages, processed foods and over-the-counter pharmaceuticals. International companies including

Kraft, Unilever, Danone and Nestle are among those which have established local production units in Egypt, to serve both the local market and other countries in the region.

In 2015, Nestle's North East Africa Region CEO, Suresh Narayanan, said that the Swiss food giant intended to invest US\$138 million in Egypt, focusing on manufacturing new products for the food and health industries.

Coca-Cola is also among those international corporations which are expanding operations where the company already has 12,000 employees. According to Curt Ferguson, Coca-Cola's President for the Middle East and North Africa "Egypt is going to be one of our key anchor countries."

The company plans to invest US\$500 million over the next three years. Part of this will go towards a new bottling plant in 6th of October City. It is also planning an additional plant for soft drinks and mineral water on a site between Cairo and Alexandria. Further investment will be made in Coca-Cola's existing concentrate plant in Nasr City's Free Zone near Cairo, which exports 30% of its production to other parts of the Middle East.

As well as food and beverages and other fast moving consumables, there are other promising areas for investors. Egypt is home to the only fully integrated textiles industry in the Middle East, with the entire production process from cultivation of cotton to finished garments carried out domestically.



An estimated 6,000 companies are involved in the sector, employing an estimated one million workers. Textile exports to the US represent 25% of non-oil exports and 20% of total manufacturing exports. The goal for Egyptian textiles is to raise exports now valued at US\$2.5 billion to US\$10 billion by 2025, says Mohammed Kassem, Chairman of the Egyptian Ready Made Garments Export Council.

With a large and growing middle income population, Egypt's automotive sector also offers investment potential. The country already ranks as one of the top three car producers in Africa, assembling international brands such as Hyundai, BMW, Daewoo, Jeep and Citroen.

As more Egyptian made auto components meet international standards, local supply chains to the auto assembly industry are likely to expand and increase the manufactured share in assembled vehicles.

An expanding manufacturing base is essential to support sustained economic growth and to create new skills and move the country's production along the value chain. The Government recognises this and is keen to support the growth of Egypt's industrial and manufacturing base by promoting a business friendly environment.

One of the strategies is to support the creation of industrial clusters in zones, providing them with improved infrastructure and logistics. This can encourage private investors to focus on sectors with the highest employment, value-added and export potential. Among the sectors identified are healthcare, textiles, leather and engineering industries.

Special economic zones are the cornerstone of the Government's strategy to develop industrial exports. The law setting up the economic zones is being reviewed with the aim to streamline tax and incentives offered to investors who establish specific industries.

Plans include a plastics manufacturing complex in Alexandria's Morghom District. An industrial complex is also being considered with a focus on textiles manufacturing in which yarn, fabrics, dyeing and finishing can be fully integrated.

Another new industrial zone is envisaged on a site 54km east of Cairo in Robeiky. This zone is planned to become a hub for leather manufacturing aimed at export and domestic markets. The aim is to relocate the crowded leather tanneries and hundreds of workshops and factories in the capital's old quarter in the southern part of the city. The attraction of relocating will be the provision of new purpose built premises and warehouses which will be served by modern industrial waste disposal services.

A flagship economic zone is being set up in the Suez Canal Corridor, which is intended to leverage international trade flows in and around the Canal to attract export oriented manufacturing activities.

It is anticipated that the provision of a modern production environment and greater access to finance will stimulate manufacturing activity by SMEs, especially those oriented towards technology based products and with a focus on exports. As part of this effort a private credit bureau (I-Score) has been authorised while a new Microfinance Law has been ratified to help improve SMEs' access to loans.

It is also hoped that the introduction of VAT will push unregistered enterprises in the so-called "informal sector" to join the formal economy. There are thousands of such firms employing millions of workers producing a wide range of goods which vary considerably in quality and provenance.

The Government believes that these enterprises will also be encouraged to enter the economic mainstream and become fully licenced which will help them to access credit facilities and technical support to raise standards.

Achieving all these goals in such a complex economy is going to require a huge administrative and legal overhaul, in addition to the provision of incentives. The drive however, has started.

In March 2015, significant amendments to Egypt's 1997 Investment Law, were announced by the Government. The principal aim of these is to remove bureaucratic obstacles, streamline procedures for investors and provide more incentives and guarantees.

The amendments authorise the General Authority for Investment (GAFI) to act as a one-stop-shop from which investors in a range of sectors can obtain all the licences and approvals needed to establish and run businesses. A new system for the allocation of state controlled land for new projects was also introduced in 2015.

Both domestic and foreign investors are being energised to participate in projects and set up businesses in a country of vast potential, now breaking free from past constraints. The Government's target is to position Egypt by 2025, as a principal export hub and leading industrial nation within the Middle East and North Africa. ■

EXHIBIT 14

Construction in Saudi Arabia - Key Trends and Opportunities to 2020

NEWS PROVIDED BY

Reportlinker →

Apr 19, 2016, 17:35 ET

NEW YORK, April 19, 2016 /PRNewswire/ – **Synopsis**

The Saudi Arabian construction industry will continue to expand over the forecast period (2016–2020), following investments in transport infrastructure, healthcare, manufacturing plants, education facilities, energy and housing projects. However, low oil prices present significant negative risks to the forecast.

The industry's output value in real terms is expected to rise at a compound annual growth rate (CAGR) of 7.05% over the forecast period, up from 6.35% during the review period (2011–2015).

The government will continue to invest in healthcare, education and infrastructure construction to diversify the country's economy away from oil and to support economic growth. The government's White Land Tax initiative to address the country's housing shortage will also support industry growth.

There are, however, risks associated with the Saudi Arabian construction industry outlook, most notably low oil prices, a slowdown in economic growth, a large budget deficit and military intervention in Yemen.

Falling oil prices are expected to affect the growth prospects of the Saudi Arabian construction industry, as the country generates 73% of its total revenue from the oil sector.

Summary

Timetric's Construction in Saudi Arabia – Key Trends and Opportunities to 2020 report provides detailed market analysis, information and insights into the Saudi Arabian construction industry including:

- The Saudi Arabian construction industry's growth prospects by market, project type and construction activity
- Analysis of equipment, material and service costs for each project type in Saudi Arabia
- Critical insight into the impact of industry trends and issues, and the risks and opportunities they present to participants in the Saudi Arabian construction industry
- Profiles of the leading companies in the Saudi Arabian construction industry
- Data highlights of the largest construction projects in Saudi Arabia

Scope

This report provides a comprehensive analysis of the construction industry in Saudi Arabia. It provides:

- Historical (2011-2015) and forecast (2016-2020) valuations of the construction industry in Saudi Arabia using construction output and value-add methods
- Segmentation by sector (commercial, industrial, infrastructure, energy and utilities, institutional and residential) and by project type
- Breakdown of values within each project type, by type of activity (new construction, repair and maintenance, refurbishment and demolition) and by type of cost

(materials, equipment and services)

- Analysis of key construction industry issues, including regulation, cost management, funding and pricing
- Detailed profiles of the leading construction companies in Saudi Arabia

Reasons To Buy

- Identify and evaluate market opportunities using Timetric's standardized valuation and forecasting methodologies.
- Assess market growth potential at a micro-level with over 600 time-series data forecasts.
- Understand the latest industry and market trends.
- Formulate and validate strategy using Timetric's critical and actionable insight.
- Assess business risks, including cost, regulatory and competitive pressures.
- Evaluate competitive risk and success factors.

Key Highlights

- The government will cut subsidies and public spending, and increase domestic fuel prices and taxes to offset falling oil prices. A decrease in oil prices forced the government to reduce budget spending in 2016. However, the government has stated that key economic development projects will not be affected. It declared the total spending of SAR840.0 billion (US\$224.0 billion) in the 2016 budget.

- Saudi Arabia is facing a housing shortage. Despite the construction of a large number of housing units, supply is relatively low when compared to demand. According to Saudi Arabia's housing ministry, 3.0 million new housing units are required to be built by 2025 to address the shortage.

- The Council of Ministers of Saudi Arabia approved the White Land Tax law in November 2015, to tackle the country's housing shortage and revitalize the economy. Owners of undeveloped urban land will have to pay an annual tax of 2.5% of the value of the land. Through the law, the government aims to encourage housing construction on empty urban land to avoid costly desert development.

- The construction industry will be supported by government plans to develop and expand the country's airport infrastructure. The General Authority for Civil Aviation (GACA) is focusing on the development and modernization of airport infrastructure to support the domestic tourism industry and handle 100.0 million passengers annually by 2020. Under the GACA's Vision 2020, the government aims to develop and expand the country's 27 domestic, regional and international airports to increase passenger-handling capacity. With a continued falling or low oil prices, GACA announced plans in November 2015 to privatize the country's airports by 2020 to finance the state budget.

- The Arriyadh Development Authority (ADA) is working to improve transport infrastructure in Riyadh, the country's capital, in a bid to reduce traffic congestion, fulfil the demands of the growing population and support economic growth. Riyadh's population is expected to increase from 5.7 million in 2012 to 8.2 million in 2030. Accordingly, the government is constructing the Riyadh metro project, a rapid transit system, for an investment of SAR85.0 billion (US\$22.5 billion). The project includes the construction of 178km of six lines and 85 stations, and is expected to be complete by 2018.

Read the full report: <http://www.reportlinker.com/p03758983-summary/view-report.html>

About Reportlinker

ReportLinker is an award-winning market research solution. Reportlinker finds and organizes the latest industry data so you get all the market research you need - instantly, in one place.

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EXHIBIT 15

The German and European construction industry to 2018

The German building and construction industry is in excellent shape. This is backed up by both the data from the ifo Business Climate Index for the construction sector, and the assessments from the ifo Architects Survey. The data and the assessments are now even better than during the “reunification boom” in the early 1990s.

Across all segments of the construction industry, demand in Germany has been—and is continuing to be—strongly influenced by the large number of refugees that have been sweeping into the country since 2014. This factor will continue to have an effect in the coming years, although the flow of refugees has already reduced considerably.

As a result, overall investment in building and construction in Germany this year will be a good 3% higher than last year. This pace of growth is expected to flatten considerably going forward, with a rise of 2% in 2017 and just 0.2% in 2018. This year and next the biggest contribution to growth comes from housing construction. In 2018 significant impetus is expected from public-sector projects.

Starting back in 2010, demand in housing construction has been supported by a significant influx of people. Since that year net migration has been positive, i.e. the number of people coming to the country has exceeded the number leaving. At its peak during this period—in 2015—net migration was a good 1.1 million. This year the net increase is expected to reduce to around half a million people. This development has led to an overall population increase since 2011, despite the continuing decline in the domestic population. Because of the continuing strong influx of people, population figures will continue to rise.

According to the current joint forecast by the economic research institutes, real gross domestic product in Germany will rise by around 2% in 2016 and almost 1.5% in 2017. The employment situation and income prospects should therefore remain favorable for private households in the coming years. This year workers’

pay is rising significantly by 3%, and in the following two years the rise is expected to reach 2.5%.

Home buyers are continuing to benefit from the very low interest rates, a situation that is likely to continue for some years. Already it is possible to get a five- to ten-year mortgage with a fixed interest rate of around 1.5%. One problem, however, are the conditions attached to these mortgages, conditions which have resulted from the disastrous implementation of the European mortgage credit guidelines in Germany. For according to these guidelines, the value of a property plays only a subordinate role—in contrast to the development of future income.

The prices for residential property have risen in recent years; in some cities very strongly. Yet fears of a property bubble in Germany are unfounded. The prices are being driven not by speculation, but very much by “natural” factors such as a shortage of building land, a lack of skilled labor, rising energy-efficiency standards etc. Added to this is that demand is also being driven by parts of the population who fear for the future of the euro, or who see few alternatives for investment.

This year around 260,000 apartments will be completed in newly constructed residential buildings. By 2018 this figure will rise to around 285,000 units. With 3.2 completions per 1,000 head of population, Germany will then be back almost to the level of the average for all European countries (3.3).

In commercial construction companies have been losing their appetite for investment since 2012. However, for 2016 and 2017 early indicators point to a revival in commercial construction activity. In commercial civil engineering projects, the additional government funding for Deutsche Bahn and the—once more hiked—subsidies for expanding broadband are having a positive impact. In the coming years the only moderate increase in foreign demand is likely to markedly suppress the requirement for new building. As a result as early as 2018 investment in commercial construction is expected to fall slightly.

Next year local authorities will have additional financial scope, as they are relieved by central government of some of the costs of coping with the refugees and as some authorities with lower revenues are given additional funding. This will mean that the local authorities will be able to tackle their backlog of investment, in particular as regards construction. In addition, public civil

engineering projects will benefit from the temporarily high increase in investment in transport infrastructure by central government. In public-sector construction, an average increase of around 2.25% is expected in the years 2016 to 2018.

Reale Bauinvestitionen in Deutschland				
- Veränderung in % gegenüber Vorjahr -				
	Veränderung in % gegenüber Vorjahr			
Bausparte	2015	2016	2017	2018
Wohnungsbau	1,5	4,0	2,5	0,5
Wirtschaftsbau	-1,1	1,5	0,6	-0,9
Öffentlicher Bau	-2,0	3,0	2,2	1,3
Bau insgesamt	0,3	3,2	1,9	0,2

Quelle: Statistisches Bundesamt; 2016 bis 2018: Prognose des ifo Instituts.

Following a six-year downturn, things started to look up again in Europe in 2014. The average growth expected for the years 2016 to 2018 is almost 3% p.a. The four most important drivers of this positive trend are:

- A rise in population and population influx
- Good overall economic outlook
- A noticeable rise in incomes and falling unemployment
- Continuing low interest rates.

In an analysis based on segments in the building industry, we see that in residential construction Ireland will top the growth tables for the three years up to 2018, with a rise of over 50% in total. Next come Portugal and Hungary with a cumulative rise of around 30%. Very weak, with only a marginal increase, are the figures for Belgium, Switzerland and Italy, at the end of the listings.

In non-residential construction, too, Ireland is well ahead, with an expansion in building investment by 2018 of almost 60%. In all other countries average growth over the coming three years is put between 0.5% and 4.5% per year.

In civil engineering, the future development up until 2018 is expected to come in at a very modest level in Finland and Spain, but above all in Portugal. In Poland and Norway, however, there should be considerable catch-up potential by 2018.

EXHIBIT 16

Annex Table 1.1.1. Europe: Real GDP, Consumer Prices, Current Account Balance, and Unemployment*(Annual percent change, unless noted otherwise)*

	Real GDP			Consumer Prices ¹			Current Account Balance ²			Unemployment ³		
	2015	Projections 2016 2017		2015	Projections 2016 2017		2015	Projections 2016 2017		2015	Projections 2016 2017	
Europe	2.4	2.0	1.8	0.6	0.9	1.8	2.3	2.3	2.3	...	...	...
Advanced Europe	2.2	1.7	1.5	0.1	0.4	1.3	2.7	2.7	2.8	9.5	8.7	8.5
Euro Area ^{4,5}	2.0	1.7	1.5	0.0	0.3	1.1	3.2	3.4	3.1	10.9	10.0	9.7
Germany	1.5	1.7	1.4	0.1	0.4	1.5	8.4	8.6	8.1	4.6	4.3	4.5
France	1.3	1.3	1.3	0.1	0.3	1.0	-0.2	-0.5	-0.4	10.4	9.8	9.6
Italy	0.8	0.8	0.9	0.1	-0.1	0.5	2.2	2.2	1.9	11.9	11.5	11.2
Spain	3.2	3.1	2.2	-0.5	-0.3	1.0	1.4	1.9	1.7	22.1	19.4	18.0
Netherlands	2.0	1.7	1.6	0.2	0.1	0.9	8.6	9.1	8.2	6.9	6.7	6.5
Belgium	1.4	1.4	1.4	0.6	2.1	1.6	0.0	0.1	0.4	8.5	8.4	8.3
Austria	0.9	1.4	1.2	0.8	0.9	1.5	2.6	2.6	2.7	5.7	6.2	6.4
Greece	-0.2	0.1	2.8	-1.1	-0.1	0.6	0.0	0.0	0.0	25.0	23.3	21.5
Portugal	1.5	1.0	1.1	0.5	0.7	1.1	0.4	0.0	-0.7	12.4	11.2	10.7
Ireland	26.3	4.9	3.2	0.0	0.3	1.2	10.2	9.5	9.1	9.5	8.3	7.7
Finland	0.2	0.9	1.1	-0.2	0.4	1.2	0.1	0.1	0.2	9.3	9.1	8.9
Slovak Republic	3.6	3.4	3.3	-0.3	-0.2	1.1	-1.3	-1.0	-0.6	11.5	9.9	8.8
Lithuania	1.6	2.6	3.0	-0.7	0.5	1.2	-1.7	-1.6	-2.8	9.1	7.8	7.6
Slovenia	2.3	2.3	1.8	-0.5	-0.3	1.0	5.2	7.7	7.2	9.0	8.2	7.9
Luxembourg	4.8	3.5	3.1	0.1	0.2	1.0	5.5	4.4	4.3	6.9	6.4	6.3
Latvia	2.7	2.5	3.4	0.2	0.2	1.7	-1.2	-2.0	-1.2	9.9	9.4	9.2
Estonia	1.1	1.5	2.5	0.1	0.5	1.4	2.1	0.6	0.0	6.1	5.6	5.5
Cyprus ⁵	1.5	2.8	2.2	-1.5	-1.0	0.5	-3.6	-0.9	-3.7	14.9	13.0	11.6
Malta	6.2	4.1	3.4	1.2	1.2	1.5	9.9	6.2	5.8	5.4	4.8	4.9
United Kingdom ⁵	2.2	1.8	1.1	0.1	0.7	2.5	-5.4	-5.9	-4.3	5.4	5.0	5.2
Switzerland	0.8	1.0	1.3	-1.1	-0.4	0.0	11.4	9.2	9.0	3.2	3.5	3.4
Sweden	4.2	3.6	2.6	0.7	1.1	1.4	5.2	5.0	5.3	7.4	6.9	6.7
Norway	1.6	0.8	1.2	2.2	3.2	2.3	9.0	7.0	7.6	4.4	4.7	4.5
Czech Republic	4.5	2.5	2.7	0.3	0.6	1.9	0.9	1.5	1.0	5.0	4.1	4.1
Denmark	1.0	1.0	1.4	0.5	0.4	1.1	7.0	6.7	6.6	6.2	6.0	5.8
Iceland	4.0	4.9	3.8	1.6	1.7	3.1	4.2	2.9	1.9	4.0	3.4	3.5
San Marino	0.5	1.0	1.2	0.1	0.6	0.7	...	...	...	8.4	7.9	7.3
Emerging and Developing Europe⁶	3.6	3.3	3.1	2.9	3.1	4.2	-1.9	-2.0	-3.0	...	...	...
Turkey	4.0	3.3	3.0	7.7	8.4	8.2	-4.5	-4.4	-5.6	10.3	10.2	10.2
Poland	3.6	3.1	3.4	-0.9	-0.6	1.1	-0.2	-0.1	-1.0	7.5	6.3	6.2
Romania	3.8	5.0	3.8	-0.6	-1.5	1.7	-1.1	-2.0	-2.8	6.8	6.4	6.2
Hungary	2.9	2.0	2.5	-0.1	0.4	1.9	4.4	4.9	4.6	6.8	6.0	5.8
Bulgaria ⁵	3.0	3.0	2.8	-1.1	-1.6	0.6	1.4	0.8	0.0	9.2	8.2	7.1
Serbia	0.7	2.5	2.8	1.4	1.3	3.2	-4.8	-4.2	-3.9	18.5	18.6	18.7
Croatia	1.6	1.9	2.1	-0.5	-1.0	0.8	5.2	3.0	2.2	16.9	16.4	15.9

Note: Data for some countries are based on fiscal years. Please refer to Table F in the Statistical Appendix for a list of countries with exceptional reporting periods.

¹Movements in consumer prices are shown as annual averages. Year-end to year-end changes can be found in Tables A6 and A7 in the Statistical Appendix.²Percent of GDP.³Percent. National definitions of unemployment may differ.⁴Current account position corrected for reporting discrepancies in intra-area transactions.⁵Based on Eurostat's harmonized index of consumer prices.⁶Includes Albania, Bosnia and Herzegovina, Kosovo, FYR Macedonia, and Montenegro.

EXHIBIT 17

**This Exhibit Is Not Susceptible to Public
Summarization**

EXHIBIT 18

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Print page



News



Turkey's 'Mega Projects' propel the country towards 2023 targets

18.08.2015

Star – Large scale infrastructure, energy, and transportation projects throughout Turkey are progressing rapidly.

Designed to contribute to the 2023 vision, which is a set of goals to be reached by the Republic of Turkey's centennial in 2023, these projects represent the culmination of the giant leap taken in the last decade towards a well-developed and prosperous Turkey that seeks to count itself among the world's top 10 economies.

Exceeding USD 100 billion in total worth, the highways, bridges, airports, power plants and other mega projects remain on schedule. In addition to infrastructure related projects, rapid progress is also being made in the development of domestically designed and produced automobiles and aircraft.

Akkuyu Nuclear Power Plant

Rising in Mersin on the Mediterranean coast, the construction of the hydraulic facilities of the Akkuyu Nuclear Power Plant began in April, 2015. Scheduled to go online in 2020, the USD 22 billion project is being built by the Russian state-owned nuclear energy corporation Rosatom utilizing the latest technologies and safety features.

Looking to diversify its sources of energy and reduce dependence on imports, Turkey plans to have three operational nuclear power plants by 2023. A French-Japanese consortium will build the country's second nuclear power plant in Sinop on the country's Black Sea coast, while a third plant is in the planning stage.

North Marmara Highway - Yavuz Sultan Selim Bridge

On schedule to be completed by the end of 2015, the North Marmara Highway Project will boast the world's widest and longest combined road and rail bridge, the Yavuz Sultan Selim Bridge. The Yavuz Sultan Selim Bridge will become the third bridge to span the Bosphorus strait, adding yet another link between Europe and Asia.

The USD 4.5 billion highway will link the Marmara Sea ports of Tekirdag with the major industrial center of Sakarya, considerably shortening the route between the two while allowing the freight transportation to bypass Istanbul's busy city center. The highway lies adjacent to Istanbul's third airport, which is under construction in the northwestern section of Istanbul's European side.

Istanbul's Third Airport

Istanbul's third airport, set to be one of the largest in the world in terms of passenger capacity, is under construction in the Arnavutkoy district of Istanbul. Tendered to a consortium of five Turkish companies, Cengiz-Kolin-Limak-Mapa-Kalyon, for EUR 22 billion in May, 2013, the airport project will be realized through the built-operate-transfer method and is currently expected to cost an additional EUR 10 billion to complete.

Once complete, Istanbul's third airport will relieve the heavily congested Ataturk Airport, becoming both the main hub of Turkish Airlines (THY) and a new layover location for a multitude of airline companies given its prime location between Europe, Asia, Africa and the Middle East.

Canal Istanbul

Canal Istanbul is an artificial sea-level waterway that will be built parallel to the Bosphorus and will connect the Black Sea to the Sea of Marmara. At a planned 47 kilometers in length and 150 meters in width, Canal Istanbul will provide relief to shipping traffic, particularly oil tanker traffic, passing through the Bosphorus. The canal has a designed capacity of 160 vessels a day and is scheduled to be completed by 2023 at a cost of USD 15 billion.

Trans-Anatolian Pipeline Project (TANAP) and the Turkish Stream

Designed to carry natural gas from Azerbaijan's Shah Deniz field to Turkey and beyond, the Trans-Anatolian Gas Pipeline's (TANAP) construction is progressing rapidly. The first flow of gas through the USD 12 billion pipeline project is expected to start by 2018.

TANAP will connect to the Trans-Adriatic Pipeline (TAP) on the Turkish-Greek border and is expected to have an annual throughput of 31 billion cubic meters by 2026.

Apart from TANAP, Turkey and Russia have reached an agreement on a gas pipeline project dubbed 'Turkish Stream', which will carry natural gas from Russia to Turkey and onwards to Europe by crossing under the Black Sea. This pipeline is expected to have an annual throughput of 63 billion cubic meters.

Linking suppliers in the East and customers in the West, both projects will increase Europe's energy security while bolstering Turkey's role as an international energy hub.

Eurasia Tunnel and Marmaray

The Eurasia Tunnel is the key component of a motorway that will allow drivers to cut the travel time from Kazlıcesme on the European side to Goztepe on the Asian side of Istanbul to 15 minutes. To be opened later this year, this two-deck tunnel will pass under the Bosphorus and will have a capacity of 120,000 vehicles per day.

Once complete, the Eurasia Tunnel will complement the Marmaray, another undersea tunnel already in operation linking the European and Asian sides of Istanbul via a rail line.

Istanbul Finance Center

Ground has been broken for the project that will turn Turkey's megacity into an international finance center. The city of 15 million inhabitants is already a major center of trade and business and is perfectly suited to assume the role of an international finance hub with its well-regulated markets, a vibrant economy, solid banking system, skilled labor force and advantageous geographical location.

Aiming to provide services in all segments of the finance sector, the integrated complex on the Asian side of Istanbul will span over 2,500,000 square meters of land. It will comprise office space, residences, a conference hall, a shopping mall and a hotel.

On schedule to be completed by 2018, Istanbul Finance Center will also house the head offices of the country's governing bodies of financial markets, state-owned banks, and related businesses.

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Minister reveals details about giant infrastructure projects in Turkey

Deniz Zeyrek - ANKARA

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Transportation, Maritime Affairs and Communication Minister Binali Yıldırım has updated the status of a number of giant infrastructure projects across Turkey, noting these projects will make a great contribution to the country's economy in an exclusive interview with daily Hürriyet.

In Turkey, a total of seven mega projects are currently under construction, including: Istanbul's third airport; the third bridge over the Bosphorus Strait; a new highway which will connect commercial Istanbul with the Aegean resort of İzmir and also includes the world's fourth longest suspension bridge over İzmit Bay; the Eurasia Tunnel, which is an underground road tunnel linking Istanbul's European and Asian sides; the Gebze-Halkalı commuter train link in Istanbul; the Ovit tunnel in Northeastern Anatolia; and the Baku-Tbilisi-Kars Railway.

"These projects will make a huge social and economic contribution to Turkey. They have already achieved this, as these ongoing projects have created around 8.6 billion Turkish Liras [\$3 billion] for the economy and created more than 65,500 jobs. A majority of the employed people are composed of qualified workers and office staff in addition to more than 2,100 engineers," said Yıldırım.

He noted these projects would create much more employment, as well as other social and economic bonuses when they are completed.

"The third airport of Istanbul alone will create around 210,000 jobs when it is opened," he added.

Turkey has invested around 253 billion liras (\$90 billion) into major transportation and communications projects in the last 13 years, according to the minister.

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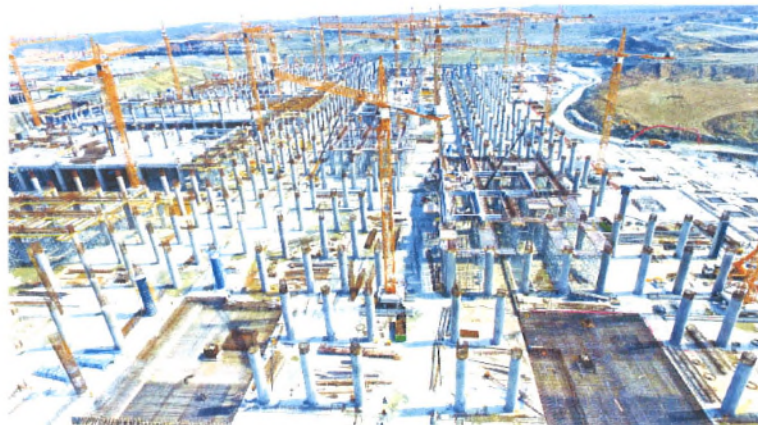


7 TURKISH WOMEN ENTREPRENEURS WIN TOP AWARDS



"We have been paying attention to the preservation of natural and historical richness," he added. "We built 37 viaducts at Atatürk Airport, Istanbul's third airport, the third bridge over the Bosphorus and the İzmit Bay Bridge in a bid to preserve ecological and historical assets there."

TURKEY PERMITS CONTROLLED CANNABIS PRODUCTION IN 19 PROVINCES



Istanbul's third airport

The Cengiz-Kolin-Limak-Mapa-Kalyon Consortium, a joint venture of Turkish companies, won a tender for the third Istanbul airport in May 2013, promising to pay the state 22.1 billion euros, plus taxes, over 25 years starting in 2017. The project, which is expected to cost with all investments and annual rent around 33 billion euros, is the largest project in the country so far. The first part of the airport with two landing fields and one terminal is planned to open in 2018 to serve 90 million passengers. The airport is expected to become one of the biggest in the world when it is completed and serve 150 million passengers. Around 1.5 billion euros has been invested in the project so far and around 13,000 people are now working on the project, including subcontractors, according to the latest data.



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Third Bosphorus bridge

Istanbul's third Bosphorus bridge, which was named for Ottoman Sultan Yavuz the Grim or Yavuz Sultan Selim, was designed as a "hybrid bridge" in shape. The bridge will have eight road lanes as well as two rail tracks. The third bridge is expected to be about 1.4 kilometers in length and 59 meters in width, making the bridge the widest in the world when it is completed. The bridge tower is 322 meters tall, constituting another world record. It will stretch over 2 kilometers with about 1.4 kilometers spanning over water, and will also be the longest suspension bridge in the world carrying a rail system. According to the latest data, the project has created around 6,000 jobs and the construction activities have added an annual 1.75 billion liras (\$611 million) to the economy.



The Istanbul-İzmir highway

As a part of the Istanbul-İzmir Highway project, the İzmit Bay Bridge will be the fourth largest in the world by the length of its central span. The bridge is planned to open in May, and it will shorten the time to travel to the other side of the bay drastically. The project's cost is at around \$6.3 billion and has created 7,918 jobs, according to the latest data.

Gebze-Halkalı commuter train links

The renovated train links which will connect Istanbul's outskirts on the European side with those on the Asian side are expected to be completed in 2018. The 1-billion-euro project has created jobs for 829 people and made around 500 million liras (\$175 million) for the economy.

Eurasia Tunnel

The two continents will be connected by a 3.34-km-long tunnel under the sea in Istanbul in the framework of the project, which is also dubbed the Istanbul Strait Road Crossing Project. The total distance of the tunnel will be 14.6 km when it is opened by the end of 2016. The expected fuel saving with the tunnel is around 38 million liters annually. The project, for which 1,800 people are employed, will also decrease carbon emissions by 82,000 tons a year, said the data.

Baku-Tbilisi-Kars Railway

This will be the third largest project, which was made jointly by Azerbaijan, Georgia and Turkey, after two leading energy pipeline projects. When the railway project is completed, the line will be able to carry a total of 1 million passengers and 6.5 million tons of cargo. The capacity of the railway is expected to increase to 3 million passengers and 17 million tons of cargo by 2034. The project has created 8,237 jobs and made a contribution of around 988 million liras (\$345 million) to the economy so far.

Ovit Tunnel

The construction of a new highway tunnel in the northeastern region of Turkey, which is planned to be one of longest tunnels in the world, is invigorating the commercial prospects of local businessmen, both regionally and internationally. The tunnel is set to cut through Ovit Mountain, which is located between İkizdere, a district in the northwestern province of Rize, and the eastern province of Erzurum's Ispir district. The dual-tubed project will eventually exceed 14.7 kilometers, including the linking roads around it. Some 600 people are working on the project, for which some 719 million liras (\$251 million) has been invested so far.

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World's 4th longest suspension bridge opens in Turkey

The 2,682-meter long Osmangazi Bridge is said to be the fourth-longest suspension bridge in the world & the second longest in Europe.



Photo by: AA

The 2,682-meter long Osmangazi Bridge is said to be the fourth-longest suspension bridge in the world & the second longest in Europe.

Jun 30, 2016



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http://trtworld.com/turkey/worlds-4th-longest-suspension-bridge-opens-in-turkey-135032) (http://www.reddit.com/submit)

A landmark road bridge over the Marmara Sea opened to traffic in Turkey on Thursday.

Osmangazi Bridge, a 2,682-meter long structure, is said to be the fourth-longest suspension bridge in the world and the second longest in Europe.

The \$1.3 billion bridge is named after Osman Gazi, the founder and first sultan of the Ottoman Empire.

The bridge aims to drastically cut travel time between Istanbul and the country's western provinces.

The construction of the quake-resistant bridge began in 2010.

It was inaugurated by President Recep Tayyip Erdogan and Prime Minister Binali Yildirim.

Erdogan and Yildirim have for years championed expanding the country's airport and road facilities in order to achieve better connectivity between provinces.



The bridge lies in the southern shore of the Marmara Sea along the route of the new six-lane Istanbul-Izmir Highway Project, which cost around \$6.3 billion.

The 421-kilometer long highway will cut the average journey time between Izmir and Istanbul from 10 hours to approximately four hours.

The new bridge and highway will also mean that the drive-time between the country's second busiest Sabiha Airport and the eastern province of the Bursa Province would be less than an hour.

The highway project is being built through a public-private partnership and is the first road project in the country to be procured under the Build-Operate-Transfer model.

New Record

Turkey's superstar professional motorcycle racer Kenan Sofuoglu, set a new record at the inauguration ceremony.

He reached 400 kilometers per hour on his sports bike on the bridge.



Source: AA



Erdogan says Clinton's idea of arming YPG 'unfortunate'

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EXHIBIT 19



The ArcelorMittal steel mill in Georgetown, SC will close its wire rod facility later in 2015._08/31/12_Photo by Charles Slate **Charles Slate** - cslate@thesunnews.com

LOCAL

MAY 14, 2015 9:59 AM

ArcelorMittal announces closure of Georgetown wire rod facility; 226

jobs to be impacted

BY JASON M. RODRIGUEZ

jrodriguez@thesunnews.com

More than 220 skilled laborers and professionals at ArcelorMittal in Georgetown will lose their jobs later this year as the company announced Thursday it is closing its wire rod facility.

“Challenging market conditions facing the USA business” are to blame for the closure, according to the company. The closure, which will impact 226 employees, is expected to be complete between July and August, pending customer orders.

Brian Tucker, director of the Georgetown County Economic Development Department, said despite attempting to get confirmation of the closing prior to Thursday were unsuccessful, he said his department has already been working through expansion plans for up to five industries in Georgetown County with similar skill sets.

“All of those expansion plans include job creation and additional hiring,” Tucker said.

“The folks at the steel mill have tremendous experience. They have a very specific set of skills. That experience and those skill sets are very much in demand. We’ll work with our existing industries, and we’ll work with ArcelorMittal and the Department of Employment and Workforce and people who

are vested to try to find a home and a new position for as many of these folks that we possibly can.

“With all of that said, it doesn’t make it go away or make it any better. But we’re going to work through it and we’re going to make the best of it.”

The closure was made officially public Thursday through a new release.

“ArcelorMittal Georgetown, the company’s primary producer of wire rod in the United States, has been severely impacted by waves of unfairly traded steel imports from China and other countries,” according to a press release from the company. “Even in the most recent quarter, wire rod imports rose to account for 36 percent of the US market.”

The rise of imports, increasing competition within key domestic markets, and high legacy costs has forced the company to take a deeper look at all operations throughout the nation “in an effort to eliminate inefficiencies while investing in facilities that can compete effectively in all market conditions.”

No other ArcelorMittal facilities are affected at this time.

Mary Beth Holdford, spokeswoman for ArcelorMittal, could not be reached for comment Thursday.

ArcelorMittal has had a storied past with the Georgetown community.

The mill was shut down in July 2009 due to a lack of orders amid the struggling economy.

About six weeks after the mill shut down, the company asked for concessions to stave off the impact of the economic slowdown. Members of Steelworkers Union Local 7898 voted to decline the company's offer of a reduced 32-hour work week and a \$3.65-per-hour pay cut when there are order shortages.

In June 2010, the workers voted to approve concessions that included a \$2.00-an-hour wage cut, but did away with a previous request that would have increased insurance costs. The workers were promised an additional \$1 an hour more in late 2011.

In early 2011, ArcelorMittal was back in production mode, often reaching 300,000 tons of production per year, according to company CEO P.S. Venkat.

In March 2014, ArcelorMittal was shut down while plant officials tried to pinpoint the cause of a leak that caused oil to spill into the Sampit River.

Tucker said any hit to the county's workforce of more than 25,000 people is a tough one and the economic development department's next step is to coordinate with the workforce and job placement centers to get employer information placed in a statewide database, assist in finding existing job openings and start matching skill sets.

"We will reach out to the employees and I'm sure the company will help us in that transitional process," Tucker said. "The timing of the announcement is very unfortunate. We're going to work through that and we're going to plow ahead."

Georgetown steel mill timeline

1968 | German industrialist Willy Korf begins building a steel mill on the site of the old Atlantic coast lumber mill in downtown Georgetown

1969 | The steel mill begins production

1983 | The government of Kuwait, a majority investor, seizes the mill after the Korf Industries empire crumbles

Late 1980s | Kuwait sells the mill to investors who also own the former Waccamaw Pottery complex

2001 | Steel mill owners file for bankruptcy, sell the plant for \$53 million to MidCoast Industries

October 2003 | MidCoast files for bankruptcy and closes the mill

June 2004 | Mittal Steel, the world's largest steel producer, merges with ISG

June 2006 | Mittal merges with Arcelor to form a global steel giant

July 2009 | Mill closes as demand drops amid the Great Recession

January 2011 | ArcelorMittal reopens the mill

May 2015 | ArcelorMittal announces closure of Georgetown plant

*Contact **JASON M. RODRIGUEZ** at 626-0301 or on Twitter @TSN_JRodriguez.*

MORE INFORMATION

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Lewis Patton Jr. ·

The University of North Carolina at Chapel Hill

Hopefully they will stay closed, the eyesore torn down, and the land remediated. I have known this mill since before its opening and can assure you it has cost Georgetown much more than it has generated. Also proof that "modern unions" generally kill business and incentives. Many times I have pointed out a Nucor non-union steel mill only about 50 miles away that has never closed, much less do the harm this mill has done.

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Rob Englert ·

California State University Maritime Academy - Cal Maritime

Lewis Patton, I doubt you know what you are talking about. Does that Nucor plant make the exact same product as what Arcelor's plant did? Sure they are both steel companies. So what. Not everything is about union or non union. Globalism is bad for the average worker. It creates a race to the bottom for wages and working conditions. You should read

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EXHIBIT 20

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