



FACT SHEET

Commerce Initiates Antidumping Duty Investigations of Imports of Grain-Oriented Electrical Steel from the People's Republic of China, the Czech Republic, Germany, Japan, the Republic of Korea, Poland and the Russian Federation and a Countervailing Duty Investigation of Imports of Grain-Oriented Electrical Steel from the People's Republic of China

- On October 25, 2013, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) investigations of imports of grain-oriented electrical steel (GOES) from the People's Republic of China (China), the Czech Republic, Germany, Japan, the Republic of Korea (Korea), Poland and the Russian Federation (Russia) and a countervailing duty (CVD) investigation of imports of GOES from China.
- The AD and CVD law provides U.S. businesses and workers with a transparent and internationally approved mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioners for these investigations are AK Steel Corporation (OH), Allegheny Ludlum, LLC (PA), and the United Steelworkers (PA).
- The scope of these investigations covers grain-oriented silicon electrical steel (GOES). GOES is a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths. The GOES that is subject to these investigations is currently classifiable under subheadings 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.
- In 2012, imports of GOES from China, the Czech Republic, Germany, Japan, Korea, Poland and Russia were valued at an estimated \$1.2 million, \$7.7 million, \$5.1 million, \$38.2 million, \$11.1 million, \$10.3 million, and \$10 million, respectively.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before November 20, 2013.

- If the ITC determines that there is a reasonable indication that imports from China, the Czech Republic, Germany, Japan, Korea, Poland and/or Russia materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in December 2013 and its preliminary AD determinations in March 2014, unless the statutory deadlines are extended. If the ITC preliminary determinations are negative, the investigations will be terminated.

Alleged Dumping Margins:

COUNTRY	DUMPING MARGINS
China	159.21 percent
Czech Republic	68.46 to 235.50 percent
Germany	38.54 to 241.91 percent
Japan	44.95 to 172.30 percent
Korea	49.51 to 257.61 percent
Poland	56.69 to 99.51 percent
Russia	43.52 to 119.88 percent

Estimated Subsidy Rate:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i>*

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

CASE CALENDAR:

EVENT	AD INVESTIGATIONS	CVD INVESTIGATION
Petitions Filed	September 18, 2013	September 18, 2013
DOC Initiation Date	October 24, 2013 [^]	October 24, 2013 [^]
ITC Preliminary Determinations*	November 20, 2013	November 20, 2013
DOC Preliminary Determinations	March 13, 2014	December 30, 2013 [†]
DOC Final Determinations	May 27, 2014	March 13, 2014
ITC Final Determinations**	July 11, 2014	April 28, 2014 [†]
Issuance of Orders***	July 18, 2014	May 5, 2014 [†]

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadline is set forth in section 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 735(a) of the Act. These deadlines may be extended under certain circumstances.

[^] As explained in the Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government” (October 18, 2013), Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013. Therefore, the initiation date for these investigations has been tolled by 16 days and all other deadlines have been adjusted accordingly.

[†] Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

* If the ITC makes negative preliminary determinations of injury, the investigations are terminated.

** This will take place only in the event of final affirmative determinations from Commerce.

*** This will take place only in the event of final affirmative determinations from Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2010	2011	2012
Volume (metric tons)	10	50	370
Value (USD)	39,200	149,300	1,239,000
CZECH REPUBLIC			
Volume (metric tons)	2,400	3,800	2,900
Value (USD)	6,474,000	10,551,000	7,713,000
GERMANY			
Volume (metric tons)	1,100	3,200	2,000
Value (USD)	3,003,000	7,970,000	5,076,000
JAPAN			
Volume (metric tons)	20,800	11,700	11,400
Value (USD)	74,915,000	43,227,000	38,216,000
KOREA			
Volume (metric tons)	690	2,200	4,000
Value (USD)	2,338,000	6,228,000	11,107,000
POLAND			
Volume (metric tons)	1,400	2,200	4,100
Value (USD)	4,256,000	5,991,000	10,305,000
RUSSIA			
Volume (metric tons)	680	690	3,600
Value (USD)	2,077,000	2,231,000	9,959,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060).