



## FACT SHEET

### **Commerce Finds Dumping of Imports of Non-Oriented Electrical Steel (NOES) from China, Germany, Japan, Korea, Sweden, and Taiwan, Countervailable Subsidization of Imports of NOES from China and Taiwan, and No Countervailable Subsidization of Imports of NOES from Korea**

- On October 7, 2014, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of NOES from China, Germany, Japan, Korea, Sweden, and Taiwan, its affirmative final determinations in the countervailing duty (CVD) investigations of imports of NOES from China and Taiwan, and its negative final determination in the CVD investigation of imports of NOES from Korea.
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted 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.
- In the China AD investigation, because no companies responded to Commerce's requests for information, all producers/exporters are considered part of the China-wide entity and were assigned the China-wide dumping margin of 407.52 percent based on adverse facts available.
- In the Germany AD investigation, because the mandatory respondents, CD Walzholz and Thyssenkrupp Electrical Steel EBG GmbH, did not respond to Commerce's requests for information, they received a final dumping margin of 98.84 percent based on adverse facts available. All other producers/exporters in Germany received a final dumping margin of 86.29 percent.
- In the Japan AD investigation, because the mandatory respondents, JFE Steel Corporation and Sumitomo Corporation, did not respond to Commerce's requests for information, they received a final dumping margin of 204.79 percent based on adverse facts available. All other producers/exporters in Japan received a final dumping margin of 135.59 percent.
- In the Korea AD investigation, the sole mandatory respondent, POSCO/Daewoo International Corporation, received a final dumping margin of 6.88 percent. All other producers/exporters in Korea also received a final dumping margin of 6.88 percent.
- In the Sweden AD investigation, because the sole mandatory respondent, Surahammars Bruks AB, did not respond to Commerce's requests for information, it received a final dumping margin of 126.72 percent based on adverse facts available. All other producers/exporters in Sweden received a final dumping margin of 98.46 percent.

- In the Taiwan AD investigation, mandatory respondent China Steel Corporation received a final dumping margin of 27.54 percent. Because mandatory respondent Leicong Industrial Company, Ltd. did not respond to Commerce's requests for information, it received a final dumping margin of 52.23 percent based on adverse facts available. All other producers/exporters in Taiwan received a final dumping margin of 27.54 percent.
- In the China CVD investigation, mandatory respondent company Baoshan Iron & Steel Co., Ltd. (Baoshan) and the Government of China failed to cooperate by not acting to the best of their ability. As a result, Baoshan received a final subsidy rate of 158.88 percent based on adverse facts available. Because there was no other information on the record upon which to base a CVD rate for all other producers/exporters in China, they also received a final subsidy rate of 158.88 percent.
- In the Korea CVD investigation, mandatory respondent POSCO/Daewoo International Corporation received a final subsidy rate of 0.65 percent. This rate is *de minimis*, resulting in a final negative determination that applies to the country as a whole.
- In the Taiwan CVD investigation, mandatory respondents China Steel Corporation (CSC) and its cross-owned affiliates HiMag Magnetic Corporation (HIMAG) and China Steel Global Trading Corporation (CSGT) (collectively, CSC Companies), and Leicong Industrial Company, Ltd. (Leicong), received final subsidy rates of 0.48 percent (which is *de minimis*) and 17.12 percent, respectively. All other producers/exporters in Taiwan received a final subsidy rate of 8.80 percent.
- As a result of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. With respect to the affirmative final CVD determinations, because the six-month provisional measures period has expired, Commerce will order the resumption of the suspension of liquidation and require cash deposits for CVD duties equal to the final subsidy rates (with the exception of Korea and the CSC Companies in Taiwan) if the U.S. International Trade Commission (ITC) issues final affirmative injury determinations.
- If the ITC issues negative injury determinations, the investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties, as applicable. In such an event, all cash deposits already collected will be refunded. The CVD investigation of Korea will be terminated and no CVD duties have been or will be collected.
- The petitioner timely filed allegations of critical circumstances in all cases except Taiwan. Commerce determined that critical circumstances exist for China and Sweden. For Germany and Japan, Commerce determined that critical circumstances exist for the mandatory respondents, but not for all other companies. For Korea, Commerce determined that critical circumstances do not exist in either the AD or CVD investigation. As a result of the affirmative critical circumstances determinations, Commerce instructed CBP to impose provisional measures retroactively on entries of subject NOES up to 90 days prior to the publication of the respective AD and CVD preliminary determinations.
- The petitioner for these investigations is AK Steel Corporation (OH).

- The merchandise subject to these investigations consists of non-oriented electrical steel (NOES), which includes cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term “substantially equal” means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*,  $B_{800}$  value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.
- In 2013, imports of NOES from China, Germany, Japan, Korea, Sweden, and Taiwan were valued at an estimated \$11.9 million, \$7.7 million, \$18.5 million, \$4.1 million, \$10.6 million, and \$8.1 million, respectively.

## NEXT STEPS

- The ITC is scheduled to make its final injury determination on/or about November 20, 2014.
- Because the Korea CVD investigation is negative, it will be terminated. If the ITC makes affirmative final determinations that imports of NOES from China, Germany, Japan, Korea, Sweden, and/or Taiwan materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders, as applicable. In the Taiwan CVD investigation, CSC Companies will be excluded from any eventual order due to its de minimis final rate. If the ITC makes negative determinations of injury, the investigations will be terminated.

**FINAL DUMPING MARGINS:**

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
China	China-Wide Rate	407.52%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Germany	CD Walzholz	98.84%
	Thyssenkrupp Electrical Steel EBG GMBH	98.84%
	All Others	86.29%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Japan	JFE Steel Corporation	204.79%
	Sumitomo Corporation	204.79%
	All Others	135.59%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Korea	POSCO/Daewoo International Corporation	6.88%
	All Others	6.88%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Sweden	Surahammars Bruks AB	126.72%
	All Others	98.46%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Taiwan	China Steel Corporation	27.54%
	Leicong Industrial Company, Ltd.	52.23%
	All Others	27.54%

#### FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Baoshan Iron & Steel Co., Ltd.	158.88%
	All Others	158.88%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Korea	POSCO; Daewoo International Corporation	0.65% ( <i>de minimis</i> *)
	All Others	<i>de minimis</i> *

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

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Taiwan	China Steel Corporation (CSC), HiMag Magnetic Corporation (HIMAG) and China Steel Global Trading Corporation (CSGT) (collectively, CSC Companies)	0.48% ( <i>de minimis</i> *)
	Leicong Industrial Company, Ltd. (Leicong)	17.12%
	All Others	8.80%

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

### CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	September 30, 2013	September 30, 2013
DOC Initiation Date	November 6, 2013	November 6, 2013
ITC Preliminary Determination	December 2, 2013†	November 14, 2013
DOC Preliminary Determination	March 18, 2014††	May 15, 2014
DOC Final Determination	October 6, 2014	October 6, 2014
ITC Final Determination	November 20, 2014	November 20, 2014
Issuance of Order**	November 27, 2014	November 27, 2014

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

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

†† Due to the closure of the Federal Government in Washington, DC on March 17, 2014, Commerce reached this determination on the next business day (*i.e.*, March 18, 2014). See *Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

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

## IMPORT STATISTICS:

<b>CHINA</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Volume (metric tons)	14,900	12,700	11,500
Value (USD)	18,957,000	14,801,000	11,860,000
<b>GERMANY</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Volume (metric tons)	13,000	8,700	6,800
Value (USD)	18,411,000	10,279,000	7,683,000
<b>JAPAN</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Volume (metric tons)	20,600	16,800	14,500
Value (USD)	27,523,000	21,757,000	18,484,000
<b>KOREA</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Volume (metric tons)	6,200	6,700	4,200
Value (USD)	7,401,000	6,818,000	4,107,000
<b>SWEDEN</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Volume (metric tons)	7,800	8,500	6,400
Value (USD)	14,432,000	15,285,000	10,555,000
<b>TAIWAN</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Volume (metric tons)	4,700	15,500	8,900
Value (USD)	6,111,000	17,247,000	8,142,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7225.19.0000, 7226.19.1000 and 7226.19.9000). NOES may also enter under HTSUS 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, 7226.92.8050, and 7226.99.0180, which may cover significant amounts of non-subject merchandise. Therefore, these HTSUS subheadings have not been used for purposes of reporting import statistics.