



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan

- On May 16, 2014, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of non-oriented electrical steel (NOES) from the People's Republic of China (China), Germany, Japan, the Republic of Korea (Korea), Sweden, and Taiwan.
- The AD 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 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.
- In the China investigation, because no companies responded to the Department's requests for information, all producers/exporters are considered part of the PRC-wide entity and were assigned the China-wide dumping margin of 407.52 percent based on facts available.
- In the Germany investigation, the mandatory respondents, CD Walzholz and Thyssenkrupp Electrical Steel EBG GMBH, failed to answer Commerce's questionnaire. As a result, they were assigned a dumping margin of 98.84 percent based on adverse facts available. All other producers/exporters in Germany received a preliminary dumping margin of 86.29 percent.
- In the Japan investigation, the mandatory respondents, JFE Steel Corporation and Sumitomo Corporation, failed to answer Commerce's questionnaire. As a result, they were assigned a dumping margin of 204.79 percent based on adverse facts available. All other producers/exporters in Japan received a preliminary dumping margin of 135.59 percent.
- In the Korea investigation, the sole mandatory respondent, POSCO/Daewoo International Corporation, received a preliminary dumping margin of 6.91 percent. All other producers/exporters in Korea also received a preliminary dumping margin of 6.91 percent.
- In the Sweden investigation, the sole mandatory respondent, Surahammars Bruks AB, failed to answer Commerce's questionnaire. As a result, it was assigned a dumping margin of 126.72 percent based on adverse facts available. All other producers/exporters in Sweden received a preliminary dumping margin of 98.46 percent.
- In the Taiwan investigation, mandatory respondent China Steel Corporation received a preliminary dumping margin of 28.14 percent. The other mandatory respondent, Leicong Industrial Company, Ltd., failed to answer Commerce's questionnaire. As a result, it was assigned a dumping margin of

52.23 percent based on adverse facts available. All other producers/exporters in Taiwan received a preliminary dumping margin of 28.14 percent.

- On March 6, 2014, the petitioner timely filed allegations of critical circumstances in all cases except Taiwan. Commerce preliminarily determined that critical circumstances exist for China, Japan, and Sweden. For Germany, Commerce preliminarily determined that critical circumstances exist for the mandatory respondents, but not for all other companies. For Korea, Commerce made a negative critical circumstances determination. In each instance where we found that affirmative critical circumstances exist, we will instruct U.S. Customs and Border Protection to impose provisional measures retroactively on entries of subject NOES up to 90 days prior to the publication of these 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.*, B800 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.
- NOES is subject to these investigations whether it is fully processed (*i.e.*, fully annealed to develop final magnetic properties) or semi-processed (*i.e.*, finished to final thickness and physical form but not fully annealed to develop final magnetic properties). Fully processed NOES is typically made to the requirements of ASTM specification A 677, Japanese Industrial Standards (JIS) specification C 2552, and/or International Electrotechnical Commission (IEC) specification 60404-8-4. Semi-processed NOES is typically made to the requirements of ASTM specification A 683. However, the scope of these investigations is not limited to merchandise meeting the ASTM, JIS, and IEC specifications noted immediately above.
- NOES is sometimes referred to as cold-rolled non-oriented (CRNO), non-grain oriented (NGO), non-oriented (NO), or cold-rolled non-grain oriented (CRNGO) electrical steel. These terms are interchangeable.
- Excluded from the scope of these investigations are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the Harmonized Tariff Schedule of the United States (HTSUS) as a part (*i.e.*, lamination) for use in a device such as a motor, generator, or transformer.
- The subject merchandise is provided for in subheadings 7225.19.0000, 7226.19.1000, and 7226.19.9000 of the HTSUS. Subject merchandise may also be entered under subheadings

7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, 7226.92.8050, 7226.99.0180 of the HTSUS. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

- 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

- Commerce is scheduled to announce its final determinations concerning China, Germany, Japan, and Sweden on or about July 29, 2014, unless the statutory deadline is extended. Commerce is scheduled to announce its final determinations concerning Korea and Taiwan on or about October 3, 2014, as the deadline for these determinations has been fully extended.
- If Commerce makes affirmative final determinations and the U.S. International Trade Commission (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 orders. If either Commerce's or the ITC's final determination is negative, no AD orders will be issued. The ITC is scheduled to make its final injury determinations concerning China, Germany, Japan, and Sweden in September 2014. The ITC is scheduled to make its final injury determinations concerning Korea and Taiwan in November 2014.

PRELIMINARY 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	6.91%
	All Others	6.91%

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

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Taiwan	China Steel Corporation	28.14%
	Leicong Industrial Company, Ltd.	52.23%
	All Others	28.14%

CASE CALENDAR:

EVENT	DATE
Petitions Filed	September 30, 2013
DOC Initiation Date	November 6, 2013
ITC Preliminary Determination	November 14, 2013
DOC Preliminary Determination[^]	May 15, 2014
DOC Final Determination (China, Germany, Japan, and Sweden)[^]	July 29, 2014
DOC Final Determination (Korea and Taiwan) [^]	October 3, 2014
ITC Final Determination (China, Germany, Japan, and Sweden)*	September 12, 2014
ITC Final Determination (Korea and Taiwan)*	November 17, 2014
Issuance of Order (China, Germany, Japan, and Sweden)**[^]	September 19, 2014
Issuance of Order (Korea and Taiwan) **[^]	November 24, 2014

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended. 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 deadlines in this investigation have been extended by 16 days.

*This will take place only in the event of a final affirmative determination by Commerce.

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

IMPORT STATISTICS:

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