



FACT SHEET

Commerce Finds Dumping of Imports of Carbon and Alloy Steel Wire Rod from South Africa and Ukraine

- On January 9, 2018, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of carbon and alloy steel wire rod from South Africa and Ukraine.
- The AD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted 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 an imported product in the United States at less than fair value.
- In the South Africa investigation, Commerce assigned a dumping rate of 142.26 percent for the collapsed entity composed of ArcelorMittal South Africa Limited, Scaw South Africa (Pty) Ltd. (also known as Scaw Metals Group), and Consolidated Wire Industries, based on adverse facts available due to its failure to respond to Commerce's request for information. Davsteel Division of Cape Gate (Pty) Ltd., the other mandatory respondent, was found to have no shipments of subject merchandise during the period of investigation. All other producers/exporters in South Africa have been assigned a dumping rate of 135.46 percent.
- In Ukraine investigation, Commerce assigned a dumping rate of 44.03 percent to ArcelorMittal Steel Kryvyi Rih OJSC and Public Joint Stock Company (PJSC) Yenakieve Steel based on adverse facts available due to their failure to fully cooperate in the investigation. Duferco S.A. was found to have no sales of subject merchandise during the period of investigation and Commerce determined not to further examine Duferco as a part of this investigation. All other producers/exports in Ukraine have been assigned a dumping rate of 34.98 percent.
- Upon publication of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable final weighted-average dumping rates.
- Commerce found that "critical circumstances" exist with respect to the collapsed entity composed of the Scaw Metals Group and Consolidated Wire Industries, as well as the all other producers/exporters in South Africa. Consequently, Commerce will instruct CBP to impose provisional measures retroactively on entries of carbon and alloy steel wire rod from South Africa, effective 90 days prior to publication of the preliminary determination in the *Federal Register*.
- The petitioners are Gerdau Ameristeel US Inc. (FL), Nucor Corporation (NC), Keystone Consolidated Industries (TX), and Charter Steel (WI).

- The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.
- The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the Harmonized Tariff Schedule of the United States (HTSUS). Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.
- In 2016, imports of carbon and alloy steel wire rod from South Africa and Ukraine were valued at an estimated \$7.1 million and \$55 million, respectively.

NEXT STEPS

- The ITC is scheduled to make its final determinations on or about February 22, 2018.
- If the ITC makes affirmative final determinations that imports of carbon and alloy steel wire rod from South Africa and/or Ukraine materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGIN
South Africa	ArcelorMittal South Africa Limited, Scaw South Africa (Pty) Ltd. (also known as Scaw Metals Group), and Consolidated Wire Industries	142.26%
	All others	135.46%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGIN
Ukraine	ArcelorMittal Steel Kryvyi Rih OJSC	44.03%
	Public Joint Stock Company (PJSC) Yenakiieve Steel	44.03%
	All others	34.98%

CASE CALENDAR:

EVENT	DATE
Petitions Filed	March 28, 2017
DOC Initiation Date	April 17, 2017
ITC Preliminary Determinations	May 12, 2017
DOC Preliminary Determinations	October 24, 2017
DOC Final Determinations	January 8, 2018
ITC Final Determinations*	February 22, 2018
Issuance of Orders**	March 1, 2018

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)(1) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

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

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IMPORT STATISTICS:

SOUTH AFRICA	2014	2015	2016
Volume (metric tons)	0	41,233	20,002
Value (USD)	0	16,933,498	7,053,438
UKRAINE	2014	2015	2016
Volume (metric tons)	13,268	71,716	146,466
Value (USD)	7,593,872	32,193,311	55,020,251

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 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).