



## FACT SHEET

### **Commerce Finds Dumping of Imports of Corrosion-Resistant Steel Products from China, India, Italy, Korea, and Taiwan, Countervailable Subsidization of Imports of Corrosion-Resistant Steel Products from China, India, Italy, Korea, and No Countervailable Subsidization of Imports of Corrosion-Resistant Steel Products from Taiwan**

- On May 25, 2016, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of corrosion-resistant steel products (CORE) from China, India, Italy, Korea; its affirmative final determination in the AD investigation of imports of CORE from Taiwan; and its negative final determination in the CVD investigation of imports of CORE from Taiwan.
- The AD and CVD laws 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 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, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- In the China AD investigation, Commerce found dumping has occurred by the mandatory respondent, Yieh Phui (China) Technomaterial Co., Ltd., as well as the two parties which qualified for separate rates, at a margin of 209.97 percent. Commerce calculated a China-wide dumping rate of 209.97 percent for all other producers/exporters in China.
- In the India AD investigation, Commerce found dumping has occurred by the mandatory respondents JSW Steel, Ltd. and Uttam Galva Steels Limited at margins of 4.44 percent and 3.05 percent, respectively. Commerce calculated a dumping margin of 3.86 percent for all other producers/exporters in India.
- In the Italy AD investigation, Commerce found dumping has occurred by mandatory respondent Acciaieria Arvedi S.p.A. at a margin of 12.63 percent. Commerce also found dumping has occurred by mandatory respondent Marcegaglia S.p.A. at a margin of 92.12 percent based on adverse facts available, as information the company provided in the proceeding could not be verified. Commerce calculated a dumping margin of 12.63 percent for all other producers/exporters in Italy.
- In the Korea AD investigation, Commerce found dumping has occurred by mandatory respondents Dongkuk Steel Mill Co., Ltd./Union Steel Manufacturing Co., Ltd. and Hyundai Steel Company at margins of 8.75 percent and 47.80 percent, respectively. Commerce calculated a dumping margin of 28.28 percent for all other producers/exporters in Korea.

- In the Taiwan AD investigation, mandatory respondents Yieh Phui Enterprise Co., Ltd. and Prosperity Tieh Enterprise Co., Ltd. were collapsed and treated as a single entity for the purposes of the antidumping investigation. Commerce found dumping has occurred by the single, collapsed, respondent at a margin of 3.77 percent. Commerce calculated a dumping margin of 3.77 percent for all other producers/exporters in Taiwan.
- In the China CVD investigation, Commerce determined that mandatory respondent Yieh Phui (China) Technomaterial Co., Ltd. received countervailable subsidies at a rate of 39.05 percent. Mandatory respondents Angang Group Hong Kong Company Ltd., Baoshan Iron & Steel Co., Ltd., Dufenco S.A. (and its cross-owned companies Hebei Iron & Steel Group, and Tangshan Iron and Steel Group Co., Ltd.), Changshu Everbright Material Technology, and Handan Iron & Steel Group either notified Commerce that they would not participate in this investigation or did not participate in the investigation. As a result, these companies received a subsidy rate of 241.07 percent based on adverse facts available following Commerce’s final determination that the companies failed to cooperate in the investigation. Commerce calculated a subsidy rate of 39.05 percent for all other producers/exporters in China.
- In the India CVD investigation, Commerce determined that mandatory respondent JSW Steel Limited received countervailable subsidies at a rate of 29.46 percent and that respondent Uttam Galva Steels Limited received a countervailable subsidies at a rate of 8.00 percent. Commerce calculated a subsidy rate of 18.73 percent for all other producers/exporters in India.
- In the Italy CVD investigation, Commerce determined that mandatory respondents Acciaieria Arvedi S.p.A. and Marcegaglia S.p.A. received countervailable subsidies at rates of 0.48 percent and 0.07 percent respectively, which are both *de minimis*. Respondent Ilva S.p.A., which did not participate in this investigation, received a subsidy rate of 38.51 percent based on adverse facts available following Commerce’s final determination that the company failed to cooperate in the investigation. Commerce calculated a subsidy rate of 13.02 percent for all other producers/exporters in Italy.
- In the Korea CVD investigation, Commerce determined that mandatory respondent Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd. (Dongbu) received countervailable subsidies at a rate of 1.19 percent, and respondent Union Steel Manufacturing Co. Ltd./Dongkuk Steel Mill Co., Ltd. (Union/Dongkuk) received countervailable subsidies at a rate of 0.72 percent, which is *de minimis*. Commerce calculated a subsidy rate of 1.19 percent for all other producers/exporters in Korea.
- In the Taiwan CVD investigation, Commerce determined that mandatory respondents Prosperity Tieh Enterprise Co., Ltd. (PT); Hong-Ye Steel Co., Ltd. (HY); Prosperity Did Enterprise Co., Ltd. (PD); and Chan Lin Enterprise Co., Ltd. (CL) (collectively Prosperity Companies) and Yieh Phui Enterprise Co., Ltd. (Yieh Phui); Yieh Corporation Limited (YCL); Shin Yang Steel Co., Ltd. (Shin Yang); and Synn Industrial Co., Ltd (Synn) (collectively Yieh Phui Companies) did not receive countervailable subsidies. Because the final determination in this investigation is negative, no “all others” CVD rate has been applied to any other producers/exporters in Taiwan.
- As a result of the affirmative final AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, in the investigations where Commerce made affirmative final CVD determinations, if the U.S. International Trade Commission (ITC) issues affirmative injury determinations,

Commerce will order the resumption of the suspension of liquidation and require cash deposits for CVD duties equal to the final subsidy rates established during the proceedings. If the U.S. International Trade Commission (ITC) issues negative injury determinations, these investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.

- Commerce found that critical circumstances exist with respect to certain exporters from China and Korea in the preliminary determinations and continues to do so in the final determinations. Because Marcegaglia failed to fully cooperate in the Italy AD investigation, Commerce found that critical circumstances also exist as an adverse inference in the final determination. Though Commerce did not previously find that critical circumstances exist with respect to exporters in Taiwan because its preliminary determination was negative, due to the affirmative final determination, Commerce found that critical circumstances also exist with respect to all other producers and exporters and, therefore, CBP will be instructed to impose provisional measures retroactively on entries of CORE from all other exporters not individually reviewed up to 90 days prior to publication of the final determination *Federal Register* notice. For Marcegaglia in the Italy AD investigation, CBP will be instructed to impose provisional measures retroactively on entries of CORE up to 90 days prior to publication of the final determination *Federal Register* notice.
- For producers and exporters in Taiwan, because the final CVD determination is negative, no provisional measures will be collected in the CVD investigation.
- The petitioners for these investigations are United States Steel Corporation (PA), Nucor Corporation (NC), ArcelorMittal USA (IL), AK Steel Corporation (OH), Steel Dynamics, Inc. (IN), and California Steel Industries, Inc. (CA).
- The products covered by these investigations are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been "worked after rolling" (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:
  - (1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of these investigations are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels and high strength low alloy (HSLA) steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels.

Subject merchandise also includes corrosion-resistant steel that has been further processed in a third country, including but not limited to annealing, tempering painting, varnishing, trimming, cutting, punching and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope corrosion resistant steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of these investigations unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these investigations:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin free steel"), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the investigations may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigations is dispositive.

- In 2015, imports of CORE from China, India, Italy, Korea, and Taiwan were valued at an estimated \$500.3 million, \$219.6 million, \$110 million, \$509.1 million, and \$534.4 million, respectively.

## **NEXT STEPS**

- The ITC is scheduled to make its final injury determinations on July 8, 2016.
- If the ITC makes affirmative final determinations that imports of CORE from China, India, Italy, Taiwan, and/or Korea materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

**FINAL DUMPING MARGINS:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGINS</b>
<b>China</b>	<b>Yieh Phui (China) Technomaterial Co., Ltd.</b>	<b>209.97%</b>
	<b>Jiangyin Zongcheng Steel Co. Ltd.</b>	<b>209.97%</b>
	<b>Union Steel China</b>	<b>209.97%</b>
	<b>China-Wide Rate</b>	<b>209.97%</b>

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGINS</b>
<b>India</b>	<b>JSW:<sup>1</sup> JSW Steel Ltd. JSW Coated Products Limited</b>	<b>4.44%</b>
	<b>Uttam Galva:<sup>2</sup> Uttam Galva Steels Limited Uttam Value Steels Limited Atlantis International Services Company Ltd. Uttam Galva Steels, Netherlands, B.V. Uttam Galva Steels (BVI) Limited</b>	<b>3.05%</b>
	<b>All Others</b>	<b>3.86%</b>

<sup>1</sup> Commerce preliminarily found JSW Steel Ltd. and JSW Coated Products Limited to be affiliated and treated them as a single entity. Commerce sustains this finding in the final determination. Therefore, we are assigning one rate to these companies.

<sup>2</sup> Commerce preliminarily found Uttam Galva Steels Limited, Uttam Value Steels Limited, Atlantis International Services Company Ltd., Uttam Galva Steels, Netherlands, B.V., and Uttam Galva Steels (BVI) Limited to be affiliated and treated them as a single entity. Commerce sustains this finding in the final determination. Therefore, we are assigning one rate to these companies.

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGINS</b>
<b>Italy</b>	<b>Acciaieria Arvedi S.p.A.</b>	<b>12.63%</b>
	<b>Marcegaglia S.p.A.</b>	<b>92.12%</b>
	<b>All Others</b>	<b>12.63%</b>

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGINS</b>
<b>Korea</b>	<b>Dongkuk Steel Mill Co., Ltd./Union Steel Manufacturing Co., Ltd.</b>	<b>8.75%</b>
	<b>Hyundai Steel Company</b>	<b>47.80%</b>
	<b>All Others</b>	<b>31.73%</b>

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGINS</b>
<b>Taiwan</b>	<b>Prosperity Tieh Enterprise Co., Ltd., Yieh Phui Enterprise Co., Ltd., and Synn Industrial Co., Ltd.<sup>3</sup></b>	<b>3.77%</b>
	<b>All Others</b>	<b>3.77%</b>

<sup>3</sup> Commerce preliminarily found Yieh Phui Enterprise Co., Ltd. and Synn Industrial Co., Ltd. to be affiliated and treated them as a single entity. Commerce sustains this finding in the final determination and further finds Prosperity Tieh Enterprise Co., Ltd. to be affiliated with the Yieh Phui/Synn entity and treated as a single entity. Therefore, we are assigning one rate to these companies.

**FINAL SUBSIDY RATES:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATES</b>
<b>China</b>	<b>Yieh Phui (China) Technomaterial Co., Ltd.</b>	<b>39.05%</b>
	<b>Angang Group Hong Kong Company Ltd.</b>	<b>241.07%</b>
	<b>Baoshan Iron &amp; Steel Co., Ltd.</b>	<b>241.07%</b>
	<b>Duferco S.A., Hebei Iron &amp; Steel Group, and Tangshan Iron and Steel Group Co., Ltd.</b>	<b>241.07%</b>
	<b>Changshu Everbright Material Technology</b>	<b>241.07%</b>
	<b>Handan Iron &amp; Steel Group</b>	<b>241.07%</b>
	<b>All Others</b>	<b>39.05%</b>

\*This rate is based on adverse facts available, because the company did not participate in the investigation.

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATES</b>
<b>India</b>	<b>JSW Steel Limited</b>	<b>29.46%</b>
	<b>Uttam Galva Steels Limited</b>	<b>8.00%</b>
	<b>All Others</b>	<b>18.73%</b>

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Italy	Acciaieria Arvedi S.p.A.	0.48%
	Marcegaglia S.p.A.	0.07%
	Ilva S.p.A.	38.51%
	All Others	13.02%

\*This rate is based on adverse facts available, because the company did not participate in the investigation.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Korea	Union Steel Manufacturing Co. Ltd./Dongkuk Steel Mill Co., Ltd.	0.72% ( <i>de minimis</i> )
	Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	1.19%
	All Others	1.19%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Taiwan	Prosperity Tieh Enterprise Co., Ltd. (PT); Hong-Ye Steel Co., Ltd. (HY); Prosperity Did Enterprise Co., Ltd. (PD); and Chan Lin Enterprise Co., Ltd. (CL) (collectively Prosperity Companies)	0.00%
	Yieh Phui Enterprise Co., Ltd. (Yieh Phui); Yieh Corporation Limited (YCL); Shin Yang Steel Co., Ltd. (Shin Yang); and Synn Industrial Co., Ltd (Synn) (collectively Yieh Phui Companies)	0.00%

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

## CASE CALENDAR:

<b>EVENT</b>	<b>CVD INVESTIGATIONS</b>	<b>AD INVESTIGATIONS</b>
<b>Petition Filed</b>	<b>June 3, 2015</b>	<b>June 3, 2015</b>
<b>DOC Initiation Date</b>	<b>June 23, 2015</b>	<b>June 23, 2015</b>
<b>ITC Preliminary Determinations</b>	<b>July 24, 2015</b>	<b>July 24, 2015</b>
<b>DOC Preliminary Determinations</b>	<b>November 2, 2015</b>	<b>December 21, 2015</b>
<b>DOC Final Determinations</b>	<b>May 24, 2016</b>	<b>May 24, 2016</b>
<b>ITC Final Determinations</b>	<b>July 8, 2016</b>	<b>July 8, 2016</b>
<b>Issuance of Orders**</b>	<b>July 15, 2016</b>	<b>July 15, 2016</b>

**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. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances. These deadlines may be extended under certain circumstances.

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

## IMPORT STATISTICS:

<b>CHINA</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	302,400	861,200	705,600
Value (USD)	257,996,000	684,960,000	500,312,000
<b>INDIA</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	294,400	466,100	294,300
Value (USD)	239,811,000	379,505,000	219,554,000
<b>ITALY</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	45,100	121,800	151,000
Value (USD)	39,747,000	99,068,000	109,980,000
<b>KOREA</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	353,700	444,100	594,000
Value (USD)	325,421,000	416,691,000	509,070,000
<b>TAIWAN</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	362,900	608,900	603,200
Value (USD)	353,033,000	577,520,000	534,412,000

SOURCE: U.S. CENSUS BUREAU, ACCESSED THROUGH GLOBAL TRADE ATLAS. HTSUS 7210.30.0030, 7210.30.0060, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.90.6000, 7210.90.9000, 7210.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, AND 7212.60.0000. THE ABOVE HTSUS SUBHEADINGS MAY COVER BOTH SUBJECT AND NON-SUBJECT MERCHANDISE. IMPORTS OF CORROSION-RESISTANT STEEL PRODUCTS MAY ALSO ENTER UNDER 7210.90.10000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, AND 7229.90.1000. THESE HTSUS SUBHEADINGS MAY COVER A SIGNIFICANT AMOUNT OF NON-SUBJECT MERCHANDISE AND THEREFORE HAVE BEEN EXCLUDED FOR PURPOSES OF REPORTING IMPORT STATISTICS.