



FACT SHEET

Commerce Initiates Antidumping Duty Investigations of Imports of Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan and Countervailing Duty Investigations of Imports of Non-Oriented Electrical Steel from the People's Republic of China, the Republic of Korea, and Taiwan

- On November 7, 2013, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) investigations of imports of non-oriented electrical steel (NOES) from the People's Republic of China (China), Germany, Japan, the Republic of Korea (Korea), Sweden, and Taiwan and countervailing duty (CVD) investigations of imports of NOES from China, Korea, and Taiwan.
- The AD and CVD laws provide 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 petitioner for these investigations is AK Steel Corporation (OH).
- The merchandise subject to these investigations is 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" in the prior sentence 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 at least 1.25 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 is subject to these investigations whether it is fully processed (fully annealed to develop final magnetic properties) or semi-processed (finished to final thickness and physical form but not fully annealed to develop final magnetic properties); whether or not it is coated (*e.g.*, with enamel, varnish, natural oxide surface, chemically treated or phosphate surface, or other non-metallic materials). 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 specifications noted above.

NOES is sometimes referred to as cold-rolled non-oriented electrical steel (CRNO), non-grain oriented (NGO), non-oriented (NO), or cold-rolled non-grain oriented (CRNGO). These terms are interchangeable.

The subject merchandise is provided for in subheadings 7225.19.0000, 7226.19.1000, and 7226.19.9000 of the Harmonized Tariff Schedule of the United States (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 2012, imports of NOES from China, Germany, Japan, Korea, Sweden, and Taiwan were valued at an estimated \$14.8 million, \$10.3 million, \$21.8 million, \$6.8 million, \$15.3 million, and \$17.2 million, respectively.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before December 2, 2013.
- If the ITC determines that there is a reasonable indication that imports of NOES from China, Germany, Japan, Korea, Sweden, and/or Taiwan materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determinations in January 2014 and its preliminary AD determinations in March 2014, unless the statutory deadlines are extended. If the ITC's preliminary determinations are negative, the investigations will be terminated.

Alleged Dumping Margins:

COUNTRY	DUMPING MARGINS
China	244.54 to 407.52 percent
Germany	73.74 to 98.84 percent
Japan	88.63 to 204.79 percent
Korea	16.00 to 68.82 percent
Sweden	62.17 to 126.72 percent
Taiwan	52.23 to 101.51 percent

Estimated Subsidy Rates:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *
Korea	Above <i>de minimis</i> *
Taiwan	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 INVESTIGATIONS
Petitions Filed	September 30, 2013	September 30, 2013
DOC Initiation Date	November 6, 2013 [^]	November 6, 2013 [^]
ITC Preliminary Determinations*	December 2, 2013 [†]	December 2, 2013 [†]
DOC Preliminary Determinations	March 26, 2014	January 10, 2014
DOC Final Determinations	June 9, 2014	March 26, 2014
ITC Final Determinations**	July 24, 2014	May 12, 2014 [†]
Issuance of Orders***	July 31, 2014	May 19, 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.

[^] 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)	7,500	14,900	12,700
Value (USD)	7,366,000	18,957,000	14,801,000
GERMANY	2010	2011	2012
Volume (metric tons)	9,800	13,000	8,700
Value (USD)	11,384,000	18,411,000	10,279,000
JAPAN	2010	2011	2012
Volume (metric tons)	18,300	20,600	16,800
Value (USD)	20,917,000	27,523,000	21,757,000
KOREA	2010	2011	2012
Volume (metric tons)	4,800	6,200	6,700
Value (USD)	5,279,000	7,401,000	6,818,000
SWEDEN	2010	2011	2012
Volume (metric tons)	3,800	7,800	8,500
Value (USD)	6,580,000	14,432,000	15,285,000
TAIWAN	2010	2011	2012
Volume (metric tons)	6,100	4,700	15,500
Value (USD)	7,469,000	6,111,000	17,247,000

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.