

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

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Welded Stainless Steel Pressure Pipe)	Inv. Nos. 701-TA-548 and
from India)	731-TA-1298
_____)	(Final)

Testimony of Rohit Krishnakumar Sharma

Mr. Chairman and Members of the Commission:

1. Good afternoon. My name is Rohit Krishnakumar Sharma, and I am the head of marketing at Steamline Industries Ltd. I appreciate the opportunity to appear before the Commission to discuss my company's role in the U.S. WSSPP market.

2. Steamline has been in business for a long time, but we only entered into the production of WSSPP in 2012. Prior to that time Steamline had been a distributor and trader of various other stainless steel products including stainless steel coils, pipe fittings, and flanges, and had also operated other lines of business.

3. Steamline entered into the WSSPP industry with the expectation of supplying the Indian domestic market. We are confident that the Indian WSSPP market has tremendous long term potential. India still has a great need for

improved infrastructure and is expected to feature growth in petrochemicals, pulp and paper, pharmaceutical manufacturing, and other sectors that consume large quantities of WSSPP.

4. However, in the shorter term, there have been impediments to development of the Indian WSSPP market. The domestic WSSPP market is poorly organized and lacks an efficient distribution system. While there are only a handful of premium Indian producers, there remain a number of small, unregulated producers throughout India. These companies have rudimentary production operations that are producing small volumes with little or no quality control. In addition, there is only a one integrated domestic supplier of high quality stainless steel coil in India, Jindal. As I will discuss in a moment, Jindal has proven be an unreliable supplier over the past few years. India has a duty on imports of stainless coil, further limiting our sourcing options.

5. Given these challenges in the Indian domestic market, when we were contacted by Warren Alloy in 2013 about supplying the U.S. market, we saw this as an opportunity to increase our production and sales while we waited for the

Indian domestic market to develop. When WSSPP demand in the United States surged in 2014, supplying the U.S. market was a challenge for us. As Chad has testified, we have struggled at times to meet delivery schedules, in large part due to our own supply problems in obtaining reliable deliveries of stainless coil from Jindal. Despite these challenges, the strong demand and rising nickel prices made the U.S. market an attractive one for us during this period. We only sold to a limited number of U.S. importers, led by Warren Alloy.

6. Beginning in late 2014 things changed. Nickel prices began to decline and demand in the U.S. market fell off. As a result, Warren Alloy and our other customers slashed their orders, and our exports to the United States have dwindled. In the meantime, demand in the Indian domestic market was also slow. As result, we have had to reduce our production and our capacity utilization.

7. Despite these setbacks, the long term outlook for the Indian market remain strong. We are now in the process of obtaining approvals to supply the OEM customers in India in the oil and gas, pulp and paper, and sugar industries.

Once these approvals have been obtained, we expect our sales to the domestic market to improve so that we can increase our production and capacity utilization.

8. We are continuing to project reduced shipments of WSSPP to the United States for the foreseeable future. As Chad has discussed, our product is not on any AMLs and our customers have not given us any indication that they expect to resume placing significant orders in the near future.

9. Thank you.