

STEEL WIRE ROPE FROM THE REPUBLIC OF KOREA

**Determination of the Commission
in Investigation No. 731-TA-112
(Preliminary) Under Section 733(a)
of the Tariff Act of 1930,
Together With the Information
Obtained in the Investigation**



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-112 (Preliminary)

STEEL WIRE ROPE FROM KOREA

Determination

Based on the record 1/ developed in investigation No. 731-TA-112 (Preliminary), the Commission unanimously determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of steel wire rope from Korea, provided for in items 642.14 and 642.16 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value (LTFV).

Background

On September 28, 1982, the nine member firms of the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is being materially injured, or threatened with material injury, by reason of LTFV imports of steel wire rope from Korea. Accordingly, effective September 28, 1982, the Commission instituted preliminary antidumping investigation No. 731-TA-112 under section 733(a) of the Act. Notice of the institution of the investigation and conference therefor was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, and by publishing the notice in the Federal Register on October 6, 1982 (47 F.R. 44171). A public conference was held in Washington, D.C. on October 20, 1982, at which all interested parties were afforded the opportunity to present information for consideration by the Commission.

1/ The "record" is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(i)).

VIEWS OF THE COMMISSION

Introduction

We determine, pursuant to section 731(a) of the Tariff Act of 1930 (hereinafter the Act), 1/ that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of steel wire rope from Korea which are allegedly sold at less than fair value. 2/

Domestic Industry

Section 771(4)(A) of the Act defines the term "industry" as the "domestic producers as a whole of a like product or those producers whose collective output of the like product constitutes a major portion of the total domestic production of that product." 3/ Section 771(10) defines "like product," in turn, as a "product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation." 4/ 5/

Steel wire rope is a "machine" and is used for the transmission of force. 6/ It is produced from steel rod, by reducing the diameter of the rod until it becomes a wire of the desired diameter. The individual wires are then "woven" into strands and the strands are then "woven" into ropes around a

1/ 19 U.S.C. § 1673b(a).

2/ Retardation of establishment of an industry in the United States is not an issue in this investigation and will not be discussed further.

3/ 19 U.S.C. § 1677(4)(A).

4/ 19 U.S.C. § 1677(10).

5/ Brass-plated steel wire rope was specifically excluded from the petition and need not be considered by the Commission. Brass-plated steel wire rope is used in the construction of steel-belted tires.

6/ Report, p. A-2.

central core. 7/ This core may be strand, fiber, or wire.

Steel wire rope usually is made to federal specifications, particularly Federal Specification RR-W-410 and Military Specifications MIL-W-5424, MIL-W-1511, and MIL-W-83420. Both domestic and steel wire rope imported from Korea conform to these specifications. 8/

There are three basic types of steel wire rope--stainless, bright, and galvanized. Stainless steel wire rope is made from stainless steel. Bright wire rope is made from carbon steel. Galvanized steel wire rope is bright wire rope which is coated with zinc. 9/ In all other respects, however, the production of galvanized steel wire rope is indistinguishable from the production of other steel wire rope. All three types of steel wire rope are produced on the same machinery, utilizing the same production methods and labor force. 10/ The equipment used to produce steel wire rope does not, to any significant degree, have other uses.

The decision whether to use carbon steel, galvanized carbon steel, or stainless steel for the production of steel wire rope depends upon the application for which the steel wire rope is intended. 11/ Steel wire rope is used in a variety of industrial applications, such as earth-moving, materials-handling, mining, logging, aviation, and oil-drilling. 12/ Galvanized wire rope has better corrosion resistance than bright wire rope

7/ More than 90 percent of both the steel wire and the steel wire strand used in the process are ultimately converted into steel wire rope. Conference Transcript, pp. 25-27.

8/ Petition, p. 12.

9/ Report, pp. A-3-5.

10/ Conference Transcript, pp. 18-19.

11/ Report, pp. A-5-7.

12/ Report, pp. A-2-6.

because of its zinc coating. Stainless steel wire rope has the best corrosion resistance of the three because of the chemical composition of stainless steel. 13/

Counsel for those in opposition to the petition argued that stainless steel wire rope is a different product from carbon steel wire rope and is used in different applications, thus constituting a separate "like product" within the meaning of the statute. At this time, the Commission does not have sufficient information on the possible different characteristics and uses of the various types of steel wire rope to be able to conclude that there is more than one "like product."

In addition, according to the information currently available to the Commission, only a very small percentage of domestic production and a very small percentage of imports from Korea are of stainless steel wire rope. As previously stated, the machinery and personnel for the production of carbon steel wire rope and stainless steel wire rope are interchangeable. 14/ Moreover, domestic producers normally do not maintain separate profit and loss figures for stainless, bright, and galvanized steel wire rope. 15/ Under these circumstances, it is not feasible to assess separately the impact of imports of galvanized, bright, and stainless steel wire rope on the basis of the production of such products by the domestic industry. 16/

Considering all of the factors enumerated above, we find that there is one like product in this investigation--steel wire rope. The producers of

13/ Report, p. A-5.

14/ Report, p. A-5.

15/ Conference Transcript, p. 42.

16/ 19 U.S.C. § 1677(4)(D).

that like product constitute the appropriate domestic industry for purposes of this preliminary investigation. 17/

Material Injury by Reason of Alleged LTFV Imports

In a preliminary investigation, the Commission is directed by title VII of the Act to determine whether there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury by reason of imports of the merchandise that is the subject of the investigation. 18/

In making its determination, section 771(7) of the Act directs the Commission to consider, among other factors, (1) the volume of imports of the merchandise under investigation, (2) their impact on domestic prices and (3) the consequent impact on the domestic industry. 19/

Condition of the Domestic Industry

The condition of the domestic steel wire rope industry remained relatively stable between 1979 and 1981, but the overall condition has deteriorated markedly during the first nine months of 1982. Although domestic capacity to produce steel wire rope remained relatively constant during the 1979-1981 period, production increased during the same period, resulting in an increase in capacity utilization from 84.2 percent in 1979 to 90.2 percent in

17/ We emphasize that the definition of the domestic industry in this preliminary investigation is based on the best information now available. Should this case be returned for a final investigation, the Commission will attempt to obtain detailed information on the uses for each type of steel wire rope. We will also attempt to obtain--to the extent such information is available--allocated financial information regarding each type of steel wire rope.

18/ 19 U.S.C. § 1673b(a).

19/ 19 U.S.C. § 1677(7).

1981. However, production decreased during the first nine months of 1982 compared with the same period in 1981. 20/ Consequently, capacity utilization declined from 85.2 percent for the period January-September 1981 to 59.2 percent for the period January-September 1982. 21/ The domestic producers' share of the U.S. market also declined from 70.7 percent in 1979 to 68.6 percent in 1981, 22/ and further declined from 69.7 percent in the period January-September 1981 to 63.7 percent in the corresponding period of 1982. Although U.S. producers' shipments increased by approximately 10 percent from 1979 to 1981, they decreased by 26 percent in January-September 1982 compared with the same period in 1981. 23/

U.S. producers' inventories increased annually from 1979 to 1981. The number of days' supply in inventory also increased from 130 days for the January-September 1981 period to 193 days for the same period in 1982. 24/

Employment patterns reflect relative stability from 1979 to 1981, but indicate a sharp decline for the period January-September 1982. There were 564 fewer persons employed in steel wire rope production in January-September 1982 than in January-September 1981, a 17 percent decrease in employment. In this same period, total compensation to production and related workers decreased by about 16 percent. 25/ Labor productivity increased steadily from 1979 to 1981 as obsolete plants were closed and new, modern facilities were

20/ Report, Table 4.

21/ Report, Table 4.

22/ Report, Table 3.

23/ Report, Table 5.

24/ Report, Table 6.

25/ Report, Tables 7 and 8.

opened. In 1982, labor productivity returned to the 1979 level primarily due to lowered levels of production and capacity utilization. 26/

Financial performance information was provided to the Commission by 11 producers accounting for over 96 percent of U.S. production of known steel wire rope in 1981. Although net sales, gross profit, and net profit all increased irregularly between 1979 and 1981, they declined precipitously during the period January-September 1982. In fact, aggregate data show that the industry went from a net profit of \$ 18.9 million in January-September 1981 to a net loss of \$ 12.7 million in January-September 1982. The number of domestic firms reporting net losses increased from 2 in the period January-September 1981 to 9 in the corresponding period in 1982. 27/

Reasonable indication of material injury by reason of imports from Korea

Imports of steel wire rope from Korea increased slightly from 197⁹ to 1980, but increased by more than 36 percent from 1980 to 1981. 28/ Although apparent domestic consumption declined by 19 percent in January-September 1982, as compared to January-September 1981, imports from Korea declined by only 2 percent during the same period. 29/ As a percentage of apparent domestic consumption, imports from Korea increased from 17.4 percent in 197⁹ to 21.6 percent in 1981 and to 25.0 percent in January-September 1982. 30/ Korea has been the largest single source of steel wire rope imports throughout the period covered by this investigation.

26/ Report, Table 7.

27/ Report, Table 9.

28/ Report, Table 15.

29/ Report, Table 15.

30/ Report, Table 15.

Substantial margins of underselling were found for all types of steel wire rope subject to this investigation. 31/ For example, margins of underselling for galvanized wire rope ranged from 40 percent to 67 percent for sales to service centers/distributors. 32/ For bright wire rope, margins of underselling ranged from 27 percent to 52 percent for sales to service centers/distributors. 33/

The Commission's staff investigated a random sample of the 357 allegations of lost sales and price suppression/depression submitted by the domestic producers. 34/ Lost sales and price suppression/depression were confirmed by the Commission staff. Price was found to be a major consideration in the purchase of steel wire rope. 35/ 36/

Conclusion

During the first nine months of 1982, the domestic industry lost market share, its sales decreased, and its financial position markedly deteriorated. At the same time, imports from Korea increased their market share. These imports undersold the domestic product by significant margins and have resulted in lost sales. Therefore, we conclude that there is a reasonable indication that the domestic steel wire rope industry is materially injured by reason of imports of steel wire rope from Korea allegedly sold at less than fair value.

31/ Pricing information on stainless steel wire rope is confidential.

32/ Report, Table 23.

33/ Report, Table 24.

34/ Most of the allegations of lost sales and price suppression/depression were received after the preliminary conference held on October 20, 1982, which left insufficient time for the Commission's staff to investigate more than a random sample.

35/ Report, pp. A-35-36.

36/ Perceived quality differences between the domestic and imported products may account for a portion of the margins of underselling. Report, p. A-36.

INFORMATION OBTAINED IN THE INVESTIGATION

INTRODUCTION

On September 28, 1982, a petition was filed with the U.S. International Trade Commission and the U.S. Department of Commerce on behalf of member firms of the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers. 1/ The petition alleged that imports of steel wire rope from the Republic of Korea (Korea), provided for in items 642.1400, 642.1610, and 642.1650 of the Tariff Schedules of the United States Annotated (TSUSA), are being, or are likely to be, sold in the United States at less than fair value (LTFV) and that an industry in the United States is materially injured, or threatened with material injury, by reason of imports of such merchandise. Accordingly, effective September 28, 1982, the Commission instituted investigation No. 731-TA-112 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Korea of steel wire rope which are alleged to be sold at LTFV. The statute directs that the Commission make its determination within 45 days of receipt of the petition, or, in this case, by November 12, 1982.

Notice of the institution of the Commission's investigation and of the public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of October 6, 1982 (47 F.R. 44171). 2/ The public conference was held in Washington, D.C., on October 20, 1982, at which time all interested parties were given the opportunity to present information for consideration by the Commission. 3/ The briefing and vote on this investigation was held on November 4, 1982.

Other Investigations Concerning Steel Wire Rope

In 1973, the Department of the Treasury found LTFV sales of steel wire rope imported from Japan. In September 1973 the Commission determined that an industry in the United States was being or was likely to be injured by reason of imports of steel wire rope from Japan. 4/

1/ The petitioning firms were Armco, Inc., Union Wire Rope; Bethlehem Steel Corp., Wire Rope Division; Bridon-American Corp.; Broderick & Bascom Rope Co.; Macwhyte Co.; Paulsen Wire Rope Corp.; Rochester Corp.; Universal Wire Products; and Wire Rope Corp. of America, Inc.

2/ A copy of the Commission's notice of investigation and conference is presented in app. A. The Department of Commerce's notice of initiation of its antidumping investigation is presented in app. B.

3/ A list of witnesses appearing at the conference is presented in app. C.

4/ Steel Wire Rope from Japan: Determination of Injury and Likelihood Thereof in Investigation No. AA1921-124 . . . USITC Publication 608, September 1973.

On September 13, 1977, Broderick & Bascom Rope Co. filed a request for an investigation pursuant to the Antidumping Act, 1921 (19 U.S.C. 160), with respect to imports of steel wire rope from Korea. At that time the Department of the Treasury did not find more than de minimis sales at LTFV.

Nature and Extent of Alleged Sales at LTFV

According to the petition, the U.S. price (f.o.b. Korean port price for the subject steel wire rope destined for the U.S. market) is below the Korean home-market price for the same products, sold at the time of exportation, in the usual wholesale quantities and in the ordinary course of trade for Korean consumption. Alleged dumping margins range from 10.3 to 32.2 percent. Petitioners obtained supporting data for LTFV sales allegations from invoices of actual transactions in Korea. Petitioners also assert that the Korean home-market sales of steel wire rope to Korean Government agencies, as well as the transactions between Korean wire rope manufacturers and the export trading companies, may not be at arm's length primarily because the exporting of steel wire rope, together with the exporting of other fabricated steel products, is considered important by the Korean Government in achieving the export goals of the Government's Economic Planning Board. For this reason, petitioners assert, Korean market conditions may be manipulated.

The Product

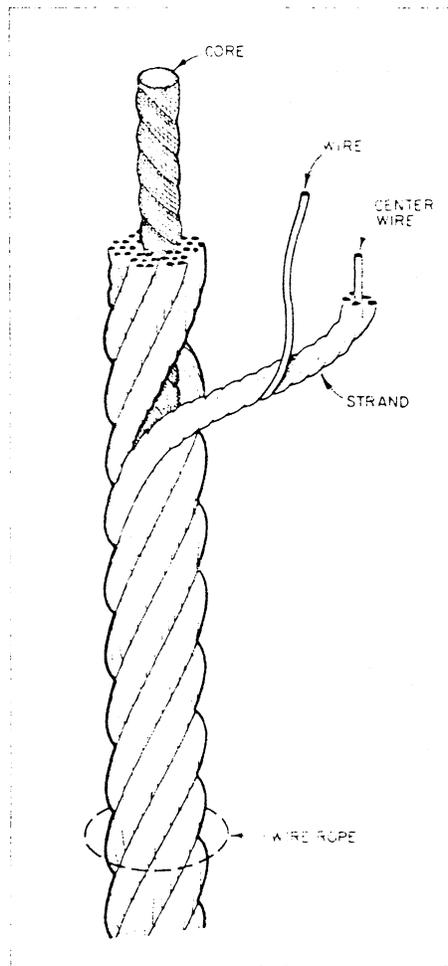
Description and uses

Steel wire rope is a "machine" for the transmission of force. It is essentially a group of steel strands twisted together helically and symmetrically around a central core of fiber or wire. Each strand, in turn, consists of a group of steel wires similarly twisted around a central member. Figure 1 shows these three basic components of steel wire rope. The wire rope's fatigue resistance and resistance to abrasion are directly affected by the design of the strands. In most strands with two or more layers of wires, inner layers support outer layers in such a manner that wires may slide and adjust freely when the strand flexes.

The core provides the center for the strands; it keeps the rope round and the strands properly spaced within the design standards and length of lay. Three types of cores are most commonly used: (1) fiber core (FC), (2) independent wire rope core (IWRC), literally an independent wire rope with strands and a core; and (3) strand core (WSC), which is a strand made of wire. The choice of core has an effect upon the flexibility of a rope; e.g., FC ropes are considerably more flexible than IWRC ropes of the same diameter and strand construction.

The manufacturing of steel wire rope consists of the following major steps. Steel wire rod is reduced to a smaller diameter, after which it is called wire. Wires are woven into strands and the strands are "closed" into ropes. The rod and wire may undergo one or more heat-treating operations, which are called patenting in the wire rope business. Figure 2 is a schematic diagram of the process and machinery involved.

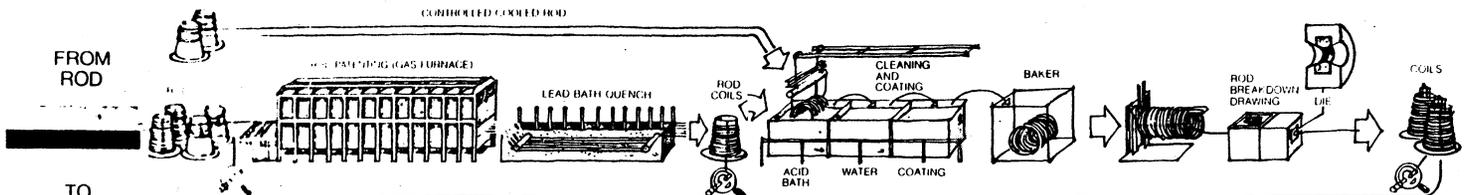
Figure 1.--The 3 basic components of a typical steel wire rope.



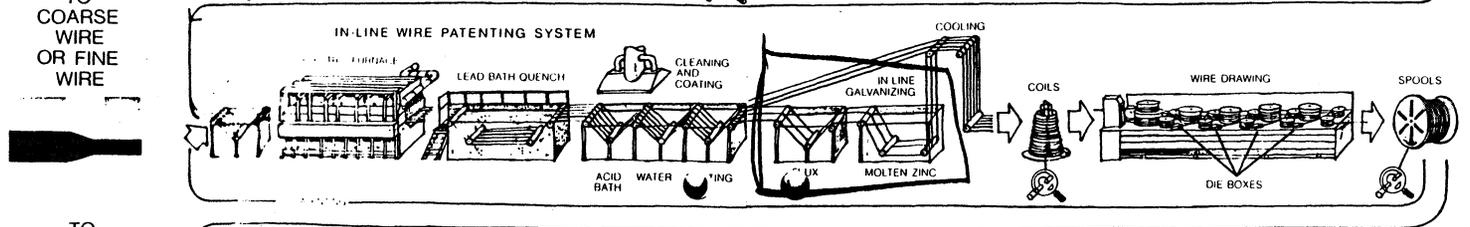
Source: American Iron & Steel Institute, Committee of Wire Rope Producers, Wire Rope Users Manual, 2d ed., 1981, p. 7.

Hot-rolled steel wire rod is first passed through patenting (heat treating) furnaces to improve ductility and provide a uniform grain structure. In the patenting furnace the rod is heated to about 2000° F, then quenched in a molten lead bath or allowed to air-cool. The rod is then cleaned in an acid bath. The cleaned and patented rod is then cold-drawn through a series of carbide dies. After the rod is reduced in diameter in the cold-drawing process, it is called a wire. Precision drawing to small-diameter wire is accomplished by passing the wire through increasingly

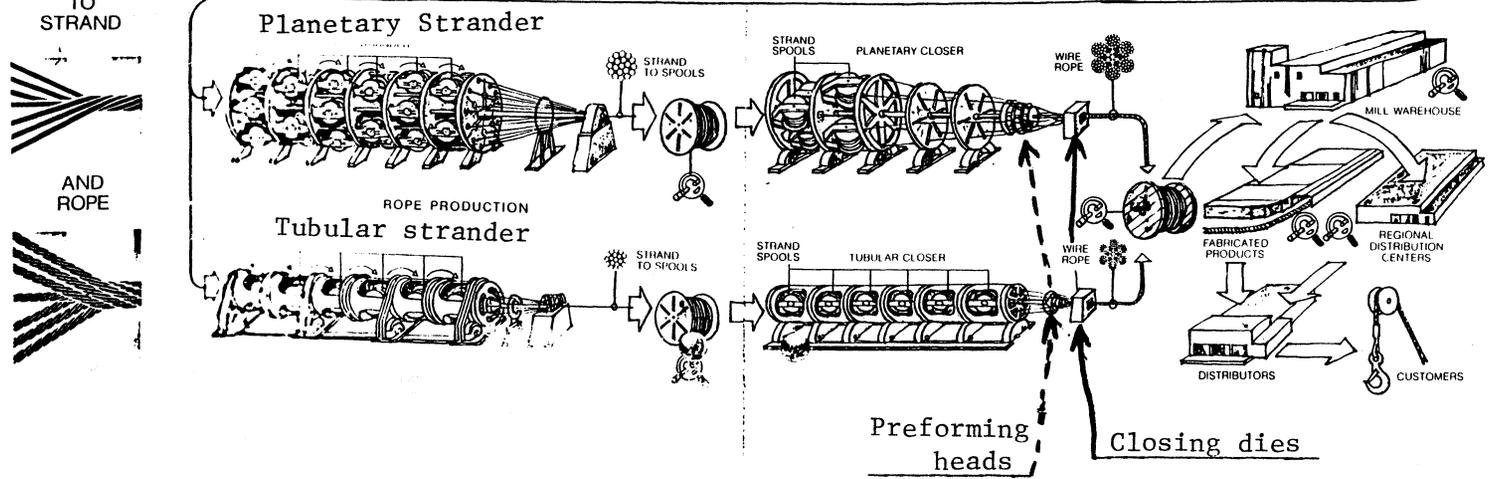
Row 1



Row 2



Row 3



Row 4

Figure 2.--Steel wire rope manufacturing machinery and process.

smaller dies, with up to 20 die positions on one machine. Wires can be drawn from 0.250 inch to 0.009 inch or approximately the size of a human hair (rows 1 and 2 on fig. 2).

Strands are always formed of individual wires; the number of wires forming a strand ranges from 2 to 73. These wires must be formed precisely around a center, which is usually a single wire, so all wires in the strand can move in unison in order to equally distribute load and bending stresses. A "tubular" or "planetary" strander is the machine that is used to form the strands. It unreels the wires from the individual spools and lays them together helically to make a strand (rows 3 and 4 on fig. 2).

The final operation is called closing. This operation is accomplished with a tubular or planetary closer machine. This machine is equipped with a preforming head which passes the strands over its rollers before they enter the closing die. The preforming allows the strands to lie in the rope without stress. The die presses the strands together and the rope is thus formed (rows 3 and 4 on fig. 2).

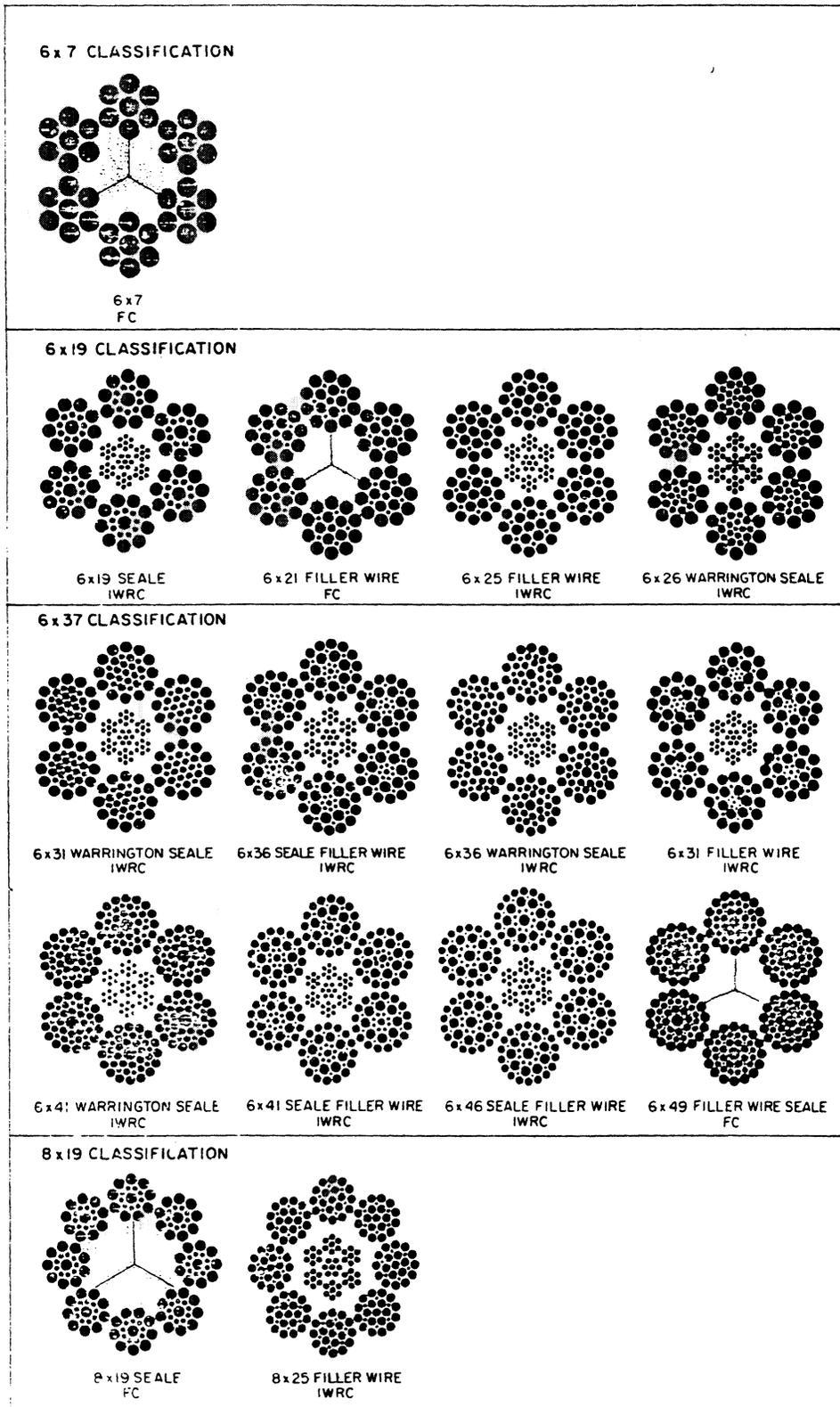
If the input wire rod is stainless steel, the output wire rope is stainless wire rope. If the wire rod is carbon steel, the wire rope will be either galvanized wire rope, if the wire is pulled through the galvanizing tank of molten zinc before stranding, or bright wire rope if the wire bypasses the galvanizing tank (row 2 on fig. 2). Galvanized rope is not stronger than bright rope of the same size; it merely has better corrosion resistance. Stainless wire, which has the best corrosion resistance, also bypasses the galvanizing tank, since its corrosion resistance stems from its chemical composition. All other steps in the manufacturing and distribution processes as well as the machinery involved in the making of stainless, galvanized, or bright steel wire ropes are identical. Stainless-steel wire rope represents 0.1 percent of U.S. consumption of steel wire rope.

The number of strands and the strand construction determine wire rope classification. Most wire rope is grouped into five standard classifications, on the basis of the number of strands and wires per strand, as shown below:

<u>Classification</u>	<u>Number of strands</u>	<u>Wires per strand</u>
6x7	6	7
6x19	6	16 to 26
6x37	6	27 to 49
6x61	6	50 to 74
8x19	8	16 to 26

Cross sections of some commonly used wire rope constructions are shown in figure 3. The standard sizes of steel wire rope range from 1/32 inch (0.8mm) to 5 inches (127mm) in rope-diameter.

Figure 3.--Cross-sections of some commonly used wire rope constructions.



Source: American Iron & Steel Institute, Committee of Wire Rope Producers, Wire Rope Users Manual, 2d ed., 1981, p 7.

Steel wire rope is used for the transmission of force in all industrial and consumer applications where a combination of flexibility, durability, reliability, and strength is required. Typical end uses for wire rope are in hoisting machinery, earthmoving machinery, and material-handling equipment such as clamshells, cranes, bulldozers, mining and dredging machines, and conveyors. Other uses include elevator ropes, logging ropes, marine ropes, oilfield ropes for drilling lines and well servicing, aircraft control cables, and fish net trawling cables. Wire rope is also used by the automobile industry for clutch, brake, speedometer, and other cables.

U.S. tariff treatment

Imports of steel wire rope subject to this investigation are classified for tariff purposes under TSUSA items 642.1400, 642.1610, and 642.1650. These items cover wire rope, other than wire strand, of steel, not fitted with fittings, not made into articles, and not covered with textiles or other nonmetallic materials. The current column 1 (most-favored-nation) rate of duty 1/ and column 2 rate of duty 2/ for these items are shown in table 1. The least developed developing countries (LDDC) rate of duty 3/ for TSUSA item 642.1400 is 4.4 percent ad valorem; no LDDC rate exists for TSUSA items 642.1610 and 642.1650. Subject imports from beneficiary developing countries other than Korea are eligible for duty-free treatment under the Generalized System of Preferences (GSP). 4/ Imports of subject steel wire rope from Korea were declared ineligible for GSP treatment in April 1981, because of competitive-need limitations. Official statistics of the U.S. Department of Commerce indicate that the last duty-free entry of a steel wire rope shipment from Korea was recorded in September 1981.

1/ The col. 1 rates are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA.

2/ The rate of duty in col. 2 applies to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA.

3/ The preferential rates of duty in the "LDDC" column reflect the full U.S. Multilateral Trade Negotiations concession rates implemented without staging for particular items which are the products of least developed developing countries, enumerated in general headnote 3(d) of the TSUSA. Where no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty provided for in col. 1 applies.

4/ The GSP, under title V of the Trade Act of 1974, provides duty-free treatment for specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888, of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is expected to remain in effect until January 1985.

Table 1.--Steel wire rope: U.S. rates of duty as of Jan. 1, 1982

TSUS item No.	Article	Rate of duty		
		Col. 1	LDDC	Col. 2
642.1400 A*	Stainless-steel wire rope, other than strand, valued at 13 cents or more per pound.	5.7% ad val.	4.4% ad val.	45% ad val.
642.1610 A*	Galvanized steel wire rope of iron or steel, other than strand, valued 13 cents or more per pound.	4% ad val.		35% ad val.
642.1650 A*	Other steel wire rope of iron or steel, other than strand, valued 13 cents or more per pound.	4% ad val.		35% ad val.

1/ Galvanized rope was not separated prior to January 1, 1982.

Channels of distribution

Most U.S. producers distribute wire rope nationwide, through their own warehouse/distribution points and through unrelated distributors. * * *. Customers of domestic producers and importers are located nationwide. 1/

The 11 largest importers, accounting for * * * percent of all imports from Korea, shipped an estimated 80 percent of their imports to unrelated distributors and 20 percent to end users in 1981. U.S. producers reported shipping 72 percent of their shipments to unrelated distributors and 28 percent to end users in 1981.

U.S. Producers

Steel wire rope is known to be produced in the United States by 15 firms in 16 production facilities. The locations of the production facilities, by areas, and the areas' shares of 1981 U.S. production are listed in the following tabulation:

* * * * *

1/ Transcript of the public conference, Oct. 20, 1982, pp. 69 and 117.

The principal domestic manufacturers are either exclusively in the business of manufacturing steel wire rope or steel-wire-rope producing divisions of integrated steel producers that are separate profit centers. The 15 known producers of steel wire rope, the locations of their plants, and their shares of 1981 production are shown in table 2.

Table 2.--Steel wire rope: Principal U.S. producers, location of their establishments, and share of total U.S. production in 1981

Firm	Plant location	Share of U.S. production in 1981 <u>Percent</u>
Armco, Inc, Union Wire Rope-----	Kansas City, Mo.	***
Bergen Wire Co. Subsidiary of R.S.C.:		
Industries, Inc-----	Lodi, N.J.	***
Bethlehem Steel Corp., Wire Rope Div:	Williamsport, Pa.	***
Bridon-American Corp-----	Exeter, Pa.	***
Broderick & Bascom Rope Co-----	Sedalia, Mo.	***
Carolina Industries-----	Asheville, N.C.	***
Carolina Steel & Wire Corp-----	Lexington, S.C.	***
Loos Co-----	Pomfret, Conn.	***
Macwhyte Co-----	Kenosha, Wis.	***
Paulsen Wire Rope Corp-----	Sunberry, N.Y.	***
Pennsylvania Wire Rope-----	Williamsport, Pa.	***
Rochester Corp-----	Culpeper, Va.	***
Universal Wire Products-----	North Haven, Conn.	***
United States Steel Corp, Wire Rope	Pittsburg, Calif.	***
Prod. Division.	Trenton, N.J.	***
Wire Rope Corp. of America-----	St. Joseph, Mo.	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Between 1978 and 1980, * * * wire rope production facilities were closed. Some of the older plants were abandoned, and other plants were consolidated into new, more modern and efficient facilities. The plants that were permanently closed are as follows:

* * * * * *

Studies on the size of the wire rope market are not available; however, industry sources estimate that apparent U.S. consumption of steel wire rope increased at an average annual rate of 1 percent between the early 1950's and 1981. U.S. consumption in the early 1950's was estimated at 200,000 tons a

year; in 1981, consumption amounted to 288,909 tons. Industry sources estimate the end uses of steel wire rope in the United States (on the basis of tonnage) in 1981 as follows: 1/

<u>End use</u>	<u>Share of market</u> <u>(percent)</u>
Mining-----	20
Oil country-----	15
Fabricated wire rope products (e.g. lifting devices)	12
Industrial-----	11
Construction-----	11
Marine-----	8
Elevator type-----	7
Logging-----	7
Aviation-----	5
Miscellaneous (ski lifts, suspended roofs, automobiles, etc.)-----	<u>4</u>
	100

Currently the greatest import penetration (more than 50 percent) is in logging, marine, and aviation applications and lifting devices. Substantial import penetration is also occurring in industrial and construction uses of wire rope. 2/

The U.S. wire rope industry is extremely competitive. Plants visited by the Commission's staff were modern, clean, and well-organized facilities. Recently installed, state-of-the-art machinery was observed in these plants. The Committee of Wire Rope Producers works on technical improvements in the product and improved standardization, and on finding new uses for wire rope thereby expanding the market for the industry.

1/ Estimates provided by Mr. C. W. Salanski, executive vice president of Wire Rope Corp. of America on Oct. 15, 1982; by Mr. Donald A. Sayenga, marketing manager, Bethlehem Wire Rope Division, and Mr. Charles Fitzsimmons, president, Bridon-American Corp., on Oct. 14, 1982; and by Mr. Raymond McCarthy, president, Broderick & Bascom Rope Co., on Oct. 29, 1982.

2/ Ibid.

U.S. Importers

The * * * was reviewed for the period October 1980-September 1981 in order to identify the U.S. importers of Korean steel wire rope. The following tabulation lists the major U.S. importers of record and their approximate share of total imports during the period reviewed:

* * * * *

The largest importers of record sell the Korean steel wire rope to other, usually smaller, U.S. distributors that constitute a secondary distributor network. Some of the largest U.S. distributors are not importers of record (e.g. * * *); rather, they purchase Korean wire rope simultaneously from several of the largest importers. Some of the importers of record, particularly the small ones, are end users.

The petition alleges that certain Korean producers and trading companies jointly own a controlling interest in U.S. wire rope importers and/or distributors and have sought to make imports more attractive through inventory financing. * * *.

Apparent Consumption

Apparent U.S. consumption of steel wire rope increased from 260,265 tons in 1978 to 288,909 tons in 1981, or by 11 percent, but decreased from 216,604 tons in January-September 1981 to 174,921 tons in the corresponding period of 1982, or by 19 percent (table 3).

Table 3.--Steel wire rope: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1979-81, January-September 1981, and January-September 1982

Period	Shipments ^{1/}	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	Short tons				Percent
1979-----	189,068	76,248	5,051	260,265	29.3
1980-----	190,836	64,853	5,053	250,636	25.9
1981-----	205,967	90,846	7,904	288,909	31.4
Jan.-Sept.--					
1981-----	156,686	65,730	5,812	216,604	30.3
1982-----	115,902	63,321	4,476	174,747	36.3

^{1/} U.S. producers submitting data accounted for more than 96.5 percent of known production in 1981.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Consideration of Material Injury to an
Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production, capacity, and capacity utilization increased during 1979-81 (table 4). Capacity increased again in January-September 1982 compared with that reported in the corresponding period in 1981; however, production and capacity utilization in January-September 1982 declined sharply.

Table 4.--Steel wire rope: U.S. production, practical capacity, 1/ and capacity utilization, 1979-81, January-September 1981, and January-September 1982 2/

Item	:	:	:	: Jan.-Sept--	
				:	:
	:	:	:	1981	1982
Production-----short tons--	:	:	:	:	:
	:	:	:	:	:
Capacity-----short tons--	:	:	:	:	:
Capacity utilization	:	:	:	:	:
percent--	:	:	:	:	:
	:	:	:	:	:

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could reasonably be obtained in their industry and locality in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting data accounted for more than 96.5 percent of known U.S. production in 1981.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. producers' shipments

Questionnaire data indicate that U.S. producers' shipments remained virtually the same from 1979 to 1980, and increased 8 percent from 1980 to 1981. Shipments decreased from 156,686 tons in January-September 1981 to 115,902 tons in the corresponding period of 1982, or by 26 percent, as shown in the following tabulation:

<u>Period</u>	<u>U.S. producers' shipments 1/</u> (tons)
1979-----	189,068
1980-----	190,836
1981-----	205,967
January-September--	
1981-----	156,686
1982-----	115,902

1/ U.S. producers submitting data accounted for more than 96.5 percent of known U.S. production in 1981.

U.S. exports

U.S. producers increased their exports from 5,051 tons in 1979 to 7,904 tons in 1981, or by 56 percent (table 5). In 1981, exports represented 3.7 percent of U.S. producers' shipments; in 1982, they represented 3.9 percent. Exports decreased by 23 percent from January-September 1981 to the corresponding period of 1982.

Table 5.--Steel wire rope: U.S. producers' shipments and exports of domestically produced merchandise, 1979-81, January-September 1981, and January-September 1982

Period	U.S. producers' shipments 1/	Exports	Ratio of exports to shipments
	Short tons		Percent
1979-----	189,068	5,051	2.7
1980-----	190,836	5,053	2.6
1981-----	205,967	7,904	3.8
Jan.-Sept.--			
1981-----	156,686	5,812	3.7
1982-----	115,902	4,476	3.9

1/ U.S. producers submitting data represented more than 96.5 percent of all known U.S. production in 1981.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * * * *

U.S. producers' inventories

Table 6 presents U.S. producers' inventories in terms of quantity, and as a percentage of the preceding period's production, as well as the number of days of future supply such inventories represent. As the data indicate, the equivalent of 67 percent of estimated 1982 production remained in inventory on September 30, 1982. The high level of inventories indicates that more drastic

production cutbacks may be forthcoming unless demand or the U.S. producers' share of domestic consumption increases.

Table 6.--Steel wire rope: U.S. producers' inventories and number of days of supply in inventory, 1979-81, January-September 1981, and January-September 1982 ^{1/}

Period	End-of-period inventories	Ratio of inventories to preceding period's production	Number of days of supply in inventory based on preceding period's shipments
	Short tons	Percent	
1979-----	67,181	33.2	130
1980-----	71,023	34.3	136
1981-----	82,736	36.4	147
Jan.-Sept. 1981-----	73,614	44.1	128
1982-----	81,797	67.0	193

^{1/} U.S. producers submitting data accounted for more than 96.5 percent of all known U.S. production in 1981.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. employment, wages, and productivity

Data related to employment and compensation are presented in tables 7 and 8. Employment in domestic establishments followed the pattern of production, i.e., it was relatively stable during 1979-81 and then decreased drastically in January-September 1982 compared with that in the corresponding period of 1981 (table 7). There were 564 fewer persons employed in steel wire rope production in January-September 1982 than in January-September 1981, representing a 17-percent decrease. The number of hours worked by these production and related workers decreased by 21 percent. The greater decrease in the hours worked than in persons employed indicates that the remaining employees worked shorter workweeks.

Table 7.--Average number of employees, total and production and related workers employed in establishments producing steel wire rope, hours paid for production and related workers, 1/ and labor productivity, 1979-81, January-September 1981, and January-September 1982 2/

Period	Employment			Hours paid for production and related workers producing--		Labor productivity
	All persons	Production and related workers producing--	Steel wire rope	All products	Steel wire rope	
						Tons per 1,000 hours
1979-----	5,466	3,510	3,156	6,952	6,309	32
1980-----	5,285	3,384	3,109	6,624	6,146	34
1981-----	5,321	3,454	3,172	6,758	6,230	36
Jan.-Sept.-						
1981-----	5,364	3,503	3,235	5,145	4,780	35
1982-----	4,636	2,866	2,671	4,275	3,814	32

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for more than 96.5 percent of total known U.S. production in 1981.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 8.--Wages and total compensation 1/ paid to production and related workers in establishments producing steel wire rope, hourly compensation, and unit labor costs, 1979-81, January-September 1981, and January-September 1982 2/

Period	Wages paid to production and related workers producing--		Total compensation paid to production and related workers producing--		Hourly compensation	Unit labor costs
	All products	Steel wire rope	All products	Steel wire rope		
						Per ton
1979-----	66,874	59,485	83,302	73,930	\$11.72	\$365.54
1980-----	70,064	64,070	87,765	80,164	13.04	386.99
1981-----	76,871	70,595	86,794	89,161	14.31	392.40
Jan.-Sept. :						
1981-----	60,329	55,632	76,086	70,206	14.69	420.26
1982-----	53,285	46,001	68,795	59,120	15.50	484.31

1/ The difference between total compensation and wages is an estimate of workers' benefits.

2/ U.S. producers submitting usable data accounted for more than 96.5 percent of total known U.S. production in 1981.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

As shown in table 7, labor productivity improved steadily during 1979-81, from 32 tons per 1,000 hours to 36 tons, or by 12.5 percent. Capacity utilization increased in the same period, as U.S. producers closed down older plants and consolidated marginal facilities into new, more modern and efficient facilities. However, in January-September 1982, labor productivity of steel wire rope production fell to the 1979 level as capacity utilization decreased to 59.2 percent (table 4). The following tabulation presents indexes of steel wire rope production and employment (1979=100 for full calendar years, January-September 1981 = 100 -- for partial years):

Period	Production	Persons employed	Hours paid	Unit labor costs	Hourly compensation	Output per labor hour	Capacity utilization
1979-----	100	100	100	100	100	100	100
1980-----	102	99	97	105	111	106	103
1981-----	112	101	99	109	122	113	107
Jan.-Sept:							
1981---	100	100	100	100	100	100	100
1982---	73	83	80	115	106	91	69

The increasing productivity in 1979-81 softened the impact of the increasing hourly compensation and kept the rate of increase of unit labor costs below that of hourly compensation. In January-September 1982, however, all indicators related to production and costs deteriorated compared with levels in the corresponding period of 1981.

Financial experience of U.S. producers

Profit-and-loss data for steel wire rope operations were received from 11 U.S. firms which accounted for more than 96 percent of U.S. production of steel wire rope in 1981. Aggregated net sales of steel wire rope increased by 25 percent from \$327.8 million in 1979 to \$410.5 million in 1981 (table 9). During the interim period ended September 30, 1982, aggregated net sales declined \$68.6 million, or by 23 percent, to \$233.8 million, compared with \$302.4 million in the corresponding period of 1981.

Aggregated operating profit on steel wire rope operations dropped from \$16.7 million, or 5.1 percent of net sales, in 1979 to \$12.8 million, or 3.6 percent of net sales, in 1980, and then increased to \$23.4 million, equivalent to 5.7 percent of net sales, in 1981. During the interim period ended September 30, 1982, the steel wire rope industry reported an aggregate operating loss of \$11.3 million, or 4.8 percent of net sales, compared with an aggregate operating profit of \$22.2 million, or 7.3 percent of net sales, in the corresponding period of 1981. * * *

* * * * *

Table 9.--Profit-and-loss experience of 11 U.S. producers on their operations on steel wire rope, accounting years 1979-81 ^{1/}, and interim periods ended September 30, 1981, and September 30, 1982

Item	1979	1980	1981	Interim period ended	
				Sept. 30-- 2/ 1981	1982
Net sales-----1,000 dollars--:	327,800	353,811	410,535	302,436	233,816
Cost of goods sold-----do----:	259,853	283,657	318,084	232,591	197,149
Gross profit-----do----:	67,947	70,154	92,451	69,845	36,667
General, selling, and adminis-:					
trative expenses					
1,000 dollars--:	51,261	57,401	69,040	47,689	47,952
Operating profit or (loss)					
1,000 dollars--:	16,686	12,753	23,411	22,156	(11,285)
Interest expense ^{3/} -----do----:	3,776	4,549	4,952	3,438	3,058
Other income or (expense)					
1,000 dollars--:	(78)	(1,390)	205	205	1,666
Net profit or (loss) before					
taxes-----1,000 dollars--:	12,832	6,814	18,664	18,923	(12,677)
Cash flow from operations					
1,000 dollars--:	21,510	16,497	29,120	27,743	(2,600)
As a percentage of net sales:					
Operating profit or (loss)					
percent--:	5.1	3.6	5.7	7.3	(4.8)
Net profit or (loss)					
before taxes-----percent--:	3.9	1.9	4.5	6.3	(5.4)
Number of firms reporting					
operating losses-----:	1	3	3	2	8
Number of firms reporting					
net losses-----:	1	3	3	2	9

^{1/} The accounting year ended Dec. 31 for 8 firms and Apr. 30, June 30, and Sept. 30 for the other 3 firms.

^{2/} 2 firms reported data for interim periods ended Aug. 31.

^{3/} * * *

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Three firms reported net losses in 1980 and in 1981 compared with one firm in 1979. Nine firms sustained net losses in the interim period ended September 30, 1982, compared with only two firms in the corresponding period of 1981. The declining profitability during the interim period ended September 30, 1982, accompanied a drop in sales volume, which contributed to rising unit costs because of high fixed costs, coupled with selling prices which did not keep pace with increasing costs and expenses.

Cash flow generated from U.S. producers' steel wire rope operations declined from \$21.5 million in 1979 to \$16.5 million in 1980 and then increased to \$29.1 million in 1981. The industry reported a deficit of \$2.6 million during the interim period ended September 30, 1982, compared with a positive cash flow of \$27.7 million reported in the corresponding period of 1981.

The ratios of operating profit and pretax net profit to original cost and book value of fixed assets for 10 firms are presented in table 10. These ratios followed trends similar to those for the ratios of operating profit and pretax net profit to net sales.

Table 10.--Investment in productive facilities by 10 U.S. producers 1/ of steel wire rope, as of the end of accounting years 1979-81, September 30, 1981, and September 30, 1982

* * * * *

Research and development and capital expenditures

* * * producers' research and development expenditures and * * * producers' capital expenditures in connection with their steel wire rope operations were compiled from questionnaire data and are presented in the following tabulation:

	<u>Research and development expenditures</u> (1,000 dollars)	<u>Capital expenditures</u> (1,000 dollars)
1979-----	760	21,300
1980-----	705	22,411
1981-----	728	24,078
1982 (January-September)--	748	13,051

* * *. Such expenditures declined by 7 percent from \$760,000 in 1979 to \$705,000 in 1980 and then increased to \$728,000 in 1981 and to \$748,000 in January-September 1982.

Capital expenditures for steel wire rope increased from \$21.3 million in 1979 to \$24.1 million in 1981, or by 13 percent. Such expenditures amounted to \$13.1 million during January-September 1982.

Consideration of the Threat of Material Injury to an Industry in the United States

In its examination of the question of a reasonable indication of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase of alleged LTFV imports, the rate of increase of U.S. market penetration by such imports, the amount of such imports held in inventory in the United States, and the capacity of producers in Korea to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of steel wire rope and of their U.S. market penetration is presented in the section entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Alleged LTFV Imports." Discussions of importers' inventories and foreign producers' capacity to generate exports follow.

U.S. importers' inventories

Inventories of Korean steel wire rope are held either by the importers/distributors, which are the importers of record, or by the companies in the secondary distributor network, whose numbers are estimated in the hundreds and which are located nationwide. These companies purchase Korean wire rope from the importers for their own inventories for subsequent resale to end users. 1/

The data in table 11, on inventories of Korean steel wire rope were reported by the importers of record in response to the Commission's questionnaires; therefore, they do not include inventories held in the secondary distribution network. Reported inventories of Korean steel wire rope increased by 85 percent from 1979 to 1981 and by 15 percent from August 31, 1981 to August 31, 1982.

1/ Transcript of the conference, pp. 117-120.

Table 11.--Steel wire rope: U.S. importers' end-of-period inventories and imports from Korea, 1979-81, January-August 1981, and January-August 1982

Period	End-of-period inventories reported	Imports from Korea during the period	Approximate
			share of imports accounted for by importers reporting
	Tons		Percent
1979-----	7,064	45,256	***
1980-----	6,957	45,767	***
1981-----	13,134	62,372	***
January-August--			
1981-----	10,658	38,854	***
1982-----	12,294	41,474	***

Source: Inventories compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports compiled from official statistics of the U.S. Department of Commerce.

Capacity of Korean producers to generate exports
and the availability of export markets other
than the United States

The petition names seven Korean producers of steel wire rope. The U.S. Department of State verified that there are seven major manufacturers of steel wire rope in Korea:

Korea Iron & Steel Works, Ltd.
 Boo-Kook Steel & Wire Co., Ltd.
 Dong-il Steel Manufacturing Co.
 Young Heung Iron & Steel Co.
 Chun Kee Steel & Wire Rope Co., Inc.
 Ryung Sang-Sa
 Korea Sang-Sa.

The other companies are negligible producers.

A Korean buyers' guide 1/ identifies three of the seven Korean manufacturers as accounting for a large percentage of Korean wire rope production in 1980. These firms are Boo-Kook Steel & Wire Co., Ltd. (Boo-Kook), in Pusan; Korea Iron & Steel Works, Ltd. (KISW), in Seoul; and Young Heung Iron & Steel Co. (Young) in Changwon.

Boo-Kook was established in 1957. Currently it makes a full range of steel wire rope for general industrial use as well as for mining, drilling, lifting, and aviation in sizes ranging from 3mm (1/8 inch) to 120mm (4-3/4 inch). Seventy percent of Boo-Kook's production was exported in 1980, of which 60 percent was shipped to the United States; the remainder went to the Middle East, Africa, and South America.

KISW was founded in 1958, and began exporting wire rope in the early 1960's. It also produces a full range of steel wire rope products. KISW exports to some 40 countries, including the United States, which accounts for 50 percent of the firm's exports. KISW's market development efforts in the immediate future will concentrate in Europe and the Middle East, according to the Korean buyers' guide.

Young, the smallest of the three firms, was established in 1978. A large percentage of Young's production is exported, of which 70 percent is shipped to the United States; 15 percent, to Southeast Asia; and 10 percent, to Europe.

Steel wire rope in Korea is produced primarily for export. Of the total wire rope production in Korea, 76 percent was for export in 1979; 83 percent, in 1980; and 81 percent, in 1981; and 74 percent, in January-September 1982, (down from 81 percent in January-September 1981). The current Five-Year Plan, covering the period from 1982 to 1986, focuses on increasing the export performance of the country's wire rope industry, according to the petition.

Fifty-four percent of Korean wire rope exports were shipped to the United States in 1979; 55 percent, in 1980, 60 percent, in 1981; and 53 percent, in January-September 1982. In January-September 1981 that amount was 61 percent. Data submitted to the Commission show an average of 95 percent capacity utilization in 1981 for four Korean wire rope manufacturers. Boo-Kook is adding 22,000 tons of capacity to produce wire rope. The 1981 production plan calls for production of 119,230 short tons of steel wire rope in 1982 and 105,822 short tons in 1983. 1/

Korean steel wire rope production, capacity, capacity utilization, and exports are shown in table 12.

1/ The Buyers Guide, a Line Report, Wire Ropes, vol. 8, No. 7 (Issue No. 91), 1981.

2/ U.S. Department of State telex, Oct. 25, 1982.

Table 12.--Steel wire rope: Korean wire rope production, capacity, capacity utilization, and exports, 1979-81, January-September 1981, and January-September 1982

Item	1979	1980	1981	Jan.-Sept--	
				1981	1982
Production-----short tons--	117,887	115,707	135,499	98,363	89,422
Capacity-----do-----	<u>1/</u>	<u>1/</u>	142,747	107,060	107,060
Capacity utilization percent--	<u>1/</u>	<u>1/</u>	94.9	91.9	83.5
Exports to United States					
short tons--	48,335	52,682	65,958	48,587	34,986
Exports to European					
Community-----short tons--	7,811	9,236	10,195	5,039	7,228
Other exports-----short tons--	32,977	34,068	33,847	26,090	23,572
Total exports	89,123	95,986	110,000	79,716	65,787

1/ Not available.

Source: Korea Iron and Steel Association, through U.S. Department of State telex, Oct. 25, 1982.

During 1979-81, imports from Korea withdrawn for U.S. consumption (table 11) have been consistently less than the quantities shown for Korean exports to the U.S. (table 12). Only for January-September 1982 are Korean export statistics lower than U.S. import data.

Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Allegedly LTFV Imports

U.S. imports and market penetration

From 1979 to 1980, imports of steel wire rope from Korea increased slightly, by 1 percent, and apparent U.S. consumption decreased by 4 percent (tables 13 and 3). From 1980 to 1981, imports from Korea increased sharply, by 36 percent, and U.S. consumption increased by 15 percent. Imports from Korea decreased by 2 percent in January-September 1982, from those in January-September in 1981; U.S. consumption decreased by 20 percent in the same period.

Quarterly imports from Korea reached their peak, 18,409 tons, in January-March 1982, and then decreased by 15 percent to 15,642 tons in April-June 1982. They continued to decline to 9,639 tons, or by 38 percent, in July-September 1982, the lowest level during January 1980-September 1982 (table 14). Quarterly imports from all sources followed the same trends of quarterly imports from Korea, since the latter represents the major portion of all imports.

Table 13.--Steel wire rope: U.S. imports for consumption from Korea and from all other sources, 1979-81, January-September 1981, and January-September 1982

Period	Korea	All other sources	Total
Quantity (short tons)			
1979-----	45,256	30,992	76,248
1980-----	45,767	19,086	64,853
1981-----	62,372	28,474	90,846
January-September--			
1981-----	44,642	21,088	65,730
1982-----	43,690	19,631	63,321
Value (1,000 dollars)			
1979-----	39,400	37,748	77,148
1980-----	38,857	25,348	64,205
1981-----	52,907	39,087	91,994
January-September--			
1981-----	37,544	30,130	67,674
1982-----	1/	1/	1/
Unit value (per short ton)			
1979-----	\$871	\$1,170	\$1,012
1980-----	849	1,328	990
1981-----	848	1,373	1,013
January-September--			
1981-----	841	1,429	1,030
1982-----	1/	1/	1/

1/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 14.--Steel wire rope: U.S. imports for consumption from Korea and from all sources, by quarters, January 1980-September 1982

Period	Korea	From all sources
Quantity (short tons)		
1980:		
Jan.-Mar-----	11,408	16,826
Apr.-June-----	11,697	16,330
July-Sept-----	10,943	14,795
Oct.-Dec-----	11,718	16,902
1981:		
Jan.-Mar-----	15,812	22,035
Apr.-June-----	13,340	21,392
July-Sept-----	15,489	22,303
Oct.-Dec-----	17,731	25,116
1982:		
Jan.-Mar-----	18,409	24,850
Apr.-June-----	15,642	23,082
July-Sept-----	9,639	15,389
Unit value (per short ton)		
1980:		
Jan.-Mar-----	\$889	\$1,029
Apr.-June-----	847	988
July-Sept-----	828	974
Oct.-Dec-----	832	967
1981:		
Jan.-Mar-----	841	966
Apr. June-----	825	1,108
July-Sept-----	855	1,017
Oct.-Dec-----	866	968
1982:		
Jan.-Mar-----	875	977
Apr.-June-----	893	971
July-Sept-----	<u>1/</u>	<u>1/</u>

1/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce.

In January-September 1982, the period for which separate data were first available, stainless steel wire rope represented 1 percent of imports of wire rope from Korea and carbon steel wire rope represented 99 percent (27 percent galvanized, 72 percent bright).

An analysis of import trends since 1971 shows that Japan, which had been the dominant supplier of U.S. imports of steel wire rope, began to lose market share following the dumping finding in 1973. Korea replaced Japan as the largest supplier of wire rope to the United States in 1976 (table 15).

Table 15.--Steel wire rope: Apparent U.S. consumption, and imports from Korea, Japan, and all sources, 1971-81, January-September 1981, and January-September 1982

Period	Apparent consumption	Imports from				Ratio of imports to apparent consumption		
		From Korea		From Japan	From all sources	From Korea	From Japan	From all sources
		Total	Duty-free under GSP 1/					
		Short tons				Percent		
1971-----	202,166	760	0	15,168	28,546	0.4	7.5	14.1
1972-----	212,115	3,818	0	18,996	41,927	1.8	9.0	19.8
1973-----	2/	4,663	0	19,231	47,480	2/	2/	2/
1974-----	2/	10,709	0	18,083	63,911	2/	2/	2/
1975-----	2/	14,864	0	21,086	52,289	2/	2/	2/
1976-----	2/	20,217	19,178	11,144	39,353	2/	2/	2/
1977-----	2/	25,599	25,097	16,164	53,022	2/	2/	2/
1978-----	2/	30,500	30,148	13,989	59,806	2/	2/	2/
1979-----	260,265	45,256	44,613	11,773	76,248	17.4	4.5	29.3
1980-----	250,636	45,767	45,025	5,425	64,853	18.3	2.2	25.9
1981-----	288,909	62,372	17,975	8,171	90,846	21.6	2.8	31.4
Jan.-Sept:								
1981----	216,604	44,642	17,975	6,241	65,730	20.6	2.9	30.3
1982----	174,147	43,690	0	4,031	63,321	25.0	2.3	36.3

1/ GSP eligibility for Korean steel wire rope was terminated in April 1981, although small shipments from Korea under GSP were recorded until September 1981.

2/ Not available. Data on apparent consumption for 1971 and 1972 were available from the records in Commission investigation No. AA1921-124 (TC Publication 608, September 1973). The Commission did not collect data on shipments for the period 1973-78.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to questionnaires of the U.S. International Trade Commission.

Imports from Korea have dominated the U.S. import market, accounting for approximately 70 percent of total imports, since 1980 (table 16).

Table 16.--Steel wire rope: U.S imports for consumption, by specified sources, 1979-81, January-August 1981, and January-August 1982

Source	1979	1980	1981	January-August--	
				1981	1982
Quantity (short tons)					
Korea-----	45,256	45,767	62,372	38,854	41,474
Japan-----	11,773	5,425	8,171	5,441	3,785
Canada-----	4,119	2,622	4,810	3,214	2,782
Republic of South Africa----	809	1,563	1,852	1,285	1,143
Norway-----	1,797	2,479	1,752	1,384	1,279
Taiwan-----	1,248	980	1,733	678	991
United Kingdom-----	1,668	1,051	1,717	1,312	1,501
Spain-----	1,244	662	1,664	745	1,946
West Germany-----	1,231	557	1,477	1,003	1,386
France-----	214	501	1,389	1,243	443
Ratio of the quantity of imports to total imports					
Korea-----	59	71	69	68	70
Japan-----	15	8	9	9	6
Canada-----	5	4	5	6	5
Republic of South Africa----	1	2	2	2	2
Norway-----	2	4	2	2	2
Taiwan-----	2	2	2	1	2
United Kingdom-----	2	2	2	2	3
Spain-----	2	1	2	1	3
West Germany-----	2	1	2	2	2
France-----	1/	1	2	2	1
Unit value (per short ton)					
Korea-----	\$871	\$849	\$848	\$841	\$875
Japan-----	1,141	1,277	1,296	1,382	1,245
Canada-----	1,425	1,574	1,555	1,596	1,541
Republic of South Africa----	739	749	698	670	820
Norway-----	1,200	1,279	1,209	1,226	1,081
Taiwan-----	1,308	1,164	1,172	1,368	1,096
United Kingdom-----	1,599	2,020	1,822	1,821	1,285
Spain-----	765	774	735	870	758
West Germany-----	2,397	2,510	1,482	1,362	1,457
France-----	2,097	1,367	2,154	2,173	1,313

1/ Less than 0.5 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Market penetration by imports from Korea increased from 17.4 percent in 1979 to 21.6 percent in 1981 and from 20.6 percent in January-September 1981 to 25.0 percent in the corresponding period of 1982 (table 17). Market penetration by imports from all sources followed the same trend except from 1979 to 1980, when penetration by all imports declined by 3.4 percentage points and penetration by Korean imports increased by 0.9 percentage points.

Table 17--Steel wire rope: Ratios of imports from Korea, from all other sources, and total to apparent U.S. consumption, 1978-81, January-September 1981, and January-September 1982

Period	: Apparent U.S. : : consumption :	Ratio of imports to apparent consumption		
		From Korea	: From all : other : sources :	Total
	: Short tons :	-----Percent-----		
1979-----	: 260,265 :	17.4	: 11.9 :	29.3
1980-----	: 250,636 :	18.3	: 7.6 :	25.9
1981-----	: 288,909 :	21.6	: 9.9 :	31.4
Jan.-Sept.	: :	:	: :	:
1981-----	: 216,604 :	20.6	: 8.6 :	30.3
1982-----	: 174,747 :	25.0	: 11.2 :	36.3
	: :	:	: :	:

Source: Compiled from official statistics of the U.S. Department of Commerce and from data received in response to questionnaires of the U.S. International Trade Commission.

Prices

U.S. producers of steel wire rope publish list prices on an f.o.b.-mill basis. ^{1/} Actual transaction prices may vary from published list prices depending on market conditions. The Commission requested data on average net selling prices for seven specific steel wire rope products from domestic producers and importers. The list of these product and their specifications are in appendix D. Because the number of importers and domestic producers that provided price data for particular products varied in each time period, price trends often reflected changes in sample sizes rather than underlying economic conditions. In addition, there were incomplete import price data on several products for the period under investigation. For these reasons, price trends for imported products have not been discussed in detail.

Stainless-steel wire rope.--Price data for one representative product of stainless-steel wire rope (product 1) were received from * * * for sales to end users and from * * * for sales to service centers/distributors. Domestic prices ranged from * * * per short ton during the period for which data

^{1/} Domestic producers usually absorb the cost of transportation on shipments over 1 ton. Transportation costs for steel wire rope products are a relatively small portion of prices, normally less than 5 percent.

were collected. Domestic prices for sales to end users * * * percent from January-March 1980 to July-September 1982, but were * * * during the period July-September 1981 to January-March 1982 than in January-March 1980 (table 18). Domestic prices for sales to service centers/distributors * * * percent from January-March 1980 to July-September 1982 (table 19).

Table 18.--Steel wire rope: 1/ Indexes of U.S. producers' prices for sales to end users, by types and by quarters, January 1980-September 1982

* * * * *

Table 19.--Steel wire rope: 1/ Indexes of U.S. producers' prices for sales to service centers/distributors, by types, and by quarters, January 1980-September 1982

(January-March 1980=100)

Period	Stainless-steel wire rope	Galvanized wire rope			Bright wire rope			
	Product 1	Product 2	Product 3	Product 4	Product 5	Product 6	Product 7	
1980:								
Jan.-Mar-----	***	100	***	100	100	100	100	***
Apr.-June-----	***	86	***	101	102	99	99	***
July-Sept-----	***	86	***	100	105	101	101	***
Oct.-Dec-----	***	88	***	107	109	113	113	***
1981:								
Jan.-Mar-----	***	94	***	109	109	112	112	***
Apr.-June-----	***	120	***	118	115	117	117	***
July-Sept-----	***	119	***	111	122	118	118	***
Oct.-Dec-----	***	100	***	115	125	125	125	***
1982:								
Jan.-Mar-----	***	128	***	115	119	***	***	***
Apr.-June-----	***	102	***	115	117	***	***	***
July-Sept-----	***	102	***	109	113	***	***	***

1/ See product list for specifications, app. D.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * * of Korean stainless-steel wire rope provided price data for sales to end users, and * * * provided price data for sales to service centers/distributors. Prices of Korean stainless-steel wire rope ranged from * * * per short ton for sales to service centers/distributors in the fourth quarter of 1980 to * * * per short ton for sales to end users in the third quarter of 1981 (tables 20 and 21).

Korean stainless-steel wire rope undersold the domestic product throughout the period covered by the investigation. Margins of underselling ranged * * * percent

for sales to service centers/distributors and * * * percent for sales to end users (tables 20 and 21). For sales to service centers/distributors, margins of underselling could only be computed for the fourth quarter of 1980 and the first and fourth quarters of 1981.

Table 20.--Stainless-steel wire rope: 1/ Weighted-average net selling prices by domestic producers and by importers for sales to end users, and margins of underselling, by quarters, January 1980-September 1982

* * * * *

Table 21.--Stainless-steel wire rope: 1/ Weighted-average net selling prices by domestic producers and by importers for sales to service centers/distributors, and margins of underselling, by quarters, January 1980-September 1982

* * * * *

Galvanized wire rope.--Price data for two representative sample specifications for galvanized wire rope (products 2 and 3) were received from * * * domestic producers for sales to end users and from * * * domestic producers for sales to service centers/distributors. Domestic prices ranged * * * per short ton for product 2 and * * * per short ton for product 3 (tables 22 and 23). Prices for sales of product 2 to end users increased by 9 percent and those for sales of product 2 to service centers/distributors increased by 2 percent from January-March 1980 to July-September 1982 (tables 18 and 19). However, prices for sales to service centers/distributors fluctuated widely throughout the period. Prices for sales of product 3 to end users increased 39 percent and those to service centers/distributors increased 10 percent over the period. The greatest increase in prices for sales of product 3 to service centers/distributors was in the fourth quarter of 1981 compared with the base period.

* * * importers of Korean galvanized wire rope provided price data for sales to end users, and * * * importers provided price data for sales to service centers/distributors (tables 22 and 23). Import prices ranged * * * per short ton for product 2 and * * * per short ton for product 3.

For product 2, margins of underselling ranged * * * percent on sales to end users and from 40 percent to 67 percent on sales to service centers/distributors. For product 3, margins ranged * * * percent on sales to end users and * * * percent on sales to service centers/distributors (tables 22 and 23).

Table 22.--Galvanized wire rope: Weighted average net selling prices by domestic producers and by importers for sales to end users, and margins of underselling, by types and by quarters, January 1980-September 1982

* * * * *

Table 23.--Galvanized wire rope: 1/ Weighted-average net selling prices by domestic producers and by importers for sales to service centers/distributors and margins of underselling, by types and by quarters, January 1980-September 1982

(Per short ton)					
Period	Price of domestic product	Imports from Korea			
		Price	Margin		
			Amount	Percent	
Product 2					
1980:					
Jan.-Mar-----	\$8,585	\$3,704	\$4,881		57
Apr.-June-----	7,362	4,413	2,949		40
July-Sept-----	7,396	4,237	3,159		43
Oct.-Dec-----	7,582	4,439	3,143		41
1981:					
Jan.-Mar-----	8,085	3,993	4,092		51
Apr.-June-----	10,301	4,935	5,366		52
July-Sept-----	10,253	4,615	5,638		55
Oct.-Dec-----	8,606	3,571	5,035		59
1982:					
Jan.-Mar-----	11,031	3,691	7,340		67
Apr.-June-----	8,770	4,236	4,534		52
July-Sept-----	8,784	4,416	4,368		50
Product 3					
1980:					
Jan.-Mar-----	***	***	***		***
Apr.-June-----	***	***	***		***
July-Sept-----	***	***	***		***
Oct.-Dec-----	***	***	***		***
1981:					
Jan.-Mar-----	***	***	***		***
Apr.-June-----	***	***	***		***
July-Sept-----	***	***	***		***
Oct.-Dec-----	***	***	***		***
1982:					
Jan.-Mar-----	***	***	***		***
Apr.-June-----	***	***	***		***
July-Sept-----	***	***	***		***
Oct.-Dec-----	***	***	***		***

1/ See product list for specifications, app. D.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Bright wire rope.--Price data for four representative sample products of bright wire rope (products 4, 5, 6, and 7) were received from * * * domestic producers for sales to end users and from * * * domestic producers for sales to service centers/distributors. Over the period covered by the investigation, domestic prices ranged * * * per short ton for product 4, from \$1,590 to * * * per short ton for product 5, * * * per short ton for product 6, and * * * per short ton for product 7 (table 24).

From January-March 1980 to July-September 1982, domestic prices for sales to end users * * * percent for product 5, * * * percent for product 6, and * * * percent for product 7. The * * * price * * * for these products occurred in the fourth quarter of 1981 compared with the base period (table 18). Over the same period, domestic prices for sales to service centers/distributors increased by 9 percent for product 4, 13 percent for product 5, * * * percent for product 6, and * * * percent for product 7. The * * * price * * * for these products occurred between the second quarter of 1981 and the second quarter of 1982 compared with the base period (table 19).

* * * importers of Korean bright wire rope provided price data for sales to end users, and * * * importers provided price data for sales to service centers/distributors. For sales to end users, margins of underselling ranged * * * percent for product 5 and * * * percent for product 7 (table 25). For sales to service centers/distributors, margins of underselling ranged from 27 percent to 51 percent for product 4, from 33 percent to 52 percent for product 5, from 36 percent to * * * percent for product 6, and * * * percent for product 7 (table 24).

Table 24.--Bright wire rope: 1/ Weighted-average net selling prices by domestic producers and by importers for sales to service centers/distributors, and margins of underselling, by types and by quarters, January 1980-September 1982

Period	Price of domestic product	Imports from Korea			
		Price	Margin		
			Amount	Percent	
Product 4					
1980:					
Jan.-Mar-----	\$1,581	\$1,025	\$556		35
Apr.-June-----	1,604	837	767		48
July-Sept-----	1,586	860	726		46
Oct.-Dec-----	1,696	880	816		48
1981:					
Jan.-Mar-----	1,721	885	836		49
Apr.-June-----	1,867	1,055	812		43
July-Sept-----	1,750	978	772		44
Oct.-Dec-----	1,820	890	930		51
1982:					
Jan.-Mar-----	1,816	1,031	785		43
Apr.-June-----	1,825	1,211	614		34
July-Sept-----	1,722	1,252	470		27
Product 5					
1980:					
Jan.-Mar-----	\$1,590	\$1,064	\$526		33
Apr.-June-----	1,625	944	681		42
July-Sept-----	1,664	979	685		41
Oct.-Dec-----	1,726	954	772		45
1981:					
Jan.-Mar-----	1,734	940	794		46
Apr.-June-----	1,830	1,109	721		39
July-Sept-----	1,934	936	998		52
Oct.-Dec-----	1,995	974	1,021		51
1982:					
Jan.-Mar-----	1,895	924	971		51
Apr.-June-----	1,853	1,018	835		45
July-Sept-----	1,791	947	844		47

1/ See footnote at end of table.

Table 24.--Bright wire rope: ^{1/} Weighted-average net selling prices by domestic producers and by importers for sales to service centers/distributors, and margins of underselling, by types and by quarters, January 1980-September 1982--Continued

Period	Price of domestic product	Imports from Korea		
		Price	Margin	
			Amount	Percent
Product 6				
1980:				
Jan.-Mar-----	\$1,350	-	-	-
Apr.-June-----	1,337	\$739	\$598	45
July-Sept-----	1,359	730	629	46
Oct.-Dec-----	1,532	820	712	46
1981:				
Jan.-Mar-----	1,513	812	701	46
Apr.-June-----	1,578	836	742	47
July-Sept-----	1,593	934	659	41
Oct.-Dec-----	1,687	849	838	50
1982:				
Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Product 7				
1980:				
Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1981:				
Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1982:				
Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***

^{1/} See product list for specifications, app. D.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 25.--Bright wire rope: 1/ Weighted-average net selling prices by domestic producers and by importers for sales to end users, and margins of underselling, by types and by quarters, January 1980-September 1982

* * * * *

Exchange-rate fluctuations.--On the basis of current, or nominal, exchange rates, the U.S. dollar increased in value against the Korean won by 30 percent from January-March 1980 to April-June 1982 (table 26). 1/ Generally, the increased value of the dollar will increase the ability of imports to compete with U.S. products unless offset by changes in relative rates of inflation.

To examine the competitiveness of imports from Korea in U.S. markets following exchange-rate changes, the real exchange-rate index was constructed (table 26). 2/ The real exchange-rate index deflates changes in nominal exchange rates by changes in relative price levels. Producer price indexes were used to deflate the nominal exchange rates because they were the closest approximation to the price indexes relevant to production of steel wire rope, but they do not reflect the costs of producing steel wire rope exactly.

The real exchange rate between the U.S. dollar and the Korean won indicates that steel wire rope from Korea may not have benefited from exchange-rate changes during the period examined because of the higher inflation rate in Korea. Following devaluation of the won in 1979, the real exchange-rate index fluctuated around 100. For imports from Korea in general to become more competitive following the exchange-rate change, the index must fall below 100; the index was below 100 only in the second quarter of 1982. This index, based on all imports from Korea, suggests that steel wire rope from Korea has not become more competitive with U.S. steel wire rope since 1980 because of the increased value of the dollar.

1/ The won had been pegged to the dollar until the first quarter of 1980.

2/ The real exchange-rate index measures the change in real exchange rates relative to the first quarter of 1980, the base period for quarterly data in this investigation. A different base period will change the index numbers and may indicate a change in competitiveness since the base period, but the trend in the index will remain approximately the same.

Table 26.--Indexes of exchange rates of the U.S dollar relative to the Korean won, by quarters, January 1980-June 1982

(January-March 1980=100)

Period	Exchange-rate index	
	Nominal	Real
1980:		
January-March-----	100	100
April-June-----	96	104
July-September-----	93	102
October-December-----	88	100
1981:		
January-March-----	86	100
April-June-----	84	101
July-September-----	83	102
October-December-----	83	103
1982:		
January-March-----	80	100
April-June-----	70	98

Source: Compiled from official statistics of the International Monetary Fund.

Note.--The exchange-rate indexes are based on the value of the dollar relative to the won. The real exchange rate was constructed by deflating changes in the nominal exchange rates by changes in the producer price indexes for Korea and the United States.

Lost sales and price suppression/depression

Because most of the 357 allegations of lost sales and price suppression/depression received by the Commission came after the Commission's conference with the parties to the investigation, the staff did not have time to investigate them all. The staff did investigate the following lost sales allegations, which were randomly chosen from those submitted by domestic producers.

One instance involved alleged lost sales of * * * tons of mixed sizes of steel wire rope in 1981. The purchaser indicated that mixed sizes of Korean steel wire rope had been purchased in 1981, but the tonnage was not as high as that alleged by a domestic producer. The purchaser did indicate that the quality of the Korean rope was equal to that of the domestic rope, given the purchaser's requirements, and that imported rope was purchased to remain competitive.

A second instance involved an alleged sale lost in 1982 for an undetermined quantity. The customer did purchase Korean steel wire rope, but at a price different from that alleged by a domestic producer. The transaction price was * * * per foot for the Korean product compared with * * *

per foot for the domestic product. The producer had alleged * * * per foot versus * * * per foot. The purchaser did indicate that because price differences were so great, many domestic producers were no longer willing to lower their prices to make the sale. The purchaser also noted that domestic steel wire rope was purchased when "hoisting" rope was required. The purchaser's customers bought domestic hoisting rope to protect themselves against product liability should the rope fail. This purchaser also bought the imported Korean steel wire rope to remain competitive.

In a third instance, the purchaser stated that the company estimated its yearly requirement and then accepted bids from interested suppliers. This company purchases small sizes of Korean steel wire rope, and had found it equal in quality to, and lower in price than, the domestic product for the small rope sizes. In the small sizes, the purchaser estimated that Korean rope was at least 25 percent cheaper than domestic rope. The purchaser stated that large ropes, particularly hoisting ropes, were bought only from domestic suppliers. The alleged lost sale was * * * short ton valued at * * *.

In a fourth instance, the purchaser indicated that Korean rope had been bought to remain competitive, and stated that Korean prices were 25 percent to 35 percent below domestic prices on large orders. This purchaser did not think the Korean rope was equal in quality to the domestic rope. The imperfections mentioned were primarily those that occurred when the rope was improperly laid on spools. The purchaser said that some customers were willing to spend 25 percent to 35 percent more for the domestic rope. The alleged lost sale was valued at * * *.

In a fifth instance, the purchaser did not buy wire rope from a domestic producer listed under the price suppression section of the questionnaire, but indicated that the domestic producer did not lower its price to the extent mentioned in the questionnaire. The alleged price differences were * * * per foot for the domestic product versus * * * per foot for the Korean product. The purchaser estimated that domestic prices for products from domestic producers generally declined by 6.5 percent in August 1982.

Two U.S. Government agencies purchased Korean wire rope, but noted that the firm alleging the lost sales was not always the lowest domestic bidder on the project. The alleged lost sales were for 22 short tons valued at \$349,500 and for 10.5 short tons valued at \$24,550. In these instances, the lowest domestic price exceeded the price of the Korean rope plus the 12-percent margin required under the terms of the Buy America Act. One of the U.S. Government purchasers also bought from local suppliers on an emergency basis when a short delivery time was required. The purchaser stated that some of these suppliers quoted import prices and that * * *.

* * * * *

APPENDIX A
U.S. INTERNATIONAL TRADE COMMISSION NOTICE OF INVESTIGATION

establishment of an industry in the United States is materially retarded by reason of imports from the Republic of Korea of steel wire rope currently provided for in items 642.14 and 642.16 of the Tariff Schedules of the United States which are alleged to be sold in the United States at less than fair value

FOR FURTHER INFORMATION CONTACT:
Mr. Stephen Vastagh (202-523-0283)
Office of Investigations, U.S.
International Trade Commission, 701 E
Street NW, Washington, D.C. 20436

SUPPLEMENTARY INFORMATION:

Background

This investigation is being instituted in response to a petition filed September 28, 1982, on behalf of nine U.S. producers of steel wire rope. The Commission must make its determination in this investigation within 45 days after the date of the filing of the petition or by November 12, 1982 (19 CFR 207.17). Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided for in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11) not later than seven (7) days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Director of Operations who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Written Submission

Any person may submit to the Commission on or before October 22, 1982, a written statement of information pertinent to the subject matter of this investigation (19 CFR 207.15). A signed original and fourteen (14) copies of such statements must be submitted (19 CFR 201.8).

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference

The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 9:30 a.m. on October 20, 1982, at the U.S. International Trade Commission Building, 701 E Street NW, Washington,

D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigation, Ms. Vera Libeau, telephone 202-523-0368, not later than October 15, 1982, to arrange for their appearance. Parties in support of the imposition of antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207.47 FR 6182, February 10, 1982; 47 FR 12792, March 25, 1982; 47 FR 33682, August 4, 1982) and Part 201, Subparts A through E (19 CFR Part 201.47 FR 6182, February 10, 1982; 47 FR 13791, April 1, 1982; 47 FR 33682, August 4, 1982). Further information concerning the conduct of the conference will be provided by Ms. Libeau.

This notice is published pursuant to § 207.12 of the Commission's Rules (19 CFR 207.12).

Public Inspection

A copy of the nonconfidential version of the petition is available for public inspection in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW, Washington, D.C. 20436.

Issued: October 1, 1982

Kenneth R. Mason,
Secretary

[FR Doc. 82-27495 Filed 10-5-82; 8:45 am]

BILLING CODE 702C-02-M

[Investigation No. 731-TA-112
(Preliminary)]

**Steel Wire Rope From Korea;
Preliminary Antidumping Investigation**

AGENCY: United States International Trade Commission

ACTION: Institution of preliminary antidumping investigation and scheduling of a conference to be held in connection with the investigation

EFFECTIVE DATE: September 28, 1982

SUMMARY: The United States International Trade Commission hereby gives notice of the institution of an investigation under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is being materially injured or is threatened with material injury or the

APPENDIX B

U.S. DEPARTMENT OF COMMERCE NOTICE OF INVESTIGATION

Steel Wire Rope From the Republic of Korea; Initiation of Antidumping Investigation

AGENCY: International Trade Administration Commerce

ACTION: Initiation of antidumping investigation

SUMMARY: On the basis of a petition filed with the United States Department of Commerce we are initiating an antidumping investigation to determine whether steel wire rope from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether there is a reasonable indication that imports of steel wire rope from Korea are materially injuring or are threatening to materially injure, a United States industry. If the investigation proceeds normally, the ITC will make its preliminary determination on or before November 12, 1982, and we will make ours on or before March 7, 1983.

EFFECTIVE DATE: October 22, 1982

FOR FURTHER INFORMATION CONTACT:

Richard Rimlinger, Mary Jenkins or Steven Lim, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue N.W., Washington, D.C. 20230, telephone (202) 377-1276.

SUPPLEMENTARY INFORMATION:

The Petition

On September 28, 1982, we received a petition in proper form from counsel for the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers, consisting of Union Wire Rope, a division of Armco Inc., Bethlehem Steel Corporation, Bridon American Corporation, Broderick and Bascom Rope Company, MacWhyte Corporation, Paulsen Wire Rope Corporation, Rochester Corporation, Universal Wire Rope Products and Wire Rope Corporation of America, Inc., on behalf of the U.S. industry producing steel wire rope.

In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36) the petition alleges that imports from Korea of steel wire ropes are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930 as amended (19 U.S.C. 1673) (the Act) and that these imports are materially injuring or are threatening to materially injure a United States industry. The allegation of sales at less

than fair value of this merchandise from Korea is supported by comparisons of United States prices with the foreign market values based on home market prices of this merchandise.

Critical circumstances have been alleged under section 733(e) of the Act. We will make a determination regarding this issue on the date of our preliminary determination.

Initiation of Investigation

Under section 732(c) of the Act, we must determine within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition filed by the industry, and we have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping investigation to determine whether steel wire rope from Korea is being or is likely to be, sold at less than fair value in the United States. If our investigation proceeds normally, we will make our preliminary determination by March 7, 1983.

Scope of the Investigation

For purposes of this investigation, the term "steel wire rope" covers ropes, cables and cordage, other than wire strand, of steel, other than brass plated, not fitted with fittings, not made into articles, and not covered with textiles or other nonmetallic materials, currently provided for in items 642.1400, 642.1610, and 642.1650 of the *Tariff Schedules of the United States Annotated*.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by November 12, 1982, whether there is a reasonable indication that imports of steel wire rope from Korea are materially injuring or are threatening to materially injure a United States industry. If its

determination is negative, this investigation will terminate; otherwise, the investigation will proceed according to statutory procedures.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration

October 18, 1982

[FR Doc. 82-29094 Filed 10-21-82; 8:45 am]

BILLING CODE 3510-25-M

APPENDIX C

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigation No 731-TA-112 (Preliminary)

STEEL WIRE ROPE FROM KORFA

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigation on October 20, 1982, in the Hearing Room of the USITC Building, 701 E Street, NW , Washington, D C

In support of the imposition of
antidumping duties

Harris, Berg & Creskoff
Washington, D C.
on behalf of

Committee of Domestic Steel Wire Rope and
Specialty Cable Manufacturers (Committee)

C.W Salanski, Executive Vice President of
Wire Rope Corporation of America, Inc. and
Cochairman of the Committee

Donald A Sayenga, Marketing Manager of
Bethlehem Wire Rope Div , Bethlehem Steel
Corp. and Cochairman of the Committee

Herbert E. Harris, II)
Stephen M. Creskoff)
Tom Roddy Normandin) --OF COUNSEL
Cheryl N. Ellsworth)

In opposition to the imposition of
antidumping duties

Daniels, Houlihan & Palmeter
Washington, D C
on behalf of °

Boo-Kook Steel and Wire Co , Ltd
Dong-ll Steel Mgf Co , Ltd
Korea Iron & Steel Works, Ltd
Korea Sang-Sa Co., Ltd
Young Heung Iron & Steel Co , Ltd

N David Palmeter--OF COUNSEL

APPENDIX D
PRODUCT LIST

- PRODUCT 1. Stainless steel wire rope, 1/8 inch diameter, 7X19
- PRODUCT 2. Galvanized aircraft wire rope, 1/8 inch diameter, 7X19.
- PRODUCT 3. Galvanized wire rope, 1/2 inch diameter, 6x19, IPS, IWRC
- PRODUCT 4. Bright wire rope, 9/16 inch diameter, 6x7, IPS, FC.
- PRODUCT 5. Bright wire rope, 3/4 inch diameter, 6x19, IPS, IWRC
- PRODUCT 6. Bright wire rope, 1 inch diameter, 6x19, IPS, FC.
- PRODUCT 7. Bright wire rope, 1-1/4 inch diameter, 6x19, IPS, IWRC.