CERTAIN CARBON STEEL PRODUCTS FROM ARGENTINA, AUSTRALIA, FINLAND, SOUTH AFRICA, AND SPAIN

Determination of the Commission in Investigation No. 701-TA-212 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation

Determinations of the Commission in Investigation Nos. 731-TA-169 through 182 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

USITC PUBLICATION 1510

MARCH 1984

United States International Trade Commission / Washington, D.C. 20436

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Note.—Information which would disclose confidential operations of individual concerns may not be published and, therefore, has been deleted from this public report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigations Nos. 701-TA-212 and
731-TA-169 through 182 (Preliminary)

CERTAIN CARBON STEEL PRODUCTS FROM ARGENTINA, AUSTRALIA, FINLAND, SOUTH AFRICA, AND SPAIN

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, 2/ pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Australia of galvanized carbon steel sheet, provided for in items 608.07 and 608.13 of the Tariff Schedules of the United States (TSUS), which are alleged to be subsidized by the Government of Australia (investigation No. 701-TA-212 (Preliminary)). The Commission also determines, pursuant to section 733(a) of the act (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 the following products which are alleged to be sold in the United States at less than fair value (LTFV):

Carbon steel plate not in coils, provided for in item 607.66 of the TSUS, from—

Finland (investigation No. 731-TA-169 (Preliminary));
South Africa (investigation No. 731-TA-170 (Preliminary)); 3/ and
Spain (investigation No. 731-TA-171 (Preliminary)); 4/

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

2/ Commissioner Stern dissenting.

3/ Commissioners Stern and Haggart made a single affirmative determination concerning imports from South Africa of carbon steel plate not in coils and carbon steel plate in coils (invs. Nos. 731-TA-170 and 172 (Preliminary)).

4/ Commissioners Stern and Haggart made a single affirmative determination concerning imports from Spain of carbon steel plate not in coils and carbon steel plate in coils (invs. Nos. 731-TA-171 and 173 (Preliminary)).

Carbon steel plate in coils, provided for in item 607.66 of the TSUS, from—

South Africa (investigation No. 731-TA-172 (Preliminary)); 1/ and
Spain (investigation No. 731-TA-173 (Preliminary)); 2/

Hot-rolled carbon steel sheet, provided for in items 607.67 and 607.83 of the TSUS, from South Africa (investigation No. 731-TA-174 (Preliminary));

Cold-rolled carbon steel sheet, provided for in item 607.83 of the TSUS, from—

Argentina (investigation No. 731-TA-175 (Preliminary));
South Africa (investigation No. 731-TA-176 (Preliminary)); and
Spain (investigation No. 731-TA-177 (Preliminary)); 3/

Galvanized carbon steel sheet, provided for in items 608.07 and 608.13 of the TSUS, from—

Australia (investigation No. 731-TA-178 (Preliminary));
South Africa (investigation No. 731-TA-179 (Preliminary)); and
Spain (investigation No. 731-TA-180 (Preliminary)); and

Carbon steel angles, shapes, and sections having a maximum cross-sectional dimension of 3 inches or more, provided for in item 609.80 of the TSUS, from—

South Africa (investigation No. 731-TA-181 (Preliminary)); and
Spain (investigation No. 731-TA-182 (Preliminary)).

Background

On February 10, 1984, United States Steel Corp., Pittsburgh, Pa., filed petitions with the Commission and the Department of Commerce alleging that an industry in the United States is materially injured or threatened with

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1/ Commissioners Stern and Haggart made a single affirmative determination concerning imports from South Africa of carbon steel plate not in coils and carbon steel plate in coils (invs. Nos. 731-TA-170 and 172 (Preliminary)).

2/ Commissioners Stern and Haggart made a single affirmative determination concerning imports from Spain of carbon steel plate not in coils and carbon steel plate in coils (invs. Nos. 731-TA-171 and 173 (Preliminary)).

3/ Commissioner Stern dissenting.

material injury by reason of imports from Argentina, Australia, Finland, South Africa, and Spain of certain carbon steel products which are being subsidized by the foreign Government and/or sold in the United States at LTFV. Accordingly, effective that date, the Commission instituted preliminary countervailing duty and antidumping investigations under sections 703(a) and 733(a), respectively, of the act (19 U.S.C. §§ 1671b(a) and 1673b(a)).

Notice of the institution of the Commission's investigations and of a 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 on February 23, 1984 (49 F.R. 6808). The Commission's conference was held in Washington, D.C. on March 7, 1984, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

These views present the reasons supporting the affirmative determinations of the Commission in these 15 preliminary investigations involving six carbon steel products from five countries. On the basis of the record developed in these investigations, the Commission determines that there is a reasonable indication of material injury to domestic industries by reason of such allegedly unfair imports. 1/

The domestic industries

In conducting antidumping and countervailing duty investigations, the Commission is required to determine first the domestic industry or industries against which the impact of allegedly unfair imports must be assessed. An "industry" is defined as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 2/ "Like product" is defined 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 . . . ." 3/

The imported carbon steel products which are subject to these investigations are cut-to-length plate, coiled plate, hot-rolled sheet, cold-rolled sheet, galvanized sheet, and structural shapes. Each of these

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1/ Commissioner Stern has determined that there is no reasonable indication that domestic industries are materially injured or threatened with material injury by reason of allegedly subsidized imports of galvanized carbon steel sheet from Australia or by reason of allegedly less than fair value (LTFV) imports of cold-rolled carbon steel sheet from Spain.

2/ Tariff Act of 1930, sec. 771(4)(A); 19 U.S.C. § 1677(4)(A).

3/ Tariff Act of 1930, sec. 771(10); 19 U.S.C. § 1677(10).

products has been the subject of recent Commission investigations. 4/ Thus, many of the like-product issues relevant to these investigations have been resolved previously and need not be addressed again here, absent indications of new facts or changed circumstances.

In particular, in our most recent investigation involving cut-to-length and coiled plate carbon steel products, we determined that these two items were like products and that they should be treated as a single industry. 5/ No evidence to the contrary has been presented in these preliminary investigations.

Moreover, in the previous investigations, the Commission has determined that for the purposes of the law, discrete domestic industries exist for hot-rolled sheet, cold-rolled sheet, galvanized sheet, and structural shapes. 6/ In the present investigations, arguments have been presented that domestic producers of galvanized sheet do not make a product which is "like" the imported product. Specifically, an Australian producer argued that its exports of painted galvanized sheet are not like and do not compete with domestic galvanized sheet because domestic producers do not produce the

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4/ E.g., cut-to-length plate and coiled plate were most recently investigated in Certain Flat-Rolled Carbon Steel Products from Brazil, Inv. No. 731-TA-123 (Final), USITC Publication 1499 (1984); plate, hot-rolled sheet, and galvanized sheet were investigated in Certain Carbon Steel Products from the Republic of Korea, Invs. Nos. 701-TA-170, 171, and 173 (Final), USITC Publication 1346 (1983); plate, cold-rolled sheet, galvanized sheet, and structural shapes were the subject of investigations in Certain Carbon Steel Products from Spain, Invs. Nos. 701-TA-155, 157-160, and 162 (Final), USITC Publication 1331 (1982).

5/ Certain Flat-Rolled Carbon Steel Products from Brazil, Inv. No. 731-TA-123, supra.

6/ See n. 4, supra.

painted product in their own facilities. 7/ Instead, petitioner "tolls" galvanized sheet through outside painters ("coil coaters") and sends customers a single bill which includes the cost of the paint. 8/ For purposes of these preliminary investigations, we determine that the fact that domestic galvanized sheet is painted in separate facilities is insufficient to support a finding that there is no U.S. product like the Australian painted galvanized sheet. 9/

No other indications of new facts or changed circumstances have been presented in these investigations. Therefore, for the purposes of these preliminary investigations, we find that there are five like products: plate, hot-rolled sheet, cold-rolled sheet, galvanized sheet, and structural shapes. Furthermore, we define the relevant domestic industries for purposes of these investigations as the U.S. producers of plate, hot-rolled sheet, cold-rolled sheet, galvanized sheet, and structural shapes.

Conditions of trade

Our causation analysis in these investigations reflects the Congressional mandate that we "focus on the conditions of trade, competition, and

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7/ Postconference brief of John Lysaght (Australia) Ltd. (JLA) at 5-6 and 9. JLA acknowledges that one domestic producer, Armco, does produce the painted product, but argues that because most of JLA's sales of the painted product are to the Western United States and Armco's facilities are located in Ohio, the domestic product does not compete with the Australian import. Id. at 6 and Appendix 19.

8/ Postconference brief of U.S. Steel at 9.

9/ The Australian producer also argued that it produced galvanized sheet in large widths and special thicknesses not available from domestic producers. Postconference brief of JLA at 5 and 20. In rebuttal, several domestic producers that appeared in support of the petitions in these investigations argued that the domestic industry can meet the demand for such products. Postconference brief of Republic Steel Corp., Inland Steel Co., Jones & Laughlin Steel, Inc., and Armco, Inc. at 6. At this point, there is not sufficient information in the record to support a finding that the domestic industry does not produce such products.

development regarding the industry concerned." 10/ Among the conditions of trade which we deem relevant to these investigations and our analysis are the apparent fungibility and price sensitivity of these carbon steel products, the variety of other sources for these products which have been the subject of recent preliminary or final antidumping and countervailing duty determinations from the Commission, and the role of other imports.

Apparent U.S. consumption and domestic producers' shipments of plate and structural shapes remained depressed in 1983. Despite the apparent upturn in domestic shipments and consumption of hot-rolled sheet, cold-rolled sheet, and galvanized sheet in 1983, there are reasonable indications that competition in these markets kept prices depressed or suppressed in 1983. As a result, domestic producers of these products continued to experience losses.

Under these circumstances, where price is usually the determining factor in a purchaser's decision to buy from one source as opposed to another, lower offers by importers may result in discounting by domestic producers to avoid losing customers. When sufficiently widespread, such discounting and an inability to raise prices may affect the ability of the domestic industry both to remain competitive and regain profitability. 11/

10/ S. Rep. 249, 96th Cong., 1st Sess. 88 (1979).

11/ Pricing data collected in these investigations are not sufficient for an accurate comparison of the price levels of domestic and imported products. However, these data are sufficient to allow comparisons of the trends in price levels and to provide indications regarding the existence of general patterns of underselling or discounting. Commission Report (Report) at I-32.

Commissioner Haggart notes that, in some cases, even data on price trends were not available. In such cases, increases in volume or import penetration and confirmed instances of lost sales and lost revenues are viewed for purposes of these preliminary investigations as providing indications of underselling and price suppression and depression by reason of the subject imports in light of the conditions of trade in the markets for these products. In any final investigations, additional pricing information will be collected, which should allow more extensive analysis of these issues.

An additional condition of trade relevant to our consideration of the causal relationship between the allegedly unfairly priced imports and material injury to the domestic industries is the increasing volume of subject imports and increasing penetration levels achieved by these imports. The domestic industries continue to operate at fairly low levels of capacity utilization, making them especially sensitive to import volumes and penetration ratios that under other conditions might have less impact on the industries' health. The ability of domestic producers to cover fixed costs is essential to the continued viability of the carbon steel industries. That ability has been in jeopardy in the recent period.

The Commission has reached its determinations on a case-by-case basis. 12/ Should these investigations return for final determinations, we do not preclude the possibility of cumulation should circumstances warrant. 13/

Condition of the domestic industries

The plate industry.--Apparent U.S. consumption of plate fell by 44 percent from 1981 to 1982 and by 1 percent between 1982 and 1983. 14/ Domestic production of plate fell from 6.8 million tons in 1981 to 3.5 million tons in 1982. 15/ Production rose only slightly in 1983 to 3.8 million tons. 16/ The capacity of the domestic industry to produce plate stood at

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12/ Chairman Eckes and Commissioner Haggart refer to their views in Certain Carbon Steel Products from Spain, supra, at 12-25. Commissioner Haggart also refers to her additional views in that investigation. Id. at 26-40.

13/ Commissioner Stern notes that she has voted to continue certain cases which may merit cumulative treatment in a final investigation where an isolated analysis might otherwise have called for a negative preliminary determination.

14/ Report at I-9.

15/ Id. at table I-5.

16/ Id.

11.3 million tons in 1981. 17/ In 1982, domestic capacity increased slightly to 11.4 million tons, and in 1983, the domestic industry had the capacity to produce 11.3 million tons of plate. 18/ Capacity utilization was 60.4 percent in 1981. 19/ Utilization dropped slightly in 1982 to 30.8 percent and remained low in 1983 at 33.6 percent. 20/ Domestic shipments of plate were 6.2 million tons in 1981, but only 3.3 million tons in 1982. 21/ In 1983, domestic shipments increased slightly to 3.5 million tons. 22/ U.S. producers' inventories remained small during 1981-83. 23/

Employment in the domestic industry producing plate fell by 46.9 percent between 1981 and 1982, and again by 9.7 percent between 1982 and 1983. 24/ The industry employed 15,733 workers in 1981, 8,356 workers in 1982, and 7,549 workers in 1983. 25/

The data received by the Commission show that net sales of plate fell sharply between 1981 and 1982, from $3.0 billion to $1.6 billion. 26/ Between 1982 and 1983, net sales dropped again, to $1.4 billion. 27/ Six firms reported operating losses in 1981, totaling $52 million. 28/ In 1982, 11 firms showed an operating loss totaling $200 million. 29/ In 1983, the number of firms showing an operating loss was 10, but their combined loss was $272 million. 30/

17/ Id.
18/ Id.
19/ Id.
20/ Id.
21/ Id. at table I-6.
22/ Id.
23/ Id. at I-14.
24/ Id. at table I-8.
25/ Id.
26/ Id. at table I-13.
27/ Id.
28/ Id. at I-20.
29/ Id.
30/ Id.

The hot-rolled sheet industry.--Domestic production of hot-rolled sheet declined substantially from 8.8 million tons in 1981 to 5.8 million tons in 1982. 31/ In 1983, production rebounded to almost 8.7 million tons. 32/ Domestic capacity to produce hot-rolled sheet increased slightly from 15.4 million tons in 1981, to 15.5 million tons in 1982, and to 15.6 million tons in 1983. 33/ As a result, domestic capacity utilization in 1983, 55.5 percent, was still below capacity utilization in 1981, but well above the low capacity utilization achieved in 1982, 37.3 percent. 34/ Similarly, domestic shipments of hot-rolled sheet fell from 7.9 million tons in 1981 to 5.4 million tons in 1982, and then rose to 7.4 million tons in 1983. 35/

Employment of production and related workers followed the trends of production and shipments, declining from 10,500 workers in 1981 to 6,388 workers in 1982, and then increasing to 9,421 workers in 1983. 36/ Increased productivity and lower hourly compensation in 1983 over those in 1982 resulted in an improvement in unit labor costs. 37/

Despite the increased levels of production and shipments and the improvement in unit labor costs in 1983, prices and profitability remained depressed. Price levels in 1983 were lower than 1981 levels. 38/ As a result, U.S. hot-rolled sheet producers' financial situation showed continued and substantial losses, $65 million in 1981, $344 million in 1982, and $274 million in 1983. 39/

31/ Id. at table I-5.
32/ Id.
33/ Id.
34/ Id.
35/ Id. at table I-6.
36/ Id. at table I-8.
37/ Id. at table I-10.
38/ Id. at I-40.
39/ Id. at table I-14.

The cold-rolled sheet industry.--Consumption of cold-rolled sheet in 1983 slightly exceeded consumption in 1981 and was up sharply from 1982 levels. 40/ U.S. production, which had fallen from 9.5 million tons in 1981 to 6.8 million tons in 1982, rose to 9 million tons in 1983, and domestic shipments, which had fallen from 8.5 million tons in 1981 to 6.3 million tons in 1982, rose to 8 million tons in 1983. 41/ As a result of declining capacity, domestic capacity utilization in 1983 was approximately the same as it was in 1981, 70 percent. 42/

The domestic employment picture also improved in 1983 over that in 1982, but failed to reach the levels achieved in 1981. Although the cold-rolled sheet industry employed 21,202 workers in 1981, employment in the industry dropped to 15,857 in 1982 before partially recovering in 1983 to 18,407 workers. 43/ Increased labor productivity and lower hourly compensation in 1983, over both 1981 and 1982, caused a slight improvement in unit labor costs. 44/

Despite the increase in shipments in 1983, prices remained low for much of the year and by yearend had still not risen significantly above early 1981 levels. 45/ Thus, the domestic cold-rolled sheet industry continued to show substantial losses in 1983. The combined operating losses of eight domestic producers in 1983, although less than the losses they incurred in 1981 and 1982, were $276 million. 46/

40/ Id. at table II-3.
41/ Id. at tables II-4 and 5.
42/ Id. at table II-4.
43/ Id. at table II-8.
44/ Id. at table II-9.
45/ Id. at II-15.
46/ Id. at table II-10.

The galvanized sheet industry.--The domestic galvanized sheet industry appeared to have the strongest recovery in 1983 compared with that of the other domestic carbon steel industries. Apparent U.S. consumption of galvanized sheet declined from 7.1 million tons in 1981 to 6.3 million tons in 1982, but rose to 7.9 million tons in 1983. 47/ Production and domestic shipments followed similar trends, with production declining from 4.0 million tons in 1981 to 3.2 million tons in 1982 and increasing to 4.1 million tons in 1983. 48/ Domestic capacity increased slightly but steadily between 1981 and 1983, and capacity utilization, which had fallen from 69 percent in 1981 to 55.6 percent in 1982, rose to 68.6 percent in 1983. 49/

Employment of production and related workers in 1983 remained below 1981 levels. Employment declined from 7,668 workers in 1981 to 6,505 in 1982, but increased in 1983 to 7,263 employees. 50/ Despite the fact that labor productivity increased in 1983 over that in both 1982 and 1981, 51/ and compensation declined in 1983 to below 1981 levels, 52/ the unit labor costs for domestic galvanized sheet producers in 1983 remained above 1981 levels. 53/

Prices received by domestic producers throughout 1983 remained at or below early 1981 levels, despite increases from period lows. 54/ As a result, although the financial experience of domestic producers in 1983 was substantially better than in 1982, losses continued to be sustained, and those losses exceeded those incurred in 1981. 55/

47/ Id. at table III-3.
48/ Id. at table III-4.
49/ Id. We note, however, that one domestic producer of galvanized sheet closed its operations in late 1983. Conference transcript (Tr.) at 94.
50/ Id. at table III-7.
51/ Id. at table III-9.
52/ Id.
53/ Id.
54/ Id. at III-16.
55/ Id. at table III-10.

The structural shapes industry--U.S. consumption of carbon steel structural shapes dropped from 5.9 million tons in 1981 to 4.3 million tons in 1982. 56/ In 1983, consumption declined further to 4.2 million tons. 57/ U.S. production declined between 1981 and 1982 and continued to decline in 1983. In 1981, production was 3.2 million tons; in 1982, 2.1 million tons; and in 1983, 1.9 million tons. 58/ Capacity remained fairly steady during the period. Capacity was 5.4 million tons in 1981, 5.6 million tons in 1982, and 5.5 million tons in 1983. 59/ Capacity utilization, accordingly, declined in each year. In 1981, the rate of utilization was 58.7 percent, in 1982, it was 36.9 percent, and in 1983, only 33.7 percent. 60/

Domestic shipments by U.S. producers fell from 3.0 million tons in 1981 to 1.8 million tons in 1983. 61/ Inventories remained small throughout the period, at about 7 to 10 percent of shipments. 62/ The number of employees in the domestic industry declined from 10,568 in 1981 to 5,842 in 1983, with the bulk of that decline (37.4 percent) taking place between 1981 and 1982. 63/

Net sales declined from $1.4 million in 1981 to $947 million in 1982 and to only $735 million in 1983. 64/ In 1982 and 1983, the cost of goods sold exceeded net sales. 65/ In each of the three years, the domestic industry had an operating loss. In 1981, losses were $12 million, but grew to $146 million in 1982, and to $187 million in 1983. 66/

56/ Id. at table IV-3.
57/ Id.
58/ Id. at table IV-4.
59/ Id.
60/ Id.
61/ Id. at table IV-5.
62/ Id. at IV-8.
63/ Id. at table IV-7.
64/ Id. at table IV-10.
65/ Id.
66/ Id.

Reasonable indication of material injury

A. By reason of allegedly subsidized imports of galvanized sheet from Australia 67/

Imports of galvanized sheet from Australia decreased from their 1981 level of 48,000 tons to 37,000 tons in 1982, but then increased substantially to 100,000 tons in 1983. 68/ Likewise, as a share of domestic consumption, Australian galvanized sheet imports declined from 0.7 percent in 1981 to 0.6 percent in 1982, but rose again in 1983 to 1.2 percent. 69/

The available data indicate that the selling price of the Australian product declined, albeit erratically, between 1981 and 1983. 70/ In both sales to steel service centers and endusers, the Australian price in 1983 declined more than the domestic price. 71/ Information collected confirmed at least five instances of lost sales to Australian imports. 72/ In each case,

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67/ Commissioner Stern dissents. She finds that the small import penetration of allegedly subsidized Australian galvanized sheet, together with other factors, is insufficient to demonstrate a reasonable indication of material injury. Prices in the U.S. market have increased in 1983, the year of greatest Australian penetration. Report at table III-12. Furthermore, the record shows that the Australian industry is operating at an extremely high capacity utilization rate, Id. at A-8, which is probably the maximum it can reasonably achieve. Other national markets appear to remain open to Australian exports. Tr. at 100-101. Therefore, there is no reasonable indication of a threat of material injury from these allegedly subsidized imports. During the most recent period, there have been no imports of the same product from other countries which have been the subject of affirmative preliminary or final countervailing duty (CVD) investigations. Finally, Commissioner Stern does not believe it appropriate to cumulate across statutes covering different unfair practices. Subsidization is controlled by a government and is a relatively stable phenomenon. LTFV sales are under the control of individual firms, and the margins can fluctuate with each transaction. Separate statutes cover the two practices and the margins calculated by Commerce for CVD and LTFV duties have no relation to each other. Therefore, Commissioner Stern has not found conditions appropriate for cumulation and has reached a negative determination.

68/ Report at table III-11.

69/ Id. at table III-12.

70/ Id. at III-19.

71/ Id. at tables III-13 and 14.

72/ Id. at III-20-21.

price was at least one of the factors for the lost sale. 73/ Also, two allegations of lost revenues due to price reductions to meet Australian competition were confirmed. 74/

For the foregoing reasons, we find that there is a reasonable indication of material injury to the domestic galvanized sheet industry by reason of allegedly subsidized imports from Australia.

B. By reason of allegedly LTFV imports

1. Plate

Finland

Imports of cut-to-length plate from Finland increased significantly, from 49,000 tons in 1981 to 85,000 tons in 1983. 75/ Import penetration of the U.S. market for plate rose from 0.7 percent of consumption in 1981 to 2.2 percent of consumption in 1983. 76/ Prices for cut-to-length plate from Finland followed a price trend similar to that of U.S.-produced plate, increasing during 1981, but then dropping steadily between 1982 and 1983. 77/ Where allegations of domestic sales lost to Finnish imports were confirmed, price was the determining factor. 78/ Allegations of lost revenues were also confirmed. 79/

For the foregoing reasons, we determine that there is a reasonable indication of material injury to the domestic plate industry by reason of allegedly LTFV imports from Finland.

73/ Id.
74/ Id. at III-22-23.
75/ Id. at table I-15. Imports of plate in coils from Finland are not subject to the investigation.
76/ Id. at table I-19.
77/ Id. at I-35.
78/ Id. at I-43-44.
79/ Id. at I-46.

Republic of South Africa

Imports from the Republic of South Africa (South Africa) of plate increased from 74,000 tons in 1981 to 134,000 tons in 1982. 80/ Imports then declined to 48,000 tons in 1983. 81/ Imports of plate from South Africa accounted for 0.8 percent of U.S. consumption in 1981, 2.4 percent of U.S consumption in 1982, and 0.9 percent of U.S. consumption in 1983. 82/

Prices for plate from South Africa declined during the period under investigation. 83/ One alleged lost sale was confirmed. 84/

For the foregoing reasons, we determine that there is a reasonable indication of material injury to the domestic plate industry by reason of allegedly LTFV imports from South Africa.

Spain

U.S. imports of plate from Spain decreased during the period under investigation. In 1981, 100,000 tons were imported. 85/ In 1983, the figure was only 69,000 tons. 86/ As noted previously, however, consumption dropped considerably during the period. Thus, the ratio of Spanish plate imports to U.S. consumption increased from 1.0 percent in 1981 to 1.4 percent in 1982. 87/ In 1983, the ratio dropped slightly to 1.2 percent, still above the ratio in 1981. 88/

80/ Id. at table I-17.
81/ Id.
82/ Id. at table I-19.
83/ Id. at tables I-20 and 21.
84/ Id. at I-44.
85/ Id. at table I-17.
86/ Id.
87/ Id. at table I-19.
88/ Id.

No price trends for imports of plate from Spain could be constructed on the basis of the information available at this time. 89/ However, the average unit value of the imports from Spain declined steadily, from $371 per ton in 1981 to $206 per ton in 1983. 90/ In addition, two allegations of lost sales were confirmed. 91/

For the foregoing reasons, we determine that there is a reasonable indication of material injury to the domestic plate industry by reason of allegedly LTFV imports from Spain.

2. Hot-rolled sheet

Republic of South Africa 92/

Imports of hot-rolled sheet from South Africa declined from 27,000 tons in 1981 to 20,000 tons in 1982, but then increased substantially to 78,000 in 1983. 93/ As a result, imports from South Africa, as a share of domestic consumption, grew from 0.3 percent in 1981 to 0.7 percent in 1983. 94/

Prices of hot-rolled sheet from South Africa decreased more sharply than U.S. producers' prices, declining 16 to 30 percent over the period of investigation. 95/ At least two instances of lost sales to the South African product on the basis of price were confirmed. 96/ It was also confirmed that

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89/ Id. at I-35.
90/ Id. at table I-17.
91/ Id. at I-44-45.
92/ Should the investigation return for a final determination, Commissioner Stern will consider cumulating the impact of the subject imports from South Africa with that of the allegedly LTFV imports from Brazil. The latter were the subject of a preliminary affirmative determination by the Commission in December 1983. Certain Steel Products from Brazil, Inv. no. 731-TA-153 (Preliminary), USITC Publication 1470 (1983). In 1983, these imports from Brazil captured 2.0 percent of the U.S. market. Id., Commission Report at I-32.
93/ Id. at table I-18.
94/ Id. at table I-19.
95/ Id. at I-40 and table I-23.
96/ Id. at I-45-46.

the petitioner lost revenues when it reduced its prices to meet price competition from the South African product. 97/

For the foregoing reasons, we find that there is a reasonable indication of material injury to the domestic hot-rolled sheet industry by reason of allegedly LTFV imports from South Africa.

3. Cold-rolled sheet

Argentina

Imports of cold-rolled sheet from Argentina grew from an insignificant amount in 1981 to 104,000 tons in 1982 and 121,000 tons in 1983. 98/ As a result, Argentine imports as a share of domestic consumption increased from less than 0.05 percent in 1981 to 0.8 percent in 1982 and 1983. 99/

Although the price data collected were inadequate to establish a price trend, 100/ Argentine prices of two representative cold-rolled sheet products declined 28 and 27 percent respectively, from those in October-December 1981 to October-December 1983. 101/ At least one lost sale to the Argentine product was confirmed. 102/

For the foregoing reasons, we find that there is a reasonable indication of material injury by reason of allegedly LTFV imports of cold-rolled sheet from Argentina.

97/ Id. at I-47.
98/ Id. at table II-11.
99/ Id. at II-12 and table II-12.
100/ Id. at II-15.
101/ Id.
102/ Id. at II-18.

Spain 103/

Imports from Spain of cold-rolled sheet declined from 62,000 tons in 1981 to 48,000 tons in 1982, but then rose to 67,000 tons in 1983. 104/ As a share of domestic consumption, however, imports from Spain accounted for 0.4 percent in each of the years covered by the investigation. 105/ Meanwhile, the average unit value of imports from Spain declined steadily and substantially, from $411 per ton in 1981 to $283 per ton in 1983. 106/ The Commission was not able to confirm the petitioner's two allegations of lost sales to imports of cold-rolled sheet from Spain, but did receive confirmation that the imported product generally is priced about five percent below the domestic price, 107/ and was able to confirm that the petitioner reduced its prices to one purchaser on a number of occasions involving substantial tonnages due to price competition from the Spanish products. 108/

For the foregoing reasons, we find that there a reasonable indication of material injury by reason of allegedly LTFV imports of cold-rolled sheet from Spain.

103/ Commissioner Stern has determined that there is no reasonable indication of material injury or threat thereof by reason of allegedly LTFV imports from Spain. The presence of the subject imports from Spain is so negligible that when considered in the context of the other factors on the record, there is no reasonable indication that they could have contributed to any material injury to the U.S. industry.

Nor is there any real and imminent threat to the U.S. industry from these imports. The import penetration level is stable, and there are no indications of a policy of price cutting to gain market share. There is also no indication that the United States has been targeted as a market for increasing exports from Spain, since exports to the United States of cold-rolled sheet have fluctuated as a share of total exports from Spain of cold-rolled sheet.

104/ Report at table II-11.

105/ Id. at table II-12.

106/ Id. at II-12. Insufficient data were obtained on the prices of Spanish cold-rolled sheet to permit ascertainment of price trends. Id. at II-15.

107/ Id. at II-18-19.

108/ Id. at II-19.

Republic of South Africa

Imports of cold-rolled sheet from South Africa increased from 40,000 tons in 1981, to 42,000 tons in 1982 and to 103,000 tons in 1983. 109/ Imports of cold-rolled sheet from South Africa accounted for 0.3 percent of domestic consumption in 1981 and 1982, but then increased to 0.7 percent in 1982. 110/

Price data collected for the South African product show a relatively steady and sharp decline of 16 to 27 percent throughout the period of investigation. 111/ Three lost sales on the basis of price to the South African product were confirmed, 112/ as were four instances in which the petitioner reduced its price to meet competition from imports from South Africa. 113/

For the foregoing reasons, we find that there is a reasonable indication of material injury by reason of allegedly LTFV imports of cold-rolled sheet from South Africa.

4. Galvanized sheet

Australia

For the reasons set forth in our discussion of allegedly subsidized imports of galvanized sheet from Australia, supra at 12, we find that there is a reasonable indication of material injury by reason of allegedly LTFV imports of galvanized sheet from Australia.

109/ Id. at table II-11.
110/ Id. at table II-12.
111/ Id. at II-15 and tables II-13 and 14.
112/ Id. at II-18.
113/ Id. at II-19.

Republic of South Africa

Imports of galvanized sheet from South Africa increased only slightly between 1981 and 1982, from 31,000 to 33,000 tons, but then rose to 86,000 tons in 1983. 114/ At the same time, imports from South Africa increased their share of domestic consumption, from 0.4 percent in 1981 to 0.5 percent in 1982, and to 1.1 percent in 1983. 115/

Moreover, price data for South African galvanized sheet show a much sharper decline during the period under investigation than that experienced by the domestic industry. Prices for South African products declined by 14 to 30 percent. 116/ Several instances of lost sales to imports from South Africa, due at least partially to price, were confirmed. 117/ Further, it was confirmed that the petitioner lost revenues when it reduced its price to meet competition from the South African product. 118/

For the foregoing reasons, we determine that there is a reasonable indication of material injury to the domestic galvanized sheet industry by reason of allegedly LTFV imports from South Africa.

Spain

Imports from Spain of galvanized sheet increased steadily between 1981 and 1983, from 19,000 tons in 1981 to 27,000 tons in 1982, and to 63,000 tons in 1983. 119/ As a result, imports from Spain as a share of domestic consumption also increased from 0.3 in 1981 to 0.8 in 1983. 120/

Spanish galvanized sheet prices followed the trend of domestic prices over the period of investigation, increasing in early 1982, but then declining

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114/ Id. at table III-11.
115/ Id. at table III-12.
116/ Id. at III-19.
117/ Id. at III-21-22.
118/ Id. at III-23.
119/ Id. at table II-11.
120/ Id. at table II-12.

again in late 1982 and early 1983. 121/ At yearend 1983, the Spanish galvanized sheet price had declined more than the domestic price. 122/ The Commission confirmed one lost sale to Spanish galvanized sheet. 123/

For the foregoing reasons, we determine that there is a reasonable indication of material injury to the domestic galvanized sheet industry by reason of allegedly LTFV imports from Spain.

Structural shapes

Republic of South Africa

Imports of structural shapes from South Africa increased between 1981 and 1982, from 108,000 tons to 118,000 tons. 124/ In 1983, the volume of imports was again 108,000 tons. 125/ Market penetration rose from 1.8 percent in 1981 to 2.7 percent in 1982, and dropped only slightly to 2.6 percent in 1983. 126/

Prices for imports from South Africa declined more sharply than U.S. producers' prices. 127/ Two lost sales allegations with respect to structural shapes from South Africa were confirmed. 128/ Lower prices and the need by purchasers to be competitive in their own business were cited as the reasons for buying lower priced imports. 129/

For the foregoing reasons, we determine that there is a reasonable indication of material injury to the domestic structural shapes industry by reason of allegedly LTFV imports from South Africa.

121/ Id. at III-19.
122/ Id.
123/ Id. at III-22.
124/ Id. at table IV-11.
125/ Id.
126/ Id. at table IV-12.
127/ Id. at IV-17.
128/ Id. at IV-17 and 20.
129/ Id. at IV-20.

Spain

Imports from Spain were substantial throughout the period of investigation. As consumption declined, the volume of imports declined during 1981-83, from 238,000 to 125,000 tons. 130/ Imports from Spain were 4.0 percent of consumption in 1981 and 1982 and 3.0 percent of consumption in 1983. 131/ Price trends for imports from Spain declined more steeply than did price trends for the domestic products. 132/ At least one lost sale allegation was confirmed. 133/

For the foregoing reasons, we determine that there is a reasonable indication of material injury to the domestic structural shapes industry by reason of allegedly LTFV imports from Spain.

130/ Id. at table IV-11.
131/ Id. at table IV-12.
132/ Id. at IV-17 and table IV-13.
133/ Id. at IV-20.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On February 10, 1984, petitions were filed with the Commission and the Department of Commerce by United States Steel Corp. (U.S. Steel), Pittsburgh, Pa., alleging that imports of certain carbon steel products from Argentina, Australia, Finland, South Africa, and Spain are being subsidized by the foreign government (countervailing duty petition) and/or sold in the United States at less than fair value (LTFV) (antidumping petition) and that industries in the United States are materially injured or threatened with material injury by reason of such imports. Accordingly, effective February 10, 1984, the Commission instituted countervailing duty investigation No. 701-TA-212 (Preliminary) 1/ concerning imports from Australia of galvanized carbon steel sheet, 2/ and the following antidumping investigations: 3/

Carbon steel plate not in coils (i.e., cut-to-length) 4/ from—

Finland (investigation No. 731-TA-169 (Preliminary));
South Africa (investigation No. 731-TA-170 (Preliminary)); and
Spain (investigation No. 731-TA-171 (Preliminary));

Carbon steel plate in coils 5/ from—

South Africa (investigation No. 731-TA-172 (Preliminary)); and
Spain (investigation No. 731-TA-173 (Preliminary));

Hot-rolled carbon steel sheet 6/ from—

South Africa (investigation No. 731-TA-174 (Preliminary));

Cold-rolled carbon steel sheet 7/ from—

Argentina (investigation No. 731-TA-175 (Preliminary));
South Africa (investigation No. 731-TA-176 (Preliminary)); and
Spain (investigation No. 731-TA-177 (Preliminary));

1/ Preliminary countervailing duty investigations are conducted pursuant to sec. 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)).

2/ Galvanized carbon steel sheet is provided for in items 608.0730, 608.1310, 608.1320, and 608.1330 of the Tariff Schedules of the United States Annotated (TSUSA).

3/ Preliminary antidumping investigations are conducted pursuant to sec. 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)).

4/ Carbon steel plate not in coils is provided for in TSUSA items 607.6620 and 607.6625.

5/ Carbon steel plate in coils is provided for in TSUSA item 607.6610.

6/ Hot-rolled carbon steel sheet is provided for in TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342.

7/ Cold-rolled carbon steel sheet is provided for in TSUSA items 607.8320, 607.8350, 607.8355, and 607.8360.

Galvanized carbon steel sheet from—

Australia (investigation No. 731-TA-178 (Preliminary));
South Africa (investigation No. 731-TA-179 (Preliminary)); and
Spain (investigation No. 731-TA-180 (Preliminary)); and

Carbon steel angles, shapes, and sections having a maximum cross-sectional dimension of 3 inches or more (structural shapes) 1/ from—

South Africa (investigation No. 731-TA-181 (Preliminary)); and
Spain (investigation No. 731-TA-182 (Preliminary)).

In each of these investigations, the Commission must 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 of the subject merchandise.

Notice of the institution of the Commission's investigations and of a 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 February 23, 1984 (49 F.R. 6808). 2/ The conference was held in Washington D.C., on March 7, 1984, 3/ and the Commission voted on these cases at its meeting on March 20, 1984. The statute directs that the Commission make its determinations in these investigations within 45 days after receipt of the petitions, or by March 26, 1984.

Discussion of Report Format

This report is organized in four major parts on the basis of product groups. Part I deals with carbon steel plate (cut-to-length and coiled) and hot-rolled carbon steel sheet; part II deals with cold-rolled carbon steel sheet; part III deals with galvanized carbon steel sheet; and part IV deals with carbon steel structural shapes. Discussions of related Commission investigations on the subject products, the petitioner's allegations concerning subsidies and LTFV sales, and foreign producers of the subject products in the named countries are presented in this introductory portion of the report.

1/ Carbon steel structural shapes are provided for in TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045.

2/ A copy of the Commission's notice of investigations is presented in app. A. Copies of Commerce's notices are presented in app. B.

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

Related Commission Investigations Concerning Imports of the Subject Steel Products

The products covered by these investigations have also been the subject of a number of other recent (since 1981) Commission investigations. These investigations and the Commission's determinations in each of them are shown in table 1.

The Department of Commerce made affirmative countervailing duty determinations against South Africa in September 1982, which covered all of the products covered by these investigations. However, because South Africa is not a signatory to the General Agreement on Tariffs and Trade (GATT) no injury finding by the Commission was required.

Nature and Extent of Alleged Subsidies and/or Sales at LTFV

Alleged subsidies

The petitioner alleges that manufacturers, producers, or exporters of galvanized sheet in Australia receive the following benefits which constitute subsidies within the meaning of the countervailing duty law:

Tariff assistance,
Quotas and tariff quotas,
Export expansion grants,
Preferential loans from the Australian Industrial Development Corp.,
Preferential taxation schemes,
Steel Industry Plan bounties, and
Assistance by the State Governments.

Alleged sales at LTFV

Argentina.--The petitioner alleges that imports of cold-rolled sheet from Argentina are being sold in the United States at LTFV. Margins were calculated by comparing constructed values (as calculated by U.S. Steel), with average export prices, and were expressed as a percent of export prices. The resulting weighted-average LTFV margins for cold-rolled sheet from Argentina were 143.2 percent in 1981/82 and 59.7 percent in 1982/83.

Australia.--The petitioner alleges that imports of galvanized sheet from Australia are being sold in the United States at LTFV. Margins were arrived at by comparing home market and export prices, and were expressed as a percentage of export prices. The resulting weighted-average margins for galvanized sheet from Australia were 50.8 percent in 1981, 54.4 percent in 1982, and 62.0 percent in January-June 1983.

Finland.-- The petitioner alleges that imports of carbon steel plate from Finland are being sold in the United States at LTFV. The margins were calculated as the difference between foreign market values and export prices, and were expressed as a percentage of the latter. The resulting weighted-average margin for carbon steel plate from Finland in July-December 1983 was 12.9 percent.

Table 1.—Commission investigations involving carbon steel plate, hot-rolled sheet, cold-rolled sheet, galvanized sheet, and structural shapes since 1981

(A = affirmative determination; N = negative determination)

Country	Plate 1/	Hot-rolled sheet	Cold-rolled sheet	Galvanized sheet	Structural shapes
	Preliminary determinations				
Belgium	2/3/ A	2/3/4/ A	2/3/4/ N	2/3/ N	2/3/ A
	5/6/ A	–	–	–	–
Brazil	2/7/ A	2/4/7/ N	2/4/7/ N	–	2/7/ N
	7/8/ A	3/8/ A	3/8/ A	–	–
France	2/3/ N	2/3/4/ A	2/3/4/ A	2/3/ N	2/3/ A
Italy	2/3/ N	2/3/4/ A	2/3/4/ A	2/3/ N	–
Korea	6/9/ A	–	–	–	–
	7/10/ A	7/10/ A	7/10/ N	7/10/ A	–
Luxembourg	2/3/ N	2/3/4/ N	2/3/4/ N	2/3/ N	2/3/ A
Netherlands	2/3/ N	2/3/4/ A	2/3/4/ A	2/3/ N	–
United Kingdom	2/3/ A	2/3/4/ N	2/3/4/ N	2/3/ N	2/3/ A
West Germany	2/3/ A	2/3/4/ A	2/3/4/ A	2/3/ N	2/3/ A
	5/6/ A	–	–	–	–
Romania	2/6/ A	–	–	–	–
	Final determinations				
Brazil	11/12/ A	–	–	–	–
	13/14/ A				
Korea	12/15/ A	12/15/ A	–	12/15/ A	–
Spain	12/16/ A	–	12/16/ A	12/17/ A	12/16/ A

1/ In its most recent final determination involving cut-to-length and coiled plate, the Commission determined that the two items are like products and should be considered together as the carbon steel plate industry (inv. No. 731-TA-123 (Final), March 1984).

2/ Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, The Netherlands, Romania, The United Kingdom, and West Germany, invs. nos. 701-TA-86 through 144, 146, and 147 (Preliminary) and 731-TA-53 through 86 (Preliminary), February 1982.

3/ By reason of both allegedly LTFV and subsidized imports.

4/ Includes strip.

5/ Certain Flat-Rolled Carbon Steel Products from Belgium and the Federal Republic of Germany, invs. Nos. 731-TA-146 and 147 (Preliminary), November 1983 (Commerce terminated these investigations on the grounds that the petitioner was not an interested party).

6/ By reason of allegedly LTFV imports.

7/ By reason of allegedly subsidized imports.

8/ Certain Steel Products from Brazil, invs. Nos. 701-TA-205 through 207 and 731-TA-153 and 154 (Preliminary), December 1983.

8/ Reasonable indication of material injury only.

9/ Certain Hot-Rolled Carbon Steel Plate from the Republic of Korea, inv. No. 731-TA-151 (Preliminary), December 1983.

10/ Certain Steel Products from the Republic of Korea, invs. Nos. 701-TA-170-173 (Preliminary), June 1982.

11/ Hot-Rolled Carbon Steel Plate from Brazil, inv. No. 701-TA-87 (Final), 1983.

12/ By reason of subsidized imports only.

13/ Certain Flat-Rolled Carbon Steel Products from Brazil, inv. No. 731-TA-123 (Final), March 1984.

14/ By reason of LTFV imports only.

15/ Certain Steel Products from the Republic of Korea, invs. Nos. 701-TA-170, 171, and 173 (Final), February 1983.

16/ Certain Carbon Steel Products from Spain, invs. Nos. 701-TA-155, 157 through 160, and 162 (Final), December 1982.

South Africa.—U.S. Steel alleges that imports from South Africa of cut-to-length plate, coiled plate, hot-rolled sheet, cold-rolled sheet, galvanized sheet, and structural shapes are being sold in the United States at LTFV. Margins were calculated by comparing constructed values (as calculated by U.S. Steel), with average export prices compiled by the U.S. Department of Commerce, and were expressed as a percentage of the export prices. On this basis, the resulting weighted-average LTFV margins were as follows: 62.5 percent for plate, 76.5 percent for hot-rolled sheet, 73.7 percent for cold-rolled sheet, 96.6 percent for galvanized sheet, and 63.5 percent for structural shapes.

Spain.—The petitioner alleges that imports from Spain of cut-to-length and coiled plate, cold-rolled sheet, galvanized sheet, and structural shapes are being sold in the United States at LTFV. Margins were calculated by the petitioner by comparing constructed values (as calculated by U.S. Steel), with average export prices, and were expressed as a percentage of export prices. The resulting weighted-average margins, by products and by producing companies, are as follows:

Company	Product	Alleged weighted-average LTFV margins (percent)
Altos Hornos de Vizcaya Vizcaya (AHV)	Cold-rolled sheet	74.8
	Galvanized sheet	65.0
Empresa Nacional Siderurgica (Ensidesa)	Plate	78.5
	Cold-rolled sheet	70.9
	Galvanized sheet	61.1
	Structural shapes	63.6
Altos Hornos del Mediterraneo (AHM)	Cold-rolled sheet	170.7
	Structural shapes	154.8

Foreign Producers

Argentina

There are approximately 10 producers of crude steel in Argentina; they employed 10,610 workers in 1981, down by 20 percent from the 13,190 workers employed in 1979. As shown in table 2, production of crude steel in Argentina declined from 3.0 million tons in 1980 to 2.8 million tons in 1981, before increasing to 3.2 million tons in 1982. Capacity utilization grew to almost 33 percent in 1982, but this figure remains low, even in a slumping world market for steel. The rate of capacity utilization in the Organization for Economic Cooperation and Development (OECD) as a whole, for example, stood at 58 percent in 1982, 11 percentage points below the 1981 rate.

The two principal producers of cold-rolled sheet in Argentina are Sociedad Mixta Siderurgica Argentine (Somisa) and Propulsora Siderurgica Saic. As indicated in the following tabulation, shipments of cold-rolled

Table 2.—Crude steel: Argentina's capacity, production, and capacity utilization, 1980-83

Year	Production capacity	Production	Capacity utilization
	1,000 short tons	1,000 short tons	Percent
1980	1/	2,963	1/
1981	9,438	2,785	29.5
1982	9,813	3,212	32.7
1983	2/ 10,143	2/ 3,200	2/ 31.5

1/ Not available.
2/ Estimated.

Source: Capacity, compiled from data in The Iron and Steel Industry in 1982 and the Outlook for 1983, OECD, Paris, 1983; production, compiled from data in Iron and Steelmaker, July 1983, pp. 14 and 15.

sheet by these two firms increased by 32 percent from 554,000 tons in 1982 to 733,000 tons in 1983.

Year 1/	Shipments of cold-rolled sheet by Argentina's two largest producers 2/ (short tons)
1982	554,416
1983	733,012

1/ For the fiscal year ending June 30 of the year indicated.
2/ Taken from the U.S. Steel petition, p.4.

Australia

There are about a dozen producers of iron and steel in Australia, of which at least two are operated as subsidiaries of the Broken Hill Proprietary Co., the largest steel producer in Australia. Employment was approximately 39,100 workers in 1982. This figure is down 12 percent from that in 1981 and is the lowest employment level in the Australian steel industry in at least 10 years. In 1981, basic-oxygen furnaces accounted for about three-quarters of Australia's output of crude steel. Open-hearth furnaces accounted for slightly more than 20 percent of the total, and electric furnaces accounted for the remainder. Production of crude steel in Australia fell sharply from about 8.4 million tons in 1980 and 1981 to 7.0 million tons in 1982. Capacity utilization was adversely affected, dropping from 87 percent in 1980 to 72 percent in 1982. Apparent consumption showed an overall decline, falling from 6.7 million tons in 1980 to 5.8 million tons in 1982, as shown in table 3.

Table 3.—Crude steel: Australia's capacity, production, and apparent consumption, 1980–82

Year	Production capacity	Production	Capacity utilization	Apparent consumption
	1,000 short tons	1,000 short tons	Percent	1,000 short tons
1980	9,570	8,367	87.4	6,709
1981	9,438	8,418	89.2	6,920
1982	9,813	7,024	71.5	5,820

1/ Consumption does not equal the total of production plus imports minus exports.

Source: Capacity and apparent consumption, compiled from data in The Iron and Steel Industry, OECD, Paris, 1983, ; production, compiled from data in Iron and Steelmaker, July 1983, pp. 14 and 15.

The OECD estimates that both domestic production and apparent consumption of steel continued to decline in 1983, with production experiencing the sharper decline. Accordingly, capacity utilization in 1983 was probably less than the 72 percent reported in 1982.

Australian exports of steel decreased and imports increased irregularly during 1979–81, with the former decreasing by about 11 percent and the latter increasing by about 14 percent, as shown in the following tabulation (in thousands of short tons): 1/

Year	Exports	Imports
1979	1,991.2	475.2
1980	4,032.0	563.4
1981	1,771.3	542.4

OECD figures indicate that imports and exports increased in 1982, but the 1983 outlook was for a substantial fall in exports of Australian steel.

Although the Australian steel industry is privately owned the government does provide an investment allowance for capital investment in new plants that are used wholly and exclusively for the production of assessable income in Australia. The initial rate of this investment allowance was 40 percent for plants in use by July 1, 1979. Since July 1978, any eligible new plant construction which results in an operational plant before June 30, 1986, qualifies for a 20-percent investment allowance. This is in addition to the normal depreciation provisions which allow the steel industry to amortize plant and equipment over a 12-year period.

1/ OECD Steel Committee Monthly Information System.

In January 1984, the Australian Government implemented the Steel Industry Plan, which will run for 5 years and be reviewed after 4 years. The plan is a combined effort of the Government of Australia, the steel industry, and the unions to regain international competitiveness "through significant reductions in relative production costs." 1/ In essence, the plan consists of three parts. First, the Government will provide a maximum annual fund of$9 million (Australian) for production of alloy steel bar products and stainless steel flat products; $40 million (Australian) for production of hot-rolled strip for use in the production of cold-rolled strip and sheet; $22 million (Australian) for production of hot-rolled strip and plate, other than high alloy, for use in production of pipes and tubes; and $0.6 million (Australian) for production of hot-rolled plate for use in production of certain quenched and tempered steel. The Government of Australia has also imposed quotas on imports of steel products from developing countries and created a Steel Industry Authority to monitor the Plan and advise on the need for additional assistance.

The second part of the plan calls for the Broken Hill Proprietary Co. to continue operation of three integrated steel plants, to provide job security for its employees, and to invest several hundred million dollars over 4 years to modernize facilities in order to increase productivity and improve energy efficiencies.

In the third part of the plan, the steel unions of Australia have agreed to contain wage increases, increase productivity, and adhere to established grievance procedures.

There is one major producer of galvanized sheet in Australia, John Lysaght (Australia) Limited. This firm provided production, capacity, and capacity utilization data as shown in the following tabulation:

Year	Production of galvanized sheet 1/ (short tons)	Capacity (short tons)	Capacity Utilization (percent)
1981	***	***	***
1982	***	***	***
1983	***	***	***

1/ Includes data on other hot-dipped coated products.

Finland

Production of raw steel in Finland declined steadily from 2.8 million tons in 1980 to 2.7 million tons in 1982, although apparent consumption showed an overall increase of about 9 percent. Capacity utilization remained above 90 percent during this period (table 4).

1/ News release from Australian Minister for Industry and Commerce, Aug. 11, 1983.

Table 4.—Crude steel: Finland's capacity, production, and apparent consumption, 1980–82

Year	Production capacity	Production	Capacity utilization	Apparent consumption
	1,000 short tons	1,000 short tons	Percent	1,000 short tons
1980	2,845	2,765	97.2	2,343
1981	2,850	2,677	93.9	2,261
1982	2,860	2,662	93.1	1/ 2,556

1/ Estimated.

Source: Capacity and apparent consumption, compiled from data in The Iron and Steel Industry, OECD, Paris, 1983, except as noted: production, compiled from data in Iron and Steelmaker, July 1983.

Due in part to increased domestic demand for plate and sheet products, imports of all steel products grew from 684,700 tons in 1980 to 728,800 tons in 1982. During this same period exports declined from 1.1 million tons in 1980 to 961,400 tons in 1982, due principally to a fall-off in shipments of structural shapes, 1/ as shown in the following tabulation (in thousands of short tons):

	Exports 1/	Imports 1/
1980	1,051.8	684.7
1981	1,018.7	685.8
1982	961.4	728.8

1/ Annual Bulletin of Steel Statistics for Europe, vol. X, 1982, United Nations, New York, 1983..

The Finnish steel industry consists of three companies with a total of three blast furnaces and six rolling mills. The number of workers in the steel industry increased from 10,200 in 1979 to 10,500 in 1980, before declining to an estimated 10,000 workers in 1982. Approximately 85 percent of Finland's steel is produced in basic-oxygen furnaces and virtually all of that is continuous cast. The remainder of Finland's steel is produced in electric furnaces, of which about 40 percent is continuous cast.

The largest company, Rautaruukki Oy, in which the State is a major shareholder, is the principal, if not sole, producer of cut-to-length carbon steel plate. Rautaruukki Oy also produces hot-rolled coils, cold-rolled coils, sheets, galvanized coils and sheets, and tubes. The remaining two

1/ This decline in exports may be overstated due to the unavailability of data for tubes and fittings in 1981 and 1982.

firms are a State-owned company that produces stainless steel products and a private company which is engaged in the production of bars, wire rod, and specialty steel. These three firms maintain a clear division of productrange, which enables them to stay competitive in the global steel industry despite Finland's limited domestic market.

Rautaruukki Oy was established in 1960 by the State in conjunction with four large consumers of heavy plates. In the early 1970's, the company began a program to double the production of steel and rolled products, ostensibly to guarantee a supply of steel to Finland's domestic metal, engineering, and construction industries. By 1979, Finland had increased its production capacity to 2.8 million tons (from 1.4 million tons in 1970) and had succeeded in maintaining capacity utilization at close to 95 percent.

Finland is heavily dependent upon its export markets in order to retain a strong domestic industry. In 1982, about 36 percent of Finland's total steel production was exported. Finland is competitive in the world steel market due in large part to low energy consumption, raw material advantages, investment in new technology, and the consolidation of the steel industry with the subsequent division of product ranges. State-owned and private companies are treated identically for purposes of general taxation.

Finland's production of plate increased from 690,000 tons in 1980 to 739,000 tons in 1981, before declining to 712,000 tons in 1982 as shown in the following tabulation:.

Year	Production 1/ (1,000 short tons)
1980	690
1981	739
1982	712

1/ Includes cut-to-length and coiled plate.

South Africa

There are approximately 10 producers of crude steel in South Africa. In 1979, 69 percent of South Africa's crude steel output was from electric furnaces; basic-oxygen furnaces accounted for 22 percent of output and open-hearth furnaces for 9 percent. Production of crude steel declined steadily from 9.9 million tons in 1981 to 8.0 million tons in 1983, for a net decrease of almost 19 percent. Apparent consumption also declined during this period, from 8.8 million tons to 7.1 million tons, or by 20 percent, as shown in the following tabulation.

Year	Production 1/	Apparent consumption 1/
	1,000 short tons	1,000 short tons
1981	9,923	8,820
1982	9,041	7,607
1983	8,049	7,056

1/ Compiled from data in The Steel Market in 1982 and the Outlook for 1983, OECD, Paris, 1983.

South Africa's net trade balance (in short ton ingot equivalents) rose from a deficit of 2.9 million tons in 1981 to 2.4 million tons in 1982, and then improved somewhat to a 1.9 million ton deficit in 1983.

The two major producers of coiled plate, hot-rolled sheet, cold-rolled sheet, galvanized sheet, and structural shapes are the South African Iron & Steel Industrial Corp., Ltd. (Iscor) and Highveld Steel & Vanadium Corp. These two firms have an annual capacity of about 6 million short tons of crude steel.

South African production of galvanized sheet was stagnant from 1979 to 1981, increasing by less than 1 percent. Production of plates and cold-rolled sheet increased slightly (by about 2 percent), However, production of hot-rolled sheets and structural shapes showed more significant growth, increasing by 6.7 percent and almost 20 percent, respectively, as shown in the following tabulation (in thousands of short tons): 1/

Year	Galvanized sheet	Plates over 3mm thick and cold-rolled sheet under 3mm 1/	Hot-rolled sheet	Structural shapes
1979	555	1,558	1,244	1,184
1980	529	1,562	1,309	2,334
1981	559	1,592	1,327	1,411

1/ Includes cut-to-length and coiled plate.

Spain

Production of raw steel in Spain increased without interruption from 13.5 million tons in 1979 to 14.5 million tons in 1982. Concurrently, Spanish steelmaking capacity increased from 17.8 million tons to 19.2 million tons.

1/ Compiled from data in Yearbook of Industrial Statistics, 1981 edition, vol. II, United Nations, New York, 1983.

The increases in production and capacity occurred concurrently with an increase in apparent consumption, from 8.8 million tons in 1979 to 9.7 million tons in 1982. The industry operated at about 75 percent of capacity during the period, as indicated in the following tabulation: 1/

Year	Production capacity	Production	Capacity utilization	Apparent consumption
	Million tons	Million tons	Percent	Million tons
1979	17.75	13.50	76.1	8.81
1980	18.63	13.94	74.8	9.85
1981	19.05	14.22	74.6	8.74
1982	19.16	14.49	75.6	9.70

Partly due to the relatively stagnant demand for steel products in Spain and the continued growth in the industry's steelmaking capability during 1979-81, exports increased steadily during the period. Imports rose irregularly to about 1.3 million tons, as shown in the following tabulation (in millions of tons):

	Exports	Imports
1979	4.67	1.18
1980	5.00	1.43
1981	5.54	1.26

The industry in Spain consists of three integrated producers and numerous nonintegrated firms. 2/ Approximately 83,000 workers are employed; however, this figure represents a gradual decline from the approximately 90,000 workers in the industry in 1974. The three Spanish integrated producers are Ensidesa, AHV, and AHM. Ensidesa is the largest, having produced 5.2 million tons of raw steel in 1980. It operates several facilities, employs more than 25,000 workers, and produces a wide range of steel mill products, most notably plate, hot-rolled sheet and strip, cold-rolled sheet, structural shapes, rails, and galvanized sheet. AHV was the second largest Spanish raw steel producer in

1/ Capacity and apparent consumption data were obtained from the OECD; production data were from the Iron & Steel Society. Consumption does not equal the total of production plus imports less exports.

2/ According to information received chiefly from the U.S. Department of State, there is 1 producer of plate, 6 producers of cold-rolled sheet, 3 producers of galvanized sheet, and 16 producers of structural shapes.

1980, with a production total of 1.4 million tons. The firm operates several facilities, employs some 12,000 workers, and primarily markets its products in the domestic (i.e., Spanish) market (84 percent in 1980). AHV produces primarily hot-rolled and cold-rolled sheet, galvanized sheet, tinplate, and pipes and tubes. AHM is an integrated producer that manufactures primarily semifinished products, cold-rolled sheet, and structural shapes. It produced 725,585 tons of raw steel in 1980 and shipped a total of 634,850 tons, with 88 percent going to the domestic market.

The available data on Spain's capacity, production, and exports of the specific steel mill products subject to these investigations are discussed in the following sections.

Hot-rolled carbon steel plate.--Spanish production of hot-rolled carbon steel plate is believed to be limited to that by Ensidesa. In 1982, the firm produced 972,000 tons of plate; it has platemaking capacity of 1.1 million tons. Production and capacity figures for other recent years are not available, but capacity has declined since 1980 due to Ensidesa's closing of two plate mills having a capacity of 140,000 tons (closed in 1980) and 180,000 tons (closed in 1981), respectively. Spain's exports of plate steadily declined in 1979-82. Exports to the United States fluctuated but showed a net decline of almost 2 percent from 1979 to 1982 (table 5).

Cold-rolled carbon steel sheet.--Spain's production of cold-rolled carbon steel sheet is primarily limited to that of Ensidesa, AHV, and AHM. Production increased from 2.0 million tons in 1979 to 2.1 million tons annually in 1980 and 1981 and declined to 1.9 million tons in 1982; data on capacity and capacity utilization are not available. Exports fluctuated during those years, dropping from 1979 to 1980, increasing significantly in 1981, and declining slightly in 1982. Exports to the United States accounted for 15 percent of total exports in 1982, well above the 10-percent level in 1980, but less than the 22-percent level recorded in 1979.

Galvanized carbon steel sheet.--Spain's production of galvanized carbon steel sheet is primarily limited to that by Ensidesa and AHV. Spanish production dropped 5 percent from 1979 to 1980, but then increased steadily to 409,000 tons in 1982 for a 32-percent increase from 1980 to 1982. Capacity figures for 1979 and 1980 are not available; capacity in 1981 was 435,000 tons, resulting in a capacity utilization rate of 81 percent for that year. Similar to production, exports declined from 1979 to 1980 but then increased in 1981 and dropped dramatically in 1982. In 1981, exports to the United States accounted for 36 percent of Spain's total exports of galvanized carbon steel sheet and for almost 12 percent of its production of that product.

Carbon steel structural shapes.--There are approximately 16 producers of carbon steel structural shapes in Spain. However, only Ensidesa and Jose Maria Aristrain, S.A., have universal mills capable of making wide flange beams, which account for the bulk of Spanish exports to the United States. Spanish production of structural shapes increased from 1.8 million tons in 1979 to 2.1 million tons in 1981, or by 17 percent. Production declined in 1982, by 27 percent to 1.5 million tons. About half of Spain's production of carbon steel structural shapes during 1979-82 was exported; exports to the United States accounted for 20 percent of total exports in 1980 and 1982.

Table 5.—Certain carbon steel products: Spain's production, production capacity, capacity utilization, and exports, by products, 1979-81

Product and period	Production	Production capacity	Capacity utilization	Exports		
				Total	To the United States	
					Quantity	Share of total
	—1,000 short tons—		Percent	—1,000 short tons—		Percent
Hot-rolled carbon steel plate:1/						
1979	2/	1,422	3/	429	86	20.0
1980	2/	1,282	3/	376	80	21.3
1981	962	1,102	87.2	271	89	32.8
1982	972	3/	3/	244	76	31.1
Cold-rolled carbon steel sheet:4/						
1979	1,969	3/	3/	232	50	21.6
1980	2,099	3/	3/	138	14	10.1
1981	2,070	3/	3/	351	72	20.5
1982	1,859	3/	3/	342	50	14.6
Galvanized carbon steel sheet:						
1979	325	3/	3/	83	35	42.2
1980	310	3/	3/	61	21	34.4
1981	353	435	81.1	114	41	36.0
1982	409	3/	3/	72	1	1.4
Carbon steel structural shapes:						
1979	1,805	3/	3/	919	114	12.4
1980	1,867	3/	3/	1,088	196	18.0
1981	2,106	3/	3/	1,086	200	18.4
1982	1,547	3/	3/	739	150	20.3

1/ Includes plate in coils.

2/ Shipments (domestic and export) of hot-rolled carbon steel plate during 1979-81, as reported by Mr. Egge, were as follows (in thousands of short tons): 1979—998, 1980—1,145, and 1981—1,132.

3/ Not available.

4/ Includes cold-rolled strip.

Source: Data provided by the U.S. Department of State and by Mr. George Egge, counsel for the Spanish Steel Producers Association (UNESID), and from the 1981 annual report of Altos Hornos de Vizcaya, S.A.

PART I. CUT-TO-LENGTH CARBON STEEL PLATE, COILED CARBON STEEL PLATE, AND HOT-ROLLED CARBON STEEL SHEET

Introduction

This part of the report presents information relating specifically to cut-to-length plate, coiled plate, and hot-rolled carbon steel sheet. As indicated previously, following receipt on February 10, 1984, of petitions filed by U.S. Steel, the Commission instituted preliminary antidumping investigations 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 Finland, South Africa, and Spain of cut-to-length plate (investigations Nos. 731-TA-169, 170, and 171 (Preliminary)); by reason of imports from South Africa and Spain of coiled plate (investigations Nos. 731-TA-172 and 173 (Preliminary)); and by reason of imports from South Africa of hot-rolled carbon steel sheet (investigation No. 731-TA-174 (Preliminary)).

The Products

Description and uses

The TSUSA describes carbon steel plate as a flat-rolled carbon steel product, whether or not corrugated or crimped, in coils or cut-to-length, 0.1875 inch (3/16 inch or 4.76 millimeters (mm)) or more in thickness and, if not cold rolled, over 8 inches in width, or, if cold rolled, over 12 inches in width. Cut-to-length carbon steel plate is provided for in TSUSA items 607.6620 and 607.6625; 1/ coiled plate is provided for in TSUSA item 607.6610. Carbon steel slab which for tariff purposes is classified as hot-rolled plate is not included. 2/

The American Iron & Steel Institute (AISI) categorizes the coiled products covered by TSUSA item 607.6610 as hot-rolled carbon steel sheet, primarily because they are produced on the same hot-strip mills on which other sheet products are produced. From a usage standpoint, the coiled products provided for in TSUSA item 607.6610 are most clearly identified as plate (i.e., they are used in applications requiring products having plate thicknesses (0.1875 inch or more)). From a marketing standpoint, because coiled plate is produced on a hot-strip mill, it is much less expensive than reversing mill plate of the same thickness. As a share of total plate production, on the basis of questionnaire responses, 69 percent was produced

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1/ Effective Jan. 1, 1984, the (TSUSA) statistical annotation 607.6615 was replaced by 607.6620 (cut-to-length carbon steel plate over 6 inches in thickness) and 607.6625 (cut-to-length carbon steel plate not over 6 inches in thickness).

2/ "Slab" is defined in the TSUSA as a semifinished product 2 to 6 inches in thickness, of rectangular cross section, having a width of at least four times the thickness. Imports of semifinished products rolled from ingots more than 6 inches in thickness are classified as plate under TSUSA item 607.6620.

in hot-strip mills in 1981, 68 percent in 1982, and 70 percent in 1983; of the total produced in hot-strip mills, 59 percent was cut to length by the producer in 1981, 58 percent in 1982, and 46 percent in 1983.

The TSUSA describes hot-rolled carbon steel sheets as flat-rolled carbon steel products, whether or not corrugated or crimped and whether or not pickled; not cold-rolled; not cut, not pressed, and not stamped to nonrectangular shape; not coated or plated with metal; over 8 inches in width and in coils or if not in coils, under 0.1875 inch in thickness and over 12 inches in width. Such products are classified in TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342.

In the U.S. market, sales of carbon steel plate and sheet by domestic producers and importers are made either directly to endusers or to steel service centers and distributors, which, in turn, sell to endusers. 1/ During 1981-83, an increasing amount, averaging 28 percent, of all domestically produced carbon steel plate 2/ went to service centers and distributors. The remainder was shipped to endusers. The largest end-user markets for carbon steel plate were the construction, machinery and industrial equipment, and shipbuilding and marine equipment industries, which accounted for 22, 12, and 8 percent, respectively, of total U.S. shipments in 1983 (table I-1). Major enduser markets included the oil and gas industry (4 percent) and rail transportation (2 percent). Carbon steel plate is primarily used in the construction of bridges, storage tanks, pressure vessels, railroad freight and passenger cars, ships, industrial machinery, and other capital goods sector products.

Major markets for hot-rolled carbon steel sheet (including coiled plate), as reported by the AISI, are shown in table I-2. During 1981-83, an increasing amount, averaging 38 percent, of all domestically produced hot-rolled carbon steel sheet (including coiled plate) went to service centers and distributors. The remainder was shipped to endusers. The largest enduser market for such sheet was the automotive industry, which accounted for an average of 24 percent of total U.S. producers' shipments during 1981-83.

Production processes

Carbon steel plate is produced on various types of mills, including universal plate mills, sheared-plate mills, and hot-strip mills (in which all coiled plate is produced). Universal mills are characterized by vertical rolls preceding and following horizontal rolls. In these mills, only the length of the plate is increased, as the vertical rolls control the width. Consequently, only the ends of the plate need to be sheared. Sheared-plate mills, on the other hand, roll plate only between horizontal rolls, thereby increasing both the width and length of the product while reducing its

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1/ Large, integrated domestic producers, such as U.S. Steel and Bethlehem Steel Corp. (Bethlehem), also use part of their output of carbon steel plate in fabricating other products, such as bridges, ships, offshore oil-drilling rigs, and pressure vessels.

2/ Excluding coiled plate.

Table I-1.--Cut-to-length carbon steel plate: U.S. producers' shipments, by major markets, 1981-83

Market	1981	1982	1983
	Quantity (1,000 tons)		
Steel service centers and distributors	1,370	826	971
Construction and contractors products	1,242	772	611
Machinery, industrial equipment, and tools	933	461	335
Shipbuilding and marine equipment	781	215	216
Oil and gas industry	238	107	112
Rail transportation	223	95	52
All other	985	562	507
Total	5,772	3,038	2,804
	Percent of total		
Steel service centers and distributors	23.7	27.2	34.6
Construction and contractors products	21.5	25.4	21.8
Machinery, industrial equipment, and tools	16.2	15.2	11.9
Shipbuilding and marine equipment	13.5	7.1	7.7
Oil and gas industry	4.1	3.5	4.0
Rail transportation	3.9	3.1	1.8
All other	17.1	18.5	18.2
Total	100.0	100.0	100.0

Source: American Iron & Steel Institute.

thickness. Later all the edges are trimmed. The majority of sheared-plate mills are reversing, although some plate mills are semicontinuous or continuous. Hot-strip mills are continuous, and roll plate and sheet in the longitudinal direction of the slab. The slabs are roughed down in roughing stands and sent to finishing stands to attain the desired thickness. Hot-strip-mill plate is normally coiled and then either shipped in that configuration or cut to length on a separate production line.

The production of steel plate in plate mills begins with the uniform heating of slabs in reheating furnaces. The slabs, which usually enter the furnaces cold, are heated to their rolling temperature of approximately 2,200° F. and sent to a scalebreaker. The scalebreaker removes furnace scale by the use of high-pressure water sprays and sends the slabs to either a roughing or finishing mill, depending on mill type. In reversing mills, slabs are usually sent directly from the scalebreaker to the finishing mill, usually a four-high stand. The slab is passed back and forth through the rolls, thereby reducing the product to its final thickness. In semicontinuous plate mills, slabs are usually passed from the scalebreaker through a reversing roughing stand and a series of single-pass finishing stands. The roughing stand is usually a four-high mill; and finishing stands are customarily exact

Table I-2.--Hot-rolled carbon steel sheet: U.S. producers' shipments, by major markets, 1981-83

Market	1981	1982	1983
	Quantity (1,000 tons)		
Steel service centers and distributors	3,638	3,327	4,672
Automotive	3,486	1,739	2,331
Construction and contractors products	1,047	727	838
Machinery, industrial equipment, and tools	336	207	194
Agricultural	338	177	146
All other	3,206	1,951	2,355
Total	12,051	8,128	10,536
	Percent of total		
Steel service centers and distributors	30.2	40.9	44.3
Automotive	28.9	21.4	22.1
Construction and contractors products	8.7	8.9	8.0
Machinery, industrial equipment, and tools	2.8	2.5	1.8
Agricultural	2.8	2.2	1.4
All other	26.6	24.1	22.4
Total	100.0	100.0	100.0

Source: American Iron & Steel Institute.

duplicates of each other, each further reducing the thickness of the product. In continuous plate mills, slabs receive only a single pass through roughing and finishing mills. A roughing mill usually consists of several roughing stands, and a finishing mill has four to six finishing stands. Semicontinuous and continuous plate mills have several advantages over reversing mills; for example, the tonnage capacity per unit of time of the former is generally greater, and their roll wear is less, which reduces time lost in replacing worn components. On the other hand, continuous plate mills have more limited width and thickness ranges than reversing mills.

After leaving one of the assorted finishing stands, the plates are usually divided according to their thickness. Thicker plates that cannot be flattened by a leveler are removed and usually sent to a flame-cutting department. Plates that remain are generally cooled by top and bottom water sprays, and then flattened by a leveler. The effectiveness of the flattening is increased with decreasing thickness of the plate and increasing temperature. From the leveler, the plates will usually travel to a cooling bed. They are then measured and marked to desired size and shape, and stamped or painted with proper identification. The plates are crop sheared and subsequently side and end sheared. The plates are then weighed individually and transferred to the shipping building. Circular or semicircular plates and sketch plates can be produced by gas cutting or shearing rectangular plates.

Coiled plate and hot-rolled carbon steel sheet are both produced on hot-strip mills. In the hot-strip mill, slabs are heated to a rolling temperature of about 2,000° F. The slabs are sent into a scalebreaker to remove furnace scale, roughed down to a predetermined intermediate thickness in roughing stands, and then sent to a series of finishing stands where further reductions are made. A typical continuous mill for hot rolling has four or five roughing stands and five to seven finishing stands. As the product is reduced in thickness, it is increased in length, with each succeeding set of rolls being rotated at a higher rate of speed to compensate for the elongated sheet. Water sprays at various locations cool the metal and remove oxide from the hot sheet surface. Upon reaching final thickness, the hot-rolled material has cooled to about 1,500° F. The product is then coiled or cut into shorter lengths and stacked. If desired, the sheet may be pickled (cleaned), in a bath of sulfuric or hydrochloric acid to remove surface oxides formed during hot rolling.

Coiled plate from hot-strip mills must also be leveled and cut to length before it can be used. This is sometimes done by the producer, but is increasingly done by independent processors. There are basically two types of processors—toll processors, which level the plate and cut it to specified lengths for a fee paid by a distributor or end-user customer; and steel service centers/distributors, which purchase the coiled plate and level and cut it themselves in their own facilities. The leveling equipment, for the most part, has a maximum leveling capacity of about 1/2 inch.

In early 1983, coiled plate sold for approximately $80 to $100 per ton less than cut-to-length plate, because production costs in hot-strip mills are lower than those in sheared-plate mills and because the costs of cutting are foregone, and transportation costs are lower. The leveling and cutting, when done by toll processors or service centers/distributors, adds a charge of approximately $20 per ton to the product, thus making the cost of the cut products approximately $60 to $80 per ton less than cut-to-length plate from reversing mills. Because of, among other factors, higher labor costs in the hot-strip mills, it costs these domestic producers more than processors to supply this service. Thus, coiled plate which has been cut to length by the producer (called strip-mill plate) is usually priced at a level between the prices of the processor's plate and the reversing-mill plate.

U.S. tariff treatment

As mentioned, the imported plate and hot-rolled sheet products subject to these investigations are classified and reported for tariff and statistical purposes under items 607.6610 (coiled plate), 607.6620 and 607.6625 (cut-to-length plate), and 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342 (hot-rolled sheet) of the TSUSA. The current column 1 or most-favored-nation (MFN) rates of duty, 1/ final concession rates granted

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. The People's Republic of China, Hungary, Romania, and Yugoslavia are the only Communist countries currently eligible for MFN treatment. However, these rates would not apply to products of developing countries where such articles are eligible for preferential treatment provided under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.

under the Tokyo round of the Multilateral Trade Negotiations (MTN), 1/ rates of duty for least developed developing countries (LDDC's), 2/ and column 2 duty rates 3/ are shown in table I-3. As indicated, such imports are

Table I-3.—Cut-to-length carbon steel plate, coiled carbon steel plate, and hot-rolled carbon steel sheet: U.S. rates of duty, as of Jan. 1, 1980, Jan. 1, 1984, and Jan. 1, 1987

Article description (abridged)	Rate of duty				
	Col. 1			LDDC's	Col. 2
	Jan. 1, 1980 1/	Jan. 1, 1984	Jan. 1, 1987		
Carbon steel plate, not in coils, not coated or plated with metal, not pickled and not cold rolled. 2/	7.5% ad val.	6.8% ad val.	6.0% ad val.	6.0% ad val.	20% ad val.
Carbon steel plate, in coils, not coated or plated with metal, not pickled and not cold rolled. 3/	7.5% ad val.	6.8% ad val.	6.0% ad val.	6.0% ad val.	20% ad val.
Carbon steel sheet, not cut, not pressed, and not stamped to non-rectangular shape, not coated or plated with metal and not clad:					
Not pickled and not cold rolled. 4/	7.5% ad val.	6.2% ad val.	4.9% ad val.	4.9% ad val.	20% ad val.
Pickled but not cold rolled. 5/	8.0% ad val.	6.6% ad val.	5.1% ad val.	5.1% ad val.	0.2¢/lb., + 20% ad val.

1/ The rate shown for Jan. 1, 1980, was also the applicable rate prior to the first staged reduction under the Tokyo round.
2/ Imports under TSUSA items 607.6620 and 607.6625.
3/ Imports under TSUSA item 607.6610.
4/ Imports under TSUSA items 607.6710, 607.6720, 607.6730, and 607.6740.
5/ Imports under TSUSA items 607.8320 and 607.8342.

1/ Final concession rates granted under the Tokyo round of the MTN are the result of staged duty reductions of col. 1 rates which began Jan. 1, 1980. The reductions will occur annually, with the final rates becoming effective Jan. 1, 1987.
2/ The preferential rates in the "LDDC" column reflect the full U.S. MTN concession rates implemented without staging for particular items and apply to covered products of the LDDC's 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 in col. 1 applies.
3/ The rates of duty in col. 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA.

currently dutiable at column 1 rates of from 6.2 to 6.8 percent ad valorem. Imports of the subject flat-rolled carbon steel products are not eligible for duty-free treatment under the GSP. 1/ However, such imports, if the product of designated beneficiary countries, are eligible for duty-free entry under the Caribbean Basin Initiative (CBI). 2/

In addition to the import duties shown in table I-3, findings of dumping have been issued and antidumping duties are currently in effect with respect to imports of cut-to-length and coiled carbon steel plate from Brazil and cut-to-length plate from Japan and Taiwan; countervailing duties are currently in effect with respect to imports of cut-to-length plate from Brazil and Spain and cut-to-length plate, coiled plate, and hot-rolled sheet from the Republic of Korea (Korea). U.S. imports of carbon steel mill products such as plate are also subject to restraints imposed by administrative actions taken under provisions of the Buy American Act. 3/

Petitioners withdrew unfair trade complaints involving cut-to-length plate from Belgium, the United Kingdom, and West Germany and hot-rolled sheet (including coiled plate) from Belgium, France, Italy, the Netherlands, and West Germany to bring into effect the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community

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1/ The GSP is a program of nonreciprocal tariff preferences granted by the United States to developing countries to aid their economic development by encouraging greater diversification and expansion of their production and exports. The GSP, as enacted in title V of the Trade Act of 1974 and implemented by Executive Order No. 11888, of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985. It provides for duty-free entry of eligible articles imported directly from designated beneficiary developing countries.

2/ The CBI is a program of nonreciprocal tariff preferences granted by the United States to developing countries in the Caribbean Basin area to aid their economic development by encouraging greater diversification and expansion of their production and exports. The CBI, as enacted in title II of Public Law 98-67 and implemented by Presidential Proclamation No. 5133 of Nov. 30, 1983, applies to merchandise entered, or withdrawn from warehouse for consumption, on or after Jan. 1, 1984, and is scheduled to remain in effect until Sept. 30, 1995. It provides for duty-free entry of eligible articles imported directly from designated countries in the Caribbean Basin area.

3/ The Buy American Act, 41 U.S.C. 10a-10d (1978), is the primary congressionally mandated preference for U.S. goods. Under this act, U.S. Government agencies may purchase products of foreign origin for delivery in the United States only if the cost of the domestic product exceeds the cost of the foreign product, including duty, by 6 percent or more. This difference rises to 12 percent if the low domestic bidder is situated in a labor-surplus area, and to 50 percent if the purchase is made by the Department of Defense. The preferences may be waived in the public interest, however. For a more complete discussion of "Buy American" restrictions, see Certain Carbon Steel Products From Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom: Determinations of the Commission in Investigations Nos. 731-TA-18-24 (Preliminary) . . ., USITC Publication 1064, May 1980, p. A-17.

and the United States in October 1982. Under the Arrangement, European Community (EC) exports to the United States of 10 categories of steel products are to be limited to a specified share of apparent U.S. consumption from November 1, 1982, to December 31, 1985. Cut-to-length carbon steel plate is included in a category in which exports are limited to 5.36 percent of consumption. Hot-rolled carbon steel sheet (including coiled plate) is included in a category in which exports are limited to 6.81 percent of consumption.

U.S. Producers

About 15 firms produce cut-to-length carbon steel plate in the United States. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of cut-to-length carbon steel plate (as reported by AISI) in 1983:

Firm	Share of shipments (percent)
Armco, Inc. (Armco)	***
Bethlehem	***
Gilmore Steel Corp. (Gilmore)	***
Inland Steel Co. (Inland)	***
Lukens Steel Co. (Lukens)	***
National Steel Corp. (National)	***
Republic Steel Corp. (Republic)	***
U.S. Steel	***

As indicated, domestic production of cut-to-length carbon steel plate is highly concentrated, with the five largest producers---* * *, * * *, * * *, * * *, and * * *---accounting for *** percent of total shipments in 1983. The first four of these producers are fully integrated firms that produce a wide range of steel mill products. * * *.

About 20 firms in the United States produce hot-rolled carbon steel sheet (including coiled plate) in a total of approximately 40 mills. The majority of these mills are located in Pennsylvania (11), Ohio (6), and Indiana (5). In addition, mills are also located in Illinois, Alabama, Utah, California, West Virginia, Maryland, and Kentucky. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of coiled plate (as reported in questionnaires) and hot-rolled sheet (as reported by AISI) in 1983 (in percent):

Firm	Coiled plate	Hot-rolled sheet
Armco	***	***
Bethlehem	***	***
Inland	***	***
Interlake, Inc. (Interlake)	***	***
National	***	***
Rouge Steel Corp	***	***
U.S. Steel	***	***

As indicated, the top four producers of coiled plate—* * *, * * *, * * *, and * * *—together accounted for *** percent of domestic producers' shipments in 1983. The top four producers of hot-rolled sheet— * * *, * * *, * * *, and * * *—together accounted for *** percent of domestic producers' shipments in 1983. Most of the producers are fully integrated firms that produce a wide range of steel mill products.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 20 firms that imported carbon steel plate and hot-rolled sheet from the subject countries during October 1982-September 1983. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of carbon steel plate and hot-rolled sheet are shown in table I-4. The table shows separate statistical breakouts for cut-to-length plate, coiled plate, cut-to-length and coiled plate combined, and hot-rolled carbon steel sheet (excluding coiled plate). Apparent consumption of cut-to-length plate decreased steadily from 7.5 million tons 1/ in 1981 to 3.8 million tons in 1983, representing a decline of 49 percent. Apparent consumption of coiled carbon steel plate fell from 2.4 million tons in 1981 to 1.4 million tons in 1982, but rose in 1983 to 1.7 million tons. Apparent consumption of cut-to-length plate and coiled plate together fell by 44 percent from 1981 to 1982, then declined by less than 1 percent in 1983.

Consumption of hot-rolled carbon steel sheet (excluding coiled plate) fell from 11.7 million tons in 1981 to 8.4 million tons in 1982, or by 28 percent, and then rose to 11.1 million tons in 1983, or by 32 percent.

The share of the U.S. market for cut-to-length plate supplied by imports rose from 24.5 percent in 1981 to 27.8 percent in 1982, and then declined to 27.0 percent in 1983. The share of the domestic market for coiled plate supplied by imports rose from 21.8 percent in 1981 to 27.4 percent in 1982,

1/ Unless otherwise noted, all quantities shown in this report are in short tons (2,000 pounds).

Table I-4.—Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet (excluding coiled plate): U.S. producers' shipments, imports for consumption, exports, and apparent U.S. consumption, 1981-83

Item and year	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to— Shipments	Ratio of imports to— Consumption
	1,000 short tons				Percent	
Cut-to-length plate:						
1981	5,772	1,837	121	7,488	31.8	24.5
1982	3,038	1,149	52	4,135	37.8	27.8
1983	2,804	1,027	26	3,805	36.6	27.0
Coiled plate: 1/						
1981	1,870	512	31	2,351	27.4	21.8
1982	1,038	389	5	1,422	37.5	27.4
1983	1,441	290	—	1,731	20.1	16.8
Cut-to-length and coiled plate:						
1981	7,642	2,349	152	9,839	30.7	23.9
1982	4,076	1,538	57	5,557	37.7	27.7
1983	4,245	1,317	26	5,536	31.0	23.8
Hot-rolled sheet sheet: 2/						
1981	10,181	1,649	103	11,727	16.2	14.1
1982	7,090	1,365	34	8,421	19.3	16.2
1983	9,095	2,064	10	11,149	22.7	18.5

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

2/ Excluding coiled plate.

Source: Shipments (domestic and export) of cut-to-length carbon steel plate and hot-rolled carbon steel sheet, compiled from statistics of the American Iron & Steel Institute; shipments (domestic and export) of coiled plate, compiled from questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

but then fell to 16.8 percent in 1983. The share of the market supplied by imports of cut-to-length and coiled plate combined rose from 23.9 percent in 1981 to 27.7 percent in 1982, and then fell to 23.8 percent in 1983. The share of the U.S. market supplied by imports of hot-rolled carbon steel sheet (excluding coiled plate) rose from 14.1 percent in 1981 to 16.2 percent in 1982, and then fell to 18.5 percent in 1983.

Consideration of Material Injury to an Industry in the United States

The information in this section of the report was compiled from questionnaire data. It is therefore understated to the extent that a few domestic firms that are believed to produce the subject products did not respond to the Commission's questionnaires. Nevertheless, most of the major producers of the products have responded, and they are believed to account for more than 80 percent of total U.S. production of carbon steel plate and hot-rolled sheet. Tables in this section are arranged to show data separately on cut-to-length plate, coiled plate, cut-to-length and coiled plate combined, and hot-rolled carbon steel sheet (excluding coiled plate).

U.S. production, capacity, and capacity utilization

As shown in table I-5, production of cut-to-length carbon steel plate fell steadily throughout the period from 4.9 million tons in 1981 to 2.4 million tons in 1983, representing a decline of 52 percent. Productive capacity for cut-to-length carbon steel plate remained constant at 8.6 million tons during 1981-83. Capacity utilization consequently declined from 58 percent in 1981 to 28 percent in 1983.

Production of coiled carbon steel plate dropped dramatically from 1.9 million tons in 1981 to 1.0 million tons in 1982, or by 47 percent. It then increased by 42 percent in 1983 to 1.4 million tons. Productive capacity for coiled plate remained fairly constant at 2.7 million tons during 1981-83. Capacity utilization for coiled plate fell from 70 percent in 1981 to 38 percent in 1982, but then partially recovered to 52 percent in 1983.

Combined production of cut-to-length and coiled plate fell from 6.8 million tons in 1981 to 3.5 million tons in 1982, and then rose somewhat to 3.8 million tons in 1983.

Production of hot-rolled sheet (excluding coiled plate) fell from 8.8 million tons in 1981 to 5.8 million tons in 1982, or by 34 percent, but then rose by 50 percent to 8.7 million tons in 1983. The capacity of the machinery used to produce hot-rolled sheet remained relatively constant at about 15.5 million tons during 1981-83. Capacity utilization declined from 57 percent in 1981 to 37 percent in 1982, and then increased to 56 percent in 1983.

U.S. producers' domestic shipments

U.S. producers' domestic shipments of cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet are presented in table I-6. Domestic shipments of cut-to-length carbon steel plate fell from 4.5 million tons in 1981 to 2.3 million tons in 1982, representing a decline of 48 percent. Shipments continued to drop in 1983, to 2.1 million tons.

Domestic shipments of coiled plate fell from 1.7 million tons in 1981 to 1.0 million tons in 1982, or by 43 percent, before increasing to 1.4 million tons in 1983. Domestic shipments of cut-to-length and coiled plate combined fell by 46 percent from 1981 to 1982, then rose by 4 percent in 1983.

Table I-5.—Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet (excluding coiled plate): U.S. production, 1/ practical capacity, 2/ and capacity utilization, 1981-83

Item	1981	1982	1983
Cut-to-length plate:			
Production—1,000 short tons	4,911	2,514	2,374
Capacity—do	8,560	8,560	8,560
Capacity utilization—percent	57.5	29.4	27.7
Coiled plate:			
Production—1,000 short tons	1,913	1,007	1,426
Capacity—do	2,740	2,661	2,736
Capacity utilization—percent	69.8	37.8	52.1
Cut-to-length and coiled plate: 3/			
Production—1,000 short tons	6,824	3,521	3,800
Capacity—do	11,300	11,421	11,296
Capacity utilization—percent	60.4	30.8	33.6
Hot-rolled sheet: 4/			
Production—1,000 short tons	8,818	5,800	8,677
Capacity—do	15,395	15,538	15,642
Capacity utilization—percent	57.3	37.3	55.5

1/ Production and capacity figures are understated to the extent that all producers did not respond to the Commission's questionnaires.

2/ 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 be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

3/ As mentioned in the sections of this report on product descriptions and production processes, coiled plate is produced on hot-strip mills. Because hot-strip mills are primarily producers of sheet, the allocation of their capacity to the production of coiled plate is more a function of the demand for sheet than it is the demand for the coiled plate. Therefore, combined capacity and capacity utilization data for cut-to-length and coiled plate are less meaningful indicators of the producers condition than are the separate data, particularly those for cut-to-length plate.

4/ Excluding coiled plate.

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

Table I-6.--Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet (excluding coiled plate): U.S. producers' domestic shipments, 1/ 2/ 1981-83,

Item	1981	1982	1983
	Quantity (1,000 short tons)		
Cut-to-length plate	4,475	2,344	2,084
Coiled plate	1,725	979	1,369
Total	6,200	3,323	3,453
Hot-rolled sheet 3/	7,900	5,351	7,438
	Value (million dollars)		
Cut-to-length plate	2,185	1,137	857
Coiled plate	623	334	424
Total	2,808	1,471	1,281
Hot-rolled sheet 3/	2,809	1,848	2,480
	Unit value (per ton)		
Cut-to-length plate	$488	$485	$411
Coiled plate	361	341	310
Average	453	443	371
Hot-rolled sheet 3/	356	345	333

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.
2/ Does not include intercompany and intracompany transfers.
3/ Excluding coiled plate.

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

U.S. producers' total domestic shipments of hot-rolled carbon steel sheet (excluding coiled plate) fell from 7.9 million tons in 1981 to 5.4 million tons in 1981, and then rose by 39 percent to 7.4 million tons in 1983.

The AISI compiles data on shipments of steel products, including those under investigation; however, as has been stated before, they do not breakout data for coiled plate separately, but include it in their statistics on hot-rolled sheet. A comparison of information received in response to the Commission's questionnaires with information reported by the AISI on shipments of cut-to-length carbon steel plate and hot-rolled carbon steel sheet (including coiled plate) is presented in the following tabulation.

Product and year	AISI shipments (1,000 tons)	Questionnaire shipments 1/ (1,000 tons)	Coverage (percent)
Cut-to-length plate:			
1981	5,772	4,857	84
1982	3,038	2,549	84
1983	2,804	2,335	83
Hot-rolled sheet and coiled plate:			
1981	12,051	10,596	88
1982	8,128	7,015	86
1983	10,536	10,029	95

1/ Including exports and intercompany and intracompany transfers.

U.S. producers' exports

U.S. producers' exports of cut-to-length carbon steel plate declined continually throughout the period, from 75,000 tons in 1981 to 32,000 tons in 1982 and 14,000 tons in 1983. Exports of coiled plate also fell throughout the period, from 31,000 tons in 1981 to 5,000 tons in 1982 and zero in 1983. Exports of hot-rolled sheet fell from 101,000 tons in 1981 to 28,000 tons in 1982 and 4,000 tons in 1983 (table I-7).

U.S. producers' inventories

End-of-period inventories of cut-to-length carbon steel plate, coiled plate, and hot-rolled sheet, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1981-83, amounting to about 5 to 10 percent of the responding producers' shipments of each product in each of these periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of short tons):

	Cut-to-length plate	Coiled plate	Cut-to-length and coiled plate combined	Hot-rolled sheet (excluding coiled plate)
As of Dec. 31 -				
1980	223	105	328	512
1981	205	141	346	564
1982	121	105	226	393
1983	117	90	207	505

Table I-7.—Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet (excluding coiled plate): U.S. producers' export shipments, 1/ 1981-83

Item	1981	1982	1983
	Quantity (1,000 short tons)		
Cut-to-length plate	75	32	14
Coiled plate	31	5	0
Total	106	37	14
Hot-rolled sheet 2/	101	28	4
	Value (million dollars)		
Cut-to-length plate	32	16	7
Coiled plate	7	2	–
Total	39	18	7
Hot-rolled sheet 2/	30	8	1
	Unit value (per ton)		
Cut-to-length plate	$427	$500	$500
Coiled plate	226	400	–
Average	368	486	500
Hot-rolled sheet 2/	297	286	250

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

2/ Excluding coiled plate.

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

U.S. employment, wages, and productivity

The number of production and related workers producing cut-to-length carbon steel plate fell by 48 percent in 1982 and by 17 percent in 1983 (table I-8). Similarly, hours worked by these workers fell by 55 percent from 1981 to 1983. The number of production and related workers producing coiled carbon steel plate fell by 39 percent in 1982 and then rose by 31 percent in 1983. Hours worked by these production and related workers fell by 43 percent from 1981 to 1982 and then rose by 37 percent in 1983. The combined number of production and related workers producing cut-to-length and coiled carbon steel plate fell by 52 percent from 1981 to 1983. Combined hours worked by production and related workers producing cut-to-length and coiled plate fell by 51 percent during that period. The number of production and related workers producing hot-rolled sheet declined 39 percent from 1981 to 1982 and then increased 48 percent in 1983. Hours worked by these workers similarly fell by 41 percent in 1982 then rose by 55 percent in 1983.

Table I-8.--Average number of employees, total and production and related workers, in U.S. establishments producing cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet, and hours paid 1/ for the latter, 1981-83

Item	1981	1982	1983
Average employment:			
All products:			
Number	140,621	102,684	96,011
Percentage change	2/	-27.0	-6.5
Production and related workers producing--			
All products: 4/			
Number	121,594	86,565	81,525
Percentage change	2/	-28.8	-5.8
Cut-to-length plate:			
Number	13,649	7,086	5,880
Percentage change	2/	-48.1	-17.0
Coiled plate:			
Number	2,084	1,270	1,669
Percentage change	2/	-39.1	31.4
Cut-to-length and coiled plate:			
Number	15,733	8,356	7,549
Percentage change	2/	-46.9	-9.7
Hot-rolled sheet: 3/			
Number	10,500	6,388	9,421
Percentage change	2/	-39.2	47.5
Hours worked by production and related workers producing-- 4/			
All products:			
Number	244,379	164,339	167,534
Percentage change	2/	-32.8	1.9
Cut-to-length plate:			
Number	27,002	14,034	12,039
Percentage change	2/	-48.0	-14.2
Coiled plate:			
Number	4,319	2,462	3,381
Percentage change	2/	-43.0	37.3
Cut-to-length and coiled plate:			
Number	31,321	16,496	15,420
Percentage change	2/	-47.3	-6.5
Hot-rolled sheet: 3/			
Number	21,037	12,368	19,203
Percentage change	2/	-41.2	55.3

1/ Includes hours worked plus hours of paid leave time.
2/ Not available.
3/ Excluding coiled plate.
4/ All products subject to these investigations.

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

Wages and total compensation 1/ paid to production and related workers producing all products and those paid to production and related workers producing cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet (excluding coiled plate) are shown in table I-9.

Data on these workers' productivity, hourly compensation, and unit labor costs are presented in table I-10. As shown, productivity fell in 1982 but reached period highs in 1983, and hourly compensation rose through 1982 but fell in 1983. One component of the cost differential between the production of cut-to-length carbon steel plate and coiled plate is apparent in table I-10, which shows that unit labor costs for coiled plate were, on average, 45 percent below those for cut-to-length plate.

Financial experience of U.S. producers

Operations on cut-to-length carbon steel plate.--Income-and-loss data were received from 10 firms, accounting for 83 percent of total shipments of cut-to-length steel plate (as reported by AISI) in 1983. These data are presented in table I-11. The 10 responding producers' net sales of such merchandise declined from $2.3 billion in 1981 to $1.2 billion in 1982, or by 48 percent, and then declined by an additional 23 percent to $944 million in 1983.

In 1982 and 1983, the 10 firms sustained aggregate operating losses of $141 million, or 11.5 percent of net sales, and $235 million, or 24.9 percent of net sales, respectively, compared with an operating income of $66 million, or 2.8 percent of net sales, in 1981. All 10 responding firms reported operating losses in 1982, compared with 8 firms reporting operating losses in 1983 and 3 firms in 1981.

In the aggregate, the 10 responding firms experienced a positive cash flow of $107 million in 1981, compared with negative cash flows of $109 million in 1982 and $210 million in 1983.

Operations on coiled plate.--There were seven producers, accounting for all U.S. shipments of coiled carbon steel plate in 1983 (as reported in response to the Commission's questionnaires), that provided income-and-loss data relative to their operations producing such merchandise. Net sales of coiled plate fell 46.9 percent from $635 million in 1981 to $337 million in 1982, but then increased to $424 million in 1983, as shown in table I-12.

U.S. producers of coiled plate reported aggregate operating losses throughout the period under investigation. Operating losses increased from $14 million, or 2.2 percent of net sales, in 1981 to $59 million, or 17.5 percent of net sales, in 1982, but then fell in 1983 to $37 million, or 8.7 percent of net sales. There were five firms reported operating losses in 1981, all responding firms sustained operating losses in 1982, and six firms did so in 1983.

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

Table I-9.—Wages and total compensation 1/ paid to production and related workers in establishments producing cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet, 1981-83

Item	1981	1982	1983
Wages paid to production and related workers producing—			
All products: 4/			
Value—million dollars—	3,711	2,671	2368
Percentage change	2/	-28.0	-11.3
Cut-to-length plate:			
Value—million dollars—	375	207	159
Percentage change	2/	-44.8	-23.2
Coiled plate:			
Value—million dollars—	60	36	46
Percentage change	2/	-40.0	27.8
Cut-to-length and coiled plate:			
Value—million dollars—	435	243	205
Percentage change	2/	-44.1	-15.6
Hot-rolled sheet: 3/			
Value—million dollars—	293	186	259
Percentage change	2/	-36.5	39.2
Total compensation paid to production and related workers producing—			
All products:			
Value—million dollars—	4,830	3,660	3,626
Percentage change	2/	-24.2	-0.9
Cut-to-length plate:			
Value—million dollars—	491	284	247
Percentage change	2/	-42.2	-13.0
Coiled plate:			
Value—million dollars—	77	48	65
Percentage change	2/	-37.7	35.4
Cut-to-length and coiled plate:			
Value—million dollars—	568	332	312
Percentage change	2/	-41.5	-6.0
Hot-rolled sheet: 3/			
Value—million dollars—	373	247	375
Percentage change	2/	-33.8	51.8

1/ Includes wages and contributions to social security and other employee benefits.

2/ Not available.

3/ Excluding coiled plate.

4/ All products subject to these investigations.

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

Table I-10.—Labor productivity, hourly compensation, and unit labor costs in the production of cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet, 1981-83

Item	1981	1982	1983
Labor productivity:			
Cut-to-length plate:			
Quantity—tons per hour	0.1570	0.1511	0.1628
Percentage change	1/	-3.8	7.7
Coiled plate:			
Quantity—tons per hour	0.2774	0.2380	0.3091
Percentage change	1/	-14.2	29.9
Cut-to-length and coiled plate:			
Quantity—tons per hour	0.1736	0.1640	0.1949
Percentage change	1/	-5.5	18.8
Hot-rolled sheet: 2/			
Quantity—tons per hour	0.2217	0.2156	0.2579
Percentage change	1/	-2.8	19.6
Hourly compensation: 3/			
Cut-to-length plate:			
Value—per hour	$13.89	$14.75	$13.21
Percentage change	1/	6.2	-10.4
Coiled plate:			
Value—per hour	$13.89	$14.62	$13.61
Percentage change	1/	5.3	-6.9
Cut-to-length and coiled plate:			
Value—per hour	$13.89	$14.73	$13.29
Percentage change	1/	6.0	-9.8
Hot-rolled sheet: 2/			
Value—per hour	$13.93	$15.04	$13.49
Percentage change	1/	8.0	-10.3
Unit labor costs: 4/			
Cut-to-length plate:			
Value—per ton	$115.86	$133.90	$126.02
Percentage change	1/	15.6	-5.9
Coiled plate:			
Value—per ton	$64.27	$81.91	$62.20
Percentage change	1/	27.4	-24.1
Cut-to-length and coiled plate:			
Value—per ton	$104.49	$122.69	$103.83
Percentage change	1/	17.4	-15.4
Hot-rolled sheet: 2/			
Value—per ton	$80.00	$92.61	$75.71
Percentage change	1/	15.8	-18.2

1/ Not available.
2/ Excluding coiled plate.
3/ Based on wages paid excluding fringe benefits.
4/ Based on total compensation paid.

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

Table I-11.—Income-and-loss experience of 10 U.S. producers 1/ on their operations producing cut-to-length carbon steel plate, accounting years 1981-83

Item	1981	1982	1983 2/
Net sales—million dollars	2,343	1,231	944
Costs of goods sold—do	2,202	1,308	1,127
Gross income or (loss)—do	140	(77)	(183)
General, selling, and administrative expenses—do	74	64	52
Operating income or (loss)—do	66	(141)	(235)
Depreciation and amortization expenses 2/—do	41	32	25
Cash flow or (deficit) from operations—do	107	(109)	(210)
Ratio to net sales of—			
Gross income or (loss)—percent	6.0	(6.3)	(19.4)
Operating income or (loss)—do	2.8	(11.5)	(24.9)
Cost of goods sold—do	94.0	106.3	119.4
General, selling, and administrative expenses—do	3.2	5.2	5.5

1/ These 10 firms accounted for 83 percent of 1983 shipments of cut-to-length plate, as reported in response to the Commission's questionnaires.

2/ Nine firms reported data in 1983 (* * *).

3/ Only 7 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

In the aggregate, the seven responding firms experienced negative cash flows of $48 million in 1982 and $24 million in 1983, compared with a small negative cash flow of $1 million in 1981.

Operations on cut-to-length plate and coiled plate.—Combined income-and-loss data for the production of cut-to-length plate and coiled plate is presented in table I-13. Net sales of these products fell by 47.3 percent from $3.0 billion in 1981 to $1.6 billion in 1982 and by 12.8 percent to $1.4 billion in 1983.

In 1982, the firms reported an operating loss of $200 million, or 12.8 percent of sales, compared with an operating income of $52 million (1.7 percent of sales) in 1981, and an operating loss of $272 million (19.9 percent of sales) in 1983. There were 6 firms reported operating losses in 1981, and 11 firms and 10 firms did so in 1982 and 1983,respectively.

Table I-12.--Income-and-loss experience of 7 U.S. producers 1/ on their operations producing coiled carbon steel plate, accounting years 1981-83

Item	1981	1982	1983
Net sales--million dollars	635	337	424
Costs of goods sold--do	635	384	447
Gross income or (loss)--do	0	(47)	(23)
General, selling, and administrative expenses--do	14	12	14
Operating income or (loss)--do	(14)	(59)	(37)
Depreciation and amortization expenses 2/--do	13	11	13
Cash flow or (deficit) from operations--do	(1)	(48)	(24)
Ratio to net sales of--			
Gross income or (loss)--percent	-	(13.9)	(5.4)
Operating income or (ioss)--do	(2.2)	(17.5)	(8.7)
Cost of goods sold--do	100.0	113.9	105.4
General, selling, and administrative expenses--do	2.2	3.6	3.3

1/ These 7 firms accounted for 100 percent of 1983 shipments of coiled plate reported in response to the Commission's questionnaires.

2/ Only 4 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

Operations on hot-rolled carbon steel sheet.--Income-and-loss data were received from eight firms, which together accounted for 94 percent of total shipments of all hot-rolled carbon steel sheet in 1983 (as reported by AISI but with shipments of coiled plate deducted). These data are presented in table I-14. The responding producers' net sales of hot-rolled carbon steel sheet (excluding coiled plate) fell from $3.1 billion in 1981 to $2.1 billion in 1982, or by 33.5 percent. Such sales rose in 1983 to $2.8 billion, or by 36.9 percent.

In 1983, the eight firms sustained an aggregate operating loss of $274 million, or 9.7 percent of net sales, compared with operating losses of $344 million, or 16.7 percent of net sales, in 1982 and $65 million, or 2.1 percent of net sales, in 1981.

All eight responding firms reported operating losses in 1982 and 1983, compared with five firms that reported such losses in 1981. In the aggregate, the eight firms experienced negative cash flows from their operations on hot-rolled carbon steel sheet (excluding coiled plate) each year during 1981-83. Such negative cash flows amounted to $283 million in 1982, and $198 million in 1983, compared with a small negative cash flow of $6 million in 1981.

Table I-13.--Income-and-loss experience of 11 U.S. producers 1/ on their operations producing cut-to-length and coiled carbon steel plate, accounting years 1981-83

Item	1981	1982	1983
Net sales--million dollars	2,978	1,568	1,368
Costs of goods sold--do	2,838	1,692	1,574
Gross income or (loss)--do	140	(124)	(206)
General, selling, and administrative expenses--do	88	76	66
Operating income or (loss)--do	52	(200)	(272)
Depreciation and amortization expenses 2/--do	54	43	38
Cash flow or (deficit) from operations--do	106	(157)	(234)
Ratio to net sales of--			
Gross income or (loss)--percent	4.7	(7.9)	(15.1)
Operating income or (loss)--do	1.7	(12.8)	(19.9)
Cost of goods sold--do	95.3	107.9	115.1
General, selling, and administrative expenses--do	3.0	4.8	4.8

1/ These 11 firms accounted for 100 percent of 1983 shipments of coiled plate (as reported in response to the Commission's questionnaires) and 83 percent of 1983 shipments of cut-to-length plate (as reported by AISI).

2/ Only 4 firms provided depreciation and amortization expenses for operations on coiled plate and only 7 firms provided depreciation and amortization expenses for operations on cut-to-length plate. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

Table I-14.--Income-and-loss experience of 8 U.S. producers 1/ on their operations producing hot-rolled carbon steel sheet, 2/ accounting years 1981-83

Item	1981	1982	1983
Net sales--million dollars	3,089	2,054	2,812
Costs of goods sold--do	3,078	2,313	2,996
Gross income or (loss)--do	11	(259)	(184)
General, selling, and administrative expenses--do	76	85	90
Operating income or (loss)--do	(65)	(344)	(274)
Depreciation and amortization expenses 3/--do	59	61	76
Cash flow or (deficit) from operations--do	6	(283)	(198)
Ratio to net sales of--			
Gross income or (loss)--percent	0.4	(12.6)	(6.5)
Operating income or (loss)--do	(2.1)	(16.7)	(9.7)
Cost of goods sold--do	99.6	112.6	106.5
General, selling, and administrative expenses--do	2.5	4.1	3.2

1/ These 8 firms accounted for 94 percent of 1983 shipments of hot-rolled sheet (excluding coiled plate).

2/ Excluding coiled plate.

3/ Only 6 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated and deficits are somewhat overstated.

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

Capital expenditures.--Four firms supplied data relative to their expenditures for land, buildings, and machinery and equipment used in the manufacture of cut-to-length carbon steel plate. Such capital expenditures increased from $31 million in 1981 to $36 million in 1982, and then dropped to $27 million in 1983. Four firms supplied data relative to their capital expenditures used in the manufacture of coiled plate. Such expenditures declined from $29 million in 1981 to $20 million in 1982, and then increased to 25 million in 1983. Four firms supplied data relative to their expenditures for land, buildings, and machinery and equipment used in the manufacture of hot-rolled carbon steel sheet (excluding coiled plate). Such capital expenditures declined from $92 million in 1981 to $70 million in 1982, and then increased to $78 million in 1983, as shown in the following tabulation (in thousands of dollars):

Item and year	Expenditures (1,000 dollars)
Cut-to-length plate:	
1981	30,933
1982	36,008
1983	26,947
Coiled plate:	
1981	28,547
1982	20,051
1983	24,785
Hot-rolled sheet: 1/	
1981	91,731
1982	70,494
1983	78,430

1/ Excluding coiled plate.

Research and development expenditures.--Research and development expenses relative to operations on cut-to-length carbon steel plate, as reported by seven producers that responded to this part of the Commission's questionnaires, fell from $6.4 million in 1981 to $5.2 million in 1982, and $4.7 million in 1983. Research and development expenses relative to operations on coiled plate were provided by two producers. These expenses decreased by 20 percent from 1981 to 1982, and then increased by 13 percent from 1982 to 1983. Research and development expenses relative to operations on hot-rolled carbon steel sheet (excluding coiled plate), as reported by six producers that responded to this part of the Commission's questionnaire, rose from $6.4 million in 1981 to $6.6 million in 1982, and $7.1 million in 1983. Reported research and development expenditures are shown in the following tabulation (in thousands of dollars):

Item and year	Expenditures (1,000 dollars)
Cut-to-length plate:	
1981	6,362
1982	5,167
1983	4,736
Coiled plate:	
1981	***
1982	***
1983	***
Hot-rolled sheet: 1/	
1981	6,353
1982	6,571
1983	7,078

1/ Excluding coiled plate (except for * * *, which included coiled plate in its data).

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

In its examination of the question 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 in subsidized or LTFV imports, the rate of increase in U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in the country subject to the investigation to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of cut-to-length carbon steel plate, coiled plate, and hot-rolled sheet and of their U.S. market penetration is presented in the section of this part of the report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and LTFV Imports." Available data on foreign producers' capacity, production, and exports were presented in the introductory part of the report.

U.S. importers' inventories

The Commission sent questionnaires to 20 firms which were believed to have imported cut-to-length plate, coiled plate, or hot-rolled sheet from Finland, South Africa, or Spain. There were six firms, accounting for approximately 114 percent of imports of cut-to-length plate from Finland, 100 percent of imports of cut-to-length plate from South Africa, and 11 percent of imports of cut-to-length plate from Spain in 1983, that responded to the Commission's questionnaire, as did three firms, which accounted for 29 percent of imports of coiled plate from South Africa, and three firms, which accounted for 95 percent of imports of hot-rolled sheet from South Africa. No data was received from firms which import coiled plate from Spain. These firms reported the following end-of-period inventories of the specified products (in short tons):

	Cut-to-length plate	Coiled plate	Hot-rolled sheet 1/
From Finland:			
1981	1/	2/	2/
1982	1/	2/	2/
1983	1/	2/	2/
From South Africa:			
1981	3/	4/	5/
1982	3/	4/	5/
1983	3/	4/	5/
From Spain:			
1981	*** 6/	***	2/
1982	*** 6/	***	2/
1983	6/	***	2/

1/ One firm reported imports of cut-to-length plate from Finland. Its data on inventories was not available by source.

2/ Information not requested in the Commission's questionnaire.

3/ Four firms provided data on cut-to-length plate from South Africa. Two firms do not maintain inventories; two firms were not able to provide inventory data by source.

4/ Two firms reported imports of coiled plate from South Africa. The inventory data for one firm was not available by source. The other firm does not maintain inventories.

5/ Three firms reported imports of hot-rolled sheet from Spain. The inventory data for one firm was not available by source. The other two firms do not maintain inventories.

6/ Two firms provided data on inventories and imports in 1981-83. These data are reported above. A second firm also reported data on imports in 1983; its inventory data was not available by source.

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

U.S. imports of cut-to-length plate

Imports from all sources.--Aggregate U.S. imports of cut-to-length carbon steel plate declined steadily from 1.8 million tons in 1981 to 1.0 million tons in 1983, for an overall decrease of 44 percent (table I-15). The average unit value of total imports of cut-to-length plate also declined steadily, from $366 a ton in 1981 to $246 a ton in 1983.

Imports from Finland.--Imports of cut-to-length plate from Finland increased steadily from 49,000 tons in 1981 to 85,000 tons in 1983. During this period their average unit value declined from $367 a ton to $255 a ton. Imports of cut-to-length plate from Finland accounted for approximately 3 percent of all such imports in 1981, and 8 percent in 1983.

Imports from South Africa.--Imports of cut-to-length carbon steel plate from South Africa increased from 63,000 tons in 1981 to 128,000 tons in 1982, before declining to 36,000 tons in 1983. The average unit value of these imports, however, declined steadily from $354 a ton in 1981 to $251 a ton in 1983. South Africa's share of the import market was 3 percent in 1981, 11 percent in 1982, and 3 percent in 1983.

Table I-15.—Cut-to-length carbon steel plate: 1/ U.S. imports for consumption, by principal sources, 1981-83

Item	1981	1982	1983
	Quantity (1,000 short tons)		
Finland	49	73	85
Spain	99	76	49
South Africa	63	128	36
Canada	228	149	235
Brazil	309	149	190
Belgium/Luxembourg	301	178	127
Republic of Korea	115	90	99
All other	673	306	206
Total	1,837	1,149	1,027
	Value (million dollars)		
Finland	18	23	22
Spain	37	24	10
South Africa	22	40	9
Canada	86	57	60
Brazil	112	48	43
Belgium/Luxembourg	111	62	33
Republic of Korea	41	31	22
All other	245	102	54
Total	673	388	253
	Unit value (per ton)		
Finland	$367	$318	$255
Spain	372	319	206
South Africa	354	316	251
Canada	377	385	255
Brazil	365	319	229
Belgium/Luxembourg	369	349	259
Republic of Korea	359	345	219
All other	364	332	262
Average	366	337	246

1/ Includes imports under TSUSA items 607.6620 and 607.6625.

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

Note.—Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Imports from Spain.—Imports of cut-to-length carbon steel plate from Spain declined steadily from 99,000 tons in 1981 to 49,000 tons in 1983. Their average unit value also declined, from $372 in 1981 to $206 in 1983. Imports of cut-to-length plate from Spain represented about 5 percent of all such imports in 1983.

U.S imports of coiled plate

Imports from all sources.—Imports of carbon steel plate in coils from all sources declined steadily from 512,000 tons in 1981 to 290,000 tons in 1983, for a net decrease of 43 percent. The average unit values of total imports of coiled plate declined by about 22 percent, from $307 in 1981 to $238 in 1983 (table I-16).

Imports from South Africa.—Imports of coiled carbon steel plate from South Africa declined from 11,000 tons in 1981 to 6,000 tons in 1982, and then increased to 12,000 tons in 1983. The average unit value of these imports declined steadily from $284 in 1981 to $214 in 1983. South Africa's share of total imports of coiled carbon steel plate increased from 2 percent in 1981 to 4 percent in 1983.

Imports from Spain.—Imports of coiled carbon steel plate from Spain declined from 773 tons in 1981 to 147 tons in 1982, and then increased to 20,000 tons in 1983. Their average unit value declined steadily during the period, from $258 a ton in 1981 to $206 a ton in 1983. Spain increased its share of the import market for coiled carbon steel plate from less than 1 percent in 1981 to almost 7 percent in 1983.

U.S. imports of cut-to-length and coiled plate combined

Imports from all sources.—Imports of cut-to-length and coiled plate combined declined steadily from 2.3 million tons in 1981 to 1.3 million tons in 1983, an overall decrease of 43 percent (table I-17). The average unit value of total imports also declined steadily from $353 a ton in 1981 to $244 a ton in 1983.

Imports from Finland.—Combined imports of cut-to-length and coiled plate from Finland rose 62 percent from 63,000 tons in 1981 to 102,000 tons in 1983. During this period their average unit value declined from $352 a ton to $249 a ton. Finland's share of the import market was 3 percent in 1981, 5 percent in 1982, and 8 percent in 1983.

Imports from South Africa.—Imports of cut-to-length and coiled plate from South Africa decreased irregularly from 74,000 tons in 1981 to 48,000 tons in 1983. The average unit value of these imports declined steadily from $344 per ton to $242 per ton during this time period. South Africa's share of the import market was 4 percent in 1983.

Imports from Spain.—Imports of cut-to-length and coiled plate from Spain decreased steadily from 100,000 tons in 1981 to 69,000 tons in 1983. Their average unit value also declined from $371 in 1981 to $206 in 1983. Imports of cut-to-length and coiled plate from Spain accounted for 5 percent of all such imports in 1983.

Table I-16.—Coiled carbon steel plate: 1/ U.S. imports for consumption, by principal sources, 1981-83

Item	1981	1982	1983
	Quantity (short tons)		
Spain	773	147	19,747
South Africa	10,709	6,016	11,955
West Germany	100,120	131,410	62,394
France	105,760	31,478	37,832
Brazil	66	17,981	29,964
Republic of Korea	17,525	39,215	29,465
All other	276,933	163,082	98,864
Total	511,885	389,328	290,221
	Value (1,000 dollars)		
Spain	199	35	4,078
South Africa	3,039	1,715	2,559
West Germany	31,251	38,182	15,803
France	32,019	10,423	9,288
Brazil	22	4,913	6,399
Republic of Korea	5,266	11,154	6,574
All other	85,502	47,598	24,438
Total	157,299	114,019	69,140
	Unit value (per ton)		
Spain	$258	$236	$206
South Africa	284	285	214
West Germany	312	291	253
France	303	331	246
Brazil	338	273	214
South Korea	300	284	223
All other	309	292	247
Average	307	293	238

1/ Includes imports under TSUSA item 607.6610.

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

Note.—Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Table I-17.—Cut-to-length and coiled carbon steel plate: 1/ U.S. imports for consumption, by principal sources, 1981-83

Item	1981	1982	1983
	Quantity (1,000 short tons)		
Finland	63	85	102
Spain	100	76	69
South Africa	74	134	48
Canada	259	164	252
Brazil	309	167	220
Belgium/Luxembourg	341	203	139
Republic of Korea	133	130	129
All other	1,070	581	359
Total	2,349	1,538	1,317
	Value (million dollars)		
Finland	$22	$27	$25
Spain	37	24	14
South Africa	25	42	12
Canada	96	62	65
Brazil	113	52	50
Belgium/Luxembourg	124	69	36
Republic of Korea	47	42	28
All other	366	183	92
Total	830	502	322
	Unit value (per ton)		
Finland	$352	$315	$249
Spain	371	319	206
South Africa	344	315	242
Canada	370	380	259
Brazil	365	314	227
Belgium/Luxembourg	364	340	256
Republic of Korea	351	327	220
All other	342	314	256
Average	353	326	244

1/ Includes imports under TSUSA items 607.6620 and 607.6625 (cut-to-length plate) and item 607.6610 (coiled plate).

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

Note.—Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

U.S. imports of hot-rolled sheet

Imports from all sources.—Aggregate U.S. imports of hot-rolled carbon steel sheet declined from 1.65 million tons in 1981 to 1.36 million tons in 1982, before increasing to 2.06 million tons in 1983. The average unit value of total imports of hot-rolled carbon steel sheet declined by 17 percent, from $316 a ton in 1981 to $263 a ton in 1983 (table I-18).

Imports from South Africa.—Imports of hot-rolled carbon steel sheet from South Africa declined from 27,000 tons in 1981 to 20,000 tons in 1982, and then increased to 78,000 tons in 1983. Average unit values declined from $289 a ton to $236 a ton during 1981-83. The South African share of the import market for hot-rolled sheet increased from 1.6 percent in 1981 to 3.8 percent in 1983.

U.S. market penetration of imports of cut-to-length plate

Imports from all sources.—Market penetration of cut-to-length plate from all countries increased from 24.5 percent of consumption in 1981 to 27.0 percent in 1983 (table I-19).

Imports from Finland.—Imports of cut-to-length plate from Finland rose from 0.7 percent of consumption in 1981 to 1.8 percent in 1982, but then increased to 2.2 percent of consumption in 1983.

Imports from South Africa.—Imports of cut-to-length plate from South Africa rose from 0.8 percent of consumption in 1981 to 3.1 percent in 1982, and then declined to 0.9 percent of consumption in 1983.

Imports from Spain.—Imports of cut-to-length plate from Spain rose from 1.3 percent of consumption in 1981 to 1.8 percent in 1982, and then decreased to 1.3 percent of consumption in 1983.

U.S. market penetration of imports of coiled plate

Imports from all sources.—Market penetration of coiled plate from all countries increased from 21.8 percent of consumption in 1981 to 27.4 percent in 1982 and than fell to 16.8 percent in 1983.

Imports from South Africa.—Imports of coiled plate from South Africa increased from 0.5 percent of consumption in 1981 and 1982, to 0.7 percent of consumption in 1983.

Imports from Spain.—Imports of coiled plate from Spain were less than 0.5 percent of consumption in 1981 and 1982, but then increased to 1.2 percent of consumption in 1983.

U.S. market penetration of imports of hot-rolled sheet

Imports from all sources.—Market penetration of hot-rolled sheet (excluding coiled plate) from all countries increased steadily from 14.1 percent of consumption in 1981 to 18.5 percent in 1983.

Table I-18.—Hot-rolled carbon steel sheet: 1/ U.S. imports for consumption, by principal sources, 1981-83

Item	1981	1982	1983
	Quantity (1,000 short tons)		
South Africa	27	20	78
Japan	442	342	362
France	355	165	264
Brazil	3	45	251
West Germany	225	271	235
Republic of Korea	54	111	179
All other	543	410	695
Total	1,649	1,365	2,064
	Value (million dollars)		
South Africa	8	6	18
Japan	148	113	111
France	107	50	69
Brazil	1	12	54
West Germany	69	80	63
Republic of Korea	17	33	44
All other	173	119	183
Total	522	412	543
	Unit value (per ton)		
South Africa	$289	$279	$236
Japan	334	331	307
France	300	303	262
Brazil	371	265	214
West Germany	309	295	269
REpublic of Korea	306	292	247
All other	317	289	263
Average	316	302	263

1/ Excluding coiled plate. Includes imports under TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342.

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

Note.—Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Table I-19.—Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet: Ratios of imports from Finland, South Africa, Spain, and all countries to apparent U.S. consumption, 1/ 1981-83

(In percent)

Item	1981	1982	1983
Cut-to-length plate 2/ from—			
Finland	0.7	1.8	2.2
South Africa	.8	3.1	0.9
Spain	1.3	1.8	1.3
All countries	24.5	27.8	27.0
Coiled plate 3/ from—			
South Africa	.5	.4	.7
Spain	5/	5/	1.2
All countries	21.8	27.4	16.8
Cut-to-length and coiled plate from—			
South Africa	.8	2.4	0.9
Spain	1.0	1.4	1.2
All countries	23.9	27.7	23.8
Hot-rolled sheet 4/ from—			
South Africa	.3	.2	0.7
All countries	14.1	16.2	18.5

1/ Consumption calculated as the sum of U.S. producers' domestic shipments and imports for consumption.

2/ Includes imports under TSUSA items 607.6620 and 607.6625.

3/ Includes imports under TSUSA item 606.6610. Because domestic producers' shipments (and therefore apparent U.S. consumption) are understated to the extent that questionnaire data were not received from all firms, market penetration by imports is somewhat overstated.

4/ Includes imports under TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342.

5/ Less than 0.05 percent.

Source: Shipments of cut-to-length carbon steel plate and hot-rolled carbon steel sheet, compiled from statistics of the American Iron & Steel Institute; shipments of coiled plate, compiled from questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

Imports from South Africa.—Imports of hot-rolled sheet from South Africa increased from 0.3 percent of consumption in 1981 to 0.7 percent of consumption in 1983.

Prices for carbon steel plate

Market conditions in sectors that require steel plate as an input, such as machinery and industrial equipment, shipbuilding, and construction, are associated with demand for carbon steel plate and its price. The aggregate real value (1977 dollars) of producer's shipments of machinery and industrial equipment, shipbuilding, and of construction put in place for three major plate-using segments of the construction sector--private and public nonresidential building construction and public nonbuilding construction increased by 2.5 percent from 1980 to 1981, decreased by 5.9 percent in 1982, and continued to decline by 6 percent in January-September 1983 from its level of January-September 1982; during October-December 1983 this trend continued. 1/2/ In a similar fashion, apparent consumption of steel plate increased in 1981, decreased in 1982, and continued to decline in 1983. As demand for plate falls, competition and discounting increase, and the price of plate softens. Plate prices generally increased in 1981, decreased in 1982, and continued to fall in 1983.

U.S. producers that maintain published list prices usually quote prices for carbon steel products on an f.o.b. mill basis, whereas importers of such products generally quote prices either f.a.s. port of entry or f.o.b. warehouse. 3/ Prices consist of a base price for each product plus additional charges for extras such as differences in length, width, thickness, chemistry, and so forth. Prices can be changed by changing the base price, the charges for extras, or both. According to Bureau of Labor Statistics data, domestic producers announced eight base price increases for carbon steel plate during January 1979-December 1983. 4/

The Commission asked domestic producers and importers for their net selling prices to steel service centers/distributors (SSC's) and endusers for two representative cut-to-length carbon steel plate products and two representative coiled carbon steel plate products, by quarters, during January 1981-December 1983. 5/ Domestic producers' selling prices are weighted-

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1/ Real values for machinery and industrial equipment and shipbuilding were based on current dollar values reported by the Bureau of Census and deflated by the overall Producer Price Index reported by the Bureau of Labor Statistics; real values for construction put in place were based solely on Bureau of Census data.

2/ Shipbuilding includes military tanks. Public nonbuilding construction includes such construction projects as bridges, military facilities, dams, sewer and water supply systems, railways, and subways.

3/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, in which a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. The more distant producer charges the customer's account for freight costs as if the product were shipped from the closer producer.

4/ Base price increases of 5 and 7 percent for cut-to-length plate and 7 percent for coiled plate that were announced in 1983 generally did not hold, and in many instances only resulted in larger discounts from list prices.

5/ These products and their specifications are listed in app. D. The two representative cut-to-length carbon steel plate products are numbered 1 and 2, and the two representative coiled carbon steel plate products are numbered 3 and 4.

average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data do not provide a viable basis to compare levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these prices and should reflect any discounting that may have occurred. Indexes of the weighted-average f.o.b. net selling prices reported by domestic producers and importers are shown in tables I-20 (sales to SSC's) and I-21 (sales to endusers).

Trends in prices of domestic cut-to-length carbon steel plate.—Quarterly net selling prices of the two domestic cut-to-length plate products (products 1 and 2) sold to SSC's and to enduser generally increased during 1981, then generally decreased in 1982 from that of 1981 levels, and generally decreased still further in 1983. From January-March 1981 to October-December 1983, price declines amounted to 28 percent for the two cut-to-length plate products sold to SSC's, and ranged from 12 to 21 percent for the two cut-to-length plate products sold to endusers.

Trends in prices of cut-to-length plate imported from Finland.—Quarterly net selling price of the one cut-to-length plate product imported from Finland and sold to SSC's (product 1) followed a similar price trend to that of U.S. producers, generally increasing during 1981, then decreasing steadily in 1982 from that of 1981 levels, and declining still further in 1983. From January-March 1981 to October-December 1983 the price declined 31 percent for product 1 imported from Finland. 1/ No price data on sales to endusers were submitted by importers of Finnish plate.

Trends in prices of cut-to-length plate imported from South Africa.—Quarterly net selling prices of the two imported South African plate products (products 1 and 2) sold to SSC's reflect similar trends as those of U.S. producers, declining steadily in 1982 and generally decreasing further in 1983. Price declines for the two products were 23 percent and 28 percent over the subject period. No price data were received on sales of South African plate to endusers.

Trends in prices of cut-to-length plate imported from Spain.—Quarterly net selling prices of the two imported Spanish cut-to-length plate products (products 1 and 2) sold to SSC's followed similar price trends as those of U.S. producers, generally increasing during 1981, then generally decreasing in 1982 from that of 1981, and generally decreasing still further in 1983. Price trends for imported Spanish products 1 and 2 sold to endusers could not be established because no price data on such sales were received.

1/ During October-December 1983 the price trend reversed and the index improved by 5 percentage points to 69 from its period low of 64 in July-September.

Table I-20. Cut-to-length carbon steel plate sold to SSC's: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from Finland, South Africa, and Spain, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa	Spain
Product 1						
1981						
January-March	100	-	-	100	100	-
April-June	103	-	-	100	111	-
July-September	103	-	-	99	113	100
October-December	102	-	-	111	113	100
1982						
January-March	102	-	-	90	-	95
April-June	96	-	-	-	112	97
July-September	92	-	-	86	112	88
October-December	88	-	-	78	-	77
1983						
January-March	78	-	-	71	-	72
April-June	74	-	-	70	73	72
July-September	75	-	-	64	80	-
October-December	72	-	-	69	-	-
Product 2						
1981						
January-March	100	-	-	-	100	-
April-June	107	-	-	-	106	-
July-September	107	-	-	-	105	-
October-December	106	-	-	-	109	-
1982						
January-March	104	-	-	-	109	-
April-June	98	-	-	-	107	100
July-September	91	-	-	-	103	94
October-December	90	-	-	-	-	85
1983						
January-March	80	-	-	-	-	77
April-June	75	-	-	-	-	77
July-September	76	-	-	-	70	-
October-December	72	-	-	-	66	-
Product 3						
1981						
January-March	100	-	-	-	-	-
April-June	102	-	-	-	-	-
July-September	105	-	-	-	-	-
October-December	103	-	-	-	100	-
1982						
January-March	101	-	-	-	100	-
April-June	98	-	-	-	99	-
July-September	91	-	-	-	99	-
October-December	86	-	-	-	-	-
1983						
January-March	89	-	-	-	-	-
April-June	88	-	-	-	-	-
July-September	91	-	-	-	-	-
October-December	91	-	-	-	89	-
Product 4						
1981						
January-March	100	-	-	-	100	-
April-June	103	-	-	-	103	-
July-September	102	-	-	-	106	-
October-December	96	-	-	-	106	-
1982						
January-March	100	-	-	-	106	-
April-June	96	-	-	-	-	-
July-September	89	-	-	-	105	-
October-December	83	-	-	-	101	-
1983						
January-March	82	-	-	-	-	-
April-June	88	-	-	-	92	-
July-September	82	-	-	-	77	-
October-December	86	-	-	-	-	-

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

Table I-21. Cut-to-length carbon steel plate sold to endusers: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from Finland, South Africa, and Spain, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa	Spain
Product 1						
1981						
January-March	100	-	-	-	-	-
April-June	105	-	-	-	100	-
July-September	107	-	-	-	-	-
October-December	110	-	-	-	-	-
1982						
January-March	107	-	-	-	-	-
April-June	108	-	-	-	-	-
July-September	101	-	-	-	-	-
October-December	95	-	-	-	-	-
1983						
January-March	94	-	-	-	-	-
April-June	90	-	-	-	65	-
July-September	83	-	-	-	-	-
October-December	79	-	-	-	-	-
Product 2						
1981						
January-March	100	-	-	-	-	-
April-June	105	-	-	-	-	-
July-September	105	-	-	-	-	-
October-December	116	-	-	-	-	-
1982						
January-March	114	-	-	-	-	-
April-June	105	-	-	-	-	-
July-September	102	-	-	-	-	-
October-December	96	-	-	-	-	-
1983						
January-March	94	-	-	-	-	-
April-June	91	-	-	-	-	-
July-September	91	-	-	-	-	-
October-December	88	-	-	-	-	-
Product 3						
1981						
January-March	100	-	-	-	-	-
April-June	105	-	-	-	-	-
July-September	112	-	-	-	-	-
October-December	101	-	-	-	-	-
1982						
January-March	105	-	-	-	-	-
April-June	97	-	-	-	-	-
July-September	92	-	-	-	-	-
October-December	94	-	-	-	-	-
1983						
January-March	81	-	-	-	-	-
April-June	96	-	-	-	-	-
July-September	88	-	-	-	-	-
October-December	86	-	-	-	-	-
Product 4						
1981						
January-March	100	-	-	-	-	-
April-June	102	-	-	-	-	-
July-September	111	-	-	-	-	-
October-December	104	-	-	-	-	-
1982						
January-March	100	-	-	-	-	-
April-June	105	-	-	-	-	-
July-September	95	-	-	-	-	-
October-December	94	-	-	-	-	-
1983						
January-March	100	-	-	-	-	-
April-June	94	-	-	-	-	-
July-September	104	-	-	-	-	-
October-December	97	-	-	-	-	-

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

Trends in prices of domestic coiled carbon steel plate.—Similar to the trends in prices received by U.S. producers for the cut-to-length plate products, the quarterly net selling prices of the two coiled plate products sold to SSC's and to end users generally increased during 1981, and then generally decreased in 1982 and 1983. From January-March 1981 to October-December 1983, price declines from period highs ranged from 14 to 20 percent for the two coiled plate products. The major exception to these trends was in the price of product 4 sold to end users, which, although following the general price trend, increased 4 percent in July-September 1983 over the base period index level and ended the period only 3 percent lower than at the beginning of the period.

Trends in prices of coiled carbon steel plate imported from South Africa.—Coiled plate imported from South Africa reflects a price trend similar to that of the domestic product, decreasing prices in sales to SSC's from 1982 through 1983. 1/ Price declines ranged from 11 percent for product 3 (October-December 1981 to October-December 1983) to 23 percent for product 4 (January-March 1981 to July-September 1983).

Trends in prices of coiled carbon steel plate imported from Spain.—No price data were received for sales of the coiled plate products imported from Spain and sold to SSC's or endusers.

Margins of underselling.—For these preliminary investigations, questionnaires were not sent to purchasers. Consequently, f.o.b. selling prices were the only data available for comparing domestic and import prices of the four carbon steel plate products (as well as the other products covered by these investigations). Commission experience in prior steel investigations has shown that because f.o.b. prices do not include significant delivery costs to purchasers and because comparisons of prices in isolated observations in disparate parts of the country distort true market price relationships between domestic and imported products, such resultant margins of underselling are not adequate for determining patterns of underselling or overselling. Delivered prices to specified city areas are a necessary basis for comparing price levels between domestic and imported steel products.

If the investigations return for final determinations by the Commission, purchasers will be asked to provide delivered prices paid in specific transactions. To ensure that these delivered prices will be comparable, purchasers will be polled in major metropolitan market areas, such as Atlanta, Chicago, Detroit, Houston/New Orleans, Los Angeles/San Franciso, Philadelphia/New York, and Portland/Seattle.

Prices for hot-rolled carbon steel sheet

Market conditions in industries that require steel sheet as an input, such as automobiles, construction, energy, and utilities, have an effect on prices in the steel industry. For example, the auto industry has experienced declining demand for large cars and has begun to produce smaller, lighter cars. This has reduced the demand for steel sheet and in turn has had a dampening effect on sheet prices. Moreover, overall demand for hot- and cold-rolled steel sheet and galvanized sheet and their prices depend to a large

extent on the levels of activity in the automobile industry. Thirty-three percent of the cold-rolled sheet and 29 percent of the hot-rolled sheet produced domestically were used by the auto industry in 1981. The industrial production index for automobiles showed a strengthening market in the beginning of 1981 followed by a 22 percent decline in the fourth quarter of 1981 and low production levels persisting throughout 1982. Recently in 1983, production of autos has risen to a level 30 percent greater than that in the first quarter of 1981.

Other large users of hot-rolled and cold-rolled steel sheet and galvanized sheet are the household appliance industry and the heating and air-conditioning industry. Industrial production in these markets followed a trend similar to that of the auto industry—a stable market during January-September 1981, then a decreasing market in 1982, and a strengthening market through 1983 (table I-22).

Prices of steel sheet are usually quoted f.o.b. mill in terms of dollars per ton. 1/ Prices consist of a base price for each product plus additional charges for extras such as variations in length, width, thickness, chemistry, and so forth. Price changes are accomplished by changing the base price, the charges for extras, or both. According to data on list prices collected by the Bureau of Labor Statistics, domestic producers of steel sheet announced five base price increases and one decrease during January 1979-July 1982. Since then, there have been two more announced price increases, both in 1983. The latest base price increase, which averaged approximately 7 percentage points, was announced in September of 1983. The single base price decrease, which averaged approximately 4 percentage points, was announced in July 1980. According to industry sources, discounting of prices for some products increased during 1982 compared with that in 1981. Published prices during 1982 and 1983 did not reflect market price reality. Discounting from published prices continued during 1983.

The Commission asked domestic producers and importers for their average net selling prices to SSC's and endusers for three specified hot-rolled carbon steel sheet products, by quarters, during January 1981-December 1983. 2/3/ Domestic producers' selling prices are weighted-average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and

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1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, in which a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. The more distant producer charges the customer's account for freight costs as if the product were shipped from the closer producer.

2/ As noted earlier, questionnaires were not sent to purchasers in these preliminary investigations and, therefore, no direct comparisons of prices for domestic and imported products can be made. If the investigations return for final determinations by the Commission, purchasers will be asked to provide delivered prices paid in specific transactions.

3/ These products and their specifications are listed in app. D. The 3 representative hot-rolled sheet products are Nos. 5-7.

Table I-22.--Industrial production index for household appliances and automobiles, seasonally adjusted, by quarters, January 1981-September 1983

(January-March 1981 = 100)

Period	Household appliances	Automobiles
1981:		
January-March	100.0	100.0
April-June	95.2	116.8
July-September	100.0	106.9
October-December	78.1	83.2
1982:		
January-March	76.7	70.3
April-June	80.1	94.1
July-September	84.2	100.0
October-December	84.9	83.2
1983:		
January-March	88.4	100.0
April-June	89.7	107.9
July-September	97.3	130.7

Source: Data Resources, Inc., Central Data Bank.

allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data do not provide a viable method for comparing levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these prices and should reflect general patterns of underselling and any discounting that may have occurred.

Indexes of the weighted-average net selling prices received by U.S. producers and importers of hot-rolled sheet from South Africa are presented in tables I-23 (SSC's) and I-24 (endusers).

Trends in prices of domestic hot-rolled carbon steel sheet.--Quarterly net selling prices for the three hot-rolled carbon steel sheet products sold to SSC's generally increased during 1981, decreased in 1982 from that in 1981 and decreased still further to period lows in April-June 1983. These declines were 22 and 20 percent, respectively, for products 5 and 6, but only 18 percent for product 7. The price trend reversed in July-September 1983 and the price index moved up slightly, but remained 10 to 12 points below the base period index except for product 7. Prices of that product pushed the index to a level only 3 points below the January-March 1981 base index. Prices to endusers reflect a similar trend; product 7 prices, however, remained 12 points below the base period index, as of October-December 1983.

Trends in prices of hot-rolled sheet imported from South Africa.--Quarterly net selling prices of hot-rolled carbon sheet imported from South Africa and sold to SSC's reflect a pattern generally similar to that of U.S. producers' prices except the decrease was much sharper. Price declines from

Table I-23. Hot-rolled carbon steel sheet sold to SSC's: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from South Africa, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa	Spain
Product 5						
1981						
January-March	100	-	-	-	-	-
April-June	103	-	-	-	100	-
July-September	105	-	-	-	-	-
October-December	107	-	-	-	109	-
1982						
January-March	106	-	-	-	112	-
April-June	105	-	-	-	-	-
July-September	96	-	-	-	96	-
October-December	89	-	-	-	96	-
1983						
January-March	87	-	-	-	86	-
April-June	85	-	-	-	69	-
July-September	89	-	-	-	74	-
October-December	90	-	-	-	73	-
Product 6						
1981						
January-March	100	-	-	-	-	-
April-June	102	-	-	-	-	-
July-September	104	-	-	-	-	-
October-December	106	-	-	-	100	-
1982						
January-March	104	-	-	-	105	-
April-June	105	-	-	-	-	-
July-September	96	-	-	-	-	-
October-December	89	-	-	-	-	-
1983						
January-March	86	-	-	-	84	-
April-June	86	-	-	-	74	-
July-September	87	-	-	-	72	-
October-December	88	-	-	-	70	-
Product 7						
1981						
January-March	100	-	-	-	100	-
April-June	103	-	-	-	108	-
July-September	108	-	-	-	104	-
October-December	102	-	-	-	102	-
1982						
January-March	99	-	-	-	102	-
April-June	98	-	-	-	101	-
July-September	96	-	-	-	101	-
October-December	98	-	-	-	101	-
1983						
January-March	96	-	-	-	-	-
April-June	94	-	-	-	69	-
July-September	95	-	-	-	71	-
October-December	97	-	-	-	84	-

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

Table I-24. Hot-rolled carbon steel sheet sold to endusers: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from South Africa, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa		Spain
Product 5							
1981							
January-March	100	-	-	-	-		-
April-June	98	-	-	-	-		-
July-September	100	-	-	-	-		-
October-December	100	-	-	-	-		-
1982							
January-March	100	-	-	-	-		-
April-June	103	-	-	-	-		-
July-September	99	-	-	-	-		-
October-December	91	-	-	-	-		-
1983							
January-March	96	-	-	-	-		-
April-June	92	-	-	-	-		-
July-September	89	-	-	-		100	-
October-December	94	-	-	-	-		-
Product 6							
1981							
January-March	100	-	-	-	-		-
April-June	101	-	-	-	-		-
July-September	103	-	-	-	-		-
October-December	101	-	-	-	-		-
1982							
January-March	100	-	-	-	-		-
April-June	105	-	-	-	-		-
July-September	100	-	-	-	-		-
October-December	93	-	-	-	-		-
1983							
January-March	89	-	-	-	-		-
April-June	90	-	-	-	-		-
July-September	93	-	-	-		100	-
October-December	89	-	-	-	-		-
Product 7							
1981							
January-March	100	-	-	-	-		-
April-June	100	-	-	-	-		-
July-September	103	-	-	-	-		-
October-December	98	-	-	-	-		-
1982							
January-March	101	-	-	-	-		-
April-June	101	-	-	-	-		-
July-September	95	-	-	-	-		-
October-December	88	-	-	-	-		-
1983							
January-March	86	-	-	-	-		-
April-June	91	-	-	-	-		-
July-September	93	-	-	-	-		-
October-December	88	-	-	-	-		-

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

period highs ranged from 35 percentage points (products 6 and 7) to 43 points (product 5). Prices of products 5 and 7 turned up beginning in July-September 1983 but ended the period well below the level of the base period prices. No trends could be established for prices of sales to end users because of lack of price data. 1/

Lost sales--carbon steel plate

The Commission asked domestic producers to report specific instances where they had lost sales of their steel plate products to imports from Spain since January 1, 1981. * * * provided the requested lost sales information for cut-to-length plate only. * * *.

Cut-to-length carbon steel plate imported from Finland.--* * * provided the Commission with 10 specific allegations of lost sales of cut-to-length steel plate to imports from Finland. In aggregate, these alleged lost sales totaled approximately *** tons. The Commission staff investigated five allegations, which amounted to approximately 13,900 tons and involved three purchasers--all * * *. All of the allegations occurred in * * *. In five allegations, amounting to 19,700 tons of alleged lost sales, purchasers reported buying approximately 15,000 tons of plate imported from Finland. Purchasers agreed that the imported plate was as good in quality as domestic plate.

* * * was identified as the purchaser of *** to *** tons of carbon plate (* * *) from Finland in * * *. The domestic price of $*** was allegedly rejected in favor of the imported price of $***. * * * stated that this allegation is essentially correct, except that the tonnage purchased was actually closer to *** tons. * * * stated that they do prefer to purchase from domestic producers. He also stated that Brazil is now a closed source as a result of Commission investigations. * * * stated that Communist countries are now competing but * * * does not purchase from them.

It was alleged that * * * purchased *** tons of carbon plate (in various sizes) from Finland in * * *. A domestic quote was allegedly rejected in favor of a $*** quote for Finnish plate. * * * stated that this allegation is essentially correct, except that the quantity purchased was actually about *** tons.

An allegation identified * * * as purchaser of *** tons of A36 carbon plate from Finland in * * *. Allegedly the domestic producer's quote of $*** was rejected and the imported product was accepted at $***. * * * confirmed that the transaction did occur, however, he stated that the rejected bid was actually about $***. * * * said that price is not always the determining factor in a purchase; quality is just as important. He checked with other companies that had purchased the Finnish product and was satisfied they produced a high quality product. * * * stated that there has been a lot of underselling of domestic products in the last two years. * * * also stated that, as a result of Commission investigations,it is getting very difficult to get good quotes on steel products.

1/ No data were received for prices of imported South African coiled plate sold to endusers.

* * * was cited in *** allegations as purchasing *** tons of carbon plate from Finland in * * *, and another *** tons of Finnish carbon plate in * * *. * * * confirmed that a purchase of plate did take place in * * *, however the actual tonnage was *** tons and the price was $***. The allegation states that the domestic producer's quote of $*** was rejected, but * * * stated that this sounds like a list price and does not include any discounting. He thinks the rejected price was actually about $***. According to * * *, the * * * transaction did not take place. * * * says that all of his purchases are made through brokers and he is uncertain of whether Finland is the source of the steel purchased in * * *. He also stated that price is always a determing factor in his decision.

Cut-to-length carbon steel plate from South Africa.—* * * provided the Commission with nine specific allegations of lost sales of carbon steel plate to imports from South Africa. These allegations involved seven purchasers, four of which were end users or fabricators and three of which were service centers. The period covered was * * * and involved a total quantity of 9,462 tons. The Commission staff investigated four of the allegations, three of which involved a single purchaser.

* * * cited * * * as the purchaser of *** tons of South African carbon steel plate in * * *, but provided no date or sizes of the steel. * * *, purchasing agent, could not say what was purchased or where the order was sourced without more details on date and sizes. South African plate is offered in that market by * * * and by * * *, as is other imported plate. The alleged price of the imported product was accurate ($*** per ton) for first quarter quotes. This price was $*** to $*** lower than the competing domestic plate. For the most part, * * * stated, usual sources of imported plate have "receded from the market." Their place is now taken by offers of bloc-country plate and plate from Turkey. * * *'s policy is not to buy from these sources. * * * does buy imported plate but believes that this allegation was conjecture as to the source because * * * does not reveal its source to competing bidders.

* * *, a * * *, was named as purchaser of three lots of plate imported from South Africa. * * *, purchasing agent, checked invoices to document the alleged purchases. The alleged prices were accurate according to * * *. An alleged purchase of *** tons of South African plate in * * * was in fact sourced from West Germany through * * *. Another alleged purchase of *** tons in * * * was part of a double inquiry by * * *, but that order for * * * plate was not placed. * * * did purchase *** tons of imported South African plate in * * *. The domestic producer offered a competitive discount, said * * *, but not enough to compete with the South African quote. Quality of the imported product is acceptable and price is the primary consideration. Imports are priced more than 20 percent below competing domestic plate.

Cut-to-length carbon steel plate imported from Spain.—* * * provided the Commission with seven specific allegations of lost sales of cut-to-length steel plate to imports from Spain. These alleged lost sales amounted to approximately 14,659 tons. The Commission staff investigated three allegations, which amounted to approximately 7,195 tons and involved three purchasers—two steel service centers and one steel fabricator. All the investigated allegations occurred in 1983. In two allegations, amounting to *** tons of alleged lost sales, purchasers reported buying approximately that

aggregate tonnage of the imported Spanish plate. In those instances, purchasers reported that the domestic and imported steel plate were generally comparable in quality. In one other allegation investigated by the staff, amounting to *** tons of alleged lost sales, the purchasers reported that the contemplated purchase of Spanish plate ultimately was not made.

An allegation identified * * * as the purchaser of *** tons of carbon plate from Spain in * * *. It was alleged that the domestic price of $*** was rejected and a quote of $*** for plate from Spain was accepted. * * * verified that the transaction did occur, however, he stated that he does not remember rejecting a specific quote of $*** or thereabouts from a domestic producer. * * * stated that there has been an increased amount of underselling by imports during the last two years. He thinks some domestic producers do try to be competitive, but they are not always successful. * * * said that price is always a major determinant in his purchasing decision because he must remain competitive. He also stated that the quality of the import product is at least as good, and sometimes better, than the domestic product.

* * * was cited in an allegation as purchasing *** tons of carbon plate from Spain in * * *. According to the allegation, a domestic quote of $*** was rejected and a price of $*** was accepted for Spanish steel. * * *, purchasing agent, stated that this contemplated transaction was dropped and did not go through. * * * did confirm that the offer price for the Spanish plate was below competing domestic price.

Another allegation named * * *, a fabricator, as purchaser of *** tons of Spanish plate in * * *. * * *, director of financial affairs, indicated that * * * has been buying imported plate from * * * for several years. Noting that steel prices have turned upward recently, * * * noted that * * *'s concern is that their competitors are not paying a lower price than * * *. The firm must be certain that its steel cost is competitive in order for * * * to be competitive.

Lost sales--hot-rolled sheet

Hot-rolled carbon steel sheet imported from South Africa.--* * * provided the Commission with five specific allegations of lost sales of hot-rolled carbon steel sheet to imports from South Africa. These allegations involved three purchasers--one steel service center and two endusers. These alleged lost sales, which covered the period from August through September 1983, amounted to approximately 5,600 tons. Purchasers were generally located in the east coast and gulf coast areas. Commission staff investigated three of the allegations.

* * * was cited in an allegation as purchasing *** tons of hot-rolled sheet from South Africa. The allegation stated that a domestic price of $*** was rejected and a bid of $*** for South African steel was accepted. * * * confirmed that the quantity and accepted price sound correct; however, he is unable to confirm the origin of the imported product or the rejected price (* * *).

* * * was named as purchasers of *** tons of hot-rolled sheet imported from South Africa in two lots of *** tons each in * * *. * * * stated that the amounts and prices were quite accurate. South Africa is * * *'s major offshore source for hot-rolled sheet. Import prices are about $*** to $*** lower than domestic prices during recent months according to * * * and the quality is excellent. Although * * * takes quotes from domestic producers, its sourcing of imported sheet has increased in order to be competitive.

Lost revenue--carbon steel plate

The Commission asked domestic producers to report specific sales, since January 1, 1981, where they had to reduce prices of their steel plate products as a result of competition with imports from Finland, South Africa, or Spain. * * * provided the requested information, which was limited to sales of cut-to-length plate. It was not possible to calculate an accurate figure for lost revenue in every instance cited because some of the reported initial price quotes were list prices, which, according to the purchasers, did not reflect market pricing during the alleged periods. No specific instances of lost revenue were reported for sales of the coiled plate products.

Cut-to-length plate imported from Finland.--* * * reported four specific instances where they allegedly reduced their prices on sales of cut-to-length steel plate in competition with imports from Finland. Of the four allegations, which amounted to approximately 46,710 tons, the Commission staff investigated each one. * * *; these allegations involved four purchasers, which reported buying approximately 17,000 tons of plate imported from Finland.

* * * was cited as purchaser of *** tons of carbon plate at reduced prices because of competing plate from Finland. * * * confirmed that an initial quote of $*** was rejected and a bid of $*** was accepted. Competing Finnish plate was priced at $***. * * * stated that he prefers to purchase from domestic producers and 98 percent of their purchases are domestically produced. However, price is always a major consideration. * * * does give domestic producers an opportunity to match an imported product's price, but this is not always possible. Whether or not * * * will accept a bid slightly higher than another price quote is dependent upon the particular circumstances of each transactions.

In another allegation, * * * was cited as purchasing *** tons of carbon plate at reduced prices because of competition from Finland in * * *. * * * confirmed that the domestic producer's price was negotiated down to $*** as a result of the foreign competition.

* * * was named as allegedly purchasing approximately *** tons of cut-to-length plate in * * * at prices that were reduced because of competing imported steel offered at lower prices and sourced from such countries as Finland, South Africa, or Spain. 1/ * * * purchasing agent, provided a perspective of import versus domestic price competition. Allegedly, a quote

1/ These were the only allegations concerning lost revenue on sales of plate made in competition with imports from South Africa and Spain.

of $*** was rejected and a quote of $*** was accepted. * * * stated that, the *** tons of steel purchased in * * * was approximately * * * of * * *'s needs for plate in 1983. The firm also buys from * * * and other domestic sources. Imported steel offer prices from Finland, Spain, and South Africa have impacted on steel prices in the * * * area but to a lesser degree than other countries such as West Germany and Brazil. Sweden also has been in the picture in recent months. The alleged reduced price to $*** is accurate and at times was even a little lower because in addition to using the low level set by competing import prices, * * * pits one domestic producer against another to shave prices even lower. "We bargain hard," says * * *, " that's why we are still in business."

* * * was cited as purchasing *** tons of carbon plate, type * * *, at reduced prices because of competing plate from Finland. Allegedly, a quote of $*** was rejected and negotiated down to $***-*** because of an imported product's price of $***. * * *, purchasing manager, stated this transaction never occurred.

Lost revenue--hot-rolled sheet

Hot-rolled carbon steel sheet imported from South Africa.--* * * reported five specific instances in which they allegedly reduced their prices on sales of hot-rolled carbon steel sheet in competition with imports from South Africa. All of these sales occurred in 1983, and the Commission staff investigated four of these allegations, which involved * * * and a total quantity of *** tons of hot-rolled sheet.

* * * was cited in *** different allegations as purchasing hot-rolled sheet in * * * at reduced prices because of competition from South Africa. * * * confirmed that the information provided in the allegations is basically correct. On * * *, the domestic producer reduced his price from $*** to $*** for *** tons of high-strength hot-rolled sheet and from $***-$*** to $*** for *** tons of * * * sheet because of foreign competition. On * * *, the domestic producer reduced its prices from $***-$*** to $***-$*** for *** tons of high-stremth hot-rolled sheet because of competing prices from South Africa. Also on * * *, the domestic price of $***-$*** was reduced to $*** because of competing prices from South Africa. * * * also stated that the quality of foreign steel is just as good as domestic steel, but because of delivery schedules he prefers to stay with domestic sources

Exchange rates

Quarterly data reported by the International Monetary Fund on the value of the Argentine peso, the Australian dollar, the Finnish markkaa, the Spanish peseta, and the South African rand indicate that during January 1981-September 1983 the nominal value of the five currencies depreciated against the U.S. dollar by a total of 97.9 percent, 24.6 percent, 29.3 percent, 44.1 percent, and 30.5 percent, respectively. The rate of inflation for each of these countries exceeded that for the United States during the period.

Therefore, the real value 1/ of their respective currencies declined by 45.0 percent, 13.5 percent, 20.3 percent, 28.3 percent and 13.2 percent from January 1981 through September 1983. The tabulation on the following page shows indexes of the nominal and real value of the Argentine, Australian, Finnish, Spanish, and South African currencies relative to the U.S. dollar during January 1981-September 1983 (January-March 1981=100). 2/

The percentage changes in the real purchasing power of the above currencies represent the maximum amount that foreign producers could reduce their dollar prices of steel without reducing their profits, assuming they had no dollar-denominated costs or contracts. Foreign producers, however, may choose to increase their profits by not reducing their dollar prices or by reducing their dollar prices by less than the depreciation would allow.

1/ The real value of a currency is the nominal value adjusted for the difference between inflation rates in the United States and the foreign country. Inflation in the United States averaged 2.4 percent annually during the period compared with 985.7 percent for Argentina, 8.0 percent for Australia, 7.3 percent for Finland, 13.3 percent for Spain, and 12.3 percent for South Africa.

2/ International Financial Statistics, February 1984.

Nominal exchange rate index 1/

	Argentine peso	Australian dollar	Finnish markka	Spanish peseta	South African rand
1981:					
Jan.-Mar	100.0	100.0	100.0	100.0	100.0
Apr.-June	58.4	98.0	93.1	92.3	91.9
July-Sept	42.8	97.8	88.0	85.9	81.9
Oct.-Dec	33.7	97.7	91.5	87.6	80.0
1982:					
Jan.-Mar	21.4	93.0	89.2	83.1	77.3
Apr.-June	16.1	89.7	87.2	79.3	71.5
July-Sept	5.8	84.2	84.2	75.0	67.0
Oct.-Dec	5.2	81.4	74.1	70.1	68.3
1983:					
Jan.-Mar	3.8	80.9	74.6	64.8	71.0
Apr.-June	2.8	74.8	73.3	60.6	70.7
July-Sept	2.1	75.4	70.7	55.9	69.5

Real exchange rate index 1/

	Argentine peso	Australian dollar	Finnish markka	Spanish peseta	South African rand
1981:					
Jan.-Mar	100.0	100.0	100.0	100.0	100.0
Apr.-June	75.3	97.3	94.0	94.9	91.6
July-Sept	33.3	98.0	89.8	90.1	84.3
Oct.-Dec	26.2	99.3	95.6	94.3	85.0
1982:					
Jan.-Mar	64.1	96.2	94.2	92.0	83.9
Apr.-June	60.0	95.0	92.8	90.0	80.3
July-Sept	36.7	91.0	89.8	85.9	77.3
Oct.-Dec	48.0	89.7	81.6	82.1	81.8
1983:					
Jan.-Mar	50.4	90.5	82.9	80.5	86.6
Apr.-June	49.2	85.7	81.7	77.2	87.8
July-Sept	55.0	86.5	79.7	2/ 71.7	86.8

1/ Based on nominal exchange rates expressed in U.S. dollars per unit of foreign currency.

2/ Based on data for July only.

PART II. COLD-ROLLED CARBON STEEL SHEET

Introduction

This part of the report presents information relating specifically to cold-rolled carbon steel sheet. As indicated previously, following receipt on February 10, 1984, of petitions filed by U.S. Steel, the Commission instituted preliminary antidumping investigations 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 Argentina, South Africa, and Spain of cold-rolled carbon steel sheet (investigations Nos. 731-TA-175, 176, and 177 (Preliminary)).

The Products

Description and uses

Cold-rolled carbon steel sheet is a flat-rolled product that is produced by processing hot-rolled pickled (cleaned) carbon steel sheet in cold-reduction mills. Sheet is considered to be a finished product and is distinguished from other flat-rolled products by its dimensional characteristics. For purposes of these investigations, cold-rolled carbon steel sheet is defined as a flat-rolled product other than alloy iron or steel; whether or not corrugated or crimped; not cut, not pressed, and not stamped to nonrectangular shape; not coated or plated with metal; over 12 inches in width; in coils, or, if not in coils, under 0.1875 inch in thickness; as provided for in items 607.8320, 607.8350, 607.8355, and 607.8360 of the TSUSA. 1/

The production of cold-rolled sheet begins with a coil of hot-rolled sheet, which is decoiled, pickled, dried, oiled, and recoiled. It is then sent to a cold-reduction mill (so called because the steel is passed through a series of reducing rolls without being reheated) to emerge as a thinner product, with a smoother finish and a higher strength-to-weight ratio than can be achieved by hot-rolling alone. The sheet is then coiled and is usually annealed (heat treated) to restore the ductility lost during cold-rolling. A portion, however, is sold in an unannealed, "full hard" condition. After the steel has been softened in the annealing furnace, it is passed through a temper mill, which finishes the cold-rolled sheet by imparting additional hardness, flatness, and surface quality. The product is then shipped to consumers in coils or cut lengths.

Cold-rolled carbon steel sheet is the largest volume single steel mill product, having accounted for 22 percent of total U.S. producers' shipments of all steel mill products in 1983. Major consumer markets for cold-rolled sheet

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1/ Coiled products 0.1875 inch or more in thickness are defined in the TSUSA as plate. U.S. industry practice, however, is to classify such products as sheet when shipped in coils. For the purposes of these investigations, imports of cold-rolled coiled plate (item 607.8320) are incorporated in data presented in pt. I of this report; such imports are believed to be minimal.

are shown in table II-1. The automotive industry, the largest single consumer of cold-rolled sheet accounted for, on average, 33 percent of cold-rolled sheet shipments during 1981-83; shipments to steel service centers and distributors averaged 27 percent over the same period. Other end markets for cold-rolled sheet include the electrical equipment and appliance industries.

Table II-1.--Cold-rolled carbon steel sheet: U.S. producers' shipments, by major markets, 1981-83

Market	1981	1982	1983
	Quantity (1,000 tons)		
Automotive	4,547	3,469	4,176
Steel service centers and distributors	3,328	2,798	3,777
Electrical equipment	1,215	871	1,143
Appliances, utensils, and cutlery	1,203	899	1,135
All other	3,455	2,529	2,764
Total	13,748	10,565	12,995
	Percent of total		
Automotive	33.1	32.8	32.1
Steel service centers and distributors	24.2	26.5	29.1
Electrical equipment	8.8	8.2	8.8
Appliances, utensils, and cutlery	8.8	8.4	8.7
All other	25.1	23.9	21.3
Total	100.0	100.0	100.0

Source: American Iron & Steel Institute.

Note.--Because of rounding, figures may not add to the totals shown.

U.S. tariff treatment

For purposes of these investigations, cold-rolled carbon steel sheet is classified under items 607.8320, 607.8350, 607.8355, and 607.8360 of the TSUSA. Concessions granted by the United States at the Tokyo round of the MTN resulted in reductions in column 1 rates which began on January 1, 1982. The final concession rates will become effective on January 1, 1987. Imports of cold-rolled sheet are dutiable at the column 1 (MFN) rate of 6.6 percent ad valorem, as of January 1, 1984. The sheet products are not eligible for duty-free treatment under the GSP, but imports from the LDDC's are granted preferential rates.

The current U.S. rates of duty, as well as rates which represent the final stage of duty reductions granted at the MTN, are summarized in table II-2. Preferential rates for LDDC's are those shown in the column entitled "Jan. 1, 1987." An explanation of the applicability of column 1, column 2, GSP, and LDDC rates of duty is presented in part I of this report.

Table II-2.--Cold-rolled carbon steel sheet: U.S. rates of duty as of Jan. 1, 1983, Jan. 1, 1984, and Jan. 1, 1987

(Cents per pound; percent ad valorem)

TSUSA item No.	Article	Rate of duty			
		Col. 1			Col. 2
		Jan. 1, 1983	Jan. 1, 1984	Jan. 1, 1987	
607.8320	Carbon steel plate, not coated or plated with metal, not clad, and not pickled.	7.0%	6.6%	5.1%	0.2¢ + 20%.
607.8350	Carbon steel sheet, not coated or plated with metal, not clad, and not pickled, painted, or varnished.	7.0%	6.6%	5.1%	0.2¢ + 20%.
607.8355	Carbon steel sheet, not coated or plated with metal, and not clad, not pickled, having a miminum yield point of 40,000 lb. PSI	7.0%	6.6%	5.1%	0.2¢ + 20%.
607.8360	Carbon steel sheet, not coated or plated with metal, not clad, and not pickled, other.	7.0%	6.6%	5.1%	0.2¢ + 20%.

In addition to the import duties shown in table II-2, countervailing duties are currently in effect with respect to imports from Spain. 1/ In other actions in recent years, the Commission determined that there was no reasonable indication that an industry in the United States was being materially injured, or threatened with material injury, by reason of imports (alleged to be subsidized) from Belgium, Brazil, the Republic of Korea, Luxembourg, and the United Kingdom. Similar determinations were made in cases

1/ Imports from South Africa are also subject to countervailing duties; the current level, however, is 0.00 percent.

on imports alleged to be sold in the United States at LTFV from Belgium, Luxembourg, and the United Kingdom.

Petitioners withdrew unfair trade complaints involving cold-rolled sheet from France, Italy, the Netherlands, and West Germany to bring into effect the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community and the United States in October 1982. Under the arrangement, exports from the EC to the United States of 10 categories of steel products are to be limited to specified shares of apparent U.S. consumption from November 1, 1982, through December 31, 1985. Cold-rolled carbon steel sheet is included in a category in which exports are limited to 5.11 percent of consumption.

U.S. Producers

There were 14 known firms in the United States producing cold-rolled carbon steel sheet during 1982 and 1983. Most of these firms are located in the Great Lakes region and Pennsylvania. The following tabulation, which was compiled from data obtained in response to Commission questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of cold-rolled sheet, as reported by the AISI, in 1983 (in percent):

Firm	Market share	Location
Armco	***	Middletown, Ohio
Bethlehem	***	Burns Harbor, Ind. Sparrows Point, Md. Mansfield, Ohio
Inland	***	East Chicago, Ind.
J & L	***	East Chicago, Ind. Cleveland, Ohio Aliquippa, Pa. Hennepin, Ill. Pittsburgh, Pa.
National	***	Granite City, Ill. Detroit, Mich. Portage, Ind. Weirton, W. Va.
Republic	***	Gadsden, Ala. Cleveland, Ohio Niles, Ohio Warren, Ohio
Rouge	***	Detroit, Mich.
U.S. Steel	***	Pittsburgh, Pa. Gary, Ind. Cleveland, Ohio Dravosburg, Pa. Fairless Hills, Pa.

The production of cold-rolled carbon steel sheet is heavily concentrated in the United States, with the three largest producers accounting for about *** percent of total U.S. producers' shipments in 1983.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 15 firms that imported cold-rolled carbon steel sheet from Argentina, South Africa, and/or Spain during October 1982-September 1983. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of cold-rolled sheet decreased from 15.2 million tons in 1981 to 12.1 million tons in 1982, but then rose to 15.3 million tons in 1983 (table II-3). According to industry sources, the increase in apparent consumption during 1983 was due primarily to increasing demand in the automotive industry. As shown, in the following table, imports took an increasing share of the market, from 10 percent in 1981 to 15 percent in 1983.

Table II-3.--Cold-rolled carbon steel sheet: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1981-83

Year	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to: Shipments	Ratio of imports to: Consumption
	1,000 short tons				Percent	
1981	13,748	1,546	44	15,250	11.2	10.1
1982	10,565	1,599	22	12,142	15.1	13.2
1983	12,995	2,331	9	15,317	17.9	15.2

Source: Shipments, compiled from data of the American Iron & Steel Institute; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of cold-rolled carbon steel sheet fell sharply from 9.5 million tons in 1981 to 6.8 million tons in 1982 and then rose again to 9.0 million tons in 1983 (table II-4).

Table II-4.--Cold-rolled carbon steel sheet: U.S. production, capacity, 1/ and capacity utilization, 1981-83.

Item	1981	1982	1983
Production 2/--1,000 short tons	9,549	6,757	9,020
Capacity--do	13,587	13,407	12,962
Capacity utilization 3/--percent	70.0	50.3	69.5

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 be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data together accounted for 68 percent of total shipments of cold-rolled sheet in 1983, as reported by the American Iron & Steel Institute.

3/ Calculated from unrounded numbers.

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

U.S. producers' domestic shipments

U.S. producers' domestic shipments of cold-rolled sheet are presented in table II-5. Domestic shipments of cold-rolled sheet fell from 8.5 million tons in 1981 to 6.3 million tons in 1982, representing a decline of 26 percent. Shipments recovered in 1983, rising to 8.0 million tons.

Table II-5.--Cold-rolled carbon steel sheet: U.S. producers' domestic shipments, 1/2/ 1981-83,

Item	1981	1982	1983
Quantity--1,000 tons	8,526	6,338	8,022
Value--million dollars	3,757	2,780	3,518
Unit value 3/--per ton	$441	$439	$439

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

2/ Excludes intercompany and intracompany transfers.

3/ Calculated from unrounded numbers.

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

A comparison of information received in response to the Commission's questionnaires with information reported by the AISI on shipments of cold-rolled sheet is presented in the following tabulation:

	AISI shipments (1,000 tons)	Questionnaire shipments 1/ (1,000 tons)	Coverage (percent)
1981	13,748	9,469	69
1982	10,565	6,970	66
1983	12,995	8,849	68

1/ Including exports and intercompany and intracompany transfers.

U.S. producers' exports

U.S. producers' exports of cold-rolled sheet declined continually throughout the period, from 26,685 tons in 1981 to 5,456 tons in 1982 and 5,156 tons in 1983 (table II-6).

Table II-6.--Cold-rolled carbon steel sheet: U.S. producers' export shipments, 1981-83

Item	1981	1982	1983
Quantity--tons	26,685	5,456	5,156
Value--1,000 dollars	12,670	2,920	3,606
Unit value--per ton	$475	$535	$699

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

U.S. producers' inventories

End-of-period inventories of cold-rolled sheet, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1980-83. Such inventories were equal to about 9 percent of the responding producers' shipments in each of these periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of tons):

As of Dec. 31	Inventories
1980	683
1981	766
1982	557
1983	745

U.S. employment, wages, and productivity

The number of production and related workers producing cold-rolled carbon steel sheet fell by 25 percent in 1982 but rose by 16 percent in 1983, to 18,407 workers. Similarly, hours worked by these workers dropped by 28 percent from 1981 to 1982, but rose by 24 percent in 1983 (table II-7).

Wages and total compensation 1/ paid to production and related workers producing all products and those paid to production and related workers producing cold-rolled carbon steel sheet are shown in table II-8. Data on these workers' productivity, hourly compensation, and unit labor costs are presented in table II-9. As shown, productivity fell in 1982 but reached period highs in 1983, and hourly compensation rose through 1982 but fell in 1983.

Table II-7.—Average number of employees, total and production and related workers, in U.S. establishments producing cold-rolled carbon steel sheet, and hours paid 1/ for the latter, 1981-83

Item	1981	1982	1983
Average employment:			
All products: 2/			
Number	140,621	102,684	96,011
Percentage change	3/	-27.0	-6.5
Production and related workers producing—			
All products:			
Number	121,594	86,565	81,525
Percentage change	3/	-28.8	-5.8
Cold-rolled sheet:			
Number	21,202	15,857	18,407
Percentage change	3/	-25.2	16.1
Hours worked by production and related workers producing—			
All products:			
Number	244,379	164,339	167,534
Percentage change	3/	-32.8	1.9
Cold-rolled sheet:			
Number	43,273	31,288	38,824
Percentage change	3/	-27.7	24.1

1/ Includes hours worked plus hours of paid leave time.
2/ All products subject to these investigations.
3/ Not available.

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

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

Table II-8.—Wages and total compensation 1/ paid to production and related workers in establishments producing cold-rolled carbon steel sheet, 1981-83

Item	1981	1982	1983
Wages paid to production and related workers producing—			
All products: 2/			
Value—million dollars—	3,711	2,671	2,368
Percentage change	3/	-28.0	-11.3
Cold-rolled sheet:			
Value—million dollars—	618	471	518
Percentage change	3/	-23.8	10.0
Total compensation paid to production and related workers producing—			
All products: 2/			
Value—million dollars—	4,830	3,660	3,626
Percentage change	3/	-24.2	-0.9
Cold-rolled sheet:			
Value—million dollars—	792	625	765
Percentage change	3/	-21.1	22.4

1/ Includes wages and contributions to social security and other employee benefits.
2/ All products subject to these investigations.
3/ Not available.

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

Table II-9.—Labor productivity, hourly compensation, and unit labor costs in the production of cold-rolled sheet, 1981-83

Item	1981	1982	1983
Labor productivity:			
Quantity—tons per hour—	0.1415	0.1413	0.1540
Percentage change	1/	-0.1	9.0
Hourly compensation: 1/			
Value—per hour—	$14.28	$15.05	$13.34
Percentage change	1/	5.4	-11.4
Unit labor costs: 2/			
Value—per ton—	$129.37	$141.34	$127.93
Percentage change	1/	9.3	-9.5

1/ Based on wages paid excluding fringe benefits.
2/ Based on total compensation paid.

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

Financial experience of U.S. producers on their operations on cold-rolled carbon steel sheet

Income-and-loss data were received from eight firms, accounting for 68 percent of total shipments of cold-rolled carbon steel sheet (as reported by AISI) in 1983. These data are presented in table II-10. The eight responding producers' net sales of such merchandise declined from $4.1 billion in 1981 to $3.0 billion in 1982, or by 27 percent, and then rose by 27 percent to $3.9 million in 1983.

All eight responding firms reported operating losses in 1982 and 1983, while seven did so in 1981. Their combined operating losses grew from $283 million (6.8 percent of net sales) in 1981 to $534 million (17.6 percent of net sales) in 1982, and then fell to $276 million (7.1 percent of net sales) in 1983. In the aggregate, the eight responding firms experienced a negative cash flow each year, ranging from $188 million in 1981 to $443 million in 1982.

Table II-10.--Income-and-loss experience of 8 U.S. producers 1/ on their operations producing cold-rolled carbon steel sheet, accounting years 1981-83

Item	1981	1982	1983
Net sales--million dollars	4,145	3,041	3,869
Costs of goods sold--do	4,303	3,456	4,016
Gross income or (loss)--do	(158)	(415)	(147)
General, selling, and administrative expenses--do	125	119	129
Operating income or (loss)--do	(283)	(534)	(276)
Depreciation and amortization expenses 2/--do	95	91	89
Cash flow or (deficit) from operations--do	(188)	(443)	(187)
Ratio to net sales of--			
Gross income or (loss)--percent	(3.8)	(13.6)	(3.8)
Operating income or (loss)--do	(6.8)	(17.6)	(7.1)
Cost of goods sold--do	103.8	113.6	103.8
General, selling, and administrative expenses--do	3.0	3.9	3.3

1/ These 8 firms accounted for 68 percent of 1983 shipments of cold-rolled sheet, as reported by AISI.

2/ Only 5 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

Capital expenditures and research and development expenses.--Four U.S. producers supplied data relative to their capital expenditures for buildings, machinery, and equipment used in the production of cold-rolled carbon steel sheet, and six U.S. producers supplied data relative to their research and development expenditures, as shown in the following tabulation (in thousands of dollars):

	Capital expenditures	Research and development expenses
1981	101,435	12,160
1982	87,004	11,730
1983	79,645	9,594

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

In its examination of the question 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 in subsidized or LTFV imports, the rate of increase in U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in the country subject to the investigation to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of cold-rolled carbon steel sheet and of their U.S. market penetration is presented in the section of this part of the report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and LTFV Imports." Available data on foreign producers' capacity, production, and exports were presented in the introductory part of the report.

U.S. importers' inventories

The Commission sent questionnaires to 21 firms which were believed to have imported cold-rolled sheet from Argentina, South Africa, or Spain. Firms accounting for approximately 105 percent of imports of cold-rolled sheet from Argentina in 1983 and 53 percent of imports from South Africa in 1983 responded to the Commission's questionnaire. No firms reported imports of cold-rolled sheet from Spain in 1983. The firms reported the following end-of-period inventories of imported cold-rolled sheet (in short tons):

	1981	1982	1983
From Argentina	***	***	***
From South Africa	***	***	***
From Spain	***	***	***

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

U.S. imports of cold-rolled sheet

Imports from all sources.—Aggregate U.S. imports of cold-rolled carbon steel sheet increased steadily from 1.5 million tons in 1981 to 2.3 million tons in 1983, representing an increase of more than 50 percent during the period. The average unit value of total imports of cold-rolled carbon steel sheet declined from $390 a ton in 1981 to $374 a ton in 1982 and $332 a ton in 1983 (table II-11).

Imports from Argentina.—Imports of cold-rolled carbon steel sheet from Argentina were insignificant in 1981. However, the United States imported 104,000 tons of cold-rolled sheet from Argentina in 1982 and 121,000 tons in 1983. The average unit value of the imports was $321 a ton in 1982 and $304 a ton in 1983. Argentina captured 5 percent of the total import market for cold-rolled sheet in 1983.

Imports from South Africa.—Imports of cold-rolled carbon steel sheet from South Africa rose from 40,000 tons in 1981 to 103,000 tons in 1983, an increase of 158 percent. The average unit value of cold-rolled sheet imports from South Africa declined from $348 a ton in 1981 to $291 a ton in 1983. South Africa's share of total U.S. imports of cold-rolled sheet increased from 2.6 percent in 1981 to 4.4 percent in 1983.

Imports from Spain.—Imports of cold-rolled carbon steel sheet from Spain declined from 62,000 tons in 1981 to 48,000 tons in 1982, then rose to 67,000 tons in 1983. Their average unit value declined steadily from $411 a ton in 1981 to $283 a ton in 1983. Spain's share of the U.S. import market for cold-rolled carbon steel sheet was 2.9 percent in 1983.

U.S. market penetration of imports of cold-rolled sheet

Imports from all sources.—Market penetration of cold-rolled sheet from all countries increased steadily from 10.1 percent of apparent U.S. consumption in 1981 to 15.2 percent in 1983 (table II-12).

Imports from Argentina.—Imports of cold-rolled sheet from Argentina rose from less than 0.05 percent of consumption in 1981 to 0.8 percent in 1982 and 1983.

Imports from South Africa.—Imports of cold-rolled sheet from South Africa accounted for 0.3 percent of U.S. consumption in 1981 and 1982, but then increased to 0.7 percent of consumption in 1983.

Imports from Spain.—Imports of cold-rolled sheet from Spain accounted for 0.4 percent of consumption in 1981, 1982, and 1983.

Table II-11.—Cold-rolled carbon steel sheet: 1/ U.S. imports for consumption, by principal sources, 1981-83

Item	1981	1982	1983
	Quantity (1,000 short tons)		
Argentina	2/	104	121
South Africa	40	42	103
Spain	62	48	67
Japan	383	296	559
Brazil	19	45	343
West Germany	380	396	309
Republic of Korea	101	66	191
France	154	140	137
All other	408	463	502
Total	1,546	1,599	2,331
	Value (million dollars)		
Argentina	2/	33	37
South Africa	14	15	30
Spain	26	19	19
Japan	155	124	204
Brazil	8	15	101
West Germany	150	146	113
Republic of Korea	38	24	61
France	55	51	46
All other	158	171	164
Total	603	598	773
	Unit value (per ton)		
Argentina	$417	$321	$304
South Africa	348	364	291
Spain	411	388	283
Japan	404	418	364
Brazil	410	338	293
West Germany	393	368	366
Republic of Korea	382	369	319
France	357	365	335
All other	387	369	326
Average	390	374	332

1/ Includes imports under TSUSA items 607.8350, 607.8355, and 607.8360.

2/ In 1981, one short ton of cold-rolled carbon steel sheet was imported from Argentina. It was valued at less than $500.

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

Note.—Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Table II-12.—Cold-rolled carbon steel sheet: 1/ Ratios of imports from Argentina, South Africa, Spain, and all countries to apparent U.S. consumption, 2/ 1981-83

(In percent)

Item	1981	1982	1983
From Argentina	3/	0.8	0.8
From South Africa	0.3	.3	.7
From Spain	.4	.4	.4
From all countries	10.1	13.2	15.2

1/ Includes imports under TSUSA items 607.8350, 607.8355, and 607.8360.
2/ Consumption calculated as the sum of U.S. producers' domestic shipments and imports for consumption.
3/ Less than 0.05 percent.

Source: Shipments, compiled from statistics of the American Iron & Steel Institute; imports, compiled from official statistics of the U.S. Department of Commerce.

Prices

To a large extent, the same factors that were previously discussed in dealing with hot-rolled carbon steel sheet are also relevant with respect to cold-rolled carbon steel sheet. As noted therein, market conditions in industries that require steel sheet as an input, such as automobiles and household appliances, have an effect on prices in the steel industry. For example, about one-third of the cold-rolled sheet produced domestically in 1981-83 was used by the auto industry. The industrial production index for automobiles declined by 22 percent in October-December 1981 from its level earlier that year (table I-20). Low production levels persisted throughout 1982. By July-September 1983, however, production of autos had risen to a level 30 percent greater than that in January-March 1981.

Similar to the practice in marketing hot-rolled sheet, cold-rolled carbon steel sheet prices are usually quoted f.o.b. mill in terms of dollars per ton. Prices consist of a base price plus additional charges for extras such as variations in length, width, thickness, chemistry, and so forth. Price changes are accomplished by changing the base, the extras, or a combination of both. 1/ Domestic producers also usually freight equalize in marketing cold-rolled carbon steel sheet.

1/ As indicated in pt. I, according to data on list prices collected by the Bureau of Labor Statistics, domestic producers announced five base price increases and one decrease during January 1979-July 1982. Since then, there have been two more announced price increases, both in 1983. The latest base price increase, which averaged approximately 7 percentage points, was announced in September of 1983. The single base price decrease, which averaged approximately 4 percentage points, was announced in July 1980. According to industry sources, discounting of prices for some products increased during 1982 compared with that in 1981. Published prices during 1982 and 1983 did not reflect market price reality.

Trends in prices.—To determine trends in cold-rolled carbon steel sheet prices, domestic producers and importers were asked to supply average net selling prices to SSC's and endusers for three specific products. 1/ Indexes of the price data so obtained are presented in tables II-13 (SSC's) and II-14 (end users). 2/

Domestic price trends.—Domestic selling prices of the representative cold-rolled carbon steel sheet products sold to SSC's reflect a common trend. Prices increased 5 to 9 percent from January-March 1981 through October-December of that year, and then declined steadily through January-June 1983, to levels 10 to 11 percentage points, respectively, below the 1981 highs. During July-December 1983, the prices trended upward, climbing to levels slightly above those at the beginning of the subject period, January-March 1981.

Prices of domestic cold-rolled carbon steel sheet sold to endusers showed a similar pattern. The lowest prices of products 8 and 9 during the period were 11 and 12 points, respectively, below their 1981 highs; the low for product 10, however, fell to a level in January-March 1983 that was only 1 percent below the initial price level in 1981.

Price trends of cold-rolled sheet imported from Argentina.—Quarterly net selling prices of products 8 and 10 to SSC's followed a much sharper downward trend than that of U.S. producers' prices. Prices declined 28 and 27 percent, respectively, from October-December 1981 to October-December 1983. Price data on sales of Argentine cold-rolled sheet were inadequate to establish a price trend. Meager data for product 9 show a flat price trend for the period April-December 1983.

Price trends of cold-rolled sheet imported from South Africa.—Quarterly price data was received only for the net selling prices of product 8 sold to SSC's and to endusers. Both price series reflect similar trends. Prices to SSC's, however, climbed slightly in 1981, and stayed above the base period index (April-June 1981) until July-September 1982, then declined steadily to a level in April-June 1983 that was 26 percent below their period high. During July-December 1983, the price trend reversed and prices increased to a level only 15 points below the 1981 base period index. Prices to endusers declined quite steadily beginning in January-March 1982 and continuing through July-September 1983 to a level 27 percent below the April-June 1981 base period. During October-December, the index turned sharply upward to a level, however, still 16 points below the base period index.

Price trends of cold-rolled sheet imported from Spain.—Insufficient data were received on prices of cold-rolled sheet imported from Spain to allow trends to be ascertained.

1/ These products and their specifications are listed in app. D. The three representative cold-rolled carbon steel sheet products are Nos. 8, 9, and 10.

2/ As noted in pt. I, questionnaires were not sent to purchasers in these preliminary investigations and, therefore, no direct comparisons of prices for domestic and imported products can be made. If the investigations return for final determinations by the Commission, purchasers will be asked to provide delivered prices paid in specific transactions.

Table II-13. Cold-rolled carbon steel sheet sold to SSC's: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from Argentina and South Africa, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa	Spain
Product 8						
1981						
January-March	100	-	-	-	-	-
April-June	102	-	-	-	100	-
July-September	107	-	-	-	104	-
October-December	105	100	-	-	102	-
1982						
January-March	105	-	-	-	-	-
April-June	103	71	-	-	102	-
July-September	103	75	-	-	100	-
October-December	96	74	-	-	89	-
1983						
January-March	95	72	-	-	80	-
April-June	96	72	-	-	77	-
July-September	100	72	-	-	81	-
October-December	101	72	-	-	85	-
Product 9						
1981						
January-March	100	-	-	-	-	-
April-June	100	-	-	-	-	-
July-September	105	-	-	-	-	-
October-December	106	-	-	-	-	-
1982						
January-March	104	-	-	-	-	-
April-June	100	-	-	-	-	-
July-September	101	100	-	-	-	-
October-December	103	-	-	-	-	-
1983						
January-March	93	-	-	-	-	-
April-June	96	-	-	-	-	-
July-September	99	-	-	-	-	-
October-December	101	-	-	-	-	-
Product 10						
1981						
January-March	100	-	-	-	-	-
April-June	102	-	-	-	-	-
July-September	109	-	-	-	-	-
October-December	105	100	-	-	-	-
1982						
January-March	106	-	-	-	-	-
April-June	101	-	-	-	-	-
July-September	103	75	-	-	-	-
October-December	97	75	-	-	-	-
1983						
January-March	105	73	-	-	-	-
April-June	98	73	-	-	-	-
July-September	101	73	-	-	-	-
October-December	101	73	-	-	-	-

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

Table II-14. Cold-rolled carbon steel sheet sold to endusers: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from Argentina, South Africa, and Spain, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa	Spain
Product 8						
1981						
January-March	100	-	-	-	-	-
April-June	101	-	-	-	100	-
July-September	107	-	-	-	100	-
October-December	106	-	-	-	100	100
1982						
January-March	105	-	-	-	89	-
April-June	105	-	-	-	89	-
July-September	102	-	-	-	92	-
October-December	96	-	-	-	88	-
1983						
January-March	98	-	-	-	83	-
April-June	99	100	-	-	83	-
July-September	91	100	-	-	73	-
October-December	112	100	-	-	84	-
Product 9						
1981						
January-March	100	-	-	-	-	-
April-June	101	-	-	-	-	-
July-September	107	-	-	-	-	-
October-December	107	-	-	-	-	-
1982						
January-March	105	-	-	-	-	-
April-June	105	-	-	-	-	-
July-September	105	-	-	-	-	-
October-December	102	-	-	-	-	-
1983						
January-March	95	-	-	-	-	-
April-June	97	-	-	-	-	-
July-September	99	-	-	-	-	-
October-December	100	-	-	-	-	-
Product 10						
1981						
January-March	100	-	-	-	-	-
April-June	101	-	-	-	-	-
July-September	106	-	-	-	-	-
October-December	105	-	-	-	-	-
1982						
January-March	102	-	-	-	-	-
April-June	103	-	-	-	-	-
July-September	103	-	-	-	-	-
October-December	103	-	-	-	-	-
1983						
January-March	101	-	-	-	-	-
April-June	103	-	-	-	-	-
July-September	102	-	-	-	-	-
October-December	105	-	-	-	-	-

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

Lost sales

Cold-rolled carbon steel sheet from Argentina.—* * * provided the Commission with *** specific allegations of lost sales of cold-rolled carbon steel sheet to imports from Argentina. These allegations involved five purchases, four SSC's and one enduser. The allegations spanned a period from * * * to * * * and involved a total quantity of *** tons of cold-rolled sheet imported from Argentina. Commission staff investigated three of the allegations.

* * * was named as accepting an offer price of $*** per ton for *** tons of Argentine cold-rolled sheet and rejecting a domestic quote of $*** per ton in * * *. * * *, purchasing manager, is * * * unable to confirm this transaction but stated that any South American steel purchased by his firm in the past year or so usually originated in Brazil.

* * * was cited as purchasing *** tons of Argentine cold-rolled sheet in * * *. * * *, purchasing agent, stated that he has never bought cold-rolled Argentine sheet. He added that * * * never buys in the quantities alleged. * * * did confirm buying domestic cold-rolled sheet in * * * for $*** per ton, a price $*** less than the rejected quote submitted by * * *.

* * * was named as the purchaser of *** tons of Argentine cold-rolled sheet in * * *. The alleged offer price accepted was $*** per ton and the rejected domestic quote was $*** per ton. * * *, purchasing manager, checked his records and called back to confirm that his firm had purchased *** tons of Argentine cold-rolled sheet as alleged for $*** per ton. He was unable to confirm the * * * offer price of $*** per ton.

Cold-rolled carbon steel sheet from South Africa.—* * * provided the Commission with *** specific allegations of lost sales of cold-rolled carbon steel sheet to imports from South Africa. These allegations involved five purchasers, four SSC's and one enduser. The allegations covered * * * and involved a total quantity of *** tons. Commission staff investigated *** allegations involving * * *.

* * * was cited as the purchaser of a total of *** tons of cold-rolled sheet in from * * *. * * *, purchasing manager, verified the quantities involved as accurate and confirmed the prices. The South African sheet is about $*** to $*** per ton cheaper than the domestic product and * * * must be competitive. The quality of the South African sheet is excellent as it is continuous cast so ductility is very good. The imported sheet has been late in meeting the scheduled delivery, however, and this causes * * * some problems. South Africa is * * *'s largest offshore source.

Cold-rolled carbon steel sheet from Spain.—* * * provided the Commission with *** specific allegations of lost sales of cold-rolled carbon steel sheet to imports from Spain. These allegations involved *** purchasers. The period covered was * * * and the allegations involved a total quantity of *** tons. Commission staff investigated one of the allegations.

* * * was named as the purchaser of *** tons of cold-rolled sheet from Spain in * * * at $*** per ton. * * *, although confirming that the firm does

buy Spanish and other imported cold-rolled sheet, could not remember the transaction cited. He emphasized that the company does not keep records showing all offers received. * * * noted that imported cold-rolled sheet is priced about 5 percent lower than the domestic product, roughly the difference alleged by * * *.

Lost revenue

Cold-rolled carbon steel sheet from Argentina.--There were no allegations with respect to revenue lost on sales made at reduced prices to compete with cold-rolled sheet imported from Argentina.

Cold-rolled carbon steel sheet from South Africa.--* * * reported *** specific instances in which they allegedly reduced their prices on sales of cold-rolled carbon steel sheet in competition with imports from South Africa. All of these sales occurred in * * *. The Commission staff investigated all *** allegations, which involved * * * and a total quantity of approximately *** tons of cold-rolled sheet.

* * * was the firm named as purchaser. * * *, purchasing manager, after checking invoices, stated that the amounts were as alleged and the accepted reduced prices were accurate. The initial price quotes were not list price according to * * * because the domestics "know the market too well" to try list price. The domestic prices were reduced according to * * * but were $*** or so above the import prices even then. The quality of the domestic sheet is "as good as" that of the imported product, says * * *.

Cold-rolled carbon steel sheet from Spain.--* * * reported *** specific instances in which they allegedly reduced their prices on sales of cold-rolled carbon steel sheet in competition with imports from Spain. All of these sales occurred in * * *. The Commission staff investigated all of these allegations, which involved a single purchaser and a total quantity of about *** tons of cold-rolled sheet.

* * * was the firm named by * * *. * * *, vice president, stated that the alleged accepted quotes of * * * "were close" to the prices paid after * * * reduced its price. The competing imported steel did originate from Spain. * * * noted that the imported sheet was about *** percent, or about $*** to $*** cheaper than the domestic product. * * * buys only about *** percent of its requirements from "third world" sources, although the quality of Korea, South Africa, and Brazilian steel is better than domestic. The alleged initial quotes are too high, according to * * *, so they cannot be used to calculate a lost revenue figure that reflects the market situation.

PART III. GALVANIZED CARBON STEEL SHEET

Introduction

This part of the report presents information relating specifically to galvanized carbon steel sheet. As indicated previously, following receipt on February 10, 1984, of petitions filed by U.S. Steel, the Commission instituted preliminary countervailing duty and antidumping investigations 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 allegedly subsidized imports of galvanized carbon steel sheet from Australia (investigation No. 701-TA-212 (Preliminary)) and allegedly LTFV imports of galvanized carbon steel sheet from Australia, South Africa, and Spain (investigations Nos. 731-TA-178, 179, and 180 (Preliminary)).

The Products

Description and uses

Galvanized carbon steel sheets are those that have been coated with zinc for protection against corrosion. With the exception of tin, zinc is the metal which is most frequently used in coating steel. It has the lowest cost per pound of all protective coating metals and protects against corrosion by acting as a shield between the steel and the atmosphere or other corrosive elements.

The effectiveness of zinc coating is governed by the coating thickness and environmental conditions. The thickness of a zinc coating is the most important factor in measuring effectiveness, with the amount of zinc on a galvanized sheet being stated in terms of ounces per square foot. Although complete uniformity in coating thickness is not achieved in galvanizing, all areas of the sheet should possess a minimum coating for the grade sought. Environment also determines the effectiveness of zinc coating, as the atmosphere contains numerous corrosive elements. Galvanized steel is exposed to various liquid and atmospheric corrosives which determine the life of the zinc coating and the thickness needed.

The two principal methods for galvanizing sheets are the electrolytic and continuous hot-dip galvanizing processes. In electrolytic coating, the steel sheet is covered with zinc by means of an electric current. It is referred to as cold or electrogalvanized sheet and has a uniform dull gray matte appearance. It is not recommended for outdoor service.

Continuous hot-dip galvanizing is the more widely used galvanizing process. In this operation, coils are passed continuously through a bath of molten zinc, with the trailing end of one coil being joined to the leading end of the next coil. The sheet most commonly used in this process is cold-rolled sheet in coil form, although hot-rolled pickled sheet is sometimes used. In a typical continuous hot-dip galvanizing process, the sheet is uncoiled and cleaned to provide for better zinc adherence. This cleaning can be either acid or alkaline. The sheet is heated in an annealing furnace to provide the

appropriate physical properties and dipped into a hot-dip zinc pot. As the sheet surfaces, an air wipe is used to control the thickness of the zinc coating. The zinc cools and solidifies before receiving a chemical treatment to prevent surface stains. The sheet is then recoiled or cut to length.

For purposes of these investigations, galvanized carbon steel sheet is defined as a zinc-coated flat-rolled product other than alloy iron or steel; whether or not corrugated or crimped; not cut, not pressed, and not stamped to nonrectangular shape; coated or plated with metal; over 12 inches in width; in coils, or, if not in coils, under 0.1875 inch in thickness; as provided for in items 608.0730, 608.1310, 608.1320, and 608.1230 of the TSUSA.

The construction industry, steel service centers and distributors, the automotive industry, and the construction industry are the principal consumers of galvanized sheets, accounting for approximately 32, 28, and 26 percent, respectively, of total shipments in 1983 (table III-1).

Table III-1.—Galvanized carbon steel sheet: U.S. producers' shipments, by major markets, 1981-83

Market	1981	1982	1983
	Quantity (1,000 tons)		
Steel service centers and distributors	1,817	1,631	1,993
Automotive	1,161	1,157	1,749
Construction and contractors' products	1,911	1,399	1,625
All other	913	932	760
Total	5,802	5,119	6,127
	Percent of total		
Steel service centers and distributors	31.3	31.9	32.5
Automotive	20.0	22.6	28.5
Construction and contractors' products	32.9	27.3	26.5
All other	15.8	18.2	12.5
Total	100.0	100.0	100.0

Source: American Iron & Steel Institute.

Note.—Because of rounding, figures may not add to the totals shown.

U.S. tariff treatment

For purposes of these investigations, galvanized carbon steel sheet is classified under items 608.0730, 608.1310, 608.1320, and 608.1330 of the TSUSA. Concessions granted by the United States at the Tokyo round of the MTN resulted in reductions in column 1 rates which began on January 1, 1982. The final concession rates will become effective on January 1, 1987. Imports of

galvanized sheet are dutiable at column 1 (MFN) rates ranging from 7.3 to 7.6 percent ad valorem, as of January 1, 1984. The sheet products are not eligible for duty-free treatment under the GSP, but imports from the LDDC's are granted preferential rates.

The current U.S. rates of duty, as well as rates which represent the final stage of duty reductions granted at the MTN, are summarized in table III-2. Preferential rates for LDDC's are those shown in the column entitled "Jan. 1, 1987." An explanation of the applicability of column 1, column 2, GSP, and LDDC rates of duty is presented in part I of this report.

Table III-2.--Galvanized carbon steel sheet: U.S. rates of duty as of Jan. 1, 1983, Jan. 1, 1984, and Jan. 1, 1987

(Cents per pound; percent ad valorem)

TSUSA item No.	Article	Rate of duty			
		Col. 1			Col. 2
		Jan. 1, 1983	Jan. 1, 1984	Jan. 1, 1987	
608.0730	Galvanized carbon steel sheet valued not over 10¢ per pound.	7.8%	7.3%	5.5%	0.2¢ + 20%.
608.13	Galvanized carbon steel sheet valued over 10¢ per pound. 1/	7.9%	7.6%	6.5%	21.5% ad val.

1/ The statistical breakouts for TSUS item 608.13 identify painted or varnished galvanized sheet (item 608.1310), galvanized sheet having a minimum yield point of 40,000 psi (item 608.1320), and galvanized sheet having a yield point of less than 40,000 psi (item 608.1330).

In addition to the import duties shown in table III-2, countervailing duties are currently in effect with respect to imports from Korea and Spain. In other actions in recent years, the Commission determined that there was no reasonable indication that an industry in the United States was being materially injured, or threatened with material injury, by reason of imports (alleged to be both subsidized and sold in the United States at LTFV) from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany.

Galvanized sheet is included in the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community and the United States in October 1982. Under the arrangement, exports from the EC to the United States of 10 categories of steel products are to be limited to specified shares of apparent U.S. consumption from November 1, 1982, through December 31, 1985. Galvanized carbon steel sheet is included in a category in which exports are limited to 3.27 percent of consumption.

U.S. Producers

There are about 16 firms in the United States that have the capacity to produce galvanized carbon steel sheet. Their names and plant locations are as follows:

Firm	Location
Armco	Ashland, Ky. Middletown, Ohio
Atlantic Steel Co	Atlanta, Ga.
Bethlehem	Lackawanna, N.Y. Sparrows Point, Md.
Cyclops	Dover, Ohio Mansfield, Ohio New Haven, Conn.
Dolan Steel Co	Bridgeport, Conn.
Greer Steel Co	Dover, Ohio Ferndale, Mich.
Inland	East Chicago, Ill.
Interlake	Chicago, Ill.
J&L	East Chicago, Ill. Hennepin, Ill. Pittsburgh, Pa.
National	Granite City, Ill. Mansfield, Ohio Portage, Ind.
Pinole Point Steel Co	Richmond, Calif.
Pittsburgh-Canfield Co	Canfield, Ohio
Republic	Cleveland, Ohio Gadsden, Ala. Warren, Ohio
Sharon Steel Co	Hubbard, Ohio Sharon, Pa.
U.S. Steel	Cleveland, Ohio Dravosburg, Pa. Fairfield, Ala. Fairless Hills, Pa. Farrell, Pa. Gary, Ind. Pittsburg, Calif.
Wheeling-Pittsburgh	Martins Ferry, Ohio Steubenville, Ohio

The six largest integrated producers account for the bulk of U.S. production of galvanized sheet, as shown in the following tabulation, which shows the principal producers and each firm's share of total U.S. producers' shipments of galvanized carbon steel sheet (as reported by AISI) in 1983:

Firm	Share of shipments (percent)
Armco	***
Bethlehem	***
Inland	***
National	***
Republic	***
U.S. Steel	***

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 15 firms that imported galvanized carbon steel sheet from Australia, South Africa, and/or Spain during October 1982-September 1983. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of galvanized sheet decreased from 7.1 million tons in 1981 to 6.3 million tons in 1982, but then rose to 7.9 million tons in 1983 (table III-3). According to industry sources, the increase in apparent consumption during 1983 was due primarily to increasing demand in the automotive industry. Imports took an increasing share of the U.S. market, rising from 18.4 percent of consumption in 1981 to 23.0 percent in 1983.

Table III-3.--Galvanized carbon steel sheet: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1981-83

Year	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to: Shipments	Ratio of imports to: Consumption
	1,000 short tons				Percent	
1981	5,802	1,304	17	7,089	22.5	18.4
1982	5,119	1,228	10	6,337	24.0	19.4
1983	6,127	1,824	5	7,946	29.8	23.0

Source: Shipments, compiled from data of the American Iron & Steel Institute; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of galvanized carbon steel sheet fell sharply from 4.0 million tons in 1981 to 3.2 million tons in 1982 and then rose again, to 4.1 million tons in 1983 (table III-4).

Table III-4.--Galvanized carbon steel sheet: U.S. production, capacity, 1/ and capacity utilization, 1981-83.

Item	1981	1982	1983
Production 2/--1,000 short tons	3,987	3,212	4,069
Capacity--do	5,357	5,364	5,555
Capacity utilization 3/--percent	69.0	55.6	68.6

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 be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data together accounted for 65 percent of total shipments of galvanized sheet in 1983, as reported by the American Iron & Steel Institute.

3/ Since one firm did not supply capacity data, capacity utilization in the table is based on those firms which supplied both production and capacity data and cannot be calculated from the production and capacity data in the table.

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

U.S. producers' domestic shipments

U.S. producers' domestic shipments of galvanized sheet are presented in table III-5. Domestic shipments of galvanized sheet fell from 3.4 million tons in 1981 to 3.0 million tons in 1982, representing a decline of 14.1 percent. Shipments recovered in 1983, rising to 3.6 million tons.

Table III-5.—Galvanized carbon steel sheet: U.S. producers' domestic shipments, 1/ 2/ 1981-83,

Item	1981	1982	1983
Quantity—1,000 tons	3,534	3,028	3,702
Value—million dollars	1,905	1,629	1,956
Unit value—per ton	$539	$538	$528

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

2/ Excludes intercompany and intracompany transfers.

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

A comparison of information received in response to the Commission's questionnaires with information reported by the AISI on shipments of galvanized sheet is presented in the following tabulation:

	AISI shipments (1,000 tons)	Questionnaire shipments 1/ (1,000 tons)	Coverage (percent)
1981	5,802	3,903	67
1982	5,119	3,337	65
1983	6,127	3,993	65

1/ Including exports and intercompany and intracompany transfers.

U.S. producers' exports

U.S. producers' exports of galvanized sheet declined continually throughout the period, from 12,514 tons in 1981 to 4,655 tons in 1982 and 2,923 tons in 1983 (table III-6).

Table III-6.—Galvanized carbon steel sheet: U.S. producers' export shipments, 1981-83

Item	1981	1982	1983
Quantity—tons	12,514	4,655	2,923
Value—1,000 dollars	6,424	2,407	1,399
Unit value—per ton	$513	$517	$479

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

U.S. producers' inventories

End-of-period inventories of galvanized sheet, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1980-83. Such inventories were equal to about 8 to 11 percent of the responding producers' shipments in each of these periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of tons):

	Inventories
As of Dec. 31—	
1980	314
1981	403
1982	276
1983	353

U.S. employment, wages, and productivity

The number of production and related workers producing galvanized carbon steel sheet fell by 15 percent in 1982 but rose by 12 percent in 1983. However, hours worked by these workers rose by 2 percent from 1981 to 1982 and then dropped by 2 percent in 1983.(table III-7).

Wages and total compensation 1/ paid to production and related workers producing all products and those paid to production and related workers producing galvanized carbon steel sheet are shown in table III-8. Data on these workers' productivity, hourly compensation, and unit labor costs are presented in table III-9. As shown, productivity fell in 1982 but reached period highs in 1983, and hourly compensation declined through 1982, then rose in 1983.

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

Table III-7.—Average number of employees, total and production and related workers, in U.S. establishments producing galvanized carbon steel sheet, and hours paid 1/ for the latter, 1981-83

Item	1981	1982	1983
Average employment:			
All products: 3/			
Number	140,621	102,684	96,011
Percentage change	2/	-27.0	-6.5
Production and related workers producing—			
All products:			
Number	121,594	86,565	81,525
Percentage change	3/	-28.8	-6.5
Galvanized sheet:			
Number	7,668	6,505	7,263
Percentage change	3/	-15.2	11.7
Hours worked by production and related workers producing—			
All products:			
Number	244,379	164,339	167,534
Percentage change	3/	-32.8	1.9
Galvanized sheet:			
Number	15,108	15,334	15,004
Percentage change	3/	1.5	-2.2

1/ Includes hours worked plus hours of paid leave time.
2/ All products subject to these investigations.
3/ Not available.

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

Table III-8.—Wages and total compensation 1/ paid to production and related workers in establishments producing galvanized carbon steel sheet, 1981-83

Item	1981	1982	1983
Wages paid to production and related workers producing—			
All products: 2/			
Value—million dollars	3,711	2,671	2,368
Percentage change	3/	-28.0	-11.3
Galvanized sheet:			
Value—million dollars	219	178	204
Percentage change	3/	-18.7	14.6
Total compensation paid to production and related workers producing—			
All products: 2/			
Value—million dollars	4,830	3,660	3,626
Percentage change	3/	-24.2	-0.9
Galvanized sheet:			
Value—million dollars	283	261	314
Percentage change	3/	-7.8	20.3

1/ Includes wages and contributions to social security and other employee benefits.

2/ All products subject to these investigations.

3/ Not available.

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

Table III-9.—Labor productivity, hourly compensation, and unit labor costs in the production of galvanized sheet, 1981-83

Item	1981	1982	1983
Labor productivity:			
Quantity—tons per hour—	0.1506	0.1222	0.1612
Percentage change	1/	-18.9	31.9
Hourly compensation: 1/			
Value—per hour—	$14.50	$11.61	$13.60
Percentage change	1/	-19.9	17.1
Unit labor costs: 2/			
Value—per ton—	$124.40	$139.27	$129.81
Percentage change	1/	12.0	-6.8

1/ Based on wages paid excluding fringe benefits.
2/ Based on total compensation paid.

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

Financial experience of U.S. producers on their operations on galvanized carbon steel sheet

Income-and-loss data were received from eight firms, accounting for 65 percent of total shipments of galvanized carbon steel sheet (as reported by AISI) in 1983. These data are presented in table III-10. The eight responding producers' net sales of such merchandise declined from $2.1 billion in 1981 to $1.8 billion in 1982, or by 16 percent, and then rose to the level of shipments in 1981, in 1983.

The eight firms sustained aggregate operating losses throughout the period of investigation. Such losses were $51 million, or 2.4 percent of sales, in 1981, $230 million, or 12.9 percent of net sales in 1982, and $60 million, or 2.8 percent of net sales, in 1983. Four firms reported operating losses in 1983, compared with six firms that posted losses in 1981 and seven that did so in 1982. In the aggregate, the eight responding firms experienced a negative cash flow of $9 million in 1981, $183 million in 1982, and $14 million in 1983.

Capital expenditures and research and development expenses.—Four U.S. producers supplied data relative to their capital expenditures for buildings, machinery, and equipment used in the production of galvanized carbon steel sheet, and five U.S. producers supplied data relative to their research and development expenditures, as shown in the following tabulation (in thousands of dollars):

Year	Capital expenditures	Research and development expenses
1981	69,689	11,019
1982	32,123	9,804
1983	36,295	8,896

Table III-10.—Income-and-loss experience of 8 U.S. producers 1/ on their operations producing galvanized carbon steel sheet, accounting years 1981-83

Item	1981	1982	1983
Net sales—million dollars	2,113	1,785	2,113
Costs of goods sold—do	2,102	1,950	2,110
Gross income or (loss)—do	11	(165)	3
General, selling, and administrative expenses—do	62	65	63
Operating income or (loss)—do	(51)	(230)	(60)
Depreciation and amortization expenses 2/—do	42	47	46
Cash flow or (deficit) from operations—do	(9)	(183)	(14)
Ratio to net sales of—			
Gross income or (loss)—percent	0.5	(9.2)	0.1
Operating income or (loss)—do	(2.4)	(12.9)	(2.8)
Cost of goods sold—do	99.5	109.2	99.9
General, selling, and administrative expenses—do	2.9	3.6	3.0

1/ These 8 firms accounted for 65 percent of 1983 shipments of galvanized sheet, as reported by AISI.

2/ Only 5 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

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

In its examination of the question 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 in subsidized or LTFV imports, the rate of increase in U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in the country subject to the investigation to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of galvanized carbon steel sheet and of their U.S. market penetration is presented in the section of this part of the report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and LTFV Imports." Available data on foreign producers' capacity, production, and exports were presented in the introductory part of the report.

U.S. importers' inventories

The Commission sent questionnaires to 21 firms which were believed to have imported galvanized sheet from Australia, South Africa, or Spain. Six firms, accounting for approximately 77 percent of imports of galvanized sheet from Australia, 50 percent of imports from South Africa, and 16 percent of imports from Spain, responded to the Commission's questionnaire. These firms reported the following end-of-period inventories of galvanized sheet (in short tons):

	1981	1982	1983
From Australia	***	***	***
From South Africa	***	***	***
From Spain	***	***	***

1/ * * *.
2/ * * *.

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

U.S. imports of galvanized sheet

Imports from all sources.—Aggregate U.S. imports of galvanized carbon steel sheet increased irregularly, from 1.3 million tons in 1981 to 1.8 million tons in 1983. During this period, the average unit value declined steadily from $463 a ton to $420 a ton (table III-11).

Imports from Australia.—Imports of galvanized sheet from Australia increased irregularly from 48,000 tons in 1982 to 100,000 tons in 1983. The average unit value decreased from $415 a ton in 1981 and $418 a ton in 1982 to $375 a ton in 1983. Australia's share of the import market for galvanized sheet was 3.6 percent in 1981, 3.0 percent in 1982, and over 5.5 percent in 1983.

Imports from South Africa.—Imports of galvanized carbon steel sheet from South Africa increased from 31,000 tons in 1982 to 86,000 tons in 1983. The average unit value decreased from $445 a ton to $326 a ton during this period. South Africa's share of the import market for galvanized carbon steel sheet was 2.4 percent 1981 and 4.7 percent in 1983.

Imports from Spain.—Imports of galvanized carbon steel sheet from Spain increased from 19,000 tons in 1982 to 63,000 tons in 1983. The average unit value of these shipments from Spain decreased from $473 a ton in 1981 to $333 a ton in 1983. Spain's share of total imports of galvanized sheet increased from 1.5 percent in 1981 to 3.4 percent in 1983.

Table III-11.—Galvanized carbon steel sheet: 1/ U.S. imports for consumption, by principal sources, 1981-83

Item	1981 2/	1982 2/	1983
	Quantity (1,000 tons)		
Australia	48	37	100
South Africa	31	33	86
Spain	19	27	63
Japan	757	691	880
Canada	148	126	186
West Germany	127	150	154
South Korea	40	41	144
All other	134	124	212
Total	1,304	1,228	1,824
	Value (million dollars)		
Australia	20	15	37
South Africa	14	14	28
Spain	9	12	21
Japan	361	316	398
Canada	64	57	82
West Germany	54	66	61
South Korea	17	18	56
All other	65	55	82
Total	604	553	766
	Unit value (per ton)		
Australia	$415	$418	$375
South Africa	445	420	326
Spain	473	458	333
Japan	476	457	452
Canada	433	454	443
West Germany	425	440	398
South Korea	436	446	389
All other	486	439	388
Average	463	450	420

1/ Includes imports under TSUSA items 608.0730, 608.1310, 608.1320, and 608.1330.

2/ Imports for 1981 and 1982 include products not under investigation. These imports are believed to be insignificant.

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

Note.—Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

U.S. market penetration of imports of galvanized sheet

Imports from all sources.—Market penetration of galvanized sheet from all countries increased steadily from 18.4 percent of consumption in 1981 to 23.0 percent in 1983 (table III-12).

Imports from Australia.—Imports of galvanized sheet from Australia declined from 0.7 percent of consumption in 1981 to 0.6 percent in 1982, and then increased to 1.2 percent in 1983.

Imports from South Africa.—Imports of galvanized sheet from South Africa increased from 0.4 percent of consumption in 1981 to 0.5 percent in 1982, and then rose to 1.1 percent in 1983.

Imports from Spain.—Imports of galvanized sheet from Spain increased from 0.3 percent of consumption in 1981 to 0.4 percent in 1982, and then rose to 0.8 percent in 1983.

Table III-12.—Galvanized carbon steel sheet: 1/ Ratios of imports from Australia, South Africa, Spain, and all countries to apparent U.S. consumption, 2/ 1981-83

(In percent)

Item	1981	1982	1983
From Australia	0.7	0.6	1.2
From South Africa	.4	.5	1.1
From Spain	.3	.4	.8
From all countries	18.4	19.4	23.0

1/ Includes imports under TSUSA items 608.0730, 608.1310, 608.1320, and 608.1330.

2/ Consumption calculated as the sum of U.S. producers' domestic shipments and imports for consumption.

3/ Less than 0.05 percent.

Source: Shipments, compiled from statistics of the American Iron & Steel Institute; imports, compiled from official statistics of the U.S. Department of Commerce.

Prices

To a large extent, the same factors of demand that impact on the prices of hot-rolled sheet and cold-rolled sheet are relevant with respect to galvanized sheet. As noted above, market conditions in industries that require steel sheet as an input, such as automobiles, household appliances, and residential construction, have an effect on prices in the steel industry. Thus, the cyclical decline in 1981-82 and ultimate upturn in demand in 1983 had an impact on the trend in prices of galvanized steel.

Similar to the practice in marketing hot-rolled and cold-rolled carbon steel sheet, prices of galvanized steel sheet are usually quoted f.o.b. mill in terms of dollars per ton. 1/ Prices consist of a base price for each product plus additional charges for extras such as variations in length, width, thickness, chemistry, and so forth. Price changes are accomplished by changing the base price, the charges for extras, or both. According to industry sources, discounting of prices for some products increased during 1982 compared with that in 1981. Published prices during 1982 and 1983 did not reflect market price reality.

The Commission asked domestic producers and importers for their average net selling prices to SSC's and endusers for three specified galvanized carbon steel sheet products, by quarters, during January 1981-December 1983. Domestic producers' selling prices are weighted-average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data do not provide a viable method for comparing levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these prices and should reflect any discounting that may have occurred.

Trends in prices of galvanized carbon steel sheet.--To determine trends in prices of galvanized carbon steel sheet, domestic producers and importers were asked to supply quarterly net selling prices for representative large sales to SSC's and endusers for three specific products. 2/ Indexes of the price data so obtained are presented in tables III-13 (SSC's) and III-14 (endusers). 3/

Domestic price trends.--Quarterly net selling prices of the three domestic galvanized sheet products (products 11, 12, and 13) sold to SSC's and to endusers generally increased during 1981, then generally decreased in 1982 from 1981 levels and generally decreased still further to January-March 1983. Prices reversed at that point and the indexes turned upward to end the period at levels at or almost to the level of the base period index. Price declines from period highs and the entire period for all three galvanized sheet products were the least of any of the carbon steel sheet products, ranging from 11 points (for product 11) to 17 points (for product 13).

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, in which a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. The more distant producer charges the customer's account for freight costs as if the product were shipped from the closer producer.

2/ Specifications of the three galvanized sheet products (products 11, 12, and 13) are listed in app. D.

3/ As noted in pt. I, questionnaires were not sent to purchasers in these preliminary investigations and, therefore, no direct comparisons of prices for domestic and imported products can be made. If the investigations return for final determinations by the Commission, purchasers will be asked to provide delivered prices paid in specific transactions.

Table III-13. Galvanized carbon steel sheet sold to SSC's: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from Australia, South Africa, and Spain, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa	Spain
Product 11						
1981						
January-March	100	-	100	-	100	-
April-June	107	-	101	-	99	-
July-September	106	-	93	-	112	-
October-December	103	-	93	-	111	100
1982						
January-March	101	-	99	-	-	109
April-June	103	-	90	-	-	109
July-September	102	-	98	-	97	100
October-December	98	-	95	-	91	100
1983						
January-March	96	-	92	-	98	92
April-June	97	-	90	-	88	92
July-September	98	-	94	-	80	93
October-December	98	-	97	-	92	93
Product 12						
1981						
January-March	100	-	-	-	-	-
April-June	103	-	-	-	-	-
July-September	108	-	-	-	-	-
October-December	104	-	-	-	-	-
1982						
January-March	104	-	-	-	-	-
April-June	103	-	-	-	-	-
July-September	100	-	-	-	-	-
October-December	97	-	-	-	-	-
1983						
January-March	94	-	-	-	-	-
April-June	97	-	100	-	-	-
July-September	100	-	96	-	-	-
October-December	100	-	95	-	-	-
Product 13						
1981						
January-March	100	-	-	-	-	-
April-June	109	-	-	-	-	-
July-September	113	-	-	-	-	-
October-December	106	-	-	-	-	-
1982						
January-March	104	-	-	-	100	-
April-June	102	-	-	-	-	-
July-September	100	-	-	-	88	-
October-December	96	-	100	-	82	-
1983						
January-March	97	-	95	-	84	-
April-June	101	-	95	-	79	-
July-September	105	-	98	-	89	-
October-December	100	-	95	-	78	-

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

Table III-14. Galvanized carbon steel sheet sold to endusers: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from Australia, South Africa, and Spain, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa	Spain
Product 11						
1981						
January-March	100	-	100	-	-	-
April-June	105	-	101	-	100	-
July-September	101	-	101	-	100	-
October-December	103	-	100	-	94	-
1982						
January-March	102	-	100	-	-	-
April-June	101	-	99	-	-	-
July-September	100	-	97	-	91	-
October-December	97	-	95	-	91	-
1983						
January-March	96	-	99	-	86	-
April-June	99	-	96	-	87	-
July-September	100	-	92	-	80	-
October-December	98	-	96	-	86	-
Product 12						
1981						
January-March	100	-	-	-	-	-
April-June	102	-	-	-	-	-
July-September	106	-	-	-	-	-
October-December	104	-	-	-	-	-
1982						
January-March	103	-	-	-	-	-
April-June	101	-	-	-	-	-
July-September	100	-	-	-	100	-
October-December	100	-	-	-	-	-
1983						
January-March	99	-	-	-	-	-
April-June	99	-	-	-	-	-
July-September	102	-	-	-	70	-
October-December	102	-	-	-	70	-
Product 13						
1981						
January-March	100	-	100	-	-	-
April-June	106	-	96	-	-	-
July-September	110	-	110	-	-	-
October-December	104	-	105	-	-	-
1982						
January-March	104	-	108	-	-	-
April-June	104	-	103	-	-	-
July-September	102	-	103	-	-	-
October-December	100	-	99	-	-	-
1983						
January-March	98	-	96	-	-	-
April-June	99	-	95	-	-	-
July-September	101	-	96	-	-	-
October-December	99	-	96	-	-	-

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

Price trends of galvanized carbon steel sheet imported from Australia.--Quarterly net selling prices of Australian galvanized sheet sold to SSC's reflects somewhat different trends by product than those of domestic prices. Product 10 reflects a sharper downtrend that fell below the base period index in July-September 1981, an erratic up then down trend in 1982 and a continuing decline to April-June 1983. Prices turned upward then and ended the period only 3 points below the base period index. The index for representative product 12 shows only 3 prices in 1983, but indicates a pattern of declining prices during July-December in contrast to the moderate upturn in the domestic price index. The index for product 13 reflects a pattern of prices that remained below the base period index (October-December 1982) in contrast to domestic prices which hovered at or above the base period index. At period end, the Australian price index remained 5 points below its base period level.

Quarterly net selling prices of sales of Australian galvanized sheet to endusers reflect a similar trend to domestic prices (products 11 and 13). Again, however, end of period prices were 4 points below the January-March 1981 base index compared with an index 1 and 2 points below base period for the domestic price levels of those products.

Price trends of galvanized carbon steel sheet imported from South Africa.--Quarterly net selling prices of South African galvanized sheet sold to SSC's show a general pattern similar to that of domestic prices. Prices in 1981, however, increased more sharply than did domestic prices (product 11) but turned down more precipitously in 1981 and reflect a period low in July-September 1983, 32 points below the period high of July-September 1981. At period end, the price index remained 8 points below the base period index compared with domestic prices which had turned upward to within 2 points of the base index. The contrast in the price trend for representative product 13 imported from South Africa and sold to SSC's is stark. Prices show an erratic decline during 1982 and 1983 to a level 22 points below the base period index of January-March 1982. In contrast, the domestic price index was only 4 points below the level of January-March 1982 at an index equal to that of the January-March 1981 level.

Net selling prices of South African galvanized sheet sold to endusers also contrasts in similar fashion with the trend of domestic prices. Product 11 imported from South Africa reflects a trend of decreasing prices that ended the period at an index level 14 points below the January-March 1981 base period despite an October-December 1983 upturn in the index of 6 points. Three prices for product 12 show a decline of 30 points from a base period index of 100 in July-September 1982.

Price trends of galvanized carbon steel sheet imported from Spain.--Quarterly net selling prices of imported Spanish galvanized sheet (product 10) sold to SSC's reflects a somewhat similar trend to that of domestic prices. Prices generally increased early in 1982, then fell during July-December 1982 and continued their decline in January-March 1983 to hold at that level throughout the year. The Spanish galvanized sheet price remained 7 points below the base period index compared with a domestic index only 2 points below its base index at yearend 1983.

Lost sales

Galvanized sheet from Australia.—* * * provided the Commission with 20 specific allegations of lost sales of galvanized sheet to imports from Australia. These allegations involved 12 purchasers, 10 endusers, and 2 SSC's. The allegations spanned a period from April 1982 through December 1983 and involved alleged lost sales of more than 5,695 tons of galvanized sheet. Commission staff investigated 12 of the allegations involving 5 purchasers.

* * * was cited as rejecting *** domestic quotes in favor of competing quotes on imported Australian galvanized sheet. The quantities were small, *** tons each for two sizes of * * * galvanized sheet. * * *, purchasing agent, commented in detail on the alleged purchases and the market factors involved. Affirming the prices of $*** to $*** for the domestic product and $*** to $*** for the Australian sheet, * * * noted that * * * currently buys different gages, *** and ***. As a result, * * * is buying all imports because * * * does not make those gages. * * * states that * * *'s quality is not as good as the Australian product; moreover, their record on meeting delivery schedule was poor. Most of * * *'s supply is from * * *. At present, their offshore suppliers are offering only 80 percent of last year's tonnage. * * * mills are not at full capacity but they are not willing to add an extra shift. * * * says that the * * * say they do not want any problems with the Commission; nor do they want their presence to be an election year issue so they are cutting back on supply. Prices have increased $*** per ton in * * * and jumped again for * * * delivery from $*** per hundredweight to $***, an increase of $*** per ton.

Another allegation cited * * * as purchaser in * * * of * * * Australian galvanized sheet at prices $*** to $*** below rejected domestic price quotes. * * *, purchasing manager, stated that as far as he can recall, those prices and quantities "were about right at that time." Since 1982, however, he has purchased little if any galvanized sheet from Australia. The firm is sourcing from * * * and some from * * *. * * * is backed up to June and, with Kaiser out, the West has a problem. * * * as a source is all right on heavier gages says * * * but on lighter gages the quality is not there because of a flatness or shape problem. * * *'s problem is part increased demand, exit of U.S. sources, and cutback in offshore supply. Their needs are *** tons per month, but allocation is limiting their supply to about *** tons per quarter. Prices have turned up beginning in late third quarter of 1983 or early fourth quarter, partly because of Kaiser's exit from the market, plus increased demand. Some other users are buying "up front" to assure supply. These factors have pushed prices from 25 cents per pound to 30 cents per pound on heavier gages and to 32 cents per pound on light gages. This is an increase of roughly 20 percent.

Another allegation named * * * as accepting *** quotes on a total of *** tons of galvanized sheet imported from Australia at prices approximately *** to *** percent below competing domestic offer prices. * * *, purchasing manager, stated that the firm does buy Australian galvanized sheet and that the alleged spread was about right but that it would be too time consuming to dig out the invoices for a detailed corroboration. The Australian prices, despite the tightness of supply now on the west coast, are typically *** to *** percent lower than domestic prices, depending on the timing of the

purchase. * * * is on allocation, searching for enough to last out the second and third quarters. The * * * have "no extra supply to offer." * * * is not a viable source. * * * has shut down cut-to-length galvanized production. * * * is the only domestic offering flat galvanized sheet and * * * is backed up to * * * on its orders.

* * * named * * * in *** instances as rejecting a domestic quote in favor of a lower competing offer price on imported Australian galvanized sheet. Again the margin of underselling was approximately $*** per ton, or about *** percent. These purchases were allegedly made in * * *. * * *, president of * * *, checked their records and corroborated the purchases of the alleged amounts. The prices were $*** too high on both sides, * * * noted, adding that delivery cost could account for most of this discrepancy. The figures were generally factual, said * * *. In recent months, * * * has not sought quotes on Australian sheet. * * * (Australian) galvanized has not been competitive with * * * galvanized steel from * * *. Lead time is out to June on most sources and prices are up $40 per ton over last year's level with another $20 price increase expected.

* * * was identified as rejecting a domestic bid for its * * * requirements and accepting a lower offer price for Australian galvanized sheet. * * *, purchasing manager for the firm, stated that the prices provided in the allegations were "fairly accurate." * * * says that his firm is now buying almost 100 percent foreign galvanized sheet. Their experience has been "less problems with imports." In the past, domestics had edge trim and coating problems but most of these difficulties have been corrected. * * * sources from * * *, * * *, * * *, * * *, and * * *. * * * represents the * * * mill but there is no availability currently and their prices are out of line. * * * represents * * * mills and sources through * * *. The source country at one time might be * * * and at another time * * *. The price advantage varies from $10 per ton to as much as 12 percent lower than the domestic product. As demand increased late in 1983 prices responded but not a great deal. According to * * *, prices have increased only 50 cents per hundredweight, or about $110 per ton. As for quality, the sheet metal shops readily accept imported galvanized sheet.

Galvanized sheet from South Africa.—* * * provided the Commission with 10 specific allegations of lost sales of galvanized sheet to imports from South Africa. These allegations involved six purchasers; four are endusers and two are SSC's. The alleged lost sales spanned a period from October 1982 to February 1984, and involved a total quantity of allegedly 6,000 tons of galvanized sheet. Commission staff investigated six of the allegations.

* * * was cited as rejecting quotes from a domestic producer and purchasing *** separate orders of galvanized sheet from South Africa in * * *. * * * stated that these purchases were made but from South Africa and * * *. The prices alleged as rejected quotes are much too high and he doesn't think domestic offers were made at such prices but were closer to the market. * * * stated that he tries to purchase from domestic producers and *** percent of his purchases are domestically produced. He said he will buy a domestic product if it is within $20-$25 of the imported product, but not higher. * * * stated that the quality of imported galvanized sheet he has purchased recently is much superior in quality to domestic sheet. Products from * * *,

* * *, and * * * were cited as being of particularly good quality. * * * also said that, because he purchases such large quantities, price and quality are the most important considerations when purchasing. * * * also stated that the foreign companies he has visited were extremely efficient and this may be a major factor affecting their lower prices. He also stated that he thinks a lot of the underselling of domestic producers by imports during the last two years may be the result of either (1) "efficient" foreign mills, (2) domestic costs are inflated, or (3) foreign producers are being subsidized.

* * * was cited in an allegation as purchasing *** tons of galvanized sheet from South Africa on * * *. It was alleged that a domestic quote of $*** was rejected in favor of the imported price of $***. * * * said this information is incorrect, and that no such transaction took place. He also stated that all of their purchases are made through a broker and he is unable to determine the origin of a particular product.

* * * was named as rejecting quotes from a domestic producer and accepting offer prices for imported South African galvanized sheet in * * *. Each of these alleged purchases involved an order for *** tons. * * *, purchasing manager, stated that the quantities were correct and noted that the accepted quotes, which ranged from $***-$*** per ton compared with rejected domestic quotes that ranged from $*** to $*** per ton, were "about right." * * * added that * * * has purchased increasing amounts of South African galvanized sheet as well as other carbon steel products. The allegations were correct. South Africa is * * *'s major source of imported steel. * * * emphasized the need to be competitive and said that not only were the prices of South African galvanized sheet lower but the quality is excellent. The domestic prices even when discounted are $*** to $*** per ton higher than the competing imported product. Price is the main factor says * * *, not domestic ability to supply. Australia initially was in the market early in 1984 but has "backed off" although brokers are still quoting on electrogalvanized steel, a product not produced by * * *. * * * also buys some high quality grades of galvanized sheet from * * * because of a lack of domestic supply of such * * * sheet.

Galvanized sheet from Spain.--* * * provided the Commission with two specific allegations of lost sales of galvanized sheet to imports from Spain. These allegations involved two purchasers, one a service center and the other an enduser. The allegations spanned a period from August 1983 to January-March 1984 and involved a total quantity of 6,000 tons of galvanized sheet. Commission staff investigated one of the allegations.

* * * was cited in a lost sale allegation as the purchaser of competing Spanish galvanized sheet in * * *. * * * allegedly rejected a domestic quote of $*** and accepted a price of $*** for a Spanish product. * * *, purchasing manager, stated that, although the prices are correct, the actual tonnage was about ***-*** tons.

Lost revenue

Galvanized sheet from Australia.--* * * reported 11 specific instances in which they allegedly reduced their prices on sales of galvanized sheet in

competition with imports from Australia. All of these sales occurred in 1983 and January-March 1984. The alleged quantity involved totaled 2,338 tons. The Commission staff investigated two allegations.

* * * was cited as purchasing *** tons of domestic * * * galvanized sheet after negotiating a price reduction from $*** per ton to $*** per ton compared with a competing price of $*** per ton for Australian galvanized sheet. * * *, purchasing manager for the firm, corroborated the facts as alleged. According to * * *, since this order to fill * * * needs was placed, prices have increased for both domestic and Australian galvanized sheet by $*** to $*** per ton. The spread between import price and domestic price, however, has remained the same. Imported Australian galvanized price remains a few percent below domestic product price. * * * states that lead times are increasing but that he believes that domestic, and perhaps offshore sources, are trying to hold back on supply to create an artificial shortage and thus push up prices. Until recently, Australian prices were about $*** per ton below the price of * * *, but currently are about the same.

Another instance named * * * as the purchaser of *** tons of domestic galvanized sheet after the price was reduced to $*** per ton in competing with a price of $*** per ton for Australian galvanized sheet. This sale occurred in * * *. * * *, purchasing agent, stated that the quantity of * * * galvanized sheet was as alleged and the purchase was made by his firm. Prices alleged were fairly accurate said * * *. At that time, he added, domestic producers would negotiate a reduced price to try to meet the price of competing Australian galvanized sheet. Currently, the picture is somewhat different. Prices are going up and lead times are stretched. * * * buys Australian galvanized but that too is a more uncertain source for the coming quarter although orders have been placed. As for domestic sources, he buys from * * * and from * * *. * * *'s prices are a "bit better" than * * *'s prices. * * * believes that the price increases in recent weeks are too high. He would like to do more business with domestic producers but turns to imports, largely from Australia, because "the domestics are taking advantage of the situation" to boost prices more than he believes they should.

Galvanized sheet from South Africa.--* * * reported a single instance in which they allegedly reduced their prices on sales of galvanized sheet in competition with imports from South Africa. This sale occurred in * * * and involved *** tons of galvanized sheet. The Commission staff investigated this allegation.

* * * was cited as purchasing *** tons of galvanized sheet at reduced prices because of competing prices from South Africa. The allegation states that an initial quote of $*** was rejected in favor of a price of $***. South African steel was allegedly quoted at $***. * * * stated that this allegation is essentially correct, however, * * *. * * * said the domestic producers can sometimes lower their prices but sometimes they cannot. However, * * * does not always purchase the imported product even when prices are lower. * * * said delivery time is always an important consideration, and * * * does prefer to purchase from domestic producers.

Galvanized sheet from Spain.--* * * reported one specific instance in which they allegedly reduced their prices on sales of galvanized sheet in

competition with imports from Spain. The sale occurred in * * * and involved *** tons of commercial-quality galvanized sheet. * * * allegedly reduced its price from $*** per ton to $*** per ton against a competing offer price of $*** per ton for Spanish galvanized sheet, f.o.b. dock, * * *. Although this allegation was listed in quite some detail, the domestic producer requested in the questionnaire that this purchaser not be contacted by Commission staff.

PART IV. CARBON STEEL STRUCTURAL SHAPES

Introduction

This part of the report presents information relating specifically to carbon steel structural shapes. As indicated previously, following receipt on February 10, 1984, of petitions filed by U.S. Steel, the Commission instituted preliminary antidumping investigations 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 allegedly LTFV imports of carbon steel structural shapes from South Africa, and Spain(investigations Nos. 731-TA-181 and 182 (Preliminary)).

The Products

Description and uses

Carbon steel structural shapes are steel products produced by passing ingots and semifinished steel products such as blooms and billets through a series of grooved rolls. The rolls gradually shape the products to desired contours and dimensions (making the products identifiable from other finished steel products by their cross-sectional configuration and shape). Usually such products consist of flat surfaces joined together at angles. Domestically produced and imported products are generally produced by the same methods, and are comparable in quality when produced to standard specifications.

For purposes of these investigations, structural shapes are defined as hot-rolled, forged, extruded, or drawn, or cold-formed or cold-finished, angles, shapes, and sections, of other than iron or steel, not drilled, not punched, and not otherwise advanced. Such angles, shapes, and sections do not conform completely to the specifications given in the headnotes to schedule 6, part 2 of the TSUSA, for blooms, billets, slabs, sheet bars, bars, wire rods, plates, sheets, strip, wire, rail, joint bars, or tie plates, as set forth in the TSUSA and do not include any tubular products; must have a maximum cross-sectional dimension of 3 inches or more; and are currently provided for in items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045 of the TSUSA. Shapes having a maximum cross-sectional dimension of less than 3 inches are generally referred to as bar-size shapes and are not covered by these investigations.

Structural shapes include a variety of shapes, notably wide-flange beams, H-piles, I-beams, angles, channels, bulb angles, tees, and zees. Standard shapes such as angles, channels, and standard beams are produced on structural mills, with the type of product determined by the shape of the pass grooves. These differ from structural mills used for producing wide-flange beams and H-piles, which are equipped with supplementary vertical rolls and horizontal edging rolls.

Special sections are structural shapes other than regular shapes (e.g., I-beams, wide-flange beams, H-beams, etc.) which are designed for specialized applications by the purchaser. Such sections are often produced by specially designed rolls and are frequently used as moving parts in complex machinery.

Major markets for carbon steel structural shapes, as reported by AISI, are presented in table IV-1.

Table IV-1.—Carbon steel structural shapes: U.S. producers' shipments, by major markets, 1981-83

Market	1981	1982	1983
	Quantity (1,000 tons)		
Construction and contractor's products	1,928	1,470	1,421
Steel service centers and distributors	1,056	576	387
Machinery, industrial equipment, and tools	164	88	54
Shipbuilding and marine equipment	122	40	32
All other	692	703	834
Total	3,962	2,877	2,728
	Percent of total		
Construction and contractor's products	48.7	51.1	52.1
Steel service centers and distributors	26.6	20.0	14.2
Machinery, industrial equipment, and tools	4.1	3.0	2.0
Shipbuilding and marine equipment	3.1	1.4	1.2
All other	17.5	24.5	30.5
Total	100.0	100.0	100.0

Source: American Iron & Steel Institute.

Note.—Because of rounding, figures may not add to the totals shown.

U.S. tariff treatment

For purposes of these investigations, carbon steel structural shapes are classified under items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045 of the TSUSA. Concessions granted by the United States at the Tokyo round of the MTN resulted in reductions in column 1 rates which began on January 1, 1982. The final concession rates will become effective on January 1, 1987. Imports of structural shapes are dutiable at the column 1 (MFN) rate of 0.9 percent ad valorem, as of January 1, 1984. They are not eligible for duty-free treatment under the GSP, nor are imports from LDDC's granted preferential rates.

The current U.S. rates of duty, as well as rates which represent the final stage of duty reductions granted at the MTN, are summarized in table IV-2. An explanation of the applicability of column 1, column 2, and GSP, rates of duty is presented in part I of this report.

Table IV-2.—Carbon steel structural shapes: U.S. rates of duty as of Jan. 1, 1983, Jan. 1, 1984, and Jan. 1, 1987

(Cents per pound; percent ad valorem)

TSUSA item No.	Article	Rate of duty			
		Col. 1			
		Jan. 1, 1983	Jan. 1, 1984	Jan. 1, 1987	Col. 2
609.8005	H-piles	0.9%	0.9%	0%	2% ad val.
609.8015	Other wide-flange shapes or sections.	.9%	.9%	0%	2% ad val.
609.8035	Angles	.9%	.9%	0%	2% ad val.
609.8041	Channels	.9%	.9%	0%	2% ad val.
609.8045	All others	.9%	.9%	0%	2% ad val.

In addition to the import duties shown in table IV-2, countervailing duties are currently in effect with respect to imports from Spain. In other actions in recent years, the Commission determined that there was no reasonable indication that an industry in the United States was being materially injured, or threatened with material injury, by reason of imports (alleged to be subsidized) from Brazil.

Petitioners withdrew unfair trade complaints involving structural shapes from Belgium, France, Luxembourg, the United Kingdom, and West Germany to bring into effect the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community and the United States in October 1982. Under the arrangement, exports from the EC to the United States of 10 categories of steel products are to be limited to specified shares of apparent U.S. consumption from November 1, 1982, through December 31, 1985. Structural shapes are included in a category in which exports are limited to 9.91 percent of consumption.

U.S. Producers

The domestic carbon steel structural shapes industry consists of approximately 18 firms operating a total of 29 facilities. They are widely scattered throughout the United States and produce a variety of shapes in assorted sizes, weights, and dimensions. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of carbon steel structural shapes (as reported by the AISI) in 1983:

Firm	Share of shipments (percent)
Bethlehem	***
CF&I	***
Chapparal	***
Inland	***
Northwestern	***
U.S. Steel	***

1/ * * *.

As shown, the top four producers accounted for *** percent of producers' shipments in 1983. All are equipped not only with standard structural or bar rolls for rolling most standard shapes such as angles, channels, and standard beams, but also with universal structural mills for rolling wide-flange beams and H-piles. * * * and * * *, the two largest producers, are fully integrated firms that roll a wide range of structural shapes. * * *. 1/

* * *. 2/ * * *. Other integrated producers of structural shapes include ***, ***, and ***.

The remaining producers are referred to as minimills. These producers are generally small-market mills that roll small angles, channels, and standard beams on an assortment of bar or light-structural mills. Minimills are primarily concentrated in the Southern States and represent a growing sector of the domestic steel industry. Principal producers and their plant locations are shown in the following tabulation:

Producer	Location
Armco	Houston Works, Tex. 3/ Middletown, Ohio
Bethlehem	Bethlehem, Pa. 3/ Los Angeles, Calif. Seattle, Wash.
Atlantic Steel Co	Atlanta, Ga.
Bayou Steel	LaPlace, La.
BW Steel, Inc. (Calument Steel Co.)	Chicago Heights, Ill.
Cascade Steel Rolling Mills (Oregon Div.)	McMinnville, Oreg.

1/ * * *.
2/ * * *.
3/ Facility that can roll wide-flange beams, H-piles, and most standard structural shapes.

Producer	Location
CF&I (Colorado Fuel and Iron)	Pueblo, Colo. 1/
Chaparral Steel Corp	Midlothian, Tex. 1/
Conners Steel Co	Birmingham, Ala.
Continental	Joliet, Ill.
Florida Steel Co	Jackson, Tenn.
Inland	East Chicago, Ind. 1/
J&L	Aliquippa, Pa.
North Star Steel Co	Minneapolis, Minn.
Northwest Steel Rolling Mills, Inc	Seattle, Wash.
Northwestern	Sterling, Ill. 1/
Nucor Corp	Darlington, S.C. Norfork, Nebr. Jewett, Tex. Plymouth, Utah
U.S. Steel	Fairfield, Ala. Homestead, Pa. 1/ Clairton, Pa. South Works, Ill. 1/ Geneva, Utah 1/

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 25 firms that imported carbon steel structural shapes from South Africa and/or Spain during October 1982-September 1983. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of carbon steel structural shapes decreased from 5.9 million tons in 1981 to 4.3 million tons in 1982, but then rose to 4.2 million tons in 1983 (table IV-3). As shown in the table, imports took an increasing market share, from 33.4 percent in 1981 to 35.2 percent in 1983.

1/ Facility that can roll wide-flange beams, H-piles, and most standard structural shapes.

Table IV-3.—Carbon steel structural shapes: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1981-83

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to—	
					Shipments	Consumption
	1,000 short tons				Percent	
1981	3,962	1,959	48	5,873	49.4	33.4
1982	2,877	1,462	17	4,322	50.8	33.8
1983	2,728	1,477	10	4,195	54.1	35.2

Source: Shipments (domestic and export), compiled from data of the American Iron & Steel Institute; imports, compiled from official statistics of the U.S. Department of Commerce.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of carbon steel structural shapes fell sharply from 3.2 million tons in 1981 to 2.1 million tons in 1982 and then declined again, to 1.9 million tons, in 1983 (table IV-4).

Table IV-4.—Carbon steel structural shapes: U.S. production, capacity 1/ and capacity utilization, 1981-83.

Item	1981	1982	1983
Production 2/—1,000 short tons	3,226	2,097	1,864
Capacity—do	5,402	5,580	5,501
Capacity utilization 3/—percent	58.7	36.9	33.7

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 be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data together accounted for 69 percent of total shipments of structural shapes in 1983, as reported by the American Iron & Steel Institute.

3/ One producer that reported production did not report capacity. Capacity utilization was calculated on the basis of production only of reporting firms.

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

U.S. producers' domestic shipments

U.S. producers' domestic shipments of structural shapes are presented in table IV-5. Domestic shipments of structural shapes fell steadily from 3.0 million tons in 1981 to 1.8 million tons in 1983.

Table IV-5.—Carbon steel structural shapes: U.S. producers' domestic shipments, 1/ 2/ 1981-83,

Item	1981	1982	1983
Quantity—1,000 tons	2,976	1,968	1,790
Value—million dollars	1,314	863	664
Unit value—per ton	$442	$439	$371

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

2/ Excludes intercompany and intracompany transfers.

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

A comparison of information received in response to the Commission's questionnaires with information reported by the AISI on shipments of structural shapes is presented in the following tabulation:

	AISI shipments (1,000 tons)	Questionnaire shipments 1/ (1,000 tons)	Coverage (percent)
1981	3,962	3,196	81
1982	2,877	2,079	72
1983	2,728	1,873	69

1/ Including exports and intercompany and intracompany transfers.

U.S. producers' exports

U.S. producers' exports of structural shapes declined continually throughout the period, from 44,578 tons in 1981 to 14,576 tons in 1982, and 10,563 tons in 1983 (table IV-6).

Table IV-6.--Carbon steel structural shapes: U.S. producers' export shipments, 1981-83

Item	1981	1982	1983
Quantity--------tons--	44,578	14,576	10,563
Value--------1,000 dollars--	20,089	7,553	4,292
Unit value--------per ton--	$451	$518	$406

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

U.S. producers' inventories

End-of-period inventories of structural shapes, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1980-83. Such inventories were equal to about 7 to 10 percent of the responding producers' shipments in each of these periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of tons):

As of Dec. 31--	Inventories
1980--------	199
1981--------	221
1982--------	200
1983--------	189

U.S. employment, wages, and productivity

The number of production and related workers producing carbon steel structural shapes fell by 37 percent in 1982 and fell another 12 percent in 1983. Similarly, hours worked by these workers dropped by 28 percent in 1982 from that in 1981 and fell further to 24 percent in 1983 (table IV-7).

Wages and total compensation 1/ paid to production and related workers producing all products and those paid to production and related workers producing carbon steel structural shapes are shown in table IV-8. Data on these workers' productivity, hourly compensation, and unit labor costs are presented in table IV-9. As shown, productivity fell in 1982 but increased in 1983, and hourly compensation fell through 1982 but rose in 1983.

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

Table IV-7.—Average number of employees, total and production and related workers, in U.S. establishments producing carbon steel structural shapes, and hours paid 1/ for the latter, 1981-83

Item	1981	1982	1983
Average employment:			
All products: 3/			
Number	140,621	102,684	96,011
Percentage change	2/	-27.0	-6.5
Production and related workers producing—			
All products: 3/			
Number	121,594	86,565	81,525
Percentage change	2/	-28.8	-5.8
Structural shapes:			
Number	10,568	6,612	5,842
Percentage change	2/	-37.4	-11.6
Hours worked by production and related workers producing—			
All products: 3/			
Number	244,379	164,339	167,534
Percentage change	2/	-32.8	1.9
Structural shapes:			
Number	20,863	15,119	11,564
Percentage change	2/	-27.5	-23.5

1/ Includes hours worked plus hours of paid leave time.
2/ Not available.
3/ All products subject to these investigations.

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

Table IV-8.—Wages and total compensation 1/ paid to production and related workers in establishments producing carbon steel structural shapes, 1981-83

Item	1981	1982	1983
Wages paid to production and related workers producing—			
All products: 3/			
Value—million dollars—	3,711	2,671	2,368
Percentage change—	2/	-28.0	-11.3
Structural shapes:			
Value—million dollars—	303	188	154
Percentage change—	2/	-38.0	-18.1
Total compensation paid to production and related workers producing—			
All products: 3/			
Value—million dollars—	4,830	3,660	3,626
Percentage change—	2/	-24.2	-0.9
Structural shapes:			
Value—million dollars—	396	273	237
Percentage change—	2/	-31.1	-13.2

1/ Includes wages and contributions to social security and other employee benefits.

2/ Not available.

3/ All products subject to these investigations.

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

Table IV-9.--Labor productivity, hourly compensation, and unit labor costs in the production of structural shapes, 1981-83

Item	1981	1982	1983
Labor productivity:			
Quantity----------tons per hour---	0.1525	0.1291	0.1351
Percentage change----------	1/	-15.3	4.6
Hourly compensation: 1/			
Value----------per hour---	$14.52	$12.44	$13.32
Percentage change----------	1/	-14.3	7.1
Unit labor costs: 2/			
Value----------per ton---	$124.45	$139.86	$151.73
Percentage change----------	1/	12.4	8.5

1/ Based on wages paid excluding fringe benefits.

2/ Based on total compensation paid.

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

Financial experience of U.S. producers on their operations on carbon steel structural shapes

Income-and-loss data were received from six firms, accounting for 69 percent of total shipments of carbon steel structural shapes (as reported by AISI) in 1983. These data are presented in table IV-10. The six responding producers' net sales of such merchandise declined from $1.4 billion in 1981 to $735 million in 1983, or by 48 percent.

The six firms sustained aggregate operating losses each year, ranging from a high of $187 million, or 25.4 percent of net sales, in 1983 to a low of $12 million, or 0.8 percent of net sales, in 1981. Five out of six responding firms reported operating losses in 1983, compared with four firms that posted losses in 1982 and three that did so in 1981.

In the aggregate, the six responding firms experienced a positive cash flow of $17 million in 1981, compared with negative cash flows of $113 million in 1982 and $144 million in 1983.

Table IV-10.—Income-and-loss experience of 6 U.S. producers 1/ on their operations producing carbon steel structural shapes, accounting years 1981-83

Item	1981	1982	1983
Net sales—million dollars—	1,412	947	735
Costs of goods sold—do—	1,386	1,051	886
Gross income or (loss)—do—	26	(104)	(151)
General, selling, and administrative expenses—do—	38	42	36
Operating income or (loss)—do—	(12)	(146)	(187)
Depreciation and amortization expenses 2/—do—	29	33	43
Cash flow or (deficit) from operations—do—	17	(113)	(144)
Ratio to net sales of—			
Gross income or (loss)—percent—	1.8	(11.0)	(20.5)
Operating income or (loss)—do—	(.8)	(15.4)	(25.4)
Cost of goods sold—do—	98.2	111.0	120.5
General, selling, and administrative expenses—do—	2.7	4.4	4.9

1/ These 6 firms accounted for 69 percent of 1983 shipments of structural shapes, as reported by AISI.

2/ Only 4 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

Capital expenditures and research and development expenses.—Three U.S. producers supplied data relative to their capital expenditures for buildings, machinery, and equipment used in the production of carbon steel structural shapes, as well as their expenditures for research and development, as shown in the following tabulation (in thousands of dollars):

	Capital expenditures	Research and development expenses
1981	27,638	1,884
1982	34,751	2,460
1983	161,808	3,162

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

In its examination of the question 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 in subsidized or LTFV imports, the rate of increase in U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in the country subject to the investigation to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of carbon steel structural shapes and of their U.S. market penetration is presented in the section of this part of the report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and LTFV Imports." Available data on foreign producers' capacity, production, and exports were presented in the introductory part of the report.

U.S. importers' inventories

The Commission sent questionnaires to 19 firms which were believed to have imported structural shapes from South Africa or Spain. Five firms, accounting for approximately 57 percent of imports of structural shapes from South Africa and 25 percent from Spain, responded to the Commission's questionnaire. These firms reported the following end-of-period inventories of imported structural shapes (in short tons):

	1981	1982	1983
From South Africa	1/	1/	1/
From Spain	3,455	12,816	2/

1/ Three firms provided data on imports of structural shapes from South Africa for 1981 and 1982. Two of the firms do not maintain inventories and the third could not supply inventory data by source. A fourth firm also provided import data for 1983, but its inventory data were also not available.

2/ Two firms reported data on Spanish structural-shape imports for 1983. One firm reported no inventories and the other did not maintain inventories by source.

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

U.S. imports of structural shapes

Imports from all sources.—Aggregate U.S. imports of carbon steel structural shapes declined from 2.0 million tons in 1981 to about 1.5 million tons in 1982 and 1983. The average unit values of these imports declined from $361 a ton in 1981 to $279 a ton in 1983 (table IV-11).

Table IV-11.—Carbon steel structural shapes: 1/ U.S. imports for consumption, by principal sources, 1981-83

Item	1981	1982	1983
	Quantity (1,000 tons)		
Spain	238	173	125
South Africa	108	118	108
Japan	646	436	453
Belgium/Luxembourg	403	317	198
Canada	224	149	185
United Kingdom	136	81	111
All other	203	187	299
Total	1,959	1,462	1,477
	Value (million dollars)		
Spain	86	61	30
South Africa	40	37	27
Japan	229	159	134
Belgium/Luxembourg	145	106	54
Canada	81	54	57
United Kingdom	51	30	32
All other	76	67	77
Total	708	514	412
	Unit value (per ton)		
Spain	$362	$354	$242
South Africa	366	312	252
Japan	354	365	297
Belgium/Luxembourg	360	334	274
Canada	362	360	309
United Kingdom	377	366	292
All other	373	360	257
Average	361	351	279

1/ Includes imports under TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045.

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

Note.—Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Imports from South Africa.—Imports of carbon steel structural shapes from South Africa increased from 108,000 tons in 1981 to 118,000 tons in 1982 and then declined to 108,000 in 1983. The average unit value of these imports declined steadily, from $366 in 1981 to $252 in 1983. During 1981-83, South Africa's market share for imports of carbon steel structural shapes increased from over 5 percent in 1981 to over 7 percent in 1983.

Imports from Spain.—Imports of carbon steel structural shapes from Spain declined steadily from 238,000 tons in 1981 to 125,000 tons in 1983, or by about 48 percent. The average unit value also decreased during this period, from $362 a ton to $242 a ton. Spain's share of the import market for structural shapes declined steadily from 12 percent in 1981 to 8 percent in 1983.

U.S. market penetration of imports of structural shapes

Imports from all sources.—Market penetration of structural shapes from all countries increased steadily from 33.4 percent of consumption in 1981 to 35.2 percent in 1983 (table IV-12).

Imports from South Africa.—Imports of structural shapes from South Africa rose from 1.8 percent of consumption in 1981 to 2.7 percent in 1982, and then fell slightly to 2.6 percent in 1983.

Imports from Spain.—Imports of structural shapes plate from Spain fell from 4.0 percent of consumption in 1981 and 1982 to 3.0 percent in 1983.

Table IV-12.—Carbon steel structural shapes: 1/ Ratios of imports from South Africa, Spain, and all countries to apparent U.S. consumption, 2/ 1981-83

(In percent)

Item	1981	1982	1983
From South Africa	1.8	2.7	2.6
From Spain	4.0	4.0	3.0
From all countries	33.4	33.8	35.2

1/ Includes imports under TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045.

2/ Consumption calculated as the sum of U.S. producers' domestic shipments and imports for consumption.

Source: Shipments, compiled from statistics of the American Iron & Steel Institute; imports, compiled from official statistics of the U.S. Department of Commerce.

Prices

Demand for carbon steel structural shapes, and their respective prices depend, like those for carbon steel plate, largely on the level of activity in the construction industry. The construction industry, in turn, is highly influenced by the business cycle, particularly movements in interest rates, and the level of Government spending. Because of falling construction levels, demand for carbon steel structural shapes decreased in 1980, fell sharply in 1982, and continued to decline in 1983. As demand for structural shapes falls, competition and discounting increase and the price of structurals softens. Public nonresidential building construction, measured by value put in place, was down 9.2 percent in real terms in 1981 from its peak in 1978. 1/ Nonbuilding construction on the same basis was 19.4 percent below the 1978 level. 2/ Private nonresidential building construction (office buildings) was the only strong segment of this market in 1981 and in 1982. Public nonresidential and nonbuilding construction continued their downward trend during 1982, a decline that extended through 1983.

U.S. producers that maintain publish list prices usually quote prices for carbon steel products on an f.o.b. mill basis, whereas importers of such products generally quote prices either f.a.s. port of entry or f.o.b. warehouse. Prices consist of a base price for each product plus additional charges for extras such as differences in length, width, thickness, chemistry, and so forth. Prices can be changed by changing the base price, the charges for extras, or both.

The Commission asked domestic producers and importers for their net selling prices to SSC's and endusers for four representative carbon steel structural shapes products, by quarters, during January 1981-December 1983. 3/ Domestic producers' selling prices are weighted-average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data do not provide a viable basis to compare levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these prices and should reflect any discounting that may have occurred. Indexes of the weighted-average f.o.b. net selling prices reported by domestic producers and importers are shown in tables IV-13 (SSC's) and IV-14 (endusers).

1/ These percentages are based on Bureau of Census data on the value of construction put in place, in constant 1972 dollars.

2/ Nonbuilding construction includes such construction project categories as bridges, military facilities, development projects such as dams, sewer and water supply systems, railways, and subways.

3/ These four products (numbers 14 through 17) and their specifications are listed in app. D.

Trends in prices of carbon steel structural shapes 1/

Domestic price trends.—Quarterly net selling prices of the four domestic structural shape products (products 14, 15, 16, and 17) sold to SSC's and to endusers generally increased in 1981 and during January–June 1982, then generally decreased through October–December 1982, and continued to decrease in 1983. Price declines from period highs ranged from 26 points (product 15) to 38 points (product 17) for sales to SSC's and from 27 points (products 14 and 15) to 31 points (product 16) for sales to endusers. In contrast with other carbon steel product prices, the indexes of structural shapes show that prices did not turn up during October–December 1983, but continued to slide to levels that ranged from 14 points to 27 points below the January–March 1981 base index.

Price trends of carbon steel structural shapes imported from South Africa.—Quarterly net selling prices of South African structural shapes sold to SSC's reflect a similar trend to those of domestic products (products 15 and 16), generally increasing in 1981 and then declining in 1982 and continuing their slide in 1983. Prices of South African structural shapes, however, started their decline earlier in 1982 than did domestic prices and fell to lower levels in 1983. Products 15 and 16 ended the subject period at price levels 25 points below the base period index level, January–March 1981. Negligible price data on sales of South African structurals to endusers is inadequate for any price trend analysis.

Price trends of carbon steel structural shapes imported from Spain.—Quarterly net selling prices of imported Spanish structural shapes sold to SSC's reflects a pattern generally similar to that of structurals imported from South Africa with some noticeable difference early in the period. The prices of Spanish product 14 show a steady decline over the entire period, ending the period at an index level 27 points below the January–March 1981 base period index level. Product 15 reflects the same trend with only a slight increase in price during October–December 1981 and an index level 25 points below the base period in October–December 1983. Product 16 prices reflect a very similar pattern with the index sharply lower at period end (October–December 1983) compared with the index of domestic prices.

Lost sales

Carbon steel structural shapes from South Africa.—* * * provided the Commission with five specific allegations of lost sales of carbon steel structural shapes to imports from South Africa. These allegations involved five purchasers, four of which were fabricators. The allegations spanned a period from June 1983 to December 1983 and involved a total quantity of 10,000 tons. Commission staff investigated two of the allegations.

1/ As noted in pt. I, questionnaires were not sent to purchasers in these preliminary investigations and, therefore, no direct comparisons of prices for domestic and imported products can be made. If the investigations return for final determinations by the Commission, purchasers will be asked to provide delivered prices paid in specific transactions.

Table IV-13. Carbon steel structural shapes sold to SSC's: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from South Africa and Spain, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa	Spain
Product 14						
1981						
January-March	100	-	-	-	-	-
April-June	111	-	-	-	-	-
July-September	110	-	-	-	-	100
October-December	112	-	-	-	-	99
1982						
January-March	114	-	-	-	-	96
April-June	112	-	-	-	-	90
July-September	110	-	-	-	-	83
October-December	97	-	-	-	-	80
1983						
January-March	84	-	-	-	-	73
April-June	84	-	-	-	-	73
July-September	91	-	-	-	100	-
October-December	86	-	-	-	-	-
Product 15						
1981						
January-March	100	-	-	-	100	-
April-June	107	-	-	-	103	-
July-September	101	-	-	-	110	100
October-December	110	-	-	-	111	101
1982						
January-March	104	-	-	-	113	100
April-June	113	-	-	-	88	93
July-September	107	-	-	-	91	82
October-December	99	-	-	-	89	77
1983						
January-March	89	-	-	-	77	-
April-June	87	-	-	-	72	75
July-September	89	-	-	-	75	-
October-December	87	-	-	-	75	-
Product 16						
1981						
January-March	100	-	-	-	100	-
April-June	109	-	-	-	99	-
July-September	107	-	-	-	109	100
October-December	112	-	-	-	-	100
1982						
January-March	111	-	-	-	92	90
April-June	113	-	-	-	86	92
July-September	106	-	-	-	88	87
October-December	104	-	-	-	-	79
1983						
January-March	100	-	-	-	74	77
April-June	93	-	-	-	72	76
July-September	83	-	-	-	73	-
October-December	82	-	-	-	74	-
Product 17						
1981						
January-March	100	-	-	-	-	-
April-June	107	-	-	-	-	-
July-September	108	-	-	-	-	-
October-December	112	-	-	-	-	-
1982						
January-March	111	-	-	-	-	-
April-June	109	-	-	-	-	-
July-September	101	-	-	-	-	-
October-December	100	-	-	-	-	-
1983						
January-March	95	-	-	-	-	-
April-June	73	-	-	-	-	-
July-September	76	-	-	-	-	-
October-December	73	-	-	-	-	-

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

Table IV-14. Carbon steel structural shapes sold to endusers: Indexes of weighted-average net selling prices for sales of domestic products and for sales of imports from South Africa and Spain, by types of products and by quarters, January 1981-December 1983

(First period with data = 100)

Product and Period	Domestic	Argentina	Australia	Finland	South Africa	Spain
Product 14						
1981						
January-March	100	-	-	-	-	-
April-June	107	-	-	-	-	-
July-September	108	-	-	-	-	-
October-December	111	-	-	-	-	-
1982						
January-March	110	-	-	-	-	-
April-June	113	-	-	-	-	-
July-September	110	-	-	-	-	-
October-December	103	-	-	-	-	-
1983						
January-March	101	-	-	-	-	-
April-June	95	-	-	-	-	-
July-September	90	-	-	-	-	-
October-December	86	-	-	-	-	-
Product 15						
1981						
January-March	100	-	-	-	-	-
April-June	103	-	-	-	-	-
July-September	103	-	-	-	-	-
October-December	107	-	-	-	-	-
1982						
January-March	105	-	-	-	-	-
April-June	111	-	-	-	-	-
July-September	105	-	-	-	100	-
October-December	98	-	-	-	-	-
1983						
January-March	94	-	-	-	-	-
April-June	93	-	-	-	-	-
July-September	88	-	-	-	-	-
October-December	84	-	-	-	-	-
Product 16						
1981						
January-March	100	-	-	-	-	-
April-June	107	-	-	-	-	-
July-September	108	-	-	-	-	-
October-December	111	-	-	-	-	-
1982						
January-March	111	-	-	-	-	-
April-June	113	-	-	-	-	-
July-September	110	-	-	-	100	-
October-December	105	-	-	-	-	-
1983						
January-March	99	-	-	-	-	-
April-June	94	-	-	-	-	-
July-September	88	-	-	-	-	-
October-December	82	-	-	-	-	-
Product 17						
1981						
January-March	100	-	-	-	-	-
April-June	106	-	-	-	-	-
July-September	108	-	-	-	-	-
October-December	111	-	-	-	-	-
1982						
January-March	110	-	-	-	-	-
April-June	108	-	-	-	-	-
July-September	105	-	-	-	-	-
October-December	100	-	-	-	-	-
1983						
January-March	95	-	-	-	-	-
April-June	93	-	-	-	-	-
July-September	87	-	-	-	-	-
October-December	83	-	-	-	-	-

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

* * * was cited as a purchaser of South African structurals. The firm's purchasing agent, * * *, affirmed the facts of this allegation as stated. * * * rejected a bid of $*** per ton in favor of a bid of $*** per ton for the South African product. He purchased *** tons of South African crude flange beams at that time * * * as alleged. In * * *, * * * rejected a domestic bid of over $*** in favor of a bid of $*** for South African wide-flange beams. This order was for *** tons. * * * reemphasized the need to be competitive in the fabricating business, which requires using lower priced imported structurals.

Carbon steel structural shapes from Spain.—* * * cited * * * as purchasing *** specific types of structural shapes imported from Spain that totaled *** tons in * * *. The prices of the Spanish plate ranged from a low of $*** per ton to $*** per ton compared with competing domestic prices that ranged from $*** to $*** per ton. * * *, purchasing agent, after checking his records stated that the firm was buying centrally at that time from * * *. He confirmed the relative prices of the alleged domestic and imported structurals noting that the imported product was priced about $*** per ton below the domestic product. Most of this difference is reflected in freight cost. Supply of structurals from domestic sources has been cut sharply by CF&I and U.S. Steel not rolling structurals in that region and by Kaiser going out of business. The firm buys most of its mill orders from * * * mills although * * * and * * * structurals are offered in the market.

* * * could not confirm the amounts alleged, * * *. * * *'s general purchasing manager, * * *, also was contacted in * * *, but was not involved in these small purchases. * * * is concerned that reduced domestic ability to supply will push structural prices up from offshore sources and that * * *'s fabricating operations will not be competitive.

Another instance cited * * * as the purchaser of *** tons of Spanish structurals. * * * stated that the alleged tonnage and prices were accurate. * * * did buy that tonnage from Spain (the * * * mill) at an f.o.b. price of $*** per hundredweight (about $*** per ton delivered). The competing domestic price was about $*** per ton higher. * * * has purchased *** tons of Spanish wide-flange beams recently at about $*** per ton delivered. * * * rates the Spanish wide-flange beams as the best offshore quality available. He added that * * * also on occasion buys structurals from * * *.

Lost revenue

Carbon steel structural shapes from South Africa.—* * * reported two specific instances in which they allegedly reduced their prices on sales of carbon steel structural shapes in competition with imports from South Africa. Both sales allegedly covered * * * for the two purchasers involved. The alleged tonnage involved allegedly amounted to *** tons. The Commission staff investigated one allegation.

* * * was named in this instance as the purchaser of domestic * * * wide-flange beams at discounted prices in facing competition from South African product. The alleged accepted price of $*** per ton compared with competing quotes of $*** per ton for the imported structurals was corroborated

by * * *. The quantity involved was a fairly accurate reflection of the volume that * * * purchased at reduced prices from "a large domestic producer." According to * * *, the best domestic price in * * * was about $*** per ton, but the pressure of import competition enabled * * * to cut this domestic price to within $*** of the import price. * * * stated that list price was not reflective of the starting point for negotiating a reduced price but that domestic producers were well aware of the competitive market prices at any given time and priced accordingly. Calculating specific lost revenue is not possible in such circumstances.

Carbon steel structural shapes from Spain.—* * * reported three specific instances in which they allegedly reduced their prices on sales of carbon steel structural shapes in competition with imports from Spain. All of these sales occurred in * * *. In aggregate, the alleged sales totaled *** tons and involved three purchasers. The Commission staff investigated one of the allegations.

* * * was named as the purchaser of *** tons of domestic structural shapes to meet * * *'s supply requirements after the domestic producer reduced the price from book price to $*** per ton compared with a competing price of $*** per ton for Spanish wide-flange beams. * * *, purchasing agent, affirmed the quantity involved as a good reflection of one domestic producer's share of * * *'s business in 1983. The accepted quote on the domestic product was on target according to * * *, as was the competing import price for Spanish wide-flange beams. The Spanish price was about $*** per hundredweight compared with $*** for domestic wide-flange beams. It is not possible to calculate lost revenue realistically based on an initial quote at book price.

APPENDIX A

NOTICES OF THE COMMISSION

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-212 and 731-TA-169 through 182 (Preliminary)]

Certain Carbon Steel Products From Argentina, Australia, Finland, South Africa, and Spain

AGENCY: United States International Trade Commission.

ACTION: Institution of preliminary countervailing duty and antidumping investigations and scheduling of a conference to be held in connection with the investigations.

EFFECTIVE DATE: February 10, 1984.

SUMMARY: The United States International Trade Commission hereby gives notice of the institution of countervailing duty investigation No. 701-TA-212 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of allegedly subsidized imports from Australia of galvanized carbon steel sheet provided for in items 608.07 and 608.13 of the Tariff Schedules of the United States (TSUS).

The Commission also gives notice of the institution of the following antidumping investigations under section 733(a) of the Tariff Act (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 threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the specified countries of the following carbon steel products, which are alleged to be sold in the United States at less than fair value:

Carbon steel plate not in coils provided for in TSUS item 607.66 from—

Finland (investigation No. 731-TA-169 (Preliminary));

South Africa (investigation No. 731-TA-170 (Preliminary)); and

Spain (investigation No. 731-TA-171 (Preliminary));

Carbon steel plate in coils provided for in TSUS item 607.66 from—

South Africa (investigation No. 731-TA-172 (Preliminary)); and

Spain (investigation No. 731-TA-173 (Preliminary));

Hot-rolled carbon steel sheet provided for in TSUS items 607.67 and 607.83 from—

South Africa (investigation No. 731-TA-174 (Preliminary));

Cold-rolled carbon steel sheet provided for in TSUS item 607.83 from—

Argentina (investigation No. 731-TA-175 (Preliminary)); and

South Africa (investigation No. 731-TA-176 (Preliminary)); and

Spain (investigation No. 731-TA-177 (Preliminary));

Galvanized carbon steel sheet provided for in TSUS items 608.07 and 608.13 from—

Australia (investigation No. 731-TA-178 (Preliminary));

South Africa (investigation No. 731-TA-179 (Preliminary)); and

Spain (investigation No. 731-TA-180 (Preliminary)); and

Carbon steel angles, shapes, and sections having a maximum cross-sectional dimension of 3 inches or more provided for in TSUS item 609.80 from—

South Africa (investigation No. 731-TA-181 (Preliminary)); and

Spain (investigation No. 731-TA-182 (Preliminary)).

FOR FURTHER INFORMATION CONTACT: Judith Zeck (202-523-0339), Office of Investigations, U.S. International Trade Commission, 701 E Street, NW., Washington D.C. 20436.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to petitions filed on February 10, 1984, by the United States Steel Corp., Pittsburgh, Pa. The Commission must make its determinations in these cases within 45 days after the date of the filing of the petitions, or by March 26, 1984 (19 CFR 207.17).

Participation in the Investigations

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided 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 Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Service of Documents

The Secretary will compile a service list from the entries of appearance filed in these investigations. Any party submitting a document in connection with the investigations shall, in addition to complying with § 201.8 of the Commission's rules (19 CFR 201.8), serve a copy of each such document on all other parties to the investigations. Such service shall conform with the requirements set forth in § 201.16(b) of the rules (19 CFR 201.16(b)).

In addition to the foregoing, each document filed with the Commission in the course of these investigations must include a certificate of service setting forth the manner and date of such service. This certificate will be deemed proof of service of the document. Documents not accompanied by a certificate of service will not be accepted by the Secretary.

Written Submissions

Any person may submit to the Commission on or before March 9, 1984, a written statement of information pertinent to the subject matter of these investigations (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 section 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 these investigations for 9:30 a.m. on March 7, 1984, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact Ms. Judith Zeck (202-523-0339) not later than March 2, 1984, to arrange for their appearance. Parties in support of the imposition of countervailing duties and/or antidumping duties in these investigations will be collectively allocated one hour within which to make an oral presentation at the conference. Parties in opposition to the imposition of such duties will be collectively allocated two hours within which to make an oral presentation at the conference.

Public Inspection

A copy of the petitions and all written submissions, except for confidential business data, will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C.

For further information concerning the conduct of these investigations, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, subparts A and B (19 CFR Part 207), and Part 201, subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Ms. Zeck.

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

By order of the Commission.

Issued: February 16, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-4808 Filed 2-22-84; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

NOTICES OF THE DEPARTMENT OF COMMERCE

International Trade Administration

[A-791-401]

Certain Carbon Steel Products From South Africa; Initiation of Antidumping Investigations

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating antidumping investigations to determine whether certain carbon steel products from South Africa are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of these actions so that it may determine whether imports of this merchandise are materially injuring, or are threatening to materially injure, a United States industry. If these investigations proceed normally, the ITC will make its preliminary determinations on or before March 26, 1984, and we will make ours on or before July 19, 1984.

EFFECTIVE DATE: March 7, 1984.

FOR FURTHER INFORMATION CONTACT: Richard Rimlinger, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue NW., Washington, D.C. 20230; telephone (202) 377-3962.

SUPPLEMENTARY INFORMATION:

The Petition

On February 10, 1984, we received a petition from counsel for the United States Steel Corporation on behalf of the U.S. industry producing certain carbon steel products. In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of certain carbon steel products from South Africa 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 a United States industry. The allegation of sales at less than fair value of this merchandise from South Africa is supported by comparisons of the estimated South African home market prices published by the South African Department of Industries, Commerce, and Tourism, with the various average f.a.s. South African port value of these products imported into the United States (as provided by U.S. Department of Commerce statistics).

Petitioner also alleges that these products are also being sold in the South African home market at prices which are less than the cost of production.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after the petition is filed, whether it sets forth the allegation necessary for the initiation of antidumping investigations and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain carbon steel products and we have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating antidumping investigations to determine whether certain carbon steel products from South Africa are being, or are likely to be, sold at less than fair value in the United States. If our investigations proceed normally, we will make our preliminary determinations by July 19, 1984.

Scope of Investigations

The products covered by these investigations are: carbon steel structural shapes, carbon steel plate, cold-rolled carbon steel flat-rolled products, hot-rolled carbon steel flat-rolled products. For a further description of these products, see the Appendix of this notice.

Notification to ITC

Section 732(d) of the Act requires us to notify the ITC of these actions and to provide us with the information we used to arrive at these determinations. We will notify the ITC and make available to it all non-privileged and non-confidential 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 consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determinations by ITC

The ITC will determine by March 26, 1984, whether there is a reasonable indication that imports of certain steel products from South Africa are materially injuring or are likely to materially injure, a United States industry. If its determinations are negative, these investigations will terminate, otherwise, they will proceed according to the statutory procedures.

Dated: March 1, 1984.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

Appendix IV—Description of Products

For purposes of these investigations:

1. The term *"carbon steel structural shapes"* covers hot-rolled, forged, extruded, or drawn, or cold-formed or cold-finished carbon steel angles, shapes, or sections, not drilled, not punched, and not otherwise advanced, and not conforming completely to the specifications given in the headnotes to Schedule 6, Part 2, Subpart B of the *Tariff Schedules of the United States Annotated ("TSUSA")*, for blooms, billets, slabs, sheet bars, bars, wire rods, plates, sheets, strip, wire, rails, joint bars, tie plates, or any tubular products set forth in the *TSUSA*, having a maximum cross-sectional dimension of 3 inches or more, as currently provided for in items 609.8005, 609.8015, 609.8035, 609.8045 of the *TSUSA*. Such products are generally referred to as structural shapes.

2. The term *"carbon steel plate"* covers hot-rolled carbon steel products, whether or nor corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in item 607.6620, and 607.6625 of the *TSUSA*. Semifinished products of solid rectangular cross section with a width at least four times the thickness and processed only through primary mill hot-rolling are not included.

3. The term *"hot-rolled carbon steel flat-rolled products"* covers the following hot-rolled carbon steel products. Hot-rolled carbon steel flat-rolled products are flat-rolled carbon steel products, whether or not corrugated or crimped; not cold rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; 0.1875 inch or more in thickness and over 8 inches in width and pickled; as currently provided for in item 607.8320 of the *TSUSA;* and over 8 inches in width; in coils; as currently provides in item 607.6610 or under 0.1875 inch in thickness and over 12 inches in width, whether or not pickled, whether or not in coils, as currently provided for in items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342 of the *TSUSA*.

4. The term *"cold-rolled carbon steel flat-rolled products"* covers the following cold-rolled carbon steel products. Cold-rolled carbon steel flat-rolled products are flat-rolled carbon steel products, whether or not corrugated or crimped; whether or not painted or varnished and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 12 inches in width, and 0.1875 or more in thickness; as currently provided for in item 607.8320 of the *TSUSA;* or over 12 inches in width and under 0.1875 inch in thickness whether or not in coils; as currently provided for in items 607.8350, 607.8355, or 607.8360 of the *TSUSA*.

5. The term *"galvanized carbon steel sheet"* covers hot- or cold-rolled carbon steel sheet which have been coated or plated with zinc including any material which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for in items 608.0730, 608.1310, 608.1320, or 608.1330, of the *TSUSA*. Hot- or cold-rolled carbon steel sheet which has been coated or plated with metal other than zinc not included.

[FR Doc. 84-6158 Filed 3-6-84; 8:45 am]

BILLING CODE 3510-DS-M

DEPARTMENT OF COMMERCE

International Trade Administration

[A-469-402]

Certain Carbon Steel Products From Spain; Initiation of Antidumping Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating antidumping investigations to determine whether certain carbon steel products from Spain are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of these actions so that it may determine whether imports of this merchandise are materially injuring, or are threatening to materially injure, a United States industry. If these investigations proceed normally, the ITC will make its preliminary determinations on or before March 26, 1984, and we will make ours on or before July 19, 1984.

EFFECTIVE DATE: March 8, 1984.

FOR FURTHER INFORMATION CONTACT: Steven Lim, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 377-1776.

SUPPLEMENTARY INFORMATION:

The Petition

On February 10, 1984, we received a petition from counsel for the United States Steel Corporation on behalf of the U.S. industry producing certain carbon steel products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of certain carbon steel products from Spain 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 a United States industry. The allegation of sales at less than fair value of this merchandise from Spain is supported by comparisons of the estimated Spanish home market prices derived from published price lists, with the various average f.a.s. Spain port value of these products imported into the United States (as provided by U.S. Department of Commerce statistics). Petitioner also alleges that these products are also being sold in their European home market at prices which are less that the cost of production.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after the petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain carbon steel products and we have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating antidumping investigations to determine whether certain carbon steel products from Spain are being, or are likely to be, sold at less than fair value in the United States. If our investigations proceed normally, we will make our preliminary determinations by July 19, 1984.

Scope of Investigations

The products covered by these investigations are: carbon steel structural shapes, carbon steel plate, cold-rolled carbon steel sheet, hot-rolled carbon steel sheet (plate in coils) and galvanized carbon steel sheet. For a further description of these products, see the Appendix of this notice.

Notification to ITC

Section 732(d) of the Act requires us to notify the ITC of these actions and to provide it with the information we used to arrive at these determinations. We will notify the ITC and make available to it all non-privileged and non-confidential 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 consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determinations by ITC

The ITC will determine by March 26, 1984, whether there is a reasonable indication that imports of certain carbon steel products from Spain are materially injuring, or are likely to materially injure, a United States industry. If its determinations are negative, these investigations will terminate; otherwise,

they will proceed according to the statutory procedures.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

February 29, 1984.

Appendix—Description of Products

For purposes of these investigations:

1. The term *"carbon steel structural shapes"* covers hot-rolled, forged, extruded, or drawn, or cold-formed or cold-finished carbon steel angles, shapes, or sections, not drilled, not punched, and not otherwise advanced, and not conforming completely to the specifications given in the headnotes to Schedule 6, Part 2, Subpart B of the *Tariff Schedules of the United States Annotated ("TSUSA")*, for blooms, billets, slabs, sheet bars, bars, wire rods, plates, sheets, strip, wire, rails, joint bars, tie plates, or any tubular products set forth in the *TSUSA*, having a maximum cross-sectional dimension of 3 inches or more, as currently provided for in items 609.8005, 609.8015, 609.8035, 609.8041, or 609.8045 of the *TSUSA*. Such products are generally referred to as structural shapes.

2. The term *"carbon steel plate"* covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in items 607.6620 and 607.6625 of the *TSUSA*. Semifinished products of solid rectangular cross section with a width at least four times the thickness and processed only through primary mill hot-rolling are not included.

3. The term *"hot-rolled carbon steel sheet"* covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; in coils; as currently provided for in item 607.6610 of the *TSUSA*.

4. The term *"cold-rolled carbon steel flat rolled products"* covers the following cold-rolled carbon steel products. Cold-rolled carbon steel flat-rolled products are flat-rolled carbon steel products, whether or not corrugated or crimped; whether or not painted or varnished and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 12 inches in width, and 0.1875 or more in thickness; as currently provided for in item 607.8320 of the *TSUSA*; or over 12 inches in width and under 0.1875 inch in thickness whether or not in coils; as currently provided for in items 607.8350, 607.8355, or 607.8360 of the *TSUSA*.

5. The term *"galvanized carbon steel sheet"* covers hot- or cold-rolled carbon steel sheet which have been coated or plated with zinc including any material which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for in items 608.0730, 608.1310, 608.1320, or 608.1330, of the *TSUSA*. Hot- or cold-rolled carbon steel sheet which has been coated or plated with metal other than zinc not included.

[FR Doc. 84-6294 Filed 3-7-84; 8:45 am]

BILLING CODE 3510-DS-M

[A-602-401]

Galvanized Carbon Steel Sheet From Australia; Initiation of Antidumping Investigation

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed with the U.S. Department of Commerce, we are initiating an antidumping investigation to determine whether galvanized carbon steel sheet from Australia is being, or is likely to be, sold in the United States at less than fair value. We are notifying the U.S International Trade Commission (ITC) of this action so that it may determine whether imports of the merchandise are materially injuring, or threatening to materially injure, a U.S. industry. If our investigation proceeds normally, the ITC will make its preliminary determination on or before March 26, 1984, and we will make ours on or before July 19, 1984.

EFFECTIVE DATE: March 8, 1984.

FOR FURTHER INFORMATION CONTACT: Melissa G. Skinner, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, telephone: (202) 377-3530.

SUPPLEMENTARY INFORMATION:

Petition

On February 10, 1984, we received a petition from counsel for the United States Steel Corporation on behalf on the U.S. industry producing galvanized carbon steel sheet. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Australia 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 threatening to materially injure, a U.S. industry. The allegation of sales at less than fair value of this merchandise from Australia is supported by comparisons of the estimated Australian home market prices derived from a published price list of one Australian producer, with average monthly f.a.s. Australian port values of this merchandise imported into the United States (as provided by U.S. Department of Commerce statistics).

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 the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegation. We have examined the petition on galvanized carbon steel sheet and we have found that the petition meets those requirements. Therefore, we are initiating an antidumping investigation to determine whether galvanized carbon steel sheet from Australia is being, or is likely to be, sold at less than fair value in the United States. If our investigation proceeds normally, the ITC will make its preliminary determination by March 26, 1984, and we will make ours on or before July 19, 1984.

Scope of the Investigation

The product covered by this investigation is galvanized carbon steel sheet. The term "galvanized carbon steel sheet" covers hot- or cold-rolled carbon steel sheet which has been coated or plated with zinc including any material which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for items 608.0730, 608.1310, 608.1320 or 608.1330 of the *Tariff Schedules of the United States Annotated (TSUSA)*. Hot- or cold-rolled carbon steel sheet which has been coated or plated with metal other than zinc not included.

Notification to ITC

Section 732(d) of the Act requires us to notify the U.S. International Trade Commission 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 non-privileged and non-confidential 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 March 26, 1984, whether there is a reasonable indication that imports of galvanized carbon steel sheet from Australia are materially injuring, or threatening to materially injure, a U.S. industry. If that determination is negative, the investigation will terminate; otherwise, the investigation will proceed according to the statutory procedures.

Dated: March 1, 1984.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 84-6284 Filed 3-7-84; 8:45 am]

BILLING CODE 3510-DS-M

[C602-402]

Galvanized Carbon Steel Sheet From Australia; Initiation of Countervailing Duty Investigation

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Australia of galvanized carbon steel sheet, as described in the "Scope of Investigation" section below, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of the merchandise are materially injuring, or threatening to materially injure, a U.S. industry. If our investigation proceeds normally, the ITC will make its preliminary determination on or before March 26, 1984, and we will make ours on or before May 7, 1984.

EFFECTIVE DATE: March 8, 1984.

FOR FURTHER INFORMATION CONTACT: Melissa G. Skinner, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, telephone: (202) 377-3530.

SUPPLEMENTARY INFORMATION:

Petition

On February 10, 1984, we received a petition filed on behalf of the U.S. industry producing galvanized carbon steel sheet. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Australia of carbon steel galvanized sheet receive, directly or indirectly, benefits which constitute subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (19 U.S.C. 1617) (the Act), and these imports are materially injuring, or threatening to materially injure, a U.S. industry.

Australia is considered a "country under the Agreement" within the meaning of section 701(b) of the Act, therefore, Title VII of the Act applies to this investigation and an injury determination is required.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on carbon steel galvanized sheet and we have found that the petition meets those requirements.

Therefore, we are initiating a countervailing duty investigation to determine whether the manufacturers, producers, or exporters in Australia of galvanized carbon steel sheet, as described in the "Scope of Investigation" section of this notice, receive subsidies. If our investigation proceeds normally, we will make our preliminary determination by May 7, 1984.

Scope of the Investigation

The product covered by this investigation is galvanized carbon steel sheet. The term "galvanized carbon steel sheet" covers hot- or cold-rolled carbon steel sheet which has been coated or plated with zinc including any material which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for items 608.0730, 608.1310, 608.1320 or 608.1330 of the *Tariff Schedules of the United States Annotated (TSUSA)*. Hot- or cold-rolled carbon steel sheet which has been coated or plated with metal other than zinc not included.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in Australia of galvanized carbon steel sheet receive the following benefits which constitute subsidies:

- Export expansion grants
- Preferential loans
- Preferential taxation schemes
- Grants provided under the Steel Industry Plan
- Assistance from state governments under the:
- Victoria Decentralization Program
  —Refund of land taxes
  —Refund of payroll taxes
  —Reimbursement for the cost of

transporting plant
—And machinery
—Grants for job creation
—Selling of Crown lands
—Reduction of rates from the State railroad
—Assistance to offset freight disabilities
—Uniform tariffs for electricity and refund of
—Capital costs to extend high voltage supply
—Preference scheme which provides grants of up to 5 percent of the contract amounts
—Long-term loans at concessional rates

- The Victorian Development Corporation—loans

The petitioner also alleges that the government of Australia provides subsidies to the steel industry by limiting steel imports, thus artificially raising domestic steel prices. We will not investigate these allegations because we do not view such practices to be subsidies. Many actions which governments may take may directly or indirectly prove beneficial to particular products or industries. As the courts have noted, not every such action properly can be viewed as a subsidy. (*See United States* v. *Zenith Radio Corp.*, 562, F.2d 1209 (C.C.P.A. 1971), *aff'd sub nom, Zenith Radio Corp.* v. *U.S.*, 437 U.S. 443 (1978)). It would, in our view, be an extreme and erroneous position to conclude that governmental action which in any way restricts imports of competing products necessarily subsidizes domestic industries producing such products.

Here, the allegations are not that the government has provided some specific monetary benefit upon the product in question (or something equivalent thereto) but that the product has been susidized by government restrictions, in the importation of competing products in the domestic market. While it may be true that in an abstract economic sense such impert restrictions, in lessening competition in the domestic marketplace, do provide some benefits of at least a temporary nature to the domestic producers of the product, that is far from saying that such restrictions properly can be viewed as conferring a subsidy within the meaning of the countervailing duty law. To conclude even that petitioner has made a valid prima facie allegation would be tantamount to concluding that every time any government, including the U.S. government, through duties, quotas, or otherwise acts to restrict imports of a product competing with a domestically produced product, it necesssarily subsidizes. If so, all governments subsidize most products most of the time. Totally apart from the virtually impossible task of attempting to quantify such a benefit for countervailing duty purposes, the absurdity of such a proposition is self-evident and necessarily beyond the intent of the Congress in enacting the countervailing duty law.

Notification to ITC

Section 702(d) of the Act requires us to notify the U.S. International Trade Commission 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 non-privileged and non-confidential 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 March 26, 1984, whether there is a reasonable indication that imports of galvanized carbon steel sheet from Australia are materially injuring, or threatening to materially injure, a U.S. industry. If that determination is negative, the investigation will terminate; otherwise, the investigation will proceed to conclusion.

Dated: March 1, 1984.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 84-6283 Filed 3-7-84; 8:45 am]
BILLING CODE 3510-DS-M

DEPARTMENT OF COMMERCE

International Trade Administration

[A-405-401]

Carbon Steel Plate From Finland; Initiation of Antidumping Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping investigation to determine whether imports of carbon steel plate from Finland are being, or are 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 imports of this merchandise are materially injuring, or are threatening to materially injure, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before March 26, 1984, and we will make ours on or before July 19, 1984.

EFFECTIVE DATE: March 9, 1984.

FOR FURTHER INFORMATION CONTACT: Stuart Keitz, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, telephone (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On February 10, 1984, we received a petition from counsel for the United States Steel Corporation on behalf of the U.S. industry producing carbon steel plate. In compliance with the filing requirements of § 353-36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of carbon steel plate from Finland 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 a United States industry. The allegation of sales at less than fair value of this merchandise from Finland is supported by comparisons of the estimated Finnish home market prices (derived from the data used by the Department of Commerce in its section 751 review of the suspension agreement in the antidumping proceeding on carbon steel plate from Romania) with the weighted-average f.a.s. Finnish port value of this product imported into the United States (as provided by U.S. Department of Commerce statistics). In the Romanian case the value of Finnish carbon steel plate was used as a surrogate for the foreign market value of Romanian carbon steel plate.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after the petition is filed, whether is sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on carbon steel plate from Finland and we have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating and antidumping investigation to determine whether carbon steel plate from Finland 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 July 19, 1984.

Scope of Investigation

The product covered by this investigation is carbon steel plate from Finland. The term "carbon steel plate" covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in items 607.6620 and 607.6625 of the *TSUSA*. Semifinished products of solid rectangular cross section with a width at least four times the thickness and processed only through primary mill hot rolling are not included.

Notification to 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 non-privileged and non-confidential 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 consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by March 26, 1984, whether there is a reasonable indication that imports of carbon steel plate from Finland are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Dated: March 1, 1984.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 84-6327 Filed 3-8-84; 8:45 am]

BILLING CODE 3510-DS-M

[A-357-401]

Cold-Rolled Carbon Steel Flat-Rolled Products From Argentina; Initiation of Antidumping Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce (DOC), we are initiating an antidumping investigation to determine whether cold-rolled carbon steel flat-rolled products from Argentina are being, or are 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 imports of this merchandise are materially injuring, or are threatening to materially injure, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before March 26, 1984, and we will make ours on or before July 19, 1984.

EFFECTIVE DATE: March 9, 1984.

FOR FURTHER INFORMATION CONTACT: Stuart Keitz, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On February 10, 1984, we received a petition from counsel for the United States Steel Corporation on behalf of the U.S. industry producing cold-rolledcarbon steel flat-rolled products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of cold-rolled carbon steel flat-rolled products from Argentina 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 a United States industry. The allegation of sales at less than fair value of this merchandise from Argentina is supported by comparisons of the estimated weighted-average Argentine home market prices derived from publicly available data with the weighted-average U.S. price of this product imported into the United States developed from the same sources. Petitioner also alleges that these products are also being sold in the Argentine home market at prices which are less than the cost of production and that there are insufficient sales of the subject merchandise at prices above the cost of production with which to determine foreign market value.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after the petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cold-rolled carbon steel flat-rolled products from Argentina 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 cold-rolled carbon steel flat-rolled products from Argentina are being, or are 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 July 19, 1984.

Scope of Investigation

The products covered by this investigation are cold-rolled carbon steel flat-rolled products from Argentina. The term *"cold-rolled carbon steel flat-rolled products"* covers the following cold-rolled carbon steel products. Cold-rolled carbon steel flat-rolled products are flat-rolled carbon steel products, whether or not corrugated or crimped; whether or not painted or varnished and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 12 inches in width, and 0.1875 inch or more in thickness; as currently provided for in item 607.8320 of the *TSUSA;* or over 12 inches in width and under 0.1875 inch in thickness whether or not in coils; as currently provided for in items 607.8350, 607.8355, or 607.8360 of the *TSUSA*.

Notification to 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 non-privileged and non-confidential 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 consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by March 26, 1984, whether there is a reasonable indication that imports of cold-rolled carbon steel flat-rolled products from Argentina are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Dated: March 1, 1984.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 84-6526 Filed 3-8-84; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX C

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-212 and
731-TA-169 through 182 (Preliminary)

CERTAIN CARBON STEEL PRODUCTS FROM ARGENTINA, AUSTRALIA, FINLAND, SOUTH AFRICA AND SPAIN

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigations on March 7, 1984, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, D.C.

In support of the imposition of antidumping and/or countervailing duties

United States Steel Corp.
Pittsburgh, Pa.

John J. Mangan, General Attorney
Craig D. Mallick, Attorney
John Satterfield, General Manager--Sheet Products
Timothy Moran, General Manager--Heavy Products

Cravath, Swaine & Moore--Counsel
New York, N.Y.
on behalf of

Armco, Inc.
Inland Steel Co.
Jones & Laughlin Steel, Inc.
Republic Steel Corp.

Alan J. Hruska--OF COUNSEL

Stewart and Stewart--Counsel
Washington, D.C.
on behalf of

Bethlehem Steel Corp.

Terence P. Stewart--OF COUNSEL

Thorp, Reed & Armstrong--Counsel
Washington, D.C.
on behalf of

National Steel Corp.

Roger M. Golden--OF COUNSEL

In opposition to the imposition of antidumping and/or countervailing duties

Argentina

Daniels, Houlihan & Palmeter, P.C.—Counsel
Washington, D.C.
on behalf of

Propolsora Siderurgica Saic

Jeffrey S. Neeley—OF COUNSEL

Australia

O'Melveny & Myers—Counsel
Washington D.C.
Sullivan & Cromwell—Counsel
Washington, D.C.
on behalf of

John Lysaght, Ltd.

Grahame White, Commercial Manager, John Lysaght, Ltd.
Jim Thompson, C. Tennant & Sons
Rod Glather, Purchasing Manager, ASC Pacific, Inc.

Gary Horlick)
Margaret Pfeiffer) —OF COUNSEL

South Africa
Busby Rehm and Leonard—Counsel
Washington, D.C.
on behalf of

Highveld Steel and Vanadium Corp.
ISCOR

John B. Rehm)
Jonathan Glacier) —OF COUNSEL

Spain

Baker & McKenzie—Counsel
Washington, D.C.
on behalf of

Jose Maria Aristrain, S.A.

Thomas B. Ondeck—OF COUNSEL

APPENDIX D

DESCRIPTIONS OF PRODUCTS COVERED IN THE PRICE SECTIONS

The products identified below are those used by the Commission to collect pricing information in its producer and importer questionnaires:

Product 1: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 3/8 inch to under 1/2 inch in thickness, over 90 inches through 100 inches in width.

Product 2: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge or gas cut, not heat treated, not cleaned or oiled, over 1-1/2 inches through 3 inches in thickness, over 90 inches through 100 inches in width.

Product 3: Hot-rolled carbon steel bands, in coils, structural quality, mill edge, 0.20 percent carbon max., 58,000 pounds tensile strength min., 36,000 pounds yield strength minimum, not pickled, non-killed, 3/16 inch through 1/4 inch in thickness, over 36 inches through 72 inches in width.

Product 4: Hot-rolled carbon steel bands, in coils, structural quality, mill edge, 0.20 percent carbon max., 58,000 pounds tensile strength min., 36,000 pounds yield strength minimum, not pickled, non-killed, over 1/4 inch through 1/2 inch in thickness, over 36 inches through 72 inches in width.

Product 5: Hot-rolled carbon steel sheets, in coils, commercial quality, 0.025 percent carbon maximum, not pickled, 0.1210 inch through 0.1874 inch in thickness, over 36 inches through 72 inches in width.

Product 6: Hot-rolled carbon steel sheets, in coils, commercial quality, 0.25 percent carbon maximum, not pickled, 0.0810 inch through 0.1209 inch in thickness, over 48 inches through 72 inches in width.

Product 7: Hot-rolled carbon steel sheet bands, in coils, mill edge, commercial quality, 0.025 percent carbon maximum, not pickled, 0.1210 inch through 0.1874 inch in thickness, over 36 inches through 72 inches in width.

Product 8: Cold-rolled carbon steel sheets, in coils, commercial quality, class 1, 0.0280 inch through 0.0630 inch in thickness, 45 inches through 60 inches in width.

Product 9: Cold-rolled carbon steel sheets, in coils, commercial quality, class 2, 0.0280 inch through 0.0630 inch in thickness, 45 inches through 60 inches in width.

Product 10: Cold-rolled carbon steel sheets, in coils, AKDQ A-620, 0.0280 inch through 0.0630 inch in thickness, 45 inches through 60 inches in width.

Product 11: Galvanized carbon steel sheet, in coils, commercial or lockforming quality, G-90 coating, regular or minimum spangle, 0.014 inch through 0.024 inch in thickness, 24 inches through 48 inches in width.

Product 12: Galvanized carbon steel sheet, in coils, commercial or lockforming quality, A-40 coating, regular or minimum spangle, 0.028 inch through 0.035 inch in thickness, 24 inches through 72 inches in width.

Product 13: Galvanized carbon steel sheet, in coils, commercial or lockforming quality, G-60 coating, regular or minimum spangle, 0.014 inch through 0.024 inch in thickness, 24 inches through 48 inches in width.

Product 14: Wide flange carbon steel beams, A-36 or equivalent, 8 inches by 6-1/2 inches, 24-28 lbs./ft., 40-60 feet in length.

Product 15: Wide flange carbon steel beams, A-36 or equivalent, 8 inches by 8 inches, 31-67 lbs./ft., 40-60 feet in length.

Product 16: Wide flange carbon steel beams, A-36 or equivalent, 10 inches by 10 inches, 49-112 lbs./ft., 40-60 feet in length.

Product 17: Standard carbon steel I beams, A-36 or equivalent, 3 inches and over in maximum cross-sectional dimension, 50 lbs./ft. and under.