

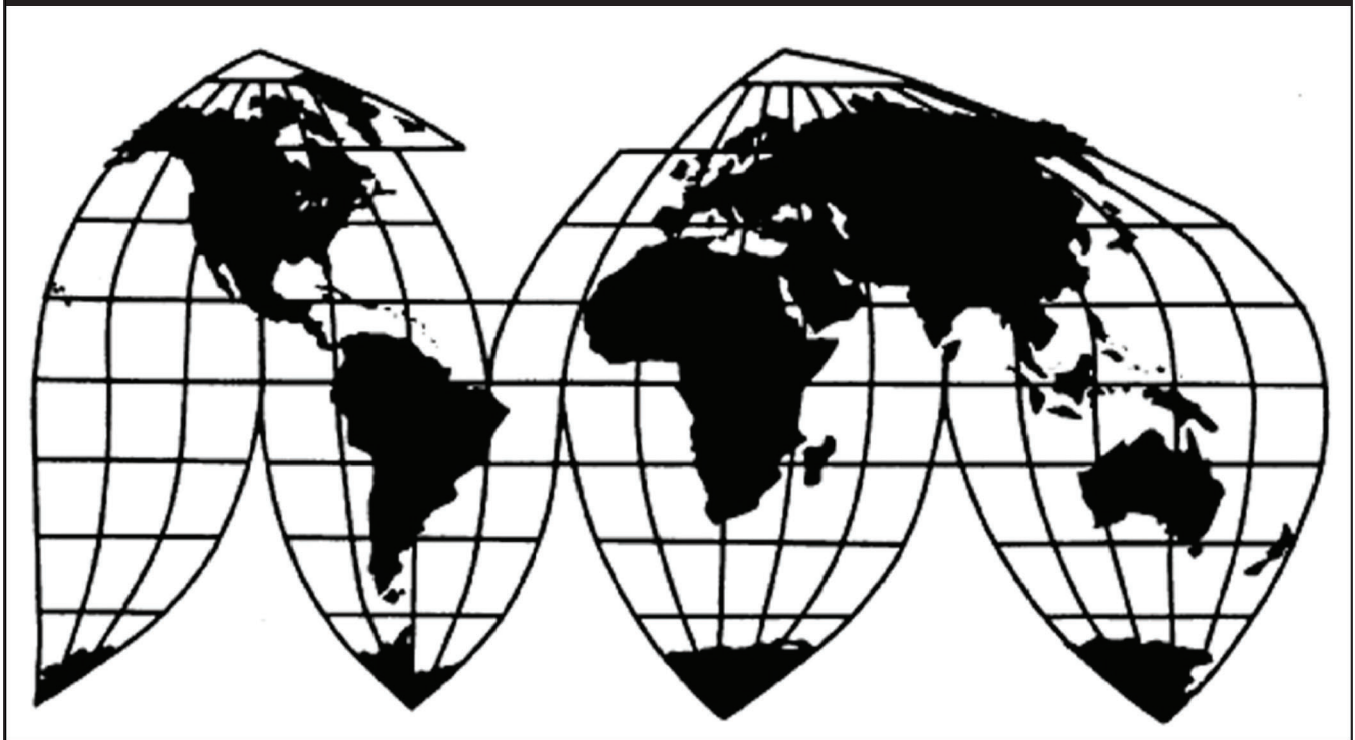
# Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine

Investigation Nos. 701-TA-405-406 and 408 and  
731-TA-899-901 and 906-908 (Third Review)

Publication 4942

August 2019

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (\*\*\*) in public reports.

## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-405-406 and 408 and 731-TA-899-901 and 906-908 (Third Review)

Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine

### DETERMINATION

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing duty orders on hot-rolled steel products from India, Indonesia, and Thailand and the antidumping duty orders on hot-rolled steel products from China, India, Indonesia, Taiwan, Thailand, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>2</sup>

### BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these reviews on January 2, 2019 (84 FR 11) and determined on May 8, 2019 that it would conduct expedited reviews (84 FR 31099, June 28, 2019).

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<sup>1</sup> The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

<sup>2</sup> Commissioner Meredith M. Broadbent not participating.





## Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the countervailing duty orders on hot-rolled steel products (“HRSP”) from India, Indonesia, and Thailand and the antidumping duty orders on HSRP from China, India, Indonesia, Taiwan, Thailand, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1</sup>

### I. Background

**Original Investigations:** On November 13, 2000, the Commission received antidumping and countervailing duty petitions filed on behalf of Bethlehem Steel Corporation, Gallatin Steel Corporation, IPSCO Steel, Inc., LTV Steel Co., Inc., National Steel Corp., Nucor Corporation (“Nucor”), Steel Dynamics Inc., U.S. Steel Group, Weirton Steel Corporation (“Weirton”), and the Independent Steelworkers Union, the labor union representing organized workers at Weirton, concerning HSRP from eleven countries. The Commission made final affirmative determinations in August and November 2001 that the domestic industry was materially injured by reason of subsidized HRSP imports from Argentina, India, Indonesia, South Africa, and Thailand, and dumped HRSP imports from Argentina, China, India, Indonesia, Kazakhstan, the Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine.<sup>2</sup> The U.S. Department of Commerce (“Commerce”) published sixteen antidumping and countervailing duty orders on HRSP in September, November, and December 2001.<sup>3</sup>

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<sup>1</sup> Commissioner Meredith M. Broadbent did not participate in these reviews.

<sup>2</sup> *Hot-Rolled Steel Products from Argentina and South Africa*, Inv. Nos. 701-TA-404 and 731-TA-898 and 905 (Final), USITC Pub. 3446 (Aug. 2001) at 1; and *Hot-Rolled Steel Products from China, India, Indonesia, Kazakhstan, the Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine*, Inv. Nos. 701-TA-405-408 and 731-TA-899-904 and 906-908 (Final), USITC Pub. 3468 (Nov. 2001) at 1 (collectively referred to as “*Original Determinations*”). The Commission in USITC Pub. 3468, at 4, adopted the findings and analysis in USITC Pub. 3466 regarding like product, domestic industry, related parties, negligibility, cumulation, material injury, conditions of competition, and captive production.

<sup>3</sup> *Notice of Countervailing Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Argentina*, 66 Fed. Reg. 47173 (Sep. 11, 2001); *Notice of Antidumping Duty Orders: Certain Hot-Rolled Carbon Steel Flat Products from Argentina and the Republic of South Africa*, 66 Fed. Reg. 48242 (Sep. 19, 2001); *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Kazakhstan*, 66 Fed. Reg. 58435 (Nov. 21, 2001); *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Ukraine*, 66 Fed. Reg. 59559 (Nov. 29, 2001); *Notice of the Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from the People's Republic of China*, 66 Fed. Reg. 59561 (Nov. 29, 2001); *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Thailand*, 66 Fed. Reg. 59562 (Nov. 29, 2001); *Notice of Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Taiwan*, 66 Fed. Reg. 59563 (Nov. 29, 2001); *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from the Netherlands*, 66 Fed. Reg. 59565 (Nov. 29, 2001); *Notice of Amended Final Antidumping Duty Determination and Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat* (Continued...)

**First reviews.** The Commission instituted its first reviews in August 2006 and determined that it would conduct full reviews in November 2006. In October 2007, after conducting full reviews, the Commission made affirmative determinations concerning the orders on HRSP from China, India, Indonesia, Taiwan, Thailand, and Ukraine, and negative determinations concerning the orders on HRSP from Argentina, Kazakhstan, Romania, and South Africa.<sup>4</sup> Commerce issued continuations of the countervailing duty orders on subject imports from India, Indonesia, and Thailand, and the antidumping duty orders on subject imports from China, India, Indonesia, Taiwan, Thailand, and Ukraine.<sup>5</sup>

**Second reviews.** The Commission instituted its second reviews of the remaining orders in November 2012 and determined that it would conduct full reviews in February 2013.<sup>6</sup> In January 2014, after conducting full reviews, the Commission made affirmative determinations concerning imports from all subject countries.<sup>7</sup> Commerce continued the orders.<sup>8</sup>

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(...Continued)

*Products from Romania*, 66 Fed. Reg. 59566 (Nov. 29, 2001); *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Indonesia*, 66 Fed. Reg. 60192 (Dec. 3, 2001); *Notice of Amended Final Antidumping Duty Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from India*, 66 Fed. Reg. 60194 (Dec. 3, 2001); *Notice of Countervailing Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From Thailand*, 66 Fed. Reg. 60197 (Dec. 3, 2001); *Notice of Amended Final Determination and Notice of Countervailing Duty Orders: Certain Hot-Rolled Carbon Steel Flat Products from India and Indonesia*, 66 Fed. Reg. 60198 (Dec. 3, 2001); and *Notice of Countervailing Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From South Africa*, 66 Fed. Reg. 60201 (Dec. 3, 2001).

<sup>4</sup> *Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine*, Inv. Nos. 701-TA-404-408 and 731-TA- 898-902 and 904-908 (Review), USITC Pub. 3956 (Oct. 2007) (“*First Five-Year Reviews*”) at 1. Commissioner Charlotte R. Lane dissented with respect to the determinations regarding HRSP from Argentina, Kazakhstan, Romania, and South Africa, whereas Commissioner Dean A. Pinkert dissented with respect to the determinations regarding Kazakhstan, Romania, and South Africa. *Id.* at 1, n. 2.

<sup>5</sup> *Certain Hot-Rolled Carbon Steel Flat Products from India, Indonesia, the People's Republic of China, Taiwan, Thailand, and Ukraine: Continuation of Antidumping Duty and Countervailing Duty Orders*, 72 Fed. Reg. 73316 (Dec. 27, 2007). In its final results in the first sunset review concerning the antidumping duty order on HRSP from the Netherlands, Commerce revoked the order effective November 29, 2006. *Certain Hot-Rolled Carbon Steel Flat Products from the Netherlands; Final Results of the Sunset Review of Antidumping Duty Order and Revocation of the Order*, 72 Fed. Reg. 35220 (June 27, 2007). Accordingly, the Commission terminated its five-year review regarding hot-rolled steel from the Netherlands, effective June 27, 2007. *Hot-Rolled Steel Products From the Netherlands*, 72 Fed. Reg. 40322 (July 24, 2007). HRSP imported from the Netherlands were treated as nonsubject imports in the first reviews. *First Five-Year Reviews*, USITC Pub. 3956 at 5, n.9.

<sup>6</sup> These included countervailing duty orders on HRSP from India, Indonesia, and Thailand, and antidumping duty orders on HRSP from China, India, Indonesia, Taiwan, Thailand, and Ukraine.

<sup>7</sup> *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine*, Inv. Nos. 701-TA-405, 406 and 408 and 731-TA- 899-901 and 906-908 (Review), USITC Pub. 4445 (Jan. 2014) (“*Second Five-Year Reviews*”) at 1. Commissioners Broadbent and F. Scott Kieff dissented with respect to the determinations regarding HRSP from Indonesia. *Id.* at 1, n. 2.

**Third reviews.** The Commission instituted these reviews on January 2, 2019.<sup>9</sup> The Commission received a joint response to its notice of institution from ArcelorMittal USA LLC, AK Steel Corporation, California Steel Industries, Nucor, SSAB Enterprises, LLC, Steel Dynamics, Inc., and U.S. Steel Corporation (collectively, “Domestic Interested Parties”), domestic producers of HRSP.<sup>10</sup> The Commission also received a response from the Trade Defense Department of the Ministry of Economic Development and Trade of the Government of Ukraine (“Ukraine Trade Ministry”).<sup>11</sup> On May 7, 2019, the Commission determined that the domestic interested party group response to the notice of institution was adequate, whereas the respondent interested party group response was inadequate for each order under review. Finding that no other circumstances warranted conducting full reviews, the Commission determined to conduct expedited reviews of all the orders.<sup>12</sup>

In these reviews, U.S. industry data are based on the responses to the notice of institution from seven U.S. producers of HRSP estimated to account for \*\*\* percent of domestic production of HRSP in 2018.<sup>13</sup> U.S. import data and related information are based on Commerce’s official import statistics.<sup>14</sup> Foreign industry data and related information are based on information provided by the Domestic Interested Parties and the Ukraine Trade Ministry, questionnaire responses from the prior proceedings, as well as publicly available information gathered by the Commission staff.<sup>15</sup>

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(...Continued)

<sup>8</sup> *Certain Hot-Rolled Carbon Steel Flat Products from India, Indonesia, the People's Republic of China, Taiwan, Thailand, and Ukraine: Continuation of Antidumping and Countervailing Duty Orders*, 79 Fed. Reg. 7425 (Feb. 7, 2014).

<sup>9</sup> *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine; Institution of Five-Year Reviews*, 84 Fed. Reg. 11 (Jan. 2, 2019).

<sup>10</sup> Domestic Interested Parties’ Response to the Notice of Institution, EDIS Doc. 665693 (Feb. 1, 2019).

<sup>11</sup> The Ukrainian Trade Ministry’s Response to the Notice of Institution, EDIS Doc. 666191 (Feb. 7, 2019). *See also* Confidential Report, Memorandum INV-RR-034 (Apr. 25, 2019) (“CR”) at I-2; Public Report, *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine*, Inv. Nos. 701-TA-405-406 and 408, and 731-TA-899-901 and 906-908 (Third Review), USITC Pub. 4942 (“PR”) at I-2.

<sup>12</sup> *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine; Scheduling of Expedited Five-Year Reviews*, 84 Fed. Reg. 31099 (June 28, 2019).

<sup>13</sup> CR/PR at Table I-1.

<sup>14</sup> CR/PR at Table I-9. There were no entries of subject imports from Indonesia or Ukraine during the current period of review. Additionally, there were only small quantities of subject imports from Thailand in 2018 and from Taiwan from 2013 to 2017. CR at I-48, PR at I-39.

<sup>15</sup> The information includes Global Trade Atlas (“GTA”) data, which appear in the data tables contained in CR at I-57 – I-78, PR at I-46 – I-63.

## II. Domestic Like Product and Industry

### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>16</sup> The Tariff Act defines “domestic like product” 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 under this subtitle.”<sup>17</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>18</sup>

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

. . . hot-rolled steel of a rectangular shape, with a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers), regardless of thickness, and in straight lengths, of a thickness of less than 4.75 mm and of a width measuring at least 10 times the thickness. Universal mill plate (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm, but not exceeding 1,250 mm, and of a thickness of not less than 4 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of these orders.

Specifically included within the scope of these orders are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium or niobium (also commonly referred to as columbium), or both, added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, vanadium, and molybdenum. The substrate for

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<sup>16</sup> 19 U.S.C. § 1677(4)(A).

<sup>17</sup> 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>18</sup> See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of the orders, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products in which: (i) Iron predominates, by weight, over each of the other contained elements; (ii) the carbon content is 2 percent or less, by weight; and (iii) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or  
2.25 percent of silicon, or  
1.00 percent of copper, or  
0.50 percent of aluminum, or  
1.25 percent of chromium, or  
0.30 percent of cobalt, or  
0.40 percent of lead, or  
1.25 percent of nickel, or  
0.30 percent of tungsten, or  
0.10 percent of molybdenum, or  
0.10 percent of niobium, or  
0.15 percent of vanadium, or  
0.15 percent of zirconium.

All products that meet the physical and chemical descriptions provided above are within the scope of the orders unless otherwise excluded.<sup>19</sup>

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<sup>19</sup> *Certain Hot-Rolled Carbon Steel Flat Products from India and Indonesia: Final Results of Expedited Sunset Reviews of the Countervailing Duty Orders*, 84 Fed. Reg. 27242-27243 (June 12, 2019). Commerce stated that the following products, by way of example, are outside or specifically excluded from the scope of the orders:

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including, 3, American Society for Testing and Materials (ASTM) specifications A543, A387, A514, A517, A506).
- Society of Automotive Engineers (SAE)/American Iron & Steel Institute (AISI) grades of series 2300 and higher.
- Ball bearings steels, as defined in the Harmonized Tariff Schedule of the United States (HTSUS).
- Tool steels, as defined in the HTSUS.
- Silico-manganese (as defined in the HTSUS) or silicon electrical steel with a silicon level exceeding 2.25 percent.
- ASTM specifications A710 and A736.

(Continued...)

In each of the prior proceedings, the Commission defined the domestic like product as all HRSP corresponding to Commerce's scope definition, observing that there were neither arguments nor record evidence supporting any other definition.<sup>20</sup> In these reviews, the

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- USS Abrasion-resistant steels (USS AR 400, USS AR 500).
- All products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507).
- Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTSUS.

The merchandise subject to the orders is classified in the HTSUS at subheadings: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, and 7211.19.75.90.

Certain hot-rolled carbon steel flat products covered by the orders, including vacuum degassed fully stabilized, high strength low alloy, and the substrate for motor lamination steel, may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.00.00. Subject merchandise may also enter under 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00. Although the HTSUS numbers are provided for convenience and customs purposes, the written product description remains dispositive.

*Id.* The scope of imported merchandise subject to the antidumping duty orders for all subject countries and the countervailing duty order on subject imports from Thailand is virtually identical to the scope for the countervailing duty orders on subject imports from India and Indonesia, set out above. See *Certain Hot-Rolled Carbon Steel Flat Products from India, Indonesia, the People's Republic of China, Taiwan, Thailand, and Ukraine: Final Results of Expedited Third Sunset Reviews of the Antidumping Duty Orders*, 84 Fed. Reg. 26817, 26818 (June 10, 2019); *Certain Hot-Rolled Carbon Steel Flat Products From Thailand: Final Results of the Third Expedited Five Year (Sunset) Review of the Countervailing Duty Order*, 84 Fed. Reg. 27085-27086 (June 11, 2019).

<sup>20</sup> *Original Determinations*, USITC Pub. 3446 at 6; *First Five-Year Reviews*, USITC Pub. 3956 at 8; *Second Five-Year Reviews*, USITC Pub. 4445 at 8. The scope of investigation and the single domestic like product in the original determinations included hot-rolled steel with slightly elevated levels of microalloying elements. *Original Determinations*, USITC Pub. 3446 at 6 and *Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine*, Inv. Nos. 701-TA-404-408 and 731-TA-898-908 (Preliminary), USITC Pub. 3381 (Continued...)

Domestic Interested Parties agree with the Commission’s definition of the domestic like product from the prior proceedings.<sup>21</sup> The record contains no information suggesting that the characteristics and uses of domestically produced HRSP have changed since the prior proceedings or any other information that would warrant revisiting the definition of the domestic like product.<sup>22</sup> Based on the analysis in the original investigations, the record in these reviews, and the lack of any contrary argument, we again find a single domestic like product consisting of all HRSP, coextensive with Commerce’s definition of the scope of the orders under review.

## **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>23</sup> In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In each of the prior proceedings, the Commission defined the domestic industry to be all domestic producers of HRSP.<sup>24</sup> The Commission found, in the original and prior review determinations, that certain domestic producers were related parties, but determined that appropriate circumstances did not exist to exclude any producer from the domestic industry as a related party under 19 U.S.C. § 1677(4)(B).<sup>25</sup>

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(...Continued)

(Jan. 2001) (“*Preliminary Determinations*”) at 4. As the Commission noted in its preliminary determinations, the scope in these hot-rolled steel investigations differed slightly from the scope in the 1999 hot-rolled steel investigations involving imports from Brazil, Japan, and Russia; slight variations were made to “fully comport with the general industry practice as to what constituted ‘carbon’ as opposed to ‘alloy’ steel.” *Preliminary Determinations*, USITC Pub. 3381 at 4, n.11. No parties contested the different scope of investigation nor raised any arguments regarding microalloyed steels in the prior proceedings.

<sup>21</sup> Domestic Interested Parties’ Response to the Notice of Institution at 32. The Ukrainian Trade Ministry did not address this issue in its submission.

<sup>22</sup> See generally CR at I-24 – I-26, PR at I-20 – I-21.

<sup>23</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>24</sup> *Original Determinations*, USITC Pub. 3446 at 6; *First Five-Year Reviews*, USITC Pub. 3956 at 8; *Second Five-Year Reviews*, USITC Pub. 4445 at 9.

<sup>25</sup> *Original Determinations*, USITC Pub. 3446 at 6-8; *First Five-Year Reviews*, USITC Pub. 3956 at 9-10. In the second reviews, the Commission identified two possible related party issues and found that appropriate circumstances did not exist to exclude any producer as a related party. *Second Five-Year Reviews*, USITC Pub. 4445 at 9, n. 28.

There are no related party issues in these reviews.<sup>26</sup> The Domestic Interested Parties agree with the Commission's definition of the domestic industry from the prior proceedings, and there is no information that suggests revisiting the definition is warranted.<sup>27</sup> Accordingly, we define the domestic industry to be all domestic producers of HRSP.

### III. Cumulation

#### A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>28</sup>

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.<sup>29</sup> The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future if the orders are revoked.

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<sup>26</sup> CR at I-44, PR at I-34 – I-35.

<sup>27</sup> Domestic Interested Parties' Response to the Notice of Institution at 32. The Ukrainian Trade Ministry did not address this issue in its submission.

<sup>28</sup> 19 U.S.C. § 1675a(a)(7).

<sup>29</sup> 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).



## B. The Prior Proceedings

In the original investigations, the Commission determined on balance that there was a reasonable overlap of competition and cumulated subject imports from all subject countries for purposes of material injury by reason of subject imports.<sup>30</sup>

In the first reviews, the Commission did not cumulate subject imports from Argentina because they were likely to have no discernible adverse impact on the domestic industry in the event of revocation.<sup>31</sup> With respect to the remaining subject countries, the Commission found that imports from each would not likely have no discernible adverse impact upon revocation and that there would likely be a reasonable overlap of competition between subject imports from each country and the domestic like product as well as among subject imports from each country. The Commission, however, determined that, based on the existence of unique conditions of competition, subject imports from Kazakhstan, Romania, and South Africa would not be likely to compete under similar conditions of competition with subject imports from China, India, Indonesia, Taiwan, Thailand, and Ukraine.<sup>32</sup> Accordingly, the Commission considered subject imports from Argentina separately from all other subject imports, exercised its discretion to cumulate subject imports from Kazakhstan, Romania, and South Africa and consider them separately from all other subject imports, and exercised its discretion to cumulate subject imports from China, India, Indonesia, Taiwan, Thailand, and Ukraine.<sup>33</sup>

In the second reviews, the Commission found that imports from each subject country would not likely have no discernible adverse impact upon revocation and that there would likely be a reasonable overlap of competition between subject imports from each country and the domestic like product as well as among subject imports from each country. The Commission also determined that subject imports from each subject country would be likely to compete under similar conditions of competition. Accordingly, the Commission cumulated imports from all subject countries for purposes of the likelihood of continuation or recurrence of material injury by reason of subject imports.<sup>34</sup>

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<sup>30</sup> *Original Determinations*, USITC Pub. 3446 at 9-14.

<sup>31</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 13-14.

<sup>32</sup> Commissioners Lane and Pinkert did not join the Commission majority's consideration of significant conditions of competition. They joined only with respect to the likelihood of no discernible adverse impact, likelihood of a reasonable overlap of competition, and cumulation of China, India, Indonesia, Taiwan, Thailand, and Ukraine. *First Five-Year Reviews*, USITC Pub. 3956 at 10, n. 40.

<sup>33</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 10-20.

<sup>34</sup> *Second Five-Year Reviews*, USITC Pub. 4445 at 12-24. Commissioners Broadbent and Kieff did not join this finding with respect to subject imports from Indonesia. They found that subject imports from Indonesia would likely have no discernible adverse impact on the domestic industry in the event of revocation, and did not reach the question of whether a reasonable overlap of competition between subject imports from Indonesia and other subject imports or the domestic like product would be likely upon revocation. *See id.* at 53-54.

## C. Analysis

### 1. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.<sup>35</sup> Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.<sup>36</sup> With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we do not find that imports from any of the subject countries are likely to have no discernible adverse impact on the domestic industry in the event of revocation of the corresponding orders.

*China.* In the original investigations, subject imports of HRSP from China increased from 102,588 short tons in 1998 to 485,299 short tons in 2000.<sup>37</sup> During the first reviews, subject imports from China fluctuated from a high of 42,184 short tons in 2001 and low of 28 short tons in 2003.<sup>38</sup> During the second reviews, subject imports from China fluctuated from a low of 159 short tons in 2009 to a high of 2,419 short tons in 2012.<sup>39</sup> In these reviews, subject imports from China fluctuated from a high of 7,438 short tons in 2014 to a low of 346 short tons in 2017.<sup>40</sup> The share of the quantity of apparent U.S. consumption accounted for by subject imports from China was 0.7 percent in 2000, and less than 0.01 percent in 2006, 2012, and 2018.<sup>41</sup>

No Chinese producer reported data to the Commission on its hot-rolled steel operations for the current review period.<sup>42</sup> Thus, the limited data in the record regarding HRSP production

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<sup>35</sup> 19 U.S.C. § 1675a(a)(7).

<sup>36</sup> SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

<sup>37</sup> CR/PR at Table C-1.

<sup>38</sup> CR/PR at Table C-3.

<sup>39</sup> CR/PR at Table C-5.

<sup>40</sup> CR/PR at Table I-9. Subject imports from China were 1,349 short tons in 2018. *Id.*

<sup>41</sup> CR/PR at Table I-11.

<sup>42</sup> In the current reviews, the Domestic Interested Parties identified 55 Chinese producers/exporters of HRSP. Domestic Interested Parties’ Response to the Notice of Institution at Exh. 2. In the original investigations, five Chinese producers responded to the Commission questionnaires, including Shanghai Baosteel, which reportedly accounted for \*\*\* of Chinese hot-rolled steel production in 2000. CR at I-53 – I-54, PR at I-44. In the first reviews, eight firms, accounting for between one-quarter and one-half of Chinese production of HRSP, responded to the Commission’s questionnaire; Baosteel, accounting for an estimated \*\*\* of Chinese production of HRSP in 2006, was the largest (Continued...)

in China are derived from the prior proceedings and available industry sources. Available information regarding the Chinese hot-rolled steel industry from \*\*\*<sup>43</sup> estimates that in 2018 Chinese production of HRSP was \*\*\* short tons and the subject industry's capacity was \*\*\* short tons.<sup>44</sup>

According to GTA data, exports of hot-rolled carbon and alloy steel from China fluctuated from a low of 10.6 million short tons in 2013 to a high of 23.6 million short tons in 2015, and were 16.0 million short tons in 2018.<sup>45</sup> In 2018, Vietnam was the top export destination for Chinese hot-rolled carbon and alloy steel.<sup>46</sup> HRSP from China are subject to antidumping and/or countervailing duties in Brazil, Canada, the European Union, India, Indonesia, Mexico, and Thailand.<sup>47</sup>

In light of the foregoing, including the substantial capacity and excess capacity of the subject industry, its export orientation, and the significant and growing volume of imports prior

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(...Continued)

responding Chinese producer. CR at I-54, PR at I-44. In the second reviews, no Chinese producer responded to the Commission's questionnaire. CR at I-54, PR at I-44.

<sup>43</sup> In these reviews, \*\*\*. CR at I-55, n.100, PR at I-44, n.100. \*\*\* data was also used in the second reviews to ascertain Chinese subject industry's capacity. Second Review Determination Commission Report, INV-LL-101 (Nov. 26, 2013), EDIS Doc. 668523 (Feb. 27, 2019) ("*Second Review Determination CR*") at Table IV-7.

<sup>44</sup> CR at I-55, PR at I-44 – I-45. The subject industry in China thus has an estimated excess capacity of \*\*\* short tons, and utilized \*\*\* of capacity. *Id.* In the original investigations, the Commission found that the Chinese industry's capacity to produce HRSP in 2000 was 19.2 million short tons, and that it produced 20.9 million short tons of HRSP, such that it utilized 109.1 percent of capacity. In the first reviews, the Commission found that the Chinese industry's capacity in 2006 was 57.6 million short tons, and that it produced 56 million short tons of HRSP, such that it utilized 97.2 percent of capacity. First Review Determination Commission Report, INV-EE-136 (Sep. 21, 2007), EDIS Doc. 668453 (Feb. 27, 2019) ("*First Review Determination CR*") at Table IV-14. In the second reviews, \*\*\* data indicated that the Chinese industry's capacity in 2012 was \*\*\* short tons, and that it produced \*\*\* short tons of HRSP, such that it utilized \*\*\* percent of capacity. *Second Review Determination CR*" at Table IV-7.

<sup>45</sup> CR/PR at Table I-13. Published descriptions of exports of Chinese hot-rolled coil ("HRC") include terms such as "commercial-grade, boron-containing HRC," suggesting that some volume of hot-rolled steel exports with elevated boron levels might be classified for export purposes as alloy steel product rather than carbon steel product. CR at I-57, n. 104, PR at I-47, n.104.

<sup>46</sup> CR at I-57, PR at I-47 and CR/PR at Table I-13. Vietnam was the top export destination from 2015-2018. South Korea was the top destination from 2013-2014. In 2018, Vietnam received 27.3 percent of total exports. Pakistan was another major export destination during the review period. *Id.*

<sup>47</sup> CR/PR at Table I-24. The Brazilian antidumping and countervailing measures issued in May 2018, and were suspended in December 2018; further, a Malaysian antidumping order imposed in February 2015 was terminated in January 2019. *Id.* HRSP from China are also subject to ongoing safeguard investigations in Armenia, Canada, Kazakhstan, the Kyrgyz Republic, and the Russian Federation, and definitive safeguard measures in South Africa, Thailand, and Turkey. *Id.* at Table I-25. HRSP from China are not subject to additional tariffs under Section 301 of the Trade Act of 1974 (19 U.S.C. § 2411) ("Section 301 tariffs"). CR at I-23 – I-24, PR at I-19 – I-20.

to imposition of the order, we find that subject imports from China would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

*India.* In the original investigations, subject imports from India increased from 109,941 short tons in 1998 to 876,264 short tons in 2000.<sup>48</sup> During the first reviews, subject imports from India fluctuated from a low of zero in 2003 to a high of 62,234 short tons in 2006.<sup>49</sup> During the second reviews, subject imports from India were 17,665 short tons in 2007, declined to 185 short tons in 2008 and thereafter remained at zero.<sup>50</sup> In these reviews, subject imports from India were 1,933 short tons in 2013, increased to a peak of 101,446 short tons in 2015, and did not thereafter exceed 32 short tons.<sup>51</sup> The share of the quantity of apparent U.S. consumption accounted for by subject imports from India was 1.2 percent in 2000, 0.1 percent in 2006, zero in 2012, and less than 0.01 percent in 2018.<sup>52</sup>

No Indian producer reported data to the Commission on its HRSP operations for the current review period.<sup>53</sup> Thus, the record regarding hot-rolled steel production in India is derived from the prior proceedings and other available sources. According to \*\*\*, Indian production capacity was \*\*\* short tons in 2018.<sup>54</sup>

According to GTA data, exports of hot-rolled steel from India decreased irregularly by 9.6 percent during the current review period, from 3.1 million short tons in 2013 to 2.8 million short tons in 2018.<sup>55</sup> In 2018, Vietnam was the top export destination for Indian HRSP.<sup>56</sup> HRSP

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<sup>48</sup> *Second Review Determination CR* at Table I-1.

<sup>49</sup> *Second Review Determination CR* at Table I-1.

<sup>50</sup> *Second Review Determination CR* at Table I-1 and IV-1.

<sup>51</sup> CR/PR at Table I-9. Subject imports from India were 12 short tons in 2018. *Id.*

<sup>52</sup> CR/PR at Table I-11.

<sup>53</sup> In the current reviews, the Domestic Interested Parties identified 14 Indian producers/exporters of HRSP. Domestic Interested Parties' Reponse to the Notice of Institution at Exh. 2. In the original investigations, four Indian producers, accounting for 79.1 percent of U.S. imports of HRSP from India during 2000, responded to the Commission questionnaires. CR at I-58, PR at I-47. In the first reviews, two firms, accounting for \*\*\* of Indian capacity to produce HRSP, responded to the Commission's questionnaire. *Id.* In the second reviews, two firms, accounting for \*\*\* of Indian production of HRSP in 2012, responded to the Commission's questionnaire. CR at I-59, PR at I-47.

<sup>54</sup> CR at I-59, PR at I-48. In the original investigations, the Commission found that the Indian industry's capacity to produce HRSP in 2000 was 12.1 million short tons, and that it produced 10.4 million short tons of HRSP, such that it utilized 85.8 percent of capacity. In the first reviews, the Commission found that the Indian industry's capacity in 2006 was 4.8 million short tons, and that it produced 5.8 million short tons of HRSP, such that it utilized 120.9 percent of capacity. *First Review Determination CR* at Table IV-20. In the second reviews, \*\*\* data indicated that the Indian industry's capacity in 2012 was \*\*\* short tons, and that it produced \*\*\* short tons of HRSP, such that it utilized \*\*\* percent of capacity. *Second Review Determination CR* at Table IV-9.

<sup>55</sup> CR at I-60 – I-61, PR at I-49 and CR/PR at Table I-15. Exports of hot-rolled steel from India peaked at 5.4 million short tons in 2017. *Id.* at Table I-15.

from India are subject to countervailing duties in Canada and antidumping duties in Indonesia and Thailand.<sup>57</sup>

In light of the foregoing, including the substantial capacity of the subject industry, its significant export volume, and the significant and growing volume of imports prior to imposition of the orders, we find that subject imports from India would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order and/or the countervailing duty order covering these imports were revoked.

*Indonesia.* In the original investigations, subject imports from Indonesia increased from 38,163 short tons in 1998 to 259,166 short tons in 2000.<sup>58</sup> During the first reviews, subject imports from Indonesia were 10,726 short tons in 2001, and except for a small volume (5 short tons) in 2004, did not enter the U.S. market again.<sup>59</sup> There have been no subject imports from Indonesia during the current review period.<sup>60</sup> The share of the quantity of apparent U.S. consumption accounted for by subject imports from Indonesia was 0.4 percent in 2000, and zero in 2006, 2012, and 2018.<sup>61</sup>

No Indonesian producer reported data to the Commission on its hot-rolled steel operations since the orders issued.<sup>62</sup> Thus, the limited data in the record regarding hot-rolled steel production in Indonesia are derived from the original investigations and other available industry sources. According to \*\*\*, Indonesian production capacity was \*\*\* short tons in 2018.<sup>63</sup>

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<sup>56</sup> CR at I-61, PR at I-49. Vietnam was the top export destination from 2016-2019. In 2018, Vietnam accounted for 18.3 percent of Indian exports. Italy, the United Arab Emirates, and Nepal were other major export destinations during the review period. *Id.* at Table I-15.

<sup>57</sup> CR/PR at Table I-24. A separate Canadian antidumping order was rescinded in August 2016. *Id.* HRSP from India are also subject to ongoing safeguard investigations in Armenia, Canada, the European Union, Kazakhstan, the Kyrgyz Republic, and the Russian Federation, in addition to definitive safeguard measures in South Africa and Thailand. *Id.* at Table I-25.

<sup>58</sup> *Second Review Determination CR* at Table I-1.

<sup>59</sup> *Second Review Determination CR* at Table I-1; CR/PR at Table I-9.

<sup>60</sup> CR/PR at Table I-9.

<sup>61</sup> CR/PR at Table I-11.

<sup>62</sup> In the current reviews, the Domestic Interested Parties identified two Indonesian producers/exporters of HRSP. Domestic Interested Parties' Reponse to the Notice of Institution at Exh. 2. In the original investigations, the sole producer filed a partially completed response to the Commission questionnaire. CR at I-61, PR at I-50.

<sup>63</sup> CR at I-62, PR at I-50. In the original investigations, the Commission found that the Indonesian industry's capacity to produce HRSP in 2000 was \*\*\* short tons, and that it produced \*\*\* short tons of HRSP, such that it utilized \*\*\* percent of capacity. In the first reviews, the Commission found that the Indonesian industry's capacity in 2006 was \*\*\* short tons. The Commission was unable to obtain production data for the Indonesian industry in 2006; data from World Steel Dynamics indicated that the industry produced 774,925 short tons of HRSP in 2005. *First Review Determination CR* at Table IV-27. In the second reviews, \*\*\* data indicated that the Indonesian industry's capacity in 2012 was \*\*\* short tons, and that it produced \*\*\* short tons of HRSP, such that it utilized \*\*\* of capacity. *Second Review Determination CR* at Table IV-13.

According to GTA data, exports of hot-rolled steel from Indonesia increased by 176.9 percent during the current period of review, from 38,938 short tons in 2013 to 107,824 short tons in 2018.<sup>64</sup> In 2018, Vietnam was the top destination for exports of Indonesian HRSP.<sup>65</sup> HRSP from Indonesia is subject to antidumping duties in India and Thailand.<sup>66</sup>

In light of the foregoing, including the substantial capacity of the subject industry, its increasing export volume, and the significant and growing volume of imports prior to imposition of the orders, we find that subject imports from Indonesia would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order and/or the countervailing duty order covering these imports were revoked.

*Taiwan.* In the original investigations, subject imports from Taiwan increased from 224,058 short tons in 1998 to 724,854 short tons in 2000.<sup>67</sup> During the first reviews, subject imports from Taiwan fluctuated from a high of 42,144 short tons in 2001 to a low of 107 short tons in 2003.<sup>68</sup> During the second reviews, subject imports from Taiwan fluctuated from a low of 45 short tons in 2010 to a high of 2,483 short tons in 2011.<sup>69</sup> In these reviews, subject imports from Taiwan were 200 short tons in 2013 and declined irregularly to zero in 2018.<sup>70</sup> The share of the quantity of apparent U.S. consumption accounted for by subject imports from Taiwan was 1.0 percent in 2000, and did not exceed 0.1 percent in 2006, 2012, and 2018.<sup>71</sup>

No Taiwanese producer reported data to the Commission on its hot-rolled steel operations for the current review period.<sup>72</sup> Thus, the limited data in the record regarding producers of HRSP in Taiwan are derived from the prior proceedings and other available industry sources. According to \*\*\*, in 2018, Taiwan's production of HRSP was \*\*\* short tons

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<sup>64</sup> CR/PR at Table I-17.

<sup>65</sup> Vietnam received 54,366 short tons of Indonesian HRSP in 2018. India and Malaysia were other major export destinations during the review period. CR/PR at Table I-17.

<sup>66</sup> CR/PR at Table I-24. A Malaysian antidumping order imposed in February 2015 terminated in January 2019. *Id.* HRSP from Indonesia are also subject to ongoing safeguard investigations in Armenia, Canada, Kazakhstan, the Kyrgyz Republic, and the Russian Federation, in addition to definitive safeguard measures in India. *Id.* at Table I-25.

<sup>67</sup> *Second Review Determination CR* at Table I-1.

<sup>68</sup> *Second Review Determination CR* at Table I-1.

<sup>69</sup> *Second Review Determination CR* at Table I-1.

<sup>70</sup> CR/PR at Table I-9.

<sup>71</sup> CR/PR at Table I-11 (reporting a value of zero for 2018).

<sup>72</sup> In the current reviews, the Domestic Interested Parties identified four Taiwanese producers/exporters of HRSP. Domestic Interested Parties' Responses to the Notice of Institution at Exh. 2. In the original investigations, two firms, which accounted for approximately \*\*\* percent of total U.S. imports of Taiwanese HRSP, responded to the Commission questionnaires. CR at I-64, PR at I-51. In the first reviews, three firms, accounting for all known production of Taiwanese HRSP, responded to the Commission's questionnaire. *Id.* In the second reviews, four firms, accounting for all known production of Taiwanese HRSP, responded to the Commission's questionnaire. *Id.*

and the subject industry's capacity to produce hot rolled steel, which \*\*\* during the current review period, was \*\*\* short tons.<sup>73</sup>

According to GTA data, exports of hot-rolled steel from Taiwan increased during the current review period.<sup>74</sup> In 2018, Vietnam was the top export destination for Taiwanese HRSP.<sup>75</sup> HRSP from Taiwan are subject to antidumping duties in Australia, Indonesia, and Thailand.<sup>76</sup>

In light of the foregoing, including substantial capacity and excess capacity of the subject industry, its export orientation, and the significant and growing volume of imports prior to imposition of the order, we find that subject imports from Taiwan would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

*Thailand.* In the original investigations, subject imports from Thailand increased from 18,050 short tons in 1998 to 233,762 short tons in 2000.<sup>77</sup> During the first reviews, subject imports from Thailand fluctuated from a low of 34,162 short tons in 2003 to a high of 155,824 short tons in 2006.<sup>78</sup> During the second reviews, subject imports from Thailand were 2,171 short tons in 2007, 5,632 short tons in 2008, and thereafter declined to (and remained at) zero short tons.<sup>79</sup> In the current period of review, subject Thai producers shipped a total of seven

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<sup>73</sup> CR at I-65, PR at I-52. The Domestic Interested Parties contend that Taiwan's excess capacity of \*\*\* short tons could be shipped to the U.S. market. They note that a corporate representative of China Steel Corp. stated that the company would look to "sell its hot-rolled coils to other markets" as it would "have excess" hot-rolled steel, and would only cut its hot-rolled steel production "as a last resort." *Id.* In the original investigations, the Commission found that the Taiwanese industry's capacity to produce HRSP in 2000 was \*\*\* short tons, and that it produced \*\*\* short tons of HRSP, such that it utilized \*\*\* percent of capacity. In the first reviews, the Commission found that the Taiwanese industry's capacity in 2006 was 11.4 million short tons, and that it produced 12.4 million short tons of HRSP, such that it utilized 108.3 percent of capacity. *First Review Determination CR* at Table IV-43. In the second reviews, \*\*\* data indicated that the Taiwanese industry's capacity in 2012 was \*\*\* short tons, and that it produced \*\*\* short tons, such that it utilized \*\*\* percent of capacity. *Second Review Determination CR* at Table IV-15.

<sup>74</sup> CR at I-66, PR at I-53 and CR/PR at Table I-19. These data show that total yearly exports from Taiwan increased irregularly from 4.1 million short tons in 2013 to 4.9 million short tons in 2018. *Id.* at Table I-19.

<sup>75</sup> CR at I-66, PR at I-53. Vietnam was the top export destination from 2014-2018. In 2018, Vietnam accounted for 26.4 percent of Taiwanese exports. Malaysia and Japan were other major export destinations during the review period. Spain, which accounted for 4.6 percent of Taiwanese exports in 2018, was the only top destination outside of Asia. *Id.* at Table I-19.

<sup>76</sup> CR/PR at Table I-24. A Canadian antidumping order was rescinded in August 2016. *Id.* HRSP from Taiwan are also subject to ongoing safeguard investigations in Armenia, Canada, the European Union, Kazakhstan, the Kyrgyz Republic, and the Russian Federation, as well as definitive safeguard measures in India, Thailand, and Turkey. *Id.* at Table I-25.

<sup>77</sup> *Second Review Determination CR* at Table I-1.

<sup>78</sup> *Second Review Determination CR* at Table I-1.

<sup>79</sup> *Second Review Determination CR* at Tables I-1 and IV-1.

short tons of subject imports to the United States in 2018.<sup>80</sup> The share of the quantity of apparent U.S. consumption accounted for by subject imports from Thailand was 0.3 percent in 2000, 0.2 percent in 2006, zero in 2012, and less than 0.01 percent in 2018.<sup>81</sup>

No Thai producer reported data to the Commission on its hot-rolled steel operations for the current review period.<sup>82</sup> Thus, the record regarding hot-rolled steel production in Thailand is derived from the prior proceedings and other available industry sources. According to \*\*\*, Thai production capacity, which has \*\*\* during the current review period, was \*\*\* short tons in 2018.<sup>83</sup>

According to GTA data, exports of hot-rolled steel from Thailand fluctuated during the current review period, but increased overall by 62.2 percent.<sup>84</sup> HRSP from Thailand are subject to antidumping duties in Indonesia.<sup>85</sup>

In light of the foregoing, including substantial capacity of the subject industry, its increasing export volume, and the significant and growing volume of imports prior to imposition of the orders, we find that subject imports from Thailand would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order and/or the countervailing duty order covering these imports were revoked.

*Ukraine.* In the original investigations, subject imports of HRSP from Ukraine increased from 126,648 short tons in 1998 to 213,764 short tons in 2000.<sup>86</sup> During the first reviews, subject imports from Ukraine fluctuated from a high of 25,694 short tons in 2001 to a low of

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<sup>80</sup> CR/PR at Table I-9. There were no entries of subject Thai HRSP from 2013 through 2017. *Id.*

<sup>81</sup> CR/PR at Table I-11.

<sup>82</sup> In the current reviews, the Domestic Interested Parties identified four Thai producers/exporters of HRSP. Domestic Interested Parties' Reponse to the Notice of Institution at Exh. 2. In the original investigations, three Thai producers, accounting for approximately \*\*\* percent of total HRSP shipments to the United States during the period of investigation, responded to the Commission questionnaires. CR at I-67, PR at I-53. In the first reviews, three firms, accounting for all known production of Thai HRSP, responded to the Commission's questionnaire. *Id.* In the second reviews, \*\*\* Thai producer of HRSP responded to the Commission's questionnaire. *Id.*

<sup>83</sup> CR at I-68, PR at I-54. In the original investigations, the Commission found that the Thai industry's capacity to produce HRSP in 2000 was \*\*\*short tons, and that it produced \*\*\*short tons of HRSP, such that it utilized \*\*\* percent of capacity. In the first reviews, the Commission found that the Thai industry's capacity in 2006 was \*\*\*short tons, and that it produced \*\*\* short tons of HRSP, such that it utilized \*\*\* percent of capacity. *First Review Determination* CR at Table IV-47. In the second reviews, \*\*\* data indicated that the Thai industry's capacity in 2012 was \*\*\*short tons, and that it produced \*\*\*short tons of HRSP, such that it utilized \*\*\* percent of capacity. *Second Review Determination* CR at Table IV-19.

<sup>84</sup> CR at I-68, PR at I-55 and CR/PR at Table I-21. Thailand's exports of HRSP increased from 37,959 short tons in 2013 to 61,584 short tons in 2018. *Id.* at Table I-21.

<sup>85</sup> CR/PR at Table I-24. Additionally, HRSP from Thailand are subject to ongoing safeguard investigations in Armenia, Canada, Kazakhstan, the Kyrgyz Republic, and the Russian Federation. *Id.* at Table I-25.

<sup>86</sup> *Second Review Determination* CR at Table I-1.



zero in 2004.<sup>87</sup> During the second reviews, subject imports from Ukraine entered the U.S. market only in 2008 (19 short tons) and 2012 (806 short tons).<sup>88</sup> There have been no subject imports from Ukraine in these reviews.<sup>89</sup> The share of the quantity of apparent U.S. consumption accounted for by subject imports from Ukraine was 0.3 percent in 2000, and did not exceed 0.01 percent in 2006, 2012, and 2018.<sup>90</sup>

No producer in Ukraine reported data to the Commission on its hot-rolled steel operations for the current review period.<sup>91</sup> Thus, the limited data in the record in these reviews regarding hot-rolled steel production in Ukraine are provided by the Domestic Interested Parties and the Ukraine Trade Ministry, and are derived from the prior proceedings and other available industry sources. \*\*\* estimates that Ukrainian capacity was \*\*\* short tons in 2018.<sup>92</sup> The Ukraine Trade Ministry contends that Ukraine has lost a significant part of its HRSP production facilities located in the Donetsk and Luhansk regions to the Russian Federation, thereby reducing its export capacity.<sup>93</sup>

According to GTA data, exports of HRSP from Ukraine fluctuated from a high of 2.9 million short tons in 2013 to a low of 2 million short tons in 2017, and were 2.2 million short

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<sup>87</sup> *Second Review Determination CR* at Table I-1.

<sup>88</sup> *Second Review Determination CR* at Table I-1. There were no subject imports from Ukraine reported for either interim 2012 or interim 2013. *Id.* at Table IV-1.

<sup>89</sup> CR/PR at Table I-9.

<sup>90</sup> CR/PR at Table I-11 (reporting a value of zero for 2018).

<sup>91</sup> In the current reviews, the Domestic Interested Parties identified two Ukrainian producers/exporters of HRSP. Domestic Interested Parties' Response to the Notice of Institution at Exh. 2; CR at I-70, PR at I-55. In the original investigations, the Commission received questionnaire responses from two Ukrainian producers of hot-rolled steel, Ilyich and Zaporizhstal. In the prior reviews, the Commission issued questionnaires to the same two producers of subject merchandise in Ukraine; neither firm responded to the Commission's questionnaire in either review. *Id.*

<sup>92</sup> CR at I-70, PR at I-56. In the original investigations, the Commission found that the Ukrainian industry's capacity to produce HRSP in 2000 was \*\*\* short tons, and that it produced \*\*\* short tons of HRSP, such that it utilized \*\*\* percent of capacity. In the first reviews, the Commission found that the Ukrainian industry's capacity in 2006 was \*\*\* short tons, and that it produced \*\*\* short tons of HRSP, such that it utilized \*\*\* percent of capacity. *First Review Determination CR* at Table IV-51. In second reviews, \*\*\* data indicated that the Ukrainian industry's capacity in 2012 was \*\*\* short tons, and that it produced \*\*\* short tons of HRSP, such that it utilized \*\*\* percent of capacity. *Second Review Determination CR* at Table IV-22.

<sup>93</sup> Ukraine Trade Ministry's Response to the Notice of Institution at 2-6; CR at I-71 – I-72, PR at I-56. The Ukrainian Trade Ministry notes, in this respect, that on March 15, 2017 the Ukrainian Presidency issued a decree stopping all movement of goods through the "collision line" of Donetsk and Luhansk, subject to an exception for humanitarian goods. *Id.* The Commission addressed and rejected similar arguments in the full review of *Silicomanganese from China and Ukraine*, Inv. Nos. 731-TA-672-673 (Fourth Review), USITC Pub. 4845 (Nov. 2018), and the expedited review of *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*, Inv. Nos. 731-TA-873-875, 878-880, and 882 (Third Review), USITC Pub. 4838 (Nov. 2018).

tons in 2018.<sup>94</sup> The markets accounting for the largest volume of Ukrainian exports of HRSP in the current review period were Turkey, followed by the Russian Federation.<sup>95</sup> Moreover, exports of hot-rolled steel from the Ukraine are subject to antidumping duty orders in Canada, the European Union, Mexico, and Thailand.<sup>96</sup>

In light of the foregoing, including the substantial capacity of the subject industry, its export orientation, and the significant and growing volume of imports prior to imposition of the order, we find that subject imports from Ukraine would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

#### **D. Likelihood of a Reasonable Overlap of Competition**

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.<sup>97</sup> Only a “reasonable overlap” of competition is required.<sup>98</sup> In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.<sup>99</sup>

*Fungibility.* In each of the prior proceedings, the Commission found that, while there were some differences in quality and product mix, there was general interchangeability among

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<sup>94</sup> CR/PR at Table I-23.

<sup>95</sup> CR at I-72, PR at I-57 and CR/PR at Table I-23.

<sup>96</sup> CR/PR at Table I-24. HRSP from Ukraine are subject to ongoing safeguard investigations in Armenia, the European Union, Kazakhstan, the Kyrgyz Republic, and the Russian Federation, and definitive safeguard measures in Turkey. *Id.* at Table I-25.

<sup>97</sup> The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

<sup>98</sup> *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int’l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

<sup>99</sup> *See generally, Cheflin Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

subject imports and between subject imports and the domestic like product.<sup>100</sup> There is nothing in the record of these reviews to indicate that the fungibility of HRSP from subject sources has changed from that previously observed.

*Channels of Distribution.* In both the original determinations and first reviews, the majority of domestically produced and imported hot-rolled steel was shipped to distributors, processors, and service centers.<sup>101</sup> In the second reviews, the Commission found that U.S. producers' U.S. shipments of HRSP had been fairly evenly split between distributors and service centers, and other end users in 2007, but had shifted with a higher percentage of shipments being directed to other end users compared to distributors and services centers in 2012. Subject imports were infrequent during the second review period; all reported sales of HRSP from Ukraine and India, and most from Taiwan, were shipped to distributors and service centers; all sales reported from China were to other end users and from Thailand were to tubular product manufacturers. The Commission concluded that the distribution pattern observed in the prior proceedings would not change if the orders were revoked.<sup>102</sup> There is nothing in the record of these reviews to indicate that the distribution patterns observed in earlier proceedings would change if the orders were revoked.

*Simultaneous Presence and Geographic Overlap.* In both the original investigations and first reviews, U.S. producers and importers reported competing in the same geographic market areas and imports from each of the subject countries had been present in the U.S. market during at least some portion of the periods examined.<sup>103</sup> In the second reviews, no imports from any subject source were present in all months of any year and the levels when present were low. U.S. producers reported nationwide sales and imports from all subject sources entered through Texas. The Commission thus concluded that subject imports (when present) and the domestic product had been sold in the same geographic markets.<sup>104</sup>

In these reviews, Domestic Interested Parties sold HRSP on a nationwide basis.<sup>105</sup> Subject imports from China entered the United States through ports in Texas, Louisiana, and California; subject imports from India entered through Louisiana, Philadelphia, Pennsylvania, Georgia, Ohio, Michigan, Texas, Illinois, and Virginia; subject imports from Taiwan entered through California; and subject imports from Thailand entered through Illinois.<sup>106</sup> Domestic and

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<sup>100</sup> *Original Determinations*, USITC Pub. 3446 at 11-12 and 14; *First Five-Year Reviews*, USITC Pub. 3956 at 15-16; *Second Five-Year Reviews*, USITC Pub. 4445 at 21.

<sup>101</sup> *Original Determinations*, USITC Pub. 3446 at 12-13; *First Five-Year Reviews*, USITC Pub. 3956 at 16.

<sup>102</sup> *Second Five-Year Reviews*, USITC Pub. 4445 at 22-23.

<sup>103</sup> *Original Determinations*, USITC Pub. 3446 at 12-14; *First Five-Year Reviews*, USITC Pub. 3956 at 16.

<sup>104</sup> *Second Five-Year Reviews*, USITC Pub. 4445 at 22.

<sup>105</sup> Domestic Interested Parties' Final Comments, EDIS Doc. 680864 (July 11, 2019) at 7.

<sup>106</sup> CR at I-52 – I-53, PR at I-43 – I-44. As previously stated, there were no subject imports from Indonesia and Ukraine during the current review period. *Id.* at I-53.

subject HRSP sales (when present) thus overlapped across multiple regions.<sup>107</sup> There is nothing in the record of these reviews that indicates that, were the orders revoked, there would be a change in the simultaneous presence or the geographic overlap of sales of the domestic like product and the subject imports observed in the original investigations and first reviews.

*Conclusion.* The record in these expedited reviews contains limited information concerning subject imports in the U.S. market during the period of review. The record, however, contains no information suggesting a change in the considerations that led the Commission in prior reviews to conclude that there would be a likely reasonable overlap of competition among and between imports from different subject sources and the domestic like product upon revocation. In light of this, we find that there would likely be a reasonable overlap in competition between subject imports from each country and the domestic like product as well as among subject imports from each country if the orders were revoked.

#### **E. Likely Conditions of Competition**

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from the subject countries would compete under similar or different conditions in the U.S. market if the orders under review were revoked. As previously discussed, in each of the prior reviews, the Commission exercised its discretion to cumulate the subject imports from the six countries subject to these reviews.<sup>108</sup>

We similarly find that the record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition among subject imports from different sources upon revocation of the orders.

#### **F. Conclusion**

Based on the record, we find that subject imports from each of the subject countries would not be likely to have no discernible adverse impact on the domestic industry if the orders were revoked. We also find a likely reasonable overlap of competition among subject imports from different sources and between the subject imports from each subject country and the domestic like product and that imports from each of the subject countries are likely to compete in the U.S. market under similar conditions of competition should the orders be revoked. We therefore exercise our discretion to cumulate subject imports from China, India, Indonesia, Taiwan, Thailand, and Ukraine.

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<sup>107</sup> Moreover, California (China; Taiwan), Illinois (India; Thailand), Louisiana (China; India), and Texas (China; India) received shipments of HRSP from multiple subject sources in the period reviewed.

<sup>108</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 14-20; *Second Five-Year Reviews*, USITC Pub. 4445 at 12-24.

## IV. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

### A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>109</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>110</sup> Thus, the likelihood standard is prospective in nature.<sup>111</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>112</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>113</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but

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<sup>109</sup> 19 U.S.C. § 1675a(a).

<sup>110</sup> SAA at 883-84. The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>111</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>112</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>113</sup> 19 U.S.C. § 1675a(a)(5).

normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>114</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>115</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>116</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>117</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>118</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>119</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the

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<sup>114</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>115</sup> 19 U.S.C. § 1675a(a)(1).

<sup>116</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings with respect to HRSP from China, India, Indonesia, Taiwan, Thailand, and/or Ukraine. CR at I-19, PR at I-16.

<sup>117</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>118</sup> 19 U.S.C. § 1675a(a)(2).

<sup>119</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>120</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>121</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>122</sup>

As discussed above, the Ukraine Trade Ministry is the only entity to oppose continuation of the orders in these expedited reviews.<sup>123</sup> The record, therefore, contains limited new information with respect to the hot-rolled steel industries in China, India, Indonesia, Taiwan, Thailand, and Ukraine. There also is limited information on the hot-rolled steel market in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the prior proceedings, and the limited new information on the record in these reviews.

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<sup>120</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>121</sup> 19 U.S.C. § 1675a(a)(4).

<sup>122</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>123</sup> The Commission unanimously determined that the Ukraine Trade Ministry’s response was individually inadequate, and found that the respondent interested party group response in each review was inadequate. See section I, *supra* (explanation of Commission determination on adequacy).

## B. Conditions of Competition and the Business Cycle<sup>124</sup>

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>125</sup>

The Commission identified several pertinent conditions of competition in the prior proceedings.<sup>126</sup> The following conditions of competition inform our determinations.

### 1. Demand Conditions

The Commission observed in each of the prior proceedings that demand for hot-rolled steel is derived from demand for downstream products, such as pipes and tubes, automobiles, trucks, applications, and machinery.<sup>127</sup> Information in the record of these reviews likewise indicates that demand for hot-rolled steel remains tied to demand for downstream products.<sup>128</sup>

The Commission found that, during the POI, apparent U.S. consumption in the merchant market and overall market declined.<sup>129</sup> During the first reviews, apparent U.S. consumption increased overall by 14.8 percent, from 63.7 million short tons in 2001 to 73.2 million short tons

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<sup>124</sup> In the original determinations, the Commission determined that the captive production provision applied. The Commission indicated that it would thus “focus {its} analysis primarily on the merchant market for hot-rolled steel products in considering market share and financial performance of the domestic industry.” *Original Determinations*, USITC Pub. 3446 at 15-16. The Commission has stated that the statutory captive production provision does not apply to five-year reviews. *See, e.g., Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil, Japan, and Russia*, Inv. Nos. 701-TA-384 and 731-TA-806-808 (Review), USITC Pub. 3767 (April 2005) at 29, n. 165.

<sup>125</sup> 19 U.S.C. § 1675a(a)(4).

<sup>126</sup> *Original Determinations*, USITC Pub. 3446 at 16-19; *First Five-Year Reviews*, USITC Pub. 3956 at 26-31; *Second Five-Year Reviews*, USITC Pub. 4445 at 29-35.

<sup>127</sup> *Original Determinations*, USITC Pub. 3446 at 17. *First Five-Year Reviews*, USITC Pub. 3956 at 26; *Second Five-Year Reviews*, USITC Pub. 4445 at 29. In the first reviews, the Commission also found that demand had slowed due to decreased demand in the automotive and residential housing markets. *First Five-Year Reviews*, USITC Pub. 3956 at 26.

<sup>128</sup> Domestic Interested Parties’ Response to the Notice of Institution at 31; Domestic Interested Parties’ Final Comments at 7.

<sup>129</sup> *Original Determinations*, USITC Pub. 3446 at 16-19. Merchant market consumption fell irregularly by 10 percent over the full year period, from 31.8 million short tons in 1998 to 28.6 million short tons in 2000. For interim 2001, merchant market consumption of HRSP was 6.2 million short tons, compared to 8 million short tons in interim 2000. *Id.* at 17-18. Overall apparent U.S. consumption also fell irregularly, by 1.9 percent, from 74 million short tons in 1998 to 72.5 million short tons in 2000. For interim 2001, overall apparent U.S. consumption was 15.8 million short tons, compared to 20 million short tons in interim 2000. *See id.* and *Original Determination CR* at Table C-1.



in 2006.<sup>130</sup> During the second reviews, apparent U.S. consumption declined overall by 4.1 percent, from 62.6 million short tons in 2007 to 60 million short tons in 2012.<sup>131</sup> Data collected in these reviews indicate that apparent U.S. consumption was 54.3 million short tons in 2018.<sup>132</sup> Citing \*\*\* data for apparent U.S. consumption, the Domestic Interested Parties submit that U.S. consumption of hot-rolled steel \*\*\*.<sup>133</sup>

## 2. Supply Conditions

The Commission found, in the original investigations, that the domestic industry consisted of integrated producers using basic oxygen furnaces and non-integrated producers, or “minimills,” which used electric arc furnaces or purchased, rather than produced, slab for production of HRSP. Domestic producers steadily increased capacity between 1998 and 2000, despite the fact that bankruptcies removed an estimated \*\*\* percent of capacity from the domestic industry in 2000.<sup>134</sup> The Commission recognized that although the source of imports changed during the POI, imports remained an important segment of the market.<sup>135</sup> Domestic producers supplied between 63 percent and 77 percent of the merchant market by quantity during the full year period.<sup>136</sup> Cumulated subject imports supplied an increasing share of the

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<sup>130</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 26-27. In 2006, approximately 60 percent of total domestic shipments of HRSP was either consumed internally within domestic mills or transferred to affiliated companies for further processing into cold-rolled steel and pipe and tube products. For domestic commercial market shipments of HRSP, the automotive sector accounted for approximately 49 percent of shipments, with approximately 38 percent shipped to the construction sector; and remaining shipments to other sectors. *Id.*

<sup>131</sup> *Second Five-Year Reviews*, USITC Pub. 4445 at 29-31. In 2012, approximately 58 percent of total domestic shipments of HRSP was either consumed internally or transferred to affiliated companies. For domestic commercial market shipments of HRSP, the automotive sector accounted for approximately 41.4 percent of domestic shipments, with approximately 20.4 percent shipped to the construction sector, 23.5 percent shipped to companies for conversion and processing, and the remainder shipped to other sectors. *Id.*

<sup>132</sup> CR/PR at Table I-11.

<sup>133</sup> Domestic Interested Parties’ Response to the Notice of Institution at 31 and Exh. 3.

<sup>134</sup> The following producers filed for bankruptcy: Acme Steel Co. (Riverdale, IL), CSC Ltd. (Warren, OH), Gulf States Steel Inc. (Gadsden, AL), Trico Steel Co. (Decatur, AL), and Worldclass Processing Inc. (Ambridge, PA). *Original Determination CR* at III-1, n. 1.

<sup>135</sup> Confidential Original Determination (Aug. 30, 2001), EDIS Doc. 668382 (Feb. 26, 2019) at 25-26.

<sup>136</sup> Original Determination Commission Report, INV-Y-141 (Aug. 6, 2001), EDIS Doc. 668440 (Feb. 27, 2019) (“*Original Determination CR*”) at Table IV-8. Domestic producers’ share of the merchant market increased irregularly during the POI from 63 percent to 74.4 percent over the full year period. In interim 2001, domestic producers’ share of the merchant market was 86.4 percent, as compared with 75.2 percent in interim 2000. *Id.*

merchant market over this period, from 4.4 percent in 1998 to 14.8 percent in 2000, whereas nonsubject imports' share declined from 32.6 percent in 1998 to 10.7 percent in 2000.<sup>137</sup>

In the first reviews, the Commission found that domestic producers supplied over 90 percent of the overall U.S. hot-rolled steel market and over 80 percent of the merchant market, with the remainder supplied by subject and nonsubject sources.<sup>138</sup> The domestic steel industry had consolidated and restructured since the original investigations such that, while hot-rolled steel production remained capital intensive, the domestic industry appeared better able to adjust output and prices in response to changes in the market environment over the course of the business cycle. In addition, a number of investments had been undertaken or were planned that would add new capacity to the domestic industry.<sup>139</sup>

In the second reviews, the Commission found that domestic producers continued to supply over 90 percent of the overall U.S. hot-rolled steel market, and over 85 percent of the merchant market.<sup>140</sup> The consolidation and restructuring of the domestic steel industry continued during the second period of review, but to a lesser extent than occurred between the original investigations and the first reviews.<sup>141</sup> The Commission also found that several domestic steel producers had idled or shut operations, such that the domestic industry's capacity was 6.9 percent lower in 2012 than it was in 2007. The domestic industry continued to reduce their production costs and increase their productivity, while undertaking or planning further investments to add to capacity.<sup>142</sup>

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<sup>137</sup> *Original Determination CR* at Table IV-8. In interim 2001, cumulated subject import and nonsubject import merchant market shares were, respectively, 5.1 percent and 8.5 percent, as compared with 14.7 percent and 10.1 percent in interim 2000. *Id.*

<sup>138</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 27. Domestic producers supplied most (between 91.2 and 96 percent) of the overall market, followed by nonsubject imports (between 4 percent and 8.5 percent), and cumulated subject imports (no more than 0.3 percent). *Second Review Determination CR* at Table I-1. Domestic producers similarly supplied most (between 83.3 percent and 90.2 percent) of the merchant market, followed by nonsubject imports (between 9.4 percent and 19.2 percent), and cumulated subject imports (between 0.2 percent and 1.3 percent). *First Review Determination CR* at Table I-19.

<sup>139</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 27-29.

<sup>140</sup> During the second period of review, domestic producers' share of supply fluctuated within a narrow range of between 93.6 percent and 94.6 percent of the overall market and between 85.3 percent and 87.6 percent of the merchant market. Nonsubject imports supplied between 5.3 percent and 6.3 percent of the overall market, and between 12.4 percent and 14.7 percent of the merchant market, whereas cumulated subject imports supplied less than 0.05 percent of supply in the overall market, and did not exceed 0.1 percent of the merchant market in the same period. *Second Review Determination CR* at Tables I-11 and I-12.

<sup>141</sup> During the second period of review, 14 U.S. producers of HRSP accounted for over 95 percent of the U.S. production, whereas 16 U.S. producers of HRSP accounted for virtually all U.S. production in 2006 and 21 firms accounted for over 90 percent of the U.S. production of HRSP in 2000 at the time of the original investigations. *Second Five-Year Reviews*, USITC Pub. 4445 at 32.

<sup>142</sup> *Second Five-Year Reviews*, USITC Pub. 4445 at 32-33. Producer RG Steel (Wheeling, PA) was the sole producer to file for bankruptcy in this period. *Id.* at 33 n 195.

In these reviews, the Domestic Interested Parties supplied 93.6 percent of apparent U.S. consumption in 2018, with nonsubject import sources supplying the balance as subject imports entered in only *de minimis* quantities.<sup>143</sup> The Domestic Interested Parties submit that the U.S. industry remains well positioned to supply domestic demand given unused capacity, and contend that U.S. producers have further consolidated in the current review period.<sup>144</sup> Imports of HRSP from Brazil and South Korea are currently subject to countervailing duties, whereas HRSP imports from Australia, Brazil, Japan, the Netherlands, the Russian Federation, South Korea, and Turkey are currently subject to antidumping duties.<sup>145</sup>

### 3. Substitutability and Other Conditions

The Commission found in the original investigations that there were no effective substitutes for hot-rolled steel.<sup>146</sup> In each of the prior proceedings, the Commission found that there was a fair degree of substitutability among HRSP from various countries, and between subject imports and the domestic like product and that price was an important factor in purchasing decisions.<sup>147</sup> Additionally, the Commission observed in the original investigations that service centers, processors, and distributors were important purchasers of hot-rolled steel, and that most sales of both domestically produced and imported HRSP were made in the spot market.<sup>148</sup> In each of the prior reviews, the Commission found that while the majority of sales by domestic producers continued to be on a spot basis, the percentage of contract sales

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<sup>143</sup> CR/PR at Table I-11.

<sup>144</sup> Domestic Interested Parties' Response to the Notice of Institution at 31; Domestic Interested Parties' Final Comments at 8.

<sup>145</sup> *Certain Hot-Rolled Steel Flat Products from Brazil and the Republic of Korea: Amended Final Affirmative Countervailing Duty Determinations and Countervailing Duty Orders*, 81 Fed. Reg. 67960 (Oct. 3, 2016); *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Australia, the Republic of Korea, and the Republic of Turkey and Antidumping Duty Orders*, 81 Fed. Reg. 67962 (Oct. 3, 2016); and *Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation: Continuation of Antidumping Duty Order*, 81 Fed. Reg. 72569 (Oct. 20, 2016). HRSP imports from a number of these countries, namely Japan, the Netherlands, the Russian Federation, and Turkey, also enter the U.S. market subject to a 25 percent tariff under Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862) ("Section 232 tariffs"). CR at I-22 – I-23, PR at I-18 – I-19; *Adjusting Imports of Steel Into the United States*, 84 Fed. Reg. 23421 (May 21, 2019) (announcing a 25 percent reduction in the tariff rate applicable to Turkey). HRSP imports from Brazil and South Korea have entered the U.S. market subject to absolute quotas as an alternative to the tariff since June 2018. HRSP imports from Australia, Canada, and Mexico are currently exempt from the tariff and not subject to quotas. CR at I-23, PR at I-18. *Adjusting Imports of Steel Into the United States*, 84 Fed. Reg. 23987 (May 23, 2019).

<sup>146</sup> *Original Determinations*, USITC Pub. 3446 at 17.

<sup>147</sup> *Original Determinations*, USITC Pub. 3446 at 19, 21; *First Five-Year Reviews*, USITC Pub. 3956 at 29-30; *Second Five-Year Reviews*, USITC Pub. 4445 at 33-34.

<sup>148</sup> *Original Determinations*, USITC Pub. 3446 at 16-17.

relative to spot sales had increased, and that demand and supply outside the U.S. market increased.<sup>149</sup> In the current reviews, the Domestic Interested Parties contend that domestic and imported HRSP continue to be largely interchangeable, and that price continues to be the major factor driving purchasing decisions.<sup>150</sup>

The limited record in these reviews contains no new information to indicate that the general substitutability between U.S.-produced HRSP and imported HRSP regardless of source or the importance of price has changed since the prior reviews.<sup>151</sup> We thus find that the domestic like product and subject imports are moderately substitutable and that price is an important factor in purchasing decisions.

Finally, imported HRSP, classified in harmonized tariff schedule (“HTS”) headings 7208, 7210 through 7212, and 7225 through 7226 have been subject to additional 25 percent Section 232 tariffs since March 2018.<sup>152</sup>

## **C. Likely Volume of Subject Imports**

### **1. The Prior Proceedings**

In the original determinations, the Commission found that cumulated subject imports rose significantly during the POI despite declines in apparent U.S. consumption in both the merchant and overall markets; between 1998 and 2000, the volume of subject imports increased by 203.4 percent. The Commission found that domestic shipments either did not keep pace with increases in subject imports or declined as subject imports increased. The Commission also recognized that purchaser inventories remained high at the end of the POI and continued to exert downward pressure on orders for the domestic like product. Accordingly, the Commission found that subject import volume, both in absolute terms and relative to consumption in the United States, was significant.<sup>153</sup>

In the first reviews, the Commission found that the volume and market share of cumulated subject imports from China, India, Indonesia, Taiwan, Thailand, and Ukraine fell dramatically after the orders issued. The Commission found that the subject industries, on a cumulated basis, had significant and substantially increasing production capacity, considerable unused capacity, and that they exported substantial and increasing volumes of hot-rolled steel. Not only did the cumulated subject industries have substantial excess capacity (even based on conservative estimates), they also exported substantial and increasing volumes of hot-rolled steel during the period of review. The Commission also found that higher U.S. prices would serve as an incentive for subject producers to direct exports currently shipped to other markets

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<sup>149</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 30-31; *Second Five-Year Reviews*, USITC Pub. 4445 at 35.

<sup>150</sup> Domestic Interested Parties’ Final Comments at 7.

<sup>151</sup> CR at I-24 – I-26, PR at I-20 – I-21.

<sup>152</sup> CR at I-22 – I-24, PR at I-18 – I-19. These HTS headings are not subject to Section 301 tariffs.  
*Id.*

<sup>153</sup> *Original Determinations*, USITC Pub. 3446 at 19-21.

to the U.S. market if the orders were revoked. Finally, the Commission observed that hot-rolled steel exports from each of the six subject countries were subject to trade remedy measures, tariffs, and related barriers in other markets, which provided further incentive to direct export shipments to the U.S. market. The Commission concluded that the volume and market share of cumulated subject imports would likely be significant within a reasonably foreseeable time, were the orders revoked.<sup>154</sup>

In the second reviews, the Commission found that the volume and market share of cumulated subject imports remained at substantially lower levels compared to those observed during the original investigations, which was a function of the discipline of the orders. The Commission also found that, on a cumulated basis, the subject industries had significant and substantially increasing production capacity and considerable unused capacity. In addition to the Commission found that the subject industries exported substantial volumes of hot-rolled steel; the attractiveness of the relatively open U.S. market, and its relatively higher prices, provided added incentives for these producers to divert exports currently shipped to other markets to the U.S. market if the orders were revoked. Finally, hot-rolled steel exports from the subject countries remained subject to numerous trade remedies, tariffs, and related barriers in other markets, thereby providing further incentive to direct export shipments to the U.S. market. Accordingly, the Commission concluded that the volume and market share of cumulated subject imports would likely be significant within a reasonably foreseeable time, were the orders revoked.<sup>155</sup>

## 2. The Current Reviews

The record contains only limited data concerning the hot-rolled steel industries in the subject countries because no producer or exporter of subject merchandise participated in these reviews. Most of the contemporaneous data about the subject industries have been provided by the Domestic Interested Parties, including published data on the subject industries and a list of producers in the subject countries believed to have exported HRSP in the current period of review.<sup>156</sup>

Subject imports had a small and declining presence in the U.S. market during the period of review, indicating that the subject antidumping and countervailing duty orders continued to have a restraining effect.<sup>157</sup> Indeed, the record indicates that the hot-rolled steel industries in the subject countries remain large relative to the U.S. market and are export-oriented. Available data indicate that HRSP production in the subject countries is substantial on a

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<sup>154</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 31-35.

<sup>155</sup> *Second Five-Year Reviews*, USITC Pub. 4445 at 37-40. Commissioners Broadbent and Kieff joined the Commission majority's likely volume, like price effects, and likely impact analyses with regard to the five subject countries (China, India, Taiwan, Thailand and Ukraine) they cumulated. *Id.* at 35, n. 215.

<sup>156</sup> Domestic Interested Parties' Response to the Notice of Institution at Exhs. 2-10; *see also* CR at I-53 – I-72, PR at I-44 – I-57.

<sup>157</sup> *See* CR at Table I-9.

cumulated basis. Aggregated capacity in the six subject countries, based on \*\*\*, exceeded \*\*\* short tons in 2018.<sup>158</sup> Production data for this period, which were available for only China and Taiwan, amounted to \*\*\* short tons, well in excess of apparent U.S. consumption in 2018 (54.3 million short tons).<sup>159</sup> Moreover, producers in five of the six subject countries completed expansion projects or upgrades during the period of review.<sup>160</sup> Thus, the record indicates that subject producers have the ability to increase their exports substantially to the U.S. market.

The data also show that producers in the subject countries are export-oriented and can quickly shift exports among different markets.<sup>161</sup> Moreover, we have previously found that prices for hot-rolled steel in the U.S. market are appreciably higher than those in most other markets.<sup>162</sup> The continued attractiveness of the U.S. market provides incentives for subject producers to increase exports to the United States, if the orders were revoked.<sup>163</sup> In addition, there are various import restraints, including antidumping duty orders, countervailing duty orders, and safeguard measures, in other markets against HRSP shipments from the six subject countries.<sup>164</sup> These measures provide further incentive for producers in those countries to direct export shipments to the U.S. market.

Based on the record, subject hot-rolled steel producers, on a cumulated basis, have both the means and the incentive to export subject merchandise to the U.S. market in significant volumes within a reasonably foreseeable time if the orders were revoked. The cumulated subject industries have significant and substantially increasing production capacity, and the record indicates that the industries in these countries are export-oriented. Furthermore, the United States remains an important and attractive export market for exporters of HSRP. Based on the above information in these expedited reviews, we find that subject producers would likely increase their exports to the United States and capture

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<sup>158</sup> CR at I-55, I-59, I-62, I-65, I-68, and I-70, PR at I-44 – I-45, I-48, I-50, I-52, I-54, and I-56. In 2000, the subject countries had an aggregate capacity of 49.05 million short tons and produced a combined 47.7 million short tons of HRSP; which increased to an aggregate capacity of 88.7 million short tons and combined production of 83.9 million short tons of HRSP in 2006; and, according to \*\*\* data, further increased to an aggregate capacity of \*\*\* short tons and combined production of \*\*\* short tons of HRSP in 2012. *First Review Determination CR* at Tables IV-14, IV-20, IV-27, IV-43, IV-47, and IV-51; *Second Review Determination CR* at Tables IV-7, IV-9, IV-13, IV-15, IV-19, and IV-22.

<sup>159</sup> CR at I-55 and I-65, PR at I-44 – I-45 and I-52. Excess capacity data, which were also only available for these two subject countries, exceeded \*\*\* short tons. *Id.*

<sup>160</sup> Domestic Interested Parties' Response to the Notice of Institution at 11-17; Domestic Interested Parties' Final Comments at 4-6. Taiwan appears to be the only subject country whose hot-rolled steel industry did not experience production expansions or upgrades since the last reviews. *Id.*

<sup>161</sup> CR/PR at Tables I-13, I-15, I-17, I-19, I-21, and I-23.

<sup>162</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 34; *Second Five-Year Reviews*, USITC Pub. 4445 at 39.

<sup>163</sup> See CR/PR at Table I-8 (average unit values ("AUVs") for domestic shipments) and Table I-26 (AUVs for major exporters, including Taiwan and India). Moreover, as discussed above, we recognize that section 232 tariffs of 25 percent have been imposed on imports of HRSP.

<sup>164</sup> CR/PR at Tables I-24 – I-25.

significant market share within a reasonably foreseeable time if the orders were revoked. Accordingly, we conclude that the likely volume of cumulated subject imports, both in absolute terms and relative to U.S. consumption, would likely be significant if the orders were revoked.<sup>165</sup>

## **D. Likely Price Effects**

### **1. The Prior Proceedings**

In the original determinations, the Commission found that price was an important factor in purchasing decisions. During the POI, the Commission observed that prices declined sharply first as the volume of imports from Brazil, Japan, and Russia entered the market, began to rise after the orders on those three countries issued,<sup>166</sup> but then fell sharply to generally their lowest levels. Subject imports consistently undersold the domestic like product throughout most of the POI. The Commission found that limited price recovery, which occurred during the same quarters that subject import volume increased sharply and subject imports undersold the domestic like product, indicated that subject imports significantly suppressed prices in late 1999 and in early 2000. Additionally, inventory overhangs, to which subject imports contributed, continued to exert negative influence on domestic prices. Accordingly, the Commission found that subject imports had significant adverse effects on domestic prices during the POI.<sup>167</sup>

In each of the prior reviews, the Commission found that the general interchangeability of hot-rolled steel from different sources and the importance of price in purchasing decisions had not changed since the original investigations.<sup>168</sup> In the first reviews, the Commission found that U.S. prices for hot-rolled steel increased substantially for all products over the review period but had flattened or declined at the end. Subject imports undersold the domestic like product in 17 of 37 quarterly comparisons.<sup>169</sup> In light of the continued underselling since the

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<sup>165</sup> Because of the expedited nature of these reviews, the record does not contain information about inventories of the subject merchandise or the capacity of the subject producers for product shifting during the current period of review.

<sup>166</sup> See *Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Japan*, 64 Fed. Reg. 33514 (June 23, 1999); *Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil: Suspension of Antidumping Duty Investigation*, 64 Fed. Reg. 38792 (July 19, 1999); *Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil: Suspension of Countervailing Duty Investigation*, 64 Fed. Reg. 38797 (July 19, 1999); *Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation: Suspension of Antidumping Duty Investigation*, 64 Fed. Reg. 38642 (July 19, 1999).

<sup>167</sup> *Original Determinations*, USITC Pub. 3446 at 21-22.

<sup>168</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 35-36; *Second Five-Year Reviews*, USITC Pub. 4445 at 41.

<sup>169</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 36. The Commission found that price comparisons between the domestic product and subject imports were limited due to the diminished volume of subject imports following imposition of the orders. *Id.*

original investigations, the Commission concluded that there would likely be significant price underselling if the orders were revoked. In light of its findings that significant quantities of HRSP likely would enter the price-sensitive U.S. market for hot-rolled steel, the Commission concluded that subject imports would also likely have price-depressing or price-suppressing effects.<sup>170</sup>

The record in the second reviews contained more limited pricing comparisons.<sup>171</sup> The Commission found that domestically produced HRSP prices fluctuated during the period of review, peaking first in mid-2008, then declining irregularly; prices were higher in the most recent quarter (the second quarter of 2013) for all four products than they were in the first quarter of 2007. Although subject imports oversold the domestic product in the four available price comparisons, the Commission found that the far greater number of comparisons in the prior proceedings provided more probative evidence of underselling. A comparison of average unit values of subject industries' exports and domestic product provided additional support for the view that the underselling observed during the original investigations would return if the orders were revoked. In light of relatively higher prices in the U.S. market, the Commission concluded that there would likely be significant price underselling by subject producers should the orders be revoked, which would force domestic producers to either lower prices or lose sales. In light of these considerations and the price-sensitive nature of the hot-rolled steel market, the Commission concluded that the subject imports would also likely have price-depressing or price-suppressing effects.<sup>172</sup>

## 2. The Current Reviews

As stated above, we find a moderate degree of substitutability between domestic and subject HRSP, and price continues to be an important factor in purchasing decisions. The record does not contain new pricing data due to the expedited nature of these reviews. We have found, however, that subject import volumes would likely increase significantly upon revocation of the orders. Given the continued attractiveness of the U.S. market and the importance of price in purchasing decisions, subject producers would be likely to resume the behavior observed in the original investigations, exporting subject merchandise at low prices to gain market share. In light of the relatively higher prices that continue to prevail in the U.S. market, these subject imports would likely undersell the domestic like product, as they did

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<sup>170</sup> See *First Five-Year Reviews*, USITC Pub. 3956 at 35-38.

<sup>171</sup> The Commission collected pricing data on sales of four products. Thirteen U.S. producers provided usable pricing data, which represented 35.3 percent of U.S. commercial market shipments of U.S. produced hot-rolled steel. Three importers provided usable pricing data, which represented \*\*\* of imported product from India and \*\*\* of imported product from Thailand. As previously stated, no pricing data were received for sales of subject imports from China, Indonesia, Taiwan, or Ukraine. *Second Review Determination CR* at V-11-12, and Tables V-3, V-4 and V-5.

<sup>172</sup> *Second Five-Year Reviews*, USITC Pub. 4445 at 41-43.



during the original investigations.<sup>173</sup> Consequently, there would likely be significant underselling by subject imports. The likely significant volume of low-priced subject imports, which would undersell the domestic like product, would likely force the domestic industry to lower prices or lose sales. Sustained underselling in the U.S. market, by even a relatively moderate amount of subject imports, would be likely to have significant price-suppressing and -depressing effects. In light of these considerations, we conclude that cumulated subject imports would likely have significant adverse price effects upon revocation of the orders.

## **E. Likely Impact**

### **1. The Prior Proceedings**

In the original determinations, the domestic industry's financial performance was poor throughout most of the POI, with several domestic producers entering bankruptcy proceedings and two ceasing operations altogether, despite increases in both commercial shipments and production for downstream processing. The Commission recognized that the industry's performance in the early portion of the POI reflected the adverse effects of cumulated subject imports from Brazil, Japan, and Russia and that the industry had gained some benefit from the import relief imposed on these imports. It found that this improvement did not last and that virtually every financial and production indicator was lower in interim 2001 than in interim 2000. While the Commission recognized that the industry's condition was affected by a decline in demand, it also found that domestic shipments and production contracted at a time when overall apparent U.S. consumption was still strong and while rapidly increasing subject imports gained sales from the domestic industry largely through underselling. The Commission concluded that underselling by subject imports had a significant suppressing and depressing effect on domestic prices, resulting in a decline in the overall condition of the industry. Thus, it found that the subject imports had a significant adverse impact on the domestic industry.<sup>174</sup>

In the first reviews, the Commission recognized that an improvement in the domestic industry's condition was inhibited in part by a U.S. economic recession in 2001 and a resultant decrease in apparent U.S. consumption.<sup>175</sup> As apparent U.S. consumption improved and U.S. prices rose sharply, the domestic industry's condition improved substantially after 2003. The Commission found that the industry improved its efficiency and productivity through consolidation and restructuring, and that these improvements were evident in the condition of the industry from 2004 to 2006. Softening demand after its peak in 2004, and flat or declining prices in 2006-2007, however, resulted in substantial declines in most performance indicators

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<sup>173</sup> During the original investigations, subject imports from the six subject countries undersold the domestic like product in 139 of 201 possible price comparisons at margins ranging from \*\*\* to \*\*\* percent. *Original Determination CR* at Tables V-3 through V-13.

<sup>174</sup> *Original Determinations*, USITC Pub. 3446 at 23-26.

<sup>175</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 38. As the majority of U.S. hot-rolled steel production was internally consumed, the Commission found it appropriate to consider merchant market data as a relevant condition of competition. *Id.* at 39.

in the first half of 2007. Given the industry's performance since 2004, the Commission did not find that the domestic industry was currently in a vulnerable or weakened state as contemplated by the statute. Nonetheless, the Commission recognized that the industry experienced substantial declines in performance in the first half of 2007, and found that, if the orders were revoked, cumulated subject imports would enter the U.S. market in such quantities and at such prices as to cause price suppression or depression, thus causing a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>176</sup>

In the second reviews, the Commission recognized that the domestic industry was affected by the U.S. economic downturn, which resulted in declines in virtually every indicator in the latter part of 2008 and 2009.<sup>177</sup> As apparent U.S. consumption improved and U.S. prices rose after 2009, the domestic industry's condition improved substantially, but did not return to the peak reached in 2008. During the review period, the industry continued to consolidate and restructure, as evident in the condition of the industry from 2007 to 2008, and its ability to weather the recessionary environment of 2009. While the industry experienced consistent profitability and improving performance after 2009, flat or declining prices in 2012 resulted in declines in most performance indicators in 2012 and in the first half of 2013. While acknowledging that the domestic industry was not in a strong condition, the Commission again declined to find the domestic industry currently in a vulnerable or weakened state. Because subject imports were interchangeable for the domestic like product and price was an important factor in purchasing decisions, the Commission concluded that likely increases in subject import volume upon revocation of the orders would likely have the effect of exacerbating the declines in trade and financial performance indicators that the domestic industry sustained at the end of the period of review, thus causing a significant impact on the domestic industry within a reasonably foreseeable time.<sup>178</sup>

## 2. The Current Reviews

In these reviews, the information available on the domestic industry's condition is limited. In 2018, the domestic industry's production capacity was 64.7 million short tons, its production was 52.2 million short tons, and its capacity utilization rate was 80.7 percent.<sup>179</sup> The industry's domestic shipments were 50.8 million short tons, accounting for 93.6 percent of

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<sup>176</sup> *First Five-Year Reviews*, USITC Pub. 3956 at 38-42.

<sup>177</sup> *Second Five-Year Reviews*, USITC Pub. 4445 at 46-47; *Second Review Determination CR* at III-39 and Tables III-7, III-11 and E-1. While the captive production provision does not apply to five-year reviews, the Commission found it appropriate to consider merchant market data as a relevant condition of competition as the majority of U.S. hot-rolled steel production continued to be internally consumed. *Second Five-Year Reviews*, USITC Pub. 4445 at 47.

<sup>178</sup> *Second Five-Year Reviews*, USITC Pub. 4445 at 46-50.

<sup>179</sup> CR/PR at Table I-8. The domestic industry's capacity was 76.4 million short tons in 2000, 81.6 million short tons in 2006, and 74.8 million short tons in 2012. Its production was 65.9 million short tons in 2000, 67.3 million short tons in 2006, and 57 million short tons in 2012. Its capacity utilization rate was 86.3 percent in 2000, 82.4 percent in 2006, and 76.2 percent in 2012. *Id.*

apparent U.S. consumption by volume.<sup>180</sup> Its net sales revenue was \$38.7 billion, and its operating income was \$6.6 billion, equivalent to 17 percent of net sales.<sup>181</sup> The limited evidence in these reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.

Based on the information available in these reviews, we find that revocation of the orders would likely lead to a significant volume of subject imports and that these imports would likely undersell the domestic like product to a significant degree, resulting in significant price depression or suppression for the domestic like product and/or a loss of market share for the domestic industry. We find that the increased subject import competition that would likely occur after revocation of the orders would likely have a significant impact on the domestic industry. The domestic industry would likely lose market share to subject imports and/or experience lower prices due to competition from subject imports, which would adversely impact its production, shipments, sales, and/or revenue. These reductions would likely have a direct adverse impact on the domestic industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments.

We have also considered the role of factors other than subject imports, including demand changes and the presence of nonsubject imports, so as not to attribute likely injury from other factors to the subject imports. Overall, demand was lower in 2018 than in 2012. However, the domestic industry, which maintained a substantial share of supply of the market in both years, was able to respond to demand fluctuations by adjusting its output and pricing; while U.S. shipments were lower by quantity in 2018 relative to 2012, the domestic industry's U.S. shipments by value were over \$1 billion higher, and unit values also were \$90 higher.<sup>182</sup>

The volume of nonsubject imports overall were 3.8 million short tons in 2012 and 3.5 million short tons in 2018.<sup>183</sup> Nonsubject imports' market share in 2018 was 6.4 percent, marginally higher than their 6.3 percent market share in 2012.<sup>184</sup> There is no indication or argument on the record of these reviews that the presence of nonsubject imports would prevent cumulated subject imports from significantly increasing their presence in the U.S. market in the event of revocation of the orders, given the export orientation of the subject industries and the relative attractiveness of the U.S. market. Moreover, given the

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<sup>180</sup> CR/PR at Tables I-8 and I-11. Domestic producers' U.S. shipments were 65.2 million short tons in 2000, 66.7 million short tons in 2006, and 56.2 million short tons in 2012. The AUVs of the domestic industry's U.S. shipments in 2018 (\$754 per short ton) was higher than in 2012 (\$664 per short ton), in 2006 (\$564 per short ton), and in 2000 (\$299 per short ton). *Id.* at Table I-8.

<sup>181</sup> CR/PR at Table I-8. The domestic industry's net sales revenues in 2018 were higher than the last year of each of the prior proceedings (\$37.6 billion in 2012, \$37.2 billion in 2006, and \$19.9 billion in 2000), as was operating income (\$2.9 billion in 2012, \$5.7 billion in 2006, and \$0.7 billion in 2000) and the ratio of operating income to net sales (6.3 percent in 2012, 15.3 percent in 2006, and (3.5) percent in 2000). *Id.*

<sup>182</sup> CR/PR at Tables I-8, I-10, and I-11.

<sup>183</sup> CR/PR at Table I-10.

<sup>184</sup> CR/PR at Table I-11.

substitutability of the subject imports, regardless of source, and the fact that the domestic industry is currently the largest supplier to the U.S. market, any increase in cumulated subject import volume and market penetration is likely to come, at least in substantial proportion, at the expense of the domestic industry. In light of these considerations, we find that cumulated subject imports would likely have adverse effects distinct from those of nonsubject imports and fluctuations in demand.

Accordingly, we find that revocation of the orders on HRSP from China, India, Indonesia, Taiwan, Thailand and Ukraine would likely have a significant adverse impact on domestic producers of HRSP within a reasonably foreseeable time.

## **V. Conclusion**

For the reasons above, we determine that revocation of the countervailing duty orders on imports of HRSP from India, Indonesia, and Thailand and the antidumping duty orders on imports of HRSP from China, India, Indonesia, Taiwan, Thailand, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

## INFORMATION OBTAINED IN THESE REVIEWS

### BACKGROUND

On January 2, 2019, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews to determine whether revocation of the countervailing duty orders on hot-rolled steel products (“hot-rolled steel”) from India, Indonesia, and Thailand, and the antidumping duty orders on hot-rolled steel from China, India, Indonesia, Taiwan, Thailand, and Ukraine would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:<sup>5</sup>

Date	Action
January 1, 2019	Notice of initiation by Commerce (84 FR 1705, February 5, 2019)
January 2, 2019	Notice of institution by Commission (84 FR 11, January 2, 2019)
May 7, 2019	Commission’s vote on adequacy
June 6, 2019	Commerce’s results of its expedited reviews
August 13, 2019	Determinations and views to Commerce

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine; Institution of a Five-Year Reviews*, 84 FR 11, January 2, 2019. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year reviews of the subject antidumping and countervailing duty orders. *Initiation of Five-Year (Sunset) Reviews*, 84 FR 1705, February 5, 2019. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings is presented in app. C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in the adequacy phase of these reviews.

<sup>5</sup> Commerce tolled all statutory deadlines affected by the partial government federal closure by 40 calendar days.

## RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

### Individual responses

The Commission received two submissions in response to its notice of institution in the subject reviews. They were filed on behalf of the following entities:

1. ArcelorMittal USA LLC (“ArcelorMittal USA”), AK Steel Corporation (“AK Steel”), California Steel Industries (“CSI”), Nucor Corporation (“Nucor”), SSAB Enterprises, LLC (“SSAB”), Steel Dynamics, Inc. (“Steel Dynamics”), and United States Steel Corporation (“U.S. Steel”), domestic producers of hot-rolled steel (collectively referred to herein as “domestic interested parties”).
2. The Trade Defense Department of the Ministry of Economic Development and Trade of the Government of Ukraine (“GOU”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

**Table I-1  
Hot-rolled steel: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number	Coverage
Domestic:		
U.S. producer	1	***% <sup>1</sup>
Respondent:		
Government of Ukraine	1	NA

<sup>1</sup> The coverage figure is the estimated share of total U.S. production of hot-rolled steel in 2018. In their response to the notice of institution, domestic interested parties estimated that they account for this share of total U.S. production of hot-rolled steel during 2018. Domestic interested parties’ response to the notice of institution, February 1, 2019, p. 30.

### Party comments on adequacy

The Commission received one submission from a party commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. This submission was filed jointly on behalf of the following entities: ArcelorMittal USA, AK Steel, CSI, Nucor, SSAB, Steel Dynamics, and U.S. Steel.

Domestic interested parties argued that the Commission should find the respondent interested party group response to be inadequate since there was no complete submission by any respondent interested party. The domestic interested parties add that the response from the GOU was inadequate because it failed to provide information requested by the Commission in the notice of institution, and the GOU would not be in a position to produce company-

specific information in the event of full reviews.<sup>6</sup> Therefore, because of the inadequate response by the respondent interested parties, the domestic interested parties request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on hot-rolled steel.<sup>7</sup>

## THE ORIGINAL INVESTIGATIONS AND SUBSEQUENT REVIEWS

### The original investigations

The original investigations resulted from petitions filed on November 13, 2000, on behalf of Bethlehem Steel Corporation (“Bethlehem”); Gallatin Steel Corporation (“Gallatin”); IPSCO Steel, Inc. (“IPSCO”); LTV Steel Co., Inc.; National Steel Corp. (“National”); Nucor Corporation. (“Nucor”); Steel Dynamics, Inc. (“SDI”); U.S. Steel Group; Weirton Steel Corporation (“Weirton”); and the labor union representing the organized workers at Weirton (the Independent Steelworkers Union). The original investigations included hot-rolled steel from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine.

Commerce issued a series of final affirmative determinations regarding countervailable subsidies and sales at less than fair value (“LTFV”) between July and October 2001.<sup>8</sup> In August 2001, the Commission determined that an industry in the United States was materially injured

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<sup>6</sup> Domestic interested parties’ comments on adequacy, March 21, 2019, pp. 1 and 6.

<sup>7</sup> Domestic interested parties’ comments on adequacy, March 21, 2019, p. 9.

<sup>8</sup> *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from Argentina*, 66 FR 37001, July 16, 2001; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from South Africa*, 66 FR 37002, July 16, 2001; *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Argentina*, 66 FR 37007, July 16, 2001; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from Taiwan*, 66 FR 49618, September 28, 2001; *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Indonesia*, 66 FR 49637, September 28, 2001; *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from India*, 66 FR 49635, September 28, 2001; *Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from the People’s Republic of China*, 66 FR 49632, September 28, 2001; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from Indonesia*, 66 FR 49628, September 28, 2001; *Notice of Final Determination of Antidumping Duty Investigation: Certain Hot-Rolled Carbon Steel Flat Products from Romania*, 66 FR 49625, September 28, 2001; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products From Thailand*, 66 FR 49622, September 28, 2001; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from Kazakhstan*, 66 FR 50397, October 3, 2001; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from Ukraine*, 66 FR 50401, October 3, 2001; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from India*, 66 FR 50406, October 3, 2001; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat*  
(continued...)

by reason of imports of hot-rolled steel from Argentina that were found by Commerce to be subsidized by the Government of Argentina and sold in the United States at LTFV, and by reason of imports of hot-rolled steel from South Africa that were found by Commerce to be sold in the United States at LTFV.<sup>9</sup> In November 2001, the Commission determined that an industry in the United States was materially injured by reason of imports of hot-rolled steel from India, Indonesia, South Africa, and Thailand that were found by Commerce to be subsidized by the Governments of India, Indonesia, South Africa, and Thailand, and also by reason of imports of hot-rolled steel from China, India, Indonesia, Kazakhstan, Netherlands, Romania, Taiwan, Thailand, and Ukraine that were found by Commerce to be sold in the United States at LTFV.<sup>10</sup> After receipt of the Commission's determinations, Commerce issued countervailing duty orders on imports of hot-rolled steel from Argentina, India, Indonesia, South Africa, and Thailand,<sup>11</sup> and antidumping duty orders on imports of hot-rolled steel from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine.<sup>12</sup>

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(...continued)

*Products from The Netherlands*, 66 FR 50408, October 3, 2001; *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Thailand*, 66 FR 50410, October 3, 2001; and *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from South Africa*, 66 FR 50412, October 3, 2001.

<sup>9</sup> *Hot-Rolled Steel Products from Argentina and South Africa: Inv. No. 701-TA-404 (Final) and Investigations Nos. 731-TA-898 and 905 (Final)*, USITC Publication 3446, August 2001, p. 1.

<sup>10</sup> *Hot-Rolled Steel Products from China, India, Indonesia, Kazakhstan, The Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine: Investigations Nos. 701-TA-405-408 (Final) and Inv. Nos. 731 TA 899-904 and 906-908 (Final)*, USITC Publication 3468, November 2001, p. 1.

<sup>11</sup> *Notice of Countervailing Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Argentina*, 66 FR 47173, September 11, 2001; *Notice of Countervailing Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Thailand* and 66 FR 60197, December 3, 2001; *Notice of Countervailing Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Indonesia* 66 FR 60198; and *Notice of Countervailing Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from the Republic South Africa*, 66 FR 60201, December 3, 2001.

<sup>12</sup> *Notice of Antidumping Duty Orders: Certain Hot-Rolled Carbon Steel Flat Products from Argentina and the Republic of South Africa*, 66 FR 48242, September 19, 2001; *Notice of Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Kazakhstan*, 66 FR 58435, September 19, 2001; *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Ukraine*, 66 FR 59559, November 29, 2001; *Notice of Antidumping Duty Orders: Certain Hot-Rolled Carbon Steel Flat Products from the People's Republic of China*, 66 FR 59561, November 29, 2001; *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Products from Thailand*, 66 FR 59562, November 29, 2001; *Notice of Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Taiwan*, 66 FR 59563, November 29, 2001; *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from the Netherlands*, 66 FR 59565, November 29, 2001; *Notice of Amended Final Antidumping Duty Determination and Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Romania*, 66 FR 59566, November 29, 2001; and *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Indonesia*, 66 FR 60192, December 3, 2001; and *Notice of Amended Final Antidumping Duty Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Hot-Rolled carbon Steel Flat Products from India*, 66 FR 90194, December 3, 2001.



## First five-year reviews

On June 27, 2007, Commerce published its final results concerning the antidumping duty order on hot-rolled steel from the Netherlands.<sup>13</sup> In those final results, Commerce revoked the order, effective November 29, 2006. Accordingly, the Commission terminated its five-year review regarding hot-rolled steel from the Netherlands, effective June 27, 2007.<sup>14</sup>

On November 6, 2006, the Commission determined that it would conduct full reviews of the antidumping duty orders on hot-rolled steel from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine.<sup>15</sup> On December 5, 2006, Commerce published its determination that revocation of the antidumping duty orders on hot-rolled steel from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine would be likely to lead to continuation or recurrence of dumping.<sup>16</sup> On December 7, 2006, Commerce published its determination that revocation of the countervailing duty orders hot-rolled steel from Argentina, India, Indonesia, South Africa, and Thailand would be likely to lead material injury of an industry in the United States.<sup>17</sup> In October 2007, the Commission completed full five-year reviews of the remaining subject orders and determined that revocation of the countervailing duty orders on hot-rolled steel products from India, Indonesia, and Thailand and the antidumping duty orders on hot-rolled steel products from China, India, Indonesia, Taiwan, Thailand, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>18</sup> The Commission also determined that revocation of the countervailing duty orders on hot-rolled steel products from Argentina and South Africa and the antidumping duty orders on hot-rolled steel products from Argentina, Kazakhstan, Romania, and South Africa would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>19</sup> Following affirmative

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<sup>13</sup> *Certain Hot-Rolled Carbon Steel Flat Products from the Netherlands; Final Results of the Sunset Review of Antidumping Duty Order and Revocation of the Order*, 72 FR 35220, June 27, 2007.

<sup>14</sup> *Hot-Rolled Steel Products from the Netherlands*, 72 FR 40322, July 24, 2007.

<sup>15</sup> *Hot-Rolled Carbon Steel Flat Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine*, 71 FR 67366, November 21, 2006.

<sup>16</sup> *Certain Hot-Rolled Carbon Steel Flat Products from Argentina, the People's Republic of China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine; Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders*, December 5, 2006, 71 FR 70506.

<sup>17</sup> *Hot-Rolled Carbon Steel Flat Products from Argentina, India, Indonesia, South Africa, and Thailand: Final Results of Expedited Five-Year (Sunset) Reviews*, 71 FR 70960, December 7, 2006.

<sup>18</sup> *Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine*, 72 FR 61676, October 31, 2007.

<sup>19</sup> Commerce accordingly published a notice of revocation of the countervailing duty orders on hot-rolled steel products from Argentina and South Africa and the antidumping duty orders on hot-rolled steel products from Argentina, Kazakhstan, Romania, and South Africa. *Certain Hot-Rolled Steel Flat Products from Argentina, Kazakhstan, Romania, and South Africa: Revocation of Antidumping Duty and Countervailing Duty Orders*, 72 FR 65293, November 20, 2007.

determinations in the five-year reviews by Commerce and the Commission, effective, December 27, 2007, Commerce issued a continuation of the countervailing duty orders on imports of hot-rolled steel from India, Indonesia, and Thailand and the antidumping duty order on imports of hot-rolled steel from China, India, Indonesia, Taiwan, Thailand, and Ukraine.<sup>20</sup>

### **Second five-year reviews**

On February 4, 2013, the Commission determined that it would conduct full reviews of the countervailing duty orders on hot-rolled steel from India, Indonesia, and Thailand and the antidumping duty orders on hot-rolled steel from China, India, Indonesia, Taiwan, Thailand, and Ukraine.<sup>21</sup> On March 14, 2013, Commerce published its determination that revocation of the countervailing duty orders on hot-rolled steel from India, Indonesia, and Thailand would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>22</sup> On March 12, 2013, Commerce published its determination that revocation of the antidumping duty orders on hot-rolled steel from China, India, Indonesia, Taiwan, Thailand, and Ukraine would be likely to lead to continuation or recurrence of dumping.<sup>23</sup> On January 15, 2014, the Commission notified Commerce of its determinations that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>24</sup> Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective, February 7, 2014, Commerce issued a continuation of the countervailing duty orders on hot-rolled steel from India, Indonesia, and Thailand and the antidumping duty orders on imports of hot-rolled steel from China, India, Indonesia, Taiwan, Thailand, and Ukraine.<sup>25</sup> Table I-2 presents the countervailable subsidy rates calculated by Commerce in its original investigations, first reviews, and second reviews. Table I-3 presents the dumping margins for producers/exporters calculated by Commerce in its original investigations, first reviews, and second reviews.

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<sup>20</sup> *Certain Hot-Rolled Carbon Steel Flat Products from India, Indonesia, the People's Republic of China, Taiwan, Thailand, and Ukraine: Continuation of Antidumping Duty and Countervailing Duty Orders*, 72 FR 73316, December 27, 2007.

<sup>21</sup> *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine; Notice of Commission Determination To Conduct Full Five-year Reviews*, 78 FR 11901, February 20, 2013.

<sup>22</sup> *Certain Hot-Rolled Carbon Steel Flat Products from India, Indonesia, and Thailand: Final Results of Expedited Sunset Reviews*, 78 FR 16252, March 14, 2013.

<sup>23</sup> *Certain Hot-Rolled Carbon Steel Flat Products From India, Indonesia, the People's Republic of China, Taiwan, Thailand, and Ukraine; Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 78 FR 15703, March 12, 2013.

<sup>24</sup> *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine; Determination*, 79 FR 3622, January 22, 2014.

<sup>25</sup> *Certain Hot-Rolled Carbon Steel Flat Products from India, Indonesia, the People's Republic of China, Taiwan, Thailand, and Ukraine: Continuation of Antidumping and Countervailing Duty Orders*, 79 FR 7425, February 7, 2014.

**Table I-2**  
**Hot-rolled steel: Commerce's original, first, and second five-year reviews countervailable subsidy rates for producers/exporters, by subject country**

<b>Producer/exporter</b>	<b>Original rate (percent)</b>	<b>First five-year review rate (percent)</b>	<b>Second five-year review rate (percent)</b>
<b>India<sup>1</sup></b>			
Essar	8.28	12.90	539.89
Ispat	31.89	36.51	563.50
SAIL	18.27	22.89	549.88
Tata Steel	9.17	13.79	540.78
All others	16.10	20.72	547.71
<b>Indonesia<sup>2</sup></b>			
P.T. Krakatau Steel	10.21	10.21	10.21
All others	10.21	10.21	10.21
<b>Thailand<sup>3</sup></b>			
Sahaviriya Steel	2.38	2.38	2.38
All others	2.38	2.38	2.38

<sup>1</sup> Countervailing duty order, 66 FR 60198, December 3, 2001; final results of first expedited sunset review, 71 FR 70960, December 7, 2006; final results of second expedited sunset review, 78 FR 16252, March 14, 2013.

<sup>2</sup> Countervailing duty order, 66 FR 60198, December 3, 2001; final results of first expedited sunset review, 71 FR 70960, December 7, 2006; final results of second expedited sunset review, 78 FR 16252, March 14, 2013.

<sup>3</sup> Countervailing duty order, 66 FR 60197, December 3, 2001; final results of first expedited sunset review, 71 FR 70960, December 7, 2006; final results of second expedited sunset review, 78 FR 16252, March 14, 2013.

Note.— In its expedited second sunset reviews, Commerce notes the occurrence of new subsidies programs identified by the domestic interested parties concerning hot-rolled steel from India. See Commerce memorandum entitled, "Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Reviews of the Countervailing Duty Orders on Certain Hot-rolled Carbon Steel Flat Products from India and Indonesia" dated March 5, 2013.

Source: Cited *Federal Register* notices.

**Table I-3****Hot-rolled steel: Commerce's original, first, and second five-year reviews dumping margins for producers/exporters, by subject country**

<b>Producer/exporter</b>	<b>Original margin (percent)</b>	<b>First five-year review margin (percent)</b>	<b>Second five-year review margin (percent)</b>
<b>China<sup>1</sup></b>			
Angang Group Hong Kong Co., Ltd.	90.83	31.09	31.09
Angang Group International Trade Corp.	69.85	31.09	31.09
Baoshan Iron & Steel Co., Ltd.	90.83	12.39	12.34
Baosteel Group International Trade Corp.	90.83	12.39	12.34
Bengang Steel Plates Co., Ltd.	90.83	57.19	57.19
Benxi Iron & Steel Group Co., Ltd.	90.83	57.19	57.19
Benxi Iron & Steel Group International Economic & Trade Co., Ltd.	90.83	57.19	57.19
New Iron & Steel Co., Ltd.	90.83	31.09	31.09
Panzhuhua Iron & Steel (Group) Co.	65.59	65.59	65.59
Shanghai Baosteel Group Corp.	64.20	12.39	12.34
Wuhan Iron & Steel Group Corp.	65.59	65.59	65.59
All others	90.83	90.83	90.83
<b>India<sup>2</sup></b>			
Ispat Industries	44.40	44.40	44.40
Essar	36.53	36.53	36.53
All others	38.72	38.72	38.72
<b>Indonesia<sup>3</sup></b>			
PT Krakatau Steel	47.86	47.86	47.86
All others	47.86	47.86	47.86
<b>Taiwan<sup>4</sup></b>			
An Feng Steel	29.14	29.14	29.14
China Steel/Yieh Loong	29.14	29.14	29.14
All others	20.28	20.28	20.28

Table continued on next page.

**Table I-3–Continued****Hot-rolled steel: Commerce’s original, first, and second five-year reviews dumping margins for producers/exporters, by subject country**

<b>Producer/exporter</b>	<b>Original margin (percent)</b>	<b>First five-year review margin (percent)</b>	<b>Second five-year review margin (percent)</b>
<b>Thailand<sup>5</sup></b>			
Sahaviriya Steel	3.86	(6)	7.35
Siam Strip Mill	19.72	20.30	20.30
All others	3.86	4.44	4.41
<b>Ukraine<sup>7</sup></b>			
All others	90.33	90.33	90.33

<sup>1</sup> Antidumping duty order, 66 FR 59561, November 29, 2001; final results of first expedited sunset review, 71 FR 70506, December 5, 2006; and final results of second expedited sunset review, 78 FR 15703, March 12, 2013.

<sup>2</sup> Antidumping duty order, 66 FR 60192, December 3, 2001; final results of first expedited sunset review, 71 FR 70506, December 5, 2006; and final results of second expedited sunset review, 78 FR 15703, March 12, 2013.

<sup>3</sup> Antidumping duty order, 66 FR 60192, December 3, 2001; final results of first expedited sunset review, 71 FR 70506, December 5, 2006; and final results of second expedited sunset review, 78 FR 15703, March 12, 2013.

<sup>4</sup> Antidumping duty order, 66 FR 59563, November 29, 2001; final results of first expedited sunset review, 71 FR 70506, December 5, 2006; and final results of second expedited sunset review, 78 FR 15703, March 12, 2013.

<sup>5</sup> Antidumping duty order, 66 FR 59562, November 29, 2001; final results of first expedited sunset review, 71 FR 70506, December 5, 2006; and final results of second expedited sunset review, 78 FR 15703, March 12, 2013.

<sup>6</sup> Antidumping order revoked with respect to SSI. 71 FR 28659, May 17, 2006.

<sup>7</sup> Antidumping duty order, 66 FR 59559, November 29, 2001; final results of first expedited sunset review, 71 FR 70506, December 5, 2006; and final results of second expedited sunset review, 78 FR 15703, March 12, 2013.

Source: Cited *Federal Register* notices.

## Consistency determination

On November 6, 2015, the Commission received a written request from the United States Trade Representative (“USTR”) to issue a determination under 19 U.S.C. § 3538(a)(4),<sup>26</sup> that would render the Commission’s countervailing duty determination regarding imports of hot-rolled steel from India not inconsistent with the World Trade Organization (“WTO”) Dispute Settlement Body (“DSB”) recommendations and rulings in *United States – Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India*.<sup>27</sup> On December 1, 2015, the Commission gave notice of the schedule for issuance of a consistency determination and requested public comment.<sup>28</sup> The Commission made an affirmative decision and found an industry in the United States to be materially injured by reason of imports of hot-rolled steel from India found by Commerce to be subsidized.<sup>29</sup>

## PREVIOUS AND RELATED INVESTIGATIONS

### Previous and related Title VII investigations

The Commission has conducted a number of previous import relief investigations on certain carbon steel products or substantially similar merchandise. Table I-4 presents data on previous and related Title VII investigations for hot-rolled steel.

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<sup>26</sup> This provision is commonly referred to as “Section 129” of the Uruguay Round Agreements Act.

<sup>27</sup> WT/DS436/AB/R (DS 436 Report). The injury-related portions of the DS 436 Report are on pages 247-261 and 264.

<sup>28</sup> *Hot-Rolled Steel Products from India; Scheduling of a Countervailing Duty Proceeding Under the Uruguay Round Agreements Act (URAA)*, 80 FR 75132, December 1, 2015.

<sup>29</sup> *Hot-Rolled Flat Rolled Carbon Quality Steel Products from India: Inv. Nos. 701-TA-405 (Section 129 Consistency Determination)*, USITC Publication 4599, March 2016, pp. 1-2.

**Table I-4  
Hot-rolled steel: Previous and related Commission proceedings, 1982-2019**

Original investigation				First review		Second review		Third review		Current status
Date <sup>1</sup>	Number	Country	Outcome	Date <sup>1</sup>	Outcome	Date <sup>1</sup>	Outcome	Date <sup>1</sup>	Outcome	
1982	701-TA-94	Belgium	Affirmative <sup>2</sup>	-	-	-	-	-	-	Petition withdrawn 10/29/82
1982	701-TA-95	Brazil	Negative <sup>2</sup>	-	-	-	-	-	-	-
1982	701-TA-96	France	Affirmative <sup>2</sup>	-	-	-	-	-	-	Petition withdrawn 10/29/82
1982	701-TA-97	Italy	Affirmative <sup>2</sup>	-	-	-	-	-	-	Petition withdrawn 10/29/82
1982	701-TA-98	Luxembourg	Negative <sup>2</sup>	-	-	-	-	-	-	-
1982	701-TA-99	Netherlands	Negative	-	-	-	-	-	-	-
1982	701-TA-100	United Kingdom	Negative <sup>2</sup>	-	-	-	-	-	-	-
1982	701-TA-101	Germany	Affirmative <sup>2</sup>	-	-	-	-	-	-	Petition withdrawn 10/29/82
1982	701-TA-156	Spain	Negative <sup>2</sup>	-	-	-	-	-	-	-
1982	701-TA-171	Korea	Affirmative	-	-	-	-	-	-	ITA revoked 10/10/85
1982	731-TA-61	Belgium	Affirmative <sup>2</sup>	-	-	-	-	-	-	Terminated 11/10/82
1982	731-TA-62	France	Affirmative <sup>2</sup>	-	-	-	-	-	-	Terminated 11/10/82
1982	731-TA-63	Italy	Affirmative <sup>2</sup>	-	-	-	-	-	-	Terminated 11/10/82
1982	731-TA-64	Luxembourg	Negative <sup>2</sup>	-	-	-	-	-	-	-
1982	731-TA-65	Netherlands	Negative	-	-	-	-	-	-	-
1982	731-TA-66	United Kingdom	-	-	-	-	-	-	-	Petition withdrawn 1/30/82
1982	731-TA-67	Germany	Affirmative <sup>2</sup>	-	-	-	-	-	-	Terminated 11/10/82
1983	701-TA-206	Brazil	Affirmative	-	-	-	-	-	-	ITA revoked 9/5/85
1984	731-TA-153	Brazil	Affirmative	-	-	-	-	-	-	ITA revoked 8/21/85
1985	701-TA-227	Austria	Negative	-	-	-	-	-	-	-
1985	701-TA-228	Sweden	Negative	-	-	-	-	-	-	-
1985	701-TA-229	Venezuela	Affirmative <sup>2</sup>	-	-	-	-	-	-	Terminated 7/19/85

Table continued on next page.

**Table I-4--Continued**  
**Hot-rolled steel: Previous and related investigations, 1982-2019**

Original investigation				First review		Second review		Third Review		Current status
Date <sup>1</sup>	Number	Date <sup>1</sup>	Outcome	Date <sup>1</sup>	Outcome	Date <sup>1</sup>	Outcome	Date <sup>1</sup>	Outcome	
1985	731-TA-219	Austria	Negative	-	-	-	-	-	-	-
1985	731-TA-220	Finland	-	-	-	-	-	-	-	Petition withdrawn 1/18/85
1985	731-TA-221	Hungary	Affirmative <sup>2</sup>	-	-	-	-	-	-	Petition withdrawn 6/4/85
1985	731-TA-222	Romania	Affirmative <sup>2</sup>	-	-	-	-	-	-	Terminated 7/19/85
1985	731-TA-223	Venezuela	Affirmative <sup>2</sup>	-	-	-	-	-	-	Terminated 7/19/85
1992	701-TA-329	Belgium	Negative	-	-	-	-	-	-	-
1992	701-TA-330	Brazil	Negative	-	-	-	-	-	-	-
1992	701-TA-331	France	Negative	-	-	-	-	-	-	-
1992	701-TA-332	Germany	Negative	-	-	-	-	-	-	-
1992	701-TA-333	Italy	Negative <sup>2</sup>	-	-	-	-	-	-	-
1992	701-TA-334	Korea	Negative	-	-	-	-	-	-	-
1992	701-TA-335	New Zealand	Negative	-	-	-	-	-	-	-
1992	731-TA-588	Belgium	Negative	-	-	-	-	-	-	-
1992	731-TA-589	Brazil	Negative	-	-	-	-	-	-	-
1992	731-TA-590	Canada	Negative	-	-	-	-	-	-	-
1992	731-TA-591	France	Negative	-	-	-	-	-	-	-
1992	731-TA-592	Germany	Negative	-	-	-	-	-	-	-
1992	731-TA-593	Italy	Negative <sup>2</sup>	-	-	-	-	-	-	-
1992	731-TA-594	Japan	Negative	-	-	-	-	-	-	-
1992	731-TA-595	Korea	Negative	-	-	-	-	-	-	-
1992	731-TA-596	Netherlands	Negative	-	-	-	-	-	-	-
1998	701-TA-384	Brazil	Affirmative	2004	Affirmative	2010	Negative	-	-	Order not continued <sup>3</sup>
1998	731-TA-806	Brazil	Affirmative	2004	Affirmative	2010	Negative	-	-	Order not continued <sup>3</sup>
1998	731-TA-807	Japan	Affirmative	2004	Affirmative	2010	Negative	-	-	Order not continued <sup>3</sup>
1998	731-TA-808	Russia	Affirmative	2004	Affirmative	2010	Affirmative	2016	Affirmative	Order in place <sup>8</sup>
2000	701-TA-404	Argentina	Affirmative	2006	Negative	-	-	-	-	Order not continued <sup>4</sup>
2000	701-TA-405	India	Affirmative	2006	Affirmative	2012	Affirmative	-	-	Under review
2000	701-TA-406	Indonesia	Affirmative	2006	Affirmative	2012	Affirmative	-	-	Under review

Table continued on next page.



**Table I-4--Continued**  
**Hot-rolled steel: Previous and related investigations, 1982-2019**

Original investigation				First review		Second review		Third review		Current status
Date <sup>1</sup>	Number	Country	Outcome	Date <sup>1</sup>	Outcome	Date <sup>1</sup>	Outcome	Date <sup>1</sup>	Outcome	
2000	701-TA-407	South Africa	Affirmative	2006	Negative	-	-	-	-	Order not continued <sup>4</sup>
2000	701-TA-408	Thailand	Affirmative	2006	Affirmative	2012	Affirmative	-	-	Under review
2000	731-TA-898	Argentina	Affirmative	2006	Negative	-	-	-	-	Order not continued <sup>4</sup>
2000	731-TA-899	China	Affirmative	2006	Affirmative	2012	Affirmative	-	-	Under review
2000	731-TA-900	India	Affirmative	2006	Affirmative	2012	Affirmative	-	-	Under review
2000	731-TA-901	Indonesia	Affirmative	2006	Affirmative	2012	Affirmative	-	-	Under review
2000	731-TA-902	Kazakhstan	Affirmative	2006	Negative	-	-	-	-	Order not continued <sup>4</sup>
2000	731-TA-903	Netherlands	Affirmative	2006	Affirmative	-	-	-	-	Terminated 6/27/07 <sup>5</sup>
2000	731-TA-904	Romania	Affirmative	2006	Negative	-	-	-	-	Order not continued <sup>4</sup>
2000	731-TA-905	South Africa	Affirmative	2006	Negative	-	-	-	-	Order not continued <sup>4</sup>
2000	731-TA-906	Taiwan	Affirmative	2006	Affirmative	2012	Affirmative	-	-	Under review
2000	731-TA-907	Thailand	Affirmative	2006	Affirmative	2012	Affirmative	-	-	Under review

Table continued on next page.

**Table I-4--Continued**  
**Hot-rolled steel: Previous and related investigations, 1982-2019**

Original investigation				First review		Second review		Third review		Current status
Date <sup>1</sup>	Number	Country	Outcome	Date <sup>1</sup>	Outcome	Date <sup>1</sup>	Outcome	Date <sup>1</sup>	Outcome	
2000	731-TA-908	Ukraine	Affirmative	2006	Affirmative	2012	Affirmative	-	-	Under review
2015	701-TA-545	Brazil	Affirmative	-	-	-	-	-	-	Order in place <sup>7</sup>
2015	701-TA-546	Korea	Affirmative	-	-	-	-	-	-	Order in place <sup>7</sup>
2015	701-TA-547	Turkey	Negligible	-	-	-	-	-	-	No Order <sup>7</sup>
2015	731-TA-1291	Australia	Affirmative	-	-	-	-	-	-	Order in place <sup>7</sup>
2015	731-TA-1292	Brazil	Affirmative	-	-	-	-	-	-	Order in place <sup>7</sup>
2015	731-TA-1293	Japan	Affirmative	-	-	-	-	-	-	Order in place <sup>7</sup>
2015	731-TA-1294	Korea	Affirmative	-	-	-	-	-	-	Order in place <sup>7</sup>
2015	731-TA-1295	Netherlands	Affirmative	-	-	-	-	-	-	Order in place <sup>7</sup>
2015	731-TA-1296	Turkey	Affirmative	-	-	-	-	-	-	Order in place <sup>7</sup>
2015	731-TA-1297	United Kingdom	Affirmative	-	-	-	-	-	-	Order in place <sup>7</sup>

<sup>1</sup> "Date" refers to the year in which the investigation or review was instituted by the Commission.

<sup>2</sup> Preliminary determination.

<sup>3</sup> *Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil and Japan: Revocation of the Antidumping Duty Orders on Brazil and Japan and the Countervailing Duty Order on Brazil*, 76 FR 36081, June 24, 2011.

<sup>4</sup> *Certain Hot-Rolled Carbon Steel Flat Products from Argentina, Kazakhstan, Romania, and South Africa: Revocation of Antidumping Duty and Countervailing Duty Orders*, 72 FR 65293, November 20, 2007.

<sup>5</sup> *Certain Hot-Rolled Carbon Steel Flat Products from the Netherlands; Final Results of the Sunset Review of Antidumping Duty Order and Revocation of the Order*, 72 FR 35220, June 27, 2007; and *Hot-Rolled Steel Products from the Netherlands*, 72 FR 40322, July 24, 2007.

<sup>6</sup> *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine; Determination*, 79 FR 3622, January 22, 2014.

<sup>7</sup> *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, 81 FR 66996, September 29, 2016.

<sup>8</sup> *Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 81 FR 62094, September 8, 2016.

Source: U.S. International Trade Commission publications.

## Previous and related safeguard investigations

Hot-rolled steel products have been the subject of both safeguard investigations and other arrangements to limit the importation of steel products.<sup>30</sup> In 1984, the Commission determined that carbon and alloy steel sheet were being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing such articles, and recommended quantitative restrictions of imports for a period of five years. President Reagan determined that import relief under section 201 of the Trade Act of 1974 was not in the national interest. At the President's direction, quantitative limitations under voluntary restraint agreements ("VRAs") for a five year period ending September 30, 1989, were negotiated. In July 1989, the VRAs were extended for two and one half years until March 31, 1992.

In 2001, the Commission determined that certain carbon and alloy steel, including hot-rolled steel, was being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing such articles, and recommended additional duties on imports for a period of four years.<sup>31</sup> On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to hot-rolled steel consisted of an additional tariff for a period of three years and one day (30 percent ad valorem on imports in the first year, 24 percent in the second year, and 18 percent in the third year).<sup>32</sup> Following receipt of the Commission's mid-term monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.<sup>33</sup>

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<sup>30</sup> A more detailed description of such measures since 1980 appears in the staff report for the first review of the orders on hot-rolled steel from Brazil, Japan, and Russia. *Certain Hot-Rolled Flat Rolled Carbon Quality Steel Products from Brazil, Japan, and Russia: Inv. Nos. 701-TA-384 and 731-TA-806-808 (Review)*, USITC Publication 3767, April 2005, pp. I-9-I-10.

<sup>31</sup> *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

<sup>32</sup> *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002. The President also instructed the Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

<sup>33</sup> *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003. Import licensing, however, remained in place through March 21, 2005.

## ACTIONS AT COMMERCE

Commerce has not conducted any changed circumstances reviews, critical circumstances reviews, or issued anti-circumvention findings, since the completion of the last five-year reviews. In addition, Commerce has not issued any duty absorption findings, company revocations, or scope rulings since the imposition of the orders.

### Section 129 proceeding

On April 18, 2016, the USTR instructed Commerce to implement its determinations under section 129 of the Uruguay Round Agreements Act (“URAA”) regarding several countervailing duty administrative reviews on hot-rolled steel from India.<sup>34</sup> The amended countervailable subsidy rates are presented in table I-5.

**Table I-5**  
**Hot-rolled steel: Commerce’s amended countervailable subsidy rates for producers/exporters, India**

Producer/exporter	CVD administrative review (percent)	Revised CVD rate (percent)
<b>2006 final results</b>		
Essar	17.50	15.40
Ispat	15.27	14.82
JSW	484.41	215.54
Tata Steel	27.22	18.81
<b>2007 final results</b>		
Essar	76.88	68.77
<b>2008 final results</b>		
Tata Steel Ltd	577.28	140.18

Source.-- *Certain Hot-Rolled Carbon Steel Flat Products From India: Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act*, 88 FR 27412, May 6, 2016.

### Current five-year reviews

Commerce is conducting expedited reviews with respect to the countervailing duty orders on hot-rolled steel from India, Indonesia, and Thailand and the antidumping duty orders on hot-rolled steel from China, India, Indonesia, Taiwan, Thailand, and Ukraine. Commerce intends to issue the final results of these reviews based on the facts available not later than June 5, 2019.<sup>35</sup>

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<sup>34</sup> *Certain Hot-Rolled Carbon Steel Flat Products From India: Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act*,

<sup>35</sup> *Letter from Abdelali Elouaradia, Director Office IV, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ*, March 20, 2019.

## THE PRODUCT

### Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:

Certain hot-rolled carbon steel flat products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers), regardless of thickness, and in straight lengths of a thickness of less than 4.75 mm and of a width measuring at least 10 times the thickness. For the full scope language, see the antidumping and countervailing duty orders.<sup>36</sup> The merchandise is currently classified under the item numbers of the Harmonized Tariff Schedule of the United States ("HTSUS") listed in the scope of each order. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope of the antidumping and countervailing duty orders remains dispositive.<sup>37</sup>

### U.S. tariff treatment

The subject hot-rolled steel<sup>38</sup> is currently imported under many HTS statistical reporting numbers of headings 7208, 7210, 7211, 7212, 7225, and 7226.<sup>39</sup> In 1999, prior to the filing of

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<sup>36</sup> See *Notice of Amended Final Antidumping Duty Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From India*, 66 FR 60194, December 3, 2001; *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From Indonesia*, 66 FR 60192, December 3, 2001; *Notice of the Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From the People's Republic of China*, 66 FR 59561, November 29, 2001; *Notice of Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From Taiwan*, 66 FR 59563, November 29, 2001; *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From Thailand*, 66 FR 59562, November 29, 2001; *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From Ukraine*, 66 FR 59559, November 29, 2001; *Notice of Amended Final Determination and Notice of Countervailing Duty Orders: Certain Hot-Rolled Carbon Steel Flat Products From India and Indonesia*, 66 FR 60198, December 3, 2001; and *Notice of Countervailing Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From Thailand*, 66 FR 60197, December 3, 2001.

<sup>37</sup> *Certain Hot-Rolled Carbon Steel Flat Products From India, Indonesia, the People's Republic of China, Taiwan, Thailand, and Ukraine: Continuation of Antidumping and Countervailing Duty Orders*, 79 FR 7425, February 7, 2014.

<sup>38</sup> Note 1(d) to chapter 72 of the HTS specifies that a product must be "usefully malleable" and not be a ferrous material of heading 7203 in order to be classified as steel. *HTSUS (2019) Revision 3*, USITC Publication 4890, April 2019, p. 72-1.

<sup>39</sup> The merchandise subject to the orders is imported under the following HTS statistical reporting numbers: 7208.10.1500, 7208.10.3000, 7208.10.6000, 7208.25.3000, 7208.25.6000, 7208.26.0030, 7208.26.0060, 7208.27.0030, 7208.27.0060, 7208.36.0030, 7208.36.0060, 7208.37.0030, 7208.37.0060, (continued...)

the original petition, U.S. normal trade relations (“NTR”) duty rates on such hot-rolled steel ranged as high as 4.8 percent ad valorem. As a result of Uruguay Round staged duty-rate reductions that began in 1995, U.S. NTR tariffs on hot-rolled steel were eliminated by 2004. Hot-rolled steel imported into the U.S. customs territory from the subject trading partners under all of the HTS numbers applicable to these reviews has a column 1-general duty rate of “Free.” Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

### Sections 232 and 301 tariff treatment

All steel products classified in HTS headings 7208, 7210, 7211, 7212, 7225, and 7226 were included in the enumeration of iron and steel articles (imported on or after March 23, 2018) that became subject to the additional 25-percent ad valorem national-security duties under Section 232 of the *Trade Expansion Act of 1962*, as amended.<sup>40</sup> See U.S. notes 16(a) and 16(b), subchapter III of HTS chapter 99.<sup>41</sup>

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(...continued)

7208.38.0015, 7208.38.0030, 7208.38.0090, 7208.39.0015, 7208.39.0030, 7208.39.0090, 7208.40.6030, 7208.40.6060, 7208.53.0000, 7208.54.0000, 7208.90.0000, 7211.14.0090, 7211.19.1500, 7211.19.2000, 7211.19.3000, 7211.19.4500, 7211.19.6000, 7211.19.7530, 7211.19.7560, and 7211.19.7590. Certain hot-rolled carbon steel flat products covered by the orders, including vacuum degassed fully stabilized, high strength low alloy, and the substrate for motor lamination steel, may also be imported under the following tariff numbers: 7225.11.0000, 7225.19.0000, 7225.30.3050, 7225.30.7000, 7225.40.7000, 7225.99.0090, 7226.11.1000, 7226.11.9030, 7226.11.9060, 7226.19.1000, 7226.19.9000, 7226.91.5000, 7226.91.7000, 7226.91.8000, and 7226.99.0000. Subject merchandise may also be imported under 7210.70.3000, 7210.90.9000, 7211.14.0030, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Although the HTS numbers are provided for convenience and customs purposes, the written product description remains dispositive. *Certain Hot-Rolled Carbon Steel Flat Products From India, Indonesia, the People’s Republic of China, Taiwan, Thailand, and Ukraine: Continuation of Antidumping and Countervailing Duty Orders*, 79 FR 7425, February 7, 2014; *HTSUS (2019) Revision 3*, USITC Publication 4890, April 2019, pp. 72-14 to 72-15, 72-17 to 72-19, 72-40 to 72-42.

HTS statistical reporting numbers 7226.93.0000, 7226.94.0000, and 7226.99.0000 were deleted, effective February 3, 2007, and replaced by HTS 7226.99.0110 (electrolytically plated or coated with zinc), 7226.99.0130 (otherwise plated or coated with zinc), and 7226.99.018 (all other, not elsewhere specified or identified), respectively. *HTSUS (2007)*, USITC Publication No. 3902, February 1, 2007, Change Record, p. 57.

<sup>40</sup> The enumerated iron and steel articles originating from Canada and Mexico were initially exempted from these additional 25 percent duties. *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

These enumerated articles imported from Argentina, Australia, Brazil, Canada, Mexico, South Korea, and the European Union (“EU”) member states were exempt from the additional 25 percent duties on March 23 through May 1, 2018. *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9711, March 22, 2018, 83 FR 13361, March 28, 2018.

These articles imported, within calendar-year quota limits, from South Korea were exempt from the additional 25 percent duties as of May 1, 2018. The duty exemptions were continued for imports from

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The corresponding HTS subheadings for hot-rolled steel were not included by the Office of the United States Trade Representative (“USTR”) in the enumeration of products imported from China that became subject to the additional 25 percent ad valorem duties (annexes A and B of 83 FR 28710, on or after July 6, 2018;<sup>42</sup> and annexes A and B of 83 FR 40823, on or after August 23, 2018<sup>43</sup>); or to the additional 10 percent ad valorem duties (annexes A and C of 83 FR 47974, on or after September 24, 2018)<sup>44</sup> under Section 301 of the *Trade Act of 1974*.<sup>45</sup> See U.S. notes 20(a) and 20(b),<sup>46</sup> 20(c) and 20(d),<sup>47</sup> and 20(e) and 20(f)<sup>48</sup> to subchapter III of HTS chapter 99.<sup>49</sup>

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(...continued)

Canada, Mexico, and the EU member states until June 1, 2018 and for imports from Argentina, Australia, and Brazil on and after June 1, 2018. *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018.

These articles imported, within calendar-year quota limits, from Argentina and Brazil were exempt from the additional 25 percent duties as of June 1, 2018. However, the duty exemptions were not continued after May 31, 2019, for the enumerated iron and steel articles originating from Canada, Mexico, or the European Union member states. *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018.

These additional duties on the enumerated articles imported from Turkey were doubled to 50 percent ad valorem as of August 13, 2018. *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9772, August 10, 2018, 83 FR 40429, August 15, 2018.

<sup>41</sup> *HTSUS (2019) Revision 3*, USITC Publication 4890, April 2019, pp. 99-III-5 - 99-III-6.

<sup>42</sup> *Notice of Action and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 28710, June 20, 2018.

<sup>43</sup> *Notice of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 40823, August 16, 2018.

<sup>44</sup> *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 47974, September 21, 2018.

<sup>45</sup> Escalation of this duty to 25-percent ad valorem was rescheduled from January 1, 2019 (annex B of 83 FR 47974) to March 2, 2019 (83 FR 65198), but was subsequently postponed until further notice. *Notice of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 65918, December 19, 2018; *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 7966, March 5, 2019.

<sup>46</sup> *HTSUS (2019) Revision 3*, USITC Publication 4890, April 2019, pp. 99-III-13 to 99-III-14, 99-III-15.

<sup>47</sup> *HTSUS (2019) Revision 3*, USITC Publication 4890, April 2019, pp. 99-III-18 to 99-III-19, 99-III-20.

<sup>48</sup> *HTSUS (2019) Revision 3*, USITC Publication 4890, April 2019, pp. 99-III-21 to 99-III-22, 99-III-40.

<sup>49</sup> *HTSUS (2019) Revision 3*, USITC Publication 4890, April 2019, pp. 99-III-60 to 99-III-64.

## Description and uses<sup>50</sup>

Steel is generally defined as a combination of iron and carbon that is malleable as first cast, in which iron predominates, by weight, over each of the other contained elements and the carbon content is two percent or less, by weight.<sup>51</sup> Carbon steel includes most common grades of steel and generally is less expensive to produce than the various grades of alloy steels, due primarily to the cost of the alloying elements.

The majority of hot-rolled steel production is consumed internally or transferred to affiliates for downstream processing into cold-rolled and/or galvanized or plated products, cut-to-length plate, or welded pipe. The remainder is sold to end users, service centers, and to steel processors for conversion into downstream steel products, including cold-rolled steel, coated steel, and pipe products. Information summarizing the channels of distribution for hot-rolled steel is presented in the “Definitions of the Domestic Like Product and Domestic Industry” section.

Steel may compete against other materials, such as aluminum, plastics, and advanced composites. Hot-rolled steel is used in general structural functional areas where surface finish and lighter weight are not crucial. Such steel is well suited for and extensively used in automotive applications (such as body frames and wheels), tubing, and floor decks in steel construction. Hot-rolled steel also is used in transportation equipment (such as railway freight cars, ships, and barges), nonresidential construction, appliances, heavy machinery, and machine parts. Interstitial-free (“IF”) steel is a low-carbon steel having unique deep-drawing capability in stamping presses.<sup>52</sup> High-strength low-alloy (“HSLA”) steels are used in structural applications for the construction, automotive, machinery, and equipment industries where strength and other attributes are important.

Although uses of hot-rolled steel include applications where surface finish and lighter weight have historically not been crucial, “lightweighting” is becoming increasingly important. As a result, producers are striving to produce higher-strength steel in thinner gauges (thicknesses) to substitute for regular-strength hot-rolled or even for cold-rolled steel in thicknesses of 2 mm or less. In the automotive sector, lightweighting is important to meet regulatory requirements such as the U.S. Corporate Average Fuel Economy (“CAFÉ”)

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<sup>50</sup> Unless otherwise noted, this information is based on *Hot Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand and Ukraine, Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, pp. I-25 to I-26.

<sup>51</sup> “Steel: Ferrous materials other than those of heading 7203 which (with the exception of certain types produced in the form of castings) are usefully malleable and which contain by weight 2 percent or less of carbon. However, chromium steels may contain higher proportions of carbon.” *HTSUS (2019) Revision 3*, USITC Publication 4890, April 2019, chap. 72, note 1(d), p. 72-1.

<sup>52</sup> IF steels have very low amounts of interstitial elements (primarily carbon and nitrogen) with small amounts of titanium or niobium added to tie up the remaining interstitial atoms. Without free interstitial elements, these steels are very ductile and soft. ISPAT Guru, “Interstitial Free Steels,” *ISPAT Digest*, June 13, 2014, found at <http://ispatguru.com/interstitial-free-steels/>.



requirements.<sup>53</sup> Lightweighting both uses advanced high-strength steels, which can reduce a vehicle's structural weight by as much as 39 percent,<sup>54</sup> and substitutes other materials for steel.

Common material specifications for hot-rolled steel are ASTM A1011, which applies to products less than 0.230 inch in thickness, and ASTM A1018, which applies to material 0.230 inch or greater in thickness. Both specifications cover hot-rolled carbon steel, including commercial steel, drawing-quality steel, HSLA steel, and ultra-high-strength steel sheet and strip, in coils and cut lengths (coils only for ASTM A1018).

### **Manufacturing process<sup>55</sup>**

Producers of hot-rolled steel may be: (1) an integrated mill, producing steel by smelting iron ore with a limited amount of scrap, along with a thick-slab casting and rolling operation;<sup>56</sup> (2) an electric-arc furnace mill (or "minimill"), producing steel by melting-down purchased scrap supplemented with primary iron products, along with a thin-slab casting and rolling operation;<sup>57</sup> or (3) a stand-alone rolling operation, with no on-site steelmaking capability, using slabs purchased from other steelmakers (usually imported).<sup>58</sup> Each of these three types of operations has an inherent cost structure that differs from those of the other two. An

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<sup>53</sup> "First enacted by Congress in 1975, the purpose of CAFE is to reduce energy consumption by increasing the fuel economy of cars and light trucks." U.S. Department of Transportation, "Corporate Average Fuel Economy (CAFE) Standards," August 27, 2014, found at <https://www.transportation.gov/mission/sustainability/corporate-average-fuel-economy-cafe-standards>.

<sup>54</sup> American Iron and Steel Institute ("AISI"), "Beyond Strong: Steel is Lightweight, Affordable, Sustainable" found at <https://www.autosteel.org/beyond-strong/beyond-strong-welcome>; "Beyond Strong: Steel is Lightweight," found at <https://www.autosteel.org/document-types/beyond-strong/beyond-strong---steel-is-lightweight>, retrieved April 5, 2019.

<sup>55</sup> Unless otherwise noted, this information is based *Hot Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand and Ukraine, Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, pp. I-26 to I-31.

<sup>56</sup> Companies that are exclusively or predominately integrated producers of flat-rolled steel include: AK Steel, ArcelorMittal USA, and U.S. Steel. Domestic interested parties' response to the notice of institution, February 1, 2019, exh. 3; World Steel Dynamics, *Steel Strategist #43*, January 2018, pp. 113-127.

<sup>57</sup> Companies that predominately or exclusively use EAFs to produce flat-rolled steel include: Big River Steel, BlueScope Steel Ltd., Delta Steel Inc., JSW Steel Ltd., NLMK USA, Nucor, SSAB, and Steel Dynamics. Although predominantly an integrated producer, AK Steel has EAF production capabilities at its Butler, Pennsylvania and Mansfield, Ohio facilities. Domestic interested parties' response to the notice of institution, February 1, 2019, exh. 3 \*\*\*; World Steel Dynamics, *Steel Strategist #43*, January 2018, pp. 113-127.

<sup>58</sup> Rolling-only operations for flat-rolled steel include: AM/NS Calvert and CSI. Although NLMK USA has EAF production capabilities at its Portage, Indiana facility, its Farrell, Pennsylvania facility is a rolling-only operation. Domestic interested parties' response to the notice of institution, February 1, 2019, exh. 3; World Steel Dynamics, *Steel Strategist #43*, January 2018, pp. 113-127.

integrated producer typically has the highest fixed costs and the highest value added in its cost structure;<sup>59</sup> a mini-mill generally has higher raw material costs but less value added;<sup>60</sup> and a rolling operation has the lowest value added but the highest raw-material costs.

The manufacturing process for hot-rolled steel products generally encompasses three distinct stages: (1) melting and refining, (2) casting molten steel into semi-finished forms, and (3) hot-rolling semi-finished forms into flat-rolled carbon steel mill products.

## **Melt stage**

Steel for the manufacture of hot-rolled steel products is produced from raw materials by either the “integrated” or “nonintegrated” process.<sup>61</sup> In an integrated process, iron ore, the principal iron-containing raw material is smelted in a blast furnace, using coke as the fuel (usually supplemented with coal, natural gas, or fuel oil), to produce molten pig iron, which is drained into a large ladle and transported to an oxygen steelmaking furnace. The molten pig iron is poured into a steelmaking furnace, together with a lesser amount of steel scrap and flux materials such as burnt lime, burnt dolomite, and fluorspar. High-purity oxygen is injected into the furnace and reacts with dissolved carbon and other impurities in the charge materials, raising the temperature to that necessary for further conversion processing. The resulting molten steel is poured or “tapped” from the furnace to a ladle to be transported to a ladle metallurgy station and then to casting.

The nonintegrated, or scrap-based, process produces molten steel by melting ferrous scrap or scrap substitutes (direct-reduced iron, hot-briquetted iron, and iron carbide)<sup>62</sup> in an EAF. The charge materials are melted by electrical current passing through an arc between an

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<sup>59</sup> Integrated steel production requires primary inputs such as coke, iron ore, limestone, and steel scrap. Coke is a refined carbon product produced by baking coal to drive off volatile components, and is the principal fuel used to produce molten iron in blast furnaces. Iron ore is melted to produce liquid metal. Limestone is used as a flux to remove impurities from the liquid metal. Ferrous scrap is used for a portion of the steelmaking-furnace charge with hot metal accounting for the remainder.

<sup>60</sup> Ferrous scrap is the primary input for EAF production. Since scrap also contains a certain amount of non-ferrous “tramp” elements, production that uses a lower ratio of scrap to hot metal can generate cleaner, purer steel often required for certain value-added applications.

<sup>61</sup> The shares of total crude steel output by steelworks in the United States were 31.6 percent in oxygen-blown furnaces and 67.0 percent in electric arc and induction furnaces in 2017. By contrast, these ratios were 42.6 percent and 57.4 percent, respectively, in 2008. World Steel Association, *Steel Statistical Yearbook 2018*, table 7: “Production of Crude Steel in Oxygen-blown Converters,” p. 20; table 8: “Production of Crude Steel in Electric Furnaces (Arc and Induction),” November 22, 2018, p. 23.

<sup>62</sup> Because ferrous scrap is generally the main raw material for EAF steelmaking and because these primary iron products reduce the amount of scrap needed, they are often referred to as “scrap substitutes.” Their use depends upon their prices relative to that of scrap and upon particular end-product requirements for material containing smaller amounts of undesirable elements than does scrap. Newer thin-slab flat-rolled mills are using scrap substitutes, to various degrees, as a means of further product-quality control.

electrode and the material in the furnace. Oxygen is used to burn-off impurities, but at a fraction of the amounts used in oxygen steelmaking. After melting, the molten steel is tapped into a ladle for further processing.

Whether integrated or nonintegrated, steelmakers typically utilize a secondary steelmaking stage, the “ladle metallurgy station.” Shifting the final refining stages to the ladle metallurgy station allows for shorter production cycles in the primary steelmaking vessel, effectively raising steelmaking capacity. Special ladle treatments include desulfurization and vacuum degassing, which improve the steel’s cleanliness, formability, surface quality, chemistry, and strength. Steelmakers rely on additional techniques to refine the product further into extra-clean or low-carbon steels. These refinements are necessary to satisfy stringent surface or internal quality, and mechanical properties.<sup>63</sup> Steelmakers may further adjust the chemical content by adding alloying elements or by lowering the carbon content (decarburization), or adjusting the temperature of the steel for optimum casting. While the carbon content may further be reduced by subsequent hydrogen annealing of the coiled steel, the steel’s essential characteristics are established prior to the casting stage. Steelmakers continually seek process improvements— two examples are the Conarc® and Corex® technologies. The Conarc® process combines features of both the integrated and EAF processes in a single production unit, i.e. a steelmaking furnace where oxygen is injected into the liquid metal to react with dissolved carbon and other impurities and the electric furnace process which uses electricity to melt the solid substances and superheat the bath to tapping temperature.<sup>64</sup> Corex® technology allows integrated mills to smelt iron ore using mostly coal instead of more expensive coke.<sup>65</sup>

### **Slab casting stage**

Following the production of molten steel with the desired properties, the steel is cast into a form that can enter the rolling process. Continuous casters convert molten steel into slabs for rolling into finished product and the vast majority of carbon sheet steels produced in

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<sup>63</sup> The goals of secondary steelmaking include controlling gases (e.g., decreasing the concentration of oxygen, hydrogen, and nitrogen, called “degassing”), reducing sulfur, removing undesirable nonmetallic inclusions such as oxides and sulfides, changing the composition and/or shape of oxides and sulfides that cannot be completely removed, and improving the mechanical properties of the finished steel. AISI, “Secondary Refining,” found at [http://www.steel.org/~media/Files/AISI/Making%20Steel/Article%20Files/learning\\_2ndrefining.pdf](http://www.steel.org/~media/Files/AISI/Making%20Steel/Article%20Files/learning_2ndrefining.pdf), retrieved April 5, 2019.

<sup>64</sup> SMS Siemag AG, “Steelmaking: Conarc®,” found at <https://www.sms-group.com/plants/all-plants/electric-steelmaking/conarc-converter-arcing/>, retrieved April 5, 2019.

<sup>65</sup> Siemens AG, “Cleaner Iron Production,” June 23, 2008, found at [https://www.siemens.com/press/en/presspicture/?press=/en/presspicture/2008/corporate\\_communication/media\\_summit\\_2008/soaxx200803-08.htm&content\[\]=IMT&content\[\]=PDMT](https://www.siemens.com/press/en/presspicture/?press=/en/presspicture/2008/corporate_communication/media_summit_2008/soaxx200803-08.htm&content[]=IMT&content[]=PDMT).

the United States are continuously cast.<sup>66</sup> There are two broad categories of continuous casting used by most U.S. and foreign integrated producers of hot-rolled steel products: conventional or thick-slab continuous casters and thin-slab casters. Most U.S. integrated producers use the conventional process, whereas most of the nonintegrated facilities use thin- or thinner-slab casting processes. Thin-slab casting eliminates the need for a reheat furnace prior to rolling. Additional differences between thin-slab casting and conventional continuous-strand slab casting include the shape of the casting mold, the desired thickness of the slab, and the linkage of steel casting with direct hot rolling.

### **Rolling stage**

Hot-rolled carbon steel flat products are shaped on hot-strip mills. Essential components of a hot-strip mill are a rolling mill, a run-out table for cooling the hot-rolled strip after rolling, and equipment to coil the strip. Depending upon the planned capacity of the rolling operation, the thickness of the slabs entering the mill, and properties of the hot-rolled coil to be produced, there are many different configurations of hot-strip mills. When rolling from a thick slab, there is normally a slab heating furnace, a roughing train consisting of either four or five in-line roll stands through which the slab thins as it successively passes through the paired rolls of each stand or a single reversing stand in which the slab is passed back and forth between the paired rolls of the stand, and a finishing train with an additional four to seven stands to further reduce the thickness and impart the desired surface finish to the steel. The steel then exits the finishing train onto a run-out table where the product is subjected to a combination of water sprays, laminar jets, and/or air cooling to remove mill scale and reduce the temperature of the steel. The steel is then coiled at the end of the run-out table. Hot-rolled flat steel destined for the sheet market can be either shipped as “black band,” or cleaned in an acid bath and sold as “pickled band.” These products are used in non-critical surface applications such as automotive frames and wheels, construction products, pipe, off-highway equipment, and guardrails.

Thin slabs are typically 2 to 3 inches in thickness, and are transferred directly from the casting operation to the rolling mill. Because thin slabs require fewer rolling passes than thick slabs, the roughing mill may not be required and the finishing train may consist of a single, reversing mill rather than a series of in-line mills as described above. The reversing mill could be of the “Steckel” type, which coils the strip between passes in special furnaces on each side of the mill, to reduce heat loss.

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<sup>66</sup> All or virtually all of the crude steel produced by the subject trade partners was continuously cast in 2017— China (98.7 percent), India (86.1 percent), Indonesia (100.0 percent), Taiwan (99.6 percent), and Thailand (100.0 percent)— with the exception of Ukraine which used ingot casting for 51.6 percent and continuous casting for 48.3 percent of its crude-steel production in 2017. World Steel Association, *Steel Statistical Yearbook 2018*, table 4: “Production of Continuously Cast Steel,” November 22, 2018, pp. 11-12.

Nucor has built two twin-roll strip-casting facilities that cast a solid strip approximately 2 mm thick directly from a pool of molten steel established between two counter-rotating rolls. The strip is fed directly into a single hot-rolling mill for reduction to final thickness and then along a cooling table to a coiler. The first of these new facilities started up in 2002 and the second, more advanced unit, started up in 2009.<sup>67</sup> Advantages claimed for the twin-roll strip casting process in comparison to conventional thick-slab or thin-slab processing include the capability to economically produce hot-rolled steel 1 to 2 mm in thickness, which can be used in some applications as a substitute for more expensive cold-rolled steel. In addition, a steel mill incorporating the twin-roll strip casting practice may be constructed at a much lower capital cost than a conventional hot-rolling plant.<sup>68</sup>

### Subsequent operations

Hot-rolled steel may undergo a number of subsequent processes before being used internally by a steel producer or sold to outside customers. Processing subsequent to hot-rolling may include a temper pass to improve surface finish, gauge tolerance, and coil tightness; pickling and light oil coating;<sup>69</sup> and operations that level, slit, or shear hot-strip mill products to width or length. If the hot-rolled product is designated for subsequent cold-reduction and coating, it is first pickled in a series of acid baths, to remove surface oxides that result from exposure of the hot steel to water and the atmosphere. The steel is then treated with an oil that is compatible with the mill's cold-reduction mill, prior to being cold-reduced,<sup>70</sup> annealed, and temper passed. It might then be coated with a metallic coating.<sup>71</sup>

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<sup>67</sup> In 1988, BHP Steel (Australia) and Ishikawajima-Harima Heavy Industries ("IHI") Corp. (Japan) began a collaborative effort to determine the commercial feasibility of twin-roll strip casting of steel. However, another partner was needed with the ability to commercialize the process (trademarked as Castrip®). In March 2000 Nucor Corp. joined BlueScope Steel (renamed from BHP Steel in November 2003) and IHI Corp. to form Castrip LLC. Castrip LLC owns the technology and Nucor has the exclusive license to the process in the United States. For more information on the Castrip® process and the formation of Castrip LLC, see Castrip LLC, "Castrip Story," found at <http://www.castrip.com/Story/castripstory.html>; "The Original Concept, Project M, and Formation of Castrip LLC," found at [http://www.castrip.com/Story/castripstory.html#Formation\\_Castrip\\_LLC](http://www.castrip.com/Story/castripstory.html#Formation_Castrip_LLC); "Process Overview, Process Fundamentals, Process-to-Process Comparison," found at <http://www.castrip.com/Process/process.html>, retrieved April 5, 2019; BlueScope Steel, "History of BlueScope Steel," found at <https://s3-ap-southeast-2.amazonaws.com/bluescope-corporate-umbraco-media/media/2199/history-of-bluescope-steel.pdf>, retrieved April 5, 2019.

<sup>68</sup> Castrip LLC, "The Castrip® Advantage," found at <http://www.castrip.com./Advantage/advantage.html>, retrieved April 5, 2019.

<sup>69</sup> During the hot-rolling process, exposure to water and air results in the formation of dark oxides on the surface of the steel. Pickling involves passing the hot-rolled product through a series of acid baths to remove the oxides. The material is then dried and oiled to prevent surface reoxidation, and recoiled.

<sup>70</sup> Cold-reduction rolling involves a rather significant reduction in the thickness of the hot-rolled material, typically ranging from 25 to 90 percent. The term "cold-rolling" refers to any process in which

*(continued...)*

Pickling, oiling, tempering, leveling, slitting, or shearing can take place at the mill; alternatively, a mill can arrange for these operations to be performed at an outside service center.

Steel service centers serve as distributors of flat-rolled steel products. Many service centers maintain extensive inventories of a variety of steel products, providing availability and inventory management services for customers of all sizes, including those with smaller purchasing needs that must place low-volume orders. Some service centers perform value-added processing, such as uncoiling, flattening, and cutting of rolled products to length or producing hundreds of intricate parts from a single sheet.

## THE INDUSTRY IN THE UNITED STATES

### U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from 21 firms, which accounted for more than 90 percent of production of hot-rolled steel in the United States during 2000.<sup>72</sup>

During the first five-year reviews, the Commission received U.S. producer questionnaires from 16 firms, which accounted for virtually all commercial production of hot-rolled steel in the United States during 2006.<sup>73</sup>

During the second five-year reviews, the Commission received U.S. producer questionnaires from 22 firms, 14 of which provided the Commission with information on their operations. These firms are believed to account for more than 95 percent of production of hot-rolled steel in the United States during January 2007-June 2013.<sup>74</sup>

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of nine known and currently operating U.S. producers of hot-rolled steel.<sup>75</sup>

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(...continued)

the product is fed into a rolling mill at ambient temperature. Cold-rolling can be performed for a variety of reasons, including reduction in product thickness, to impart specific mechanical properties, or to impart a specific surface texture. A cold-rolling mill typically has five to seven in-line roll stands.

<sup>71</sup> Flat-rolled steel products are coated with metals or nonmetallic substances to improve their aesthetics, improve corrosion resistance, and meet anticipated requirements of downstream forming operations.

<sup>72</sup> *Investigations Nos. 701-TA-404-408 and 731-TA-898-908 (Final): Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine—Staff Report*, INV-Y-141, August 6, 2001, p. I-3.

<sup>73</sup> *Hot-rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-404-408 and 731-TA-898-902 and 904-908 (Review)*, USITC Publication 3956, October 2007, p. I-38.

<sup>74</sup> *Hot-rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, p. I-33.

<sup>75</sup> Domestic interested parties' response to the notice of institution, February 1, 2019, p. 27.

## Recent developments

Since the Commission's last five-year reviews, the following developments have occurred in the hot-rolled steel industry. Big River Steel ("BRS") entered the U.S. market (December 2016) as a large-scale producer of technologically advanced steel grades. Citing opportunities to produce advanced steels for autonomous and electric vehicles and electrical steels for electric motors and other electrical devices, BRS subsequently announced a major expansion at its existing facility, along with seeking a second location as a future greenfield mill site.<sup>76</sup> AK Steel, ArcelorMittal USA, Nucor, and Steel Dynamics acquired individual flat-rolled steel products facilities in 2014. RG Steel idled production and laid-off employees at its three integrated, flat-rolling mills after declaring bankruptcy (June 2012), and subsequently exited the U.S. market. The following facilities were idled and subsequently closed down: RG Steel's Sparrows Point, Maryland; Warren, Ohio; and Wheeling, West Virginia (August 2012) steelworks; Evraz NA's Claymont, Delaware (December 2013) steelworks, and U.S. Steel's Fairfield, Alabama (August 2015) steelworks. Table I-6 presents events in the U.S. industry during 2013-18.

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<sup>76</sup> Triplett, Timothy, "Big River Sees Expansion, Electrical Steel in Its Future," *Steel Market Update*, March 25, 2018, <https://bigriversteel.com/wp-content/uploads/2018/03/Big-River-Sees-Expansion-Electrical-Steel-in-its-Future-Steel-Market-Update.pdf>.

**Table I-6  
Hot-rolled steel: Recent developments in the U.S. industry, 2013-18**

Item / Firm	Recent events
<b>Acquisitions:</b>	
ArcelorMittal USA and Nippon Steel & Sumitomo Metals Corp. ("AM/NS")	February 2014— 50-50 joint-venture partners AM/NS completed their acquisition of ThyssenKrupp Steel USA, which has a rolling-only mill located in Calvert, AL, with annual production capacity of 5.3 million metric tons (5.8 million short tons). Slabs are to be sourced from ThyssenKrupp CSA, an integrated mill located in Rio de Janeiro, Brazil. <sup>1</sup>
AK Steel	September 2014— completed its acquisition of Severstal NA's integrated, flat-rolled products facility in Dearborn, MI. The blast furnace, rebuilt in 2007, is reportedly among the world's most efficient and productive for its size. A new pickling line tandem cold mill began operating in 2011. <sup>2</sup>
Steel Dynamics	September 2014— completed its acquisition of Severstal NA's flat-rolled products mill located in Columbus, MS. Originally commissioned in 2007, this facility is considered among the most technologically advanced minimills in North America, being capable of producing 3.4 million short tons of steel annually, and one of the few mills capable of rolling up to 76-inch wide hot-rolled and 74-inch wide cold-rolled flat products. <sup>2</sup>
Nucor	October 2014— completed its acquisition of Gallatin Steel Co. from 50-50 joint-venture partners ArcelorMittal USA and Gerdau NA, with its flat-rolled products mill located in Ghent, KY, having annual production capacity of 1.8 million short tons. <sup>4</sup>
<b>Curtailments and idlings:</b>	
RG Steel	June 2012— after filing for bankruptcy, began idling operations and laying-off employees at its three integrated, flat-rolled products facilities located at Sparrows Point, MD; Warren, OH; and Wheeling, WV. <sup>5</sup>
Evraz NA	October 2013— announced curtailing of production at its flat-rolled Claymont, DE facility. <sup>6</sup>
AK Steel	October 2015— issued a notice, under the Worker Adjustment and Retraining Notification (WARN) Act, to inform employees at its Ashland, KY facility of its plans to idle the blast furnace and steelmaking operations. AK Steel announced in January 2019 that its Ashland, KY facility, where most operations have been idled since December 2015, will be permanently closed-down by the end of 2019. <sup>7</sup>
U.S. Steel	November 2015— announced the temporary idling of the steelmaking and finishing operations at its Granite City, IL facility. <sup>8</sup>
U.S. Steel	January 2016— Idled the hot-strip mill at its Granite City, IL facility. <sup>9</sup>
<b>Expansions:</b>	
AM/NS	September 2014— 50-50 joint-venture partners AM/NS announced plans to expand slab-staging and slab-yard at its Calvert, AL rolling-only facility to attain the mill's 5.3 million metric tons (5.8 million short tons) rolling capacity. <sup>10</sup>
BRS	April 2018— signed an option agreement with the Board of Commissioners to locate future greenfield steel mill and distribution center in the Brownsville, TX area. <sup>11</sup>
BRS	June 2018— announced plans to double the annual production capacity at its Flex Mill™ located in Osceola, AR, from 1.6 million short tons to 3.3 million short tons and enable the mill to produce even higher grades of electrical steels. Construction is anticipated to commence later in the year and continue for approximately 24 months. <sup>12</sup>

Table continued on next page.



**Table I-6—Continued**  
**Hot-rolled steel: Recent developments in the U.S. industry, 2013-18**

<b>New producer:</b>	
BRS	December 2016— first hot-rolled coil produced at a new greenfield EAF steelmaking and flat-rolling mill at Osceola, AK, with planned annual production capacity of 1.6 million short tons of various advanced steel grades. In the first full year of operation (2017) output reached 1.3 million short tons, equivalent to a capacity utilization of 81.3 percent. This new facility is described by a BRS representative as the “first “Flex Mill™” having the ability to produce a “wide product mix and superior grade capabilities of an integrated mill with the nimbleness and technological advancements of a mini-mill.” <sup>13</sup>
<b>Restarts:</b>	
U.S. Steel	February 2017— restarted the hot-strip mill at its Granite City, IL facility that was previously idled back in January 2016. <sup>14</sup>
U.S. Steel	March 2018— announced restarting of one (Blast Furnace “B”) of the two idled blast furnaces, along with the steelmaking operations at its Granite City, IL facility, anticipated to take up to four months (July 2018). <sup>15</sup>
U.S. Steel	June 2018— announced restarting of the second (Blast Furnace “A”) of two blast furnaces at its Granite City, IL facility, anticipated for October 2018, to meet increased demand for U.S.-produced steel. <sup>16</sup>
<b>Shutdowns:</b>	
RG Steel	August 2012— since filing for bankruptcy in June 2012, RG Steel sold-off its previously idled Sparrows Point, MD; Warren, OH; and Wheeling, WV facilities. <sup>17</sup>
Evraz NA	December 2013— announced closure of its flat-rolled Claymont, DE facility. <sup>18</sup>
U.S. Steel	August 2015— announced intentions to permanently close the blast furnace, steelmaking operations, and most of the flat-rolled finishing operations at its Fairfield, AL facility. <sup>19</sup>

<sup>1</sup> ArcelorMittal USA, “ArcelorMittal Completes Acquisition of ThyssenKrupp Steel USA,” Announcement, February 26, 2014, <https://usa.arcelormittal.com/news-and-media/announcements/2014/feb/02-26-2014>; “ArcelorMittal Acquires ThyssenKrupp Steel USA with Nippon Steel & Sumitomo Metal Corporation for US\$1,550 Million,” Announcement, November 28, 2013, <https://usa.arcelormittal.com/news-and-media/announcements/2013/nov/11-28-2013>.

<sup>2</sup> AK Steel, “AK Steel Completes Acquisition of Severstal Dearborn,” News release, September 16, 2014, <https://ir.aksteel.com/news-releases/news-release-details/ak-steel-completes-acquisition-severstal-dearborn>; “AK Steel to Acquire Severstal Dearborn,” News release, July 21, 2014, <https://ir.aksteel.com/news-releases/news-release-details/ak-steel-acquire-severstal-dearborn>.

<sup>3</sup> Steel Dynamics, “Steel Dynamics Completes Acquisition of Severstal Columbus,” Press release, September 16, 2014, <http://ir.steeldynamics.com/profiles/investor/ResLibraryView.asp?BzID=2197&ResLibraryID=72429&Category=2105>; “Steel Dynamics to Acquire Severstal Columbus, Acquisition to Accelerate Future Growth,” Press release, July 21, 2014, <http://ir.steeldynamics.com/profiles/investor/ResLibraryView.asp?BzID=2197&ResLibraryID=71312&Category=2105>.

<sup>4</sup> ArcelorMittal USA, “ArcelorMittal and Gerdau Complete Sale of Gallatin Steel,” Announcement, October 8, 2014, <https://usa.arcelormittal.com/news-and-media/announcements/2014/oct/10-08-2014>; Nucor, “Nucor Completes Acquisition of Gallatin Steel Company,” PR Newswire, October 8, 2014, <https://www.prnewswire.com/news-releases/nucor-completes-acquisition-of-gallatin-steel-company-278533451.html>; “Nucor to Acquire Gallatin Steel,” PR Newswire, September 15, 2014, <https://www.prnewswire.com/news-releases/nucor-to-acquire-gallatin-steel-275108171.html>.

Notes continued on next page.

**Table I-6–Continued**

**Hot-rolled steel: Recent developments in the U.S. industry, 2013-18**

- <sup>5</sup> Cho, Hannah, “Sparrows Point Steel Mill Will Close in June,” *Baltimore Sun*, May 24, 2012, <http://www.baltimoresun.com/business/bs-bz-sparrows-point-layoff-notice-20120524-story.html>; Nyden, Paul J., “Steel Industry Continues to Face Tough Times in W.Va., Nation,” *Charleston Gazette-Mail*, February 2, 2013, [https://www.wvgazettemail.com/business/steel-industry-continues-to-face-tough-times-in-w-va/article\\_30f40826-7ff9-5d5b-9e9c-98aa6411e1a0.html](https://www.wvgazettemail.com/business/steel-industry-continues-to-face-tough-times-in-w-va/article_30f40826-7ff9-5d5b-9e9c-98aa6411e1a0.html); Runyan, Ed, “Steelmaking Legacy Crashing Down in Warren,” *The Vindicator*, June 22, 2014, <http://www.vindy.com/news/2014/jun/22/steelmaking-legacy-crashing-down-warren/>.
- <sup>6</sup> Rainey, “This Is Not the First Setback for Delaware Steel Plant,” *WHYY.org*, Doug, October 14 2013, <https://whyy.org/articles/this-is-not-first-setback-for-delaware-steel-plant/>.
- <sup>7</sup> Snyder, Aaron, “AK Steel to Close Ashland Works,” Ashland, KY: *The Daily Independent*, January 28, 2019, [https://www.dailyindependent.com/news/updated-ak-steel-to-close-ashland-works/article\\_1e54d478-234b-11e9-b7b5-771d03cd0ded.html](https://www.dailyindependent.com/news/updated-ak-steel-to-close-ashland-works/article_1e54d478-234b-11e9-b7b5-771d03cd0ded.html); AK Steel, “AK Steel Issues Notice to Temporarily Idle Portions of Ashland, Kentucky Works,” News release, October 16, 2015, <https://ir.aksteel.com/news-releases/news-release-details/ak-steel-issues-notice-temporarily-idle-portions-ashland>.
- <sup>8</sup> U.S. Steel, “United States Steel Announces Idling of Granite City Works Operations,” Press release, November 23, 2015, <https://www.ussteel.com/newsroom/united-states-steel-announces-idling-granite-city-works-operations>.
- <sup>9</sup> U.S. Steel, “United States Steel to Restart Granite City Works Blast Furnace, Steelmaking Facilities,” Press release, March 7, 2018, <https://www.ussteel.com/newsroom/united-states-steel-restart-granite-city-works-blast-furnace-steelmaking-facilities>.
- <sup>10</sup> ArcelorMittal USA, “ArcelorMittal, Nippon Steel & Sumitomo Metals Corporation announce further investments in AM/NS Calvert,” Announcement, September 16, 2014, <https://usa.arcelormittal.com/news-and-media/announcements/2014/sep/09-16-2014b>.
- <sup>11</sup> Williams, Sandy, “SMU: Big River Chooses Brownsville for Next Mill,” April 30, 2018, <https://bigriversteel.com/wp-content/uploads/2018/04/Big-River-Steel-Chooses-Brownsville-for-Next-Mill-Steel-Market-Update.pdf>.
- <sup>12</sup> BRS, “Big River Steel Expanding Arkansas Flex Mill,” News release, June 29, 2018, <https://bigriversteel.com/wp-content/uploads/2018/06/Big-River-Steel-Announces-Expansion-of-Osceola-Flex-Mill-FINAL.pdf>.
- <sup>13</sup> Blyth, Amanda and Kenneth W. Landau, “Big River Steel: America’s Newest Steel Mill,” September 17, 2017, [https://bigriversteel.com/wp-content/uploads/2017/12/17\\_sept\\_38\\_50\\_Big\\_River.pdf](https://bigriversteel.com/wp-content/uploads/2017/12/17_sept_38_50_Big_River.pdf); *Steel Market Update*, “Big River Steel is ‘Open for Business,’” September 7, 2016, <https://bigriversteel.com/wp-content/uploads/2017/12/smu-article-090716-1.pdf>; Triplett, Timothy, “Big River Sees Expansion, Electrical Steel in Its Future,” *Steel Market Update*, March 25, 2018, <https://bigriversteel.com/wp-content/uploads/2018/03/Big-River-Sees-Expansion-Electrical-Steel-in-its-Future-Steel-Market-Update.pdf>.
- <sup>14</sup> U.S. Steel, “United States Steel to Restart Granite City Works Blast Furnace, Steelmaking Facilities,” Press release, March 7, 2018, <https://www.ussteel.com/newsroom/united-states-steel-restart-granite-city-works-blast-furnace-steelmaking-facilities>.
- <sup>15</sup> Ibid.
- <sup>16</sup> U.S. Steel, “United States Steel to Restart Second Granite City Works Blast Furnace, Comments on 2018 Guidance,” Press release, June 5, 2018, <https://www.ussteel.com/newsroom/united-states-steel-restart-second-granite-city-works-blast-furnace-comments-2018-guidance>.

Notes continued on next page.

**Table I-6—Continued**

**Hot-rolled steel: Recent developments in the U.S. industry, 2013-18**

<sup>17</sup> Associated Press, “Bankruptcy Judge Approves RG Steel’s Sale of Sparrows Point,” *Daily Record*, August 15, 2012, <https://thedailyrecord.com/2012/08/15/bankruptcy-judge-approves-rg-steels-sale-of-sparrows-point/>; DeMetrick, Alex, “Judge Approves Sale Of RG Steel Assets At Sparrows Point,” CBS Baltimore, August 16, 2012, <https://baltimore.cbslocal.com/2012/08/16/judge-approves-sale-of-rg-steel-assets/>.

<sup>18</sup> Sullivan, Vince, “Ex-Claymont Steel Mill to Shutter in December,” Delaware County, PA: *Daily Times*, October 14, 2013, [https://www.delcotimes.com/business/ex-claymont-steel-mill-to-shutter-in-december/article\\_c864a150-479a-5630-b145-848ae8017e00.html](https://www.delcotimes.com/business/ex-claymont-steel-mill-to-shutter-in-december/article_c864a150-479a-5630-b145-848ae8017e00.html).

<sup>19</sup> U.S. Steel, “U. S. Steel Proposes Permanent Closure of Blast Furnace and Most Flat-Rolled Finishing Facilities in Alabama,” Press release, August 17, 2015, <https://www.ussteel.com/newsroom/u-s-steel-proposes-permanent-closure-blast-furnace-and-most-flat-rolled-finishing>.

Source: Cited sources: Individual company internet web pages.

Since the last review, hot-rolled steel and related products were subject to numerous antidumping and countervailing duty investigations and orders, as shown in table I-4. Steel mill products, including hot-rolled steel, along with downstream mill products that (often internally) consume hot-rolled steel, were subject to an import national-security investigation and to national-security duties under Section 232 of the *Trade Expansion Act of 1962*, as amended (table I-7). Automobiles and automotive parts, which are a major end-use consuming industry for steel, including for hot-rolled steel, were subject to a subsequent Section 232 investigation.

**Table I-7**  
**Section 232 import national-security events, 2013-19**

<b>Effective date</b>	<b>Event</b>	<b>Affected U.S. trade partner(s)</b>
April 19, 2017	Commerce announced the institution of an investigation, by its U.S. Bureau of Industry and Security (“BIS”) into the potential impact of imported steel mill products on national security. <sup>1</sup>	All
January 11, 2018	The Secretary of Commerce submitted the Section 232 steel report to the President. <sup>2</sup>	All
February 16, 2018	The Secretary of Commerce releases a redacted version of the Section 232 steel report to the public. <sup>3</sup>	All
March 23, 2018	The President announced imposition of 25 percent ad valorem national-security duties on U.S. steel imports, including hot-rolled steel. <sup>4</sup>	Initially exempted— Canada and Mexico
March 23 through May 1, 2018	The President announced adjustments to the 25 percent ad valorem national-security duties on U.S. steel imports. <sup>5</sup>	Exemptions continued— Canada and Mexico
May 1, 2018	The President announced further adjustments to the 25 percent ad valorem national-security duties on U.S. steel imports. <sup>6</sup>	Exempted, within calendar-year quota limits— South Korea
May 1 through June 1, 2018		Exemptions continued— Argentina, Australia, Brazil, Canada, Mexico, and EU member states
May 23, 2018	Commerce announced the institution of an investigation by its BIS into the potential impact of automobiles and automotive parts imports on national security. <sup>7</sup>	All
June 1, 2018	The President announced further adjustments to the 25 percent ad valorem national-security duties on U.S. steel imports. <sup>8</sup>	Exempted, within calendar-year quota limits— Argentina and Brazil
		Exemptions not continued— Canada, Mexico, and EU member states
August 13, 2018	The President announced further adjustments to the 25 percent ad valorem national-security duties on U.S. steel imports. <sup>9</sup>	Exemptions continued— Argentina, Australia, Brazil, and South Korea
		Duty rate doubled to 50 percent ad valorem— Turkey
February 17, 2019	The Secretary of Commerce provided the Section 232 automobiles and automotive parts report to the President, but did not reveal its contents or findings. <sup>10</sup>	All

<sup>1</sup> *Notice Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Steel*, April 17, 2017, 82 FR 19205, April 26, 2017.

<sup>2</sup> “Statement from the Department of Commerce on Submission of Steel Section 232 Report to the President,” News Release January 11, 2018.

<sup>3</sup> “Secretary Ross Releases Steel and Aluminum 232 Reports in Coordination with White House,” Press Release, February 16, 2018.

<sup>4</sup> *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

Notes continued on next page.

**Table I-7—Continued**  
**Section 232 import national-security events, 2013-19**

<sup>5</sup> *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9711, March 22, 2018, 83 FR 13361, March 28, 2018.

<sup>6</sup> *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018.

<sup>7</sup> *Notice of Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Automobiles, Including Cars, SUVs, Vans and Light Trucks, and Automotive Parts*, May 24, 2018, 83 FR 24735, May 30, 2018.

<sup>8</sup> *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018. Continuation of the exemption for Australia, as of June 1, 2018, was included in subsequent Presidential Proclamation 9772, August 10, 2018.

<sup>9</sup> *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9772, August 10, 2018, 83 FR 40429, August 15, 2018.

<sup>10</sup> "Statement from the Department of Commerce on Submission of Automobiles and Automobile Parts Section 232 Report to the President," Press Release, February 17, 2019.

**U.S. producers' trade and financial data**

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year reviews.<sup>77</sup> Table I-8 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigations and prior five-year reviews.

The domestic interested parties assert that, the U.S. market generally follows trends of the U.S. economy and is driven by demand for downstream products utilizing hot-rolled steel including: automotive applications, pipe and tube, transportation equipment such as rail cars, ships, and barges, nonresidential construction, appliances, heavy machinery, and machine parts.<sup>78</sup> Since the last five-year reviews, several U.S. producers have made acquisitions and in a recent Commission proceeding regarding hot-rolled steel, five U.S. producers reported shutdowns or curtailments in their hot-rolled steel production, mostly during 2014-15.<sup>79</sup> The domestic interested parties also note that, according to \*\*\*, U.S. consumption of hot-rolled steel \*\*\*.<sup>80</sup> Individual company data provided by the domestic interested parties shows a \*\*\* across U.S. hot-rolled steel producers in 2018.<sup>81</sup>

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<sup>77</sup> Individual company trade and financial data are presented in app. B.

<sup>78</sup> Domestic interested parties' response to the notice of institution, February 1, 2019, p. 31.

<sup>79</sup> *Certain Hot-Rolled Steel Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey and the United Kingdom: Inv. Nos. 701-TA-545-547 and 731-TA-12941-1297 (Final)*, USITC Publication 4638, September 2016, p. 29.

<sup>80</sup> Domestic interested parties' response to the notice of institution, February 1, 2019, p. 31 and exh. 3.

<sup>81</sup> See appendix B.

**Table I-8**  
**Hot-rolled steel: Trade and financial data submitted by U.S. producers, 2000, 2006, 2012, and 2018**

Item	2000	2006	2012	2018
Capacity (short tons)	76,397,442	81,625,989	74,840,642	64,673,253
Production (short tons)	65,898,724	67,259,535	57,000,441	52,181,478
Capacity utilization (percent)	86.3	82.4	76.2	80.7
Total U.S. shipments:				
Quantity (short tons)	65,219,129	66,745,630	56,160,288	50,849,300
Value (\$1,000)	19,522,683	37,677,886	37,279,750	38,324,346
Unit value (per short tons)	\$299	\$564	\$664	\$754
Net sales (\$1,000)	19,882,231	37,242,158	37,637,053	38,726,985
COGS (\$1,000)	19,545,579	30,374,814	34,244,450	30,401,816
COGS/net sales (percent)	98.3	81.6	91.0	78.5
Gross profit or (loss) (\$1,000)	336,652	6,867,344	3,392,604	8,325,171
SG&A expenses (loss) (\$1,000)	1,041,689	1,163,278	1,009,994	1,746,401
Operating income/(loss) (\$1,000)	(705,037)	5,704,066	2,382,610	6,578,770
Operating income (loss)/net sales (percent)	(3.5)	15.3	6.3	17.0

Note.—data for 2000 accounts for more than 90 percent of U.S. production of hot-rolled steel in 2000; data for 2006 accounts virtually all U.S. production of hot-rolled steel in 2006; data for 2012 accounts for more than 95 percent of U.S. production of hot-rolled steel in 2012; and in these current reviews, the domestic interested parties estimate that they account for \*\*\* percent of U.S. production of hot-rolled steel in 2018.

Source: For the years 2000, 2006, and 2012, data are compiled using data submitted in the Commission's second five-year reviews. See *app. C*. For the year 2018, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, February 1, 2018, exh. 13; and Domestic interested parties' revised response to the notice of institution, February 4, 2018, exh. 13.

#### **DEFINITIONS OF THE DOMESTIC LIKE PRODUCT AND DOMESTIC INDUSTRY**

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if "appropriate circumstances" exist.<sup>82</sup>

In its original determination and its prior five-year review determinations, the Commission defined the domestic like product as all hot-rolled steel products corresponding to Commerce's scope.<sup>83</sup>

<sup>82</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>83</sup> *Hot-rolled Steel Products from Argentina and South Africa: Inv. Nos. 701-TA-404 and 731-TA-898 and 905 (Final)*, USITC Publication 3446, August 2001, p. 6; *Hot-Rolled Steel Products from China, India, (continued...)*

In its original determination and its prior five-year review determinations, the Commission defined the domestic industry as all U.S. producers of the domestic like product.<sup>84</sup>

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definitions of the domestic like product and domestic industry and inquired as to whether any related parties issues existed. According to their response to the notice of institution, the domestic interested parties agreed with the Commission's definition of the domestic like product as stated in the last five-year reviews.<sup>85</sup> The domestic interested parties did not cite any potential related party issues and agreed with the Commission's prior definition of the domestic industry, but reserve the right to comment on the appropriate definition during the course of the proceeding.<sup>86</sup>

## **U.S. IMPORTS AND APPARENT U.S. CONSUMPTION**

### **U.S. importers**

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 25 firms, which accounted for approximately 37 percent of total U.S. imports of hot-rolled steel during 2000.<sup>87</sup>

During the first five-year reviews, the Commission received U.S. importer questionnaires from 52 firms, which accounted for 70.5 percent of total subject U.S. imports during 2006 and 55.1 percent of total U.S. imports of hot-rolled steel from other sources during 2006.<sup>88</sup>

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(...continued)

*Indonesia, Kazakhstan, The Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405-408 and 731-TA-899-904 and 906-908 (Final)*, USITC Publication 3468, November 2001, p. 3; *Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-404-408 and 731-TA-898-902 and 904-908 (Review)*, USITC Publication 3956, October 2007, p. 8; and *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, p. 8.

<sup>84</sup> *Hot-rolled Steel Products from Argentina and South Africa: Inv. Nos. 701-TA-404 and 731-TA-898 and 905 (Final)*, USITC Publication 3446, August 2001, p. 6; *Hot-Rolled Steel Products from China, India, Indonesia, Kazakhstan, The Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405-408 and 731-TA-899-904 and 906-908 (Final)*, USITC Publication 3468, November 2001, p. 3; *Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine: Investigation Nos. 701-TA-404-408 and 731-TA-898-902 and 904-908 (Review)*, USITC Publication 3956, October 2007, p. 8; and *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, p. 9.

<sup>85</sup> Domestic interested parties' response to the notice of institution, February 1, 2019, p. 32.

<sup>86</sup> *Ibid.*

<sup>87</sup> *Investigations Nos. 701-TA-404-408 and 731-TA-898-908 (Final): Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine—Staff Report*, INV-Y-141, August 6, 2001, p. I-3.

During the second five-year reviews, the Commission received U.S. importer questionnaires from 32 firms, which accounted for approximately two-thirds of total U.S. imports of hot-rolled steel during January 2007-June 2013.<sup>89</sup>

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in their response to the Commission's notice of institution, the domestic interested parties provided a list of 64 potential U.S. importers of hot-rolled steel.<sup>90</sup>

### U.S. imports

Table I-9 presents the quantity, value, and unit value for imports from China, India, Indonesia, Taiwan, Thailand, and Ukraine and other countries currently under orders as well as other top sources of U.S. imports (shown in descending order, by quantity, for 2018, for each subcategory).

Overall, during 2013-18, total U.S. imports of hot-rolled steel decreased in quantity by 6.2 percent and increased in value by 16.6 percent. Total U.S. imports of hot-rolled steel increased during 2013-14 then decreased annually during 2014-17 but increased by 11.1 percent in terms of quantity and by 43.6 percent in terms of value between 2017 and 2018. The unit value of total U.S. imports of hot-rolled steel increased during 2013-14 then decreased during 2014-16 and increased during 2016-18. The unit value of total U.S. hot-rolled steel imports was highest in 2018. In 2018, the top source for U.S. imports of hot-rolled steel, both in quantity and value, was Canada, followed by Korea and Mexico.

There were no U.S. imports of hot-rolled steel from Indonesia or Ukraine during 2013-18. Additionally, there were small quantities of hot-rolled steel imports from Thailand in 2018 and small quantities from Taiwan during 2013-17. U.S. imports of hot-rolled steel from China increased during 2013-14 then decreased from 2014 to 2017 and between 2017 and 2018. Overall, U.S. imports from China decreased 72.6 percent, in terms of quantity, during 2013-18. U.S. imports from India increased by 5148.1 percent between 2013 and 2015 and then decreased to a few short tons in 2016 and 2018. There were no imports of hot-rolled steel from India during 2017.<sup>91</sup>

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(...continued)

<sup>88</sup> *Hot-rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-404-408 and 731-TA-898-902 and 904-908 (Review)*, USITC Publication 3956, October 2007, p. I-20.

<sup>89</sup> *Hot-rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, p. I-5.

<sup>90</sup> Domestic interested parties' response to the notice of institution, February 1, 2019, exh. 12.

<sup>91</sup> On December 1, 2015, the Commission gave notice of the schedule for issuance of a consistency determination. The Commission made an affirmative decision and found an industry in the United States to be materially injured by reason of imports of hot-rolled steel from India found by Commerce to be subsidized. The Commission published its report in March 2016. *Hot-Rolled Steel Products from India; Scheduling of a Countervailing Duty Proceeding Under the Uruguay Round Agreements Act (URAA)*, 80 FR (continued...)



**Table I-9**  
**Hot-rolled steel: U.S. imports, 2013-18**

Item	2013	2014	2015	2016	2017	2018
	Quantity (short tons)					
China (subject)	4,929	7,438	1,902	2,199	346	1,349
India (subject)	1,933	65,835	101,446	32	0	12
Thailand (subject)	0	0	0	0	0	7
Indonesia (subject)	0	0	0	0	0	0
Taiwan (subject)	200	18	141	184	85	0
Ukraine (subject)	0	0	0	0	0	0
Subtotal, subject	7,062	73,291	103,490	2,416	430	1,368
Canada	1,276,727	1,301,583	1,270,806	1,493,970	1,666,704	1,700,272
Mexico	410,502	424,463	377,593	401,422	355,706	369,989
Subtotal, NAFTA	1,687,229	1,726,046	1,648,399	1,895,392	2,022,410	2,070,261
Korea <sup>2</sup>	701,307	1,094,561	1,263,626	1,002,631	237,408	494,566
Japan <sup>2</sup>	336,005	412,710	313,109	139,153	251,990	284,646
Turkey <sup>2</sup>	47,807	403,899	377,151	216,601	105,236	149,691
Netherlands <sup>2</sup>	305,672	385,833	342,939	179,497	116,642	93,418
Australia <sup>2</sup>	146,360	270,387	325,904	107,843	10,210	2,993
United Kingdom <sup>2</sup>	34,452	141,415	206,824	252	608	14
Brazil <sup>2</sup>	49,515	262,465	600,934	13,443	36	11
Subtotal, under orders	1,621,118	2,971,270	3,430,487	1,659,420	722,130	1,025,339
Russia <sup>3</sup>	34,814	939,489	18,079	0	6,777	0
Germany	103,719	70,413	30,701	56,337	104,439	93,557
Serbia	0	0	0	9,409	39,261	63,650
Egypt	0	0	0	7,157	70,077	56,001
New Zealand	120,418	101,713	118,083	30,893	44,189	55,377
All other imports (nonsubject)	126,574	255,368	168,370	192,297	114,024	104,393
Subtotal, other	350,711	427,494	317,154	296,093	371,990	372,978
Subtotal, nonsubject	3,693,872	6,064,299	5,414,119	3,850,905	3,123,307	3,468,578
Total imports	3,700,934	6,137,590	5,517,610	3,853,321	3,123,737	3,469,947

Table continued on next page.

(...continued)

75132, December 1, 2015; and *Hot-Rolled Flat Rolled Carbon Quality Steel Products from India: Inv. Nos. 701-TA-405 (Section 129 Consistency Determination)*, USITC Publication 4599, March 2016, pp. 1-2.

**Table I-9—Continued**  
**Hot-rolled steel: U.S. imports, 2013-18**

Item	2013	2014	2015	2016	2017	2018
	<b>Landed, duty-paid value (\$1,000)</b>					
China (subject)	5,386	6,444	1,857	1,876	251	922
India (subject)	1,658	45,552	71,285	57	( <sup>1</sup> )	22
Thailand (subject)	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	8
Indonesia (subject)	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Taiwan (subject)	142	10	123	90	81	( <sup>1</sup> )
Ukraine (subject)	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Subtotal, subject	7,186	52,006	73,265	2,023	332	951
Canada	822,135	909,516	671,102	762,505	1,035,345	1,341,492
Mexico	241,182	263,986	186,318	183,591	202,282	274,224
Subtotal, NAFTA	1,063,317	1,173,502	857,420	946,096	1,237,627	1,615,716
Korea <sup>2</sup>	419,926	649,057	625,704	444,230	136,452	364,605
Japan <sup>2</sup>	197,709	252,849	160,423	72,156	131,906	206,241
Turkey <sup>2</sup>	27,885	229,891	191,334	91,289	54,057	106,983
Netherlands <sup>2</sup>	178,979	237,751	170,754	93,958	65,988	70,821
Australia <sup>2</sup>	80,512	156,187	144,618	35,041	4,235	2,098
United Kingdom <sup>2</sup>	18,420	84,324	104,559	162	408	15
Brazil <sup>2</sup>	27,376	150,086	270,797	5,301	47	19
Subtotal, under orders	950,807	1,760,145	1,668,189	742,137	393,093	750,782
Russia <sup>3</sup>	19,105	532,880	11,137	( <sup>1</sup> )	4,311	( <sup>1</sup> )
Germany	76,191	49,511	19,042	32,771	62,532	74,360
Serbia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	4,231	20,638	43,641
Egypt	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	3,062	34,369	39,257
New Zealand	73,372	64,301	60,202	14,618	25,579	40,953
All other imports (nonsubject)	80,968	166,656	100,089	100,738	65,033	82,454
Subtotal, other	230,531	280,468	179,333	155,420	208,151	280,665
Subtotal, nonsubject	2,263,760	3,746,995	2,716,079	1,843,653	1,843,182	2,647,163
Total imports	2,270,946	3,799,001	2,789,344	1,845,676	1,843,514	2,648,114

Table continued on next page.

**Table I-9--Continued**  
**Hot-rolled steel: U.S. imports, 2013-18**

Item	2013	2014	2015	2016	2017	2018
	Unit value (dollars per short ton)					
China (subject)	1,093	866	976	853	727	683
India (subject)	858	692	703	1,789	( <sup>1</sup> )	1,833
Thailand (subject)	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1,138
Indonesia (subject)	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Taiwan (subject)	710	556	872	489	953	( <sup>1</sup> )
Ukraine (subject)	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Subtotal, subject	1,018	710	708	837	772	695
Canada	644	699	528	510	621	789
Mexico	588	622	493	457	569	741
Subtotal, NAFTA	630	680	520	499	612	780
Korea <sup>2</sup>	594	593	495	443	575	737
Japan <sup>2</sup>	588	613	512	519	523	725
Turkey <sup>2</sup>	583	569	507	421	514	715
Netherlands <sup>2</sup>	586	616	498	523	566	758
Australia <sup>2</sup>	550	578	444	325	415	701
United Kingdom <sup>2</sup>	535	596	506	644	671	1,053
Brazil <sup>2</sup>	553	572	451	394	1,324	1,727
Subtotal, under orders	587	592	486	447	544	732
Russia <sup>3</sup>	549	567	616	( <sup>1</sup> )	636	( <sup>1</sup> )
Germany	735	703	620	582	599	795
Serbia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	450	526	686
Egypt	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	428	490	701
New Zealand	609	632	510	473	579	740
All other imports (nonsubject)	640	653	594	424	570	790
Subtotal, other	657	656	565	525	560	752
Subtotal, nonsubject	613	618	502	479	590	763
Total imports	614	619	506	479	590	763

<sup>1</sup> Not applicable.

<sup>2</sup> U.S. imports of certain hot-rolled steel flat products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom came under orders in 2016. *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, 81 FR 66996, September 29, 2016.

<sup>3</sup> U.S. imports of hot-rolled flat rolled carbon-quality steel from Russia came under order in 2016 after Commerce terminated the suspension agreement effective December 19, 2014. *Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Russia: Inv. No. 731-TA-808 (Third-Review)*, USITC Publication 4639, September 2016, p. I-13.

Note.--Because of rounding, figure may not add to total shown.

Source: Official statistics of Commerce for HTS statistical reporting numbers 7208.10.1500, 7208.10.3000, 7208.10.6000, 7208.25.3000, 7208.25.6000, 7208.26.0030, 7208.26.0060, 7208.27.0030, 7208.27.0060, 7208.36.0030, 7208.36.0060, 7208.37.0030, 7208.37.0060, 7208.38.0015, 7208.38.0030, 7208.38.0090, 7208.39.0015, 7208.39.0030, 7208.39.0090, 7208.40.6030, 7208.40.6060, 7208.53.0000, 7208.54.0000, 7208.90.0000, 7211.14.0090, 7211.19.1500, 7211.19.2000, 7211.19.3000, 7211.19.4500, 7211.19.6000, 7211.19.7530, 7211.19.7560, and 7211.19.7590. Import data do not include the following HTS statistical reporting numbers that cover primarily coated or other forms of nonsubject merchandise: 7210.70.3000, 7210.90.9000, 7211.14.0300, 7212.40.1000, 7212.40.5000, and 7212.50.0000. This approach is consistent with that used in the most recent five-year review concerning hot-rolled steel. *Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Russia: Inv. No. 731-TA-808 (Third-Review)*, USITC Publication 4639, September 2016, p. I-29.

### **Apparent U.S. consumption and market shares**

Table I-10 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-11 presents data on U.S. market shares of apparent U.S. consumption. Imports of hot-rolled steel from subject countries as a share of apparent U.S. consumption have decreased since the original investigations, with Indonesia, Taiwan, and Ukraine having no share of U.S. consumption in 2018. Overall, apparent U.S. consumption of hot-rolled steel (based on quantity) has decreased by 25.1 percent from the original investigations. Since the original investigations, U.S. producers have accounted for a large majority of U.S. consumption, accounting for between 89.9 and 93.6 percent during 2000, 2006, 2012, and 2018.

**Table I-10**  
**Hot-rolled steel: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption,**  
**2000, 2006, 2012, and 2018**

Item	2000	2006	2012	2018
	<b>Quantity (short tons)</b>			
U.S. producers' U.S. shipments	65,219,129	66,745,630	56,160,288	50,849,300
U.S. imports from—				
China	485,299	3,851	2,419	1,349
India	876,264	62,234	0	12
Indonesia	259,166	0	0	0
Taiwan	724,854	7,305	560	0
Thailand	233,762	155,824	0	7
Ukraine	213,764	0	806	0
All other	4,523,514	6,213,360	3,806,535	3,468,578
Total imports	7,316,562	6,442,574	3,810,320	3,469,947
Apparent U.S. consumption	72,535,691	73,188,204	59,970,608	54,319,247
	<b>Value (1,000 dollars)</b>			
U.S. producers' U.S. shipments	19,522,683	37,677,886	37,279,750	38,324,346
U.S. imports from—				
China	139,475	2,218	3,027	922
India	253,991	32,418	0	22
Indonesia	74,574	0	0	0
Taiwan	222,532	4,583	414	0
Thailand	70,070	81,498	0	8
Ukraine	50,012	0	624	0
All other	1,374,562	3,238,957	2,598,160	2,647,163
Total imports	2,185,216	3,359,674	2,602,224	2,648,114
Apparent U.S. consumption	21,707,899	41,037,560	39,881,974	40,972,460

Note.—regarding U.S. producers' U.S. shipments, data for 2000 accounts for more than 90 percent of U.S. production of hot-rolled steel in 2000; data for 2006 accounts virtually all U.S. production of hot-rolled steel in 2006; data for 2012 accounts for more than 95 percent of U.S. production of hot-rolled steel in 2012; and in these current reviews, the domestic interested parties estimate that they account for \*\*\* percent of U.S. production of hot-rolled steel in 2018.

Source: For the years 2000, 2006, and 2012, data are compiled using data submitted in the Commission's second five-year reviews. See app. C. For the year 2018, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, February 1, 2018, exh. 13; Domestic interested parties' revised response to the notice of institution, February 4, 2018, exh. 13, and U.S. imports are compiled using official Commerce statistics under HTS subheading 7208.10.1500, 7208.10.3000, 7208.10.6000, 7208.25.3000, 7208.25.6000, 7208.26.0030, 7208.26.0060, 7208.27.0030, 7208.27.0060, 7208.36.0030, 7208.36.0060, 7208.37.0030, 7208.37.0060, 7208.38.0015, 7208.38.0030, 7208.38.0090, 7208.39.0015, 7208.39.0030, 7208.39.0090, 7208.40.6030, 7208.40.6060, 7208.53.0000, 7208.54.0000, 7208.90.0000, 7211.14.0090, 7211.19.1500, 7211.19.2000, 7211.19.3000, 7211.19.4500, 7211.19.6000, 7211.19.7530, 7211.19.7560, and 7211.19.7590. Import data do not include the following HTS statistical reporting numbers that cover primarily coated or other forms of nonsubject merchandise: 7210.70.3000, 7210.90.9000, 7211.14.0300, 7212.40.1000, 7212.40.5000, and 7212.50.0000. This approach is consistent with that used in the most recent five-year review concerning hot-rolled steel. *Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Russia: Inv. No. 731-TA-808 (Third-Review)*, USITC Publication 4639, September 2016, p. I-29.

**Table I-11**

**Hot-rolled steel: Apparent U.S. consumption and U.S. market shares, 2000, 2006, 2012, and 2018**

Item	2000	2006	2012	2018
<b>Quantity (short tons)</b>				
Apparent U.S. consumption	72,535,691	73,188,204	59,970,608	54,319,247
<b>Value (1,000 dollars)</b>				
Apparent U.S. consumption	21,707,899	41,037,560	39,881,974	40,972,460
<b>Share of consumption based on quantity (percent)</b>				
U.S. producer's share	89.9	91.2	93.6	93.6
U.S. imports from--				
China	0.7	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
India	1.2	0.1	0.0	( <sup>1</sup> )
Indonesia	0.4	0.0	0.0	0.0
Taiwan	1.0	( <sup>1</sup> )	( <sup>1</sup> )	0.0
Thailand	0.3	0.2	0.0	( <sup>1</sup> )
Ukraine	0.3	0.0	( <sup>1</sup> )	0.0
All other sources	6.2	8.5	6.3	6.4
Total imports	10.1	8.8	6.4	6.4
<b>Share of consumption based on value (percent)</b>				
U.S. producer's share	89.9	91.8	93.5	93.5
U.S. imports from--				
China	0.6	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
India	1.2	0.1	0.0	( <sup>1</sup> )
Indonesia	0.3	0.0	0.0	0.0
Taiwan	1.0	( <sup>1</sup> )	( <sup>1</sup> )	0.0
Thailand	0.3	0.2	0.0	( <sup>1</sup> )
Ukraine	0.2	0.0	( <sup>1</sup> )	0.0
All other sources	6.3	7.9	6.5	6.5
Total imports	10.1	8.2	6.5	6.5

<sup>1</sup> less than 0.01 percent

Source: For the years 2000, 2006, and 2012, data are compiled using data submitted in the Commission's second five-year reviews. See app. C. For the year 2018, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, February 1, 2018, exh. 13; Domestic interested parties' revised response to the notice of institution, February 4, 2018, exh. 13, and U.S. imports are compiled using official Commerce statistics under HTS subheading 7208.10.1500, 7208.10.3000, 7208.10.6000, 7208.25.3000, 7208.25.6000, 7208.26.0030, 7208.26.0060, 7208.27.0030, 7208.27.0060, 7208.36.0030, 7208.36.0060, 7208.37.0030, 7208.37.0060, 7208.38.0015, 7208.38.0030, 7208.38.0090, 7208.39.0015, 7208.39.0030, 7208.39.0090, 7208.40.6030, 7208.40.6060, 7208.53.0000, 7208.54.0000, 7208.90.0000, 7211.14.0090, 7211.19.1500, 7211.19.2000, 7211.19.3000, 7211.19.4500, 7211.19.6000, 7211.19.7530, 7211.19.7560, and 7211.197590. Import data do not include the following HTS statistical reporting numbers that cover primarily coated or other forms of nonsubject merchandise: 7210.70.3000, 7210.90.9000, 7211.14.0300, 7212.40.1000, 7212.40.5000, and 7212.50.0000. This approach is consistent with that used in the most recent five-year review concerning hot-rolled steel. *Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Russia: Investigation No. 731-TA-808 (Third-Review)*, USITC Publication 4639, September 2016, p. I-29.

## CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information concerning geographical markets and simultaneous presence in the market is presented below.<sup>92 93</sup>

During 2013-18, imports of hot-rolled steel from China entered the United States 64 out of 72 months. The vast majority of U.S. imports of hot-rolled steel from China during 2013-18 entered the United States in Houston-Galveston, Texas; New Orleans, Louisiana; and Los Angeles, California.

During 2013-15, imports of hot-rolled steel from India entered the United States 17 out of 36 months. After 2015, U.S. imports of hot-rolled steel from India nearly stopped, with a quantity entering the United States in March, May, and September of 2016 and July and October of 2018. With regards to geographical markets, the vast majority of U.S. imports of hot-rolled steel from India during 2013-15 entered the United States in New Orleans, Louisiana followed by Philadelphia, Pennsylvania and Savannah, Georgia. In 2016, imports entered in Cleveland, Ohio, Detroit Michigan and Houston-Galveston, Texas. In 2018, imports entered in Chicago, Illinois and Norfolk, Virginia. There were no U.S. imports of hot-rolled steel from India in 2017.

During 2013-17, imports of hot-rolled steel from Taiwan entered the United States 16 out of 60 months. There were no imports of hot-rolled steel from Taiwan in 2018. Concerning geographical markets, the vast majority of U.S. imports of hot-rolled steel from Taiwan during 2014-17 entered the United States in Los Angeles, California.

Imports of hot-rolled steel from Thailand entered the United States in Chicago, Illinois during November 2018, the only month in which imports of hot-rolled steel from Thailand

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<sup>92</sup> In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

<sup>93</sup> Data presented in the section of the report is from official statistics of Commerce for HTS statistical reporting numbers 7208.10.1500, 7208.10.3000, 7208.10.6000, 7208.25.3000, 7208.25.6000, 7208.26.0030, 7208.26.0060, 7208.27.0030, 7208.27.0060, 7208.36.0030, 7208.36.0060, 7208.37.0030, 7208.37.0060, 7208.38.0015, 7208.38.0030, 7208.38.0090, 7208.39.0015, 7208.39.0030, 7208.39.0090, 7208.40.6030, 7208.40.6060, 7208.53.0000, 7208.54.0000, 7208.90.0000, 7211.14.0090, 7211.19.1500, 7211.19.2000, 7211.19.3000, 7211.19.4500, 7211.19.6000, 7211.19.7530, 7211.19.7560, and 7211.19.7590. Import data do not include the following HTS statistical reporting numbers that cover primarily coated or other forms of nonsubject merchandise: 7210.70.3000, 7210.90.9000, 7211.14.0300, 7212.40.1000, 7212.40.5000, and 7212.50.0000. This approach is consistent with that used in the most recent five-year review concerning hot-rolled steel. *Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Russia: Inv. No. 731-TA-808 (Third-Review)*, USITC Publication 4639, September 2016, p. I-29.

entered the United States during 2013-18. There were no U.S. imports of hot-rolled from Indonesia and Ukraine during 2013-18.

## THE INDUSTRY IN CHINA

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from five firms, which accounted for 75.7 percent of U.S. imports of hot-rolled steel from China during 2000.<sup>94</sup> Shanghai Baosteel, the largest of the responding Chinese producers at that time, accounted for \*\*\* percent of total reported Chinese production of hot-rolled steel during 2000.<sup>95</sup>

During the first five-year reviews, the Commission received foreign producer/exporter questionnaires from eight firms, which accounted for between one-quarter and one-half of total production of hot-rolled steel from China during 2006.<sup>96</sup> The largest responding Chinese hot-rolled steel producer, Baosteel, alone accounted for an estimated \*\*\* percent of total production of hot-rolled steel in China during 2006.<sup>97</sup>

During the second five-year reviews, no Chinese producers/exporters of hot-rolled steel provided a response to the Commission's questionnaire. The domestic interested parties provided a list of over 160 firms that they believed produced hot-rolled steel in China and the respondent parties identified nine Chinese producers/exporters of hot-rolled steel.<sup>98</sup>

In these current reviews, no foreign producers responded to the Commission's notice of institution. The domestic interested parties identified 55 Chinese producers/exporters of hot-rolled steel.<sup>99</sup>

According to \*\*\*,<sup>100</sup> China's capacity to produce hot-rolled steel was \*\*\*metric tons (\*\* short tons) in 2018.<sup>101</sup> With production of \*\*\* metric tons (\*\* short tons), China's

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<sup>94</sup> *Hot-Rolled Steel Products from Argentina and South Africa: Inv. No. 701-TA-404 (Final) and Inv. Nos. 731-TA-898 and 905 (Final)*, USITC Publication 3446, p. VII-2.

<sup>95</sup> *Investigation Nos. 701-TA-404-408 and 731-TA-898-908 (Final): Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine—Staff Report*, INV-Y-141, August 6, 2001, p. VII-3.

<sup>96</sup> *Hot-Rolled Steel Products From Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine, Inv. Nos. 701-TA-404-408 and 731-TA-898-902 and 904- 908 (Review)*, USITC Publication 3956, October 2007, pp. IV-21-22.

<sup>97</sup> *Investigation Nos. 701-TA-404-408 and 731-TA-898-903 and 905-908 (Review): Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine—Staff Report*, INV-EE-136, September 21, 2007, p. IV-18.

<sup>98</sup> *Hot-rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, p. IV-12.

<sup>99</sup> Domestic interested parties' response to the notice of institution, February 1, 2019, exh. 2.

<sup>100</sup> \*\*\*.

<sup>101</sup> Domestic interested parties' response to the notice of institution, February 1, 2019, exh. 3.



producers have an estimated \*\*\* metric tons (\*\*\* short tons) of unused capacity.<sup>102</sup> Table I-12 presents events in the Chinese industry since the last five-year reviews.<sup>103</sup>

**Table I-12**  
**Hot-rolled steel: Recent developments in the Chinese industry**

Item / Firm	Recent events
<b>Expansions:</b>	
Baosteel (Zhangjiang) Iron & Steel Co. Ltd.	September 2015— Baosteel Iron & Steel Co. (“Baosteel”) ***. <sup>1</sup>
Baosteel (Zhangjiang) Iron & Steel Co. Ltd.	Late-2015 to mid-2016— Zhangjiang ***. <sup>2</sup>
Baosteel (Zhangjiang) Iron & Steel Co. Ltd.	March 2016— Baosteel ***. <sup>3</sup>
Baosteel (Zhangjiang) Iron & Steel Co. Ltd.	July 2016— Baosteel ***. <sup>4</sup>
Shangdong Iron & Steel Group Co. Ltd. (“Shangang”)	December 2017— Shangang ***. <sup>5</sup>
Shougang Jingtang United Iron & Steel Co. Ltd. (“Shougang”)	Second-half 2018— Shougang ***. <sup>6</sup>

1 \*\*\*.

2 \*\*\*.

3 \*\*\*.

4 \*\*\*.

5 \*\*\*.

6 \*\*\*.

Source: Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3 and exh. 4.

<sup>102</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, p. 12.

<sup>103</sup> For the broader Chinese steel industry, its crude steelmaking capacity more than doubled between 2006 and 2015, but subsequently fell by 60 million metric tons (66 million short tons) in 2016 and by 50 million metric tons (55 million short tons) in 2017. Organization for Co-operation and Development (“OECD”), *Recent Developments in Steelmaking Capacity*, DSTI/SC(1018)2/FINAL, 2018, pp. 9-10, 20-22, <https://www.oecd.org/industry/ind/recent-developments-steelmaking-capacity-2018.pdf>.

The State Council issued its *Guidance for the Iron and Steel Industry to Reduce Excess Capacity and Resolve Difficulties for Future Development*, in February 2016. Among the Guidance’s stated goals are to: (1) cut 100-150 million metric tons (110-165 million short tons) of Chinese steelmaking capacity over 2016-20, (2) prohibit approval of new steel capacity expansion projects by local governments and agencies, and (3) prohibit financial institutions from lending to firms that violate these regulations. For further information, see: Lu, Zhiyao (Lucy), “China’s Excess Capacity in Steel, a Fresh Look,” Peterson Institute for International Economics, June 29, 2017, <https://piie.com/blogs/china-economic-watch/chinas-excess-capacity-steel-fresh-look>.

Table I-13 presents export data for hot-rolled carbon and alloy steel from China with export markets in descending order of quantity for 2018.<sup>104</sup> Total exports of carbon and alloy hot-rolled steel from China increased by 50.9 percent during 2013-18. The largest destinations for Chinese hot-rolled carbon and alloy steel have varied from 2013 to 2018. Top export destinations include Southeast Asian and South Asian countries, as well as Chile and the United Arab Emirates. In 2018, the top destination for hot-rolled carbon and alloy steel from China was Vietnam, which received 27.3 percent of total exports.

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<sup>104</sup> Data compiled in the second five-year reviews noted, “published descriptions of exports of Chinese hot-rolled coil (sometimes abbreviated “HRC”) include terms such as “commercial-grade, boron-containing HRC,” suggesting that some volume of hot-rolled steel exports with elevated boron levels (possibly within “micro-alloy” levels specified in the scope of the current reviews) might be classified for export purposes as alloy steel product rather than carbon (or carbon-equivalent) steel product. See “Chinese HRC exports slow on uncompetitive offers” in Metal Bulletin, November 26, 2012”. *Hot Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand and Ukraine, Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, p. IV-19.

Item	Quantity (short tons)					
	2013	2014	2015	2016	2017	2018
Total	10,416,706	20,227,985	23,360,249	22,422,826	18,049,787	14,889,464

Source: Global Trade Atlas (HTS: 7225.30, 7225.40, 7225.99, 7226.91, and 7226.99).

**Table I-13****Hot-rolled steel: Exports of hot-rolled carbon and alloy steel from China, by destination, 2013-18**

Item	Calendar year					
	2013	2014	2015	2016	2017	2018
	Quantity (short tons)					
Vietnam	1,849,432	3,925,747	5,134,439	6,385,238	4,678,224	4,366,472
South Korea	3,192,591	4,392,711	4,194,867	4,208,370	3,890,568	2,081,825
Pakistan	351,544	664,298	1,184,641	1,544,864	1,346,736	996,962
Saudi Arabia	121,736	785,767	504,687	853,675	856,493	743,658
Philippines	505,099	697,310	478,912	550,735	660,047	695,695
Bangladesh	47,533	44,934	101,800	270,854	434,346	662,093
India	515,640	1,335,392	1,551,603	1,108,563	871,986	655,594
Indonesia	145,329	130,555	241,364	444,830	575,709	628,287
Chile	295,629	589,262	378,481	384,103	532,733	589,160
United Arab Emirates	227,978	625,569	739,353	596,282	486,500	436,570
All other	3,361,148	7,231,757	9,112,846	6,294,015	4,265,420	4,160,803
Total	10,613,657	20,423,302	23,622,991	22,641,528	18,598,763	16,017,120

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.40, 7208.53, 7208.54, 7208.90, 7211.14, and 7211.19, accessed April 15, 2019. This approach is consistent with that used in the second five-year reviews. *Hot Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand and Ukraine, Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, pp. IV-19-IV-22.

## THE INDUSTRY IN INDIA

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from four firms, which accounted for 79.1 percent of U.S. imports of hot-rolled steel from India during 2000.<sup>105</sup>

During the first five-year reviews, the Commission received usable foreign producer/exporter questionnaires from two firms, which accounted for \*\*\* of capacity to produce hot-rolled steel in India in 2006.<sup>106</sup>

During the second five-year reviews, the Commission received usable foreign producer/exporter questionnaires from two firms, which accounted for between \*\*\* and \*\*\* percent of production of hot-rolled steel from India during 2012.<sup>107</sup>

<sup>105</sup> *Hot-Rolled Steel Products from Argentina and South Africa: Inv. No. 701-TA-404 (Final) and Inv. Nos. 731-TA-898 and 905 (Final)*, USITC Publication 3446, p. VII-2.

<sup>106</sup> *Investigation Nos. 701-TA-404-408 and 731-TA-898-903 and 905-908 (Review): Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine—Staff Report*, INV-EE-136, September 21, 2007, pp. IV-48-IV-49.

In these current reviews, no foreign producers responded to the Commission’s notice of institution. The domestic interested parties identified 14 Indian producers/exporters of hot-rolled steel.<sup>108</sup>

According to the domestic interested parties, Indian producers have significantly expanded their capacity to produce hot-rolled steel and are increasingly exporting hot-rolled steel coil \*\*\*.<sup>109</sup> According to \*\*\*,<sup>110</sup> India's capacity to produce hot-rolled steel was \*\*\* metric tons (\*\*\* short tons) in 2018.<sup>111</sup> Table I-14 presents events in the Indian industry since the last five-year reviews.

**Table I-14**  
**Hot-rolled steel: Recent developments in the Indian industry**

Item / Firm	Recent events
<b>Expansions:</b>	
JSW Steel Ltd.	February 2017— ***. <sup>1</sup>
Steel Authority of India Ltd. (“SAIL”)	March 2017— ***. <sup>2</sup>
JSW Steel Ltd.	July 2018— ***. <sup>3</sup>
JSW Steel Ltd.	October 2018— ***. <sup>4</sup>
JSW Steel Ltd.	November 2018— ***. <sup>5</sup>
Tata Iron and Steel Co. Ltd.	June 2018— ***. <sup>6</sup>
Tata Iron and Steel Co. Ltd.	November 2018— announced plans to expand its annual steelmaking capacity from 18.6 million metric tons (20.5 million short tons) to 30 million metric tons (33 million short tons) by 2025. <sup>7</sup>

<sup>1</sup> \*\*\*.

<sup>2</sup> \*\*\*.

<sup>3</sup> \*\*\*.

<sup>4</sup> \*\*\*.

<sup>5</sup> \*\*\*.

<sup>6</sup> \*\*\*.

<sup>7</sup> *Economic Times*, “Tata Steel Aims 30 Million Tonne India Capacity by 2025, November 5, 2018.

Source: Cited sources: Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3 and exh. 6.

(...continued)

<sup>107</sup> *Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review): Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine—Staff Report, INV-LL-101, November 26, 2013, p. IV-23.*

<sup>108</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 2.

<sup>109</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, pp. 13-14; \*\*\*.

<sup>110</sup> \*\*\*.

<sup>111</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3.

Table I-15 presents export data for hot-rolled steel from India with export markets in descending order of quantity for 2018. Total exports of hot-rolled steel from India decreased from 2013-15 then increased from 2015-17 and decreased from 2017-18. Overall, during 2013-18 total exports decreased 9.6 percent. Vietnam was the top destination for Indian exports of hot-rolled steel in 2013, and 2016-18 accounting for 18.3 percent of exports in 2018.

**Table I-15**  
**Hot-rolled steel: Exports of hot-rolled steel from India, by destination, 2013-18**

Item	Calendar year					
	2013	2014	2015	2016	2017	2018
	Quantity (short tons)					
Vietnam	623,442	248,671	42,022	403,041	1,721,370	513,134
Italy	258,454	417,262	136,109	230,963	893,713	462,187
United Arab Emirates	218,445	402,964	164,003	135,490	701,307	450,892
Nepal	124,240	154,928	200,812	317,132	326,033	422,142
Malaysia	67,262	33,714	73,256	186,712	496,459	210,209
Belgium	191,796	44,576	35,115	210,122	299,361	179,265
Spain	188,507	56,860	42,528	93,580	177,031	120,445
Turkey	0	0	1	71,173	79,476	103,802
Korea	25,287	26	16	38	15,453	70,018
Saudi Arabia	92,466	35,636	15,753	5,805	92,571	67,222
All Other	1,309,515	654,084	259,207	244,321	548,990	201,797
Total	3,099,415	2,048,720	968,821	1,898,375	5,351,763	2,801,113

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.40, 7208.53, 7208.54, 7208.90, 7211.14, and 7211.19, accessed April 5, 2019.

## THE INDUSTRY IN INDONESIA

During the final phase of the original investigations, the Commission received one partially completed foreign producer/exporter questionnaire from a hot-rolled steel producer in Indonesia.<sup>112</sup>

In the first and second five-year reviews, the Commission issued foreign producer/exporter questionnaires to two possible producers of hot-rolled steel in Indonesia, neither of which responded in either review.<sup>113</sup>

<sup>112</sup> *Hot-Rolled Steel Products from Argentina and South Africa: Inv. Nos. 701-TA-404 and 731-TA-898 and 905 (Final)*, USITC Publication 3446, August 2001, p. VII-5.

<sup>113</sup> *Hot-Rolled Steel Products From Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine, Inv. Nos. 701-TA-404-408 and 731-TA-898-902 and 904-908 (Review)*, USITC Publication 3956, October 2007, p. IV-34; and *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, p. IV-20.

In these current reviews, no foreign producers responded to the Commission’s notice of institution. The domestic interested parties identified two Indonesian producers/exporters of hot-rolled steel.<sup>114</sup>

According to \*\*\*,<sup>115</sup> Indonesia's capacity to produce hot-roll steel was \*\*\* metric tons (\*\* short tons) in 2018.<sup>116</sup> Table I-16 presents events in the Indonesian industry since the last five-year reviews.

**Table I-16**  
**Hot-rolled steel: Recent developments in the Indonesian industry**

Item / Firm	Recent events
<b>Expansions:</b>	
PT Krakatau Steel	July 2014— ***. <sup>1</sup>

<sup>1</sup> \*\*\*.

Source: Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3 and exh. 7.

Table I-17 presents export data for hot-rolled steel from Indonesia in descending order of quantity for 2018. Overall, total exports of hot-rolled steel from Indonesia increased by 176.9 percent from 2013-18. Total exports fluctuated throughout the period and were lowest in 2017 at 26,585 short tons and highest in 2016 at 109,426 short tons. During 2013-17, Vietnam and India received relatively small amounts of Indonesian exports of hot-rolled steel but were the top destinations for Indonesian hot-rolled steel in 2018, accounting for 54.4 percent and 19.4 percent of exports, respectively.

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<sup>114</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 2.

<sup>115</sup> \*\*\*.

<sup>116</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3.

**Table I-17**  
**Hot-rolled steel: Exports of hot-rolled steel from Indonesia, by destination, 2013-18**

Item	Calendar year					
	2013	2014	2015	2016	2017	2018
	Quantity (short tons)					
Vietnam	17	263	56	2,071	( <sup>1</sup> )	54,366
India	( <sup>1</sup> )	0	7	0	0	20,935
Malaysia	33,344	56,618	25,268	99,948	23,928	19,081
Taiwan	0	( <sup>1</sup> )	4,620	218	14	10,758
Australia	1,845	3,914	1,601	2,241	789	896
Bahrain	0	610	520	0	28	534
Sri Lanka	0	0	8	77	710	506
Singapore	170	72	930	48	484	287
Myanmar	6	66	2	0	90	189
Chile	0	33	0	0	0	85
All other	3,557	669	9,544	4,824	542	187
Total	38,938	62,246	42,556	109,426	26,585	107,824

<sup>1</sup>Less than one short ton.

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.40, 7208.53, 7208.54, 7208.90, 7211.14, and 7211.19, accessed April 5, 2019.

## THE INDUSTRY IN TAIWAN

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from two firms, which accounted for approximately \*\*\* percent of total U.S. imports of hot-rolled steel from Taiwan during 1998-2000.<sup>117</sup>

During the first five-year reviews, the Commission received foreign producer/exporter questionnaires from three firms, which accounted for all known of production of hot-rolled steel from Taiwan during 2006.<sup>118</sup>

During the second five-year reviews, the Commission received foreign producer/exporter questionnaires from four firms, which accounted for all known of production of hot-rolled steel from Taiwan during 2012.<sup>119</sup>

<sup>117</sup> *Inv. Nos. 701-TA-404-408 and 731-TA-898-908 (Final): Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine—Staff Report*, INV-Y-141, August 6, 2001, p. VII-18.

<sup>118</sup> *Hot-Rolled Steel Products From Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine*, *Inv. Nos. 701-TA-404-408 and 731-TA-898-902 and 904-908 (Review)*, USITC Publication 3956, October 2007, p. IV-50.

<sup>119</sup> *Hot-rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, p. IV-24.

In these current reviews, no foreign producers responded to the Commission’s notice of institution. The domestic interested parties identified four Taiwanese producers/exporters of hot-rolled steel.<sup>120</sup>

According to \*\*\*,<sup>121</sup> Taiwan’s capacity to produce hot-rolled steel has \*\*\* during 2013-18.<sup>122</sup> Taiwan's capacity to produce hot-roll steel was \*\*\* metric tons (\*\* short tons) in 2018. With production of \*\*\* metric tons (\*\* short tons), Taiwan's producers have an estimated \*\*\* metric tons (\*\* short tons) of unused capacity, which the domestic interested parties assert, could be exported to the U.S. market if the orders were revoked.<sup>123</sup> According to a corporate representative, China Steel Corp. (“CSC”) "will look to sell its hot-rolled coils to other markets" due to the fact that "we will have excess HRC {hot-rolled steel} and we will have to find other market then," noting that the company is "unlikely to cut its HRC {hot-rolled steel} production and doing so will only be a last resort."<sup>124</sup> Table I-18 presents events in the Taiwanese industry since the last five-year reviews.

**Table I-18**  
**Hot-rolled steel: Recent developments in the Taiwanese industry**

Item / Firm	Recent events
<b>Expansions:</b>	
Dragon Steel Corp.	March 2013— China Steel Corp. (“CSC”) ***. <sup>1</sup>

<sup>1</sup> \*\*\*.

Source: Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3 and exh. 8.

Table I-19 presents export data for hot-rolled steel from Taiwan with export markets in descending order of quantity for 2018. Overall, total exports of hot-rolled steel from Taiwan have remained constant during 2013-18. Top destinations for Taiwanese hot-rolled steel are located in Asia with the exception of Spain, which accounted for 4.6 percent of exports in 2018. Vietnam has been the top destination for exports from Taiwan throughout the period accounting for 26.4 percent of exports in 2018.

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<sup>120</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 2.

<sup>121</sup> \*\*\*.

<sup>122</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3.

<sup>123</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3.

<sup>124</sup> \*\*\*.



**Table I-19**  
**Hot-rolled steel: Exports of hot-rolled steel from Taiwan, by destination, 2013-18**

Item	Calendar year					
	2013	2014	2015	2016	2017	2018
	Quantity (short tons)					
Vietnam	647,727	963,402	1,094,987	1,325,412	1,431,649	1,281,673
Malaysia	479,660	474,404	587,734	616,701	625,300	654,241
Japan	671,809	699,826	691,339	659,565	624,074	597,404
Pakistan	96,487	104,954	122,374	188,269	175,897	372,915
Spain	73,406	102,837	61,836	158,358	204,555	223,377
China	273,645	238,822	229,055	244,832	208,798	215,793
Korea South	298,467	172,243	202,702	284,117	340,157	209,416
Bangladesh	83,652	67,364	115,824	152,215	95,503	173,738
Philippines	182,472	118,139	136,638	216,473	104,042	162,253
Thailand	389,157	332,044	300,796	335,912	171,832	114,167
All other	873,612	979,065	1,092,580	701,569	696,825	855,113
Total	4,070,096	4,253,101	4,635,865	4,883,422	4,678,632	4,860,089

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.40, 7208.53, 7208.54, 7208.90, 7211.14, and 7211.19, accessed April 5, 2019.

## THE INDUSTRY IN THAILAND

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from three firms, which accounted for approximately \*\*\* percent of exports of hot-rolled steel from Thailand to the United States during 1998-2000.<sup>125</sup>

During the first five-year reviews, the Commission received foreign producer/exporter questionnaires from three firms, which accounted for all known production of hot-rolled steel from Thailand during 2006.<sup>126</sup>

During the second five-year reviews, the Commission received one foreign producer/exporter questionnaire, which estimated that it accounted for \*\*\* percent<sup>127</sup> of hot-rolled steel production in Thailand in 2012.<sup>128</sup>

<sup>125</sup> *Investigations Nos. 701-TA-404-408 and 731-TA-898-908 (Final): Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine—Staff Report*, INV-Y-141, August 6, 2001, p. VII-20.

<sup>126</sup> *Hot-rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-404-408 and 731-TA-898-902 and 904-908 (Review)*, USITC Publication 3956, October 2007, p. IV-53.

<sup>127</sup> In the second five-year reviews, staff compared the Thailand producers that responded to the Commission's questionnaires to those producers identified by the steel analysts at \*\*\*. See \*\*\*. According to this comparison, the responding Thailand producer accounted for \*\*\* percent of hot strip rolling capacity in Thailand in 2012. *Investigations Nos. 701-TA-405, 406, and 408 and 731-TA-899-901*

(continued...)

In these current reviews, no foreign producers responded to the Commission’s notice of institution. The domestic interested parties identified four Thai producers/exporters of hot-rolled steel.<sup>129</sup>

According to \*\*\*,<sup>130</sup> Thailand’s capacity to produce hot-rolled steel has \*\*\* during 2013-18.<sup>131</sup> Thailand’s capacity to produce hot-rolled steel was \*\*\* metric tons (\*\* short tons) in 2018.<sup>132</sup> Table I-20 presents events in the Thai industry since the last five-year reviews.

**Table I-20**  
**Hot-rolled steel: Recent developments in the Thai industry**

Item / Firm	Recent events
<b>Resumptions:</b>	
G Steel Public Co. Ltd.; GJ Public Co. Ltd.	Spring 2013— ***. <sup>1</sup>

<sup>1</sup> \*\*\*.

Source: Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3 and exh. 9.

Table I-21 presents export data for hot-rolled steel from Thailand with export markets in descending order of quantity for 2018. Exports of hot-rolled steel from Thailand fluctuated during 2013-18, but overall increased by 62.2 percent during 2013-18. In 2018, the top destinations for Thai hot-rolled steel were Malaysia and Myanmar, accounting for 91.1 percent and 4.2 percent of exports, respectively.

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(...continued)

and 906-908 (Second Review): *Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine—Staff Report*, INV-LL-101, November 26, 2013, pp. IV-45.

<sup>128</sup> *Investigations Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review): Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine—Staff Report*, INV-LL-101, November 26, 2013, pp. IV-44 – IV-45.

<sup>129</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 2.

<sup>130</sup> \*\*\*.

<sup>131</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3.

<sup>132</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3.

**Table I-21**  
**Hot-rolled steel: Exports of hot-rolled steel from Thailand, by destination, 2013-18**

Item	Calendar year					
	2013	2014	2015	2016	2017	2018
	Quantity (short tons)					
Malaysia	561	8,657	1,850	122	188	56,116
Myanmar	3,375	1,750	2,450	3,174	3,237	2,586
Laos	5,628	4,854	3,960	4,269	1,658	1,369
Bangladesh	0	0	0	0	684	872
Cambodia	215	531	124	60	81	237
Japan	384	72	6	70	100	138
Australia	43	0	0	0	0	69
Indonesia	757	274	197	61	409	63
Vietnam	100	55	12	3,267	800	54
United States	5	0	3	0	5	24
All other	26,891	9,804	2,270	2,270	1,086	55
Total	37,959	25,997	10,872	13,293	8,247	61,584

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.40, 7208.53, 7208.54, 7208.90, 7211.14, and 7211.19, accessed April 5, 2019.

## THE INDUSTRY IN UKRAINE

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from two firms, which accounted for approximately \*\*\* percent of exports from Ukraine to the United States of hot-rolled steel during 2000.<sup>133</sup>

In the first and second five-year reviews, the Commission issued foreign producer/exporter questionnaires to these two producers of hot-rolled steel in Ukraine, also listed by the domestic interested parties in their response to the Commission's notice of institution, neither of which responded in either review.<sup>134</sup>

In these current reviews, no foreign producers responded to the Commission's notice of institution. The domestic interested parties identified two Ukrainian producers/exporters of hot-rolled steel.<sup>135</sup>

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<sup>133</sup> *Investigations Nos. 701-TA-404-408 (Final) and 731-TA-898-908 (Final): Hot-Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine—Staff Report*, INV-Y-141, August 6, 2001, p. VII-23.

<sup>134</sup> *Hot-Rolled Steel Products From Argentina, China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine*, Inv. Nos. 701-TA-404-408 and 731-TA-898-902 and 904-908 (Review), USITC Publication 3956, October 2007, p. IV-56; and *Hot-rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine: Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)*, USITC Publication 4445, January 2014, p. IV-34.

<sup>135</sup> Domestic interested parties' response to the notice of institution, February 1, 2019, exh. 2.

Both Ilyich Iron & Steel Works (“Ilyich Steel”) and Zaporizhstal Iron & Steel Works (“Zaporizhstal”) report investments in recent years to upgrade and expand their steelmaking and rolling facilities.<sup>136</sup> According to \*\*\*,<sup>137</sup> Ukraine’s capacity to produce hot-roll steel was \*\*\* metric tons (\*\* short tons) in 2018.<sup>138</sup> Table I-22 presents events in the Ukrainian industry since the last five-year reviews.

**Table I-22**  
**Hot-rolled steel: Recent developments in the Ukrainian industry**

Item / Firm	Recent events
<b>Expansions and upgrades:</b>	
Zaporizhstal Iron & Steel Works	2016-17— ***. <sup>1</sup>
Zaporizhstal Iron & Steel Works	February 2018— ***. <sup>2</sup>
Ilyich Steel	December 2018— hot-testing commenced for the newly installed continuous caster and secondary metallurgy unit at the Mariupol steelworks. These revamps over 2017-18, are anticipated to both increased output and improve product quality of the upgraded hot-strip mill. ***. <sup>3</sup>

<sup>1</sup> \*\*\*.

<sup>2</sup> \*\*\*.

<sup>3</sup> Ilych Steel, “Metinvest Doubles Investments in Modernization of Mariupol Enterprises in 2018; \*\*\*.

Source: Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3 and exh. 10.

In its response to the notice of institution, the GOU states that military action taken in 2014 has negatively affected Ukrainian steel industry reducing its export capacity.<sup>139</sup> Furthermore, the GOU notes several steel-making plants are located in the Donetsk and Luhansk regions, are currently under armed control.<sup>140</sup> Additionally, on March 15, 2017 the President of Ukraine issued decree No. 62/2017, which stopped the movement of goods through the collision line of the Donetsk and Luhansk regions with the exception of humanitarian goods.<sup>141</sup> The GOU states that, exports of hot-rolled steel from Ukraine increased during 2017-18, but were still lower than exports in 2013.<sup>142</sup> Table I-23 presents export data for hot-rolled steel from Ukraine with export markets in descending order of quantity for 2018.

<sup>136</sup> Ilyich Steel, “Metinvest Doubles Investments in Modernization of Mariupol Enterprises in 2018,” December 28, 2018; Zaporizhstal, “Zaporizhstal Today,” undated, retrieved January 13, 2019.

<sup>137</sup> \*\*\*.

<sup>138</sup> Domestic interested parties’ response to the notice of institution, February 1, 2019, exh. 3.

<sup>139</sup> GOU’s response to the notice of institution, February 7, 2019, pp. 2-3.

<sup>140</sup> GOU’s response to the notice of institution, February 7, 2019, pp. 3.

<sup>141</sup> Ibid; and *Silicomanganese from China and Ukraine, Inv. Nos. 731-TA-672-673 (Fourth Review)*, USITC Publication 4854, November 2018, p. IV-17.

<sup>142</sup> GOU’s response to the notice of institution, February 7, 2019, pp. 5.

During 2013-18, Turkey has been the top destination for Ukrainian hot-rolled steel, followed by Russia, accounting for 22.8 percent and 10.5 percent of exports, respectively.

**Table I-23**

**Hot-rolled steel: Exports of hot-rolled steel from Ukraine, by destination, 2013-18**

Item	Calendar year					
	2013	2014	2015	2016	2017	2018
<b>Quantity (short tons)</b>						
Turkey	620,865	708,231	481,006	323,025	295,854	510,415
Russia	372,831	210,866	228,981	178,023	187,866	234,213
Greece	185,630	106,931	68,391	35,781	49,886	175,415
India	100,509	32,791	101,305	21,932	56,752	158,981
Israel	59,836	94,423	94,535	92,354	103,903	121,297
Egypt	59,834	104,494	12,560	54,414	30,491	117,402
Nigeria	73,522	76,022	61,980	38,621	50,497	88,506
Lebanon	80,520	89,128	118,157	107,470	107,626	83,924
United Arab Emirates	58,240	37,152	49,102	49,331	31,574	81,689
Poland	281,055	331,462	315,502	364,309	244,198	76,157
All other	961,034	1,019,048	1,207,006	1,070,199	830,620	587,297
Total	2,853,877	2,810,548	2,738,524	2,335,460	1,989,267	2,235,295

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.40, 7208.53, 7208.54, 7208.90, 7211.14, and 7211.19, accessed April 5, 2019.

## TRADE REMEDY MEASURES IN THIRD-COUNTRY MARKETS

### Antidumping or countervailing duty orders

Import-injury orders imposed by third countries on the subject trade partners since the last review are listed in table I-24. Subject-countries India and Thailand are also third-country markets for various types of flat-rolled steel products originating from the other U.S. trade partners subject to these third reviews.

**Table I-24**  
**Antidumping or countervailing duty actions in third-country markets, 2013-19**

Third country and subject products	Action date	Subject partner(s)	Order (rates)
<b>Australia:</b> <sup>1</sup>			
Hot-rolled coiled steel	Continued December 2017	Taiwan	Antidumping (0 percent)
<b>Brazil:</b> <sup>2</sup>			
Hot-rolled steel	Imposed January 2018 but suspended December 2018	China	Antidumping ((\$44.08-\$226.58 per metric ton (\$39.99-\$205.55 per short ton))
	Imposed May 2018 but suspended December 2018	China	Countervailing duty (\$196.49-\$425.22 per metric ton (\$178.25-\$385.75 per short ton))
<b>Canada:</b> <sup>3</sup>			
Flat hot-rolled carbon and alloy steel sheet and strips	Continued August 2016	China	Antidumping (77 percent)
	Rescinded August 2016	India	Antidumping (29.2-169 percent)
	Continued August 2016	India	Countervailing duty (3,150 rupees per metric ton (2,858 rupees per short ton))
	Rescinded August 2016	Taiwan	Antidumping (4-169 percent)
	Continued August 2016	Ukraine	Antidumping (77 percent)
<b>European Union:</b> <sup>4</sup>			
Hot-rolled flat products of iron, non-alloy or other alloy steel	Imposed April 2017	China	Antidumping (0-31.3 percent)
	Imposed June 2017	China	Countervailing duty (7.8-35.9 percent)
	Imposed October 2017	Ukraine	Antidumping (€60.5 per metric ton (€54.9 per short ton))
<b>India:</b> <sup>5</sup>			
Hot-rolled flat products of alloy and non-alloy steel	Imposed May 2017	China	Antidumping (\$489-\$561 per metric ton (\$444-\$509 per short ton))
		Indonesia	Antidumping (\$489-\$561 per metric ton (\$444-\$509 per short ton))
<b>Indonesia:</b> <sup>6</sup>			
Hot-rolled coil	Imposed November 2013	China	Antidumping (0-20 percent)
		India	Antidumping (12.95-20 percent)
		Taiwan	Antidumping (0-20 percent)
		Thailand	Antidumping (7.52-20 percent)

Table continued on next page.

**Table I-24–Continued**

**Antidumping or countervailing duty actions in third-country markets, 2013-19**

<b>Third country and subject products</b>	<b>Action date</b>	<b>Subject partner(s)</b>	<b>Order (rates)</b>
<b>Malaysia:</b> <sup>7</sup>			
Hot-rolled coil	Imposed February 2015 but terminated January 2019	China	Antidumping (2.49-15.62 percent)
		Indonesia	Antidumping (11.20-25.40 percent)
<b>Mexico:</b> <sup>8</sup>			
Hot-rolled sheet	Continued March 2015	Ukraine	Antidumping (25 percent)
Hot-rolled steel coils	Imposed December 2015	China	Antidumping (\$335.60-\$354.92 per metric ton (\$304.45-\$321.98 per short ton))
<b>Thailand:</b> <sup>9</sup>			
Flat hot-rolled in coils and not in coils	Continued June 2017	China	Antidumping (30.91 percent)
		India	Antidumping (26.81-31.92 percent)
	Continued May 2015	Indonesia	Antidumping (24.48 percent)
		Taiwan	Antidumping (3.45-25.15 percent)
		Ukraine	Antidumping (30.45-67.69 percent)
Flat hot-rolled steel with added boron in coils and not in coils	Imposed December 2012 and continued December 2018	China	Antidumping (14.28-19.47 percent)

<sup>1</sup> Australian Anti-Dumping Commission, “Anti-Dumping Notice No. 2017/166,” December 16, 2017; Australian Customs and Border Protection Service, “Anti-Dumping Notice No. 2012/66,” December 20, 2012.

<sup>2</sup> *Asian Metal*, “Brazil Issues Positive Final Determination on Anti-Dumping for Hot-Rolled Steel Plate from China and Russia,” January 26, 2018; *Global Trade Alert*, “Brazil,” Intervention 55901, no date (retrieved April 16, 2019).

<sup>3</sup> Canadian Border Services Agency (“CBSA”), “Measures in Force,” no date (retrieved April 17, 2019); Canadian International Trade Tribunal, Expiry Review No. RR-2015-002, August 26, 2016; CBSA, Expiry Review No. RR-2010-001, April 15, 2011; CBSA, Expiry Review No. RR-2005-002, April 13, 2006; CBSA, “Final Determination - Certain Hot-rolled Carbon Steel Sheet,” July 18, 2001.

<sup>4</sup> *Official Journal of the European Union*, “Commission Implementing Regulation (EU) 2017/969, June 8, 2017; “Commission Implementing Regulation (EU) 2017/1795,” October 5, 2017.

<sup>5</sup> Indian Directorate General of Anti-Dumping & Allied Duties, F. No. 14/9/2016-DGAD, October 4, 2017.

<sup>6</sup> World Trade Organization (“WTO”), Committee on Anti-Dumping Practices, *Semi-Annual Report Under Article 16.4 of the WTO Antidumping Agreement: Indonesia*, G/ADP/N/314/IDN, October 9, 2018.

<sup>7</sup> Malaysian Ministry of International Trade and Industry, P.U. (B) 65, *Federal Government Gazette*, January 29, 2019; P.U. (A) 24, *Federal Government Gazette*, February 10, 2015.

<sup>8</sup> *Global Trade Alert*, “Mexico,” Intervention 19067, no date (retrieved April 18, 2019); “Mexico,” Intervention 18116, no date (retrieved April 18, 2019).

<sup>9</sup> *Global Trade Alert*, “Thailand,” Intervention 15759, no date (retrieved April 18, 2019); “Thailand,” Intervention 17017, no date (retrieved April 18, 2019); “Thailand” Intervention 16415, no date (retrieved April 18, 2019).

Source: Domestic interested parties’ response to the notice of institution, February 1, 2019, pp. 18-22, exh. 11; WTO, “Definitive Anti Dumping Measures” semiannual reports of the tabulated third countries; third-country government agency official notices; *Global Trade Alert*; *Asian Metal*.

## Safeguard measures

Ongoing safeguard investigations and safeguard measures imposed by third countries on the subject trade partners, since the last review, are listed in table-25. Subject-countries India and Thailand are also third-country markets for various types of flat-rolled steel products originating from the other U.S. trade partners subject to this third review.

**Table I-25**  
**Safeguard actions in third-country markets, 2013-19**

Third country and subject products	Action date	Subject partners	Order duration (rate)
<b>Armenia:</b>			
Hot-rolled steel products	Initiated August 2018	China, India, Indonesia, Taiwan, Thailand, Ukraine	( <sup>1</sup> )
<b>Canada:</b>			
Certain steel products (including hot-rolled sheet)	Initiated October 2018	China, India, Indonesia, Taiwan, Thailand	( <sup>1</sup> )
<b>European Union:</b>			
Certain steel products (including non-alloy and other alloy hot-rolled sheets and strips)	Initiated March 2018	India, Taiwan, Ukraine	( <sup>1</sup> )
<b>India:<sup>2</sup></b>			
Hot-rolled flat sheets and plates (other than hot-rolled flat products in coils)	Imposed November 2016	Indonesia, Taiwan	November 23, 2016-November 22, 2017 (10 percent) November 23, 2017-November 22, 2018 (8 percent) November 23, 2018-May 22, 2019 (6 percent)
<b>Kazakhstan:</b>			
Certain flat-rolled steel products (including hot-rolled steel products)	Initiated August 2018	China, India, Indonesia, Taiwan, Thailand, Ukraine	( <sup>1</sup> )
<b>Kyrgyz Republic:</b>			
Certain flat-rolled steel products (including hot-rolled steel products)	Initiated August 2018	China, India, Indonesia, Taiwan, Thailand, Ukraine	( <sup>1</sup> )

Table continued on next page.



**Table I-25–Continued**  
**Safeguard actions in third-country markets, 2013-19**

Third country and subject products	Action date	Subject partners	Order duration (rate)
<b>Russian Federation:</b>			
Certain flat-rolled steel products (including hot-rolled steel products)	Initiated August 2018	China, India, Indonesia, Taiwan, Thailand, Ukraine	(1)
<b>South Africa:</b> <sup>3</sup>			
Certain flat hot-rolled steel products	Imposed August 2017	China, India	August 11, 2017-August 10, 2018 (12 percent) August 11, 2018-August 10, 2019 (10 percent) August 11, 2019-August 10, 2020 (8 percent)
<b>Thailand:</b> <sup>4</sup>			
Non-alloy hot-rolled steel flat products in coils and not in coils	Continued June 2017	India, Taiwan	June 7, 2017-June 6, 2018 (21.00 percent) June 7, 2018-June 6, 2019 (20.87 percent)
	Applied June 2018	China	June 7, 2019-June 6, 2020 (20.74 percent)
<b>Turkey:</b> <sup>5</sup>			
Flat-rolled steel (including non-alloy or other alloy steel hot-rolled products not clad, plated or coated)	Imposed October 2018	China, Taiwan, Ukraine	25 percent tariff rate quota on subject imports above 3.1 million metric tons (3.4 million short tons))

<sup>1</sup> Imposition of safeguard measures yet to be announced.

<sup>2</sup> World Trade Organization (“WTO”), Report (2018) of the Committee on Safeguards to the Council for Trade in Goods, G/L/1275, G/SG/190, October 1, 2018 (*WTO 2018 Safeguard Report*); Committee on Safeguards, *India*, G/SGAI/8//IND/30/Suppl.1.

<sup>3</sup> WTO, Committee on Safeguards, *South Africa*, G/SG/N/8/ZAF/Supp. 2, August 17, 2017.

<sup>4</sup> *WTO 2018 Safeguard Report*, Committee on Safeguards, *Thailand*, G/SG/N/8/THA/3, January 15, 2015 (finding serious injury); Committee on Safeguards, *Thailand*, G/SG/N/8/THA/3/Supp. 2, June 21, 2011 (“safeguard measure continues to be necessary”); Committee on Safeguards, *Thailand*, G/SG/N/8/THA/3/Supp. 3, June 26, 2018 (developing countries excluded).

<sup>5</sup> WTO, Committee on Safeguards, *Turkey*, G/SG/N/7/TUR/13, G/SG/N/11/TUR/23, October 5, 2018.

Source: Domestic interested parties’ response to the notice of institution, February 1, 2019, pp. 18-22, exh. 11; WTO, Committee on Safeguards, Notification reports of the tabulated third countries.

## THE GLOBAL MARKET

Table I-26 presents the largest global export sources of hot-rolled steel during 2013-18. Leading exporters are non-subject producers in Japan, South Korea, and Russia, which together accounted for 35.1 percent by value of all global exports in 2018.

**Table I-26**  
**Hot-rolled steel: Global exports by major sources, 2013-18**

Item	2013	2014	2015	2016	2017	2018
	<b>Quantity (short tons)</b>					
United States	1,976,649	1,700,819	1,348,110	1,420,420	1,811,828	1,179,877
Top exporters:						
Japan	12,756,708	12,590,904	14,427,084	14,341,493	13,071,308	11,488,328
South Korea	5,643,309	6,792,041	8,496,955	8,028,990	6,310,236	6,184,543
Russia	4,817,718	5,175,797	5,760,984	7,025,683	6,138,158	5,981,695
Taiwan	4,070,096	4,253,101	4,635,865	4,883,422	4,678,632	4,860,089
Germany	3,836,895	3,573,655	3,557,671	3,639,650	4,382,542	3,936,857
Belgium	2,704,649	2,772,092	3,212,264	3,665,583	4,108,915	4,009,007
Turkey	1,600,594	1,566,262	1,777,317	2,093,042	2,637,520	4,034,983
France	4,761,539	4,414,037	4,069,208	3,663,471	4,098,678	3,716,688
India	3,099,416	2,048,720	968,821	1,898,375	5,351,764	2,801,113
Canada	1,478,245	1,519,406	1,480,254	1,646,706	1,775,610	1,967,070
All other	20,261,309	20,305,373	18,811,218	19,396,134	18,806,288	17,264,753
Total	67,007,127	66,712,209	68,545,751	71,702,969	73,171,480	67,425,003
	<b>Value (1,000 dollars)</b>					
United States	1,405,449	1,293,945	933,525	920,340	1,211,861	962,163
Top exporters:						
Japan	6,879,496	6,528,745	5,515,817	4,991,439	6,299,882	6,286,969
South Korea	3,128,109	3,679,835	3,393,703	3,058,834	3,158,955	3,575,876
Russia	2,385,855	2,537,738	1,948,777	2,168,201	2,665,175	3,016,448
Taiwan	2,112,308	2,139,996	1,697,307	1,573,773	2,101,861	2,557,544
Germany	2,435,451	2,175,260	1,735,184	1,633,822	2,461,791	2,508,705
Belgium	1,684,499	1,547,055	1,472,773	1,526,395	2,200,241	2,437,595
Turkey	875,906	840,200	694,638	753,447	1,292,160	2,234,628
France	2,876,498	2,463,116	1,746,208	1,467,064	2,183,131	2,221,955
India	1,581,753	1,016,985	412,936	707,560	2,383,006	1,458,712
Canada	951,272	1,049,576	791,487	849,900	1,097,826	1,362,649
All other	11,749,905	11,571,064	7,946,417	7,710,618	9,654,301	10,204,601
Total	38,066,501	36,843,514	28,288,770	27,361,394	36,710,190	38,827,846

Table continued on next page.

**Table I-26--Continued**  
**Hot-rolled steel: Global exports by major sources, 2013-18**

Item	2013	2014	2015	2016	2017	2018
	<b>Unit value (per short ton)</b>					
United States	711	761	692	648	669	815
Top exporters						
Japan	539	519	382	348	482	547
South Korea	554	542	399	381	501	578
Russia	495	490	338	309	434	504
Taiwan	519	503	366	322	449	526
Germany	635	609	488	449	562	637
Belgium	623	558	458	416	535	608
Turkey	547	536	391	360	490	554
France	604	558	429	400	533	598
India	510	496	426	373	445	521
Canada	644	691	535	516	618	693
All other	580	570	422	398	513	591
Total	568	552	413	382	502	576
	<b>Share of value (percent)</b>					
United States	3.7	3.5	3.3	3.4	3.3	2.5
Top exporters:						
Japan	18.1	17.7	19.5	18.2	17.2	16.2
South Korea	8.2	10.0	12.0	11.2	8.6	9.2
Russia	6.3	6.9	6.9	7.9	7.3	7.8
Taiwan	5.5	5.8	6.0	5.8	5.7	6.6
Germany	6.4	5.9	6.1	6.0	6.7	6.5
Belgium	4.4	4.2	5.2	5.6	6.0	6.3
Turkey	2.3	2.3	2.5	2.8	3.5	5.8
France	7.6	6.7	6.2	5.4	5.9	5.7
India	4.2	2.8	1.5	2.6	6.5	3.8
Canada	2.5	2.8	2.8	3.1	3.0	3.5
All other	30.9	31.4	28.1	28.2	26.3	26.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

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

Source: IHS Market, Global Trade Atlas database, subheadings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 208.39, 7208.40, 7208.53, 7208.54, 7208.90, 7211.14, and 7211.19, accessed April 5, 2019.



**APPENDIX A**

***FEDERAL REGISTER NOTICES***



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://www.usitc.gov). In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
84 FR 11 January 2, 2019	<i>Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine; Institution of Five—Year Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2019-01-02/pdf/2018-28268.pdf">https://www.govinfo.gov/content/pkg/FR-2019-01-02/pdf/2018-28268.pdf</a>
84 FR 1705 February 5, 2019	<i>Initiation of Five-Year (sunset) Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2019-02-05/pdf/2019-01271.pdf">https://www.govinfo.gov/content/pkg/FR-2019-02-05/pdf/2019-01271.pdf</a>





**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



\* \* \* \* \*



**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



**Table C-1**  
**Hot-rolled steel: Summary data concerning the U.S. market, 1998-2000, January-March 2000, and January-March 2001**

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1998	1999	2000	January-March		1998-2000	1998-1999	1999-2000	Jan.-Mar.
				2000	2001				2000-2001
<b>U.S. consumption quantity:</b>									
Amount .....	73,969,211	71,395,689	72,535,753	19,984,288	15,852,731	-1.9	-3.5	1.6	-20.6
Producers' share (1) .....	84.1	91.1	89.9	90.0	94.7	5.8	7.0	-1.2	4.7
Importers' share (1):									
Argentina .....	0.0	0.2	0.2	0.2	0.1	0.2	0.2	0.0	-0.0
China .....	0.1	0.7	0.7	0.6	0.3	0.5	0.5	0.0	-0.3
India .....	0.1	0.7	1.2	0.6	0.3	1.1	0.6	0.5	-0.3
Indonesia .....	0.1	0.4	0.4	0.7	0.1	0.3	0.4	-0.1	-0.7
Kazakhstan .....	0.2	0.2	0.3	0.4	0.1	0.1	-0.0	0.1	-0.3
Netherlands .....	0.6	0.7	0.8	0.7	0.4	0.2	0.1	0.1	-0.2
Romania .....	0.2	0.5	0.6	0.6	0.2	0.4	0.4	0.0	-0.4
South Africa .....	0.1	0.2	0.2	0.3	0.0	0.1	0.1	-0.0	-0.3
Taiwan .....	0.3	0.8	1.0	1.6	0.3	0.7	0.3	0.4	-1.3
Thailand .....	0.0	0.1	0.3	0.0	0.1	0.3	0.0	0.3	0.1
Ukraine .....	0.2	0.1	0.3	0.2	0.1	0.1	-0.1	0.2	-0.1
Subtotal .....	1.9	4.4	5.9	5.9	2.0	4.0	2.5	1.5	-3.9
Other sources .....	14.0	4.6	4.2	4.1	3.3	-9.8	-9.4	-0.3	-0.7
Total imports .....	15.9	8.9	10.1	10.0	5.3	-5.8	-7.0	1.2	-4.7
<b>U.S. consumption value:</b>									
Amount .....	23,423,599	20,134,473	21,707,897	6,184,998	3,937,340	-7.3	-14.0	7.8	-36.3
Producers' share (1) .....	86.0	91.7	89.9	90.8	94.1	4.0	5.7	-1.7	3.3
Importers' share (1):									
Argentina .....	0.0	0.1	0.2	0.1	0.1	0.2	0.1	0.0	-0.0
China .....	0.1	0.5	0.6	0.5	0.3	0.5	0.4	0.1	-0.2
India .....	0.1	0.6	1.2	0.5	0.3	1.0	0.5	0.6	-0.2
Indonesia .....	0.0	0.3	0.3	0.6	0.1	0.3	0.3	-0.0	-0.6
Kazakhstan .....	0.1	0.1	0.2	0.3	0.1	0.1	-0.0	0.1	-0.3
Netherlands .....	0.6	0.8	0.8	0.7	0.5	0.2	0.1	0.1	-0.1
Romania .....	0.1	0.4	0.5	0.5	0.2	0.3	0.3	0.1	-0.3
South Africa .....	0.1	0.2	0.2	0.3	0.0	0.1	0.1	0.0	-0.2
Taiwan .....	0.3	0.5	1.0	1.5	0.3	0.8	0.3	0.5	-1.3
Thailand .....	0.0	0.1	0.3	0.0	0.1	0.3	0.0	0.3	0.1
Ukraine .....	0.1	0.1	0.2	0.1	0.1	0.1	-0.1	0.2	-0.1
Subtotal .....	1.7	3.7	5.6	5.3	2.1	3.9	2.0	1.9	-3.2
Other sources .....	12.3	4.6	4.4	3.9	3.9	-7.9	-7.7	-0.2	-0.0
Total imports .....	14.0	8.3	10.1	9.2	5.9	-4.0	-5.7	1.7	-3.3
<b>U.S. Imports from—</b>									
<b>Argentina:</b>									
Quantity .....	0	116,950	118,920	30,769	21,474	(2)	(2)	1.7	-30.2
Value .....	0	29,765	34,192	8,821	4,957	(2)	(2)	14.9	-43.8
Unit value .....	(2)	\$254.51	\$287.52	\$286.68	\$230.82	(2)	(2)	13.0	-19.5
Ending inventory quantity .....	0	5,770	4,251	8,706	787	(2)	(2)	-26.3	-91.0
<b>China:</b>									
Quantity .....	102,588	467,380	485,299	115,588	44,537	373.1	355.6	3.8	-61.5
Value .....	26,626	106,648	139,475	31,655	10,764	423.8	300.5	30.8	-66.0
Unit value .....	\$259.54	\$228.18	\$287.40	\$273.86	\$241.68	10.7	-12.1	26.0	-11.8
Ending inventory quantity .....	0	11,406	5,658	17,875	4,352	(2)	(2)	-50.4	-75.7
<b>India:</b>									
Quantity .....	109,941	504,155	876,264	116,905	49,911	697.0	358.6	73.8	-57.3
Value .....	30,062	119,121	253,981	32,760	11,722	744.9	296.2	113.2	-64.2
Unit value .....	\$273.44	\$236.28	\$289.86	\$280.22	\$234.86	6.0	-13.8	22.7	-16.2
Ending inventory quantity .....	0	0	4,185	9,717	1,838	(2)	(2)	(2)	-81.1

Table continued on next page.

Table C-1—Continued

Hot-rolled steel: Summary data concerning the U.S. market, 1998-2000, January-March 2000, and January-March 2001

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1998	1999	2000	January-March		1998-2000	1998-1999	1999-2000	Jan.-Mar. 2000-2001
				2000	2001				
U.S. imports from—									
Indonesia:									
Quantity .....	38,163	301,264	259,166	148,265	10,726	579.1	689.4	-14.0	-92.8
Value .....	11,021	89,343	74,574	39,133	2,576	576.7	529.2	7.5	-93.4
Unit value .....	\$288.78	\$230.17	\$287.75	\$263.04	\$240.20	-0.4	-20.3	25.0	-9.0
Ending inventory quantity ...	0	9,054	1,429	1,805	0	(2)	(2)	-84.2	-100.0
Kazakhstan:									
Quantity .....	130,329	123,132	192,470	86,079	14,584	47.7	-5.5	56.3	-83.1
Value .....	34,306	24,727	45,070	20,110	2,634	31.4	-27.9	82.3	-66.9
Unit value .....	\$263.23	\$200.82	\$234.17	\$233.62	\$180.62	-11.0	-23.7	16.6	-22.7
Ending inventory quantity ...	0	0	0	0	0	(2)	(2)	(2)	(2)
Netherlands:									
Quantity .....	440,866	505,601	562,597	131,501	66,912	27.6	14.7	11.3	-49.1
Value .....	147,432	153,495	179,591	40,524	21,173	21.8	4.1	17.0	-47.8
Unit value .....	\$334.41	\$303.59	\$319.22	\$308.17	\$316.43	-4.5	-9.2	5.1	2.7
Ending inventory quantity ...	2,946	3,051	2,936	3,015	2,145	-0.3	3.6	-3.8	-28.9
Romania:									
Quantity .....	128,253	384,458	410,798	124,994	32,601	220.3	199.8	6.9	-73.9
Value .....	32,896	80,543	104,291	29,540	6,997	217.0	144.8	29.5	-76.3
Unit value .....	\$256.49	\$209.50	\$253.87	\$236.34	\$214.64	-1.0	-18.3	21.2	-9.2
Ending inventory quantity ...	2,040	1,522	7,029	8,680	6,433	244.6	-25.4	361.8	-25.9
South Africa:									
Quantity .....	80,434	173,044	167,773	61,153	2,881	108.6	115.1	-3.0	-85.3
Value .....	22,321	40,440	47,229	16,765	857	111.6	81.2	16.8	-94.9
Unit value .....	\$277.50	\$233.70	\$281.50	\$274.16	\$297.26	1.4	-15.8	20.5	8.4
Ending inventory quantity ...	15,090	9,931	14,775	6,634	8,183	-2.1	-34.2	48.8	23.3
Taiwan:									
Quantity .....	224,058	428,939	724,854	318,038	41,963	223.5	91.4	69.0	-66.8
Value .....	61,856	104,003	222,532	95,628	11,529	259.7	68.1	114.0	-86.0
Unit value .....	\$276.08	\$242.47	\$307.00	\$301.31	\$274.74	11.2	-12.2	26.6	-8.8
Ending inventory quantity ...	39,841	104	6,135	25,819	2,909	-84.6	-99.7	5,799.0	-86.7
Thailand:									
Quantity .....	18,050	38,637	233,762	6,673	15,847	1,195.1	114.1	505.0	137.5
Value .....	5,521	10,422	70,070	1,849	4,836	1,169.2	88.8	572.4	161.5
Unit value .....	\$305.66	\$269.73	\$299.75	\$277.11	\$305.17	-2.0	-11.8	11.1	10.1
Ending inventory quantity ...	0	0	19,958	0	11,919	(2)	(2)	(2)	(2)
Ukraine:									
Quantity .....	126,648	72,907	213,764	42,798	12,534	68.8	-42.4	193.2	-70.7
Value .....	27,280	13,146	50,012	8,926	2,803	83.3	-51.8	280.4	-86.6
Unit value .....	\$215.40	\$180.31	\$233.66	\$208.55	\$223.66	8.6	-16.3	29.8	7.2
Ending inventory quantity ...	0	0	0	0	0	(2)	(2)	(2)	(2)
Subtotal:									
Quantity .....	1,399,330	3,119,468	4,245,666	1,182,763	313,971	203.4	122.7	36.2	-73.5
Value .....	399,322	751,651	1,221,025	325,912	80,848	205.6	88.2	62.4	-75.2
Unit value .....	\$285.37	\$241.19	\$287.59	\$275.55	\$257.50	0.8	-15.5	19.2	-8.6
Ending inventory quantity ...	60,017	40,838	66,356	82,051	38,566	10.8	-32.0	62.5	-53.0
All other sources:									
Quantity .....	10,354,907	3,255,768	3,070,958	811,971	526,743	-70.3	-68.6	-5.7	-35.1
Value .....	2,888,970	927,219	864,189	241,219	151,804	-66.6	-67.9	4.0	-37.0
Unit value .....	\$278.80	\$284.79	\$313.97	\$297.08	\$288.38	12.6	2.1	10.2	-2.9
Ending inventory quantity ...	113,589	87,338	53,068	91,671	65,947	-53.3	-23.1	-39.3	-28.1
All sources:									
Quantity .....	11,754,238	6,372,236	7,316,624	1,994,733	840,714	-37.8	-45.8	14.8	-57.9
Value .....	3,286,293	1,678,870	2,185,214	567,130	232,753	-33.5	-48.9	30.2	-59.0
Unit value .....	\$279.58	\$263.47	\$298.66	\$284.31	\$276.85	8.8	-5.8	13.4	-2.6
Ending inventory quantity ...	173,606	128,174	119,362	173,722	104,513	-31.2	-26.2	-6.9	-39.8

Table continued on next page.



Table C-1--Continued

Hot-rolled steel: Summary data concerning the U.S. market, 1998-2000, January-March 2000, and January-March 2001

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1998	1999	2000	January-March		1998-2000	1998-1999	1999-2000	Jan.-Mar. 2000-2001
				2000	2001				
U.S. producers:									
Average capacity quantity . . . .	73,468,340	75,462,035	76,397,442	19,210,635	19,067,423	4.0	2.7	1.2	-0.7
Production quantity . . . . .	62,456,688	65,279,659	65,898,724	18,132,724	15,258,602	5.5	4.5	0.8	-15.9
Capacity utilization (1) . . . . .	85.0	86.5	86.3	94.4	80.0	1.2	1.5	-0.2	-14.4
U.S. shipments:									
Quantity . . . . .	62,214,973	65,023,453	65,219,129	17,969,555	15,012,017	4.8	4.5	0.3	-16.5
Value . . . . .	20,137,306	18,455,603	19,522,683	5,617,868	3,704,587	-3.1	-8.4	5.8	-34.1
Unit value . . . . .	\$323.67	\$283.83	\$299.34	\$312.63	\$246.77	-7.5	-12.3	5.5	-21.1
Export shipments:									
Quantity . . . . .	173,764	360,825	608,378	185,040	85,903	250.1	107.7	68.6	-53.8
Value . . . . .	58,960	114,386	198,031	64,118	25,888	235.9	94.0	73.1	-59.8
Unit value . . . . .	\$339.31	\$317.01	\$325.51	\$346.51	\$301.36	-4.1	-6.6	2.7	-13.0
Ending inventory quantity . . . .	2,463,228	2,385,945	2,410,466	2,345,973	2,300,258	-2.1	-3.9	1.9	-1.9
Inventories/total shipments (1)	3.9	3.6	3.7	3.2	3.8	-0.3	-0.3	0.0	0.8
Production workers . . . . .	31,956	31,073	30,385	31,639	29,123	-4.9	-2.8	-2.2	-8.0
Hours worked (1,000s) . . . . .	71,732	69,932	69,208	18,185	16,315	-3.5	-2.5	-1.0	-10.3
Wages paid (\$1,000s) . . . . .	1,746,327	1,731,700	1,737,894	454,888	406,781	-0.5	-0.8	0.3	-10.6
Hourly wages . . . . .	\$24.35	\$24.76	\$25.11	\$25.01	\$24.93	3.1	1.7	1.4	-0.3
Productivity (tons/1,000 hours)	870.7	933.5	952.2	997.1	935.2	9.4	7.2	2.0	-6.2
Unit labor costs . . . . .	\$27.96	\$26.53	\$26.37	\$25.09	\$26.66	-5.7	-5.1	-0.6	6.3
Net sales:									
Quantity . . . . .	62,368,430	64,830,978	66,154,694	18,209,659	15,101,008	6.1	3.9	2.0	-17.1
Value . . . . .	20,279,125	18,454,261	19,882,231	5,713,095	3,734,282	-2.0	-9.0	7.7	-34.6
Unit value . . . . .	\$325.15	\$284.65	\$300.54	\$313.74	\$247.29	-7.6	-12.5	5.6	-21.2
Cost of goods sold (COGS) . . . .	18,893,389	18,649,802	19,545,579	5,351,870	4,456,005	3.5	-1.3	4.8	-16.7
Gross profit or (loss) . . . . .	1,385,736	(195,341)	336,652	361,225	(721,723)	-75.7	(3)	(3)	(3)
SG&A expenses . . . . .	1,052,583	1,018,594	1,041,689	270,701	232,372	-1.0	-3.2	2.3	-14.2
Operating income or (loss) . . . .	333,153	(1,213,935)	(705,037)	90,524	(954,095)	(3)	(3)	41.9	(3)
Capital expenditures . . . . .	527,124	569,970	831,149	121,395	69,872	57.7	8.1	45.8	-42.4
Unit COGS . . . . .	\$302.93	\$287.66	\$295.45	\$293.90	\$295.08	-2.5	-5.0	2.7	0.4
Unit SG&A expenses . . . . .	\$16.88	\$15.71	\$15.75	\$14.87	\$15.39	-6.7	-6.9	0.2	3.5
Unit operating income or (loss)	\$5.34	(\$18.72)	(\$10.66)	\$4.97	(\$63.18)	(3)	(3)	43.1	(3)
COGS/sales (1) . . . . .	93.2	101.1	98.3	93.7	119.3	5.1	7.9	-2.8	25.6
Operating income or (loss)/ sales (1) . . . . .	1.6	(6.6)	(3.5)	1.6	(25.5)	-5.2	-8.2	3.0	-27.1

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

(3) Undefined.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-2—Continued

Hot-rolled steel: Summary data concerning the U.S. open market, 1998-2000, January-March 2000, and January-March 2001

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)								
	Reported data					Period changes			
	1998	1999	2000	January-March		1998-2000	1998-1999	1999-2000	Jan.-Mar. 2000-2001
			2000	2001					
U.S. Imports from—									
Indonesia:									
Quantity .....	38,163	301,264	259,166	148,265	10,726	579.1	689.4	-14.0	-82.8
Value .....	11,021	69,343	74,574	39,133	2,576	576.7	529.2	7.5	-93.4
Unit value .....	\$288.78	\$230.17	\$287.75	\$263.64	\$240.20	-0.4	-20.3	25.0	-9.0
Ending inventory quantity ...	0	9,054	1,429	1,605	0	(2)	(2)	-84.2	-100.0
Kazakhstan:									
Quantity .....	130,329	123,132	192,470	86,079	14,584	47.7	-5.5	56.3	-83.1
Value .....	34,306	24,727	45,070	20,110	2,634	31.4	-27.9	82.3	-86.9
Unit value .....	\$263.23	\$200.82	\$234.17	\$233.62	\$180.82	-11.0	-23.7	16.6	-22.7
Ending inventory quantity ...	0	0	0	0	0	(2)	(2)	(2)	(2)
Netherlands:									
Quantity .....	440,866	505,601	562,597	131,501	66,912	27.6	14.7	11.3	-49.1
Value .....	147,432	153,495	179,591	40,524	21,173	21.8	4.1	17.0	-47.8
Unit value .....	\$334.41	\$303.59	\$319.22	\$306.17	\$316.43	-4.5	-8.2	5.1	2.7
Ending inventory quantity ...	2,946	3,051	2,936	3,015	2,145	-0.3	3.6	-3.8	-28.9
Romania:									
Quantity .....	128,253	384,458	410,796	124,994	32,601	220.3	199.8	6.9	-73.9
Value .....	32,896	80,543	104,291	29,540	6,997	217.0	144.8	29.5	-76.3
Unit value .....	\$258.49	\$209.50	\$253.87	\$236.34	\$214.64	-1.0	-18.3	21.2	-9.2
Ending inventory quantity ...	2,040	1,522	7,029	8,680	6,433	244.8	-25.4	381.8	-25.9
South Africa:									
Quantity .....	80,434	173,044	167,773	61,153	2,881	108.6	115.1	-3.0	-95.3
Value .....	22,321	40,440	47,229	16,765	857	111.6	81.2	16.8	-84.9
Unit value .....	\$277.50	\$233.70	\$281.50	\$274.16	\$297.28	1.4	-15.8	20.5	8.4
Ending inventory quantity ...	15,090	9,831	14,775	8,634	8,183	-2.1	-34.2	48.8	23.3
Taiwan:									
Quantity .....	224,058	428,939	724,854	318,038	41,963	223.5	91.4	69.0	-86.8
Value .....	61,858	104,003	222,532	95,828	11,529	259.7	68.1	114.0	-88.0
Unit value .....	\$276.08	\$242.47	\$307.00	\$301.31	\$274.74	11.2	-12.2	26.6	-8.8
Ending inventory quantity ...	39,941	104	6,135	25,819	2,909	-84.6	-99.7	5,789.0	-88.7
Thailand:									
Quantity .....	18,050	38,637	233,762	6,673	15,847	1,195.1	114.1	505.0	137.5
Value .....	5,521	10,422	70,070	1,849	4,836	1,169.2	88.8	572.4	161.5
Unit value .....	\$305.86	\$269.73	\$299.75	\$277.11	\$305.17	-2.0	-11.8	11.1	10.1
Ending inventory quantity ...	0	0	19,958	0	11,919	(2)	(2)	(2)	(2)
Ukraine:									
Quantity .....	126,648	72,907	213,764	42,798	12,534	68.8	-42.4	193.2	-70.7
Value .....	27,280	13,148	50,012	8,928	2,803	83.3	-51.8	280.4	-68.6
Unit value .....	\$215.40	\$180.31	\$233.96	\$208.55	\$223.66	8.6	-16.3	29.8	7.2
Ending inventory quantity ...	0	0	0	0	0	(2)	(2)	(2)	(2)
Subtotal:									
Quantity .....	1,399,330	3,116,468	4,245,666	1,182,763	313,971	203.4	122.7	36.2	-73.5
Value .....	399,322	751,851	1,221,025	325,912	80,848	205.8	88.2	62.4	-75.2
Unit value .....	\$285.37	\$241.19	\$287.59	\$275.55	\$257.50	0.8	-15.5	19.2	-8.6
Ending inventory quantity ...	60,017	40,838	66,356	82,051	38,566	10.6	-32.0	62.5	-53.0
All other sources:									
Quantity .....	10,354,907	3,255,766	3,070,958	811,971	526,743	-70.3	-88.6	-5.7	-35.1
Value .....	2,886,970	927,219	984,189	241,219	151,904	-86.6	-87.9	4.0	-37.0
Unit value .....	\$278.80	\$284.79	\$313.97	\$297.08	\$288.38	12.6	2.1	10.2	-2.9
Ending inventory quantity ...	113,589	87,336	53,006	91,671	65,947	-53.3	-23.1	-39.3	-28.1
All sources:									
Quantity .....	11,754,238	6,372,236	7,316,624	1,994,733	840,714	-37.8	-45.8	14.8	-57.9
Value .....	3,286,293	1,678,670	2,185,214	567,130	232,753	-33.5	-48.9	30.2	-59.0
Unit value .....	\$279.58	\$263.47	\$298.66	\$284.31	\$276.85	6.8	-5.8	13.4	-2.6
Ending inventory quantity ...	173,606	128,174	119,362	173,722	104,513	-31.2	-26.2	-6.9	-39.8

Table continued on next page.



Table C.3-Continued  
Hot-rolled steel: Summary data concerning the U.S. market, 2001-06, January-June 2006, and January-June 2007

Item	Reported data											Period changes						
	2001-2006						January-June		2001-06 to 2006-06					2006-06 to 2007-06				
	2001	2002	2003	2004	2005	2006	2006	2007	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06	Jan-June 2006-07			
(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)																		
<b>U.S. imports from:</b>																		
<b>All other sources:</b>																		
Quantity	2,557,040	4,302,509	2,607,407	5,004,490	3,818,715	5,180,441	3,181,248	1,600,817	139.0	61.9	-39.4	81.9	-23.7	62.2	-43.4			
Value	711,009	1,321,486	854,518	2,545,509	2,052,883	3,227,482	1,564,064	973,983	353.9	85.8	-35.3	197.9	-17.8	54.2	-37.7			
Unit value	\$268	\$307	\$328	\$509	\$548	\$521	\$492	\$541	94.8	14.8	8.7	55.2	7.8	-4.9	10.0			
Ending inventory quantity	127,572	195,723	24,024	111,182	148,785	182,344	283,388	63,368	27.3	53.4	-87.7	362.7	32.0	10.8	-77.6			
<b>All sources:</b>																		
Quantity	2,949,244	4,689,732	2,783,257	5,145,295	3,888,826	6,442,574	3,244,731	1,821,941	118.5	58.4	-42.1	90.3	-24.8	66.5	-43.8			
Value	778,489	1,425,902	882,348	2,625,100	2,121,722	3,358,674	1,594,237	966,536	331.0	82.9	-38.1	197.5	-19.2	58.3	-38.1			
Unit value	\$264	\$305	\$316	\$510	\$548	\$521	\$481	\$541	97.2	15.6	9.9	58.3	7.5	-4.9	10.2			
Ending inventory quantity	142,414	235,578	24,024	127,708	150,444	165,536	293,281	63,322	16.2	65.4	-88.8	431.6	17.8	10.0	-77.4			
<b>U.S. producers:</b>																		
Average capacity quantity	76,209,185	72,131,725	79,050,475	79,548,531	80,937,517	81,625,989	41,119,907	41,531,240	7.1	-5.4	9.8	0.8	1.7	0.9	1.0			
Production quantity	61,191,189	63,953,326	85,755,433	68,888,997	83,623,848	67,259,535	35,554,202	32,052,782	9.9	4.5	2.6	4.9	-7.8	5.7	-9.8			
Capacity utilization (1)	80.3	88.7	108.2	86.7	103.3	82.4	86.5	77.2	2.1	8.4	-5.5	3.8	-8.1	3.8	-9.3			
<b>U.S. shipments:</b>																		
Quantity	80,788,259	83,248,004	84,626,007	86,198,909	83,068,660	86,745,830	35,142,012	31,339,610	9.8	4.0	2.2	5.5	-7.5	5.8	-10.8			
Value	19,907,830	19,378,100	19,265,233	35,878,504	33,826,898	37,677,896	19,491,878	17,210,772	136.9	21.5	-0.3	86.2	-5.7	11.4	-11.7			
Unit value	\$246	\$233	\$228	\$418	\$407	\$435	\$555	\$549	115.7	16.8	-2.4	78.5	2.0	5.2	-1.0			
<b>Export shipments:</b>																		
Quantity	429,886	484,860	1,347,738	701,037	717,152	562,380	333,051	525,090	30.8	12.8	178.0	-48.0	2.3	-21.8	57.7			
Value	143,087	162,679	396,423	378,842	389,804	331,743	182,424	299,118	131.9	13.7	143.7	-4.5	4.0	-15.7	55.4			
Unit value	\$333	\$336	\$294	\$534	\$544	\$549	\$548	\$570	77.3	8.6	-12.3	83.8	1.8	7.5	-1.4			
Ending inventory quantity	2,402,874	1,868,338	1,780,334	1,800,323	1,633,180	1,610,876	1,720,120	1,872,260	-33.0	-22.2	-8.0	5.9	-9.3	-1.4	8.8			
Investment/total shipments (1)	3.9	2.9	2.8	2.6	2.6	2.4	2.4	2.9	-1.5	-1.0	-0.4	0.0	-0.1	-0.2	0.5			
Production workers	32,553	30,108	29,614	27,587	25,247	24,739	24,518	25,004	-24.0	-7.5	-1.8	-6.9	-8.4	-2.0	2.0			
Hours worked (1,000s)	89,086	84,247	82,783	81,203	84,892	84,137	78,752	78,208	-21.6	-7.0	-2.3	-2.5	-10.3	-1.4	-1.9			
Wages paid (\$1,000s)	1,795,750	1,705,625	1,633,951	1,671,916	1,723,671	1,778,044	806,826	903,789	-1.0	-5.0	7.5	2.1	-7.9	3.2	-3.5			
Hourly wages	\$25.99	\$26.55	\$26.21	\$26.59	\$31.40	\$32.84	\$32.56	\$32.04	26.4	2.1	10.8	4.7	2.7	4.6	-1.7			
Productivity (tons/1,000 hours)	865.7	906.4	1,047.9	1,127.4	1,158.1	1,242.4	1,238.6	1,139.3	40.3	12.4	5.2	7.8	2.8	7.2	-8.1			
Unit labor costs	\$29.35	\$28.67	\$27.89	\$27.13	\$27.08	\$28.44	\$28.35	\$28.20	-9.9	-9.1	4.6	-2.7	-0.1	-2.4	7.0			
<b>Net sales:</b>																		
Quantity	60,213,636	62,674,483	64,803,809	67,709,851	62,670,818	65,984,669	34,730,735	31,344,648	9.6	4.1	3.4	4.5	-7.4	5.3	-8.7			
Value	15,788,995	19,152,783	18,274,752	35,633,304	33,576,733	37,242,158	19,291,779	17,199,952	136.2	21.5	0.6	84.9	-5.8	10.9	-10.8			
Unit value	\$262	\$306	\$287	\$526	\$536	\$564	\$555	\$549	115.5	18.7	-2.7	78.9	1.8	5.3	-1.2			
Cost of goods sold (COGS)	19,621,646	18,262,773	20,258,035	28,716,512	27,775,349	30,374,814	15,553,097	15,507,854	54.8	-1.8	5.2	31.9	4.0	9.4	-0.3			
Gross profit or (loss)	(3,832,651)	(1,090,980)	(884,243)	8,916,792	5,801,384	6,867,344	3,738,682	1,691,898	(2)	97.1	-784.8	(2)	-34.9	18.4	-64.7			
SG&A expenses	877,997	977,358	1,021,407	1,338,243	1,170,181	1,163,278	577,690	532,661	32.5	11.3	4.5	31.0	-12.6	-0.6	-7.8			
Operating income or (loss)	(4,730,648)	(1,067,348)	(2,005,630)	7,578,549	4,631,203	5,704,066	3,161,022	1,159,317	(2)	77.0	-84.5	(2)	-38.9	23.2	-63.3			
Capital expenditures	398,405	242,115	243,062	412,824	420,891	590,367	213,984	235,865	49.0	-38.9	1.2	68.5	2.0	40.3	10.2			
Unit COGS	\$326	\$307	\$313	\$395	\$443	\$460	\$448	\$495	41.3	-5.7	1.7	28.2	12.3	3.9	10.5			
Unit SG&A expenses	\$15	\$16	\$16	\$20	\$19	\$18	\$17	\$17	20.9	8.9	1.1	25.4	-5.5	-5.8	2.2			
Unit operating income or (loss)	(\$79)	(\$17)	(\$31)	\$112	\$74	\$88	\$91	\$37	(2)	77.9	-78.4	(2)	-34.0	17.0	-59.4			
COGS/sales (1)	124.4	100.6	105.1	75.0	82.7	81.6	80.6	90.2	-42.9	-23.9	4.5	-30.1	7.7	-1.2	9.5			
Operating income or (loss)/sales (1)	(30.0)	(5.7)	(10.4)	21.3	13.8	15.3	18.4	8.7	45.3	24.3	-4.7	31.7	-7.5	1.5	-9.6			

(1) Reported data are in percent and period changes are in percentage points.

(2) Not applicable.

(3) Undefined.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.



Table C4—Continued

Hot-rolled steel: Summary data concerning the U.S. commercial market, 2001-06, January-June 2006, and January-June 2007

Item	(Quantity=short tons, value=1 000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)														
	Reported data								Period changes						
	2001	2002	2003	2004	2005	2006	2006	2007	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06	Jan.-June 2006-07
<b>U.S. imports from:</b>															
<b>All other sources</b>															
Quantity . . . . .	2,657,040	4,302,509	2,607,407	5,004,480	3,816,715	5,180,441	3,181,248	1,800,817	133.0	61.9	-38.4	91.9	-23.7	62.2	-43.4
Value . . . . .	711,009	1,321,488	654,518	2,545,509	2,092,693	3,227,482	1,564,064	973,983	353.9	85.9	-35.3	197.9	-17.8	54.2	-37.7
Unit value . . . . .	\$268	\$307	\$328	\$509	\$548	\$521	\$492	\$541	94.8	14.8	6.7	55.2	7.8	-4.9	10.0
Ending inventory quantity . . . . .	127,572	195,723	24,024	111,182	148,765	182,344	283,388	63,386	27.3	53.4	-87.7	382.7	32.0	10.6	-77.6
<b>All sources</b>															
Quantity . . . . .	2,948,244	4,869,732	2,703,257	5,145,295	3,868,829	6,442,574	3,244,731	1,821,941	118.5	56.4	-42.1	90.3	-24.8	66.5	-43.8
Value . . . . .	779,469	1,425,902	682,348	2,625,100	2,121,722	3,359,874	1,594,237	986,536	331.0	82.9	-38.1	197.5	-19.2	58.3	-38.1
Unit value . . . . .	\$264	\$305	\$328	\$510	\$548	\$521	\$491	\$541	97.2	15.5	6.9	56.3	7.5	-4.9	10.2
Ending inventory quantity . . . . .	142,414	235,576	24,024	127,708	150,444	185,536	293,281	66,322	18.2	65.4	-88.8	431.6	17.8	10.0	-77.4
<b>U.S. producers:</b>															
<b>U.S. commercial shipments</b>															
Quantity . . . . .	22,389,951	23,347,394	24,086,585	26,082,586	24,151,842	25,847,726	13,798,231	12,494,397	15.5	4.4	7.0	4.3	-7.3	7.0	-9.4
Value . . . . .	6,030,394	7,071,490	7,531,302	13,080,577	13,155,838	14,581,562	7,867,644	6,853,636	141.8	17.3	6.5	81.0	-3.5	10.8	-10.6
Unit value . . . . .	\$270	\$303	\$301	\$523	\$545	\$564	\$556	\$549	109.3	12.4	-0.5	73.5	4.2	3.6	-1.3
<b>Export shipments</b>															
Quantity . . . . .	429,896	484,880	1,347,738	701,037	717,152	582,380	333,051	525,080	30.8	12.8	178.0	-48.0	2.3	-21.8	57.7
Value . . . . .	143,067	162,879	398,423	378,842	383,804	331,743	192,424	299,118	131.9	13.7	143.7	-4.5	4.0	-15.7	55.4
Unit value . . . . .	\$333	\$336	\$294	\$540	\$549	\$580	\$578	\$570	77.3	0.6	-129	63.6	1.6	7.5	-1.4
<b>Not commercial sales</b>															
Quantity . . . . .	22,703,359	23,817,501	26,086,849	26,510,786	24,820,990	26,172,821	13,949,857	13,008,320	15.3	4.0	10.5	1.8	-7.1	8.3	-8.7
Value . . . . .	6,139,285	7,149,617	7,834,421	13,845,015	13,400,721	14,775,063	7,770,578	7,132,982	140.7	16.5	9.6	76.7	-3.2	10.3	-8.2
Unit value . . . . .	\$270	\$303	\$300	\$522	\$544	\$565	\$557	\$548	108.0	11.9	-0.8	74.0	4.2	3.7	-1.6
Cost of goods sold (COGS) . . . . .	7,013,610	6,854,175	7,909,277	10,311,139	10,931,672	11,794,789	8,145,686	8,312,954	88.2	-5.1	18.9	30.4	6.0	7.9	2.7
Gross profit or (loss) . . . . .	(874,345)	495,442	(74,856)	3,533,876	2,468,048	2,980,274	1,824,890	820,008	(1)	(1)	(1)	(1)	(1)	-30.1	20.7
SG&A expenses . . . . .	307,471	318,353	347,934	463,654	411,002	418,478	211,375	206,661	38.1	3.5	8.3	33.3	-11.4	1.8	-2.2
Operating income or (loss) . . . . .	(1,181,818)	177,089	(422,780)	3,070,222	2,058,047	2,561,796	1,413,515	613,347	(1)	(1)	(1)	(1)	(1)	-33.0	24.5
Unit COGS . . . . .	\$309	\$282	\$303	\$389	\$444	\$451	\$485	\$485	45.9	-8.8	7.6	28.3	14.2	1.5	10.1
Unit SG&A expenses . . . . .	\$14	\$13	\$13	\$17	\$17	\$16	\$15	\$18	18.1	-0.5	-1.1	31.2	-4.6	-4.2	4.8
Unit operating income or (loss) . . . . .	(\$52)	\$7	(\$16)	\$118	\$84	\$98	\$101	\$47	(1)	(1)	(1)	(1)	(1)	-27.8	17.1
COGS sales (1) . . . . .	114.2	93.1	101.0	74.5	81.6	79.8	79.1	88.5	-34.4	-21.2	7.9	-26.5	7.1	-1.7	8.4
Operating income or (loss)/ sales (1) . . . . .	(19.3)	2.5	(5.4)	22.2	15.4	17.3	18.2	8.6	38.8	21.7	-7.9	27.6	-6.8	2.0	-9.6

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

(3) Undefined.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and sales are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.







**APPENDIX D**  
**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties (ArcelorMittal USA, AK Steel, CSI, Nucor, SSAB, Steel Dynamics, and U.S. Steel) naming the following three firms as the top purchasers of hot-rolled steel products: \*\*\*. Purchaser questionnaires were sent to these three firms and two firms (\*\*\*) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for hot-rolled steel products that have occurred in the United States or in the market for hot-rolled steel products in China, India, Indonesia, Taiwan, Thailand and/or Ukraine since January 1, 2014?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for hot-rolled steel products in the United States or in the market for hot-rolled steel products in China, India, Indonesia, Taiwan, Thailand and/or Ukraine within a reasonably foreseeable time?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***

