

China, Germany, and Turkey Focus of Unfair Trade Cases Filed by U.S. Steel Wire Rod Producers

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Washington, DC -- Antidumping duty petitions filed today by five domestic producers of carbon and alloy steel wire rod charge that dumped imports of such wire rod products from the People's Republic of China (PRC), Germany and Turkey cause material injury to the domestic industry. The petitioners allege antidumping margins of 330% for the PRC, 42% to 82% for Germany, and 31% to 78% for Turkey.

Antidumping duties are intended to offset the amount by which a product is sold at less than fair value in the United States (i.e., the amount by which the product is sold below production cost or at a price that is below its home market or a comparable third country price). The antidumping duty cases filed today follow successful unfair trade petitions filed in 2001 that resulted in the imposition of antidumping duties on wire rod imports from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine in 2002.

Today's unfair trade cases were filed in the face of a near doubling of wire rod imports from the three named countries, from approximately 958,000 tons in 2002 to over 1.8 million tons in 2004. These subject imports accounted for nearly half of all imports during the most recent 12-month period that data are available (September 2004 - August 2005.) Subject imports have similarly captured an increasing share of the U.S. market, jumping from 12% in 2002, to 23% in 2004, and reaching 28% of the domestic market in the first half of 2005.

"Imports from the PRC, Germany and Turkey have surged dramatically over the last three years, taking an ever-greater market share and inflicting severe financial distress on the domestic industry," said lead trade counsel Paul Rosenthal. "The increase in dumped imports from these countries and the disruptive low prices that are underselling the domestic industry have largely reversed the first brief period of reasonable profitability this industry has known in the last few years."

The filing of the petitions starts the process by which the United States Department of Commerce will determine whether dumping exists and the United States International Trade Commission (USITC) will determine if the U.S. wire rod industry has been materially injured or threatened with material injury as a result. The USITC must reach its preliminary determination of material injury or threat of material injury within 45 days, and the Commerce Department is required to announce preliminary antidumping duties in 160 days. Once the Commerce Department makes its preliminary determination, U.S. Customs and Border Protection will begin to require importers to pay a cash deposit or post a bond equal to the estimated dumping margin. The entire investigative process takes approximately one year, and final determinations of injury and dumping will occur in late 2006.

Carbon steel wire rod is an intermediate product that is ultimately used for the manufacture of wire and wire products such as coat hangers, fasteners, wire mesh, tire cord, and chain link fencing.

The petitioners are Connecticut Steel Corporation, Wallingford, CT; Gerdau Ameristeel, Tampa, FL; Keystone Consolidated Industries, Inc., Dallas, TX; Mittal Steel U.S.A.-Georgetown, Georgetown, SC; Rocky Mountain Steel Mills, Pueblo, CO.

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