



FACT SHEET

Commerce Finds Dumping and Subsidization of Galvanized Steel Wire from the People's Republic of China and Mexico

- On March 20, 2012, the Department of Commerce (Commerce) announced its affirmative final determinations in the countervailing (CVD) and antidumping duty (AD) investigations of imports of galvanized steel wire (galvanized wire) from the People's Republic of China (China) (AD and CVD) and Mexico (AD).
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent upon export performance or upon the use of domestic goods over imported goods.
- Commerce determined that producers/exporters from China and Mexico have sold galvanized wire in the United States at margins ranging from 194.00 to 235.00 percent, and 20.89 to 37.69 percent, respectively. Commerce determined that Chinese producers/exporters have received countervailable subsidies ranging from 19.06 to 223.27 percent.

AD Investigations

- In the China AD investigation, mandatory respondents Tianjin Honbase Machinery Manufactory Co., Ltd. (Tianjin Honbase); and Shanghai Bao Zhang Industry Co., Ltd., Anhui Bao Zhang Metal Products Co., Ltd., and B&Z Galvanized Wire Industry (Baozhang) received the China-wide rate of 235.00 percent as adverse facts available (AFA) because both companies refused to participate in mandatory verifications. Mandatory respondent Tianjin Huayuan Metal Wire Products Co., Ltd. received the China-wide rate of 235.00 percent, because it did not receive a separate rate. Finally, because there were Chinese exporters that did not respond to Commerce's request for information, we have assigned the AFA rate of 235.00 percent to the PRC-wide entity.
- Sixteen exporters qualified for a separate dumping rate of 194.00 percent. All other Chinese exporters received a dumping rate of 235.00 percent.
- In the Mexico AD investigation, mandatory respondent Deacero S.A. de C.V. received a final dumping rate of 20.89 percent. Mandatory respondent Aceros Camesa, S.A. de C.V. received a final dumping rate of 37.69 percent.
- All other Mexican exporters received a final dumping rate of 22.43 percent.
- As a result of these final determinations, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these final rates.

CVD Investigation

- In the China CVD investigation, mandatory respondent Shanghai Bao Zhang Industry Co., Ltd and its cross-owned affiliated companies (collectively, the Bao Zhang Companies) received a final subsidy rate of 19.06 percent.
- In addition, Commerce assigned three mandatory respondents, M&M Industries Co. Ltd, Shandong Hualing Hardware and Tool Co., Ltd., and the Huayuan Companies, a subsidy rate based, based on AFA, of 223.27 percent, for failing to cooperate in the investigation.
- All other Chinese producers/exporters received a final subsidy rate of 19.06 percent.
- Cash deposits of CVD duties on imports of galvanized wire will not be required unless the U.S. International Trade Commission (ITC) reaches a final affirmative determination of injury to the domestic industry.

General Information

- The petitioners for these investigations are: Davis Wire Corporation (CA), Johnstown Wire Technologies, Inc. (PA), Mid-South Wire Company, Inc. (TN), National Standard, LLC (MI), and Oklahoma Steel & Wire Company, Inc. (OK).
- The scope of these investigations covers galvanized steel wire which is a cold-drawn carbon quality steel product in coils, of circular or approximately circular, solid cross section with any actual diameter of 0.5842 mm (0.0230 inch) or more, plated or coated with zinc (whether by hot-dipping or electroplating). Steel products to be included in the scope of these investigations, regardless of Harmonized Tariff Schedule of the United States (HTSUS) definitions, are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is two percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:
 - 1.80 percent of manganese, or
 - 1.50 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
 - 0.02 percent of boron, or
 - 0.10 percent of molybdenum, or
 - 0.10 percent of niobium, or
 - 0.41 percent of titanium, or
 - 0.15 percent of vanadium, or
 - 0.15 percent of zirconium.
- Specifically excluded from the scope of these investigations is galvanized steel wire in coils of 15 feet or less which is pre-packed in individual retail packages. Imports of the subject merchandise

are provided for under the following categories of the HTSUS: 7217.20.30, 7217.20.45, and 7217.90.10 Steel wire is reported under statistical reporting numbers 7217.20.3000, 7217.20.4510, 7217.20.4520, 7217.20.4530, 7217.20.4540, 7217.20.4550, 7217.20.4560, 7217.20.4570, 7217.20.4580, and 7217.90.1000. These products may also enter under HTSUS subheadings 7229.20.0015, 7229.20.0090, 7229.90.5008, 7229.90.5016, 7229.90.5031, and 7229.90.5051. These HTSUS numbers are provided for convenience and customs purposes only; the written description of the scope is dispositive.

- In 2011, imports of galvanized wire from China and Mexico were valued at an estimated \$58 million and \$85 million, respectively. However, the galvanized wire subject to these investigations can be classified within HTSUS basket categories that contain products beyond the scope of the investigations.

NEXT STEPS

- The ITC is currently scheduled to issue its final injury determination on or before May 3, 2012.
- If the ITC makes affirmative final determinations that imports of galvanized wire from China and/or Mexico materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD and AD orders.

FINAL DUMPING MARGINS:

COUNTRY	PRODUCER/EXPORTER	MARGIN
CHINA	Separate Rate Companies (See Attached List)	194.00%
	China-Wide (including Tianjin Huayuan Metal Wire Products Co., Ltd., Tianjin Honbase Machinery Manufactory Co., Ltd., and Shanghai Bao Zhang Industry Co., Ltd., Anhui Bao Zhang Metal Products Co., Ltd., and B&Z Galvanized Wire Industry)	235.00%
COUNTRY	PRODUCER/EXPORTER	MARGIN
MEXICO	Deacero S.A. de C.V.	20.89%
	Aceros Camesa, S.A. de C.V.	37.69%
	All Others Rate	22.43%

FINAL SUBSIDY RATES:

COUNTRY	PRODUCER/EXPORTER	SUBSIDY RATE
CHINA	The Huayuan Companies (Tianjin Huayuan Metal Wire Products Co., Ltd. Tianjin Tianxin Metal Products Co., Ltd., Tianjin Mei Jia Hua Trade Co., Ltd.)	223.27%
	M&M Industries Co. Ltd.	223.27%
	The Bao Zhang Companies (Shanghai Bao Zhang Industry Co. Ltd., Anhui Bao Zhang Metal Products Co., Shanghai Li Chao Industry Co., Ltd.)	19.06%
	Shandong Hualing Hardware and Tool Co., Ltd.	223.27%
	All Others	19.06%

CASE CALENDAR¹:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	March 31, 2011	March 31, 2011
DOC Initiation Date	April 20, 2011	April 20, 2011
ITC Preliminary Determination	May 16, 2011	May 16, 2011
DOC Preliminary Determinations	August 29, 2011	October 27, 2011
DOC Final Determinations	March 19, 2012	March 19, 2012
ITC Final Determination*	May 3, 2012	May 3, 2012
Issuance of Orders**	May 10, 2012	May 10, 2012

*This will take place only in the event of final affirmative determination from Commerce.

**This will take place only in the event of final affirmative determinations from Commerce and the ITC.

¹ For a CVD investigation, the deadline is set forth in section 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For an AD investigation, the deadline is set forth in section 735(a) of the Act.

IMPORT STATISTICS:

CHINA	2009	2010	2011
Volume (metric tons)	50,000	52,000	46,000
Value (US\$)	52,703,000	53,915,000	57,963,000
MEXICO	2009	2010	2011
Volume (metric tons)	43,000	64,000	71,000
Value (US\$)	47,794,000	59,861,000	85,032,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7217.20.3000, 7217.20.4510, 7217.20.4520, 7217.20.4530, 7217.20.4540, 7217.20.4550, 7217.20.4560, 7217.20.4570, 7217.20.4580, 7229.20.0015, 7229.90.5008, 7229.90.5016, 7229.90.5031, and 7229.90.5051). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.

Attachment

Separate Rate Companies

Shijiazhuang Kingway Metal Products Co., Ltd.
Shanxi Yuci Broad Wire Products Co., Ltd.
Huanghua Jinhai Hardware Products Co., Ltd.
Huanghua Jinhai Import & Export Trading Co., Ltd.
Guizhou Wire Rope Incorporated Company
Hebei Minmetals Co., Ltd.
Shandong Minmetals Co., Ltd.
Fasten Group Imp. & Exp. Co., Ltd.
Qingdao Ant Hardware Manufacturing Co., Ltd.
Suntec Industries Co., Ltd.
M & M Industries Co., Ltd.
Shaanxi New Mile International Trade Co., Ltd.
Hebei Cangzhou New Century Foreign Trade Co., Ltd.
Dezhou Hualude Hardware Products Co., Ltd.
Shanghai SETI Enterprise International Co., Ltd.
Xi'an Metals and Minerals Import and Export Co., Ltd.