



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Galvanized Steel Wire from the People's Republic of China

- On August 30, 2011, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of galvanized steel wire (galvanized wire) from the People's Republic of China (China).
- For purposes of CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received countervailable subsidies ranging from 21.59 to 253.07 percent *ad valorem*.
- Mandatory respondent, the Huayuan Companies, received a preliminary net subsidy rate of 48.81 percent *ad valorem*. Mandatory respondent, the Bao Zhang Companies, received a preliminary net subsidy rate of 21.59 percent *ad valorem*. Mandatory respondent, M&M Industries Co. Ltd., received a preliminary net subsidy rate of 48.90 percent *ad valorem*.
- In addition, Commerce assigned one mandatory respondent, Shandong Hualing Hardware and Tool Co., Ltd., an adverse facts available (AFA) rate of 253.07 percent *ad valorem*, for failing to respond to requests for information.
- All other Chinese producers/exporters received a preliminary net subsidy rate of 44.46 percent *ad valorem*.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates.
- The petitioners for this investigation 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 products covered by this investigation is galvanized steel wire which is a cold-drawn carbon quality steel product in coils, of solid, circular cross section with an 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.
- Imports of the subject merchandise are provided for under the following categories of the HTSUS: 7217.20.30 and 7217.20.45. 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, and 7217.20.4580. These products may also enter under HTSUS subheadings 7229.20.0015, 7229.90.5008, 7229.90.5016, 7229.90.5031, and 7229.90.5051. These HTS numbers are provided for convenience and customs purposes only; the written description of the scope is dispositive.
 - In 2010, imports of galvanized wire from China were valued at an estimated \$53.9 million. However, the galvanized wire subject to this investigation can be classified within HTSUS basket categories that contain products beyond the scope of the investigation.

NEXT STEPS

- Commerce is currently scheduled to make its final determination in January 2012.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of galvanized wire from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. The ITC is scheduled to make its final injury determination in February 2012.

Preliminary Subsidy Rates:

PRODUCER/EXPORTER	SUBSIDY RATE
The Huayuan Companies (Tianjin Huayuan Metal Wire Products Co., Ltd. Tianjin Tianxin Metal Products Co., Ltd., Tianjin Mei Jia Hua Trade Co., Ltd.)	48.81%
M&M Industries Co. Ltd.	48.90%
The Bao Zhang Companies (Shanghai Bao Zhang Industry Co. Ltd., Anhui Bao Zhang Metal Products Co., Shanghai Li Chao Industry Co., Ltd.)	21.59%
Shandong Hualing Hardware and Tool Co., Ltd.	253.07 %
All Others	44.46%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	March 31, 2011
DOC Initiation Date	April 20, 2011
ITC Preliminary Determination	May 16, 2011
DOC Preliminary Determination	August 29, 2011
DOC Final Determination*	January 10, 2012
ITC Final Determination**	February 24, 2012
Issuance of Order***	March 2, 2012

*This deadline may be extended under the governing statute.

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

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IMPORT STATISTICS:

CHINA	2008	2009	2010
Volume (metric tons)	73,000	50,000	52,000
Value (US\$)	94,311,000	52,703,000	53,915,000

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.