



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Certain Steel Nails from Korea, Malaysia, Oman, and Vietnam and Preliminarily Does Not Find Dumping of Imports of Certain Steel Nails from Taiwan

- On December 18, 2014, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of certain steel nails from the Republic of Korea (Korea), Malaysia, the Sultanate of Oman (Oman), and Republic of Vietnam (Vietnam), and its negative preliminary determination in the AD investigation of imports of certain steel nails from Taiwan.
- The AD law provides U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- Commerce preliminarily determined that certain steel nails from Korea, Malaysia, Oman, and Vietnam have been sold in the United States at dumping margins ranging from 2.13 percent to 12.38 percent, 2.14 percent to 39.35 percent, 9.07 percent, and 93.42 percent to 323.99 percent, respectively. Commerce did not find dumping of imports of certain steel nails from Taiwan.
- In the Korea investigation, mandatory respondents Daejin Steel Co., Ltd. and Jinheung Steel Corporation received preliminary dumping margins of 12.38 percent and 2.13 percent, respectively. All other producers/exporters in Korea received a preliminary dumping margin of 7.26 percent.
- In the Malaysia investigation, mandatory respondents Inmax Sdn. Bhd., Region International Co. Ltd., and its affiliated producer Region System Sdn. Bhd., and Tag Fasteners Sdn. Bhd. received preliminary dumping margins of 2.14 percent, 2.56 percent, and 39.35 percent, respectively. All other producers/exporters in Malaysia received a preliminary dumping margin of 2.20 percent. Tag Fasteners Sdn. Bhd. failed to respond to Commerce's questionnaire. As a result, Tag Fasteners Sdn. Bhd. received a dumping margin of 39.35 percent based on facts available and adverse inferences following Commerce's determination that the company had not fully cooperated in the investigation.
- In the Oman investigation, the sole mandatory respondent Oman Fasteners, LLC received preliminary dumping margin of 9.07 percent. All other producers/exporters in Oman received a preliminary dumping margin of 9.07 percent.
- In the Taiwan investigation, Commerce found that mandatory respondents PT Enterprises Inc. and Quick Advance Inc. had not sold certain steel nails into the United States at less than fair value. As our determination for Taiwan was negative, we did not establish a dumping margin for all other producers/exporters and no cash deposits will be collected.

- In the Vietnam investigation, mandatory respondents Region Industries Co., Ltd., and its affiliated exporter Region International Co., Ltd., and United Nail Products Co., Ltd. received preliminary dumping margins of 103.88 percent and 93.42 percent, respectively. Separate rate applicant Kosteel Vina Limited Company received a preliminary dumping margin of 98.65 percent. All other producers/exporters were deemed to be part of the Vietnam-wide entity and received a preliminary dumping margin of 323.99 percent. This dumping margin is based on adverse facts available following Commerce's determination that the Vietnam-wide entity had not fully cooperated in the investigation by failing to respond to Commerce's request for information.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates. As a result of the negative preliminary determination, no cash deposits will be required on imports of subject merchandise from Taiwan.
- The petitioner for these investigations is Mid Continent Steel & Wire, Inc. (MO).
- The merchandise covered by these investigations is certain steel nails having a nominal shaft length not exceeding 12 inches.¹ Certain steel nails include, but are not limited to, nails made from round wire and nails that are cut from flat-rolled steel. Certain steel nails may be of one piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and may have any type of surface finish, head type, shank, point type and shaft diameter. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, including but not limited to electroplating or hot dipping one or more times), phosphate, cement, and paint. Certain steel nails may have one or more surface finishes. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted. Screw-threaded nails subject to this proceeding are driven using direct force and not by turning the nail using a tool that engages with the head. Point styles include, but are not limited to, diamond, needle, chisel and blunt or no point. Certain steel nails may be sold in bulk, or they may be collated in any manner using any material. If packaged in combination with one or more non-subject articles, certain steel nails remain subject merchandise if the total number of nails of all types, in aggregate regardless of size, is equal to or greater than 25.

Excluded from the scope of these investigations are certain steel nails packaged in combination with one or more non-subject articles, if the total number of nails of all types, in aggregate regardless of size, is less than 25.

Also excluded from the scope of these investigations are steel nails that meet the specifications of Type I, Style 20 nails as identified in Tables 29 through 33 of ASTM Standard F1667 (2013 revision).

Also excluded from the scope of these investigations are nails suitable for use in powder-actuated hand tools, whether or not threaded, which are currently classified under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.20.00 and 7317.00.30.00.

¹ The shaft length of certain steel nails with flat heads or parallel shoulders under the head shall be measured from under the head or shoulder to the tip of the point. The shaft length of all other certain steel nails shall be measured overall.

Also excluded from the scope of these investigations are nails having a case hardness greater than or equal to 50 on the Rockwell Hardness C scale (HRC), a carbon content greater than or equal to 0.5 percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point, suitable for use in gas-actuated hand tools.

Also excluded from the scope of these investigations are corrugated nails. A corrugated nail is made up of a small strip of corrugated steel with sharp points on one side.

Also excluded from the scope of these investigations are thumb tacks, which are currently classified under HTSUS 7317.00.10.00.

Certain steel nails subject to these investigations are currently classified under HTSUS subheadings 7317.00.55.02, 7317.00.55.03, 7317.00.55.05, 7317.00.55.07, 7317.00.55.08, 7317.00.55.11, 7317.00.55.18, 7317.00.55.19, 7317.00.55.20, 7317.00.55.30, 7317.00.55.40, 7317.00.55.50, 7317.00.55.60, 7317.00.55.70, 7317.00.55.80, 7317.00.55.90, 7317.00.65.30, 7317.00.65.60 and 7317.00.75.00. Certain steel nails subject to these investigations also may be classified under HTSUS subheading 8206.00.00.00. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

- In 2013, imports of certain steel nails from Korea, Malaysia, Oman, Taiwan, and Vietnam, were valued at an estimated \$57.2 million, \$31 million, \$48.9 million, \$99.4 million, and \$34.7 million, respectively.

NEXT STEPS

- Commerce is scheduled to announce its final determinations on or about May 11, 2015. The statutory deadline for this final determination has been fully postponed.
- The U.S. International Trade Commission (ITC) is scheduled to make its final injury determinations on or about June 23, 2015 for the AD investigations involving Korea, Malaysia, Oman, and Vietnam. If Commerce's final determination for Taiwan is affirmative, the ITC has until on or about July 22, 2015 to make its final injury determination for the AD investigation involving Taiwan.
- If Commerce makes affirmative final determinations, and the ITC makes affirmative final determinations that imports of certain steel nails from Korea, Malaysia, Oman, Taiwan, and/or Vietnam materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce or the ITC final determinations are negative, no AD orders will be issued in those proceedings.

PRELIMINARY DUMPING MARGINS:

| | EXPORTER/PRODUCER | DUMPING MARGINS |
|--------------|-----------------------------------|------------------------|
| Korea | Daejin Steel Co., Ltd. | 12.38% |
| | Jinheung Steel Corporation | 2.13% |
| | All Others | 7.26% |

| | EXPORTER/PRODUCER | DUMPING MARGINS |
|-----------------|--|------------------------|
| Malaysia | Inmax Sdn. Bhd. | 2.14% |
| | Region International Co. Ltd. and Region System Sdn. Bhd. | 2.56% |
| | Tag Fasteners Sdn. Bhd. | 39.35% |
| | All Others | 2.20% |

| | EXPORTER/PRODUCER | DUMPING MARGINS |
|-------------|----------------------------|------------------------|
| Oman | Oman Fasteners, LLC | 9.07% |
| | All Others | 9.07% |

| | EXPORTER/PRODUCER | DUMPING MARGINS |
|---------------|---------------------------|------------------------|
| Taiwan | PT Enterprises | 0.00% |
| | Quick Advance Inc. | 0.00% |

| | EXPORTER/PRODUCER | DUMPING MARGINS | CASH DEPOSITS |
|----------------|--|------------------------|----------------------|
| Vietnam | Region International Co., Ltd./Region Industries Co., Ltd. | 103.88% | 95.54% |
| | United Nail Products Co., Ltd./United Nail Products Co., Ltd. | 93.42% | 93.42% |
| | Kosteel Vina Limited Company/Kosteel Vina Limited Company | 98.65% | 90.31% |
| | Vietnam-Wide Entity | 323.99% | 315.65% |

NOTE: The cash deposit rate accounts for the applicable export subsidy rate of 8.34 percent for Region International Co., Ltd./Region Industries Co., Ltd.; Kosteel Vina Limited Company/Kosteel Vina Limited Company; and the Vietnam-Wide Entity.

CASE CALENDAR:

| EVENT | DATE |
|--------------------------------------|--|
| Petitions Filed | May 29, 2014 |
| DOC Initiation Date | June 18, 2014 |
| ITC Preliminary Determination | July 14, 2014 |
| DOC Preliminary Determination | December 17, 2014 |
| DOC Final Determination | May 8, 2015 |
| ITC Final Determination* | June 23, 2015 July 22, 2015 (Taiwan)+ |
| Issuance of Order** | June 30, 2015 July 29, 2015 (Taiwan)+ |

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

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

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

+ In situations where Commerce's final determination is affirmative and its preliminary determination was negative, in accordance with section 735(b)(3) of the Act, the ITC has 75 days, rather than the typical 45 days, to determine whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise. This applies to AD Taiwan.

IMPORT STATISTICS:

| KOREA | 2011 | 2012 | 2013 |
|----------------------|-------------------|--------------------|-------------------|
| Volume (metric tons) | 35,900 | 44,600 | 48,100 |
| Value (USD) | 47,149,000 | 58,092,000 | 57,209,000 |
| MALAYSIA | 2011 | 2012 | 2013 |
| Volume (metric tons) | 21,000 | 29,000 | 30,300 |
| Value (USD) | 23,535,000 | 34,478,000 | 31,024,000 |
| OMAN | 2011 | 2012 | 2013 |
| Volume (metric tons) | 40 | 6,800 | 35,300 |
| Value (USD) | 48,100 | 8,347,000 | 48,885,000 |
| TAIWAN | 2011 | 2012 | 2013 |
| Volume (metric tons) | 53,300 | 77,100 | 68,400 |
| Value (USD) | 80,828,000 | 113,728,000 | 99,446,000 |
| VIETNAM | 2011 | 2012 | 2013 |
| Volume (metric tons) | 11,600 | 26,200 | 39,800 |
| Value (USD) | 11,770,000 | 25,585,000 | 34,712,000 |

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500.) Some HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.