



FACT SHEET

Commerce Finds Dumping of Imports of Certain Steel Nails from Korea, Malaysia, Oman, Taiwan, and Vietnam. Commerce Finds Countervailable Subsidization of Imports of Certain Steel Nails from Vietnam and No Countervailable Subsidization of Imports of Certain Steel Nails from Korea, Malaysia, Oman, and Taiwan

- On May 14, 2015, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of certain steel nails from Republic of Korea (Korea), Malaysia, the Sultanate of Oman (Oman), Taiwan, and the Socialist Republic of Vietnam (Vietnam), its affirmative final determination in the countervailing duty (CVD) investigation of imports of certain steel nails from Vietnam, and its negative final determinations in the CVD investigations of imports of certain steel nails from Korea, Malaysia, Oman, and Taiwan.
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization 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. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and that are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce determined that imports of certain steel nails from Korea, Malaysia, Oman, Taiwan, and Vietnam have been sold in the United States at dumping margins ranging from 0.00 percent to 11.80 percent, 2.61 percent to 39.35 percent, 9.10 percent, 0.00 percent to 2.24 percent, and 323.99 percent, respectively.
- Commerce determined that imports of certain steel nails from Korea, Malaysia, Oman, and Taiwan, have received *de minimis* countervailable subsidies resulting in final negative determinations that apply to these countries, respectively. Commerce also determined that imports of certain steel nails from Vietnam received countervailable subsidies ranging from 288.56 percent to 313.97 percent.
- In the Korea AD investigation, Commerce found that mandatory respondent Jinheung Steel Corporation and its affiliates Jinsco International Corporation and Duo-Fast Korea Co. Ltd., had not sold certain steel nails into the United States at less than fair value. Mandatory respondent Daejin Steel received a final dumping margin of 11.80. All other producers/exporters in Korea received a dumping margin of 11.80 percent.
- In the Malaysia AD investigation, mandatory respondents Inmax Sdn. Bhd., Region International Co. Ltd., and its affiliated producer Region System Sdn. Bhd., and Tag Fasteners Sdn. Bhd. received dumping margins of 39.35 percent, 2.61 percent, and 39.35 percent, respectively. Because the respondents, Tag Fasteners Sdn. Bhd. and Inmax Sdn. Bhd., did not fully cooperate in the

investigation both received a dumping margin of 39.35 percent based on facts available. All other producers/exporters in Malaysia received a dumping margin of 2.61 percent.

- In the Oman AD investigation, the sole mandatory respondent Oman Fasteners, LLC received a dumping margin of 9.10 percent. All other producers/exporters in Oman received a dumping margin of 9.10 percent.
- In the Taiwan AD investigation, Commerce found that mandatory respondent Quick Advance Inc. had not sold certain steel nails into the United States at less than fair value. Mandatory respondent PT Enterprises received a final dumping margin of 2.24 percent. All other producers/exporters in Taiwan also received a dumping margin of 2.24 percent.
- In the Vietnam AD investigation, mandatory respondents Region Industries Co., Ltd., and its affiliated exporter Region International Co., Ltd., and United Nail Products Co., Ltd. failed to respond to Commerce's request for information and were deemed to be part of the Vietnam-wide entity. Accordingly, they received a final dumping margin of 323.99 percent. Separate rate applicant Kosteel Vina Limited Company received a final dumping margin of 323.99 percent. All other producers/exporters were deemed to be part of the Vietnam-wide entity and received the Vietnam-wide 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 requests for information.
- In the Korea CVD investigation, Commerce determined that mandatory respondents Daejin Steel Company and Jinheung Steel Corporation received subsidy rates of 0.14 percent and 0.18 percent, respectively. These rates are *de minimis* under U.S. law, resulting in a negative determination that applies to Korea as a whole.
- In the Malaysia CVD investigation, Commerce determined that mandatory respondents Inmax Sdn. Bhd. and Inmax Industries Sdn. Bhd. (collectively, Inmax) and Region System Sdn. Bhd. received subsidy rates of 0.01 percent and 0.02 percent, respectively. These rates are *de minimis*, resulting in a negative determination that applies to Malaysia as a whole.
- In the Oman CVD investigation, Commerce determined that mandatory respondent Oman Fasteners LLC received a subsidy rate of 0.24 percent. This rate is *de minimis*, resulting in a negative determination that applies to Oman as a whole.
- In the Taiwan CVD investigation, Commerce determined that mandatory respondents PT Enterprise, Inc. and Quick Advance, Inc. received subsidy rates of 0.00 percent. This rate is *de minimis*, resulting in a negative determination that applies to Taiwan as a whole.
- In the Vietnam CVD investigation, Commerce determined that mandatory respondents Region Industries Co., Ltd. and United Nail Products Co., Ltd. received subsidy rates of 288.56 percent and 313.97 percent, respectively. All other exporters of certain steel nails from Vietnam will be subject to a subsidy rate of 301.27 percent. These CVD rates are based on adverse facts available following Commerce's determination that the Government of Vietnam and the mandatory respondents did not fully cooperate in the investigation by failing to respond to Commerce's requests for information.

- The investigations resulting in negative determinations that apply to their countries as a whole will be terminated.
- As a result of the final affirmative AD determinations for Korea, Malaysia, Oman, Taiwan, and Vietnam, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. For the affirmative final CVD determination for Vietnam, and if the U.S. International Trade Commission (ITC) issues an affirmative injury determination, Commerce will order the resumption of the suspension of liquidation and require CBP to collect cash deposits for CVD duties equal to the final subsidy rates. In such a case, the cash deposits for the AD order on Vietnam will be offset by the appropriate amount of export subsidies found in the CVD final determination of 33.59 percent.
- If the ITC issues negative injury determinations, the investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties, as applicable. In such an event, all cash deposits already collected will be refunded. As a result of the negative determinations in the CVD investigations of Korea, Malaysia, Oman, and Taiwan, the investigations will be terminated and no CVD duties will be collected.
- 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.

Excluded from the scope of this investigation 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. 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, unless otherwise excluded based on the other exclusions below.

Also excluded from the scope are certain steel nails with a nominal shaft length of one inch or less that are (a) a component of an unassembled article, (b) the total number of nails is sixty (60) or less, and (c) the imported unassembled article falls into one of the following eight groupings: 1) builders' joinery and carpentry of wood that are classifiable as windows, French-windows and their frames; 2) builders' joinery and carpentry of wood that are classifiable as doors and their frames and thresholds;

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.

3) swivel seats with variable height adjustment; 4) seats that are convertible into beds (with the exception of those classifiable as garden seats or camping equipment); 5) seats of cane, osier, bamboo or similar materials; 6) other seats with wooden frames (with the exception of seats of a kind used for aircraft or motor vehicles); 7) furniture (other than seats) of wood (with the exception of i) medical, surgical, dental or veterinary furniture; and ii) barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements); or 8) furniture (other than seats) of materials other than wood, metal, or plastics (*e.g.*, furniture of cane, osier, bamboo or similar materials). The aforementioned imported unassembled articles are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4418.10, 4418.20, 9401.30, 9401.40, 9401.51, 9401.59, 9401.61, 9401.69, 9403.30, 9403.40, 9403.50, 9403.60, 9403.81 or 9403.89.

Also excluded from the scope of this investigation 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 this investigation are nails suitable for use in powder-actuated hand tools, whether or not threaded, which are currently classified under HTSUS subheadings 7317.00.20.00 and 7317.00.30.00.

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 this investigation 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 this investigation are thumb tacks, which are currently classified under HTSUS subheading 7317.00.10.00.

Certain steel nails subject to this investigation 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 this investigation also may be classified under HTSUS subheading 8206.00.00.00 or other HTSUS subheadings.

While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

NEXT STEPS

- The ITC is scheduled to make its final injury determination on June 27, 2015.
- If the ITC makes an affirmative final determination that imports of certain steel nails from Korea, Malaysia, Oman, Taiwan, and/or Vietnam, materially injure, threaten material injury to, or materially retard the establishment of, the domestic industry, Commerce will issue AD and/or CVD orders. If the ITC makes any negative determinations of injury, those investigations will be terminated.

FINAL DUMPING MARGINS:

	EXPORTER/PRODUCER	DUMPING MARGINS
Korea	Daejin Steel	11.80%
	Jinheung Steel Corporation and its affiliates, Jinsco International Corporation, and Duo-Fast Korea Co. Ltd.	0.00%
	All Others	11.80%

	EXPORTER/PRODUCER	DUMPING MARGINS
Malaysia	Inmax Sdn. Bhd.	39.35%
	Region International Co. Ltd. and Region System Sdn. Bhd.	2.61%
	Tag Fasteners Sdn. Bhd.	39.35%
	All Others	2.61%

	EXPORTER/PRODUCER	DUMPING MARGINS
Oman	Oman Fasteners, LLC	9.10%
	All Others	9.10%

	EXPORTER/PRODUCER	DUMPING MARGINS
Taiwan	PT Enterprises	2.24%
	Quick Advance Inc.	0.00%
	All Others	2.24%

	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSITS*
Vietnam	Region International Co., Ltd. and Region Industries Co., Ltd.	323.99%	290.40%
	United Nail Products Co., Ltd.	323.99%	290.40%
	Kosteel Vina Limited Company	323.99%	290.40%
	Vietnam-Wide Entity	323.99%	290.40%

The cash deposit rates account for the export subsidy rate of 33.59%.

FINAL SUBSIDY RATES:

	EXPORTER/PRODUCER	SUBSIDY RATES
Korea	Daejin Steel	0.14% <i>(de minimis)*</i>
	Jinheung Steel Corporation	0.18% <i>(de minimis)*</i>

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

	EXPORTER/PRODUCER	SUBSIDY RATES
Malaysia	Inmax Sdn. Bhd. and Inmax Industries Sdn. Bhd.	0.01% <i>(de minimis)*</i>
	Region System Sdn. Bhd.	0.02% <i>(de minimis)*</i>

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

	EXPORTER/PRODUCER	SUBSIDY RATES
Oman	Oman Fasteners LLC	0.24% <i>(de minimis)*</i>

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

	EXPORTER/PRODUCER	SUBSIDY RATES
Taiwan	PT Enterprise, Inc.	0.00% (<i>de minimis</i>)*
	Quick Advance, Inc.	0.00% (<i>de minimis</i>)*

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

	EXPORTER/PRODUCER	SUBSIDY RATES
Vietnam	Region Industries Co., Ltd.	288.56%
	United Nail Products Co., Ltd.	313.97%
	All Others	301.27%

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	May 29, 2014	May 29, 2014
DOC Initiation Date	June 18, 2014	June 18, 2014
ITC Preliminary Determination	July 14, 2014	July 14, 2014
DOC Preliminary Determination	October 27, 2014	December 17, 2014
DOC Final Determination	May 13, 2015	May 13, 2015
ITC Final Determination	June 27, 2015	June 27, 2015
Issuance of Order*	July 6, 2015†	July 6, 2015†

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 735(a) of the Act. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

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

IMPORT STATISTICS:

KOREA	2011	2012	2013	2014
Volume (metric tons)	35,900	44,600	48,100	53,900
Value (USD)	47,149,000	58,092,000	57,209,000	62,044,000
MALAYSIA	2011	2012	2013	2014
Volume (metric tons)	21,000	29,000	30,300	32,300
Value (USD)	23,535,000	34,478,000	31,024,000	31,934,000
OMAN	2011	2012	2013	2014
Volume (metric tons)	40	6,800	35,300	43,800
Value (USD)	48,100	8,347,000	48,885,000	68,105,000
TAIWAN	2011	2012	2013	2014
Volume (metric tons)	53,300	77,100	68,400	78,700
Value (USD)	80,828,000	113,728,000	99,446,000	102,963,000
VIETNAM	2011	2012	2013	2014
Volume (metric tons)	11,600	26,200	39,800	43,300
Value (USD)	11,770,000	25,585,000	34,712,000	36,296,000

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.