

U.S. Manufacturers of Steel Concrete Reinforcing Bar File Dumping and Subsidy Petitions Against Turkey and Mexico

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Today, the Rebar Trade Action Coalition (RTAC), a coalition of steel concrete reinforcing bar (rebar) producers in the United States, filed petitions asking the United States Department of Commerce and the United States International Trade Commission (ITC) to conduct antidumping (AD) investigations into Turkish and Mexican imports of rebar, and a countervailing duty (CVD) investigation into Turkish imports of rebar. The petitions demonstrate that Turkish and Mexican rebar producers are dumping their product into the United States at margins ranging from 42.09% to 66.76%.

As a result of increasing volumes of dumped and subsidized imports, the U.S. rebar industry is suffering significant harm, including a decline in pricing and profits. Turkish and Mexican rebar imports nearly doubled from 2010 to 2012, and have continued to increase significantly in 2013, causing U.S. producers to lose sales to the unfairly priced imports and forcing them to lower prices to prevent additional lost volume. U.S. rebar producers are struggling to maintain operating levels in the face of these imports, a situation exacerbated by the fact that they have not yet recovered from the effects of the global financial crisis. Capacity utilization rates in the domestic industry are at historically low levels due to the unfairly traded imports.

“The U.S. industry and its workers have been injured by the growing volume of dumped and subsidized rebar imports. In particular, the Turkish and Mexican industries are using unfair pricing practices to capture market share from the U.S. industry,” said Alan H. Price, chair of the International Trade Practice at Wiley Rein LLP and counsel for

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the RTAC. “The Turkish government also subsidizes its steel producers and encourages massive export volumes. As a result of these unfair trade practices, the domestic rebar industry has been forced to lower prices and has experienced significant declines in production, sales, capacity utilization, and profitability.”

BACKGROUND

By how much have rebar imports from Turkey and Mexico increased?

Imports of rebar from Turkey and Mexico almost doubled between 2010 and 2012.

Year	2010	2011	2012	Percent Increase	Volume (metric tons)
	425,813	499,556	841,294	97.57%	

In addition, imports have continued to accelerate in 2013, increasing from 614,508 tons in the first 8 months of 2012 to 692,791 tons during the same period in 2013.

Has the market share of Turkish and Mexican rebar imports increased?

From 2010 through the first half of 2013, the U.S. market share of Turkish and Mexican rebar imports increased from approximately 7% to 17%. This increase has come at the direct expense of U.S. rebar producers’ market share.

What are the next steps?

The Department of Commerce and the ITC should initiate AD and CVD investigations within three weeks of the date of filing of these petitions. The ITC’s preliminary injury determination is expected in October of 2013, and the Department of Commerce should make its preliminary AD and CVD determinations within approximately six months. At that point, importers of Turkish and Mexican merchandise will be required to make cash deposits in the amount of the preliminary AD and CVD duties. A final determination is due in 9 to 13 months.