

**HOT-ROLLED STEEL PRODUCTS  
FROM CHINA, INDIA, TAIWAN, THAILAND, AND UKRAINE**

**USITC SECOND REVIEW**

**701-TA-405,406, AND 408 AND 731-TA-899-901 AND 906-908**

**HEARING – OCTOBER 31, 2013**

**STATEMENT BY:**

**PERAPAT UTHAISRI,  
MINISTER-COUNSELLOR (COMMERCIAL)  
ROYAL THAI EMBASSY**

Good morning, Mr. Chairman, members of the Commission and Commission staff. My name is Perapat Uthaisri, Minister-Counselor of the Office of Commercial Affairs, Royal Thai Embassy. On behalf of the Kingdom of Thailand, I thank you for the opportunity to offer a few remarks in this case.

The hot-rolled steel industry is very important to the Thai economy and the people of Thailand. The hot-rolled steel industry directly employs some 4 thousand people in Thailand. It also generates roughly \$2 – 3 billion U.S. dollars each year. This industry also generates thousands of additional related jobs in other economic sectors in Thailand.

The Thai steel industry is also a source of great pride in Thailand. It is recognized for producing high-quality steel used in many different applications. In particular, our steel mills continue to support the thriving Thai auto industry. Indeed, Thailand is now the seventh largest auto exporter in the world, and it has one of the largest auto markets in Southeast Asia. This large Thai auto market consumes vast quantities of steel.

The Thai steel industry has changed and evolved over the years. This change has been remarkable. Thailand's steel-making operations now compare favorably to some of the most sophisticated operations in the world. This includes basic steel-making, as well as rolling and finishing operations. Thailand has historically had three main hot-rolling mills – Sahaviriya Steel Industries Ltd. (or "SSI"), G Steel Public Co. Ltd., and GJ Steel Public Company Limited. Thailand also has other related downstream and finishing operations. Many of these downstream operations include joint ventures with outside investors. This includes such companies as Thai

Cold-Rolled Steel Sheet Public Co. Ltd. and the Thai Coated Steel Sheet Company Ltd. Most recently, SSI purchased its own slab facility in the United Kingdom. This means all of the Thai steel mills are now fully integrated steel producers.

These developments mean that Thai steel producers can now focus on making high quality steel to service downstream producers in Thailand. This includes the cold-rolling and coating operations, as well as the growing automotive market.

The Thai industry is now increasingly focused on supplying its home market. This means it is unlikely Thailand will export large quantities of steel to the United States anytime soon. Indeed, Thai steel producers have not shipped hot-rolled steel at all to the United States since 2007. This reflects a long-term change in steel trade between the U.S. and Thailand, rather than a reflection of the AD and CVD measures.

Despite the Thai steel industry's advancements the past few decades, it still faces many challenges. It is still recovering from the great worldwide recession of 2009. It is also still recovering from the devastating floods in Thailand in 2011. These events hit Thailand particularly hard, causing financial and other losses in many sectors of the Thai economy, including the steel sector. These and a variety of other factors contributed to the recent shutdown in operations of G Steel and GJ Steel. Neither of these producers is fully operational at the moment.

Importantly, the Thai Government responded to these events with an unprecedented spending plan intended to rebuild and improve its infrastructure. The Government's plan calls

for spending \$68 billion to develop a high-speed railway and other important transportation projects over the next seven years. The highlight of the project is the creation of a new high-speed rail system linking Bangkok with the other main regions of Thailand. This new rail system will consist of some 200 trains, many of them built on double rail tracks. This project will require massive amounts of steel. This will help increase demand for steel in Thailand for the next few years. This project will also help stimulate the Thai economy. The spending plan is expected to generate 500,000 new jobs. It is also expected to increase overall economic growth by one full percentage point.

The Thai Government remains committed to ensuring free and fair trade, both at home and abroad. The Thai steel industry has historically faced unfair import competition in its domestic steel market from a variety of sources, including China, India, Korea, and Indonesia. The Thai Government has responded by pursuing trade remedies against such unfairly traded imports. This has resulted in antidumping duty orders against hot-rolled steel from 16 different countries. Most recently, the Thai Government imposed additional safeguard measures against hot-rolled steel containing alloys such as boron. This will help prevent circumvention of existing AD orders. These trade remedies will help the Thai steel industry continue its focus on supplying its home market. They will also help ensure that G Steel and GJ Steel recapture home market share lost to imports once they fully restart operations.

The Thai steel industry will continue to mature over the coming years. The Thai Government and the Thai steel industry are now doing all they can to make sure this happens consistent with international trading rules. At the same time, the U.S. Government should eliminate any unnecessary trade remedies in place against Thailand. This includes the current

AD and CVD orders against Thai hot-rolled steel. These orders were imposed more than a decade ago. Things have changed since then. The Thai steel industry has matured. It is focused more on its own internal home market, including higher-end auto customers. The Thai steel industry also continues to focus on its construction market. This is particularly true in light of the proposed massive government spending plan for infrastructure projects.

In conclusion, Thailand remains committed to free and fair trade. Any unnecessary import restrictions should be eliminated, consistent with international obligations. Removal of the AD and CVD orders on hot-rolled steel will not result in increased Thai exports to the United States. All Thai hot-rolled producers remain focused on the Thai home market. This includes SSI, as well as G Steel and GJ Steel. G Steel and GJ Steel are still not yet fully operational. But, when they do come back on line, they will need to focus on displacing home market share lost to imports during their closure.

We trust that the Commission will undertake a fair and objective examination of the facts. After doing so, we believe the Commission will find that imports of hot-rolled steel from Thailand are not harming the U.S. steel industry. Thank you.