

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

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Non-Oriented Electrical Steel from China) Inv. Nos. 701-TA-506-508 and
Germany, Japan, Korea, Sweden and Taiwan) 731-TA-1238-1243 (Final)
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Testimony of Paul Chu

Madam Chairman and Members of the Commission:

1. My name is Paul Chu. I am an Administrator in the Marketing Administration Department of China Steel Corporation, which is the sole producer of NOES in Taiwan.

2. While the United States is an important market for CSC, the United States is not a major market for us. Sales to the United States represent less than 2% of China Steel's sales of NOES.

3. Taiwan is CSC's major market. CSC also has sizable and growing markets in China, India, and Thailand. Our exports to Asia are particularly important because these exports are tied to the development of the economies in these countries. As production of motors and generators of varying sizes have grown in these markets, our exports have expanded.

4. In the first half of 2014, CSC added a new annealing and coating line that is expected to increase our capacity by approximately 100,000 MT by the end of 2014. The purpose of this expansion is to enable CSC to produce thinner gauge

NOES as low as 0.15 mm. CSC cannot currently produce these thinner gauges, and they are important to maintain our competitiveness going forward. These thinner gauges will be used primarily for high-efficiency motors.

Thanks you for your attention and please let me know if you have any questions.