

**Corrosion-Resistant Steel Products
from China, India, Italy, Korea, and
Taiwan**

King & Spalding

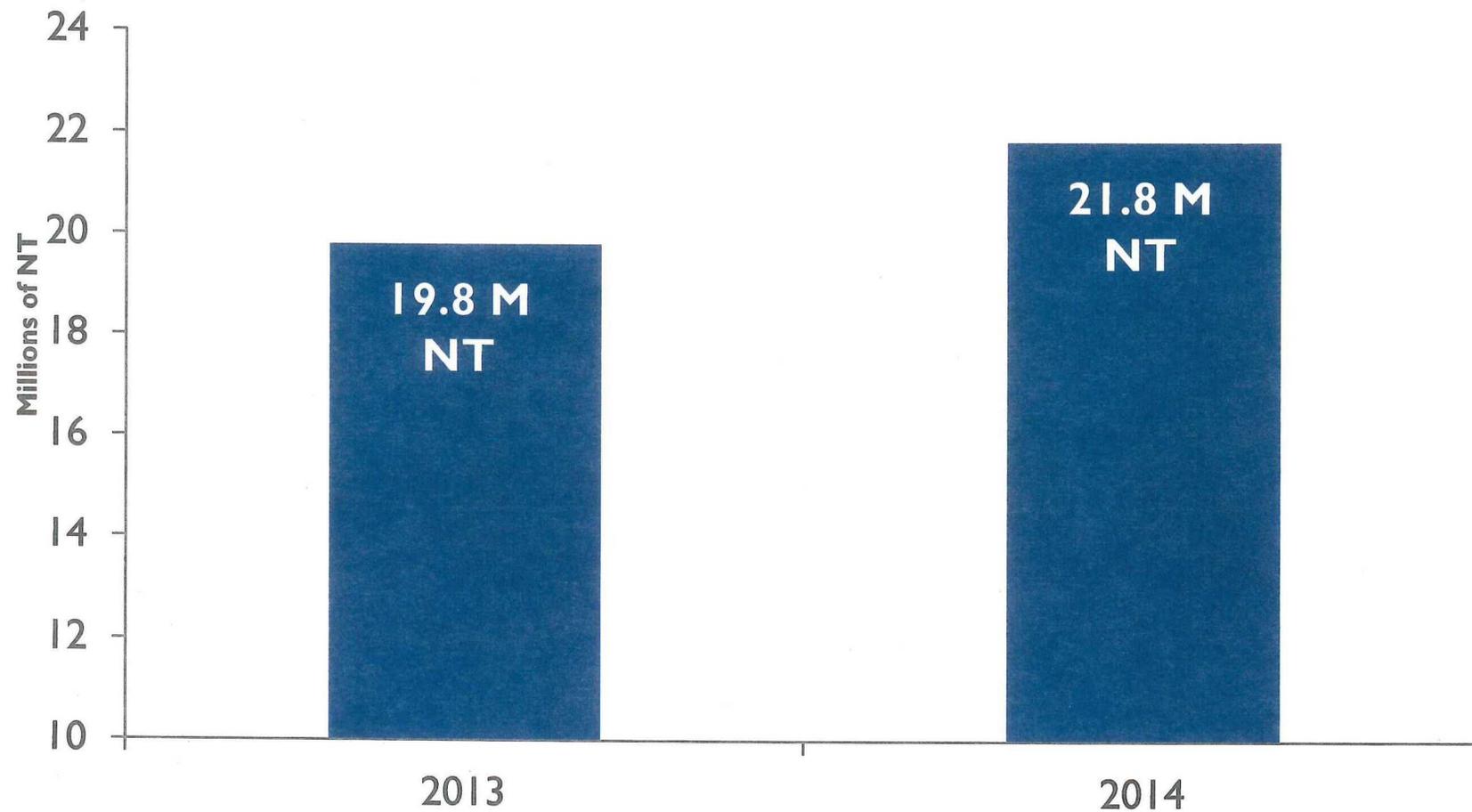
May 26, 2016

Key Points in These Investigations

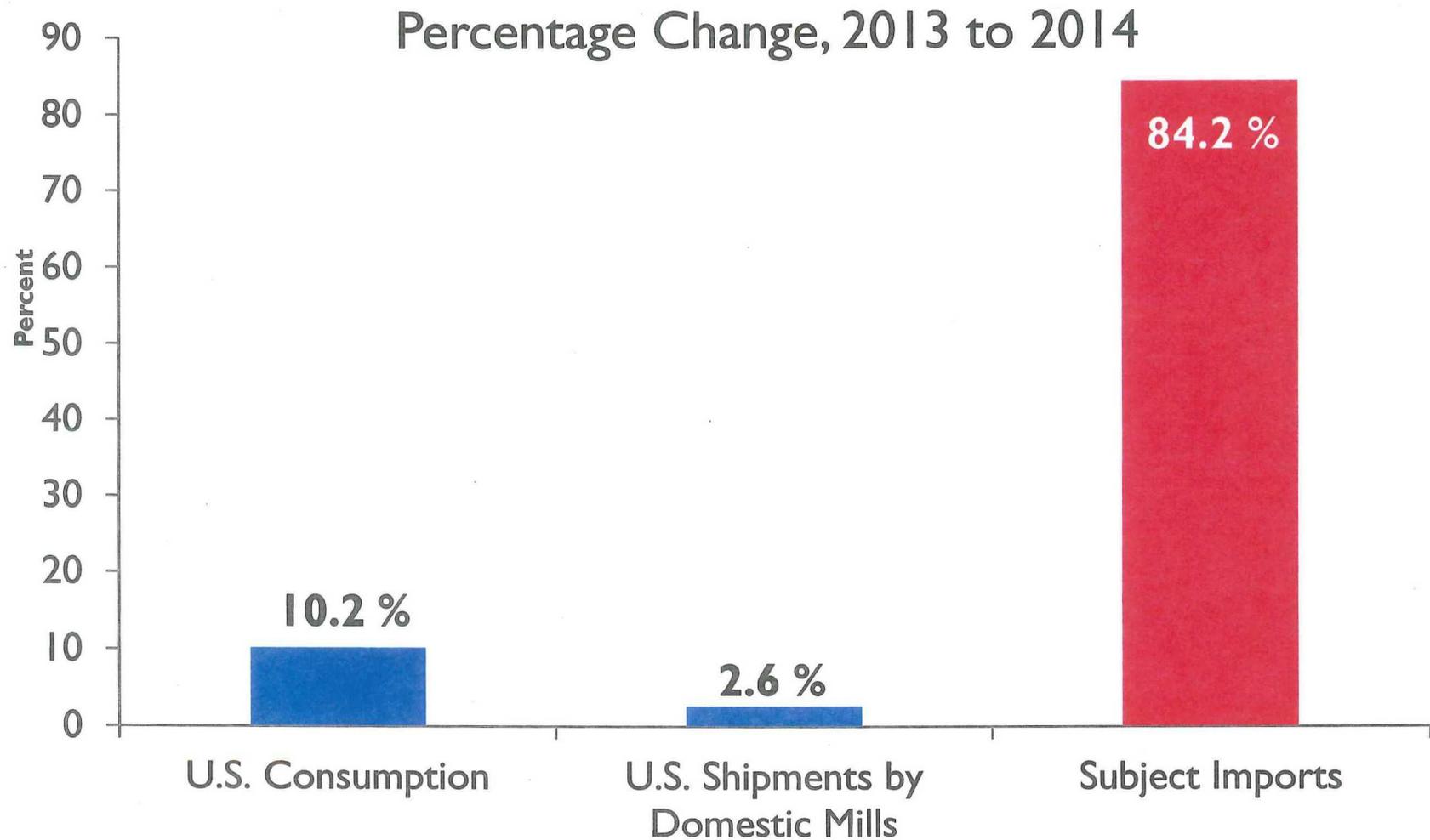
- From 2013 to 2015, demand for corrosion-resistant steel **increased significantly**
- But over the same period, **subject imports soared**
- As a result, despite two years of strong demand, the **domestic industry had fewer sales, lower revenues, and falling profits**
- Subject imports declined **only after these cases were filed**
- Domestic producers are injured and remain **extremely vulnerable**, and failure to grant relief will lead to **further devastating injury**

**The Volume of Subject Imports Is
Significant**

From 2013 to 2014, Apparent U.S. Consumption Grew by Roughly 2 Million Tons

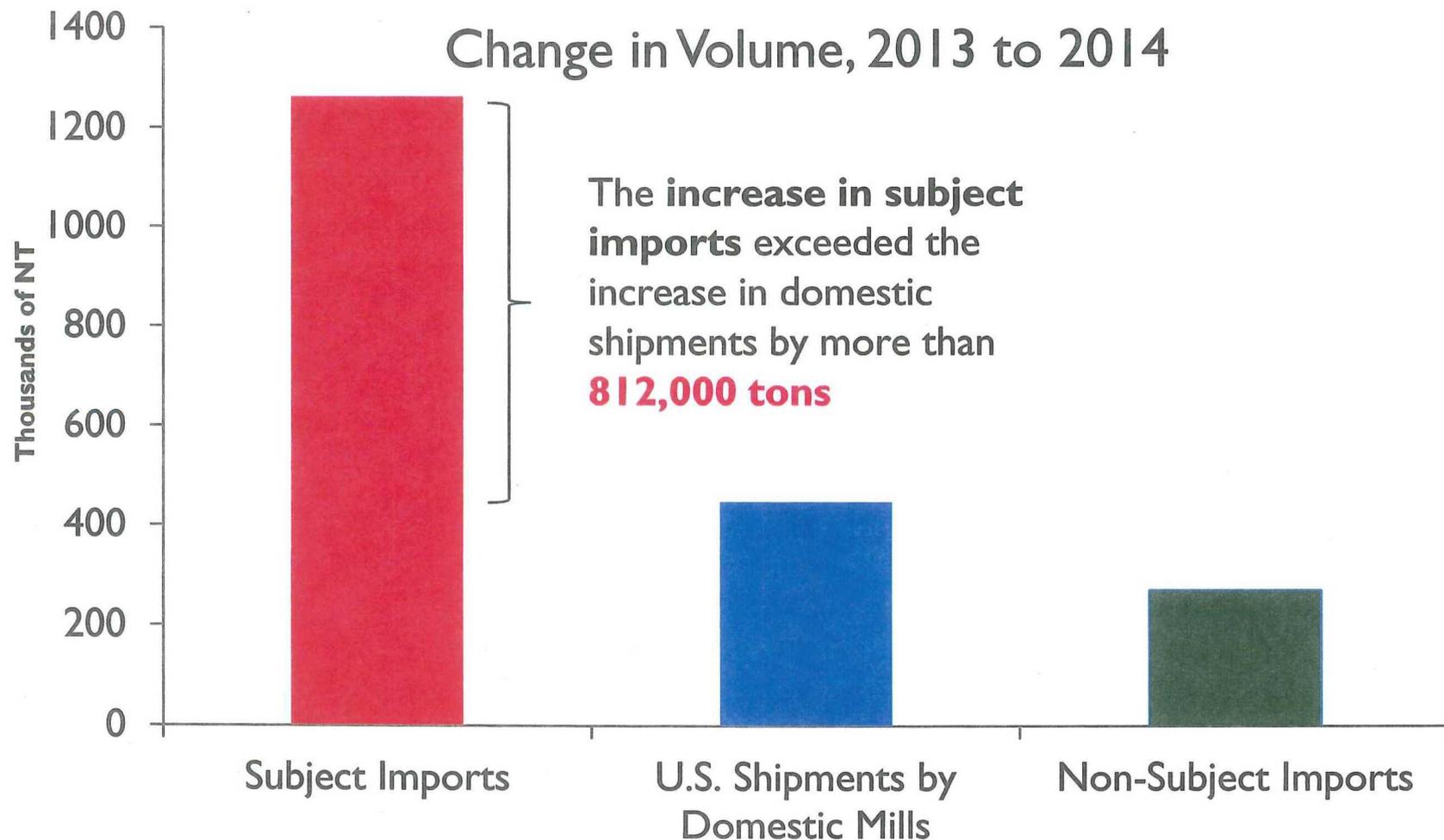


But Imports from the Subject Countries Soared



Source: For import volumes, see AK Steel Pre-Hearing Brief at Exhibit 4 (Public Version). For data on U.S. consumption, see Staff Report at C-3 (Public Version). For data on U.S. shipments by domestic mills, see Staff Report at C-4 (Public Version).

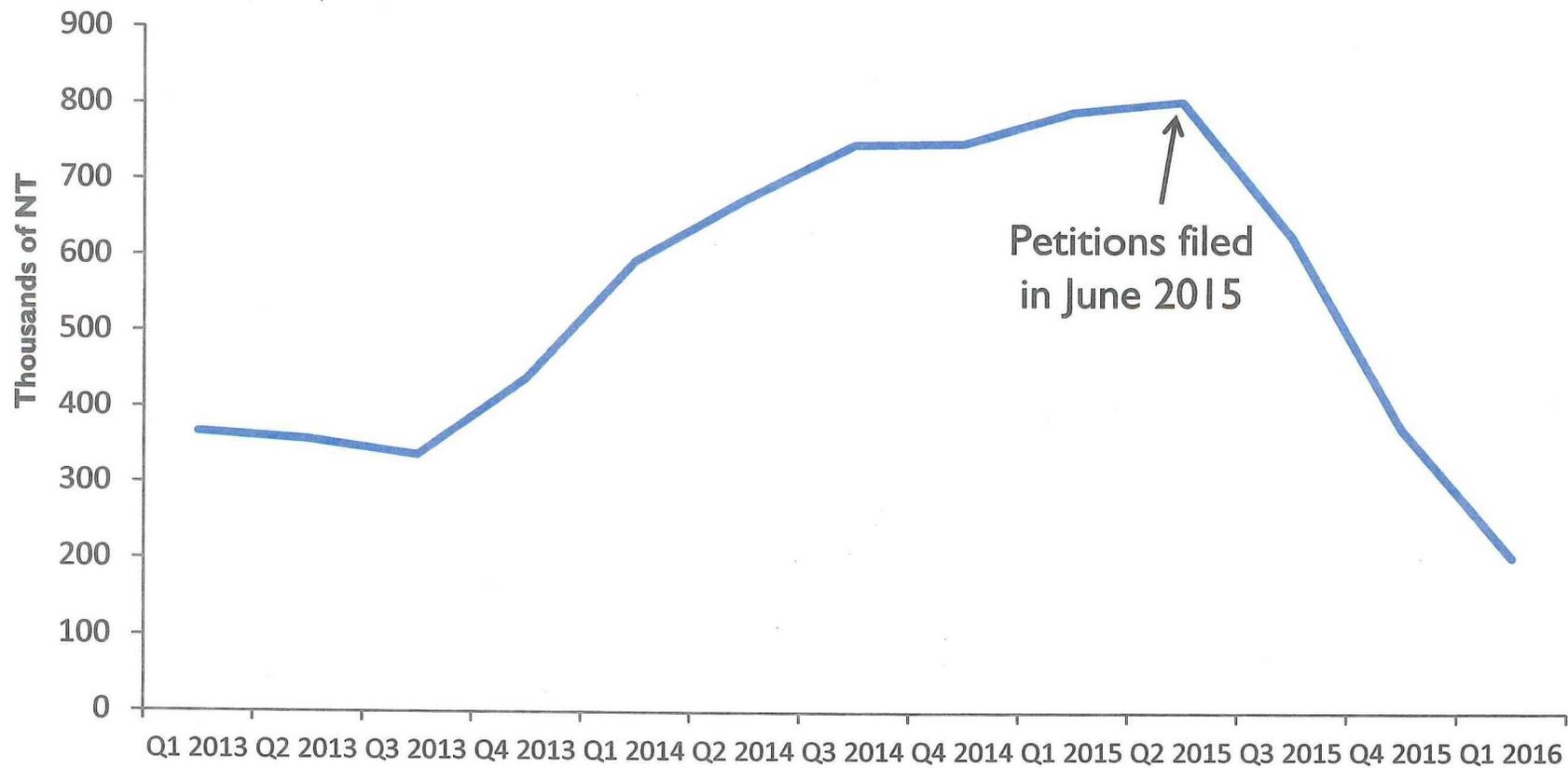
As a Result of This Surge, Subject Imports Took Most of the Increase in Consumption in 2014



Source: For data on subject imports and non-subject imports, see AK Steel Pre-Hearing Brief at Exhibit 4 (Public Version). For data on U.S. shipments by domestic mills, see Staff Report at C-4 (Public Version).

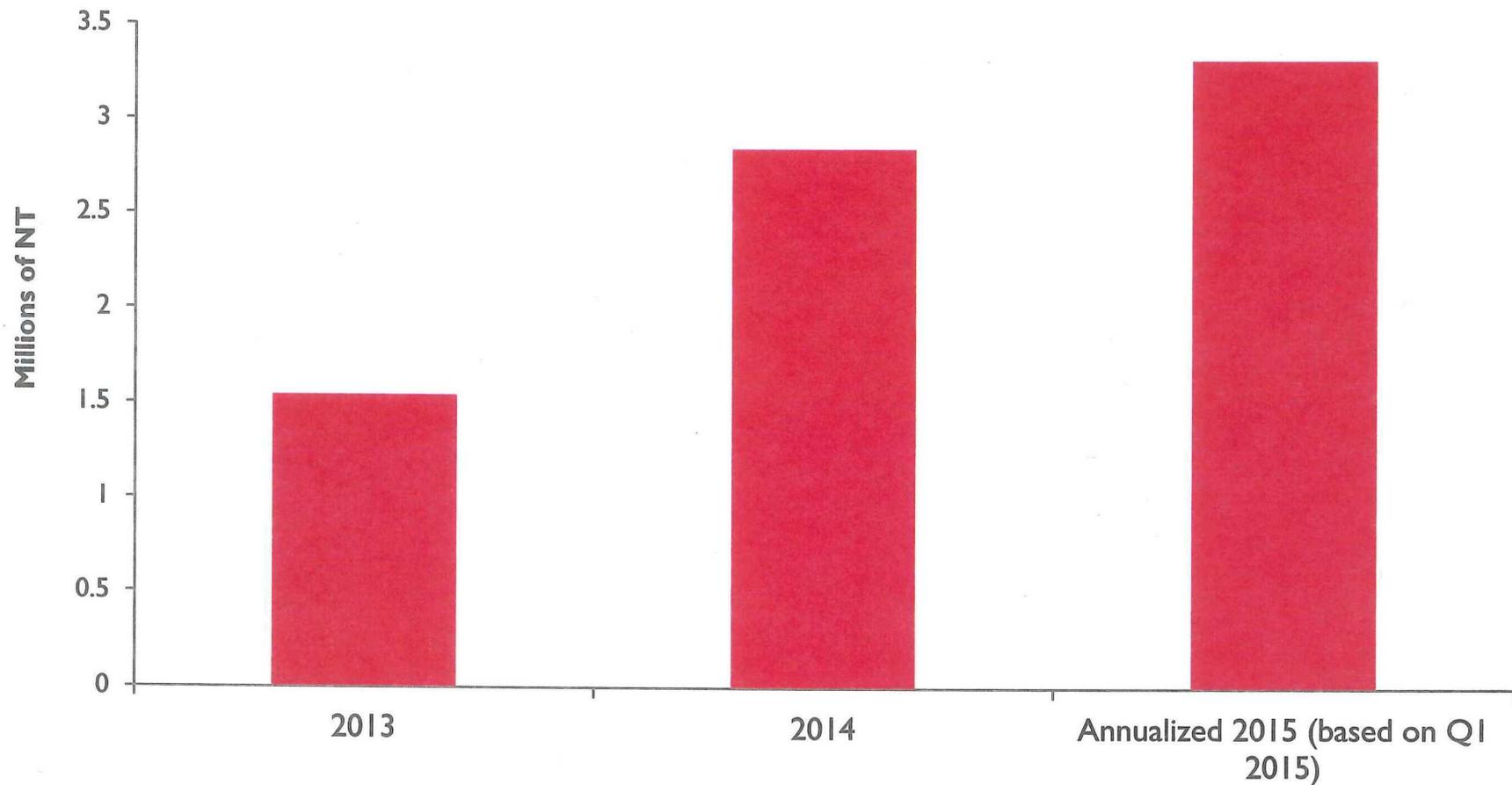
Subject Imports Continued to Increase Until These Cases Were Filed

Subject Import Volumes, Q1 2013 to Q1 2016

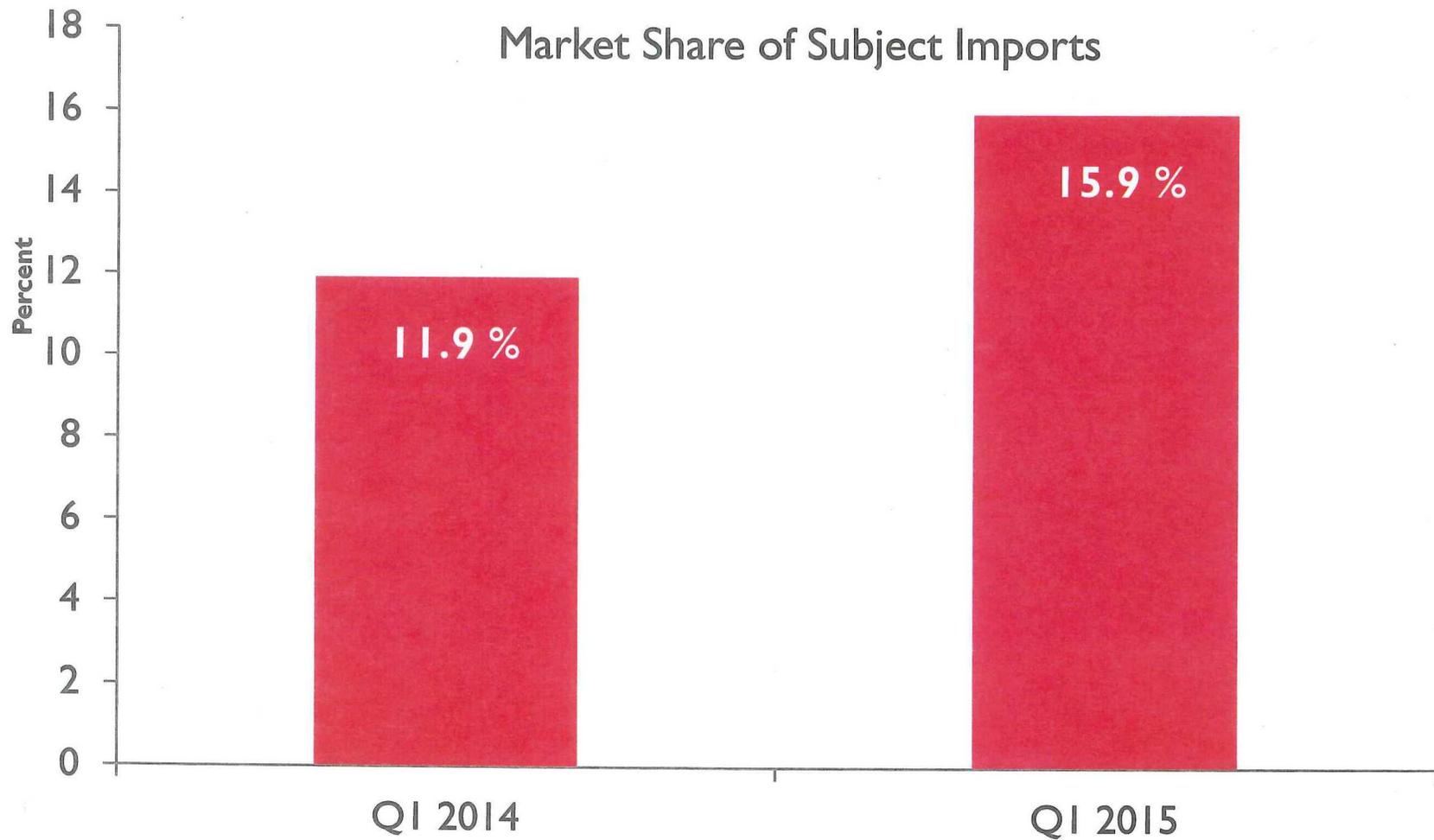


Source: AK Steel Pre-Hearing Brief at Exhibit 3 (Public Version).

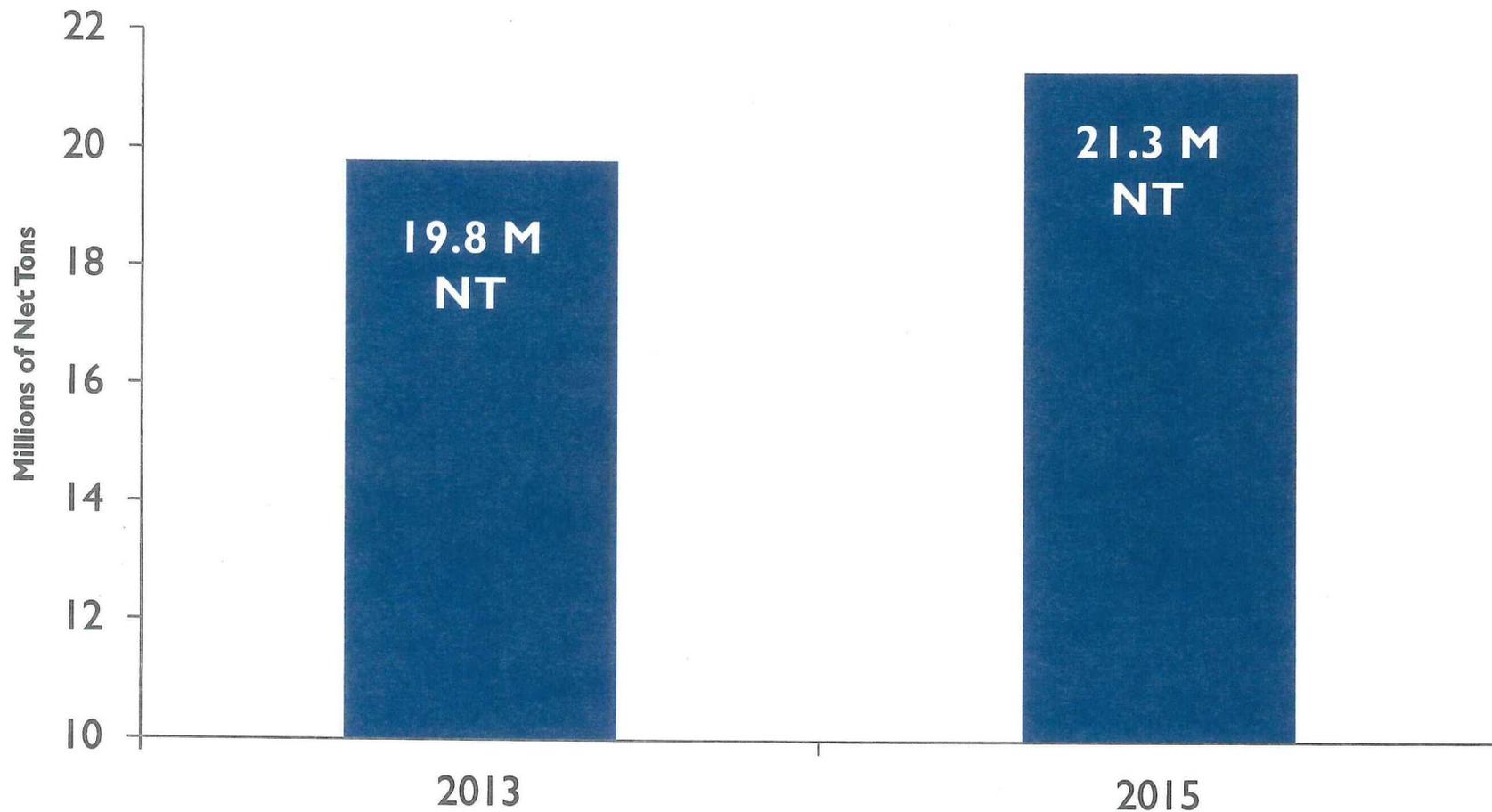
Subject Imports Were on Pace to Exceed 2014 Levels Before the Cases Were Filed



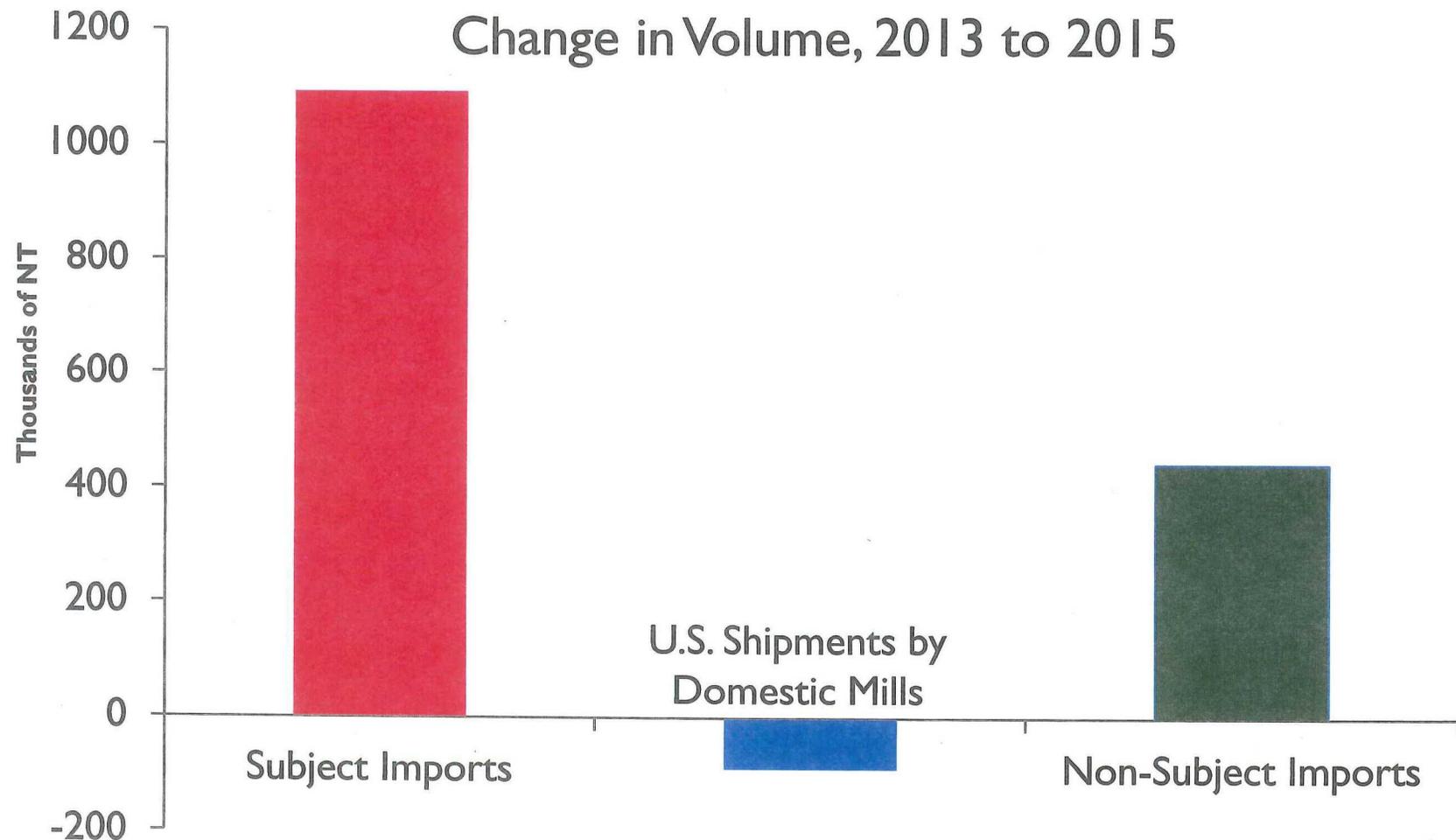
Before the Cases Were Filed, Subject Import Market Share Was Rising



In 2015, Apparent U.S. Consumption Was Still Significantly Above 2013 Levels

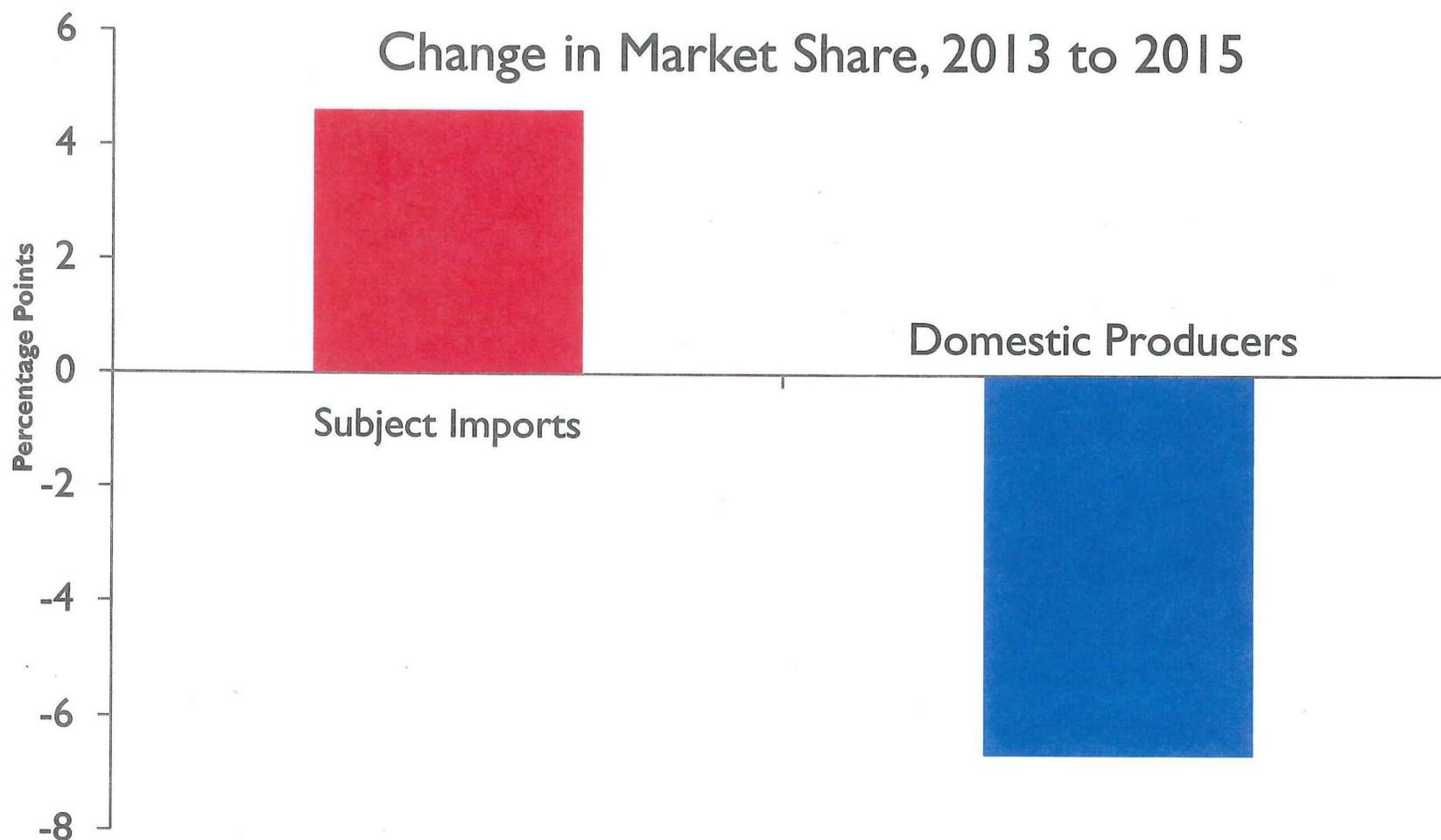


But Over the Full Period of Investigation, Subject Imports **Surged** While U.S. Shipments **Fell**



Source: For data on subject imports and non-subject imports, see AK Steel Pre-Hearing Brief at Exhibit 4 (Public Version). For data on U.S. shipments, see Staff Report at C-4 (Public Version).

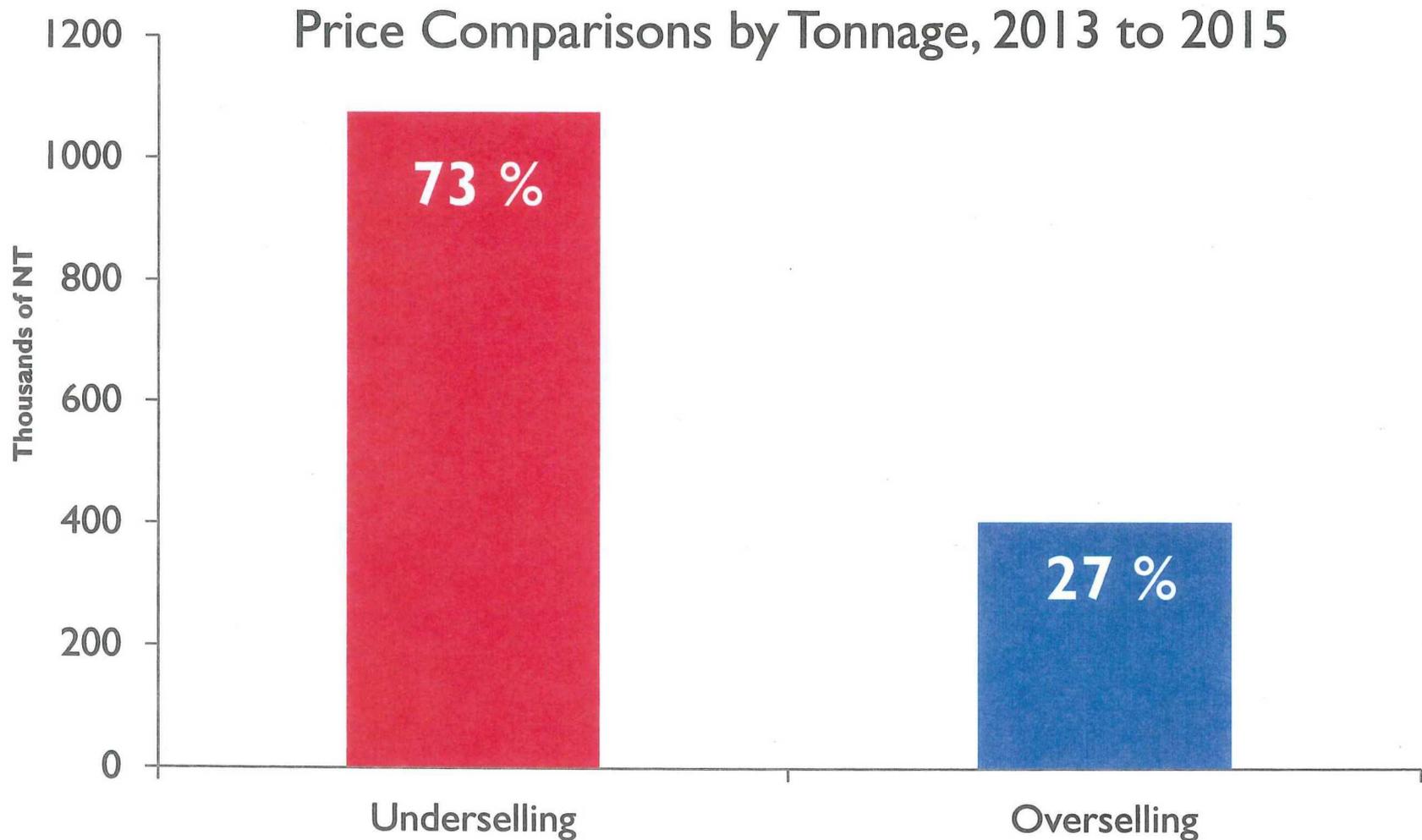
All Market Share Gained by Subject Imports Came at the Expense of U.S. Mills



Source: For change in domestic producers' market share, see Staff Report at C-3 (Public Version). For change in subject imports' market share, compare data on subject imports in AK Steel Brief at Exhibit 4 to data on U.S. apparent consumption in Staff Report at IV-39 (Public Version).

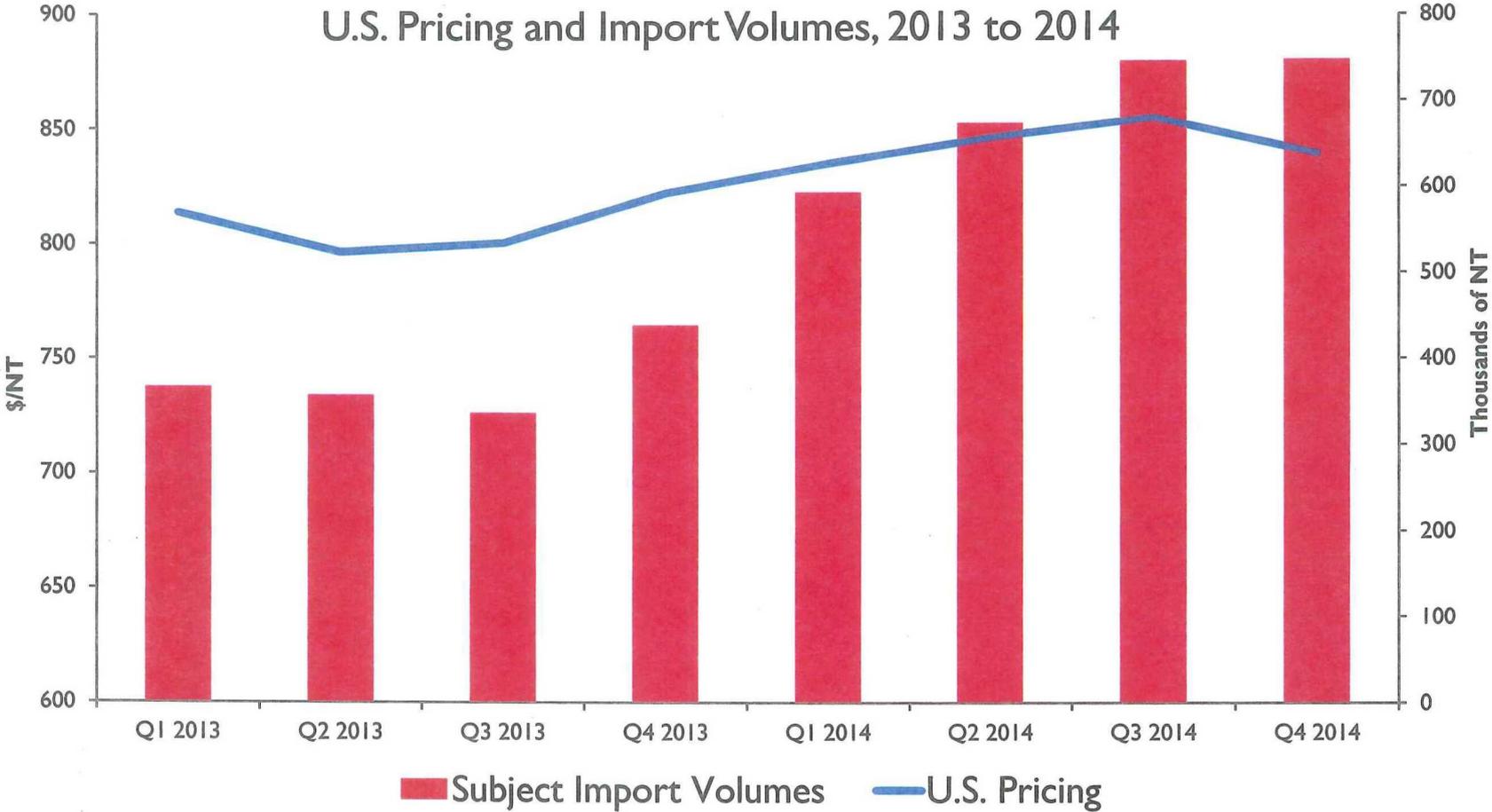
**The Price Effects of Subject Imports Are
Significant**

Subject Imports Overwhelmingly Undersold the Domestic Like Product



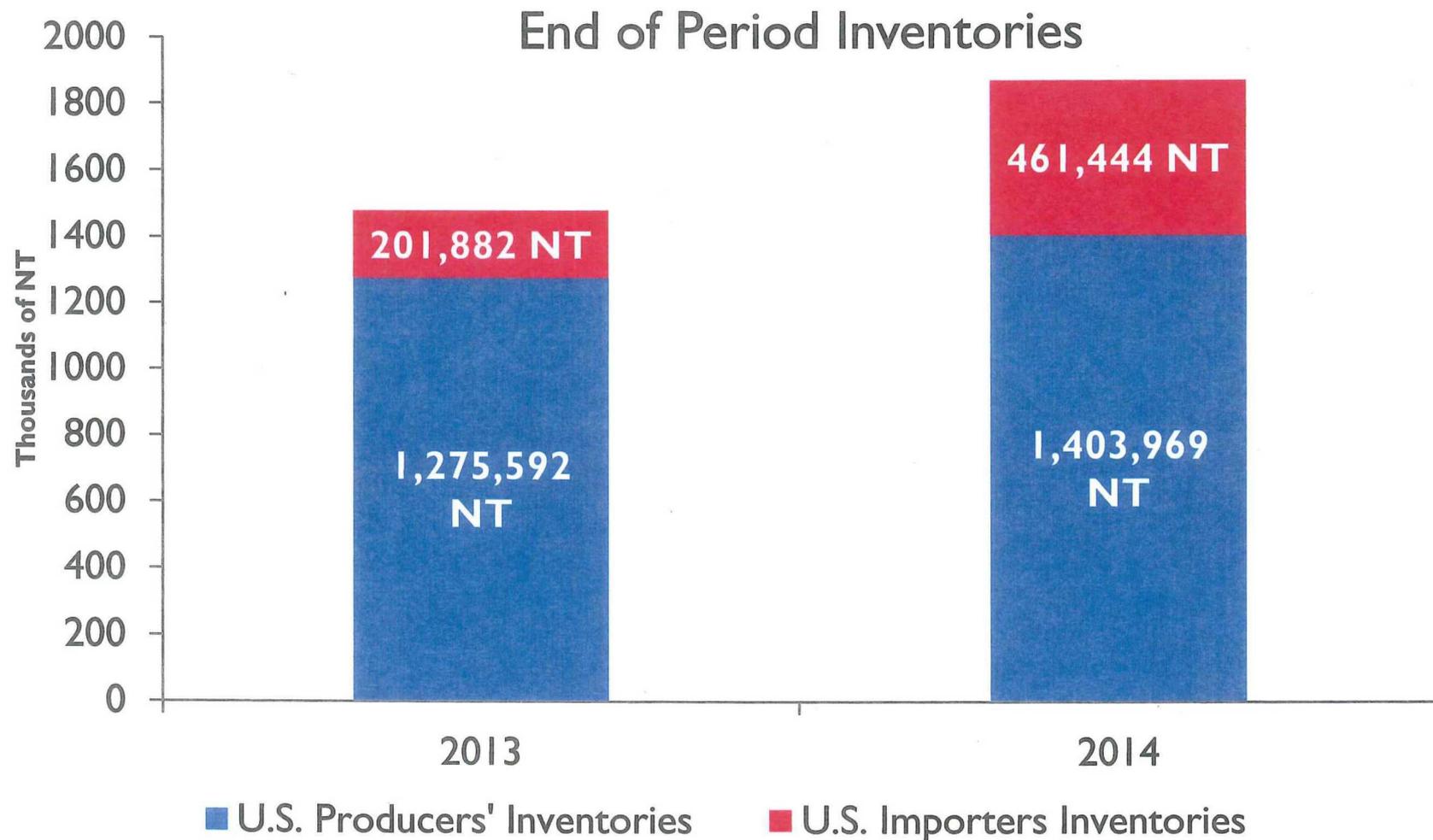
Source: Staff Report at V-32 (Public Version)

Subject Imports Surged During 2014, Suppressing U.S. Prices While Taking Sales and Market Share



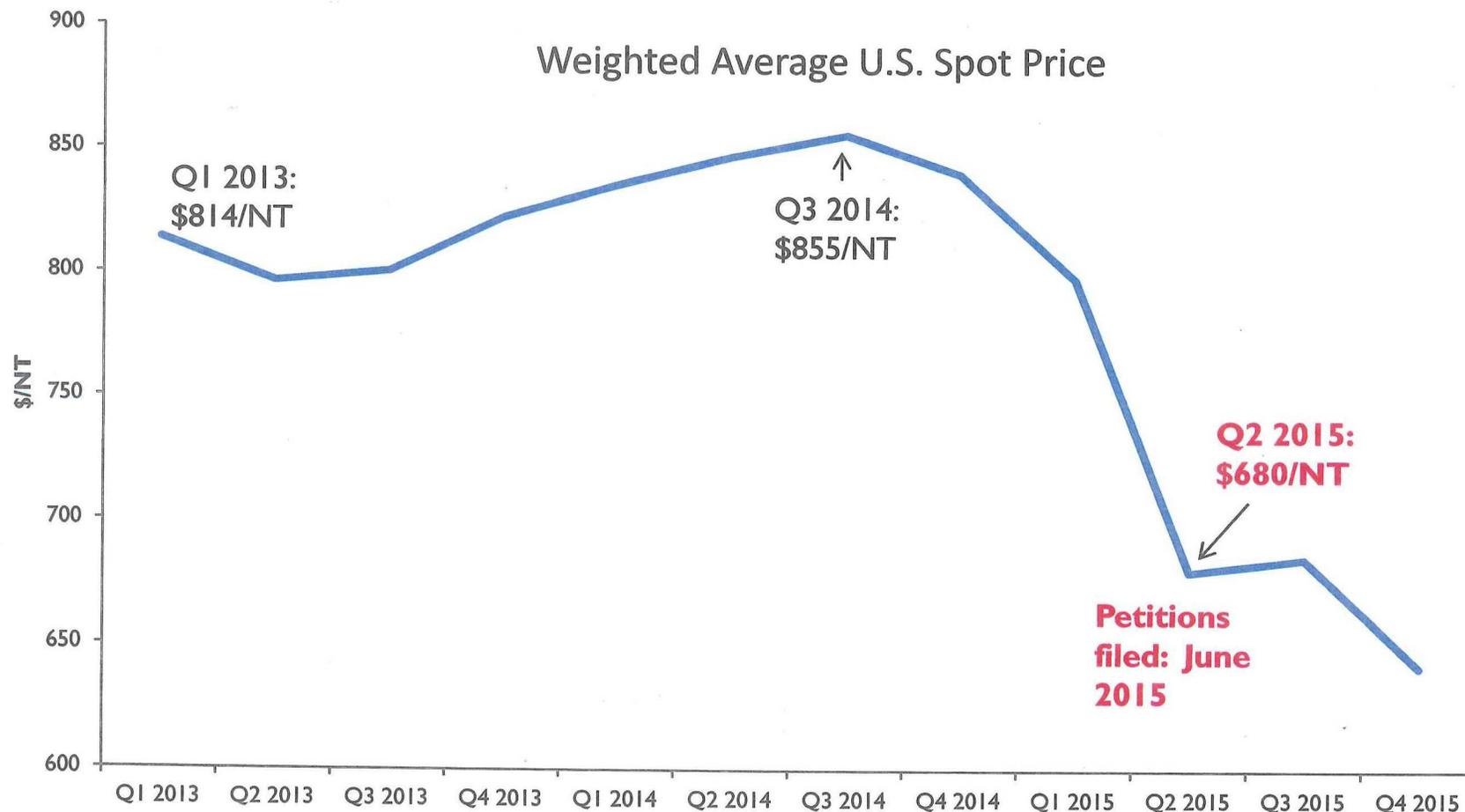
Source: U.S. pricing data reflect a weighted average of reported prices for Pricing Products 1, 3, and 4. See Staff Report at V-13, V-15, and V-16 (Public Version). Data on import volumes taken from AK Steel Pre-Hearing Brief at Exhibit 3 (Public Version).

By the End of 2014, the U.S. Market Was Oversupplied, and Inventories Were Growing



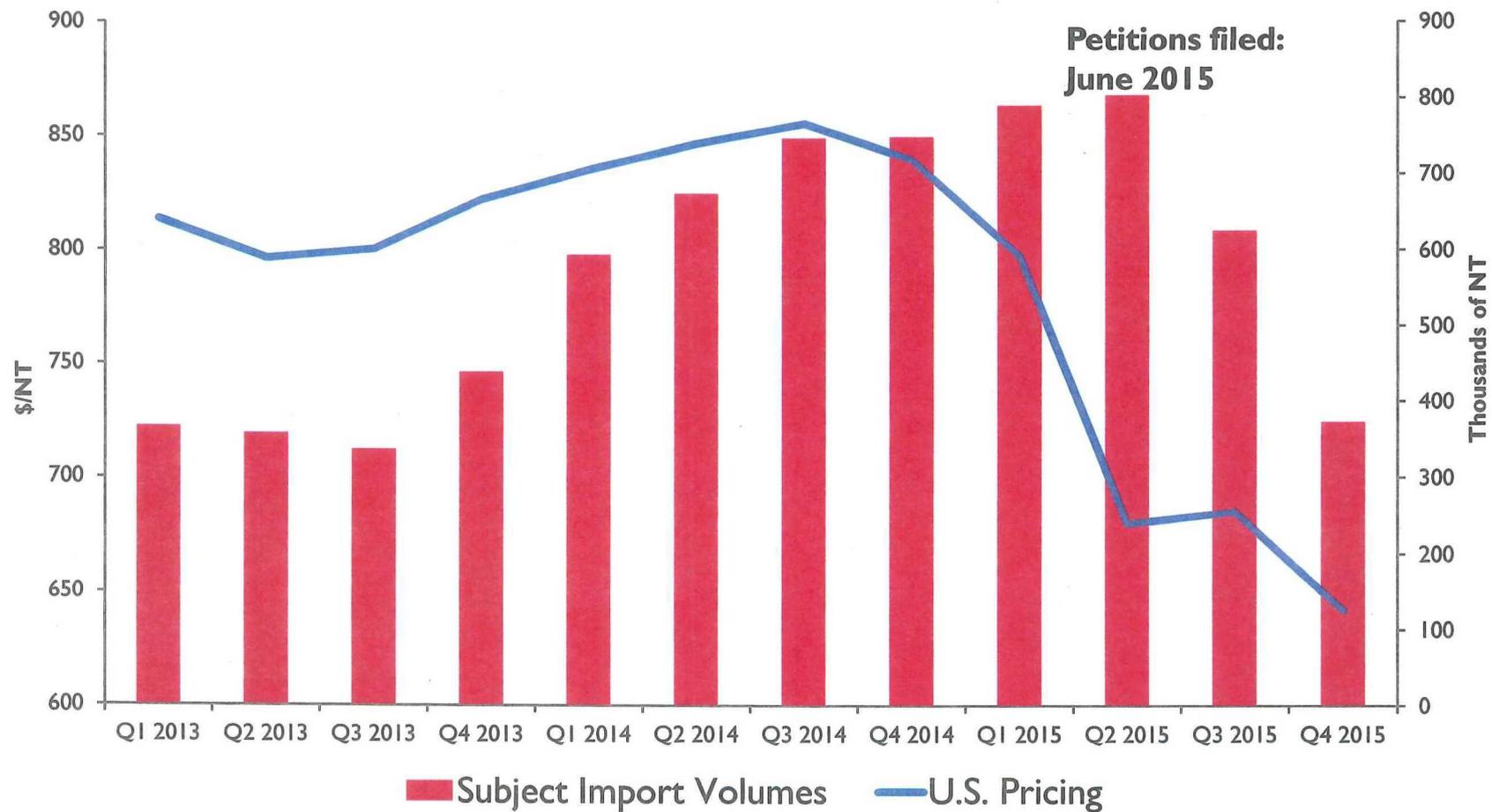
Source: For data on U.S. producers' inventories, see Staff Report at C-4 (Public Version). For data on U.S. importers' inventories, see Staff Report at VII-45 (Public Version).

The Combination of Underselling and Oversupply Triggered a Collapse in U.S. Prices



Source: U.S. pricing data reflect a weighted average of reported prices for Pricing Products 1, 3, and 4. See Staff Report at V-13, V-15, and V-16 (Public Version).

Subject Imports Continued to Increase Long After *Prices Had Started to Fall*



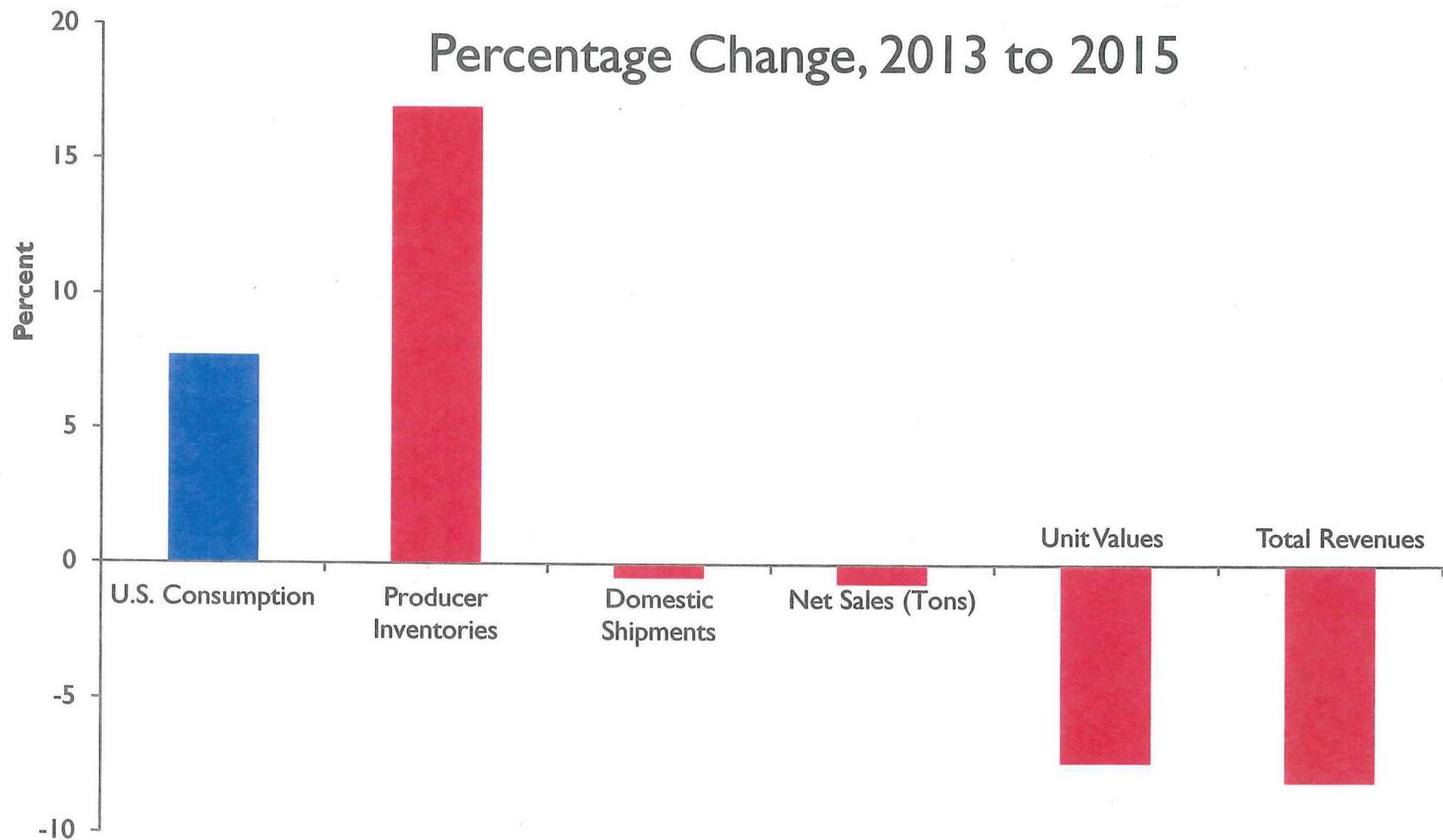
Source: U.S. pricing data reflect a weighted average of reported prices for Pricing Products 1, 3, and 4. See Staff Report at V-13, V-15, and V-16 (Public Version). Data on import volumes taken from AK Steel Pre-Hearing Brief at Exhibit 3 (Public Version).

**The Impact of Subject Imports Is
Significant**

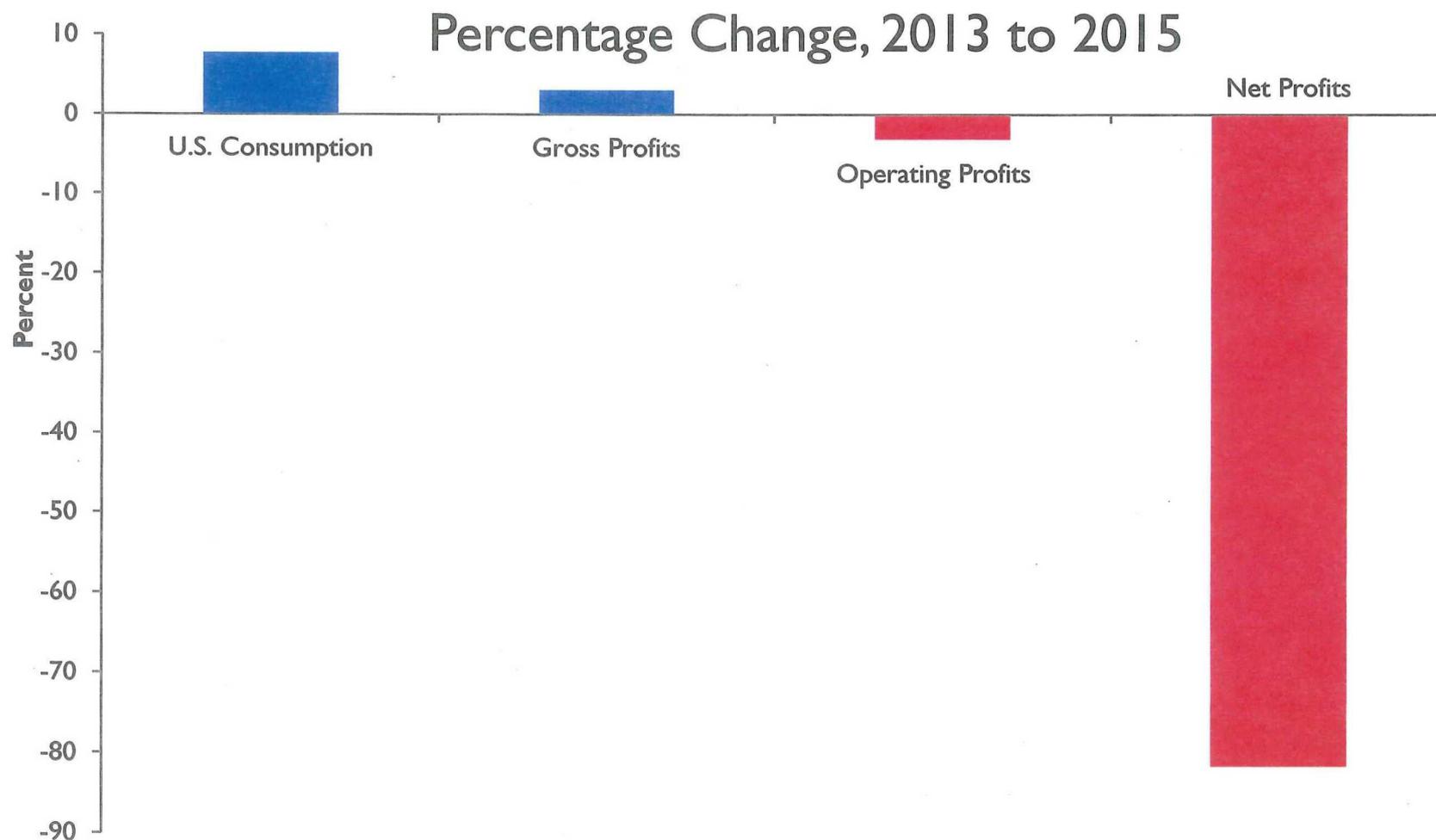
Subject Imports Deprived U.S. Mills of Massive Sales Volumes

- From 2013 to 2015, Subject Imports grew their share of the U.S. market – and ***all of this increase took place at the expense of domestic mills***
- If U.S. mills had ***simply maintained their 2013 market share*** during 2014 and 2015, their total shipments over the period of investigation would have increased by almost ***2.7 million tons***
- Based on actual 2014 and 2015 pricing, those additional shipments would have generated more than ***\$2.27 billion in additional revenues***
- These lost sales and lost revenues constitute ***material injury by reason of subject imports***

Despite Strong Demand, the Performance of the Domestic Industry *Worsened*



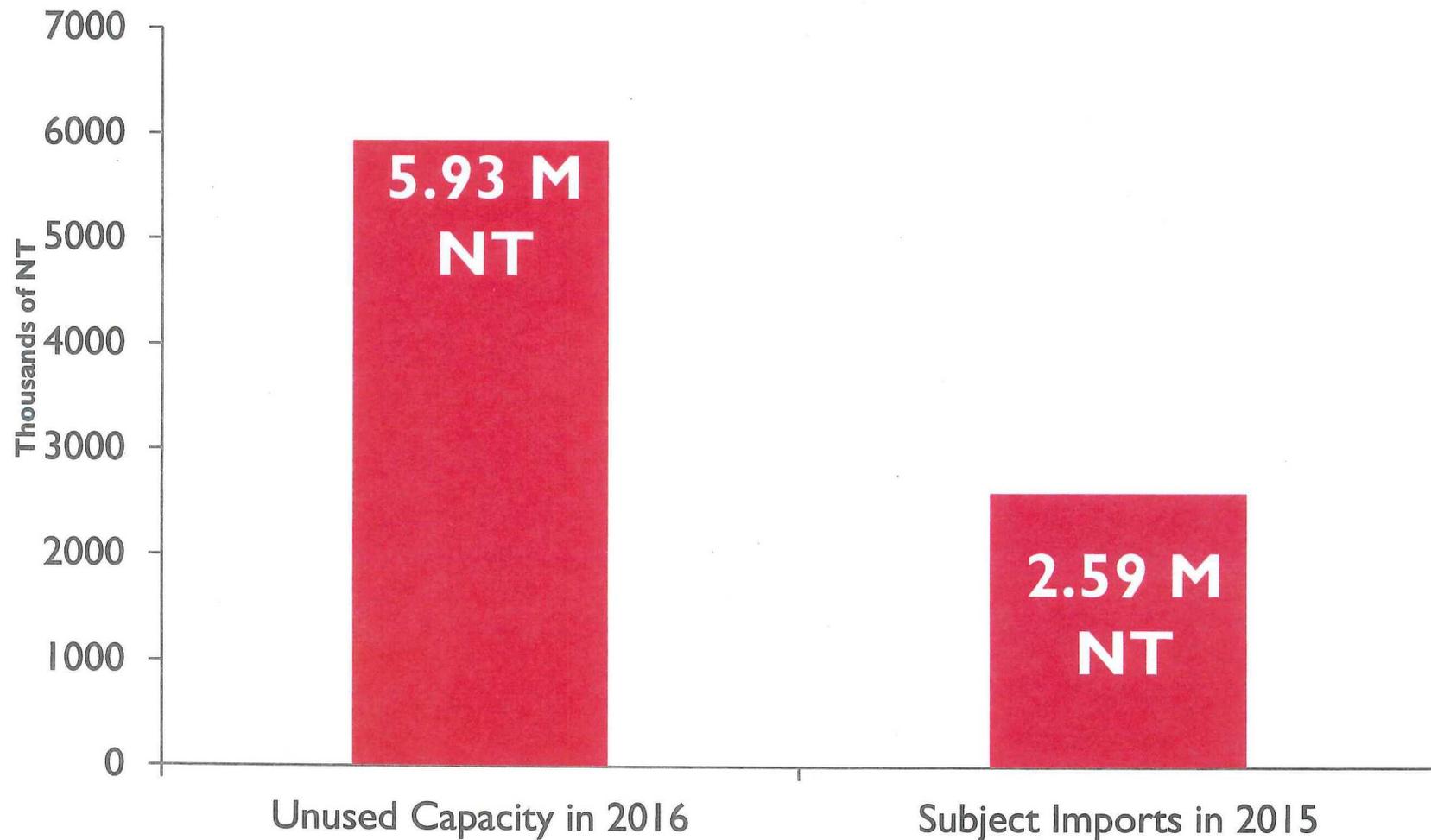
All Measures of Profitability Reflect *Material Injury by Reason of Imports*



Source: See Staff Report at C-3 and C-4 (Public Version).

Subject Imports Threaten Additional Material Injury

Responding Producers in the Subject Countries Admit to Having Almost **6 Million Tons of Unused Capacity**



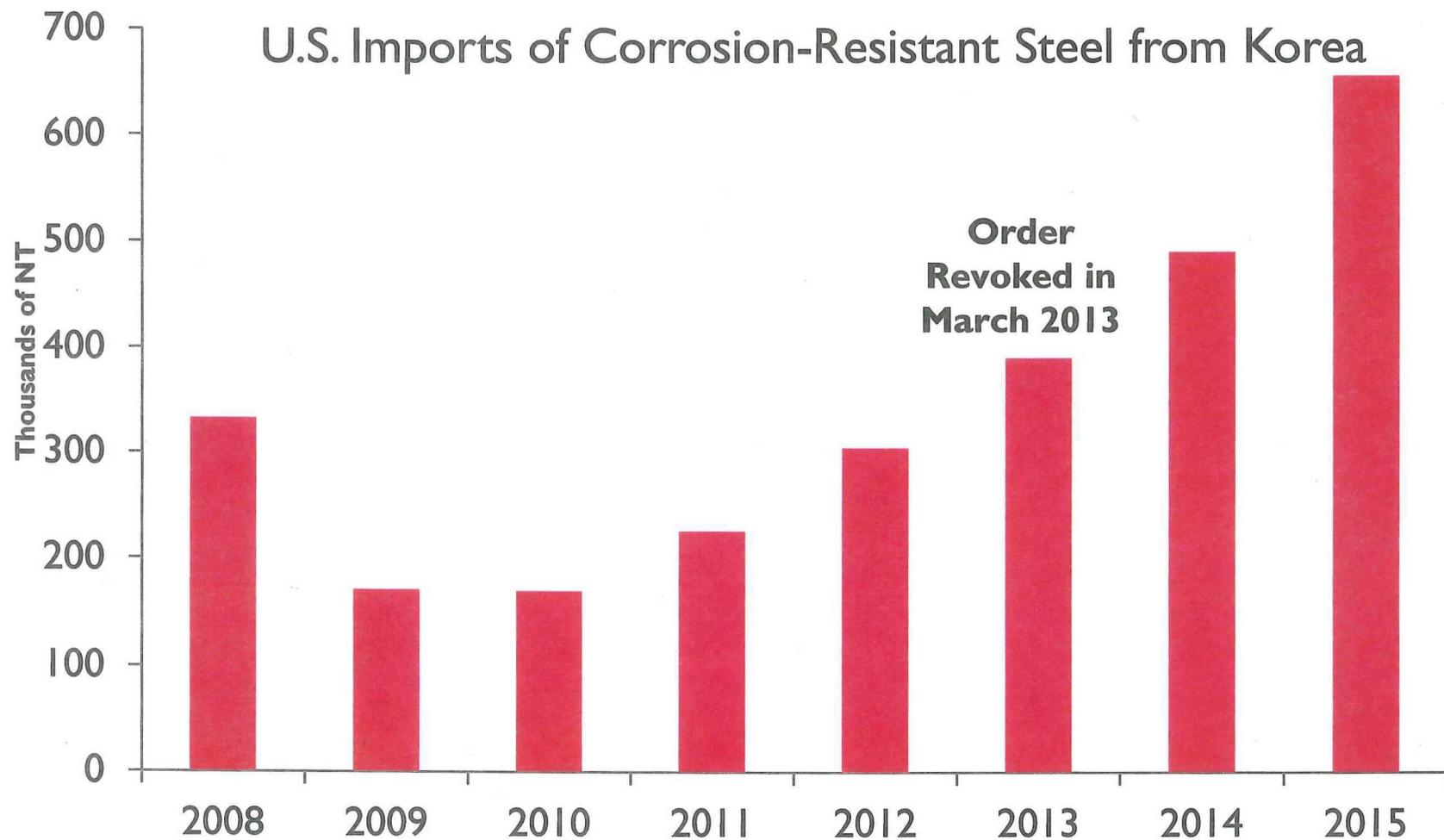
Source: For data on unused capacity, see Staff Report at VII-43 (Public Version). For data on subject imports, see AK Steel Pre-Hearing Brief at Exhibit 4 (Public Version).

The Commission Has *No Questionnaire Data* for Subject Mills Accounting for an Enormous Volume of Imports Last Year



Source: For data on reported exports by producers in the four subject countries that received affirmative preliminary determinations, see Staff Report at VII-43 (Public Version). For data on subject imports from those countries, see AK Steel Pre-Hearing Brief at Exhibit 4 (Public Version).

Since the Commission Revoked an Antidumping Order on Imports From Korea, Unfairly Traded Imports from Korea Have Soared



Source: For data from 2008 to 2011, see USITC Pub. 4388 at C-3. Data from 2012 to 2015 from U.S. Census Bureau.