



Heavy Walled Rectangular Pipe and Tube from Mexico, Korea and Turkey; Inv. Nos. 701-TA- 539, 731-TA-1280- 1282 Preliminary Conference

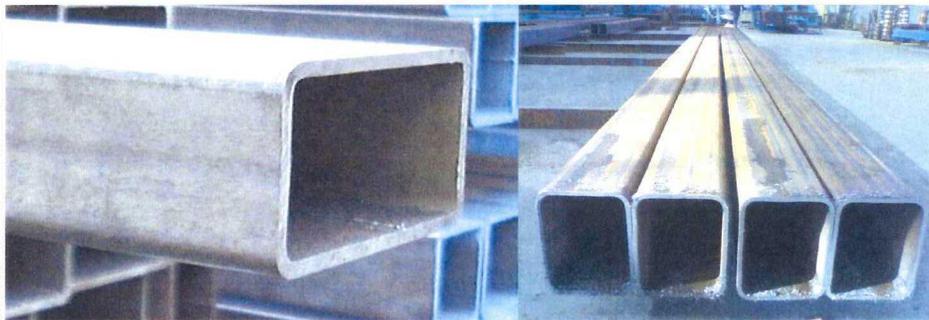
Presentation For Turkish Producers

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Presented by: Matthew M Nolan
Arent Fox LLP

August 11, 2015

**•HEAVY - WALLED RECTANGULAR WELDED CARBON PIPE
•USA AND TURKEY COMPARISON OF PRODUCT DESCRIPTION**



COUNTRY: USA
HS CODE: 7306.61.10.00
DESCRIPTION: OTHER TUBES, PIPES ETC NESOI, WELDED, OF SQUARE OR RECTANGULAR CROSS SECTION, WALL THICKNESS GREATER THAN OR EQUAL TO 4MM, OF IRON OR NONALLOY STEEL
N: EXTERNAL DIAMETER <406.4 MM

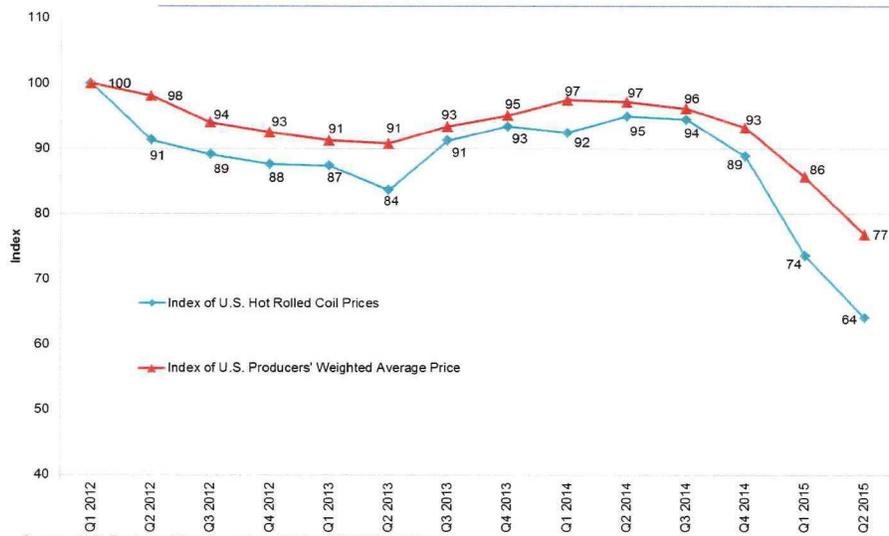
COUNTRY: TURKEY
HS CODE: 7306.61.99.90.00
DESCRIPTION: OTHER TUBES, PIPES AND HOLLOW PROFILES (FOR EXAMPLE, OPEN SEAM OR WELDED, RIVETED OR SIMILARLY CLOSED), OF IRON OR STEEL
N: OF SQUARE OR RECTANGULAR CROSS-SECTION, WITH A WALL THICKNESS EXCEEDING 2 MM. OTHER
EXTERNAL DIAMETER <406.4 MM

No Causal Link Between Subject Import Volumes and Any Material Injury

Imports for Consumption, Heavy-Walled Rectangular Pipe
2012-2014, YTD June 2014 and 2015
HTS Code 7306.61.10.00

Country	Quantity in Short Tons*					Percent Change	
	2012	2013	2014	Jan-June 2014	Jan-June 2015	2012-2014 'Y	2014-PY 201:
Mexico	58,879	66,452	72,345	39,239	25,027	22.9%	-36.2%
Korea, South	56,304	57,347	83,326	43,438	45,772	48.0%	5.4%
Turkey	33,864	47,925	62,035	26,016	24,460	83.2%	-6.0%
Subtotal, Subject Countries	149,048	171,723	217,706	108,693	95,259	46.1%	-12.4%
Canada	155,027	159,341	189,937	92,492	97,327	22.5%	5.2%
Italy	4,610	9,650	11,392	11,253	24,731	147.1%	119.8%
Japan	5,470	7,694	9,477	3,814	7,163	73.3%	87.8%
Subtotal, Nonsubject Countries	168,140	179,034	214,117	109,251	131,404	27.3%	20.3%
Grand Total	317,188	350,758	431,823	217,944	226,663	36.1%	4.0%

Indexed U.S. Producers' Weighted Average Price vs. Indexed U.S. Hot-Rolled Coil Prices (Index: Q1 2012=100)



Sources: U.S. Producers' Questionnaires at IV-2 and SBB Steel Prices

Relative HRC Prices

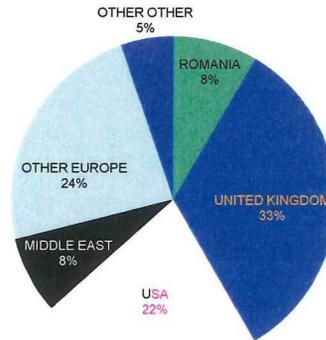
- Coils are the dominant raw material for HWR pipe, and more than account for price differentials.
- Sample HRC prices for the week of 29 June - 06 July 2015
 - U.S. \$518/Mton
 - Turkey \$421/Mton
 - N. Europe \$431/Mton
 - China \$313/Mton

No Causal Link With Subject Imports (con't)

- subject imports were increasing at a time of strong demand and strong performance by the U.S. industry
- Interim 2015, when the US industry claims it suffered injury subject imports retreated
- Instead, non-subject imports increased over 20% in the interim 2015
- non-subject import took market share from both US producers and non-subject imports
- any injury that may be suffered by the domestic industry is not “by reason of” subject imports.

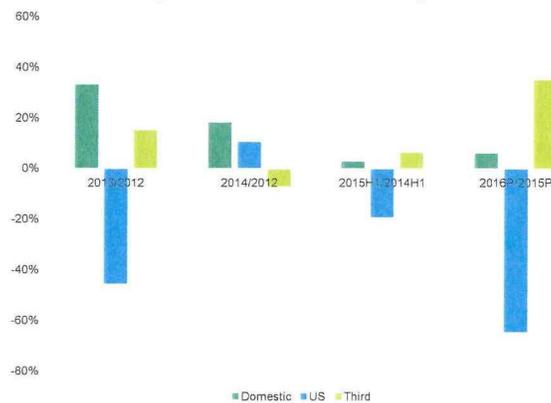
The U.S is Just one of many markets served by Turkey

TURKEY EXPORT HEAVY
2014 WALLED RECTANGULAR WELDED CARBON PIPE
QUANTITY (TON)



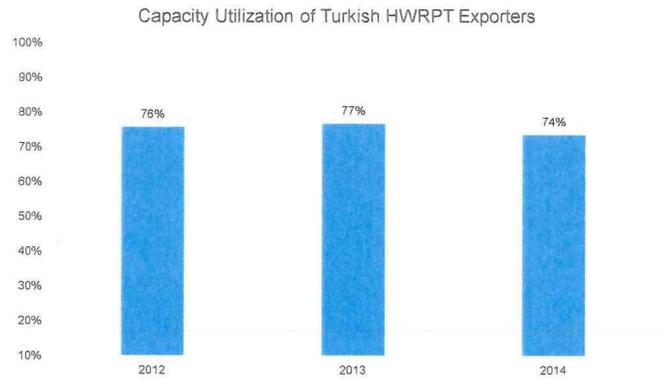
US Sales Expected to Decrease While Third Country Sales are Increasing

Change in Sales of Turkish HWRPT by Market



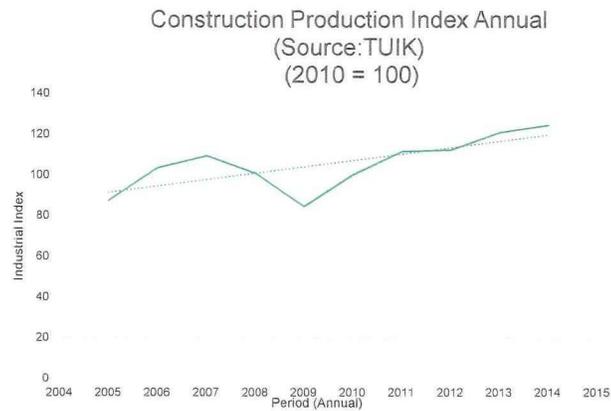
Source: ITC Questionnaire Responses of Turkish Exporters

Capacity Utilization Higher Than World Steel Industry Averages



Source: ITC Questionnaire Responses of Turkish Exporters

Turkey Construction Industry Strong



Source: Turkish Statistics Institution

Turkey Construction Industry Strong



Source: Turkish Statistics Institution

TANAP Project



Tubular products required for 1800 km pipeline will be supplied by Turkish producers: Tosçelik, Borusan Mannesmann, Erciyas Boru, Emek, Umran and Noksel

Urban Transformation Law

- Urban Transformation law requiring strengthening and rebuilding of certain structures in earthquake risk areas implemented in May 16, 2012
- 7 million residences to be renewed/strengthened
- Annual new building capacity 250,000 concrete, 70,000 steel structural
- Period required 22-28 years
- Impact in structural steel demand 300,0000 tons annually

Major Ongoing and Expected Projects

New Istanbul Airport – 150 million passengers annually
World's Largest Airport
26 billion Euros

