

*Testimony of Takeshi Esumi  
Before the US International Trade Commission  
Clad Steel Plate from Japan (Third Review), Inv. No. 731-TA-739*

Good afternoon. My name is Takeshi Esumi and I am the Staff Deputy General Manager of the Sales Coordination and Operation Planning Department of JFE Steel. At JFE, I have the primary responsibility to coordinate the company's trade compliance matters, including antidumping.

First of all, I would like to discuss the participation of the Japanese producers in this sunset review. JFE and JSW are member companies of the Japan Iron and Steel Federation (JISF). NSSC's parent company also is a JISF member. Asahi Kasei is mainly a chemicals company and is not a member of JISF. Until now, Japanese steel producers and their affiliated companies have participated in many trade cases around the world on both as exporting companies and the domestic industry. Consequently, we have a broad, systemic interest in the global trade remedy regime under the WTO Agreements. The United States is a leading

country for trade remedies and often influences the practices of other countries that conduct trade remedy investigations.

The Japanese government has cited U.S. antidumping duty measures that have been imposed for many years on several occasions. Japanese companies have been encouraged by the government to participate in sunset review proceedings as much as possible so that there are full reviews. With this in mind, the JISF members that produce clad steel plate and NSSC decided to participate in this sunset review so that there was sufficient information for the Commission to conduct a full review. JFE Steel was selected as the company to coordinate the participation of the Japanese producers in this review.

JSW and NSSC could not be here today but if the Commission has any questions about JSW and NSSC that we cannot answer based on our general knowledge of the industry in Japan, we expect that JSW and NSSC will be able to

provide written responses in our post-hearing brief. We also will reach out to Asahi Kasei if there are questions about that company.

As Mr. Asano will discuss, JFE and its predecessor companies had not exported clad steel plate to the United States at the time of the original investigation and have not since then. In addition, we do not have any business plans to do so in the future as we have concentrated our efforts on the Asian market, which is the largest market for clad steel plate by far. As part of this effort, our shipments to other markets have declined as it is not efficient, and does not make business sense, for us to take sales resources away from the Asian market. I believe this can be said with respect to the other Japanese producers as well.

The long-term demand for clad steel plate in Asia is high. Many fabricators, which are the main customers of clad steel plate, have moved production facilities to Asia and our sales have followed this trend. Also, increasing energy demands in

Asia which require clad steel plate for new applications, such as clad steel pipe for line pipe, will only strengthen this trend.

Given our proximity, we can service our key Asian customers in real time during our normal business hours and can take advantage of the efficiencies of focusing on this large and growing market. We estimate that over 99 percent of the clad steel plate produced by the Japanese producers is sold in Asia. It is unlikely that this will change, regardless of what happens with the antidumping duty order in the United States.

Next I would like to touch upon some issues cited in the brief of the U.S. domestic industry. First, the U.S. industry has suggested that Japanese exports of non-subject clad plate to the United States indicate that the Japanese producers of clad steel plate would be willing to export subject plate to the United States. We have tried to figure out exactly what non-subject clad plate products have been

exported to the United States. Japan Customs keeps export statistics by port. We have looked at the export statistics and it appears that the non-subject products were not produced by the Japanese clad steel plate producers. Rather, it appears that the non-subject products are what we call welded steel overlays or other non-subject products and produced by companies that do not produce clad steel plate. Welded steel overlays are not categorized as subject clad steel plate. The Japanese producers of clad steel plate do not manufacture welded steel overlays. Welded steel overlay is manufactured by companies that do not produce clad steel plate. Thus, we do not believe that the existence of non-subject products provides any evidence of the purported “willingness” of the Japanese producers to export subject clad steel plate to the United States.

Thank you.