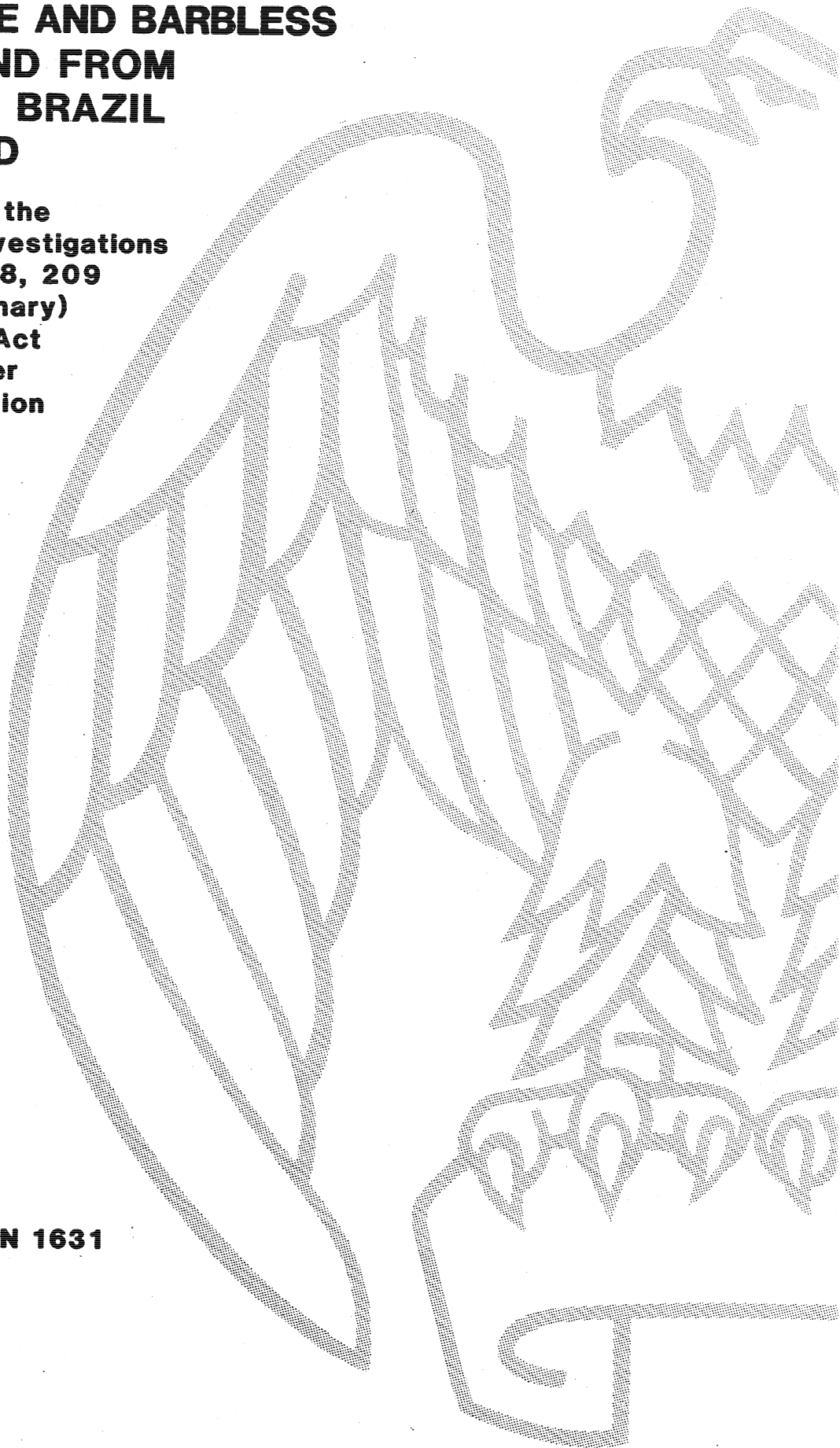


BARBED WIRE AND BARBLESS WIRE STRAND FROM ARGENTINA, BRAZIL AND POLAND

**Determination of the
Commission In Investigations
Nos. 731-TA-208, 209
and 210 (Preliminary)
Under the Tariff Act
of 1930, Together
With the Information
Obtained In the
Investigations**

USITC PUBLICATION 1631

JANUARY 1985



UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.—Information that would reveal the confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 731-TA-208, 209, and 210 (Preliminary)

BARBED WIRE AND BARBLESS WIRE STRAND FROM ARGENTINA,
BRAZIL, AND POLAND

Determinations

On the basis of the record 1/ developed in investigations Nos. 731-TA-208, 209, and 210 (Preliminary), the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Argentina, Brazil, and Poland of barbed wire and barbless wire strand, provided for in items 642.02 and 642.11, respectively, of the Tariff Schedules of the United States, which are allegedly being sold in the United States at less than fair value (LTFV).

Background

On November 19, 1984, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of Forbes Steel & Wire Corp., Canonsburg, PA. The petitions were also supported by CF&I Steel Corp., Pueblo, CO, Davis Walker Corp., Los Angeles, CA, and Oklahoma Steel Wire Corp., Madill, OK. The petitions allege that barbed wire and barbless wire strand from Argentina, Brazil, and Poland are being, or are likely to be, sold in the United States at LTFV. Accordingly, effective November 19, 1984, the Commission instituted preliminary antidumping investigations to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is

1/ The "record" is defined in section 207.2(i) of the Commission's Rules of Practice and Procedure (19 C.F.R. § 207.2(i)).

materially retarded, by reason of the importation of such merchandise into the United States.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 28, 1984 (49 F.R. 46816). The conference was held in Washington, DC, on December 12, 1984, and all persons who requested the opportunity were permitted to appear in person or by counsel. The Commission's determinations in these investigations were made in an open "Government in the Sunshine" meeting held on January 2, 1985.

VIEWS OF THE COMMISSION

We have determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of barbed wire and barbless wire strand from Argentina which are allegedly sold at less than fair value (LTFV). We also have determined that there is a reasonable indication that an industry in the United States is materially injured by reason of such imports from Brazil. Finally, we have determined that there is a reasonable indication that an industry in the United States is materially injured by reason of such imports from Poland.

In the following analysis, we explain our finding that there is one like product and the appropriate industry for the purpose of making a material injury assessment consists of the domestic producers of barbed wire and barbless wire strand. We then discuss why there is a reasonable indication that the domestic industry is suffering material injury by reason of LTFV imports from each country.

Domestic industry

As a threshold inquiry, the Commission is required to identify the domestic industry to be examined for the purpose of making an assessment of material injury. 1/

1/ Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 19 U.S.C. § 1677(4)(A). Section 771(10), in turn, defines "like product" as a "product which is like, or in the absence of like, most similar in characteristics and uses with the articles subject to an investigation" 19 U.S.C. § 1677(10).

The imported products covered by these investigations are barbed wire and barbless wire strand, which are galvanized steel products produced from low- and medium-carbon steel wire rod. The wire ranges in size from 12-1/2 to 18 gauge material. It is produced by drawing wire rod through dies to the desired size and then passing it through a molten zinc bath so that the wire will be corrosion resistant. Two strands of wire are then fed into a machine that twists the wires around each other. Then, when producing barbed wire, a third and sometimes a fourth wire is fed into the machine, wrapped around the two twisted wires, and cut to form barbs. 2/ There is no distinction between the imported and domestic products.

We conclude that domestically produced barbed wire and barbless wire strand constitute a single like product and, consequently, the domestic industry consists of the U.S. producers of barbed wire and barbless wire strand. 3/ This determination is based on the nearly identical characteristics of low tensile barbed wire, high tensile barbed wire, and barbless wire strand and the equivalent uses to which they are put. All three types of barbed and barbless wire are produced from the same raw material. They all pass through the same production process, up until the final stage of production. They are produced in the same plant by the same employees and are

2/ Report of the Commission (Report) at A-2-3.

3/ The respondents in these investigations have suggested that there may be two or three like products: high tensile barbed wire, low tensile barbed wire, and barbless wire strand. On the basis of the information available at this time we have rejected their suggestion. However, we reserve the right to reconsider this determination should a final investigation take place. In the relatively longer investigation period provided for a final investigation, the Commission staff will attempt to obtain information from both domestic and foreign producers for each of these three wire products in order to determine whether separate like product and domestic industry analyses are warranted.

distributed to the consumer through the same channels of distribution. 4/ They are all used primarily for fencing in agricultural applications and have a similar useful life. 5/ In 1984, 10 firms produced barbed wire and/or barbless wire strand in 11 plants in the United States. 6/

Condition of the domestic industry

Under Section 733 of the Tariff Act of 1930, as amended, the Commission is required to determine, in the first instance, whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury. 7/ In making a material injury determination, the Commission considers, among other factors, whether there are declines in production, capacity utilization, sales, market share, employment, wages, and profitability. 8/

4/ Report at A-2-3, A-5; Posthearing Brief of Petitioner at 3-6.

5/ The primary reason for selecting barbless over barbed wire is the type of livestock that the purchaser will fence in. Barbless wire is used to restrain show horses or other animals that could be seriously harmed by barbs, while barbed wire is used for cattle. The primary reason for selecting low tensile barbed wire over high tensile barbed wire, and vice versa, is traditional use and habit, not any inherent difference between them. Report at A-3.

6/ The ten firms and the location of their production facilities are as follows: Atlantic Steel Co., Atlanta, GA; Bekaert Steel and Wire Co., Van Buren, AR; CF&I Steel Corp., Pueblo, CO.; Continental Steel Corp., Kokomo, IN; Davis Walker Corp., Los Angeles, CA; Forbes Steel & Wire Corp., Canonsburg, PA and Wilmington, DE; Keystone Consolidated Ind. Inc., Peoria, IL; Nagle Wire Corp. of Colorado, Rocky Ford, CO; Northwestern Steel & Wire Co., Sterling, IL; and Oklahoma Steel Wire Co., Inc., Madill, OK. Armco, Inc., Middleton, OH ceased production of barbed wire and barbless wire strand in May 1983. Atlantic Steel ceased production of barbed wire and barbless wire strand in July 1984.

7/ 19 U.S.C. § 1673(b). The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant." 19 U.S.C. § 1677(7).

8/ 19 U.S.C. § 1677(7)(C)(iii).

U.S. production of barbed wire and barbless wire strand declined overall between 1981 and 1983, and the trend continued through January–October 1984. Overall production decreased by 18 percent between 1981 and 1983 and dropped by 37 percent in January–October 1984, compared with production in January–October 1983. 9/ While some of this decline can be attributed to the cessation of production by two producers, every producer who submitted data to the Commission registered a decline in production for this period. 10/

Capacity utilization in the domestic industry has steadily declined during the period of these investigations. Capacity utilization measured 56.9 percent in 1981 and fell to 52.9 percent in 1983. Then it dropped substantially to 34.2 percent in January–October 1984. 11/

Domestic shipments of barbed wire and barbless wire strand declined irregularly during 1981–83 before dropping substantially in January–October 1984. Available data indicate an 18 percent decline from 1981 to 1983, followed by a 35 percent decline for January–October 1984, compared with January–October 1983. 12/ Exports, which represent less than 5 percent of U.S. producers' shipments, also declined during the period of the investigation. 13/ The domestic market share of U.S. producers has declined slowly from 79.8 percent in 1981 to 77.5 percent in 1983, and then dropped substantially to 66.5 percent for January–September 1984. 14/

9/ Report at A-6.

10/ Id.

11/ Id. at A-6-8. Some domestic producers, such as Forbes, the petitioner, have expanded capacity during the period of these investigations, while others, such as Armco and Atlantic, have ceased production.

12/ Id. at A-8.

13/ Id. at A-10.

14/ Id. at A-25, Table 14.

Available data on employment and wages show a steady decline in all areas. The number of production workers dropped by 21 percent from 1981 to 1983, and dropped by 25 percent in January–October 1984, compared with the similar period for 1983. 15/ Total hours worked by production workers and total wages and compensation paid to those workers registered similar declines. 16/

Four firms, accounting for less than half of reported U.S. production in 1983, furnished usable income-and-loss data concerning their barbed wire operations. 17/ The data indicate that net sales have dropped by 41 percent during 1981–83, and by an additional 46 percent for the period January–October 1984, compared with the similar period in 1983. 18/ The data also indicate that the four reporting firms sustained aggregate operating losses and net losses in each of the reporting periods. 19/ Operating losses more than quadrupled between 1981 and January–October 1984. Net losses almost quadrupled between 1981 and January–October 1984. 20/

Reasonable indication of material injury by reason of the alleged LTFV imports

In making its determination whether there is a reasonable indication that material injury to the domestic industry is "by reason of" allegedly LTFV imports, 21/ the Commission must consider, among other factors, the volume of

15/ Id. at A-12-13.

16/ Id. at A-13.

17/ Id. at A-14.

18/ Id.

19/ Id. at A-14-16.

20/ Id. at A-14, Table 8.

21/ 19 U.S.C. § 1673(b).

imports, the effect of imports on prices in the United States for the like product, and the impact of such imports on the relevant domestic industry. 22/ On the basis of the data obtained in these investigations, we conclude that there is a reasonable indication that LTFV imports from each of the countries subject to investigation have separately caused material injury to the domestic barbed wire and barbless wire strand industry. 23/ Our decision is based primarily on the significant increases in market penetration by imports from each country, and on the substantial margins of underselling.

During the period of these investigations, imports from each country subject to investigation have increased their market share. 24/ Available data indicate that prices of imports from each country have steadily decreased, while domestic producers' prices have remained relatively stable. 25/ Therefore, the margin of underselling by imports from each of the three countries has also increased. The Commission staff investigated allegations of lost sales and lost revenues made by domestic producers and confirmed that there were instances of U.S. producers having lost sales or revenue to imports from each of the three countries subject to investigation for reasons including price. 26/

22/ 19 U.S.C. § 1677(7).

23/ Since we find injury to the domestic industry by reason of imports from each country individually, there is no need to address the issue of cumulation at this time. However, should a final investigation take place, we do not preclude cumulation if the information obtained therein so warrants.

24/ Report at A-21-25, Table 12; A-25, Table 14. The market share of imports from Argentina has risen from 0.6 percent in 1981 to 4.8 percent in January-September 1984. The market share of Brazilian imports increased from 0.5 percent in 1981 to 8.0 percent in January-September 1984. The market share of imports from Poland has risen from 3.4 percent in 1981 to 4.4 percent in January-September 1984.

25/ Id. at A-26.

26/ Id. at A-33-35.

Argentina. Market penetration of imports of barbed wire and barbless wire strand from Argentina increased from 0.6 percent of U.S. consumption in 1981 to 2.9 percent in 1983 and then to 4.8 percent in January–September 1984. 27/ Available data indicate that the margin of underselling for barbed wire products from Argentina has been as high as 74.8 percent in 1984. 28/

Brazil. Market penetration of imports of barbed wire and barbless wire strand from Brazil increased from 0.5 percent of U.S. consumption in 1981 to 3.8 percent in 1983 and then to 8.0 percent in January–September 1984. 29/ Available data indicate that there have been substantial margins of underselling for all types of wire products from Brazil and that current margins range from 10.5 percent to 38.3 percent. Prior margins of underselling were in a similar range. 30/

Poland. Market penetration of imports from barbed wire and barbless wire strand from Poland declined from 3.4 percent of U.S. consumption in 1981 to 1.2 percent in 1982. However, market penetration then increased to 3.6 percent in 1983 and, further, to 4.4 percent in January–September 1984. 31/ Available data indicate that there have been substantial margins of underselling for all types of wire products actually imported from Poland. Currently, those margins range from 35 percent to 50.9 percent. Prior margins of underselling have been in a similar range. 32/

27/ Id. at A-25.

28/ Id. at A-26-33, Tables 15-19.

29/ Id. at A-25.

30/ Id. at A-26-33, Tables 15-19.

31/ Id. at A-25.

32/ Id. at A-26-33, Tables 15-19.

Conclusion

On the basis of the foregoing discussion and the information available to the Commission at this time, we determine that there is a reasonable indication that the U.S. barbed wire and barbless wire strand industry is separately and materially injured by reason of imports of barbed wire and barbless wire strand from Argentina, Brazil and Poland, allegedly being sold in the United States at less than fair value.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On November 19, 1984, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of Forbes Steel & Wire Corp., Canonsburg, PA, alleging that barbed wire and barbless wire strand 1/ from Argentina, Brazil, and Poland are being, or are likely to be, sold in the United States at less than fair value (LTFV). 2/ Accordingly, effective November 19, 1984, the Commission instituted investigations Nos. 731-TA-208, 209, and 210 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)). The purpose of the Commission's investigations is to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Argentina, Brazil, and Poland of barbed wire and barbless wire strand which are allegedly sold at LTFV.

The statute directs the Commission to make its determination within 45 days of the receipt of a petition or, in these cases, by January 3, 1985. Notice of the institution of the Commission's investigations was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 28, 1984 (49 FR 46816). 3/ The Commission held a public conference in Washington, DC, on December 12, 1984, at which all interested parties were allowed to present information and data for consideration by the Commission. 4/ The Commission voted on these investigations in an open "Government in the Sunshine" meeting held on January 2, 1985.

Previous Investigations

Barbed wire and barbless wire strand have not been the subject of previous antidumping or countervailing duty investigations, but they were among the products included in the Commission's recent investigation No. TA-201-51, Carbon and Certain Alloy Steel Products. 5/ On the basis of information developed in that investigation, the Commission, on July 24, 1984, notified the President of its determination that certain products (including wire and wire products) were being imported into the United States in such

1/ Barbed wire and barbless wire strand are provided for in items 642.02 and 642.11, respectively, of the Tariff Schedules of the United States (TSUS). The barbless wire strand included in these investigations is loosely twisted double wire strand suitable for fencing.

2/ According to the petition, three additional U.S. manufacturers, CF&I Steel Corp., Pueblo, CO, Davis Walker Corp., Los Angeles, CA, and Oklahoma Steel Wire Co., Inc., Madill, OK, are in support of the petition.

3/ A copy of the Commission's Federal Register notice is presented in app. A.

4/ A list of witnesses who appeared at the public conference is presented in app. B.

5/ Carbon and Certain Alloy Steel Products, Report to The President on Investigation No. TA-201-51 . . ., USITC Publication 1553, July 1984.

increased quantities as to be a substantial cause of serious injury to the domestic industries producing articles like or directly competitive with the imported articles. 1/ On September 18, 1984, the President announced his determination that import relief would not be provided to the industry, as it was not in the national economic interest.

Nature and Extent of the Alleged LTFV Sales

The petition alleges that the LTFV margins are 58.4 percent for imports from Argentina, 55.4 percent for imports from Brazil, and 29.5 percent for imports from Poland. 2/ To support the allegations of LTFV sales, the petitioner arrived at the United States prices by using the prices at which the barbed wire from Argentina, Brazil, and Poland is offered for sale in the United States, adjusted to reflect the cost of importing the merchandise from each of the subject countries. 3/ To arrive at the foreign market value of barbed wire from Argentina and Brazil, the petitioner used U.S. producers' costs of production adjusted for differences in the costs of production in Argentina and Brazil. 4/ Because Poland has a state-controlled economy, the foreign-market value is determined by the price at which such or similar merchandise is sold in a non-state-controlled economy for home-market consumption (or for export, if the home market is too small). 5/ No information was available to the petitioner on home-market-economy surrogates; therefore, for Poland, the foreign-market value was determined from the average entered price of the barbed wire imported into the United States in 1983, excluding imports from Poland, the Peoples' Republic of China, Austria, and Taiwan. 6/

The Products

Description and uses

Barbed wire and barbless wire strand are galvanized steel products produced from low- and medium-carbon steel wire rod. The wire rod is drawn into wire through dies, thereby increasing the strength and ductility of the wire while diminishing its cross-sectional area. The drawn wire is then passed through a molten-zinc bath where a corrosion-resistant zinc coating is

1/ Chairwoman Stern and Vice Chairman Liebler dissented in the voting with respect to wire and wire products (this product group included barbed wire and barbless wire strand).

2/ Annexes to the petition were received by the Commission from counsel for the petitioner on Dec. 5, 1984. The petition further alleges that critical circumstances exist because (a) importers of barbed wire from Argentina, Brazil, and Poland knew, or should have known, that the exporters were selling the merchandise at LTFV, given the margin between foreign market values and the U.S. price, and (b) there have been massive imports over a relatively short period from each of the countries involved.

3/ Petition, pp. 10, 14, and 18.

4/ Petition, pp. 12, 13, and 17.

5/ Tariff Act of 1930, section 773(c).

6/ Petition, pp. 20-23.

applied. Two strands of the wire are then fed into a machine that twists them evenly under tension. When producing barbed wire (which accounts for about 98 percent of aggregate U.S. production of barbed wire and barbless wire strand), a third wire—and a fourth, in the case of four-point barbed wire—is fed into the machine, wrapped around the two twisted wires, and cut to form the barbs. The barbs are commonly spaced at intervals of 4 or 5 inches. The machinery for manufacturing barbed wire has changed little in recent years and is generally the same worldwide. The wire, which ranges in size from 12.5- to 18-gauge material, is then coiled into reels and wrapped in a protective cover for shipment.

The American Society for Testing of Materials identifies two major categories of barbed wire—low tensile (also known as "Iowa" or standard) and high tensile (or "Gaucha"). Both are rated for 950 pounds of minimum breaking strength. Low tensile wire is the traditional barbed wire used in the United States, and it accounts for an estimated 70 percent of domestic production. ^{1/} Its major advantage, compared with high tensile wire, is its greater ease of installation. Low tensile barbed wire is chiefly 12.5 gauge (0.099 inch in diameter), four-point material. It is generally sold in 80-pound, 1,320-foot reels (also known as rolls or spools).

High tensile barbed wire, which was introduced in the United States in 1966, currently accounts for an estimated 30 percent of domestic production. ^{2/} The major advantages of high tensile wire are its lighter weight (which can result in lower cost per linear foot installed) and its longer expected life (20 years, compared with 10 to 15 years for low tensile wire). The longer life expectancy of the high tensile wire is due to its heavier zinc coating and its greater resistance to sagging. High-tensile barbed wire is chiefly 15.5 gauge (0.067 inch in diameter), four-point material. It is generally sold in 43.5-pound, 1,320-foot reels.

Barbed wire is used for fencing in agricultural applications (about 90 percent of consumption) and in a variety of industrial-security applications (about 5 percent of consumption). The Federal Government also purchases barbed wire for security applications through the Federal Supply and Services Branch of the General Services Administration and through the Defense Industrial Supply Center (about 5 percent of consumption).

Twisted barbless wire strand is usually used when barbed wire would cause harm to certain livestock, such as show horses.

U.S. tariff treatment

Imports of barbed wire are classified under item 642.02 of the TSUS. Such imports are free of duty regardless of origin. Imports of the barbless wire strand subject to these investigations are classified under item 642.1105 of the Tariff Schedules of the United States Annotated. This item provides for iron or steel wire strand of loosely twisted double wire, suitable for

^{1/} Low tensile barbed wire has a tensile strength of 61,700 pounds per square inch (PSI).

^{2/} High tensile barbed wire has a tensile strength of 135,000 PSI.

fencing, not fitted with fittings, not made up into articles, and not covered with nonmetallic material. The column 1 rate of duty under TSUS item 642.11 is 5.9 percent ad valorem, the column 2 rate of duty for products of Communist countries (enumerated in general headnote 3(f)) is 35 percent ad valorem, and the least developed developing country rate of duty is 4.9 percent ad valorem. The column 1 rate of duty under TSUS item 642.11 is scheduled for staged reductions through 1987, when it will reach the final rate of 4.9 percent ad valorem. Imports under item 642.11 are not eligible for benefits under the Generalized System of Preferences, but products of designated beneficiary countries may be entered free of duty under the Caribbean Basin Initiative.

U.S. Producers

In 1983, 11 firms produced barbed wire and/or barbless wire strand in 12 plants in the United States. The names of the U.S. producers, the locations of their production facilities, and their production in 1983 are shown in the following tabulation (in short tons): 1/

<u>Firm and plant location</u>	<u>Production in 1983</u>
Armco, Inc. <u>1/</u> Middletown, OH_____	***
Atlantic Steel Co. <u>2/</u> Atlanta, GA_____	***
Bekaert Steel and Wire Co. Van Buren, AR_____	***
CF&I Steel Corp. <u>3/</u> Pueblo, Co_____	***
Continental Steel Corp. <u>4/</u> Kokomo, IN_____	***
Davis Walker Corp. <u>3/</u> Los Angeles, CA_____	***
Forbes Steel & Wire Corp. <u>3/</u> Canonsburg, PA, and Wilmington, DE_____	***
Keystone Consolidated Ind. Inc. Peoria, IL <u>4/</u> _____	***
Nagle Wire Corp. of Colorado Rocky Ford, CO_____	***
Northwestern Steel & Wire Co. Sterling, IL <u>4/</u> _____	***
Oklahoma Steel Wire Co., Inc. <u>3/</u> Madill, OK_____	***
Total_____	70,151

1/ Ceased production of barbed wire and barbless wire strand in May 1983.

2/ Ceased production of barbed wire and barbless wire strand in July 1984.

3/ In support of the petition.

4/ Data obtained by questionnaire in investigation No. TA-201-51.

1/ Unless otherwise noted, the term "ton" refers to a short ton (2,000 pounds).

U.S. Importers

Data were obtained by the Commission from six firms that imported barbed wire and barbless wire strand. One of these firms imported the subject merchandise from Argentina, three firms imported from Brazil, and two firms imported from Poland. In 1983, the responding firms accounted for about *** percent of U.S. imports of barbed wire and barbless wire strand from Argentina, *** percent of imports from Brazil, and *** percent of imports from Poland.

The U.S. Market

Channels of distribution

Both U.S. manufacturers and importers sell most of their barbed wire and barbless wire strand to wholesalers/distributors, as shown in the following tabulation (data are for 1983):

<u>Channel of distribution</u>	<u>Percent of total sales by—</u>	
	<u>Producers</u>	<u>Importers</u>
Wholesalers/distributors_____	64	70
Farm cooperatives_____	31	6
Other <u>1/</u> _____	<u>5</u>	<u>24</u>
Total_____	100	100

1/ Includes sales to lumber chain stores, farm supply stores (other than cooperatives), and the Federal Government.

Apparent consumption

Apparent U.S. consumption of barbed wire and barbless wire strand declined from 135,000 tons in 1981 to 86,000 tons in 1982, or by 36 percent. 1/ Consumption increased in 1983 to an estimated 130,000 tons, up 51 percent from consumption in 1982 but 4 percent below consumption in 1981. Estimated consumption in January–September 1984 was 71,000 tons, 34 percent below the estimated consumption of 108,000 tons in January–September 1983 (table 1). According to industry sources, factors contributing to the substantial decline in consumption since 1981 include the general economic recession in 1982 and greatly reduced activity in the oil and gas industries in the Gulf States. About 75 percent of the barbed wire produced each year is consumed in the region of the United States between the Mississippi River and the Rocky Mountains. 2/

1/ During the period for which the Commission requested data, barbed wire accounted for about 98 percent of U.S. production and imports of barbed wire and barbless wire strand. Because of the low volume of barbless wire strand produced, most firms could not provide separate data for their operations on this product.

2/ Summary of Trade and Tariff Information on certain metal products, USITC publication 841, May 1983, p. 14.

Table 1.—Barbed wire and barbless wire strand: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1981-83, January-September 1983, and January-September 1984

Period	Pro- ducers' ship- ments	Imports	Exports	Apparent con- sumption	Ratio to consumption	
					Pro- ducers' shipments:	Imports
					<u>Percent</u>	
1981	110,539	27,258	2,552	135,245	79.8	20.2
1982	71,024	18,465	3,399	86,090	78.6	21.4
1983	<u>1/</u> 102,518	29,272	1,599	<u>1/</u> 130,191	<u>1/</u> 77.5	<u>1/</u> 22.5
January- September—						
1983	<u>1/</u> 85,233	24,135	1,322	<u>1/</u> 108,046	<u>1/</u> 77.7	<u>1/</u> 22.3
1984	<u>1/</u> 48,435	23,847	1,086	<u>1/</u> 71,196	<u>1/</u> 66.5	<u>1/</u> 33.5

1/ Estimated by the staff of the U.S. International Trade Commission.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Consideration of Alleged Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of barbed wire and barbless wire strand declined overall between 1981 and 1983, and that trend continued through January-October 1984. U.S. production declined from 85,065 tons in 1981 to 62,972 tons in 1982, or by 26 percent. Production increased by 11 percent in 1983 to 70,150 tons, but it was still 18 percent below production in 1981. Data submitted by responding firms show a decline in production of 37 percent in January-October 1984, compared with production in January-October 1983 (table 2). The closing of the Armco plant in May 1983 and the cessation of production by Atlantic in July 1984 contributed significantly to the decline in production reported for January-October 1984, but each of the other producers for which data are available also produced less in January-October 1984 than in the corresponding period of 1983.

Production capacity is not available for Armco, but total capacity of the other producers increased annually from 112,932 tons in 1981 to 121,858 tons in 1983, an increase of 8 percent. Firms that supplied data for January-October 1984 reported an increase in capacity of 9 percent from their capacity in January-October 1983. * * *. 1/

1/ * * *.

Table 2.—Barbed wire and barbless wire strand: U.S. production, production capacity, and capacity utilization, by firms, 1981-83, January-October 1983, and January-October 1984

Firm	1981	1982	1983	January-October—	
				1983	1984
Production (tons)					
Armco 1/	***	***	***	***	***
Atlantic 2/	***	***	***	***	***
Bekaert	***	***	***	***	***
CF&I	***	***	***	***	***
Continental	***	***	***	***	***
Davis Walker	***	***	***	***	***
Forbes	***	***	***	***	***
Keystone	***	***	***	***	***
Nagle	***	***	***	***	***
Northwestern	***	***	***	***	***
Oklahoma Steel	***	***	***	***	***
Total	85,065	62,972	70,150	37,048	23,339
Capacity (tons)					
Armco 1/	***	***	***	***	***
Atlantic 2/	***	***	***	***	***
Bekaert	***	***	***	***	***
CF&I	***	***	***	***	***
Continental	***	***	***	***	***
Davis Walker	***	***	***	***	***
Forbes	***	***	***	***	***
Keystone	***	***	***	***	***
Nagle	***	***	***	***	***
Northwestern	***	***	***	***	***
Oklahoma Steel	***	***	***	***	***
Total	112,932	116,023	121,858	62,349	68,185

See footnotes at end of table.

Table 2.—Barbed wire and barbless wire strand: U.S. production, production, capacity, and capacity utilization, by firms, 1981-83, January-October 1983, and January-October 1984—Continued

Firm	1981	1982	1983	January-October—	
				1983	1984
Capacity utilization (percent)					
Armco <u>1/</u>	***	***	***	***	***
Atlantic <u>2/</u>	***	***	***	***	***
Bekaert	***	***	***	***	***
CF&I	***	***	***	***	***
Continental	***	***	***	***	***
Davis Walker	***	***	***	***	***
Forbes	***	***	***	***	***
Keystone	***	***	***	***	***
Nagle	***	***	***	***	***
Northwestern	***	***	***	***	***
Oklahoma Steel	***	***	***	***	***
Average <u>4/</u>	56.9	41.0	52.9	50.3	34.2

^{1/} Ceased operations in May 1983.

^{2/} Atlantic ceased production in July 1984.

^{3/} Not available.

^{4/} Excludes Armco.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Capacity utilization by the producers of barbed wire and barbless wire strand measured 57 percent in 1981 and then fell to 41 percent in 1982 and 53 percent in 1983. Capacity utilization by each of the responding producers was lower in January-October 1984 than in January-October 1983.

U.S. producers' shipments

Domestic shipments of barbed wire and barbless wire strand by U.S. producers declined irregularly during 1981-83 and, although complete data are not available for January-October 1983 and January-October 1984, all firms that supplied data reported substantially lower sales in the 1984 period than in the 1983 period. Shipments by the responding U.S. producers declined from 85,204 tons in 1981 to 67,902 tons in 1982, or by 20 percent. Shipments in 1983 increased by about 3 percent to 69,639 tons, but they remained 18 percent below shipments in 1981. The incomplete partial year data show a 35-percent decline in shipments in January-October 1984 from shipments in January-October 1983, although some of the decline can be attributed to the closing of the Armco plant in May 1983 and the halting of production by Atlantic in July 1984 (table 3).

Table 3.—Barbed wire and barbless wire strand: Domestic shipments by U.S. producers, by firms, 1981-83, January-October 1983, and January-October 1984

Firm	1981	1982	1983	January-October—	
				1983	1984
Quantity (tons)					
Armco 1/—	***	***	***	***	***
Atlantic 2/—	***	***	***	***	***
Bekaert—	***	***	***	***	***
CF&I—	***	***	***	***	***
Continental—	***	***	***	***	***
Davis Walker—	***	***	***	***	***
Forbes—	***	***	***	***	***
Keystone—	***	***	***	***	***
Nagle—	***	***	***	***	***
Northwestern—	***	***	***	***	***
Oklahoma Steel—	***	***	***	***	***
Total—	85,204	67,902	69,639	37,925	24,697
Value (1,000 dollars)					
Armco 1/—	***	***	***	***	***
Atlantic 2/—	***	***	***	***	***
Bekaert—	***	***	***	***	***
CF&I—	***	***	***	***	***
Continental—	***	***	***	***	***
Davis Walker—	***	***	***	***	***
Forbes—	***	***	***	***	***
Keystone—	***	***	***	***	***
Nagle—	***	***	***	***	***
Northwestern—	***	***	***	***	***
Oklahoma Steel—	***	***	***	***	***
Total—	58,920	47,305	48,667	27,212	17,884

See footnotes at end of table.

Table 3.—Barbed wire and barbless wire strand: Domestic shipments by U.S. producers, by firms, 1981-83, January-October 1983, and January-October 1984—Continued

Firm	1981	1982	1983	January-October—	
				1983	1984
	Unit value (per ton)				
Armco <u>1/</u>	***	***	***	***	***
Atlantic <u>2/</u>	***	***	***	***	***
Bekaert	***	***	***	***	***
CF&I	***	***	***	***	***
Continental	***	***	***	***	***
Davis Walker	***	***	***	***	***
Forbes	***	***	***	***	***
Keystone	***	***	***	***	***
Nagle	***	***	***	***	***
Northwestern	***	***	***	***	***
Oklahoma Steel	***	***	***	***	***
Average	692	697	699	718	724

^{1/} Armco ceased barbed wire production in May 1983.

^{2/} Atlantic ceased production in July 1984.

^{3/} Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. exports

U.S. exports of barbed wire and barbless wire strand, which are not reported separately in official statistics by the U.S. Department of Commerce, declined irregularly from 2,552 tons in 1981 to 1,599 tons in 1983, or by 37 percent. Exports continued to decline in January-September 1984, dropping 18 percent from exports in January-September 1983. Exports represented an annual average of less than 5 percent of U.S. producers' shipments during the 1981-83 period. Principal markets for U.S. exports during the period included Saudi Arabia, the United Kingdom, and Singapore (table 4).

Table 4.—Barbed wire and barbless wire strand: U.S. exports ^{1/} of domestic merchandise, by principal markets, 1981-83, January-September 1983, and January-September 1984

Market	1981	1982	1983	Jan.-Sept.—	
				1983	1984
Quantity (tons)					
Saudi Arabia	194	751	348	283	272
United Kingdom	122	104	417	389	128
Singapore	630	480	102	89	184
Republic of South Africa	224	65	53	40	13
Australia	4	27	13	2	10
Cayman Islands	89	113	103	86	28
West Germany	93	83	70	46	29
Canada	352	111	87	83	94
Mexico	249	202	57	53	46
All others	592	1,463	349	251	282
Total	2,552	3,399	1,599	1,322	1,086
Value (1,000 dollars)					
Saudi Arabia	292	617	2,095	1,582	654
United Kingdom	577	290	1,154	1,047	155
Singapore	3,376	3,018	610	582	641
Republic of South Africa	956	248	244	188	67
Australia	32	105	166	36	85
Cayman Islands	55	114	88	70	22
West Germany	128	95	86	58	36
Canada	275	132	86	82	51
Mexico	287	167	49	45	23
All others	1,829	2,395	715	529	1,444
Total	7,807	7,181	5,293	4,219	3,257
Unit value (per ton)					
Saudi Arabia	\$1,509	\$821	\$6,022	\$5,595	\$2,554
United Kingdom	4,738	2,791	2,765	2,694	1,203
Singapore	5,361	6,289	5,997	6,528	3,477
Republic of South Africa	4,274	3,812	4,586	4,662	5,133
Australia	8,345	3,937	12,444	15,414	8,561
Cayman Islands	617	1,013	855	810	802
West Germany	1,379	1,155	1,228	1,266	1,227
Canada	781	1,191	984	990	961
Mexico	1,150	824	850	842	497
All others	3,068	1,636	2,055	2,116	5,130
Average	3,059	2,112	3,309	3,192	2,997

^{1/} Schedule B No. 642.0300.

Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. producers' inventories

U.S. producers' yearend inventories of barbed wire and barbless wire strand declined by one-third from 9,676 tons in 1981 to 6,500 tons in 1982. Inventories then increased in 1983 to 8,879 tons, up 37 percent from those in 1982 but 8 percent lower than the yearend 1981 inventory level. Firms that supplied partial-year data reported a decline of 21 percent in inventories from October 31, 1983, to October 31, 1984 (table 5). As a share of their shipments, producers' yearend inventories averaged 11.4 percent in 1981, 9.6 percent in 1982, and 12.8 percent in 1983.

Table 5.—Barbed wire and barbless wire strand: U.S. producers' inventories of domestically produced merchandise, by firms, as of December 31, 1981–83, and October 31, 1983–84

Firm	(In tons)				
	December 31—			October 31—	
	1981	1982	1983	1983	1984
Armco ^{1/} _____	***	***	***	***	***
Atlantic ^{2/} _____	***	***	***	***	***
Bekaert_____	***	***	***	***	***
CF&I_____	***	***	***	***	***
Continental_____	***	***	***	***	***
Davis Walker_____	***	***	***	***	***
Forbes_____	***	***	***	***	***
Keystone_____	***	***	***	***	***
Nagle_____	***	***	***	***	***
Northwestern_____	***	***	***	***	***
Oklahoma Steel_____	***	***	***	***	***
Total_____	9,676	6,500	8,879	2,957	2,344

^{1/} Armco ceased production in May 1983.

^{2/} Atlantic ceased production in July 1984.

^{3/} Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Employment and wages

Data on employment and wages were obtained from six of the U.S. producers of barbed wire and barbless wire strand. The number of production workers employed at the reporting establishments dropped annually from 151 in 1981 to 119 in 1983, a decline of 32 employees or 21 percent. Employment continued to

decline in January–October 1984, dropping 25 percent from employment in January–October 1983 (table 6). ^{1/}

Table 6.—Barbed wire and barbless wire strand: Average number of production and related workers ^{1/} and hours worked by and wages and total compensation paid to such employees, 1981–83, January–October 1983, and January–October 1984

Period	: Production:		:	: Total	
	: and :		:	: compensa-	
	: related :		:	: tion :	
	: workers :		:	: paid :	
		1,000		1,000	1,000
		hours		dollars	dollars
1981	151	270	3,436	4,523	
1982	129	240	2,816	3,894	
1983	119	231	2,558	3,562	
January–October—					
1983	119	201	2,243	3,134	
1984	89	150	1,698	2,334	

^{1/} Data are for 6 firms

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Total hours worked by production workers declined annually from 270,000 in 1981 to 231,000 hours in 1983, or by 14 percent. The hours worked by production workers in January–October 1984 declined by 25 percent from those worked in January–October 1983. Annual hours worked by production workers increased from 1,788 in 1981 to 1,860 in 1982 and 1,941 in 1983.

Total wages paid to production and related workers declined annually from \$3.4 million in 1981 to \$2.6 million in 1983, or by 26 percent. Total wages paid by the reporting establishments continued to decline in January–October 1984, dropping 24 percent from the wages paid in January–October 1983. Average hourly wages paid to production workers also declined during the period—from \$12.73 per hour in 1981 to \$11.07 per hour in 1983, a decline of 13 percent.

Total compensation paid by U.S. producers declined from \$4.5 million in 1981 to \$3.6 million in 1983 or by 21 percent. Average hourly total compensation paid to production workers dropped by 8 percent from 1981 to 1983, or from \$16.75 per hour to \$15.42 per hour. Workers at all the responding firms, except one (* * *), are represented by unions.

^{1/} As stated earlier, Armco ceased production in May 1983 and Atlantic ceased production in July 1984. Those two firms employed a total of *** production workers in 1981, *** workers in 1982, and *** workers in 1983.

Financial experience of U.S. producers

Four firms, accounting for *** percent of reported U.S. production of barbed wire in 1983, furnished usable income-and-loss data concerning both their overall establishment operations and their operations on barbed wire alone. 1/

Overall establishment operations.—Net sales of all products produced in the establishments within which barbed wire is produced declined annually from *** to ***, or by *** percent, during 1981-83 (table 7). Such sales rose *** percent to *** during the interim period that ended on October 31, 1984, compared with net sales of *** in the corresponding period of 1983. The four reporting firms earned an operating income of ***, or *** percent of net sales, in 1981 but then sustained operating losses of ***, or *** percent of net sales, and ***, or *** percent of net sales, in 1982 and 1983, respectively. The four firms earned an operating income of ***, or *** percent of net sales, during the interim period that ended October 31, 1984, compared with an operating loss of ***, or *** percent of net sales, for the corresponding period of 1983.

Barbed wire.—Net sales of barbed wire declined annually from *** to ***, or by *** percent, during 1981-83 (table 8). Net sales of barbed wire continued to decline during interim 1984, dropping to ***, compared with net sales of *** in the corresponding period of 1983. The four firms sustained aggregate operating losses and net losses in each of the reporting periods. During 1981-83, the operating losses ranged from ***, or *** percent of net sales, in 1981 to ***, or *** percent of net sales, in 1982. The four firms sustained an aggregate operating loss of ***, or *** percent of net sales, during the interim period of 1984, compared with an operating loss of ***, or *** percent of net sales, for the corresponding period of 1983. Three firms sustained operating and net losses in 1981 and 1983, and two firms sustained such losses in 1982 and 1984. 2/

The income-and-loss experience of U.S. producers, stated in terms of average per ton selling prices, production costs, and general, selling, and administrative (GSA) expenses, is shown in the following tabulation (in dollars per ton):

Period	Average selling price	Average cost to produce	Average GSA expenses	Average operating loss
1981_____	***	***	***	***
1982_____	***	***	***	***
1983_____	***	***	***	***
Interim 1983_____	***	***	***	***
Interim 1984_____	***	***	***	***

1/ * * *.

2/ * * *.

Table 7.—Income-and-loss experience of 4 U.S. firms on the overall operations of their establishments within which barbed wire is produced, 1981-83, interim 1983, and interim 1984 1/

Item	1981	1982	1983	Interim period ended October 31—	
				1983	1984
Net sales——1,000 dollars—	***	***	***	***	***
Cost of goods sold——do——	***	***	***	***	***
Gross income or (loss)—do——	***	***	***	***	***
General, selling, and admin- istrative expenses					
1,000 dollars—	***	***	***	***	***
Operating income or (loss)					
1,000 dollars—	***	***	***	***	***
Other income (or expense), net——1,000 dollars—	***	***	***	***	***
Net income or (loss)					
before income taxes—do——	***	***	***	***	***
Depreciation and amortization——do——	***	***	***	***	***
Cash flow from operations					
1,000 dollars—	***	***	***	***	***
Ratio to net sales:					
Gross income or (loss)					
percent——	***	***	***	***	***
Operating income					
or (loss)——do——	***	***	***	***	***
Net income or (loss)					
before income taxes					
do——	***	***	***	***	***
Cost of goods sold——do——	***	***	***	***	***
General, selling, and administrative expenses					
percent——	***	***	***	***	***
Number of firms reporting—					
Operating losses——	2	3	3	2	1
Net losses——	2	3	3	2	1

1/ Interim data are for 3 firms.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 8.—Income-and-loss experience of 4 U.S. firms on their operations producing barbed wire, 1981-83, interim 1983, and interim 1984 ^{1/}

Item	1981	1982	1983	Interim period ended October 31—	
				1983	1984
Net sales:					
Value—1,000 dollars—	***	***	***	***	***
Quantity—short tons—	***	***	***	***	***
Cost of goods sold					
1,000 dollars—	***	***	***	***	***
Gross income or (loss)—do—	***	***	***	***	***
General, selling, and administrative expenses					
1,000 dollars—	***	***	***	***	***
Operating loss—do—	***	***	***	***	***
Other income or (expense) net—do—	***	***	***	***	***
Net loss before income taxes—do—	***	***	***	***	***
Depreciation and amorti- zation expense—do—	***	***	***	***	***
Cash flow from operations—do—	***	***	***	***	***
Ratio to net sales:					
Gross income or (loss) percent—	***	***	***	***	***
Operating loss—do—	***	***	***	***	***
Net loss before income taxes—do—	***	***	***	***	***
Cost of goods sold—do—	***	***	***	***	***
General, selling, and administrative expenses percent—	***	***	***	***	***
Number of firms reporting—					
Operating losses—	3	2	3	3	2
Net losses—	3	2	3	3	2

^{1/} * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Capital expenditures.—Capital expenditures of four firms for machinery, equipment, and fixtures used in the production of barbed wire are shown in table 9. Such expenditures rose from *** in 1981 to *** in 1982, fell to *** in 1983, and then rose again to *** during interim 1984.

Table 9.—U.S. producers' capital expenditures and fixed assets employed in their establishments within which barbed wire is produced, 1981–83, January–October 1983, and January–October 1984 1/

(In thousands of dollars)					
Item	1981	1982	1983	Interim period ending October 31—	
				1983	1984
Capital expenditures—					
All products of the establishments:					
Land and land improvements—	***	***	***	***	***
Building or leasehold improvements—	***	***	***	***	***
Machinery, equipment, and fixtures—	***	***	***	***	***
Total—	***	***	***	***	***
Barbed wire:					
Land and land improvements—	***	***	***	***	***
Building or leasehold improvements—	***	***	***	***	***
Machinery, equipment, and fixtures—	***	***	***	***	***
Total—	***	***	***	***	***
Fixed assets <u>2/</u> employed in the production of—					
All products of the establishments:					
Original cost—	***	***	***	***	***
Book value—	***	***	***	***	***
Barbed wire:					
Original cost—	***	***	***	***	***
Book value—	***	***	***	***	***

1/ The capital expenditure data are for 4 firms and the fixed asset data are for 2 firms.

2/ As of the end of the period.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Investment in productive facilities.—Two firms supplied data concerning their investment in facilities used to produce barbed wire. As shown in table 9, their aggregate investment in such facilities, valued at cost, rose annually from *** at yearend 1981 to *** as of October 31, 1984. The book value of such facilities followed the same trend, rising from *** to *** during the reporting period.

Capital and investment.—U.S. producers were asked to describe any actual or potential negative effects of imports of barbed wire and barbless wire strand from Argentina, Brazil, and Poland on their firm's growth, investment, and ability to raise capital. Excerpts from their replies are shown below:

Atlantic: "* * *."

Bekaert: "* * *."

CF&I: "* * *."

Forbes: "* * *."

Consideration of Alleged Threat of Material Injury to an Industry in the United States

In its examination of the question of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase in alleged LTFV imports, the rate of increase in U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in the countries subject to the investigations to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of barbed wire and barbless wire strand and of the U.S. market penetration of such imports is presented in the section of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Alleged LTFV Imports." Discussions of the available information concerning importers' inventories of such merchandise and the capacity of producers in Argentina, Brazil, and Poland to generate exports follow.

U.S. importers' inventories

Only one of the responding importers maintained inventories of barbed wire and barbless wire strand. * * *.

Foreign producers and their capacity to generate exports

The Commission requested the U.S. Department of State to obtain from Argentina, Brazil, and Poland data on production, exports, and capacity to produce the barbed wire and barbless wire strand that is the subject of these investigations. 1/ No data have yet been received pertaining to operations in

1/ Similar requests were made of counsel for the foreign producers.

Poland. The following information was obtained on operations in Argentina and Brazil.

Argentina.—Argentina's 1/ production of barbed wire and barbless wire strand more than doubled from *** tons in 1981 to *** tons in 1983. As shown in table 10, Argentina operated at less than *** percent of its capacity throughout the period. Shipments for the domestic market accounted for the great bulk of Argentina's output during 1981 and 1982, but in 1983 about *** percent of its production was exported. Exports to the United States, by far the largest export market for Argentina's output of barbed wire and

Table 10.—Barbed wire and barbless wire strand: Argentina's production, capacity, capacity utilization, domestic shipments, and exports, 1981-83, January-October 1983, and January-October 1984

Item	1981	1982	1983	January-October—	
				1983	1984
Production————short tons—	***	***	***	<u>1/</u>	<u>1/</u>
Capacity————do—	***	***	***	***	***
Capacity utilization					
percent—	***	***	***	<u>1/</u>	<u>1/</u>
Domestic shipments					
short tons—	***	***	***	<u>1/</u>	<u>1/</u>
Exports to—					
United States————do—	***	***	***	***	***
All other countries——do—	***	***	***	***	***
Total————do—	***	***	***	***	***
Ratio to production:					
Domestic shipments					
percent—	***	***	***	<u>1/</u>	<u>1/</u>
Total exports————do—	***	***	***	<u>1/</u>	<u>1/</u>
Ratio of exports to the					
United States to total					
exports————percent—	***	***	***	***	***

1/ Not available.

Source: Compiled from data obtained by the U.S. Department of State.

1/ The data in this section are for only one producer in Argentina—Acindar Industria Argentina (Acindar). The U.S. Embassy in Buenos Aires reported that "Acindar was the sole exporter of these products for the period reported, and almost the sole domestic supplier. Therefore, the figures reported can safely be taken as totals for Argentina."

barbless wire strand, declined from *** tons in 1981 to *** tons in 1982 but then jumped to *** tons in 1983. 1/ Exports to the United States in January-October were about *** percent less than those in the corresponding period of 1983.

The Department of State reported that Argentina's production of barbed wire and barbless wire strand in 1985 is projected at *** tons. Other projections for that year are: domestic shipments—*** tons; total exports—*** tons; and exports to the United States—*** tons. No new capacity is projected to come on stream by that time.

Brazil.—The Department of State reported that nine companies manufacture barbed wire and barbless wire strand in Brazil. They are:

Companhia Siderurgica Belgo-Mineira;
Companhia Siderurgica Pains;
Siderurgica Riograndense, S.A. (Grupo Gerdau);
Siderurgica Aconorte, S.A. (Grupo Gerdau);
Companhia Siderurgica da Guanabara (Cosigua) (Grupo Gerdau);
Siderurgica Mendes Junior, S.A. (recently began production);
Siderurgica Barra Mansa, S.A.;
Siderurgica FI-EL, S.A.; and
Siderurgica Nossa Senhora de Aparecida, S.A.

Production and capacity data on barbed wire and barbless wire strand operations in Brazil were not available for all of the producers. Brazil's aggregate exports of such merchandise from 1981 to 1984 were as follows (in short tons): 2/

<u>Exports to—</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984 ^{1/}</u>
United States—	1,321	2,367	5,109	6,358
All other countries—	<u>1,898</u>	<u>678</u>	<u>929</u>	<u>2,181</u>
Total—	3,219	3,045	6,038	8,539

1/ Estimated.

The U.S. Embassy in Rio de Janeiro reports that the entire Brazilian iron and steel industry will remain export oriented. The degree of emphasis on export promotion will depend upon the rate of growth of the domestic market.

Companhia Siderurgica Belgo-Mineira and the Grupo Gerdau accounted for virtually all of the exports to the United States, according to counsel for Grupo Gerdau. Combined data for the two firms are presented in the following tabulation:

1/ In comparison, Acindar's reported exports to the United States during 1973-80 ranged from *** tons in 1975 to *** tons in 1973; they averaged *** tons per year during that period.

2/ Compiled from data obtained by the U.S. Department of State.

Item	1981	1982	1983	January-October—	
				1983	1984
Production—short tons—	***	***	***	***	***
Capacity—do—	1/	***	***	***	***
Capacity utilization					
percent—	1/	***	***	***	***
Exports to the United States—short tons—	***	***	***	***	***

1/ Not available.

Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Alleged LTFV Imports

U.S. imports

In the aggregate, U.S. imports of barbed wire and barbless wire strand increased irregularly from 27,258 tons in 1981 to 29,272 tons in 1983, or by 7 percent (table 11). Imports declined to 23,847 tons, or by 1 percent, in January–September 1984 from the 24,135 tons entered in January–September 1983. Barbed wire accounted for more than 98 percent of the total imports during the period for which the Commission requested data in these investigations.

Barbed wire.—U.S. imports of barbed wire declined from 1981 to 1982, increased in 1983, and declined in January–September 1984. Such imports dropped from 26,941 tons in 1981 to 18,165 tons in 1982, or by 33 percent, before increasing in 1983 to 28,927 tons, 7 percent above the level of imports in 1981. During January–September 1984, imports were down 2 percent from those in January–September 1983 (table 12). On the basis of quantity, the share of total imports of barbed wire supplied by Argentina increased from 3.1 percent in 1981 to 13.0 percent in 1983; imports from Brazil increased from 2.4 percent of total imports in 1981 to 16.9 percent in 1983; and imports from Poland declined from 17.0 percent of total imports in 1981 to 16.1 percent of the total in 1983. 1/

Barbless wire strand.—U.S. imports of barbless wire strand declined from 317 tons in 1981 to 300 tons in 1982, and then increased in 1983 to 345 tons, or by 9 percent from imports in 1981. Imports continued to increase during January–September 1984, reaching 459 tons, more than twice the volume of imports in January–September 1983 (table 13). There were no imports of

1/ In 1983, 27 percent of the barbed wire imported from Argentina entered the United States through the port of New Orleans, 42 percent and 27 percent of the imports from Brazil entered through the ports of New Orleans and Houston, respectively, and 48 percent of the imports from Poland entered through the port of Houston.

Table 11.—Barbed wire and barbless wire strand: U.S. imports for consumption, by types and by specified sources, 1981-83, January-September 1983, and January-September 1984

(In tons)					
Type and source	1981	1982	1983	Jan.-Sept.—	
				1983	1984
Barbed wire:					
Argentina—	837	506	3,771	3,294	3,338
Brazil—	643	2,544	4,883	4,305	5,616
Poland—	4,590	1,009	4,653	3,335	3,138
Subtotal—	6,070	4,059	13,307	10,934	12,092
All others—	20,871	14,106	15,620	12,994	11,296
Total—	26,941	18,165	28,927	23,928	23,388
Barbless wire strand:					
Argentina—	0	0	43	43	51
Brazil—	0	114	21	21	86
Poland—	0	11	11	11	0
Subtotal—	0	125	75	75	137
All others—	317	175	270	132	322
Total—	317	300	345	207	459
Total:					
Argentina—	837	506	3,814	3,337	3,389
Brazil—	643	2,658	4,904	4,326	5,702
Poland—	4,590	1,020	4,664	3,346	3,138
Subtotal—	6,070	4,184	13,382	11,009	12,229
All others—	21,188	14,281	15,890	13,126	11,618
Total—	27,258	18,465	29,272	24,135	23,847

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 12.—Barbed wire: U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Source	1981	1982	1983	Jan.—Sept.—	
				1983	1984
Quantity (tons)					
Mexico	1,721	2,227	4,976	4,357	2,407
Brazil	643	2,544	4,883	4,305	5,616
Poland	4,590	1,009	4,653	3,335	3,138
Republic of Korea	9,329	6,316	4,541	3,633	4,869
Belgium	8,248	3,823	4,210	3,350	3,224
Argentina	837	506	3,771	3,294	3,338
All other	1,573	1,740	1,892	1,655	797
Total	26,941	18,165	28,927	23,928	23,388
Value (1,000 dollars)					
Mexico	947	1,049	2,027	1,783	1,044
Brazil	268	1,173	2,023	1,803	2,215
Poland	2,213	441	1,645	1,194	1,053
Republic of Korea	4,441	2,859	1,906	1,538	1,862
Belgium	5,889	2,495	2,770	2,200	2,042
Argentina	566	294	1,445	1,266	1,321
All other	895	905	985	860	406
Total	15,219	9,216	12,802	10,643	9,942
Unit value (per ton)					
Mexico	\$550	\$471	\$407	\$409	\$434
Brazil	417	461	414	419	394
Poland	482	437	353	358	335
Republic of Korea	476	453	420	423	382
Belgium	714	653	658	657	633
Argentina	676	581	383	385	396
All other	569	520	521	519	510
Average	565	507	443	445	425

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 13.—Barbless wire strand: U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Source	1981	1982	1983	Jan.—Sept.—	
				1983	1984
Quantity (tons)					
Mexico	6	38	139	108	160
Argentina	0	0	43	43	51
Republic of Korea	260	137	36	22	53
Brazil	0	114	21	21	86
Poland	0	11	11	11	0
All other	52	1	95	2	109
Total	317	300	345	207	459
Value (1,000 dollars)					
Mexico	2	21	62	50	67
Argentina	—	—	17	17	18
Republic of Korea	127	68	15	9	10
Brazil	—	46	8	8	31
Poland	—	4	4	4	—
All other	26	3	51	1	77
Total	155	139	157	88	203
Unit value (per ton)					
Mexico	\$427	\$544	\$449	\$458	\$417
Argentina	—	—	385	385	359
Republic of Korea	487	486	412	406	183
Brazil	—	401	366	366	363
Poland	—	342	366	366	—
All other	507	479	537	491	712
Average	489	464	456	423	443

Source: Compiled from official statistics of the U.S. Department of Commerce.

barbless wire strand from Argentina, Brazil, or Poland in 1981, but in 1983 Argentina supplied 12.5 percent of the total imports; Brazil supplied 6.1 percent; and Poland supplied 3.2 percent.

U.S. market penetration by the alleged LTFV imports

The share of the U.S. market for barbed wire and barbless wire strand supplied by aggregate imports from Argentina, Brazil, and Poland increased annually from 4.5 percent in 1981 to 10.3 percent in 1983 and reached 17.2 percent in January–September 1984. Market penetration by imports from Argentina remained at 0.6 percent in 1981 and 1982 and then increased to 2.9 percent in 1983 and 4.8 percent in January–September 1984. Imports from Brazil increased their share of the U.S. market from 0.5 percent in 1981 to 3.8 percent in 1983 and 8.0 percent in January–September 1984. Market penetration by imports from Poland dropped from 3.4 percent in 1981 to 1.2 percent in 1982, and then increased to 3.6 percent in 1983 and 4.4 percent in January–September 1984. (table 14).

Table 14.—Barbed wire and barbless wire strand: Share of U.S. consumption supplied by Argentina, Brazil, Poland, all other countries, and U.S. producers, 1981–83, January–September 1983, and January–September 1984

Item	1981	1982	1983 <u>1/</u>	Jan.—Sept.—	
				1983 <u>1/</u>	1984 <u>1/</u>
U.S. consumption—tons—	135,245	86,090	130,191	108,046	71,196
Share of U.S. consumption supplied by—					
Argentina—percent—	0.6	0.6	2.9	3.1	4.8
Brazil—do—	.5	3.1	3.8	4.0	8.0
Poland—do—	3.4	1.2	3.6	3.1	4.4
Subtotal—do—	4.5	4.9	10.3	10.2	17.2
All other countries—do—	15.7	16.5	12.2	12.1	16.3
Total—do—	20.2	21.4	22.5	22.3	33.5
U.S. producers—do—	79.8	78.6	77.5	77.7	66.5

1/ Estimated by the staff of the U.S. International Trade Commission.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Prices

Prices of barbed wire and barbless wire strand are quoted to end users such as farmers on a per-reel basis. Although price lists are issued by some producers and importers, such prices do not appear to have been strictly adhered to during the period covered by these investigations. Quantity discounts are not generally given to purchasers. U.S. producers and importers

usually quote prices on an f.o.b. factory or port-of-entry basis, with the purchaser paying for shipping. According to trade sources, however, domestic producers freight equalize with the domestic supplier nearest to the specific customer approximately 50 percent of the time. Transportation is usually provided by the purchasers' own trucks or by an independent trucker or firm. Data obtained in these preliminary investigations indicate that transportation costs typically account for about 4 percent of the purchaser's cost of the barbed wire. Barbed wire is often shipped with other, less bulky and lighter wire, such as chicken wire, in order to help defray shipping costs.

Producers and importers were requested to provide the Commission with the weighted-average net f.o.b. prices they received for all sales of each of four representative types of barbed wire and for all sales of barbless wire strand, 1/ by quarters, from January 1982 through September 1984. 2/ Such prices are net of all discounts and allowances, and they exclude freight charges incurred in delivering the merchandise to the customer.

The weighted-average f.o.b. prices reported by domestic producers and importers of barbed wire and barbless wire strand from Argentina, Brazil, and Poland are shown in tables 15-19. In general, the price data reported for each of the five products were similar: U.S. producers' prices remained relatively stable throughout January 1982-September 1984, while importers' prices declined. As a consequence, imports from each of the three countries under investigation undersold the domestically produced products by increasing amounts in each period for which comparisons could be made.

Barbed wire, 12.5 gauge, 2 points.—Prices and margins of underselling of the domestic product by imports from Brazil and Poland (no data were reported for imports from Argentina) for this type of barbed wire are presented in table 15. The weighted-average domestic price per reel ranged from a low of *** in April-June 1984 to a high of *** in April-June 1982. Domestic weighted-average prices per reel were stable, varying by no more than 6 percent. Weighted-average prices for imports declined during the period covered—by *** percent for imports from Brazil and ** percent for imports from Poland.

1/ The products for which price data were collected were the following: (1) 12.5-gauge barbed wire with 2 points and 5-inch spacing; (2) 12.5-gauge barbed wire with 4 points and 5-inch spacing; (3) 15.5-gauge barbed wire with 2 points and 5-inch spacing; (4) 15.5-gauge barbed wire with 4 points and 5-inch spacing; and (5) barbless wire strand.

2/ Prices were requested both on a per-reel basis and a per-ton basis. Representatives of the producer and importer appearing at the Commission's conference stated that prices are reported on a per-ton basis. However, all purchasers contacted by the staff stated that prices are reported on a per-reel basis. Since the end user purchases by the reel, not by the ton, prices are discussed in this section on a per-reel basis. Per-ton prices comparable to the per-reel prices shown in this section are presented in app. C. The data show that on a per-ton basis, 15.5-gauge barbed wire (which is believed to be predominantly high tensile wire) is substantially more expensive than 12.5-gauge barbed wire (predominantly low tensile wire). However, on a per-reel basis, the method of sale to the end user, the price of 15.5-gauge barbed wire is less than the price of 12.5-gauge barbed wire.

Table 15.—Barbed wire (12.5 gauge, 2 point, 5-inch spacing): U.S. producers' and importers' weighted-average net f.o.b. selling prices per reel and margins of underselling by imports, by quarters, January 1982–September 1984

Period	U.S. producers	Argentina	Brazil	Poland
Weighted-average price per reel				
1982:				
January–March	***	<u>1/</u>	***	<u>1/</u>
April–June	***	<u>1/</u>	<u>1/</u>	<u>1/</u>
July–September	***	<u>1/</u>	***	***
October–December	***	<u>1/</u>	***	***
1983:				
January–March	***	<u>1/</u>	***	***
April–June	***	<u>1/</u>	***	***
July–September	***	<u>1/</u>	***	***
October–December	***	<u>1/</u>	<u>1/</u>	***
1984:				
January–March	***	<u>1/</u>	***	***
April–June	***	<u>1/</u>	***	***
July–September	***	<u>1/</u>	***	***
Amount of underselling by imports (per reel)				
1982:				
January–March	—	<u>1/</u>	***	<u>1/</u>
April–June	—	<u>1/</u>	<u>1/</u>	<u>1/</u>
July–September	—	<u>1/</u>	***	***
October–December	—	<u>1/</u>	***	***
1983:				
January–March	—	<u>1/</u>	***	***
April–June	—	<u>1/</u>	***	***
July–September	—	<u>1/</u>	***	***
October–December	—	<u>1/</u>	<u>1/</u>	***
1984:				
January–March	—	<u>1/</u>	***	***
April–June	—	<u>1/</u>	***	***
July–September	—	<u>1/</u>	***	***
Margin of underselling by imports (percent)				
1982:				
January–March	—	<u>1/</u>	***	<u>1/</u>
April–June	—	<u>1/</u>	<u>1/</u>	<u>1/</u>
July–September	—	<u>1/</u>	***	***
October–December	—	<u>1/</u>	***	***
1983:				
January–March	—	<u>1/</u>	***	***
April–June	—	<u>1/</u>	***	***
July–September	—	<u>1/</u>	***	***
October–December	—	<u>1/</u>	<u>1/</u>	***
1984:				
January–March	—	<u>1/</u>	***	***
April–June	—	<u>1/</u>	***	***
July–September	—	<u>1/</u>	***	***

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 16.—Barbed wire (12.5 gauge, 4 point, 5-inch spacing): U.S. producers' and importers' weighted-average net f.o.b. selling prices per reel and margins of underselling by imports, by quarters, January 1982–September 1984

Period	U.S. producers	Argentina	Brazil	Poland
Weighted-average price per reel				
1982:				
January–March	***	<u>1/</u>	***	<u>1/</u>
April–June	***	<u>1/</u>	<u>1/</u>	***
July–September	***	<u>1/</u>	***	***
October–December	***	<u>1/</u>	***	***
1983:				
January–March	***	***	***	***
April–June	***	***	***	***
July–September	***	***	***	***
October–December	***	***	***	***
1984:				
January–March	***	<u>1/</u>	***	***
April–June	***	***	***	***
July–September	***	***	***	***
Amount of underselling by imports (per reel)				
1982:				
January–March	—	<u>1/</u>	***	<u>1/</u>
April–June	—	<u>1/</u>	<u>1/</u>	***
July–September	—	<u>1/</u>	***	***
October–December	—	<u>1/</u>	***	***
1983:				
January–March	—	***	***	***
April–June	—	***	***	***
July–September	—	***	***	***
October–December	—	***	***	***
1984:				
January–March	—	<u>1/</u>	***	***
April–June	—	***	***	***
July–September	—	***	***	***
Margin of underselling by imports (percent)				
1982:				
January–March	—	<u>1/</u>	***	<u>1/</u>
April–June	—	<u>1/</u>	<u>1/</u>	***
July–September	—	<u>1/</u>	***	***
October–December	—	<u>1/</u>	***	***
1983:				
January–March	—	***	***	***
April–June	—	***	***	***
July–September	—	***	***	***
October–December	—	***	***	***
1984:				
January–March	—	<u>1/</u>	***	***
April–June	—	***	***	***
July–September	—	***	***	***

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 17.—Barbed wire (15.5 gauge, 2 point, 5-inch spacing): U.S. producers' and importers' weighted-average net f.o.b. selling prices per reel and margins of underselling by imports, by quarters, January 1982–September 1984

Period	U.S. producers	Argentina	Brazil	Poland
Weighted-average price per reel				
1982:				
January–March	***	1/	1/	1/
April–June	***	1/	1/	1/
July–September	***	1/	1/	1/
October–December	***	1/	1/	1/
1983:				
January–March	***	***	***	1/
April–June	***	***	***	1/
July–September	***	1/	***	1/
October–December	***	1/	***	1/
1984:				
January–March	***	1/	***	1/
April–June	***	1/	***	1/
July–September	***	***	***	1/
Amount of underselling by imports (per reel)				
1982:				
January–March	–	1/	1/	1/
April–June	–	1/	1/	1/
July–September	–	1/	1/	1/
October–December	–	1/	1/	1/
1983:				
January–March	–	***	***	1/
April–June	–	***	***	1/
July–September	–	1/	***	1/
October–December	–	1/	***	1/
1984:				
January–March	–	1/	***	1/
April–June	–	1/	***	1/
July–September	–	***	***	1/
Margin of underselling by imports (percent)				
1982:				
January–March	–	1/	1/	1/
April–June	–	1/	1/	1/
July–September	–	1/	1/	1/
October–December	–	1/	1/	1/
1983:				
January–March	–	***	***	1/
April–June	–	***	***	1/
July–September	–	1/	***	1/
October–December	–	1/	***	1/
1984:				
January–March	–	1/	***	1/
April–June	–	1/	***	1/
July–September	–	***	***	1/

1/ Not available

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 18.—Barbed wire (15.5 gauge, 4 point, 5-inch spacing): U.S. producers' and importers' weighted-average net f.o.b. selling prices per reel and margins of underselling by imports, by quarters, January 1982–September 1984

Period	U.S. producers	Argentina	Brazil	Poland
Weighted-average price per reel				
1982:				
January–March	***	1/	***	1/
April–June	***	1/	***	1/
July–September	***	1/	***	1/
October–December	***	1/	***	1/
1983:				
January–March	***	1/	***	1/
April–June	***	1/	***	1/
July–September	***	***	***	1/
October–December	***	1/	***	***
1984:				
January–March	***	1/	***	***
April–June	***	1/	***	1/
July–September	***	1/	***	***
Amount of underselling by imports (per reel)				
1982:				
January–March	–	1/	***	1/
April–June	–	1/	***	1/
July–September	–	1/	***	1/
October–December	–	1/	***	1/
1983:				
January–March	–	1/	***	1/
April–June	–	1/	***	1/
July–September	–	***	***	1/
October–December	–	1/	***	***
1984:				
January–March	–	1/	***	***
April–June	–	1/	***	1/
July–September	–	1/	***	***
Margin of underselling by imports (percent)				
1982:				
January–March	–	1/	***	1/
April–June	–	1/	***	1/
July–September	–	1/	***	1/
October–December	–	1/	***	1/
1983:				
January–March	–	1/	***	1/
April–June	–	1/	***	1/
July–September	–	***	***	1/
October–December	–	1/	***	***
1984:				
January–March	–	1/	***	***
April–June	–	1/	***	1/
July–September	–	1/	***	***

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 19.—Barbless wire strand: U.S. producers' and importers' weighted-average net f.o.b. selling prices per reel and margins of underselling by imports, by quarters, January 1982–September 1984

Period	U.S. producers	Argentina	Brazil	Poland
Weighted-average price per reel				
1982:				
January–March	***	1/	1/	1/
April–June	***	1/	1/	1/
July–September	***	1/	***	1/
October–December	***	1/	***	***
1983:				
January–March	***	1/	1/	***
April–June	***	1/	1/	1/
July–September	***	1/	***	1/
October–December	***	1/	1/	1/
1984:				
January–March	***	1/	***	1/
April–June	***	1/	***	1/
July–September	***	1/	***	1/
Amount of underselling by imports (per reel)				
1982:				
January–March	—	1/	1/	1/
April–June	—	1/	1/	1/
July–September	—	1/	***	1/
October–December	—	1/	***	***
1983:				
January–March	—	1/	1/	***
April–June	—	1/	1/	1/
July–September	—	1/	***	1/
October–December	—	1/	1/	1/
1984:				
January–March	—	1/	***	1/
April–June	—	1/	***	1/
July–September	—	1/	***	1/
Margin of underselling by imports (percent)				
1982:				
January–March	—	1/	1/	1/
April–June	—	1/	1/	1/
July–September	—	1/	***	1/
October–December	—	1/	***	***
1983:				
January–March	—	1/	1/	***
April–June	—	1/	1/	1/
July–September	—	1/	***	1/
October–December	—	1/	1/	1/
1984:				
January–March	—	1/	***	1/
April–June	—	1/	***	1/
July–September	—	1/	***	1/

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Margins of underselling of U.S.-produced barbed wire by imports from Brazil ranged from 20 to 38 percent, and margins of underselling by imports from Poland ranged from 38 to 54 percent.

Barbed wire, 12.5 gauge, 4 points.—Prices and margins of underselling of the domestic product by imports from Argentina, Brazil, and Poland for this specification of barbed wire are presented in table 16. The weighted-average domestic price per reel ranged from a low of *** in January-March 1984 to a high of *** in July-September 1982. Domestic weighted-average prices per reel were stable, varying by no more than 5 percent. Weighted-average prices for imports declined during the period covered—by *** percent for imports from Argentina; *** percent for imports from Brazil; and *** percent for imports from Poland. Margins of underselling of U.S.-produced barbed wire by imports from Argentina ranged from 71 to 75 percent; margins of underselling by imports from Brazil ranged from 14 to 36 percent; and margins of underselling by imports from Poland ranged from 17 to 45 percent.

Barbed wire, 15.5 gauge, 2 points.—Prices and margins of underselling of the domestic product by imports from Argentina and Brazil (no data were reported for imports from Poland) for this type of barbed wire are presented in table 17. The weighted-average domestic price per reel ranged from a low of *** in July-September 1983 to a high of *** in January-March 1982. After a decline of *** percent in the second quarter of 1982, domestic weighted-average prices per reel were stable. Brazilian weighted-average prices per reel declined by *** percent. Weighted-average prices for imports from Argentina (data were obtained for only three quarters) declined by *** percent. Margins of underselling of U.S.-produced barbed wire by imports from Argentina ranged from 52 to 55 percent and margins of underselling by imports from Brazil ranged from 17 to 22 percent.

Barbed wire, 15.5 gauge, 4 points.—Prices and margins of underselling of the domestic product by imports from Argentina, Brazil, and Poland for this type of barbed wire are presented in table 18. The weighted-average domestic price per reel ranged from a low of *** in July-September 1984 to a high of *** in January-March 1982. Domestic weighted-average prices per reel decreased by 7 percent through the third quarter of 1984. Brazilian weighted-average prices per reel declined through the third quarter of 1984, by *** percent, before rising by *** percent in the fourth quarter. Weighted-average prices for imports from Poland declined by *** percent from the fourth quarter of 1983 to the third quarter of 1984. Prices of this type of barbed wire from Argentina were obtained for only one quarter. The margin of underselling of U.S.-produced barbed wire by imports from Argentina amounted to *** percent in the only quarter for which comparisons could be made, July-September 1983. Margins of underselling by imports from Brazil ranged from 9 to 22 percent, and margins of underselling by imports from Poland ranged from 32 to 36 percent.

Barbless wire strand.—Prices and margins of underselling of the domestic product by imports from Brazil and Poland (no data were reported for imports from Argentina) for barbless wire strand are presented in table 19. The weighted-average domestic price per reel ranged from a low of *** in January-March 1983 to a high of *** in October-December 1982. Domestic weighted-average prices were stable, varying by no more than 4 percent. Brazilian

weighted-average prices per reel fluctuated, but declined by *** percent between the third quarter of 1982 and the third quarter of 1984. The weighted-average price of imports from Poland declined by *** percent from the fourth quarter of 1982 to the first quarter of 1983, the only periods in which such prices were reported. Margins of underselling of U.S.-produced barbless wire strand by imports from Brazil ranged from 23 to 38 percent and margins of underselling by imports from Poland ranged from *** to *** percent.

Exchange rates

Indexes of the nominal and real exchange rates between the U.S. dollar and the Argentine peso and the Brazilian cruzeiro are shown in table 20. ^{1/} The value of the Argentine peso has depreciated significantly in relation to the U.S. dollar, both in nominal terms and in real terms, since 1981. From January-March 1981 through April-June 1984, the nominal value declined by 99.5 percent. The real value, which takes into account the relative rates of inflation in Argentina and the United States, declined by 41.6 percent during this period.

The value of the Brazilian cruzeiro has also depreciated significantly in relation to the U.S. dollar in nominal terms, and, to a lesser extent, in real terms since 1981. From January-March 1981 through April-June 1984, the nominal value of the cruzeiro declined by 96.5 percent. The real value declined by 20.8 percent during this period.

Lost sales

Domestic producers were asked to furnish the Commission with customer names, quantities, and dates relating to any sales of barbed wire or barbless wire strand they have lost since January 1, 1982, to imports of comparable products from Argentina, Brazil, or Poland. *** was the only producer to make specific allegations of lost sales, reporting five instances involving four firms. All of the alleged lost sales occurred in the third quarter of 1983. ***'s alleged lost sales totaled *** tons (*** reels) of 12.5-gauge barbed wire, valued at about *** (the weighted-average price of alleged lost sales was *** per ton). All the firms listed in the allegations were contacted by the Commission's staff; all but one confirmed that they purchased barbed wire from at least one of the countries under investigation. Representatives of all but one of these firms stated that they purchase barbed wire imported from these countries because of price considerations and, in some instances, because of the inability of domestic producers to provide the necessary quantities. However, none of the firms contacted were willing to talk about the specific lost sales allegations made by ***.

^{1/} The nominal exchange-rate indexes are based on quarterly averages published by the International Monetary Fund in International Financial Statistics. Nominal exchange rates were adjusted on the basis of producer or industrial price indexes in the three countries.

Table 20.—Nominal and real exchange-rate indexes between the U.S. dollar and the Argentine peso and the Brazilian cruzeiro, 1/ by quarters, January 1981–September 1984

Period	(January–March 1981=100)			
	Argentinian peso		Brazilian cruzeiro	
	Nominal	Real	Nominal	Real
1981:				
January–March	100.0	100.0	100.0	100.0
April–June	58.4	75.3	84.4	98.6
July–September	42.8	33.3	71.0	95.0
October–December	33.7	26.2	60.0	93.3
1982:				
January–March	21.4	64.1	51.4	93.0
April–June	16.1	60.0	44.0	96.5
July–September	5.8	36.7	37.3	95.9
October–December	5.2	48.0	30.7	91.2
1983:				
January–March	3.8	50.4	21.7	80.2
April–June	2.8	49.2	14.9	72.5
July–September	2.1	55.0	11.1	76.7
October–December	1.2	54.0	8.2	79.2
1984:				
January–March	.8	52.4	6.2	78.5
April–June	.5	58.4	4.7	78.0
July–September	<u>2/</u>	<u>2/</u>	3.5	79.2

1/ Based on exchange rates expressed in U.S. dollars per unit of foreign currency.

2/ Not available.

Source: Compiled from official statistics of the International Monetary Fund.

*** alleged that it lost sales of *** tons (*** reels) of barbed wire, valued at about ***, to *** because of imports from ***. When contacted by the Commission's staff, a *** representative said that the firm has to purchase barbed wire from *** in order to stay competitive. The representative added that the domestic producers do not react to market conditions and are not willing to meet the competition in terms of price. *** was not willing to confirm or deny the specific lost sales allegations by ***.

*** was also listed as a lost sale by ***. This instance involved *** tons (*** reels) of barbed wire, valued at ***, allegedly lost in *** to imports from ***. A *** spokesman said that the firm has to purchase barbed wire from *** to stay competitive. He stated that the primary reason the company purchases imports was the inability of domestic producers to meet its requirements in a timely manner. As far as *** was concerned, it would purchase the lowest priced barbed wire of comparable quality. Again, the firm

was not willing to confirm or deny the specific lost sales allegation made by ***.

*** was listed as a lost sale by ***. This allegation involved sales of *** tons (*** reels) of barbed wire, valued at about ***, lost to imports from *** in *** 1983. A representative of *** said that it has to purchase *** barbed wire to stay competitive. The representative said that they purchase *** wire in addition to domestic wire, in part because of consumer preferences. However, he was not willing to confirm or deny the specific lost sales allegation of ***.

*** was listed as a lost sale by ***. This instance involved sales of *** tons (*** reels) of barbed wire, valued at about ***, allegedly lost to imports from *** in *** 1983. When contacted by the staff, a representative of *** said that the firm purchases only domestically manufactured barbed wire and barbless wire strand.

Lost revenues

One domestic producer, ***, cited 19 instances in which it allegedly lost revenues on sales of barbed wire to five U.S. customers because of competing products from Argentina, Brazil, and Poland. These alleged instances of lost revenues occurred between August 1982 and December 1984. The total amount of revenue allegedly lost by *** was about *** on sales of *** tons of 12.5-gauge barbed wire (*** on sales of *** tons of 4-point wire and *** on sales of *** tons of 2-point wire).

All of the customers involved in these allegations were contacted by the Commission's staff. Two of the firms indicated that, in 11 instances, the U.S. producer was forced to lower its price due to price competition from at least 1 of the countries under investigation. Although, the other firms involved would not confirm specific allegations, they did indicate that it was possible that the U.S. producer making the allegations might have been forced to lower its initial price because of the presence of lower priced foreign products.

*** was listed in *** alleged price reductions made by *** (in ***) in the face of competing products imported from ***. When contacted by the staff, a representative of *** confirmed that *** had lowered the price of its barbed wire *** as a result of lower prices from ***.

*** was listed by *** in *** alleged lost revenues involving imports from ***. A representative of *** was able to confirm that *** had lowered its price of barbed wire *** as a result of lower prices from ***.

The remaining companies cited by *** in its lost revenue allegations (which were ***) would not provide specific examples but did say that competition from Argentina, Brazil, and Poland has forced the domestic producers to lower their prices of barbed wire and barbless wire strand.

APPENDIX A

THE COMMISSION'S FEDERAL REGISTER NOTICE OF INVESTIGATIONS

materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Argentina, Brazil, and Poland of barbed wire and loosely twisted double wire strand suitable for fencing purposes (barbless wire), provided for in items 842.02 and 842.11, respectively, of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in these cases by January 3, 1985.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR 207), and Part 201, Subparts A through E (19 CFR Part 201).

EFFECTIVE DATE: November 19, 1984.

FOR FURTHER INFORMATION CONTACT: Bruce Cates (202-523-0369), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436.

SUPPLEMENTARY INFORMATION

Background

These investigations are being instituted in response to a petition filed on November 19, 1984, by Forbes Steel and Wire Corporation, Canonsburg, PA.

Participation in the Investigation

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Service List

Pursuant to 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with § 201.16(c) of the rules (19 CFR 201.16(c)), each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service

must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Conference

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m. on December 12, 1984, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Bruce Cates (202-523-0369) not later than December 11, 1984, to arrange for their appearance. Parties in support of the imposition of antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written Submissions

Any person may submit to the Commission on or before December 14, 1984, a written statement of information pertinent to the subject of the investigations as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with section 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6, as amended by 49 FR 32569, Aug. 15, 1984).

Authority: These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

By order of the Commission.

Issued: November 20, 1984.

Kenneth E. Mason,
Secretary.

[FR Doc. 84-5122 Filed 11-27-84; 8:45 am]
GILLING CODE 7000-00-01

(Investigations Nos. 731-TA-208, 209, and 210 (Preliminary))

Barbed Wire and Barbless Wire Strand From Argentina, Brazil, and Poland

AGENCY: International Trade Commission.

ACTION: Institution of preliminary antidumping investigations and scheduling of a conference to be held in connection with the investigations.

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-208, 209, and 210 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is

APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 731-TA-208, 209 and 210 (Preliminary)

**BARBED WIRE AND BARBLESS WIRE STRAND FROM ARGENTINA,
BRAZIL AND POLAND**

Those listed below appeared as witnesses at the United States International Trade Commission conference in connection with the subject investigations which began at 9:30 am, December 12, 1984, in the Hearing Room of the USITC Building, 701 E St. N.W., Washington, D.C.

In support of the imposition of antidumping duties

Wiley & Rein--COUNSEL
Washington, D.C.
on behalf of

Forbes Steel and Wire Corporation
Mr. Lester Nolan--Chairman
Mr. Edgar Lauther--Vice President

Charles Owen Verrill, Jr.)
Robert E. Nielsen) --OF COUNSEL

In opposition to the imposition of antidumping duties

Wald, Harkrader & Ross--COUNSEL
Washington, D.C.
on behalf of

Companhia Siderurgica Belgo-Minera
Compania Siderurgica de Guanabara-Cosigua

Christopher A. Dunn)
Mark Schattner) --OF COUNSEL

APPENDIX C
SUPPLEMENTAL PRICE TABLES

Tabless C-1 through C-5.—Barbed wire (by sizes used in tables 15-19): U.S. producers' and importers' weighted-average net f.o.b. selling prices per ton and margins of underselling by imports, by quarters, January 1982-September 1984

* * * * *