Steel Nails from India, Oman, Sri Lanka, Thailand, and Turkey

Investigation Nos. 701-673-677 and 731-TA-1580-1583 (Preliminary)

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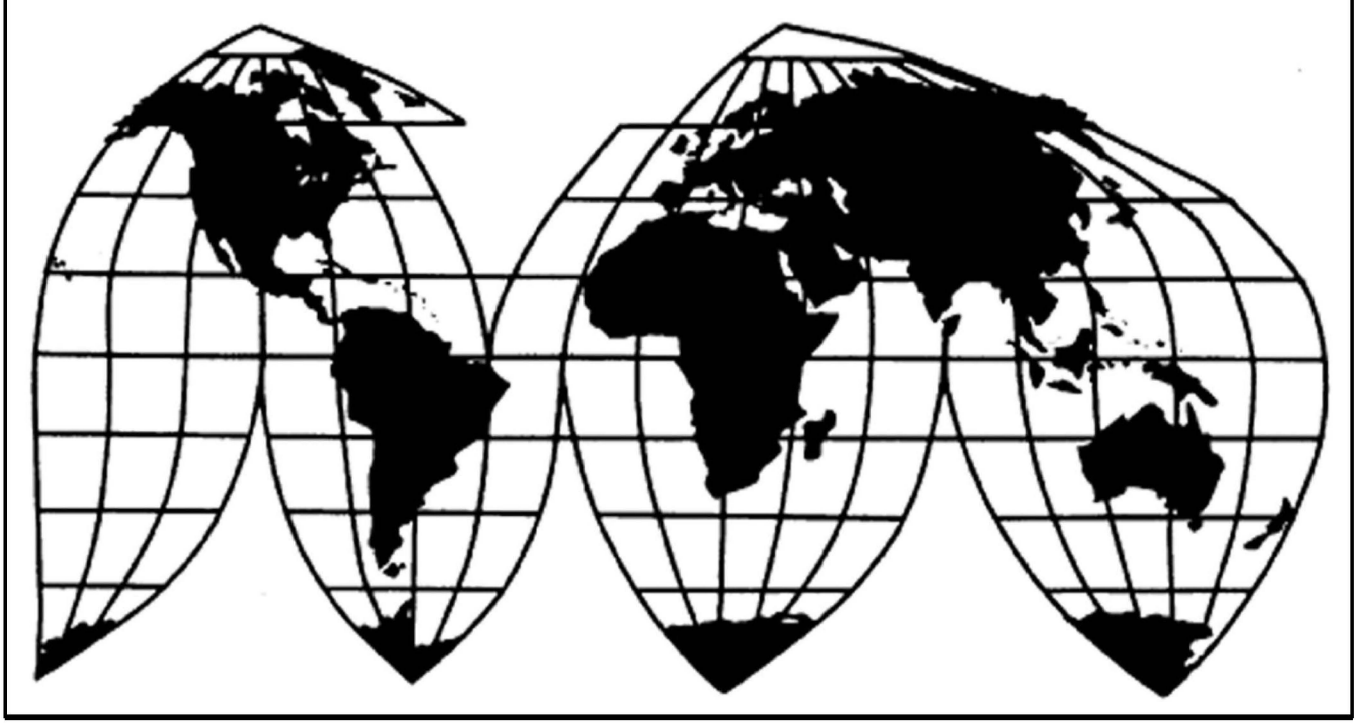
U.S. International Trade Commission



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Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (***) in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-673-677 and 731-TA-1580-1583 (Preliminary)

Steel Nails from India, Oman, Sri Lanka, Thailand, and Turkey

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of steel nails from India, Sri Lanka, Thailand, and Turkey, provided for in subheadings 7317.00.55, 7317.00.65, and 7317.00.75 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value ("LTFV"), and imports of the subject merchandise from India, Oman, Thailand, and Turkey that are alleged to be subsidized by the governments of India, Oman, Thailand, and Turkey. The Commission further determines that an industry in the United States is threatened with material injury by reason of imports of steel nails from Sri Lanka that are alleged to be subsidized by the government of Sri Lanka.[2]

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in § 207.21 of the Commission's rules, upon notice from the U.S. Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under §§ 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under §§ 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer

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[1] The record is defined in § 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

[2] 87 FR 3965 and 87 FR 3970 (January 26, 2022).

organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

BACKGROUND

On December 30, 2021, Mid Continent Nail Corporation, Popular Bluff, Missouri filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of steel nails from India, Oman, Sri Lanka, Thailand, and Turkey and LTFV imports of steel nails from India, Sri Lanka, Thailand, and Turkey. Accordingly, effective December 30, 2021, the Commission instituted countervailing duty investigation Nos. 701-TA-673-677 and antidumping duty investigation Nos. 731-TA-1580-1583 (Preliminary).

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 January 7, 2022 (87 FR 993). The Commission conducted its conference on January 20, 2022. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of steel nails from India, Sri Lanka, Thailand, and Turkey that are allegedly sold in the United States at less than fair value and imports of the subject merchandise from India, Oman, Thailand, and Turkey that are allegedly subsidized by the governments of India, Oman, Thailand, and Turkey. We also determine that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of steel nails from Sri Lanka that are allegedly subsidized by the government of Sri Lanka.

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[1] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[2]

II. Background

Mid Continent Steel & Wire, Inc. ("Mid Continent" or "Petitioner"), a domestic producer of steel nails, filed the petitions in these investigations on December 30, 2021. Petitioner appeared at the staff conference and submitted a postconference brief.[3]

[1] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

[2] *American Lamb Co*., 785 F.2d at 1001; *see also Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

[3] In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its staff conference by videoconference and written witness testimony as set forth in procedures provided to the parties.

Several respondent entities participated in these investigations, including: Astrotech Steels Pvt. Ltd. ("Astrotech") and Geekay Wires Ltd. ("Geekay"), producers of subject merchandise in India; Oman Fasteners, LLC ("Oman Fasteners"), a producer of subject merchandise in Oman; Trinity Steel Pvt. Ltd. ("Trinity"), a producer of subject merchandise in Sri Lanka; Jinhai Hardware Co., Ltd. ("Jinhai"), a producer of subject merchandise in Thailand; Aslanbas Nail Wire Mesh Co. ("Aslanbas"), Guney Celik, and Sertel Vida Metal A.S. ("Sertel"), producers of subject merchandise in Turkey; Building Material Distributors, Inc. ("BMD"), Building Products of America, LLC ("BPA"), Continental Materials, Inc. ("CM"), DC International, Inc. ("DCI"), Fanaco Fasteners, LLC ("Fanaco"), the Hillman Group Inc. ("Hillman"), Kratos Building Products, Inc. ("Kratos"), Metropolitan Staple Corp. ("MSC"), PrimeSource Building Products, Inc. ("PrimeSource"), SouthernCarlson, Inc. ("SouthernCarlson"), Steel Products Company, Inc. ("SPC"), and Steel & Wire Northeast NP, ("SWNP"), U.S. importers of subject merchandise; and Viper Industrial Products, LLC ("Viper") an industrial user of subject merchandise. Aslanbas, BMD, BPA, CM, DCI, Fanaco, Guney Celik, Jinhai, Kratos, Sertel, and SouthernCarlson ("Coalition of Importers"); PrimeSource, MSC, SPC, and SWNP ("PrimeSource Coalition"); Astrotech and Trinity ("Astrotech Coalition"); Hillman; and Oman Fasteners appeared at the staff conference and submitted postconference briefs.[4] Geekay also filed a postconference brief. Finally, the government of Thailand, and H2 Brands Group ("H2B"), a U.S. importer of subject merchandise, submitted written statements.

Data Coverage. The period of investigation is January 2018 through September 2021 ("POI"). Except as noted, U.S. industry data are based on the questionnaire responses of seven firms that accounted for the vast majority of U.S. production of steel nails during 2020.[5] U.S. import data are based on official Commerce import statistics and questionnaire responses from 30 U.S. importers, representing *** of U.S. imports from India, *** of U.S. imports from Oman, *** of U.S. imports from Sri Lanka, *** of U.S. imports from Thailand, and *** of U.S. imports from Turkey.[6] The Commission received responses to its questionnaires from four producers of subject merchandise in India, believed to account for more than *** of production of subject

[4] While Astrotech, Trinity, and Hillman were jointly represented by counsel at the staff conference, Astrotech and Trinity filed a joint postconference brief. Hillman filed a separate postconference brief that addressed the domestic like product and also joined the Astrotech Coalition brief.

[5] Confidential Report Memorandum INV-UU-009 (Feb. 7, 2022), as amended by Memorandum INV-UU-013 (Feb. 11, 2022) ("CR"); *Steel Nails from India, Oman, Sri Lanka, Thailand and Turkey*, Inv. Nos. 701-TA-673-677 and 731-TA-1580-1583 (Preliminary), USITC Pub. 5283 (Feb. 2022) ("PR") at I-4.

[6] CR/PR at IV-1.

merchandise in India during 2020.[7] The Commission received a response from one producer of subject merchandise in Oman, believed to account for approximately *** percent of production of subject merchandise in Oman during 2020.[8] The Commission received a response from one producer of subject merchandise in Sri Lanka, believed to account for approximately *** percent of production of subject merchandise in Sri Lanka during 2020.[9] The Commission received a response from five producers of subject merchandise in Thailand, believed to account for approximately *** percent of production of subject merchandise in Thailand during 2020.[10] Lastly, the Commission received a response from three producers of subject merchandise in Turkey, believed to account for approximately *** percent of production of subject merchandise in Turkey during 2020.[11]

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[12] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[13] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[14]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by Commerce.[15] Therefore, Commerce's determination as to the scope of the imported merchandise that is

[7] CR/PR at VII-3.
[8] CR/PR at VII-10.
[9] CR/PR at VII-17.
[10] CR/PR at VII-23.
[11] CR/PR at VII-31.
[12] 19 U.S.C. § 1677(4)(A).
[13] 19 U.S.C. § 1677(4)(A).
[14] 19 U.S.C. § 1677(10).
[15] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[16] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[17] The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[18] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[19] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[20] The Commission may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.[21]

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[16] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, Case No. 19-1289, slip op. at 8-9 (Fed. Cir. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[17] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–52 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[18] *See*, *e.g.*, *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[19] *See*, *e.g.*, S. Rep. No. 96-249 at 90-91 (1979).

[20] *See*, *e.g.*, *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49*; see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[21] *See*, *e.g.*, *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington,* 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

In its notice of initiation, Commerce defined the imported merchandise within the scope of these investigations as follows:

> {C}ertain steel nails having a nominal shaft or shank length not exceeding 12 inches. Certain steel nails include, but are not limited to, nails made from round wire and nails that are cut from flat-rolled steel or long-rolled flat steel bars. Certain steel nails may be of one piece construction or constructed of two or more pieces. Examples of nails constructed of two or more pieces include, but are not limited to, anchors comprised of an anchor body made of zinc or nylon and a steel pin or a steel nail; crimp drive anchors; split-drive anchors, and strike pin anchors. Also included in the scope are anchors of one piece construction.
>
> Certain steel nails may be produced from any type of steel, and may have any type of surface finish, head type, shank, point type and shaft diameter. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, including but not limited to electroplating or hot dipping one or more times), phosphate, cement, and paint. Certain steel nails may have one or more surface finishes. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank or shaft styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted.
>
> Screw-threaded nails subject to this proceeding are driven using direct force and not by turning the nail using a tool that engages with the head. Point styles include, but are not limited to, diamond, needle, chisel and blunt or no point. Certain steel nails may be sold in bulk, or they may be collated in any manner using any material.
>
> Excluded from the scope are certain steel nails packaged in combination with one or more non-subject articles, if the total number of nails of all types, in aggregate regardless of size, is less than 25. If packaged in combination with one or more non-subject articles, certain steel nails remain subject merchandise if the total number of nails of all types, in aggregate regardless of size, is equal to or greater than 25, unless otherwise excluded based on the other exclusions below.
>
> Also excluded from the scope are certain steel nails with a nominal shaft or shank length of one inch or less that are a component of an unassembled article, where the total number of nails is sixty (60) or less, and the imported

unassembled article falls into one of the following eight groupings: (1) Builders' joinery and carpentry of wood that are classifiable as windows, French-windows and their frames; (2) builders' joinery and carpentry of wood that are classifiable as doors and their frames and thresholds; (3) swivel seats with variable height adjustment; (4) seats that are convertible into beds (with the exception of those classifiable as garden seats or camping equipment); (5) seats of cane, osier, bamboo or similar materials; (6) other seats with wooden frames (with the exception of seats of a kind used for aircraft or motor vehicles); (7) furniture (other than seats) of wood (with the exception of (i) medical, surgical, dental or veterinary furniture; and (ii) barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements); or (8) furniture (other than seats) of materials other than wood, metal, or plastics (e.g., furniture of cane, osier, bamboo or similar materials). The aforementioned imported unassembled articles are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4418.10, 4418.20, 9401.30, 9401.40, 9401.51, 9401.59, 9401.61, 9401.69, 9403.30, 9403.40, 9403.50, 9403.60, 9403.81 or 9403.89.

Also excluded from the scope of these investigations are nails suitable for use in powder-actuated hand tools, whether or not threaded, which are currently classified under HTSUS subheadings 7317.00.2000 and 7317.00.3000.

Also excluded from the scope of these investigations are nails suitable for use in gas-actuated hand tools. These nails have a case hardness greater than or equal to 50 on the Rockwell Hardness C scale (HRC), a carbon content greater than or equal to 0.5 percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point.

Also excluded from the scope of these investigations are corrugated nails. A corrugated nail is made up of a small strip of corrugated steel with sharp points on one side.

Also excluded from the scope of these investigations are thumb tacks, which are currently classified under HTSUS subheading 7317.00.1000.

Also excluded from the scope are decorative or upholstery tacks.

> Certain steel nails subject to these investigations are currently classified under HTSUS subheadings 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560 and 7317.00.7500. Certain steel nails subject to these investigations also may be classified under HTSUS subheadings 7318.15.5060, 7318.15.5090, 7907.00.6000, 8206.00.0000 or other HTSUS subheadings. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.[22]

The steel nails covered by the scope are typically produced from low-carbon, stainless, or medium- to high-carbon steel. They are packaged for shipment in bulk (loose in a container) or collated (joined into strips for use in pneumatic nailing tools, *i.e*., nail guns). Although most nails are produced from a single piece of steel, some are produced from two or more pieces (such as nails with decorative heads). To produce nails from a single piece of steel, the steel wire is fed from a large coil into a nail machine that automatically straightens the wire, forms the head of the nail, and cuts the nail from the wire, simultaneously forming the point and ejecting the finished nail. Nails are produced with a number of finishes, depending upon the intended use. For example, nails with galvanized coatings are intended for uses where corrosion and staining resistance are important. Resin coatings are used to aid in driving the nail. Cement coatings are used to increase the resistance of the nail to withdrawal by increasing the friction between the nail and the wood into which it has been driven.[23]

A. Arguments of the Parties

Petitioner's Argument. Petitioner argues that the Commission should define a single domestic like product coextensive with the scope, as it has done in each prior investigation of steel nails. Petitioner contends that all steel nails, including the anchors and roofing nails included within the scope of these investigations, are part of a continuum of products that share the same physical characteristics and uses, are sold in overlapping channels of

[22] *Certain Steel Nails from India, Sri Lanka, Thailand, and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations*, 87 Fed. Reg. 3965, 3969-3970 (Jan. 26, 2022); and *Certain Steel Nails from India, the Sultanate of Oman, Sri Lanka, Thailand, and the Republic of Turkey: Initiation of Countervailing Duty Investigations*, 87 Fed. Reg. 3970, 3974-3975 (Jan. 26, 2022). The scope is identical in the antidumping and countervailing duty investigations.

[23] CR/PR at I-12-I-15.

distribution, and possess some degree of interchangeability. Petitioner also argues that all nails are perceived by customers and producers as part of the same category of fastening products, and are produced in similar manufacturing facilities, using the same production processes and production employees. While acknowledging that steel nails are sold at different price points, Petitioner claims that there is no clear dividing line between particular types of steel nails in terms of price.[24]

Respondents' Argument. Hillman argues that anchors represent a separate like product, based upon certain alleged distinctions in physical characteristics and uses between anchors and steel nails. As support, it claims that there are differences in components and fastening methods between steel nails, which are manufactured from steel and designed for impact insertion with tools such as a nail gun, and anchors, which can be manufactured from nylon and designed for use on brick, drywall, concrete, or masonry walls with a pre-drilled hole.[25] It cites a Federal Circuit decision involving a challenge to Commerce's determination that masonry anchors were "nails… constructed of two or more pieces" within the scope of the 2015 orders on Korea, Malaysia, Oman, Taiwan, and Vietnam where the Federal Circuit affirmed a decision by the U.S. Court of International Trade ("USCIT") that masonry anchors were unambiguously outside the scope of those orders as they were not "designed for impact insertion."[26] Hillman also argues that there is a lack of interchangeability between anchors and steel nails, that firms use distinct promotional materials to sell anchors and steel nails, that a U.S. producer produces anchors and steel nails on different machinery, and that anchors possess relatively higher prices than steel nails.[27] [28]

B. Analysis

Based on the current record, we define a single domestic like product consisting of steel nails, including anchors, coextensive with the scope. As discussed below, the limited record in the preliminary phase of these investigations does not indicate that there is a clear dividing line

[24] Petition at 13-15; Petitioner's Postconf. Br., Exh. 1, Responses to Staff Questions, at 3-7.

[25] Hillman's Postconf. Br. at 4-6, Exhs. 1-3.

[26] Hillman's Postconf. Br. at 5-6 (*citing OMG, Inc. v. United States*, 972 F.3d 1358, 1364-65 (Fed. Cir. 2020)).

[27] Hillman's Postconf. Br. at 3-9.

[28] The PrimeSource Coalition, the only other responding entity to address the domestic like product in its brief, does not contest Petitioner's definition of the domestic like product in the preliminary phase of these investigations, but reserves the right to do so in any final phase. PrimeSource Coalition's Postconf. Br. at 4-5.

separating anchors from other steel nail products corresponding to the scope that would warrant defining separate domestic like products.

Physical Characteristics and Uses. The record indicates that all steel nail products, including anchors, share the same basic characteristics, consisting of a head, shaft, and point, and are produced to the same industry-wide standards.[29] They also share the same general use, which is to be driven into wood or other materials to fasten or join them together.[30] Masonry anchor components can be made of nylon, carbon steel, or stainless steel, and are primarily used to fasten wood or metal to concrete, brick, or block where predrilling is required.[31] Like other steel nail products, including roofing nails, anchors can be made of one or two pieces.[32] In the 2014 preliminary phase investigations of steel nails from India, Korea, Malaysia, Oman, Taiwan, Turkey, and Vietnam, the Commission found that anchors constituted a two-piece nail product, the primary component of which was a steel wire nail, and defined a single domestic like product including anchors and other nail products.[33]

Hillman argues that there are significant differences between anchors and other nail products in terms of physical characteristics and uses.[34] Contrary to Hillman's argument, however, ASTM standard F1667-21 on Nails, Spikes, and Staples (2021), which Petitioner and Hillman both reference, lists a number of nail products that may be used on concrete, brick, or block surfaces, as can anchors.[35] The record thus indicates some overlap in uses between

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[29] *See* CR/PR at I-12-15 and ASTM Standard F1667, appended as Exhs. GEN-3 and 17 of Petitioner's Postconf. Br. *See also* the statement, at Conf. Tr. at 55 (Skarich), that an anchor consists of "two pieces and without the nail it doesn't work."

[30] CR/PR at I-12.

[31] CR/PR at I-13. Hillman submits that anchors are comprised of anchor bodies made of zinc or nylon and a steel pin or nail. Hillman's Postconf. Br. at 1.

[32] CR/PR at I-13.

[33] *Certain Steel Nails from India, Korea, Malaysia, Oman, Taiwan, Turkey, and Vietnam*, Inv. Nos. 701-TA-515-521 and 731-TA-1251-1257 (Preliminary), USITC Pub. 4480 (July 2014) at 7, 10. As discussed below, the Commission's determination, including its definition of the domestic like product, was not appealed and still stands.

[34] As noted above, Hillman argues that steel nails and anchors are made of different components and serve distinct uses, with anchors intended for use on surfaces such as concrete, brick, or block, that are unsuitable for steel nails. Hillman's Postconf. Br. at 4-6. It also cites the Federal Circuit decision in *OMG, Inc. v United States* affirming the U.S. Court of International Trade's holding that anchors fell outside the scope of the 2015 orders on steel nails from Korea, Malaysia, Oman, Taiwan, and Vietnam due in part to their inability to be used without a pre-drilled hole. Hillman's Postconf. Br. at 4-6 (*citing OMG, Inc. v. United States*, 972 F.3d at 1364–65).

[35] Petition Exh. GEN-4 at Table 1. Hillman contends that these standards, which fail to address anchors, support its contention that steel nails and anchors are separate products. Hillman's Postconf. Br. at 6.

anchors and other types of steel nails for use in fastening materials to concrete, brick, or block surfaces.[36] Further, the Federal Circuit's holding regarding the scope of the 2015 orders sheds no light on whether anchors within the scope of the current investigations belong in a single domestic like product with other steel nail products in these investigations. The Federal Circuit decision concerned a Commerce scope determination, not the Commission's like product determination which was not appealed.[37] Moreover, the scope in these investigations differs from the scope in the 2015 investigations.

Manufacturing Facilities, Production Processes and Employees. The record evidence concerning this factor is mixed. In responding to the Commission's questionnaires, one of the nine U.S. producers that provided a questionnaire response to whether their firm is able to switch production between steel nails and other products using the same equipment and/or labor indicated that "***" as "***."[38] However, according to Petitioner, "{a}ll steel nails are produced predominantly using steel wire, through the same production process. Anchors require only a minor assembly of the affixing the attachment {*sic*.} to the steel nail part."[39]

Channels of Distribution. The record in the preliminary phase of these investigations indicates that steel nails and anchors are sold to distributors, retailers, and end users.[40]

Interchangeability. The record in the preliminary phase of these investigations indicates a moderate-to-high degree of interchangeability among steel nail products of the same type.[41] As discussed above, ASTM standard F1667-21 indicates that various steel nail products may be used to fasten materials to concrete, brick, or block surfaces, as can anchors.[42]

Producer and Customer Perceptions. The record evidence concerning this factor is mixed. Petitioner argues that customers perceive all steel nails, including anchors, to be within the same category of fastening products used in construction, industrial, and home applications.[43] However, Hillman provided evidence that certain firms, including itself and retailers The Home Depot and Lowes, separately market steel nails and anchors.[44]

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[36] *See* Conf. Tr. at 54-55 (Jeong; Skarich)

[37] 972 F.3d 1358, 1364 (Fed. Cir. 2020).

[38] ***'s U.S. Producer Questionnaire Response at 20. We note that this firm's questionnaire data is not included in the report due to unresolved data inconsistencies. CR/PR at III-1 n.1.

[39] Petitioner's Postconf. Br., Exh. 1 at 6. *See also* Conf. Tr. at 54-55 (Jeong; Skarich); CR/PR at I-13-14.

[40] Petitioner's Postconf. Br., Exh. 1 at 6; Hillman's Postconf. Br. at 7-8.

[41] Petitioner's Postconf. Br., Exh. 1 at 5-6; Hillman's Postconf. Br. at 7. *See also* CR/PR II-15 and Conf. Tr. at 63-64 (Skarich, Lutz, Stachowiak), 218-219 (Rogowski).

[42] Petition Exh. GEN-3.

[43] Petitioner's Postconf. Br., Exh. 1 at 6.

[44] Hillman's Postconf. Br. at 7-8, Exhs. 1-2, 4-5.

Price. According to Petitioner, steel nails comprise a continuum of products, and pricing differences between different types of nails are not informative.[45] The limited information on the record indicates that anchors are generally more expensive than other steel nail products.[46]

Conclusion. Based on the limited record in the preliminary phase of these investigations, we find that there is no clear dividing line between anchors and other steel nail products. The record shows that anchors and other types of nail products are similar in terms of physical characteristics and uses, and channels of distribution. Although the record indicates that there are some differences between anchors and other types of nail products in terms of production processes, interchangeability, customer and producer perceptions, and price, such differences may also be found between other types of nail products, given the wide variety of nail products included within the scope of the investigation.[47] Based on the current record, we view these differences as consistent with a continuum of nail products. Given this, and the similarities between anchors and other types of steel nail products discussed above, we define a single domestic like product, consisting of all steel nails within the scope, for purposes of the preliminary phase of these investigations.[48]

IV. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[49] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

[45] Petitioner's Postconf. Br., Exh. 1 at 7.

[46] Hillman's Postconf. Br. at 9.

[47] *See, e.g.,* CR/PR at I-14 ("Nails that have helical twist, serrations, and other configurations on the shanks require an additional forming process . . . Nails for use in hand-held pneumatic nailing tools are processed through automatic equipment to collate the nails using paper strips, plastic strips, fine steel wire, or adhesive."), Table V-8 (showing widely disparate price ranges for different pricing products).

[48] To the extent that any party wishes to propose different definitions of the domestic like product in any final phase of these investigations, we invite them to comment with specificity as to proposed definition and data collection on the draft questionnaires, pursuant to 19 C.F.R. § 207.20(b).

[49] 19 U.S.C. § 1677(4)(A).

A. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[50] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[51]

Domestic producers *** and *** are subject to possible exclusion from the domestic industry under the related parties provision.[52] *** is *** owned by ***, which has a *** percent ownership stake in ***, a U.S. importer of subject merchandise.[53] *** is *** percent owned by ***, which has a *** percent ownership stake in ***, a U.S. importer of subject merchandise.[54] Additionally, *** qualifies for possible exclusion under the related parties provision because it reported imports of subject merchandise.[55]

B. Arguments of the Parties

Petitioner's Arguments. Petitioner argues that the Commission should define the domestic industry to include all domestic producers of steel nails.[56] It contends that while ***

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[50] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.,* 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[51] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015); see *also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[52] CR/PR at Table III-2.

[53] CR/PR at Table III-2.

[54] CR/PR at Table III-2.

[55] CR/PR at Table III-8.

[56] Petition at 16; Petitioner's Postconf. Br. at 3, Exh. 1 at 7-8.

is subject to possible exclusion as a related party, appropriate circumstances do not exist to exclude it from the domestic industry.[57]

Respondents' Arguments. The PrimeSource Coalition does not contest Petitioner's definitions of the domestic like product and domestic industry in the preliminary phase of these investigations, but reserves the right to do so in any final phase of the investigations.[58]

C. Analysis

***. *** was responsible for *** percent of U.S. production of steel nails in 2020, and was the *** of the seven reporting U.S. producers that year in terms of quantity of U.S. production.[59] It ***.[60] The ratio of *** imports of subject merchandise to *** domestic production was *** percent in 2018, *** percent in 2019, *** percent in 2020, and *** percent in January through September ("interim") 2021.[61]

In view of the fact that imports of subject merchandise by *** were small in relation to *** domestic production, *** principal interest appears to be in domestic production. We therefore find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related parties provision.

***. *** was responsible for *** percent of U.S. production of steel nails in 2020, and was the *** largest of the seven reporting U.S. producers that year in terms of quantity of U.S. production.[62] It *** the petitions.[63] *** imports of subject merchandise were *** short tons in 2018, *** short tons in 2019, *** short tons in 2020, and *** short tons in interim 2021.[64] The ratio of these imports to ***'s domestic production was *** percent in 2018, *** percent in 2019, *** percent in 2020, and *** percent in interim 2021.[65] *** stated that it imported subject imports from *** to ***.[66] *** operating income to net sales ratios were *** the domestic industry average during 2018-20, but not during January-September 2021.[67]

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[57] Petitioner's Postconf. Br. at 3, Exh. 1 at 8. Petitioner does not directly address whether *** should be excluded from the domestic industry.

[58] PrimeSource Coalition's Postconf. Br. at 4-5. No other respondent addressed domestic industry issues in their briefs.

[59] CR/PR at Table III-1.

[60] CR/PR at Table III-1.

[61] CR/PR at Table III-9.

[62] CR/PR at Table III-1.

[63] CR/PR at Table III-1.

[64] CR/PR at Table III-8.

[65] CR/PR at Table III-8.

[66] CR/PR at Table III-11. ***. *See* CR/PR at Table III-4.

[67] CR/PR at Table VI-3.

Although imports of subject merchandise by *** increased from 2018 to 2020, they were relatively small in relation to *** domestic production during the period indicating that ***'s principal interest appears to be in domestic production. There is also no indication that *** relationship with *** has the effect of shielding it from the effects of subject imports. Accordingly, we find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related parties provision.

In sum, we find that appropriate circumstances do not exist to exclude either *** or *** from the domestic industry under the related parties provision. Accordingly, based on our definition of the domestic like product, we define the domestic industry to include all domestic producers of steel nails.

V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.[68] The statute further provides that subject imports from a single country which comprise less than 3 percent of total such imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such merchandise imported into the United States.[69] In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative ("USTR")), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent. [70]

Additionally, even if subject imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the Commission determine that there is a potential that subject imports from the country concerned will imminently account for more than three percent (or four percent in the case of countervailing duty investigations involving developing countries) of all such merchandise imported into the United States.[71] To assess the potential for imports imminently to surpass

[68] 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

[69] 19 U.S.C. § 1677(24)(A)(ii).

[70] 19 U.S.C. § 1677(24)(B).

[71] 19 U.S.C. § 1677(24)(A)(iv).

the negligibility threshold for purposes of a threat analysis, the Commission typically has examined the share of total imports, especially toward the latter portion of the negligibility period, production capacity, capacity utilization, and inventories.[72]

A. Arguments of the Parties

Petitioner's Arguments. Petitioner argues that imports from each of the subject countries are above the negligibility thresholds, including those from Sri Lanka.[73]

Petitioner argues in the alternative that there is a reasonable indication that imports from Sri Lanka will imminently exceed the four percent threshold and are not negligible for purposes of a threat of material injury determination.[74]

Respondents' Arguments. The Astrotech Coalition argues that subject imports from Sri Lanka are negligible for purposes of both material injury and threat, and there is no reasonable indication that data obtained in any final phase investigations would establish otherwise.[75]

B. Analysis

During the most recent 12-month period preceding the filing of the petitions in these investigations (December 2020 through November 2021), imports from India accounted for 4.7 percent of total imports, imports from Oman accounted for 10.2 percent of total imports, imports from Thailand accounted for 6.5 percent of total imports, and imports from Turkey accounted for 6.6 percent of total imports.[76] Because imports from each subject country are

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[72] *See Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova*, Inv. Nos. 731-873-874 and 877-879 (Final), USITC Pub. 3440 (July 2001); *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany*, Inv. No. 731-TA-864 (Final), USITC Pub. 3372 (November 2000); *Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom*, Inv. Nos. 701-TA-540 and 542-544 and 731-TA-1283, 1285, 1287, 1289-1290 (Final), USITC Pub. 4637 (Sept. 2016).

[73] Petition at 16; Petitioner's Postconf. Br. at 3, Exh. 1 at 7-8.

[74] Petitioner's Postconf. Br. at 6-8.

[75] Astrotech Coalition's Postconf. Br. at 27-29, Exh. 5 (Joseph Decl.).

[76] CR/PR at Table IV-4. Imports from India, Sri Lanka, Thailand, and Turkey are subject to both antidumping and countervailing duty investigations. Although the volume of subject imports from each country is the same with respect to both investigations, the Commission is required by statute to make separate negligibility findings for antidumping and countervailing duty investigations involving imports from the same subject country. *Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom*, Inv. Nos. 701-TA-540, 542-544 and 731-TA-1283, 1285, 1287, and 1289-1290 (Final), USITC Pub. 4637 at 10-11 (Sept. 2016); *Nucor Corp. v. United States*, Slip Op. 18-13 at 20 (Ct. Int'l Trade Feb. 28, 2018), *aff'g Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297 (Final), USITC Pub. 4638 at 13 (Sept. 2016).

not less than the 3.0 percent negligibility threshold applicable to antidumping duty investigations and countervailing duty investigations, we find that subject imports from India, Oman, Thailand, and Turkey are not negligible.

Subject imports from Sri Lanka accounted for 3.9 percent of total imports during the twelve-month period preceding the filing of the petitions.[77] Therefore, imports from Sri Lanka subject to the antidumping duty investigation are not negligible. Imports from Sri Lanka subject to the countervailing duty investigation, however, are below the threshold applicable to countervailing duty investigations involving developing countries.[78] Therefore, we find that imports from Sri Lanka subject to the countervailing duty investigation are negligible for purposes of our present material injury analysis.

We next consider whether subject imports from Sri Lanka have the potential imminently to exceed the four percent negligibility threshold for purposes of determining threat of material injury. Information collected by the Commission indicates that Trinity accounted for *** Sri Lankan steel nail exports to the United States in 2020.[79] The available information indicates that these exports to the United States increased by *** percent from 2018 to 2020, from *** short tons in 2018 to *** short tons in 2019 and *** short tons in 2020; they were *** short tons in interim 2021, up from *** short tons in interim 2020.[80] From January 2020 to November 2021, Sri Lanka's subject imports exceeded four percent of total imports for 14 of 23 months, though they did not do so from February through November 2021.[81] The information available also shows that exports of steel nails from Sri Lanka to the United States increased as a share of Trinity's total shipments from *** percent in 2018 to *** percent in 2020, with even higher levels of exports to the United States projected in 2021 (*** short tons) and 2022 (*** short tons).[82] The available information suggests that Trinity expects to have *** available excess capacity in the imminent future, albeit less than in 2020.[83] Lastly, imports of steel nails

[77] As noted above, this period covered December 2020 through November 2021. CR/PR at Table IV-4.

[78] The USTR has deemed Sri Lanka a developing country. *Designations of Developing and Least Developed Countries Under the Countervailing Duty Law*, 85 Fed. Reg. 7613 (Feb. 10, 2020). CR/PR at Table IV-4. The 3.9 percent figure was calculated by rounding to the hundredth decimal place. *Id*. at Note.

[79] CR/PR at Table VII-11.

[80] CR/PR at Table VII-13.

[81] CR/PR at Table IV-5.

[82] CR/PR at Table VII-13. *See also* the Global Trade Atlas data reported at Table VII-14.

[83] Trinity projected that its capacity utilization ratio of *** percent in 2020 would increase to *** percent in 2021 but diminish to *** percent in 2022.

from Sri Lanka to the United States grew as a share of total subject imports from 2.4 percent in 2018 to 4.2 percent in 2019 and 4.1 percent in 2020.[84]

Based on the limited record of the preliminary phase of the investigations showing that the volume of subject imports from Sri Lanka increased during the POI, both absolutely and as a share of total imports, and is projected to increase in absolute terms, we find that there is the potential for imports from Sri Lanka subject to the countervailing duty investigation imminently to exceed the four percent negligibility threshold.[85] Accordingly, we find that imports of steel nails from Sri Lanka subject to the countervailing duty investigation are not negligible for purposes of our analysis of threat of material injury.

VI. Cumulation

For purposes of evaluating the volume and effects for a determination of reasonable indication of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

(1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
(4) whether the subject imports are simultaneously present in the market.[86]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for

[84] CR/PR at Table IV-2.

[85] We observe, in this regard, that subject imports form Sri Lanka exceeded four percent of total imports in some years of the POI. CR/PR at Table IV-2.

[86] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-80 (Final), USITC Pub. 1845 (May 1986), *aff'*d, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

determining whether the subject imports compete with each other and with the domestic like product.[87] Only a "reasonable overlap" of competition is required.[88]

A. Arguments of the Parties

Petitioner's Arguments. Petitioner argues that the Commission should cumulate subject imports because the petitions were filed on the same day and there is a reasonable overlap of competition among the domestic like product and subject imports. Specifically, Petitioner contends that domestic like product and subject imports are fungible, sold in the same geographic regions, simultaneously present in the U.S. market, and sold through the same channels of distribution.[89]

Respondents' Arguments. Respondents do not address cumulation for present material injury in their briefs.

B. Analysis[90]

Petitioner filed the antidumping and countervailing duty petitions with respect to all investigations on the same day, December 30, 2021.[91]

Fungibility. Most U.S. producers and importers reported that subject imports from each subject country were always interchangeable with each other as well as with domestically produced steel nails.[92] Furthermore, U.S. producers and importers reported pricing data for domestic shipments and shipments of imports from each subject country for each of the four pricing products.[93] In 2020, domestically produced steel nails and imports from each subject

[87] *See*, *e.g.*, *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[88] The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy*, 678 F. Supp. at 902); *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[89] Petition at 19-21; Petitioner's Postconf. Br. at 8-10.

[90] While the imports of steel nails from Sri Lanka subject to the antidumping and countervailing duty investigations are the same, as noted above, the Commission makes separate negligibility findings for each investigation. Because imports from Sri Lanka subject to the countervailing duty investigation are negligible for purposes of present material injury, our cumulation analysis involves only imports from Sri Lanka subject to the antidumping duty investigation.

[91] None of the statutory exceptions to cumulation applies.

[92] CR/PR at Tables II-7-II-8.

[93] CR/PR at Tables V-4-V-7.

country were sold in overlapping forms and finishes, with the largest volume of steel nail shipments from all sources consisting of bright steel nails.[94]

Channels of Distribution. Domestically produced steel nails and imports from each subject country were sold in overlapping channels of distribution, to distributors, retailers, and end users.[95]

Geographic Overlap. Domestically produced steel nails and imports from each subject country were sold in all geographic regions of the United States.[96] In addition, imports from each subject country entered the United States through all borders of entry in substantial volumes in 2020.[97]

Simultaneous Presence in Market. Domestically produced steel nails and imports from each subject country were present in the U.S. market in every month of the POI.[98]

Conclusion. Because the record of the preliminary phase of the investigations indicates there is a reasonable overlap of competition between and among imports from each subject country and the domestic like product, we cumulate subject imports from India, Oman, Sri Lanka (with respect to the antidumping duty investigation), Thailand, and Turkey for our analysis of material injury by reason of subject imports.

VII. Reasonable Indication of Material Injury by Reason of Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[99] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production

[94] CR/PR at Tables IV-7, E-1.

[95] CR/PR at Tables II-1-II-2. Domestic producers sold primarily to the distributor and end-user channels, but also in the retailer channel, whereas each subject source sold primarily to the retailer and distributor channels but, with the exception of Oman, also in the end user channel. *Id*.

[96] CR/PR at Table II-3.

[97] CR/PR at Table IV-8.

[98] CR/PR at Table IV-9 (monthly imports) and Tables V-4-7 (quarterly sales of specified price items).

[99] 19 U.S.C. §§ 1671b(a), 1673b(a).

operations.[100] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[101] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[102] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[103]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[104] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[105] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[106]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition

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[100] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[101] 19 U.S.C. § 1677(7)(A).

[102] 19 U.S.C. § 1677(7)(C)(iii).

[103] 19 U.S.C. § 1677(7)(C)(iii).

[104] 19 U.S.C. §§ 1671b(a), 1673b(a).

[105] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[106] The Federal Circuit, in addressing the causation standard of the statute, observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[107] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[108] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[109] It is clear that the existence of injury caused by other factors does not compel a negative determination.[110]

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[107] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[108] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[109] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[110] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[111] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [112] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[113]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[114] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[115]

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

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[111] *Mittal Steel*, 542 F.3d at 876 &78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[112] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

[113] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

[114] We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

[115] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp.*, 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

1. Demand Conditions

Steel nails are primarily used in residential construction, carpentry applications, and to produce wooden fencing, furniture, and pallets.[116] U.S. demand for steel nails is driven by construction activity, particularly in residential housing.[117] Demand for steel nails exhibits some seasonality, with demand for steel nails declining during winter months.[118] Demand for steel nails is also influenced by overall economic activity.[119]

Most responding U.S. producers and importers reported that demand for steel nails increased during the POI.[120] The parties generally agree that the COVID-19 pandemic increased demand for steel nails because demand for steel nails for construction and home improvement increased as lockdowns and stay-at-home orders were issued, and demand for steel nails for retail and end-use applications increased at the end of the POI as these restrictions eased.[121] The record indicates that apparent U.S. consumption of steel nails declined irregularly by *** percent between 2018 and 2020, declining from *** short tons in 2018 to *** short tons in 2019 before increasing to *** short tons in 2020.[122] Apparent U.S. consumption for steel nails was *** percent higher in interim 2021, at *** short tons, than in interim 2020, at *** short tons.[123]

2. Supply Conditions

The domestic industry, subject imports, and nonsubject imports supplied steel nails to the U.S. market during the POI.

The domestic industry was the third largest source of steel nails in the U.S. market, by quantity. The industry's share of apparent U.S. consumption increased irregularly from ***

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[116] CR/PR at II-13. Most responding U.S. producers and importers reported that there are no substitutes for steel nails. CR/PR at II-15. Screws and adhesives were noted as possible substitutes in certain applications. *Id*.

[117] CR/PR at II-12. In September 2021, seasonally adjusted housing under construction was 29.6 percent higher than in January 2018. *Id*.

[118] CR/PR at II-14.

[119] CR/PR at II-13. Nominal GDP increased by 13.5 percent between the third quarter of 2020 and the fourth quarter of 2021. *Id*. at n.26.

[120] CR/PR at Table II-5.

[121] *See* Conf. Tr. at 16 (Kanna), 57 (Skarich), 59 (Jeong), 164-166 (Buedel), 172 (Rogowsky), 203 (Smith), 222-223 (Kastner), 224 (Mazur); Oman Fasteners' Postconf. Br. at 3-5; PrimeSource Coalition Postconf. Br. at 6-8, Exhs. 1-4.

[122] CR/PR at Table IV-10. Apparent U.S. consumption data are based on official import statistics and responding U.S. producers' U.S. shipments. *Id*., at Source.

[123] CR/PR at Table IV-10.

percent in 2018 to *** percent in 2020, and was *** percent in interim 2021, down from *** percent in interim 2020.[124]

Petitioner is the largest U.S. producer, accounting for *** percent of domestic production in 2020.[125] The domestic industry's capacity increased irregularly from *** short tons in 2018 to *** short tons in 2020, and was *** short tons in interim 2021, up from *** short tons in interim 2020.[126] Its capacity utilization declined irregularly from *** percent in 2018 to *** percent in 2020, and was *** percent in interim 2021, down from *** percent in interim 2020.[127] Notwithstanding the domestic industry's low capacity utilization rates, five of seven responding domestic producers reported experiencing supply constraints during the period of investigation, and Mid Continent reported placing customers on allocation at the beginning of 2021 as a labor shortage limited its ability to satisfy increasing customer orders.[128] [129]

Subject imports were the second largest source of steel nails in the U.S. market, by quantity. Cumulated subject imports as a share of apparent U.S. consumption, by quantity, increased irregularly from *** percent in 2018 to *** percent in 2020, and were *** percent in interim 2021, up from *** percent in interim 2020.[130]

Nonsubject imports were the largest source of steel nails in the U.S. market, by quantity. Nonsubject imports as a share of apparent U.S. consumption, by quantity, declined irregularly from *** percent in 2018 to *** percent in 2020, and were *** percent in interim 2021, up

[124] CR/PR at Table IV-11.

[125] CR/PR at Table III-1.

[126] CR/PR at Table III-4. Domestic industry data do not include capacity, production, and shipments of Wire Mesh Corp., which exited the market in 2018 and did not submit a questionnaire response. Petitioner's Postconf. Br., Exh. 1 at 1; CR/PR at Table III-1.

[127] CR/PR at Table III-4.

[128] CR/PR at II-5-II-6, II-10-II-11, II-17; Conf. Tr. at 87 (Skarich). Mid Continent and Kyocera-Senco allege that subject import competition caused layoffs early in the POI that exacerbated supply constraints later in the period. CR/PR at III-13 n.3; Petitioner's Postconf. Br., Exh. 1 at 12-13; Conf. Tr. at 27-29 (Faron); Kyocera-Senco's U.S. Producer Questionnaire Response at II-11. There is other evidence on the record that Mid Continent placed customers on allocation even before the pandemic. *See* Coalition of Importers' Postconf. Br., Exh. 7 (Daniels Decl.); Conf. Tr. at 164-165 (Buedel). Further, other U.S. producers reported experiencing supply constraints during the POI. *See* U.S. producer's responses to question IV-17, filed by ***.

[129] We intend to further investigate U.S. producers' reported capacity, including the extent to which it reflects the levels of production their establishments could reasonably have expected to attain, in any final phase of these investigations.

[130] CR/PR at Table IV-11.

from *** percent in interim 2020.[131] The largest sources of nonsubject imported steel nails were China, Malaysia, Korea, Taiwan, Mexico, and Canada.[132]

Most responding U.S. producers and importers reported experiencing supply constraints during the POI, which responding firms attributed to labor shortages, production shutdowns, and domestic and international supply chain disruptions that were either induced or exacerbated by the pandemic.[133] The record also indicates that purchasers were placed on allocation, or refused supply of steel nails during the period.[134] We intend to further investigate the effects of these supply constraints on the U.S. market in any final phase of the investigations.

3. Substitutability and Other Conditions

Based on the record in the preliminary phase of these investigations, we find that there is a moderate-to-high degree of substitutability between domestically produced steel nails and subject imported nails of the same type.[135] As discussed above, most responding U.S. producers and importers reported that domestic and subject nails are always interchangeable.[136]

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[131] CR/PR at Table IV-11.

[132] CR/PR at IV-4. U.S. producers Mid Continent and Tree Island are subsidiaries of parent companies located in Mexico and Canada, respectively. CR/PR at Table III-2. Steel nails imported from China, the United Arab Emirates ("UAE"), Korea, Malaysia, Oman, Taiwan, and Vietnam are subject to antidumping duty orders. Steel nails imported from Vietnam are also subject to a countervailing duty order. CR/PR at Table I-2. Imports of steel nails from China are subject to additional tariffs of 25 percent *ad valorem* under Section 301 of the Trade Act of 1974. 19 U.S.C. § 2411. CR/PR at I-11-I-12. These tariffs issued on May 10, 2019. *Id*.

[133] CR/PR at II-10-II-11. The parties generally agree that there were supply chain disruptions during the POI caused by pandemic-related lockdowns and stay-at-home orders, factory curtailments or shutdowns, infections to line workers, freight cost increases, and congestion at U.S. ports. Astrotech Coalition's Postconf. Br. at 9-12; Coalition of Importers' Postconf. Br. at 6-8; Geekay's Postconf. Br. at 3-4; Oman Fasteners' Postconf. Br. at 17-18; PrimeSource Coalition's Postconf Br. at 11-13; Petitioner's Postconf. Br., Exh. 1 at 9-10. However, they disagree about the likely duration of these disruptions. Petitioner characterizes the various disruptions as "temporary." Respondents submitted presentations from two global carriers projecting that global shipping delays and elevated freight costs may last until at least 2023. Petitioner's Postconf. Br., Exh. 1 at 9; Astrotech Coalition's Postconf. Br., Exh. 2 (DHL and DahNay Logistics presentations).

[134] *See* Oman Fasteners' Postconf. Br., Exh. 2; Coalition of Importers' Postconf. Br., Exh. 7 (Daniels Decl.); Conf. Tr. at 136-137 (Smith); 140-141 (Ippoliti); 162-163 (Kastner); 164-165 (Buedel).

[135] CR/PR at II-15.

[136] *See* Section VI.B. above.

We also find that price is an important factor in purchasing decisions, among other important factors. Responding purchasers ranked price as the third-most important factor influencing their purchasing decisions, behind availability/lead times and quality.[137]

Steel nails are primarily produced to order, although responding U.S. producers and importers also reported significant U.S. shipments from inventory. Responding U.S. producers reported lead times averaging 50 days for steel nails produced to order and 7 days for steel nails shipped from inventory. Responding importers reported lead times of 130 days for steel nails produced to order and 19 days for steel nails shipped from inventory.[138] Steel nails are sold primarily on a *** basis, though a majority of U.S. producers and some importers also reported using ***.[139] Steel nails are typically sold on the spot market and on an order-to-order basis.[140]

The main raw material used to produce steel nails is steel wire drawn primarily from wire rod or steel plate and strips.[141] Imports of wire rod from Belarus, Brazil, China, Indonesia, Italy, Korea, Mexico, Moldova, Russia, South Africa, Spain, Trinidad and Tobago, Turkey, Ukraine, the UAE, and the United Kingdom are subject to antidumping duty orders. Wire rod from Brazil, China, Italy, and Turkey are also subject to countervailing duty orders.[142] Imports of wire rod from sources other than Argentina, Australia, Brazil, Canada, Korea, and Mexico are

[137] CR/PR at Table II-7. Petitioner argues that price remains the most important purchasing factor in the U.S. market. Petitioner's Postconf. Br. at 13-14. We note, however, that a witness for Petitioner testified that the relative importance of price "has fallen significantly because of all the disruptions" experienced by market participants towards the end of the POI. Conf. Tr. at 66 (Skarich). We intend to further investigate the factors influencing purchases throughout the POI in any final phase of the investigations.

[138] CR/PR at II-16.

[139] CR/PR at Table V-2.

[140] CR/PR at II-17.

[141] CR/PR at V-1 and Table VI-4.

[142] CR/PR at V-1 n.3. These orders were issued following investigations in 2015 (China) and 2018 (Belarus, Brazil, Indonesia, Italy, Korea, Mexico, Moldova, Russia, South Africa, Spain, Trinidad and Tobago, Turkey, Ukraine, the UAE, and the United Kingdom). *See Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago*, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, and 961 (Third Review), USITC Pub. 5100 (Aug. 2020); *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Review), USITC Pub. 5064 (June 2020); *Carbon and Certain Alloy Steel Wire Rod from Belarus, Russia, and the United Arab Emirates*, Inv. Nos. 731-TA-1349, 1352, and 1357 (Final), USITC Pub. 4752 (Jan. 2018); *Carbon and Certain Alloy Steel Wire Rod from South Africa and Ukraine*, Inv. Nos. 731-TA-1353 and 1356 (Final), USITC Pub. 4766 (March 2018); *Carbon and Certain Alloy Steel Wire Rod from Italy, Korea, Spain, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-573–574 and 731-TA-1350–1351,1354–1355, and 1358 (Final), USITC Pub. 4782 (May 2018); *Carbon and Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final), USITC Pub. 4509 (Jan. 2015).

subject to additional tariffs of 25 percent *ad valorem* or quotas under Section 232 of the Trade Expansion Act of 1972 ("section 232").[143] Imports of wire rod from China are also subject to additional tariffs of 7.5 percent *ad valorem* under Section 301 of the Trade Act of 1974 ("section 301").[144] Raw materials as a share of the domestic industry's cost of goods sold ("COGS") increased irregularly from *** percent in 2018 to *** percent in 2019, and *** percent in 2020, and were *** percent in interim 2021, up from *** in interim 2020.[145] Wire rod prices increased in the first half of 2018, declined through 2019, fluctuated within a narrow band in 2020, and then increased sharply during 2021 to a period high.[146]

Imports of steel nails from sources other than Argentina, Australia, Brazil, Canada, Korea, and Mexico, including each of the countries subject to these investigations became subject to additional tariffs of 25 percent *ad valorem* or quotas under section 232 after these measures were extended to certain derivative steel articles.[147]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[148]

Cumulated subject imports increased by 20.1 percent from 2018 to 2020, from 193,158 short tons in 2018 to 223,822 short tons in 2019 and to 231,927 short tons in 2020.[149] They were 21.2 percent higher in interim 2021, at 208,013 short tons, than in interim 2020, at 171,563 short tons.[150]

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[143] 19 U.S.C. § 1862. CR/PR V-1-V-2. These tariffs were issued on March 23, 2018. CR/PR at I-10. Most U.S. producers and importers reported that section 232 tariffs on wire rod increased raw material costs during the POI. CR/PR at Table V-1. Only two U.S. producers reported being able to pass these costs onto customers. *Id*. Section 232 tariffs on steel nails and wire rod from Canada and Mexico, where Tree Island and Mid Continent have related operations, were rescinded on May 20, 2019. CR/PR at I-10 and Table III-2.

[144] 19 U.S.C. § 2411. CR/PR at I-11 n.21. These tariffs were issued on February 14, 2021. *Id*.

[145] CR/PR at Table VI-1.

[146] CR/PR at V-1 and Figure V-1.

[147] CR/PR at I-9-I-11. These tariffs were issued on February 8, 2020. *Id*. None of the subject countries are subject to section 232 quotas. *Id*. In February 2020, three importers initiated litigation seeking suspension of collection of these tariffs. In April 2021, the USCIT issued a summary judgment that the section 232 tariffs on steel nails were invalid and contrary to law. In June 2021, the United States appealed this decision to the Federal Circuit, and obtained a partial stay of the USCIT judgment. Proceedings before the Federal Circuit are ongoing. *Id*.

[148] 19 U.S.C. § 1677(7)(C)(i).

[149] CR/PR at Tables IV-2, IV-10, C-1.

[150] CR/PR at Tables IV-2, C-1.

Cumulated subject imports also increased as a share of apparent U.S. consumption during the period of investigation. Cumulated subject import market share increased from *** percent in 2018 to *** percent in 2019 before declining to *** percent in 2020, a level *** percentage points higher than in 2018. Subject import market share was *** percent in interim 2021, up from *** percent in interim 2020.[151]

Cumulated subject imports also increased as a ratio to domestic industry production during the period of investigation. The ratio of cumulated subject imports to domestic industry production increased from *** percent in 2018 to *** percent in 2019 before declining to *** percent in 2020, a level *** percentage points higher than in 2018. The ratio was *** percent in interim 2021, up from *** percent in interim 2020.[152]

In light of the foregoing, we conclude that the volume of subject imports and the increase in that volume are significant both in absolute terms and relative to U.S. consumption and production.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[153]

As discussed above, the record indicates that there is a moderate-to-high degree of substitutability between domestically produced steel nails and subject imported steel nails of the same type, and that price is an important consideration in purchasing decisions, among other important considerations.[154]

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of four pricing products that were sold at arm's length to

[151] CR/PR at Table IV-11.
[152] CR/PR at Table IV-2.
[153] 19 U.S.C. § 1677(7)(C)(ii).
[154] *See* Section VII.B.3 above.

unrelated U.S. customers during the first quarter of 2018 through the third quarter of 2021.[155] Four U.S. producers and 18 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing data for all products for all quarters.[156] Pricing data reported by these firms accounted for approximately 20.5 percent of the value of U.S. producers' U.S. commercial shipments of steel nails during the POI, 27.9 percent of the value of U.S. commercial shipments of subject imports from India, 19.4 percent of the value of U.S. commercial shipments of subject imports from Oman, 24.8 percent of the value of U.S. commercial shipments of subject imports from Sri Lanka, 9.2 percent of the value of U.S. commercial shipments of subject imports from Thailand, and 23.4 percent of the value of U.S. commercial shipments of subject imports from Turkey.[157]

According to these pricing data, cumulated subject imports undersold the domestic like product in 154 of 271 quarterly comparisons (56.8 percent) involving 30.0 billion nails and 1,602 short tons, at margins ranging from 0.1 to 43.7 percent and averaging 13.8 percent.[158] Subject imports oversold the domestic like product in the remaining 117 quarterly comparisons (43.2 percent) involving 8.1 billion nails and 496 short tons, at margins ranging from 0.1 to 54.1 percent and averaging 13.8 percent.[159] Quarters in which there was underselling accounted for

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[155] CR/PR at V-6. Consistent with how nails are sold in the market, the Commission collected data on some of the products in units of 1,000 nails and data on other products in units of short tons. *See id.* at Tables V-4-V-7. The four pricing products were as follows:

Product 1.— Nominal 3" x 0.131" (10.25 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails;
Product 2.— Nominal 3" x 0.120" (11 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails;
Product 3.— Nominal 2" x 0.113" (11.5 gauge), bright drive screw (threaded) shank, machine grade bulk nails; and
Product 4.— Nominal 2" x 0.099" (12. 5 gauge), bright screw (threaded), 15-degree wire coil collated nails. *Id*. at V-6.

[156] CR/PR at V-7.

[157] CR/PR at V-7. We are unpersuaded by respondents' argument that the pricing data reported by importers ***, which act as importers of record for related foreign producers, should be excluded because these importers allegedly sell steel nails at a different level of trade than importers unaffiliated with foreign producers. *See* Astrotech Coalition's Postconf. Br. at 4; Oman Fasteners' Postconf. Br. at 30-41; PrimeSource Coalition's Postconf. Br. at 26-30. Consistent with our practice, we collected pricing data from domestic producers and U.S. importers on their first arms-length sales to unrelated customers. CR/PR at V-6. This was the approach taken by the Commission in all previous investigations of steel nails. *See Certain Steel Nails from Korea, Malaysia, Oman, Taiwan, and Vietnam*, Inv. Nos. 701-TA-521 and 731-TA-1252-1255 and 1257 (Final), USITC Pub. 4541 (July 2015) at 24-25, V-4; *Certain Steel Nails from China*, Inv. No. 731-TA-1114 (Final), USITC Pub. 4022 (July 2008) at V-4-V-5.

[158] CR/PR at Table V-9.

[159] CR/PR at Table V-9.

78.7 percent of reported subject import sales volume with respect to nails and 76.4 percent of reported subject import sales volume with respect to short tons.[160]

We have also considered purchasers' responses to the lost sales/lost revenue survey.[161] Five of the six responding purchasers reported that, since 2018, they purchased subject imports instead of U.S.-produced product. Four of these purchasers reported that subject import prices were lower than prices for domestically produced steel nails. Two of these purchasers reported that price was a primary reason for their decision to purchase *** short tons of subject imports instead of domestically produced steel nails.[162]

Based on the moderate-to-high degree of substitutability between domestically produced steel nails and subject imported nails of the same type and the importance of price in purchasing decisions, we find that subject import underselling was significant during the period of investigation. Given the extent of subject import underselling, we cannot conclude that such underselling did not contribute to subject imports gaining *** percentage points of market share at the expense of the domestic industry from 2018 to 2019 and *** percentage point of market share in interim 2021, compared to interim 2020, as discussed further below.[163] [164]

We have also considered price trends during the period of investigation. While U.S. prices for steel nails generally fluctuated within a narrow range between 2018 and 2020, they increased for all pricing products from all sources in interim 2021.[165] Domestic producer prices for pricing products 1, 2, 3, and 4 increased by ***, ***, ***, and *** percent, respectively,

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[160] CR/PR at Table V-9.

[161] The Commission requested U.S. producers to report purchasers with which they experienced instances of lost sales or revenue during the POI. U.S. producers identified *** firms with which they alleged lost sales and *** with which they alleged both lost sales and lost revenue between 2019 and 2020. Staff provided lost sales/lost revenue surveys to these ten firms, but received responses from only two of them. Accordingly, of those purchasers that U.S. producers allege accounted for sales or revenues lost to subject imports, only two of ten have responded to these assertions in the preliminary phase of these investigations. Four additional firms (which were ***) provided responses to the survey. CR/PR at V-20.

[162] CR/PR at Table V-12.

[163] CR/PR at Table IV-11.

[164] The market share shift of *** percentage point between 2018 and 2019 was equivalent to *** percent of the domestic industry's production in 2019, and the market share shift of *** percentage point in interim 2021 compared to interim 2020 was equivalent to *** percent of the domestic industry's production in interim 2021. CR/PR at Tables III-3-4, IV-11. We intend to explore further in any final phase of these investigations the significance of this shift in market share from the domestic industry to subject imports, as well as the *** percentage point of market share that subject imports gained at the domestic industry's expense between 2018 and 2019, relative to the domestic industry's production in the relevant periods.

[165] CR/PR at Tables V-4-V-8.

between the first quarter of 2018 and third quarter of 2021.[166] Depending on the subject country, subject import price increases ranged from *** to *** percent for pricing product 1, from *** to *** percent for pricing product 2, from *** to *** percent for pricing product 3, and from *** to *** percent for pricing product 4.[167] The parties agree that supply chain disruptions and increased freight costs late in the POI led to increases in the prices for steel nails in interim 2021.[168]

We have also considered whether subject imports prevented price increases for the domestic like product that otherwise would have occurred. The domestic industry's COGS to net sales ratio increased from *** percent in 2018 to *** percent in 2019 before declining to *** percent in 2020, a level *** percentage points lower than in 2018.[169] The industry's COGS to net sales ratio was *** percent in interim 2021, down from *** percent in interim 2020.[170] In 2018-2019, the domestic industry faced rising raw material costs as section 232 tariffs were imposed on wire rod in March 2018.[171] As a result, the industry experienced a cost-price squeeze in 2019.[172] As its unit raw material costs increased to a greater degree than did unit net sales value, the domestic industry's COGS to net sales ratio increased by *** percentage points between 2018 and 2019, leading to operating and net *** in 2019.[173] Subsequently, the industry's COGS to net sales improved in 2020 as section 232 tariffs on steel nails and wire rod from Canada and Mexico were rescinded in May 2019 and the industry's unit raw material costs

[166] CR/PR at Table V-8.

[167] CR/PR at Table V-8.

[168] *See, e.g.*, Petitioner's Postconf. Br. at 37; PrimeSource Coalition's Postconf. Br. at 12-13; Conf. Tr. at 16, 137, 149, 152, 239.

[169] CR/PR at Table VI-3.

[170] CR/PR at Table VI-3.

[171] CR/PR at I-10, V-2. Most U.S. producers and importers reported that section 232 tariffs on wire rod increased raw material costs during the POI. CR/PR at Table V-1.

[172] Two producers reported that they were able to increase the price of steel nails, two reported no change in their prices, and two reported prices fluctuating due to these tariffs. CR/PR at V-2. Mid Continent claimed that it increased prices after the tariffs went into effect, which it ultimately was forced to roll back after losing sales volume to subject imports. Petitioner's Postconf. Br. Exh. 1 at 11; Conf. Tr. at 34 (Lutz). *** similarly reported that *** *** U.S. Producer Questionnaire Responses at IV-18. Between 2018 and 2019, the domestic industry lost *** percentage points in market share to subject imports. CR/PR at Table C-1. Apparent U.S. consumption, however, also declined during this time.

[173] CR/PR at Table C-1. In turn, Mid Continent claims that U.S. producers were forced to reduce its workforce. Petitioner's Postconf. Br. Exh. 1 at 16-17. The industry's employment declined by *** percent between 2018 and 2019. CR/PR at Table C-1.

declined.[174] Given the significant increase of low-priced subject imports in 2019, we cannot conclude that subject imports did not prevent price increases that otherwise would have occurred during that time. In any final phase of these investigations, we intend to investigate further any price suppressing effects of subject imports in 2019 as well as petitioner's claim that this effect of the injury from subject imports affected their ability to compete during the pandemic and the remainder of the POI.

In sum, based on the record of the preliminary phase of these investigations, we cannot conclude that cumulated subject imports did not have significant price effects.

E. Impact of the Subject Imports[175]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[176]

The domestic industry's output indicators generally declined irregularly between 2018 and 2020. While the domestic industry's output indicators improved in interim 2021 compared to interim 2020, they did so at a slower rate than the increase in apparent U.S. consumption.[177] As discussed above, the domestic industry's production capacity was *** short tons in 2018, *** short tons in 2019, and *** short tons in 2020; it was *** short tons in interim 2021, which was higher than in interim 2020, at *** short tons.[178] The domestic industry's production was

[174] CR/PR at I-10, Table VI-3. We note that all of the domestic industry's lost sales and revenue allegations occurred in 2019 and 2020. CR/PR at V-20. As discussed above, two purchasers reported that price was a primary reason for their decision to purchase *** short tons of lower-priced subject imports instead of domestically produced steel nails. CR/PR at Table V-12.

[175] In its notice initiating the antidumping duty investigation on steel nails from India, Sri Lanka, Thailand, and Turkey, Commerce reported estimated dumping margins ranging from 66.53 to 99.43 percent for imports from India, 35.50 to 104.13 percent for imports from Sri Lanka, 64.44 to 65.87 for imports from Thailand, and 28.94 to 33.03 percent for imports from Turkey. 87 Fed. Reg. 3965, 3968 (Jan. 26, 2022).

[176] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[177] U.S. shipments increased by *** percent by quantity while apparent consumption increased by *** percent by quantity. CR/PR at Table C-1.

[178] CR/PR at Tables III-4 and C-1.

*** short tons in 2018, *** short tons in 2019, and *** short tons in 2020; it was *** short tons in interim 2021, which was higher than in interim 2020, at *** short tons.[179] The domestic industry's capacity utilization was *** percent in 2018, *** percent in 2019, and *** percent in 2020; it was *** percent in interim 2021, which was lower than in interim 2020, at *** percent.[180] The domestic industry's U.S. shipments were *** short tons in 2018, *** short tons in 2019, and *** short tons in 2020; they were *** short tons in interim 2021, which was higher than in interim 2020, at *** short tons.[181] The domestic industry's end-of-period inventories were *** short tons in 2018, *** short tons in 2019, and *** short tons in 2020; they were *** short tons in interim 2021, which was lower than in interim 2020, at *** short tons.[182] As discussed above, the domestic industry's share of the U.S. market was *** percent in 2018, *** percent in 2019, and *** percent in 2020; it was *** percent in interim 2021, which was lower than in interim 2020, at *** percent.[183]

The domestic industry's employment-related performance indicia generally declined during the POI, including with respect to the number of production and related workers ("PRWs"),[184] productivity,[185] wages paid,[186] hourly wages,[187] and unit labor costs.[188] Hours worked, however, increased throughout the period.[189]

The domestic industry's financial performance indicia generally declined between 2018 and 2019 before improving through the end of the period of investigation. The domestic industry's net sales revenue totaled $*** in 2018, $*** in 2019, and $*** in 2020; it was $***

[179] CR/PR at Tables III-4 and C-1.

[180] CR/PR at Tables III-4 and C-1.

[181] CR/PR at Tables III-6 and C-1.

[182] Tables III-7 and C-1.

[183] CR/PR at Table IV-11.

[184] The number of PRWs were *** in 2018, *** in 2019, and *** in 2020; it was *** in interim 2021, which was lower than in interim 2020, at ***. CR/PR at Tables III-12 and C-1.

[185] Productivity was *** short tons per 1,000 hours in 2018, *** short tons per 1,000 hours in 2019, and *** short tons per 1,000 hours in 2020; it was *** short tons per 1,000 hours in interim 2021, which was lower than in interim 2020, at *** short tons per 1,000 hours. CR/PR at Tables III-12 and C-1.

[186] Wages paid totaled $*** in 2018, $*** in 2019, and $*** in 2020; they were $*** in interim 2021, which was higher than in interim 2020, at $***. CR/PR at Tables III-12 and C-1.

[187] Hourly wages were $*** per hour in 2018, $*** per hour in 2019, and $*** per hour in 2020; they were $*** per hour in interim 2021, which was higher than in interim 2020, at $*** per hour. CR/PR at Tables III-12 and C-1.

[188] Unit labor costs were $*** per short ton in 2018, $*** per short ton in 2019, and $*** per short ton in 2020; they were $*** per short ton in interim 2021, which was higher than in interim 2020, at $*** per short ton. CR/PR at Tables III-12 and C-1.

[189] Total hours worked totaled *** in 2018, *** in 2019, and *** in 2020; it was *** in interim 2021, which was higher than in interim 2020, at ***. CR/PR at Tables III-12 and C-1.

in interim 2021, which was higher than in interim 2020, at $***.[190] The domestic industry's gross profits totaled $*** in 2018, $*** in 2019, and $*** in 2020; they were $*** in interim 2021, which was *** percent higher than in interim 2020, at $***.[191] The domestic industry's operating income totaled $*** in 2018, *** in 2019, and $*** in 2020; it was $*** in interim 2021, which was *** percent higher than in interim 2020, at $***.[192] As a ratio to net sales, the domestic industry's operating income margin was *** percent in 2018, *** percent in 2019, and *** percent in 2020; it was *** percent in interim 2021, which was higher than in interim 2020, at *** percent.[193] The domestic industry's net income totaled $*** in 2018, *** in 2019, and $*** in 2020; it was $*** in interim 2021, which was *** percent higher than in interim 2020, at $***.[194] The domestic industry's net income margin was *** percent in 2018, *** percent in 2019, and *** percent in 2020; it was *** percent in interim 2021, which was higher than in interim 2020, at *** percent.[195] Net assets increased from 2018 to 2020, from $*** to $*** in 2019 and $*** in 2020.[196] Return on assets fluctuated during this period, declining from *** percent in 2018 to *** percent in 2019, and increasing to *** percent in 2020.[197]

Capital expenditures increased irregularly during the POI, from $*** in 2018 to $*** in 2019, and $*** in 2020; they were $*** in interim 2021, which was higher than in interim 2020, at $***.[198] Research and development ("R&D") declined irregularly, from $*** in 2018 to $*** in 2019, and $*** in 2020; they were $*** in interim 2021, which was higher than in interim 2020, at $***.[199] Lastly, six of seven responding U.S. producers reported that the subject imports had negative effects on investment and negative effects on growth and development.[200]

We cannot conclude that the significant increase in low-priced subject imports during the period of investigation did not prevent price increases in 2019 that would have otherwise occurred and thereafter affected the domestic industry's ability to compete during the pandemic and benefit fully from the significant increase in apparent U.S. consumption to a

[190] CR/PR Tables VI-1, VI-3 and C-1.
[191] CR/PR Tables VI, VI-3, and C-1.
[192] CR/PR Tables VI, VI-3, and C-1.
[193] CR/PR Tables VI, VI-3, and C-1.
[194] CR/PR Tables VI, VI-3, and C-1.
[195] CR/PR Tables VI, VI-3, and C-1.
[196] CR/PR at Tables VI-9 and C-1.
[197] CR/PR at Tables VI-10 and C-1.
[198] CR/PR Tables VI-5 and C-1.
[199] CR/PR at Tables VI-6 and C-1.
[200] CR/PR at Tables VI-12-VI-13.

greater degree in interim 2021 compared to interim 2020.[201] In addition, based on the moderate-to-high degree of substitutability between domestic and subject nails of the same type and the importance of price to purchasers, we cannot conclude that significant subject import underselling did not contribute to a market share shift from the domestic industry to subject imports.[202] We therefore cannot conclude the industry did not experience weaker performance than it would have otherwise.

We have also considered the role of factors other than subject imports. Nonsubject imports accounted for the largest but declining share of the U.S. market during the POI, losing market share to subject imports from 2018 to 2020. As discussed above, nonsubject imports' share of apparent U.S. consumption declined irregularly between 2018 and 2020, from *** percent in 2018, to *** percent in 2019, and *** percent in 2020, but was higher in interim 2021, at *** percent, than in interim 2020, at *** percent.[203] While we recognize that nonsubject imports gained some market share in interim 2021 compared to interim 2020, this does not, however, negate the effect of the gain in market share of subject imports or the potential price suppressing effects of subject imports in 2019 and the subsequent continuing

[201] Petitioner argues that the decline in PRWs in the domestic industry over the POI left the domestic industry less able to respond to increased demand for its product in interim 2021. Petitioner's Postconf. Br. at 35-36. We observe that the number of PRWs in the domestic industry declined in every year of the POI and was lower in interim 2021 than in interim 2020. CR/PR at Table III-12.

[202] Respondents argue that the domestic industry was unable to supply more of the market in interim 2021. *See, e.g.*, Coalition of Importers' Postconf. Br. and Exhibit 6, 9; PrimeSource Coalition's Postconf. Br. at Exhibits 5-6; Viper's Postconf. Statement and Exhibits. We recognize that supply constraints experienced by domestic producers may have also contributed to or caused the shift in market share from the domestic industry to subject imports in interim 2021. Five of seven producers reported that they had experienced supply constraints since January 1, 2018. CR/PR at II-10. As previously discussed, two of those producers – Mid Continent and Kyocera-Senco – allege that market share losses and price suppressing effects of subject imports caused layoffs early in the POI that exacerbated supply constraints later in the period. CR/PR at III-13 n.3; Petitioner's Postconf. Br., Exh. 1 at 12-13; Conf. Tr. at 27-29 (Faron), 33-35 (Lutz); Kyocera-Senco's U.S. Producer Questionnaire Response at II-11. In 2021, domestic producers raised wages in efforts to increase the number of workers as demand increased. CR/PR at II-6. Mid Continent and Kyocera-Senco claim that their ability to increase wages were hampered by competition with subject imports, which continued to increase and exert pricing pressure in the U.S. market in 2021. Petitioner's Postconf. Br., Exh. 1 at 16-17; Kyocera-Senco's U.S. Producer Questionnaire Response at II-11. The record indicates that despite elevated freight rates and supply constraints reported by U.S. importers, subject imports undersold the domestic like product in *** of *** quarterly comparisons in interim 2021. CR/PR at Tables V-4-V-7. In any final phase of the investigations, we intend to further investigate the extent to which the domestic industry's supply constraints contributed to the shift in market share from the industry to subject imports, as well as the impact of any injury to the domestic industry due to subject imports earlier in the POI on the domestic industry's performance and ability to supply the market in 2021.

[203] CR/PR at Table IV-11.

injury.[204] We intend to further investigate the role of nonsubject imports in the U.S. market in any final phase of the investigations.

We also considered demand trends. As discussed above, the record indicates that apparent U.S. consumption declined from 2018 to 2019 and increased from 2019 to 2020 and was higher in interim 2021 than in interim 2020. While the decline in apparent U.S. consumption from 2018 to 2019 may have affected the domestic industry's output and financial indictors in 2019, this decline occurred as the volume of lower-priced subject imports significantly increased and potentially suppressed domestic prices. Further, the decline in demand would not negate the effect of the domestic industry's loss of market share to subject imports. We also observe that the domestic producers' output indicators between interim 2020 and 2021 did not keep pace with the increase in apparent consumption.

In sum, based on the record of the preliminary phase of these investigations, we cannot conclude that the record as a whole contains clear and convincing evidence that there is no material injury by reason of subject imports.[205] Consequently, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of cumulated subject imports.

VIII. Reasonable Indication of Threat of Material Injury by Reason of Subject Imports

A. Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is

[204] CR/PR at Table C-1. Moreover, the information available indicates that the average unit values ("AUVs") of nonsubject imports were higher than the AUVs of cumulated subject imports throughout the period of investigation, with the largest differential between nonsubject and subject AUVs occurring in interim 2021. CR/PR at Table C-1. The AUVs of nonsubject imports were $1,282 in 2018, $1,350 in 2019, and $1,245 in 2020; they were $1,456 in interim 2021, which was higher than in interim 2020, at $1,248. *Id*. The AUVs of subject imports were $1,259 in 2018, $1,196 in 2019, and $1,134 in 2020; they were $1,288 in interim 2021, which was higher than in interim 2020, at $1,129. *Id.* Thus, the AUVs of nonsubject imports declined by 2.8 percent from 2018 to 2020, while the AUVs of subject imports declined by 9.9 percent over the same period. *Id*. We recognize that AUV comparisons may be influenced by differences in product mix and changes in product mix over time.

[205] *See American Lamb Co*., 785 F.2d at 1001.

accepted."[206] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.[207] In making our determination, we consider all statutory threat factors that are relevant to these investigations.[208]

B. Cumulation for Threat

Under section 771(7)(H) of the Tariff Act, the Commission may "to the extent practicable" cumulatively assess the volume and price effects of subject imports from all

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[206] 19 U.S.C. § 1677(7)(F)(ii).

[207] 19 U.S.C. § 1677(7)(F)(ii).

[208] These factors are as follows:

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement) and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

…

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable to this investigation.

countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.[209]

1. Parties' Arguments

Petitioner's Arguments. Petitioner argues that the Commission should exercise its discretion to cumulate subject imports for purposes of any threat analysis for the same reasons that it should cumulate subject imports for purposes of its material injury analysis.[210]

Respondents' Arguments. Respondents do not address cumulation for threat of material injury in their briefs.

2. Analysis

As discussed above in Section VI.B., the petitions for these investigations were filed on the same day, and there is a reasonable overlap of competition between subject imports from India, Oman, Sri Lanka, Thailand, and Turkey, and between imports from each subject country and the domestic like product. There is no information on the record to suggest that the reasonable overlap of competition between and among subject imports and the domestic like product will not continue into the imminent future. The current record also indicates that subject imports from India, Oman, Sri Lanka, Thailand, and Turkey are likely to compete in the U.S. market under similar conditions of competition in the imminent future, and no party has argued otherwise.[211] Given these considerations, we exercise our discretion to cumulate subject imports from India, Oman, Sri Lanka, Thailand, and Turkey for our analysis of whether there is a reasonable indication of a threat of material injury to the domestic industry by reason of imports from Sri Lanka subject to the countervailing duty investigation.

[209] 19 U.S.C. § 1677(7)(H).

[210] Petitioner's Postconf. Br. at 42, Exh. 1 at 15. *See also* Petition at 32-33.

[211] We acknowledge that the volume of subject imports from India declined from 2018 to 2020. CR/PR at Table IV-2. We note, however, that the volume of subject imports from all subject countries, including India, were higher in interim 2021 than in interim 2020. *Id*. We also note that the data reported in questionnaire responses by subject producers/exporters in each subject country indicates that their capacity to produce steel nails increased during the POI, while their export orientation either increased or remained high. CR/PR at Tables VII-3, VII-8, VII-13, VII-18, V-23. Responding foreign producers in each subject country also reported exporting a majority of their total shipments to the United States throughout the POI. CR/PR at Table VII-25.

C. Analysis of Threat of Material Injury Factors

1. Likely Volume

As discussed above in Section VII.C., the volume of cumulated subject imports and the increase in the volume of these imports over the POI was significant in absolute terms and relative to U.S. consumption and production. We find that cumulated subject imports are likely to maintain a significant presence in the U.S. market, and that the significant increase in cumulated subject import volume observed during the POI is likely to continue in the imminent future.

The record of the preliminary phase of the investigations indicates that cumulated subject producers have the ability and the incentive to increase their exports to the United States in the imminent future. Cumulated subject producers increased their capacity during the period of investigation, from *** short tons in 2018 to *** short tons in 2019 and *** short tons in 2020, a level *** percent higher than in 2018. Their capacity was *** short tons in interim 2021, up from *** short tons in interim 2020.[212] Cumulated subject producers project additional increases in their capacity to *** short tons in full year 2021 and to *** short tons in 2022.[213]

As their rate of capacity utilization declined from *** percent in 2018 to *** in 2019 and *** percent in 2020 cumulated subject producers possessed substantial and increasing excess capacity.[214] In 2020, the cumulated subject producers possessed excess capacity of *** short tons, equivalent to *** percent of apparent U.S. consumption that year.[215] Although cumulated subject producers reported higher capacity utilization in interim 2021, at *** percent, than in interim 2020, at *** percent, they project that their capacity utilization will decline to *** percent in 2022, as increases in capacity are projected to outpace increases in production.[216]

Cumulated subject producer end-of-period inventories also increased during the POI, which would enable subject producers to increase further their exports to the United States.[217]

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[212] CR/PR at Table VII-25.

[213] CR/PR at Table VII-25.

[214] CR/PR at Table VII-25.

[215] *Derived from* CR/PR at Tables IV-10, VII-25.

[216] CR/PR at Table VII-25.

[217] CR/PR at Table VII-25. Additionally, reporting producers in India and Oman manufacture products other than steel nails on the same equipment that they use to produce subject merchandise, indicating some potential to switch from the production of out-of-scope products to steel nails. CR/PR at VII-6, VII-13.

Cumulated subject producer end-of-period inventories increased from *** short tons in 2018 to *** short tons in 2019, and *** short tons in 2020; they were *** short tons in interim 2021, up from *** short tons in interim 2020. Although U.S. importer inventories of subject imports declined during the POI,[218] they remained significant and U.S. importers reported arranged subject import orders of *** short tons through September 2022.[219]

Cumulated subject producers also have the incentive to increase exports to the United States in the imminent future, given their export orientation and increasing reliance on the U.S. market during the period of investigation. Cumulated subject producers increased their exports of steel nails throughout the POI, from *** short tons in 2018 to *** short tons in 2019 and *** short tons in 2020, a level *** percent higher than in 2016.[220] Their exports were *** short tons in interim 2021, up from *** short tons in interim 2020.[221] At the same time, cumulated subject producers' exports as a share of their total shipments increased from *** percent in 2018 to *** percent in 2019 and 2020, and were *** percent in interim 2021, compared to *** percent in interim 2020.[222] Their exports to the United States as a share of total shipments increased from *** percent in 2018 to *** percent in 2019 before declining to *** percent in 2020, a level *** percentage points higher than in 2018. Their exports to the United States as a share of total shipments were *** percent in interim 2021, up from *** percent in interim 2020.[223] By contrast, their shipments to home market customers as a share of total shipments declined from *** percent in 2018 to *** percent in 2019 and 2020; they were *** percent in interim 2021, compared to *** percent in interim 2020. Further, cumulated subject producer exports to third country markets accounted for less than *** percent of total shipments throughout most of the period, even in the absence of third country trade measures.[224] These data indicate that cumulated subject producers were highly export oriented and increasingly dependent on the U.S. market during the POI.[225]

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[218] U.S. importers' end-of-period inventories were *** short tons in 2018, *** short tons in 2019, and *** short tons in 2020; they were *** short tons in interim 2021, down from *** short tons in interim 2020. CR/PR at Table VII-26.

[219] CR/PR at Table VII-27.

[220] CR/PR at Table VII-25.

[221] CR/PR at Table VII-25.

[222] CR/PR at Table VII-25.

[223] CR/PR at Table VII-25.

[224] CR/PR at VII-42 and Table VII-25.

[225] We acknowledge the record information indicating that international supply chain disruptions may last until at least 2023. *See*, *e.g.*, Astrotech Coalition's Postconf. Br., Exh. 2. However, as we discuss above in Sections VII.C.-D., these disruptions did not prevent cumulated subject import volume from increasing in interim 2021 relative to interim 2020, as subject import underselling remained significant.

In light of the significant increase in cumulated subject import volume during the POI; the large and increasing capacity of the cumulated subject producers, including substantial excess capacity; and the cumulated subject producers' export orientation and increasing dependance on the U.S. market, we find that there is the likelihood of substantially increased subject import volume in the imminent future in the absence of relief.[226]

2. Likely Price Effects

As discussed above in Section VII.D., we have found that cumulated subject imports significantly undersold the domestic like product during the period of investigation, and were unable to conclude that such underselling did not contribute to the shift in market share from the domestic industry to subject imports and did not prevent prices increases that would have otherwise occurred in 2019. In the absence of any evidence that the pattern of subject import underselling is likely to change, we find that subject imports are likely to continue to undersell the domestic like product in the imminent future. Indeed, despite elevated freight rates and supply constraints reported by U.S. importers, subject imports undersold the domestic like product in *** of *** quarterly comparisons in interim 2021.[227] Given the moderate-to-high degree of substitutability between domestic and subject steel nails of the same type and the importance of price to purchasers, we cannot find that the significant subject import underselling that is likely would not likely contribute to an additional shift in market share from the domestic industry to subject imports or result in subject imports entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and increase demand for further imports in the imminent future.

3. Likely Impact

As discussed above in Section VII.E., we cannot conclude that increased volumes of low-priced cumulated subject imports did not have a significant impact on the domestic industry by causing the domestic industry to lose market share to subject imports. The record indicates

[226] We have also considered the nature of the countervailable subsidies in conjunction with the other statutory criteria as part of our analysis of the likely volume of the subject imports. Commerce initiated countervailing duty investigations on 16 alleged subsidy programs in India, 11 alleged subsidy programs in Oman, 11 alleged subsidy programs in Sri Lanka, 13 alleged subsidy programs in Thailand, and 26 alleged subsidy programs in Turkey. Commerce initiation checklists C-533-908, at 7-28; C-523-817, at 7-17; C-542-805, at 6-13; C-549-845, at 7-19; C-489-847, at 6-29. Several of these alleged subsidy programs appear to be directed specifically towards exports. *Id*.

[227] CR/PR at Tables V-4-V-7.

that strong demand growth is likely to continue in the imminent future.[228] Given our findings that cumulated subject import volume is likely to substantially increase, and that significant subject import underselling is likely to continue, we cannot conclude that cumulated subject imports will likely not have a significant impact on the domestic industry in the imminent future, in the absence of relief. Specifically, we cannot conclude that the likely substantially increased volumes of low-priced subject imports will not depress and/or suppress domestic prices as well as displace sales of the domestic like product and cause the domestic industry to lose market share, adversely affecting the domestic industry's production, employment, revenues, and financial performance. All seven responding U.S. producers reported anticipating negative effects from subject imports in the absence of relief.[229]

We have also considered whether factors other than subject imports threaten to injure the domestic industry. As discussed in Section VII.E. above, nonsubject imports generally declined as a share of apparent U.S. consumption during the period of investigation and their market share gains between the interim periods did not prevent subject imports from gaining market share at the expense of the domestic industry between those two periods. There is no information on the record that nonsubject imports would change the impact subject imports are likely to have on the domestic industry in the imminent future.[230] Similarly, the information available indicates that demand for steel nails is expected to remain strong.[231]

As indicated above, we intend to further investigate the extent to which supply constraints have limited the domestic industry's ability to benefit fully from increased demand in any final phase of these investigations.

In sum, based on the record of the preliminary phase of the investigations, we cannot conclude that the record as a whole contains clear and convincing evidence that cumulated subject imports are not likely to have a significant impact on the domestic industry in the imminent future.[232] Consequently, we determine that there is a reasonable indication that an

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[228] CR/PR at II-12-II-14; Astrotech Coalition's Postconf. Br., Exh. 2 (projecting GDP growth to settle as of 2023, when pent-up demand is satisfied); Conf. Tr. at 11, 14 (House), 57 (Skarich), 172 (Rogowsky), 202-203 (Smith), 223 (Mazur). We also note that housing demand did not decrease in the last quarter of 2021. CR/PR at II-12.

[229] CR/PR at Tables VI-12-VI-13.

[230] As we discuss in Section VII.B.2 above, steel nails from a number of nonsubject import sources are subject to antidumping and countervailing duty orders. *See also* Petitioner's Postconf. Br., Exh. 1 at 13-14 (arguing that nonsubject imports from China, Malaysia, Korea, Taiwan, Vietnam, and the UAE, which accounted for 72.9 to 78.7 percent of total nonsubject import volume during the POI, were under the discipline of existing orders).

[231] Conf. Tr. at 11, 14 (House), 57 (Skarich), 172 (Rogowsky), 202-203 (Smith), 223 (Mazur).

[232] *See American Lamb Co*., 785 F.2d at 1001.

industry in the United States is threatened with material injury by reason of imports of steel nails from Sri Lanka subject to the countervailing duty investigation.

IX. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of steel nails from India, Sri Lanka, Thailand, and Turkey that are allegedly sold in the United States at less than fair value and imports of the subject merchandise from India, Oman, Thailand, and Turkey that are allegedly subsidized by the governments of India, Oman, Thailand, and Turkey. We also determine that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of steel nails from Sri Lanka that are allegedly subsidized by the government of Sri Lanka.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by Mid Continent Nail Corporation ("Mid Continent"), Poplar Bluff, Missouri on December 30, 2021, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of certain steel nails ("steel nails")[1] from India, Oman, Sri Lanka, Thailand and Turkey and less-than-fair-value ("LTFV") imports of steel nails from India, Sri Lanka, Thailand, and Turkey. Table I-1 presents information relating to the background of these investigations.[2] [3]

Table I-1
Steel nails: Information relating to the background and schedule of this proceeding

Effective date	Action
December 30, 2021	Petitions filed with Commerce and the Commission; institution of Commission investigations (87 FR 993, January 7, 2022)
January 19, 2022	Commerce's notice of initiation (87 FR 3970 and 87 FR 3965, January 26, 2022)
January 20, 2022	Commission's conference
February 11, 2022	Commission's vote
February 14, 2022	Commission's determinations
February 22, 2022	Commission's views

[1] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding.

[2] Pertinent Federal Register notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

[3] A list of witnesses appearing at the conference is presented in appendix B of this report.

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.*

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

> *In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.*

[4] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part I of this report presents information on the subject merchandise, subsidy and dumping allegations, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Steel nails are generally used to fasten two pieces of material, typically wood or other solid building materials.[6] The leading U.S. producers of steel nails are Mid Continent, ***. The leading producers of steel nails in subject countries include *** of India, *** of Oman, *** of Sri Lanka, *** of Thailand and *** of Turkey. The leading U.S. importer of steel nails from India is ***. The leading importer of steel nails from Oman is ***. The leading importers of steel nails from Sri Lanka are ***. The leading importers of steel nails from Thailand are ***. The leading importers of steel nails from Turkey are ***. Leading importers of steel nails from nonsubject countries (primarily China, South Korea, and Malaysia) include ***. U.S. purchasers of steel nails responding to the Lost Sales/Lost Revenue survey were all distributors, although a substantial share of shipments by domestic producers were to end users and a substantial share of shipments were to retailers.

[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.
[6] Petition, p. 5.

Apparent U.S. consumption of steel nails totaled approximately *** short tons (***) in 2020. Currently, nine firms are known to produce steel nails in the United States (seven of which provided usable questionnaire responses). U.S. producers' U.S. shipments of steel nails totaled *** short tons (***) in 2020, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from subject sources totaled 231,297 short tons ($263.0 million) in 2020 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled 513,297 short tons ($639.3 million) in 2020 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on useable questionnaire responses of seven firms that accounted for the vast majority of U.S. production of steel nails during 2020.[7] U.S. imports are based on official import statistics.

Previous and related countervailing and antidumping duty investigations

Steel nails has been the subject of several prior countervailing and antidumping duty investigations in the United States. Table I-2 presents data on those proceedings.

[7] U.S. producer and importer *** submitted questionnaires on January 17, 2022, while U.S. producer and importer *** submitted questionnaires on January 28, 2022. Neither firm was able to address reporting inconsistencies prior to review of this report; accordingly, these questionnaire responses are not included in the questionnaire data presented in this report. ***. ***.

Table I-2
Steel nails: Previous and related Commission proceedings and status of orders

Date	Number	Country	Determination	Current status of order
1977	AA19210-189	Canada	Affirmative preliminary	ITC negative final
1979	731-TA-26	Korea	Affirmative preliminary	ITC negative final
1981	731-TA-45	Japan	ITC terminated investigation	---
1981	731-TA-46	Korea	AD order issued	Revoked in October 1984
1981	731-TA-47	Yugoslavia	ITC negative preliminary	---
1982	701-TA-145	Korea	Investigation terminated	---
1985	731-TA-226	China	AD order issued	Revoked September 1987, retroactive to January 1986
1985	A-455-502	Poland	Terminated investigations	---
1985	A-479-501	Yugoslavia	Terminated investigations	---
1987	C-614-701	Thailand	Affirmative final	CVD revoked for Thailand in August 1995
1989	C-557-804	Malaysia	CVD investigation terminated by Commerce	---
1996	731-TA-757	China	AD orders issued	AD orders were revoked November 2002
1996	731-TA-758	Korea	Terminated investigation	AD orders were revoked November 2002
1996	731-TA-759	Taiwan	AD orders issued	AD orders were revoked November 2002
2007	731-TA-1114	China	AD order for China	Currently in effect
2007	731-TA-1115	United Arab Emirates	Terminated investigation	---
2011	731-TA-1185	United Arab Emirates	Affirmative final	Currently in effect
2014	701-TA-515 and 731-TA-1251	India	ITC terminated preliminary AD and CVD investigations	---
2014	701-TA-516 and 731-TA-1252	South Korea	Commerce negative final CVD determination; AD order issued	Currently in effect
2014	701-TA-517 and 731-TA-1253	Malaysia	Commerce negative final CVD determination; AD order issued	Currently in effect
2014	701-TA-518 and 731-TA-1254	Oman	Commerce negative final CVD determination; AD order issued	Currently in effect

Date	Number	Country	Determination	Current status of order
2014	701-TA-519 and 731-TA-1255	Taiwan	Commerce negative final CVD determination; AD order issued	Currently in effect
2014	701-TA-520 and 731-TA-1256	Turkey	ITC terminated preliminary AD and CVD investigations	---
2014	701-TA-521 and 731-TA-1257	Vietnam	CVD and AD orders issued	Currently in effect

Source: U.S. International Trade Commission publications and Federal Register notices.

Note: Collated roofing nails have been subject to the following previous and related investigations: Collated Roofing Nails from China, Korea, and Taiwan, Inv. Nos. 731-TA-757-759 (Preliminary) January 1997: Collated Roofing Nails from China and Taiwan, Inv. Nos. 731-TA-757 and 759 (Final) Nov 1997 went affirmative.

Note: "Date" refers to the year in which the investigation was instituted by the Commission.

Safeguard investigations

On January 24, 1984, the United Steelworkers of America, AFL-CIO/CLC, and Bethlehem Steel Corp. filed a petition under section 201 of the Trade Act of 1974 alleging that carbon and certain alloy steel products, including steel wire nails, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported articles.[8] Following the Commission's affirmative determinations in July 1984 for several of the products, including steel wire nails, the United States negotiated various agreements to limit the importation of steel products into the United States, such as the VRAs.[9]

On July 3, 2001, following a request from the United States Trade Representative ("USTR") and subsequently a request from the Senate Finance Committee, a section 201 investigation was initiated by the Commission to determine whether certain steel products were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry. The Commission, however, made a negative determination with respect to carbon and alloy steel nails.[10]

[8] Carbon and Alloy Steel Products, Investigation No. TA-201-51, USITC Publication 1553, July 1984, p. 7.

[9] Carbon and Alloy Steel Products, Investigation No. TA-201-51, USITC Publication 1553, July 1984, p. 7.

[10] Steel, Investigation No. TA-201-73, USITC Publication 3479, December 2001.

Nature and extent of alleged subsidies and sales at LTFV

On January 26, 2022, Commerce published a notice in the Federal Register of the initiation of its countervailing duty investigations on steel nails from India, Oman, Sri Lanka Thailand, and Turkey.[11] On January 26, 2022, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigations on steel nails from India, Sri Lanka, Thailand, and Tukey.[12] Commerce has initiated antidumping duty investigations based on estimated dumping margins of 66.53 to 99.43 percent for steel nails from India, 35.50 to 104.13 percent for Sri Lanka, 64.44 to 65.87 percent from Thailand, and 28.94 to 33.04 percent for steel nails from Turkey.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[13]

> *The merchandise covered by these investigations is certain steel nails having a nominal shaft or shank length not exceeding 12 inches. Certain steel nails include, but are not limited to, nails made from round wire and nails that are cut from flat-rolled steel or long-rolled flat steel bars. Certain steel nails may be of one piece construction or constructed of two or more pieces. Examples of nails constructed of two or more pieces include, but are not limited to, anchors comprised of an anchor body made of zinc or nylon and a steel pin or a steel nail; crimp drive anchors; split-drive anchors, and strike pin anchors. Also included in the scope are anchors of one piece construction.*
>
> *Certain steel nails may be produced from any type of steel, and may have any type of surface finish, head type, shank, point type and shaft diameter. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, including but not limited to electroplating or hot dipping one or more times), phosphate, cement, and paint. Certain steel nails may have one or more surface finishes. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and*

[11] For further information on the alleged subsidy programs see Commerce's notice of initiation and related CVD Initiation Checklist. 87 FR 3970, January 26, 2022.

[12] 87 FR 3965, January 26, 2022.

[13] 87 FR 3965 and 87 FR 3970, January 26, 2022.

sinker. Shank or shaft styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted.

Screw-threaded nails subject to this proceeding are driven using direct force and not by turning the nail using a tool that engages with the head. Point styles include, but are not limited to, diamond, needle, chisel and blunt or no point. Certain steel nails may be sold in bulk, or they may be collated in any manner using any material.

Excluded from the scope are certain steel nails packaged in combination with one or more non-subject articles, if the total number of nails of all types, in aggregate regardless of size, is less than 25. If packaged in combination with one or more non-subject articles, certain steel nails remain subject merchandise if the total number of nails of all types, in aggregate regardless of size, is equal to or greater than 25, unless otherwise excluded based on the other exclusions below.

Also excluded from the scope are certain steel nails with a nominal shaft or shank length of one inch or less that are a component of an unassembled article, where the total number of nails is sixty (60) or less, and the imported unassembled article falls into one of the following eight groupings: (1) Builders' joinery and carpentry of wood that are classifiable as windows, French-windows and their frames; (2) builders' joinery and carpentry of wood that are classifiable as doors and their frames and thresholds; (3) swivel seats with variable height adjustment; (4) seats that are convertible into beds (with the exception of those classifiable as garden seats or camping equipment); (5) seats of cane, osier, bamboo or similar materials; (6) other seats with wooden frames (with the exception of seats of a kind used for aircraft or motor vehicles); (7) furniture (other than seats) of wood (with the exception of (i) medical, surgical, dental or veterinary furniture; and (ii) barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements); or (8) furniture (other than seats) of materials other than wood, metal, or plastics (e.g., *furniture of cane, osier, bamboo or similar materials). The aforementioned imported unassembled articles are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4418.10, 4418.20, 9401.30, 9401.40, 9401.51, 9401.59, 9401.61, 9401.69, 9403.30, 9403.40, 9403.50, 9403.60, 9403.81 or 9403.89.*

Also excluded from the scope of these investigations are nails suitable for use in powder-actuated hand tools, whether or not threaded, which are currently classified under HTSUS subheadings 7317.00.2000 and 7317.00.3000.

Also excluded from the scope of these investigations are nails suitable for use in gas-actuated hand tools. These nails have a case hardness greater than or equal to 50 on the Rockwell Hardness C scale (HRC), a carbon content greater than or equal to 0.5 percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point.

Also excluded from the scope of these investigations are corrugated nails. A corrugated nail is made up of a small strip of corrugated steel with sharp points on one side.

Also excluded from the scope of these investigations are thumb tacks, which are currently classified under HTSUS subheading 7317.00.1000. Also excluded from the scope are decorative or upholstery tacks.

Tariff treatment

Steel nails are currently provided for in HTS subheadings 7317.00.55, 7317.00.65, and 7317.00.75 of the Harmonized Tariff Schedule of the United States ("HTSUS" or "HTS"), in the following statistical reporting numbers: 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500. Steel nails imported from India, Oman, Sri Lanka, Thailand, and Turkey enter the U.S. market at a column 1-general duty rate of "Free."[14] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Section 232 tariff treatment[15]

Steel nails classifiable under HTS subheading 7317.00 were not originally included in the enumeration of steel mill products that were subject to the additional 25 percent ad

[14] HTSUS (2022) Preliminary, USITC publication 5272, January 2022, p. 73-30.

[15] Imports of carbon and certain alloy steel wire rod (an input for steel wire and nails) are subject to additional 25 percent ad valorem section 232 duties or, in certain cases, quotas, effective March 23, 2018 (FR 11625). For a detailed description, please see Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago, Investigation Nos. 701-TA-417 and 731-TA-953, 957-959, and 961 (Third Review), USITC Publication 5100, August 2020, pp. I-28 and I-29 and app. F.

valorem section 232 national-security duties under HTS chapter 99 as of March 23, 2018.[16] However, steel nails classifiable under HTS statistical reporting numbers 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5560, 7317.00.5580, and 7317.00.6560 were included in the enumeration of derivative iron and steel articles that became subject to additional 25 percent ad valorem section 232 duties, as of February 8, 2020.[17] At this time, imports of steel nails described by these six HTS statistical reporting numbers originating in Argentina, Australia, Brazil, Canada, Korea, and Mexico are exempted from any duties or quota limits; but imports originating in all other countries are subject to these 25 percent additional duties.[18] See also U.S. note 16(a)(ii) to subchapter III of HTS chapter 99. In its postconference

[16] Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862) authorizes the President, on advice of the Secretary of Commerce, to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security. Adjusting Imports of Steel Into the United States, Presidential Proclamation 9705, March 8, 2018; 83 FR 11625, March 15, 2018.

[17] Adjusting Imports of Derivative Aluminum Articles and Derivative Steel Articles Into the United States, Presidential Proclamation 9980, January 24, 2020; 85 FR 5281, January 29, 2020.

[18] The President also issued subsequent Proclamations to exempt or adjust these duties for selected U.S. trade partners:

- Presidential Proclamation 9711, March 22, 2018 (83 FR 13361, March 28, 2018) exempted iron and steel mill products originating in Argentina, Australia, Brazil, Canada, the EU member countries (including the United Kingdom), Korea, and Mexico, as of March 23, 2018.
- Presidential Proclamation 9740, April 30, 2018 (83 FR 20683, May 7, 2018) continued the duty exemptions for Argentina, Australia, Brazil, but with annual import quota limits on iron and steel mill products originating in Korea, as of May 1, 2018; and did not continue the duty exemptions on iron and steel mill products originating in Canada, Mexico, and the EU member countries (including the United Kingdom), as of June 1, 2018.
- Presidential Proclamation 9759, May 31, 2018 (83 FR 25857, June 5, 2018) continued the duty exemptions but with annual import quota limits on iron and steel mill products originating in Argentina, Brazil, and Korea, as of June 1, 2018.
- Presidential Proclamation 9772, August 10, 2018 (83 FR 40429, August 15, 2018) continued the duty exemptions on iron and steel mill products originating in Australia; continued the duty exemptions with annual import quota limits on iron and steel mill products originating in Argentina, Brazil, and Korea, as of June 1, 2018; but doubled the duty rate to 50 percent on such imported products originating in Turkey, as of August 13, 2018.
- Presidential Proclamation 9886, May 16, 2019 (84 FR 23421, May 21, 2019) restored the original additional duty rate of 25 percent on steel mill products originating in Turkey, as of May 21, 2019.
- Presidential Proclamation 9894, May 19, 2019 (84 FR 23987, May 23, 2019) restored the duty exemptions on steel mill products originating in Canada and Mexico, as of May 20, 2019.

(continued...)

brief, petitioners estimated that 27 percent of all nail imports from all sources over the period of February 2020 to September 2021 fall under the HTS codes that would be subject to 232 duties.[19]

While imports from all subject countries are subject to these 25 percent ad valorem duties under HTS statistical reporting numbers 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5560, 7317.00.5580, and 7317.00.6560, three large importers sought the suspension of collection of these duties through litigation. On February 4, 2020, PrimeSource Building filed a suit against the United States before the Court of International Trade ("CIT"), arguing that the imposition of the tariffs on steel derivative products failed to follow required statutory procedures. Huttig and Oman Fasteners filed similar suits. Plaintiffs subsequently obtained injunctions against the collection of Section 232 duties. In April 2021, the CIT issued a summary judgment determining that the presidential proclamation was "invalid as contrary to law. The United States appealed this decision in June 2021 before the U.S. Court of Appeals for the Federal Circuit ("CAFC") and requested a partial stay of judgement with the CIT pending the appeal. The motion for a stay was granted in August 2021 and CIT ordered suspension of liquidation of the entries affected by the appeal. The case is currently pending decision by the CAFC and the status of the duties are uncertain.[20]

Section 301 tariff treatment[21]

Steel nails originating in China that enter the United States under HTS subheadings 7317.00.55, 7317.00.65, and 7317.00.75 are currently subject to additional 25 percent

- Presidential Proclamation 10328, December 27, 2021 (87 FR 11, January 3, 2022) provided duty exemptions with annual import quota limits on iron and steel mill products originating in EU member countries, including Belgium, as of January 1, 2022.

See also HTS heading 9903.80.01 and U.S. notes 16(a), 16(b), 16(e), and 16(f) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTSUS (2022) Preliminary, USITC Publication 5272, January 2022, pp. 99-III-5 – 99-III-7, 99-III-237, 99-III-241 – 99-III-242, 99-III-249 – 99-III-250.

[19] Petitioner's postconference brief, p. 20, Exh. 1.

[20] Petitioner's postconference brief, pp. 21-23; Exh 1.

[21] Imports from China of carbon and certain alloy steel wire rod (an input for steel wire and nails) are subject to additional 7.5 percent ad valorem section 301 duties, effective February 14, 2021 (84 FR 3741, January 22, 2020).

section 301 ad valorem duties,[22] effective May 10, 2019.[23] See also U.S. notes 20(e) and 20(f), subchapter III of chapter 99.

The product

Description and applications[24]

Steel nails are small steel bars that are pointed on one end and have some type of head at the other end. (Flat heads are the most common).[25] Steel nails are driven into wood or other materials to fasten or join them together. The pointed end is driven into the surface of the material it is fastening, while the head serves as a point from which to drive the nail in without damaging the material the nail is fastening. The head also serves as a point from which to grasp and remove the nail if the object it is fastening needs to be disassembled. Steel nails can also be used as hooks or pegs from which to hang things.

Although most steel nails are produced from low-carbon steel, steel nails are also produced from stainless steel (to resist corrosion) and from medium- to high-carbon steel

[22] Section 301 of the Trade Act of 1974, as amended (19 U.S.C. § 2411) authorizes the Office of the United States Trade Representative ("USTR"), at the direction of the President, to take appropriate action to respond to a foreign country's unfair trade practices. On August 18, 2017, USTR initiated an investigation into certain acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation (82 FR 40213, August 24, 2017). On April 6, 2018, USTR published its determination that the acts, policies, and practices of China under investigation are unreasonable or discriminatory and burden or restrict U.S. commerce, and are thus actionable under section 301(b) of the Trade Act (83 FR 14906, April 6, 2018).

[23] HTS subheadings 7317.00.55, 7317.00.65, and 7317.00.75 were included in the USTR's third enumeration ("Tranche 3") of products originating in China that became subject to an additional 10 percent ad valorem section 301 duties (Annexes A and C of 83 FR 47974), on or after September 24, 2018. Tranche 3 covered 6,031 tariff subheadings, with an approximate annual trade value of $200 billion (83 FR 47974, September 21, 2018). Escalation of this duty to 25 percent ad valorem was rescheduled from January 1, 2019 (annex B of 83 FR 14906, April 6, 2018) to March 2, 2019 (83 FR 65198, December 19, 2018), but was subsequently postponed until further notice (84 FR 7966, March 5, 2019), and then was implemented as of May 10, 2019 (84 FR 20459, May 9, 2019). A subsequent modification was provided for subject goods exported from China prior to May 10, 2019, not to be subject to the escalated 25 percent duty, as long as such goods entered the United States prior to June 1, 2019 (84 FR 21892, May 15, 2019). USTR proposed raising this additional duty from 25 percent to 30 percent on such products imported from China, on or after October 1, 2019 (Annex C – (List 3 - $200 Billion Action), Part 1, of 84 FR 46212, September 3, 2019).

[24] Unless otherwise noted, this information is based on Certain Steel Nails from Korea, Malaysia, Oman, Taiwan, and Vietnam, Investigation Nos. 701-TA-521 and 731-TA-1252-1255 and 1257 (Final), USITC Publication 4541, July 2015. p. I-12.

[25] Home Depot, "Types of Nails", Types of Nails (homedepot.com) , retrieved January 26, 2022.

which can be hardened. Nails are packaged for shipment in bulk (loose in a carton or other container) or collated (joined with wire, paper strips, plastic strips, or glue into coils or straight strips for use in pneumatic nailing tools). Although most nails are produced from a single piece of steel, some nails are produced from two or more pieces. Examples of nails produced from two or more pieces include a nail with a decorative head such as an upholstery nail; a nail with a large thin attached head (for nailing roofing felt, for example); and a nail with a rubber or neoprene washer assembled over its shaft (to seal the nail-hole in metal or fiberglass roofing, or siding).

Particular varieties of nails that were included in the scope of these investigations include, but are not limited to, masonry anchors[26] and roofing nails. Masonry anchors can be made of nylon, carbon steel, or stainless steel. They are primarily used to fasten wood or metal to concrete, brick, or block where predrilling is required.[27] Anchors can be made of one piece or in two pieces with a body and a steel pin.[28] Roofing nails are used in construction or maintenance of roofs. They can be made of carbon or stainless steel and often have a larger head than common nails. Like anchors, they can be made of one piece or two. Examples of two-piece roofing nails include hand driven and power-driven cap nails, which have a plastic or metal cap.[29]

Manufacturing processes[30]

Most steel nails are produced from wire rod or steel wire, although a small proportion of steel nails are produced from steel sheet or plate and are referred to as "cut nails." Non-integrated producers of wire nails use purchased steel wire as a starting raw material, whereas integrated producers utilize their own facilities to produce wire for nails, using steel wire rod as their starting material. Some producers are further integrated through the steelmaking process and produce steel wire rod from raw materials such as scrap, pig iron, and ferroalloys. Figure I-1 shows the general process for producing steel wire nails.

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[26] In its postconference brief, the Hillman Group argues that masonry anchors are a separate domestic like product.

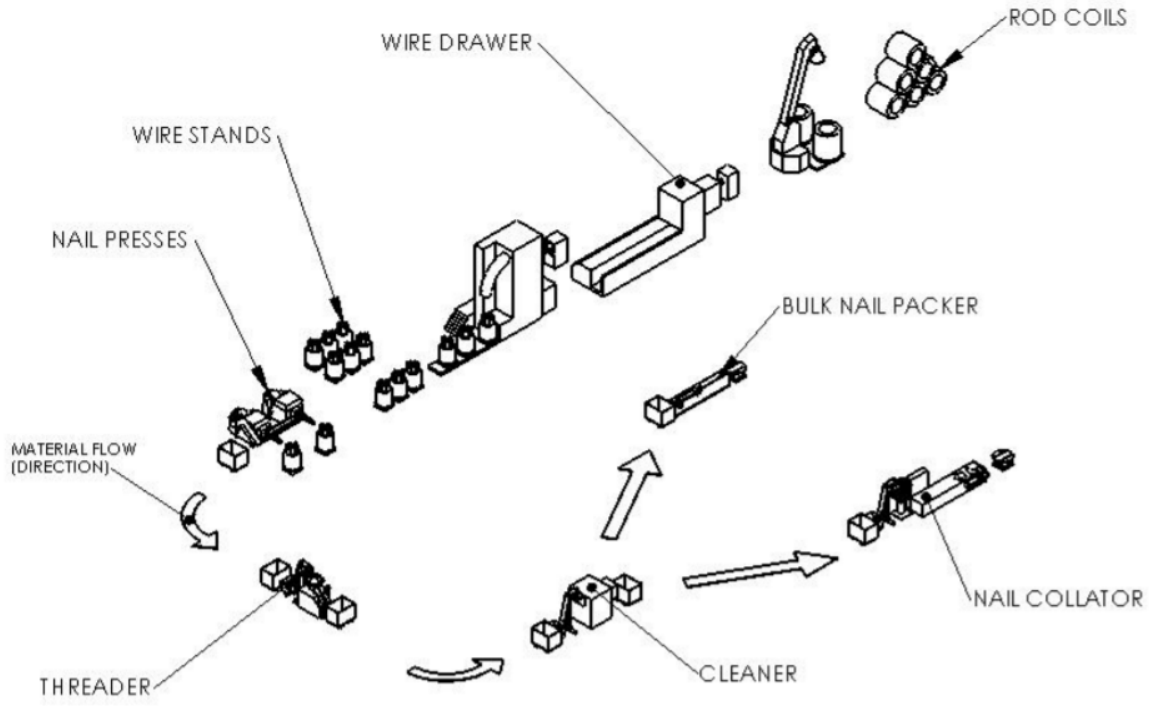
[27] Hillman Group's postconference brief, pp. 4-6.

[28] For more information on types of masonry anchors, see Hillman Group's postconference brief, Exh. 1, pp. 21-25.

[29] For more information on types of roofing nails as well as other types of nails, see Standard Specification for Driven Fasteners: Nails, Spikes, and Staples (ASTM F1667), petitioner's postconference brief, exh. 17, pp. 334-382.

[30] Unless otherwise noted, this information is based on Certain Steel Nails from Korea, Malaysia, Oman, Taiwan, and Vietnam, Investigation Nos. 701-TA-521 and 731-TA-1252-1255 and 1257 (Final), USITC Publication 4541, July 2015. pp. I-12-I-15.

Figure I-1
Steel nails: General process of producing nails



Note: All collated nails are vinyl coated in-line on the collating machine. All bulk nails are coated in-line at the cleaning station if required.

Source: Certain Steel Nails from Korea, Malaysia, Oman, Taiwan, and Vietnam, Inv. Nos. 701-TA-521 and 731-TA-1252-1255 and 1257 (Final), USITC Publication 4541 (July 2015) p. I-14.

To produce nails from wire, the wire is fed from a large coil into a nail machine that automatically straightens the wire, forms the head of the nail, and cuts the nail from the wire, simultaneously forming the point and ejecting the finished nail. Nail machines are of two general types: the first, known as a "cold-heading machine," holds the wire near its end in gripper dies and forms the head by striking the leading end of the wire, forcing the end of the wire to fill a die cavity of the desired shape. The wire is fed through the grippers, and shape cutters form the point and cut the nail free from the wire coming off the coil. The process is repeated for each individual nail produced by the cold-heading process. In the second type of nail machine, known as a "rotary heading machine," the wire is fed continuously and cutting rollers cut individual nail blanks, simultaneously forming the point. The nail blanks are then inserted into a die ring and the heads are formed by compression of the end of the nail between the rotating ring and a heading roller. The completed nails are then ejected from the machine. Both types of nail machines are used to produce all styles of nails, and some

manufacturers have both types in their facilities. These automatic machines are capable of producing a range of nail sizes and head and point styles by changing tooling and adjustment.

Nails that have helical twist, serrations, and other configurations on the shanks require an additional forming process. These nails are fed into other machines that roll, twist, stamp, or cut to required forms. These operations may also require heating of the nails before forming.

After forming, nails are tumbled on themselves in rotating drums to remove particles of head flash and the whiskers, which often remain on the cut and pointed ends. The drum may contain a medium (such as sawdust) which effects cleaning and polishing of the nails during tumbling, otherwise the tumbled nails can be transferred to units that clean the nails with solvents or vapor degreasers.

Nails are produced with a number of finishes, depending upon the intended use: uncoated,[31] zinc-coated (galvanized), vinyl resin, and cement coated are the most common finishes. Nails with galvanized coatings are intended for uses where corrosion and staining resistance are important.[32] Resin coatings are used to aid in driving the nail. Cement coating is used to increase the resistance of the nail to withdrawal by increasing the friction between the nail and the wood into which it has been driven. Zinc-coated, or galvanized, nails are produced by several methods: (1) produced using zinc-coated (galvanized) wire; (2) produced by a process of dipping formed nails into molten zinc and then spinning them in a centrifuge-like apparatus to throw off excess molten zinc; or (3) electroplated with zinc after forming. Nails for driving into concrete or other hard substances may be hardened by heat treatment. Nails for use in hand-held pneumatic nailing tools are processed through automatic equipment to collate the nails using paper strips, plastic strips, fine steel wire, or adhesive. Nails for use in nailing tools in some industrial applications–for the production of wooden pallets in particular–are packaged in bulk and fed to the nailing tools via automatic hopper-feeding systems. Nails for hand-driving are packaged in bulk (loose) in cartons or in smaller count boxes including one-pound and five-pound boxes for mass merchandise retail repair and modeling customers.

Cut nails are produced from steel sheet or plate rather than from wire and are rectangular rather than round. Cut nails are used primarily for joining to masonry or concrete. Although cut nails may be made for any carpentry use, the main use other than masonry is for flooring in applications where an antique appearance is required. Cut nails are made from high-carbon steel plate that is sheared into strips. The strips are fed into specially designed nail

[31] Uncoated nails are also called “bright,” a term that refers to nails that have not undergone treatments affecting finish, such as hardening, bluing, coating, plating, etching, painting, etc. ASTM F547: Standard Terminology of Nails for Use with Wood and Wood-Base Materials.

[32] Forest Products Society, Wood Handbook 2010 Edition, p. 8-3.

machines which shape the nails and form the heads. The cut nails are then-case hardened in a furnace and packed in fifty-pound cartons (also known as large-count industry standard boxes) on pallets for the construction trades or either one-pound or five-pound boxes for mass merchandise retail repair and modeling customers.

Domestic like product issues

The petitioner proposes a single domestic like products coextensive with the scope of the investigations.[33] Respondents PrimeSource, Metropolitan Staple, Steel Products Company and Steel & Wire Northeast stated that for the purposes of the preliminary phase of these investigations, they were not going to contest that there is a single domestic like product.[34] Respondent Hillman Group argues that anchors are a separate domestic like product.[35]

[33] Petitioner's postconference brief, p. 3.
[34] Husch Blackwell postconference brief, p. 4.
[35] Hillman Group's postconference brief, p. 9.

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Steel nails are predominantly manufactured from steel wire drawn from wire rod, but may also be produced from steel plate or strip. Different types of steel nails are sold for housing construction, constructing pallets and shipping crates, and making furniture, cabinets, or flooring. Steel nails are packaged in different sizes of boxes and containers with smaller packages normally being purchased by big box retailers and larger containers being sold to lumberyards and wholesale distributors. They are sold in bulk or in paper- or plastic-collated strips to end users and distributors.[1]

The construction industry is the single largest end user of steel nails. Therefore, demand for steel nails is primarily driven by the U.S. construction industry, and is strongly influenced by residential housing construction.[2] Prices for steel nails are determined by a number of factors, including type of nail, physical dimensions of the nails, whether the nail is galvanized or coated, whether it is sold as a bulk or collated product, and shank style.[3]

Apparent U.S. consumption of steel nails decreased by *** percent during 2018-20, but was *** percent higher in January-September ("interim") 2021 than in interim 2020. In particular, apparent U.S. consumption of steel nails decreased by *** percent between 2018 and 2019, but increased by *** percent between 2019 and 2020. Domestic producers described that the steel nails market has been characterized by two periods of distinct market dynamics: before the COVID-19 pandemic, and during it.[4] At the staff conference, counsel for Petitioner attributed the increase in apparent consumption during 2021 to effects of the COVID-19 pandemic, which has caused supply chain issues and "unusual" ocean freight costs. These issues, they noted, allowed them to increase prices. However, labor constraints have inhibited their ability to increase production and sales.[5]

[1] Certain Steel Nails from Korea, Malaysia, Oman, Taiwan, and Vietnam, Investigation Nos. 701-TA-521 and 731-TA-1252-1255 and 1257 (Final), USITC Publication 4541, 2015, p. II-1.

[2] Conference transcript, p. 76 (Lutz).

[3] Certain Steel Nails from Korea, Malaysia, Oman, Taiwan, and Vietnam, Investigation Nos. 701-TA-521 and 731-TA-1252-1255 and 1257 (Final), USITC Publication 4541, 2015, p. II-1.

[4] Conference transcript, p. 98 (Kanna).

[5] Conference transcript, p. 16 (Kanna).

Channels of distribution

U.S. producers sold primarily to end users and secondarily to distributors as shown in table II-1. Importers of subject product from India, Oman, and Sri Lanka sold primarily to distributors and secondarily to retailers, while importers of product from Thailand and nonsubject sources sold primarily to retailers and secondarily to distributors. Shipments of steel nails imported from Turkey were somewhat more evenly distributed among the three channels; the channel with the largest share in each period was to retailers. The share of sales of steel nail imports from India sold to retailers has decreased substantially over the period, while share of sales to retailers of product imported from Sri Lanka increased.

Table II-1
Steel nails: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

Source	Channel	2019	2020	2021	Jan-Sept 2020	Jan-Sept 2021
United States	Distributors	***	***	***	***	***
United States	Retailers	***	***	***	***	***
United States	End users	***	***	***	***	***
India	Distributors	***	***	***	***	***
India	Retailers	***	***	***	***	***
India	End users	***	***	***	***	***
Oman	Distributors	***	***	***	***	***
Oman	Retailers	***	***	***	***	***
Oman	End users	***	***	***	***	***
Sri Lanka	Distributors	***	***	***	***	***
Sri Lanka	Retailers	***	***	***	***	***
Sri Lanka	End users	***	***	***	***	***
Thailand	Distributors	***	***	***	***	***
Thailand	Retailers	***	***	***	***	***
Thailand	End users	***	***	***	***	***
Turkey	Distributors	***	***	***	***	***
Turkey	Retailers	***	***	***	***	***
Turkey	End users	***	***	***	***	***
Subject sources	Distributors	***	***	***	***	***
Subject sources	Retailers	***	***	***	***	***
Subject sources	End users	***	***	***	***	***
Nonsubject sources	Distributors	***	***	***	***	***
Nonsubject sources	Retailers	***	***	***	***	***
Nonsubject sources	End users	***	***	***	***	***
All import sources	Distributors	***	***	***	***	***
All import sources	Retailers	***	***	***	***	***
All import sources	End users	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-2 presents the unit value of domestic shipments of steel nails from the United States, subject countries, and nonsubject countries. Domestic unit values were higher for shipments to retailers than distributors, but unit values for shipments to end users were lower than both.[6] Other sources, however, unit values for end-user shipments were mostly higher.

Table II-2
Steel nails: Unit value of U.S. shipments by source, channel of distribution, and period

Unit values in dollars per short ton

Source	Channel	2019	2020	2021	Jan-Sept 2020	Jan-Sept 2021
United States	Distributors	***	***	***	***	***
United States	Retailers	***	***	***	***	***
United States	End users	***	***	***	***	***
India	Distributors	***	***	***	***	***
India	Retailers	***	***	***	***	***
India	End users	***	***	***	***	***
Oman	Distributors	***	***	***	***	***
Oman	Retailers	***	***	***	***	***
Oman	End users	***	***	***	***	***
Sri Lanka	Distributors	***	***	***	***	***
Sri Lanka	Retailers	***	***	***	***	***
Sri Lanka	End users	***	***	***	***	***
Thailand	Distributors	***	***	***	***	***
Thailand	Retailers	***	***	***	***	***
Thailand	End users	***	***	***	***	***
Turkey	Distributors	***	***	***	***	***
Turkey	Retailers	***	***	***	***	***
Turkey	End users	***	***	***	***	***
Subject sources	Distributors	***	***	***	***	***
Subject sources	Retailers	***	***	***	***	***
Subject sources	End users	***	***	***	***	***
Nonsubject sources	Distributors	***	***	***	***	***
Nonsubject sources	Retailers	***	***	***	***	***
Nonsubject sources	End users	***	***	***	***	***
All import sources	Distributors	***	***	***	***	***
All import sources	Retailers	***	***	***	***	***
All import sources	End users	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

[6] Average unit values ("AUVs" for ***).

Geographic distribution

U.S. producers and importers reported selling steel nails to all regions in the United States (table II-3). For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-3
Steel nails: Count of U.S. producers' and U.S. importers' presence in geographic markets, by source and by region

Region	U.S. producers	India	Oman	Sri Lanka	Thailand	Turkey	Subject sources
Northeast	6	11	6	4	9	11	18
Midwest	7	13	6	4	8	12	19
Southeast	7	14	8	5	8	14	22
Central Southwest	6	13	7	4	6	11	18
Mountains	6	10	6	5	10	9	17
Pacific Coast	6	13	8	4	11	10	19
Other	3	3	3	2	3	3	6
All regions (except Other)	5	8	5	4	4	5	11
Reporting firms	7	19	9	6	14	18	27

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Other U.S. markets include AK, HI, PR, and VI.

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding steel nails from U.S. producers and from subject countries.

Table II-4
Steel nails: Supply factors that affect the ability to increase shipments to the U.S. market, by factor and by country

Quantity in short tons; ratio and share in percent

Factor	Measure	United States	India	Oman	Sri Lanka	Thailand	Turkey	Subject sources
Capacity 2018	Quantity	***	***	***	***	***	***	***
Capacity 2020	Quantity	***	***	***	***	***	***	***
Capacity utilization 2018	Ratio	***	***	***	***	***	***	***
Capacity utilization 2020	Ratio	***	***	***	***	***	***	***
Ending inventories 2018	Ratio	***	***	***	***	***	***	***
Ending inventories 2020	Ratio	***	***	***	***	***	***	***
Home market 2020	Ratio	***	***	***	***	***	***	***
Non-US export markets 2020	Ratio	***	***	***	***	***	***	***
Ability to shift production	Count	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Responding U.S. producers accounted for the vast majority of U.S. production of steel nails in 2020. Responding foreign producer/exporter firms accounted for 90 percent U.S. imports of steel nails from India during 2020, virtually all U.S. imports of steel nails from Oman, Sri Lanka, and Thailand, and more than 75 percent of U.S. imports of steel nails from Turkey. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, “Summary Data and Data Sources.”

Domestic production

Based on available information, U.S. producers of steel nails have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced steel nails to the U.S. market if they were able to secure enough labor to increase production. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and inventories. Factors that may mitigate responsiveness of supply include a labor shortage, limited ability to shift shipments from alternate markets and limited ability to shift production to or from alternate products. Domestic producers noted the lack of a readily

available, skilled labor force, reportedly due to COVID-19 and reductions in employees due to subject imports, that would be needed to produce more steel nails.[7]

U.S. producers' production capacity increased by approximately *** percent during 2018-20 and capacity utilization declined by *** percentage points to *** percent capacity utilization in 2020. Despite reported increased demand in the market, capacity utilization in interim 2021 was *** percent, slightly lower than it was in interim 2020 (*** percent). Petitioner's counsel noted that early in the relevant period, even without labor constraints, Mid Continent's capacity utilization was "very low."[8] Despite the increase in demand for steel nails that continued through the third quarter of 2021, a representative for Mid Continent reported that "due to labor constraints and things of that nature, we are only able to operate at about 40 percent of the {450 tons a day capacity at its Poplar Bluff location that it reached in 2017}."[9] [10] Producers Mid Continent, Tree Island, and Kyocera have each raised wages in 2021 in order to increase the number of workers.[11] Producers stated, however, that one factor they have had to try to overcome in trying to increase production is the "availability of skilled, experience people," which "takes time" and is "not something money pays for," particularly when those skilled employees were lost due to prior layoffs.[12] [13]

[7] Conference transcript, pp. 16 and 17 (Kanna). Domestic producers reported that these labor constraints are "significant" p. 44 (Stachowiak).

[8] Conference transcript, p. 49 (Jeong).

[9] Conference transcript, p. 48 (Pratt). He further noted that "if we had more profit on our nails, we would be able to raise our wages and possibly be able to increase our labor force." Ibid. A representative of Tree Island added that, "Obviously, the availability of labor and the wages would require a significantly higher wage category, which would compress margins unless we could raise the prices substantially. But, absolutely, there is a significant amount of excess machine capacity that can support the market." Ibid., p. 50 (Stachowiak).

[10] Mid Continent is owned by Mexican firm Deacero S.A.P.I. de C.V., which produces and imports steel nails and transfers those nails to related firms in the United States. ***.

[11] Conference transcript, p. 89 (Faron, Pratt, and Stachowiak) and Petitioner's postconference brief, Answers to Commission Staff questions, p. 16.

[12] Ibid., p. 90 (Stachowiak) and p. 61 (Pratt).

[13] In 2017, Legacy Fasteners LLC, which is owned by the former owners of Mid Continent, began production in the same city (Poplar Bluff, Missouri) as Mid Continent, having purchased the assets of Fuzion Fasteners from Hahn Industries, and competes with Mid Continent for skilled workers and customers. "Pallet People: Liblas Acquire Fuzion Fasteners, Launch Legacy Fasteners, LLC," PalletEnterprise.com, submitted as part of Respondent Astrotech's postconference brief, exhibit 3, and Ibid., pp. 17-18.

U.S. producers' inventories/total shipment ratio increased from *** percent in 2018 to *** percent in 2019 before declining to *** in 2020. Inventory ratios at the end of the third quarter of 2021 were *** percent, compared with *** percent at the same point in 2020. *** of U.S. production is shipped domestically, and U.S. producers reported that they are not able to shift production to other products.

Subject imports from subject countries

Based on available information, producers of steel nails from India, Oman, Sri Lanka, Thailand, and Turkey generally have the ability to respond to changes in demand with moderate changes in the quantity of shipments of steel nails to the U.S. market. The main contributing factors to this degree of responsiveness of supply is the availability of a moderate amount of unused capacity, and higher quantities of foreign-held inventories in the most recent period than in earlier periods. Factors mitigating responsiveness of supply include, in general, a limited ability to shift shipments from alternate markets and no ability to shift production to or from alternate products for any subject country, along with relatively low inventory-to-production ratios.

The source with the greatest ability to respond to changes in demand is Turkey, which likely has a moderate-to-large ability to respond to changes in the U.S. steel nail market due to being the subject country with the largest production capacity, a moderate capacity utilization rate, the largest percentage of sales to non-U.S. export markets, and the second-highest available inventory quantities in September 2021, although it maintains the largest percentage of home-market shipments among subject countries. Oman and Sri Lanka, on the other hand, have somewhat less ability to increase exports to the U.S. market in response to price changes due to their high capacity utilization ratios, very low shipments to their home markets and third-country markets, and low or substantially decreased inventory ratios in interim 2021.

Production capacity in India, Oman, Sri Lanka, Thailand, and Turkey increased during 2018-20, with increases ranging from *** percent (***) to *** percent (***). At the end of 2020, *** held the largest amounts of unused capacity among subject countries.[14] Across all subject countries combined, capacity increased from less than *** percent higher than domestic capacity in 2018 to *** percent higher than domestic capacity. Increases in production generally matched increases in production capacity in ***, with capacity utilization increasing by less than *** percentage point between 2018 and 2020. Capacity utilization decreased by approximately *** percentage points in ***, as increases in production were smaller than increases in capacity. *** capacity utilization fell approximately *** percentage points, ***.[15] In the interim 2021 period, however, capacity utilization rates were higher than during any other period for all subject countries except for Turkey.[16]

[14] The effects of the COVID-19 pandemic on production in different countries was diverse during 2020 and 2021, due to both the effects of the virus itself as well as any interventions undertaken to combat the virus. With respect to imports, respondents noted that, "there have been shutdowns, there have been lockdowns that have inhibited sourcing and supply…" Conference transcript, p. 202 (Nagaranjan). At least one foreign producer in each country but Oman reported being affected by the COVID-19 pandemic.

[15] India's decrease in capacity utilization is reportedly "***." Respondent Geekay Wires' postconference brief, p. 10.

[16] Respondent Geekay Wires stated that it "that the normal maximum capacity utilization of steel nail plants is around 90 percent and that utilizations above this rate are not sustainable. Further, Geekay Wires' experience is that if a steel nail producer has a market for steel nails that exceeds 90 percent of its capacity, that the producer then will consider whether it needs to add additional production capacity." Respondent Geekay Wires' postconference brief, pp. 9-10. Capacity utilization in India, Oman, and Sri Lanka was greater than 90 percent in interim 2021.

The ratios of ending inventories held in subject countries by foreign producers' to their total shipments of steel nails were substantially smaller than the inventory ratios of domestic producers,[17] although total ending inventory quantities increased each period. Ending inventory ratios in *** were never above 2 percent. *** inventory ratios rose from *** to *** percent and *** inventory ratios increased from *** to *** percent. *** inventory ratios decreased from ***to *** percent, however. Inventories held by subject countries increased from *** short tons in 2018 to *** short tons in 2019 and *** short tons in 2020, and were *** short tons in interim 2021 compared with *** short tons in interim 2020. At the end of September 2021, inventories held by subject foreign producers was *** percent of their total shipments (annualized) in 2021. The subject country with the highest inventory-to-total shipments ratio was Thailand, with a ratio of *** percent in interim 2021.

Home market shipments for the steel nails industry in Turkey were *** percent in 2020, but were *** percent or less for each of the other countries. Non-U.S. exports were less than 10 percent for all countries. They were smallest for the steel nails industries in Sri Lanka (*** percent) and Oman (*** percent) and largest for the steel nails industries in India and Turkey (*** percent). Like domestic producers, no foreign producer reported being able to produce any other products on the same machinery and equipment used to make steel nails.[18]

Imports from nonsubject sources

Imports of steel nails from nonsubject sources accounted for approximately 70 percent of total U.S. imports in 2020, according to official statistics. The largest source of nonsubject imports, and the largest source of all imports of steel nails during January 2018-September 2021 was China, followed by Malaysia, South Korea, and Taiwan, as well as Canada and Mexico. Each was the source of a more imports than Sri Lanka or India in value terms. Combined, these countries accounted for slightly less than two-thirds of total imports of steel nails in 2020.

[17] As noted above, domestic inventory ratios were above *** percent in each relevant period.

[18] Two Indian foreign producers did note, however, producing of small amounts (less than *** percent of yearly capacity each and less than *** percent of total Indian production) of other products using the same equipment. ***.

Supply constraints

The U.S. steel nails market has been characterized by a number of supply constraints since January 1, 2018. A majority of producers (5 of 7) and importers (15 of 27) reported that they had experienced supply constraints. Firms cited labor shortages, production shutdowns, extended lead times, and shipping delays related to the COVID-19 pandemic for both U.S.-produced and imported steel nails.

U.S. producer *** reported that its labor constraints were worsened because it had already reduced its workforce to compete with imports. It also noted that after the implementation of section 232 tariffs and an unsuccessful attempt to increase prices by approximately 19 percent in the spring of 2018, it lost 30 percent of its sales within the first 60 days, and by December of 2018, its shipments were down 60 percent from where they were in the first and second quarter of 2018.[19] As a result of decreased shipments in 2018, it reduced its workforce and has had difficulty attracting skilled labor back in order to satisfy demand in 2021.[20] U.S. producer *** reported that it allocated its volumes to avoid customers stockpiling nails to avoid price increases and to ensure availability to all customers.

Every purchaser responding to the Lost Sales/Lost Revenue Survey noted that the inability of domestic producers, in particular Mid Continent, to supply them with needed steel nails was a major factor affecting the steel nails market.

- Purchaser *** stated that many of the items it imports/purchases are not manufactured in the United States.
- Purchaser *** reported that since the January 2020 imposition of section 232 tariffs, it has seen much higher import prices because "the manufacturers pass that 25 percent on like a tax. We have continued trying to buy everything domestically, but Mid Continent cannot handle the business. Production delays is a much bigger problem for them than their pricing."
- Purchaser *** stated "In normal times the domestic mills have minimal excess capacity. In the past 2 years and for the foreseeable future they have NO excess capacity!!!!"
- Purchaser *** noted that it "explored the possibility of purchasing nails from Mid Continent in early 2020, but {it was} told by them that they had no availability. They quoted prices to us, but then told us they had no availability. We purchased small quantities of nails from *** in 2018, but we received many customer complaints concerning quality. We looked again at buying from them in 2020, but they declined to offer to us any product."

[19] Conference transcript, p. 46 (Skarich).
[20] Conference transcript, p. 61 (Pratt).

- Purchaser *** reported that its primary reason for purchasing less domestic nails is due to the lack of supply or an inability to source: "There is no U.S. Manufacturer that can produce enough to meet our total company's demand."
- Purchaser *** stated that its "primary U.S. manufacturer cancelled orders beginning {in} 2020 due to {COVID-19} related issues, mainly lack of raw material and labor problems. And would not accept truckload orders which their policy is still in place as of Jan 10, 2022. We had no other options to purchase U.S.-manufactured products."
- Purchaser *** submitted that "Mid Continent Nail has been on a terrible backorder situation. We just received our *** order from them and are still awaiting a *** order. Their inability to produce nails has damaged our business. If not for imported nails, construction, transportation (because everything rides on pallets which are made with nails) and wooden packaging business would have ground to a halt. How can a company allocating their product to steady purchasers 'cry foul' when product is being imported to keep our economy flowing?" Also, it noted that it was "told that Mid Continent will not produce .086 nails for a year as they move that equipment to Mexico. We cannot order .099 shank nails for the first 3 months of 2022, as they try to catch up with demand."

Importers have noted difficulties not only sourcing from domestic firms when trying to buy domestically, but also issues sourcing steel nails overseas. Importer Hillman noted that supply chain issues have lengthened lead times, increased freight costs and extended delays at U.S. ports.[21] Importer Metropolitan Staple Corp. described that "it has been remarkably arduous to get container space, {and} factories in many parts of the world have had their production schedule severely impacted by workers being out or not being able to get to work from COVID-related issues."[22] As a result, it noted, many of its customers have been contacting many suppliers in an effort to increase their purchases, because they fear running out of nails and needing to halt production.[23] Importer *** reported that Mid Continent has declined to quote the firm since late 2020, and that it is struggling to source steel nails due to existing AD/CVD orders in place.

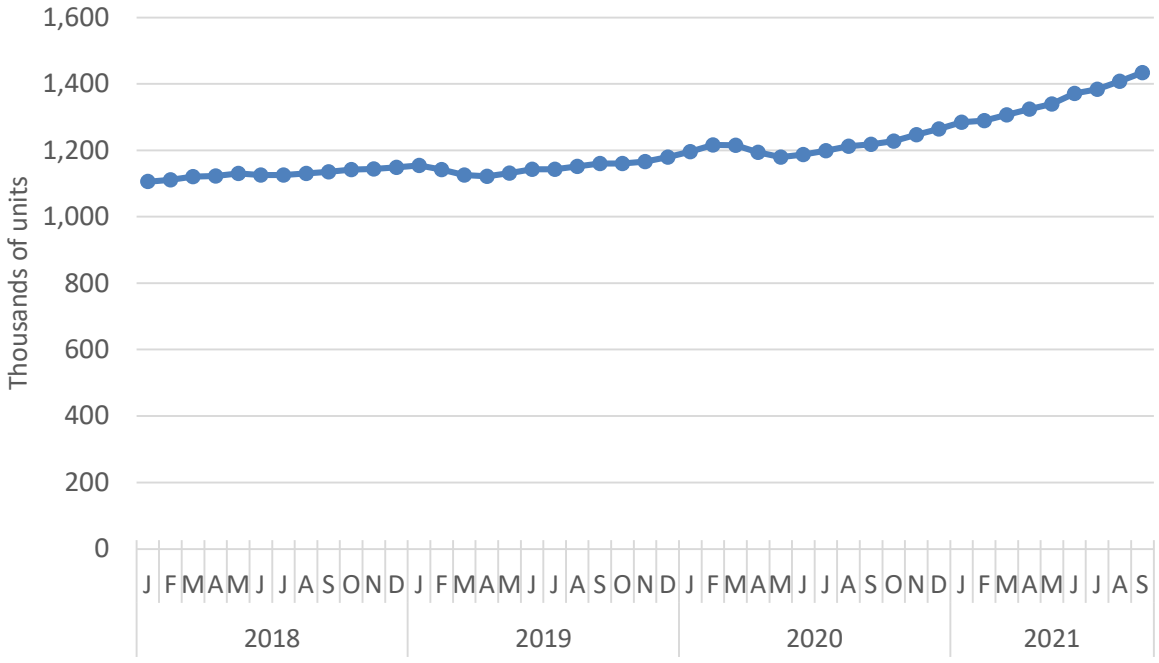
[21] Conference transcript, p. 155 (Adinolfi).
[22] Conference transcript, p. 161 (Kastner).
[23] Ibid.

U.S. demand

Based on available information, the overall demand for steel nails is likely to experience small changes in response to changes in price. The main contributing factors are the lack of substitute products and the small cost share of steel nails in most of its end-use products.

Demand for steel nails is derived primarily from construction activity and is strongly influenced by construction in residential housing. As shown in figure II-1, residential construction activity in the United States has increased since January 2018, especially since Spring 2020. A representative for Mid Continent reported that "residential construction has gone from normal single-digit growth to on average 22 to 23 percent over a 16-month period of time, which blew all of us away, and that created all kinds of problems for everybody here. So, it has been constant growth since 2018," and called this growth "unprecedented."[24] In September 2021, seasonally adjusted housing under construction was 29.6 percent higher than in January 2018 (37.3 percent higher in December 2021).

Figure II-1
Housing under construction: New privately owned housing units under construction, monthly, seasonally adjusted annual rate, January 2018- September 2021

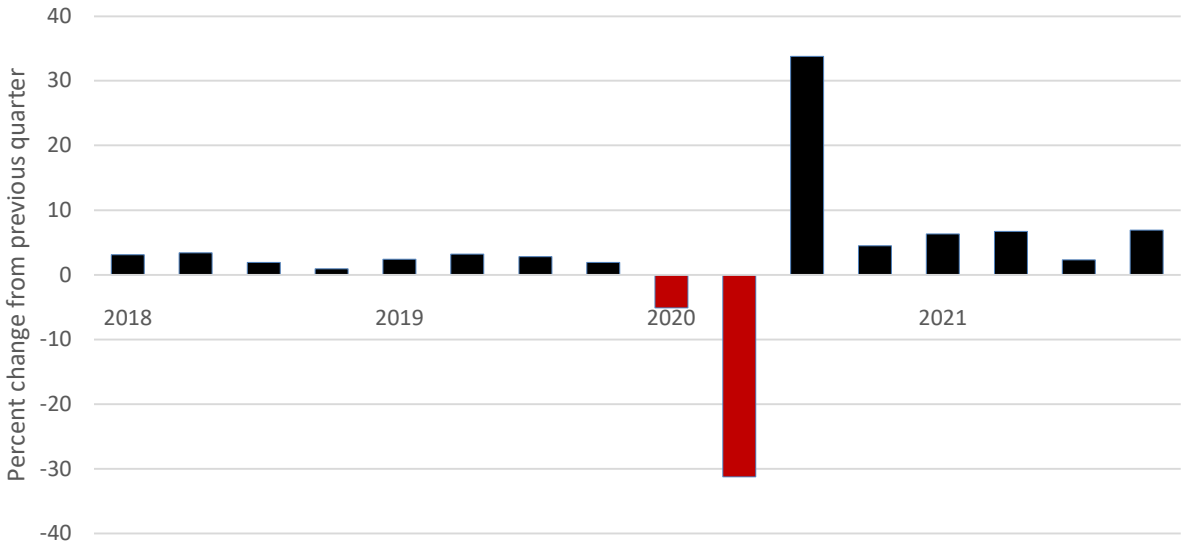


Source: U.S. Census Bureau, found at https://www.census.gov/construction/nrc/index.html, retrieved January 29, 2022. Source includes data through December 2021.

[24] Conference transcript, pp. 20 and 57 (Skarich).

Demand for steel nails is also influenced by the general level of economic activity in the United States (figure II-2). For example, pallet demand growth generally follows trends in domestic GDP growth. One domestic industry representative noted that pallet demand normally runs at 2 to 3 percent growth per year.[25] A representative for respondents noted that in the past pallet demand growth may have been 1 to 2 percent, but in the last 18 months, pallet growth has been much larger since GDP is up 15 to 20 percent.[26]

Figure II-2
Real U.S. GDP growth: Percentage change, quarterly, first quarter 2018 to third quarter 2021 and fourth quarter 2021 (advance estimate)



Source: U.S. Bureau of Economic Analysis, found at https://www.bea.gov/data/gdp/gross-domestic-product#gdp, retrieved January 30, 2022.

End uses and cost share

U.S. demand for steel nails depends on the demand for U.S.-produced downstream products including various carpentry and construction applications, housing, wooden fencing, furniture, and pallets. Steel nails accounts for a very small share of the cost of the end-use products in which they are used. Reported cost shares for some end uses typically ranged from 1 to 5 percent, depending on how specific the reported end use was.

[25] Conference transcript, p. 77 (Skarich).

[26] Current-price, or nominal, GDP has increased 13.5 percent between the third quarter of 2020 and the fourth quarter of 2021 according to official U.S. statistics. FRED, St. Louis Federal Reserve, found at https://fred.stlouisfed.org/release/tables?rid=53&eid=12998&od=2021-04-01#, retrieved January 30, 2021. (Due to the two middle quarters of 2020 being impacted substantially by the start of the COVID-19 epidemic, 18-month comparison data would be overshadowed by these economic effects.)

Business cycles

Six of 7 U.S. producers and 12 of 28 responding importers indicated that the market was subject to business cycles, but only 2 of 7 producers and 5 of 28 responding importers indicated that the market is subject to distinct conditions of competition. Specifically, since the main use for steel nails is construction, demand is somewhat tied to construction cycles, with demand declining during winter months, in part due to decreased construction activity in colder regions of the United States in the winter and the desire of purchasers in Southern states to decrease their inventories in December for year-end tax reasons.[27] Six of 7 producers and 6 of 16 importers also noted that since 2018 there have been changes to the distinct conditions of competition and business cycles in the steel nail industry. Changes in raw material pricing whether due to section 232 tariffs or steel prices in general, effects of the COVID-19 pandemic, increased focus of purchasers on delivery times and availability of product from suppliers, supply shortages, the cessation of recycled pallets supplying large agricultural markets, and unreliable ocean container transport were all noted as changes that have occurred since January 1, 2018.

Demand trends

Most firms reported increasing U.S. and foreign demand for steel nails since January 1, 2018 (table II-5). Nearly all firms that did not report increasing demand indicated instead that demand has been fluctuating. At the staff conference, representatives of Mid Continent and Kyocera, along with respondents' counsel and economist characterized demand for steel nails as "strong," "soaring," "increasing," and "skyrocketing."[28]

Table II-5
Steel nails: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Market	Firm type	Increase	No change	Decrease	Fluctuate
Domestic demand	U.S. producers	5	0	0	1
Domestic demand	Importers	19	0	1	6
Foreign demand	U.S. producers	1	1	0	0
Foreign demand	Importers	8	1	0	4

Source: Compiled from data submitted in response to Commission questionnaires.

[27] Conference transcript, pp. 78-80 (Faron, Frantzen, Skarich, and Stachowiak).
[28] Conference transcript, pp. 11, 13 (House), 20 (Skarich), 27 (Faron), and 172 (Rogowsky).

Substitute products

Substitutes for steel nails are limited. Six of 7 U.S. producers, and 23 of 25 responding importers reported there are no substitutes for steel nails. Screws and adhesives were noted as possible substitutes in certain applications.

Substitutability issues

This section assesses the degree to which U.S.-produced steel nails and imports of steel nails from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of steel nails from domestic and imported sources based on those factors. Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced steel nails and steel nails imported from subject sources of the same type.[29] Factors contributing to this level of substitutability include general interchangeability among steel nails of similar quality. The largest factors limiting substitutability were availability/available capacity to produce domestic steel nails, and certain types of steel nails only being available only from certain sources.

Factors affecting purchasing decisions

Most important purchase factors

Purchasers responding to lost sales lost revenue survey[30] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for steel nails. The major purchasing factors identified by firms include quality and availability (including available capacity). The most often cited top-three factors that firms consider in their purchasing decisions for steel nails were availability/lead times (all six firms), quality (five firms), and price/cost (three firms) as shown in table II-6. Quality was the most frequently cited first-most important factor (cited by four firms), followed by availability/lead times (two firms);

[29] The degree of substitution between domestic and imported steel nails depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced steel nails to the steel nails imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

[30] This information is compiled from responses by purchasers identified by Petitioners or other U.S. producers to the lost sales/lost revenue allegations. In these investigations, however, only two of the ten purchasers sent a survey submitted a lost sales/lost revenue survey, but three submitted responses to the importer questionnaire. Four purchasers that were not initially sent a lost sale/lost revenue survey submitted complete responses, while See Part V for additional information.

availability/lead times was the most frequently reported second-most important factor (three firms); and availability/lead times and price were the most frequently reported third-most important factors (two firms).

Table II-6
Steel nails: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Factor	First	Second	Third	Total
Availability/Lead times	2	3	2	6
Quality	4	1	0	5
Price	0	1	2	3
Freight costs	0	1	0	1
Service	0	0	1	1
Long-term relationship	0	0	1	1

Source: Compiled from data submitted in response to Commission questionnaires.

Note: One firm rated availability as the most important factor and "reliable shipping time" as the third-most important factor. Other factors reported by purchasers but not among the top three factors include compatibility with pneumatic tools and wooden pallet-making machinery, freight costs, "lead times including shipping delays," tariffs, and terms of sale. One purchaser not noting price as a top-three factor noted that it is a factor, but "during this period especially, price has taken a back seat to the factors {availability, consistency of quality, and long-term relationship}."

Lead times

Steel nails are produced both on a produced-to-order basis and sold from inventory. U.S. producers reported that 52.6 percent of their commercial shipments were produced-to-order, with lead times averaging approximately 50 days. The remaining 47.4 percent of their commercial shipments came from inventories, with lead times averaging 7 days. Importer reported a slightly higher proportion of their steel nails being sold on a produced-to-order basis. Importers reported that 62.9 percent of their commercial shipments were produced-to-order, with lead times averaging approximately 130 days.[31] The remaining 37.0 percent of their commercial shipments came from domestically held inventories, with lead times averaging 19 days.

[31] Less than 0.1 percent of shipments were sold from foreign inventories.

Steel nails are typically sold on the spot market. A representative noted that it typically takes orders for nails to be produced within four to six weeks from when the order is taken since the product mix does not change greatly.[32] Another representative of the domestic industry agreed, adding that "This is not a long-term booking business… It is very much an order-to-order approach."[33] A representative of Kyocera stated that its longest lead times, in normal times, would be 30 days, but it is more of a "week-to-week ordering process and delivery process going out the door." [34] One reason for this is that firms may not want to book orders too far out for the current market price for steel nails if the price of its main input, wire rod, is rapidly increasing.[35]

The way some firms have taken and responded to orders may have changed somewhat in the past year. According to a representative of Mid Continent, instead of taking orders and letting the production side of its business know what to make, it had to put customers on allocation 12 months ago because it "had too many people wanting too many nails that we couldn't produce because of the lack of labor…In these times, it was backwards because I had to stop, basically, taking orders, realign the capacity we did have available to us, say this is all we've got, so we have to disburse this out to the community." As a result, it will take orders on a month-by-month basis on a rolling basis to try to allocate its production among its customers.[36]

Comparison of U.S.-produced and imported steel nails

In order to determine whether U.S.-produced steel nails can generally be used in the same applications as imports from India, Oman, Sri Lanka, Thailand, and Turkey, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-7 and II-8, a majority of producers and importers reported that steel nails from all countries are always interchangeable. Responses from importers noting that steel nails are not always interchangeable reported that issues that may limit interchangeability include: particular or patented designs that are not available from all sources (e.g., one importer noted that it does not believe that there is a domestic manufacturer of proprietary coil pallet nails, stainless steel nails, roofing coil nails, 28˚ wire welded stick nails, 28˚ paper tape stick nails, and hot dipped galvanized collated nails that are galvanized after the nail is produced from wire), steel nails that do not meet certain certifications are not

[32] Conference transcript, p. 84 (Skarich).
[33] Ibid., pp. 84-85 (Stachowiak).
[34] Ibid., p. 85 (Faron).
[35] Ibid., pp. 87-88 (Stachowiak).
[36] Ibid., p. 87 (Skarich).

interchangeable with those that do or simply bad quality nails, specialization in custom branding or private labelling[37] or the inability of domestic manufacturers to produce enough.

Table II-7
Steel nails: Count of U.S. producers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. India	4	2	1	0
U.S. vs. Oman	4	2	1	0
U.S. vs. Sri Lanka	4	2	1	0
U.S. vs. Thailand	4	2	1	0
U.S. vs. Turkey	4	2	1	0
India vs. Oman	4	1	1	0
India vs. Sri Lanka	4	1	1	0
India vs. Thailand	4	1	1	0
India vs. Turkey	4	1	1	0
Oman vs. Sri Lanka	4	1	1	0
Oman vs. Thailand	4	1	1	0
Oman vs. Turkey	4	1	1	0
Sri Lanka vs. Thailand	4	1	1	0
Sri Lanka vs. Turkey	4	1	1	0
Thailand vs. Turkey	4	1	1	0
U.S. vs. other	4	2	1	0
India vs. other	4	1	1	0
Oman vs. other	4	1	1	0
Sri Lanka vs. other	4	1	1	0
Thailand vs. other	4	1	1	0
Turkey vs. other	4	1	1	0

Source: Compiled from data submitted in response to Commission questionnaires.

[37] Mid Continent stated that it manufactures a small amount of branded/private label steel nails, though it used to produce more. Conference transcript, p. 67 (Skarich). Customers are reported to be more likely to purchase steel nails of the same brand as the steel nail gun they use. Conference transcript, p. 183 (Katanga).

Table II-8
Steel nails: Count of importers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. India	12	5	4	0
U.S. vs. Oman	9	4	1	0
U.S. vs. Sri Lanka	8	1	1	0
U.S. vs. Thailand	11	5	1	0
U.S. vs. Turkey	13	6	0	1
India vs. Oman	9	5	0	0
India vs. Sri Lanka	10	1	0	0
India vs. Thailand	11	5	0	0
India vs. Turkey	11	5	2	0
Oman vs. Sri Lanka	9	2	0	0
Oman vs. Thailand	9	3	1	0
Oman vs. Turkey	9	4	1	0
Sri Lanka vs. Thailand	9	3	1	0
Sri Lanka vs. Turkey	9	4	1	0
Thailand vs. Turkey	10	5	1	0
U.S. vs. other	11	6	1	1
India vs. other	10	5	1	1
Oman vs. other	9	5	0	0
Sri Lanka vs. other	9	5	0	0
Thailand vs. other	9	4	1	1
Turkey vs. other	9	5	1	1

Source: Compiled from data submitted in response to Commission questionnaires.

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of steel nails from the United States, subject, or nonsubject countries. As seen in tables II-9 and II-10, a majority of U.S. producers reported that there are sometimes factors other than price that are significant. Importer responses were more varied. When comparing market factors for U.S. steel nails to those for product from subject and nonsubject countries, similar numbers of importers reported that there were either sometimes or always differences between the two. Among subject countries and comparing subject with nonsubject countries, a majority of importers reported that there are sometimes significant factors other than price, with the exception of Thailand compared with India and Oman, for which exactly half indicated that there are sometimes other factors. Factors noted by importers as important included availability, consistency, delivery reliability, delivery terms, engineering and logistical support, packaging design, product development, product range, quality, and transportation network.

Table II-9
Steel nails: Count of U.S. producers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. India	0	1	4	0
U.S. vs. Oman	0	1	4	0
U.S. vs. Sri Lanka	0	1	4	0
U.S. vs. Thailand	0	1	4	0
U.S. vs. Turkey	0	1	4	0
India vs. Oman	0	0	4	0
India vs. Sri Lanka	0	0	4	0
India vs. Thailand	0	0	4	0
India vs. Turkey	0	0	4	0
Oman vs. Sri Lanka	0	0	4	0
Oman vs. Thailand	0	0	4	0
Oman vs. Turkey	0	0	4	0
Sri Lanka vs. Thailand	0	0	4	0
Sri Lanka vs. Turkey	0	0	4	0
Thailand vs. Turkey	0	0	4	0
U.S. vs. other	0	1	4	0
India vs. other	0	0	4	0
Oman vs. other	0	0	4	0
Sri Lanka vs. other	0	0	4	0
Thailand vs. other	0	0	4	0
Turkey vs. other	0	0	4	0

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-10
Steel nails: Count of importers reporting the significance of differences between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. India	6	3	7	2
U.S. vs. Oman	4	0	6	1
U.S. vs. Sri Lanka	3	0	4	1
U.S. vs. Thailand	6	2	5	2
U.S. vs. Turkey	7	2	8	1
India vs. Oman	3	0	6	2
India vs. Sri Lanka	2	0	5	2
India vs. Thailand	3	2	6	1
India vs. Turkey	3	1	10	0
Oman vs. Sri Lanka	2	0	5	2
Oman vs. Thailand	3	1	5	1
Oman vs. Turkey	3	0	8	0
Sri Lanka vs. Thailand	3	1	5	2
Sri Lanka vs. Turkey	3	0	8	1
Thailand vs. Turkey	2	2	9	1
U.S. vs. other	7	1	8	2
India vs. other	3	1	9	1
Oman vs. other	2	1	7	1
Sri Lanka vs. other	2	1	7	2
Thailand vs. other	2	1	9	2
Turkey vs. other	0	0	1	0

Source: Compiled from data submitted in response to Commission questionnaires.

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the alleged subsidy and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of seven firms that accounted for the vast majority of U.S. production of steel nails during 2020.

U.S. producers

The Commission issued a U.S. producer questionnaire to 13 firms based on information contained in the petitions. Nine firms confirmed production of steel nails in the United States. Seven firms provided usable data on their steel nails operations.[1] Staff believes that these responses represent the vast majority of U.S. production of steel nails during 2020.

Table III-1 lists U.S. producers of steel nails, their production locations, positions on the petitions, and shares of total production.

[1] U.S. producer and importer *** submitted questionnaires on January 17, 2022, while U.S. producer and importer *** submitted questionnaires on January 28, 2022. Neither firm was able to address reporting inconsistencies prior to review of this report; accordingly, these questionnaire responses are not included in the questionnaire data presented in this report. ***. ***.

Table III-1
Steel nails: U.S. producers, their positions on the petitions, production locations, and shares of reported production, 2020

Firm	Position on petitions	Production location(s)	Share of production
Illinois Tool Works	***	Pocahontas, AR	***
Kyocera	***	Cincinnati, OH	***
Legacy	***	Poplar Bluff, Missouri	***
Mar-Mac	***	McBee, SC Timmonsville, SC	***
Maze	***	Peru IL	***
Mid Continent	Petitioner	Poplar Bluff, MO Ontario, CA	***
Pneu-fast	***	Evanston IL	***
Simpson Strong Tie	***	Gallatin, TN	***
Tree Island	***	San Bernardino, CA	***
All firms	Various	Various	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms.

Table III-2
Steel nails: U.S. producers' ownership, related and/or affiliated firms

Reporting firm	Relationship type and related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in table III-2, no U.S. producers are related to foreign producers of steel nails from subject sources and two U.S. producers, ***, are related to U.S. importers of steel nails from subject sources. In addition, as discussed in greater detail below, one U.S. producer *** directly imports steel nails from subject sources.

Table III-3 presents U.S. producers' reported changes in operations since January 1, 2018.

Table III-3
Steel nails: U.S. producers' reported changes in operations, since January 1, 2018

Item	Firm name and narrative response on changes in operations
Plant closings	***
Expansions	***
Revised labor agreements	***
Revised labor agreements	***
Other	***
Other	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. production, capacity, and capacity utilization

Table III-4 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. U.S. producers' capacity increased by *** percent during 2018-20 and was *** higher in January-September 2021 than in January-September 2020.

U.S. producers' production decreased by *** percent from 2018 to 2019 and then increased by *** percent from 2019 to 2020, decreasing overall by *** percent between 2018 and 2020. U.S. production was *** percent higher in January-September 2021 compared with January-September 2020.

Capacity utilization decreased by *** percentage points from 2018 to 2019 then increased by *** percentage points from 2019 to 2020. Capacity utilization was *** percentage points lower in January-September 2021 compared with January-September 2020.

Table III-4
Steel nails: Firm-by-firm U.S. producers' average capacity, by period

Capacity in short tons

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table III-4 Continued
Steel nails: Firm-by-firm U.S. producers' production, by period

Production in short tons

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table III-4 Continued
Steel nails: Firm-by-firm U.S. producers capacity utilization, by period

Ratio in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table III-4 Continued
Steel nails: Firm-by-firm share of production, by period

Share in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Capacity utilization ratio represents the ratio of the U.S. producers' production to its production capacity.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure III-1
Steel nails: U.S. producers' production, capacity, and capacity utilization, by period

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

As shown in table III-5, no U.S. producers produce alternative products on the same machinery and/or employees. That vast majority steel (***) of steel nails produced during 2018-20 by U.S. producers were steel nails other than collated roofing nails. ***.

Table III-5
Steel nails: U.S. producers' overall capacity and production on the same equipment as subject production, by period

Quantity in short tons; ratio and share in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Overall capacity	Quantity	***	***	***	***	***
Production: Collated roofing nails	Quantity	***	***	***	***	***
Production: All other steel nails	Quantity	***	***	***	***	***
Production: All in-scope steel nails	Quantity	***	***	***	***	***
Production: Other products	Quantity	***	***	***	***	***
Production: Total	Quantity	***	***	***	***	***
Overall capacity utilization	Ratio	***	***	***	***	***
Production: Collated roofing nails	Share	***	***	***	***	***
Production: All other steel nails	Share	***	***	***	***	***
Production: All in-scope steel nails	Share	***	***	***	***	***
Production: Other products	Share	***	***	***	***	***
Production: Total	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. producers' U.S. shipments and exports

Table III-6 presents U.S. producers' U.S. shipments, export shipments, and total shipments. In general, nearly all shipments by the U.S. producers were within the United States; exports shipments consistently accounted for less than one percent of total shipments.[2]

The quantity of U.S. producers' U.S. shipments decreased by *** percent from 2018 to 2019 then increased by *** percent from 2019 to 2020, decreasing overall by *** percent between 2018 and 2020. The quantity of U.S. producers' U.S. shipments was *** percent higher in January-September 2021 compared with January-September 2020.

The value of U.S. producers' U.S. shipments decreased by *** percent from 2018 to 2019 then increased by *** percent from 2019 to 2020, decreasing overall by *** percent between 2018 and 2020. The value of U.S. producers' U.S. shipments was *** percent higher in January-September 2021 compared with January-September 2020.

The unit value of U.S. producers' U.S. shipments increased by *** percent from 2018 to 2019 then decreased by *** percent from 2019 to 2020, decreasing overall by *** percent between 2018 and 2020. The unit value of U.S. producers' U.S. shipments was *** percent higher in January-September 2021 compared with January-September 2020.

There were no transfers to related firms during 2019-20 and January to September 2021 and small amounts of internal consumption in only two periods.

[2] ***.

Table III-6
Steel nails: U.S. producers' total shipments, by destination and period

Quantity in short tons; value in 1,000 dollars; unit value in dollars per dollars per short tons; shares in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. shipments	Quantity	***	***	***	***	***
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	***	***	***	***	***
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. producers' inventories

Table III-7 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** U.S. producers' end-of-period inventories increased by *** percent from 2018 to 2019 and decreased by *** percent from 2019 to 2020. U.S. producers' end-of-period inventories were *** percent lower during January-September 2021 compared to January-September 2020. U.S. producers' inventories were at their highest levels, absolutely and relative to production and shipments, in 2019, and at their lowest absolute and relative levels in January-September 2021.

Table III-7
Steel nails: U.S. producers' inventories and their ratio to select items, by period

Quantity in short tons; ratio in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
End-of-period inventory quantity	***	***	***	***	***
Inventory ratio to U.S. production	***	***	***	***	***
Inventory ratio to U.S. shipments	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. producers' imports and purchases

U.S. producers' imports of steel nails are presented in tables III-8 to III-10. One firm (***) reported importing steel nails from subject sources. Two firms (***) are affiliated with U.S. importers of steel nails from subject sources. *** is affiliated with U.S. importer *** while *** is affiliated with U.S. importer ***. *** is also a U.S. importer of steel nails from nonsubject sources. U.S. producer *** reported importing steel nails from nonsubject sources.

Four U.S. producers reported purchases of steel nails during 2018-20. *** reported purchases from nonsubject sources. ***. *** reported purchases from domestic or other sources.

Table III-8
Steel nails: *'s U.S. production, ***'s U.S. imports, and ratio of imports to production, by source and period**

Quantity in short tons; ratio in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. production	Quantity	***	***	***	***	***
Imports from ***	Quantity	***	***	***	***	***
Imports from ***	Quantity	***	***	***	***	***
Imports from ***	Quantity	***	***	***	***	***
Imports from ***	Quantity	***	***	***	***	***
Imports from all subject sources	Quantity	***	***	***	***	***
Imports from nonsubject sources ***	Quantity	***	***	***	***	***
Imports from all import sources	Quantity	***	***	***	***	***
Imports from *** to U.S. production	Ratio	***	***	***	***	***
Imports from *** to U.S. production	Ratio	***	***	***	***	***
Imports from *** to U.S. production	Ratio	***	***	***	***	***
Imports from *** to U.S. production	Ratio	***	***	***	***	***
Imports from all subject sources to U.S. production	Ratio	***	***	***	***	***
Imports from nonsubject sources to U.S. production	Ratio	***	***	***	***	***
Imports from all import sources to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Note: ***.

Table III-9
Steel nails: *'s U.S. production, ***'s U.S. imports, and ratio of imports to production, by source and period**

Quantity in short tons; ratio in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. production	Quantity	***	***	***	***	***
Imports from *** (by related U.S. importer ***)	Quantity	***	***	***	***	***
Imports from *** (by related U.S. importer ***)	Quantity	***	***	***	***	***
Imports from *** (by related U.S. importer ***)	Quantity	***	***	***	***	***
Imports from subject sources (by related U.S. importer ***)	Quantity	***	***	***	***	***
Imports from nonsubject sources ***	Quantity	***	***	***	***	***
Imports from all import sources	Quantity	***	***	***	***	***
Imports from *** to U.S. production	Ratio	***	***	***	***	***
Imports from *** to U.S. production	Ratio	***	***	***	***	***
Imports from *** to U.S. production	Ratio	***	***	***	***	***
Imports from subject sources to U.S. production	Ratio	***	***	***	***	***
Imports from nonsubject sources to U.S. production	Ratio	***	***	***	***	***
Imports from all import sources to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Note: ***.

Table III-10
Steel nails: *'s U.S. production, U.S. imports, and ratio of imports to production, by source and period**

Quantity in short tons; ratio in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. production	Quantity	***	***	***	***	***
Imports from nonsubject sources ***	Quantity	***	***	***	***	***
Imports from nonsubject sources to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table III-11
Steel nails: U.S. producers' reasons for importing

Item	Narrative response on reasons for importing
***'s reason for importing	***
***'s reason for importing	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. employment, wages, and productivity

Table III-12 shows U.S. producers' employment-related data. The number of production and related workers ("PRWs") for U.S. producers decreased by *** percent from 2018 to 2020, to reach *** PRWs.[3] PRWs were *** percent lower in January-June 2021 than in January-June 2020.[4]

Hourly wages decreased by *** percent between 2018 to 2020. Hourly wages were *** percent lower in January-September 2021 compared with January-September 2020. Productivity decreased by *** percent from 2018 to 2020. Productivity was *** percent lower in January-September 2021 compared with January-September 2020. Unit labor costs increased from 2018 to 2019 by *** percent, then decreased from 2019 to 2020 by *** percent. Unit labor costs were *** percent higher in January-September 2021 compared with January-September 2020.

[3] *** both indicated ***. ***, producer questionnaires response, section II-11.

[4] The *** producers, ***, reported lower PRWs in each period. These firms, along with ***, were the *** producers to report lower PRWs in 2020 than in 2018. ***.

Table III-12
Steel nails: U.S. producers' employment related information, by period

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (short tons per 1,000 hours)	***	***	***	***	***
Unit labor costs (dollars per short ton)	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 82 firms believed to be importers of subject steel nails, as well as to all U.S. producers of steel nails.[1] Usable questionnaire responses were received from 30 companies, representing *** percent of U.S. imports from India, Oman, Sri Lanka, Thailand, and Turkey in 2020 under HTS subheadings 7317.00.55, 7317.00.65, and 7317.00.75. The Commission also received two unusable questionnaires.[2] Firms responding to the Commission's questionnaire accounted for the following shares of imports of steel nails by source during 2020, based on official Commerce statistics—India, *** percent; Oman, ***; Sri Lanka, ***; Thailand, ***; Turkey, *** percent, and all other, *** percent. In light of the questionnaire coverage, import data presented in this report are based on official Commerce statistics.

Table IV-1 lists all responding U.S. importers of steel nails from India, Oman, Sri Lanka, Thailand, Turkey, and other sources, their locations, and their shares of U.S. imports, in 2020.

[1] The Commission issued questionnaires to those firms identified in the petitions, along with firms that, based on a review of data from third-party sources, may have accounted for more than one percent of total imports under HTS subheadings 7317.00.65, 7317.00.65, and 7317.00.75 since 2018.

[2] U.S. producer and importer *** submitted questionnaires on January 17, 2022, while U.S. producer and importer *** submitted questionnaires on January 28, 2022. Neither firm was able to address reporting inconsistencies prior to review of this report; accordingly, these questionnaire responses are not included in the questionnaire data presented in this report.

Table IV-1
Steel nails: U.S. importers, their headquarters, and share of imports within each source, 2020

Share in percent

Firm	Headquarters	India	Oman	Sri Lanka	Thailand	Turkey
Accent	Tomball, TX	***	***	***	***	***
Astrotech	Chittoor District, AP	***	***	***	***	***
Bisset	Coquitlam, BC	***	***	***	***	***
BlueLinx	Marietta, GA	***	***	***	***	***
Cascade	Boise, ID	***	***	***	***	***
Continental	Abington, PA	***	***	***	***	***
Crane Point	Forest Gove, OR	***	***	***	***	***
Deacero	Houston, TX	***	***	***	***	***
EBN	Fredericksburg, VA	***	***	***	***	***
Fanaco	Redmond, WA	***	***	***	***	***
Fasteners	Baltimore, MD	***	***	***	***	***
Geekay	Plano, TE	***	***	***	***	***
Hillman Group	Cincinnati, OH	***	***	***	***	***
Huttig	Saint Louis, MO	***	***	***	***	***
JZW	Omaha, NE	***	***	***	***	***
Kratos	Farmers Branch, TX	***	***	***	***	***
Kyocera	Cincinnati, Ohio, OH	***	***	***	***	***
Metalhouse	Orlando, FL	***	***	***	***	***
Metropolitan	Springfield, NJ	***	***	***	***	***
Mipad	Guaynabo, PR	***	***	***	***	***
Fastening Care	Buena Park, CA	***	***	***	***	***
Oman Fasteners	Suhar, Oman	***	***	***	***	***
Peace	Rolling Meadows, IL	***	***	***	***	***
PrimeSource	Irving, TX	***	***	***	***	***
Shandex	Fort Lee, NJ	***	***	***	***	***
SouthernCarlson	Omaha, NE	***	***	***	***	***
Southwestern	Tampa, FL	***	***	***	***	***
TC	Whittier, CA	***	***	***	***	***
Tree Island	San Bernardino, CA	***	***	***	***	***
Trinity	Katunayake, WP	***	***	***	***	***
All firms	Various	***	***	***	***	***

Table continued.

Table IV-1 Continued
Steel nails: U.S. importers, their headquarters, and share of imports within each source, 2020

Share in percent

Firm	Headquarters	Subject sources	Nonsubject sources	All import sources
Accent	Tomball, TX	***	***	***
Astrotech	Chittoor District, AP	***	***	***
Bisset	Coquitlam, BC	***	***	***
BlueLinx	Marietta, GA	***	***	***
Cascade	Boise, ID	***	***	***
Continental	Abington, PA	***	***	***
Crane Point	Forest Gove, OR	***	***	***
Deacero	Houston, TX	***	***	***
EBN	Fredericksburg, VA	***	***	***
Fanaco	Redmond, WA	***	***	***
Fasteners	Baltimore, MD	***	***	***
Geekay	Plano, TE	***	***	***
Hillman Group	Cincinnati, OH	***	***	***
Huttig	Saint Louis, MO	***	***	***
JZW	Omaha, NE	***	***	***
Kratos	Farmers Branch, TX	***	***	***
Kyocera	Cincinnati, Ohio, OH	***	***	***
Metalhouse	Orlando, FL	***	***	***
Metropolitan	Springfield, NJ	***	***	***
Mipad	Guaynabo, PR	***	***	***
Fastening Care	Buena Park, CA	***	***	***
Oman Fasteners	Suhar, Oman	***	***	***
Peace	Rolling Meadows, IL	***	***	***
PrimeSource	Irving, TX	***	***	***
Shandex	Fort Lee, NJ	***	***	***
SouthernCarlson	Omaha, NE	***	***	***
Southwestern	Tampa, FL	***	***	***
TC	Whittier, CA	***	***	***
Tree Island	San Bernardino, CA	***	***	***
Trinity	Katunayake, WP	***	***	***
All firms	Various	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of steel nails from India, Oman, Sri Lanka, Thailand, Turkey, and all other sources. The quantity of steel nail imports from the subject countries increased by 15.9 percent from 2018 to 2019, and increased by 3.6 percent from 2019 to 2020. The quantity of steel nail imports from the subject countries increased overall by 20.1 percent during 2018-20 and was 21.2 percent higher in interim 2021 than in interim 2020. The value of steel nails imports from the subject countries increased by 10.0 percent from 2018 to 2019, and decreased by 1.7 percent from 2019 to 2020. The value of steel nail imports from the subject countries increased overall by 8.2 percent during 2018-20 and was 38.3 percent higher in interim 2021 than in interim 2020.[3]

The quantity of steel nail imports from the nonsubject countries decreased by 21.5 percent from 2018 to 2019 and increased by 10.9 percent from 2019 to 2020. The quantity of steel nail imports from the nonsubject countries decreased overall by 13.0 percent during 2018-20 but was 19.1 percent higher in interim 2021 than in interim 2020. The value of steel nails imports from the nonsubject countries decreased by 17.3 percent from 2018 to 2019, but increased by 2.3 percent from 2019 to 2020. The value of steel nail imports from the nonsubject countries decreased overall by 15.4 percent during 2018-20 and was 39.0 percent higher in interim 2021 than in interim 2020. Leading nonsubject sources of imports include China, Malaysia, South Korea, and Taiwan,[4] as well as Mexico and Canada. Average unit values ("AUVs") from subject and nonsubject sources decreased between 2018 and 2020, by 9.9 percent and 2.8 percent respectively. Subject AUVs were 14.1 percent higher in interim 2021 than in interim 2020 while nonsubject AUVs were 16.7 percent higher. The collective AUVs of imports from subject sources were lower than those for nonsubject sources in each full and partial year.

Subject imports as a share of total imports increased by *** percentage points between 2018 and 2020, from *** percent in 2018 to *** percent in 2020 and were *** percentage points higher in interim 2021 than in interim 2020. The ratio of subject imports to U.S. production increased by *** percentage points during 2018-20 and was *** percentage points higher in interim 2021 than in interim 2020.

[3] All imports from subject countries except India were higher in 2020 than in 2018, while each subject country was higher in interim 2021 than in interim 2020. Imports increased from Oman from 2018 to 2019 and decreased slightly from 2019 to 2020.

[4] Imports of steel nails from China are subject to antidumping dumping duty order, effective August 4, 2008. Imports of steel nails from Malaysia, South Korea, and Taiwan are subject to antidumping dumping duty orders, effective July 13, 2015.

Table IV-2
Steel nails: U.S. imports by source and period

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short tons

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
India	Quantity	38,975	33,690	28,443	20,290	27,807
Oman	Quantity	64,670	73,189	72,119	52,501	68,473
Sri Lanka	Quantity	18,806	28,746	30,891	22,122	24,832
Thailand	Quantity	34,646	40,035	48,716	37,112	43,650
Turkey	Quantity	36,061	48,164	51,758	39,539	43,252
Subject sources	Quantity	193,158	223,822	231,927	171,563	208,013
Nonsubject sources	Quantity	589,818	462,866	513,297	376,647	448,582
All import sources	Quantity	782,976	686,688	745,224	548,209	656,595
India	Value	46,751	39,613	29,313	20,741	32,891
Oman	Value	91,766	98,308	93,133	67,116	96,535
Sri Lanka	Value	23,016	32,507	29,671	21,381	26,979
Thailand	Value	41,909	47,869	59,161	45,108	58,503
Turkey	Value	39,776	49,338	51,768	39,382	53,006
Subject sources	Value	243,218	267,634	263,046	193,728	267,914
Nonsubject sources	Value	756,016	624,883	639,253	470,001	653,257
All import sources	Value	999,234	892,517	902,298	663,729	921,171
India	Unit value	1,200	1,176	1,031	1,022	1,183
Oman	Unit value	1,419	1,343	1,291	1,278	1,410
Sri Lanka	Unit value	1,224	1,131	960	967	1,086
Thailand	Unit value	1,210	1,196	1,214	1,215	1,340
Turkey	Unit value	1,103	1,024	1,000	996	1,226
Subject sources	Unit value	1,259	1,196	1,134	1,129	1,288
Nonsubject sources	Unit value	1,282	1,350	1,245	1,248	1,456
All import sources	Unit value	1,276	1,300	1,211	1,211	1,403

Table continued.

Table IV-2 Continued
Steel nails: Share of U.S. imports by source and period

Share and ratio in percent

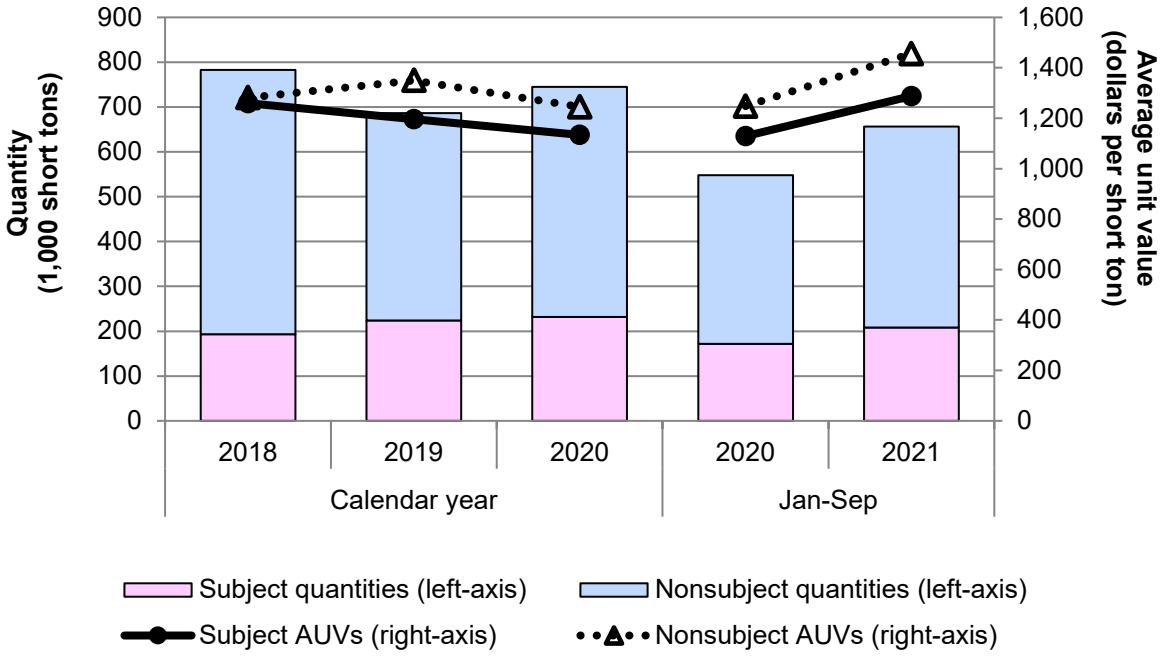
Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
India	Share of quantity	5.0	4.9	3.8	3.7	4.2
Oman	Share of quantity	8.3	10.7	9.7	9.6	10.4
Sri Lanka	Share of quantity	2.4	4.2	4.1	4.0	3.8
Thailand	Share of quantity	4.4	5.8	6.5	6.8	6.6
Turkey	Share of quantity	4.6	7.0	6.9	7.2	6.6
Subject sources	Share of quantity	24.7	32.6	31.1	31.3	31.7
Nonsubject sources	Share of quantity	75.3	67.4	68.9	68.7	68.3
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
India	Share of value	4.7	4.4	3.2	3.1	3.6
Oman	Share of value	9.2	11.0	10.3	10.1	10.5
Sri Lanka	Share of value	2.3	3.6	3.3	3.2	2.9
Thailand	Share of value	4.2	5.4	6.6	6.8	6.4
Turkey	Share of value	4.0	5.5	5.7	5.9	5.8
Subject sources	Share of value	24.3	30.0	29.2	29.2	29.1
Nonsubject sources	Share of value	75.7	70.0	70.8	70.8	70.9
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
India	Ratio	***	***	***	***	***
Oman	Ratio	***	***	***	***	***
Sri Lanka	Ratio	***	***	***	***	***
Thailand	Ratio	***	***	***	***	***
Turkey	Ratio	***	***	***	***	***
Subject sources	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Note: Share of quantity is the share of U.S. imports by quantity; share of value is the share of U.S. imports by value; ratio are U.S. imports to production.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-1
Steel nails: U.S. import quantities and average unit values, by source and period



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

Table IV-3
Steel nails: U.S. imports from nonsubject sources, by source and period

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short tons

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
China	Quantity	277,318	197,842	230,740	165,992	201,914
Malaysia	Quantity	48,421	46,281	48,025	36,504	31,362
South Korea	Quantity	59,334	43,813	44,250	33,604	35,848
Taiwan	Quantity	73,372	57,505	42,709	31,662	40,568
Mexico	Quantity	33,567	30,502	39,770	29,224	38,002
Canada	Quantity	42,980	26,760	39,444	28,448	32,955
All other nonsubject sources	Quantity	54,825	60,162	68,359	51,211	67,933
All nonsubject sources	Quantity	589,818	462,866	513,297	376,647	448,582
China	Value	346,829	257,552	268,705	195,871	284,222
Malaysia	Value	45,856	44,712	42,811	32,373	33,645
South Korea	Value	71,447	55,375	53,525	39,824	56,623
Taiwan	Value	100,606	90,952	66,882	49,898	69,263
Mexico	Value	32,956	33,275	38,042	28,644	40,247
Canada	Value	66,199	42,771	55,257	39,510	56,011
All other nonsubject sources	Value	92,123	100,246	114,030	83,880	113,246
All nonsubject sources	Value	756,016	624,883	639,253	470,001	653,257
China	Unit value	1,251	1,302	1,165	1,180	1,408
Malaysia	Unit value	947	966	891	887	1,073
South Korea	Unit value	1,204	1,264	1,210	1,185	1,580
Taiwan	Unit value	1,371	1,582	1,566	1,576	1,707
Mexico	Unit value	982	1,091	957	980	1,059
Canada	Unit value	1,540	1,598	1,401	1,389	1,700
All other nonsubject sources	Unit value	1,680	1,666	1,668	1,638	1,667
All nonsubject sources	Unit value	1,282	1,350	1,245	1,248	1,456

Table continued.

Table IV-3 Continued
Steel nails: U.S. imports from nonsubject sources, by source and period

Shares and ratios in percent; Rations represented the ratio to U.S. production

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
China	Share of quantity	47.0	42.7	45.0	44.1	45.0
Malaysia	Share of quantity	8.2	10.0	9.4	9.7	7.0
South Korea	Share of quantity	10.1	9.5	8.6	8.9	8.0
Taiwan	Share of quantity	12.4	12.4	8.3	8.4	9.0
Mexico	Share of quantity	5.7	6.6	7.7	7.8	8.5
Canada	Share of quantity	7.3	5.8	7.7	7.6	7.3
All other nonsubject sources	Share of quantity	9.3	13.0	13.3	13.6	15.1
All nonsubject sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
China	Share of value	45.9	41.2	42.0	41.7	43.5
South Korea	Share of value	6.1	7.2	6.7	6.9	5.2
Malaysia	Share of value	9.5	8.9	8.4	8.5	8.7
Taiwan	Share of value	13.3	14.6	10.5	10.6	10.6
Mexico	Share of value	4.4	5.3	6.0	6.1	6.2
Canada	Share of value	8.8	6.8	8.6	8.4	8.6
All other nonsubject sources	Share of value	12.2	16.0	17.8	17.8	17.3
All nonsubject sources	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values. Top exporting nonsubject shown in descending order of 2020 data.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[5] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[6] In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.[7]

During December 2020 through November 2021, imports from India accounted *** percent of total imports of steel nails by quantity, imports from Oman *** percent, Sri Lanka *** percent, Thailand *** percent, and Turkey *** percent.

Table IV-4 presents the individual shares of total imports by source, during December 2020 through November 2021. Table IV-5 presents, and figure IV-2 presents U.S. imports on the basis of 12-month rolling average for January 2020 through November 2021.

[5] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

[6] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

[7] 19 U.S.C. § 1677(24)(B).

Table IV-4
Steel nails: U.S. imports in the twelve-month period preceding the filing of the petition, December 2020 through November 2021

Quantity in short tons; share in percent

Source of imports	Quantity	Share of quantity
India (AD and CVD)	41,031	4.7
Oman (CVD)	89,741	10.2
Sri Lanka (AD and CVD)	34,675	3.9
Thailand (AD and CVD)	56,909	6.5
Turkey (AD and CVD)	57,569	6.6
Subject sources	279,926	31.9
All other sources	597,976	68.1
All import sources	877,902	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 10, 2021. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as “0.0” represent values greater than zero, but less than “0.05” percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Note: Sri Lanka is a developing country as designated by the United States Trade Representative.

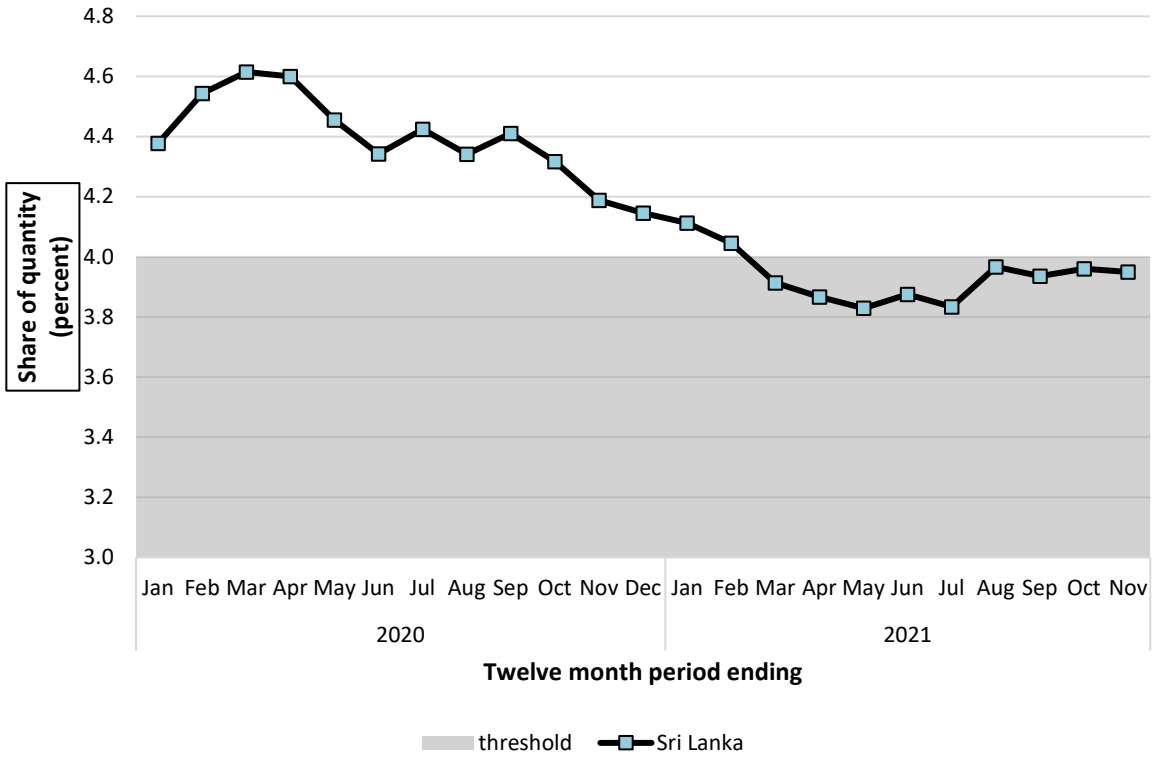
Table IV-5
Steel nails: U.S. imports from Sri Lanka and all sources, 12 month rolling averages for the periods ending January 2020 through November 2021

Quantity in short tons; share in percent

Twelve month period ending	Quantity for Sri Lanka	Quantity for All import sources	Share for Sri Lanka	Share for All import sources
January 2020	29,542	674,803	4.4	100.0
February 2020	30,382	668,640	4.5	100.0
March 2020	30,457	659,970	4.6	100.0
April 2020	30,168	655,827	4.6	100.0
May 2020	29,162	654,580	4.5	100.0
June 2020	28,844	664,182	4.3	100.0
July 2020	29,821	674,064	4.4	100.0
August 2020	29,750	685,190	4.3	100.0
September 2020	30,639	694,637	4.4	100.0
October 2020	30,804	713,543	4.3	100.0
November 2020	30,619	731,071	4.2	100.0
December 2020	30,891	745,224	4.1	100.0
January 2021	31,197	758,602	4.1	100.0
February 2021	31,018	766,720	4.0	100.0
March 2021	31,053	793,583	3.9	100.0
April 2021	31,199	806,997	3.9	100.0
May 2021	31,465	821,773	3.8	100.0
June 2021	32,235	831,742	3.9	100.0
July 2021	32,196	839,905	3.8	100.0
August 2021	33,711	849,761	4.0	100.0
September 2021	33,601	853,609	3.9	100.0
October 2021	34,140	861,981	4.0	100.0
November 2021	34,675	877,902	3.9	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

Figure IV-2
Steel nails: Share of U.S. imports from Sri Lanka, 12 month rolling averages for the periods ending January 2020 through November 2021



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

Cumulation considerations

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Table IV-6 and figure IV-4 present U.S. producers' and U.S. importers' U.S. shipments of steel nails by type. U.S. producers' U.S. shipments and U.S. importers' U.S. shipments from each subject source were predominantly collated steel nails; in contrast U.S. importers' U.S. shipments from nonsubject sources were largely bulk nails. The majority of U.S. producers' U.S. shipments and U.S. importers U.S. shipments' of subject sources consisted of collated nails, accounting for *** and *** percent respectively in 2020. The majority of U.S. importers' U.S. shipments of nonsubject sources consisted of bulk steel nails, accounting for *** percent of nonsubject imports.

Table IV-7 and figure IV-4 present U.S. producers' and U.S. importer's U.S. shipments, by source and finish in 2020. The majority of U.S. producers' U.S. shipments and U.S. importers U.S. shipments of subject sources consisted of bright steel nails, accounting for *** and *** percent respectively in 2020.[8] The majority of U.S. importers' U.S. shipments of nonsubject sources also of bright steel nails, accounting for *** percent of nonsubject imports.

Table IV-6
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2020

Quantity in short tons

Source	Collated	Bulk	All types
U.S. producers	***	***	***
India	***	***	***
Oman	***	***	***
Sri Lanka	***	***	***
Thailand	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

[8] Thailand ***.

Table IV-6 Continued
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2020

Share across in percent

Source	Collated	Bulk	All types
U.S. producers	***	***	***
India	***	***	***
Oman	***	***	***
Sri Lanka	***	***	***
Thailand	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

Table IV-6 Continued
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2020

Share down in percent

Source	Collated	Bulk	All types
U.S. producers	***	***	***
India	***	***	***
Oman	***	***	***
Sri Lanka	***	***	***
Thailand	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-3
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2020

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-7
Steel nails: U.S. producers' and U.S. importer's U.S. shipments, by source and finish, 2020

Quantity in short tons

Source	Bright	Galvanized	Other	All finishes
U.S. producers	***	***	***	***
India	***	***	***	***
Oman	***	***	***	***
Sri Lanka	***	***	***	***
Thailand	***	***	***	***
Turkey	***	***	***	***
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	***	***	***	***

Table Continued.

Table IV-7 Continued
Steel nails: U.S. producers' and U.S. importer's U.S. shipments, by source and finish, 2020

Shares across in percent

Source	Bright	Galvanized	Other	All finishes
U.S. producers	***	***	***	***
India	***	***	***	***
Oman	***	***	***	***
Sri Lanka	***	***	***	***
Thailand	***	***	***	***
Turkey	***	***	***	***
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	***	***	***	***

Table Continued.

Table IV-7 Continued
Steel nails: U.S. producers' and U.S. importer's U.S. shipments, by source and finish, 2020

Shares down in percent

Source	Bright	Galvanized	Other	All finishes
U.S. producers	***	***	***	***
India	***	***	***	***
Oman	***	***	***	***
Sri Lanka	***	***	***	***
Thailand	***	***	***	***
Turkey	***	***	***	***
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-4
Steel nails: U.S. producers' and U.S. importer's U.S. shipments, by source and by item, 2020

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Geographical markets

Table IV-8 presents U.S. imports of steel nails, by source and border of entry in 2020, based on official Commerce statistics. U.S. imports of subject steel nails from India, Oman, Sri Lanka, Thailand, and Turkey entered multiple U.S. ports of entry across the nation. The largest shares of steel nails from India, Sri Lanka, and Thailand, entered through Western borders of entry. The majority of steel nails from Turkey and Oman entered through Eastern borders of entry

Table IV-8
Steel nails: U.S. imports by source and border of entry, 2020

Quantity in short tons

Source	East	North	South	West	All borders
India	6,779	3,133	8,117	10,413	28,443
Oman	41,589	8,253	15,222	7,055	72,119
Sri Lanka	8,675	4,280	4,846	13,090	30,891
Thailand	11,611	9,964	7,012	20,130	48,716
Turkey	26,127	7,587	16,185	1,859	51,758
Subject sources	94,781	33,216	51,382	52,548	231,927
Nonsubject sources	139,749	119,393	156,389	97,766	513,297
All import sources	234,530	152,610	207,771	150,313	745,224

Table continued.

Table IV-8 Continued
Steel nails: U.S. imports by source and border of entry, 2020

Share in percent

Source	East	North	South	West	All borders
India	23.8	11.0	28.5	36.6	100.0
Oman	57.7	11.4	21.1	9.8	100.0
Sri Lanka	28.1	13.9	15.7	42.4	100.0
Thailand	23.8	20.5	14.4	41.3	100.0
Turkey	50.5	14.7	31.3	3.6	100.0
Subject sources	40.9	14.3	22.2	22.7	100.0
Nonsubject sources	27.2	23.3	30.5	19.0	100.0
All import sources	31.5	20.5	27.9	20.2	100.0

Table continued.

Table IV-8 Continued
Steel nails: U.S. imports by source and border of entry, 2020

Share down in percent

Source	East	North	South	West	All borders
India	2.9	2.1	3.9	6.9	3.8
Oman	17.7	5.4	7.3	4.7	9.7
Sri Lanka	3.7	2.8	2.3	8.7	4.1
Thailand	5.0	6.5	3.4	13.4	6.5
Turkey	11.1	5.0	7.8	1.2	6.9
Subject sources	40.4	21.8	24.7	35.0	31.1
Nonsubject sources	59.6	78.2	75.3	65.0	68.9
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Presence in the market

Table IV-9 and figures IV-5 and IV-6 present monthly data for U.S. imports of steel nails from subject and nonsubject sources between January 2018 and November 2021. Subject imports of steel nails from India, Oman, Sri Lanka, Thailand, and Turkey were present in each month during this period.

Table IV-9
Steel nails: Quantity of U.S. imports, by month and source

Quantity in short tons

Year	Month	India	Oman	Sri Lanka	Thailand	Turkey
2018	January	3,249	3,303	1,068	2,114	2,444
2018	February	2,465	3,251	967	2,131	2,493
2018	March	3,376	3,899	1,491	2,482	4,087
2018	April	3,010	3,758	1,422	2,328	3,354
2018	May	3,104	4,978	1,097	1,934	3,232
2018	June	3,627	5,540	1,179	2,126	3,226
2018	July	3,937	5,973	1,363	3,485	2,865
2018	August	3,067	6,388	1,626	3,766	2,898
2018	September	3,226	6,360	1,736	3,283	2,302
2018	October	3,746	6,607	2,493	3,548	3,523
2018	November	3,157	8,104	1,954	3,807	2,753
2018	December	3,011	6,508	2,410	3,641	2,885
2019	January	3,074	9,307	1,993	3,276	3,556
2019	February	2,574	6,210	1,664	3,341	3,294
2019	March	3,565	6,311	2,658	4,787	4,685
2019	April	2,163	7,648	2,803	3,525	4,086
2019	May	2,949	7,640	2,064	3,178	4,147
2019	June	2,840	6,496	1,746	2,631	3,766
2019	July	3,436	6,213	2,503	3,351	4,383
2019	August	2,995	6,765	2,470	3,835	4,810
2019	September	2,507	5,936	2,327	3,154	3,749
2019	October	2,845	3,107	3,052	3,106	4,359
2019	November	3,118	4,866	2,903	2,538	3,501
2019	December	1,624	2,692	2,563	3,313	3,827

Table continued.

Table IV-9 Continued
Steel nails: Quantity of U.S. imports, by month and source

Quantity in short tons

Year	Month	Subject sources	Nonsubject sources	All import sources
2018	January	12,178	56,347	68,525
2018	February	11,307	51,671	62,978
2018	March	15,335	48,560	63,895
2018	April	13,872	51,827	65,698
2018	May	14,345	57,923	72,269
2018	June	15,698	55,245	70,944
2018	July	17,623	49,780	67,403
2018	August	17,746	47,918	65,663
2018	September	16,907	41,880	58,788
2018	October	19,916	41,216	61,133
2018	November	19,775	42,476	62,251
2018	December	18,455	44,973	63,429
2019	January	21,206	46,362	67,568
2019	February	17,082	39,755	56,837
2019	March	22,006	37,256	59,262
2019	April	20,225	39,627	59,852
2019	May	19,978	42,384	62,361
2019	June	17,479	39,542	57,021
2019	July	19,886	40,914	60,800
2019	August	20,875	39,462	60,336
2019	September	17,673	38,549	56,222
2019	October	16,469	34,644	51,112
2019	November	16,926	29,705	46,631
2019	December	14,019	34,666	48,685

Table continued.

Table IV-9 Continued
Steel nails: Quantity of U.S. imports, by year, by month, and source

Quantity in short tons

Year	Month	India	Oman	Sri Lanka	Thailand	Turkey
2020	January	2,849	3,813	2,789	3,911	3,834
2020	February	2,917	5,240	2,503	3,314	5,032
2020	March	2,540	5,565	2,733	4,428	4,317
2020	April	3,325	5,242	2,515	3,742	4,226
2020	May	1,940	4,913	1,058	3,677	5,115
2020	June	618	6,992	1,427	4,471	4,568
2020	July	1,172	8,036	3,480	3,888	4,129
2020	August	2,369	6,226	2,399	5,312	3,541
2020	September	2,562	6,473	3,216	4,368	4,776
2020	October	2,551	6,873	3,216	3,735	3,901
2020	November	2,572	6,127	2,718	3,751	3,924
2020	December	3,029	6,618	2,835	4,119	4,394
2021	January	3,369	8,177	3,096	4,141	4,332
2021	February	2,105	7,016	2,324	2,412	4,778
2021	March	2,899	8,220	2,768	4,375	5,005
2021	April	3,030	7,129	2,662	5,520	4,754
2021	May	3,616	9,317	1,324	6,129	6,695
2021	June	4,270	7,973	2,197	4,406	5,142
2021	July	3,883	7,042	3,441	5,014	4,522
2021	August	2,537	7,610	3,915	5,995	4,461
2021	September	2,097	5,988	3,106	5,659	3,563
2021	October	6,059	7,094	3,755	4,019	5,000
2021	November	4,137	7,556	3,253	5,122	4,923

Table continued.

Table IV-9 Continued
Steel nails: Quantity of U.S. imports, by year, by month, and source

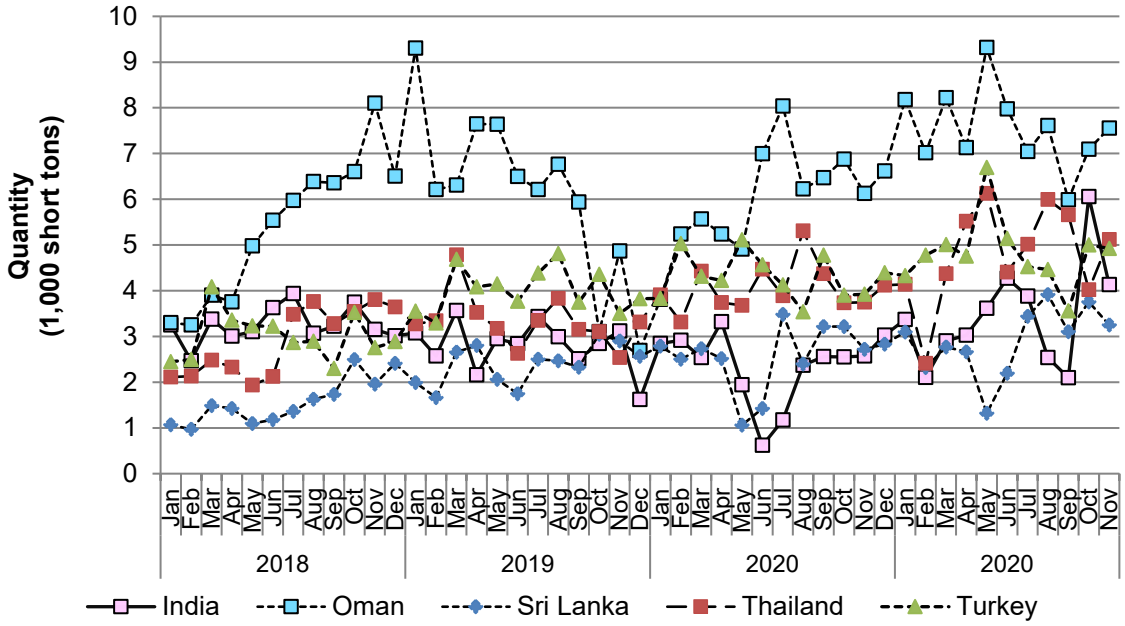
Quantity in short tons

Year	Month	Subject sources	Nonsubject sources	All import sources
2020	January	17,196	38,488	55,683
2020	February	19,007	31,667	50,674
2020	March	19,582	31,011	50,592
2020	April	19,050	36,659	55,709
2020	May	16,704	44,411	61,114
2020	June	18,076	48,547	66,623
2020	July	20,705	49,976	70,682
2020	August	19,848	51,614	71,462
2020	September	21,395	44,274	65,669
2020	October	20,277	49,741	70,018
2020	November	19,093	45,067	64,159
2020	December	20,995	41,842	62,837
2021	January	23,115	45,947	69,061
2021	February	18,634	40,158	58,792
2021	March	23,267	54,189	77,455
2021	April	23,095	46,028	69,123
2021	May	27,080	48,811	75,891
2021	June	23,989	52,602	76,591
2021	July	23,903	54,943	78,845
2021	August	24,518	56,801	81,318
2021	September	20,414	49,104	69,518
2021	October	25,927	52,462	78,389
2021	November	24,992	55,089	80,081

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

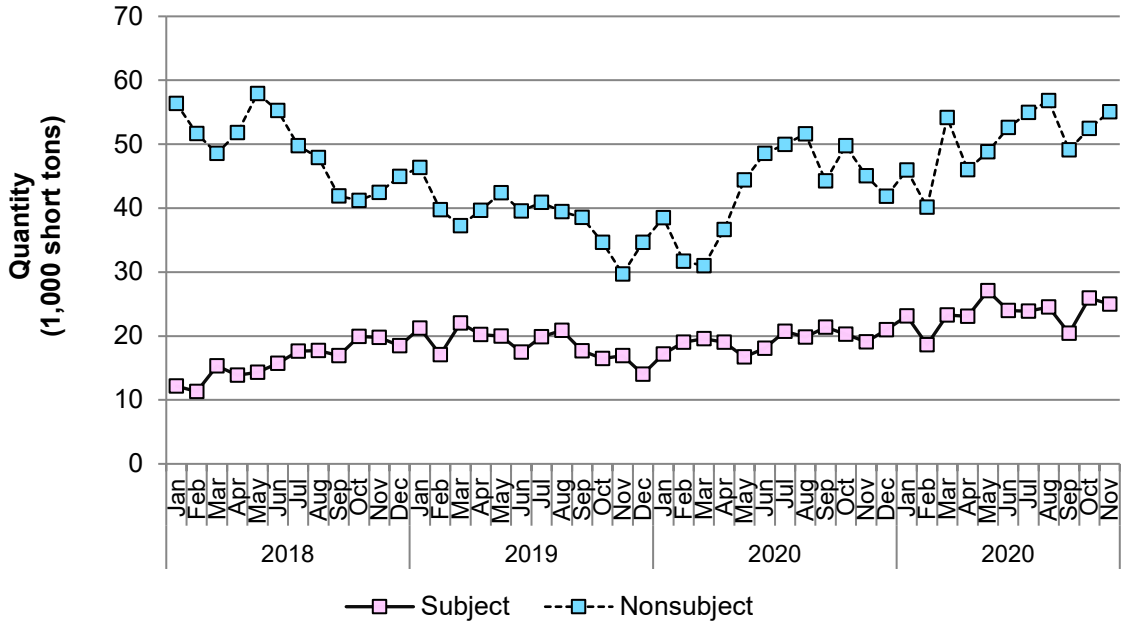
Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-5
Steel nails: U.S imports from individual subject sources, by source and by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

Figure IV-6
Steel nails: U.S imports from aggregated subject sources, by source and by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

Apparent U.S. consumption

Table IV-10 and figure IV-7 present data on apparent U.S. consumption and U.S. market shares for steel nails. The quantity of apparent U.S. consumption decreased by *** percent during 2018-19 and then increased by *** percent during 2019-20, decreasing overall by *** percent. Apparent U.S. consumption was *** percent lower in January-June 2021 than in January-June 2020.

Table IV-10
Steel nails: Apparent U.S. consumption, by source and period

Quantity in short tons; value in 1,000 dollars

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. producers	Quantity	***	***	***	***	***
India	Quantity	38,975	33,690	28,443	20,290	27,807
Oman	Quantity	64,670	73,189	72,119	52,501	68,473
Sri Lanka	Quantity	18,806	28,746	30,891	22,122	24,832
Thailand	Quantity	34,646	40,035	48,716	37,112	43,650
Turkey	Quantity	36,061	48,164	51,758	39,539	43,252
Subject sources	Quantity	193,158	223,822	231,927	171,563	208,013
Nonsubject sources	Quantity	589,818	462,866	513,297	376,647	448,582
All import sources	Quantity	782,976	686,688	745,224	548,209	656,595
All sources	Quantity	***	***	***	***	***
U.S. producers	Value	***	***	***	***	***
India	Value	46,751	39,613	29,313	20,741	32,891
Oman	Value	91,766	98,308	93,133	67,116	96,535
Sri Lanka	Value	23,016	32,507	29,671	21,381	26,979
Thailand	Value	41,909	47,869	59,161	45,108	58,503
Turkey	Value	39,776	49,338	51,768	39,382	53,006
Subject sources	Value	243,218	267,634	263,046	193,728	267,914
Nonsubject sources	Value	756,016	624,883	639,253	470,001	653,257
All import sources	Value	999,234	892,517	902,298	663,729	921,171
All sources	Value	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

Figure IV-7
Steel nails: Apparent U.S. consumption, by source and period

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

U.S. market shares

U.S. market share data are presented in table IV-11. U.S. producers' market share increased by *** percentage points by quantity and *** percentage points by value between 2018 and 2020. Subject import market share increased by *** percentage points by quantity and *** percentage points by value during the same period. U.S. producers' market share by quantity was *** percentage points and by value was *** percentage points lower in January-June 2021 than in January-June 2020, while subject import market by share was *** percentage points by quantity and was *** percentage points higher. Nonsubject import market share decreased by *** percentage points by quantity and *** percentage points by value between 2018 and 2020. Nonsubject import market share by quantity was *** percentage points and by value was *** percentage points higher in January-June 2021 than in January-June 2020.

Table IV-11
Steel nails: Market shares, by source and period

Shares in percent

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. producers	Share of quantity	***	***	***	***	***
India	Share of quantity	***	***	***	***	***
Oman	Share of quantity	***	***	***	***	***
Sri Lanka	Share of quantity	***	***	***	***	***
Thailand	Share of quantity	***	***	***	***	***
Turkey	Share of quantity	***	***	***	***	***
Subject sources	Share of quantity	***	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***	***
All import sources	Share of quantity	***	***	***	***	***
All sources	Share of quantity	***	***	***	***	***
U.S. producers	Share of value	***	***	***	***	***
India	Share of value	***	***	***	***	***
Oman	Share of value	***	***	***	***	***
Sri Lanka	Share of value	***	***	***	***	***
Thailand	Share of value	***	***	***	***	***
Turkey	Share of value	***	***	***	***	***
Subject sources	Share of value	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***
All import sources	Share of value	***	***	***	***	***
All sources	Share of value	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Part V: Pricing data

Factors affecting prices

Raw material costs

Steel nails are made predominantly of steel wire drawn from wire rod, although they may be made from steel plate or strip.[1] U.S. producers' raw material costs as a share of cost of goods sold increased from *** percent in 2018 to *** percent in 2020, and were higher in January-September ("interim") 2021 (***) than in the same period in 2020 (***).[2] As shown in figure V-1, prices for steel wire rod, increased in the first half of 2018,[3] decreased through most of 2019, remained relatively steady in 2020, and increased in almost every month in 2021. Domestic wire rod prices were *** percent higher in September 2021 than in January 2018.

Figure V-1
Wire rod: Domestic prices for wire rod, January 2018-December 2021

* * * * * * *

Source: ***, various monthly issues.

[1] Certain Steel Nails from Korea, Malaysia, Oman, Taiwan, and Vietnam, Investigation Nos. 701-TA-521 and 731-TA-1252-1255 and 1257 (Final), USITC Publication 4541, 2015, p. II-1.

[2] See Part VI for more information on raw material and other costs.

[3] Wire rod became subject to duties under Section 232 of the Trade Expansion Act of 1962, as amended (U.S.C. 1862) in March 2018 and, to antidumping and countervailing duty orders in the United States on various countries (which went into place between January and May 2018).

All seven U.S. producers providing usable data and 20 of 26 importers providing questionnaires reported that raw material costs have increased since January 2018, with the remaining importers indicating that steel nail raw material prices have fluctuated. Six of seven producers and 19 of 25 responding importers indicated that the imposition of section 232 tariffs increased the raw material prices for steel nails. Importers also noted that antidumping duties, changes in demand, ocean freight, supply chain issues, and tariffs have increased the price of wire rod. Petitioner Mid Continent stated that it attempted to raise prices by approximately 19 percent after the imposition of the tariffs, but was ultimately unsuccessful.[4]

Impact of section 232 tariffs on prices

U.S. producers and importers were asked to provide information relating to the effect on the steel nails market of the section 232 tariffs on steel that went into effect in March 2018 on wire rod and in January 2020 on a subset of steel nails, both with respect to the price of raw material inputs and the selling price of steel nails.[5] They also were asked about their perceptions of the impact of the tariffs on the domestic and import supply of steel nails, as well as demand for steel nails, in the United States.

As noted above, 6 of the 7 producers and 19 importers indicated that the section 232 tariffs increased the price of the raw materials used to make steel nails (mainly wire rod). Five of 7 producers and 21 of 23 responding importers also indicated that the section 232 tariffs increased the price of steel nails in the U.S. market (table V-1). However, only two producers reported that they were able to increase the price of their own steel nails because of the tariffs; two reported no change in their prices, and two reported prices fluctuating due to these tariffs. At the staff conference, a witness for petitioner Mid Continent noted that its attempted increase in prices after the tariffs went into effect were ultimately rolled back.[6] In contrast, 24 of 27 importers noted that they increased their own prices due to the section 232 tariffs.

[4] Conference transcript, pp. 15-16 (Pratt). As noted in Part I of this report, Mid Continent is the largest U.S. producer of steel nails. Imported steel nails, however, account for a larger portion of the U.S. market than domestically produced nails.

[5] Another factor in the steel nails market related to section 232 duties is that "In early 2020, Section 232 tariffs were applied to certain downstream steel products, including a subset of steel nails. However, the largest importers of steel nails were able to obtain a court injunction against the collection of the Section 232 tariffs, and the imposition of these duties on downstream steel products is under appeal." Conference transcript, p. 31 (Lutz). For more information on section 232 duties, see Part I.

[6] Conference transcript, p. 34 (Lutz).

A representative of importer SouthernCarlson stated that it has calculated that it is now "required to pay approximately 12 percent more per case of nails when importing from overseas," although imports from Mexico, which is the country from which Mid Continent imports steel nails, are no longer subject to the section 232 duties, so Mid Continent would not be affected by those import cost increases.[7]

Table V-1
Steel nails: U.S. producers' and importers' perceptions regarding impact of 232 tariffs on prices

Number of firms reporting

Item	Firm type	Increase	No change	Decrease	Fluctuate
Raw material cost	U.S. producers	6	1	0	0
Raw material cost	Importers	19	4	0	2
Market price for steel nails	U.S. producers	5	1	0	1
Market price for steel nails	Importers	21	1	0	1
Own sales price for steel nails	U.S. producers	2	2	0	2
Own sales price for steel nails	Importers	24	2	0	1
Domestic supply in market	U.S. producers	1	2	3	1
Domestic supply in market	Importers	5	8	4	4
Imported supply in market	U.S. producers	5	2	0	0
Imported supply in market	Importers	3	9	5	4
Overall demand in market	U.S. producers	4	2	1	0
Overall demand in market	Importers	6	10	1	5

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' and importers' responses differed with respect to their perceptions of the impact of section 232 duties on supply and demand. A majority of U.S. producers indicated that section 232 duties on imports from some countries increased the supply of imports and increased overall demand for steel nails, and a plurality of producers noted that the duties decreased domestic supply.[8] Pluralities of importers, however, indicated that there was no change with respect to domestic supply, imported supply, and demand due section 232 duties.

[7] Conference transcript, p. 142 (Ippoliti).

[8] Some domestic producers may have been referring to the general trend in supply and demand in the steel nails market rather than solely the effect of section 232 duties. Elsewhere in their responses to the Commission questionnaires, and repeatedly at the staff conference, domestic producers noted that subject imports had been increasing since 2018, that they had lost sales to those imports, and that they were unable to increase prices during a time when demand has generally been increasing for steel nails.

Transportation costs to the U.S. market

Transportation costs for steel nails shipped from subject countries to the United States averaged 5.7 percent for shipments from India during 2020, 10.5 percent for shipments from Oman, 3.6 percent for shipments from Sri Lanka, 8.7 percent for shipments from Thailand, and 13.7 for shipments from Turkey. These estimates were derived from official import data and represent the transportation and other charges on imports.[9]

U.S. inland transportation costs

All 7 U.S. producers and 26 of 28 responding importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 2.0 to 9.2 percent, averaging 5.1 percent, while most importers reported costs of 0.5 to 10.0 percent, averaging 6.2 percent.

Pricing practices

Pricing methods

Most U.S. producers (6 of 7) and importers (25 of 28) reported setting prices using transaction-by-transaction negotiations, with a majority of producers (5) and some importers (7) also reporting using price lists (table V-2).

[9] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2020 and then dividing by the customs value based on the HTS statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 13, 2022.

Table V-2
Steel nails: Count of U.S. producers' and importers' reported price setting methods

Method	U.S. producers	Importers
Transaction-by-transaction	6	25
Contract	1	3
Set price list	5	7
Other	1	0
Responding firms	7	28

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

U.S. producers and importers reported selling a large majority of their steel nails in the spot market although some contract sales were reported. Subject importers had a larger share sold via shorter contracts than U.S. producers, although both sold approximately *** percent via long-term contract (table V-3).

Table V-3
Steel nails: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2020

Share in percent

Type of sale	U.S. producers	Subject importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	87.4	78.2
Total	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Because of rounding, figures may not add to the totals shown.

The ***. Three of the four responding importers selling via short-term contracts (30-120 days), both selling via annual contracts, and the one selling via long-term contract (2 years) reported that contracts typically only fix prices and that the prices were non-renegotiable in either short-term, annual, or long-term contracts. Half of the importers using short-term (2 of 4) and annual contracts (1 of 2) index their prices to raw material costs, ***.

Sales terms and discounts

A majority of U.S. producers (5 of 7) and importers (19 of 26) typically quote prices on a delivered basis. Two producers and 11 importers offer quantity discounts, 2 producers offer total volume discounts (in the form of rebates at the end of the year),[10] 1 producer offers discounts on a case-by-case basis, and no discounts are offered by 3 producers and 18 importers.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following steel nails products shipped to unrelated U.S. customers during January 2018-September 2021.

Product 1.— Nominal 3" x 0.131" (10.25 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails

Product 2.— Nominal 3" x 0.120" (11 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails

Product 3.— Nominal 2" x 0.113" (11.5 gauge), bright drive screw (threaded) shank, machine grade bulk nails

Product 4.— Nominal 2" x 0.099" (12. 5 gauge), bright screw (threaded), 15-degree wire coil collated nails

[10] Five importers also reported offering total volume discounts, although all five reported that they already offer quantity discounts as well.

Four U.S. producers and 18 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[11] Pricing data reported by these firms accounted for approximately 20.5 percent of the value U.S. producers' U.S. shipments of steel nails, 27.9 percent of the value of U.S. shipments of subject imports from India, 19.4 percent of the value of U.S. shipments of subject imports from Oman, 24.8 percent of the value of U.S. shipments of subject imports from Sri Lanka, 9.2 percent of the value of U.S. shipments of subject imports from Thailand, and 23.4 percent of the value of U.S. shipments of subject imports from Turkey in 2020.[12] Price data for products 1-4 are presented in tables V-4 to V-7 and figures V-2 to V-5.

[11] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[12] Pricing coverage is based on U.S. shipments reported in questionnaires.

Table V-4
Steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per 1,000 nails, quantity in 1,000 nails, margin in percent.

Period	US price	US quantity	India price	India quantity	India margin	Oman price	Oman quantity	Oman margin
2018 Q1	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***

Period	Sri Lanka price	Sri Lanka quantity	Sri Lanka margin	Thailand price	Thailand quantity	Thailand margin	Turkey price	Turkey quantity	Turkey margin
2018 Q1	***	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Product 1: Nominal 3” x 0.131” (10.25 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails.

Table V-5
Steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per 1,000 nails, quantity in 1,000 nails, margin in percent.

Period	US price	US quantity	India price	India quantity	India margin	Oman price	Oman quantity	Oman margin
2018 Q1	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***

Period	Sri Lanka price	Sri Lanka quantity	Sri Lanka margin	Thailand price	Thailand quantity	Thailand margin	Turkey price	Turkey quantity	Turkey margin
2018 Q1	***	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Product 2: Nominal 3” x 0.120” (11 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails.

Table V-6
Steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter

Price in dollars per short ton, quantity in short tons, margin in percent.

Period	US price	US quantity	India price	India quantity	India margin	Oman price	Oman quantity	Oman margin
2018 Q1	***	***	--	0	--	--	0	--
2018 Q2	***	***	--	0	--	--	0	--
2018 Q3	***	***	***	***	***	--	0	--
2018 Q4	***	***	--	0	--	--	0	--
2019 Q1	***	***	***	***	***	--	0	--
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	--	0	--
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	--	0	--
2020 Q4	***	***	***	***	***	--	0	--
2021 Q1	***	***	***	***	***	--	0	--
2021 Q2	***	***	--	0	--	--	0	--
2021 Q3	***	***	***	***	***	--	0	--

Period	Sri Lanka price	Sri Lanka quantity	Sri Lanka margin	Thailand price	Thailand quantity	Thailand margin	Turkey price	Turkey quantity	Turkey margin
2018 Q1	--	0	--	--	0	--	--	0	--
2018 Q2	--	0	--	--	0	--	--	0	--
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	--	0	--	--	0	--	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	--	0	--	--	0	--	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	--	0	--	--	0	--	***	***	***
2021 Q2	--	0	--	--	0	--	***	***	***
2021 Q3	***	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Nominal 2” x 0.113” (11.5 gauge), bright drive screw (threaded) shank, machine grade bulk nails.

Table V-7
Steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter

Price in dollars per 1,000 nails, quantity in 1,000 nails, margin in percent.

Period	US price	US quantity	India price	India quantity	India margin	Oman price	Oman quantity	Oman margin
2018 Q1	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***

Period	Sri Lanka price	Sri Lanka quantity	Sri Lanka margin	Thailand price	Thailand quantity	Thailand margin	Turkey price	Turkey Quantity	Turkey margin
2018 Q1	***	***	***	***	***	***	***	***	***
2018 Q2	***	***	***	***	***	***	***	***	***
2018 Q3	***	***	***	***	***	***	***	***	***
2018 Q4	***	***	***	***	***	***	***	***	***
2019 Q1	***	***	***	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Product 4: Nominal 2” x 0.099” (12. 5 gauge), bright screw (threaded), 15-degree wire coil collated nails.

Figure V-2
Steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter

Price of product 1

* * * * * * *

Volume of product 1

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Nominal 3” x 0.131” (10.25 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails.

Figure V-3
Steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter

Price of product 2

* * * * * * *

Volume of product 2

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: Nominal 3” x 0.120” (11 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails.

Figure V-4
Steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter

Price of product 3

* * * * * * *

Volume of product 3

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Nominal 2” x 0.113” (11.5 gauge), bright drive screw (threaded) shank, machine grade bulk nails.

Figure V-5
steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by source and quarter

Price of product 4

* * * * * * *

Volume of product 4

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Nominal 2” x 0.099” (12. 5 gauge), bright screw (threaded), 15-degree wire coil collated nails.

Price trends

In general, prices fluctuated but remained relatively constant between 2018 and 2020, except for Turkish product 3 which decreased by *** percent between the third quarter of 2018 and the second quarter of 2020. In 2021, however, prices increased for all products from all countries for which data are available. Table V-8 summarizes the price trends over the entire period, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent during while import price increases ranged from *** to *** percent for product 1, *** to *** percent for product 2, *** to *** percent for product 3, and *** to *** percent for product 4.

Table V-8
Steel nails: Summary of price data, by product and source, January 2018-September 2021

Quantity in 1,000 nails (products 1, 2, and 4) or short tons (product 3), price in dollars per 1,000 nails or short tons

Product	Source	Number of quarters	Low price	High price	First quarter price	Last quarter price	Percent change in price over period
Product 1	U.S.	15	***	***	***	***	***
Product 1	India	15	***	***	***	***	***
Product 1	Oman	15	***	***	***	***	***
Product 1	Sri Lanka	15	***	***	***	***	***
Product 1	Thailand	15	***	***	***	***	***
Product 1	Turkey	15	***	***	***	***	***
Product 2	U.S.	15	***	***	***	***	***
Product 2	India	15	***	***	***	***	***
Product 2	Oman	15	***	***	***	***	***
Product 2	Sri Lanka	15	***	***	***	***	***
Product 2	Thailand	15	***	***	***	***	***
Product 2	Turkey	15	***	***	***	***	***
Product 3	U.S.	15	***	***	***	***	***
Product 3	India	11	***	***	***	***	***
Product 3	Oman	4	***	***	***	***	***
Product 3	Sri Lanka	9	***	***	***	***	***
Product 3	Thailand	9	***	***	***	***	***
Product 3	Turkey	13	***	***	***	***	***
Product 4	U.S.	15	***	***	***	***	***
Product 4	India	15	***	***	***	***	***
Product 4	Oman	15	***	***	***	***	***
Product 4	Sri Lanka	15	***	***	***	***	***
Product 4	Thailand	15	***	***	***	***	***
Product 4	Turkey	15	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Percent change column is percentage change from the first quarter for which data are available in 2018 to the last quarter for which data are available in 2021.

Price comparisons

As shown in tables V-9 and V-10, prices for product imported from subject countries were below those for U.S.-produced product in 154 of 271 instances (30.0 billion nails and 1,602 short tons); margins of underselling ranged from 0.1 to 43.7 percent and averaged 13.8 percent. In the remaining 117 instances (8.1 billion nails and 496 short tons), prices for product subject countries were between 0.1 and 54.1 percent above prices for the domestic product, and averaged 13.8 percent. Underselling was more frequent in products 1, 3, and 4, whereas imports of product 2 oversold domestic product in a majority of instances, although there was more underselling of imports by volume for all products.

The number of quarters of underselling was greater than the number of quarters of overselling for India (42 quarters of underselling vs. 14 quarter of overselling), Oman (45 vs. 4), and Sri Lanka (32 vs. 22). Imports from India, Oman, and Sri Lanka accounted for more than three-fourths of the quarters of underselling and more than 95 percent of the volume of underselling. Overselling was more frequent for Thailand (36 quarters of overselling vs. 18 quarters of underselling) and Turkey (41 vs. 17). Quantities of overselling in terms of products 1, 2, and 4 from these countries showed the same trend, but there was more underselling than overselling in quantity terms for all countries for product 3 (the bulk steel nail product).

Table V-9
Steel nails: Instances of underselling and overselling and the range and average of margins, by product

Quantity 1,000 nails or short tons; margin in percent

Product	Type	Number of quarters	Quantity (1,000 nails)	Quantity (short tons)	Average margin	Min margin	Max margin
Product 1	Underselling	40	***	***	***	***	***
Product 2	Underselling	32	***	***	***	***	***
Product 3	Underselling	29	***	***	***	***	***
Product 4	Underselling	53	***	***	***	***	***
Total, all products	Underselling	154	29,971,612	1,602	13.8	0.1	43.7
Product 1	Overselling	35	***	***	***	***	***
Product 2	Overselling	43	***	***	***	***	***
Product 3	Overselling	17	***	***	***	***	***
Product 4	Overselling	22	***	***	***	***	***
Total, all products	Overselling	117	8,143,761	496	(13.8)	(0.1)	(54.1)

Source**:** Compiled from data submitted in response to Commission questionnaires.

Note: The highest margin of overselling was set during a quarter with *** of product 3. The next highest quarter of overselling for *** this product was *** percent.
Note: Data include only quarters in which there is a comparison between the U.S. and subject product.

Table V-10
Steel nails: Instances of underselling and overselling and the range and average of margins, by source

Quantity 1,000 nails or short tons; margin in percent

Product	Type	Number of quarters	Quantity (1,000 nails)	Quantity (short tons)	Average margin	Min margin	Max margin
India	Underselling	42	***	***	***	***	***
Oman	Underselling	45	***	***	***	***	***
Sri Lanka	Underselling	32	***	***	***	***	***
Thailand	Underselling	18	***	***	***	***	***
Turkey	Underselling	17	***	***	***	***	***
Total, all sources	Underselling	154	29,971,612	1,602	13.8	0.1	43.7
India	Overselling	14	***	***	***	***	***
Oman	Overselling	4	***	***	***	***	***
Sri Lanka	Overselling	22	***	***	***	***	***
Thailand	Overselling	36	***	***	***	***	***
Turkey	Overselling	41	***	***	***	***	***
Total, all sources	Overselling	117	8,143,761	496	(13.8)	(0.1)	(54.1)

Source**:** Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Lost sales and lost revenue

The Commission requested that U.S. producers of steel nails report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of steel nails from subject sources during January 2018-September 2021. Of the six responding U.S. producers, three of six reported that they had to either reduce prices or roll back announced price increases, and five of six firms reported that they had lost sales. One U.S. producer submitted lost sales and lost revenue allegations. That U.S. producer identified 10 firms with which they lost sales or revenue (9 consisting lost sales allegations, 1 consisting of both lost sales and lost revenue allegations). All of the allegations occurred in 2019 and 2020.

Staff contacted ten purchasers and received responses from six purchasers, which included purchasers that were not originally sent Lost Sale/Lost Revenue Surveys.[13] Responding purchasers reported purchasing 15 thousand short tons of steel nails during January 2018-September 2021 from domestic producers, *** short tons from subject sources, and *** short tons from all other sources (table V-11).

Table V-11
Steel nails: Purchasers' reported purchases and imports, by firm and source

Quantity in short tons, share in percent

Purchaser	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject country share
***	***	***	***	▼***	▲***
***	***	***	***	▼***	▲***
***	***	***	***	▼***	▲***
***	***	***	***	▼***	▲***
***	***	***	***	▼***	▲***
***	***	***	***	▲***	▼***
Total	15,166	***	***	▼***	▲***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

[13] Only two of the original recipients submitted questionnaires (***). In addition, one purchaser noted that it would not fill out the survey, but it sent an email discussing the steel nails market. The other purchasers responding to the survey ***.

During 2020, responding purchasers purchased 0.9 percent from U.S. producers, 33.3 percent from subject sources (2.9 percent from India, 7.2 percent from Oman, 0.8 percent from Sri Lanka, 17.0 percent from Thailand, and 5.4 percent from Turkey), 64.7 percent from nonsubject countries, and 1.1 percent from "unknown source" countries. Purchasers were asked about changes in their purchasing patterns from different sources since 2018. Of the responding purchasers, four reported fluctuating purchases from domestic producers, one reported decreasing their purchases from domestic producers, and one reported no change. Four of the five responding purchasers stating that purchases of domestic steel nails decreased or fluctuated noted availability of domestic supply as the reason for the changes.

With respect to imports, purchasers also reported fluctuating purchases most often for most countries (3 each for Turkey and nonsubject sources, 2 for India, 1 for Sri Lanka and Thailand, and 0 for Oman) or increasing purchases (2 for Thailand and Turkey, and 1 for Oman and nonsubject sources). Three purchasers reported constant purchases from subject sources (India, Oman, and Turkey) and one reported decreasing its purchases from India. Reasons reported by purchasers for fluctuating or increasing purchases included availability of product, lead times, pricing of steel and nails, and quality. Purchaser *** reported that it increased purchases of special items such as stainless steel and hot dip nails from nonsubject sources ***, but shutdowns due to the COVID-19 pandemic and supply chain difficulties necessitated adding Thailand as a source.

Since 2018, five of six responding purchasers had bought imported steel nails from subject countries instead of U.S.-produced product. Four of these five purchasers reported that subject import prices were lower than U.S.-produced product; two of these four purchasers (***) reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. ***. These purchasers estimated the quantity of steel nails purchased from subject countries instead of domestic product to be *** (table V-12). Purchasers identified consistency of supply, domestic capacity, labor, packaging, shipping and delivery times, and the unwillingness of domestic producers to supply a private label product as non-price reasons for purchasing imported rather than U.S.-produced product.

No responding purchaser reported that U.S. producers had reduced prices in order to compete with lower-priced imports from any subject country.

Table V-12
Steel nails: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in short tons

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	Yes--5; No--1	Yes--4; No--1	Yes--2; No--3	***	NA

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Two firms reported that Turkey was a country for which price was a primary reason for buying subject imports instead of domestic product, and one firm reported India as a country.

Part VI: Financial experience of U.S. producers

Background[1]

Seven U.S. producers *** provided usable financial results on their steel nails operations. *** responding U.S. producers reported financial data on the basis of GAAP and *** responding U.S. producers provided their financial data on a calendar year basis. [2] [3]

Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2020. ***.

[1] The following abbreviations may be used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

[2] ***. U.S. producers' questionnaire response, section III-2.

[3] U.S. producer and importer *** submitted questionnaires on January 17, 2022, while U.S. producer and importer *** submitted questionnaires on January 28, 2022. Neither firm was able to address reporting inconsistencies prior to review of this report; accordingly, these questionnaire responses are not included in the questionnaire data presented in this report. ***. ***.

Figure VI-1
Steel nails: Share of net sales quantity in 2020, by firm

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on steel nails

Table VI-1 presents aggregated data on U.S. producers' operations in relation to steel nails, while table VI-2 presents corresponding changes in AUVs. Table VI-3 presents selected company-specific financial data.

Table VI-1
Steel nails: Results of operations of U.S. producers, by item and period

Quantity in short ton; value in 1,000 dollars; ratios in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Total net sales	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
COGS: Raw materials	Value	***	***	***	***	***
COGS: Direct labor	Value	***	***	***	***	***
COGS: Other factory	Value	***	***	***	***	***
COGS: Less steel scrap revenue	Value	***	***	***	***	***
COGS: Total	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Other expense / (income), net	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***
Cash flow	Value	***	***	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***	***	***
COGS: Other factory	Ratio to NS	***	***	***	***	***
COGS: Less steel scrap revenue	Ratio to NS	***	***	***	***	***
COGS: Total	Ratio to NS	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***

Table continued on next page.

Table VI-1 Continued
Steel nails: Results of operations of U.S. producers, by item and period

Shares in percent; unit values in dollars per short ton; count in number of firms reporting

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
COGS: Raw materials	Share	***	***	***	***	***
COGS: Direct labor	Share	***	***	***	***	***
COGS: Other factory	Share	***	***	***	***	***
COGS: Total	Share	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
COGS: Raw materials	Unit value	***	***	***	***	***
COGS: Direct labor	Unit value	***	***	***	***	***
COGS: Other factory	Unit value	***	***	***	***	***
COGS: Less steel scrap revenue	Unit value	***	***	***	***	***
COGS: Total	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***
Operating losses	Count	***	***	***	***	***
Net losses	Count	***	***	***	***	***
Data	Count	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares represent the share of COGS before the steel scrap revenue offset. ***.

Table VI-2
Steel nails: Changes in AUVs between comparison periods

Changes in percent

Item	2018-20	2018-19	2019-20	Jan-Sep 2020-21
Total net sales	▼***	▲***	▼***	▲***
COGS: Raw materials	▼***	▲***	▼***	▲***
COGS: Direct labor	▼***	▲***	▼***	▲***
COGS: Other factory	▼***	▲***	▼***	▲***
COGS: Less steel scrap revenue	▼***	▼***	▲***	▲***
COGS: Total	▼***	▲***	▼***	▲***

Table continued.

Table VI-2 Continued
Steel nails: Changes in AUVs between comparison periods

Changes in dollars per short ton

Item	2018-20	2018-19	2019-20	Jan-Sep 2020-21
Total net sales	▼***	▲***	▼***	▲***
COGS: Raw materials	▼***	▲***	▼***	▲***
COGS: Direct labor	▼***	▲***	▼***	▲***
COGS: Other factory	▼***	▲***	▼***	▲***
COGS: Less steel scrap revenue	▼***	▼***	▲***	▲***
COGS: Total	▼***	▲***	▼***	▲***
Gross profit or (loss)	▲***	▼***	▲***	▲***
SG&A expense	▼***	▲***	▼***	▲***
Operating income or (loss)	▲***	▼***	▲***	▲***
Net income or (loss)	▲***	▼***	▲***	▲***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-3
Steel nails: Firm-by-firm total net sales quantity, by period

Net sales quantity

Quantity in short tons

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm total net sales value, by period

Net sales value

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm COGS, by period

COGS

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3 Continued
Steel nails: Firm-by-firm gross profit or (loss), by period

Gross profit or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm SG&A expenses, by period

SG&A expenses

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm operating income or (loss), by period

Operating income or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm net income or (loss), by period

Net income or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm ratio of COGS to net sales value, by period

COGS to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm ratio of gross profit or (loss) to net sales value, by period

Gross profit or (loss) to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3 Continued
Steel nails: Firm-by-firm ratio of SG&A expenses to net sales value, by period

SG&A expenses to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm ratio of operating income or (loss) to net sales value, by period

Operating income or (loss) to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm ratio of net income or (loss) to net sales value, by period

Net income or (loss) to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3 Continued
Steel nails: Firm-by-firm unit net sales value, by period

Unit net sales value

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm unit raw material cost, by period

Unit raw material costs

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm unit direct labor cost, by period

Unit direct labor costs

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3 Continued
Steel nails: Firm-by-firm unit other factory costs, by period

Unit other factory costs

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm steel scrap revenue, by period

Unit steel scrap revenue

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm unit COGS, by period

Unit COGS

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3 Continued
Steel nails: Firm-by-firm unit gross profit or (loss), by period

Unit gross profit or (loss)

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm unit SG&A expenses, by period

Unit SG&A expenses

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Steel nails: Firm-by-firm unit operating income or (loss), by period

Unit operating income or (loss)

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3 Continued
Steel nails: Firm-by-firm unit net income or (loss), by period

Unit net income or (loss)

Unit values in dollars per short ton

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: ***.

Net sales

Total revenue primarily reflects commercials sales, but also includes a small amount of transfers to related firms. In 2020, transfers to related firms accounted for *** percent of total revenue.[4] [5] Transfers to related firms are included in the financial data, but not shown separately in this section of the report.

As shown in table VI-1, total net sales quantity decreased by *** percent in from 2018 to 2019 before increasing by *** percent in 2020, and overall declined by *** percent from 2018 to 2020. Net sales quantity was higher in interim 2021 compared with interim 2020. Total net sales value also decreased by *** percent from 2018 to 2019 before increasing by *** percent in 2020 and overall declined by *** percent from 2018 to 2020. Total net sales value was also higher in interim 2021 compared with interim 2020.[6] As shown in table VI-3, *** U.S. producers *** reported a decline in sales value in 2019 followed by an increase in 2020. In interim 2021 *** firms reported higher sales in value compared with interim 2020. ***.[7] On an average per short ton basis, net sales values increased from $*** in 2018 to $*** in 2019 before declining to $*** in 2020 and were higher in interim 2021 at $*** compared with $*** in interim 2020. As shown in table VI-3, *** reported a continuous decline in their average per short ton sales values while the other *** U.S. producers varied in trends from

[4] *** was the *** U.S. producer to report transfers to related firms. ***'s transfers are ***. Email from ***, January 19, 2022

[5] ***. Email from ***, January 27, 2022. And U.S. producers' questionnaire response, section III-14.

[6] ***. Email from ***, January 19, 2022.

[7] ***. Email from ***, January 19, 2022.

2018 to 2020, and *** reported higher average per short ton values in interim 2021 compared with interim 2020.[8]

Cost of goods sold and gross profit or loss

Raw material costs, direct labor and other factory costs accounted for *** percent of total COGS, respectively, in 2020.

Raw material costs, the *** component of COGS, declined by *** percent from 2018 to 2019 before increasing by *** percent in 2020 and overall declined by *** percent from 2018 to 2020. Raw material costs were higher in interim 2021 compared with interim 2020. On an average per short ton basis, raw material costs increased from $*** in 2018 to $*** in 2019 then declined to $*** in 2020 and were higher in interim 2021 at $*** compared with interim 2020 at $***. As shown in table VI-3, data reported by *** shows an increase in their average unit values in 2019 followed by a decline in 2020, data reported by *** shows a continuous decline between 2018 and 2020, while data reported by *** shows an overall increase between 2018 and 2020.[9] *** firms reported higher per short ton values in interim 2021 compared with interim 2020. As a ratio to net sales, raw material costs increased from *** percent in 2018 to *** percent in 2019 then decreased to *** percent in 2020, in interim 2021 they were lower at *** percent compared with *** percent in interim 2020.

Table VI-4 presents details on specific raw material inputs as a share of total raw material costs in 2020. Wire and wire rod accounted for the largest share of raw material costs

[8] ***. Email from ***, January 31, 2022.

[9] The average per short ton value of raw material costs for *** declined from $*** in 2019 to $*** in 2020. The firm indicated that ***. Email from ***, January 18, 2022.

at a combined *** percent, other material inputs accounted for *** percent and included steel wire, nail coating, product packaging and shipping pallets.[10] [11] [12]

Table VI-4
Steel nails: Raw material costs in 2020

Value in 1,000 dollars; share of value in percent

Item	Value	Share of value
Wire/ wire rod	***	***
Other material inputs	***	***
All raw materials	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: ***

Direct labor costs, the *** share of COGS, decreased by *** percent from 2018 to 2019 and *** percent from 2019 to 2020, and overall declined by *** percent from 2018 to 2020. Direct labor costs were higher in interim 2021 compared with interim 2020. On an average per short ton basis, direct labor costs increased from $*** in 2018 to $*** in 2019 then declined to $*** in 2020, and were higher at $*** in interim 2021 compared with $*** in interim 2020. As a ratio to net sales, direct labor costs continuously declined from *** percent in 2018 to *** percent in 2020 and was lower in interim 2021 compared with interim 2020.

Other factory costs, the *** share of COGS, declined during 2018-20 by *** percent and were higher in interim 2021 compared with interim 2020.[13] On an average per short ton basis, other factory costs increased from $*** in 2018 to $*** in 2019 then declined to $*** in 2020 and were higher in interim 2021 at $*** compared with interim

[10] ***. U.S. producers' questionnaire response, section III-7a.

[11] ***. Petitioner's postconference brief, p.18.

[12] Petitioner asserted that tariffs on imports of steel products, including wire rod and wire, under Section 232 of the Trade Expansion Act of 1962, 19 U.S.C. § 1862 caused domestic nail producers' costs to increase, given that wire and wire rod are the primary raw materials consumed in the production of nails. Petitioner's postconference brief, p.9.

[13] ***. Email from ***, January 19, 2022.

2020 at $***. As a ratio to net sales, other factory costs increased from *** percent in 2018 to *** percent in 2019 then declined to *** percent in 2020 and were lower in interim 2021 compared to interim 2020.

Total COGS reflected the overall trends of its components and sales, declining between 2018 and 2019 before an increase in 2020 with an overall *** percent decline from 2018 to 2020. Total COGS were higher in interim 2021 compared with interim 2020. On an average per short ton basis, COGS increased from $*** in 2018 to $*** in 2019 then decreased to $*** in 2020 and were higher in interim 2021 at $*** compared with interim 2020 at $***.[14] As a ratio to net sales, COGS increased from *** percent in 2018 to *** percent in 2019 then declined to *** percent in 2020, and was lower in interim 2021 at *** percent compared with interim 2020 at *** percent.

As seen in table VI-1 gross profit decreased from $*** in 2018 to $*** in 2019 then increased to $*** in 2020, and was higher in interim 2021 at $*** than in interim 2020 at $***. As a ratio to net sales, gross profit also declined between 2018 and 2019 before an increase in 2020 and was higher in interim 2021 compared with interim 2020. Results varied on a firm-by-firm basis: *** reported a decline in gross profits in 2019 followed by an increase in 2020; gross profits reported by *** continuously increased from 2018 to 2020; and ***. *** firms *** reported higher gross profits in interim 2021 than in interim 2020. ***.

[14] As previously mentioned, ***. See footnote 8 in this section of the report.

SG&A expenses and operating income or loss

U.S. producers' SG&A expenses declined during 2018-20 and were higher in interim 2021 compared with interim 2020. As shown in table VI-3, *** reported a decline in their SG&A expenses in 2018-20, trends between firms varied during the interim periods. [15] [16] The corresponding SG&A expense ratio increase from *** percent in 2018 to *** percent in 2019 then declined to *** percent in 2020 and was lower in interim 2021 at *** percent compared with interim 2020 at *** percent.

Operating income irregularly declined from $*** in 2018 to an operating loss of $*** then increased to a positive operating income of $*** in 2020 and was higher in interim 2021 at $*** compared with interim 2020 at $***. As a ratio to net sales, operating income followed the trends of the underlying data: the ratio declined from *** percent in 2018 to a negative *** percent in 2019 before increasing to a positive *** percent in 2020 and was higher at *** percent in interim 2021 than in interim 2020 when it was *** percent. Results varied on a firm-by-firm basis: *** reported a decline in operating income in 2019 followed by an increase in 2020; operating income reported by *** continuously increased from 2018 to 2020; and ***. *** firms *** reported higher operating profits in interim 2021 compared with interim 2020. ***.

[15] ***. Email from ***, January 19, 2022.

[16] ***. U.S. producers' questionnaire response, section III-10.

All other expenses and net income or loss

Classified below the operating income level are interest expenses, other expenses, and other income. In table VI-1, these items are aggregated with only the net amount shown. The majority of the amount shown was other income ***. Other income decreased overall in 2018-20 and was higher in interim 2021 than in interim 2020.[17]

Net income declined from $*** in 2018 to a net loss of $*** in 2019 before increasing to a positive net income of $*** in 2020 and was higher in interim 2021 at $*** compared with interim 2020 at $***. As a ratio to net sales, net income declined from *** percent in 2018 to a negative *** percent in 2019 before increasing to a positive *** percent in 2020 and was higher in interim 2021 compared with interim 2020.[18]

Capital expenditures and research and development expenses

Table VI-5 presents capital expenditures, by firm, and table VI-6 presents R&D expenses, by firm. Tables VI-7 and VI-8 present the firms' narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively. Capital expenditures declined from 2018 to 2019 before increasing in 2020, and increased overall from 2018 to 2020. Capital expenditures were higher in interim 2021 than compared with interim 2020.[19] Data for R&D expenses, reported by ***, declined overall from 2018 to 2020 but were higher in interim 2021 compared with interim 2020.

[17] Email from ***, January 19, 2022.

[18] A variance analysis is not being presented due to the inconsistency of data for product mix and costs. In these investigations, ***.

[19] ***. Email from ***, January 20, 2022.

Table VI-5
Steel nails: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-6
Steel nails: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-7
Steel nails: Narrative descriptions of U.S. producers' capital expenditures, by firm

Firm	Narrative on capital expenditures
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-8
Steel nails: Narrative descriptions of U.S. producers' R&D expenses, by firm

Firm	Narrative on R&D expenses
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Assets and return on assets

Table VI-9 presents data on the U.S. producers' total assets while table VI-10 presents their operating ROA.[20] Table VI-11 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time. Total assets increased from $*** in 2018 to $*** in 2020. Return on assets declined from a positive *** percent in 2018 to a negative *** percent in 2019 before increasing to a positive *** percent in 2020.

Table VI-9
Steel nails: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

Firm	2018	2019	2020
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

[20] The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value for steel nails.

Table VI-10
Steel nails: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2018	2019	2020
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-11
Steel nails: Narrative descriptions of U.S. producers' total net assets, by firm

Firm	Narrative on assets
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Capital and investment

The Commission requested U.S. producers of steel nails to describe any actual or potential negative effects of imports of steel nails from India, Oman, Sri Lanka, Thailand, and Turkey on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-12 presents the number of firms reporting an impact in each category and table VI-13 provides the U.S. producers' narrative responses.

Table VI-12
Steel nails: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2018, by effect

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	2
Denial or rejection of investment proposal	Investment	0
Reduction in the size of capital investments	Investment	5
Return on specific investments negatively impacted	Investment	1
Other investment effects	Investment	1
Any negative effects on investment	Investment	6
Rejection of bank loans	Growth	0
Lowering of credit rating	Growth	0
Problem related to the issue of stocks or bonds	Growth	0
Ability to service debt	Growth	0
Other growth and development effects	Growth	4
Any negative effects on growth and development	Growth	4
Anticipated negative effects of imports	Future	7

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-13
Steel nails: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2018

Item	Firm name and narrative on impact of imports
Cancellation, postponement, or rejection of expansion projects	***
Cancellation, postponement, or rejection of expansion projects	***
Reduction in the size of capital investments	***
Reduction in the size of capital investments	***
Reduction in the size of capital investments	***
Reduction in the size of capital investments	***
Reduction in the size of capital investments	***
Return on specific investments negatively impacted	***
Other negative effects on investments	***
Other effects on growth and development	***
Other effects on growth and development	***
Other effects on growth and development	***
Other effects on growth and development	***

Item	Firm name and narrative on impact of imports
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***

Source: Compiled from data submitted in response to Commission questionnaires.

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the subsidy allegations was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in India

The Commission issued foreign producers' or exporters' questionnaires to 11 firms believed to produce and/or export steel nails from India.[3] Usable responses to the Commission's questionnaire were received from four firms: Alsons Manufacturing India LLP ("Alsons"), Astrotech Steels Private Limited ("Astrotech"), Geekay Wires Limited ("Geekay"),[4] and Pan Chem Corporation ("Pan Chem"). These firms' exports to the United States were equivalent to *** percent of U.S. imports of steel nails from India in 2020. According to estimates requested of the responding producers in India, the production of steel nails in India reported in questionnaires accounts for more than *** of overall production of steel nails in India.[5] Table VII-1 presents information on the steel nails operations of the responding producers and exporters in India.

[3] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

[4] According to its website, Geekay Wires has an overall production capacity of approximately 22,000 short tons, annually. https://www.geekaywires.com/profile.php.

[5] ***. *** foreign producer questionnaire response, section II-6a.

Table VII-1
Steel nails: Summary data for producers in India, 2020

Quantity in short tons; share in percent

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Alsons	***	***	***	***	***	***
Astrotech	***	***	***	***	***	***
Geekay	***	***	***	***	***	***
Pan Chem	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Changes in operations

As presented in table VII-2 producers in India reported several operational and organizational changes since January 1, 2018.

Table VII-2
Steel nails: Reported changes in operations in India since January 1, 2018, by firm

Item	Firm name and accompanying narrative response
Relocations	***
Expansions	***
Prolonged shutdowns or curtailments	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on steel nails

Table VII-3 presents information on the steel nails operations of the responding producers and exporters in India. During 2018-20, the Indian producers' capacity increased by *** percent, and was higher during the interim period of January-September 2021 ("interim 2021") compared to the interim period of January -September 2020 ("interim 2020") by *** percent. During 2018-20, the Indian producers' production decreased by *** percent overall, but was *** percent higher during interim 2021 than in interim 2020. During 2018-20, the Indian producers' end-of-period inventories decreased by *** percent, but were higher during January-September 2021 than in January-September 2020 by *** percent. The Indian producers reported ***, while home market shipments were *** during 2018-20 and the

interim periods. During 2018-20, exports to the United States decreased by *** percent, but were higher by *** percent during interim 2021 than during interim 2020.

The Indian producers' capacity utilization decreased by *** percentage points during 2018-20, but it was higher during interim 2021 than during interim 2020 by *** percentage points. *** during 2018-20. Home market shipments accounted for *** of total shipments, as a share during 2018-20 and during the interim periods. The Indian producers' adjusted share of total shipments exported to the United States decreased by *** percentage points during 2018-20, and were higher by *** percentage points during interim 2021 than during interim 2020.

Indian producers' 2021 and 2022's capacity and production ***. The Indian producers' exports to all other markets and exports to the United States are projected to both increase, respectively, compared to 2020.

Table VII-3
Steel nails: Data on the industry in India, by period

Quantity in short tons; ratio and share in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-3 Continued
Steel nails: Data on the industry in India, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Alternative products

As shown in table VII-4, responding firms in India produced other products on the same equipment and machinery used to produce steel nails. Two firms ***, reported production of other products on the same equipment that they used to produce steel nails. ***.

Table VII-4
Steel nails: Indian producers' overall capacity and production on the same equipment as subject production, by period

Quantity in short tons; ratio and share in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Overall capacity	Quantity	***	***	***	***	***
Production: Collated roofing nails	Quantity	***	***	***	***	***
Production: All other steel nails	Quantity	***	***	***	***	***
Production: All in-scope steel nails	Quantity	***	***	***	***	***
Production: Other products	Quantity	***	***	***	***	***
Production: Total	Quantity	***	***	***	***	***
Overall capacity utilization	Ratio	***	***	***	***	***
Production: Collated roofing nails	Share	***	***	***	***	***
Production: All other steel nails	Share	***	***	***	***	***
Production: All in-scope steel nails	Share	***	***	***	***	***
Production: Other products	Share	***	***	***	***	***
Production: Total	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Exports

According to GTA, the leading export markets for steel nails from India are the United States and the United Arab Emirates (table VII-5). During 2020, the United States was the largest export market for steel nails from India, accounting for 80.1 percent, followed by the United Arab Emirates, accounting for 4.3 percent.

Table VII-5
Steel nails: Exports from India, by destination market and period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	21,246	20,368	17,406
United Arab Emirates	Quantity	1,156	843	940
Nepal	Quantity	435	645	546
United Kingdom	Quantity	232	708	511
Canada	Quantity	675	435	297
Finland	Quantity	25	102	215
Liberia	Quantity	270	138	202
Qatar	Quantity	31	7	141
Egypt	Quantity	110	108	115
All other destination markets	Quantity	1,879	2,086	1,356
All destination markets	Quantity	26,060	25,442	21,728
United States	Value	42,808	35,993	26,314
United Arab Emirates	Value	1,167	935	1,793
Nepal	Value	550	667	504
United Kingdom	Value	828	2,233	1,840
Canada	Value	1,044	869	854
Finland	Value	114	483	700
Liberia	Value	205	104	138
Qatar	Value	25	45	152
Egypt	Value	219	194	163
All other destination markets	Value	4,085	3,929	2,693
All destination markets	Value	51,044	45,453	35,152

Table continued.

Table VII-5-Continued
Steel nails: Exports from India, by destination market and period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	2,015	1,767	1,512
United Arab Emirates	Unit value	1,010	1,108	1,907
Nepal	Unit value	1,263	1,035	924
United Kingdom	Unit value	3,563	3,152	3,603
Canada	Unit value	1,548	1,997	2,874
Finland	Unit value	4,510	4,719	3,263
Liberia	Unit value	759	755	685
Qatar	Unit value	789	6,524	1,081
Egypt	Unit value	1,987	1,797	1,420
All other destination markets	Unit value	2,174	1,883	1,986
All destination markets	Unit value	1,959	1,787	1,618
United States	Share of quantity	81.5	80.1	80.1
United Arab Emirates	Share of quantity	4.4	3.3	4.3
Nepal	Share of quantity	1.7	2.5	2.5
United Kingdom	Share of quantity	0.9	2.8	2.4
Canada	Share of quantity	2.6	1.7	1.4
Finland	Share of quantity	0.1	0.4	1.0
Liberia	Share of quantity	1.0	0.5	0.9
Qatar	Share of quantity	0.1	0.0	0.6
Egypt	Share of quantity	0.4	0.4	0.5
All other destination markets	Share of quantity	7.2	8.2	6.2
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7317.00 as reported by the Indian Ministry of Commerce in the Global Trade Atlas database, accessed January 10, 2022.

Note: Shares and ratios shown as “0.0” represent values greater than zero, but less than “0.05” percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data. These data are believed to be overstated as HS subheading 7317.00 contains products outside the scope of these investigations (e.g., thumb tacks).

The industry in Oman

The Commission issued foreign producers' or exporters' questionnaires to four firms believed to produce and/or export steel nails from Oman.[6] One firm responded to the Commission's questionnaire: Oman Fasteners Company LLC ("Oman Fasteners"). This firm's exports to the United States were equivalent to *** of U.S. imports of steel nails from Oman in 2020. According to estimates requested of the responding producer in Oman, the production of steel nails in Oman reported in its questionnaire accounts for approximately *** percent of overall production of steel nails in Oman during 2020.[7] Table VII-6 presents information on the steel nails operations of the responding producer in Oman.

Table VII-6
Steel nails: Summary data for Oman Fasteners, 2020

Quantity in short tons; share in percent

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Oman Fasteners	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

[6] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

[7] Oman Fasteners indicated that ***. Oman Fasteners, foreign producer questionnaire response, II-10.

Changes in operations

As presented in table VII-7, Oman Fasteners reported *** since January 1, 2018.

Table VII-7
Steel nails: Reported changes in operations by Oman Fasteners since January 1, 2018

Item	Firm name and accompanying narrative response
Expansions	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on steel nails

Table VII-8 presents information on the steel nails operations of Oman Fasteners. During 2018-20, Oman Fasteners' capacity increased by *** percent, and was higher interim 2021 than during interim 2020 by *** percent. During 2018-20, Oman Fasteners' production fluctuated but increased by *** percent, and was higher by *** percent during interim 2021 than during interim 2020. During 2018-20, Oman Fasteners' end-of-period inventories increased by *** percent, and were higher during January-September 2021 than in January-September 2020 by *** percent. Oman Fasteners reported ***, while home market shipments were *** during 2018-20 and the interim periods. During 2018-20, exports to the United States increased by *** percent, and were higher during *** percent during interim 2021 than during interim 2020.

Oman Fastener's capacity utilization fluctuated but increased by *** percentage points during 2018-20, and it was higher during interim 2021 than during interim 2020 by *** percentage points. The vast majority of Oman Fasteners' shipments were exported to the United States, accounting for at least *** percent of total shipments in each period

Projections for Oman Fasteners' 2021 and 2022's capacity ***, while its production ***. ***.

Table VII-8
Steel nails: Data on industry for Oman Fasteners, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-8-Continued
Steel nails: Data for Oman Fasteners, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Alternative products

As shown in table VII-9, Oman Fasteners ***.

Table VII-9
Steel nails: Oman Fasteners' overall capacity and production on the same equipment as subject production, by period

Quantity in short tons; ratio and share in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Overall capacity	Quantity	***	***	***	***	***
Production: Collated roofing nails	Quantity	***	***	***	***	***
Production: All other steel nails	Quantity	***	***	***	***	***
Production: All in-scope steel nails	Quantity	***	***	***	***	***
Production: Other products	Quantity	***	***	***	***	***
Production: Total	Quantity	***	***	***	***	***
Overall capacity utilization	Ratio	***	***	***	***	***
Production: Collated roofing nails	Share	***	***	***	***	***
Production: All other steel nails	Share	***	***	***	***	***
Production: All in-scope steel nails	Share	***	***	***	***	***
Production: Other products	Share	***	***	***	***	***
Production: Total	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Exports

According to GTA, the leading export markets for steel nails from Oman are the United States, the United Arab Emirates, and the United Kingdom (table VII-10). During 2020, the United States was the largest export market for steel nails from Oman, accounting for 96.3 percent, followed by UAE and the United Kingdom, accounting for 1.2 percent and 1.1 percent, respectively.

Table VII-10
Steel nails: Exports from Oman, by period

Quantity in short tons; value in 1,000 dollars

Exporting country	Measure	2018	2019	2020
United States	Quantity	64,670	73,189	72,119
United Arab Emirates	Quantity	1,464	1,281	867
United Kingdom	Quantity	1,286	1,994	830
Canada	Quantity	19	1,148	660
Netherlands	Quantity	130	161	131
Qatar	Quantity	418	35	78
Germany	Quantity	---	---	77
Ireland	Quantity	14	---	48
Finland	Quantity	117	193	27
All other exporters	Quantity	334	190	44
All reporting exporters	Quantity	68,452	78,189	74,881
United States	Value	82,733	88,493	82,900
United Arab Emirates	Value	1,492	1,217	774
United Kingdom	Value	1,935	2,764	1,271
Canada	Value	92	1,918	1,440
Netherlands	Value	174	218	167
Qatar	Value	431	40	79
Germany	Value	---	---	87
Ireland	Value	33	---	95
Finland	Value	220	342	41
All other exporters	Value	430	251	79
All reporting exporters	Value	87,540	95,244	86,933

Table continued.

Table VII-10--Continued
Steel nails: Exports from Oman, by period

Unit value in dollars per short ton; share in percent

Exporting country	Measure	2018	2019	2020
United States	Unit value	1,279	1,209	1,149
United Arab Emirates	Unit value	1,019	951	892
United Kingdom	Unit value	1,505	1,386	1,531
Canada	Unit value	4,852	1,671	2,181
Netherlands	Unit value	1,342	1,353	1,276
Qatar	Unit value	1,029	1,148	1,012
Germany	Unit value	---	---	1,136
Ireland	Unit value	2,317	---	1,999
Finland	Unit value	1,885	1,776	1,508
All other exporters	Unit value	1,288	1,325	1,778
All reporting exporters	Unit value	1,279	1,218	1,161
United States	Share of quantity	94.5	93.6	96.3
United Arab Emirates	Share of quantity	2.1	1.6	1.2
United Kingdom	Share of quantity	1.9	2.6	1.1
Canada	Share of quantity	0.0	1.5	0.9
Netherlands	Share of quantity	0.2	0.2	0.2
Qatar	Share of quantity	0.6	0.0	0.1
Germany	Share of quantity	---	---	0.1
Ireland	Share of quantity	0.0	---	0.1
Finland	Share of quantity	0.2	0.2	0.0
All other exporters	Share of quantity	0.5	0.2	0.1
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official imports statistics of imports from Oman (constructed export statistics for Oman) under HS subheading 7317.00 as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed January 10, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data. These data are believed to be overstated as HS subheading 7317.00 contains products outside the scope of these investigations (e.g., thumb tacks).

The industry in Sri Lanka

The Commission issued foreign producers' or exporters' questionnaires to five firms believed to produce and/or export steel nails in Sri Lanka.[8] One firm responded to the Commission's questionnaire: Trinity Steel (Pvt) Ltd. ("Trinity"). This firms' exports to the United States were equivalent to *** of U.S. imports of steel nails from Sri Lanka in 2020. According to estimates requested of the responding producer in Sri Lanka, the production of steel nails in Sri Lanka reported in its questionnaire accounts for approximately *** percent of overall production of steel nails in Sri Lanka during 2020. Table VII-11 presents information on the steel nails operations of the responding producer in Sri Lanka.

Table VII-11
Steel nails: Summary data for Trinity, 2020

Quantity in short tons; share in percent

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Trinity	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Changes in operations

As presented in table VII-12, Trinity reported *** since January 1, 2018.

[8] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

Table VII-12
Steel nails: Reported changes in operations by Trinity since January 1, 2018

Item	Firm name and accompanying narrative response
Expansions	***
Prolonged shutdowns or curtailments	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on steel nails

Table VII-13 presents information on the steel nails operations of Trinity. During 2018-20, Trinity's capacity increased by *** percent, and remained the same in interim 2021 than during interim 2020. During 2018-20, Trinity's production increased by *** percent, and was higher by *** percent during interim 2021 than during interim 2020. During 2018-20, Trinity's end-of-period inventories increased by *** percent, but were lower during January-September 2021 than in January-September 2020 by *** percent. Trinity's reported ***, while home market shipments were *** during 2018-20 and the interim periods. During 2018-20, exports to the United States increased by *** percent, and were *** percent higher during interim 2021 than in interim 2020.

Trinity's capacity utilization fluctuated but increased by *** percentage points during 2018-20, and it was higher during interim 2021 than during interim 2020 by *** percentage points. *** during 2018-20. Home market shipments accounted for *** of total shipments during each period. Trinity's exports to the United States, as a share of total shipments, *** in each period, although the share was higher in 2020 than in 2018.

Projections for Trinity's 2021 and 2022's capacity ***, while its production ***. In addition, ***.

Table VII-13
Steel nails: Data for Trinity, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-13--Continued
Steel nails: Data for Trinity, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Alternative products

Trinity *** on the same equipment and machinery used to produce steel nails.

Exports

According to GTA, the leading export markets for steel nails from Sri Lanka are the United States, Bangladesh, and India (table VII-14). During 2020, the United States was the largest export market for steel nails from Sri Lanka, accounting for 99.0 percent, followed by Bangladesh and India, accounting for 0.9 percent and 0.1 percent, respectively.

Table VII-14
Steel nails: Exports from Sri Lanka, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	19,926	29,398	30,197
Bangladesh	Quantity	56	379	274
India	Quantity	4	37	18
Singapore	Quantity	0	0	12
New Zealand	Quantity	---	---	2
Pakistan	Quantity	5	23	1
South Korea	Quantity	---	---	0
Maldives	Quantity	46	11	0
East Timor	Quantity	---	---	0
All other destination markets	Quantity	23	2	0
All destination markets	Quantity	20,060	29,850	30,504
United States	Value	24,077	31,526	26,756
Bangladesh	Value	829	7,155	5,603
India	Value	64	642	336
Singapore	Value	0	0	1,252
New Zealand	Value	---	---	2
Pakistan	Value	70	379	21
South Korea	Value	---	---	0
Maldives	Value	67	15	2
East Timor	Value	---	---	1
All other destination markets	Value	34	7	1
All destination markets	Value	25,142	39,725	33,973

Table continued.

Table VII-14--Continued
Steel nails: Exports from Sri Lanka, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	1,208	1,072	886
Bangladesh	Unit value	14,807	18,875	20,449
India	Unit value	14,739	17,343	19,158
Singapore	Unit value	841	32,380	105,649
New Zealand	Unit value	---	---	795
Pakistan	Unit value	14,327	16,475	21,007
South Korea	Unit value	---	---	93
Maldives	Unit value	1,458	1,432	8,362
East Timor	Unit value	---	---	3,838
All other destination markets	Unit value	1,478	3,095	9,253
All destination markets	Unit value	1,253	1,331	1,114
United States	Share of quantity	99.3	98.5	99.0
Bangladesh	Share of quantity	0.3	1.3	0.9
India	Share of quantity	0.0	0.1	0.1
Singapore	Share of quantity	0.0	0.0	0.0
New Zealand	Share of quantity	---	---	0.0
Pakistan	Share of quantity	0.0	0.1	0.0
South Korea	Share of quantity	---	---	0.0
Maldives	Share of quantity	0.2	0.0	0.0
East Timor	Share of quantity	---	---	0.0
All other destination markets	Share of quantity	0.1	0.0	0.0
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7317.00 as reported by Sri Lanka Customs in the Global Trade Atlas database, accessed January 10, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data. These data are believed to be overstated as HS subheading 7317.00 contains products outside the scope of these investigations (e.g., thumb tacks).

The industry in Thailand

The Commission issued foreign producers' or exporters' questionnaires to five firms believed to produce and/or export steel nails from Thailand.[9] Usable responses to the Commission's questionnaire were received from five firms: Chia Pao Metal Co., Ltd. ("Chia Pao"), [10] Comebest (Thailand) Co., Ltd. ("Comebest"), Jinhai Hardware Co. Ltd. ("Jinhai"), Siam Fastener Industry Co., Ltd. ("Siam Fastener"),[11] and Win Fasteners Manufactory (Thailand) Co., Ltd ("Win Fasteners").[12] These firms' exports to the United States were equivalent to *** percent of U.S. imports of steel nails from Thailand in 2020. Responding firms estimate that they accounted for approximately *** percent of overall production of steel nails in Thailand 2020. Table VII-15 presents information on the steel nails operations of the responding producers in Thailand. Table VII-16 presents summary data for resellers in Thailand during 2020.

[9] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

[10] According to its website, Chia Pao is the largest nails and staples manufacturer in Thailand. http://www.chiapao.co.th/index.php?option=com_content&view=article&id=78&Itemid=75.

[11] According to its website, Siam Fastener has an annual steel nails production capacity of 5,000 tons. http://thai-hardware.com/.

[12] Win Fasteners ***. Win indicated that "***." *** foreign producer questionnaire response, section II-10.

Table VII-15
Steel nails: Summary data for producers in Thailand, 2020

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Chia Pao	***	***	***	***	***	***
Comebest	***	***	***	***	***	***
Jinhai	***	***	***	***	***	***
Siam Fastener	***	***	***	***	***	***
Win	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-16
Steel nails: Summary data for resellers in Thailand, 2020

Firm	Resales exported to United States (short tons)	Share of reported resales exported to United States (percent)
Win	***	***
All firms	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Changes in operations

As presented in table VII-17 producers in Thailand reported several operational and organizational changes since January 1, 2018.

Table VII-17
Steel nails: Reported changes in operations in Thailand since January 1, 2018, by firm

Item	Firm name and accompanying narrative response
Plant openings	***
Expansions	***
Expansions	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on steel nails

Table VII-18 presents information on the steel nails operations of the responding producers and exporters in Thailand. During 2018-20, the Thai producers' capacity increased by *** percent, and was higher during interim 2021 than during interim 2020 by *** percent. During 2018-20, the Thai producers' production increased by *** percent overall, and was higher by *** percent during interim 2021 than during interim 2020. The Thai producers' capacity utilization decreased by *** percentage points during 2018-20, but was higher during interim 2021 than in interim 2020 by *** percentage points. During 2018-20, the Thai producers' end-of-period inventories increased by *** percent, and were higher during interim 2021 than in interim 2020 by *** percent. The Thai producers home market shipments were *** during 2018-20 and the interim periods. *** during 2018-20. During 2018-20, exports to the United States increased by *** percent, but were higher by *** percent in interim 2021 than during interim 2020.

Thai producers' 2021 and 2022's capacity ***, while its production ***. ***.

Table VII-18
Steel nails: Data on the industry in Thailand, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***	***	***
Total exports to the United States	***	***	***	***	***	***	***

Table continued.

Table VII-18--Continued
Steel nails: Data on the industry in Thailand, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***
Exports by producers share of total exports to U.S.	***	***	***	***	***	***	***
Exports by resellers share of total exports to U.S.	***	***	***	***	***	***	***
Adjusted share of total shipments exported to U.S.	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Alternative products

As shown in table VII-19, no responding firms in Thailand produced other products on the same equipment and machinery used to produce steel nails.

Table VII-19
Steel nails: Thai producers' overall capacity and production on the same equipment as subject production, by period

Quantity in short tons; ratio and share in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Overall capacity	Quantity	***	***	***	***	***
Production: Collated roofing nails	Quantity	***	***	***	***	***
Production: All other steel nails	Quantity	***	***	***	***	***
Production: All in-scope steel nails	Quantity	***	***	***	***	***
Production: Other products	Quantity	***	***	***	***	***
Production: Total	Quantity	***	***	***	***	***
Overall capacity utilization	Ratio	***	***	***	***	***
Production: Collated roofing nails	Share	***	***	***	***	***
Production: All other steel nails	Share	***	***	***	***	***
Production: All in-scope steel nails	Share	***	***	***	***	***
Production: Other products	Share	***	***	***	***	***
Production: Total	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Exports

According to GTA, the leading export markets for steel nails from Thailand are the United States, Myanmar, and Laos (table VII-20). During 2020, the United States was the leading export market for steel nails from Thailand, accounting for 82.2 percent, followed by Myanmar and Laos, accounting for 6.2 percent and 5.3 percent, respectively.

Table VII-20
Steel nails: Exports from Thailand, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	36,866	40,812	49,332
Myanmar	Quantity	3,513	3,752	3,699
Laos	Quantity	3,938	3,924	3,196
New Zealand	Quantity	---	2,127	2,328
Japan	Quantity	1,474	1,089	1,175
Cambodia	Quantity	43	36	60
Canada	Quantity	126	21	56
Indonesia	Quantity	204	108	49
Saudi Arabia	Quantity	---	21	42
All other destination markets	Quantity	291	103	73
All destination markets	Quantity	46,455	51,993	60,009
United States	Value	39,911	44,223	51,900
Myanmar	Value	2,950	3,236	2,979
Laos	Value	2,924	2,985	2,292
New Zealand	Value	---	2,101	2,207
Japan	Value	4,282	3,816	3,492
Cambodia	Value	272	282	265
Canada	Value	159	17	47
Indonesia	Value	226	118	50
Saudi Arabia	Value	---	16	30
All other destination markets	Value	1,252	712	238
All destination markets	Value	51,976	57,506	63,500

Table continued.

Table VII-20--Continued
Steel nails: Exports from Thailand, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	1,083	1,084	1,052
Myanmar	Unit value	840	863	805
Laos	Unit value	743	761	717
New Zealand	Unit value	---	988	948
Japan	Unit value	2,905	3,505	2,972
Cambodia	Unit value	6,317	7,788	4,397
Canada	Unit value	1,264	816	844
Indonesia	Unit value	1,107	1,092	1,029
Saudi Arabia	Unit value	---	757	715
All other destination markets	Unit value	4,302	6,899	3,260
All destination markets	Unit value	1,119	1,106	1,058
United States	Share of quantity	79.4	78.5	82.2
Myanmar	Share of quantity	7.6	7.2	6.2
Laos	Share of quantity	8.5	7.5	5.3
New Zealand	Share of quantity	---	4.1	3.9
Japan	Share of quantity	3.2	2.1	2.0
Cambodia	Share of quantity	0.1	0.1	0.1
Canada	Share of quantity	0.3	0.0	0.1
Indonesia	Share of quantity	0.4	0.2	0.1
Saudi Arabia	Share of quantity	---	0.0	0.1
All other destination markets	Share of quantity	0.6	0.2	0.1
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7317.00 as reported by Thai Customs Department in the Global Trade Atlas database, accessed January 10, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data. These data are believed to be overstated as HS subheading 7317.00 contains products outside the scope of these investigations (e.g., thumb tacks).

The industry in Turkey

The Commission issued foreign producers' or exporters' questionnaires to six firms believed to produce and/or export steel nails from Turkey.[13] Usable responses to the Commission's questionnaire were received from three firms: Aslanbas Civi Tel Celik Hasir A.S. ("Aslanbas Civi"),[14] Guney Celik Hasir Ve Demir Mam. San. Tic. A.S ("Guney Celik"), and Sertel Vida Metas A.S. ("Sertel Vida"). These firms' exports to the United States were equivalent to *** percent of U.S. imports of steel nails from Turkey in 2020. According to estimates requested of the responding producers in Turkey, the production of steel nails in Turkey reported in questionnaires accounts for approximately *** percent of overall production of steel nails in Turkey.[15] Table VII-21 presents information on the steel nails operations of the responding producers and exporters in Turkey.

Table VII-21
Steel nails: Summary data for producers in Turkey, 2020

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Aslanbas	***	***	***	***	***	***
Guney	***	***	***	***	***	***
Steel Vida	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Changes in operations

As presented in table VII-22, producers in Turkey reported several operational and organizational changes since January 1, 2018.

[13] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

[14] According to its website, Aslanbas Civi has an overall production capacity of 5,000 tons. https://www.aslanbas.com.tr/kurumsal.

[15] *** did not provide an estimate of its steel nails production in Turkey during 2020.

Table VII-22
Steel nails: Reported changes in operations in Turkey since January 1, 2018, by firm

Item	Firm name and accompanying narrative response
Plant openings	***
Expansions	***
Prolonged shutdowns or curtailments	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on steel nails

Table VII-23 presents information on the steel nails operations of the responding producers and exporters in Turkey. During 2018-20, the Turkish producers' capacity increased by *** percent, and was higher during interim 2021 than during interim 2020 by *** percent. During 2018-20, the Turkish producer's production increased by *** percent overall, but was higher by *** percent during interim 2021 than during interim 2020. During 2018-20, the Turkish producer's end-of-period inventories decreased by *** percent, but were higher during January-September 2021 than in January-September 2020 by *** percent. The Turkish producer's reported internal consumption that decreased by *** percent during 2018-20, but were higher during interim 2021 than during interim 2020. Home market shipments also decreased during 2018-20 by *** percent, but were higher during interim 2021 than during interim 2020. During 2018-20, exports to the United States increased by *** percent, and were higher by *** percent in interim 2021 than during interim 2020.

The Turkish producer's capacity utilization decreased by *** percentage points during 2018-20, but it was higher during interim 2021 than during interim 2020 by *** percentage points. Exports to the United States as a share of total shipments increased by *** percentage points during 2018-20, and were higher by *** percentage points during interim 2021 than during interim 2020. The Turkish producers' home market shipments share decreased by *** percentage points during 2018-20, but were higher during interim 2021 than during interim 2020 by *** percentage points. Inventories as a ratio to production and to total shipments both decreased during 2018-20, but were higher during interim 2021 than during interim 2020.

Projections for the Turkish producer's 2021 and 2022's capacity and production ***. The Turkish producer's exports to all other markets and exports to the United States are projected to both increase, respectively, compared to 2020.

Table VII-23
Steel nails: Data on industry in Turkey, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-23--Continued
Steel nails: Data on industry in Turkey, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Alternative products

The Turkish producers *** on the same equipment and machinery used to produce steel nails.

Exports

According to GTA, the leading export markets for steel nails from Turkey are the United States, Israel, and Italy (table VII-24). During 2020, the United States was the top export market for steel nails from Turkey, accounting for 61.8 percent, followed by Israel and Italy, accounting for 9.6 percent and 3.7 percent, respectively.

Table VII-24
Steel nails: Exports from Turkey, by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	38,920	50,662	52,870
Israel	Quantity	5,869	6,616	8,201
Italy	Quantity	153	1,469	3,182
Spain	Quantity	2,903	3,738	3,176
Canada	Quantity	673	1,660	2,555
Georgia	Quantity	2,265	2,101	2,291
United Kingdom	Quantity	2,675	1,900	1,868
Portugal	Quantity	1,635	1,502	1,119
Syria	Quantity	913	863	924
All other destination markets	Quantity	6,637	7,928	9,329
All destination markets	Quantity	62,643	78,439	85,515
United States	Value	36,892	43,356	41,245
Israel	Value	4,551	4,477	5,265
Italy	Value	277	1,006	1,888
Spain	Value	2,240	2,576	2,200
Canada	Value	516	1,195	1,689
Georgia	Value	1,599	1,249	1,352
United Kingdom	Value	2,206	1,457	1,403
Portugal	Value	1,222	1,017	745
Syria	Value	694	554	595
All other destination markets	Value	7,716	7,604	8,148
All destination markets	Value	57,913	64,490	64,530

Table continued.

Table VII-24--Continued
Steel nails: Exports from Turkey, by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	948	856	780
Israel	Unit value	775	677	642
Italy	Unit value	1,812	685	593
Spain	Unit value	771	689	693
Canada	Unit value	768	720	661
Georgia	Unit value	706	594	590
United Kingdom	Unit value	825	767	751
Portugal	Unit value	747	677	665
Syria	Unit value	759	642	645
All other destination markets	Unit value	1,163	959	873
All destination markets	Unit value	924	822	755
United States	Share of quantity	62.1	64.6	61.8
Israel	Share of quantity	9.4	8.4	9.6
Italy	Share of quantity	0.2	1.9	3.7
Spain	Share of quantity	4.6	4.8	3.7
Canada	Share of quantity	1.1	2.1	3.0
Georgia	Share of quantity	3.6	2.7	2.7
United Kingdom	Share of quantity	4.3	2.4	2.2
Portugal	Share of quantity	2.6	1.9	1.3
Syria	Share of quantity	1.5	1.1	1.1
All other destination markets	Share of quantity	10.6	10.1	10.9
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7317.00 as reported by the Turkish State Institute of Statistics in the Global Trade Atlas database, accessed January 10, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data. These data are believed to be overstated as HS subheading 7317.00 contains products outside the scope of these investigations (e.g., thumb tacks).

Subject countries combined

Table VII-25 presents summary data on steel nails operations of the reporting subject producers in the subject countries. During 2018-20, the combined subject countries' overall capacity increased by *** percent, and was higher by *** percent during interim 2021 than during interim 2020. During 2018-20, the combined subject countries overall production of steel nails increased by *** percent, and was higher by *** percent during interim 2021 than during interim 2020.

Combined subject countries' capacity utilization decreased by *** percentage points during 2018-20, and was higher during interim 2021 than during interim 2020 by *** percentage points. *** percentage points during 2018-20 and were lower during interim 2021 than during interim 2020 by *** percentage points. Home market shipments decreased by *** during 2018-20 and was higher during the interim 2021 than during interim 2020 by *** percentage points. Exports to the United States increased by *** percent between 2018 and 2020, and were higher during interim 2021 than during interim 2020 by *** percent. Combined subject countries' adjusted share of total shipments exported to the United States decreased by *** percentage points during 2018-20, but were higher by *** percentage points during interim 2021 than during interim 2020.

The combined subject countries' 2021 and 2022's capacity ***, while production ***. ***.

Table VII-25
Steel nails: Data on the industry in combined subject countries, by period

Quantity in short tons

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***	***	***
Total exports to the United States	***	***	***	***	***	***	***

Table continued.

Table VII-25--Continued
Steel nails: Data on the industry in combined subject countries, by period

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***
Exports by producers share of total exports to U.S.	***	***	***	***	***	***	***
Exports by resellers share of total exports to U.S.	***	***	***	***	***	***	***
Adjusted share of total shipments exported to U.S.	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

U.S. inventories of imported merchandise

Table VII-26 presents data on U.S. importers’ reported inventories of steel nails. Inventories of subject imports decreased by *** percent between 2018 and 2020 and were *** percent lower in interim 2021 than in interim 2020. The ratio of subject importers’ inventories to imports decreased from *** percent in 2018 to *** percent in 2020 and was lower in interim 2021 (*** percent) than in interim 2020 (*** percent).

Table VII-26
Steel nails: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in short tons; ratio in percent

Measure	Source	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Inventories quantity	India	***	***	***	***	***
Ratio to imports	India	***	***	***	***	***
Ratio to U.S. shipments of imports	India	***	***	***	***	***
Ratio to total shipments of imports	India	***	***	***	***	***
Inventories quantity	Oman	***	***	***	***	***
Ratio to imports	Oman	***	***	***	***	***
Ratio to U.S. shipments of imports	Oman	***	***	***	***	***
Ratio to total shipments of imports	Oman	***	***	***	***	***
Inventories quantity	Sri Lanka	***	***	***	***	***
Ratio to imports	Sri Lanka	***	***	***	***	***
Ratio to U.S. shipments of imports	Sri Lanka	***	***	***	***	***
Ratio to total shipments of imports	Sri Lanka	***	***	***	***	***
Inventories quantity	Thailand	***	***	***	***	***
Ratio to imports	Thailand	***	***	***	***	***
Ratio to U.S. shipments of imports	Thailand	***	***	***	***	***
Ratio to total shipments of imports	Thailand	***	***	***	***	***
Inventories quantity	Turkey	***	***	***	***	***
Ratio to imports	Turkey	***	***	***	***	***
Ratio to U.S. shipments of imports	Turkey	***	***	***	***	***
Ratio to total shipments of imports	Turkey	***	***	***	***	***
Inventories quantity	Subject	***	***	***	***	***
Ratio to imports	Subject	***	***	***	***	***
Ratio to U.S. shipments of imports	Subject	***	***	***	***	***
Ratio to total shipments of imports	Subject	***	***	***	***	***

Table continued.

Table VII-26 Continued
Steel nails: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in short tons; ratio in percent

Measure	Source	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Inventories quantity	Nonsubject	***	***	***	***	***
Ratio to imports	Nonsubject	***	***	***	***	***
Ratio to U.S. shipments of imports	Nonsubject	***	***	***	***	***
Ratio to total shipments of imports	Nonsubject	***	***	***	***	***
Inventories quantity	All imports	***	***	***	***	***
Ratio to imports	All imports	***	***	***	***	***
Ratio to U.S. shipments of imports	All imports	***	***	***	***	***
Ratio to total shipments of imports	All imports	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of steel nails from India, Oman, Sri Lanka, Thailand, Turkey, and all other sources after September 30, 2021. Their reported data is presented in table VII-27. Twenty-one of 30 responding firms indicated that they had arranged such imports. All 21 firms reported arranged imports from subject sources, while two firms also reported arranged imports from nonsubject sources.[16]

[16] ***.

Table VII-27
Steel nails: U.S. importers' arranged imports, by source and period

Quantity in short tons

Source	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	Jul-Sept 2022	Total
India	***	***	***	***	***
Oman	***	***	***	***	***
Sri Lanka	***	***	***	***	***
Thailand	***	***	***	***	***
Turkey	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Third-country trade actions

Based on available information,[17] steel nails from India, Oman, Sri Lanka, Thailand, and Turkey have not been subject to antidumping or countervailing duty investigations outside the United States.[18]

Information on nonsubject countries

In its postconference brief petitioners reported that no data on global or country-level production or prices of steel nails currently exists.[19] Industry research also found no sources for this information.

Table VII-28 presents global export data for HS 7317.00, a category that includes steel nails and out-of-scope products (by subject countries alphabetically and followed by non-subject sources in descending order of quantity for 2020). The largest global exporter of steel nails is China, which represented 51.4 percent of global exports, by quantity, in 2020. Exports by the five subject countries represented 12.8 percent of all exports in 2020. Other large non-subject exporters include the United Arab Emirates and Poland, which were the second and fourth largest global exporters in 2020, respectively.

[17] World Trade Organization ("WTO"), "Anti-dumping," https://www.wto.org/english/tratop_e/adp_e/adp_e.htm, retrieved January 25, 2022; and WTO, "Subsidies and Countervailing Measures," https://www.wto.org/english/tratop_e/scm_e/scm_e.htm, retrieved January 25, 2022.

[18] Conference transcript, p. 123.

[19] Petitioner's postconference brief, p. 21; Exh. 1.

Table VII-28
Steel nails: Global exports, by reporting country and by period

Quantity in short tons; Value in 1,000 dollars

Exporting country	Measure	2018	2019	2020
United States	Quantity	28,706	26,596	21,823
India	Quantity	26,060	25,442	21,728
Oman	Quantity	68,452	78,189	74,881
Sri Lanka	Quantity	20,060	29,850	30,504
Thailand	Quantity	46,455	51,993	60,009
Turkey	Quantity	62,643	78,439	85,515
Subject countries	Quantity	223,671	263,912	272,638
China	Quantity	1,201,500	1,078,487	1,095,740
Poland	Quantity	76,301	67,709	76,719
Taiwan	Quantity	85,816	66,948	56,630
Belarus	Quantity	49,515	49,171	53,031
South Korea	Quantity	67,542	49,642	51,624
Lithuania	Quantity	42,129	41,182	42,647
All other exporters	Quantity	473,363	404,329	378,823
All reporting exporters	Quantity	2,248,542	2,047,977	2,049,674
United States	Value	59,560	69,398	59,869
India	Value	51,044	45,453	35,152
Oman	Value	87,540	95,244	86,933
Sri Lanka	Value	25,142	39,725	33,973
Thailand	Value	51,976	57,506	63,500
Turkey	Value	57,913	64,490	64,530
Subject countries	Value	273,616	302,417	284,088
China	Value	1,545,700	1,517,736	1,621,792
Poland	Value	89,993	82,120	93,460
Taiwan	Value	118,347	100,196	85,234
Belarus	Value	34,179	31,748	30,867
South Korea	Value	77,759	60,455	59,599
Lithuania	Value	38,925	36,518	35,545
All other exporters	Value	731,065	602,351	602,832
All reporting exporters	Value	3,242,760	3,105,356	3,157,376

Table continued.

Table VII-28 continued
Steel nails: Global exports, by reporting country and by period

Unit values in dollars per short ton; Shares in percent

Exporting country	Measure	2018	2019	2020
United States	Unit value	2,075	2,609	2,743
India	Unit value	1,959	1,787	1,618
Oman	Unit value	1,279	1,218	1,161
Sri Lanka	Unit value	1,253	1,331	1,114
Thailand	Unit value	1,119	1,106	1,058
Turkey	Unit value	924	822	755
Subject countries	Unit value	1,223	1,146	1,042
China	Unit value	1,286	1,407	1,480
Poland	Unit value	1,179	1,213	1,218
Taiwan	Unit value	1,379	1,497	1,505
Belarus	Unit value	690	646	582
South Korea	Unit value	1,151	1,218	1,154
Lithuania	Unit value	924	887	833
All other exporters	Unit value	1,544	1,490	1,591
All reporting exporters	Unit value	1,442	1,516	1,540
United States	Share of quantity	1.3	1.3	1.1
India	Share of quantity	1.2	1.2	1.1
Oman	Share of quantity	3.0	3.8	3.7
Sri Lanka	Share of quantity	0.9	1.5	1.5
Thailand	Share of quantity	2.1	2.5	2.9
Turkey	Share of quantity	2.8	3.8	4.2
Subject countries	Share of quantity	9.9	12.9	13.3
China	Share of quantity	53.4	52.7	53.5
Poland	Share of quantity	3.4	3.3	3.7
Taiwan	Share of quantity	3.8	3.3	2.8
Belarus	Share of quantity	2.2	2.4	2.6
South Korea	Share of quantity	3.0	2.4	2.5
Lithuania	Share of quantity	1.9	2.0	2.1
All other exporters	Share of quantity	21.1	19.7	18.5
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7317.00 reported by various national statistical authorities in the Global Trade Atlas database, accessed January 10, 2022 and official global import statistics from Oman (constructed exports) under HS subheading 7317.00 as reported by various national statistical authorities in the Global Trade Atlas database, accessed January 10, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top followed by the countries under investigation, all remaining top exporting countries shown in descending order of 2020 data. These data are believed to be overstated as HS subheading 7317.00 contains products outside the scope of these investigations (e.g., thumb tacks).

China

Table VII-29 presents Chinese export data for HS 7317.00, a category that includes steel nails and some out-of-scope products. China is the largest global exporter of steel nails. China exported just under 1.1 million short tons of steel nails in 2020. The largest market for Chinese steel nails exports is the United States. Exports to the United States totaled 241 thousand short tons in 2020, representing 22 percent of all of China's steel nails exports that year.

Table VII-29
Steel nails: Exports from China, by destination market and by period

Quantity in short tons; Value in 1,000 dollars

Destination market	Measure	2018	2019	2020
United States	Quantity	309,767	217,904	241,221
Japan	Quantity	86,557	87,216	79,889
Canada	Quantity	78,326	60,489	74,231
South Korea	Quantity	47,430	44,044	42,276
Philippines	Quantity	23,658	18,121	38,630
Nigeria	Quantity	34,917	35,794	37,094
Indonesia	Quantity	36,997	27,185	26,669
United Kingdom	Quantity	25,406	26,935	24,103
India	Quantity	25,894	26,017	22,644
All other destination markets	Quantity	532,548	534,782	508,983
All destination markets	Quantity	1,201,500	1,078,487	1,095,740
United States	Value	362,227	243,270	235,973
Japan	Value	99,534	95,802	85,179
Canada	Value	83,158	58,330	66,254
South Korea	Value	47,478	41,409	49,008
Philippines	Value	25,799	26,957	67,522
Nigeria	Value	32,367	39,278	43,020
Indonesia	Value	42,015	57,724	93,392
United Kingdom	Value	35,683	33,448	30,599
India	Value	41,135	44,648	37,144
All other destination markets	Value	776,305	876,871	913,701
All destination markets	Value	1,545,700	1,517,736	1,621,792

Table continued.

Table VII-29
Steel nails: Exports from China, by destination market and by period

Unit values in dollars per short ton; Shares in percent

Destination market	Measure	2018	2019	2020
United States	Unit value	1,169	1,116	978
Japan	Unit value	1,150	1,098	1,066
Canada	Unit value	1,062	964	893
South Korea	Unit value	1,001	940	1,159
Philippines	Unit value	1,090	1,488	1,748
Nigeria	Unit value	927	1,097	1,160
Indonesia	Unit value	1,136	2,123	3,502
United Kingdom	Unit value	1,405	1,242	1,270
India	Unit value	1,589	1,716	1,640
All other destination markets	Unit value	1,458	1,640	1,795
All destination markets	Unit value	1,286	1,407	1,480
United States	Share of quantity	25.8	20.2	22.0
Japan	Share of quantity	7.2	8.1	7.3
Canada	Share of quantity	6.5	5.6	6.8
South Korea	Share of quantity	3.9	4.1	3.9
Philippines	Share of quantity	2.0	1.7	3.5
Nigeria	Share of quantity	2.9	3.3	3.4
Indonesia	Share of quantity	3.1	2.5	2.4
United Kingdom	Share of quantity	2.1	2.5	2.2
India	Share of quantity	2.2	2.4	2.1
All other destination markets	Share of quantity	44.3	49.6	46.5
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7317.00 as reported by China Customs in the Global Trade Atlas database, accessed January 25, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data. These data are believed to be overstated as HS subheading 7317.00 contains products outside the scope of these investigations (e.g., thumb tacks).

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
87 FR 997, January 7, 2022	*Steel Nails From India, Oman, Sri Lanka, Thailand, and Turkey; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2022-01-07/pdf/2022-00085.pdf
87 FR 3965, January 22, 2022	*Certain Steel Nails From India, Sri Lanka, Thailand, and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations*	https://www.govinfo.gov/content/pkg/FR-2022-01-26/pdf/2022-01494.pdf
87 FR 3970, January 22, 2022	*Certain Steel Nails From India, the Sultanate of Oman, Sri Lanka, Thailand, and the Republic of Turkey: Initiation of Countervailing Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2022-01-26/pdf/2022-01509.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared in the United States International Trade Commission's preliminary conference via videoconference:

Subject: Steel Nails from India, Oman, Sri Lanka, Thailand, and Turkey

Inv. Nos.: 701-TA-673-677 and 731-TA-1580-1583 (Preliminary)

Date and Time: January 20, 2022 - 9:30 a.m.

OPENING REMARKS:

In Support of Imposition (**Matthew L. Kanna**, Greenberg Traurig, LLP)
In Opposition to Imposition (**Michael P. House**, Perkins Coie LLP)

In Support of the Imposition of Antidumping and Countervailing Duty Orders:

Greenberg Traurig, LLP
Washington, DC
on behalf of

Mid Continent Steel & Wire Inc. ("Mid Continent")

Chris Pratt, U.S. Operations General Manager, Mid Continent

George Skarich, Vice President of Sales, Mid Continent

Remy Stachowiak, President and Chief Operation Officer, Tree Island Steel

Chris Frantzen, Sales Manager, U.S. Residential Market, Tree Island Steel

Joe Faron, Vice President of North American Field Sales,
KYOCERA SENCO Industrial Tools, Inc.

Jennifer Lutz, Partner, ION Economics, LLC

Rosa S. Jeong)
) – OF COUNSEL
Matthew L. Kanna)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:

Grunfeld, Desiderio, Lebowitz, Silverman & Klestadt LLP
Washington, DC
on behalf of

Astrotech Steels Pvt. Ltd.
Trinity Steel Pvt. Ltd.
The Hillman Group

Jon Michael Adinolfi, President, The Hillman Group

Aaron Gula, General Manager, The Hillman Group

Doug Rhodus, Sr. Director of Sourcing, The Hillman Group

Meagan Jump, Customs and Trade Manager, The Hillman Group

Tony Kovac, Director of Product Management, The Hillman Group

Ned H. Marshak)
Andrew T. Schutz) – OF COUNSEL
Eve Q. Wang)

Husch Blackwell, LLP
Washington, DC
on behalf of

PrimeSource Building Products, Inc.
Metropolitan Staple Corp.
Steel Products Company, Inc.
Steel & Wire Northeast, LP

Scott Smith, Chief Commercial Officer, PrimeSource Building Products, Inc.

Mark Buedel, President of Steel Products Company, Inc.
and Steel & Wire Northeast, LP

Howard Kastner, President, Metropolitan Staple Corp.

Nithya Nagarajan)
) – OF COUNSEL
Jeffrey S. Neeley)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Fox Rothschild LLP
Washington, DC
on behalf of

Building Material Distributors, Inc., Building Products of America, LLC
Continental Materials, Inc., DC International, Inc., Fanaco Fasteners, LLC
Kratos Building Products, Inc., SouthernCarlson, Inc.
Aslanbas Nail Wire Mesh Co. (Aslanbas Civi Tel Celik Hasir A.S.)
Jinhai Hardware Co., Ltd.

Ken Ippoliti, Vice President – Sourcing, SouthernCarlson, Inc.

Lizbeth R. Levinson)
) – OF COUNSEL
Ronald M. Wisla)

Perkins Coie LLP
Washington, DC
on behalf of

Oman Fasteners, LLC

Steve Karaga, President, Oman Fasteners Company, LLC

Joe Leffler, President and Chief Executive Officer,
Metabo HPT, a brand of Koki Holdings America

Dr. Robert Rogowsky, Ph.D., Professor,
Middlebury Institute of International Studies at Monterey

Jeffrey Klenk, Director, Berkeley Research Group

Michael P. House)
Andrew Caridas) – OF COUNSEL
Caroline Bisk)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Appleton Luff
Washington, DC
on behalf of

Viper Industrial Products Inc.

Todd Mazur, President, Viper Industrial Products Inc.

Edmund Sim) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Rosa S. Jeong**, Greenberg Traurig, LLP)
In Opposition to Imposition (**Jeffrey S. Neeley**, Husch Blackwell, LLP)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
Steel nails: Summary data concerning the U.S. market, by period
Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Sep		Comparison years			Jan-Sep
	2018	2019	2020	2020	2021	2018-20	2018-19	2019-20	2020-21
U.S. consumption quantity:									
Amount	***	***	***	***	***	▼***	▼***	▲***	▲***
Producers' share (fn1)	***	***	***	***	***	▲***	▼***	▲***	▼***
Importers' share (fn1):									
India	***	***	***	***	***	▼***	▼***	▼***	▲***
Oman	***	***	***	***	***	▲***	▲***	▼***	▲***
Sri Lanka	***	***	***	***	***	▲***	▲***	▼***	▼***
Thailand	***	***	***	***	***	▲***	▲***	▲***	▲***
Turkey	***	***	***	***	***	▲***	▲***	▼***	▼***
Subject sources	***	***	***	***	***	▲***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▼***	▼***	▲***	▲***
All import sources	***	***	***	***	***	▼***	▲***	▼***	▲***
U.S. consumption value:									
Amount	***	***	***	***	***	▼***	▼***	▲***	▲***
Producers' share (fn1)	***	***	***	***	***	▲***	▼***	▲***	▼***
Importers' share (fn1):									
India	***	***	***	***	***	▼***	▼***	▼***	▲***
Oman	***	***	***	***	***	▲***	▲***	▼***	▲***
Sri Lanka	***	***	***	***	***	▲***	▲***	▼***	▼***
Thailand	***	***	***	***	***	▲***	▲***	▲***	▼***
Turkey	***	***	***	***	***	▲***	▲***	▲***	▼***
Subject sources	***	***	***	***	***	▲***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▼***	▼***	▼***	▲***
All import sources	***	***	***	***	***	▼***	▲***	▼***	▲***
U.S. imports from:									
India:									
Quantity	38,975	33,690	28,443	20,290	27,807	▼(27.0)	▼(13.6)	▼(15.6)	▲37.0
Value	46,751	39,613	29,313	20,741	32,891	▼(37.3)	▼(15.3)	▼(26.0)	▲58.6
Unit value	$1,200	$1,176	$1,031	$1,022	$1,183	▼(14.1)	▼(2.0)	▼(12.4)	▲15.7
Ending inventory quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Oman:									
Quantity	64,670	73,189	72,119	52,501	68,473	▲11.5	▲13.2	▼(1.5)	▲30.4
Value	91,766	98,308	93,133	67,116	96,535	▲1.5	▲7.1	▼(5.3)	▲43.8
Unit value	$1,419	$1,343	$1,291	$1,278	$1,410	▼(9.0)	▼(5.3)	▼(3.9)	▲10.3
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Sri Lanka:									
Quantity	18,806	28,746	30,891	22,122	24,832	▲64.3	▲52.9	▲7.5	▲12.3
Value	23,016	32,507	29,671	21,381	26,979	▲28.9	▲41.2	▼(8.7)	▲26.2
Unit value	$1,224	$1,131	$960	$967	$1,086	▼(21.5)	▼(7.6)	▼(15.1)	▲12.4
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▼***
Thailand:									
Quantity	34,646	40,035	48,716	37,112	43,650	▲40.6	▲15.6	▲21.7	▲17.6
Value	41,909	47,869	59,161	45,108	58,503	▲41.2	▲14.2	▲23.6	▲29.7
Unit value	$1,210	$1,196	$1,214	$1,215	$1,340	▲0.4	▼(1.2)	▲1.6	▲10.3
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▼***	▼***
Turkey:									
Quantity	36,061	48,164	51,758	39,539	43,252	▲43.5	▲33.6	▲7.5	▲9.4
Value	39,776	49,338	51,768	39,382	53,006	▲30.1	▲24.0	▲4.9	▲34.6
Unit value	$1,103	$1,024	$1,000	$996	$1,226	▼(9.3)	▼(7.1)	▼(2.4)	▲23.0
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Subject sources:									
Quantity	193,158	223,822	231,927	171,563	208,013	▲20.1	▲15.9	▲3.6	▲21.2
Value	243,218	267,634	263,046	193,728	267,914	▲8.2	▲10.0	▼(1.7)	▲38.3
Unit value	$1,259	$1,196	$1,134	$1,129	$1,288	▼(9.9)	▼(5.0)	▼(5.1)	▲14.1
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▼***	▼***
Nonsubject sources:									
Quantity	589,818	462,866	513,297	376,647	448,582	▼(13.0)	▼(21.5)	▲10.9	▲19.1
Value	756,016	624,883	639,253	470,001	653,257	▼(15.4)	▼(17.3)	▲2.3	▲39.0
Unit value	$1,282	$1,350	$1,245	$1,248	$1,456	▼(2.8)	▲5.3	▼(7.8)	▲16.7
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
All import sources:									
Quantity	782,976	686,688	745,224	548,209	656,595	▼(4.8)	▼(12.3)	▲8.5	▲19.8
Value	999,234	892,517	902,298	663,729	921,171	▼(9.7)	▼(10.7)	▲1.1	▲38.8
Unit value	$1,276	$1,300	$1,211	$1,211	$1,403	▼(5.1)	▲1.8	▼(6.8)	▲15.9
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▼***	▲***

Table continued.

Table C-1 Continued
Steel nails: Summary data concerning the U.S. market, by period
Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Sep		Comparison years			Jan-Sep
	2018	2019	2020	2020	2021	2018-20	2018-19	2019-20	2020-21
U.S. producers':									
Average capacity quantity	***	***	***	***	***	▲***	▲***	▼***	▲***
Production quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
Capacity utilization (fn1)	***	***	***	***	***	▼***	▼***	▲***	▼***
U.S. shipments:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
Value	***	***	***	***	***	▼***	▼***	▲***	▲***
Unit value	***	***	***	***	***	▼***	▲***	▼***	▲***
Export shipments:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	***
Value	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Inventories/total shipments (fn1)	***	***	***	***	***	▼***	▲***	▼***	▼***
Production workers	***	***	***	***	***	▼***	▼***	▼***	▼***
Hours worked (1,000s)	***	***	***	***	***	▲***	▼***	▲***	▲***
Wages paid ($1,000)	***	***	***	***	***	▼***	▼***	▲***	▲***
Hourly wages (dollars per hour)	***	***	***	***	***	▼***	▼***	▼***	▲***
Productivity (short tons per 1,000 hours)	***	***	***	***	***	▼***	▼***	▲***	▼***
Unit labor costs	***	***	***	***	***	▼***	▲***	▼***	▲***
Net sales:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
Value	***	***	***	***	***	▼***	▼***	▲***	▲***
Unit value	***	***	***	***	***	▼***	▲***	▼***	▲***
Cost of goods sold (COGS)	***	***	***	***	***	▼***	▼***	▲***	▲***
Gross profit or (loss) (fn2)	***	***	***	***	***	▲***	▼***	▲***	▲***
SG&A expenses	***	***	***	***	***	▼***	▲***	▼***	▲***
Operating income or (loss) (fn2)	***	***	***	***	***	▲***	▼***	▲***	▲***
Net income or (loss) (fn2)	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit COGS	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit SG&A expenses	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit operating income or (loss) (fn2)	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit net income or (loss) (fn2)	***	***	***	***	***	▲***	▼***	▲***	▲***
COGS/sales (fn1)	***	***	***	***	***	▼***	▲***	▼***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▲***	▼***	▲***	▲***
Net income or (loss)/sales (fn1)	***	***	***	***	***	▲***	▼***	▲***	▲***
Capital expenditures	***	***	***	***	***	▲***	▼***	▲***	▲***
Research and development expenses	***	***	***	***	***	▼***	▼***	▲***	▲***
Net assets	***	***	***	***	***	▲***	▲***	▲***	***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7317.00.5501, 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500, accessed January 26, 2022. Imports are based on the imports for consumption data series. Import alue data reflect landed duty-paid values.

APPENDIX D

SECTION 232 ACTIONS

Table D-1
Section 232 actions: Presidential proclamations affecting imports of steel articles, since 2018

Item	Action and duration (effective dates)	Federal Register Notice
General action	The President implemented 25 percent ad valorem national-security duties on U.S. steel imports— March 23, 2018 to present.	83 FR 11625[1]
Argentina	Exempted from duties— March 23, 2018 to April 30, 2018.	83 FR 13361[2]
	Exemption from duties continued— May 1, 2018 to May 31, 2018.	83 FR 20683[3]
	Exemption from duties continued, but subject to annual quota limits— June 1, 2018 to present.	83 FR 25857[4]
Australia	Exempted from duties— March 23, 2018 to April 30, 2018.	83 FR 13361[2]
	Exemption from duties continued— May 1, 2018 to May 31, 2018.	83 FR 20683[3]
	Exemption from duties continued— June 1, 2018 to present.	83 FR 40429[5]
Brazil	Exempted from duties— March 23, 2018 to April 30, 2018	83 FR 13361[2]
	Exemption from duties continued— May 1, 2018 to May 31, 2018	83 FR 20683[3]
	Exemption from duties continued, but subject to annual quota limits— June 1, 2018 to present.	83 FR 25857[4]
Canada	Exempted from duties— March 23, 2018 to May 31, 2018.	83 FR 11625[1]
	Exemption from duties not continued— June 1, 2018 to May 19, 2019.	83 FR 20683[3]
	Exemption from duties reinstated— May 20, 2019 to present.	84 FR 23987[6]
European Union ("EU") member countries	Exempted from duties— March 23, 2018 to April 30, 2018.	83 FR 13361[2]
	Exemption from duties continued— May 1, 2018 to May 31, 2018.	83 FR 20683[3]
	Exemption from duties not continued— June 1, 2018 to present.	83 FR 20683[3]
	Duty rate of 25 percent not continued, but each member country is subject to individual annual quota limits— January 1, 2022 to present	87 FR 11[7]
Korea	Exempted from duties— March 23, 2018 to April 30, 2018.	83 FR 13361[2]
	Exemption from duties continued, but subject to annual quota limits— May 1, 2018 to present.	83 FR 20683[3]
Mexico	Exempted from duties— March 23, 2018 to May 31, 2018.	83 FR 11625[1]
	Exemption from duties not continued— June 1, 2018 to May 19, 2019.	83 FR 20683[3]
	Exemption from duties reinstated— May 20, 2019 to present.	84 FR 23987[6]
Turkey	Duty rate doubled to 50 percent ad valorem— August 13, 2018 to May 20, 2019.	83 FR 40429[5]
	Duty rate reduced from 50 percent to 25 percent ad valorem— May 21, 2019 to present.	84 FR 23421[8]

[1] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

[2] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9711, March 22, 2018, 83 FR 13361, March 28, 2018.

[3] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018.

[4] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018.

[5] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9772, August 10, 2018, 83 FR 40429, August 15, 2018.

[6] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9894, May 19, 2019, 84 FR 23987, May 23, 2019.

[7] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 10328, December 27, 2021, 87 FR 11, January 3, 2022.

[8] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9886, May 16, 2019, 84 FR 23421, May 21, 2019.

Note.--Presidential Proclamation 9705 (clause (1)) defined ”steel articles” at the Harmonized Tariff Schedule of the United States (“HTS”) 6-digit level as: 7206.10 through 7216.50, 7216.99 through 7301.10, 7302.10, 7302.40 through 7302.90, and 7304.10 through 7306.90, including any subsequent revisions to these HTS classifications.

Note.--The United Kingdom officially completed its withdrawal from EU membership on January 31, 2021. EU, “Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community,” Official Journal of the European Union, L 29/7, January 31, 2020, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12020W/TXT.

APPENDIX E

U.S. SHIPMENTS BY TYPE AND FINISH

Table E-1
Steel nails: U.S. producers' and U.S. importers' U.S. shipments AUVs, by type and finish, and source, 2020

Unit values in dollars per short ton

Item	U.S. producers	India	Oman	Sri Lanka	Thailand	Turkey
Collated: bright finish	***	***	***	***	***	***
Collated: galvanized finish	***	***	***	***	***	***
Collated: other finishes	***	***	***	***	***	***
Collated: All finishes	***	***	***	***	***	***
Bulk: bright finish	***	***	***	***	***	***
Bulk: galvanized finish	***	***	***	***	***	***
Bulk: other finishes	***	***	***	***	***	***
Bulk: All finishes	***	***	***	***	***	***
All types: bright finish	***	***	***	***	***	***
All types: galvanized finish	***	***	***	***	***	***
All types: other finishes	***	***	***	***	***	***
All types and finishes	***	***	***	***	***	***

Table continued.

Table E-1 Continued
Steel nails: U.S. producers' and U.S. importers' U.S. shipments AUVs, by type and finish, and source, 2020

Unit values in dollars per short ton

Item	Subject sources	Nonsubject sources	All import sources
Collated: bright finish	***	***	***
Collated: galvanized finish	***	***	***
Collated: other finishes	***	***	***
Collated: All finishes	***	***	***
Bulk: bright finish	***	***	***
Bulk: galvanized finish	***	***	***
Bulk: other finishes	***	***	***
Bulk: All finishes	***	***	***
All types: bright finish	***	***	***
All types: galvanized finish	***	***	***
All types: other finishes	***	***	***
All types and finishes	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.