Steel Nails from the United Arab Emirates

Investigation No. 731-TA-1185 (Second Review)

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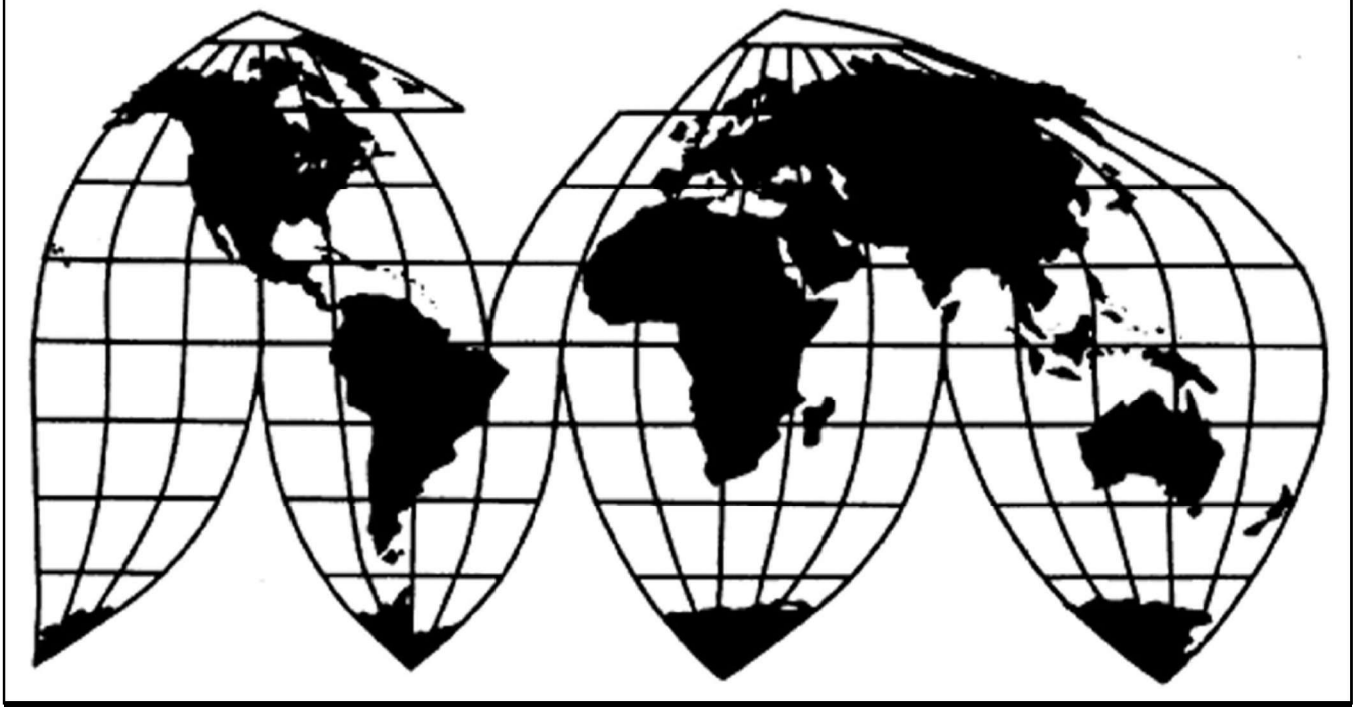
U.S. International Trade Commission



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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1185 (Second Review)

Steel Nails from the United Arab Emirates

DETERMINATION

On the basis of the record[1] developed in the subject five-year review, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the antidumping duty order on steel nails from the United Arab Emirates would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on September 1, 2022 (87 FR 53777) and determined on December 5, 2022 that it would conduct a full review (87 FR 79907, December 28, 2022). Notice of the scheduling of the Commission's review and of a public hearing 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* on February 9, 2023 (88 FR 8457). The Commission conducted its hearing on June 29, 2023. All persons who requested the opportunity were permitted to participate.

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

Views of the Commission

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the antidumping duty order on steel nails ("nails") from the United Arab Emirates ("UAE") would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigation. On March 31, 2011, Mid Continent Nail Corp ("Mid Continent" or "Domestic Producer") filed an antidumping duty petition concerning nails from the UAE.[1] In May 2012, the U.S. International Trade Commission ("Commission") determined that an industry in the United States was materially injured by reason of nails from the UAE sold at less than fair value ("LTFV").[2] On May 10, 2012, the U.S. Department of Commerce ("Commerce") issued an antidumping duty order on nails from the UAE.[3]

First Review. In April 2017, the Commission instituted the first five-year review.[4] On September 29, 2017, after conducting an expedited review, the Commission determined that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[5] Commerce issued a notice of continuation of the order on October 19, 2017.[6]

[1] *Certain Steel Nails from the United Arab Emirates*, 76 Fed. Reg. 19124 (Apr. 6, 2011).

[2] *Certain Steel Nails from the United Arab Emirates*, Inv. No. 731-TA-1185 (Final), USITC Pub. 4321 (May 2012) ("Original Determination") at 1.

[3] *Certain Steel Nails From the United Arab Emirates*, 77 Fed. Reg. 27080 (May 8, 2012), *as amended by Certain Steel Nails From the United Arab Emirates: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 77 Fed. Reg. 27421 (May 10, 2012).

[4] *Certain Steel Nails From the United Arab Emirates; Institution of a Five-Year Review*, 82 Fed. Reg. 16229 (Apr. 3, 2017).

[5] *Steel Nails from the UAE*, Inv. No. 731-TA-1185 (Review), USITC Pub. 4729 (Sep. 2017) ("*First Review*").

[6] *Certain Steel Nails From the United Arab Emirates: Continuation of Antidumping Duty Order*, 82 Fed. Reg. 48681 (Oct. 19, 2017).

Current Review. The Commission instituted this second five-year review on September 1, 2022.[7] The Commission received a joint response to its notice of institution on behalf of Mid Continent and Tree Island Wire USA, Inc., domestic producers of nails.[8] The Commission also received a joint response to the notice of institution from Master Nails and Pins Manufacturing LLC ("Master Nails") and Rich Well Steel Industries LLC ("Rich Well"), producers and exporters of nails in the UAE. On December 5, 2022, the Commission found that both the domestic and respondent interested party group responses to its notice of institution were adequate and therefore determined to conduct a full review of the order.[9]

Representatives from Mid Continent appeared at the hearing accompanied by counsel and submitted prehearing and posthearing briefs and final comments.[10] Two respondent entities also participated in this full review. The Commission received joint prehearing and posthearing briefs and final comments from Master Nails and Rich Well (collectively, "Respondents").[11]

In this review, U.S. industry data are based on the questionnaire responses of ten U.S. producers of nails that are believed to have accounted for the vast majority of U.S. production of nails in 2022.[12] U.S. import data are based on official Commerce import statistics and the questionnaire responses of 30 U.S. importers of nails that are believed to have accounted for

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[7] *Steel Nails From the United Arab Emirates; Institution of a Five-Year Review*, 87 Fed. Reg. 53777 (Sep. 1, 2022).

[8] Tree Island did not file prehearing or posthearing briefs or final comments and did not participate at the hearing.

[9] *Steel Nails From the United Arab Emirates; Notice of Commission Determination To Conduct a Full Five-Year Review*, 87 Fed. Reg. 79907 (Dec. 28, 2022); Explanation of Commission Determination on Adequacy, EDIS Doc. 792124 (Mar. 9, 2023).

[10] *See* Domestic Producer's Prehearing Brief, EDIS Doc. 799052 (June 21, 2023); Domestic Producers' Confidential Prehearing Brief, EDIS Doc. 799051 (June 21, 2023) ("Domestic Producer's Prehearing Br."); *see also* Domestic Producer's Posthearing Brief, EDIS Doc. 800052 (July 10, 2023); Domestic Producer's Confidential Posthearing Brief, EDIS Doc. 800051 (July 10, 2023) ("Domestic Producer's Posthearing Br."); *see also* Domestic Producer's Final Comments, EDIS Doc. 801584 (Aug. 3, 2023); Domestic Producer's Confidential Final Comments, EDIS Doc. 801583 (Aug. 3, 2023) ("Domestic Producer's Final Comments.").

[11] *See* Respondents' Prehearing Brief, EDIS Doc. 799202 (June 22, 2023); Respondents' Confidential Prehearing Brief, EDIS Doc. 799072 (June 21, 2023) ("Respondents' Prehearing Br."); *see also* Respondents' Posthearing Brief, EDIS Doc. 800140 (July 11, 2023); Respondents' Confidential Posthearing Brief, EDIS Doc. 800053 (July 10, 2023) ("Respondents' Posthearing Br."); *see also* Respondents' Final Comments, EDIS Doc. 801730 (Aug. 4, 2023); Respondents' Confidential Final Comments, EDIS Doc. 801590 (Aug. 3, 2023) ("Respondents' Final Comments.").

[12] Confidential Staff Report, Memorandum INV-VV-061 (July 26, 2023) ("CR"); *Steel Nails from the United Arab Emirates*, Inv. No. 731-TA-1185 (Second Review), USTIC Pub. 5454 (August 2023) ("PR") at III-1.

*** percent of all subject imports and *** percent of nonsubject imports in 2022.[13] Foreign industry data and related information are based on the questionnaire responses of two producers and exporters of nails in the UAE, which accounted for all known production of nails in the UAE in 2022.[14]

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."[15] 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 under this subtitle."[16] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigations and consider whether the record indicates any reason to revisit the prior findings.[17]

Commerce has defined the scope of the antidumping duty order in this five-year review as follows:

> *…(C}ertain steel nails having a shaft length up to 12 inches. Certain steel nails include, but are not limited to, nails made of round wire and nails that are cut. Certain steel nails may be of one piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and have a variety of finishes, heads, shanks, point types, shaft lengths and shaft diameters. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, whether by electroplating or hot-dipping one or more times), phosphate cement, and paint. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank*

[13] CR/PR at IV-1.

[14] CR/PR at IV-13.

[15] 19 U.S.C. § 1677(4)(A).

[16] 19 U.S.C. § 1677(10); *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); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[17] *See*, *e.g.*, *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

and fluted shank styles. Screw-threaded nails subject to this Order are driven using direct force and not by turning the fastener using a tool that engages with the head. Point styles include, but are not limited to, diamond, blunt, needle, chisel and no point. Certain steel nails may be sold in bulk, or they may be collated into strips or coils using materials such as plastic, paper, or wire.

Certain steel nails subject to this Order are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.55, 7317.00.65, and 7317.00.75.

Excluded from the scope of this Order are steel nails specifically enumerated and identified in ASTM Standard F 1667 (2011 revision) as Type I, Style 20 nails, whether collated or in bulk, and whether or not galvanized.

Also excluded from the scope of this Order are the following products:

- *non-collated (i.e., hand-drive or bulk), two-piece steel nails having plastic or steel washers (caps) already assembled to the nail, having a bright or galvanized finish, a ring, fluted or spiral shank, an actual length of 0.500" to 8", inclusive; an actual shank diameter of 0.1015" to 0.166", inclusive; and an actual washer or cap diameter of 0.900" to 1.10", inclusive;*
- *non-collated (i.e., hand-drive or bulk), steel nails having a bright or galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500" to 4", inclusive; an actual shank diameter of 0.1015" to 0.166", inclusive; and an actual head diameter of 0.3375" to 0.500", inclusive;*
- *wire collated steel nails, in coils, having a galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500" to 1.75", inclusive; an actual shank diameter of 0.116" to 0.166", inclusive; and an actual head diameter of 0.3375" to 0.500", inclusive;*
- *non-collated (i.e., hand-drive or bulk), steel nails having a convex head (commonly known as an umbrella head), a smooth or spiral shank, a galvanized finish, an actual length of 1.75" to 3", inclusive; an actual shank diameter of 0.131" to 0.152", inclusive; and an actual head diameter of 0.450" to 0.813", inclusive;*
- *corrugated nails. A corrugated nail is made of a small strip of corrugated steel with sharp points on one side;*
- *thumb tacks, which are currently classified under HTSUS 7317.00.10.00;*
- *fasteners suitable for use in powder-actuated hand tools, not threaded and threaded, which are currently classified under HTSUS 7317.00.20 and 7317.00.30;*
- *certain steel nails that are equal to or less than 0.0720 inches in shank diameter, round or rectangular in cross section, between 0.375 inches and 2.5 inches in length, and that are collated with adhesive or polyester film tape backed with a heat seal adhesive; and*

- *fasteners having a case hardness greater than or equal to 50 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, suitable for use in gas actuated hand tools*.[18]

The scope definition set out above is unchanged since the original investigation, and Commerce has issued no scope rulings concerning this order.[19]

Steel nails are small steel bars that are pointed on one end and have some type of head at the other end. They 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). Nails are produced with a number of finishes, depending upon the intended use.[20]

1. Prior Proceedings

In the original investigation, the Commission found a single domestic like product, coextensive with the scope of the investigation, and no party argued otherwise.[21] In the first five-year review, the Commission found that there was no new information on the record that warranted revisiting the domestic like product definition. Absent any argument to the contrary, the Commission again defined a single domestic like product as consisting of nails, coextensive with Commerce's scope.[22]

[18] *Certain Steel Nails From the United Arab Emirates: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 87 Fed. Reg. 80158 (Dec. 29, 2022); *Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order on Certain Steel Nails from the United Arab Emirates* (Dec. 22, 2022); CR/PR at I-18-19.

[19] CR/PR at I-14 n.17.

[20] CR/PR at I-22-25. 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, and 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. *Id*.

[21] *Original Determination*, USITC Pub. 4321 at 5-6.

[22] *First Review*, USITC Pub. 4729 at 5.

2. Current Review

a. Arguments of the Parties

In the current five-year review, Mid Continent states that it agrees with the Commission's definition of domestic like product from the prior proceedings and argues there is no legal or factual basis to alter the definition of the domestic like product in this review.[23] It argues that the domestic like product should continue to be nails coextensive with the scope, as Commerce's scope of merchandise is necessarily the starting point of the Commission's like product analysis.[24]

Respondents argue that the Commission should expand the definition of the domestic like product to include all types of nails, including out-of-scope nails such as roofing nails, finishing nails, and brad nails. They indicate that an expanded definition of the domestic like product would imply including large volumes of out-of-scope roofing nails from China in the available data, and consequently decrease subject import market share.[25] As support, they claim that the domestic industry argued in the recent antidumping and countervailing duty investigations of nails from India, Oman, Sri Lanka, Thailand, and Turkey, that brad, finishing, and roofing nails, which were within the scope of those investigations but outside the scope of this review, should be included within a single domestic like product,[26] and the Commission defined a single domestic like product coextensive with the scope of the investigations.[27] Respondents also concede that in all previous investigations concerning nails, which had differing scope definitions, the Commission defined a single domestic like product consisting of all nails coextensive with the scope of each of the investigations.[28] However, Respondents argue that there is no clear dividing line separating in-scope nails from out-of-scope nails under the Commission's six traditional like product factors.[29]

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[23] Domestic Producer's Prehearing Br. at 2-3.

[24] Domestic Producer's Posthearing Br. at 2-3.

[25] Respondents' Prehearing Br. at 12, 15-16; Respondents' Posthearing Br. Attachment at 40. However, Respondents state that their theory for revocation of the antidumping duty order does not rest on the domestic like product being expanded. *Id*. at 42.

[26] Respondents' Prehearing Br. at 12,15-16, citing *Steel Nails from India, Oman, Sri Lanka, Thailand, and Turkey*, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370 at 13. The scope of this review excludes roofing, brad, and finishing nails, whereas these merchandise are included in the scope of the steel nails from India, Oman, Sri Lanka, Thailand, and Turkey investigations. *Id*. at 7-9; CR/PR at I-25-26.

[27] Respondents' Prehearing Br. at 12.

[28] Respondents' Prehearing Br. at 13.

[29] Respondents' Prehearing Br. at 16-20.

b. Analysis

In the original investigation, the Commission found that all nails coextensive with the scope shared the same basic characteristics and were employed for similar uses, *i.e.*, the building of houses and other structures, decks and fences, cabinets and furniture, and crates and pallets for shipping. The Commission further found that nails of the same type, size, and finish are generally interchangeable so long as they met industry standards. Further, it found nails coextensive with the scope were produced using the same manufacturing facilities, production processes, and production employees; sold through the same channels of distribution, *i.e.*, distributors and end users; and perceived by producers and customers as commodity products. Consequently, the Commission defined a single domestic like product consisting of all nails coextensive with the scope and, in the first review, adopted the same definition of the domestic like product.[30] There is no new information on the record of this review indicating that there has been any change in the factors that led the Commission to define a single domestic like product encompassing all in-scope nails in the prior proceedings.[31]

We are unpersuaded by Respondents' arguments that the domestic like product should be defined to include out-of-scope nails. First, Respondents failed to request the collection of domestic industry data concerning any alternative definition of the domestic like product in their comments on the draft questionnaires.[32] As a consequence, the Commission collected no information from domestic producers, importers, or purchasers concerning their views on the similarities and differences between in-scope and out-of-scope nails under the Commission's traditional six like product factors, nor the data concerning domestic producers' out-of-scope nails that would be necessary to examine the performance of the domestic industry producing the expanded domestic like product advocated by Respondents.[33] [34] Respondents have made

[30] *Original Determination*, USITC Pub. 4321 at 5-6; *First Review*, USITC Pub. 4729 at 4-5.

[31] *See generally* CR/PR at I-18-25.

[32] *See* Respondents' Comments on Draft Questionnaires, EDIS Doc. 792599 (Mar. 16, 2023); Hearing Tr. at 131 (Marshak).

[33] *See* 19 CFR 207.63(b) ("The Commission will disregard subsequent requests for collection of new information absent a showing that there is a compelling need for the information and that the information could not have been requested in the comments on the draft questionnaires."); *see also Consol. Fibers, Inc. v. United States*, 574 F. Supp 2d 1371, 1379 (Ct. Int'l Trade 2008) (holding that "{where} Plaintiffs did not comment on or raise the pricing issues {in comments on the draft questionnaires}… Plaintiffs thus failed to exhaust their administrative remedies with respect to the Commission's collection and analysis of pricing data").

[34] One U.S. producer, ***, reported producing between *** short tons of out-of-scope products, including finishing nails and roofing nails, from 2020 to 2022 and its share of all out-of-scope product was equivalent to a mere *** percent of U.S. production in 2022. CR/PR at I-26 n.41.

no showing that they could not have requested the collection of information relevant to their domestic like product argument in their comments on the draft questionnaires or that there was a compelling need for such information.[35] Second, Respondents' reliance on the Commission's definition of the domestic like product in prior nails investigations is misplaced because the scope of those investigations differed from the scope of this review, where Commerce's scope "necessarily {is} the starting point of the Commission's domestic like product analysis,"[36] and each Commission proceeding is *sui generis*.[37] Therefore, we continue to define a single domestic like product consisting of all nails that are coextensive with Commerce's scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry 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."[38] 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.

In the original investigation, the Commission defined the domestic industry as all U.S. producers of nails. Three producers were subject to possible exclusion under the related parties provision, but the Commission found that appropriate circumstances did not exist to exclude any of them and defined the industry as all producers of nails.[39]

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[35] *See generally*, Respondents' Prehearing Br.; Respondents' Posthearing Br.; Hearing Tr. at 130-131 (Marshak).

[36] *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).

[37] *See*, *e.g.*, *Cleo Inc. v. United States*, 501 F. 3d 1291, 1299 (Fed. Cir. 2007). *Compare* CR/PR at I-18-19 *with Steel Nails from India, Oman, Sri Lanka, Thailand, and Turkey*, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370 at 8-10.

[38] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

[39] *Original Determination*, USITC Pub. 4321 at 6-8. The three related party producers were ***. The Commission found that for each of the firms, the ratio of subject imports to domestic production was extremely low, indicating that the primary interest of each producer was in domestic production. *See Id.*; *Confidential Original Determination*, EDIS Doc. 783469 (May 2, 2012) at 8-9.

In the first review, the Commission found there were no related parties issues, and it again defined the domestic industry to include all domestic producers of nails.[40]

In the current review, Mid Continent agrees with the Commission's prior definition of the domestic industry,[41] and the Respondents take no position on the definition of the domestic industry.[42] Further, the record does not raise any related party issues in this review. Accordingly, consistent with our definition of the domestic like product, we define the domestic industry as all domestic producers of nails.

III. Revocation of the Antidumping Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[43] The Statement of Administrative Action ("SAA") to the Uruguay Round Agreements Act ("URAA"), states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[44] Thus, the likelihood standard is prospective in nature.[45] The U.S. Court of International Trade has found that

[40] *First Review*, USITC Pub. 4729 at 5.

[41] Domestic Producer's Prehearing Br. at 4.

[42] *See generally* Respondents' Prehearing Br.

[43] 19 U.S.C. § 1675a(a).

[44] SAA at 883-84. The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id*. at 883.

[45] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

"likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[46]

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[47] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[48]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[49] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[50] The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.[51]

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[46] *See NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), *aff'd mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion;" "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); *Usinor v. United States*, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[47] 19 U.S.C. § 1675a(a)(5).

[48] SAA at 887. Among the factors that the Commission should consider in this regard are "the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities." *Id*.

[49] 19 U.S.C. § 1675a(a)(1).

[50] 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings since imposition of the order. *See* CR/PR at I-14 n.17.

[51] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[52] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) 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.[53]

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[54]

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[55] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to

[52] 19 U.S.C. § 1675a(a)(2).

[53] 19 U.S.C. § 1675a(a)(2)(A-D).

[54] *See* 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[55] 19 U.S.C. § 1675a(a)(4).

which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.[56]

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[57] The following conditions of competition inform our determination.

1. Prior Proceedings

Demand. In the original investigation, the Commission observed that nails are used in the construction of houses and other structures, and are also used to make furniture and cabinets, as well as crates and pallets for shipping. The parties agreed that demand for nails was strongly influenced by activity in the construction market, particularly the market for residential housing. From 2009 to 2011, seasonally adjusted monthly new housing starts rose gradually, but were well below historic averages. Apparent U.S. consumption of nails rose by 21.5 percent from 2009 to 2011.[58]

In the first review, the Commission observed that construction activity, particularly for residential housing, continued to drive demand for nails in the United States. The record indicated that U.S. demand for nails increased during the POR, with apparent U.S. consumption of nails higher in 2016, at *** short tons, than in any year of the original period of investigation ("POI").[59]

Supply. In the original investigation, the Commission observed that there were 11 producers of nails in the United States.[60] The domestic industry's share of apparent U.S. consumption decreased by 4.8 percentage points from 22.8 percent in 2009 to 17.9 percent in

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[56] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[57] 19 U.S.C. § 1675a(a)(4).

[58] *Original Determination*, USITC Pub. 4321 at 12.

[59] *First Review*, USITC Pub. 4729 at 9; First Review Confidential Staff Report, EDIS Doc. 783465 (June 26, 2017) at Table I-5.

[60] *Original Determination*, USITC Pub. 4321 at 3 n.2. One of the responding U.S. producers halted U.S. production before 2011, while another provided limited information in its questionnaire response. *Id*.

2011. There were several changes in the composition of the domestic industry, as various producers exited the industry, acquired assets of other producers, or consolidated U.S. production facilities and moved some of their production offshore; Mid Continent was acquired by a Mexican firm.[61]

Subject imports increased from supplying 14.3 percent of the U.S. market in 2009 to 20.4 percent in 2011. Nonsubject imports had the largest share of the market in each year from 2009 to 2011 decreasing irregularly from 63.0 percent in 2009 to 61.7 percent in 2011. China was the dominant source of nonsubject nails throughout the POI. In 2008, nails from certain Chinese producers became subject to an antidumping duty order. Itochu Building Products Company Inc., a leading importer of nails, reported that the imposition of antidumping duties on Chinese products in 2008 caused it to switch its primary source of nails from China to the UAE.[62]

In the expedited first five-year review, the Commission observed that there were 12 producers of nails in the United States. Mid Continent, the only responding domestic producer, was the leading U.S. producer of nails, accounting for nearly *** of U.S. production in 2016 and *** percent of apparent U.S. consumption. Subject import market share was *** percent in 2016, lower than during the original investigation. Nonsubject import market share was *** percent in 2016, higher than during the original investigation. China and Taiwan were the largest sources of nonsubject imports.[63]

Substitutability and Other Conditions. In the original investigation, the parties characterized nails as a commodity product with no close substitutes, and also agreed that nails produced to industry specifications were generally interchangeable within type, size, and finish, no matter where they were produced. The Commission observed that nails were offered in a variety of lengths, head, shank and point styles, finishes, and packaging. There were thousands of stock keeping units ("SKUs"), each of which representing a distinct combination of size, style, finish, and packaging, present in the U.S. marketplace. Nails were sold both branded and under private labels.[64]

[61] *Original Determination*, USITC Pub. 4321 at 12.

[62] *Original Determination*, USITC Pub. 4321 at 12.

[63] The antidumping duty order on steel nails from China remained in effect and in 2015, steel nails from Korea, Oman, Malaysia, Taiwan, and Vietnam became subject to antidumping duty orders, and steel nails from Vietnam became subject to a countervailing duty order. *First Review*, USITC Pub. 4729 at 9-10; *Confidential First Review*, EDIS Doc. 783472 (Sept. 29, 2017) at 13-14.

[64] *Original Determination*, USITC Pub. 4321 at 13.

Majorities of U.S. producers, U.S. importers, and purchasers reported that subject imports and the domestic like product were "always" interchangeable. Purchasers identified quality, price, and availability as the three most important factors involved in purchasing decisions. Most purchasers reported that the domestic like product was comparable to subject imports with respect to quality, and either comparable or superior to subject imports with respect to availability. The Commission consequently found that there was a high degree of substitutability between the subject imports and the domestic like product.[65]

The Commission observed that raw materials accounted for a substantial share of the cost of nails. The cost of steel wire rod, the main raw material used to produce nails, fluctuated over the POI, ending higher overall at the end of the period.[66]

In the first review, the Commission stated that there was no indication in the record that there had been any changes that would call into question the Commission's prior findings regarding the degree of substitutability between subject imports and the domestic like product, and the importance of price in purchasing decisions. Accordingly, the Commission found there was a high degree of substitutability between subject imports and the domestic like product and that price played an important role in purchasing decisions.[67] Further, the Commission observed that the prices for wire rod, the principal raw material used to produce nails, fluctuated during the POR and accounted for 60 to 65 percent of cost of goods sold ("COGS").[68]

2. The Current Five-Year Review

Demand. The record indicates that demand for nails continues to be derived primarily from construction activity and influenced by the level of economic activity in the United States.[69] Residential construction activity in the United States generally increased since January 2017, with some decreases in early 2019, the second quarter of 2020, and late 2022 to early 2023.[70] The number of houses under construction increased by 58.0 percent between January 2017 and March 2023.[71] Additionally, the U.S. GDP growth rate was generally positive over the POR, with the exception of the first halves of 2020 and 2022.[72]

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[65] *Original Determination*, USITC Pub. 4321 at 13-14.

[66] *Original Determination*, USITC Pub. 4321 at 14. Raw materials accounted for 65.9 percent of the cost of nails in 2011. *Id*. at V-1.

[67] *First Review*, USITC Pub. 4729 at 11.

[68] *First Review*, USITC Pub. 4729 at 11.

[69] CR/PR at II-14.

[70] CR/PR at II-14.

[71] CR/PR at II-14, Fig. II-5.

[72] CR/PR at II-15.

Most responding U.S. producers, importers, and purchasers reported that demand for nails increased during the 2017-2019 and 2020-2022 periods.[73] A majority of responding U.S. producers and importers and a plurality of responding purchasers reported anticipating that demand will decrease during the 2023-2024 period.[74]

Apparent U.S. consumption of nails increased 20.4 percent from 2020 to 2022, from 748,366 short tons in 2020 to 860,238 short tons in 2021, and 901,369 short tons in 2022.[75] Apparent U.S. consumption was 33.7 percent lower in January-March 2023 ("interim 2023"), at 145,129 short tons, than in January-March 2022 ("interim 2022"), at 219,024 short tons.[76]

Supply. During the POR, nonsubject imports were the largest source of supply in the U.S. market. Their share of apparent U.S. consumption increased from 81.2 percent in 2020 to 85.5 percent in 2022, and was 77.3 percent in interim 2023, down from 85.5 percent in interim 2022.[77] Steel nails from China, Korea, Malaysia, Oman, Taiwan, and Vietnam are subject to antidumping duty orders and steel nails from Vietnam are also subject to a countervailing duty order.[78] The largest sources of nonsubject imports in 2022 include China and Oman.[79]

The domestic industry was the second-largest supplier of nails to the U.S. market. The domestic industry's share of apparent U.S. consumption declined from 18.2 percent in 2020 to 15.3 percent in 2021 and 12.7 percent in 2022; it was higher in interim 2023, at 19.4 percent, than in interim 2022, at 13.1 percent.[80] The domestic industry experienced one new plant opening, one plant closing, and one acquisition during the POR.[81]

The domestic industry's practical production capacity increased throughout the POR, increasing by 13.2 percent from 2020 through 2022; it was 0.4 percent lower in interim 2023

[73] CR/PR at II-17.

[74] CR/PR at II-17, Table II-14. Mid Continent contends that demand is expected to decrease due to increased mortgage rates, a decline in residential construction, and increased inflation, but anticipates that demand will increase in 2024 and 2025. *Id*. at II-17-18, Table II-14. Rich Well asserted that demand increased since the end of 2020 and anticipates demand to remain at the same levels through 2024. *Id*. at II-18.

[75] CR/PR at Tables I-9, C-1.

[76] CR/PR at Tables I-9, C-1.

[77] CR/PR at Tables I-9, C-1.

[78] CR/PR at Table I-2. In 2022, the final phase of the antidumping and countervailing duty investigations on steel nails from India, Oman, Sri Lanka, Thailand, and Turkey resulted in negative determinations from the Commission. *Id*.

[79] CR/PR at II-6, Table IV-3.

[80] CR/PR at Tables I-9, C-1.

[81] CR/PR at Tables III-1 and III-2. Legacy Fasteners LLC ("Legacy") began production in March 2017 after purchasing the assets of Fuzion Fasteners. American Fasteners Co. Ltd. closed its nails business in March 2023 and sold its manufacturing equipment and distribution business to ***. ***. *Id*. at III-1 and Table III-1.

than in interim 2022.[82] The domestic industry's capacity utilization rate decreased from 90.3 percent in 2020 to 73.4 percent in 2022; it was lower in interim 2023 (66.8 percent) than in interim 2022 (73.7 percent).[83]

Subject imports were the smallest source of supply to the U.S. market during the POR but increased as a share of apparent U.S. consumption during the period from 0.6 percent in 2020 to 1.8 percent in 2022. Their market share was 3.3 percent in interim 2023, up from 1.4 percent in interim 2022.[84]

Most responding domestic producers, importers, and purchasers reported experiencing supply constraints from 2020 through the first half of 2022 but eased thereafter.[85] The vast majority of responding firms attributed the supply constraints to labor and material shortages and a reduction in import supply caused by the COVID-19 pandemic.[86] Domestic producers *** reported experiencing production curtailments during the POR.[87]

Substitutability and Other Conditions. We find that there is a high degree of substitutability between the domestic like product and subject imports. Most responding U.S. producers, importers, and purchasers reported that the domestic like product and subject imports were always interchangeable.[88] A majority or plurality of responding purchasers reported that U.S. produced nails were comparable to subject imports with respect to nearly every non-price purchasing factor, including those that most purchasers rated as very important.[89]

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[82] CR/PR at Tables III-4 and C-1. Practical nail capacity was 150,562 short tons in 2020, 158,091 short tons in 2021, and 170,414 short tons in 2022; it was 42,523 short tons in interim 2023 compared to 42,675 short tons in interim 2022. *Id*.

[83] CR/PR at Tables III-4 and C-1. The domestic industry's capacity utilization rate was 90.3 percent in 2020, 84.5 percent in 2021, and 73.4 percent in 2022; it was 66.8 percent in 2023 compared to 73.7 percent in interim 2022. *Id*.

[84] CR/PR at Table I-9, C-1.

[85] CR/PR at II-7. Domestic producers testified that supply constraints were largely resolved as of the second half of 2022. *Id*. at II-5. Respondents stated they did not see any supply constraints in the U.S. market. Respondents' Posthearing Br. Attachment at 66.

[86] CR/PR at II-7.

[87] CR/PR at Table III-1. Responding U.S. producers identified several factors that contributed to their production curtailments during the POR. *** experienced production curtailments in 2018 due to Section 232 duties increasing raw material costs and import prices remaining unaffected by Section 232 duties (until Proclamation 9980). *** and *** experienced production curtailments due to COVID-19. Lastly, *** and *** experienced production curtailments in the third and fourth quarters of 2022 as large volumes of subject imports returned to the U.S. market. *Id*.

[88] CR/PR at Tables II-21-23.

[89] CR/PR at II-24-25 and Tables II-17 & II-20. Most responding purchasers reported U.S. produced nails were inferior to subject imports on availability of private labeling; however a plurality of (Continued…)

We also continue to find that price is an important factor in purchasing decisions. Purchasers most frequently cited price (35 firms), quality (32 firms), and availability (35 firms) as among the three most important factors in purchasing decisions. Price was reported most frequently as the first-most important factor (20 firms), followed by quality (13 firms) and availability (six firms).[90] Additionally, 32 of 42 responding U.S. purchasers named price as a very important factor in purchasing decisions, although a greater number of responding purchasers reported that availability, product consistency, quality meets industry standards, and reliability of supply were also very important in purchasing decisions.[91] A majority of responding purchasers (12 of 18) and half of responding U.S. producers (two of four) and importers (seven of 14), reported that differences other than price between the domestic like product and subject imports were sometimes significant in sales of nails in the U.S. market.[92] Eighteen of 42 responding purchasers reported that they usually (16) or always (2) purchase the lowest-priced product, 18 reported that they sometimes do, and six reported never doing so.[93]

The main raw material used to produce nails is steel wire drawn primarily from wire rod or steel plate and strips.[94] Imports of wire rod from various sources are subject to antidumping and/or countervailing duty orders.[95] Imports of wire rod became subject to an additional 25 percent *ad valorem* duty, or in certain cases, quotas, under Section 232 of the Trade Expansion Act of 1962 ("Section 232"), effective March 23, 2018.[96] Imports of wire rod from China also became subject to additional tariffs of 7.5 percent *ad valorem* under Section 301 of the Trade Act of 1974 ("Section 301"), effective February 14, 2021.[97]

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purchasers rated this purchasing factor as not important. Additionally, a majority or plurality of purchasers rated U.S. produced nails as superior to subject imports on delivery time and technical support/service; a majority of purchasers reported delivery time as very important, and a plurality of purchasers reported technical support/service as somewhat important. *Id*.

[90] CR/PR at II-21 and Table II-16.

[91] CR/PR at II-21 and Table II-17.

[92] CR/PR at Tables II-24-26. Two U.S. producers reported that differences other than price were always significant, and two reported they were sometimes significant. *Id*. at Table II-24.

[93] CR/PR at II-21.

[94] CR/PR at V-1.

[95] *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) at Table I-1.

[96] CR/PR at I-21 n.32. All responding U.S. producers and most importers and purchasers reported that the Section 232 tariffs impacted the nails market during the POR, with increased costs for certain types of wire rod. *Id*. at II-2, Table II-1.

[97] CR/PR at I-15 n.31; *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 3741 (Jan.
(Continued…)

Wire rod prices increased irregularly from January 2017 through March 2023, with prices increasing from 2017 through mid-2018, remaining steady until early 2019, decreasing until the end of 2020, increasing significantly until mid-2022, and then decreasing through the end of March 2023. Prices for wire rod in March 2023 were more than double those in January 2017.[98] Most responding U.S. producers reported that raw material prices fluctuated upward during the 2017-2019 period, while a plurality of responding importers reported that they did not change.[99] Large majorities of responding U.S. producers and importers reported that raw material prices steadily increased from 2020 to 2022.[100] Half of responding U.S. producers and a majority of responding importers reported expecting raw material prices to decline during the 2023-2024 period.[101] Raw materials as a share of the domestic industry's COGS increased throughout the POR, from 63.4 percent in 2020 to 72.7 percent in 2022; they were lower in interim 2023, at 68.9 percent, than in interim 2022, at 70.8 percent.[102]

Imports of certain nails from sources other than Argentina, Australia, Brazil, Canada, European Union member countries, Japan, Mexico, and South Korea, became subject to additional tariffs of 25 percent *ad valorem* under Section 232 in February 2020, after those tariffs were extended to certain derivative steel articles, including a subset of the nails products included in the scope.[103] Imports of nails from China are also subject to tariffs of 25 percent *ad valorem* under Section 301.[104]

22, 2020). A plurality of responding U.S. producers and most importers and purchasers reported that the Section 301 tariffs impacted the nails market during the POR, with increased costs of inputs and finished goods noted as the most frequent impacts during the POR. CR/PR at II-2, Table II-2.

[98] CR/PR at V-1, Figure V-1.

[99] CR/PR at V-2, Table V-1

[100] CR/PR at V-2, Table V-1.

[101] CR/PR at V-2, Table V-1.

[102] CR/PR at V-1, Table III-11.

[103] CR/PR at I-20-21 n.29. In February 2020, three importers initiated litigation seeking suspension of collection of these duties with respect to their imports of nails. In April 2021, the U.S. Court of International Trade ("USCIT") issued a decision holding that the Section 232 tariffs on nails were invalid and contrary to law. In June 2021, the United States appealed this decision to the U.S. Court of Appeals for the Federal Circuit ("CAFC") and obtained a partial stay of the USCIT judgment. The motion for a stay was granted in August 2021, and the CIT ordered suspension of liquidation of the entries affected by the appeal. In February 2023, the CAFC ruled in favor of the United States, finding that imports of derivative steel articles such as nails and fasteners did not exceed the scope of the President's authority. As of this ruling, all importers became subject to these section 232 duties. *Id.* at I-21 n.30. The share of nails from the UAE that were subject to Section 232 duties decreased irregularly from 60.8 percent in 2020 to 66.3 percent in 2021, and 52.2 percent in 2022. *Id*. at I-21 n.31.

[104] CR/PR at I-21 n.32, II-1-2.

C. Likely Volume of Subject Imports

1. Prior Proceedings

In the original investigation, the Commission found that the volume and increase in volume of subject imports was significant, both in absolute terms and relative to consumption and production in the United States. Subject import volume rose from 63,494 short tons in 2009 to 118,558 short tons in 2010, before decreasing slightly to 110,395 short tons in 2011. Over the entire POI, subject import volumes increased by 73.9 percent, while U.S. demand grew by only 21.5 percent. From 2009 to 2011, subject imports gained 6.1 percentage points in market share, while the domestic industry lost 4.8 percentage points. The ratio of subject imports to domestic production was 68.2 percent in 2009, 122.9 percent in 2010, and 113.6 percent in 2011.[105]

The Commission rejected several respondent arguments that attenuated competition between the subject imports and the domestic like product diminished the significance of subject import volumes. It found that the domestic industry and the subject imports offered a comparable product range and were sold through similar channels of distribution, including distributors, original equipment manufacturers, and specialty tool and fastener distributors, and made products under private labels.[106]

In the expedited first five-year review, the Commission found that subject imports had declined since the original investigation but maintained a presence in the U.S. market during the POR.[107] The information available indicated that subject producers had maintained the capacity to produce nails at the levels observed in the original investigation and remained export oriented. The Commission found that the U.S. market would likely be attractive to subject producers if the order were revoked, given their small home market and inability to find other markets to absorb the level of production formerly exported to the United States. Accordingly, the Commission found that subject producers had the ability and incentive to increase exports of subject merchandise to the United States to a significant level if the antidumping duty order were revoked.[108]

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[105] *Original Determination*, USITC Pub. 4321 at 14-15.

[106] *Original Determination*, USITC Pub. 4321 at 14-15. Speciality tool and fastener distributors cater to professional contractors. *Id*. at 17.

[107] Subject import volumes declined following imposition of the order to 46,643 short tons in 2012 and continued to decline through 2014, before increasing to 17,538 short tons in 2015 and 20,968 short tons in 2016. Subject imports' share of the U.S. market in 2016 was *** percent. *First Review*, USITC Pub. 4729 at 12; CR/PR at Table I-3.

[108] *First Review*, USITC Pub. 4729 at 12-13.

2. The Current Five-Year Review

In the current review, subject import volume increased from 2020 to 2022 and was higher in interim 2023 compared to interim 2022.[109] Subject imports increased from 4,328 short tons in 2020 to 10,892 short tons in 2021 and 16,085 short tons in 2022, a level 271.6 percent higher than in 2020.[110] Subject imports were 4,853 short tons in interim 2023, up 58.3 percent from 3,065 short tons in interim 2022, even as apparent U.S. consumption was 33.7 percent lower.[111] Subject imports' share of apparent U.S. consumption increased from 0.6 percent in 2020 to 1.3 percent in 2021, and 1.8 percent in 2022; it was 3.3 percent in interim 2023, up from 1.4 percent in interim 2022.[112]

As an initial matter, the record reflects that the order has had a restraining effect on subject imports. Subject import volumes during the original investigation period ranged between 63,494 short tons and 118,558 short tons, and subject imports' market share ranged between 14.3 percent and 22.3 percent.[113] Subject import volumes declined following the imposition of antidumping duties, and by the time of the first review, subject import volume in the final year of the review period, 2016, had decreased to 20,968 short tons, and subject imports represented only *** percent of the U.S. market.[114]

The record further indicates that the subject industry has the ability to increase its exports to the United States if the order were revoked. The nail industry in the UAE possessed significant and increasing capacity during the POR, as well as available excess capacity. Master Nails and Rich Well commenced operations and *** of nails in 2018 and began exporting nails to the U.S. market during the POR.[115] They reported that their practical nails capacity increased

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[109] CR/PR at Tables I-9, C-1

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

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

[112] CR/PR at Tables I-9, C-1. The ratio of subject imports to U.S. production increased from 3.2 percent to 8.2 percent in 2021 and 12.9 percent in 2022; it was higher in interim 2023 at 17.1 percent, up from 9.7 percent in interim 2022. CR/PR at C-1.

Respondents argue that subject imports' market share in interim 2023 is inflated due to nonsubject imports from Oman mostly exiting the market due to large antidumping duty margin that Oman received following an annual review at Commerce. Respondents' Prehearing Br. at 40-42. We note that subject imports increased from interim 2022 to interim 2023, while nonsubject imports from every top nonsubject source decreased. CR/PR at Tables IV-1, IV-3.

[113] *Original Determination*, USITC Pub. 4321 at 14-15, Table C-1; CR/PR at C-7.

[114] *Original Determination*, USITC Pub. 4321 at 14 n.90; *First Review*, USITC Pub. 4729 at 12; CR/PR at Table I-3.

[115] CR/PR at Table IV-10. Subject producer and exporter Dubai Wire, identified in the original investigation, ceased operations prior to the POR after the death of its CEO, and other subject producers (Continued…)

from *** short tons in 2020 to *** short tons in 2021, and *** short tons in 2022; it was higher in interim 2023, at *** short tons, than in interim 2022 at *** short tons.[116] Even as responding subject producers increased their practical nail capacity utilization from *** percent in 2020 to *** percent in 2022, they maintained substantial excess practical capacity, including excess capacity of *** short tons in 2022.[117] While capacity utilization was higher in interim 2023, at *** percent, than in interim 2022, at *** percent, excess capacity was also higher in interim 2023 compared to interim 2022 due to increased capacity, reflecting the continued expansion of Master Nails and Rich Well through interim 2023.[118] [119]

We also find that the subject industry is export oriented. Export shipments constituted the vast majority of the subject producers' total shipments of nails in each year of the POR, and in both interim periods, increasing from *** percent in 2020 to *** percent in 2022.[120] Responding subject producers reported that their export shipments increased by *** percent from 2020 to 2022, from *** short tons in 2020 to *** short tons in 2021, and *** short tons in 2022, and were higher in interim 2023 (*** short tons) compared to interim 2022 (*** short tons).[121]

The likelihood that subject producers will export significant volumes to the United States in the event of revocation is supported by the fact that the United States remains an attractive export market for subject producers, providing them with the incentive to export significant and increasing volumes of subject merchandise to the United States in the event of

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identified in the original investigation and first five-year review, Precision Fasteners and Overseas Distribution Services, Inc., are also non-operational. CR/PR at I-17, IV-17.

[116] CR/PR at Table IV-11. Subject producers reported that their overall installed capacity increased from *** short tons in 2020, *** short tons in 2021, and *** short tons in 2022; it was *** short tons in interim 2023, up from *** short tons in interim 2022. *Id*. at Table IV-11. *** subject producers reported being able to shift production from out-of-scope merchandise to nails. CR/PR at Table II-5 IV-24.

[117] *Calculated from* CR/PR at Tables I-9, IV-11.

[118] CR/PR at Table IV-11. Subject producers reported that their production of nails increased from *** short tons in 2020, *** short tons in 2021, and *** short tons in 2022; it was higher in interim 2023, at *** short tons, than in interim 2022, at *** short tons. *Id*. at Table IV-11. Excess capacity based on practical nails capacity ranged between a low of *** short tons in 2022 to a high of *** short tons in 2020 and was higher in interim 2023, at *** short tons, than in interim 2022, at *** short tons. *Calculated from* CR/PR at Table IV-11.

[119] U.S. importers' arranged imports of nails from the UAE for the second and the third quarter of 2023 totaled *** short tons, and their end-of-period inventories were low, with *** short tons in 2020 and *** short tons in 2021. CR/PR at Tables IV-6-7. U.S. importers' end-of-period inventories were low, with 10 short tons in 2020 and 29 short tons in 2021. *Id*. at Table IV-6.

[120] CR/PR at Table IV-12. Exports as a share of total shipments were higher in interim 2023, at *** percent, than in interim 2022, at *** percent. *Id*.

[121] CR/PR at Table IV-12.

revocation. Subject imports maintained a significant and increasing presence in the U.S. market during the POR, indicating that subject producers maintained customers and distribution networks. Indeed, responding subject producers shipped the vast majority of their total shipments and exports to the United States during the POR, with exports to the United States accounting for *** percent of their total shipments and *** percent of their total exports in 2022.[122] These data are consistent with GTA data concerning subheading 7317.00, a category that includes nails and out-of-scope products, indicating that the United States was the subject industry's largest single-country export market for such merchandise.[123] Enhancing the attractiveness of the U.S. market to subject producers, the average unit values ("AUVs") of their exports to the United States were consistently higher than the AUVs of their shipments to home market customers during the POR, and higher than the AUVs of their exports to most third country markets.[124]

We are unpersuaded by the Respondents' argument that the subject industry is too small to export a significant volume of nails to the U.S. market after revocation.[125] Given the subject industry's significant capacity, including excess capacity, as well as its focus on the U.S. market and the attractiveness of the U.S. market, the subject industry is likely to utilize its excess capacity to increase production and exports of nails to the U.S. market in the event of revocation. Moreover, subject producers have demonstrated their ability to quickly establish and ramp up production. Although Respondents report that they do not anticipate continuing to expand their capacity as they did over the review period if the order were revoked, the record reflects that producers of nails in the UAE over a sustained period, even under the discipline of the order, have successfully increased shipments to the U.S. market while

[122] CR/PR at Tables IV-12, IV-13. We are unpersuaded by the Respondents' claim that Section 232 duties will restrain subject imports upon revocation. Respondents' Prehearing Brief at 16. Subject imports subject to the Section 232 tariff decreased irregularly from 60.8 percent in 2020 to 66.3 percent in 2021, and 52.2 percent in 2022, and subject import volume significantly increased over the POR. CR/PR at I-21 n.31 and Table IV-1. We consequently find that Section 232 import restrictions are not likely to significantly impede increased volumes of subject imports upon revocation.

[123] CR/PR at Table IV-14. Nails from the UAE have not been subject to antidumping or countervailing duty investigations in other markets during the POR. *Id*. at IV-27.

[124] CR/PR at Tables IV-12-13. We examine AUV data with caution, as we recognize that differences in AUVs may reflect differences in product mix or changes in product mix over time. *** exports to the United States possessed higher AUVs than its exports to all other markets (***) from 2020 to 2022 and in the interim periods, but were lower AUVs than its exports to Asia (***) in 2020 and 2022. *** did not report exports to the European Union during the POR, and did not report exports to Asia in the interim periods. *** Foreign Producer Questionnaire at II-13. *** did not report exports to countries other than the United States during the POR. *** Foreign Producer Questionnaire at II-13.

[125] Respondents' Prehearing Br. at 7-8, 45, 47.

expanding capacity.[126] Further, the record shows the feasibility and likelihood of producers other than Master Nail and Rich Well commencing production of steel nails in the UAE in the reasonably foreseeable if the order is revoked, given the attractiveness of the U.S. market for nails.[127] Mid Continent explained that new nail-making machinery requires a low level of investment, is easily transported, and can be installed and operational in a short period of time.[128] Consistent with Mid Continent's view, responding importer *** asserts that "***."[129]

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[126] CR/PR at Tables IV-11, IV-12; *Confidential Original Determination* at Table VII-1. *See* Hearing Tr. at 117 (Mahesh) ("No, we do not intend to increase our capacity. The main reason for this is that we are a very small company and we have limited resources."); Respondents' Posthearing Br. at Exhibit 2 ("We are filling our orders with {the current} capacity and there are no further plans for any additions in this unit."). As discussed further in Section III.D.3, we note that subject imports during the review period undersold the domestic like product at considerable average margins of underselling while increasing in volume and market share, notwithstanding Respondents' reported interest in maximizing profit. *See* Hearing Tr. at 102 (Mahesh) ("We want to realize a profit on our sales. We will not sell our nails at low prices merely to make a sale or gain market share.").

[127] Indeed, Respondents acknowledge that two other firms produce nails in the UAE, although they do not currently export to the U.S. market. Respondents' Posthearing Br. Attachment at 71 ("it is our understanding that Steel Rack and another company, in fact, produce a small quantity of nails for sale within the UAE home market."); *see* Domestic Producers' Posthearing Br. at Exh. 8. A webpage for Steel Racks Factory states that it sells to importers in Europe and North America. Domestic Producers' Posthearing Br. at Exh. 8.

[128] A representative of Mid Continent asserted that three to four nail production lines, including collating equipment, could be transported on a single rail car. He also claimed that lead times on equipment are as short as 60 to 90 days and new machinery could be delivered and running within 120 days. Hearing Tr. at 47-48 (Pratt). Mid Continent also provided a quote it received that indicated new production lines could be delivered, installed, and a trial operation completed within four months and one week. One quote indicated that a nail-making machine could be acquired for $48,000 with a $14,400 down-payment, and another quote indicated that a full nail production line, that could produce 2,400 nails per minute, cost $210,000. Mid Continent Posthearing Br. Exh. 1 at 4, Exh. 3-6. Mid Continent asserts that one nails production line, producing one of the most time-consuming nails, could produce 4,946 short tons per year. *Id*. at Exh. 7. Although Respondents detail steps required to commence operations in the UAE and argue that barriers to entry exist, Respondents' Posthearing Br. at 13-14, Attachment at 6-10 and Exhibit 9, these claims do not establish that additional producers would be unable or unlikely to commence production within the reasonably foreseeable future.

[129] CR/PR at Table D-1. Mid Continent claims that Oman Fasteners shifted its nails production from the UAE to Oman after imposition of the order on nails from the UAE, and would likely shift its nails production back to the UAE to avoid the disciplining effect of the antidumping duty order on steel nails from Oman. Hearing Tr. at 28 (Smith); Domestic Producer's Posthearing Brief, Attachment at 30-31. A representative of Mid Continent testified that Oman Fasteners was able to move its entire nails operation 400 kilometers to Oman and quickly begin production. Hearing Tr. at 63 (Pratt). Mid Continent suggests Oman Fasteners' experience manufacturing in the UAE and its Dubai branch office would further incentivize it to move back to the UAE. Domestic Producer's Posthearing Brief, Attachment at 31. Although not disputing that Oman Fasteners' shifted its nail production from the UAE (Continued…)

Market participants have also reported that they anticipate increased exports of steel nails from the UAE if the order is revoked. Responding purchaser *** reported that "***," while responding importer *** indicated that if the order were revoked, there would be an increase of low-priced imports of nails from the UAE to the U.S. market.[130] Given its substantial capacity, available excess capacity, export orientation, and focus on the U.S. market, we find that the subject industry as currently constituted is sizeable enough to export a significant volume of nails to the U.S. market following revocation.

Accordingly, based on the foregoing, including the substantial and increasing presence of subject imports in the U.S. market during the POR, the subject producers' substantial capacity, including excess capacity, export orientation, and focus on exports to the U.S. market, and the attractiveness of the U.S. market, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, in the reasonably foreseeable future if the order were revoked.

D. Likely Price Effects

1. Prior Proceedings

In the original investigation, subject imports undersold the domestic like product in 77 out of 103 quarterly comparisons at margins ranging from 0.4 to 45.2 percent. Because the domestic like product and subject imports were close substitutes and price was an important factor in purchasing decisions, the Commission found this underselling to be significant.[131]

Although prices for the domestic like product rose during the POI, the Commission found that subject imports suppressed prices for the domestic like product to a significant degree. The COGS-to-net-sales ratio of the domestic industry increased from 80.7 percent to 84.1 percent from 2009 to 2011. The Commission emphasized that the COGS-to-net-sales ratio increased by 3.5 percentage points from 2009 to 2010, the period during which subject imports realized their most rapid gains and fell by 0.1 percentage points from 2010 to 2011, when subject imports decreased slightly. It consequently found that the domestic industry's ability to raise prices to cover cost increases at a time of rising demand was limited by the presence of

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to Oman after the imposition of the order, Respondents dispute Mid Continent's argument that Oman Fasteners would shift its production of nails to the UAE after revocation, asserting that the antidumping margins on its nails from Oman have been de minimis or zero, that moving its large operations to the UAE would be costly, and that such action would likely lead Mid Continent to file a new antidumping petition with respect to imports from the UAE. Respondents' Posthearing Br. at 14-15.

[130] CR/PR at Table D-1.

[131] *Original Determination*, USITC Pub. 4321 at 18-19.

low-priced subject imports. Further, nine of 12 responding purchasers reported that domestic producers had reduced prices because of competition by subject imports.[132]

In the expedited first five-year review, the Commission did not collect pricing data but found that there was a high degree of substitutability between subject imports and the domestic like product and that price was an important factor in purchasing decisions. Based on the foregoing, the Commission found that underselling would likely recur in order for subject imports to gain market share, forcing the domestic industry to either lower prices or lose sales. Consequently, the Commission found that subject imports would likely significantly undersell the domestic like product and have significant depressing or suppressing effects on prices for the domestic like product upon revocation.[133]

2. The Current Five-Year Review

As discussed in section III.B.2.c above, we have found that there is a high degree of substitutability between the domestic like product and subject imports, and that price is an important factor in purchasing decisions.

The Commission collected pricing data for six pricing products in this review.[134] Three U.S. producers and four importers provided usable pricing data for sales of the requested products, although not all firms reported data for all products for all quarters.[135] Data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. shipments of nails and *** percent of U.S. shipments of subject imports in 2022.[136]

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[132] *Original Determination*, USITC Pub. 4321 at 19.

[133] *First Review*, USITC Pub. 4729 at 13-14.

[134] CR/PR at V-5-6. The Commission requested pricing data for the following products:
Product 1.—Nominal 3" x 0.131" (10.25 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails sold to distributors.
Product 2.—Nominal 3" x 0.131" (10.25 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails sold to retailers.
Product 3.—Nominal 3" x 0.131" (10.25 gauge), bright smooth shank, 20-22 degree paper-strip collated and uncollated nails sold to distributors.
Product 4.—Nominal 3" x 0.120" (11 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails sold to distributors.
Product 5.—Nominal 2" x 0.099" (12.5 gauge), bright screw (threaded), 15 degree wire coil collated nails sold to distributors.
Product 6.—Nominal 2-3/8" x 0.113" (11.5 gauge), bright ring shank, 20-22 degree plastic-strip collated nails sold to distributors. *Id*.

[135] CR/PR at V-6.

[136] CR/PR at V-6. The pricing data reflect U.S. producer and importer prices on sales to unrelated U.S. customers. *Id*. at V-5. We also note that each pricing product definition included the category of (Continued…)

Subject imports undersold the domestic like product in 50 of 64 quarterly comparisons (or 78.1 percent of the time), with *** subject imported nails (or *** percent of reported sales volume) in the quarters associated with underselling, with underselling margins that ranged from 0.2 to 46.4 percent and averaged 27.1 percent. Subject imports oversold the domestic like product in the remaining 14 of 64 quarterly comparisons (or 21.9 percent of the time), with *** subject imported nails (or *** percent of reported sales volume) in the quarters associated with overselling, at overselling margins that ranged from 0.7 to 21.6 percent and averaged 11.6 percent.[137] Thus, notwithstanding the discipline of the order, subject imports predominantly undersold the domestic like product throughout the POR.

Prices for the domestic like product increased overall, but declined *** towards the end of the POR with respect to all six pricing products.[138] Domestic price increases over the POR ranged from *** percent for product *** to *** percent for product ***.[139] Subject import prices increased over the period for the two pricing products for which pricing data spanning the January 2020-March 2023 period are available, with the price increases ranging from *** percent for product *** to *** percent for product ***.[140]

The domestic industry's COGS-to-net-sales ratio decreased from 79.7 percent in 2020 to 74.7 percent in 2021, before increasing to 75.2 percent in 2022; it was higher in interim 2023, at 77.4 percent, than in interim 2022, at 73.3 percent.[141] While the domestic industry's net sales unit value increased by more than increasing unit COGS from 2020 to 2022, its unit net sales value was lower in interim 2023 than in interim 2022 while unit raw material costs and total COGS were higher.[142]

Given the foregoing, including the predominant underselling by subject imports during the POR, the high degree of substitutability between subject imports and the domestic like product, and the importance of price in purchasing decisions, we find that subject imports would likely undersell the domestic like product to a significant degree following revocation of the order, as a means of gaining market share. The significant volume of low-priced subject imports that is likely after revocation would likely cause the domestic industry to either reduce

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customer, whether distributors or retailers, permitting price comparisons on sales to the same category of customer. *Id*. at V-5-6.

[137] CR/PR at Table V-11.

[138] CR/PR at Table V-10.

[139] CR/PR at Table V-10.

[140] CR/PR at Table V-10. Subject import price data comparisons between the first quarter of 2020 and the first quarter of 2023 were unavailable for ***. *Id.*

[141] CR/PR at Tables III-11, C-1.

[142] CR/PR at Tables III-12, C-1.

its prices, forego needed price increases, or risk losing sales and market share to subject imports. Accordingly, we conclude that following revocation, subject imports would likely significantly undersell the domestic like product and have significant price depressing or suppressing effects on the domestic product.

We are unpersuaded by Respondents' argument that subject producers would not be low-priced following revocation because they are motivated by profit, and that they allegedly prefer to lose sales to lower-priced nonsubject imports rather than to lower their own prices.[143] As noted above, subject imports undersold the domestic like product at substantial margins (averaging 27.1 percent) during the POR.[144] Given hearing testimony that subject producers price their nails to be competitive with U.S. market pricing to obtain sales, [145] the predominant underselling by subject imports during the POR indicates that subject producers elected to forego higher prices in favor of increased sales volume. Additionally, although Master Nails provided examples of bids lost to nonsubject imports due to their lower prices, removing the disciplining effect of the order and the potential risk of higher antidumping duty margins following reviews at Commerce would permit subject producers to price their nails more aggressively to win more bids in competition with both nonsubject imports and domestic producers.[146] Thus, given the high degree of substitutability between subject imports and the domestic like product and the importance of price in purchasing decisions, as well as the observed underselling during the POR, the export orientation of the subject industry, and its

[143] Respondents' Prehearing Br. at 54-55; Respondents' Posthearing Br. at 4, Attachment at 36-37.

[144] CR/PR at Tables I-9, V-11, C-1.

[145] Hearing Tr. at 138-39 (Mahesh) ("We definitely want to competitive with the market pricing to make sure the product is saleable.").

[146] Respondents' Prehearing Br. Exhibits 9, 10. We note that a majority of purchasers rated subject and nonsubject imports to be comparable on all purchasing factors. CR/PR at Table II-20.

Respondents argue that Oman Fasteners is likely to return to the U.S. market in the near future as a result of Commerce preliminarily recalculating a zero estimated dumping margin on remand, and that this development would prevent subject imports from increasing or from having adverse price effects. Respondents' Posthearing Brief, Attachment at 4; *see also* CR/PR at IV-2 n.5. Even if nonsubject imports from Oman were to increase, however, such imports would likely result in increased pressure on subject producers to lower their own prices to secure sales against intensified nonsubject import competition, in light of the subject producers' dependence on the U.S. market and the anticipated weakening of U.S. demand for nails. The volume of subject imports was higher in interim 2022 than in interim 2023, while the volume of nonsubject imports was lower. CR/PR at Tables IV-1, IV-3. Furthermore, Commerce's estimated dumping margin of zero for Oman Fasteners remains under appeal, making the ultimate impact of nonsubject imports from Oman on the U.S. market speculative. Respondents' Posthearing Br. at 15.

focus on sales to the attractive U.S. market, we find that subject imports are likely to be priced aggressively following revocation of the order.[147]

We are also unpersuaded by Respondents' argument that subject import volume is likely to be too low to have significant depressing or suppressing effects on prices for the domestic like product.[148] As discussed in section III.C above, we have found that the volume of subject imports would likely be significant both in absolute terms and relative to consumption in the event of revocation of the order. Also, as previously discussed, the record indicates that price is an important purchasing factor in this market and subject imports are highly substitutable with the domestic like product. The record further indicates that for every purchasing factor other than price that was rated as very important by a majority or plurality of purchasers, U.S.-produced nails were rated as superior or comparable to subject imports by a majority of purchasers.[149] In contrast, most responding purchasers rated the U.S.-product to be inferior to subject imports on price (higher priced).[150] Accordingly, it is likely that subject imports will use low prices to win sales in the U.S. market following revocation of the orders. Moreover, subject imports compete directly with the domestic like product for sales in the same channels of distribution and to the same customers.[151] Domestic producers will therefore be forced to either reduce prices to compete with lower-priced subject imports, forego needed price increases, or risk losing sales and market share to subject imports.[152]

We are also unpersuaded by Respondents' argument that subject imports' ability to undersell the domestic like product will continue to be limited by Section 232 duties.[153] Subject

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[147] Purchaser *** indicated that with the order removed it would "***," and importer *** indicated that upon revocation, "***." CR/PR at Table D-1.

[148] Respondents' Prehearing Br. at 47, 55.

[149] CR/PR at Tables II-17, II-20. These factors include availability, delivery terms, delivery time, discounts offered, packaging, product consistency, quality meets industry standards, quality exceeds industry standards, and reliability of supply.

[150] CR/PR at Table II-20.

[151] *See* CR/PR at Table II-3. The domestic like product and subject imports were purchased by several of the same customers in 2022, including ***, ***, ***, ***, ***, and ***. *** Purchaser Questionnaire, EDIS Doc. 795162 (May 1, 2023) at question II-1(b), *** Purchaser Questionnaire, EDIS Doc. 795920 (May 8, 2023) at question II-1(b), *** Purchaser Questionnaire, EDIS Doc. 795921 (May 8, 2023) at question II-1(b), *** Purchaser Questionnaire, EDIS Doc. 795925 (May 8, 2023) at question II-1(b), *** Purchaser Questionnaire, EDIS Doc. 796928 (May 22, 2023) at question II-1(b), and *** Purchaser Questionnaire, EDIS Doc. 796929 (May 22, 2023) at question II-1(b).

[152] For example, *** purchaser *** reported that ***. CR/PR at D-7. We also note that either a majority (U.S. producers and importers) or a plurality of firms (purchasers) reported that they expect U.S. demand to decrease during 2023-2024, *Id*. at Table II-14, which would exacerbate competition for sales with subject imports.

[153] Respondents' Prehearing Br. at 48.

imports increased from 2020 to 2022 and predominately undersold the domestic like product during the POR despite the Section 232 duties.[154] Consequently, we find that Section 232 duties are unlikely to prevent subject producers from underselling the domestic like product after revocation.

Finally, we are unpersuaded by Respondents' argument that purchasers buy subject imports instead of the domestic like product for non-price reasons.[155] The record indicates that price was most frequently cited as the first-most important purchasing factor, and most responding purchasers rated the domestic like product as superior or comparable to subject imports with respect to most non-price purchasing factors.[156]

In sum, we find that if the order were revoked, subject imports would likely undersell the domestic like product to a significant degree and have significant price effects within a reasonably foreseeable time.[157]

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[154] CR/PR at Tables I-9, V-11.

[155] Respondents' Prehearing Br. at 54-56.

[156] CR/PR at Tables II-16, II-20. With respect to price, a majority of purchasers rated U.S.-produced nails as inferior (higher priced) to subject imports.

For many non-price factors, including product consistency, quality meets industry standards, quality exceeds industry standards, discounts offered, minimum quantity requirements, packaging, and payment terms, most responding purchasers reported that U.S.-produced nails and subject imports were comparable, with a majority of the remaining purchasers reporting that U.S.-produced nails were superior with the exception of discounts offered and product range. A plurality of purchasers rated U.S.-produced nails and subject imports as comparable with respect to availability, reliability of supply, and U.S. transportation costs. A majority of purchasers reported that U.S.-produced nails were superior to subject imports with respect to delivery time. A plurality of purchasers rated U.S. produced nails as superior to subject imports with respect to technical support/service, with most of the remaining purchasers rating them comparable. A plurality of purchasers reported that private labeling is not important. CR/PR at Tables II-17, II-20.

Additionally, a majority of responding purchasers reported that subject and nonsubject imports were comparable with respect to most purchasing factors, with a majority of the remaining purchasers reporting that subject imports were inferior to nonsubject imports in terms of the factors. CR/PR at Table II-20.

[157] Respondents argue that subject imports were priced higher than nonsubject imports. Respondents' Prehearing Br. at 54-55; Respondents' Posthearing Br. at 10-11. We note that the majority (10 of 13) of responding purchasers rated subject and non-subject imports as comparable on price, two rated subject imports inferior (higher priced), and only one rated subject imports as superior on price to nonsubject imports. CR/PR at Table II-20. Even if subject imports were priced higher than nonsubject imports, it does not detract from the significant observed underselling of the domestic like product by subject imports during the POR, the likely significant underselling of the domestic product following revocation of the order, and the negative pricing pressure that the likely significant volume of subject imports would have on the domestic product following revocation.

E. Likely Impact

1. Prior Proceedings

In the original investigation, the Commission found that most of the domestic industry's performance indicators had been bolstered by a strong increase in apparent U.S. consumption. The industry's market share declined, as did U.S. shipments, notwithstanding increased apparent U.S. consumption. Almost all employment-related factors declined substantially. Declining shipments, in conjunction with the cost/price squeeze caused by the low-priced subject imports, led to drops in sales revenues and operating performance. The domestic industry's financial performance indicators generally declined in a climate of increasing demand.[158] The Commission concluded that significant volumes of subject imports pervasively undersold the domestic like product and caused the domestic industry to lose sales and market share to the subject imports, while employment and wages also fell.[159]

The Commission also examined several alternative causes of injury. It found that, because apparent U.S. consumption increased during the POI, demand trends could not explain the industry's declining performance. It found that the reorganized structure of one domestic producer, which during the POI consolidated some of its U.S. production operations and moved others offshore, could not explain significant trends in certain performance factors of the domestic industry, such as the sharp decline in hourly wages, continued low capacity utilization, the significant drop in unit labor costs, or the loss of almost 5 percentage points of market share to subject imports.[160] The Commission found that nonsubject imports, which lost market share to subject imports during the POI and generally oversold both subject imports and the domestic like product, could not explain the domestic industry's observed declines in output, market share, and financial performance.[161]

In the expedited first review, the Commission observed there was limited comparability between the domestic industry data in the original investigation and first review, given that ten domestic producers provided complete questionnaires in the original investigation, and only one provided information in the first review; it concluded that the limited record was insufficient for it to make a finding as to whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of the revocation of the order.[162]

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[158] *Original Determination*, USITC Pub. 4321 at 20-21.
[159] *Original Determination*, USITC Pub. 4321 at 23.
[160] *Original Determination*, USITC Pub. 4321 at 12, 22.
[161] *Original Determination*, USITC Pub. 4321 at 22-23.
[162] *First Review*, USITC Pub. 4729 at 15.

However, based on the information on the record, the Commission found that, should the order be revoked, the likely significant volume and price effects of the subject imports would likely have a significant impact on the domestic industry.[163] In its non-attribution analysis, the Commission found there was no indication nonsubject imports would prevent subject import volumes from increasing, given the export orientation of the subject industry and attractiveness of the U.S. market. Given the high degree of substitutability and importance of price, the Commission found that low-priced subject imports would likely take significant market share from the domestic industry upon revocation, despite significant volumes of nonsubject imports in the U.S. market, and have adverse effects on the domestic industry distinct from nonsubject imports.[164]

2. The Current Five-Year Review

The domestic industry's operating performance generally worsened from 2020 to 2022, with declining production, capacity utilization, U.S. shipments, and market share, while its employment-related measures and financial performance generally improved. Between the interim periods, by contrast, the industry gained market share while its financial performance weakened.

The domestic industry's practical nails production capacity increased from 2020 to 2022 by 13.2 percent, but was 0.4 percent lower in interim 2023 compared to interim 2022.[165] Its production decreased by 8.0 percent from 2020 to 2022 and was 9.6 percent lower in interim 2023 compared to interim 2022.[166] As the domestic industry's production decreased, the industry's capacity utilization rate decreased by 16.9 percentage points from 2020 to 2022 and was 6.9 percentage points lower in interim 2023 compared to interim 2022.[167]

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[163] *First Review*, USITC Pub. 4729 at 15-16.

[164] *First Review*, USITC Pub. 4729 at 15-16.

[165] The domestic industry's practical nail capacity increased from 150,562 short tons in 2020, to 158,091 short tons in 2021, and 170,414 short tons in 2022; it was 42,523 short tons in interim 2023 compared to 42,675 short tons in interim 2022. The industry's practical overall capacity increased from 151,262 short tons in 2020, to 159,441 short tons in 2021, and 171,214 short tons in 2022; it was 42,748 short tons in interim 2023 compared to 42,800 short tons in interim 2022. CR/PR at Table III-4, C-1.

[166] The domestic industry's production declined from 135,945 short tons in 2020, to 133,524 short tons in 2021, and 125,130 short tons in 2022; it was 28,420 short tons in interim 2023 compared to 31,445 short tons in interim 2022. CR/PR at Tables III-4, C-1.

[167] The domestic industry's practical capacity utilization rate declined from 90.3 percent in 2020, to 84.5 percent in 2021, and 73.4 percent in 2022; it was 66.8 percent in interim 2023, down from 73.7 percent in interim 2022. CR/PR at Tables III-4, C-1.

The domestic industry's employment-related indicators generally improved during the POR, with the exception of productivity. The number of production related workers ("PRWs"), wages paid, hourly wages, and hours worked, all increased between 2020 and 2022.[168] PRWs, wages paid, and hourly wages were all higher in interim 2023 than interim 2022, while hourly wages remained the same.[169] As U.S. production decreased, productivity decreased from 2020 to 2022 and was lower in interim 2023 compared to interim 2022.[170]

The quantity of the domestic industry's total U.S. shipments and net sales decreased between 2020 and 2022 and were lower in interim 2023 compared to interim 2022.[171] The domestic industry's share of apparent U.S. consumption decreased 5.5 percentage points during the 2020-2022 period, from 18.2 percent in 2020 to 12.7 percent in 2022, but was 6.2 percentage points higher in interim 2023, at 19.4 percent, than in interim 2022, at 13.1 percent.[172] The industry's end-of-period inventories, both in absolute terms and as a share of U.S. shipments, increased irregularly from 2020 to 2022 and were higher in interim 2023 compared to interim 2022.[173]

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[168] The number of PRWs increased from 719 workers in 2020, to 745 workers in 2021, and 816 workers in 2022; it was 808 workers in interim 2023 compared to 758 workers in interim 2022. CR/PR at Tables III-10, C-1.

Wages paid increased from $24.4 million in 2020, to $27.3 million in 2021, and $36.1 million in 2022; they were $9.0 million in interim 2023 compared to $7.9 million in interim 2022. CR/PR at Tables III-10, C-1.

Hourly wages increased from $16.07 in 2020, to $17.50 in 2021, and $21.20 in 2022; they were $21.03 in interim 2023 compared to $18.47 in interim 2022. CR/PR at Tables III-10, C-1.

Hours worked increased from 1.5 million in 2020, to 1.6 million in 2021, and 1.7 million in 2022; they were 428,000 in interim 2022 and interim 2023. CR/PR at Tables III-10, C-1.

[169] CR/PR at Tables III-13, C-1.

[170] Productivity in short tons per thousand hours declined from 89.7 short tons in 2020, to 85.7 short tons in 2021, and 73.5 short tons in 2022; it was 66.4 short tons in interim 2023, down from 73.5 short tons in interim 2022. CR/PR at Tables III-10, C-1.

[171] U.S. producers' U.S. shipments declined from 136,226 short tons in 2020, to 131,656 short tons in 2021, and 114,413 short tons in 2022; they were 28,101 short tons in interim 2023 compared to 28,787 short tons in interim 2022. CR/PR at Tables III-8, C-1. The domestic industry's net sales quantity declined from 138,671 short tons in 2020, to 134,180 short tons in 2021, and 116,519 short tons in 2022; they were 28,740 short tons in interim 2023 compared to 29,833 short tons in interim 2022. CR/PR at Tables III-11, C-1.

[172] The domestic industry's share of apparent U.S. consumption declined from 18.2 percent in 2020, to 15.3 percent in 2021, and 12.7 percent in 2022; it was 19.4 percent in interim 2023 compared to 13.1 percent in interim 2022. CR/PR at Tables I-9, C-1.

[173] The domestic industry's end-of-period inventories declined from 18,635 short tons in 2020 to 17,811 short tons in 2021, before increasing to 26,274 short tons in 2022; they were 26,179 short tons in interim 2023 compared to 20,644 short tons in interim 2022. CR/PR at Tables III-9, C-1. As a share of U.S. shipments, end-of-period inventories declined from 13.7 percent in 2020 to 13.5 percent in 2021, (Continued…)

The domestic industry's financial performance substantially improved from 2020 to 2022 but was weaker in interim 2023 compared to interim 2022. The domestic industry's net sales revenues,[174] gross profits,[175] operating income,[176] net income,[177] and return on assets[178] increased overall between 2020 and 2022, but each of these measures was lower in interim 2023 than in interim 2022. The domestic industry's COGS-to-net-sales ratio decreased irregularly from 2020 to 2022, from 79.7 percent in 2020 to 75.2 percent in 2022, but was higher in interim 2023, at 77.4 percent, than in interim 2022, at 73.3 percent.[179] The domestic industry's operating and net income to sales margins both increased irregularly by 5.5 percentage points from 2020 to 2022, but were 5.2 percentage points lower in interim 2023 than in interim 2022.[180] The industry's capital expenditures and research and development expenses increased by 4.6 percent and *** percent, respectively, from 2020 to 2022. Its capital expenditures were 100.8 percent higher in interim 2023 than interim 2022, while research and development expenses were *** percent lower.[181]

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before increasing to 23.0 percent in 2022; they were 23.3 percent in interim 2023 and 17.9 percent in interim 2022. *Id.* at Table III-9.

[174] The domestic industry's net sales increased from $228.8 million in 2020, to $291.2 million in 2021, and $344.2 million in 2022; they were $77.8 million in interim 2023, down from $81.1 million in interim 2022. CR/PR at Tables III-11, C-1.

[175] Gross profits increased from $46.4 million in 2020, to $73.6 million in 2021, and $85.4 million in 2022; they were $17.6 million in interim 2023, down from $21.6 million in interim 2022. CR/PR at Tables III-11, C-1.

[176] Operating income increased from $21.4 million in 2020, to $44.6 million in 2021, and $51.2 million in 2022; they were $9.6 million in interim 2023, down from $14.2 million in interim 2022. CR/PR at Tables III-11, C-1.

[177] Net income increased from $22.6 million in 2020, to $46.4 million in 2021, and $52.9 million in 2022; it was $10.0 million in interim 2023, down from $14.7 million in interim 2022. CR/PR at Tables III-11, C-1.

[178] The domestic industry's return on assets increased from 8.0 percent in 2020, to 15.0 percent in 2021, and 15.3 percent in 2022. CR/PR at Table III-20.

[179] The domestic industry's COGS-to-net-sales ratio declined from 79.7 percent in 2020 to 74.7 percent in 2021, before increasing slightly to 75.2 percent in 2022; it was 77.4 percent in interim 2023 up from 73.3 percent in interim 2022. CR/PR at Tables III-11, C-1.

[180] The domestic industry's operating income margin increased from 9.4 percent in 2020 to 15.3 percent in 2021, before declining slightly to 14.9 percent in 2022; it was 12.3 percent in interim 2023 compared to 17.5 percent in interim 2022. CR/PR at Tables III-11, C-1.

The domestic industry's net income margin increased from 9.9 percent in 2020 to 15.9 percent in 2021, before declining slightly to 15.4 percent in 2022; it was 12.8 percent in interim 2023 down from 18.1 percent in interim 2022. CR/PR at Tables III-11, C-1.

[181] Capital expenditures declined from $7.3 million in 2020 to $6.9 million in 2021, but increased to $7.7 million in 2022; they were $3.4 million in interim 2023, up from $1.7 million in interim 2022. CR/PR at Tables III-15, C-1.

(Continued…)

In assessing the vulnerability of the domestic industry, we observe that the industry's employment and financial indicators improved from 2020 to 2022, as noted above. Although domestic prices and the domestic industry's financial performance deteriorated in 2022 and between interim periods, they remained above the levels that prevailed in 2020. In particular, the industry's unit net sales value was lower in interim 2023 than in interim 2022, while its unit COGS was higher, resulting in an elevated COGS-to-net-sales ratio and correspondingly weaker financial performance. In addition, the industry's production, capacity utilization, productivity, and U.S. shipments declined throughout the POR, with its capacity utilization reaching a POR-low in interim 2023, and demand is expected to decline during the 2023-2024 period.[182] Nevertheless, on balance, we do not find that the domestic industry is currently in a vulnerable condition.

As discussed above, we have found that the volume of subject imports would likely be significant if the order under review were revoked, especially given the export orientation of the subject industry and the attractiveness of the U.S. market, and that subject imports would likely undersell the domestic like product to a significant degree to gain sales, forcing the domestic industry to either cut prices or forgo price increases, or else lose sales and market share to subject imports. Consequently, the likely significant volume of low-priced subject imports and their significant price effects would likely adversely impact the production, shipments, and revenues of the domestic industry, which, in turn, would have an adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary investments. We conclude that, if the order were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.[183]

Research and development expenses increased from *** in 2020, to *** in 2021, and *** in 2022; they were *** in interim 2023 down from *** in interim 2022. CR/PR at Tables III-17, C-1. The industry's assets and return on assets both increased from 2020 to 2022 by *** percent and *** percentage points, respectively. *See* CR/PR at Tables III-19, III-20.

[182] The industry's unit net sales value was $13 per short ton lower in interim 2023 than in interim 2022, while unit COGS were $101 per short ton higher. CR/PR at III-11.

[183] We are unpersuaded by Respondents' argument that because the domestic industry improved its performance by many measures during the POR, subject imports could have no adverse impact on the industry if the order were revoked. Respondents' Prehearing Br. at 56-63. The industry's production and U.S. shipment quantity decreased throughout the POR despite the resolution of supply constraints in 2022, and its end-of-period inventories increased in 2022 and between interim periods. Additionally, the industry's COGS-to-net-sales ratio increased, while its financial performance declined from 2021 to 2022 and in interim 2023 compared to interim 2022. CR/PR at Table C-1. Moreover, improvements in the domestic industry's performance since imposition of the order on nails from the UAE resulted in part from the disciplining effect of the order.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports. Although nonsubject imports have increased their presence in the U.S. market, and accounted for 85.5 percent of apparent U.S. consumption in 2022, there is no information on the record indicating that the presence of nonsubject imports would prevent subject imports from entering the U.S. market in significant quantities after revocation of the order.[184] Any downward pricing pressure on domestic prices from competition with or among nonsubject imports would not prevent subject imports from entering at low prices and negatively affecting sales prices for nails in the U.S. market, in light of the conditions of competition.[185] Given the high degree of substitutability between subject imports and the domestic like product and the importance of price in purchasing decisions, we find that the significant volume of low-priced subject imports that is likely after revocation would compete for sales and market share on the basis of price with the domestic industry and/or depress or suppress prices for the domestic like product.[186] Consequently, we find that subject imports would likely cause adverse effects on the domestic industry that are distinct from those of nonsubject imports in the event of revocation.

Although apparent U.S. consumption increased 20.4 percent from 2020 to 2022, it was 33.7 percent lower in interim 2023 than in interim 2022, and a majority of responding U.S. producers and importers reported anticipating that demand for nails will decline during the 2023-2024 period.[187] To the extent that U.S. demand continues to decline within a reasonably foreseeable time, the significant volume of low-priced subject imports that is likely after revocation of the order would exacerbate the impact of declining demand on the domestic industry.

In sum, we conclude that, if the order were revoked, subject imports from the UAE would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

[184] CR/PR at Table I-9.

[185] We note that a majority of purchasers rated subject and nonsubject imports to be comparable on all purchasing factors. CR/PR at Table II-20.

[186] Even if subject imports were priced higher than nonsubject imports, this does not detract from the observed underselling of the domestic like product by subject imports while under the order. Pricing pressure from nonsubject imports would not prevent subject imports from underselling the domestic like product or having downward price pressure on the domestic like product.

[187] A plurality of responding purchasers expect demand to decrease. CR/PR at II-17, Table II-14.

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping duty order on nails from the UAE would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Part I: Introduction

Background

On September 1, 2022, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted a review to determine whether revocation of the antidumping duty order on steel nails from the United Arab Emirates ("UAE") would be likely to lead to continuation or recurrence of material injury to a domestic industry.[2] [3] On December 5, 2022, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act.[4] Table I-1 presents information relating to the background and schedule of this proceeding.[5]

[1] 19 U.S.C. 1675(c).

[2] 87 FR 53777, September 1, 2022. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of a five-year review of the subject antidumping duty order. 87 FR 53727, September 1, 2022.

[4] 87 FR 79907, December 28, 2022. The Commission found that both the domestic and respondent interested party group responses to its notice of institution were adequate and determined that it should proceed to a full review of the antidumping duty order.

[5] The Commission's notice of institution, notice to conduct a full review, and notice of scheduling the review are referenced in appendix A and may also be found at the Commission's web site (*www.usitc.gov*). Commissioners' votes on whether to conduct an expedited or full review may also be found at the web site. Appendix B presents the witnesses who appeared at the Commission's hearing.

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

Effective date	Action
May 10, 2012	Commerce's antidumping duty order on steel nails from the UAE (77 FR 27421, May 10, 2012)
October 19, 2017	Commerce's continuation of antidumping duty order on steel nails from the UAE (82 FR 48681, October 19, 2017)
September 1, 2022	Commerce's initiation of five-year review (87 FR 53727, September 1, 2022)
September 1, 2022	Commission's institution of five-year review (87 FR 53777, September 1, 2022)
December 5, 2022	Commission's determination to conduct a full five-year review (87 FR 79907, December 28, 2022)
December 29, 2022	Commerce's final results of its expedited five-year review of the antidumping duty order (87 FR 80158, December 29, 2022)
February 6, 2023	Commission's scheduling of the review (88 FR 8457, February 9, 2023)
June 29, 2023	Commission's hearing
August 9, 2023	Commission's vote
August 28, 2023	Commission's determination and views

The original investigation

The original investigation resulted from a petition filed with Commerce and the Commission by Mid Continent Nail Corp., Poplar Bluff, Missouri, on March 31, 2011, alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of steel nails from the UAE.[6] Following notification of a final determination by Commerce that imports of steel nails from the UAE were being sold at LTFV,[7] the Commission determined on May 2, 2012 that a domestic industry was materially injured by reason of LTFV imports of steel nails from the UAE.[8] Commerce published the antidumping duty order on steel nails from the UAE on May 10, 2012.[9]

[6] Certain Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Final), USITC Publication 4321, May 2012, p. I-1.

[7] 77 FR 17029, March 23, 2012; subsequently amended per 77 FR 27421, May 10, 2012.

[8] 77 FR 27080, May 8, 2012.

[9] 77 FR 27421, May 10, 2012.

The first five-year review

On April 3, 2017, the Commission instituted the first five-year review on steel nails from the UAE.[10] On July 7, 2017, the Commission determined that it would conduct an expedited review of the antidumping duty order.[11] On August 7, 2017, Commerce determined that revocation of the antidumping duty order on steel nails from the UAE would be likely to lead to continuation or recurrence of dumping.[12] On September 29, 2017, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.[13] Following an affirmative determination in the five-year review by Commerce and the Commission, effective October 19, 2017, Commerce issued a continuation of the antidumping duty order on imports of steel nails from the UAE.[14]

Previous and related investigations

The Commission has conducted a number of previous and related import injury investigations on steel nails or similar merchandise, as presented in table I-2.

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

Date	Number	Country	ITC original determination	Current status of order
1977	AA1921-189	Canada	Negative	No order issued.
1979	731-TA-26	South Korea	Negative	No order issued.
1981	731-TA-45	Japan	---	ITA terminated preliminary investigation.
1981	731-TA-46	South Korea	Affirmative	ITA revoked order: 10/01/1985.
1981	731-TA-47	Yugoslavia	---	ITC negative preliminary determination, investigation terminated.
1982	701-TA-145	South Korea	---	ITA negative final determination, investigation terminated.

Table continued.

[10] 82 FR 16229, April 3, 2017.
[11] 82 FR 37112, August 8, 2017.
[12] 82 FR 36731, August 7, 2017.
[13] 82 FR 46519, October 5, 2017.
[14] 82 FR 48681, October 19, 2017.

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

Date	Number	Country	ITC original determination	Current status of order
1984	TA-201-51	Global	Affirmative	Not applicable.
1985	731-TA-266	China	Affirmative	ITA revoked order: 09/03/1987.
1985	731-TA-267	Poland	---	Petition withdrawn; investigation terminated.
1985	731-TA-268	Yugoslavia	---	Petition withdrawn; investigation terminated.
2001	TA-201-73	Global	Negative	Not applicable.
2007	731-TA-1114	China	Affirmative	ITA continuation order: 12/03/2019.
2007	731-TA-1115	UAE	---	ITA final negative determination, investigation terminated.
2014	701-TA-515	India	---	ITC negligibility determination in preliminary, investigation terminated.
2014	701-TA-516	South Korea	---	ITA negative final determination, investigation terminated.
2014	701-TA-517	Malaysia	---	ITA negative final determination, investigation terminated.
2014	701-TA-518	Oman	---	ITA negative final determination, investigation terminated.
2014	701-TA-519	Taiwan	---	ITA negative final determination, investigation terminated.
2014	701-TA-520	Turkey	---	ITC negligibility determination in preliminary, investigation terminated.
2014	701-TA-521	Vietnam	Affirmative	ITA continuation order effective: 06/22/2021.
2014	731-TA-1251	India	---	ITC negligibility determination in preliminary, investigation terminated.
2014	731-TA-1252	South Korea	Affirmative	ITA continuation order effective: 06/22/2021.
2014	731-TA-1253	Malaysia	Affirmative	ITA continuation order effective: 06/22/2021.
2014	731-TA-1254	Oman	Affirmative	ITA continuation order effective: 06/22/2021.

Table continued.

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

Date	Number	Country	ITC original determination	Current status of order
2014	731-TA-1255	Taiwan	Affirmative	ITA continuation order effective: 06/22/2021.
2014	731-TA-1256	Turkey	---	ITC negligibility determination in preliminary, investigation terminated.
2014	731-TA-1257	Vietnam	Affirmative	ITA continuation order effective: 06/22/2021.
2021	701-TA-673	India	Negative	ITC negative final determination, no order issued.
2021	701-TA-674	Oman	Negative	ITC negative final determination, no order issued.
2021	701-TA-675	Sri Lanka	---	ITC negligibility determination in final, investigation terminated.
2021	701-TA-676	Thailand	---	ITA negative final determination, investigation terminated.
2021	701-TA-677	Turkey	Negative	ITC negative final determination, no order issued.
2021	731-TA-1580	India	Negative	ITC negative final determination, no order issued.
2021	731-TA-1581	Sri Lanka	---	ITA negative final determination, investigation terminated.
2021	731-TA-1582	Thailand	Negative	ITC negative final determination, no order issued.
2021	731-TA-1583	Turkey	Negative	ITC negative final determination, no order issued.

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

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

Summary data

Table I-3 presents a summary of data from the original investigation, expedited first five-year review, and the current full five-year review.[15] Table I-4 and figure I-1 present apparent U.S. consumption during 2011 (the terminal year of the original investigation), 2016 (the terminal year of the expedited first review), and 2017-22.

Apparent U.S. consumption by quantity was 66.6 percent higher in 2022 than in 2011, and was 145.7 percent higher by value. U.S. producers' share of apparent U.S. consumption by quantity was 5.2 percentage points lower in 2022 than in 2011, while subject importers' share was 18.6 percentage points lower and nonsubject importers' share was 23.8 percentage points higher. U.S. producers' capacity was 49.2 percent lower in 2022 than in 2011,[16] while production was 28.8 percent higher. The capacity utilization ratio was 44.4 percentage points higher in 2022 than in 2011. The quantity of U.S. producers' U.S. shipments was 17.8 percent higher in 2022 than in 2011, while the quantity of U.S. importers' subject imports was 85.4 percent lower. The average unit value of U.S. producers' U.S. shipments was 54.0 percent higher in 2022 than in 2011, while the average unit value of U.S. importers' subject imports was 94.4 percent higher. U.S. producers' net sales quantity and value increased by 22.5 and 96.3 percent, respectively, more than offsetting higher costs and expenses. U.S. producers' operating income to sales ratio was 11.4 percentage points higher in 2022 than in 2011.

[15] For a detailed discussion of data coverage in each proceeding, please see "U.S. producers" and "U.S. importers" sections of Part I of this report.

[16] For 2022, practical steel nails capacity is presented. Practical capacity is the level of production of steel nails that a firm's establishment(s) could reasonably have expected to attain based on the actual product mix experienced over the period.

Table I-3
Steel nails: Comparative data from the original investigation and subsequent reviews, 2011, 2016, and 2022

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

Item	Measure	2011	2016	2022
Apparent consumption	Quantity	541,138	***	901,369
U.S. producers market share	Share of quantity	17.9	***	12.7
UAE market share	Share of quantity	20.4	***	1.8
Nonsubject market share	Share of quantity	61.7	***	85.5
Import market share	Share of quantity	82.1	***	87.3
Apparent consumption	Value	776,423	***	1,907,908
U.S. producers market share	Share of value	23.7	***	17.5
UAE market share	Share of value	16.8	***	1.9
Nonsubject market share	Share of value	59.5	***	80.6
Import market share	Share of value	76.3	***	82.5
UAE	Quantity	110,395	20,968	16,085
UAE	Value	130,417	17,742	36,933
UAE	Unit value	$1,181	$846	$2,296
Nonsubject sources	Quantity	333,680	692,345	770,871
Nonsubject sources	Value	462,217	709,904	1,537,348
Nonsubject sources	Unit value	$1,385	$1,025	$1,994
All import sources	Quantity	444,075	713,313	786,956
All import sources	Value	592,634	727,646	1,574,281
All import sources	Unit value	$1,335	$1,020	$2,000

Table continued.

Table I-3 continued
Steel nails: Comparative data from the original investigation and subsequent reviews, 2011, 2016, and 2022

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

Item	Measure	2011	2016	2022
Capacity	Quantity	335,364	***	170,414
Production	Quantity	97,182	***	125,130
Capacity utilization	Ratio	29.0	***	73.4
Producer U.S. shipments	Quantity	97,063	***	114,413
Producer U.S. shipments	Value	183,789	***	333,627
Producer U.S. shipments	Unit value	$1,894	***	$2,916
Producer inventories	Quantity	12,101	NA	26,274
Producer inventory ratio to total shipments	Ratio	12.2	NA	***
Production workers (number)	Noted in label	506	NA	816
Hours worked (in 1,000 hours)	Noted in label	1,076	NA	1,703
Wages paid (1,000 dollars)	Value	14,908	NA	36,112
Hourly wages (dollars per hour)	Value	$13.85	NA	$21.20
Productivity (short tons per 1,000 hours)	Noted in label	90.3	NA	73.5
Net sales	Quantity	95,080	NA	116,519
Net sales	Value	175,329	***	344,166
Net sales	Unit value	$1,844	NA	$2,954
Cost of goods sold	Value	147,498	***	258,733
Gross profit or (loss)	Value	27,831	***	85,433
SG&A expense	Value	21,655	***	34,277
Operating income or (loss)	Value	6,176	***	51,156
Unit COGS	Unit value	$1,551	NA	$2,221
Unit operating income	Unit value	$65	NA	$439
COGS/ Sales	Ratio	84.1	***	75.2
Operating income or (loss)/ Sales	Ratio	3.5	***	14.9

Source: Office of Investigations memorandum INV-KK-039 (April 6, 2012), memorandum INV-PP-082 (June 26, 2017), official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Note: Data for 2011 are from the last year of the original investigation; data for 2016 are from the last year of the expedited first review; and data for 2022 are from the last year of this second full review.

Note: Because the Commission conducted an expedited first five-year review, certain data were not collected. Information not available is presented as “NA”. HTSUS statistical reporting number 7317.00.5501 was included in the 2017 expedited review; however, it was excluded in the original proceeding, and it is excluded in this review because it is believed to contain only products outside the scope of this review (i.e., collated roofing nails).

Table I-4
Steel nails: U.S. producers' U.S. shipments and U.S. importers' imports during 2011, 2016, and 2017-22

Quantity in short tons

Source	Measure	2011	2016	2017	2018	2019
U.S. producers	Quantity	97,063	***	142,692	130,896	110,613
Subject sources	Quantity	110,395	20,968	3,055	287	1,701
Nonsubject sources	Quantity	333,680	692,345	726,732	782,689	684,809
All import sources	Quantity	444,075	713,313	729,787	782,976	686,510
All sources	Quantity	541,138	***	872,479	913,872	797,123

Table continued

Table I-4 continued
Steel nails: U.S. producers' U.S. shipments and U.S. importers' imports during 2011, 2016, and 2017-22

Quantity in short tons

Source	Measure	2020	2021	2022
U.S. producers	Quantity	136,226	131,656	114,413
Subject sources	Quantity	4,328	10,892	16,085
Nonsubject sources	Quantity	607,811	717,690	770,871
All import sources	Quantity	612,140	728,582	786,956
All sources	Quantity	748,366	860,238	901,369

Source: Office of Investigations memorandum INV-KK-039 (April 6, 2012), memorandum INV-PP-082 (June 26, 2017), official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Figure I-1
Steel nails: U.S. producers' U.S. shipments and U.S. importers' imports during 2011, 2016, and 2017-22

* * * * * * *

Source: Office of Investigations memorandum INV-KK-039 (April 6, 2012), memorandum INV-PP-082 (June 26, 2017), official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account—*
>
> *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
>
> *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
>
> *(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
>
> *(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . .*
>
> *(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including—*
>
> (A) *any likely increase in production capacity or existing unused production capacity in the exporting country,*
>
> (B) *existing inventories of the subject merchandise, or likely increases in inventories,*
>
> *(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and*

(D) *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.*

(3) *PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether—*

(A) *there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and*

(B) *imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.*

(4) *IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to–*

(A) *likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,*

(B) *likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and*

(C) *likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.*

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

Organization of report

Information obtained during the course of the review that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for steel nails as collected in the review is presented in appendix C. U.S. industry data are based on the questionnaire responses of 10 U.S. producers of steel nails that are believed to have accounted for the vast majority of domestic production of steel nails in 2022. U.S. import data and related information are based on Commerce's official import statistics and on the questionnaire responses of 30 U.S. importers that accounted for 89.0 percent of total U.S. imports of steel nails during 2022. Foreign industry data and related information are based on the questionnaire responses of two UAE producers of steel nails, which accounted for all known production of nails in the UAE in 2022 and which reported exports of nails from the UAE to the United States equivalent to *** percent of U.S. imports during 2022. U.S. purchaser data are based on 42 questionnaire responses from firms that bought steel nails since January 1, 2017. Responses by U.S. producers, importers, purchasers, and foreign producers of steel nails to a series of questions concerning the significance of the existing antidumping duty order and the likely effects of revocation of the order are presented in appendix D. Demand and cost data are presented in appendix E and data on shipments of steel nails by distribution channel, type, and finish are presented in appendix F and appendix G.

Commerce's reviews[17]

Administrative reviews

Commerce has completed seven administrative reviews, and is currently conducting an eight administrative review, of the outstanding antidumping duty order on steel nails from the UAE.[18] The results of the administrative reviews are shown in table I-5.

Table I-5
Steel nails: Administrative reviews of the antidumping duty order for the UAE

Date results published	Period of review	Producer or exporter	Margin (percent)
December 30, 2014 (79 FR 78396)	November 3, 2011 – April 30, 2013	Dubai Wire FZE	18.13
December 30, 2014 (79 FR 78396)	November 3, 2011 – April 30, 2013	Precision Fasteners, LLC	184.41
June 9, 2015 (80 FR 32527)	May 1, 2013, – Apr. 30, 2014	Dubai Wire FZE	18.13
June 9, 2015 (80 FR 32527)	May 1, 2013, – Apr. 30, 2014	Precision Fasteners, LLC	184.41
October 17, 2016 (81 FR 71482)	May 1, 2014 – April 30, 2015	Overseas Distribution Services Inc	0.87
October 17, 2016 (81 FR 71482)	May 1, 2014 – April 30, 2015	Dubai Wire FZE	0.87

Table continued.

[17] Commerce has conducted no changed circumstances reviews, new shipper reviews, anticircumvention inquiries, or made any scope rulings or duty absorption findings since issuance of the antidumping duty order. See 82 FR 36731, August 7, 2017 and accompanying *First Expedited Sunset Review of the Antidumping Duty Order on Certain Steel Nails from the United Arab Emirates: Issues and Decision Memorandum for the Final Results*, July 28, 2017; and 87 FR 80158, December 29, 2022 and accompanying *Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order on Certain Steel Nails from the United Arab Emirates*, December 22, 2022.

[18] Commerce also initiated an administrative review on steel nails from the UAE for the period of review of May 1, 2016 through April 30, 2017. However, effective February 9, 2018, Commerce rescinded its review noting that "Because the questionnaire was undeliverable with indications that the business was closed, {Overseas Distribution Services, Inc.} being the only respondent under review, and the petitioner is unable to provide an alternative address, we are rescinding the administrative review of certain steel nails from the UAE for the 2016–2017 POR." 83 FR 5756, February 9, 2018.

Table I-5 continued
Steel nails: Administrative reviews of the antidumping duty order for the UAE

Date results published	Period of review	Producer or exporter	Margin (percent)
September 14, 2017 (82 FR 43219)	May 1, 2015, – April 30, 2016	Overseas Distribution Services Inc	184.41
September 25, 2020 (85 FR 60422)	May 1, 2018 – April 30, 2019	Middle East Manufacturing Steel LLC	27.28
February 7, 2022 (87 FR 6848)	May 1, 2019 – April 30, 2020	Middle East Manufacturing Steel LLC	3.47
February 7, 2022 (87 FR 6848)	May 1, 2019 – April 30, 2020	Rich Well Steel Industries LLC	4.90
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Middle East Manufacturing Steel LLC/Master Nails and Pins Manufacturing, LLC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Al Falaq Building Materials	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Al Khashab Building Materials Co., LLC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Al Rafaa Star Building Materials Est	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Al Sabbah Trading and Importing, Est	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	All Ferro Building Materials, LLC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Asgarali Yousuf Trading Co., LLC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Azymuth Consulting, LLC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Burj Al Tasmeem, Tr	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Gheewala Hardware Trading Company, LLC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	New World International, LLC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Okzeela Star Building Materials Trading, LLC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Rich Well Steel Industries LLC	3.65

Table continued.

Table I-5 continued
Steel nails: Administrative reviews of the antidumping duty order for the UAE

Date results published	Period of review	Producer or exporter	Margin (percent)
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Rishi International, FZCO	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Samrat Wire Industry, LLC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Sea Lan Contracting	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	SK Metal International DMCC	3.65
October 12, 2022 (87 FR 61566)	May 1, 2020 – April 30, 2021	Trade Circle Enterprises, LLC	3.65
June 5, 2023 (88 FR 36536) (Preliminary)	May 1, 2021 – April 30,2022	Master Nails and Pins Manufacturing, LLC/ Middle East Manufacturing Steel, LLC	4.30
June 5, 2023 (88 FR 36536) (Preliminary)	May 1, 2021 – April 30,2022	Rich Well Steel Industries LLC	2.28

Source: Cited Federal Register notices.

Note: The dumping margins presented for the period of review May 1, 2021 through April 30, 2022 are based on Commerce's preliminary results of its eighth administrative review on steel nails from the UAE. Commerce's final results in this administrative review are expected by October 2023. 88 FR 36536, June 5, 2023.

Five-year reviews

During the original investigation, Commerce determined company-specific dumping margins of 6.09 percent for Dubai Wire FZE, 2.51 percent for Precision Fasteners LLC, 184.41 percent for Tech Fast International Ltd., and 4.30 percent for all others.[19] Following litigation, effective November 13, 2015, Commerce amended the dumping margin for Dubai Wire FZE and Precision Fasteners LLC to 2.86 percent and 0.00 percent, respectively.[20] [21] [22]

During the first five-year review, Commerce determined that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping, and that the magnitude of the dumping margins likely to prevail would be weighted-average dumping margins up to 184.41 percent.[23]

In the second five-year review, Commerce determined that revocation of the order would likely lead to the continuation or recurrence of dumping and that the magnitude of the margins likely to prevail if the order were revoked is up to 184.41 percent.[24] Commerce noted that the order remains in effect for all manufacturers, producers, and exporters of steel nails from the UAE with the exception of merchandise produced and exported by Precision Fasteners LLC.[25] [26]

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[19] 77 FR 27421, May 10, 2012.

[20] 80 FR 77316, December 14, 2015.

[21] During its 2011-2013 administrative review on steel nails from the UAE, Commerce noted that there was sufficient evidence on the record indicating that Dubai Wire had ceased operations and no longer had employees. Commerce also found that due to the unexpected death of Dubai Wire's CEO, the Dubai Wire facility was no longer operational, employees had disbanded, and control over Dubai Wire's remaining assets had been transferred to the UAE court system. See *Certain Steel Nails from the United Arab Emirates: Issues and Decision Memorandum for Final Results of Antidumping Duty Administrative Review; 2011-2013*, December 22, 2014. See also declaration from Pravin Sampat, a former Vice President of Sales and Marketing at Dubai Wire FZE, who reported that the firm ceased operation in November 2013 after the owner of the company, Mr. Rupak Ved, passed away following a heart attack. Respondent Interested Parties' Posthearing Brief, exh. 5.

[22] As a result of the amended dumping margin, Commerce partially excluded from its order the merchandise produced/exported by Precision Fasteners LLC. 80 FR 77316, December 14, 2015. On June 14, 2017, Commerce informed CBP that Precision Fasteners LLC was fully excluded from the antidumping duty order on steel nails from the UAE. See Document ID #3589026 filed to Commerce's *ACCESS* system on July 5, 2017.

[23] 82 FR 36731, August 7, 2017.

[24] 87 FR 80158, December 29, 2022.

[25] *Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order on Certain Steel Nails from the United Arab Emirates*, December 22, 2022.

[26] Industry research indicates that Precision Fasteners LLC has been non-operational for some time and no U.S. importer that submitted a questionnaire to the Commission in this proceeding reported importing steel nails from Precision Fasteners LLC.

The subject merchandise

Commerce's scope

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

> *The merchandise covered by this Order includes certain steel nails having a shaft length up to 12 inches. Certain steel nails include, but are not limited to, nails made of round wire and nails that are cut. Certain steel nails may be of one piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and have a variety of finishes, heads, shanks, point types, shaft lengths and shaft diameters. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, whether by electroplating or hot-dipping one or more times), phosphate cement, and paint. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted shank styles. Screw-threaded nails subject to this Order are driven using direct force and not by turning the fastener using a tool that engages with the head. Point styles include, but are not limited to, diamond, blunt, needle, chisel and no point. Certain steel nails may be sold in bulk, or they may be collated into strips or coils using materials such as plastic, paper, or wire.*
>
> *Certain steel nails subject to this Order are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.55, 7317.00.65, and 7317.00.75.*
>
> *Excluded from the scope of this Order are steel nails specifically enumerated and identified in ASTM Standard F 1667 (2011 revision) as Type I, Style 20 nails, whether collated or in bulk, and whether or not galvanized.*
>
> *Also excluded from the scope of this Order are the following products:*
>
> - *non-collated (i.e., hand-drive or bulk), two-piece steel nails having plastic or steel washers (caps) already assembled to the nail, having a bright or galvanized finish, a ring, fluted or spiral shank, an actual length of 0.500" to 8", inclusive; an actual shank diameter of 0.1015" to 0.166", inclusive; and an actual washer or cap diameter of 0.900" to 1.10", inclusive;*

- *non-collated (i.e., hand-drive or bulk), steel nails having a bright or galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500" to 4", inclusive; an actual shank diameter of 0.1015" to 0.166", inclusive; and an actual head diameter of 0.3375" to 0.500", inclusive;*
- *wire collated steel nails, in coils, having a galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500" to 1.75", inclusive; an actual shank diameter of 0.116" to 0.166", inclusive; and an actual head diameter of 0.3375" to 0.500", inclusive;*
- *non-collated (i.e., hand-drive or bulk), steel nails having a convex head (commonly known as an umbrella head), a smooth or spiral shank, a galvanized finish, an actual length of 1.75" to 3", inclusive; an actual shank diameter of 0.131" to 0.152", inclusive; and an actual head diameter of 0.450" to 0.813", inclusive;*
- *corrugated nails. A corrugated nail is made of a small strip of corrugated steel with sharp points on one side;*
- *thumb tacks, which are currently classified under HTSUS 7317.00.10.00;*
- *fasteners suitable for use in powder-actuated hand tools, not threaded and threaded, which are currently classified under HTSUS 7317.00.20 and 7317.00.30;*
- *certain steel nails that are equal to or less than 0.0720 inches in shank diameter, round or rectangular in cross section, between 0.375 inches and 2.5 inches in length, and that are collated with adhesive or polyester film tape backed with a heat seal adhesive; and*
- *fasteners having a case hardness greater than or equal to 50 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, suitable for use in gas-actuated hand tools.*

While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this Order is dispositive.[27]

[27] 87 FR 80158, December 29, 2022 and accompanying *Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order on Certain Steel Nails from the United Arab Emirates*, December 12, 2022.

Tariff treatment

Steel nails are currently provided for in Harmonized Tariff Schedule of the United States ("HTSUS" or "HTS") subheadings 7317.00.55, 7317.00.65, and 7317.00.75 (statistical reporting numbers: 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 the UAE enter the U.S. market at a column 1-general duty rate of "Free" for HTS subheadings 7317.00.55, 7317.00.65, and 7317.00.75."[28] Effective February 8, 2020, steel nails imported under statistical reporting numbers 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5560, 7317.00.5580, 7317.00.6560 are subject to an additional 25 percent ad valorem duty for derivative steel

[28] HTSUS (2023) Revision 10, USITC Publication 5451, July 2023, p. 73-30.

articles under Section 232 of the Trade Expansion Act of 1962, as amended.[29] [30] [31] [32] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection ("CBP").

[29] Steel nails originating in covered sources Argentina, Australia, Brazil, Canada, European Union ("EU") member countries, Japan, Mexico, South Korea, Ukraine, and the United Kingdom are currently exempt from these additional duties. 83 FR 11625, March 15, 2018; 85 FR 5281, January 29, 2020; 87 FR 11, January 3, 2022; 87 FR 19351, April 1, 2022; 87 FR 33407, June 2, 2022; 87 FR 33591, June 3, 2022; 87 FR 10508, May 31, 2023. For more information on Ukraine's exemption, see HTSUS (2023) Revision 7, USITC publication 5441, June 2023, p. 99-III-5 – 99-III-8.

[30] While imports from all covered 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 derivative steel articles failed to follow required statutory procedures. Huttig and Oman Fasteners filed similar suits. Plaintiffs subsequently obtained injunctions against the collection of these 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 Government 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 the CIT ordered suspension of liquidation of the entries affected by the appeal. In February 2023, the CAFC ruled in favor of the United States Government, finding that imports of derivative steel articles such as nails and fasteners did not exceed the scope of the President's authority. As of this ruling, all importers are now subject to these section 232 duties.

[31] The share of the quantity of U.S. imports of steel nails subject to duties under HTSUS Chapter 99 provisions increased from 33.8 percent in 2020 to 36.0 percent and 35.9 percent in 2021 and 2022, respectively. A greater share of steel nail import from the UAE were subject to these duties (60.8 percent in 2020, 66.3 percent in 2021, and 52.2 percent in 2022) than were imports from nonsubject sources (33.7 percent in 2020, 35.6 percent in 2021, and 35.5 percent in 2022). Compiled from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023.

[32] 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 (83 FR 11625, March 15, 2018). Imports of these products are also subject to Section 301 duties (84 FR 43304). For further details, see USITC, 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–I-29.

The product

Description and applications[33]

Steel nails are small steel bars that are pointed on one end and have some type of head at the other end, with flat heads being the most common. 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 surface from which to drive the nail in without damaging the material the nail is fastening. The head also serves as an edge 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 objects.[34]

Although most steel nails are produced from low-carbon steel, they are also produced from stainless steel (to resist corrosion) and from medium- to high-carbon steel which can be hardened. Nails are packaged for shipment in bulk (loose in a carton or other container) or collated (joined side-by-side together 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 assembled from two or more pieces. Examples include a nail with a decorative head such as an upholstery nail; a nail with a large thin attached head (e.g., for nailing roofing felt); and a nail with a rubber or neoprene washer assembled over its shaft (e.g. to seal the nail-hole in siding).

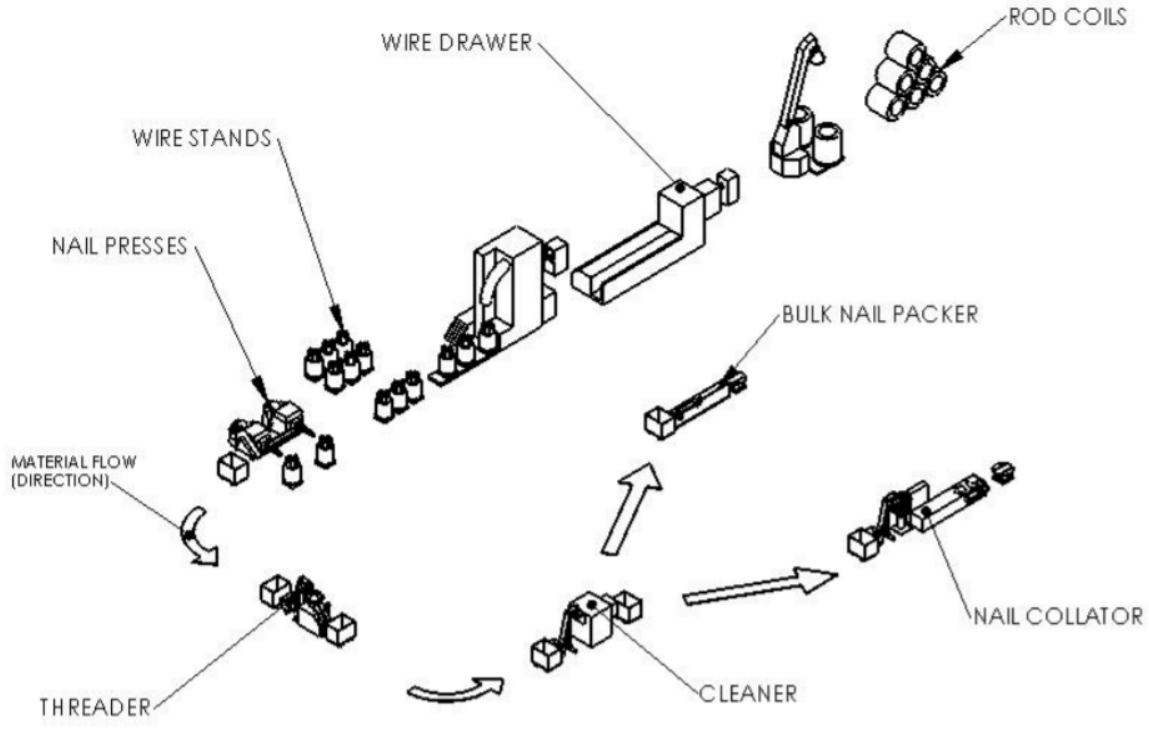
[33] Unless otherwise noted, this information is based on Steel Nails from the United Arab Emirates, Inv. Nos. 731-TA-1185 (Review), USITC Publication 4729, September 2017, pp. I-10 – I-11. See also Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370, October 2022, pp. I-16-I-17.

[34] ASTM Standard F 1667 (2011 revision) Type I, Style 20 nails, often referred to as roofing nails, are excluded from the scope of this review. Only one domestic producer, ***, reported producing collated roofing nails.

Manufacturing processes[35]

Most steel nails are produced from steel 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 ferrous scrap, pig iron, and ferroalloys. Figure I-2 shows the general process for producing steel wire nails.

Figure I-2
Steel nails: General process of producing nails



Source: Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Review), USITC Publication 4729, September 2017, p. I-11.

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.

[35] Unless otherwise noted, this information is based on Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Review), USITC Publication 4729, September 2017, pp. I-11–I-13. See also Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370, October 2022, pp. I-17–I-20.

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 head 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 different nail sizes and head and point styles by changing tooling and adjustment.

Nails that have helical twist, serrations, and other configurations on their 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 against 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 different finishes, depending upon the intended use: uncoated,[36] zinc-coated (galvanized), vinyl resin, and cement coated are the most common finishes. Nails with galvanized coatings are intended for uses where corrosion and stain resistance are important.[37] 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

[36] 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.

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

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 in cross section. 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 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

In its original determination and its expedited first five-year review determination, the Commission defined the domestic like product as steel nails, coextensive with Commerce's scope.[38] In its notice of institution in this current five-year review, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry.[39] Three interested parties commented on the Commission's definition of the domestic like product and domestic industry. Domestic interested party Mid Continent indicated that it agrees with the definition of the domestic like product and domestic industry stated in the Commission's notice.[40] Respondent Interested Parties Master Nails and Rich Wells

[38] Certain Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Final), USITC Publication 4321, May 2012, p. 6; and Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Review), USITC Publication 4729, September 2017, p. 5.

[39] 87 FR 53777, September 1, 2022.

[40] Mid Continent's Response to the Notice of Institution, October 3, 2022, p. 24; Mid Continent's Prehearing Brief, pp. 2-4; and Mid Continent's Posthearing Brief, pp. 1-3.

did not comment on the domestic industry, but made an argument that the Commission should define the domestic like product in this review as all nails.[41] No party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission's draft questionnaires.[42]

[41] During the original investigation on steel nails from the UAE, import data presented were based on official Commerce statistics under HTS subheadings 7317.00.55, 7317.00.65, and 7317.00.75. Statistical reporting number 7317.00.5501 was excluded because it was believed to contain only products outside of the scope (i.e., collated roofing nails). Certain Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Final): USITC Publication 4321, May 2012, p. IV-2, fn. 2.

Master Nails and Rich Well argue that the domestic like product should comprise of all nails including "roofing nails, finishing nails, and brads." They further argue that the Commission should define the domestic like product as it did in Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370. Respondent Interested Parties' Supplemental Response to the Notice of Institution, October 17, 2022, pp. 1-2.

Respondent interested parties argue that all nails, regardless of type, have the same fundamental physical characteristics and end uses in common; all nail types share a significant degree of interchangeability; all nails share nearly identical channels of distribution; all nail types, including roofing nails, are manufactured using the same machinery and facilities; all nails are sold at similar price points; and that while producers and customers perceptions vary, nail types are generally perceived as a continuum of products with no clear dividing lines. Respondent Interested Parties' Prehearing Brief, pp. 16-19; and Respondent Interested Parties' Posthearing Brief, attachment 1, pp. 43-52.

Mid Continent disputes the domestic like product definition proposed by the respondents arguing that they provide no legal or factual basis to alter the definition of domestic like product in this review. Mid Continent's Prehearing Brief, p. 3. Moreover, Mid Continent argues that changing the domestic like product in this review to include brads, finishing nails, and roofing nails would not affect the Commission's analysis "in the slightest because there is no domestic production of roofing nails and only a very small amount of the excluded brads and finish nails." Mid Continent's Posthearing Brief, pp. 1-3; Hearing Transcript, p. 14 (Gordon).

*** of 10 U.S. producers responding to the Commission's questionnaire reported the ability to produce out-of-scope steel nails. Of these firms, ***, reported production of finishing nails and roofing nails. During 2020-22, ***. In 2022, *** share of all excluded product, including but not limited to collated roofing nails, was equivalent to *** percent of U.S. production.

*** UEA producer/exporter responding to the Commission's questionnaire reported production of collated roofing nails.

[42] Mid Continent's Comments on Draft Questionnaires, March 15, 2023, pp. 1-5; and Respondent Interested Parties' Comments on Draft Questionnaires, March 16, 2023, pp. 1-4.

U.S. market participants

U.S. producers

During the original investigation, nine firms supplied the Commission with useable information on their U.S. operations with respect to steel nails. These firms accounted for nearly all of U.S. production of steel nails during 2011.[43]

During the expedited first five-year review, the Commission received one response to its notice of institution from Mid Continent. The firm reported that it accounted for approximately *** percent of total U.S. production of steel nails during 2016.[44]

In this current proceeding, the Commission issued a U.S. producer questionnaire to 14 firms.[45] The Commission received usable questionnaires from 10 firms, which account for the vast majority of U.S. production of steel nails in 2022.[46] Table I-6 presents a list of current domestic producers of product and each company's position on continuation of the order, production locations(s), and share of reported production of steel nails in 2022.

[43] The nine U.S. producers that supplied the Commission with usable questionnaire information during the original investigation were: Davis Wire Corp.; Illinois Tool Works; Maze Nails; Mid Continent Nail Corp.; Pneu-Fast Co.; Senco Brands, Inc.; Specialty Fastening Systems, Inc.; Stanley Black & Decker; and Tree Island Wire USA, Inc. The Commission also received a questionnaire response from a tenth firm, Treasure Coast Fasteners, that halted U.S. production before 2011, as well as limited information regarding an eleventh producer, Independent Nail. Certain Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Final), USITC Publication 4321, May 2012, pp. 3 fn. 2, I-3, and III-1.

[44] Investigation No. 731-TA-1185 (Review): Steel Nails from the United Arab Emirates, Confidential Report, INV-PP-082, June 26, 2017, p. I-3, table I-1.

[45] These U.S. producers were identified by interested parties in their responses to the notice of institution, through industry research, and from information contained in previous and related import injury investigations on steel nails.

[46] The Commission also received a response from WMC Holdings LP, which reported ***. The firm provided the Commission with historical U.S. shipment data during 2017-19, which are presented in table I-4 of this report.

In addition, the Commission received a response from Specialty Fastening Systems, a domestic producer of steel nails, which reported ***. However, information on Special Fastening Systems' operations is not presented in this report, ***. Email ***, April 13, 2022.

Table I-6
Steel nails: U.S. producers, their position on continuation of the order, location of production, and share of reported production in 2022, by firm

Share in percent

Firm	Position on continuation of the order	Production location(s)	Share of production
Acorn	***	Mansfield, MA	***
ITW	***	Pocahontas, AR	***
Kyocera	***	Cincinnati, OH	***
Legacy	***	Poplar Bluff, MO	***
MAR-MAC	***	McBee, SC	***
Maze	***	Peru, IL	***
Mid Continent	***	Poplar Bluff, MO; Ontario, CA	***
Pneu-Fast	***	Buffalo Grove, IL	***
Simpson	***	Gallatin, TN	***
Tree Island	***	San Bernardino, CA	***
All firms	Various	Various	***

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

Note: U.S. producer data overlap in several periods with data presented in Steel Nails from India, Oman, Sri Lanka, Thailand, and Turkey; Inv. Nos. 701-TA-673-677 and 731-TA-1580-1583 (Final). The data in this full review reflect differences in the product scope, minor revisions, and ***.

Table I-7 presents information on U.S. producers' ownership, related and/or affiliated firms. No U.S. producer reported being related to a producer of steel nails in the UAE, a firm that engages in the exportation of steel nails from the UAE to the United States, or a firm that engages in the importation of steel nails from the UAE into the United States.

Table I-7
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.

U.S. importers

In the original investigation, the Commission received U.S. importer questionnaires from 24 firms, nine of which accounted for nearly all of the subject U.S. imports from the UAE by quantity in the period 2009 to 2011.[47]

Although the Commission did not receive responses from any respondent interested parties in its expedited first five-year review, the participating domestic interested party provided a list of 22 known and operating U.S. importers of steel nails at the time.[48]

In the current proceeding, the Commission issued questionnaires to 93 potential importers of steel nails since 2017.[49] The Commission received a questionnaire response from 30 firms, which based on official Commerce statistics accounted for *** percent of U.S. imports of steel nails from the UAE during 2022; *** percent of U.S. imports of steel nails from other sources during 2022; and 89.0 percent of U.S. imports of steel nails from all sources in 2022. Table I-8 lists all responding U.S. importers of steel nails, their locations, and their shares of U.S. imports in 2022.

[47] Certain Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Final): USITC Publication 4321, May 2012, p. 3 and IV-1.

[48] Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Review), USITC Publication 4729, September 2017, p. I-15.

[49] The Commission issued questionnaires to those firms identified in responses to the notice of institution, 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 7317.00.55, 7317.00.65, and 7317.00.75.

Table I-8
Steel nails: U.S. importers, their headquarters, and share of total imports within a given source in 2022, by firm

Share in percent

Firm	Headquarters	UAE	Nonsubject sources	All import sources
Accent	Tomball, TX	***	***	***
American Fastening	Maplewood, MN	***	***	***
Astrotech	Chittoor District, AP	***	***	***
BlueLinx	Marietta, GA	***	***	***
Boise Cascade	Boise, ID	***	***	***
Continental	Abington, PA	***	***	***
Deacero	Laredo, TX	***	***	***
Falcon	Scarborough, ON	***	***	***
Fastening Solutions	Montgomery, AL	***	***	***
Fasterners Afloat	Baltimore, MD	***	***	***
Franklin	Jacksonville, FL	***	***	***
Grainger	Lake Forest, IL	***	***	***
ITW	Glenview, IL	***	***	***
Kratos	Farmers Branch, TX	***	***	***
Kyocera	Cincinnati, OH	***	***	***
Master Nails	Ras Al Khaimah, AE	***	***	***
Oman Fasteners	Suhar, OM	***	***	***
Peace	Rolling Meadows, IL	***	***	***
Peninsula	Plant City, FL	***	***	***
PrimeSource	Irving, TX	***	***	***
Rich Well	Ras Al Khaimah, AE	***	***	***
Shandex	Fort Lee, NJ	***	***	***
Simpson	Pleasanton, CA	***	***	***
SouthernCarlson	Omaha, NE	***	***	***
Southwestern	Tampa, FL	***	***	***
Stanley Black & Decker	Towson, MD	***	***	***
THS	Kitchener, ON	***	***	***
Tree Island	San Bernardino, CA	***	***	***
Trinity	Katunayake, WP	***	***	***
Youngwoo	Santa Fe Springs, CA	***	***	***
All firms	Various	***	***	***

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. purchasers

The Commission received 42 usable questionnaire responses from firms that have purchased steel nails since January 1, 2017.[50] [51] Most responding purchasers (24 of the 42) are distributors, 16 are retailers, 3 are pallet end users, and 3 are other types of end users. In general, responding U.S. purchasers were headquartered in all regions of the contiguous United States, but were most heavily concentrated in the Southeast (14 firms) and Midwest (13 firms).[52] The largest purchasers of steel nails include ***, which together accounted for *** percent of the reported value of steel nails purchases in 2022.[53]

Apparent U.S. consumption and market shares

Quantity

Table I-9 and figure I-3 present data on apparent U.S. consumption and U.S. market shares by quantity for steel nails. Apparent U.S. consumption by quantity increased by 20.4 percent during 2020-22 but was 33.7 percent lower in January-March 2023 than in January-March 2022.

[50] The following firms provided purchaser questionnaire responses: ***.

[51] Of the 42 responding purchasers, 28 purchased the domestic product, 7 purchased imports of the subject merchandise from the UAE, 36 purchased imports of steel nails from other (nonsubject) sources, and 10 purchased steel nails from unknown countries of origin. The nonsubject countries purchasers reported purchasing from included the following: Turkey (19 firms); Taiwan (15); India (13); South Korea (11); China and Thailand (10 each); Oman and Poland (8 each); Canada and Mexico (7 each); Angola, Malaysia, and Saudi Arabia (4 each); Austria, Sri Lanka, and Vietnam (3 each); Bulgaria and Lithuania (2 each); and Belarus, Egypt, Germany, Italy, Serbia, and Spain (1 each).

[52] Six firms were from the Central Southwest, 4 were from the Mountains region, 3 were from the Pacific Coast, and 2 were from the Northeast.

[53] *** was the largest reported purchaser in 2022, with an estimated *** percent of the reported value of purchases that year, followed by *** at *** percent.

During 2020-22, U.S. producers' market share decreased, while the market shares of imports from the UAE and imports from all other sources increased. U.S. producers' market share decreased by 5.5 percentage points between 2020 and 2022 from 18.2 to 12.7 percent. U.S. producers' market share was 6.2 percentage points higher in January-March 2023 than in January-March 2022. The market share of imports from the UAE increased by 1.2 percentage points between 2020 and 2022 from 0.6 to 1.8 percent. The market share was 1.9 percentage points higher in January-March 2023 than in January-March 2022. The market share of imports from all other sources increased by 4.3 percentage points between 2020 and 2022 from 81.8 to 87.3 percent. The market share was 6.2 percentage points lower in January-March 2023 than in January-March 2022.

Table I-9
Steel nails: Apparent U.S. consumption and market shares based on quantity, by period and source

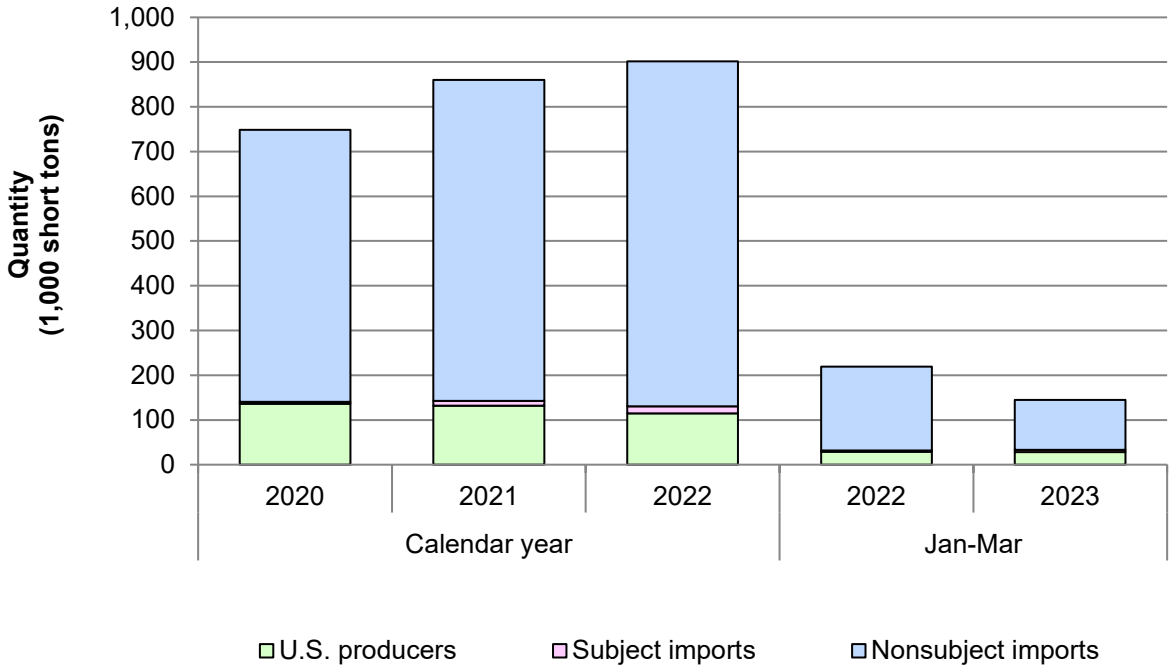
Quantity in short tons; shares in percent

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. producers	Quantity	136,226	131,656	114,413	28,787	28,101
UAE	Quantity	4,328	10,892	16,085	3,065	4,853
Nonsubject sources	Quantity	607,811	717,690	770,871	187,172	112,174
All import sources	Quantity	612,140	728,582	786,956	190,237	117,028
All sources	Quantity	748,366	860,238	901,369	219,024	145,129
U.S. producers	Share	18.2	15.3	12.7	13.1	19.4
UAE	Share	0.6	1.3	1.8	1.4	3.3
Nonsubject sources	Share	81.2	83.4	85.5	85.5	77.3
All import sources	Share	81.8	84.7	87.3	86.9	80.6
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires, and from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023 and data submitted in response to Commission questionnaires. 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 "---".

Figure I-3
Steel nails: Apparent U.S. consumption based on quantity, by period and source



Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023 and data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series.

Value

Table I-10 and figure I-4 present data on apparent U.S. consumption and U.S. market shares by value for steel nails. Apparent U.S. consumption by value increased by 90.8 percent during 2020-22 but was 33.1 percent lower in January-March 2023 than in January-March 2022.

Market share trends by value are similar to the market share trends by quantity discussed above. Notably, however, the value of imports from nonsubject sources doubled during 2020-22. Part IV of this report contains more information on U.S. imports from nonsubject sources (see table IV-2).

Table I-10
Steel nails: Apparent U.S. consumption and market shares based on value, by period and source

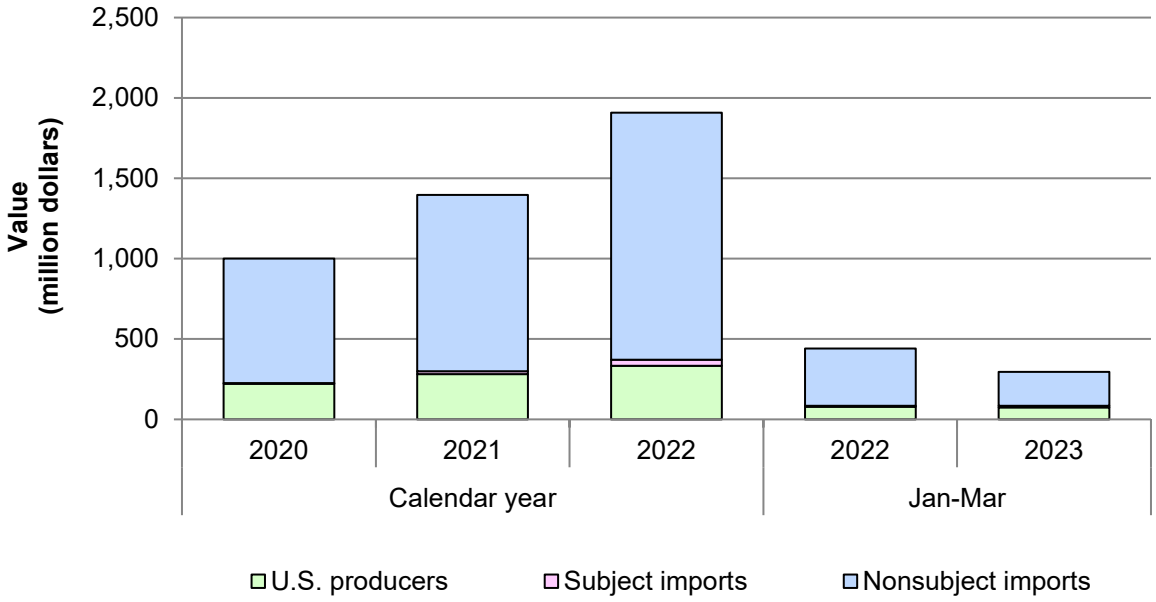
Value in 1,000 dollars; shares in percent

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. producers	Value	221,306	281,912	333,627	78,784	74,399
UAE	Value	4,930	17,183	36,933	6,323	10,208
Nonsubject sources	Value	773,455	1,096,518	1,537,348	355,946	210,603
All import sources	Value	778,386	1,113,701	1,574,281	362,269	220,811
All sources	Value	999,692	1,395,613	1,907,908	441,053	295,210
U.S. producers	Share of value	22.1	20.2	17.5	17.9	25.2
UAE	Share of value	0.5	1.2	1.9	1.4	3.5
Nonsubject sources	Share of value	77.4	78.6	80.6	80.7	71.3
All import sources	Share of value	77.9	79.8	82.5	82.1	74.8
All sources	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires, and from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023 and data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series. Imports value data reflect landed duty-paid values.

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 I-4
Steel nails: Apparent U.S. consumption based on value, by period and source



Source: Compiled from data submitted in response to Commission questionnaires, and from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023 and data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series. Imports value data reflect landed duty-paid values.

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.[1] 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 may be sold in bulk or in paper- or plastic-collated strips to end users and distributors.

Steel nails are used primarily in various construction and carpentry applications, including housing, furniture, pallets, and wooden fencing. Different types of steel nails are sold in the U.S. market, depending on the application.[2] Most of the demand for steel nails in the United States is determined by the level of construction activity. Most firms reported no changes in end uses for steel nails and most firms (including all 8 responding U.S. producers and 28 of 29 importers) reported no significant changes in the product range, product mix, or marketing of steel nails since January 2017.

Apparent U.S. consumption increased by 20.4 percent between 2020 and 2022 but was 33.7 percent lower during January-March 2023 compared with January-March 2022.

Impact of Section 232 actions and Section 301 tariffs

U.S. producers, importers, and purchasers were asked whether the Section 232 measures on imported steel and aluminum products or the tariffs on Chinese-origin products under Section 301 impacted the overall cost, price, supply, and/or demand for steel nails in the U.S. market since January 1, 2017. As shown in tables II-1 and II-2, most firms reported that both of these actions affected the market for steel nails in the United States, though more firms reported that the Section 232 actions had an impact than the Section 301 actions.

[1] Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370, October 2022, p. II-1.

[2] Ibid.

Table II-1
Steel nails: Count of firms' responses regarding the impact of the Section 232 tariffs on steel and aluminum imports

Item	Firm type	Yes	No	Don't Know
Impact on U.S. market from 232 actions	U.S. producers	7	0	3
Impact on U.S. market from 232 actions	Importers	24	1	5
Impact on U.S. market from 232 actions	Purchasers	17	4	22

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

Table II-2
Steel nails: Count of firms' responses regarding the impact of the Section 301 tariffs on Chinese origin products

Item	Firm type	Yes	No	Don't Know
Impact on U.S. market from 301 actions	U.S. producers	3	3	3
Impact on U.S. market from 301 actions	Importers	17	8	4
Impact on U.S. market from 301 actions	Purchasers	16	6	20

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

Regarding the specific impact of the Section 232 actions, most reported that it increased the cost of certain types of wire rod, which is the primary input in the production of steel nails.[3] According to ***, the tariffs were not applied to imported semi-finished and finished steel items, which *** stated further increased the price gap between imported nails and domestic nails. Foreign producers/importers Master Nails and Rich Well indicated that imports of some (but not all) steel nails from the UAE became subject to 25 percent ad valorem tariffs under Section 232 in February 2020.[4] Two other firms (***) also reported that domestic availability of steel nails decreased because of the Section 232 measures.

Regarding the specific impact of the Section 301 actions, firms generally indicated that the costs of inputs as well as prices for finished goods from China increased.[5] Some firms also indicated that this shifted some supply from China to other countries.

[3] As discussed in part I, following the conclusion of litigation in 2023, all U.S. producers' imports of wire rod are subject to Section 232 duties. See Part I, "Tariff treatment."

[4] See Respondent Interested Parties' prehearing brief, pp. 43-44. See also hearing transcript, pp. 42-43 and 79-80 (Gordon).

[5] Antidumping and countervailing duties on steel nails from China have been in place since 2008. See International Trade Administration, Notice of Antidumping Duty Order: Certain Steel Nails From the People's Republic of China, 73 FR 44961 (August 1, 2008), https://www.federalregister.gov/documents/2008/08/01/E8-17714/notice-of-antidumping-duty-order-certain-steel-nails-from-the-peoples-republic-of-china, accessed June 5, 2023.

Channels of distribution

As shown in table II-3, U.S. producers sold mainly to distributors while importers sold primarily to distributors and retailers. Importers sold steel nails in roughly even amounts to distributors and retailers throughout 2020-22 and slightly more than half to retailers during January-March 2023.

Table II-3
Steel nails: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

Source	Channel	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
United States	Distributors	61.0	58.4	55.1	54.9	64.6
United States	Retailers	11.2	12.3	14.5	13.6	12.6
United States	End users	27.8	29.3	30.5	31.5	22.8
UAE	Distributors	***	***	***	***	***
UAE	Retailers	***	***	***	***	***
UAE	End users	***	***	***	***	***
Nonsubject sources	Distributors	***	***	***	***	***
Nonsubject sources	Retailers	***	***	***	***	***
Nonsubject sources	End users	***	***	***	***	***
All import sources	Distributors	45.1	48.7	50.2	50.3	36.3
All import sources	Retailers	49.0	44.7	41.9	43.3	53.5
All import sources	End users	5.9	6.6	7.9	6.3	10.2

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

Geographic distribution

U.S. producers and importers of steel nails from the UAE reported selling steel nails to all regions in the contiguous United States (table II-4). For U.S. producers, *** percent of their sales were within 100 miles of their production facilities, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent of their steel nails from the UAE within 100 miles of their U.S. points of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-4
Steel nails: Count of U.S. producers' and U.S. importers' geographic markets

Region	U.S. producers	UAE
Northeast	9	5
Midwest	9	5
Southeast	9	7
Central Southwest	9	6
Mountain	8	4
Pacific Coast	7	6
Other	6	0
All regions (except Other)	7	3
Reporting firms	9	7

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-5 provides a summary of the supply factors regarding steel nails from U.S. producers and from the UAE.

Table II-5
Steel nails: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in short tons; ratio and share in percent

Factor	Measure	United States	UAE
Capacity 2020	Quantity	150,562	***
Capacity 2022	Quantity	170,414	***
Capacity utilization 2020	Ratio	90.3	***
Capacity utilization 2022	Ratio	73.4	***
Inventories to total shipments 2020	Ratio	***	***
Inventories to total shipments 2022	Ratio	***	***
Home market shipments 2022	Share	98.2	***
Non-U.S. export market shipments 2022	Share	1.8	***
Ability to shift production (firms reporting "yes")	Count	*** of 11	*** of 2

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 2022. Responding foreign producer/exporter firms accounted for *** U.S. imports of steel nails from the UAE during 2022. 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 moderate-to-large changes in the quantity of shipments of U.S.-produced steel nails to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and the availability of some inventories. Factors mitigating responsiveness of supply include a limited ability to shift shipments from alternate markets, a limited ability to shift production to or from alternate products, and potential constraints to expanding production quickly.

Responding U.S. producers reported an increase in total capacity along with a decrease in overall production, leading to a decrease in capacity utilization of 16.9 percentage points. The share of U.S. producers' inventories relative to total shipments increased by *** percentage points between 2020 and 2022. Exports represented 2 percent or less of U.S. producers' total shipments throughout the period for which data were collected. *** of 11 U.S. producers reported an ability to shift production to other products; *** reported the ability to produce out-of-scope steel nails, with *** on the same equipment as in-scope steel nails.[6] As discussed in Part III, several U.S. producers, including ***, reported difficulty hiring and/or retaining staff, due at least in part to the COVID-19 pandemic (see table III-5).[7] Domestic producers testified that these supply constraints were largely resolved as of the second half of 2022.[8]

[6] *** reported producing out-of-scope steel nails using the same equipment as in-scope steel nails during January 2020-March 2023.

[7] "Supply constraints (labor, raw material{s}, imports) were more pronounced from 2020 through the first half of 2022. Beginning {in} the second half of 2022, these constraints were reduced….{and} appear to have been largely resolved…" Mid Continent's prehearing brief, p. 7. "… Today we {Mid Continent} are close to being fully staff for current market conditions..." Hearing transcript, pp. 19 and 54-55 (Pratt). See also Mid Continent's posthearing brief, p. 4, exh. 1 (Answers to Commissioners' and Commission Offices' Questions) at pp. 16-17, and exh. 7.

[8] In the Commission's other most recent investigations involving steel nails, the two largest domestic producers, Mid Continent and Tree Island, also reported difficulty hiring and retaining an experienced workforce and that such labor constraints significantly constrained the ability of these firms to increase production "in any significant volumes quickly" at that time. See Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370, October 2022, p. II-6.

Subject imports from the UAE[9]

Based on available information, producers of steel nails from the UAE 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 are increasing (though comparatively smaller) overall capacity, and increasing capacity utilization. Factors mitigating responsiveness of supply include the limited availability of inventories, limited ability to shift shipments from alternate markets, and a limited ability to shift production to or from alternate products.

Producers from the UAE reported an increase in overall capacity and production of *** and *** percent, respectively, leading to an increase in capacity utilization of *** percentage points. Producers from the UAE reported that *** of their total shipments were to the U.S. market. UAE producers' inventories were small, and represented less than *** percent of their total reported shipments throughout the period for which data were collected. *** reported an ability to shift production to or from alternate products.

Imports from nonsubject sources

According to official import statistics, imports from nonsubject sources accounted for 98.0 percent of the total quantity of U.S. imports of steel nails in 2022.[10] The largest individual nonsubject sources of U.S. imports of steel nails in 2022 were China and Oman, which respectively accounted for 16.1 percent and 13.2 percent of U.S. imports from nonsubject sources in that year.[11] During January-March 2023, nonsubject imports accounted for 95.9 percent of the total quantity of U.S. imports of steel nails, the largest of which were China (18.9 percent) and Thailand (11.5 percent).[12]

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[9] For more on the industry in the UAE, see Part IV, "The industry in the UAE."

[10] Compiled from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023. Imports are based on the imports for consumption data series. See also table IV-1.

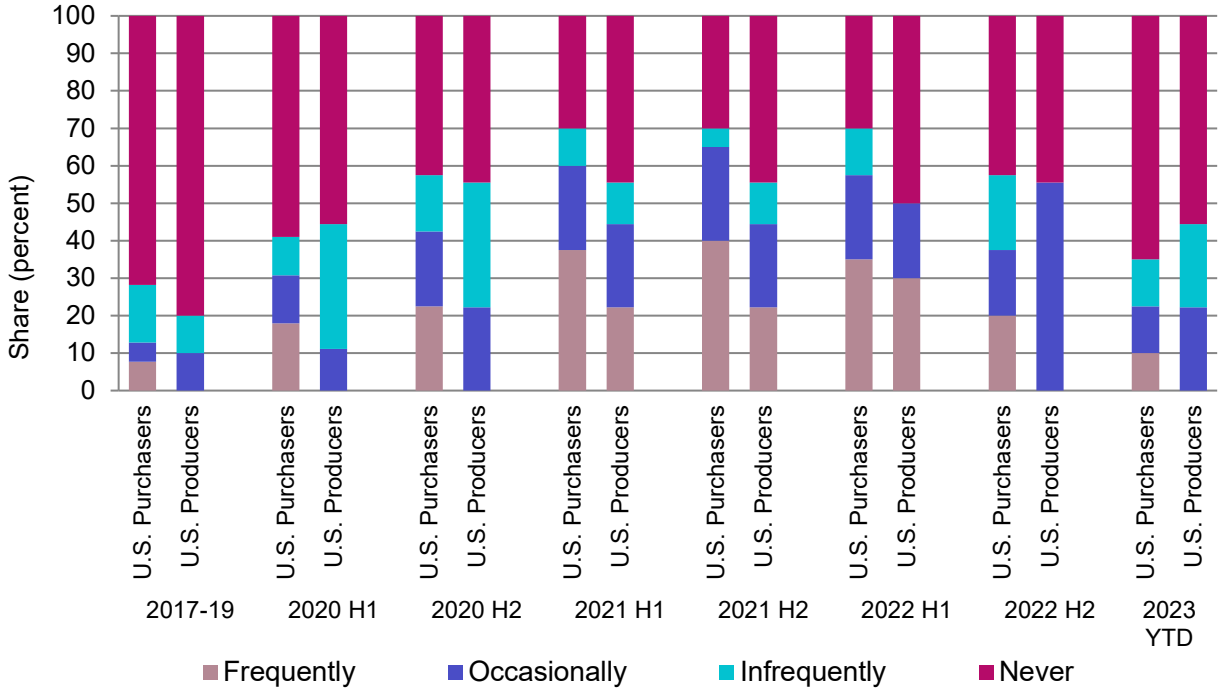
[11] See also table IV-3.

[12] Oman accounted for *** percent of nonsubject imports during January-March 2023.

Supply constraints

Firms were asked whether there had been supply constraints of domestic steel nails, imports of steel nails from the UAE, and/or imports of steel nails from nonsubject countries during various time frames (see tables II-6a through II-8b).[13] The vast majority of the firms reporting supply constraints pointed to labor and material shortages and a drop in import supply related to the COVID-19 pandemic. Generally speaking, firms reported more supply constraints in 2020 than the previous three years, increased constraints through the first half of 2022, and reducing constraints thereafter (see figures II-1 through II-3). The reported constraints were more pronounced from domestic sources (as measured by the number of firms reporting "frequently" experiencing constraints from that source), followed by nonsubject sources, followed by subject sources.

Figure II-1
Steel nails: Share of U.S. producer and purchasers experiencing supply constraints of domestic product



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

[13] U.S. producers were asked about domestic supply constraints, importers about supply constraints from subject and nonsubject countries, and purchasers about supply constraints from all three sources. Firms were asked to report on supply constraints from these sources for eight separate time periods – from 2017 to 2019, the first and second halves of each year from 2020 to 2022; and year-to-date 2023.

Table II-6a
Steel nails: Count of U.S. producers reporting supply constraints of domestic product, by period

Period	Frequently	Occasionally	Infrequently	Never	Total
2017-19	---	1	1	8	10
2020 H1	---	1	3	5	9
2020 H2	---	2	3	4	9
2021 H1	2	2	1	4	9
2021 H2	2	2	1	4	9
2022 H1	3	2	---	5	10
2022 H2	---	5	---	4	9
2023 YTD	---	2	2	5	9

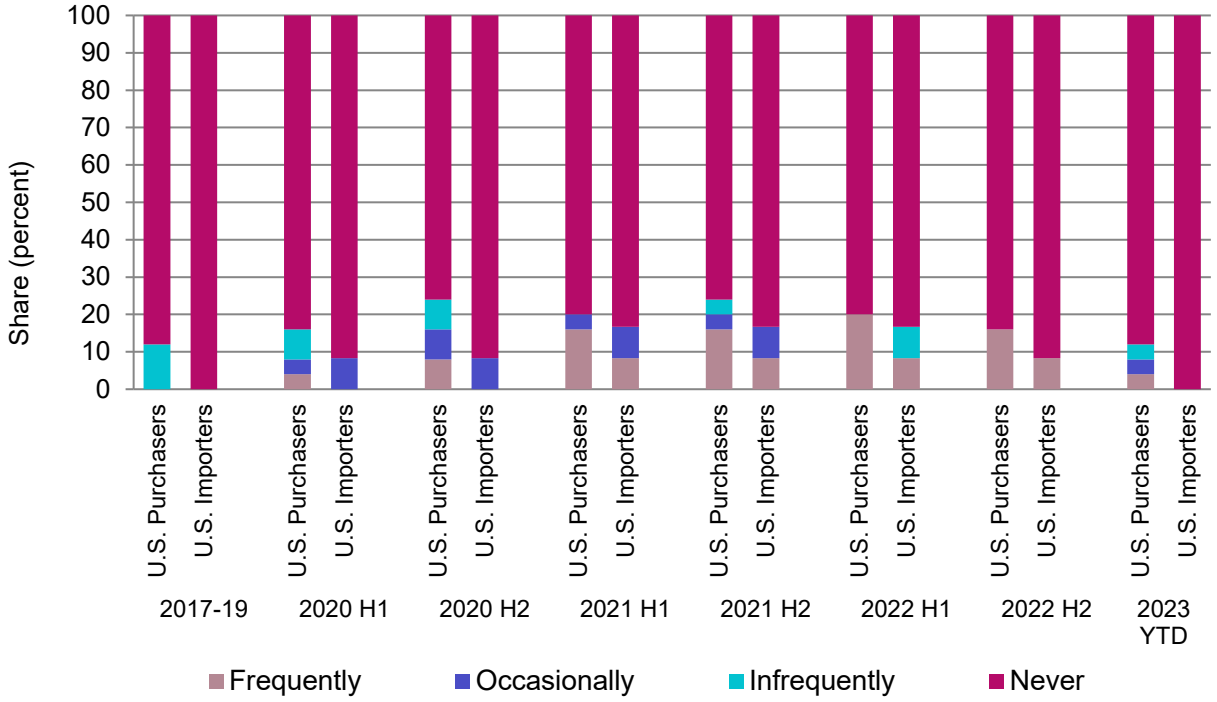
Source: Compiled from data submitted in response to Commission questionnaires.

Table II-6b
Steel nails: Count of purchasers reporting supply constraints of domestic product, by period

Period	Frequently	Occasionally	Infrequently	Never	Total
2017-19	3	2	6	28	39
2020 H1	7	5	4	23	39
2020 H2	9	8	6	17	40
2021 H1	15	9	4	12	40
2021 H2	16	10	2	12	40
2022 H1	14	9	5	12	40
2022 H2	8	7	8	17	40
2023 YTD	4	5	5	26	40

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

Figure II-2
Steel nails: Share of importers and purchasers experiencing supply constraints of subject product from the UAE



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

Table II-7a
Steel nails: Count of importers reporting supply constraints of subject product, by period

Period	Frequently	Occasionally	Infrequently	Never	Total
2017-19	---	---	---	10	10
2020 H1	---	1	---	11	12
2020 H2	---	1	---	11	12
2021 H1	1	1	---	10	12
2021 H2	1	1	---	10	12
2022 H1	1	---	1	10	12
2022 H2	1	---	---	11	12
2023 YTD	---	---	---	12	12

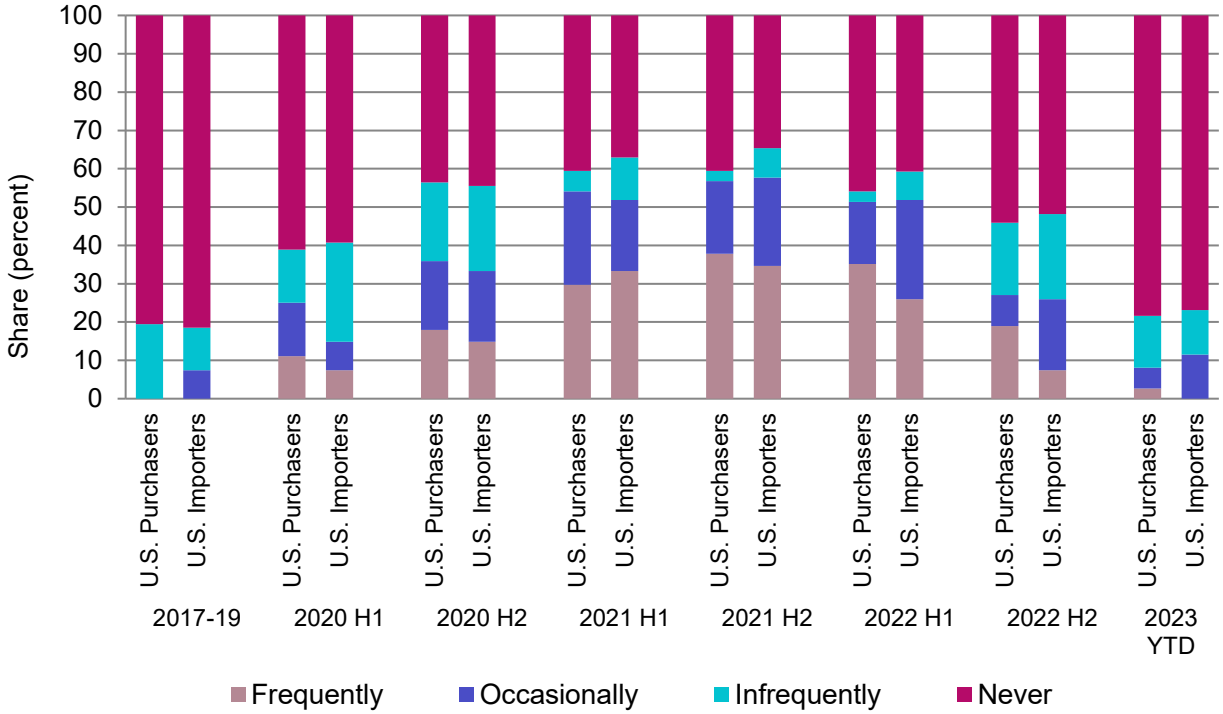
Source: Compiled from data submitted in response to Commission questionnaires.

Table II-7b
Steel nails: Count of purchasers reporting supply constraints of subject product, by period

Period	Frequently	Occasionally	Infrequently	Never	Total
2017-19	---	---	3	22	25
2020 H1	1	1	2	21	25
2020 H2	2	2	2	19	25
2021 H1	4	1	---	20	25
2021 H2	4	1	1	19	25
2022 H1	5	---	---	20	25
2022 H2	4	---	---	21	25
2023 YTD	1	1	1	22	25

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

Figure II-3
Steel nails: Share of importers and purchasers experiencing supply constraints of steel nails imported from nonsubject countries



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

Table II-8a
Steel nails: Count of importers reporting supply constraints of nonsubject product, by period

Period	Frequently	Occasionally	Infrequently	Never	Total
2017-19	---	2	3	22	27
2020 H1	2	2	7	16	27
2020 H2	4	5	6	12	27
2021 H1	9	5	3	10	27
2021 H2	9	6	2	9	26
2022 H1	7	7	2	11	27
2022 H2	2	5	6	14	27
2023 YTD	---	3	3	20	26

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

Table II-8b
Steel nails: Count of purchasers reporting supply constraints of nonsubject product, by period

Period	Frequently	Occasionally	Infrequently	Never	Total
2017-19	---	---	7	29	36
2020 H1	4	5	5	22	36
2020 H2	7	7	8	17	39
2021 H1	11	9	2	15	37
2021 H2	14	7	1	15	37
2022 H1	13	6	1	17	37
2022 H2	7	3	7	20	37
2023 YTD	1	2	5	29	37

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

U.S. producers, importers, and purchasers were also asked whether the availability of supply of domestic product, product from the UAE, and/or product from nonsubject countries had changed during 2017-19, 2020-22, and whether they anticipated future changes in the availability of supply from these sources during 2023-24.

As shown in table II-9, most firms reported that the availability of steel nails did not change during 2017-19, though half of U.S. producers reported that availability from the UAE changed and most reported that availability from nonsubject countries changed during this period. The firms reporting a change in availability during 2017-19 generally indicated that there was more domestic supply than in subsequent years, and lower supply of imports from the UAE along with more supply from nonsubject countries due to the antidumping duty order on imports from the UAE.

As shown in table II-10, most firms reported that there was a change in the availability of supply during 2020-22, most notably from domestic and nonsubject sources. The large majority of responding firms pointed to supply chain challenges caused by the COVID-19 pandemic as the reason.

Table II-9
Steel nails: Count of U.S. producers, importers, and purchasers reporting a change in the availability of supply from various sources during 2017-19, by source and firm type

Source	Firm type	No	Yes
U.S.-produced product	U.S. producers	7	1
U.S.-produced product	Importers	18	5
U.S.-produced product	Purchasers	36	2
Subject imports	U.S. producers	4	4
Subject imports	Importers	15	4
Subject imports	Purchasers	26	---
Nonsubject imports	U.S. producers	3	5
Nonsubject imports	Importers	18	9
Nonsubject imports	Purchasers	33	3

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

Table II-10
Steel nails: Count of U.S. producers, importers, and purchasers reporting a change in the availability of supply from various sources during 2020-22, by source and firm type

Source	Firm type	No	Yes
U.S.-produced product	U.S. producers	4	3
U.S.-produced product	Importers	9	16
U.S.-produced product	Purchasers	14	25
Subject imports	U.S. producers	4	2
Subject imports	Importers	13	7
Subject imports	Purchasers	16	11
Nonsubject imports	U.S. producers	3	5
Nonsubject imports	Importers	9	18
Nonsubject imports	Purchasers	13	24

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

As shown in table II-11, most firms do not anticipate changes to the availability of supply in 2023-24, though most U.S. producers do anticipate an increase in the availability of nonsubject product in the future.

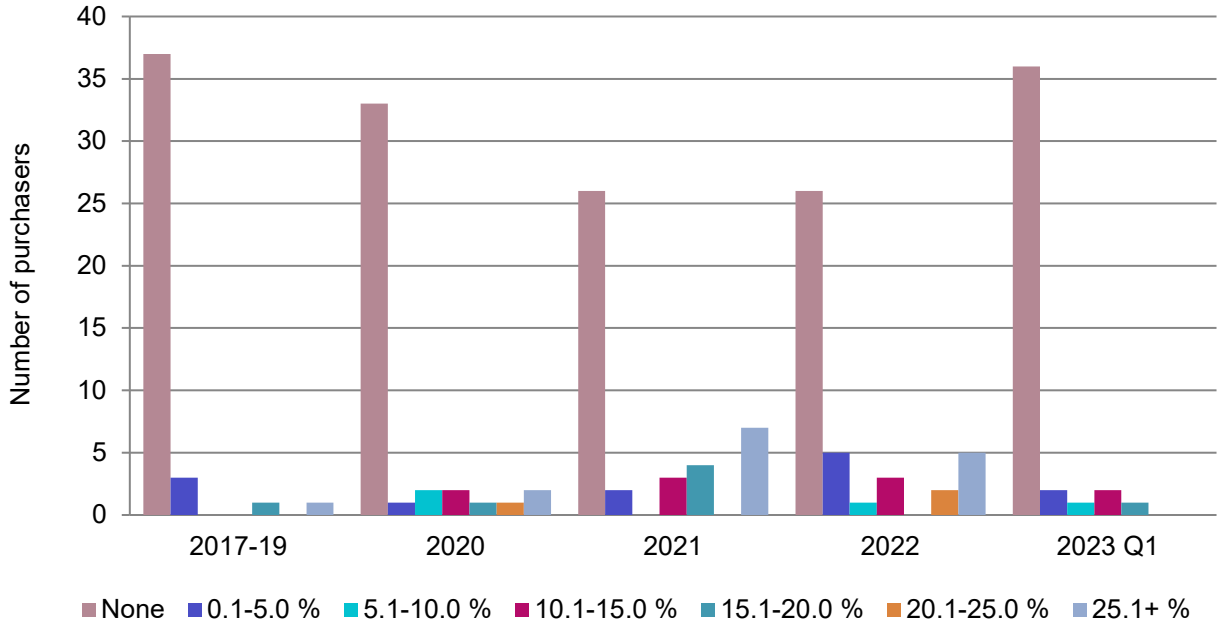
Table II-11
Steel nails: Count of U.S. producers, importers, and purchasers anticipating a change in the availability of supply from various sources during 2023-24, by source and firm type

Source	Firm type	No	Yes
U.S.-produced product	U.S. producers	6	1
U.S.-produced product	Importers	16	7
U.S.-produced product	Purchasers	27	10
Subject imports	U.S. producers	4	2
Subject imports	Importers	17	2
Subject imports	Purchasers	24	3
Nonsubject imports	U.S. producers	3	5
Nonsubject imports	Importers	17	9
Nonsubject imports	Purchasers	28	8

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

Purchasers were also asked to estimate what percentage of the steel nails that they desired to purchase they were able versus unable to purchase during 2017-19, 2020, 2021, 2022, and January-March 2023. As shown in figure II-4 and table II-12, the number of firms reporting zero unfulfilled purchases decreased while the number of firms reporting some percentage of unfulfilled purchases increased between 2017-19 and 2022. The number of firms reporting higher percentages of unfulfilled orders also increased over this time period. During January-March 2023, however, the number of firms experiencing unfulfilled orders were lower compared with 2020-22 and comparable to 2017-19.

Figure II-4
Steel nails: Purchasers' experiences regarding desired purchases that were unable to be fulfilled, by share of unfulfilled purchases and period



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

Table II-12
Steel nails: Purchasers' experiences regarding desired purchases that were unable to be fulfilled, by share and period

Count in number of firms

Share of purchaser orders that went unfulfilled	2017-19	2020	2021	2022	January-March 2023
None	37	33	26	26	36
0.1-5.0 percent	3	1	2	5	2
5.1-10.0 percent	0	2	0	1	1
10.1-15.0 percent	0	2	3	3	2
15.1-20.0 percent	1	1	4	0	1
20.1-25.0 percent	0	1	0	2	0
25.1+ percent	1	2	7	5	0

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

New suppliers

Most responding purchasers (33 of 41 firms) indicated that no new suppliers entered the U.S. market since January 1, 2017, and most (31 of 39 firms) do not expect additional entrants. Among the new entrants cited were 10 firms based in the United States (DHA Fasteners, Elemental Fasteners, Kennedy Industries, Legacy Fasteners, MAC Fastening Corp., Mirca Global, ProWest, Rich Well, S&S Engineering, and Zoro); 2 firms each in Belgium (Nails of Flanders and SERTEL VIDA METAL A.S.), China (LF Nails and Tianjin Huazhen Fastener Co.),

Turkey (Tenekecioglu International Corp. and TNK Fastener), and unknown origin countries (B2B and Harvest Fasteners); and 1 firm each in Guatemala (Power Nails), India (Spire Fasteners), Oman (Gulf Nails), Poland (Coinalde Polska SP.Z.O.O), Saudi Arabia (ALIF), and the UAE (Master Nails).

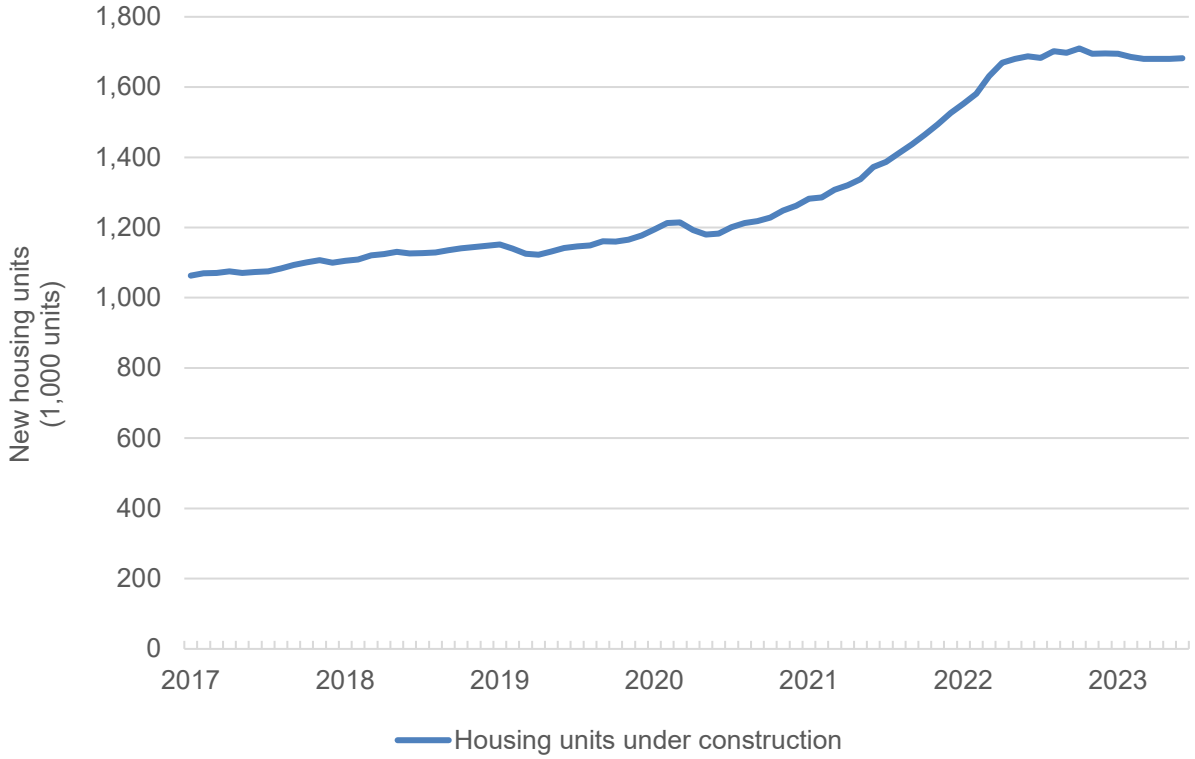
U.S. demand

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. As shown in figure II-5, residential construction activity in the United States has generally increased since January 2017, with some decreases in early 2019, the second quarter of 2020, and late 2022–early 2023. Overall, the number of houses under construction increased by 58.0 percent between January 2017 and March 2023.

Figure II-5

New residential construction: Housing units under construction in the United States, total units, monthly, seasonally adjusted total units, by year and month, January 2017–June 2023

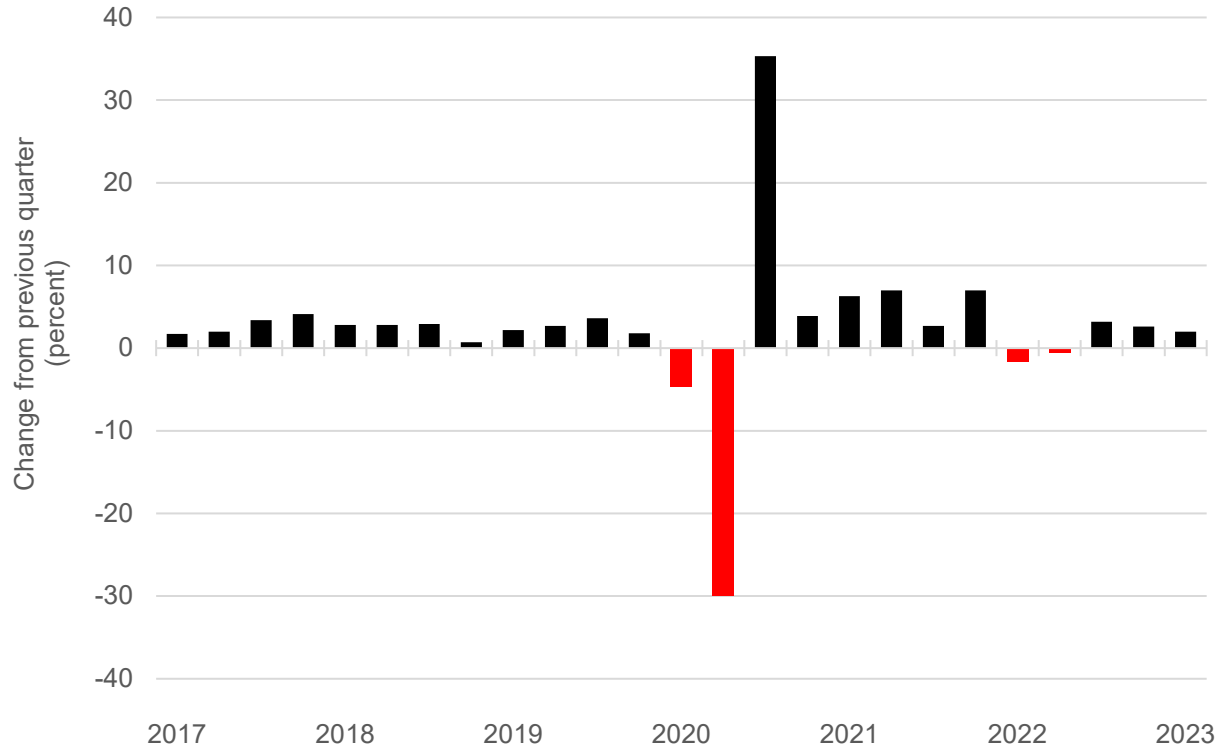


Source: U.S. Census Bureau, https://www.census.gov/econ/currentdata/?programCode=RESCONST&startYear=2017&endYear=2023&categories***=UNDERCONST&dataType=TOTAL&geoLevel=US&adjusted=1&notAdjusted=0&errorData=0#table-results, retrieved July 19, 2023.

Demand for steel nails is also influenced by the general level of economic activity in the United States. For example, pallet demand growth generally follows growth trends in gross domestic product (GDP) in the United States.[14] As shown in figure II-6, the U.S. GDP growth rate generally has been positive since January 2017, with exceptions in the first two quarters of 2020 and 2022.

Figure II-6

Real U.S. GDP: Percentage change from preceding period, quarterly, seasonally adjusted annual rate, by year and quarter, first quarter of 2017–first quarter of 2023



Source: U.S. Bureau of Economic Analysis, https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDMsM10sImRhdGEiOltbImNhdGVnb3JpZXMiLCJTdXJ2ZXkiXSxbIk5JUEFfVGFibGVfTGlzdCIsIjEiXSxbIkZpcnN0X1llYXIiLCIyMDE3Il0sWyJMYXN0X1llYXIiLCIyMDIzIl0sWyJTY2FsZSIsIjAiXSxbIlNlcmllcyIsIlEiXV19, retrieved July 19, 2023.

Note: The changes shown represent the percent change from the immediately preceding quarter for real seasonally adjusted GDP in the United States. Bars in black present quarters with positive growth. Bars in red present quarters with negative growth. The percentages shown have been annualized.

[14] Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370, October 2022, p. II-15.

End uses and cost share

U.S. demand for steel nails depends on the demand for U.S.-produced downstream products, including various construction and carpentry applications, housing, furniture, pallets, and wooden fencing.[15] In most applications, steel nails account for a very small share of the cost of the end-use products in which they are used.[16] In the current review, the vast majority of responding firms (including all 8 responding U.S. producers, 28 of 29 importers, and 25 of 27 purchasers) reported no changes in end uses. The only firm that elaborated on end use changes noted "a steady shift from nails to screws."

Business cycles

Most firms, including 6 of 8 U.S. producers, 12 of 29 importers, and 22 of 41 purchasers, indicated that the steel nails market is subject to business cycles. Most of these firms indicated that the steel nails market followed seasonal trends in the construction market, with peaks in the warmer months and valleys in the colder months. Others pointed to overall building trends and general economic trends as influences. When asked whether the steel nails market was subject to distinctive conditions of competition, most firms (including 2 of 6 U.S. producers, 21 of 29 importers, and 28 of 39 purchasers) reported that it was not. Among the firms reporting distinctive conditions of competition for steel nails, firms listed several factors, including supply chain challenges caused by the COVID-19 pandemic, an increase in the cost of steel wire, an increase in interest rates, and the war in Ukraine.

Demand trends

Regarding demand trends since January 2017, most firms reported an increase in demand in both the United States and outside the United States (tables II-13a and II-13b). More firms reported an increase in demand during the 2020-22 period than during the 2017-19 period, pointing to a generally higher level of demand during this time. When purchasers were asked how demand for their firm's end-use products had changed since January 2017, firms' responses were mixed but generally reported increased demand.[17]

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[15] Ibid.

[16] "Reported cost shares for some end uses typically ranged from 1 to 5 percent, depending on how specific the reported end use was." Ibid.

[17] Eleven purchasers reported that demand for their end-use products increased, 6 reported that demand for their end-use products fluctuated up, and 10 reported that demand for their end-use products fluctuated down.

Table II-13a
Steel nails: Count of firms' responses regarding overall domestic and foreign demand during 2017-19, by firm type

Market	Firm type	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease
U.S. demand	U.S. producers	1	3	1	2	1
U.S. demand	Importers	10	5	9	4	1
U.S. demand	Purchasers	10	7	20	0	0
U.S. demand	Foreign producers	1	0	0	1	0
Foreign demand	U.S. producers	1	1	1	0	2
Foreign demand	Importers	2	2	7	2	1
Foreign demand	Purchasers	4	1	15	0	0
Demand in subject country	Foreign producers	1	0	1	0	0
Demand in other export markets	Foreign producers	0	0	1	0	0

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

Table II-13b
Steel nails: Count of firms' responses regarding overall domestic and foreign demand during 2020-22, by firm type

Market	Firm type	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease
U.S. demand	U.S. producers	2	3	1	2	1
U.S. demand	Importers	13	8	5	5	0
U.S. demand	Purchasers	15	11	8	5	0
U.S. demand	Foreign producers	2	0	0	0	0
Foreign demand	U.S. producers	2	1	1	1	1
Foreign demand	Importers	3	6	5	2	0
Foreign demand	Purchasers	5	4	9	2	1
Demand in subject country	Foreign producers	1	1	0	0	0
Demand in other export markets	Foreign producers	0	1	0	0	0
Demand for end-use products	Purchasers	11	6	0	10	0

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

Regarding anticipated demand for steel nails during 2023-24, either a majority (U.S. producers and importers) or a plurality (purchasers) reported that they expect demand to decrease (table II-14). U.S. producer Mid Continent testified that since the third quarter of 2022 it has seen a decrease in demand due to several factors, including increased mortgage interest rates, a decline in residential construction, and increased inflation, and that it anticipates demand to be "flat at best" for the rest of 2023, but it expects demand to increase by between

four and seven percent through 2024 and 2025.[18] Rich Well testified that demand has increased since the end of 2022/beginning of 2023 and it anticipates demand will remain at these levels through 2023 and 2024.[19]

Table II-14
Steel nails: Count of firms' responses regarding anticipated overall domestic and foreign demand during 2023-24, by firm type

Market	Firm type	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease
U.S. demand	U.S. producers	0	1	2	3	2
U.S. demand	Importers	2	4	6	14	2
U.S. demand	Purchasers	5	3	13	8	10
U.S. demand	Foreign producers	0	0	0	0	2
Foreign demand	U.S. producers	1	0	1	2	1
Foreign demand	Importers	1	1	3	8	1
Foreign demand	Purchasers	2	2	8	4	5
Demand in subject country	Foreign producers	0	0	0	1	1
Demand in other export markets	Foreign producers	0	0	0	1	0

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

Substitute products

Substitutes for steel nails are limited.[20] All nine responding U.S. producers, 28 of 29 importers, and 38 of 42 purchasers reported that there were no changes in the number of types of products that can be substituted for steel nails. Among the firms that did report changes in substitutes, most firms listed screws and one firm listed adhesives.

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 at least a moderate-to-high degree of substitutability between domestically produced steel nails and

[18] Hearing transcript, pp. 22 and 39-40 (Skarich).
[19] Hearing transcript, p. 129 (Mahesh).
[20] Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370, October 2022, p. II-17. While most firms reported no substitutes, screws, staples, and adhesives were listed by some firms as possible substitutes in certain applications.

steel nails imported from subject sources.[21] Factors contributing to this level of substitutability include similar quality, little preference for particular country of origin or producers, similarities between domestically produced steel nails and steel nails imported from the UAE across most purchase factors, and interchangeability between domestic and the UAE. Factors reducing substitutability include some potential differences in availability and lead times, and some significant factors other than price that firms consider.

Factors affecting purchasing decisions[22]

Purchaser decisions based on source

As shown in table II-15, most purchasers and their customers either sometimes or never make purchasing decisions based on the producer or country of origin. Of the nine purchasers that reported always or usually making decisions based on the manufacturer, five firms cited quality; four cited total price, cost, or total value; and one each cited capability, capacity, and delivery reliability. Of the seven purchasers that reported always or usually making decisions based on the country of origin, five firms cited quality; three cited total price or cost; and one each cited capability, capacity, and delivery reliability.

Table II-15
Steel nails: Count of purchasers' responses regarding frequency of purchasing decisions based on producer and country of origin

Firm making decision	Decision based on	Always	Usually	Sometimes	Never
Purchaser	Producer	6	3	17	16
Customer	Producer	0	2	10	26
Purchaser	Country	3	4	14	21
Customer	Country	0	0	13	24

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

[21] 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.).

[22] Thirty-one of the 42 responding purchasers indicated they had marketing/pricing knowledge of domestic product, 14 of product from the UAE, and 34 of product from nonsubject countries, including Turkey (18 firms); India and Taiwan (12 firms each); China, South Korea, and Thailand (11 firms each); Oman (9 firms); Poland and Sri Lanka (7 firms each); Malaysia (6 firms); Canada, Mexico, and Vietnam (5 firms each); Angola, Austria, Lithuania, and Saudi Arabia (3 firms each); and Belarus, Bulgaria, Cambodia, Egypt, Italy, Kenya, and Serbia (1 firm each).

When asked if they or their customers ever prefer to order steel nails produced in a specific country or countries over other possible sources of supply, most (27 of 42) purchasers reported that they do not. Among the 15 firms that do, 9 noted a preference for domestic steel nails for reasons related to quality, shorter lead times, better inventory terms, and Made-In-America or government requirements. Four of the 15 firms noted a preference for imported steel nails from Oman (reported by 2 firms) and India, South Korea, Turkey, and the UAE (1 firm each) for reasons related to quality and quality control metrics.

When asked whether certain grades, types, or sizes of steel nails were only available from certain country sources, most purchasers (32 of 38 firms) reported that they were not. Among the firms reporting that they were, three referenced China, with *** reporting that only China had 8D masonry nails (***) and *** reporting that only China had electrogalvanized roofing nails. *** reported that nails meeting the quality and spec requirements demanded for pallet manufacturing has only been met by a South Korean producer, and *** stated that "most manufacturers have the ability to make all grades/types/styles {of steel nails}, but they are restricted by tariffs making the cost uncompetitive in the United States."

When U.S. producers and importers were asked whether they offered private label product, most U.S. producers (6 of 9) reported that they did not, while most importers (18 of 29) reported that they did. U.S. producers estimated that the percent of their 2022 quantity that was sold under private label ranged from *** to *** percent, for an average of 6.6 percent. Importers estimated that the percent of their 2022 quantity that was sold under private label ranged from *** to *** percent, for an average of 75.2 percent.[23]

Importance of purchasing domestic product

Thirty-nine of 40 responding purchasers reported that most or all of their purchases did not require purchasing U.S.-produced product (for an estimated 99.4 percent of the value of all reported purchases in 2022). Seven firms reported that domestic product was required by law (for 0.1 percent of reported purchases), 8 reported it was required by their customers (for 0.5 percent of reported purchases), and 1 reported other preferences for domestic product, such as Made-In-America preferences, (for less than 1 percent of reported purchases).

[23] Seven of the 11 responding importers estimated selling 100 percent of their 2022 quantity under private label.

Most important purchase factors

The most often cited top three factors firms consider in their purchasing decisions for steel nails were price and factors related to availability (35 firms each), and quality (32 firms) (table II-16). Price was the most frequently cited first-most important factor (cited by 20 firms), followed by quality (13 firms); availability/lead time/delivery time was the most frequently reported second-most important factor (cited by 15 firms), followed by quality (14 firms); and availability/lead time/delivery time was the most frequently reported third-most important factor (14 firms), followed by price (8 firms).

Table II-16
Steel nails: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Factor	First	Second	Third	Total
Price	20	7	8	35
Quality	13	14	5	32
Availability / lead time / delivery time	6	15	14	35
Loyalty / traditional supplier	1	0	2	3
All other factors	3	7	12	22

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

Note: Other factors include brand, capability, capacity, range of product line, and reliability of supply (2 firms each); and business viability, corporate alignment, credit line, discounts offered, logistics, nail gun repair program, payment terms, product consistency, product ladder, qualification, selection, service, styling, sustainability, and terms (1 firm each).

When asked how often they purchase the steel nails that are offered at the lowest price, a plurality of firms (18) reported that they sometimes do, while 16 reported that they usually do. Six firms reported that they never purchase the lowest-priced product, and 2 reported that they always do.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 16 factors in their purchasing decisions (table II-17). The factors rated as very important by more than half of responding purchasers were availability (39 firms); product consistency (38); quality meets industry standards (37); reliability of supply (35); price (32); and delivery time (31). A slight plurality of firms (15 of 42) reported that availability of private labeling was not important, while 14 reported that it was very important.

Table II-17
Steel nails: Count of purchasers' responses regarding importance of purchase factors, by factor

Factor	Very important	Somewhat important	Not important
Availability	39	3	0
Availability of private labeling	14	13	15
Delivery terms	18	19	4
Delivery time	31	11	0
Discounts offered	17	16	9
Minimum quantity requirements	5	22	14
Packaging	20	15	8
Payment terms	11	23	7
Price	32	10	0
Product consistency	38	4	0
Product range	14	24	4
Quality meets industry standards	37	5	0
Quality exceeds industry standards	19	17	6
Reliability of supply	35	6	1
Technical support/service	14	18	10
U.S. transportation costs	14	21	7

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

Lead times

Steel nails are primarily produced-to-order, though *** from inventory. U.S. producers reported that *** percent of their commercial shipments were produced-to-order in 2022, with lead times averaging 54 days, while importers reported that *** percent of their commercial shipments were produced-to-order, with lead times averaging *** days. The remaining *** percent of U.S. producers' commercial shipments came from inventories, with lead times averaging *** days.

Supplier certification

Most responding purchasers (26 of 41 firms) do not require their suppliers to become certified or qualified to sell steel nails to their firm, while 15 do. Purchasers reported that the time to qualify a new supplier ranged from 10 to 150 days. Most purchasers (34 of 39 firms) reported that no domestic or foreign supplier had failed in its attempt to qualify steel nails or had lost its approved status since 2017. For the five firms that did, the suppliers that failed qualification or lost their status were named as Aeigis Industries, Gripon, and Geekay (India); Astrotech (South Africa); Gulf Nails (Oman); Inno Steel & Korea Wire (South Korea); Litnaglis (Lithuania); Mid Continent (United States); Romp (Taiwan); Sertel (Turkey); Shandex (United States); and Truper (Mexico).

Minimum quality specifications

As seen in table II-18, all responding purchasers reported that domestically produced product and product produced in the UAE and nonsubject countries either always or usually met minimum quality specifications.

Table II-18
Steel nails: Count of purchasers' responses regarding suppliers' ability to meet minimum quality specifications, by source

Source of purchases	Always	Usually	Sometimes	Rarely or never	Don't Know
United States	22	11	0	0	9
UAE	9	6	0	0	24
Nonsubject sources	16	21	0	0	5

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

Note: Purchasers were asked how often domestically produced or imported steel nails meets minimum quality specifications for their own or their customers' uses.

When asked what characteristics they consider when evaluating the quality of steel nails, purchasers listed the following: adherence to specifications, appearance of packaging, box strength, carbon content, cleanliness, coatings, consistency, customer feedback, dimensions, durability, functionality in pneumatic tools, gauge, geometry, hardness, head size, material properties, meeting ANSI and/or ASTM specifications, meeting code requirements, meeting industry standards, no damage in transit, performance, quality of the plastic that holds the nails together, reliability of firing, straightness, strength, thickness, tolerances, visual conformity, and weight.

Changes in purchasing patterns

Most responding purchasers (25 of 41 firms) reported that they had changed suppliers since January 1, 2017; 16 reported that they had not. Specifically, firms dropped or reduced purchases from the following firms because of quality, availability, or because the firm shut down: Mid Continent (cited by 3 firms); Metabo HPT (cited by 2 firms); and Aslanbas, Bulldog, Jintech Tianjin Precision Electronics, National Nail, Patek, and Stanley Langfang (cited by 1 firm each). Firms added or increased purchases from the following firms: Astrotech, Huttig, Oman Fasteners, and PrimeSource (cited by 2 firms each); and BMD, Coinalde Polska, CMI, Gripon, ITW Paslode, JSC Linaglis, Labon, Mirca Global, Metalhouse, National Nail, Promet, Rich Well, Shandex, Tampin, and Tenekecioglu International Corp. (cited by 1 firm each).

Purchasers were also asked about changes in their purchasing patterns from different countries since January 1, 2017 (table II-19). A plurality of firms reported no change in domestic

or nonsubject purchases since 2017 and a majority of firms reported no change in purchases from the UAE. However, more purchasers reported increased purchases from domestic and nonsubject sources than reported decreased purchases.

Table II-19
Steel nails: Count of purchasers' responses regarding changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Steadily increased	Fluctuated up	No change	Fluctuated down	Steadily decreased	Did not purchase
United States	5	6	16	6	2	7
UAE	2	1	14	2	2	16
Nonsubject sources	10	12	15	2	0	1
Sources unknown	1	2	16	0	0	10

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

Purchasers that reported increasing purchases of domestic product reported doing so for reasons related to increased demand, competitive domestic prices, good domestic availability, and supply chain challenges for imported product. Purchasers that reported decreasing purchases of domestic product reported doing so for reasons related to availability shortages, better prices for imports, and domestic supply chain problems. Purchasers that reported increasing purchases of UAE product reported doing so for reasons related to increased demand and competitive pricing, and firms that reported decreasing purchases of UAE product did so for reasons related to increased costs for UAE product, decreased availability, and poor communication. Purchasers that reported increasing purchases of nonsubject product reported doing so for reasons related to price, domestic shortages, increased demand, good availability, and the antidumping duty order on steel nails from the UAE, and firms that reported decreasing purchases of UAE product did so because of COVID-related supply challenges.

Purchase factor comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing steel nails produced in the United States, the UAE, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 16 factors (table II-20) for which they were asked to rate the importance.

Most purchasers reported that steel nails from the United States and the UAE were comparable on most factors. Most purchasers rated the United States as superior to the UAE on delivery time, and either a plurality or a near plurality rated the United States as superior to the UAE on delivery terms and technical support/service. Most firms rated the United States as

inferior to the UAE on the availability of private labeling and price. As discussed earlier, delivery time and price were rated as very important by most purchasers and the availability of private labeling was rated as not important by a slight plurality of purchasers (see table II-17).

When comparing steel nails from the United States and nonsubject countries, most purchasers rated the sources as comparable on most factors except delivery time, for which the U.S. was rated as superior. Half of the responding firms (16 of 32) also rated U.S. and nonsubject country prices as comparable on price, although 15 of them rated the U.S. as inferior. Ten of 28 firms also rated the United States as inferior on availability of private labeling. Steel nails from the UAE and nonsubject countries were rated as comparable on all factors.

Table II-20
Steel nails: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	US v. UAE	4	6	5
Availability of private labeling	US v. UAE	0	5	9
Delivery terms	US v. UAE	7	7	2
Delivery time	US v. UAE	11	1	2
Discounts offered	US v. UAE	2	9	4
Minimum quantity requirements	US v. UAE	4	9	1
Packaging	US v. UAE	3	10	2
Payment terms	US v. UAE	5	8	2
Price	US v. UAE	2	5	8
Product consistency	US v. UAE	4	8	3
Product range	US v. UAE	3	9	3
Quality meets industry standards	US v. UAE	4	11	1
Quality exceeds industry standards	US v. UAE	3	10	2
Reliability of supply	US v. UAE	5	6	4
Technical support/service	US v. UAE	7	6	2
U.S. transportation costs	US v. UAE	5	8	2

Table continued.

Table II-20 Continued
Steel nails: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	US v. Nonsubject	2	23	7
Availability of private labeling	US v. Nonsubject	3	15	10
Delivery terms	US v. Nonsubject	9	20	2
Delivery time	US v. Nonsubject	18	9	5
Discounts offered	US v. Nonsubject	2	24	3
Minimum quantity requirements	US v. Nonsubject	5	23	2
Packaging	US v. Nonsubject	2	28	2
Payment terms	US v. Nonsubject	3	27	2
Price	US v. Nonsubject	1	16	15
Product consistency	US v. Nonsubject	0	29	3
Product range	US v. Nonsubject	1	25	6
Quality meets industry standards	US v. Nonsubject	2	29	1
Quality exceeds industry standards	US v. Nonsubject	1	28	3
Reliability of supply	US v. Nonsubject	4	22	6
Technical support/service	US v. Nonsubject	9	19	3
U.S. transportation costs	US v. Nonsubject	5	23	4

Table continued.

Table II-20 Continued
Steel nails: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	UAE v. Nonsubject	0	11	2
Availability of private labeling	UAE v. Nonsubject	0	12	0
Delivery terms	UAE v. Nonsubject	0	12	1
Delivery time	UAE v. Nonsubject	0	8	5
Discounts offered	UAE v. Nonsubject	0	13	0
Minimum quantity requirements	UAE v. Nonsubject	0	13	0
Packaging	UAE v. Nonsubject	1	11	1
Payment terms	UAE v. Nonsubject	0	10	3
Price	UAE v. Nonsubject	1	10	2
Product consistency	UAE v. Nonsubject	1	10	2
Product range	UAE v. Nonsubject	1	10	2
Quality meets industry standards	UAE v. Nonsubject	0	12	1
Quality exceeds industry standards	UAE v. Nonsubject	0	11	2
Reliability of supply	UAE v. Nonsubject	0	11	2
Technical support/service	UAE v. Nonsubject	0	9	4
U.S. transportation costs	UAE v. Nonsubject	0	11	2

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

Note: A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

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 the UAE and nonsubject countries, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-21 to II-23, majorities of all types of responding firms rated steel nails from all sources as always interchangeable.

Table II-21
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. UAE	5	1	1	0
U.S. vs. Other	5	2	1	0
UAE vs. Other	5	1	1	0

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

Table II-22
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. UAE	10	5	1	0
U.S. vs. Other	15	6	2	0
UAE vs. Other	11	5	1	0

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

Table II-23
Steel nails: Count of purchasers 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. UAE	12	5	2	0
U.S. vs. Other	20	10	5	0
UAE vs. Other	14	7	1	0

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

In addition, U.S. producers, importers, and purchasers 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-24 to II-26, most firms reported that such differences were sometimes significant; the next most-frequent response was that they are always significant. In general, firms identified quality, transit time, and domestic availability as significant non-price factors.

Table II-24
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. UAE	2	0	2	0
U.S. vs. Other	2	1	2	0
UAE vs. Other	2	0	2	0

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

Table II-25
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. UAE	3	1	7	3
U.S. vs. Other	6	1	12	4
UAE vs. Other	5	1	7	2

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

Table II-26
Steel nails: Count of purchasers 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. UAE	4	2	12	0
U.S. vs. Other	12	2	18	3
UAE vs. Other	5	0	14	1

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

In additional comments, *** listed private label branding as a significant non-price factor, as did ***. *** listed the following as important non-price factors: "***."

Elasticity estimates[24]

U.S. supply elasticity

The domestic supply elasticity for steel nails measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of steel nails. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with

[24] No party commented specifically on staff's numerical estimates.

which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced steel nails. Analysis of these factors above indicates that the U.S. industry has the ability to at least somewhat increase or decrease shipments to the U.S. market; an estimate in the range of 3 to 5 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for steel nails measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of steel nails. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the steel nails in the production of any downstream products. Based on the available information, the aggregate demand for steel nails is likely to be highly inelastic; a range of -0.2 to -0.4 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[25] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced steel nails and imported steel nails is likely to be in the range of 3 to 6. Most firms consider steel nails from the United States and other sources to be of similar quality, purchasers reported little preference for specific producers or countries of origin, there are similarities between domestically produced steel nails and steel nails imported from the UAE across most of the identified purchase factors, and there is a high degree of interchangeability between steel nails from the United States and the UAE. Purchasers identified some differences between the United States and the UAE on delivery time and availability, however, and several firms reported that non-price factors can sometimes be significant, which may reduce the level of substitutability between domestic and subject sources.

[25] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

Part III: Condition of the U.S. industry

Overview

The information in this section of the report was compiled from responses to the Commission's questionnaires. The Commission received usable questionnaires from 10 firms, which account for the vast majority of U.S. production of steel nails in 2022.[1]

Industry events since the last five-year review

There have been several changes to the domestic industry since the last five-year review. 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.[2] Wire Mesh Corp. (aka WMC Holdings) ceased producing nails in 2018.[3] American Fasteners Co. Ltd., which was founded in 2015, closed its nails manufacturing and distribution business operation in March 2023 and sold all of its nails manufacturing equipment and machinery, as well as the distribution portion of its business, ***.[4]

[1] For information on the U.S. producers, their position on continuation of the antidumping duty order, location of their steel nails production plants, and the share of their reported production in 2022, firm-by-firm, see the "U.S. producers" subsection of Part I of this report.

[2] Pallet Enterprise, "Pallet People: Liblas Acquire Fuzion Fasteners, Launch Legacy Fasteners LLC," https://palletenterprise.com/view_article/4833/Pallet-People:-Liblas-Acquire-Fuzion-Fasteners,-Launch-Legacy-Fasteners-LLC-, retrieved November 22, 2022. See also Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. No. 701-TA-673-675 and 677 (Final), USITC Publication 5370, October 2022, p. II-7, fn. 16.

[3] Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370, October 2022, p. 33.

[4] Mid Continent's Prehearing Brief, p. 30 and exh. 1.

Changes experienced by the industry

Domestic producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of steel nails since 2017. Seven producers indicated that they had experienced such changes; their responses are presented in table III-1.

Table III-1
Steel nails: U.S. producers' reported changes in operations since January 1, 2017, by type of change and firm

Type of change	Firm name and narrative on changes in operations
Prolonged curtailments	***
Prolonged curtailments	***
Prolonged curtailments	***
Relocations	***
Acquisitions	***
Other	***
Other	***
Other	***
Other	***

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

U.S. producers were asked about the impact of the COVID-19 pandemic on their steel nails operations. Nine producers reported being impacted; their responses are presented in table III-2. Producers reported two main issues. The first was sourcing raw materials needed to produce steel nails. Producers reported shortages and delivery delays of these products. The second issue was staffing and labor constraints. Employee attrition increased during the COVID-19 pandemic and employers have had challenges refilling positions.

Table III-2
Steel nails: U.S. producers' reported impact of the COVID-19 pandemic on their operations since January 1, 2020

Firm name	Narrative on the impact of the COVID-19 pandemic
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

Anticipated changes in operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of steel nails. Three producers reported such anticipated changes; their responses are presented in table III-3.

Table III-3
Steel nails: U.S. producers' anticipated changes in operations

Item	Firm name and narrative on anticipated changes in operations
***	***
***	***
***	***

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

U.S. production, capacity, and capacity utilization

Table III-4 presents U.S. producers' installed capacity, practical capacity, and production on the same equipment. Practical overall capacity and practical steel nails capacity were comparable to one another in all periods, reflecting very limited production of other products on the same equipment.

Table III-4
Steel nails: U.S. producers' installed and practical capacity and production on the same equipment as subject production, by period

Capacity and production in short tons; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	361,141	368,402	370,767	95,221	95,221
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	151,262	159,441	171,114	42,800	42,748
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical steel nails	Capacity	150,562	158,091	170,414	42,675	42,523
Practical steel nails	Production	135,945	133,524	125,130	31,445	28,420
Practical steel nails	Utilization	90.3	84.5	73.4	73.7	66.8

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

Note: The Commission instructed producers to provide data as follows: Installed overall production capacity is the level of production that your establishment(s) could have attained, assuming your firm's optimal product mix, and based solely on existing capital investments, i.e., machinery and equipment that is in place and ready to operate. This capacity measure does not take into account other constraints to production such as existing workforce constraints, availability of raw materials, or downtime for maintenance, repair, and clean-up. This capacity measure is sometimes referred to as "nameplate" or "theoretical" capacity in some industries.

Note: The Commission instructed producers to provide data as follows: Practical overall production capacity is the level of production that your establishment(s) could reasonably have expected to attain, taking into account your firm's actual product mix over the period. This capacity measure is based on not only existing capital investments, i.e., machinery and equipment that is in place and ready to operate but also non-capital investment constraints, such as (1) normal operating conditions, including normal downtime for maintenance, repair, and cleanup; (2) your firm's existing in-place and readily available labor force; (3) availability of material inputs; and (4) any other constraints that may have limited your firm's ability to produce the reported products. Importantly, this capacity measure is the maximum "practical" production your firm could have achieved without hiring new personnel or expanding the number of shifts operated in the period.

Table III-5 presents U.S. producers' reported narratives regarding practical overall capacity constraints.

Table III-5
Steel nails: U.S. producers' reported capacity constraints, by type of constraint and firm

Type of change	Firm name and narrative on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Logistics/transportation	***
Logistics/transportation	***
Other constraints	***
Other constraints	***

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

Table III-6 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. Practical steel nails capacity increased during 2020-22, while production and capacity utilization decreased during the same period. Capacity increased by 13.2 percent, production decreased by 8.0 percent,[5] and utilization decreased by 16.9 percentage points. All three metrics were lower in January-March 2023 than in January-March 2022.

Table III-6
Steel nails: U.S. producers' output, by firm and by period

Capacity

Capacity in short tons

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	150,562	158,091	170,414	42,675	42,523

Table continued.

[5] *** had the largest decrease in production among all responding firms. The firm reduced steel nails production by *** short tons during 2020-22. The firm attributed its curtailment in production to ***. *** U.S. producer questionnaire at II-2a.

Table III-6 continued
Steel nails: U.S. producers' output, by firm and by period

Production

Production in short tons

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	135,945	133,524	125,130	31,445	28,420

Table continued.

Table III-6 continued
Steel nails: U.S. producers' output, by firm and by period

Capacity utilization

Capacity utilization ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	90.3	84.5	73.4	73.7	66.8

Table continued.

Table III-6 continued
Steel nails: U.S. producers' output, by firm and by period

Share of production

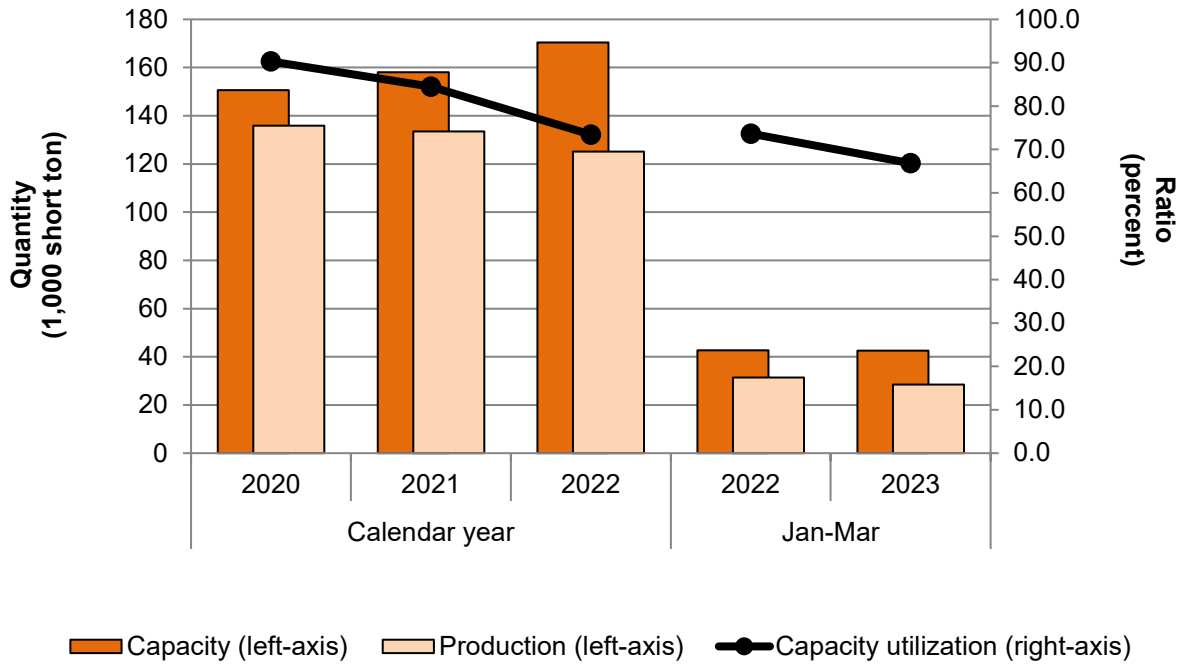
Share of production in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	100.0	100.0	100.0	100.0	100.0

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



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

Production by product type

In this proceeding, U.S. producers were asked to categorize their production of steel nails into two product types: collated steel nails or other than collated (i.e., "bulk") steel nails. Table III-7 presents producers production of these two types of products. Collated steel nails accounted more than two-thirds of U.S. producers' production throughout the period for which data were collected.

Table III-7
Steel nails: U.S. producers' production, by type and period

Quantity in short tons; shares and ratios in percent

Production type	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Collated	Quantity	100,578	96,664	85,597	21,535	19,625
Other than collated	Quantity	35,367	36,860	39,533	9,910	8,795
All steel nails	Quantity	135,945	133,524	125,130	31,445	28,420
Collated	Share	74.0	72.4	68.4	68.5	69.1
Other than collated	Share	26.0	27.6	31.6	31.5	30.9
All steel nails	Share	100.0	100.0	100.0	100.0	100.0

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

Production of alternative products

U.S. producers were asked to report their firms' production of other products using the same equipment, machinery, or employees as used to produce steel nails. *** firms, accounting for *** percent of U.S. production of steel nails, reported that they had not produced products other than steel nails (as defined in the Commission's questionnaire) on shared equipment. *** reported production of products other than steel nails on shared equipment. During 2020-22, ***.

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

Table III-8 presents U.S. producers' U.S. shipments,[6] export shipments, and total shipments. U.S. shipments by quantity accounted for the vast majority of total shipments between January 2020 and March 2023. Exports represented 2 percent or less of U.S. producers' total shipments during the same period.[7]

By quantity, U.S. shipments, exports, and, consequently, total shipments decreased during 2020-22.[8] All three were lower in January-March 2023 than in January-March 2022. Conversely, by value, U.S. shipments, exports, and, consequently, total shipments increased during 2020-22.[9] U.S. shipments and total shipments were lower in January-March 2023 than in January-March 2022, while exports were higher in January-March 2023 than in January-March 2022.

The average unit value for U.S. shipments, exports, and total shipments increased by 79.5, ***, and *** percent, respectively, during 2020-22. Unit values for U.S. shipments and total shipments were lower in January-March 2023 than in January-March 2022, while export unit values were higher in January-March 2023 than in January-March 2022.

[6] The vast majority of U.S. producers' shipments were commercial. *** transfers to related firms. ***. The firm reported internal consumption ***. Email ***, May 24, 2023.

[7] *** reported exports. *** firms reported exports to Canada. ***.

[8] *** accounted for largest decline in U.S. shipments during 2020-22. The firm's U.S. shipments ***.

[9] *** firms reported an increase in the value of their U.S. shipments during 2020-22.

Table III-8
Steel nails: U.S. producers' total shipments, by location of shipment and by period

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

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. shipments	Quantity	136,226	131,656	114,413	28,787	28,101
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
U.S. shipments	Value	221,306	281,912	333,627	78,784	74,399
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***
U.S. shipments	Unit value	1,625	2,141	2,916	2,737	2,648
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

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-9 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. Inventories increased by 41.0 percent during 2020-22, and were higher in January-March 2023 than in January-March 2022. The ratios of inventories to U.S. production, U.S. shipments, and total shipments followed a similar pattern. These ratios decreased from 2020 to 2021, then increased from 2021 to 2022. Overall, each ratio increased during 2020-22, and was higher in January-March 2023 than in January-March 2022.

Table III-9
Steel nails: U.S. producers' inventories, by period

Quantity in short tons; inventory ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
End-of-period inventory	Quantity	18,635	17,811	26,274	20,644	26,179
Inventory to U.S. production	Ratio	13.7	13.3	21.0	16.4	23.0
Inventory to U.S. shipments	Ratio	13.7	13.5	23.0	17.9	23.3
Inventory to total shipments	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 "---".

U.S. employment, wages, and productivity

Table III-10 shows U.S. producers' employment-related data. The number of production and related workers ("PRWs") increased by 13.5 percent during 2020-22, and was higher in January-March 2023 than in January-March 2022. Total hours worked also increased during 2020-22, and remained the same during January-March 2022 and January-March 2023. Hours worked per PRW, however, decreased during 2020-22, and were lower in January-March 2023 than in January-March 2022.

Hourly wages paid to PRWs and total wages paid increased by 31.9 percent and 48.2 percent, respectively, during 2020-22; and both metrics were higher in January-March 2023 than in January-March 2022.

Although total hours worked increased, as U.S. production of steel nails decreased, productivity declined. During 2020-22, productivity decreased by 16.2 percentage points, and was 7.1 percentage points lower in January-March 2023 than in January-March 2022.

Table III-10
Steel nails: U.S. producers' employment related data, by period

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Production and related workers (PRWs) (number)	719	745	816	758	808
Total hours worked (1,000 hours)	1,516	1,558	1,703	428	428
Hours worked per PRW (hours)	2,108	2,091	2,087	565	530
Wages paid ($1,000)	24,365	27,272	36,112	7,904	9,002
Hourly wages (dollars per hour)	$16.07	$17.50	$21.20	$18.47	$21.03
Productivity (short tons per 1,000 hours)	89.7	85.7	73.5	73.5	66.4
Unit labor costs (dollars per short ton)	$179	$204	$289	$251	$317

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

Financial experience of U.S. producers

Background[10]

Ten U.S. producers (Acorn, ITW, Kyocera, Legacy, MAR-MAC, Maze, Mid Continent, Pneu-fast, Simpson, and Tree Island) provided usable financial results on their steel nails operations. Seven U.S. producers reported financial data on the basis of GAAP and ***.[11] [12]

Figure III-2 presents each responding firm's share of the total reported net sales quantity in 2022.

[10] 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").

[11] ***. U.S. producers' questionnaire response, section III-2, B.3.

[12] ***.

Figure III-2
Steel nails: U.S. producers' share of net sales quantity in 2022, by firm

* * * * * * *

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

Operations on steel nails

Table III-11 presents aggregated data on U.S. producers' operations in relation to steel nails, while table III-12 presents corresponding changes in AUVs. Table III-13 presents selected company-specific financial data.

Table III-11
Steel nails: U.S. producers' results of operations, by item and period

Quantity in short tons; value in 1,000 dollars; ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Total net sales	Quantity	138,671	134,180	116,519	29,833	28,740
Total net sales	Value	228,761	291,152	344,166	81,116	77,758
COGS: Raw materials	Value	116,424	155,283	189,458	42,538	41,742
COGS: Direct labor	Value	22,951	24,498	28,832	6,571	6,991
COGS: Other factory	Value	44,181	39,898	42,472	10,973	11,863
COGS: Less steel scrap revenue	Value	1,159	2,157	2,029	608	402
COGS: Total	Value	182,397	217,522	258,733	59,474	60,194
Gross profit or (loss)	Value	46,364	73,630	85,433	21,642	17,564
SG&A expenses	Value	24,955	28,988	34,277	7,407	7,997
Operating income or (loss)	Value	21,409	44,642	51,156	14,235	9,567
All other expenses or (income), net	Value	(1,187)	(1,738)	(1,759)	(434)	(421)
Net income or (loss)	Value	22,596	46,380	52,915	14,669	9,988
Depreciation/amortization	Value	8,027	7,615	6,641	1,322	1,063
Cash flow	Value	30,623	53,995	59,556	15,991	11,051
COGS: Raw materials	Ratio to NS	50.9	53.3	55.0	52.4	53.7
COGS: Direct labor	Ratio to NS	10.0	8.4	8.4	8.1	9.0
COGS: Other factory	Ratio to NS	19.3	13.7	12.3	13.5	15.3
COGS: Less steel scrap revenue	Ratio to NS	0.5	0.7	0.6	0.7	0.5
COGS: Total	Ratio to NS	79.7	74.7	75.2	73.3	77.4
Gross profit	Ratio to NS	20.3	25.3	24.8	26.7	22.6
SG&A expense	Ratio to NS	10.9	10.0	10.0	9.1	10.3
Operating income or (loss)	Ratio to NS	9.4	15.3	14.9	17.5	12.3
Net income or (loss)	Ratio to NS	9.9	15.9	15.4	18.1	12.8

Table continued.

Table III-11 continued
Steel nails: U.S. producers' results of operations, by item and period

Shares in percent; unit values in dollars per short ton; count in number of firms reporting

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
COGS: Raw materials	Share	63.4	70.7	72.7	70.8	68.9
COGS: Direct labor	Share	12.5	11.2	11.1	10.9	11.5
COGS: Other factory	Share	24.1	18.2	16.3	18.3	19.6
COGS: Total	Share	100.0	100.0	100.0	100.0	100.0
Total net sales	Unit value	1,650	2,170	2,954	2,719	2,706
COGS: Raw materials	Unit value	840	1,157	1,626	1,426	1,452
COGS: Direct labor	Unit value	166	183	247	220	243
COGS: Other factory	Unit value	319	297	365	368	413
COGS: Less steel scrap revenue	Unit value	8	16	17	20	14
COGS: Total	Unit value	1,315	1,621	2,221	1,994	2,094
Gross profit or (loss)	Unit value	334	549	733	725	611
SG&A expenses	Unit value	180	216	294	248	278
Operating income or (loss)	Unit value	154	333	439	477	333
Net income or (loss)	Unit value	163	346	454	492	348
Operating losses	Count	***	***	***	***	***
Net losses	Count	***	***	***	***	***
Data	Count	10	10	10	10	10

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. Ratios represent ratios to net sales values, while shares represent the share of COGS before the steel scrap revenue offset. ***.

Table III-12
Steel nails: Changes in AUVs between comparison periods

Changes in percent

Item	2020-22	2020-21	2021-22	Jan-Mar 2022-23
Total net sales	▲79.1	▲31.5	▲36.1	▼(0.5)
COGS: Raw materials	▲93.7	▲37.8	▲40.5	▲1.9
COGS: Direct labor	▲49.5	▲10.3	▲35.5	▲10.4
COGS: Other factory	▲14.4	▼(6.7)	▲22.6	▲12.2
COGS: Less steel scrap revenue	▲108.3	▲92.3	▲8.3	▼(31.4)
COGS: Total	▲68.8	▲23.2	▲37.0	▲5.1

Table continued.

Table III-12 continued
Steel nails: Changes in AUVs between comparison periods

Changes in dollars per short ton

Item	2020-22	2020-21	2021-22	Jan-Mar 2022-23
Total net sales	▲1,304	▲520	▲784	▼(13)
COGS: Raw materials	▲786	▲318	▲469	▲27
COGS: Direct labor	▲82	▲17	▲65	▲23
COGS: Other factory	▲46	▼(21)	▲67	▲45
COGS: Less steel scrap revenue	▲9	▲8	▲1	▼(6)
COGS: Total	▲905	▲306	▲599	▲101
Gross profit or (loss)	▲399	▲214	▲184	▼(114)
SG&A expense	▲114	▲36	▲78	▲30
Operating income or (loss)	▲285	▲178	▲106	▼(144)
Net income or (loss)	▲291	▲183	▲108	▼(144)

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

Table III-13
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales quantity

Quantity in short tons

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	138,671	134,180	116,519	29,833	28,740

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales value

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	228,761	291,152	344,166	81,116	77,758

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	182,397	217,522	258,733	59,474	60,194

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	46,364	73,630	85,433	21,642	17,564

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	24,955	28,988	34,277	7,407	7,997

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	21,409	44,642	51,156	14,235	9,567

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	22,596	46,380	52,915	14,669	9,988

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	79.7	74.7	75.2	73.3	77.4

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss) to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	20.3	25.3	24.8	26.7	22.6

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	10.9	10.0	10.0	9.1	10.3

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss) to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	9.4	15.3	14.9	17.5	12.3

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss) to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	9.9	15.9	15.4	18.1	12.8

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net sales value

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	1,650	2,170	2,954	2,719	2,706

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit raw material

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	840	1,157	1,626	1,426	1,452

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit direct labor

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	166	183	247	220	243

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit other factory costs

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	319	297	365	368	413

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit steel scrap by-product revenue

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	8	16	17	20	14

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit COGS

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	1,315	1,621	2,221	1,994	2,094

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit gross profit or (loss)

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	334	549	733	725	611

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit SG&A expenses

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	180	216	294	248	278

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit operating income or (loss)

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	154	333	439	477	333

Table continued.

Table III-13 continued
Steel nails: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net income or (loss)

Unit values in dollars per short ton

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Acorn	***	***	***	***	***
ITW	***	***	***	***	***
Kyocera	***	***	***	***	***
Legacy	***	***	***	***	***
MAR-MAC	***	***	***	***	***
Maze	***	***	***	***	***
Mid Continent	***	***	***	***	***
Pneu-Fast	***	***	***	***	***
Simpson	***	***	***	***	***
Tree Island	***	***	***	***	***
All firms	163	346	454	492	348

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

Net sales

Total revenue consists primarily of commercial sales, with a small amount of internal consumption and transfers to related firms. Transfers to related firms and internal consumption are included in the financial data, but not shown separately in this section of the report.[13]

As shown in table III-11 sales quantity decreased by 16.0 percent from 2020 to 2022 and was 3.7 percent lower in January-March 2023 compared with January-March 2022. Despite the decline in volumes, sales value increased by 50.4 percent from 2020 to 2022, and was 4.1 percent lower in January-March 2023 compared with January-March 2022. As shown in table III-13, sales volume trends varied between firms with *** U.S. producers reporting an overall increase from 2020 to 2022 and the rest reporting an overall decrease during the same period. In the January-March periods however, the majority of U.S. producers (***) reported lower sales volume in January-March 2023 compared with January-March 2022. The sales values trends were more uniform on a firm-by-firm basis. *** U.S. producers reported an overall increase in sales values from 2020 to 2022 (largely attributable to post COVID-19 pandemic demand and higher steel costs).[14] Sales values varied in the January-March

[13] Transfers to related firms (***) were reported by *** only, and represent exports to ***. Email from ***, May 19, 2023. Internal consumption (***) was reported by *** only. ***. Email from ***, May 22, and May 24, 2023.

[14] For example ***. Email from ***, May 12, 2023. ***. Email from ***, May 22, 2023. ***. Email from ***, May 19, 2023. ***.

(*continued…)*

of 2022 and 2023 periods. On an average per short ton basis, net sales value increased from $1,650 in 2020 to $2,170 in 2021 and $2,954 in 2022, and was lower in January-March 2023 at $2,706 compared with $2,719 in January-March 2022. As shown in table III-13, *** U.S. producers reported an overall increase in their per short ton sales values from 2020 to 2022. *** U.S. producers reported higher unit values in January-March 2023 compared with January-March 2022 while the remaining *** reported lower unit values.[15]

Cost of goods sold and gross profit or loss

Raw material costs, direct labor, and other factory costs accounted for 72.7, 11.1, and 16.3 percent of total COGS, respectively, in 2022.

Raw material costs, the largest component of COGS, were largely affected by the prices of steel, and continuously increased by 33.4 percent from 2020 to 2021, 22.0 percent from 2021 to 2022, and overall increased by 62.7 percent from 2020 to 2022. Raw material costs were 1.9 percent lower in January-March 2023 compared with January-March 2022. On an average per short ton basis, raw material costs increased from $840 in 2020 to $1,157 in 2021 and $1,626 in 2022, and were slightly higher in January-March 2023 at $1,452 compared with January-March 2022 at $1,426. As shown in table III-13, *** U.S. producers reported an increase in their unit values from 2020 to 2022 and *** reported higher unit values

***. Email from ***, May 23, 2023.

[15] ***'s average unit sales values were higher than the rest of the U.S. producers. The *** firms accounted for *** percent of net sales quantity and *** percent of sales values in 2022. ***. Email from ***, June 6, 2023. ***. Email from ***, May 19, 2023. ***. Email from ***, May 12, 2023. ***. Email from ***, May 22, 2023.

January-March 2023 compared with January-March 2022.[16] As a ratio to net sales, raw material costs increased from 50.9 percent in 2020 to 55.0 percent in 2022, and were higher in January-March 2023 at 53.7 percent compared with January-March 2022 at 52.4 percent.

Table III-14 presents details on specific raw material inputs as a share of total raw material costs in 2022. Wire and wire rod accounted for the largest share of raw material costs accounting for *** percent respectively. Other material inputs accounted for *** percent and included zinc, other nail coating materials, collating materials, product packaging, plastic pallets, and shipping pallets.[17]

Table III-14
Steel nails: U.S. producers' raw material costs, 2022

Value in 1,000 dollars; share of value in percent

Item	Value	Share of value
Wire	***	***
Wire rod	***	***
Other material inputs	***	***
Total, raw materials	189,458	100.0

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

Direct labor costs, the smallest component of COGS, increased by 6.7 percent from 2020 to 2021 and 17.7 percent from 2021 to 2022, with an overall increase of 25.6 percent from 2020 to 2022. Direct labor costs were 6.4 percent higher in January-March 2023 compared with January-March 2022. On an average per short ton basis, direct labor costs increased from $166 in 2020 to $247 in 2022, and were higher in January-March 2023 at $243 compared with January-March 2022 at $220. As shown in table III-13, *** U.S. producers reported an overall

[16] ***. Email from ***, May 12, 2023.

Mid Continent stated that one of the biggest conditions of competition was the imposition of the 232 tariffs on basic steel products, which resulted in an "immediate" increase in raw material prices, such as rod and rod wire to match the duties. The company further stated that "because the derivative products themselves were not covered by equivalent duties at that time, the domestic industry was unable to pass through those costs." Hearing transcript, p. 76 (Gordon).

[17] ***. U.S. producers' questionnaire responses sections III-6 and III-7a.

increase in their unit direct labor costs from 2020 to 2022, and the majority (***) also reported higher unit values in January-March 2023 compared with January-March 2022. As a ratio to net sales, direct labor costs decreased from 10.0 percent in 2020 to 8.4 percent in 2021 and 2022, and were higher in January-March 2023 at 9.0 percent compared with January-March 2022 at 8.1 percent.[18]

Other factory costs, the second largest component of COGS, decreased by 9.7 percent from 2020 to 2021, then increased by 6.5 percent from 2021 to 2022, and overall decreased by 3.9 percent from 2020 to 2022. Other factory costs were 8.1 percent higher in January-March 2023 compared with January-March 2022. On an average per short ton basis, other factory costs decreased from $319 in 2020 to $297 in 2021, then increased to $365 in 2022, and were higher in January-March 2023 at $413 compared with January-March 2022 at $368. As shown in table III-13, U.S. producers varied in trends, *** firms reported a decrease from 2020 to 2021, and *** reported an increase from 2021 to 2022. In January-March 2023, *** the U.S. producers reported higher unit values, while the other *** reported lower unit values compared with January-March 2022. As a ratio to net sales, other factory costs continuously decreased from 19.3 percent in 2020 to 12.3 percent in 2022, and were higher in January-March 2023 at 15.3 percent compared with January-March 2020 at 13.5 percent.[19]

Total COGS net of by-product revenue increased by 41.9 percent from 2020 to 2022, and was 1.2 percent higher in January-March 2023 compared with January-March 2022. On an average per short ton basis, total COGS increased from $1,315 in 2020 to $1,621 in 2021 and $2,221 in 2022, and was higher in January-March 2023 at $2,094 compared with January-March 2022 at $1,994. As a ratio to net sales, total COGS overall decreased from 79.7 percent in 2020 to 75.2 percent in 2022, and was higher in January-March 2023 at 77.4 percent compared with January-March 2022 at 73.3 percent.

As shown in table III-11, gross profit increased from $46.4 million in 2020 to $73.6 million in 2021, and $85.4 million in 2022. Gross profit was lower in January-March 2023 at $17.6 million compared with $21.6 million in January-March 2022. As a ratio to net sales, gross

[18] ***. Email from ***, May 12, 2023.
[19] ***. Email from ***, May 24, 2023.

profit increased from 20.3 percent in 2020 to 24.8 percent in 2022, and was lower in January-March 2023 at 22.6 percent compared with January-March 2022 at 26.7 percent. On a firm-by-firm basis, *** U.S. producers ***, reported an overall increase in their gross profits from 2020 to 2022. ***. Trends varied between firms in the January-March of 2022 and 2023 periods, *** U.S. producers reported lower *** gross profits in January-March 2023 compared with January-March 2022. *** was the only firm to report *** in January-March 2023 compared with January-March 2022, the remaining U.S. producers reported higher gross profits in January-March 2023 compared with January-March 2022.

SG&A expenses and operating income or loss

U.S. producers' SG&A expenses overall increased by 37.4 percent from 2020 to 2022, and were 8.0 percent higher in January-March 2023 compared with January-March 2022. The corresponding SG&A expense ratio decreased from 10.9 percent in 2020 to 10.0 percent in 2021 and 2022, and was higher in January-March 2023 at 10.3 percent compared with January-March 2022 at 9.1 percent.[20]

Operating income increased from $21.4 million in 2020 to $44.6 and 51.2 million in 2021 and 2022, respectively. Operating income was lower in January-March 2023 at $9.6 million in 2023 compared with $14.2 million in 2022. As a ratio to net sales, operating income increased from 9.4 percent in 2020 to 14.9 percent in 2022, and was lower in January-March 2023 at 12.3 percent compared with 17.5 percent in January-March 2022. On a firm-by-firm basis, *** U.S. producers *** reported improving operating income from 2020 to 2022. *** reported *** in 2020 that improved into *** in 2021 and 2022. Firms varied in trends in the January-March of 2022 and 2023 periods. ***.

[20] ***. Email from ***, May 30, 2023.

All other expenses and net income or loss

Classified below the operating income level are interest expenses, other expenses, and other income. In table III-11, these items are aggregated with only the net amount shown. The majority of the amount shown was other income ***.[21] Because the total of other expenses/income largely reflects income, net income was higher than operating income in each reporting period.

Net income increased from $22.6 million in 2020 to $46.4 and 52.9 million in 2021 and 2022, respectively. Net income was lower in January-March 2023 at $10.0 million compared with January-March 2022 at $14.7 million. As a ratio to net sales, net income increased from 9.9 percent in 2020 to 15.4 percent in 2022, and was lower in January-March 2023 at 12.8 percent compared with January-March 2022 at 18.1 percent.[22] On a firm-by-firm basis, *** U.S. producers *** reported an improving net income from 2020 to 2022. Similar to operating income, *** reported a *** in 2020 that improved into a *** in 2021 and 2022, and firms varied in trends in the January-March periods. ***.[23]

Capital expenditures and research and development expenses

Table III-15 presents capital expenditures, by firm, and table III-17 presents R&D expenses, by firm. Tables III-16 and III-18 present the firms' narrative explanations of the

[21] Email from ***, May 22, 2023. ***. Email from ***, May 12, 2022. ***. Email from ***, May 18, 2023. ***. Email from ***, May 11, 2022.

[22] ***.

[23] A variance analysis is not being presented due to the pronounced differences of product mix and costs.

nature, focus, and significance of their capital expenditures and R&D expenses, respectively. Capital expenditures decreased by 6.4 percent from 2020 to 2021, then increased by 11.8 percent from 2021 to 2022 and overall increased by 4.6 percent from 2020 to 2022. Capital expenditures were 100.8 percent higher in January-March 2023 compared with January-March 2022 (***).[24] [25] Data for R&D expenses, reported by ***, overall increased by *** percent from 2020 to 2022 and were *** percent lower in January-March 2023 compared with January-March 2022.

Table III-15
Steel nails: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	7,325	6,854	7,662	1,671	3,356

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

Table III-16
Steel nails: U.S. producers' narrative descriptions of their capital expenditures, by firm

Firm	Narrative on capital expenditures
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

[24] Email from ***, May 12, 2023.
[25] ***. Email from ***, May 11, 2023.

Table III-17
Steel nails: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

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

Table III-18
Steel nails: U.S. producers' narrative descriptions of their 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 III-19 presents data on the U.S. producers' total net assets, while table III-20 presents their operating ROA.[26] Table III-21 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time. Total assets increased from $269.1 million in 2020 to $334.9 million in 2022. The ROA increased from 8.0 percent in 2020 to 15.3 percent in 2022.[27]

[26] 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 on a product-specific basis.

[27] ***. Email from ***, May 19, 2023.

Table III-19
Steel nails: U.S. producers' total net assets by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022
Acorn	***	***	***
ITW	***	***	***
Kyocera	***	***	***
Legacy	***	***	***
MAR-MAC	***	***	***
Maze	***	***	***
Mid Continent	***	***	***
Pneu-Fast	***	***	***
Simpson	***	***	***
Tree Island	***	***	***
All firms	269,061	296,915	334,919

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

Table III-20
Steel nails: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2020	2021	2022
Acorn	***	***	***
ITW	***	***	***
Kyocera	***	***	***
Legacy	***	***	***
MAR-MAC	***	***	***
Maze	***	***	***
Mid Continent	***	***	***
Pneu-Fast	***	***	***
Simpson	***	***	***
Tree Island	***	***	***
All firms	8.0	15.0	15.3

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

Table III-21
Steel nails: U.S. producers' narrative descriptions of their total net assets, by firm

Firm	Narrative on assets
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

Part IV: U.S. imports and the foreign industry

U.S. imports

Overview

The Commission issued questionnaires to 93 potential importers of steel nails since 2017.[1] The Commission received a questionnaire response from 30 firms,[2] which based on official Commerce statistics accounted for *** percent of U.S. imports of steel nails from the UAE during 2022; *** percent of U.S. imports of steel nails from other sources during 2022; and 89.0 percent of U.S. imports of steel nails from all sources in 2022.[3] Import data in this report are based official Commerce statistics[4] and data on importers' shipments by type and finish, inventories, and arranged imports are based on questionnaire responses.

[1] The Commission issued questionnaires to those firms identified in responses to the notice of institution, 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 7317.00.55, 7317.00.65, and 7317.00.75.

[2] The Commission also received a questionnaire response from 14 firms, which responded that they had not imported steel nails since 2017. The firms included: ***.

[3] According to official Commerce statistics, U.S. imports of steel nails from the UAE equaled 16,085 short tons in 2022. *** U.S. importers reported importing *** short tons of subject merchandise during the same period. These importers identified *** producers/exporters of the UAE-origin steel nails they imported.

According to official Commerce statistics, U.S. imports of steel nails from other sources equaled 770,871 shorts tons in 2022. U.S. importers which responded to the Commission's questionnaire reported importing a total of *** shorts tons of steel nails from other sources during the same period.

According to official Commerce statistics, U.S. imports of steel nails from all sources equaled 786,986 shorts tons in 2022. U.S. importers which responded to the Commission's questionnaire reported importing a total of 700,401 shorts tons of steel nails from all sources during the same period.

[4] Data is compiled using HTS subheadings 7317.00.55, 7317.00.65, and 7317.00.75. Statistical reporting number 7317.00.5501 is excluded as it is believed to contain only products outside of Commerce's merchandise scope, specifically collated roofing nails.

Imports from subject and nonsubject countries

Table IV-1 and figure IV-1 present information on U.S. imports of steel nails from the UAE and all other sources during 2020-22, January-March 2022, and January-March 2023. U.S. imports from non-UAE sources accounted for more that 95 percent of the total quantity and total value of U.S. imports of steel nails in each full and partial period. The quantity and value of U.S. imports of steel nails increased between 2020 and 2022, reflecting higher levels from both the UAE and from all other sources. However, the quantity and value of U.S. imports of steel nails were substantially lower in January-March 2023 than in January-March 2022, reflecting a lower level of imports from non-UAE sources.[5]

Imports from all sources by quantity increased 28.6 percent during 2020-22, from 612,140 to 786,956 short tons, while imports from all sources by value doubled from $778.4 million to $1.6 billion. Imports from all sources by quantity and value were lower by 38.5 percent and 39.0 percent, respectively, in January-March 2023 than in January-March 2022. Imports from the UAE and other sources by quantity and value also increased during 2022-22. Imports from the UAE by quantity and value were higher in January-March 2023 than in January-March 2022; while imports from other sources by quantity and value were lower in January-March 2023 than in January-March 2022.

The unit value of imports from the UAE and other sources increased by 101.6 and 56.7 percent, respectively, between 2020 and 2022. The unit value for imports from the UAE were higher in January-March 2023 than in January-March 2022; in contrast, the unit value of imports for other sources were lower in January-March 2023 than in January-March 2022.

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[5] Oman's share of total imports was 0.4 percent in January-March 2023, compared to 12.3 percent in January-March 2022 and 13.2 percent in calendar year 2022 (see table IV-3). During Commerce's 2020-21 administrative review on the antidumping duty order on steel nails from Oman, Oman Fasteners LCC ("Oman Fasteners"), the largest producer/exporter of steel nails in Oman, missed the filing deadline and Commerce imposed a duty rate of 154.33 percent effective December 22, 2022. 87 FR 78639, December 22, 2023. Oman Fasteners challenged Commerce's decision at the Court of International Trade ("CIT"). On February 15, 2023, the CIT remanded to Commerce to determine a new estimated dumping margin for Oman Fasteners. As a result, Oman Fasteners' weighted-average dumping margin was amended to 0.00 percent. See Document #4369614-01, filed to Commerce's *ACCESS* system on April 26, 2023. Respondent interested parties in this review note that during this period, U.S. importers stopped imports of steel nails from Oman due to the high duty rate on steel nails from Oman. Respondent Interested Parties' Prehearing Brief, pp. 40-42.

During the latter portion of this period, Commerce and the Commission were also conducting antidumping and countervailing duty investigations on steel nails from India, Oman, Sri Lanka, Thailand, and Turkey; with the Commission making its final determinations on the countervailing duty investigations on October 6, 2022 and making its final determinations on the antidumping duty investigations on February 6, 2023. 87 FR 61631, October 12, 2022 and 88 FR 8912, February 10, 2023.

Throughout all periods examined, apart from 2020, the unit value of imports from UAE was higher than the unit value of imports from other sources.

In analyzing imports to domestic production, the ratio of imports from the UAE to U.S. production increased from 3.2 percent in 2020 to 12.9 percent in 2022; the ratio was higher in January-March 2023 than in January-March 2022. The ratio of imports from other sources to U.S. production also increased during 2020-22, from 447.1 to 616.1 percent, but the ratio was lower in January-March 2023 than in January-March 2022.

Table IV-1
Steel nails: U.S. imports by source and period

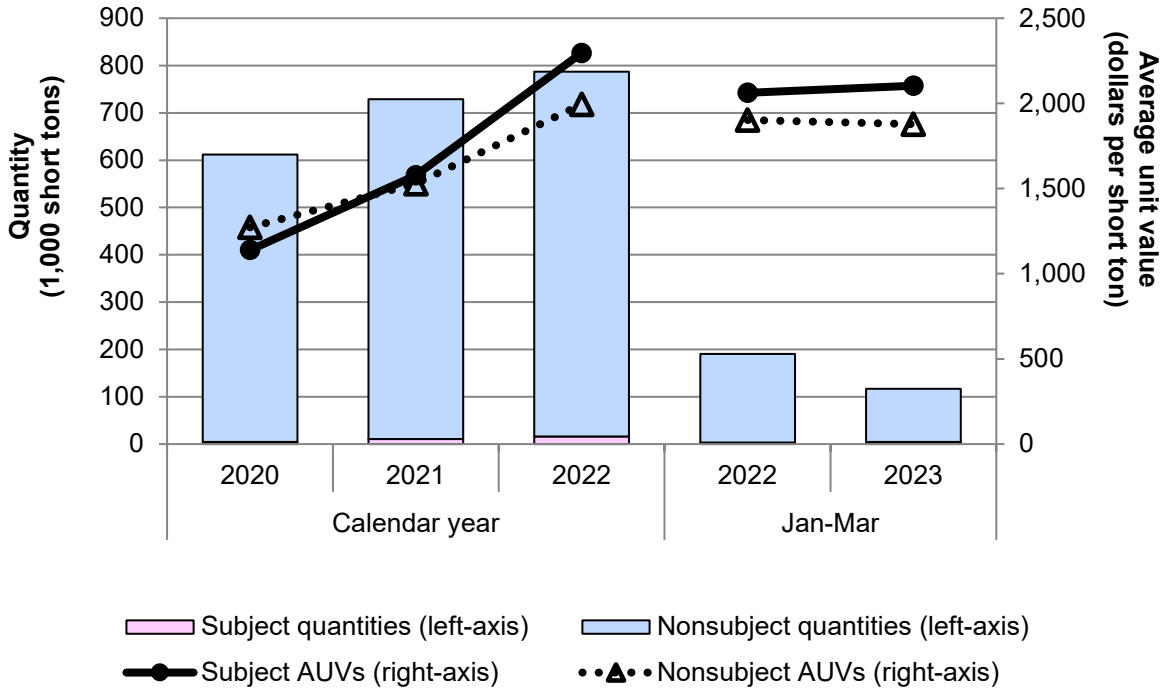
Quantity in short tons; value in 1,000 dollars; unit values in dollars per short ton; share and ratios in percent; ratios represent the ratio to U.S. production

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
UAE	Quantity	4,328	10,892	16,085	3,065	4,853
Nonsubject sources	Quantity	607,811	717,690	770,871	187,172	112,174
All import sources	Quantity	612,140	728,582	786,956	190,237	117,028
UAE	Value	4,930	17,183	36,933	6,323	10,208
Nonsubject sources	Value	773,455	1,096,518	1,537,348	355,946	210,603
All import sources	Value	778,386	1,113,701	1,574,281	362,269	220,811
UAE	Unit value	1,139	1,578	2,296	2,063	2,103
Nonsubject sources	Unit value	1,273	1,528	1,994	1,902	1,877
All import sources	Unit value	1,272	1,529	2,000	1,904	1,887
UAE	Share of quantity	0.7	1.5	2.0	1.6	4.1
Nonsubject sources	Share of quantity	99.3	98.5	98.0	98.4	95.9
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
UAE	Share of value	0.6	1.5	2.3	1.7	4.6
Nonsubject sources	Share of value	99.4	98.5	97.7	98.3	95.4
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
UAE	Ratio	3.2	8.2	12.9	9.7	17.1
Nonsubject sources	Ratio	447.1	537.5	616.1	595.2	394.7
All import sources	Ratio	450.3	545.7	628.9	605.0	411.8

Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023. Imports are based on the imports for consumption data series. Imports value data reflect landed duty-paid values.

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 by period



Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023. Imports are based on the imports for consumption data series. Imports value data reflect landed duty-paid values.

Table IV-2 and figure IV-2 present information on U.S. imports of steel nails from the UAE and all other sources, by month, during 2020-22 and January-March 2023. Imports from the UAE increased steadily from January 2020 to March 2023. Imports from all other sources also increased, irregularly, from January 2020 to April 2022, before starting to decrease in May 2022. Of all the moths examined, imports from all sources were at their lowest in February 2023.

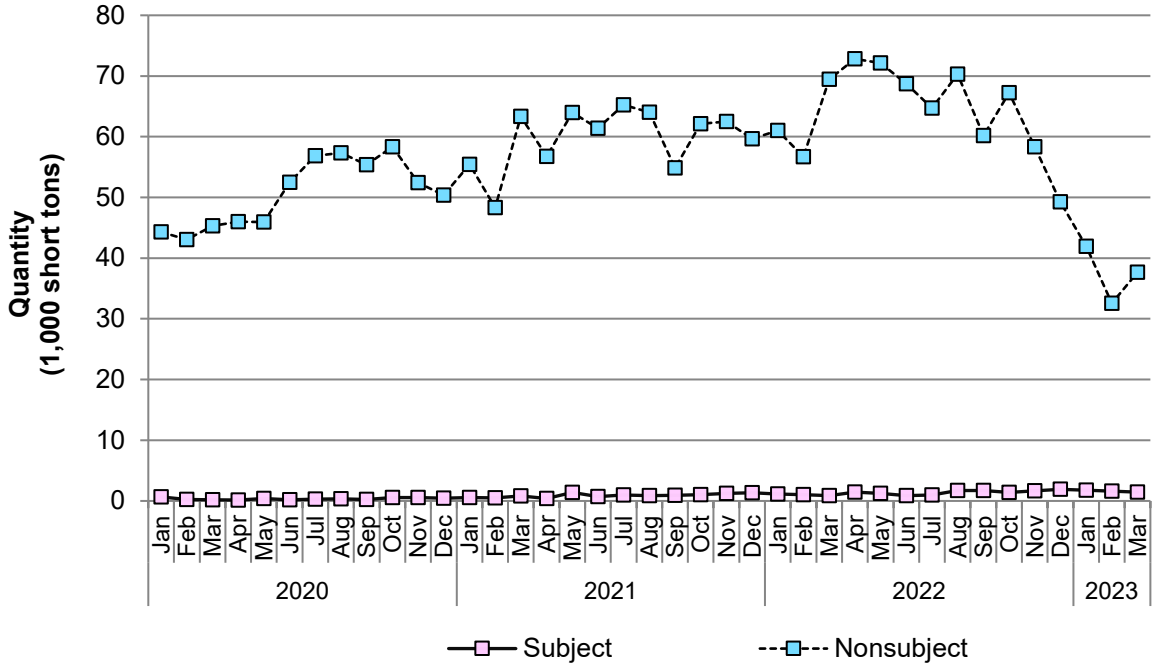
Table IV-2
Steel nails: U.S. imports from subject and nonsubject sources, by month

Quantity in short tons

Month	Source	2020	2021	2022	2023
January	Subject	694	562	1,139	1,802
February	Subject	250	518	1,050	1,611
March	Subject	172	848	877	1,440
April	Subject	158	422	1,450	NA
May	Subject	384	1,433	1,247	NA
June	Subject	217	712	893	NA
July	Subject	303	990	995	NA
August	Subject	361	866	1,736	NA
September	Subject	232	913	1,700	NA
October	Subject	543	1,033	1,414	NA
November	Subject	548	1,225	1,668	NA
December	Subject	467	1,368	1,918	NA
January	Nonsubject	44,312	55,459	61,027	41,951
February	Nonsubject	43,044	48,337	56,706	32,562
March	Nonsubject	45,304	63,331	69,439	37,661
April	Nonsubject	46,006	56,759	72,817	NA
May	Nonsubject	45,938	63,970	72,156	NA
June	Nonsubject	52,484	61,380	68,712	NA
July	Nonsubject	56,885	65,262	64,726	NA
August	Nonsubject	57,322	64,032	70,288	NA
September	Nonsubject	55,404	54,841	60,180	NA
October	Nonsubject	58,321	62,158	67,224	NA
November	Nonsubject	52,420	62,501	58,319	NA
December	Nonsubject	50,369	59,661	49,277	NA
January	All imports	45,006	56,021	62,166	43,753
February	All imports	43,294	48,855	57,755	34,174
March	All imports	45,476	64,179	70,316	39,101
April	All imports	46,164	57,181	74,267	NA
May	All imports	46,322	65,403	73,402	NA
June	All imports	52,701	62,092	69,605	NA
July	All imports	57,188	66,252	65,722	NA
August	All imports	57,683	64,898	72,024	NA
September	All imports	55,637	55,755	61,880	NA
October	All imports	58,863	63,191	68,638	NA
November	All imports	52,968	63,726	59,987	NA
December	All imports	50,836	61,028	51,195	NA

Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023. Imports value data reflect landed duty-paid values.

Figure IV-2
Steel nails: U.S. imports from subject and nonsubject sources, by month



Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023. Imports value data reflect landed duty-paid values.

Table IV-3 presents information on U.S. imports of steel nails from the top nonsubject sources, which accounted for approximately 86.3 percent of imports from nonsubject countries in 2022. U.S. imports from these countries, as well from all other sources, increased between 2020 and 2022. U.S. imports from these countries, as well as from all other sources, were lower in January-March 2023 than in January-March 2022.

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

Quantity in short tons; value in 1,000 dollars

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Canada	Quantity	39,334	43,060	42,804	9,832	7,665
China	Quantity	109,349	134,174	123,902	34,342	21,234
India	Quantity	28,442	41,015	52,757	12,166	11,514
Malaysia	Quantity	41,948	33,927	41,116	6,760	4,082
Mexico	Quantity	39,762	51,991	56,621	14,556	7,981
Oman	Quantity	72,062	88,986	101,992	23,053	405
South Korea	Quantity	42,303	44,370	51,787	14,131	7,709
Sri Lanka	Quantity	30,836	34,574	34,620	8,141	6,534
Taiwan	Quantity	41,881	50,396	43,694	11,846	10,190
Thailand	Quantity	48,412	57,306	64,006	14,155	12,912
Turkey	Quantity	51,738	57,146	52,002	16,061	2,925
All other sources	Quantity	61,745	80,745	105,570	22,129	19,023
Nonsubject sources	Quantity	607,811	717,690	770,871	187,172	112,174
Canada	Value	55,120	76,217	104,873	22,815	16,734
China	Value	159,796	244,021	259,596	74,074	36,368
India	Value	29,310	52,173	91,731	19,787	22,577
Malaysia	Value	37,120	37,614	55,653	8,791	4,687
Mexico	Value	38,108	56,302	80,470	19,218	13,751
Oman	Value	92,996	130,585	232,440	42,171	776
South Korea	Value	47,749	71,344	119,285	32,525	15,842
Sri Lanka	Value	29,633	38,392	54,996	12,269	11,803
Taiwan	Value	65,230	89,049	95,425	26,595	20,037
Thailand	Value	58,832	82,408	115,801	25,482	21,903
Turkey	Value	51,754	74,868	96,644	26,936	4,866
All other sources	Value	107,809	143,544	230,436	45,283	41,259
Nonsubject sources	Value	773,455	1,096,518	1,537,348	355,946	210,603

Table continued.

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

Unit values in dollars per short ton

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Canada	Unit value	1,401	1,770	2,450	2,320	2,183
China	Unit value	1,461	1,819	2,095	2,157	1,713
India	Unit value	1,031	1,272	1,739	1,626	1,961
Malaysia	Unit value	885	1,109	1,354	1,300	1,148
Mexico	Unit value	958	1,083	1,421	1,320	1,723
Oman	Unit value	1,290	1,467	2,279	1,829	1,914
South Korea	Unit value	1,129	1,608	2,303	2,302	2,055
Sri Lanka	Unit value	961	1,110	1,589	1,507	1,806
Taiwan	Unit value	1,558	1,767	2,184	2,245	1,966
Thailand	Unit value	1,215	1,438	1,809	1,800	1,696
Turkey	Unit value	1,000	1,310	1,858	1,677	1,664
All other sources	Unit value	1,746	1,778	2,183	2,046	2,169
Nonsubject sources	Unit value	1,273	1,528	1,994	1,902	1,877

Table continued.

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

Ratios in percent; ratios represent source imports to total imports by quantity

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Canada	Ratio	6.4	5.9	5.4	5.2	6.5
China	Ratio	17.9	18.4	15.7	18.1	18.1
India	Ratio	4.6	5.6	6.7	6.4	9.8
Malaysia	Ratio	6.9	4.7	5.2	3.6	3.5
Mexico	Ratio	6.5	7.1	7.2	7.7	6.8
Oman	Ratio	11.8	12.2	13.0	12.1	0.3
South Korea	Ratio	6.9	6.1	6.6	7.4	6.6
Sri Lanka	Ratio	5.0	4.7	4.4	4.3	5.6
Taiwan	Ratio	6.8	6.9	5.6	6.2	8.7
Thailand	Ratio	7.9	7.9	8.1	7.4	11.0
Turkey	Ratio	8.5	7.8	6.6	8.4	2.5
All other sources	Ratio	10.1	11.1	13.4	11.6	16.3
Nonsubject sources	Ratio	99.3	98.5	98.0	98.4	95.9

Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023. 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 “---“. Shares are based on U.S. imports from all import sources as shown in table IV-2.

U.S. shipments by type and finish

In this proceeding, producers and importers were asked to report on their U.S. shipments of imports of steel nails by type (collated or bulk) and finish (bright, galvanized, or other) during 2022. Table IV-4 and figure IV-3 present firms' U.S. shipments by type and table IV-5 and figure IV-4 present firms' U.S. shipments by finish. During 2022, U.S. producers' U.S. shipments and U.S. importers' U.S. shipments of UAE and all other imports consisted primarily of bright, collated steel nails.[6]

Table IV-4
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022

Quantity in short tons

Source	Collated	Bulk	All types
U.S. producers	78,670	35,743	114,413
UAE	***	***	***
Nonsubject sources	***	***	***
All import sources	516,029	131,297	647,326
All sources	594,699	167,040	761,739

Table continued.

Table IV-4 continued
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022

Share across in percent

Source	Collated	Bulk	All types
U.S. producers	68.8	31.2	100.0
UAE	***	***	100.0
Nonsubject sources	***	***	100.0
All import sources	79.7	20.3	100.0
All sources	78.1	21.9	100.0

Table continued.

[6] For a more comprehensive analysis on producers' and importers' U.S. shipments by product type and finish see appendix F. Appendix G contains an additional analysis comparing U.S. producers' U.S. shipments and foreign producers' total shipments of steel nails by product type and finish.

Table IV-4 continued
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022

Share down in percent

Source	Collated	Bulk	All types
U.S. producers	13.2	21.4	15.0
UAE	***	***	***
Nonsubject sources	***	***	***
All import sources	86.8	78.6	85.0
All sources	100.0	100.0	100.0

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

Figure IV-3
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022

* * * * * * *

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

Table IV-5
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and finish, 2022

Quantity in short tons

Source	Bright	Galvanized	Other	All finishes
U.S. producers	97,851	14,706	1,856	114,413
UAE	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	441,448	192,569	13,309	647,326
All sources	539,299	207,275	15,165	761,739

Table continued.

Table IV-5 continued
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and finish, 2022

Share across in percent

Source	Bright	Galvanized	Other	All finishes
U.S. producers	85.5	12.9	1.6	100.0
UAE	***	***	***	100.0
Nonsubject sources	***	***	***	100.0
All import sources	68.2	29.7	2.1	100.0
All sources	70.8	27.2	2.0	100.0

Table continued.

Table IV-5 continued
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and finish, 2022

Share down in percent

Source	Bright	Galvanized	Other	All finishes
U.S. producers	18.1	7.1	12.2	15.0
UAE	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	81.9	92.9	87.8	85.0
All sources	100.0	100.0	100.0	100.0

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

Figure IV-4
Steel nails: U.S. producers' and U.S. importers' U.S. shipments, by source and finish, 2022

* * * * * * *

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

U.S. inventories of imported merchandise

Table IV-6 presents data for inventories of U.S. imports of steel nails from the UAE and all other sources held in the United States. The vast majority of inventories reported were from U.S. imports of product from nonsubject sources.[7] [8] *** reported inventories of steel nails from the UAE.

[7] U.S. importer *** accounted for the majority of inventories during the periods examined. Its share of inventories to total inventories was *** percent in 2020, *** percent in 2021, and *** percent in 2022; it was *** percent in January-March 2022 and *** percent in January-March 2023.

[8] Mid Continent noted that supply and demand were impacted by the COVID-19 pandemic. Supply constraints involved labor, raw materials, finished goods, and transportation, both in the United States and abroad. These constraints, coupled with unusual demand conditions as the economy rebounded, led to high prices. However, these constraints were ameliorated by the end of 2022 and into January-March 2023, at the same time the housing market was declining due to inflation and high interest rates. As constraints eased, shipments of imports that had been delayed arrived in large volumes, leading to significant excess inventory levels. This in turn caused purchasers to delay orders and cut prices in an effort to right-size their inventories as demand was falling. Hearing transcript, p. 15 (Gordon).

End-of-period from all sources increased by 88.6 percent between 2020 and 2022 and were higher in March 2023 than in March 2022. In addition, the ratios of inventories to imports, U.S. shipments of imports, and total shipments of imports all increased during 2020-22 and were all higher in January-March 2023 than in January-March 2022.

Table IV-6
Steel nails: U.S. importers' end-of-period inventories of imports, by source and period

Quantity in short tons; ratios in percent

Measure	Source	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Inventories quantity	UAE	***	***	***	***	***
Ratio to imports	UAE	***	***	***	***	***
Ratio to U.S. shipments of imports	UAE	***	***	***	***	***
Ratio to total shipments of imports	UAE	***	***	***	***	***
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	51,576	58,796	97,296	58,699	82,525
Ratio to imports	All	9.9	9.2	13.9	9.6	20.3
Ratio to U.S. shipments of imports	All	10.0	9.6	15.0	9.8	18.0
Ratio to total shipments of imports	All	9.9	9.5	14.9	9.7	17.8

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. importers' imports subsequent to March 31, 2023

The Commission requested importers to indicate whether they had imported or arranged for the importation of steel nails for delivery after March 31, 2023; such imports are presented in table IV-7. Eighteen firms indicated that they had arranged such imports. Two firms (***) reported arranged imports from subject sources. Two firms (***) accounted for the vast majority arranged imports from nonsubject and all import sources.[9]

Table IV-7
Steel nails: Arranged imports, by source and projected quarter

Quantity in short tons

Source	Apr-Jun 2023	Jul-Sep 2023	Oct-Dec 2023	Jan-Mar 2024	Total
UAE	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	89,181	41,228	10,876	---	141,285

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 "---".

[9] *** account for *** and *** percent, respectively, of all arranged imports after March 31, 2023.

The industry in the UAE

Overview

During the final phase of the original investigation, the Commission received foreign producer/exporter questionnaires from two producers, Dubai Wire FZE and Precision Fasteners, LLC, that accounted for nearly all exports of the subject merchandise to the United States from 2009 to 2011.[10]

Although the Commission did not receive responses from any respondent interested parties in its expedited first five-year review, the domestic interested party identified Overseas Distribution Services, Inc. as the only known producer of steel nails in the UAE at that time.[11] [12]

In this second five-year review, the Commission issued foreign producer/exporter questionnaires to 16 firms believed to produce and/or export steel nails in the UAE.[13] Usable responses to the Commission's questionnaire were received from two firms: Rich Well Steel Industries LLC ("Rich Well") and Master Nails and Pins Manufacturing LLC ("Master Nails").[14] [15] These firms' exports to the United States were equivalent to *** percent of U.S. imports of

[10] Certain Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Final): USITC Publication 4321, May 2012, pp. 3 and VII-1-VII-2.

[11] Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Review), USITC Publication 4729, September 2017, pp. p. I-22.

[12] All available information indicates that Dubai Wire FZE, Precision Fasteners, and Overseas Distribution Services, Inc. are closed or non-operational. For more information, see *Commerce's reviews* subsection of Part I of this report.

[13] These firms were identified by interested parties in their responses to the notice of institution, through industry research, and from information contained in previous and related import injury investigations on steel nails.

[14] During its 2020-2021 administrative review on steel nails from the UAE, Commerce found that it was appropriate to treat Master Nails and Middle East Manufacturing Steel LLC ("MEM"), as a single entity. 87 FR 61566, October 12, 2022. In response to the Commission's questionnaire, Master Nails ***.

[15] The Commission also received a questionnaire response from two foreign firms, Oman Fasteners Company LCC and SK Metal International DMCC, which certified that they had not produced or exported steel nails from the UAE since 2017.

steel nails from the UAE during 2022.[16] [17] [18] Table IV-8 presents information on the steel nails operations of the responding producers and exporters in the UAE.

Table IV-8
Steel nails: Summary data on firms in the UAE, 2022

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)
Master Nails	***	***	***	***	***	***
Rich Well	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

[16] Master Nails and Rich Well reported exporting *** short tons of steel nails from the UAE to the United States in 2022. According to official Commerce statistics, U.S. imports of steel nails from the UAE equaled 16,085 short tons during the same period.

[17] Master Nails and Rich Well estimate that they accounted for *** percent and *** percent, respectively, of all steel nails production in the UAE during 2022.

[18] In addition to Master Nails and Rich Well, in its 2020-21 administrative review, Commerce identified 17 other "producers/exports" of steel nails from the UAE (see the *Commerce's reviews* subsection of Part I of this report). Upon review (EDIS #800804), industry research shows that six of these firms are trading companies (Al Sabbah Trading and Importing EST; All Ferro Building Materials, LLC; Burj Al Tasmeem, Tr; New World International, LLC; Okzeela Star Building Materials Trading, LLC; and Trade Circle Enterprises, LLC); ten firms are distributors/suppliers of steel nails (Al Falaq Building Materials; Al Khashab Building Materials Co., LLC; Al Khashab Building Materials Co., LLC; Al Rafaa Star Building Materials Est ; Asgarali Yousuf Trading Co., LLC; Azymuth Consulting, LLC; Gheewala Hardware Trading Company, LLC; Rishi International, FZCO; Sea Land Contracting; and SK Metal International DMCC); and one firm (Samrat Wire Industry, LLC ("Samrat")) is a possible producer of steel nails, reporting on its website that it "specializes in manufacturing…steel wire and wire steel nails." https://samratgroup.ae/.

Mid Continent notes that in addition to Samrat, a previously identified UAE firm in the original investigation, Steel Racks Factory LLC ("Steel Racks"), may also be a UAE producer of steel nails. Mid Continent's Posthearing Brief, pp. 5-6. The respondent interested parties dispute Mid Continent's claim and argue that Samrat is not a producer of subject merchandise; however, they note that Steel Racks is a producer of the subject merchandise but does not export to the United States. Respondent Interested Parties' Posthearing Brief, pp. 71-73.

A foreign producer/exporter questionnaire was sent to Samrat and Steel Racks. The firms did not provide a response.

Comparative data

Table IV-9 presents a comparative summary data on UAE producers' steel nails operations from the original investigation, expedited first five-year review, and the current full five-year review.

Table IV-9
Steel nails: Comparative data on UAE producers' steel nails operations from the original investigation and subsequent reviews, 2011, 2016, and 2022

Quantity in short tons; ratio in percent

Item	Measure	2011	2016	2022
Capacity	Quantity	***	NA	***
Production	Quantity	***	NA	***
Capacity utilization	Ratio	***	NA	***
Exports to the United States	Quantity	***	NA	***

Source: Office of Investigations memorandum INV-KK-039 (April 6, 2012) and compiled from data submitted in response to Commission questionnaires.

Note: Data for 2011 are from the last year of the original investigation; data for 2016 are from the last year of the expedited first review; and data for 2022 are from the last year of this second full review. Because the Commission conducted an expedited first five-year review, certain data were not collected. Information not available is presented as "NA".

Developments in the UAE industry since the previous review

In their response to the notice of institution in this second review, respondent interested parties noted the closure of Dubai Wire, which they stated was a large exporter of steel nails. The closure followed the death of the company's CEO. During its 2011-2013 administrative review on steel nails from the UAE, Commerce found that due to the unexpected death of Dubai Wire's CEO, the Dubai Wire facility was no longer operational, employees had disbanded, and control over Dubai Wire's remaining assets had been transferred to the UAE court system.[19] Other UAE producers that were identified in the first review, Precision Fasteners and Overseas Distribution Services, Inc., are non-operational.[20] In 2018, Master Nails and Rich Well began steel nails operations in the UAE.[21]

[19] See *Certain Steel Nails from the United Arab Emirates: Issues and Decision Memorandum for Final Results of Antidumping Duty Administrative Review; 2011 -2013*, December 22, 2014; and Respondent Interested Parties' Posthearing brief, exh. 5.

[20] See the *Commerce's reviews* subsection of Part I of this report for further details.

[21] Hearing Transcript, p. 9 (Marshak) and pp. 99 and 141 (Mahesh).

Changes in operations

Producers in the UAE were asked to report any change in the character of their operations or organization relating to the production of steel nails since January 1, 2017. Table IV-10 presents the changes identified by the producers. Master Nails and Rich Well both reported starting steel nails operations *** in the UAE begining in 2018.[22]

Table IV-10
Steel nails: Reported changes in operations by firms in the UAE, since January 1, 2017

Item	Firm name and narrative on changes in operations
Plant openings	***
Plant openings	***

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

[22] Master Nails and Rich Well reported *** anticipated changes to their operations or organization relating to the production of steel nails in the future.

Operations on steel nails

Table IV-11 presents data on UAE producers' installed capacity, practical capacity, and production on the same equipment. UAE producers' practical overall capacity and practical steel nails capacity ***.

Table IV-11
Steel nails: UAE producers' installed and practical capacity and production on the same equipment as subject production, by period

Capacity and production in short tons; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical steel nails	Capacity	***	***	***	***	***
Practical steel nails	Production	***	***	***	***	***
Practical steel nails	Utilization	***	***	***	***	***

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

Note: The Commission instructed producers to provide data as follows: Installed overall production capacity is the level of production that your establishment(s) could have attained, assuming your firm's optimal product mix, and based solely on existing capital investments, i.e., machinery and equipment that is in place and ready to operate. This capacity measure does not take into account other constraints to production such as existing workforce constraints, availability of raw materials, or downtime for maintenance, repair, and clean-up. This capacity measure is sometimes referred to as "nameplate" or "theoretical" capacity in some industries.

Note: The Commission instructed producers to provide data as follows: Practical overall production capacity is the level of production that your establishment(s) could reasonably have expected to attain, taking into account your firm's actual product mix over the period. This capacity measure is based on not only existing capital investments, i.e., machinery and equipment that is in place and ready to operate but also non-capital investment constraints, such as (1) normal operating conditions, including normal downtime for maintenance, repair, and cleanup; (2) your firm's existing in-place and readily available labor force; (3) availability of material inputs; and (4) any other constraints that may have limited your firm's ability to produce the reported products. Importantly, this capacity measure is the maximum "practical" production your firm could have achieved without hiring new personnel or expanding the number of shifts operated in the period.

Table IV-12 presents data on the steel nails operations of the two responding producers in the UAE. Capacity and production increased during 2020-22, by *** percent and *** percent respectively. Capacity and production were higher in January-March 2023 than in January-March 2022, by *** percent and *** percent respectively. Capacity utilization ranged between *** percent and *** percent 2020 and 2022. It was higher in January-March 2023 (*** percent) than in January-March 2022 (*** percent).

During 2020-22, UAE producers' home market shipments decreased, while their export shipments increased.[23] Home market shipments as a share of total shipments decreased by *** percentage points during 2020-22, from *** percent to *** percent; and were *** percentage points lower in January-March 2023 than in January-March 2022 (*** percent compared to *** percent). Conversely, export shipments as a share of total shipments increased by *** percentage points during 2020-22, from *** percent to *** percent; and were *** percentage points higher in January-March 2023 than in January-March 2022 (*** percent compared to *** percent). UAE producers' total exports of steel nails as a share of total global exports of nails, tacks, drawing pins, staples, and similar articles (as presented in table IV-14) accounted for *** percent in 2020, *** percent in 2021, and *** percent in 2022.

UAE producers' home market unit value increased from $*** per short ton in 2020 to $*** per short tons in 2022 (a *** percent increase). It was lower in January-March 2023 than in January-March 2022. UAE producers' export market unit value increased from $*** per short ton in 2020 to $*** per short ton in 2022 (a *** percent increased). It too was lower in January-March 2023 than in January-March 2022.

UAE producers' ratio of inventories to production and their ratio of inventories to total shipments were *** percent in each period examined.

[23] UAE producers reported *** during January 2020 through March 2023.

Table IV-12
Steel nails: Data on the industry in the UAE, by item and period

Quantity in short tons; value in 1,000 dollars

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Capacity	Quantity	***	***	***	***	***
Production	Quantity	***	***	***	***	***
End-of-period inventories	Quantity	***	***	***	***	***
Internal consumption and transfers	Quantity	***	***	***	***	***
Commercial home market shipments	Quantity	***	***	***	***	***
Home market shipments	Quantity	***	***	***	***	***
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
Internal consumption and transfers	Value	***	***	***	***	***
Commercial home market shipments	Value	***	***	***	***	***
Home market shipments	Value	***	***	***	***	***
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***

Table continued.

Table IV-12 continued
Steel nails: Data on the industry in the UAE, by item and period

Unit values in dollars per short ton; shares in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Internal consumption and transfers	Unit value	***	***	***	***	***
Commercial home market shipments	Unit value	***	***	***	***	***
Home market shipments	Unit value	***	***	***	***	***
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
Capacity utilization ratio	Ratio	***	***	***	***	***
Inventory ratio to production	Ratio	***	***	***	***	***
Inventory ratio to total shipments	Ratio	***	***	***	***	***
Internal consumption and transfers	Share of quantity	***	***	***	***	***
Commercial home market shipments	Share of quantity	***	***	***	***	***
Home market shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	***	***	***	***	***

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 IV-13 presents UAE firms' steel nails exports to United States and other destination markets. UAE producers' exports to the United States as a share of all destination exports ranged between *** percent (2020) and *** percent (January-March 2023).[24] During 2020-22, UAE producers' exports to the United States increased by *** percent; and they were *** percent higher in January-March 2023 than in January-March 2022.

[24] In addition to shipments to the United States, ***.

Table IV-13
Steel nails: Producers' exports from the UAE, by destination market and period

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

Destination market	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
United States	Quantity	***	***	***	***	***
European Union	Quantity	***	***	***	***	***
Asia	Quantity	***	***	***	***	***
All other destination markets	Quantity	***	***	***	***	***
Non-U.S. destination markets	Quantity	***	***	***	***	***
All destination markets	Quantity	***	***	***	***	***
United States	Value	***	***	***	***	***
European Union	Value	***	***	***	***	***
Asia	Value	***	***	***	***	***
All other destination markets	Value	***	***	***	***	***
Non-U.S. destination markets	Value	***	***	***	***	***
All destination markets	Value	***	***	***	***	***
United States	Unit value	***	***	***	***	***
European Union	Unit value	***	***	***	***	***
Asia	Unit value	***	***	***	***	***
All other destination markets	Unit value	***	***	***	***	***
Non-U.S. destination markets	Unit value	***	***	***	***	***
All destination markets	Unit value	***	***	***	***	***

Table continued.

Table IV-13 continued
Steel nails: Producers' exports from the UAE, by destination market and period

Shares and ratios in percent

Destination market	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
United States	Share of quantity	***	***	***	***	***
European Union	Share of quantity	***	***	***	***	***
Asia	Share of quantity	***	***	***	***	***
All other destination markets	Share of quantity	***	***	***	***	***
Non-U.S. destination markets	Share of quantity	***	***	***	***	***
All destination markets	Share of quantity	***	***	***	***	***
United States	Ratio	***	***	***	***	***
European Union	Ratio	***	***	***	***	***
Asia	Ratio	***	***	***	***	***
All other destination markets	Ratio	***	***	***	***	***
Non-U.S. destination markets	Ratio	***	***	***	***	***
All destination markets	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 "---". Ratios represent the portion of the producers' total shipments that are exported by producers and resellers.

Alternative products

*** reported producing other products on the same equipment and machinery used to produce steel nails.

Exports

Table IV-14 presents the leading export markets for Harmonized System ("HS") subheading 7317.00, a category that includes steel nails and out-of-scope products, from the UAE. During 2021, the United States was the largest export market for product from the UAE, accounting for 98.4 percent, followed by the France and Rwanda, accounting for 0.4 percent each.

Table IV-14
Nails, tacks, drawing pins, staples (other than in strips), and similar articles, of iron or steel, excluding such articles with heads of copper: Constructed exports from the UAE, by destination market and by period

Quantity in short tons; value in 1,000 dollars

Destination market	Measure	2020	2021	2022
United States	Quantity	4,441	10,892	16,108
France	Quantity	59	47	69
Rwanda	Quantity	67	40	58
Senegal	Quantity	9	197	45
Australia	Quantity	154	149	43
Oman	Quantity	603	1,078	---
All other destination markets	Quantity	808	872	50
All destination markets	Quantity	6,141	13,275	16,372
United States	Value	3,476	10,806	23,923
France	Value	58	43	68
Rwanda	Value	27	29	39
Senegal	Value	35	5	6
Australia	Value	144	149	18
Oman	Value	1,276	1,396	---
All other destination markets	Value	464	534	92
All destination markets	Value	5,479	12,963	24,147

Table continued.

Table IV-14 continued
Nails, tacks, drawing pins, staples (other than in strips), and similar articles, of iron or steel, excluding such articles with heads of copper: Constructed exports from the UAE, by destination market and by period

Unit values in dollars per short ton; shares in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	783	992	1,485
France	Unit value	977	906	994
Rwanda	Unit value	398	724	685
Senegal	Unit value	4,073	27	141
Australia	Unit value	936	1,002	422
Oman	Unit value	2,115	1,295	---
All other destination markets	Unit value	573	613	1,846
All destination markets	Unit value	892	977	1,475
United States	Share of quantity	72.3	82.0	98.4
France	Share of quantity	1.0	0.4	0.4
Rwanda	Share of quantity	1.1	0.3	0.4
Senegal	Share of quantity	0.1	1.5	0.3
Australia	Share of quantity	2.5	1.1	0.3
Oman	Share of quantity	9.8	8.1	---
All other destination markets	Share of quantity	13.2	6.6	0.3
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official imports statistics from the UAE (constructed exports statistics for the UAE) under HS subheading 7317.00 as reported by various national statistical reporting authorities in the Global Trade Atlas database, accessed May 15, 2023.

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 other countries in descending order of 2022 data.

Note: Oman is individually show in the table as it was a large destination market for exports from the UAE in 2020 and 2021 but its data are not yet available for 2022.

Third-country trade actions

Based on available information, steel nails from the UAE have not been subject to other antidumping or countervailing duty investigations outside the United States.[25]

The global market

There is no public or subscription-based source for information on global production, consumption, or prices of steel nails. However, U.S. producers and importers were asked if they were aware of the prices of steel nails in non-U.S. markets. Most responding U.S. producers (8 of 9 firms) and importers (23 of 29 firms) reported that they were not. Among the firms that were aware of prices outside the United States, *** reported that U.S. and Canadian prices are fairly similar while *** reported that Canadian prices are slightly lower. The remaining four firms indicated that the U.S. steel nails market was more expensive than other countries, including India and unnamed countries in Europe, with one firm (***) estimating that U.S. prices are on average more than 30 percent more than in other countries.

Table IV-15 presents global export data for HS subheading 7317.00, which includes nails, tacks, drawing pins, staples (other than in strips), and similar articles, of iron or steel, excluding such articles with heads of copper, a category that includes steel nails and out-of-scope products (the United States and the UAE followed by source in descending order of quantity for 2022).

[25] World Trade Organization ("WTO"), "Anti-dumping," wto.org/english/tratop_e/adp_e/adp_e.htm, retrieved November 2, 2022; and WTO, "Subsidies and Countervailing Measures," wto.org/english/tratop_e/scm_e/scm_e.htm, retrieved November 2, 2022.

Table IV-15
Nails, tacks, drawing pins, staples (other than in strips), and similar articles, of iron or steel, excluding such articles with heads of copper: Global exports, by reporting country and by period

Quantity in short tons; value in 1,000 dollars

Exporting country	Measure	2020	2021	2022
United States	Quantity	21,793	21,630	18,668
UAE	Quantity	6,141	13,275	16,372
China	Quantity	1,095,718	1,237,928	1,146,089
Turkey	Quantity	85,515	99,788	86,912
Poland	Quantity	76,719	90,891	82,234
Thailand	Quantity	60,009	73,403	69,961
Lithuania	Quantity	42,647	56,512	59,241
Malaysia	Quantity	42,570	59,918	56,809
India	Quantity	21,728	43,664	56,176
Taiwan	Quantity	56,630	64,651	55,990
South Korea	Quantity	51,624	54,301	54,991
Germany	Quantity	34,221	41,865	33,832
All other exporters	Quantity	492,423	558,854	303,277
All reporting exporters	Quantity	2,087,738	2,416,680	2,040,552
United States	Value	59,722	62,576	88,020
UAE	Value	5,479	12,963	24,147
China	Value	1,621,785	1,999,335	2,122,915
Turkey	Value	64,530	102,559	112,905
Poland	Value	93,460	128,980	144,244
Thailand	Value	63,500	87,717	97,648
Lithuania	Value	35,545	72,961	115,456
Malaysia	Value	37,915	63,685	65,877
India	Value	35,152	67,892	92,998
Taiwan	Value	85,234	106,611	105,833
South Korea	Value	59,599	81,973	104,408
Germany	Value	113,421	146,333	138,319
All other exporters	Value	924,806	1,234,831	974,224
All reporting exporters	Value	3,200,148	4,168,415	4,186,994

Table continued.

Table IV-15 continued
Nails, tacks, drawing pins, staples (other than in strips), and similar articles, of iron or steel, excluding such articles with heads of copper: Global exports, by reporting country and by period

Unit values in dollars per short ton; shares in percent

Exporting country	Measure	2020	2021	2022
United States	Unit value	2,740	2,893	4,715
UAE	Unit value	892	977	1,475
China	Unit value	1,480	1,615	1,852
Turkey	Unit value	755	1,028	1,299
Poland	Unit value	1,218	1,419	1,754
Thailand	Unit value	1,058	1,195	1,396
Lithuania	Unit value	833	1,291	1,949
Malaysia	Unit value	891	1,063	1,160
India	Unit value	1,618	1,555	1,655
Taiwan	Unit value	1,505	1,649	1,890
South Korea	Unit value	1,154	1,510	1,899
Germany	Unit value	3,314	3,495	4,088
All other exporters	Unit value	1,878	2,210	3,212
All reporting exporters	Unit value	1,533	1,725	2,052
United States	Share of quantity	1.0	0.9	0.9
UAE	Share of quantity	0.3	0.5	0.8
China	Share of quantity	52.5	51.2	56.2
Turkey	Share of quantity	4.1	4.1	4.3
Poland	Share of quantity	3.7	3.8	4.0
Thailand	Share of quantity	2.9	3.0	3.4
Lithuania	Share of quantity	2.0	2.3	2.9
Malaysia	Share of quantity	2.0	2.5	2.8
India	Share of quantity	1.0	1.8	2.8
Taiwan	Share of quantity	2.7	2.7	2.7
South Korea	Share of quantity	2.5	2.2	2.7
Germany	Share of quantity	1.6	1.7	1.7
All other exporters	Share of quantity	23.6	23.1	14.9
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7317.00 as reported by various national statistical reporting authorities in the Global Trade Atlas database, accessed May 15, 2023, and official global imports statistics from the UAE under HS subheading 7317.00 as reported by various national statistical authorities in the Global Trade database, accessed May 15, 2023.

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 (COGS) increased from 63.4 percent in 2020 to 72.7 percent in 2022, but were lower in January-March 2023 (68.9 percent) compared with the same period in 2022 (70.8 percent).

As shown in figure V-1, prices for carbon steel wire rod increased intermittently between January 2017 and March 2023. Prices increased from 2017 through mid-2018, then remained relatively flat until early 2019, at which point they decreased again, then remained relatively flat through the final months of 2020.[2] In late 2020, prices rose steeply until mid-2022, at which point they decreased again.[3] Overall, prices in March 2023 were more than double those in January 2017.[4]

[1] Steel Nails from India, Oman, Sri Lanka, and Turkey, Inv. Nos. 701-TA-673-675 and 677 (Final), USITC Publication 5370, October 2022, p. V-1.

[2] 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 entered into effect between January and May 2018).

As discussed in Part II, most U.S. producers and importers reported that the Section 232 measures increased the cost of certain types of wire rod (see p. II-2).

[3] Between January 2020 and December 2022, prices for wire rod increased by *** percent.

[4] In 2023, prices for wire rod decreased by *** percent between January and February, then increased by *** percent between February and March.

Figure V-1
Wire rod: Domestic prices for carbon steel wire rod, by year and month, January 2017-March 2023

* * * * * * *

Source: ***, various monthly issues.

When U.S. producers and importers were asked how raw material prices changed during 2017-19 and 2020-22, most firms reported that prices during 2017-19 increased or did not change and most firms reported that prices during 2020-22 increased (table V-1). Most U.S. producers reported that during 2017-19 prices fluctuated up, while a plurality of importers reported that they did not change during this time. Large majorities of U.S. producers and importers reported that prices steadily increased during 2020-22. Half of U.S. producers and the majority of importers expect prices to decrease during 2023-24.

Table V-1
Steel nails: Count of firms' responses regarding raw material price trends during 2017-19, 2020-22, by firm type

Time period	Firm type	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease
2017-19	U.S. producers	1	6	2	0	0
2017-19	Importers	6	8	10	2	0
2020-22	U.S. producers	6	2	0	0	0
2020-22	Importers	16	7	3	2	0
2023-24 anticipated	U.S. producers	0	1	3	4	0
2023-24 anticipated	Importers	2	5	5	14	0

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

When purchasers were asked whether they were familiar with the prices of the raw materials used in the production of steel nails, most (25 of 42 firms) reported that they were not; however, 17 reported that they were. When asked if information on raw material prices affected their negotiations or contracts to purchase steel nails during 2017-19 and 2020-22, most purchasers (20 of 31) reported that they did not during 2017-19 but they did (based on the affirmative responses of 16 of 31 firms) during 2020-22. Most of the firms reporting that raw material prices had an impact on their negotiations or contracts, particularly ***, indicated that they follow raw materials costs to justify their suppliers' cost increases and that they pass these cost increases on to the consumer.

Transportation costs to the U.S. market

Transportation costs for steel nails shipped from the UAE to the United States averaged 26.8 percent during 2022.[5] This estimate was derived from official import data and represents transportation and other charges on imports.[6]

U.S. inland transportation costs

All responding U.S. producers and most responding importers (24 of 27 firms) reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 1.9 to 9.0 percent (for an average of 5.2 percent), while most responding importers reported costs of 3.0 to 17.0 percent (for an average of 10.0 percent).[7]

[5] Transportation costs for steel nails shipped to the United States from all import sources combined averaged 12.1 percent during 2022.

[6] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2022 and then dividing by the customs value based on the HTS statistical reporting numbers 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. Data accessed May 12, 2023.

[7] Three firms reported costs of 80 percent, 95 percent, and zero, but this is likely due to a misunderstanding of the question. These estimates have therefore been excluded from this analysis.

Pricing practices

Pricing methods

U.S. producers and importers reported setting prices using mostly transaction-by-transaction negotiations along with price lists (table V-2). Only *** and three importers reported using contracts to set prices. *** reported that "***."

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

Method	U.S. producers	Importers
Transaction-by-transaction	3	18
Contract	***	3
Set price list	8	14
Other	***	1
Responding firms	9	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 the vast majority of their steel nails in the spot market (table V-3).

Table V-3
Steel nails: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2022

Share in percent

Type of sale	U.S. producers	Importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
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.

Four purchasers reported that they purchase product daily, 14 purchase weekly, 14 purchase monthly, 7 purchase quarterly, and 1 purchases annually. Four firms also reported other purchasing frequencies, including as inventory levels require (***), based on demand (***), "rarely" (***), and as required based on customer orders (***). Most purchasers (11 firms) contact up to three suppliers before making a purchase,

while 8 contact up to five suppliers, 7 contact up to two, and 6 contact up to four. Two firms each reported contacting only one supplier and up to six suppliers, and one firm each reported contacting seven, nine, ten, fourteen, fifteen, and twenty suppliers before making a purchase.

Sales terms and discounts

U.S. producers typically quote prices on an f.o.b. basis (as reported by 6 of 9 firms) and importers typically quote prices on a delivered basis (as reported by 14 of 16 firms).[8]

Most U.S. producers reporting offering some kind of discount, while most importers reported no discount policy. Four U.S. producers offer quantity discounts, 4 on total volume, 1 on a case-by-case basis, 1 (***) on the basis of the individual type of customer and/or relationship, and 3 reported no discount policy. Seven importers offer quantity discounts, 8 on total volume, and 17 reported no discount policy.

Price leadership

Nineteen purchasers reported price leaders in the steel nails market. Eight purchasers listed Mid Continent as a price leader and five purchasers listed PrimeSource as a price leader. One purchaser each also listed the following firms as price leaders: Grabber, Hillman Fasteners, The Home Depot, Linc, Magnum Nails, Master Nails, Mid-Atlantic, SouthernCarlson, Tree Island, and Zoro.

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 from the first quarter of 2020 through the first quarter of 2023.

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

Product 2.—Nominal 3” x 0.131” (10.25 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails sold to retailers

Product 3.—Nominal 3” x 0.131” (10.25 gauge), bright smooth shank, 20-22 degree paper-strip collated and uncollated nails sold to distributors

[8] Two importers reported quoting on both a delivered and f.o.b. basis.

Product 4.—Nominal 3” x 0.120” (11 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails sold to distributors

Product 5.—Nominal 2” x 0.099” (12.5 gauge), bright screw (threaded), 15 degree wire coil collated nails sold to distributors

Product 6.—Nominal 2-3/8” x 0.113” (11.5 gauge), bright ring shank, 20-22 degree plastic-strip collated nails sold to distributors

Three U.S. producers and four importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[9] [10] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers’ U.S. shipments of steel nails and *** percent of U.S. shipments of subject imports from the UAE in 2022.[11]

Price data for products 1-6 are presented in tables V-4 to V-9 and figures V-2 to V-7.

[9] 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.

[10] ***.

***. See EDIS doc. ID no. 1998802.

***. Accordingly, the pricing analysis presented here include revised pricing data from Rich Well as submitted to Commission staff by counsel for respondents on July 6, 2023. See Respondent Interested Parties’ prehearing brief, p. 56 and EDIS doc. ID no. 800099.

***. See EDIS doc. ID no. 800817. Staff notes that the pricing data collection methodology employed in this review should reflect the first arm’s length transaction of sales of domestic product and subject imported product.

[11] 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	U.S. price	U.S. quantity	UAE price	UAE quantity	UAE margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***

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 sold to distributors.

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	U.S. price	U.S. quantity	UAE price	UAE quantity	UAE margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***

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

Note: Product 2: Nominal 3” x 0.131” (10.25 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails sold to retailers.

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 1,000 nails, quantity in 1,000 nails, margin in percent.

Period	U.S. price	U.S. quantity	UAE price	UAE quantity	UAE margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***

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

Note: Product 3: Nominal 3” x 0.131” (10.25 gauge), bright smooth shank, 20-22 degree paper-strip collated and uncollated nails sold to distributors.

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	U.S. price	U.S. quantity	UAE price	UAE quantity	UAE margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***

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

Note: Product 4: Nominal 3” x 0.120” (11 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails sold to distributors.

Table V-8
Steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 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	U.S. price	U.S. quantity	UAE price	UAE quantity	UAE margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***

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

Note: Product 5: Nominal 2” x 0.099” (12.5 gauge), bright screw (threaded), 15 degree wire coil collated nails sold to distributors.

Table V-9
Steel nails: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 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	U.S. price	U.S. quantity	UAE price	UAE quantity	UAE margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***

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

Note: Product 6: Nominal 2-3/8” x 0.113” (11.5 gauge), bright ring shank, 20-22 degree plastic-strip collated nails sold to distributors.

Figure V-2
Steel nails: Weighted-average 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 sold to distributors.

Figure V-3
Steel nails: Weighted-average prices and quantities of domestic and imported product 2, 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 0.131” (10.25 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails sold to retailers.

Figure V-4
Steel nails: Weighted-average 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 3” x 0.131” (10.25 gauge), bright smooth shank, 20-22 degree paper-strip collated and uncollated nails sold to distributors.

Figure V-5
Steel nails: Weighted-average 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 3” x 0.120” (11 gauge), bright smooth shank, 20-22 degree plastic-strip collated nails sold to distributors.

Figure V-6
Steel nails: Weighted-average prices and quantities of domestic and imported product 5, by source and quarter

Price of product 5

* * * * * * *

Volume of product 5

* * * * * * *

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

Note: Product 5: Nominal 2” x 0.099” (12.5 gauge), bright screw (threaded), 15 degree wire coil collated nails sold to distributors.

Figure V-7
Steel nails: Weighted-average prices and quantities of domestic and imported product 6, by source and quarter

Price of product 6

* * * * * * *

Volume of product 6

* * * * * * *

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

Note: Product 6: Nominal 2-3/8” x 0.113” (11.5 gauge), bright ring shank, 20-22 degree plastic-strip collated nails sold to distributors.

Price trends

In general, prices increased during January 2020-March 2023. Table V-10 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** percent during January 2020-March 2023, while import price increases ranged from *** percent.

Table V-10
Steel nails: Summary of price data, by product and source, first quarter 2020-first quarter 2023

Quantity in 1,000 nails, price in dollars per 1,000 nails; change in percent

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Percent change in price over period
Product 1	United States	***	***	***	***	***	***	***
Product 1	UAE	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	UAE	***	***	***	***	***	***	***
Product 3	United States	***	***	***	***	***	***	***
Product 3	UAE	***	***	***	***	***	***	***
Product 4	United States	***	***	***	***	***	***	***
Product 4	UAE	***	***	***	***	***	***	***
Product 5	United States	***	***	***	***	***	***	***
Product 5	UAE	***	***	***	***	***	***	***
Product 6	United States	***	***	***	***	***	***	***
Product 6	UAE	***	***	***	***	***	***	***

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

Note: Percent change column is percentage change from the first quarter of 2020 to the first quarter in 2023.

Price comparisons[12]

As shown in table V-11, prices for steel nails imported from the UAE were below those for U.S.-produced product in 50 of 64 instances; margins of underselling ranged from 0.2 to 46.4

[12] In the original investigation, subject imports from the UAE were priced lower than domestic product in 77 of 103 comparisons, with underselling margins ranging from 0.4 to 45.2 percent. In the remaining 26 instances, prices for subject imports from the UAE were above prices for the domestic product with overselling margins ranging from 0.1 to 52.5 percent. See Certain Steel Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Final), USITC Publication 4321, May 2012, pp. V-22–23. The first review of this investigation was expedited, so no price data were collected or presented. See Steel

(*continued*...)

percent, for an average underselling margin of 27.1 percent. In the remaining 14 instances, prices for steel nails from the UAE were between 0.7 and 21.6 percent above prices for the domestic product, for an average overselling margin of 11.6 percent. Most of the instances *** of overselling were for product 2, which is the only pricing product for sales to retailers.

Table V-11
Steel nails: Instances of underselling and overselling and the range and average of margins, by product

Quantity in 1,000 nails; margins in percent

Product	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	10	***	***	***	***
Product 2	Underselling	1	***	***	***	***
Product 3	Underselling	6	***	***	***	***
Product 4	Underselling	11	***	***	***	***
Product 5	Underselling	10	***	***	***	***
Product 6	Underselling	12	***	***	***	***
Total, all products	Underselling	50	***	27.1	0.2	46.4
Product 1	Overselling	2	***	***	***	***
Product 2	Overselling	9	***	***	***	***
Product 3	Overselling	---	***	***	***	***
Product 4	Overselling	1	***	***	***	***
Product 5	Overselling	2	***	***	***	***
Product 6	Overselling	---	***	***	***	***
Total, all products	Overselling	14	***	(11.6)	(0.7)	(21.6)

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.

Note: Zeros, nulls values, and undefined calculations are suppressed and shown as "---".

Nails from the United Arab Emirates, Inv. No. 731-TA-1185 (Review), USITC Publication 4729, September 2017.

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 53727, September 1, 2022	*Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/content/pkg/FR-2022-09-01/pdf/2022-18925.pdf
87 FR 53777, September 1, 2022	*Steel Nails From the United Arab Emirates; Institution of a Five-Year Review*	https://www.govinfo.gov/content/pkg/FR-2022-09-01/pdf/2022-18909.pdf
87 FR 79907 December 28, 2022	*Steel Nails From the United Arab Emirates; Notice of Commission Determination To Conduct a Full Five-Year Review*	https://www.govinfo.gov/content/pkg/FR-2022-12-28/pdf/2022-28266.pdf
87 FR 80158 December 29, 2022	*Certain Steel Nails From the United Arab Emirates: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*	https://www.govinfo.gov/content/pkg/FR-2022-12-29/pdf/2022-28389.pdf
88 FR 8457 February 9, 2023	*Steel Nails From the United Arab Emirates; Scheduling of a Full Five-Year Review*	https://www.govinfo.gov/content/pkg/FR-2023-02-09/pdf/2023-02761.pdf

APPENDIX B

LIST OF HEARING WITNESS

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Steel Nails from United Arab Emirates

Inv. No.: 731-TA-1185 (Second Review)

Date and Time: June 29, 2023 - 9:30 a.m.

Sessions were held in connection with this review in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

In Support of Continuation (**Adam H. Gordon**, The Bristol Group PLLC)
In Opposition to Continuation
(**Ned H. Marshak**, Grunfeld, Desiderio, Lebowitz, Silverman and Klestadt LLP)

In Support of the Continuation of the Antidumping Duty Order:

The Bristol Group PLLC
Washington, DC
on behalf of

Mid Continent Steel & Wire, Inc. ("Mid Continent")

George Skarich, Vice President, Sales, U.S. and Canada, Mid Continent

Chris Pratt, U.S. Operations General Manager, Mid Continent

Adam H. Gordon)
) – OF COUNSEL
Jennifer M. Smith)

In Opposition to the Continuation of the
Antidumping Duty Order:

Grunfeld, Desiderio, Lebowitz, Silverman and Klestadt LLP
Washington, DC
on behalf of

Master Nails and Pins Manufacturing LLC
Rich Well Steel Industries LLC

Kunal Mahesh, Managing Director, of Rich Well Steel Industries LLC

Ned H. Marshak) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Continuation (**Jennifer M. Smith**, The Bristol Group PLLC)
In Opposition to Continuation
(**Ned H. Marshak**, Grunfeld, Desiderio, Lebowitz, Silverman and Klestadt LLP)

-END-

APPENDIX C

SUMMARY DATA

Contents

Table C-1
Steel nails: Summary data concerning the U.S. market, by item and 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

Item	Reported data: Calendar year 2020	2021	2022	Jan-Mar 2022	2023	Period changes: Calendar year 2020-22	2020-21	2021-22	Jan-Mar 2022-23
U.S. consumption quantity:									
Amount	748,366	860,238	901,369	219,024	145,129	▲20.4	▲14.9	▲4.8	▼(33.7)
Producers' share (fn1)	18.2	15.3	12.7	13.1	19.4	▼(5.5)	▼(2.9)	▼(2.6)	▲6.2
Importers' share (fn1):									
UAE	0.6	1.3	1.8	1.4	3.3	▲1.2	▲0.7	▲0.5	▲1.9
Nonsubject sources	81.2	83.4	85.5	85.5	77.3	▲4.3	▲2.2	▲2.1	▼(8.2)
All import sources	81.8	84.7	87.3	86.9	80.6	▲5.5	▲2.9	▲2.6	▼(6.2)
U.S. consumption value:									
Amount	999,692	1,395,613	1,907,908	441,053	295,210	▲90.8	▲39.6	▲36.7	▼(33.1)
Producers' share (fn1)	22.1	20.2	17.5	17.9	25.2	▼(4.7)	▼(1.9)	▼(2.7)	▲7.3
Importers' share (fn1):									
UAE	0.5	1.2	1.9	1.4	3.5	▲1.4	▲0.7	▲0.7	▲2.0
Nonsubject sources	77.4	78.6	80.6	80.7	71.3	▲3.2	▲1.2	▲2.0	▼(9.4)
All import sources	77.9	79.8	82.5	82.1	74.8	▲4.7	▲1.9	▲2.7	▼(7.3)
U.S. imports from:									
UAE:									
Quantity	4,328	10,892	16,085	3,065	4,853	▲271.6	▲151.6	▲47.7	▲58.3
Value	4,930	17,183	36,933	6,323	10,208	▲649.1	▲248.5	▲114.9	▲61.5
Unit value	$1,139	$1,578	$2,296	$2,063	$2,103	▲101.6	▲38.5	▲45.5	▲2.0
Ending inventory quantity	***	***	***	***	***	▼***	▲***	▼***	***
Nonsubject sources:									
Quantity	607,811	717,690	770,871	187,172	112,174	▲26.8	▲18.1	▲7.4	▼(40.1)
Value	773,455	1,096,518	1,537,348	355,946	210,603	▲98.8	▲41.8	▲40.2	▼(40.8)
Unit value	$1,273	$1,528	$1,994	$1,902	$1,877	▲56.7	▲20.1	▲30.5	▼(1.3)
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▲***
All import sources:									
Quantity	612,140	728,582	786,956	190,237	117,028	▲28.6	▲19.0	▲8.0	▼(38.5)
Value	778,386	1,113,701	1,574,281	362,269	220,811	▲102.2	▲43.1	▲41.4	▼(39.0)
Unit value	$1,272	$1,529	$2,000	$1,904	$1,887	▲57.3	▲20.2	▲30.9	▼(0.9)
Ending inventory quantity	51,576	58,796	97,296	58,699	82,525	▲88.6	▲14.0	▲65.5	▲40.6
U.S. producers':									
Practical capacity quantity	150,562	158,091	170,414	42,675	42,523	▲13.2	▲5.0	▲7.8	▼(0.4)
Production quantity	135,945	133,524	125,130	31,445	28,420	▼(8.0)	▼(1.8)	▼(6.3)	▼(9.6)
Capacity utilization (fn1)	90.3	84.5	73.4	73.7	66.8	▼(16.9)	▼(5.8)	▼(11.0)	▼(6.9)
U.S. shipments:									
Quantity	136,226	131,656	114,413	28,787	28,101	▼(16.0)	▼(3.4)	▼(13.1)	▼(2.4)
Value	221,306	281,912	333,627	78,784	74,399	▲50.8	▲27.4	▲18.3	▼(5.6)
Unit value	$1,625	$2,141	$2,916	$2,737	$2,648	▲79.5	▲31.8	▲36.2	▼(3.3)
Export shipments:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	18,635	17,811	26,274	20,644	26,179	▲41.0	▼(4.4)	▲47.5	▲26.8
Inventories/total shipments (fn1)	***	***	***	***	***	▲***	▼***	▲***	▲***
Production workers	719	745	816	758	808	▲13.5	▲3.6	▲9.5	▲6.6
Hours worked (1,000s)	1,516	1,558	1,703	428	428	▲12.3	▲2.8	▲9.3	---
Wages paid ($1,000)	24,365	27,272	36,112	7,904	9,002	▲48.2	▲11.9	▲32.4	▲13.9
Hourly wages (dollars per hour)	$16.07	$17.50	$21.20	$18.47	$21.03	▲31.9	▲8.9	▲21.1	▲13.9
Productivity (short tons per 1,000 hours)	89.7	85.7	73.5	73.5	66.4	▼(18.1)	▼(4.4)	▼(14.3)	▼(9.6)
Unit labor costs	$179	$204	$289	$251	$317	▲61.0	▲14.0	▲41.3	▲26.0

Table continued.

Table C-1 Continued
Steel nails: Summary data concerning the U.S. market, by item and 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-Mar		Calendar year			Jan-Mar
Item	2020	2021	2022	2022	2023	2020-22	2020-21	2021-22	2022-23
Net sales:									
Quantity	138,671	134,180	116,519	29,833	28,740	▼(16.0)	▼(3.2)	▼(13.2)	▼(3.7)
Value	228,761	291,152	344,166	81,116	77,758	▲50.4	▲27.3	▲18.2	▼(4.1)
Unit value	$1,650	$2,170	$2,954	$2,719	$2,706	▲79.1	▲31.5	▲36.1	▼(0.5)
Cost of goods sold (COGS)	182,397	217,522	258,733	59,474	60,194	▲41.9	▲19.3	▲18.9	▲1.2
Gross profit or (loss) (fn2)	46,364	73,630	85,433	21,642	17,564	▲84.3	▲58.8	▲16.0	▼(18.8)
SG&A expenses	24,955	28,988	34,277	7,407	7,997	▲37.4	▲16.2	▲18.2	▲8.0
Operating income or (loss) (fn2)	21,409	44,642	51,156	14,235	9,567	▲138.9	▲108.5	▲14.6	▼(32.8)
Net income or (loss) (fn2)	22,596	46,380	52,915	14,669	9,988	▲134.2	▲105.3	▲14.1	▼(31.9)
Unit COGS	$1,315	$1,621	$2,221	$1,994	$2,094	▲68.8	▲23.2	▲37.0	▲5.1
Unit SG&A expenses	$180	$216	$294	$248	$278	▲63.5	▲20.0	▲36.2	▲12.1
Unit operating income or (loss) (fn2)	$154	$333	$439	$477	$333	▲184.4	▲115.5	▲32.0	▼(30.2)
Unit net income or (loss) (fn2)	$163	$346	$454	$492	$348	▲178.7	▲112.1	▲31.4	▼(29.3)
COGS/sales (fn1)	79.7	74.7	75.2	73.3	77.4	▼(4.6)	▼(5.0)	▲0.5	▲4.1
Operating income or (loss)/sales (fn1)	9.4	15.3	14.9	17.5	12.3	▲5.5	▲6.0	▼(0.5)	▼(5.2)
Net income or (loss)/sales (fn1)	9.9	15.9	15.4	18.1	12.8	▲5.5	▲6.1	▼(0.6)	▼(5.2)
Capital expenditures	7,325	6,854	7,662	1,671	3,356	▲4.6	▼(6.4)	▲11.8	▲100.8
Research and development expenses	***	***	***	***	***	▲***	▲***	▲***	▼***
Net assets	269,061	296,915	334,919	NA	NA	▲24.5	▲10.4	▲12.8	NA

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 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, 7317.00.7500, accessed May 9, 2023. Imports are based on the imports for consumption data series. Imports value data reflect landed duty-paid values. 508 compliant tables containing these data are contained in parts I, III, and IV of this report.

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.

HISTORICAL SUMMARY DATA FROM THE ORIGINAL INVESTIGATION

Table C-1
Steel nails: Summary data concerning the U.S. market, 2009-11

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data			Period changes		
Item	2009	2010	2011	2009-11	2009-10	2010-11
U.S. consumption quantity:						
Amount	445,543	530,671	541,138	21.5	19.1	2.0
Producers' share (1)	22.8	18.4	17.9	-4.8	-4.4	-0.5
Importers' share (1):						
UAE	14.3	22.3	20.4	6.1	8.1	-1.9
All other sources	63.0	59.2	61.7	-1.3	-3.7	2.4
Total imports	77.2	81.6	82.1	4.8	4.4	0.5
U.S. consumption value:						
Amount	596,261	684,382	776,423	30.2	14.8	13.4
Producers' share (1)	34.0	25.9	23.7	-10.3	-8.1	-2.2
Importers' share (1):						
UAE	9.5	16.3	16.8	7.3	6.8	0.5
All other sources	56.5	57.8	59.5	3.1	1.3	1.8
Total imports	66.0	74.1	76.3	10.3	8.1	2.2
U.S. imports from:						
UAE:						
Quantity	63,494	118,558	110,395	73.9	86.7	-6.9
Value	56,662	111,764	130,417	130.2	97.2	16.7
Unit value	$892	$943	$1,181	32.4	5.6	25.3
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	280,537	314,296	333,680	18.9	12.0	6.2
Value	336,747	395,266	462,217	37.3	17.4	16.9
Unit value	$1,200	$1,258	$1,385	15.4	4.8	10.1
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	344,031	432,854	444,075	29.1	25.8	2.6
Value	393,409	507,030	592,634	50.6	28.9	16.9
Unit value	$1,144	$1,171	$1,335	16.7	2.4	13.9
Ending inventory quantity	47,432	52,361	59,993	26.5	10.4	14.6

Table continued on next page.

Table C-1--Continued
Steel nails: Summary data concerning the U.S. market, 2009-11

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data			Period changes		
Item	2009	2010	2011	2009-11	2009-10	2010-11
U.S. producers':						
Average capacity quantity	359,461	365,271	335,364	-6.7	1.6	-8.2
Production quantity	93,062	96,446	97,182	4.4	3.6	0.8
Capacity utilization (1)	25.9	26.4	29.0	3.1	0.5	2.6
U.S. shipments:						
Quantity	101,512	97,817	97,063	-4.4	-3.6	-0.8
Value	202,852	177,352	183,789	-9.4	-12.6	3.6
Unit value	$1,998	$1,813	$1,894	-5.2	-9.3	4.4
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	15,970	14,055	12,101	-24.2	-12.0	-13.9
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	608	607	506	-16.8	-0.2	-16.6
Hours worked (1,000s)	1,311	1,252	1,076	-17.9	-4.5	-14.1
Wages paid ($1,000s)	22,782	19,965	14,908	-34.6	-12.4	-25.3
Hourly wages	$17.38	$15.95	$13.85	-20.3	-8.2	-13.1
Productivity (tons/1,000 hours)	71.0	77.0	90.3	27.2	8.5	17.2
Unit labor costs	$244.80	$207.01	$153.40	-37.3	-15.4	-25.9
Net sales:						
Quantity	97,892	93,091	95,080	-2.9	-4.9	2.1
Value	188,898	161,650	175,329	-7.2	-14.4	8.5
Unit value	$1,930	$1,736	$1,844	-4.4	-10.0	6.2
Cost of goods sold (COGS)	152,485	136,158	147,498	-3.3	-10.7	8.3
Gross profit or (loss)	36,413	25,492	27,831	-23.6	-30.0	9.2
SG&A expenses	26,833	20,460	21,655	-19.3	-23.8	5.8
Operating income or (loss)	9,580	5,032	6,176	-35.5	-47.5	22.7
Capital expenditures	***	***	***	***	***	***
Unit COGS	$1,558	$1,463	$1,551	-0.4	-6.1	6.1
Unit SG&A expenses	$274	$220	$228	-16.9	-19.8	3.6
Unit operating income or (loss)	$98	$54	$65	-33.6	-44.8	20.2
COGS/sales (1)	80.7	84.2	84.1	3.4	3.5	-0.1
Operating income or (loss)/ sales (1)	5.1	3.1	3.5	-1.5	-2.0	0.4

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

APPENDIX D

IMPACT OF THE ORDER AND LIKELY EFFECT OF REVOCATION

Table D-1
Steel nails: Firms' narratives on the impact of the order and the likely impact of revocation

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producers	***
Effect of order	U.S. producers	***
Effect of order	U.S. producers	***
Effect of order	U.S. producers	***
Effect of order	U.S. producers	***
Effect of order	U.S. producers	***
Effect of order	U.S. producers	***
Effect of order	U.S. producers	***
Effect of order	U.S. producers	***
Likely impact of revocation	U.S. producers	***
Likely impact of revocation	U.S. producers	***
Likely impact of revocation	U.S. producers	***
Likely impact of revocation	U.S. producers	***
Likely impact of revocation	U.S. producers	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	U.S. producers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
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Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Effect of order	Purchasers	***
Likely impact of revocation	Purchasers	***
Likely impact of revocation	Purchasers	***
Likely impact of revocation	Purchasers	***
Likely impact of revocation	Purchasers	***
Likely impact of revocation	Purchasers	***
Likely impact of revocation	Purchasers	***
Effect of order	Foreign producers	***
Effect of order	Foreign producers	***
Likely impact of revocation	Foreign producers	***
Likely impact of revocation	Foreign producers	***

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

APPENDIX E

DEMAND AND COST DATA

Table E-1
New residential construction: Housing units under construction in the United States, total units, by month, seasonally adjusted total units, by year and month, January 2017-June 2023

In 1,000 housing units, seasonally adjusted

Year	Month	Housing units
2017	January	1,063
2017	February	1,070
2017	March	1,071
2017	April	1,075
2017	May	1,071
2017	June	1,073
2017	July	1,075
2017	August	1,083
2017	September	1,093
2017	October	1,101
2017	November	1,107
2017	December	1,100
2018	January	1,105
2018	February	1,109
2018	March	1,121
2018	April	1,124
2018	May	1,131
2018	June	1,126
2018	July	1,127
2018	August	1,129
2018	September	1,135
2018	October	1,141
2018	November	1,144
2018	December	1,148
2019	January	1,152
2019	February	1,140
2019	March	1,125
2019	April	1,123
2019	May	1,132
2019	June	1,142
2019	July	1,146
2019	August	1,149
2019	September	1,161
2019	October	1,160
2019	November	1,165
2019	December	1,177
2020	January	1,195
2020	February	1,213
2020	March	1,215
2020	April	1,193

Table continued.

Table E-1 continued
New residential construction: Housing units under construction in the United States, total units, by month, seasonally adjusted total units, by year and month, January 2017-June 2023

In 1,000 housing units, seasonally adjusted

Year	Month	Housing units
2020	May	1,180
2020	June	1,183
2020	July	1,201
2020	August	1,213
2020	September	1,218
2020	October	1,228
2020	November	1,248
2020	December	1,262
2021	January	1,282
2021	February	1,286
2021	March	1,308
2021	April	1,320
2021	May	1,338
2021	June	1,372
2021	July	1,387
2021	August	1,412
2021	September	1,437
2021	October	1,464
2021	November	1,493
2021	December	1,526
2022	January	1,553
2022	February	1,581
2022	March	1,631
2022	April	1,669
2022	May	1,680
2022	June	1,688
2022	July	1,683
2022	August	1,702
2022	September	1,698
2022	October	1,710
2022	November	1,695
2022	December	1,696
2023	January	1,695
2023	February	1,686
2023	March	1,680
2023	April	1,680
2023	May	1,680
2023	June	1,682

Source: U.S. Census Bureau, https://www.census.gov/econ/currentdata/?programCode=RESCONST&startYear=2017&endYear=2023&categories***=UNDERCONST&dataType=TOTAL&geoLevel=US&adjusted=1&notAdjusted=0&errorData=0#table-results, retrieved July 19, 2023.

Table E-2
Real U.S. GDP: Percentage change from preceding period, quarterly, seasonally adjusted annual rate, by year and quarter, first quarter of 2017 to the first quarter of 2023

Year	Quarter	GDP
2017	1st	1.7
2017	2nd	2.0
2017	3rd	3.4
2017	4th	4.1
2018	1st	2.8
2018	2nd	2.8
2018	3rd	2.9
2018	4th	0.7
2019	1st	2.2
2019	2nd	2.7
2019	3rd	3.6
2019	4th	1.8
2020	1st	-4.6
2020	2nd	-29.9
2020	3rd	35.3
2020	4th	3.9
2021	1st	6.3
2021	2nd	7.0
2021	3rd	2.7
2021	4th	7.0
2022	1st	-1.6
2022	2nd	-0.6
2022	3rd	3.2
2022	4th	2.6
2023	1st	2.0

Source: U.S. Bureau of Economic Analysis, https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDMsM10sImRhdGEiOltbImNhdGVnb3JpZXMiLCJTdXJ2ZXkiXSxbIk5JUEFfVGFibGVfTGlzdCIsIjEiXSxbIkZpcnN0X1llYXIiLCIyMDE3Il0sWyJMYXN0X1llYXIiLCIyMDIzIl0sWyJTY2FsZSIsIjAiXSxbIlNlcmllcyIsIlEiXV19, retrieved July 19, 2023.

Table E-3
Wire rod: Domestic prices for carbon steel wire rod, by year and month, January 2017-March 2023

Price in dollars per short ton

Year	Month	Price
2017	January	***
2017	February	***
2017	March	***
2017	April	***
2017	May	***
2017	June	***
2017	July	***
2017	August	***
2017	September	***
2017	October	***
2017	November	***
2017	December	***
2018	January	***
2018	February	***
2018	March	***
2018	April	***
2018	May	***
2018	June	***
2018	July	***
2018	August	***
2018	September	***
2018	October	***
2018	November	***
2018	December	***
2019	January	***
2019	February	***
2019	March	***
2019	April	***
2019	May	***
2019	June	***
2019	July	***
2019	August	***
2019	September	***
2019	October	***
2019	November	***
2019	December	***

Table continued.

Table E-3 continued
Wire rod: Domestic prices for carbon steel wire rod, by year and month, January 2017-March 2023

Price in dollars per short ton

Year	Month	Price
2020	January	***
2020	February	***
2020	March	***
2020	April	***
2020	May	***
2020	June	***
2020	July	***
2020	August	***
2020	September	***
2020	October	***
2020	November	***
2020	December	***
2021	January	***
2021	February	***
2021	March	***
2021	April	***
2021	May	***
2021	June	***
2021	July	***
2021	August	***
2021	September	***
2021	October	***
2021	November	***
2021	December	***
2022	January	***
2022	February	***
2022	March	***
2022	April	***
2022	May	***
2022	June	***
2022	July	***
2022	August	***
2022	September	***
2022	October	***
2022	November	***
2022	December	***
2023	January	***
2023	February	***
2023	March	***

Source: ***, various monthly issues.

APPENDIX F

U.S. SHIPMENTS BY CHANNEL AND TYPE AND FINISH

Table F-1
Steel nails: U.S. producers' U.S. shipments, by channels of distribution and period

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

Distribution channel	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Distributors	Quantity	83,137	76,843	63,028	15,800	18,167
Retailers	Quantity	15,260	16,207	16,540	3,911	3,528
End users	Quantity	37,829	38,606	34,845	9,077	6,406
All channels	Quantity	136,226	131,656	114,413	28,788	28,101
Distributors	Value	138,298	169,290	188,381	44,716	48,067
Retailers	Value	30,140	38,452	49,373	10,628	9,818
End users	Value	52,868	74,170	95,873	23,440	16,515
All channels	Value	221,306	281,912	333,627	78,784	74,400
Distributors	Unit value	1,663	2,203	2,989	2,830	2,646
Retailers	Unit value	1,975	2,373	2,985	2,717	2,783
End users	Unit value	1,398	1,921	2,751	2,582	2,578
All channels	Unit value	1,625	2,141	2,916	2,737	2,648
Distributors	Share of quantity	61.0	58.4	55.1	54.9	64.6
Retailers	Share of quantity	11.2	12.3	14.5	13.6	12.6
End users	Share of quantity	27.8	29.3	30.5	31.5	22.8
All channels	Share of quantity	100.0	100.0	100.0	100.0	100.0
Distributors	Share of value	62.5	60.1	56.5	56.8	64.6
Retailers	Share of value	13.6	13.6	14.8	13.5	13.2
End users	Share of value	23.9	26.3	28.7	29.8	22.2
All channels	Share of value	100.0	100.0	100.0	100.0	100.0

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

Note: U.S. shipments are defined as shipments within the United States as a result of an arm's length transaction, inclusive of commercial transactions, internal consumption, and transfers to a related firm, in the ordinary course of business. The value of commercial U.S. shipments are defined as net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods) in U.S. dollars, f.o.b. at point of shipment; and the value of internal consumption shipments and shipments to a related firm are defined as having a fair market value.

Table F-2
Steel nails: U.S. importers' U.S. shipments of imports from the UAE, by channels of distribution and period

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

Distribution channel	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Distributors	Quantity	***	***	***	***	***
Retailers	Quantity	***	***	***	***	***
End users	Quantity	***	***	***	***	***
All channels	Quantity	***	***	***	***	***
Distributors	Value	***	***	***	***	***
Retailers	Value	***	***	***	***	***
End users	Value	***	***	***	***	***
All channels	Value	***	***	***	***	***
Distributors	Unit value	***	***	***	***	***
Retailers	Unit value	***	***	***	***	***
End users	Unit value	***	***	***	***	***
All channels	Unit value	***	***	***	***	***
Distributors	Share of quantity	***	***	***	***	***
Retailers	Share of quantity	***	***	***	***	***
End users	Share of quantity	***	***	***	***	***
All channels	Share of quantity	***	***	***	***	***
Distributors	Share of value	***	***	***	***	***
Retailers	Share of value	***	***	***	***	***
End users	Share of value	***	***	***	***	***
All channels	Share of value	***	***	***	***	***

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

Note: U.S. shipments are defined as shipments within the United States as a result of an arm's length transaction, inclusive of commercial transactions, internal consumption, and transfers to a related firm, in the ordinary course of business. The value of commercial U.S. shipments are defined as net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods) in U.S. dollars, f.o.b. at point of shipment; and the value of internal consumption shipments and shipments to a related firm are defined as having a fair market value.

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 F-3
Steel nails: U.S. importers' U.S. shipments of imports from nonsubject sources, by channels of distribution and period

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

Distribution channel	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Distributors	Quantity	***	***	***	***	***
Retailers	Quantity	***	***	***	***	***
End users	Quantity	***	***	***	***	***
All channels	Quantity	***	***	***	***	***
Distributors	Value	***	***	***	***	***
Retailers	Value	***	***	***	***	***
End users	Value	***	***	***	***	***
All channels	Value	***	***	***	***	***
Distributors	Unit value	***	***	***	***	***
Retailers	Unit value	***	***	***	***	***
End users	Unit value	***	***	***	***	***
All channels	Unit value	***	***	***	***	***
Distributors	Share of quantity	***	***	***	***	***
Retailers	Share of quantity	***	***	***	***	***
End users	Share of quantity	***	***	***	***	***
All channels	Share of quantity	***	***	***	***	***
Distributors	Share of value	***	***	***	***	***
Retailers	Share of value	***	***	***	***	***
End users	Share of value	***	***	***	***	***
All channels	Share of value	***	***	***	***	***

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

Note: U.S. shipments are defined as shipments within the United States as a result of an arm's length transaction, inclusive of commercial transactions, internal consumption, and transfers to a related firm, in the ordinary course of business. The value of commercial U.S. shipments are defined as net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods) in U.S. dollars, f.o.b. at point of shipment; and the value of internal consumption shipments and shipments to a related firm are defined as having a fair market value.

Table F-4
Steel nails: U.S. importers' U.S. shipments of imports from all sources, by channels of distribution and period

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

Distribution channel	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Distributors	Quantity	231,958	297,921	325,076	75,202	41,547
Retailers	Quantity	252,040	273,619	271,127	64,730	61,153
End users	Quantity	30,561	40,702	51,124	9,451	11,624
All channels	Quantity	514,559	612,242	647,327	149,383	114,324
Distributors	Value	315,062	461,329	752,329	163,955	88,471
Retailers	Value	351,998	396,843	609,966	135,295	104,935
End users	Value	62,484	54,143	123,871	15,822	22,108
All channels	Value	729,544	912,315	1,486,166	315,072	215,514
Distributors	Unit value	1,358	1,548	2,314	2,180	2,129
Retailers	Unit value	1,397	1,450	2,250	2,090	1,716
End users	Unit value	2,045	1,330	2,423	1,674	1,902
All channels	Unit value	1,418	1,490	2,296	2,109	1,885
Distributors	Share of quantity	45.1	48.7	50.2	50.3	36.3
Retailers	Share of quantity	49.0	44.7	41.9	43.3	53.5
End users	Share of quantity	5.9	6.6	7.9	6.3	10.2
All channels	Share of quantity	100.0	100.0	100.0	100.0	100.0
Distributors	Share of value	43.2	50.6	50.6	52.0	41.1
Retailers	Share of value	48.2	43.5	41.0	42.9	48.7
End users	Share of value	8.6	5.9	8.3	5.0	10.3
All channels	Share of value	100.0	100.0	100.0	100.0	100.0

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

Note: U.S. shipments are defined as shipments within the United States as a result of an arm's length transaction, inclusive of commercial transactions, internal consumption, and transfers to a related firm, in the ordinary course of business. The value of commercial U.S. shipments are defined as net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods) in U.S. dollars, f.o.b. at point of shipment; and the value of internal consumption shipments and shipments to a related firm are defined as having a fair market value.

Table F-5
Steel nails: U.S. producers' and U.S. importers' U.S. shipments in 2022, by source and product type and finish

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

Source	Measure	Collated bright	Collated galvanized	Collated other	Bulk bright	Bulk galvanized	Bulk other	All product types
U.S. producers	Quantity	67,091	11,213	366	30,760	3,493	1,490	114,413
UAE	Quantity	***	***	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***	***	***
All import sources	Quantity	376,327	137,721	1,981	65,121	54,848	11,328	647,326
All sources	Quantity	443,418	148,934	2,347	95,881	58,341	12,818	761,739
U.S. producers	Value	180,216	42,061	1,617	92,606	14,072	3,055	333,627
UAE	Value	***	***	***	***	***	***	***
Nonsubject sources	Value	***	***	***	***	***	***	***
All import sources	Value	824,986	403,660	12,973	112,135	110,174	22,239	1,486,167
All sources	Value	1,005,202	445,721	14,590	204,741	124,246	25,294	1,819,794
U.S. producers	Unit value	2,686	3,751	4,418	3,011	4,029	2,050	2,916
UAE	Unit value	***	***	***	***	***	***	***
Nonsubject sources	Unit value	***	***	***	***	***	***	***
All import sources	Unit value	2,192	2,931	6,549	1,722	2,009	1,963	2,296
All sources	Unit value	2,267	2,993	6,216	2,135	2,130	1,973	2,389

Table continued.

Table F-5 continued
Steel nails: U.S. producers' and U.S. importers' U.S. shipments in 2022, by source and product type and finish

Share in percent

Source	Measure	Collated bright	Collated galvanized	Collated other	Bulk bright	Bulk galvanized	Bulk other	All product types
U.S. producers	Share of quantity	15.1	7.5	15.6	32.1	6.0	11.6	15.0
UAE	Share of quantity	***	***	***	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***	***	***	***
All import sources	Share of quantity	84.9	92.5	84.4	67.9	94.0	88.4	85.0
All sources	Share of quantity	100.0	100.0	100.0	100.0	100.0	100.0	100.0
U.S. producers	Share of value	17.9	9.4	11.1	45.2	11.3	12.1	18.3
UAE	Share of value	***	***	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***	***	***
All import sources	Share of value	82.1	90.6	88.9	54.8	88.7	87.9	81.7
All sources	Share of value	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Note: U.S. shipments are defined as shipments within the United States as a result of an arm's length transaction, inclusive of commercial transactions, internal consumption, and transfers to a related firm, in the ordinary course of business. The value of commercial U.S. shipments are defined as net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods) in U.S. dollars, f.o.b. at point of shipment; and the value of internal consumption shipments and shipments to a related firm are defined as having a fair market value.

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 F-6
Steel nails: U.S. producers' and U.S. importers' U.S. shipments in 2022, by source and product type

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

Source	Measure	Collated	Bulk	All types
U.S. producers	Quantity	78,670	35,743	114,413
UAE	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	516,029	131,297	647,326
All sources	Quantity	594,699	167,040	761,739
U.S. producers	Value	223,894	109,733	333,627
UAE	Value	***	***	***
Nonsubject sources	Value	***	***	***
All import sources	Value	1,241,619	244,548	1,486,167
All sources	Value	1,465,513	354,281	1,819,794
U.S. producers	Unit value	2,846	3,070	2,916
UAE	Unit value	***	***	***
Nonsubject sources	Unit value	***	***	***
All import sources	Unit value	2,406	1,863	2,296
All sources	Unit value	2,464	2,121	2,389
U.S. producers	Share of quantity	***	***	***
UAE	Share of quantity	***	***	***
Nonsubject sources	Share of quantity	***	***	***
All import sources	Share of quantity	***	***	***
All sources	Share of quantity	100.0	100.0	100.0
U.S. producers	Share of value	***	***	***
UAE	Share of value	***	***	***
Nonsubject sources	Share of value	***	***	***
All import sources	Share of value	***	***	***
All sources	Share of value	100.0	100.0	100.0

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

Note: U.S. shipments are defined as shipments within the United States as a result of an arm's length transaction, inclusive of commercial transactions, internal consumption, and transfers to a related firm, in the ordinary course of business. The value of commercial U.S. shipments are defined as net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods) in U.S. dollars, f.o.b. at point of shipment; and the value of internal consumption shipments and shipments to a related firm are defined as having a fair market value.

Table F-7
Steel nails: U.S. producers' and U.S. importers' U.S. shipments in 2022, by source and finish

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

Source	Measure	Bright	Galvanized	Other	All finishes
U.S. producers	Quantity	97,851	14,706	1,856	114,413
UAE	Quantity	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***
All import sources	Quantity	441,448	192,569	13,309	647,326
All sources	Quantity	539,299	207,275	15,165	761,739
U.S. producers	Value	272,822	56,133	4,672	333,627
UAE	Value	***	***	***	***
Nonsubject sources	Value	***	***	***	***
All import sources	Value	937,121	513,834	35,212	1,486,167
All sources	Value	1,209,943	569,967	39,884	1,819,794
U.S. producers	Unit value	2,788	3,817	2,517	2,916
UAE	Unit value	***	***	***	***
Nonsubject sources	Unit value	***	***	***	***
All import sources	Unit value	2,123	2,668	2,646	2,296
All sources	Unit value	2,244	2,750	2,630	2,389
U.S. producers	Share of quantity	***	***	***	***
UAE	Share of quantity	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***
All import sources	Share of quantity	***	***	***	***
All sources	Share of quantity	100.0	100.0	100.0	100.0
U.S. producers	Share of value	***	***	***	***
UAE	Share of value	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***
All import sources	Share of value	***	***	***	***
All sources	Share of value	100.0	100.0	100.0	100.0

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

Note: U.S. shipments are defined as shipments within the United States as a result of an arm's length transaction, inclusive of commercial transactions, internal consumption, and transfers to a related firm, in the ordinary course of business. The value of commercial U.S. shipments are defined as net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods) in U.S. dollars, f.o.b. at point of shipment; and the value of internal consumption shipments and shipments to a related firm are defined as having a fair market value.

APPENDIX G

U.S. AND UAE PRODUCERS' SHIPMENTS OF NAILS BY TYPE AND FINISH

Table G-1
Steel nails: U.S. producers' U.S. shipments and subject foreign producers' total shipments, by source and product type, 2022

Quantity in short tons

Source	Collated	Bulk	All types
U.S. producers	78,670	35,743	114,413
UAE	***	***	***

Table continued.

Table G-1 continued
Steel nails: U.S. producers' U.S. shipments and subject foreign producers' total shipments, by source and product type, 2022

Share across in percent

Source	Collated	Bulk	All types
U.S. producers	68.8	31.2	100.0
UAE	***	***	100.0

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

Table G-2
Steel nails: U.S. producers' U.S. shipments and subject foreign producers' total shipments, by source and finish, 2022

Quantity in short tons

Source	Bright	Galvanized	Other	All finishes
U.S. producers	97,851	14,706	1,856	114,413
UAE	***	***	***	***

Table continued.

Table G-2 continued
Steel nails: U.S. producers' U.S. shipments and subject foreign producers' total shipments, by source and finish, 2022

Share across in percent

Source	Bright	Galvanized	Other	All finishes
U.S. producers	85.5	12.9	1.6	100.0
UAE	***	***	***	100.0

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 G-3
Steel nails: U.S. producers' U.S. shipments and subject foreign producers' total shipments, by source and finish

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

Source	Measure	Collated bright	Collated galvanized	Collated other	Bulk bright	Bulk galvanized	Bulk other	All product types
U.S. producers	Quantity	67,091	11,213	366	30,760	3,493	1,490	114,413
UAE	Quantity	***	***	***	***	***	***	***
U.S. producers	Value	180,216	42,061	1,617	92,606	14,072	3,055	333,627
UAE	Value	***	***	***	***	***	***	***
U.S. producers	Unit value	2,686	3,751	4,418	3,011	4,029	2,050	2,916
UAE	Unit 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 "---".