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## China AD probe for CRGO imports from USA and Russia

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Texr reported that China's Ministry of Commerce has proclaimed its decision to execute an antidumping investigation into imports of GO electrical sheets from the USA and Russia. The decision is thought to have followed the requests made by Wuhan Iron & Steel Group Corp and Baosteel Co Ltd.

Subjects of the AD investigation are GO electrical sheets from US integrated steelmaker AK Steel Corp and its Russian counterpart Novolipetsk Iron & Steel Corp. China's imports of GO electrical sheets from Russia totaled 7,000 tonnes in April up 3,000 tonnes from a month ago.

AK Steel recently promoted its active exports of GO electrical sheets to China. At the time, the company's offer prices were said to have stood at a level of USD 3,000 per tonne C&F for delivery in China. The company took the export offensive toward China to meet lost domestic outlets in the USA for commodity-grade GO electrical sheets due to a steep fall of demand relating to heavy electrical machinery and electric power plants.

To fight AK Steel's sales offensive, Wisco had no option but to execute a domestic price reduction of as much as CNY 15,861 per tonne to CNY 3,194 per tonne from a peak CNY 39,055 per tonne for a short period. Wisco boasts its status as China's largest manufacturer of GO electrical sheets.

In January this year, Wisco announced a domestic price reduction of as much as CNY 6,641 per tonne to CNY 32,294 per tonne before tax for GO electrical sheets. Then, the company executed a second price reduction of GO electrical sheets by CNY 5,400 per tonne in February to CNY 26,894 per tonne before tax and a third price reduction of CNY 2,700 per tonne in March to CNY 24,194 per tonne before tax. Also, the company has lowered the asking price of GO electrical sheets by CNY 1,000 per tonne to CNY 23,194 per tonne for April to June shipments.

As to China's imports of GO electrical sheets, main suppliers include Japan's Nippon Steel Corp and JFE Steel Corp, and South Korea's POSCO. It is understood that the Chinese government has excluded the three companies from the subjects of its AD investigation this time because their exports of GO electrical sheets to China are made in high-grade products.

China may have opted to take Russia as a subject of the AD investigation this time to retaliate Russia's existing 8% safeguard duty on imports of large diameter pipes from China, some market sources believe. In 2008, Russia excluded China from its safeguard measures on imports of large diameter pipes, given China's status as a developing country. Since the beginning of 2009, though, Russia has incorporated China into the subjects of the safeguard measures. Besides, there are suggestions that China may have decided to put the USA into the AD investigation this time in retaliation for the USA's recent determination that imports of seamless pipes from China had injured US steel mills. The determination followed the AD case filed against seamless pipe imports from China.

(Sourced from Tex Report)

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