

1. Steel production/steel export in the world [Data source: World Steel Association, etc.]
  - Crude steel production in the world in 2014 was 1,670 million tons. From 1990 to 2000, the increase per year was about 1%. From 2001 to 2010, a large increase of about 5% per year occurred. Since then, increase has been about 3% per year.
    - \* World crude steel production (100 million tons): 1990 - 7.7, 2000 - 8.5, 2005 - 11.5, 2010 - 14.3, 2014 - 16.7
  - Crude steel production in China in 2014 was 820 million tons. About half (49%) of the world's 2014 production was in China (large increase from 1990: 9% of world production, and 2000: 15% of world production).
    - \* Crude steel production in China (100 million tons, the numbers in parentheses are ratios of world production): 1990 - 0.7 (9%), 2000 - 1.3 (15%), 2005 - 3.6 (31%), 2010 - 6.4 (45%), 2014 - 8.2 (49%)
    - \* Crude steel production (100 million tons) for each country in 2014: China 8.2, EU 1.7, Japan 1.1, USA 0.9, India 0.9, Korea 0.7, Russia 0.7, Others 2.5
  - The crude steel production capacity in the world is said to be 2,300 million tons (1,200 million tons are from China). About 600 million tons (400 million tons from China) are over-capacity.
  - Steel exports of major countries in 2014 were: China 98 million tons, Japan 42 million tons, EU 36 million tons, and Korea 33 million tons.  
Over the past several years, the increase of exports from China has been significant.
    - \* Steel export from China (million tons): 2005 - 34, 2010 - 47, 2011 - 54, 2012 - 60, 2013 - 66, 2014 - 98
    - \* Steel export from Japan (million tons): 2005 - 33, 2010 - 43, 2011 - 41, 2012 - 42, 2013 - 43, 2014 - 42
2. Steel trade friction in the world [Note: The number of AD/SG cases is counted only for the items related to our products.]
  - From around 2007, after the reinforcement of trade restrictions by the USA and EU, etc addressing the increase in steel exports from China, the number of trade remedy cases has increased in the world.
  - At present, about 110 AD and 16 SG measures are imposed or contemplated in the world. This number has roughly doubled within the last 3 years, as the number of new investigations since 2013 is 60 for AD and 11 for SG.
  - In particular, in this year, new AD investigations of flat-rolled steel products (hot-rolled steel, cold-rolled steel and galvanized steel) were started from June to August in the USA. Flat-rolled steel products that had been exported from China, Korea, Taiwan, etc. to the USA are now being diverted to other countries. In a chain reaction, many countries that are wary of this diversion have started or are threatening to start AD/SG investigations. It is a serious situation.
  - Major countries that have implemented AD/SG orders are USA (21 cases), Australia (13 cases), Mexico (11 cases), Thailand (10 cases), Indonesia (9 cases) and Canada (7 cases).
  - Major target countries and regions for AD measures are China (70 cases), Korea (39 cases), Taiwan (25 cases), Japan (21 cases) and EU (15 cases).  
Steel export countries and regions are often the target for AD/SG.
3. Steel production/export/import in Japan [Data source: Japan Iron and Steel Federation, etc.]
  - Crude steel production in Japan in 2014 was 110 million tons.
  - The export rate for production is about 40%. Major applications of exported Japanese steel are the manufacture of products such as automobiles, electric appliances, energy products, etc., as well as intermediate products for overseas companies in which Japanese steel companies have invested. Along with the overseas development of Japanese manufacturers, focus has been on the export of high value-added products that cannot be locally manufactured.
  - Overall, the import rate for consumption in Japan is less than 10%. However, the import rate of flat-rolled steel products (hot-rolled steel, cold-rolled steel) is 20% to 30%. Imports from Korea, Taiwan and China have increased.

#### 4. Steel trade friction in Japan and action by each Japanese steelmaker

##### <Items related to steel export>

- Currently, trade remedy cases on Japanese steel products are 21 AD and 16 SG measures.
- If an AD/SG investigation is started against Japan, the steelmakers will jointly engage outside counsel (in addition to their respective individual efforts in the AD investigations). With support from the Japanese government and local users, an explanation that the export of Japanese products has not caused injury to the domestic industry of the country concerned will be provided to the investigating authorities, and an outreach to prevent AD/SG measures that do not satisfy legal requirements will be made.
- There will also be an increased risk from now on of Japan being included in trade disputes aimed primarily against China. Concentration of exports mainly on high value-added products and activities to prevent trade friction are under way. (Participation in steel dialogue by the Japanese government, etc.).

##### <Items related to steel import>

- The Japan Iron and Steel Federation (JISF) is monitoring monthly steel import data. In particular, the JISF has strengthened its current monitoring, given the heightened concern of an increased flow of steel sheet imports due to the start of AD investigations by the USA.
- Under these circumstances, simplified application procedures for launching an AD investigation by the Japanese government contribute to the prevention of unfair imports. Although we have not filed a request for an AD investigation in the steel sector, we would consider doing so if we are experiencing material injury caused by dumped imports.
- In considering whether to request an AD investigation, we need to pay attention to the following: (1) Activities to ensure understanding among steel users in Japan, and (2) Risk of retaliatory actions by the respondent country. In particular, we understand (1) is extremely important (not only in the steel sector).

#### 5. Request as a private company

- We hope that AD procedures in the world become more user friendly for both the petitioners and respondents.

[Example] "Injury investigations and dumping investigations should be independently performed (including fair treatment of respondents that cooperate in the injury phase only)", "Simplification of requests for information for trade with affiliates in dumping investigations, cost related investigations", etc.