



## FACT SHEET

### Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Sugar from Mexico

- On April 18, 2014, after receiving properly-filed petitions that satisfy the statutory initiation criteria, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of sugar from Mexico.
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally approved mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies. To be found countervailable, subsidies must also be limited to specific enterprises or industries, be contingent upon export performance, or require the foreign producer to use domestic goods instead of imported goods.
- The petitioner for these investigations is the American Sugar Coalition and its individual members (American Sugar Cane League (LA), American Sugarbeet Growers Association (DC), American Sugar Refining, Inc., (FL), Florida Sugar Cane League (DC), Hawaiian Commercial & Sugar Company (HI), Rio Grande Valley Sugar Growers, Inc. (TX), Sugar Cane Growers Cooperative of Florida (FL), and United States Beet Sugar Association (DC)).
- The product covered by these investigations is sugar derived from sugar cane or sugar beets. Sucrose gives sugar its essential character. Sucrose is a nonreducing disaccharide composed of glucose and fructose linked via their anomeric carbons. The molecular formula for sucrose is  $C_{12}H_{22}O_{11}$ , the International Union of Pure and Applied Chemistry International Chemical Identifier (InChI) for sucrose is 1S/C12H22O11/c13-1-4-6(16)8(18)9(19)11(21-4)23-12(3-15)10(20)7(17)5(2-14)22-12/h4-11,13-20H,1-3H2/t4-,5-,6-,7-,8+,9-,10+,11-,12+/m1/s1, the InChI Key for sucrose is CZMRCDWAGMRECN-UGDNZRGBSA-N, the U.S. National Institutes of Health PubChem Compound Identifier for sucrose is 5988, and the Chemical Abstracts Service Number of sucrose is 57-50-1.

Sugar within the scope of these investigations includes raw sugar (sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of less than 99.5 degrees) and standard or standard sugar which is sometimes referred to as “high polarity” or “semi-refined” sugar (sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of 99.2 to 99.6 degrees). Sugar within the scope of these investigations also includes refined sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of at least 99.9 degrees. Sugar within the scope of these investigations includes brown sugar, liquid sugar (sugar dissolved in water), organic raw sugar and organic refined sugar.

Inedible molasses is not within the scope of these investigations. Specialty sugars, *e.g.*, rock candy, fondant, sugar decorations, are not within the scope of these investigations. Processed food products that contain sugar, *e.g.*, beverages, candy, cereals, are not within the scope of these investigations.

Merchandise covered by these investigations is typically imported under the following headings of the Harmonized Tariff Schedule of the United States (HTSUS): 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1025, 1701.99.1050, 1701.99.5025, 1701.99.5050, and 1702.90.4000. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of these investigations is dispositive.

- In 2013, imports of sugar from Mexico were valued at an estimated \$1.1 billion.

#### **NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before May 12, 2014.
- If the ITC determines that there is a reasonable indication that imports of sugar from Mexico materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in June 2014 and its preliminary AD determination in September 2014, unless the statutory deadlines are extended. If the ITC’s preliminary determinations are negative, the investigations will be terminated.

#### **Alleged Dumping Margin:**

<b>COUNTRY</b>	<b>DUMPING MARGIN</b>
<b>Mexico</b>	<b>30.00 – 64.31 percent</b>

#### **Estimated Subsidy Rate:**

<b>COUNTRY</b>	<b>SUBSIDY RATE</b>
<b>Mexico</b>	<b>Above <i>de minimis</i>*</b>

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

## CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
Petitions Filed	March 28, 2014	March 28, 2014
DOC Initiation Date	April 17, 2014	April 17, 2014
ITC Preliminary Determinations*	May 12, 2014	May 12, 2014
DOC Preliminary Determinations	September 4, 2014	June 23, 2014†
DOC Final Determinations	November 18, 2014	September 4, 2014
ITC Final Determinations**	January 2, 2015	October 20, 2014†
Issuance of Orders***	January 9, 2015	October 27, 2014†

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

\* If the ITC makes negative preliminary determinations of injury, the investigations will be terminated.

\*\*This will take place only in the event of final affirmative determinations from Commerce.

\*\*\*This will take place only in the event of final affirmative determinations from Commerce and the ITC.

## IMPORT STATISTICS:

MEXICO	2011	2012	2013
Volume (metric tons)	1,389,000	941,000	2,065,000
Value (USD)	1,202,020,000	809,077,000	1,065,923,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1025, 1701.99.1050, 1701.99.5025, 1701.99.5050, and 1702.90.4000.) Prior to 2012, imports of sugar were also entered under HTSUS 1701.11.1000, 1701.11.5000, 1701.99.1020, 1701.99.1030, 1701.99.5020, and 1701.99.5030, which are reflected in the above import statistics for 2011.