



FACT SHEET

Commerce Finds Dumping of Imports of Chlorinated Isocyanurates from Japan and Countervailable Subsidization of Imports of Chlorinated Isocyanurates from the People's Republic of China

- On September 9, the Department of Commerce (Commerce) announced its affirmative final determination in the antidumping duty (AD) investigation of imports of chlorinated isocyanurates from Japan, and its affirmative final determination in the countervailing duty (CVD) investigation of imports of chlorinated isocyanurates from the People's Republic of China (China).
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted 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 and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce determined that imports of chlorinated isocyanurates from Japan have been sold in the United States at dumping margins ranging from 60.65 percent to 151.8 percent.
- Commerce also determined that producers/exporters of chlorinated isocyanurates from China have received countervailable subsidies ranging from 1.55 percent to 20.06 percent.
- In the AD investigation, mandatory respondents Nankai Chemical Co., Ltd. and Shikoku Chemicals Corporation received final dumping margins of 151.8 percent and 60.65 percent, respectively. All other producers/exporters in Japan received a final dumping margin of 60.65 percent. Nankai's final dumping margin is based on adverse facts available because Nankai failed to respond to Commerce's post-preliminary request for information and withdrew from participation in the AD investigation.
- In the CVD investigation, mandatory respondents Hebei Jiheng Chemicals Co., Ltd. and Juancheng Kangtai Chemical Co., Ltd. received final subsidy rates of 20.06 percent and 1.55 percent, respectively. All other producers/exporters in China have been assigned a final subsidy rate of 10.81 percent.
- As a result of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, if the International Trade Commission (ITC) reaches an affirmative determination of material injury, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the applicable final subsidy rates. If the ITC issues a negative injury determination, both investigations will be terminated and no producers or exporters will be subject to AD or CVD duties. In such an event, all AD and CVD cash deposits already collected will be refunded.

- The petitioners for these investigations are Clearon Corporation (WV) and Occidental Chemical Corporation (TX).
- The merchandise covered by the scope of these investigations is chlorinated isocyanurates. Chlorinated isocyanurates are derivatives of cyanuric acid, described as chlorinated s-triazine triones. There are three primary chemical compositions of chlorinated isocyanurates: (1) trichloroisocyanuric acid (TCCA) ($\text{Cl}_3(\text{NCO})_3$), (2) sodium dichloroisocyanurate (dihydrate) ($\text{NaCl}_2(\text{NCO})_3 \times 2\text{H}_2\text{O}$), and (3) sodium dichloroisocyanurate (anhydrous) ($\text{NaCl}_2(\text{NCO})_3$). Chlorinated isocyanurates are available in powder, granular and solid (e.g., tablet or stick) forms. Chlorinated isocyanurates are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.50.4000, 3808.94.5000, and 3808.99.9500 of the Harmonized Tariff Schedule of the United States (HTSUS). The tariff classification 2933.69.6015 covers sodium dichloroisocyanurates (anhydrous and dihydrate forms) and trichloroisocyanuric acid. The tariff classifications 2933.69.6021 and 2933.69.6050 represent basket categories that include chlorinated isocyanurates and other compounds including an unfused triazine ring. The tariff classifications 3808.50.4000, 3808.94.5000 and 3808.99.9500 cover disinfectants that include chlorinated isocyanurates. The HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of this investigation is dispositive.
- In 2013, imports of chlorinated isocyanurates from Japan and China were valued at an estimated \$50.4 million and \$168.6 million, respectfully.

NEXT STEPS

- The ITC is scheduled to make its final injury determinations on October 23, 2014.
- If the ITC makes affirmative final determinations that imports of chlorinated isocyanurates from Japan and/or China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Japan	Nankai Chemical Co., Ltd.	151.8%
	Shikoku Chemicals Corporation	60.65%
	All Others	60.65%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Hebei Jiheng Chemicals Co., Ltd.	20.06%
	Juancheng Kangtai Chemical Co., Ltd.	1.55%
	China-Wide Rate	10.81%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petitions Filed	August 29, 2013	August 29, 2013
DOC Initiation Date	September 18, 2013	September 18, 2013
ITC Preliminary Determinations	August 12, 2013	October 31, 2013
DOC Preliminary Determinations	December 11, 2013	April 14, 2014
DOC Final Determinations	September 8, 2014	September 8, 2014
ITC Final Determinations	October 23, 2014	October 23, 2014
Issuance of Orders*	October 30, 2014	October 30, 2014

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

IMPORT STATISTICS:

JAPAN	2011	2012	2013
Volume (metric tons)	20,600	21,300	20,900
Value (USD)	60,095,000	57,741,000	50,360,000
CHINA	2011	2012	2013
Volume (metric tons)	45,600	58,900	52,800
Value (USD)	107,241,000	145,241,000	168,611,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.94.5000, and 3808.99.9500). (HTSUS 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.50.4000, 3808.94.5000, and 3808.99.9500). Some HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.