



## FACT SHEET

### **Commerce Finds Dumping and Countervailable Subsidization of Imports of Melamine from the People's Republic of China and Trinidad and Tobago**

- On November 2, 2015, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of melamine from the People's Republic of China (China) and Trinidad and Tobago.
- 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.
- In the China AD investigation, because the mandatory respondents failed to cooperate with Commerce's requests for information, all imports of subject merchandise from China will be subject to the China-wide dumping margin. Mandatory respondents Allied Chemicals Inc., Xinji Jiuyuan Chemical Co. Ltd., and Sichuan Golden-Elephant Sincerity Chemical Co., Ltd. notified Commerce that they would not participate in this investigation. As a result, they failed to demonstrate eligibility for a separate rate and are considered part of the China-wide entity. The final dumping rate for the China-wide entity is 363.31 percent.
- In the Trinidad and Tobago AD investigation, Commerce calculated a final dumping margin of 172.53 percent for mandatory respondent Methanol Holdings (Trinidad) Ltd. All other producers/exporters in Trinidad and Tobago received a final dumping margin of 172.53 percent.
- In the China CVD investigation, mandatory respondents Far-Reaching Chemical Co., Ltd., M and A Chemicals Corp China, Qingdao Unichem International Trade Co., Ltd., and Zhongyuan Dahua Group Co., Ltd., received a final subsidy rate of 154.00 percent based on adverse facts available and Shandong Liahed Chemical Industry Co., Ltd., received a final subsidy rate of 156.90 percent based on adverse facts available, because the mandatory respondents failed to cooperate in the investigation. All other producers/exporters in China have been assigned a final subsidy rate of 154.58 percent.
- In the Trinidad and Tobago CVD investigation, Commerce calculated a final subsidy rate of 6.79 percent for mandatory respondent Methanol Holdings (Trinidad) Ltd. All other producers/exporters in Trinidad and Tobago have been assigned a final subsidy rate of 6.79 percent.
- As a result of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping

margins. Further, as a result of the affirmative CVD determinations, if the U.S. International Trade Commission (ITC) issues an affirmative injury determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the final subsidy rates for the mandatory respondents and all other producers and exporters not selected for investigation; we will also adjust the AD cash deposit rates by the amount of the CVD export subsidies, where appropriate. If the ITC issues a negative injury determination, these investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.

- The petitioner for these investigations is Cornerstone Chemical Company (LA).
- The merchandise subject to these investigations is melamine (Chemical Abstracts Service (CAS) registry number 108-78-01, molecular formula  $C_3H_6N_6$ ).<sup>1</sup> Melamine is a crystalline powder or granule typically (but not exclusively) used to manufacture melamine formaldehyde resins. All melamine is covered by the scope of these investigations irrespective of purity, particle size, or physical form. Melamine that has been blended with other products is included within this scope when such blends include constituent parts that have been intermingled, but that have not been chemically reacted with each other to produce a different product. For such blends, only the melamine component of the mixture is covered by the scope of these investigations. Melamine that is otherwise subject to these investigations is not excluded when commingled with melamine from sources not subject to these investigations. Only the subject component of such commingled products is covered by the scope of these investigations.

The subject merchandise is provided for in subheading 2933.61.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

- In 2014, imports of melamine from China and Trinidad and Tobago were valued at an estimated \$14.5 million and \$16.9 million, respectively.

## NEXT STEPS

- The ITC is scheduled to make its final injury determinations on or about December 14, 2015.
- If the ITC makes affirmative final determinations that imports melamine from China and/or Trinidad and Tobago 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.

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<sup>1</sup> Melamine is also known as 2,4,6-triamino-s-triazine; 1,3,5-Triazine-2,4,6-triamine; Cyanurotriamide; Cyanurotriamine; Cyanuramide; and by various brand names.

**FINAL DUMPING MARGINS:**

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGIN	CASH DEPOSIT
China	China-Wide Rate	363.31%*	353.65%

**NOTE:** The cash deposit rate accounts for the applicable export subsidy rate of 9.66 percent.

\*Based on adverse facts available.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGIN
Trinidad and Tobago	Methanol Holdings (Trinidad) Ltd.	172.53%
	All Others	172.53%

**FINAL SUBSIDY RATES:**

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Far-Reaching Chemical Co., Ltd.	154.00%*
	M and A Chemicals Corp China	154.00%*
	Qingdao Unichem International Trade Co., Ltd.	154.00%*
	Shandong Liaherd Chemical Industry Co., Ltd.	156.90%*
	Zhongyuan Dahua Group Co., Ltd.	154.00%*
	All Others	154.58%*

\*Based on adverse facts available.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Trinidad and Tobago	Methanol Holdings (Trinidad) Ltd.	6.79%
	All Others	6.79%

#### CASE CALENDAR:

EVENT	CVD INVESTIGATIONS	AD INVESTIGATIONS
Petition Filed	November 12, 2014	November 12, 2014
DOC Initiation Date	December 2, 2014	December 2, 2014
ITC Preliminary Determinations	December 29, 2014	December 29, 2014
DOC Preliminary Determinations	April 13, 2015	June 10, 2015
DOC Final Determinations*	October 30, 2015	October 30, 2015
ITC Final Determinations	December 14, 2015	December 14, 2015
Issuance of Orders**	December 24, 2015	December 24, 2015

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 deadline is set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

\*The final determination in the CVD investigations have been aligned with the final determinations in the concurrent AD investigations.

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

#### IMPORT STATISTICS:

CHINA	2012	2013	2014
Volume (metric tons)	2,700	10,600	13,000
Value (USD)	4,181,000	14,054,000	14,537,000
TRINIDAD AND TOBAGO	2012	2013	2014
Volume (metric tons)	17,100	12,000	12,000
Value (USD)	21,544,000	16,798,000	16,917,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2933.61.0000).