



FACT SHEET

Commerce Preliminarily Finds Subsidization of Polyethylene Retail Carrier Bags from the Socialist Republic of Vietnam

- On August 31, the Department of Commerce announced its affirmative preliminary determination in the countervailing duty (CVD) investigation on imports of polyethylene retail carrier bags (plastic bags) from the Socialist Republic of Vietnam (Vietnam).
- Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- This is the first CVD investigation involving Vietnam. In the Federal Register notice announcing the initiation of the CVD investigation, Commerce invited comments from the public regarding the application of the CVD law to imports from Vietnam.
- Commerce preliminarily determined that producers/exporters of plastic bags from Vietnam have received net countervailable subsidies ranging from 0.20 *de minimis* to 4.24 percent.
- The three mandatory respondents Advance Polybag, Chin Sheng Company, Ltd., and Fotai Vietnam Enterprise Corp. received preliminary subsidy rates of 0.20 *de minimis*, 1.69 percent, and 4.24 percent, respectively. All other producer/exporters from Vietnam received a preliminary subsidy rate of 2.97 percent.
- With the exception of Advance Polybag, as a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates.
- The petitioners for this investigation are Hilex Poly Co., LLC, of Hartsville, SC, and Superbag Corporation, of Houston, TX.
- The merchandise subject to this investigation are plastic bags, which also may be referred to as t-shirt sacks, merchandise bags, grocery bags, or checkout bags. Plastic bags are classifiable under subheading 3923.21.0085 of the Harmonized Tariff Schedule of the United States (HTSUS). While the HTSUS subheading is provided for convenience and customs purposes, Commerce's written description of the subject merchandise governs the scope of this investigation.
- In 2008, imports of plastic bags from Vietnam were valued at an estimated \$79 million.

NEXT STEPS

- Commerce is currently scheduled to issue its final determination in January 2010.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission makes an affirmative final determination that imports of plastic bags from Vietnam materially injure, or threaten material injury to, the domestic industry, Commerce will issue a countervailing duty order.

PRELIM SUBSIDY RATES:

COUNTRY	PRODUCER/EXPORTER	SUBSIDY RATE
VIETNAM	Advance Polybag	0.20% (<i>de minimis</i>)
	Chin Sheng Company, Ltd.	1.69%
	Fotai Vietnam Enterprise Corp.	4.24%
	All Others	2.97%

CASE CALENDAR:

EVENT	DATE
Petitions Filed	March 31, 2009
DOC Initiation Date	April 20, 2009
ITC Preliminary Determination	May 15, 2009
DOC Preliminary Determination	August 28, 2009
DOC Final Determination*	January 11, 2010
ITC Final Determination**	February 25, 2010
Issuance of Orders***	March 4, 2010

* This deadline may be extended under the governing statute.

** This will take place only in the event of a final affirmative determination by the Department of Commerce.

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

IMPORT STATISTICS:

VIETNAM	2006	2007	2008
Volume (Thousand Units)	3,061,998	7,288,037	7,192,325
Value (USD)	17,480,448	65,428,966	79,408,688

Source: U.S. International Trade Commission, Dataweb (HTSUS 3923.21.0085).