



## FACT SHEET

### **Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Monosodium Glutamate from the People's Republic of China and Indonesia**

- On October 24, 2013, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of monosodium glutamate (MSG) from the People's Republic of China (China) and Indonesia.
- The AD and CVD law provides 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 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.
- The petitioner for these investigations is Ajinomoto North America Inc. (Itasca, IL).
- The scope of these investigations covers monosodium glutamate ("MSG"), whether or not blended or in solution with other products. Specifically, MSG that has been blended or is in solution with other product(s) is included in this scope when the resulting mix contains 15% or more of MSG by dry weight. Products with which MSG may be blended include, but are not limited to, salts, sugars, starches, maltodextrins, and various seasonings. Further, MSG is included in these investigations regardless of physical form (including, but not limited to, substrates, solutions, dry powders of any particle size, or unfinished forms such as MSG slurry), end-use application, or packaging.

MSG has a molecular formula of  $C_5H_8NO_4Na$ , a Chemical Abstract Service ("CAS") registry number of 6106-04-3, and a Unique Ingredient Identifier ("UNII") number of W81N5U6R6U.

Merchandise covered by the scope of these investigations is currently classified in the Harmonized Tariff Schedule ("HTS") of the United States at subheading 2922.42.10.00. Merchandise subject to these investigations may also enter under HTS subheadings 2922.42.50.00, 2103.90.72.00, 2103.90.74.00, 2103.90.78.00, 2103.90.80.00, and 2103.90.90.91. The tariff classifications, CAS registry number, and UNII number are provided for convenience and customs purposes; however, the written description of the scope is dispositive.

- In 2012, imports of MSG from China and Indonesia were valued at an estimated \$36.9 million and \$5.7 million, respectively.

## NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before November 18, 2013.
- If the ITC determines that there is a reasonable indication that imports from China and/or Indonesia materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determinations in December 2013 and its preliminary AD determinations in March 2014, unless the statutory deadlines are extended. If the ITC preliminary determinations are negative, the investigations will be terminated.

### Alleged Dumping Margins:

COUNTRY	DUMPING MARGINS
China	64.77 to 204.69 percent
Indonesia	50.32 to 58.67 percent

### Estimated Subsidy Rate:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *
Indonesia	Above <i>de minimis</i> *

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

## CASE CALENDAR:

As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013. See Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government” (October 18, 2013). Therefore, the initiation date for this investigation has been tolled by 16 days and all other deadlines have been adjusted accordingly.

EVENT	AD INVESTIGATIONS CHINA AND INDONESIA	CVD INVESTIGATIONS CHINA AND INDONESIA
<b>Petitions Filed</b>	<b>September 16, 2013</b>	<b>September 16, 2013</b>
<b>DOC Initiation Date</b>	<b>October 23, 2013</b>	<b>October 23, 2013</b>
<b>ITC Preliminary Determinations*</b>	<b>November 18, 2013†</b>	<b>November 18, 2013†</b>
<b>DOC Preliminary Determinations</b>	<b>March 12, 2014</b>	<b>December 27, 2013</b>
<b>DOC Final Determinations</b>	<b>May 27, 2014†</b>	<b>March 12, 2014</b>
<b>ITC Final Determinations**</b>	<b>July 10, 2014</b>	<b>April 28, 2014†</b>
<b>Issuance of Orders***</b>	<b>July 17, 2014</b>	<b>May 5, 2014†</b>

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadline is set forth in section 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 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 are 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:

CHINA	2010	2011	2012
Volume (metric tons)	12,500	25,700	25,900
Value (USD)	16,963,000	37,156,000	36,890,000
INDONESIA	2010	2011	2012
Volume (metric tons)	0	100	4,000
Value (USD)	0	95,500	5,701,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2922.42.1000). MSG may also enter under HTSUS 2922.42.5000, 2103.90.7200, 2103.90.7400, 2103.90.7800, 2103.90.8000, and 2103.90.9091. These HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise. Therefore, these subheadings have not been used for purposes of reporting import statistics.