



## FACT SHEET

### Commerce Issues Affirmative Preliminary Determination in the Countervailing Duty Investigation of Imports of Magnesium from Israel

- On May 3, 2019, the Department of Commerce (Commerce) announced the affirmative preliminary determination of the countervailing duty (CVD) investigation of imports of magnesium from Israel.
- The CVD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods by foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce assigned a preliminary subsidy rate of 7.48 percent to mandatory respondent Dead Sea Magnesium, Ltd. The preliminary subsidy rate for all other Israeli producers and exporters is 7.48 percent.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of magnesium from Israel based on these preliminary rates.
- The petitioner is US Magnesium LLC (Salt Lake City, UT).
- The products covered by this investigation are primary and secondary pure and alloy magnesium metal, regardless of chemistry, raw material source, form, shape, or size (including, without limitation, magnesium cast into ingots, slabs, t-bars, rounds, sows, billets, and other shapes, and magnesium ground, chipped, crushed, or machined into raspings, granules, turnings, chips, powder, briquettes, and any other shapes). Magnesium is a metal or alloy containing at least 50 percent by actual weight the element magnesium. Primary magnesium is produced by decomposing raw materials into magnesium metal. Secondary magnesium is produced by recycling magnesium-based scrap into magnesium metal. The magnesium covered by this investigation also includes blends of primary magnesium, scrap, and secondary magnesium.

The subject merchandise includes the following pure and alloy magnesium metal products made from primary and/or secondary magnesium: (1) products that contain at least 99.95 percent magnesium, by actual weight (generally referred to as “ultra-pure” or “high purity” magnesium); (2) products that contain less than 99.95 percent but not less than 99.8 percent magnesium, by actual weight (generally referred to as “pure” magnesium); and (3) chemical combinations of magnesium and other material(s) in which the magnesium content is 50 percent or greater, but less than 99.8 percent, by actual weight, whether or not conforming to an “ASTM Specification for Magnesium Alloy.”

The scope of this investigation excludes mixtures containing 90 percent or less magnesium in granular or powder form by actual weight and one or more of certain non-magnesium granular materials to make magnesium-based reagent mixtures, including lime, calcium metal, calcium silicon, calcium carbide, calcium carbonate, carbon, slag coagulants, fluorspar, nepheline syenite, feldspar, alumina (A1203), calcium aluminate, soda ash, hydrocarbons, graphite, coke, silicon, rare earth metals/mischmetal, cryolite, silica/fly ash, magnesium oxide, periclase, ferroalloys, dolomite lime, and colemanite.

- The merchandise subject to this investigation is classifiable under items 8104.11.0000, 8104.19.0000, and 8104.30.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS items are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.
- In 2017, imports of magnesium from Israel were valued at an estimated \$43.5 million.
- The Preliminary Decision Memorandum is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case number C-508-813.

**NEXT STEPS**

- Commerce is scheduled to announce its final determination on or about September 17, 2019.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of magnesium from Israel materially injures, or threatens material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce’s or the ITC’s final determination is negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

**PRELIMINARY SUBSIDY RATES:**

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
Israel	Dead Sea Magnesium	7.48%
	All Others	7.48%

**CASE CALENDAR:**

<b>EVENT</b>	<b>CVD INVESTIGATION</b>
<b>Petitions Filed</b>	<b>October 24, 2018</b>
<b>DOC Initiation Date</b>	<b>November 13, 2018</b>
<b>ITC Preliminary Determinations*</b>	<b>December 10, 2018†</b>
<b>DOC Preliminary Determinations</b>	<b>May 2, 2019</b>
<b>DOC Final Determinations</b>	<b>September 16, 2019</b>
<b>ITC Final Determinations**</b>	<b>October 31, 2019</b>
<b>Issuance of Orders***</b>	<b>November 7, 2019</b>

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). These deadlines may be extended under certain circumstances.

\*This deadline may be extended under the governing statute.

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

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

**IMPORT STATISTICS:**

<b>ISRAEL</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Volume (metric tons)	12,890	11,335	11,450
Value (USD)	55,875,685	46,519,663	43,508,386

Source: U.S. Census Bureau, accessed through Global Trade Atlas (HTSUS 8104.11.0000, 8104.19.0000, and 8104.30.0000).