



FACT SHEET

Commerce Finds Dumping of Imports of Emulsion Styrene-Butadiene Rubber from Brazil, Korea, Mexico, and Poland

- On July 11, 2017, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of emulsion styrene-butadiene rubber (ESB rubber) from Brazil, Korea, Mexico, and Poland.
- The AD 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 injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For purposes of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- In the Brazil investigation, the sole mandatory respondent, ARLANXEO Brasil S.A., received a dumping margin of 19.61 percent. Commerce assigned a margin of 19.61 percent to all other producers/exporters of ESB rubber from Brazil.
- In the Korea investigation, mandatory respondent LG Chem, Ltd. received a dumping margin of 9.66 percent. Mandatory respondents Daewoo International Corporation and Kumho Petrochemical Co, Ltd. did not participate in this investigation. As a result, Commerce assigned a dumping margin of 44.30 percent, based on adverse facts available, to these companies. Commerce assigned a margin of 9.66 percent to all other producers/exporters of ESB rubber from Korea.
- In the Mexico investigation, the sole mandatory respondent, Industrias Negromex S.A. de C.V.—Planta Altamira, received a dumping margin of 19.52 percent. Commerce assigned a margin of 19.52 percent to all other producers/exporters of ESB rubber from Mexico.
- In the Poland investigation, the sole mandatory respondent, Synthos Dwory, received a dumping margin of 25.43 percent. Commerce assigned a margin of 25.43 percent to all other producers/exporters of ESB rubber from Poland.
- As a result of the final affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits based on these final rates.
- Critical circumstances were alleged with respect to imports of ESB rubber from Brazil and Korea. Commerce determined that critical circumstances exist in the Korea investigation for the non-cooperative mandatory respondents, Daewoo International Corporation and Kumho Petrochemical Co, Ltd.; however, Commerce found that critical circumstances do not exist with respect to imports from Brazil. Consequently, CBP will be instructed to impose provisional measures retroactively on entries of ESB rubber from Korea, effective 90 days prior to publication of the preliminary determination in the Federal Register, for affected exporters.

- The petitioners for these investigations are Lion Elastomers LLC (TX) and East West Copolymer, LLC (LA).
- For purposes of these investigations, the product covered is cold-polymerized emulsion styrene-butadiene rubber (ESB rubber). The scope of the investigations includes, but is not limited to, ESB rubber in primary forms, bales, granules, crumbs, pellets, powders, plates, sheets, strip, etc. ESB rubber consists of non-pigmented rubbers and oil-extended non-pigmented rubbers, both of which contain at least one percent of organic acids from the emulsion polymerization process.

ESB rubber is produced and sold in accordance with a generally accepted set of product specifications issued by the International Institute of Synthetic Rubber Producers (IISRP). The scope of the investigations covers grades of ESB rubber included in the IISRP 1500 and 1700 series of synthetic rubbers. The 1500 grades are light in color and are often described as “Clear” or “White Rubber.” The 1700 grades are oil-extended and thus darker in color, and are often called “Brown Rubber.”

Specifically excluded from the scope of these investigations are products which are manufactured by blending ESB rubber with other polymers, high styrene resin master batch, carbon black master batch (*i.e.*, IISRP 1600 series and 1800 series) and latex (an intermediate product).

The products subject to these investigations are currently classifiable under subheadings 4002.19.0015 and 4002.19.0019 of the Harmonized Tariff Schedule of the United States (HTSUS). ESB rubber is described by Chemical Abstract Services (CAS) Registry No. 9003-55-8. This CAS number also refers to other types of styrene butadiene rubber. Although the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

- In 2016, imports of ESB rubber from Brazil, Korea, Mexico, and Poland were valued at an estimated \$29.8 million, \$503 thousand, \$23.1 million, and \$3.4 million, respectively.

NEXT STEPS

- The ITC is scheduled to make its final determination on or about August 24, 2017.
- If the ITC makes affirmative final determinations that imports of ESB rubber from Brazil, Korea, Mexico, and/or Poland, materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Brazil	ARLANXEO Brasil S.A.	19.61%
	All Others	19.61%

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Korea	LG Chem, Ltd.	9.66%
	Daewoo International Corporation	44.30%*
	Kumho Petrochemical Co, Ltd	44.30%*
	All Others	9.66%

*Based on adverse facts available

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Mexico	Industrias Negromex S.A. de C.V.—Planta Altamira	19.52%
	All Others	19.52%

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Poland	Synthos Dwory	25.43%
	All Others	25.43%

CASE CALENDAR:

EVENT	AD INVESTIGATIONS
Petitions Filed	July 21, 2016
DOC Initiation Date	August 10, 2016
ITC Preliminary Determination	October 24, 2016
DOC Preliminary Determination	February 16, 2017
DOC Final Determination	July 10, 2017
ITC Final Determination*	August 24, 2017
Issuance of Order**	August 30, 2017

NOTE: Commerce's preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended (the Act). These deadlines may be extended under certain circumstances.

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

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

IMPORT STATISTICS:

BRAZIL	2014	2015	2016
Volume (metric tons)	21,274	15,090	24,590
Value (USD)	40,872,799	21,127,458	29,791,375
KOREA	2014	2015	2016
Volume (metric tons)	229	436	337
Value (USD)	453,060	621,310	502,814
MEXICO	2014	2015	2016
Volume (metric tons)	19,873	17,013	17,099
Value (USD)	44,734,266	25,509,005	23,082,359
POLAND	2014	2015	2016
Volume (metric tons)	2,539	2,352	2,427
Value (USD)	5,108,836	3,443,116	3,368,348

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 4002.19.0015)

Imports of emulsion styrene-butadiene rubber may also enter under HTSUS 4002.19.0019. This HTSUS subheading is a basket category that may cover a significant amount of non-subject merchandise and therefore has been excluded for purposes of reporting the import statistics above.

Note: The petitioners contend that the official import statistics for Korean emulsion styrene-butadiene rubber are significantly understated due to potential misclassification. The petitioners state that they are working with the U.S. Census Bureau to investigate the issue.