



## FACT SHEET

### **Commerce Finds Countervailable Subsidization of Imports of Fine Denier Polyester Staple Fiber from China and India**

- On January 17, 2018, the Department of Commerce (Commerce) announced its affirmative final determinations in the countervailing duty (CVD) investigations of imports of fine denier polyester staple fiber from China and India.
- 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 CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from 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.
- In the China investigation, Commerce has calculated subsidy rates of 38.00 percent for Jiangyin Hailun Chemical Fiber Co. Ltd. and 47.57 percent for Jiangyin Huahong Chemical Fiber Co. Ltd. The final subsidy rates for both respondents were determined partially on the basis of adverse facts available due to the failure to provide certain information as requested by Commerce. Commerce has determined a rate of 42.79 percent for all other Chinese producers and exporters.
- In the India investigation, Commerce calculated has calculated subsidy rates of 13.38 percent for Bombay Dyeing & Mfg. Co. Ltd. and 27.36 percent for Reliance Industries Limited. The final subsidy rates for both respondents were determined partially on the basis of adverse facts available due to the failure to provide certain information as requested by Commerce. Commerce has determined a rate of 24.80 percent for all other Indian producers and exporters.
- As a result of the final affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these final rates.
- The petitioners are DAK Americas LLC (NC), Nan Ya Plastics Corporation, America (SC), and Auriga Polymers Inc. (NC).
- The scope of these investigations covers fine denier polyester staple fiber (fine denier PSF), not carded or combed, measuring less than 3.3 decitex (3 denier) in diameter. The scope covers all fine denier PSF, whether coated or uncoated. The following products are excluded from the scope:
  - (1) PSF equal to or greater than 3.3. decitex (more than 3 denier, inclusive) currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 5503.20.0045 and 5503.20.0065.
  - (2) Low-melt PSF defined as a bi-component fiber with a polyester core and an outer, polyester

sheath that melts at a significantly lower temperature than its inner polyester core currently classified under HTSUS subheading 5503.20.0015.

Fine denier PSF is classifiable under the HTSUS subheading 5503.20.0025. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

- In 2016, imports of fine denier polyester staple fiber from China and India were valued at an estimated \$79.4 million and \$14.7 million, respectively.
- The Final 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 numbers C-570-061 for China and C-533-876 for India.

#### **NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its final injury determinations on or about March 2, 2018.
- If the ITC makes affirmative final determinations that imports of fine denier polyester staple fiber from China and/or India materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

#### **FINAL SUBSIDY RATES:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATES</b>
<b>China</b>	<b>Jiangyin Hailun Chemical Fiber Co. Ltd.</b>	<b>38.00%</b>
	<b>Jiangyin Huahong Chemical Fiber Co. Ltd.</b>	<b>47.57%</b>
	<b>All-Others</b>	<b>42.79%</b>
<b>India</b>	<b>Bombay Dyeing &amp; Mfg. Co. Ltd.</b>	<b>13.38%</b>
	<b>Reliance Industries Limited</b>	<b>27.36%</b>
	<b>All Others</b>	<b>24.80%</b>

## CASE CALENDAR:

EVENT	CVD INVESTIGATIONS
Petitions Filed	May 31, 2017
DOC Initiation Date	June 20, 2017
ITC Preliminary Determinations	July 17, 2017
DOC Preliminary Determinations	October 30, 2017
DOC Final Determinations	January 16, 2018
ITC Final Determinations*	March 2, 2018
Issuance of Orders**	March 9, 2018

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.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

\*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	2014	2015	2016
Volume (metric tons)	34,795	51,371	73,598
Value (USD)	50,247,722	61,390,279	79,409,675
INDIA	2014	2015	2016
Volume (metric tons)	10,150	12,772	12,369
Value (USD)	15,785,925	17,126,857	14,737,498

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 5503.20.0025)