



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of Glycine from India, China, and Japan

- On April 25, 2019, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of glycine from India, China (CVD only), and Japan (AD only). The final determinations in the AD and CVD investigations of glycine from Thailand have been postponed to address potential fraud.
- The AD and CVD laws provide 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 and subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from foreign governments 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 India AD investigation, Commerce assigned a dumping rate of 7.75 percent to mandatory respondent Kumar Industries, India and a dumping rate of 10.86 percent to mandatory respondent Paras Intermediates Private Limited. Commerce determined a dumping rate of 9.31 percent for all other Indian producers and exporters.
- In the Japan AD investigation, Commerce assigned a dumping rate of 53.66 percent to mandatory respondent Yuki Gosei Kogyo Co., Ltd. and a dumping rate of 86.22 percent to mandatory respondent Showa Denko K.K. Commerce determined a dumping rate of 53.66 percent for all other Japanese producers and exporters.
- In the China CVD investigation, Commerce assigned a subsidy rate of 144.01 percent for mandatory respondents JC Chemicals Limited and Simagchem Corp. The subsidy rate for all other Chinese producers and exporters is also 144.01 percent.
- In the India CVD investigation, Commerce assigned a subsidy rate of 6.99 percent for mandatory respondent Kumar Industries, India. Commerce assigned a subsidy rate of 3.03 percent for mandatory respondent Paras Intermediates Private Limited. The subsidy rate for all other Indian producers and exporters is 5.01 percent.
- Upon publication of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect AD cash deposits equal to the applicable final weighted-average dumping rates. Further, as a result of the affirmative final CVD determinations, if the U.S. International Trade Commission (ITC) makes affirmative injury determinations, Commerce will instruct CBP to resume collection of CVD cash deposits equal to the applicable above-*de minimis* subsidy rates.

- With respect to all imports of glycine from Thailand, CBP is currently collecting cash deposits at the AD/CVD rates in effect for imports of glycine from China, based on its March 2019 ruling regarding a potential fraudulent transshipment scheme.
- The petitioners are GEO Specialty Chemicals, Inc. (Lafayette, IN) and Chattem Chemicals, Inc. (Chattanooga, TN).
- The merchandise covered by these investigations is glycine at any purity level or grade. This includes glycine of all purity levels, which covers all forms of crude or technical glycine including but not limited to sodium glycinate, glycine slurry and any other forms of amino acetic acid or glycine. Subject merchandise also includes glycine and precursors of dried crystalline glycine that are processed in a third country, including, but not limited to, refining or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope glycine or precursors of dried crystalline glycine. Glycine has the Chemical Abstracts Service (CAS) registry number of 56-40-6. Glycine and glycine slurry are classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2922.49.4300. Sodium glycinate is classified in the HTSUS under 2922.49.8000. While 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 2017, U.S. imports of glycine from India, China, and Japan were valued at an estimated \$6.7 million, \$1.1 million, and \$9.5 million, respectively. The values for China include imports from Cambodia, which U.S. Customs and Border Protection determined, in its December 2017 interim measures in an Enforcement and Protection Act duty evasion investigation, were transshipments of Chinese glycine.
- The Final Decision Memoranda, including the memorandum postponing the AD and CVD final determinations of glycine from Thailand, are 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: A-533-883 (AD India), C-533-884 (CVD India), A-549-837 (AD Thailand), C-549-838 (CVD Thailand), C-570-081 (CVD China), and A-588-878 (AD Japan).

NEXT STEPS

- The ITC is scheduled to make its final determinations on or about June 10, 2019.
- If the ITC makes affirmative final determinations that imports of glycine from India, China, and/or Japan materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
India	Kumar Industries, India	7.75%
	Paras Intermediates Private Limited	10.86%
	All Others	9.31%

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Japan	Yuki Gosei Kogyo Co., Ltd.	53.66%
	Showa Denko K.K.	86.22%
	All Others	53.66%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	JC Chemicals Limited	144.01%
	Simagchem Corp.	144.01%
	All Others	144.01%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
India	Kumar Industries, India	6.99%
	Paras Intermediates Private Limited	3.03%
	All Others	5.01%

CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	March 28, 2018	March 28, 2018
DOC Initiation Date	April 17, 2018	April 17, 2018
ITC Preliminary Determinations	May 14, 2018	May 17, 2018
DOC Preliminary Determinations	August 27, 2018	October 24, 2018
DOC Final Determinations	April 24, 2019	April 24, 2019
ITC Final Determinations	June 10, 2019	June 10, 2019
Issuance of Orders*	June 17, 2019	June 17, 2019

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a)(1) of the Tariff Act of 1930, as amended (the Act). For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a) of the Act. These deadlines may be extended under certain circumstances.

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

IMPORT STATISTICS:

CHINA	2015	2016	2017
Volume (metric tons)	47	238	259
Value (USD)	171,300	784,473	1,111,648
INDIA	2015	2016	2017
Volume (metric tons)	1,327	1,932	1,770
Value (USD)	5,814,879	7,891,928	6,655,381
JAPAN	2015	2016	2017
Volume (metric tons)	2,726	2,100	2,406
Value (USD)	11,679,384	9,236,624	9,500,620

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheadings 2922.49.4020 and 2922.49.4300). The data for China include imports from Cambodia, which U.S. Customs and Border Protection determined, in its December 2017 interim measures in an Enforcement and Protection Act duty evasion investigation, were transshipments of Chinese glycine.