



FACT SHEET

Commerce Issues Affirmative Preliminary Determinations in the Countervailing Duty Investigations of Imports of Glycine from China and India, and Negative Preliminary Determination in the Countervailing Duty Investigation of Imports of Glycine from Thailand

- On August 28, 2018, the Department of Commerce (Commerce) announced the affirmative preliminary determinations of the countervailing duty (CVD) investigations of imports of glycine from the People's Republic of China (China) and India, and the negative preliminary determination of the CVD investigation of imports of glycine from Thailand.
- 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 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.
- In the China investigation, Commerce assigned a preliminary subsidy rate of 144.01 percent for mandatory respondents JC Chemicals Limited and Simagchem Corp. The preliminary subsidy rate for all other Chinese producers and exporters is also 144.01 percent.
- In the India investigation, Commerce assigned a preliminary subsidy rate of 26.07 percent for mandatory respondent Kumar Industries, India. Commerce assigned a preliminary subsidy rate of 3.03 percent for mandatory respondent Paras Intermediates Private Limited. The preliminary subsidy rate for all other Indian producers and exporters is 14.55 percent.
- In the Thailand investigation, Commerce assigned a preliminary subsidy rate of 0.00 percent for mandatory respondent Newtrend Food Ingredient (Thailand) Co. Ltd. Because the preliminary determination is negative, no "all others" rate has been applied to any other producers/exporters in Thailand.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of glycine from China and India based on these preliminary rates. As a result of the negative preliminary determination for Thailand, Commerce will not instruct CBP to require cash deposits.
- 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 China, India, and Thailand were valued at an estimated \$1.1 million, \$6.7 million, and \$4.4 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 Preliminary Decision Memoranda 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 number C-570-081 for China, C-533-884 for India, and C-549-838 for Thailand.

NEXT STEPS

- Commerce is scheduled to announce its final determinations on or about November 14, 2018 for China and January 8, 2019 for India and Thailand, respectively.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of glycine from China, India, and Thailand materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce's or the ITC's final determinations are negative, no CVD orders will be issued. The ITC is scheduled to make its final injury determinations approximately 45 days after Commerce issues its final determinations, if affirmative.

PRELIMINARY 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	26.07%
	Paras Intermediates Private Limited	3.03%
	All Others	14.55%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
Thailand	Newtrend Food Ingredient (Thailand) Co. Ltd.	0.00%

CASE CALENDAR:

EVENT	CHINA	INDIA AND THAILAND
Petitions Filed	March 28, 2018	March 28, 2018
DOC Initiation Date	April 17, 2018	April 17, 2018
ITC Preliminary Determinations	May 14, 2018	May 14, 2018
DOC Preliminary Determinations	August 27, 2018	August 27, 2018
DOC Final Determinations*	November 13, 2018	January 7, 2019
ITC Final Determinations**	December 28, 2018	February 21, 2019
Issuance of Orders***	January 4, 2019	February 28, 2019

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 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	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
THAILAND	2015	2016	2017
Volume (metric tons)	1,767	615	1,234
Value (USD)	8,359,400	2,962,543	4,401,795

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.