



## FACT SHEET

### **Commerce Finds Dumping and Countervailable Subsidization of Imports of Polyester Textured Yarn from the People's Republic of China and India**

- On November 14, 2019, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of polyester textured yarn from the People's Republic of China (China) and India.
- 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 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 AD investigation, Commerce assigned an average dumping rate of 76.07 percent to the only non-individually examined company that qualified for a separate rate, Jiangsu Hengli Chemical Fiber Co., Ltd. Commerce assigned a dumping rate of 77.15 percent to the China-wide entity, which includes both mandatory respondents and other Chinese producers and exporters determined to be non-cooperative.
- In the China CVD investigation, Commerce assigned a subsidy rate of 32.18 percent to mandatory respondent Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd. Commerce assigned a subsidy rate of 472.51 percent to mandatory respondent Suzhou Shenghong Garmant Development Co. and 473.09 to mandatory respondent Suzhou Shenghong Fiber Co., Ltd. (and its cross-owned companies, including Jiangsu Shenghong Textile Imp. & Exp. Co. and its successor Jiangsu Huahui Import and Export Co., Ltd.) based on the application of adverse facts available. The subsidy rate for all other Chinese producers and exporters is 32.18 percent.
- In the India AD investigation, Commerce assigned a dumping rate of 47.51 percent, based on adverse facts available, to mandatory respondent JBF Industries, Limited. Commerce assigned a dumping rate of 17.62 percent to mandatory respondent Reliance Industries, Limited. Commerce assigned a dumping rate of 17.62 percent to all other Indian producers and exporters.
- In the India CVD investigation, Commerce assigned a subsidy rate of 21.83 percent to mandatory respondent JBF Industries, Limited. Commerce assigned a subsidy rate of 4.29 percent to mandatory respondent Reliance Industries, Limited. The subsidy rate for all other Indian producers and exporters is 4.65 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 subsidy rates.

- Commerce made affirmative final critical circumstances determinations in the China AD and CVD investigations, finding that critical circumstances exist for imports of polyester textured yarn from all producers and exporters from China. Therefore, as a result of the final affirmative determinations for China, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to require cash deposits from importers of polyester textured yarn from China based on these rates, effective 90 days before the publication date of the preliminary determination.
- The petitioners are Unifi Manufacturing, Inc. (Greensboro, NC) and Nan Ya Plastics Corp. America (Lake City, SC).
- The scope of the investigations is listed in Appendix I.
- In 2018, imports of polyester textured yarn from China and India were valued at an estimated \$45.5 million and \$21.6 million, respectively.
- The Final 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 numbers: A-570-097 and C-570-098 for the China AD and CVD cases, respectively, and A-533-885 and C-533-886 for the India AD and CVD cases, respectively.

#### **NEXT STEPS**

- The ITC is scheduled to make its final determinations on or about December 30, 2019.
- If the ITC makes affirmative final determinations that imports of polyester textured yarn from China and/or India 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	CASH DEPOSIT RATES*
China	Jiangsu Hengli Chemical Fiber Co., Ltd.	76.07%	65.39%
	China Wide Entity	77.15%	66.47%

\*Rates are adjusted for export subsidies.

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES	CASH DEPOSIT RATES*
India	Reliance Industries Limited	17.62%	13.49%
	JBF Industries Limited	47.51%	43.38%
	All Other Indian Producers	17.62%	13.14%

\*Rates are adjusted for export subsidies.

**FINAL SUBSIDY RATES:**

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd.	32.18%
	Suzhou Shenghong Garment Development Co.	472.51%
	Suzhou Shenghong Fiber Co., Ltd.	473.09%
	All Others	32.18%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
India	Reliance Industries Limited	4.29%
	JBF Industries Limited	21.83%
	All Others	4.65%

**CASE CALENDAR:**

EVENT	CVD	AD
Petitions Filed	October 18, 2018	October 18, 2018
DOC Initiation Date	November 7, 2018	November 7, 2018
ITC Preliminary Determinations	December 10, 2018	December 10, 2018
DOC Preliminary Determinations	April 26, 2019	June 25, 2019

<b>DOC Final Determinations</b>	<b>November 13, 2019</b>	<b>November 13, 2019</b>
<b>ITC Final Determinations</b>	<b>December 30, 2019</b>	<b>December 30, 2019</b>
<b>Issuance of Orders*</b>	<b>January 1, 2020</b>	<b>January 1, 2020</b>

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.

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

#### **IMPORT STATISTICS:**

<b>CHINA</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Value (USD)	29,490,959	35,002,044	45,507,029
Quantity (Metric Tons)	17,349	19,332	23,379
<b>India</b>			
<b>India</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Value (USD)	17,778,555	19,598,734	21,591,883
Quantity (Metric Tons)	11,052	11,902	12,049

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS 5402.33.3000 and 5402.33.6000))

## **Appendix I**

The merchandise covered by these investigations, polyester textured yarn, is synthetic multifilament yarn that is manufactured from polyester (polyethylene terephthalate). Polyester textured yarn is produced through a texturing process, which imparts special properties to the filaments of the yarn, including stretch, bulk, strength, moisture absorption, insulation, and the appearance of a natural fiber. This scope includes all forms of polyester textured yarn, regardless of surface texture or appearance, yarn density and thickness (as measured in denier), number of filaments, number of plies, finish (luster), cross section, color, dye method, texturing method, or packing method (such as spindles, tubes, or beams).

Excluded from the scope of the investigations is bulk continuous filament yarn that: (a) is polyester synthetic multifilament yarn; (b) has denier size ranges of 900 and above; (c) has turns per meter of 40 and above; and (d) has a maximum shrinkage of 2.5 percent.

The merchandise subject to these investigations is properly classified under subheadings 5402.33.3000 and 5402.33.6000 of the Harmonized Tariff Schedule of the United States (HTSUS). Merchandise subject to these investigations may also enter under HTSUS subheading 5402.52.00. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.