



FACT SHEET

Commerce Issues Affirmative Preliminary Determinations in the Countervailing Duty Investigations of Imports of Polyester Textured Yarn from the People's Republic of China and India

- On April 29, 2019, the Department of Commerce (Commerce) announced the affirmative preliminary determinations of the countervailing duty (CVD) investigations of imports of polyester textured yarn from the People's Republic of China (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 a CVD investigation, 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 32.04 percent to mandatory respondent Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd. Commerce assigned a preliminary subsidy rate of 459.98 percent to mandatory respondents Suzhou Shenghong Garmant Development Co and 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 preliminary subsidy rate for all other Chinese producers and exporters is 32.04 percent.
- In the India investigation, Commerce assigned a preliminary subsidy rate of 20.45 percent to mandatory respondent JBF Industries, Limited. Commerce assigned a preliminary subsidy rate of 7.09 percent to mandatory respondent Reliance Industries, Limited. The preliminary subsidy rate for all other Indian producers and exporters is 13.82 percent.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of polyester texture yarn from China and India based on these preliminary rates.
- The petitioners are Unifi Manufacturing, Inc. (Greensboro, NC) and Nan Ya Plastics Corp. America (Lake City, SC).
- 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 are 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). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.
- In 2017, imports of polyester textured yarn from China and India were valued at an estimated \$35 million and \$19.6 million, respectively.
- 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-570-098 for China and C-533-886 for India.

NEXT STEPS

- The petitioners requested that the final determinations of the CVD investigations align with the final determinations of the concurrent antidumping duty investigations. Accordingly, Commerce is scheduled to announce its final determinations on or about September 10, 2019, unless the statutory deadline is extended.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (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 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	Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd. ¹	32.04%
	Suzhou Shenghong Fiber Co., Ltd. ²	459.98%
	Suzhou Shenghong Garmant Development Co	459.98%
	All Others	32.04%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
India	JBF Industries, Limited	20.45%
	Reliance Industries, Limited	7.09%
	All Others	13.82%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petitions Filed	October 18, 2018
DOC Initiation Date	November 7, 2018
ITC Preliminary Determinations	December 10, 2018
DOC Preliminary Determinations	April 26, 2019
DOC Final Determinations*	September 9, 2019
ITC Final Determinations**	October 24, 2019
Issuance of Orders***	October 31, 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.

¹ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd.: (1) Billion Development (Hong Kong) Limited and (2) Billion Industrial Investment Limited.

² As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Suzhou Shenghong Fiber Co., Ltd.: (1) Jiangsu Zhonglu Technology Development Co., Ltd., (2) Jiangsu Guowang High-Technique Fiber Co., Ltd., (3) Jiangsu Shenghong Science and Technology Co., Ltd, (4) Jiangsu Honggang Petrochemical Co., Ltd, (5) Shenghong Group Co., Ltd, (6) Shenghong Holding Group, Co., Ltd., (7) Shenghong (Suzhou) Group Co., Ltd., (8) Jiangsu Shenghong Investment Development Co., Ltd., (9) Jiangsu Shenghong New Material Co., Ltd, and (10) dJiangsu Shenghong Textile Imp & Exp Co. and its successor Jiangsu Huahui Import and Export Co., Ltd.

IMPORT STATISTICS:

CHINA	2015	2016	2017
Volume (metric tons)	16,267	17,349	19,332
Value (USD)	31,367,610	29,490,959	35,002,044
INDIA			
Volume (metric tons)	11,737	11,052	11,902
Value (USD)	21,469,396	17,778,556	19,598,734

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))