



FACT SHEET

Commerce Finds Dumping of Imports of Certain Polyethylene Terephthalate Resin from Canada, China, India, and Oman, Countervailable Subsidization of Imports of Certain Polyethylene Terephthalate Resin from China and India, and No Subsidization of Imports from Oman

- On March 7, 2016, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of certain polyethylene terephthalate (PET) resin from Canada, China, India, and Oman, its affirmative final determinations in the countervailing duty (CVD) investigations of imports of PET resin from China and India, and its negative final determination in the CVD investigation of imports of PET resin from Oman.
- 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 unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- In the Canada AD investigation, the sole mandatory respondent Selenis Canada Inc. received a final dumping margin of 13.60 percent. All other producers/exporters in Canada received a final dumping margin of 13.60 percent.
- In the China AD investigation, mandatory respondents Far Eastern Industries (Shanghai), Ltd. (FEIS) and its single entity affiliate Oriental Industries (Suzhou) Limited, and Jiangyin Xingyu New Materials Co., Ltd. (Xingyu) and its four other single entity affiliates received final dumping margins of 104.98 percent and 118.19 percent, respectively. Four other exporters in China qualified for a separate rate of 114.38 percent. All other producers/exporters in China received the China-wide rate of 126.43 percent, based on adverse facts available due to the failure of other parties to respond to Commerce's requests for information, or to their failure to otherwise participate in the investigation.
- In the India AD investigation, mandatory respondents Reliance Industries Limited and Ester Industries Limited received final dumping margins of 8.03 and 14.23 percent, respectively. Mandatory respondents Dhunseri Petrochem Limited and JBF Industries Limited received a final dumping margin of 19.41 percent based on adverse facts available due to the respondents failure to respond to Commerce's questionnaire. All other producers/exporters in India received a final dumping margin of 11.13 percent.
- In addition, petitioners alleged "critical circumstances" during preliminary stages of the India AD and CVD investigations. Commerce found that critical circumstances exist for all Indian companies in the AD preliminary determination, and continues to do so in the final determination. In the CVD investigation, we found that critical circumstances exist for JBF and all other producers/exporters, but

not for Dhunseri, and continue to do so in the final determination. As a result, and in accordance with the governing regulation, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits of estimated AD duties, and on CVD duties for all exporters other than Dhunseri, on entries of PET resin from India up to 90 days prior to the date of publication of the preliminary determination in the *Federal Register*.

- In the Oman AD investigation, the sole mandatory respondent, OCTAL SAOC-FZC, received a final dumping margin of 7.82 percent. All other producers/exporters in Oman also received a final dumping margin of 7.82 percent.
- In the China CVD investigation, Commerce determined that mandatory respondents Jiangyin Xingyu New Material Co., Ltd. (and its cross-owned affiliates) and Dragon Special Resin (Xiamen) Co., Ltd. (and its cross-owned affiliates) received final subsidy rates of 6.83 percent and 47.56 percent, respectively. All other producers/exporters in China have been assigned a final subsidy rate of 27.20 percent.
- In the India CVD investigation, Commerce determined that mandatory respondent Dhunseri Petrochem Ltd. received a final subsidy rate of 5.12 percent. The other mandatory respondent, JBF Industries Limited, failed to respond to Commerce's questionnaire. As a result, JBF Industries Limited received a final subsidy rate of 153.80 percent based on adverse facts available following Commerce's preliminary determination that the company had not cooperated in the investigation. All other producers/exporters in India have been assigned a final subsidy rate of 5.12 percent.
- In the Oman CVD investigation, Commerce determined that the sole mandatory respondent OCTAL SAOC – FZC and its cross-owned affiliate OCTAL Holding SAOC received a final subsidy rate of 0.59 percent, which is *de minimis*. Because the final determination is negative, no "all others" rate has been applied to any other producers/exporters in Oman.
- As a result of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final CVD determinations, if the U.S. International Trade Commission (ITC) issues an affirmative injury determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the final subsidy rates for the mandatory respondents and all other producers and exporters not selected for investigation; we will also adjust the AD cash deposit rates by the amount of the CVD export subsidies, where appropriate. If the ITC issues negative injury determinations, these investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.
- The petitioners for these investigations are DAK Americas, LLC (NC), M&G Chemicals (WV), and Nan Ya Plastics Corporation, America (SC).
- The merchandise covered by these investigations is polyethylene terephthalate (PET) resin having an intrinsic viscosity of at least 0.70, but not more than 0.88, deciliters per gram. The scope includes blends of virgin PET resin and recycled PET resin containing 50 percent or more virgin PET resin content by weight, provided such blends meet the intrinsic viscosity requirements above. The scope

includes all PET resin meeting the above specifications regardless of additives introduced in the manufacturing process.

The merchandise subject to these investigations is properly classified under subheading 3907.60.00.30 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

- In 2014, imports of PET resin from Canada, China, India, and Oman were valued at an estimated \$239 million, \$92.1 million, \$51.7 million, and \$51.1 million, respectively.

NEXT STEPS

- The ITC is scheduled to make its final injury determinations on April 18, 2016.
- If the ITC makes affirmative final determinations that imports of PET resin from Canada, China, India, and/or Oman 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 MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Canada	Selenis Canada Inc.	13.60%
	All Others	13.60%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT RATE*
China	Far Eastern Industries (Shanghai) Ltd. and Oriental Industries (Suzhou) Limited	104.98%	99.29%
	Jiangyin Xingyu New Material Co., Ltd., Jiangsu Xingye Plastic Co., Ltd., Jiangyin Xingjia Plastic Co., Ltd., Jiangyin Xingtai New Material Co., Ltd., and Jiangsu Xingye Polytech Co., Ltd.	118.19%	114.25%
	Dragon Special Resin (XIAMEN) Co., Ltd.	114.38%	100.90%
	Hainan Yisheng Petrochemical Co., Ltd.	114.38%	105.75%
	Shanghai Hengyi Polyester Fiber Co., Ltd.	114.38%	105.75%
	Zhejiang Wankai New Materials Co., Ltd.	114.38%	105.75%
	China-Wide Rate	126.43%	125.75%

NOTE: The cash deposit rate accounts for the applicable export subsidy rate and the applicable domestic subsidy pass-through.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT RATE*
India	Dhunseri Petrochem Ltd.	19.41%	14.31%
	Ester Industries Ltd.	14.23%	9.13%
	JBF Industries Ltd.	19.41%	0.00%
	Reliance Industries Ltd.	8.03%	2.93%
	All Others	11.13%	6.03%

NOTE: The cash deposit rate accounts for the applicable export subsidy of 5.10 percent for Dhunseri, Ester, Reliance, and “all others,” and of 37.08 percent for JBF.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Oman	OCTAL SAOC-FZC	7.82%
	All Others	7.82%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Jiangyin Xingyu New Material Co., Ltd., Jiangsu Xingye Plastic Co., Ltd., Jiangyin Xingjia Plastic Co., Ltd., Jiangyin Xingtai New Material Co., Ltd., Jiangsu Xingye Polarization Co., Ltd., Jiangsu Sanfangxiang Group Co., Ltd., Jiangyin Hailun Petrochemicals Co., Ltd., Jiangyin Xinlun Chemical Fiber Co., Ltd., Jiangyin Huasheng Polymer Co., Ltd., Jiangsu Sanfangxiang International Trading Co., Ltd., Jiangyin Huayi Polymerization Co., Ltd., Jiangyin Xingsheng Plastic Co., Ltd., Jiangyin Chemical Fiber Co., Ltd., Jiangyin Huaxing Synthetic Co., Ltd., Jiangyin Bolun Chemical Fiber Co., Ltd., (collectively, Xingyu)	6.83%
	Dragon Special Resin (Xiamen) Co., Ltd.; Xiang Lu Petrochemicals Co., Ltd.; Xianglu Petrochemicals (Zhangzhou) Co., Ltd.; and Xiamen Xianglu Chemical Fiber Company Limited (collectively, Dragon)	47.56%
	All Others	27.20%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
India	Dhunseri Petrochem Ltd (formerly Dhunseri Petrochem and Tea Ltd) (collectively, Dhunseri)	5.12%
	JBF Industries Limited	153.80%
	All Others	5.12%

*Based on facts available and adverse inferences following Commerce's preliminary determination that the company had not cooperated in the investigation.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Oman	OCTAL SAOC – FZC and OCTAL Holding SAOC	0.59% (<i>de minimis</i>)

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	March 10, 2015	March 10, 2015
DOC Initiation Date	March 30, 2015	March 30, 2015
ITC Preliminary Determination	April 24, 2015	April 24, 2015
DOC Preliminary Determination	August 9, 2015	October 6, 2015
DOC Final Determination	March 4, 2016 [†]	March 4, 2016 [†]
ITC Final Determination	April 18, 2016	April 18, 2016
Issuance of Order**	April 25, 2016	April 25, 2016

[†]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 by Commerce and the ITC.

IMPORT STATISTICS:

CANADA	2012	2013	2014
Volume (metric tons)	121,800	144,800	139,700
Value (USD)	210,762,000	254,392,000	239,034,000
CHINA	2012	2013	2014
Volume (metric tons)	72,500	66,000	112,800
Value (USD)	82,879,000	70,915,000	92,128,000
INDIA	2012	2013	2014
Volume (metric tons)	22,900	36,700	38,900
Value (USD)	36,813,000	56,963,000	51,666,000
OMAN	2012	2013	2014
Volume (metric tons)	11,600	24,500	37,500
Value (USD)	18,117,000	38,252,000	51,068,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 3907.60.0030)