

FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Refillable stainless steel kegs from China, Germany and Mexico

- On May 29, 2019, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of refillable stainless steel kegs from China, Germany and Mexico.
- The AD 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 injurious dumping 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 an imported product in the United States at less than fair value.
- In the China investigation, Commerce assigned an affirmative preliminary dumping rate of 2.01 percent to mandatory respondent Ningbo Master International Trade Co., Ltd. and to Guangzhou Jingye Machinery Co., Ltd., Guangzhou Ulix Industrial & Trading Co., Ltd., and Ningbo Haishu Direct Import And Export Trade Co., Ltd., that Commerce found to be eligible for a separate rate. Commerce assigned a preliminary dumping rate of 79.71 percent for all other Chinese producers and exporters.
- In the Germany investigation, Commerce assigned an affirmative preliminary dumping rate of 8.61 percent to sole mandatory respondent Blefa GmbH. Commerce assigned a preliminary dumping rate of 8.61 percent for all other German producers and exporters.
- In the Mexico investigation, Commerce assigned a affirmative preliminary dumping rate of 18.48 percent to sole mandatory respondent THIELMANN Mexico S.A. de C.V. Commerce also applied Commerce assigned a preliminary dumping rate of 18.48 percent for all other Mexican producers and exporters.
- As a result of the preliminary affirmative determination for China, Germany and Mexico, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits from importers of refillable stainless steel kegs from China, Germany, and Mexico based on these preliminary rates.
- The petitioner is American Keg Company, LLC (Pottstown, PA).
- The merchandise covered by these investigations are kegs, vessels, or containers with bodies that are approximately cylindrical in shape, made from stainless steel (*i.e.*, steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight, with or without other elements), and that are compatible with a “D Sankey” extractor (refillable stainless steel kegs) with a nominal liquid volume capacity of 10 liters or more, regardless of the type of finish, gauge, thickness, or grade of stainless steel, and whether or not covered by

or encased in other materials. Refillable stainless steel kegs may be imported assembled or unassembled, with or without all components (including spears, couplers or taps, necks, collars, and valves), and be filled or unfilled.

“Unassembled” or “unfinished” refillable stainless steel kegs include drawn stainless steel cylinders that have been welded to form the body of the keg and attached to an upper (top) chime and/or lower (bottom) chime. Unassembled refillable stainless steel kegs may or may not be welded to a neck, may or may not have a valve assembly attached, and may be otherwise complete except for testing, certification, and/or marking.

Subject merchandise also includes refillable stainless steel kegs that have been further processed in a third country, including but not limited to, attachment of necks, collars, spears or valves, heat treatment, pickling, passivation, painting, testing, certification or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope refillable stainless steel keg.

Specifically excluded are the following:

- (1) vessels or containers that are not approximately cylindrical in nature (*e.g.*, box, “hopper” or “cone” shaped vessels);
- (2) stainless steel kegs, vessels, or containers that have either a “ball lock” valve system or a “pin lock” valve system (commonly known as “Cornelius,” “corny” or “ball lock” kegs);
- (3) necks, spears, couplers or taps, collars, and valves that are not imported with the subject merchandise; and (4) stainless steel kegs that are filled with beer, wine, or other liquid and that are designated by the Commissioner of Customs as Instruments of International Traffic within the meaning of section 332(a) of the *Tariff Act of 1930*, as amended.

The merchandise covered by these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7310.10.0010, 7310.10.0050, 7310.29.0025, and 7310.29.0050.

These HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope of these investigations is dispositive.

- In 2017, imports of refillable stainless steel kegs from China, Germany, and Mexico were valued at an estimated \$18.1 million, \$11.8 million, and \$5.7 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 A-570-093 for China, A-428-846 for Germany and A-201-849 for Mexico.

NEXT STEPS

- Commerce is scheduled to announce its final determination with respect to Mexico on or about August 13, 2019, and with respect to China and Germany, on or about October 16, 2019.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of refillable stainless steel kegs from China, Germany and Mexico materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce or the ITC issue negative final determinations, no AD 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 DUMPING RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
China	Ningbo Master International Trade Co., Ltd.	2.01 %
	Guangzhou Jingye Machinery Co., Ltd.	2.01 %
	Guangzhou Ulix Industrial & Trading Co., Ltd.	2.01 %
	Ningbo Haishu Direct Import And Export Trade Co., Ltd.	2.01 %
	China-Wide Entity	79.71%
Germany	Blefa GmbH	8.61%
	All Others	8.61%
Mexico	THIELMANN Mexico S.A. de C.V.	18.48%
	All Others	18.48%

CASE CALENDAR:

EVENT	AD INVESTIGATIONS
Petitions Filed	September 20, 2018
DOC Initiation Date	October 10, 2018
ITC Preliminary Determinations	November 5, 2018
DOC Preliminary Determinations	May 28, 2019
DOC Final Determinations	August 12, 2019 (Mexico) October 15, 2019 (China and Germany)
ITC Final Determinations**	September 26, 2019 (Mexico) November 29, 2019 (China and Germany)
Issuance of Order***	October 3, 2019 (Mexico) December 6, 2019 (China and Germany)

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. These deadlines may be extended under certain circumstances.

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

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

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

IMPORT STATISTICS:

CHINA	2015	2016	2017
Quantity (number)	258,895	209,207	294,155
Value (USD)	18,141,682	14,098,140	18,064,443
GERMANY	2015	2016	2017
Quantity (number)	193,804	173,122	144,633
Value (USD)	19,210,405	15,400,057	11,834,898
MEXICO	2015	2016	2017
Quantity (number)	130,844	108,602	84,663
Value (USD)	9,332,721	7,189,847	5,672,357

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS 7310.10.0010). This HTSUS subheading may cover both subject and non-subject merchandise. Imports of refillable stainless steel kegs may also enter under HTSUS subheadings 7310.00.0050, 7310.29.0025, and 7310.29.0050. However, these HTSUS subheadings may cover a significant amount of non-subject merchandise; therefore these HTSUS subheadings have not been used for purposes of reporting the above import statistics.