



## FACT SHEET

### **Commerce Preliminarily Finds Countervailable Subsidization of Imports of Silicon Metal from Australia, Brazil and Kazakhstan**

- On August 8, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the countervailing duty (CVD) investigations of imports of silicon metal from Australia, Brazil and Kazakhstan.
- 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 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 CVD investigations, 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 Australia investigation, Commerce calculated preliminary subsidy rates of 16.23 percent for Simcoa Operations Pty Ltd. and 16.23 percent for all other producers/exporters.
- In the Brazil investigation, Commerce calculated preliminary subsidy rates of 3.69 percent for Dow Corning Silicio do Brasil Indústria e Comércio Ltda. Respondent Ligas de Alumínio – LIASA, received a preliminary subsidy rate of 52.07 percent based on adverse facts due to its failure to cooperate in the investigation. All other producers/exporters in Brazil have been assigned a preliminary subsidy rate of 3.69 percent.
- In the Kazakhstan investigation, Commerce assigned a preliminary subsidy rate of 120.00 percent to respondent Tau-Ken Temir LLP based on adverse facts available due to its failure to cooperate in this investigation. All other producers have also been assigned a preliminary subsidy rate of 120.00 percent.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The petitioner is Globe Specialty Metals, Inc. Its production facilities are located in Alabama, New York, Ohio, and West Virginia.
- The scope of these investigations covers all forms and sizes of silicon metal, including silicon metal powder. Silicon metal contains at least 85.00 percent but less than 99.99 percent silicon, and less than 4.00 percent iron, by actual weight. Semiconductor grade silicon (merchandise containing at least 99.99 percent silicon by actual weight and classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2804.61.0000) is excluded from the scope of these investigations.

- Silicon metal is currently classifiable under subheadings 2804.69.1000 and 2804.69.5000 of the HTSUS.
- While HTSUS numbers are provided for convenience and customs purposes, the written description of the scope remains dispositive.
- In 2016, imports of silicon metal from Australia, Brazil, and Kazakhstan were valued at an estimated \$33.9 million, \$60.0 million, and \$17.5 million, respectively.

#### NEXT STEPS

- Petitioner 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 December 19, 2017, 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 silicon metal from Australia, Brazil, and/or Kazakhstan materially injure, or threaten material injury to, the domestic industry in the United States, Commerce will issue CVD orders. If either Commerce or the ITC 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 RATES
Australia	Simcoa Operations Pty Ltd.	16.23%
	All Others	16.23%
COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Brazil	Dow Corning Silicio do Brasil Indústria e Comércio Ltda.	3.69%
	Ligas de Alumínio S.A. – LIASA	52.07%
	All Others	3.69%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Kazakhstan	Tau-Ken Temir LLP	120.00%
	All Others	120.00%

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

### CASE CALENDAR:

EVENT	CVD INVESTIGATIONS
Petitions Filed	March 8, 2017
DOC Initiation Date	March 28, 2017
ITC Preliminary Determinations*	April 24, 2017†
DOC Preliminary Determinations	August 7, 2017
DOC Final Determinations	December 18, 2017
ITC Final Determinations**	February 1, 2018
Issuance of Orders***	February 8, 2018

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). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

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

\* If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

\*\*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:**

<b>AUSTRALIA</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	18,384	19,844	16,860
Value (USD)	50,860,953	55,896,521	33,850,510
<b>BRAZIL</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	39,811	19,801	25,564
Value (USD)	105,724,398	53,816,598	60,019,651
<b>KAZAKHSTAN</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	0	2,710	9,555
Value (USD)	0	6,579,490	17,468,129

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2804.69.1000 and 2804.69.5000)