



FACT SHEET

Commerce Initiates Antidumping Duty (AD) and Countervailing Duty (CVD) Investigations of Imports of Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China (China) (AD/CVD) and France (AD)

- On December 21, 2017, the Department of Commerce (Commerce) announced the initiation of AD and CVD investigations of imports of sodium gluconate, gluconic acid, and derivative products from China (AD/CVD) and France (AD).
- 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, 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.
- The petitioner is PMP Fermentation Products, Inc. (Peoria, IL).
- The products covered by these investigations are all grades of sodium gluconate, gluconic acid, liquid gluconate, and glucono delta lactone (GDL) (collectively GNA Products), regardless of physical form (including, but not limited to substrates; solutions; dry granular form or powders, regardless of particle size; or as a slurry). The scope also includes GNA Products that have been blended or are in solution with other product(s) where the resulting mix contains 35 percent or more of sodium gluconate, gluconic acid, liquid gluconate, and/or GDL by dry weight.

Sodium gluconate has a molecular formula of $\text{NaC}_6\text{H}_{11}\text{O}_7$. Sodium gluconate has a Chemical Abstract Service (CAS) registry number of 527-07-1, and can also be called "sodium salt of gluconic acid" and/or sodium 2, 3, 4, 5, 6 pentahydroxyhexanoate. Gluconic acid has a molecular formula of $\text{C}_6\text{H}_{12}\text{O}_7$. Gluconic acid has a CAS registry number of 526-95-4, and can also be called 2, 3, 4, 5, 6 pentahydroxycaproic acid. Liquid gluconate is a blend consisting only of gluconic acid and sodium gluconate in an aqueous solution. Liquid gluconate has CAS registry numbers of 527-07-1, 526-95-4, and 7732-18-5, and can also be called 2, 3, 4, 5, 6-pentahydroxycaproic acid-hexanoate. GDL has a molecular formula of $\text{C}_6\text{H}_{10}\text{O}_6$. GDL has a CAS registry number of 90-80-2, and can also be called d-glucono-1,5-lactone.

The merchandise covered by the scope of these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 2918.16.1000, 2918.16.5010, and 2932.20.5020. Merchandise covered by the scope may also enter under HTSUS subheadings 2918.16.5050, 3824.99.2890, and 3824.99.9295. Although the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

- In 2016, imports of sodium gluconate, gluconic acid, and derivative products from China and France were valued at an estimated \$4.4 million and \$6.1 million, respectively.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before January 16, 2018.
- If the ITC determines that there is a reasonable indication that imports of sodium gluconate, gluconic acid, and derivative products from China and/or France materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and the Department will be scheduled to announce its preliminary CVD determination in February 2018 and its preliminary AD determinations in May 2018, though these dates may be extended. If the ITC’s determinations are negative, the investigations will be terminated.

ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
China	213.15 percent
France	76.95 percent

ESTIMATED SUBSIDY RATE:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *

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

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATIONS
Petitions Filed	November 30, 2017	November 30, 2017
DOC Initiation Date	December 20, 2017	December 20, 2017
ITC Preliminary Determinations*	January 16, 2018†	January 16, 2018†
DOC Preliminary Determinations	February 23, 2018	May 9, 2018
DOC Final Determinations	May 9, 2018	July 23, 2018
ITC Final Determinations**	June 25, 2018†	September 6, 2018
Issuance of Orders***	July 2, 2018†	September 13, 2018

NOTE: Commerce's 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.

* 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.

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

IMPORT STATISTICS:

CHINA	2014	2015	2016
Volume (metric tons)	4,880	4,813	4,248
Value (USD)	6,554,617	6,012,476	4,360,007
FRANCE	2014	2015	2016
Volume (metric tons)	4,549	5,744	4,470
Value (USD)	6,460,608	8,055,715	6,088,045

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2918.16.1000, 2918.16.1510, and 2932.20.5020)