



FACT SHEET

Commerce Finds Dumping of Imports of Carton-Closing Staples from China

- On March 22, 2018, the Department of Commerce (Commerce) announced its affirmative final determination in the antidumping duty (AD) investigation of imports of carton-closing staples from China.
- 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 a product in the United States at less than its fair value.
- Commerce assigned a final dumping rate of 263.40 percent, based on adverse facts available, for mandatory respondent Shanghai Yueda Nails Co., Ltd. Commerce determined that mandatory respondent, Zhejiang Best Nail Industrial Co., Ltd., is part of the China-wide entity due to its refusal to participate in the investigation. Commerce assigned a dumping margin of 263.40 percent to the China-wide entity, based on adverse facts available.
- Further, Commerce found that Shanghai Yueda Nails Co., Ltd. and four of its affiliates comprise a single entity, the Yueda Group, to which Commerce assigned a single cash deposit rate of 263.40 percent.
- Commerce granted Hangzhou Huayu Machinery Co., Ltd. and The Stanley Works (Langfang) Fastening Systems Co., Ltd. a separate rate of 115.65 percent (which is equal to the simple average of the petition margins) based on information demonstrating that they are independent from Chinese government control.
- Upon publication of the final affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable final dumping margins.
- The petitioner is North American Steel & Wire, Inc./ISM Enterprises (ISM). ISM is located in Pennsylvania.
- The merchandise covered by this investigation is carton-closing staples. Carton-closing staples may be manufactured from carbon, alloy, or stainless steel wire, and are included in the scope of the investigation regardless of whether they are uncoated or coated, and regardless of the type of coating.
- Carton-closing staples are generally made to American Society for Testing and Materials (ASTM) specification ASTM D1974/D1974M- 16, but can also be made to other specifications. Regardless of specification, however, all carton-closing staples meeting the scope description are included in the scope. Carton-closing staples include stick staple products, often referred to as staple strips, and roll staple products, often referred to as coils. Stick staples are lightly cemented or lacquered together to facilitate

handling and loading into stapling machines. Roll staples are taped together along their crowns. Carton-closing staples are covered regardless of whether they are imported in stick form or roll form.

- Carton-closing staples vary by the size of the wire, the width of the crown, and the length of the leg. The nominal leg length ranges from 0.4095 inch to 1.375 inches and the nominal crown width ranges from 1.125 inches to 1.375 inches. The size of the wire used in the production of carton-closing staples varies from 0.029 to 0.064 inch (nominal thickness) by 0.064 to 0.100 inch (nominal width).
- Carton-closing staples subject to this investigation are currently classifiable under subheadings 8305.20.00.00 and 7317.00.65.60 of the Harmonized Tariff Schedule of the United States (“HTSUS”). While the HTSUS subheadings and ASTM specification are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.
- In 2016, imports of carton-closing staples from China were valued at an estimated \$73.2 million.
- The Final Decision Memorandum is 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-570-055.

NEXT STEPS

- The U.S International Trade Commission (ITC) is scheduled to make its final determination on or about May 7, 2018.
- If the ITC makes an affirmative final determination that imports of carton-closing staples from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If the ITC makes a negative determination of injury, the investigation will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	PRODUCER/EXPORTER	DUMPING MARGIN
China	Yueda Group: Shanghai Yueda Nails Co., Ltd., Qiushan Printing Machinery Co., Ltd., China Dinghao Co., Limited, Fastnail Products Limited, and Wuhan FOPO Trading Co., Ltd.	263.40%
	Hangzhou Huayu Machinery Co., Ltd.	115.65%
	The Stanley Works (Langfang) Fastening Systems Co., Ltd.	115.65%
	China-Wide	263.40%

CASE CALENDAR:

EVENT	AD INVESTIGATION
Petition Filed	March 31, 2017
DOC Initiation Date	April 20, 2017
ITC Preliminary Determination	May 15, 2017
DOC Preliminary Determination	October 27, 2017
DOC Final Determination [^]	March 21, 2018
ITC Final Determination	May 7, 2018
Issuance of Order*	May 14, 2018

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) 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 a final affirmative determination by the ITC.

[^] As explained in the Memorandum for the Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (January 23, 2018), Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from January 20, through January 22, 2018. Therefore, the final date for this investigation has been tolled by 3 days and all other deadlines have been adjusted accordingly.

IMPORT STATISTICS:

CHINA	2014	2015	2016
Volume (metric tons)	46,772	51,408	54,664
Value (USD)	72,184,292	76,262,738	73,214,777

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7317.00.6560 and 8305.20.0000).

These HTSUS subheadings are basket categories and cover both subject and non-subject merchandise; therefore, the import statistics above may be significantly overstated.