



FACT SHEET

Commerce Issues Affirmative Preliminary Determination in the Countervailing Duty Investigation of Imports of Ceramic Tile from the People's Republic of China

- On September 9, 2019, the Department of Commerce (Commerce) announced the affirmative preliminary determination of the countervailing duty (CVD) investigation of imports of ceramic tile from the People's Republic of China (China).
- 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 unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods by 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.
- Commerce assigned a preliminary subsidy rate of 103.77 percent to mandatory respondent Foshan Sanfi Imp & Exp Co., Ltd. Commerce assigned a preliminary subsidy rate of 222.24 percent, based entirely on adverse facts available, to mandatory respondent Temgoo International Trading Limited. The preliminary subsidy rate for all other Chinese producers and exporters is 103.77 percent.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of ceramic tile from China based on these preliminary rates.
- The petitioner is the Coalition for Fair Trade in Ceramic Tile. The members of the Coalition for Fair Trade in Ceramic Tile are American Wonder Porcelain (Lebanon, TN), Crossville, Inc. (Crossville, TN), Dal-Tile Corporation (Dallas, TX), Del Conca USA, Inc. (Loudon, TN), Florida Tile, Inc. (Lexington, KY), Florim USA (Clarksville, TN), Landmark Ceramics (Mount Pleasant, TN), and StonePeak Ceramics (Chicago, IL).
- The merchandise covered by this investigation is ceramic flooring tile, wall tile, paving tile, hearth tile, porcelain tile, mosaic tile, flags, finishing tile, and the like (hereinafter ceramic tile). Ceramic tiles are articles containing a mixture of minerals including clay (generally hydrous silicates of alumina or magnesium) that are fired so the raw materials are fused to produce a finished good that is less than 3.2 cm in actual thickness. All ceramic tile is subject to the scope regardless of end use, surface area, and weight, regardless of whether the tile is glazed or unglazed, regardless of the water absorption coefficient by weight, regardless of the extent of vitrification, and regardless of whether or not the tile is on a backing. Subject merchandise includes ceramic tile with decorative features that may in spots exceed 3.2 cm in thickness and includes ceramic tile "slabs" or "panels" (tiles that are larger than 1 square meter (11 square ft)).

Subject merchandise includes ceramic tile that undergoes minor processing in a third country prior to importation into the United States. Similarly, subject merchandise includes ceramic tile produced that

undergoes minor processing after importation into the United States. Such minor processing includes, but is not limited to, one or more of the following: beveling, cutting, trimming, staining, painting, polishing, finishing, additional firing, or any other processing that would otherwise not remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope product.

Subject merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the following subheadings of heading 6907: 6901.21.1005, 6907.21.1011, 6907.21.1051, 6907.21.2000, 6907.21.3000, 6907.21.4000, 6907.21.9011, 6907.21.9051, 6907.22.1005, 6907.22.1011, 6907.22.1051, 6907.22.2000, 6907.22.3000, 6907.22.4000, 6907.22.9011, 6907.22.9051, 6907.23.1005, 6907.23.1011, 6907.23.1051, 6907.23.2000, 6907.23.3000, 6907.23.4000, 6907.23.9011, 6907.23.9051, 6907.30.1005, 6907.30.1011, 6907.30.1051, 6907.30.2000, 6907.30.3000, 6907.30.4000, 6907.30.9011, 6907.30.9051, 6907.40.1005, 6907.40.1011, 6907.40.1051, 6907.40.2000, 6907.40.3000, 6907.40.4000, 6907.40.9011, and 6907.40.9051. Subject merchandise may also enter under subheadings of headings 6914 and 6905: 6914.10.8000, 6914.90.8000, 6905.10.0000, and 6905.90.0050. The HTSUS subheadings are provided for convenience and customs purposes only. The written description of the scope of this investigation is dispositive.

- In 2018, imports of ceramic tile from China were valued at an estimated \$483.1 million.
- The Preliminary 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 C-570-109.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about January 22, 2020.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of ceramic tile from China materially injures, or threatens material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce’s or the ITC’s final determination is negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Temgoo International Trading Limited	222.24%
	Foshan Sanfi Imp & Exp Co., Ltd.	103.77%
	China-Wide	103.77%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	April 10, 2019
DOC Initiation Date	April 30, 2018
ITC Preliminary Determination	May 28, 2019
DOC Preliminary Determination	September 6, 2019
DOC Final Determination*	January 21, 2020
ITC Final Determination**	March 6, 2020
Issuance of Order***	March 13, 2020

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). These deadlines may be extended under certain circumstances.

*This deadline may be extended under the governing statute.

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

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IMPORT STATISTICS:

CHINA	2016	2017	2018
Volume (square meters)	54,198,129	61,056,303	64,302,627
Value (USD)	408,866,916	457,986,278	483,082,244

Source: U.S. Census Bureau, accessed through Global Trade Atlas (HTSUS 6907 and 6908).