



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of Plastic Decorative Ribbon from China

- On December 21, 2018, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of plastic decorative ribbon from China.
- 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 subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from foreign governments 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 AD investigation, Commerce assigned a dumping rate of 54.21 percent to mandatory respondent Ningbo Junlong Craft Gift Co., Ltd., and a dumping rate of 62.04 percent to mandatory respondent Ricai Film Artwork Materials Co., Ltd. Commerce determined that Dongguan Mei Song Plastic Industry Co., Ltd. is considered part of the China-wide entity. Commerce determined a dumping rate of 370.04 percent for the China-wide entity, based entirely on adverse facts available. Commerce determined a dumping rate of 58.13 percent for all other exporters from China that Commerce found to be eligible for a separate rate.
- In the CVD investigation, Commerce has calculated a subsidy rate of 14.27 percent for mandatory respondents Joynice Gifts & Crafts Co., Ltd. Commerce has calculated a subsidy rate of 18.03 percent for mandatory respondent Seng San Enterprises Co., Ltd. Commerce has calculated a subsidy rate of 94.67 percent for mandatory respondent Santa's Collection Shaoxing Co., Ltd. based on adverse facts available for its failure to cooperate. Commerce calculated a rate of 16.15 percent for all other Chinese producers and exporters.
- Upon publication of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect AD cash deposits equal to the applicable final weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, if the U.S. International Trade Commission (ITC) makes an affirmative injury determination, Commerce will instruct CBP to resume collection of CVD cash deposits equal to the applicable subsidy rates.
- The petitioner is Berwick Offray, LLC (Berwick, PA).
- The merchandise covered by this investigation is certain plastic decorative ribbon, having a width (measured at the narrowest span of the ribbon) of less than or equal to four (4) inches, but disregarding any features that measure 4 inches or less in width, such as tapering or cutting at the ends or in a bow knot, provided that aggregate length of such features comprises no more than 20% of the length of the ribbon.

Subject merchandise includes but is not limited to ribbon wound onto itself; a spool, a core or a tube (with or without flanges); attached to a card or strip; wound into a keg- or egg-shaped configuration; made into bows, bow-like items, or other shapes or configurations; and whether or not packaged or labeled for retail sale. The subject merchandise is typically made of substrates of polypropylene, but may be made in whole or in part of any type of plastic, including without limitation, plastic derived from petroleum products and plastic derived from cellulose products. Unless the context otherwise clearly indicates, the word “ribbon” used in the singular includes the plural and the plural “ribbons” includes the singular.

The subject merchandise includes ribbons comprised of one or more layers of substrates made, in whole or in part, of plastics adhered to each other, regardless of the method used to adhere the layers together, including without limitation, ribbons comprised of layers of substrates adhered to each other through a lamination process. Subject merchandise also includes ribbons comprised of (a) one or more layers of substrates made, in whole or in part, of plastics adhered to (b) one or more layers of substrates made, in whole or in part, of non-plastic materials, including, without limitation, substrates made, in whole or in part, of fabric.

The ribbons subject to this investigation may be of any color or combination of colors (including without limitation, ribbons that are transparent, translucent or opaque) and may or may not bear words or images, including without limitation, those of a holiday motif. The subject merchandise includes ribbons with embellishments and/or treatments, including, without limitation, ribbons that are printed, hot-stamped, coated, laminated, flocked, crimped, die-cut, embossed (or that otherwise have impressed designs, images, words or patterns), and ribbons with holographic, metallic, glitter or iridescent finishes.

Subject merchandise includes “pull-bows” an assemblage of ribbons connected to one another, folded flat, and equipped with a means to form such ribbons into the shape of a bow by pulling on a length of material affixed to such assemblage, and “pre-notched” bows, an assemblage of notched ribbon loops arranged one inside the other with the notches in alignment and affixed to each other where notched, and which the end user forms into a bow by separating and spreading the loops circularly around the notches, which form the center of the bow. Subject merchandise includes ribbons that are packaged with non-subject merchandise, including ensembles that include ribbons and other products, such as gift wrap, gift bags, gift tags and/or other gift packaging products. The ribbons are covered by the scope of this investigation; the “other products” (*i.e.*, the other, non-subject merchandise included in the ensemble) are not covered by the scope of this investigation.

Excluded from the scope of this investigation are the following: (1) ribbons formed exclusively by weaving plastic threads together; (2) ribbons that have metal wire in, on, or along the entirety of each of the longitudinal edges of the ribbon; (3) ribbons with an adhesive coating covering the entire span between the longitudinal edges of the ribbon for the entire length of the ribbon; (4) ribbon formed into a bow without a tab or other means for attaching the bow to an object using adhesives, where the bow has: (a) an outer layer that is either flocked, made of fabric, or covered by any other decorative coating such as glitter (whether of plastic or non-plastic materials), and (b) a flexible metal wire at the base which permits attachment to an object by twist-tying; (5) elastic ribbons, meaning ribbons that elongate when stretched and return to their original dimension when the stretching load is removed; (6) ribbons affixed as a decorative detail to non-subject merchandise, such as a gift bag, gift box, gift tin, greeting card or plush toy, or affixed (including by tying) as a decorative detail to packaging containing non subject merchandise; (7) ribbons that are (a) affixed to non-subject merchandise as a working component of such non-subject merchandise, such as where the ribbon comprises a book marker, bag cinch, or part of an identity card holder, or (b) affixed (including by tying) to non-subject merchandise as a working component that holds or packages such non-subject merchandise or attaches packaging or labeling to such non-subject merchandise, such as a “belly band” around a pair of pajamas, a pair of socks or a blanket; (8) imitation raffia made of plastics having a

thickness not more than one (1) mil when measured in an unfolded/untwisted state; (9) cords, *i.e.*, multiple strands of materials that have been braided, gimped or twisted together; and (10) ribbons in the form of bows having a diameter of less than seven-eighths (7/8) of an inch, or having a diameter of more than 16 inches, based on actual measurement. For purposes of this exclusion, the diameter of a bow is equal to the diameter of the smallest circular ring through which the bow will pass without compressing the bow.

The scope of the investigation excludes shredded plastic film or shredded plastic strip, in each case where the shred does not exceed 5 mm in width and does not exceed 18 inches in length.

The scope of the investigation excludes plastic garlands and plastic tinsel garlands, imported in lengths of not less than three (3) feet. The longitudinal base of these garlands may be made of wire or non-wire material, and these garlands may include plastic die-cut pieces. Also excluded are items made of plastic garland and/or plastic tinsel where the items do not have a tab or other means for attaching the item to an object using adhesives. This exclusion does not apply to plastic garland bows, plastic tinsel bows, or other bow-like products made of plastic garland or plastic tinsel.

The scope of the investigation excludes ribbons made exclusively of fabric formed by weaving or knitting threads together, or by matting, condensing or pressing fibers together to create felt fabric, regardless of thread or fiber composition, including without limitation, fabric ribbons of polyester, nylon, acrylic or terylene threads or fibers. This exclusion does not apply to plastic ribbons that are flocked.

The scope of the investigation excludes ribbons having a width of less than three (3) mm when incorporated by weaving into mesh material (whether flat or tubular) or fabric ribbon (meaning ribbon formed by weaving all or any of the following: man-made fibers, natural fibers, metal threads and/or metalized yarns), in each case only where the mesh material or fabric ribbon is imported in the form of a decorative bow or a decorative bow-like item.

Further, excluded from the scope of the antidumping duty investigation are any products covered by the existing antidumping duty order on polyethylene terephthalate film, sheet, and strip (PET Film) from the People's Republic of China (China). *See Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, the People's Republic of China and the United Arab Emirates: Antidumping Duty Orders and Amended Final Determination of Sales at Less Than Fair Value for the United Arab Emirates*, 73 FR 66595 (November 10, 2008).

Merchandise covered by this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 3920.20.0015 and 3926.40.0010. Merchandise covered by this investigation also may enter under subheadings 3920.10.0000; 3920.20.0055; 3920.30.0000; 3920.43.5000; 3920.49.0000; 3920.62.0050; 3920.62.0090; 3920.69.0000; 3921.90.1100; 3921.90.1500; 3921.90.1910; 3921.90.1950; 3921.90.4010; 3921.90.4090; 3926.90.9996; 5404.90.0000; 9505.90.4000; 4601.99.9000; 4602.90.0000; 5609.00.3000; 5609.00.4000; and 6307.90.9889. These HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope of this investigation is dispositive.

- In 2017, imports of certain plastic decorative ribbon from China were valued at an estimated \$22.5 million.
- The Final 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-570-075 for the AD investigation and C-570-076 for the CVD investigation.

NEXT STEPS

- The ITC is scheduled to make its final determinations on or about February 4, 2019.
- If the ITC makes affirmative final determinations that imports of plastic decorative ribbon from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES	CASH DEPOSIT RATES (adjusted for export subsidies)
China	Ningbo Junlong Craft Gift Co., Ltd.	54.21%	Same
	Ricai Film Artwork Materials Co., Ltd.	62.04%	Same
	Separate Rate Companies*	58.13%	Same
	China-Wide Entity**	370.04%	Same

* Sun Rich (Asia) Ltd., Joynice Gifts & Crafts Co., Ltd, Chiapton Gifts Decorative Limited, Colorart Plastic Ribbon Productions Limited, Zhejiang Shaoxing Royal Arts & Crafts Co., Ltd., Wingo Gift & Crafts (Shenzhen) Co., Ltd, Seng San Enterprises Co., Ltd., Xiangxin Decoration Factory, Xinghui Packaging Co., Ltd., Shenzhen SHS Technology R&D Co., Ltd.

** The China-Wide Entity includes Dongguan Mei Song Plastic Industry Co., Ltd.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Joynice Gifts & Crafts Co., Ltd.	14.27%
	Seng San Enterprises Co., Ltd.	18.03%
	Santa's Collection Shaoxing Co., Ltd.	94.67%
	All Others	16.15%

CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	December 27, 2017	December 27, 2017
DOC Initiation Date	January 16, 2018	January 16, 2018
ITC Preliminary Determinations	February 16, 2018	February 16, 2018
DOC Preliminary Determinations	May 29, 2018	July 31 2018
DOC Final Determinations	December 21, 2018	December 21, 2018
ITC Final Determinations	February 4, 2019	February 4, 2019
Issuance of Orders*	February 11, 2019	February 11, 2019

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 (the Act). For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a) of the Act. These deadlines may be extended under certain circumstances.

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

IMPORT STATISTICS:

CHINA	2015	2016	2017
Value (USD)	21,872,357	18,135,917	22,487,486

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheadings 3920.20.0015 and 3926.40.0010). These ten-digit HTSUS subheadings came into effect in 2015. Volume is not reported in official import statistics for imports entered under these HTSUS subheadings. Imports of certain plastic decorative ribbon may also enter under HTSUS subheadings 3920.10.0000; 3920.20.0055; 3920.30.0000; 3920.43.5000; 3920.49.0000; 3920.62.0050; 3920.62.0090; 3920.69.0000; 3921.90.1100; 3921.90.1500; 3921.90.1910; 3921.90.1950; 3921.90.4010; 3921.90.4090; 3926.90.9996; 5404.90.0000; 9505.90.4000; 4601.99.9000; 4602.90.0000; 5609.00.3000; 5609.00.4000; and 6307.90.9889. These HTSUS subheadings may cover a significant amount of non-subject merchandise and, therefore, have been excluded from the import statistics shown above.