



## FACT SHEET

### **Commerce Preliminarily Finds Countervailable Subsidization of Imports of Certain Plastic Decorative Ribbon from China from the People's Republic of China**

- On May 30, 2018, the Department of Commerce (Commerce) announced the affirmative preliminary determination of the countervailing duty (CVD) investigation of imports of certain plastic decorative ribbon 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 CVD investigations, 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.
- In this investigation, Commerce has calculated a preliminary subsidy rate of 14.27 percent for mandatory respondents Joynice Gifts & Crafts Co., Ltd. Commerce has calculated a preliminary subsidy rate of 12.81 percent for mandatory respondent Seng San Enterprises Co., Ltd. Commerce has calculated a preliminary 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 preliminarily calculated a rate of 13.54 percent for all other Chinese producers and exporters.
- As a result of the affirmative preliminary determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on this preliminary rate.
- The petitioner is Berwick Offray, LLC (Berwick, PA).
- The products covered by these investigations are certain plastic decorative ribbon having a width (measured at the narrowest span of the ribbon) of less than or equal to four (4) inches in actual measurement, including but 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 these investigations 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 these investigations; the “other products” (*i.e.*, the other, non-subject merchandise included in the ensemble) are not covered by the scope of these investigations.

Excluded from the scope of these investigations 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 or made of fabric, and (b) a flexible metal wire at the base that is suitable for attaching the bow to a Christmas tree or other 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; and (9) 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.

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 these investigations 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 these investigations 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 these investigations is dispositive.

- In 2017, imports of certain plastic decorative ribbon from China were valued at an estimated \$22.5 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-570-076.

**NEXT STEPS**

- Commerce is scheduled to announce its final determination on or about October 16, 2018.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of certain plastic decorative ribbon from China materially injure, or threaten 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	Joynice Gifts & Crafts Co., Ltd.	14.27%
	Seng San Enterprises Co., Ltd.	12.81%
	Santa's Collection Shaoxing Co., Ltd.	94.67%
	All Others	13.54%

## CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	December 27, 2017
DOC Initiation Date	January 16, 2018
ITC Preliminary Determination	February 16, 2018
DOC Preliminary Determination	May 29, 2018 <sup>^</sup>
DOC Final Determination*	October 15, 2018
ITC Final Determination**	November 29, 2018
Issuance of Order***	December 6, 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). 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.

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

<sup>^</sup> 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," dated 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 preliminary determination date for this investigation has been tolled by three days and all other deadlines have been adjusted accordingly.

## 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.