



## FACT SHEET

### **Commerce Preliminarily Finds Dumping of Imports of Sodium Gluconate, Gluconic Acid, and Derivative Products from China**

- On July 3, 2018, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of sodium gluconate, gluconic acid, and derivative products 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 an imported product in the United States at less than fair value.
- Commerce assigned a preliminary dumping rate of 213.15 percent to mandatory respondents Dezhou Huiyang Biotechnology Co., Ltd., Shandong Fuyang Biotechnology Co., Ltd./Shandong Fuyang Biology Starch Co., Ltd., Qingdao Dongxiao Enterprise Co., Ltd., and Zhejiang Tianyi Food Additives Co., Ltd. This rate is based on adverse facts available because all of the mandatory respondents determined not to participate in this investigation. Commerce determined a dumping rate of 213.15 percent for the China-wide entity, also based on adverse facts available. Commerce determined that the mandatory respondents are not entitled to a separate rate, and assigned them the China-wide entity rate. Commerce determined that Xingzhou Medicine Food Co., Ltd., was eligible for a separate rate and assigned it the rate of 213.15 percent.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The petitioner is PMP Fermentation Products, Inc. (Peoria, IL).
- The products covered by this investigation 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 C<sub>6</sub>H<sub>10</sub>O<sub>6</sub>. 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 this investigation 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 2017, imports of sodium gluconate, gluconic acid, and derivative products from China were valued at an estimated \$6.2 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 A-570-071.

**NEXT STEPS**

- Commerce is scheduled to announce its final determination on or about September 18, 2018.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of sodium gluconate, gluconic acid, and derivative products from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce or the ITC issue negative final determinations, no AD 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 DUMPING RATES:**

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
China	Xingzhou Medicine Food Co., Ltd.	213.15 %
	China-Wide	213.15%

**CASE CALENDAR:**

<b>EVENT</b>	<b>DATE</b>
<b>Petition Filed</b>	<b>November 30, 2017</b>
<b>DOC Initiation Date</b>	<b>December 20, 2017</b>
<b>ITC Preliminary Determination</b>	<b>January 22, 2018</b>
<b>DOC Preliminary Determination</b>	<b>July 2, 2018<sup>^</sup></b>
<b>DOC Final Determination</b>	<b>September 17, 2018</b>
<b>ITC Final Determination*</b>	<b>November 1, 2018</b>
<b>Issuance of Order**</b>	<b>November 8, 2018</b>

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. These deadlines may be extended under certain circumstances.

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

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

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

<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" (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 date for this investigation has been tolled by 3 days and all other deadlines have been adjusted accordingly.

<b>CHINA</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Volume (metric tons)	4,813	4,248	4,828
Value (USD)	6,012,476	4,360,007	6,223,839

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