



FACT SHEET

Commerce Issues Affirmative Preliminary Determination in the Countervailing Duty Investigation of Imports of Wooden Cabinets and Vanities and Components thereof from the People's Republic of China

- On August 6, 2019, the Department of Commerce (Commerce) announced the affirmative preliminary determination of the countervailing duty (CVD) investigation of imports of wooden cabinets and vanities and components thereof (wooden cabinets and vanities) 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 10.97, 16.49, and 21.78 percent to mandatory respondents The Ancientree Cabinet Co., Ltd. (Ancientree), Dalian Meisen Woodworking Co. Ltd. (Meisen), and Rizhao Foremost Woodwork Manufacturing Company Ltd. (Foremost), respectively. Commerce assigned a preliminary subsidy rate of 229.24 percent, based entirely on adverse facts available, to Deway International Trade Co., Ltd. and Henan AiDiJia Furniture Co., Ltd. The preliminary subsidy rate for all other Chinese producers and exporters is 16.41 percent.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of wooden cabinets and vanities from China based on these preliminary rates.
- The petitioner is the American Kitchen Cabinet Alliance.
- The scope of the investigation covers wooden cabinets and vanities that are for permanent installation (including floor mounted, wall mounted, ceiling hung or by attachment of plumbing), and wooden components thereof. Wooden cabinets and vanities and wooden components are made substantially of wood products, including solid wood and engineered wood products (including those made from wood particles, fibers, or other wooden materials such as plywood, strand board, block board, particle board, or fiberboard), or bamboo. Wooden cabinets and vanities consist of a cabinet box (which typically includes a top, bottom, sides, back, base blockers, ends/end panels, stretcher rails, toe kicks, and/or shelves) and may or may not include a frame, door, drawers and/or shelves. Subject merchandise includes wooden cabinets and vanities with or without wood veneers, wood, paper or other overlays, or laminates, with or without non-wood components or trim such as metal, marble, glass, plastic, or other resins, whether or not surface finished or unfinished, and whether or not completed.

Wooden cabinets and vanities are covered by the investigation whether or not they are imported attached to, or in conjunction with, faucets, metal plumbing, sinks and/or sink bowls, or countertops. If wooden cabinets or vanities are imported attached to, or in conjunction with, such merchandise, only the wooden cabinet or vanity is covered by the scope.

Subject merchandise includes the following wooden component parts of cabinets and vanities: (1) wooden cabinet and vanity frames (2) wooden cabinet and vanity boxes (which typically include a top, bottom, sides, back, base blockers, ends/end panels, stretcher rails, toe kicks, and/or shelves), (3) wooden cabinet or vanity doors, (4) wooden cabinet or vanity drawers and drawer components (which typically include sides, backs, bottoms, and faces), (5) back panels and end panels, (6) and desks, shelves, and tables that are attached to or incorporated in the subject merchandise.

Subject merchandise includes all unassembled, assembled and/or “ready to assemble” (RTA) wooden cabinets and vanities, also commonly known as “flat packs,” except to the extent such merchandise is already covered by the scope of antidumping and countervailing duty orders on *Hardwood Plywood from the People's Republic of China*. See *Certain Hardwood Plywood Products from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order*, 83 FR 504 (January 4, 2018); *Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 83 FR 513 (January 4, 2018). RTA wooden cabinets and vanities are defined as cabinets or vanities packaged so that at the time of importation they may include: (1) wooden components required to assemble a cabinet or vanity (including drawer faces and doors); and (2) parts (*e.g.*, screws, washers, dowels, nails, handles, knobs, adhesive glues) required to assemble a cabinet or vanity. RTAs may enter the United States in one or in multiple packages.

Subject merchandise also includes wooden cabinets and vanities and in-scope components that have been further processed in a third country, including but not limited to one or more of the following: trimming, cutting, notching, punching, drilling, painting, staining, finishing, assembly, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope product.

Excluded from the scope of this investigation, if entered separate from a wooden cabinet or vanity are:

- (1) Aftermarket accessory items which may be added to or installed into an interior of a cabinet and which are not considered a structural or core component of a wooden cabinet or vanity. Aftermarket accessory items may be made of wood, metal, plastic, composite material, or a combination thereof that can be inserted into a cabinet and which are utilized in the function of organization/accessibility on the interior of a cabinet; and include:
 - Inserts or dividers which are placed into drawer boxes with the purpose of organizing or dividing the internal portion of the drawer into multiple areas for the purpose of containing smaller items such as cutlery, utensils, bathroom essentials, etc.
 - Round or oblong inserts that rotate internally in a cabinet for the purpose of accessibility to foodstuffs, dishware, general supplies, etc.
- (2) Solid wooden accessories including corbels and rosettes, which serve the primary purpose of decoration and personalization.

(3) Non-wooden cabinet hardware components including metal hinges, brackets, catches, locks, drawer slides, fasteners (nails, screws, tacks, staples), handles, and knobs.

Also excluded from the scope of this investigation are:

(1) All products covered by the scope of the antidumping duty order on *Wooden Bedroom Furniture from the People's Republic of China*. See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Wooden Bedroom Furniture from the People's Republic of China*, 70 FR 329 (January 4, 2005).

(2) All products covered by the scope of the antidumping and countervailing duty orders on *Hardwood Plywood from the People's Republic of China*. See *Certain Hardwood Plywood Products from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order*, 83 FR 504 (January 4, 2018); *Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 83 FR. 513 (January 4, 2018).

Imports of subject merchandise are classified under Harmonized Tariff Schedule of the United States (HTSUS) statistical numbers 9403.40.9060 and 9403.60.8081. The subject component parts of wooden cabinets and vanities may be entered into the United States under HTSUS statistical number 9403.90.7080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

- In 2018, imports of wooden cabinets and vanities from China were valued at an estimated \$4.4 billion.
- 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-570-107.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about December 17, 2019.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of wooden cabinets and vanities 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	The Ancientree Cabinet Co., Ltd.	10.97%
	Dalian Meisen Woodworking Co., Ltd.	16.49%
	Rizhao Foremost Woodwork Manufacturing Company Ltd.	21.78%
	Henan AiDiJia Furniture Co., Ltd.	229.24%
	Deway International Trade Co., Ltd.	229.24%
	All Others	16.41%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	March 6, 2019
DOC Initiation Date	March 26, 2019
ITC Preliminary Determination	April 22, 2019
DOC Preliminary Determination	August 6, 2019
DOC Final Determination*	December 16, 2019
ITC Final Determination**	January 30, 2020
Issuance of Order***	February 6, 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
Value (USD)	3,614,703,403	3,998,878,861	4,401,171,941

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheadings 9403.40.9060, 9403.60.8081, and 9403.90.7080). Volume is not reported in official import statistics for imports entered under these HTSUS subheadings. HTSUS subheadings 9403.60.8081 and 9403.90.7080 may cover both subject and non-subject merchandise; therefore, the above import statistics may be overstated.