



## FACT SHEET

### Commerce Finds Dumping and No Countervailable Subsidization of Imports of Glycine from Thailand

- On July 30, 2019, the Department of Commerce (Commerce) announced its affirmative final determination in the antidumping duty (AD) investigation and negative final determination in the countervailing duty (CVD) investigation of imports of glycine from Thailand.
- 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 a foreign government 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 final dumping rate of 227.27 percent to mandatory respondent Newtrend Food Ingredient (Thailand) Co., Ltd. and a final dumping rate of 201.59 to all other Thai producers and exporters.
- Newtrend Thailand's dumping rate is based on adverse facts available because the company withheld critical information about its production process during the investigation. Specifically, the company uses a so-called "mother liquor" to produce glycine, which the company failed to disclose until after Commerce discovered it.
- In the CVD investigation, Commerce assigned a *de minimis* final subsidy rate for mandatory respondent Newtrend Food Ingredient (Thailand) Co., Ltd. (Newtrend Thailand). Because the final determination is negative, no "all others" rate has been applied to any other producers/exporters in Thailand.
- 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 rates. Further, as a result of the negative final CVD determination, the CVD proceeding is terminated.
- In the AD determination, Commerce found that "critical circumstances" exist with respect to Newtrend Thailand. Consequently, Commerce will instruct CBP to suspend entries of glycine for Newtrend Thailand, effective 90 days prior to the publication of the final AD determination in the *Federal Register*.
- The petitioners are GEO Specialty Chemicals, Inc. (Lafayette, IN) and Chattem Chemicals, Inc. (Chattanooga, TN).

- The merchandise covered by these investigations is glycine at any purity level or grade. This includes glycine of all purity levels, which covers all forms of crude or technical glycine including but not limited to sodium glycinate, glycine slurry and any other forms of amino acetic acid or glycine. Subject merchandise also includes glycine and precursors of dried crystalline glycine that are processed in a third country, including, but not limited to, refining or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope glycine or precursors of dried crystalline glycine. Glycine has the Chemical Abstracts Service (CAS) registry number of 56-40-6. Glycine and glycine slurry are classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2922.49.4300. Sodium glycinate is classified in the HTSUS under 2922.49.8000. While the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.
- In 2018, imports of glycine from Thailand were valued at an estimated \$8.7 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 cases numbers A-549-837 and C-549-838.

**NEXT STEPS**

- The International Trade Commission (ITC) is scheduled to make its final determination in the AD proceeding on or about September 12, 2019. The ITC will not make a final determination in the CVD proceeding as a result of Commerce’s negative final CVD determination.
- If the ITC makes an affirmative final determination that imports of glycine from Thailand materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If the ITC makes a negative determination of injury, the AD investigation will also be terminated.

**FINAL DUMPING RATES:**

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Thailand	Newtrend Food Ingredient (Thailand) Co., Ltd.	227.17%
	All Others	201.59%

**FINAL SUBSIDY RATES:**

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
Thailand	Newtrend Food Ingredient (Thailand) Co. Ltd.	0.06% ( <i>de minimis</i> )

**CASE CALENDAR:**

<b>EVENT</b>	<b>CVD INVESTIGATION</b>	<b>AD INVESTIGATION</b>
<b>Petitions Filed</b>	<b>March 28, 2018</b>	<b>March 28, 2018</b>
<b>DOC Initiation Date</b>	<b>April 17, 2018</b>	<b>April 17, 2018</b>
<b>ITC Preliminary Determinations</b>	<b>May 14, 2018</b>	<b>May 17, 2018</b>
<b>DOC Preliminary Determinations</b>	<b>August 27, 2018</b>	<b>October 24, 2018</b>
<b>DOC Final Determinations</b>	<b>July 29, 2019</b>	<b>July 29, 2019</b>
<b>ITC Final Determination</b>	<b>Not applicable</b>	<b>September 12, 2019</b>
<b>Issuance of Order*</b>	<b>Not applicable</b>	<b>September 19, 2019*</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 (the Act). For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a) of the Act. In this case, Commerce extended the statutory deadlines to investigate alleged fraud and safeguard the integrity of its investigations. \*This will take place only in the event of an affirmative final determination from the ITC.

**IMPORT STATISTICS:**

<b>THAILAND</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume (metric tons)	615	1,234	2,723
Value (USD)	2,962,543	4,401,795	8,694,530

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheadings 2922.49.4020 and 2922.49.4300).