



FACT SHEET

Commerce Issues Affirmative Preliminary Determination in the CVD Investigation of Imports of Laminated Woven Sacks from the Socialist Republic of Vietnam

- On August 7, 2018, the Department of Commerce (Commerce) announced the affirmative preliminary determination of the countervailing duty (CVD) investigation of imports of laminated woven sacks from the Socialist Republic of Vietnam (Vietnam).
- 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.
- Commerce assigned a preliminary subsidy rate of 3.24 percent for mandatory respondent Duong Vinh Hoa Packaging Company Limited. Commerce assigned a preliminary subsidy rate of 6.15 percent for mandatory respondent Xinsheng Plastic Industry Co., Ltd. The preliminary subsidy rate for all other Vietnamese producers and exporters is 5.19 percent.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of laminated woven sacks from Vietnam based on these preliminary rates.
- The petitioners are the Laminated Woven Sacks Fair Trade Coalition and its individual members, Polytex Fibers Corporation (Houston, TX) and ProAmpac Holdings Inc. (Cincinnati, OH).
- The merchandise covered by this investigation is laminated woven sacks. Laminated woven sacks are bags consisting of one or more plies of fabric consisting of woven polypropylene strip and/or woven polyethylene strip, regardless of the width of the strip; with or without an extrusion coating of polypropylene and/or polyethylene on one or both sides of the fabric; laminated by any method either to an exterior ply of plastic film such as biaxially-oriented polypropylene (BOPP), polyester (PET), polyethylene (PE), nylon, or any film suitable for printing, or to an exterior ply of paper; printed; displaying, containing, or comprising three or more visible colors (*e.g.*, laminated woven sacks printed with three different shades of blue would be covered by the scope), not including the color of the woven fabric; regardless of the type of printing process used; with or without lining; with or without handles; with or without special closing features (including, but not limited to, closures that are sewn, glued, easy-open (*e.g.*, tape or thread), re-closable (*e.g.*, slider, hook and loop, zipper), hot-welded, adhesive-welded, or press- to-close); whether finished or unfinished (*e.g.*, whether or not closed on one end and whether or not in roll form, including, but not limited to, sheets, lay-flat, or formed in tubes); not exceeding one kilogram in actual weight. Laminated woven sacks produced in Vietnam are subject to the scope regardless of the country of origin of the fabric used to make the sack.

Subject laminated woven sacks are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 6305.33.0040. If entered with plastic coating on both sides of the fabric consisting of woven polypropylene strip and/or woven polyethylene strip, laminated woven sacks may be classifiable under HTSUS subheadings 3923.21.0080, 3923.21.0095, and 3923.29.0000. If entered not closed on one end or in roll form (including, but not limited to, sheets, lay-flat tubing, and sleeves), laminated woven sacks may be classifiable under other HTSUS subheadings, including 3917.39.0050, 3921.90.1100, 3921.90.1500, and 5903.90.2500. If the polypropylene strips and/or polyethylene strips making up the fabric measure more than 5 millimeters in width, laminated woven sacks may be classifiable under other HTSUS subheadings including 4601.99.0500, 4601.99.9000, and 4602.90.0000. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

- In 2017, imports of laminated woven sacks from Vietnam were valued at an estimated \$21.1 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-552-824.

NEXT STEPS

- Commerce is scheduled to announce its final determinations on or about December 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 laminated woven sacks from Vietnam 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
Vietnam	Duong Vinh Hoa Packaging Company Limited	3.24%
	Xinsheng Plastic Industry Co., Ltd.	6.15%
	All Others	5.19%

CASE CALENDAR:

EVENT	CVD INVESTIGATIONS
Petition Filed	March 7, 2018
DOC Initiation Date	March 27, 2018
ITC Preliminary Determination	April 27, 2018
DOC Preliminary Determination	August 6, 2018
DOC Final Determination*	December 17, 2018
ITC Final Determination**	January 31, 2019
Issuance of Order***	February 7, 2019

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:

VIETNAM	2015	2016	2017
Volume (metric tons)	8,005	6,742	8,755
Value (USD)	20,508,828	15,918,933	21,133,872

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 6305.33.0040)