



## FACT SHEET

### **Commerce Preliminarily Finds Countervailable Subsidization of Imports of Certain Polyethylene Terephthalate Resin from China and India, and No Subsidization of Imports from Oman**

- On August 10, 2015, the Department of Commerce (Commerce) announced its preliminary affirmative determinations in the countervailing duty (CVD) investigations of imports of certain polyethylene terephthalate (PET) resin from the People's Republic of China (China) and India, and its preliminary negative determination in the CVD investigation of imports of PET resin from the Sultanate of Oman (Oman).
- The CVD law provides U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce preliminarily determined that producers/exporters in China and India received countervailable subsidies ranging from 4.27 percent to 18.88 percent, and 5.50 percent to 115.04 percent, respectively (the 115.04 percent rate is based upon adverse facts available). The sole respondent in Oman received a rate of 0.28 percent, which is *de minimis*.
- In the China investigation, Commerce preliminarily determined that mandatory respondents Jiangyin Xingyu New Material Co., Ltd. (and its cross-owned affiliates) and Dragon Special Resin (Xiamen) Co., Ltd. (and its cross-owned affiliates) received subsidy rates of 4.27 percent and 18.88 percent, respectively. All other producers/exporters in China have been assigned a preliminary subsidy rate of 11.58 percent.
- In the India investigation, Commerce preliminarily determined that mandatory respondent Dhunseri Petrochem Ltd. received a subsidy rate of 5.50 percent. The other mandatory respondent, JBF Industries Limited, failed to respond to Commerce's questionnaire. As a result, JBF Industries Limited received a subsidy rate of 115.04 percent based on facts available and adverse inferences following Commerce's preliminary determination that the company had not cooperated in the investigation. All other producers/exporters in India have been assigned a preliminary subsidy rate of 5.50 percent.
- In the Oman investigation, Commerce preliminarily determined that the sole mandatory respondent OCTAL SAOC – FZC and its cross-owned affiliate OCTAL Holding SAOC received a subsidy rate of 0.28 percent, which is *de minimis*. Because the preliminary determination is negative, no "all others" rate has been applied to any other producers/exporters in Oman.
- As a result of the preliminary affirmative determinations for China and India, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.

As a result of the negative preliminary determination, no cash deposit will be required for imports of PET resin from Oman

- Based on allegations filed in the India CVD case, Commerce found that critical circumstances do not exist for Dhunseri Petrochem Ltd., but do exist for JBF Industries Limited and all other producers/exporters in India. Where critical circumstances are found, CBP will be instructed to impose provisional measures retroactively on entries of PET resin up to 90 days prior to publication of the preliminary determination *Federal Register* notice.
- The petitioners for these investigations are DAK Americas, LLC (NC), M&G Chemicals (WV), and Nan Ya Plastics Corporation, America (SC).
- The merchandise covered by these investigations is polyethylene terephthalate (PET) resin having an intrinsic viscosity of at least 0.70, but not more than 0.88, deciliters per gram. The scope includes blends of virgin PET resin and recycled PET resin containing 50 percent or more virgin PET resin content by weight, provided such blends meet the intrinsic viscosity requirements above. The scope includes all PET resin meeting the above specifications regardless of additives introduced in the manufacturing process.
- The merchandise subject to these investigations is properly classified under subheading 3907.60.00.30 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.
- In 2014, imports of PET resin from China, India, and Oman were valued at an estimated \$92.1 million, \$51.7 million, and \$51.1 million, respectively.

## **NEXT STEPS**

- Commerce has aligned the CVD investigations with the concurrent antidumping duty investigations, and is scheduled to announce its final determinations on or about December 21, 2015, unless the statutory deadline is extended.
- If Commerce makes affirmative final CVD determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of PET resin from China, India, and/or Oman, materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce's or the ITC's final determinations regarding imports from China, India, or Oman are negative, no CVD order will be issued with respect to that country. 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 RATES
China	Jiangyin Xingyu New Material Co., Ltd., Jiangsu Xingye Plastic Co., Ltd., Jiangyin Xingjia Plastic Co., Ltd., Jiangyin Xingtai New Material Co., Ltd., Jiangsu Xingye Polarization Co., Ltd., Jiangsu Sanfangxiang Group Co., Ltd., Jiangyin Hailun Petrochemicals Co., Ltd., Jiangyin Xinlun Chemical Fiber Co., Ltd., Jiangyin Huasheng Polymer Co., Ltd., Jiangsu Sanfangxiang International Trading Co., Ltd., Jiangyin Huayi Polymerization Co., Ltd., Jiangyin Xingsheng Plastic Co., Ltd., Jiangyin Chemical Fiber Co., Ltd., Jiangyin Huaxing Synthetic Co., Ltd., Jiangyin Bolun Chemical Fiber Co., Ltd., (collectively, Xingyu)	4.27%
	Dragon Special Resin (Xiamen) Co., Ltd.; Xiang Lu Petrochemicals Co., Ltd.; Xianglu Petrochemicals (Zhangzhou) Co., Ltd.; and Xiamen Xianglu Chemical Fiber Company Limited (collectively, Dragon)	18.88%
	All Others	11.58%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
India	Dhunseri Petrochem Ltd (formerly Dhunseri Petrochem and Tea Ltd) (collectively, Dhunseri)	5.50%
	JBF Industries Limited	115.04%*
	All Others	5.50%

\*Based on facts available and adverse inferences following Commerce’s preliminary determination that the company had not cooperated in the investigation.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Oman	OCTAL SAOC – FZC and OCTAL Holding SAOC	0.28% ( <i>de minimis</i> )

## CASE CALENDAR:

EVENT	DATE
<b>Petitions Filed</b>	<b>March 10, 2015</b>
<b>DOC Initiation Date</b>	<b>March 30, 2015</b>
<b>ITC Preliminary Determination</b>	<b>April 24, 2015</b>
<b>DOC Preliminary Determination</b>	<b>August 7, 2015</b>
<b>DOC Final Determination†</b>	<b>December 21, 2015</b>
<b>ITC Final Determination*</b>	<b>February 4, 2016^</b>
<b>Issuance of Order**</b>	<b>February 11, 2016^</b>

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. These deadlines may be extended under certain circumstances.

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

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

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

^ This date is estimated as it is dependent upon the publication date of Commerce's preliminary determination.

## IMPORT STATISTICS:

CHINA	2012	2013	2014
Volume (metric tons)	72,500	66,000	112,800
Value (USD)	82,879,000	70,915,000	92,128,000
INDIA	2012	2013	2014
Volume (metric tons)	22,900	36,700	38,900
Value (USD)	36,813,000	56,963,000	51,666,000
OMAN	2012	2013	2014
Volume (metric tons)	11,600	24,500	37,500
Value (USD)	18,117,000	38,252,000	51,068,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 3907.60.0030)