



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Drawn Stainless Steel Sinks from the People's Republic of China

- On July 31, 2012, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of drawn stainless steel sinks from the People's Republic of China (China).
- For the purposes 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 Chinese producers/exporters have received countervailable subsidies of 2.12 percent to 13.94 percent.
- Mandatory respondents Guangdong Yingao Kitchen Utensils Co., Ltd. and Zhongshan Superte Kitchenware Co., Ltd. received preliminary net subsidy rates of 2.12 percent and 13.94 percent, respectively. For merchandise produced by Zhongshan Superte Kitchenware Co., Ltd. and exported by Foshan Zhaoshun Trade Co., Ltd., the preliminary subsidy rate is also 13.94 percent. All other Chinese producers/exporters received a preliminary net subsidy rate of 8.03 percent.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require a cash deposit based on these preliminary rates. Pursuant to a change of practice announced in accordance with Commerce's Trade Law Enforcement Initiative, for investigations based on petitions filed on or after November 2, 2011, Commerce requires importers to post cash deposits rather than bonds to cover estimated duties between the preliminary determination and any subsequent order (76 FR 61042, October 3, 2011).
- The petitioner for this investigation is Elkay Manufacturing Company (IL).
- The merchandise covered by this investigation is drawn stainless steel sinks from China. Drawn stainless steel sinks are stainless steel sinks with single or multiple drawn bowls and a smooth basin with seamless, smooth, and rounded corners.
- Specifically excluded from the scope of this investigation are stainless steel sinks with fabricated bowls. Fabricated bowls do not have seamless corners, but rather are made by notching and bending the stainless steel, and then welding and finishing the vertical corners to form the bowls. Stainless steel sinks with fabricated bowls may sometimes be referred to as "zero radius" or "near zero radius" sinks.
- Imports of the subject merchandise are provided for under Harmonized Tariff Schedule of the United States (HTSUS) 7324.10.0000. This HTS number is provided for convenience and Customs purposes only; the written description of the scope is dispositive.

- In 2011, imports of drawn stainless steel sinks from China were valued at an estimated \$118 million.

NEXT STEPS

- Commerce is currently scheduled to make its final determination on October 15, 2012.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of drawn stainless steel sinks from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce or the ITC's final determination is negative, no CVD order will be issued. The ITC will make its final injury determination in November 2012.

Preliminary Subsidy Rates:

COUNTRY	EXPORTER/PRODUCER	RATE
China	Guangdong Yingao Kitchen Utensils Co., Ltd.	2.12%
	Zhongshan Superte Kitchenware Co., Ltd.	13.94%
	All Others	8.03%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	March 1, 2012
DOC Initiation Date	March 21, 2012
ITC Preliminary Determination	April 16, 2012
DOC Preliminary Determination	July 30, 2012
DOC Final Determination	October 15, 2012
ITC Final Determination*	November 29, 2012
Issuance of Order**	December 6, 2012

NOTE: Commerce preliminary and final determination deadlines are governed by the statute. For CVD investigations, the deadline is set forth in section 705(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 a final affirmative determination by Commerce.

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

IMPORT STATISTICS:

CHINA	2009	2010	2011
Volume (units)	2,049,000	2,759,000	3,287,000
Value (US\$)	68,805,000	98,150,000	117,950,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7324.10.0000).

Note: This HTSUS subheading does not differentiate between stainless steel sinks with drawn bowls and those with fabricated bowls. Therefore, import statistics in this table may include non-subject merchandise.