



FACT SHEET

COMMERCE FINDS UNFAIR DUMPING AND SUBSIDIZATION OF RAW FLEXIBLE MAGNETS FROM THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN

- On July 3, the Department of Commerce announced its affirmative final determinations in the antidumping (AD) and countervailing duty (CVD) investigations on imports of raw flexible magnets from the People's Republic of China (China) (AD/CVD) and Taiwan (AD).
- Dumping is when a foreign company sells a product in the United States at less than normal value. Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- The final rates for all mandatory respondents are based on adverse facts available because they failed to cooperate in these investigations.
- In the China AD investigation, one Chinese exporter qualified for a separate final rate of 105.00 percent. All other Chinese exporters, including the sole mandatory respondent, received the China-wide rate of 185.28 percent.
- In the China CVD investigation, the rate for the mandatory respondents and all other Chinese exporters is 109.95 percent.
- In the Taiwan AD investigation, the final rate for the mandatory respondents is 38.03 percent. All other exporters from Taiwan received the all-others rate of 31.20 percent.
- As a result of the final AD determinations, Commerce will instruct U.S. Customs and Border Protection to continue to suspend liquidation of entries of subject merchandise and to collect a cash deposit or bond based on the final rates. For purposes of countervailing duties, suspension of liquidation will only resume if the U.S. International Trade Commission (ITC) issues an affirmative injury finding and Commerce issues a CVD order.
- The petitioner for these investigations is Magnum Magnetics Corporation (OH).
- The merchandise covered by these investigations is raw flexible magnets. Raw flexible magnets are generally relatively thin, polymer-bonded magnetic materials characterized by their flexibility and ease of machinability, which make them ideal for use as refrigerator magnets. Raw flexible magnets are also used in a broad range of domestic, commercial, and industrial applications.
- Raw flexible magnets are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 8505.19.1000 (flexible magnets) and 8505.19.2000 (composite goods containing flexible magnets). While HTSUS subheadings are provided for convenience and customs purposes, Commerce's written description of the scope of these investigations is final and conclusive.
- In 2007, imports of raw flexible magnets from China and Taiwan were valued at an estimated \$18 million and \$2 million, respectively.

NEXT STEPS

- The ITC is scheduled to issue its final injury determination on or about August 18. If the ITC makes affirmative determinations, Commerce will issue AD and CVD orders. If the ITC makes a negative injury determination, the investigations will be terminated.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
CHINA	China Ningbo Cixi Import Export Corp.	109.95%
	Polyflex Magnets Ltd.	109.95%
	All Others	109.95%

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	MARGIN
CHINA	Polyflex Magnets Ltd.	185.28%
	Guangzhou Newlife Magnet Electricity Co., Ltd.*	105.00%
	China-Wide Entity	185.28%
TAIWAN	Kin Fong Magnets Co., Ltd.	38.03%
	Magruba Flexible Magnets Co., Ltd.	38.03%
	JASDI Magnet Co., Ltd.	38.03%
	All Others	31.20%

*This respondent qualified for a separate rate.

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petitions Filed	September 21, 2007	September 21, 2007
DOC Initiation Date	October 11, 2007	October 11, 2007
ITC Preliminary Determination	November 5, 2007	November 5, 2007
DOC Preliminary Determinations	February 19, 2008	April 18, 2008
DOC Final Determinations	July 2, 2008	July 2, 2008
ITC Final Determination	August 18, 2008	August 18, 2008
Issuance of Orders*	August 25, 2008	August 25, 2008

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

IMPORT STATISTICS:

CHINA	2005	2006	2007
Volume (units)	83,127,964	109,312,632	103,223,982
Value (\$US)	15,708,990	18,226,374	18,227,593
TAIWAN	2005	2006	2007
Volume (units)	3,352,301	3,748,199	2,968,572
Value (\$US)	1,799,337	2,305,580	1,777,665

Source: U.S. International Trade Commission, Dataweb (HTSUS 8505.19.1000 and 8505.19.2000)