



FACT SHEET

Commerce Finds Subsidization of Raw Flexible Magnets from the People's Republic of China

- On February 20, the Department of Commerce announced its affirmative preliminary determination in the countervailing duty investigation on imports of raw flexible magnets from the People's Republic of China (China).
- Commerce preliminarily determined that Chinese producers/exporters have received net countervailable subsidies of 70.41 percent. As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on the preliminary rate.
- The rate is based on total adverse facts available because one mandatory respondent did not respond to Commerce's countervailing duty questionnaire and the other withdrew its participation from the investigation.
- The petitioner for this investigation is Magnum Magnetics Corporation (OH).
- 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 this investigation is dispositive.
- In 2007, imports of raw flexible magnets from China were valued at an estimated \$18.2 million.

NEXT STEPS

- Commerce is currently scheduled to make its final determination in July 2008.
- If Commerce makes a final determination that Chinese producers/exporters have received countervailable subsidies, and the U.S. International Trade Commission makes a final determination that imports from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a countervailing duty order.

Preliminary Countervailing Subsidy Rates:

PRODUCERS/EXPORTERS	SUBSIDY RATE
China Ningbo Cixi Import Export Corp.	70.41%
Polyflex Magnets Ltd.	70.41%
All Others	70.41%

Case Calendar:

EVENT	DATE
Petition Filed	September 21, 2007
DOC Initiation Date	October 11, 2007
ITC Preliminary Determination	November 5, 2007
DOC Preliminary Determination	February 19, 2008
DOC Final Determination*	July 2, 2008
ITC Final Determination**	August 18, 2008
Date of Order***	August 25, 2008

* This deadline may be extended under the governing statute.

** This will take place only in the event of a final affirmative determination from the Department of Commerce.

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

Import Statistics:

CHINA	2005	2006	2007
Volume (units)	83,127,967	109,312,632	103,223,982
Value (\$US)	\$15,708,990	\$18,226,376	\$18,227,593

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