



FACT SHEET

Commerce Finds Unfair Dumping and Subsidization of Laminated Woven Sacks from the People's Republic of China

- Commerce will soon publish a *Federal Register* notice, announcing its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations on imports of laminated woven sacks from the People's Republic of China (China).
- 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.
- Commerce determined that Chinese producers/exporters have sold laminated woven sacks in the United States at 64.28 to 91.73 percent less than normal value, and received net countervailable subsidies ranging from 29.54 to 352.82 percent.
- The final margin for Shandong Shouguang Jianyuanchun Co., Ltd. / Shandong Longxing Plastic Pack Co. Ltd. (SSJ) in the AD investigation is based on adverse facts available as this company failed to cooperate; Zibo Aifudi Plastic Packaging Co., Ltd. (Aifudi) received a final AD rate of 64.28 percent.
- In the CVD investigation, the final subsidy rates for all of the mandatory respondents are based on adverse facts available as these companies did not cooperate to the best of their abilities. Commerce accepted one voluntary respondent, Aifudi, and calculated a subsidy rate for this respondent of 29.54 percent.
- Additionally, in the AD investigation, Commerce determined that critical circumstances exist for one of the mandatory respondents and the separate rate companies, but do not exist for the other mandatory respondent and the PRC-wide entity. In the CVD investigation, we found that critical circumstances exist for the four non-cooperative mandatory respondents, but not for any other producers or exporters.
- As a result of the final AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) 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 petitioners for these investigations are the Laminated Woven Sack Committee, an *ad hoc* association, and its individual members: Bancroft Bag, Inc. (LA); Mid-America Packaging, LLC (OH); Coating Excellence International, LLC (WI); Polytex Fibers Corp. (TX); and Hood Packaging Corp. (MS).
- The merchandise covered by these investigations is laminated woven sacks, which are typically used for retail packaging of consumer goods such as pet foods and bird seed.
- Laminated woven sacks are classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 6305.33.0050 and 6305.33.0080. Laminated woven sacks were previously classifiable under HTSUS subheading 6305.33.0020. While HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these investigations is dispositive.
- From 2005 to 2007, imports of laminated woven sacks from China increased 54.05 percent by volume and were valued at an estimated \$50 million in 2007; these statistics are based on basket categories.

NEXT STEPS

- The International Trade Commission (ITC) is scheduled to issue its final injury determination on or about July 31. If the ITC determines that imports from China are injuring or threaten injury to the domestic industry, or finds that there is material retardation of the establishment of a U.S. industry, Commerce will issue AD and CVD orders. If the ITC makes a negative injury determination, these investigations will be terminated.

Final Countervailable Subsidy Rates:

PRODUCER/EXPORTER	SUBSIDY RATE
Han Shing Chemical Co. Ltd.	223.74%
Ningbo Yong Feng Packaging Co., Ltd.	223.74%
Shandong Shouguang Jianyuanchun Co., Ltd./Shandong Longxing Plastic Pack Co. Ltd.	352.82%
Shandong Qilu Plastic Fabric Group, Ltd.	304.40%
Zibo Aifudi Plastic Packaging Co. Ltd.	29.54%
All Others	226.85%

Final Dumping Rates:

EXPORTER/PRODUCER	MARGIN
Shandong Shouguang Jianyuanchun Co., Ltd./Shandong Longxing Plastic Pack Co., Ltd.	91.73%
Zibo Aifudi Plastic Packaging Co., Ltd.	64.28%
Separate-Rate Respondents (See Attached)	64.28%
China Wide Rate	91.73%

Case Calendar:

EVENT	CVD Investigation	AD Investigation
Petitions Filed	June 28, 2007	June 28, 2007
DOC Initiation Date	July 18, 2007	July 18, 2007
ITC Preliminary Determination	August 13, 2007	August 13, 2007
DOC Preliminary Determinations	November 26, 2007	January 24, 2008
DOC Final Determinations	June 16, 2008	June 16, 2008
ITC Final Determination	July 31, 2008	July 31, 2008
Issuance of Orders*	August 7, 2008	August 7, 2008

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

Import Statistics:

China	2005	2006	2007
Volume (kg)	15,090,603	19,856,681	23,243,915
Value (\$US)	27,647,842	39,722,183	50,047,367

Source: U.S. International Trade Commission Dataweb for HTSUS subheading 6305.33.0020, which is a basket category. Effective July 1, 2007, laminated woven sacks are classifiable under HTSUS subheadings 6305.33.0050 and 6305.33.80. Laminated woven sacks were previously classifiable under HTSUS subheading 6305.33.0020.

SEPARATE RATES IN THE AD INVESTIGATION

EXPORTER/PRODUCER	MARGIN
Polywell Industrial Co., a.k.a. First Way (H.K.) Limited/Polywell Plastic Product Factory	64.28%
Zibo Linzi Worun Packaging Product Co., Ltd.	64.28%
Shandong Qikai Plastics Product Co., Ltd.	64.28%
Changle Baodu Plastics Co. Ltd.	64.28%
Zibo Linzi Shuaiqiang Plastics Co., Ltd.	64.28%
Zibo Linzi Qitianli Plastic Fabric Co., Ltd.	64.28%
Shandong Youlian Co., Ltd.	64.28%
Zibo Linzi Luitong Plastic Fabric Co., Ltd.	64.28%
Wenzhou Hotson Plastics Co., Ltd.	64.28%
Jiangsu Hotson Plastics Co., Ltd.	64.28%
Cangnan Color Make The Bag	64.28%
Zibo Qigao Plastic Cement Co., Ltd.	64.28%