



FACT SHEET

Commerce Preliminarily Finds No Countervailable Subsidies to Bottom Mount Combination Refrigerator-Freezers from the Republic of Korea

- On August 30, 2011, the Department of Commerce (Commerce) announced its negative preliminary determination in the countervailing duty (CVD) investigation of imports of bottom mount combination refrigerator-freezers (bottom mount refrigerators) from the Republic of Korea (Korea).
- For purposes of CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Korean producers/exporters have not received countervailable subsidies.
- All three mandatory respondents, LG Electronics, Inc., Samsung Electronics Co., Ltd., and Daewoo Electronics Corporation received countervailable subsidies below one percent overall, which is *de minimis*. Under the countervailing duty law, a *de minimis* countervailing duty rate in an investigation for all known producers and exporters does not meet the threshold for an affirmative determination.
- As a result of this preliminary determination, Commerce will not instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates.
- The petitioner for this investigation is: Whirlpool Corporation (MI, IA, AR).
- The products covered by this investigation are all bottom mount combination refrigerator-freezers and certain assemblies thereof from Korea. For purposes of the investigation, the term “bottom mount combination refrigerator-freezers” denotes freestanding or built-in cabinets that have an integral source of refrigeration using compression technology, with all of the following characteristics:
 - The cabinet contains at least two interior storage compartments accessible through one or more separate external doors or drawers or a combination thereof;
 - The upper-most interior storage compartment(s) that is accessible through an external door or drawer is either a refrigerator compartment or convertible compartment, but is not a freezer compartment (The existence of an interior sub-compartment for ice-making in the upper-most storage compartment does not render the upper-most storage compartment a freezer compartment); and
 - There is at least one freezer or convertible compartment that is mounted below the upper-most interior storage compartment(s).

For purposes of the investigation, a refrigerator compartment is capable of storing food at temperatures above 32 degrees F (0 degrees C), a freezer compartment is capable of storing food at temperatures at or below 32 degrees F (0 degrees C), and a convertible compartment is capable of operating as either a refrigerator compartment or a freezer compartment, as defined above. Also covered are certain assemblies used in bottom mount combination refrigerator-freezers, namely: (1)

any assembled cabinets designed for use in bottom mount combination refrigerator-freezers that incorporate, at a minimum: (a) an external metal shell, (b) a back panel, (c) a deck, (d) an interior plastic liner, (e) wiring, and (f) insulation; (2) any assembled external doors designed for use in bottom mount combination refrigerator-freezers that incorporate, at a minimum: (a) an external metal shell, (b) an interior plastic liner, and (c) insulation; and (3) any assembled external drawers designed for use in bottom mount combination refrigerator-freezers that incorporate, at a minimum: (a) an external metal shell, (b) an interior plastic liner, and (c) insulation.

- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): 8418.10.0010, 8418.10.0020, 8418.10.0030, and 8418.10.0040. Products subject to this investigation may also enter under HTSUS subheadings 8418.21.0010, 8418.21.0020, 8418.21.0030, 8418.21.0090, and 8418.99.4000, 8418.99.8050, and 8418.99.8060. These HTS numbers are provided for convenience and Customs purposes only; the written description of the scope is dispositive.
- In 2010, imports of bottom mount refrigerators, including the refrigerators included by this investigation, were valued at an estimated \$880.7 million. However, the bottom mount refrigerators subject to this investigation is classified within HTSUS basket categories that contain products beyond the scope of the investigation.

NEXT STEPS

- Commerce is currently scheduled to make its final determination in January 2012.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of bottom mount refrigerators from Korea materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. The ITC is scheduled to make its final injury determination in March 2012.

Preliminary Subsidy Rates:

PRODUCER/EXPORTER	SUBSIDY RATE
LG Electronics Inc.	<u>de minimis</u> *
Samsung Electronics Co., LTD	<u>de minimis</u>
Daewoo Electronics Corporation	<u>de minimis</u>

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	March 30, 2011
DOC Initiation Date	April 19, 2011
ITC Preliminary Determination	May 16, 2011
DOC Preliminary Determination	August 29, 2011
DOC Final Determination*	January 9, 2012
ITC Final Determination**	February 23, 2012
Issuance of Order***	March 1, 2012

*This deadline may be extended under the governing statute.

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

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IMPORT STATISTICS:

KOREA	2008	2009	2010
Value (US\$)	657,597,000	600,925,000	880,683,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 8418.10.0010, 8418.10.0020, 8418.10.0030, 8418.10.0040, 8418.21.0010, 8418.21.0020, 8418.21.0030, 8418.21.0090, 8418.99.4000, 8418.99.8050, and 8418.99.8060).

NOTE: These HTSUS subheadings do not differentiate between top mount, side-by-side, and bottom mount refrigerator units and their parts. Therefore, import statistics in the above table may include significant amounts of non-subject merchandise. Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.