



## FACT SHEET

### Commerce Preliminarily Finds Countervailable Subsidization of Imports of Large Residential Washers from the Republic of Korea (Korea)

- On May 30, 2012, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of large residential washers from Korea.
- For the purpose 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 Korean producers/exporters have received countervailable subsidies of 0.22 percent to 70.58 percent.
- Mandatory respondents Daewoo Electronics Corporation, LG Electronics Inc., and Samsung Electronics Co., Ltd. received preliminary net subsidy rates of 70.58 percent, 0.22 percent and 1.20 percent respectively. The rate for Daewoo was based on the application of adverse facts available, because Daewoo declined to participate in the investigation.
- All other Korean producers/exporters received a preliminary net subsidy rate of 1.20 percent.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect a cash deposit based on these preliminary rates. Entries from LG Electronics Inc. will be excluded from this requirement because the rate for LG Electronics Inc. is *de minimis* and results in a negative determination for LG Electronics Inc.
- 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 Whirlpool Corporation (corporate headquarters in Benton Harbor, MI, with washing machine production in Clyde, OH).
- The merchandise covered by these investigations is all large residential washers and certain subassemblies thereof from Korea and Mexico. For purposes of these investigations, the term "large residential washers" denotes all automatic clothes washing machines, regardless of the orientation of the rotational axis, with a cabinet width (measured from its widest point) of at least 24.5 inches (62.23 cm) and no more than 32.0 inches (81.28 cm). Excluded from the scope are stacked washer-dryers and commercial washers designed for the "pay per use" market.
- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): 8450.11.0040, 8450.11.0080,

8450.20.0090, 8450.90.2000, and 8450.90.6000. Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise. These HTS numbers are provided for convenience and Customs purposes only; the written description of the scope is dispositive.

- In 2011, imports of large residential washers from Korea were valued at an estimated \$568.5 million.

**NEXT STEPS**

- Commerce is currently scheduled to make its final determination in August 2012.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of large residential washers from Korea 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 is scheduled to make its final injury determinations in September 2012.

**Preliminary Subsidy Rates:**

	<b>EXPORTER/PRODUCER</b>	<b>RATE</b>
	<b>Daewoo Electronics Corporation</b>	<b>70.58 %</b>
	<b>LG Electronics, Inc.*</b>	<b>0.22 %</b>
	<b>Samsung Electronics Co., Ltd</b>	<b>1.20 %</b>
	<b>All Others</b>	<b>1.20 %</b>

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

## CASE CALENDAR:

EVENT	CVD INVESTIGATION
<b>Petition Filed</b>	<b>December 30, 2011</b>
<b>DOC Initiation Date</b>	<b>January 19, 2012</b>
<b>ITC Preliminary Determination</b>	<b>February 13, 2012</b>
<b>DOC Preliminary Determination</b>	<b>May 29, 2012</b>
<b>DOC Final Determination</b>	<b>October 10, 2012</b>
<b>ITC Final Determination*</b>	<b>November 24, 2012</b>
<b>Issuance of Order**</b>	<b>December 1, 2012</b>

NOTE: Commerce preliminary and final determination deadlines are governed by 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 from Commerce.

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

## IMPORT STATISTICS:

KOREA	2009	2010	2011
<b>Value (US\$)</b>	<b>569,756,000</b>	<b>659,109,000</b>	<b>568,585,000</b>

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 8450.11.0040, 8450.11.0080, 8450.20.0090, 8450.90.2000, and 8450.90.6000). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.