



FACT SHEET

Commerce Preliminarily Finds Dumping of Large Power Transformers from the Republic of Korea

- On February 10, 2012, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping (AD) duty investigation of imports of large power transformers (LPTs) from the Republic of Korea (Korea).
- For the purposes of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than fair value.
- The mandatory respondents Hyosung Corporation and Hyundai Heavy Industries Co., Ltd. received preliminary dumping margins of 38.07 percent and 21.79 percent, respectively. All other Korean producers/exporters received a preliminary dumping margin of 29.93 percent.
- As a result of the preliminary determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect a cash deposit or bond based on these preliminary rates.
- The petitioners for this investigation are: ABB Inc. (NC, VA, MO), Delta Star Inc. (VA, CA), and Pennsylvania Transformer Technologies, Inc. (PA).
- The scope of this investigation covers large liquid dielectric power transformers having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete.
- Incomplete LPTs are subassemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of LPTs. The “active part” of the transformer consists of one or more of the following when attached to or otherwise assembled with one another: the steel core or shell, the windings, electrical insulation between the windings, the mechanical frame for an LPT.
- The product definition encompasses all such LPTs regardless of name designation, including but not limited to step-up transformers, step-down transformers, autotransformers, interconnection transformers, voltage regulator transformers, rectifier transformers, and power rectifier transformers.
- LPTs having a top rating of 60 or more mega-volt amperes (MVA) and are typically used in high voltage electrical power transmission systems to increase, transfer, or decrease the output voltage levels being transmitted to minimize the power lost during transmission.
- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): 8504.23.0040, 8504.23.0080 and 8504.90.9540. These HTS numbers are provided for convenience and Customs purposes only; the written description of the scope is dispositive.
- In 2010, imports of LPTs from Korea were valued at an estimated \$415 million.

NEXT STEPS

- Commerce is currently scheduled to make its final determination in July 2012.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of LPTs from Korea materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. The ITC is scheduled to make its final injury determination on or about August 21, 2012.

PRELIMINARY DUMPING MARGINS:

EXPORTER/PRODUCER	MARGIN
Hyosung Corporation	38.07%
Hyundai Heavy Industries Co., Ltd.	21.79%
All Others	29.93 %

CASE CALENDAR:

EVENT	AD INVESTIGATIONS
Petition Filed	July 14, 2011
DOC Initiation Date	August 3, 2011
ITC Preliminary Determination	August 29, 2011
DOC Preliminary Determination	February 9, 2012
DOC Final Determination*	July 2, 2012
ITC Final Determination**	August 16, 2012
Issuance of Order***	August 23, 2012

*This date is an approximation and based on an estimated Preliminary Determination publication date.

**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\$)	278,411,676	327,182,553	414,722,181

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 8504.23.0040 and 8504.23.0080).

NOTE: Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.