



FACT SHEET

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

- On July 3, 2012, the Department of Commerce (Commerce) announced its affirmative final determination in the antidumping (AD) duty investigation of imports of large power transformers from the Republic of Korea (Korea).
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than fair value.
- Commerce determined that Korean producers/exporters have sold large power transformers in the United States at dumping margins ranging from 14.95 to 29.04 percent.
- Mandatory respondents Hyosung Corporation and Hyundai Heavy Industries Co., Ltd. received final dumping margins of 29.04 percent and 14.95 percent, respectively. All other Korean producers/exporters received a final dumping margin of 22 percent.
- As a result of the AD final determination, Commerce will instruct CBP to continue to collect cash deposits or bonds equal to the weighted-average dumping margins.
- The petitioners for this investigation are: ABB Inc. (NC, VA, MO), Delta Star Inc. (VA, CA), and Pennsylvania Transformer Technologies, Inc. (PA).
- The merchandise covered by 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 large power transformers are subassemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of large power transformers. 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 a large power transformer.
- The product definition encompasses all such large power transformers 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.
- Large power transformers 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 2011, imports of large power transformers from Korea were valued at an estimated \$326 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its final determination on or before August 16, 2012.
- If the ITC makes an affirmative final determination that imports of large power transformers from Korea materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If the ITC makes a negative determination of injury, the investigation will be terminated.

FINAL DUMPING MARGINS:

EXPORTER/PRODUCER	MARGIN
Hyosung Corporation	29.04%
Hyundai Heavy Industries Co., Ltd.	14.95%
All Others	22.00%

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

NOTE: Department preliminary and final determination deadlines are governed by the statute. For AD investigations, the deadline is set forth 735(a) of the Tariff Act of 1930, as amended.

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

IMPORT STATISTICS:

KOREA	2009	2010	2011
Value (US\$)	327,183,000	414,722,000	326,037,000

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

Some HTSUS subheadings may cover both subject and non-subject merchandise. The subject merchandise entered as parts or subassemblies of large power transformers may be classified under HTSUS subheading 8504.90.9540. This subheading may include significant amounts of non-subject merchandise. Therefore, this HTS code has not been used for purposes of reporting import statistics.