



FACT SHEET

Department of Commerce Finds Unfair Dumping and Subsidization of Imports of Magnesia Carbon Bricks from the People's Republic of China and Unfair Dumping of Imports from Mexico

- On July 27, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations on imports of magnesia carbon bricks from the People's Republic of China (China) (AD and CVD) and Mexico (AD).
- For the purposes of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than fair value. For the purposes of CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce determined that producers/exporters from China and Mexico have sold magnesia carbon bricks in the United States at margins ranging from 128.10 to 236.00 percent, and 57.90 percent, respectively.
- Commerce also determined that producers/exporters from China have received net countervailable subsidies ranging from 24.24 to 253.87 percent.
- In the AD investigations, the Chinese mandatory respondent, RHI Refractories Liaoning Co., Ltd. ("RHI"), received a final dumping rate of 128.10 percent. Thirteen additional Chinese producers/exporters qualified for a separate rate of 128.10 percent. All other Chinese producers/exporters of magnesia carbon bricks received the China-wide dumping rate of 236.00 percent based on the application of adverse facts available as the China-wide entity did not cooperate with Commerce's requests for information.
- Mexican respondent, RHI-Refmex S.A. de C.V., received a final dumping rate of 57.90 percent. All other Mexican producers/exporters received a final dumping rate of 57.90 percent.
- In the CVD investigation, Chinese mandatory respondent, the Mayerton Companies (Dalian Mayerton Refractories Co., Ltd. and Liaoning Mayerton Refractories Co., Ltd.) received a net subsidy rate of 253.87 percent, based on the application of adverse facts available as it failed to cooperate with Commerce's requests for information.
- The other mandatory respondent, the RHI Companies (RHI Refractories Liaoning Co., Ltd., RHI Refractories (Dalian) Co., Ltd., and Liaoning RHI Jinding Magnesia Co., Ltd.), received a net subsidy rate of 24.24 percent. All other Chinese producers/exporters received a net subsidy rate of 24.24 percent.
- As a result of the final AD determinations, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond on imports of magnesia carbon bricks based on the

final AD rates. As a result of the affirmative final CVD determination (which follows a negative preliminary determination), Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond on imports of magnesia carbon bricks based on the final CVD rates.

- The petitioner for these investigations is Resco Products, Inc. (PA).
- The products covered by these investigations are magnesia carbon bricks which are a type of refractory brick used in furnaces primarily for the production of iron and steel. The merchandise subject to these investigations consist of chemically bonded (resin or pitch) magnesia carbon bricks with a magnesia component of at least 70 percent magnesia by weight, and with carbon levels ranging from trace amounts to 30 percent by weight.
- The products covered by these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the categories: 6902.10.10.00, 6902.10.50.00, 6815.91.00.00, 6815.99.2000 and 6815.99.4000. While the HTSUS subheadings are provided for convenience and customs purposes, Commerce's written description of the subject merchandise governs the scope of these investigations.
- Imports of certain magnesia carbon bricks from China were valued at an estimated \$38.1 million in 2009. Imports of certain magnesia carbon bricks from Mexico were valued at an estimated \$9.4 million in 2009.

NEXT STEPS

- The ITC is scheduled to issue its final determinations on or about September 9, 2010.
- If the ITC makes affirmative determinations that imports of magnesia carbon bricks from China and/or Mexico materially injure, or threaten material injury to the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative injury determinations, these investigations will be terminated.

FINAL DUMPING RATES:

COUNTRY	PRODUCER/EXPORTER	DUMPING RATE
China	RHI - Refractories Liaoning Co., Ltd.	128.10%
	Separate Rate Respondents	
	Dashiqiao City Guancheng Refractor Co., Ltd.	128.10 %
	Fengchi Imp. And Exp. Co., Ltd. Of Haicheng City	128.10 %
	Jiangsu Sujia Group New Materials Co. Ltd.	128.10 %
	Liaoning Fucheng Refractories Group Co., Ltd.	128.10 %
	Liaoning Fucheng Special Refractory Co., Ltd.	128.10 %
	Liaoning Jiayi Metals & Minerals Co., Ltd.	128.10 %
	Yingkou Bayuquan Refractories Co., Ltd.	128.10 %
	Yingkou Dalmond Refractories Co., Ltd.	128.10 %
	Yingkou Guangyang Co., Ltd.	128.10 %
	Yingkou Jiahe Refractories Co., Ltd.	128.10 %
	Yingkou Kyushu Refractories Co, Ltd.	128.10 %
	Yingkou New Century Refractories Ltd.	128.10 %
	Yingkou Wonjin Refractory Material Co., Ltd.	128.10 %
		China-Wide
Mexico	RHI-Refmex S.A. de C.V.	57.90%
	All Others	57.90%

FINAL SUBSIDY RATES:

PRODUCER/EXPORTER	SUBSIDY RATE
The Mayerton Companies (Dalian Mayerton Refractories Co., Ltd. and Liaoning Mayerton Refractories Co., Ltd.)	253.87%
The RHI Companies (RHI Refractories Liaoning Co., Ltd., RHI Refractories (Dalian) Co., Ltd., and Liaoning RHI Jinding Magnesia Co., Ltd.)	24.24%
All Others	24.24%

CASE CALENDAR:

EVENT	AD	CVD
Petition Filed	July 29, 2009	July 29, 2009
DOC Initiation Date	August 18, 2009	August 18, 2009
ITC Preliminary Determination	September 14, 2009	September 14, 2009
DOC Preliminary Determination	March 4, 2010	December 16, 2009
DOC Final Determination	July 26, 2010	July 26, 2010
ITC Final Determination	September 9, 2010	September 9, 2010
Issuance of Order*	September 16, 2010	September 16, 2010

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

IMPORT STATISTICS

MEXICO	2007	2008	2009
Value (USD)	5,626,000	7,712,000	9,388,000
CHINA	2007	2008	2009
Value (USD)	39,741,000	50,784,000	38,069,000

Source: US Bureau of Census, accessed through Global Trade Atlas (HTSUS 6902.10.1000 and 6902.10.5000). Subject merchandise may also enter under subheadings 6815.91.0000, 6815.99.2000, and 6815.99.4000. These additional subheadings may include significant amounts of non-subject merchandise, and, therefore, have not been used for purposes of reporting import statistics in the above table.

Note: Volume could not be reported, as imports of subject merchandise are reported in multiple units of measure.