



FACT SHEET

Commerce Finds Dumping and Subsidization of Imports of Steel Wire Garment Hangers from the Socialist Republic of Vietnam (Vietnam)

- On December 18, 2012, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of steel wire garment hangers from Vietnam.
- The AD and CVD laws provide U.S. businesses, workers, and farmers with a transparent and internationally approved mechanism to seek relief from the market distorting effects caused by injurious dumping and subsidization of imports into the United States, and thus to have an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. 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 determined that producers/exporters from Vietnam have sold steel wire garment hangers in the United States at dumping margins of 157.00 percent to 220.68 percent. Commerce also determined that producers/exporters from Vietnam have received countervailable subsidies of 31.58 percent to 90.42 percent.
- In the AD investigation, Commerce finds that mandatory respondent the TJ Group is denied a separate rate because it withdrew its participation from the investigation and, as such, is now considered part of the Vietnam-Wide Entity. Commerce continues to deny mandatory respondent South East Asia Hamico Export Joint Stock Corporation (“Hamico”) a separate rate because it failed to provide complete responses to Commerce’s questionnaires. As such, Hamico is still considered part of the Vietnam-Wide Entity. For the final determination, the Vietnam-Wide Entity has received an adverse facts available rate of 220.68 percent, which is the highest petition rate. Three other exporters qualified for a separate rate of 157.00 percent, a simple average of all the petition rates.
- In the CVD investigation, mandatory respondents South East Asia Hamico Export Joint Stock Company (SEA Hamico), Nam A Hamico Export Joint Stock Company (Nam A), and Linh Sa Hamico Company Limited (Linh Sa) (collectively, the Hamico Companies) and Infinite Industrial Hanger Limited (Infinite) and Supreme Hanger Company Limited (Supreme) (collectively the Infinite Companies) were determined to have final subsidy rates of 31.58 percent and 90.42 percent, respectively. All other producers/exporters from Vietnam received a final subsidy rate of 31.58 percent.
- Commerce found that critical circumstances exist in both the AD and CVD investigations. Specifically, for the CVD investigation, the Department found that critical circumstances

exist for Infinite Companies and the all others rate companies and that critical circumstances do not exist for the Hamico Companies. As a result, provisional duty deposits, normally collected as of the date of publication of Commerce's preliminary determinations, will be collected 90 days prior to that date. For the AD investigation, the Department found that critical circumstances exist for the Vietnam-Wide Entity, which now includes both Hamico and the TJ Group, as well as the three non-individually examined companies receiving a separate rate. In order for this early duty deposit collection to be maintained, the U.S. International Trade Commission (ITC) must also reach an affirmative finding regarding critical circumstances.

- In the CVD investigation, Commerce concluded that all producers and exporters benefited from an export subsidy. Commerce, in accordance with the statute, is required to adjust AD rates to account for such export subsidies. In keeping with Commerce's practice in investigations, Commerce will require cash deposits in the AD proceeding equal to the calculated dumping margins reduced by 6.17 percent, the export subsidy rate.
- As a result of the final AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. As a result of the affirmative final CVD determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit equal to the final net subsidy rates if the U.S. International Trade Commission (ITC) issues a final affirmative injury determination.
- The petitioners for this investigation are M&B Metal Products Company, Inc. (Leeds, AL), Innovative Fabrication LLC/ Indy Hanger (Indianapolis, IN), and US Hanger Company, LLC (Gardena, CA).
- The merchandise subject to these investigations are steel wire garment hangers, fabricated from carbon steel wire, whether or not galvanized or painted, whether or not coated with latex or epoxy or similar gripping materials, and/or whether or not fashioned with paper covers or capes (with or without printing) and/or nonslip features such as saddles or tubes. These products may also be referred to by a commercial designation, such as shirt, suit, strut, caped, or latex (industrial) hangers.
- Specifically excluded from the scope of these investigations are (a) wooden, plastic, and other garment hangers that are not made of steel wire; (b) steel wire garment hangers with swivel hooks; (c) steel wire garment hangers with clips permanently affixed; and (d) chrome plated steel wire garment hangers with a diameter of 3.4 mm or greater.
- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): HTSUS 7323.99.9060, 7323.99.9080, and 7326.20.0020). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise. Note HTS code 7323.99.9060 was in effect for subject merchandise prior to 2011 and is included for historic data purposes. These HTS numbers are provided for convenience and customs purposes only; the written description of the scope is dispositive.

- In 2011, imports of steel wire garment hangers from Vietnam were valued at an estimated \$32 million. Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.

NEXT STEPS

- The ITC is scheduled to make its final determination on or before January 31, 2013.
- If the ITC makes an affirmative final determination that imports of steel wire garment hangers from Vietnam materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes a negative determination of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

EXPORTER/PRODUCER	DUMPING MARGIN	CASH DEPOSIT RATE*
Separate Rate Companies (CTN Limited Company, Ju Fu Co., Ltd., and Triloan Hangers, Inc.)	157.00%	150.83%
Vietnam-Wide Rate (including Hamico and the TJ Group)	220.68%	214.51%

* The cash deposit rates account for the applicable export subsidy adjustment of 6.17%.

FINAL SUBSIDY RATES:

EXPORTER/PRODUCER	SUBSIDY RATE*
South East Asia Hamico Export Joint Stock Company (SEA Hamico), Nam A Hamico Export Joint Stock Company (Nam A), and Linh Sa Hamico Company Limited (Linh Sa) (collectively, the Hamico Companies)	31.58%
Infinite Industrial Hanger Limited (Infinite) and Supreme Hanger Company Limited (Supreme) (collectively the Infinite Companies)	90.42%
All Others	31.58%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	December 29, 2011	December 29, 2011
DOC Initiation Date	January 18, 2012	January 18, 2012
ITC Preliminary Determination	February 13, 2012	February 13, 2012
DOC Preliminary Determination	May 29, 2012	July 26, 2012
DOC Final Determination	December 17, 2012	December 17, 2012
ITC Final Determination	January 31, 2013	January 31, 2013
Issuance of Order*	February 7, 2013	February 7, 2013

NOTE: Department preliminary and final determination deadlines are governed by the statute. For CVD investigations, the deadline is set forth in section 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 735(a) of the Act. These deadlines may be extended under certain circumstances.

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

IMPORT STATISTICS:

VIETNAM	2009	2010	2011
Value (US\$)	19,512,000	28,992,000	31,981,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7323.99.9060, 7323.99.9080, and 7326.20.0020). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise. Note HTS code 7323.99.9060 was in effect for subject merchandise prior to 2011 and is included for historic data purposes. The volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.