



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Aluminum Extrusions from the People's Republic of China

- On August 31, 2010, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of aluminum extrusions from the People's Republic of China (China).
- Additionally, Commerce has determined not to investigate the alleged undervaluation of China's currency, the RMB, as a countervailable subsidy because the Petitioners' allegation did not meet the statutory standard for initiating an investigation. Commerce's decision was reached after careful study of the multi-faceted and complex allegation in this case.
- For the purposes of CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received countervailable subsidies ranging from 6.18 percent to 137.65 percent ad valorem.
- As mandatory respondents Liaoyang Zhongwang Aluminum Profile Co. Ltd./Liaoning Zhongwang Group (collectively, the Zhongwang Group Companies), Miland Luck Ltd., and Dragonluxe Limited, did not respond to the Department's request for information, each received a preliminary adverse facts available (AFA) net subsidy rate of 137.65 percent ad valorem.
- Two voluntary respondents, Guang Ya Aluminum Industries Co., Ltd., Foshan Guangcheng Aluminum Co., Ltd., Guang Ya Aluminum Industries (Hong Kong) Ltd., Kong Ah International Company Limited, and Yongji Guanghai Aluminum Industry Co., Ltd. (collectively, the Guang Ya Companies) and Zhaoqing New Zhongya Aluminum Co., Ltd., Zhongya Shaped Aluminum HK Holding Ltd, and Karlton Aluminum Company Ltd. (collectively, the Zhongya Companies) received preliminary net subsidy rates of 6.18 and 10.37 percent ad valorem, respectively.
- All other Chinese producers/exporters received a preliminary net subsidy rate of 137.65 percent ad valorem.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates.
- The petitioners for this investigation are: The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (PA) and the Aluminum Extrusions Fair Trade Committee (representing member companies from Ohio, Minnesota, Florida, Georgia, California, Utah, Maryland, Illinois, and Texas).
- The merchandise covered by this investigation is certain aluminum extrusions which are shapes and forms produced via an extrusion process of aluminum alloys. The major alloying elements in the subject merchandise are manganese, magnesium, and silicon. These products are generally

used in construction applications and are incorporated into window and door frames and sills, gutters, and solar power frames. They serve as parts for cars, trucks and both structural and decorative elements on boats. They also serve as furniture parts and in a variety of other consumer and industrial goods.

- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (“HTS”): 7604.21.0000, 7604.29.1000, 7604.29.3010, 7604.29.3050, 7604.29.5030, 7604.29.5060, 7608.20.0030, and 7608.20.0090. The subject merchandise entered as parts of other aluminum products may be classifiable under the following additional Chapter 76 subheadings: 7610.10, 7610.90, 7615.19, 7615.20, and 7616.99 as well as under other HTS chapters. While HTS subheadings are provided for convenience and customs purposes, the written description of the scope in this proceeding is dispositive.
- From 2007 to 2009, imports of aluminum extrusions from China increased 90 percent by volume. In 2009, imports of aluminum extrusions were valued at an estimated \$514 million.

NEXT STEPS

- Commerce is currently scheduled to make its final determination in November 2010.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of aluminum extrusions from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. The ITC is scheduled to make its final injury determination on or about December 30, 2010.

PRELIMINARY SUBSIDY RATES:

PRODUCER/EXPORTER	SUBSIDY RATE
Liaoyang Zhongwang Aluminum Profile Co. Ltd./Liaoning Zhongwang Group (collectively, the Zhongwang Group Companies)	137.65%
Miland Luck Ltd.	137.65%
Dragonlux Limited	137.65%
Guang Ya Aluminum Industries Co., Ltd., Foshan Guangcheng Aluminum Co., Ltd., Guang Ya Aluminum Industries (Hong Kong) Ltd., Kong Ah International Company Limited, and Yongji Guanghai Aluminum Industry Co., Ltd. (collectively, the Guang Ya Companies)	6.18%
Zhaoqing New Zhongya Aluminum Co., Ltd., Zhongya Shaped Aluminum HK Holding Ltd, and Karlton Aluminum Company Ltd. (collectively, the Zhongya Companies)	10.37%
All Others	137.65%

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

CASE CALENDAR:

EVENT	DEADLINE
Petitions Filed	March 31, 2010
DOC Initiation Date	April 20, 2010
ITC Preliminary Determination	May 17, 2010
DOC Preliminary Determination	August 30, 2010
DOC Final Determination	November 15, 2010
ITC Final Determination*	December 30, 2010
Issuance of Orders**	January 6, 2011

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

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IMPORT STATISTICS:

CHINA	2007	2008	2009
Volume (in metric tons)	101,000	81,000	192,000
Value (US\$1,000)	369,197	306,824	513,553

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7604.21.0000, 7604.29.1000, 7604.29.3010, 7604.29.3050, 7604.29.5030, 7604.29.5060, 7608.20.0030, and 7608.20.0090). The subject merchandise entered as parts of other aluminum products may also be classifiable under the following additional Chapter 76 subheadings: 7610.10, 7610.90, 7615.19, 7615.20, and 7616.99. These other HTSUS 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.