



FACT SHEET

Commerce Finds Dumping and Subsidization of Imports of Large Residential Washers from the Republic of Korea (Korea) and Dumping of Imports of Large Residential Washers from Mexico

- On December 19, 2012, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of large residential washers from Korea (AD/CVD) and Mexico (AD).
- 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 Korea and Mexico have sold large residential washers in the United States at dumping margins of 9.29 percent to 82.41 percent, and 36.52 percent to 72.41 percent, respectively.
- Commerce also determined that producers/exporters from Korea have received countervailable subsidies of 0.01 percent (*de minimis*) to 72.30 percent.
- In the Korea AD investigation, mandatory respondents Daewoo Electronics Corporation (Daewoo), LG Electronics, Inc. (LG), and Samsung Electronics Co., Ltd. were determined to have final dumping margins of 82.41 percent, 13.02 percent, and 9.29 percent, respectively. The margin for Daewoo was based on adverse fact available (AFA) because of its failure to cooperate in the investigation. All other producers/exporters from Korea received a final dumping margin of 11.86 percent.
- In the Korea CVD investigation, mandatory respondents Daewoo Electronics Corporation, LG Electronics Inc., and Samsung Electronics Co., Ltd. were determined to have final subsidy rates of 72.30 percent, 0.01 percent (*de minimis*) and 1.85 percent, respectively. The rate for Daewoo was based on the application of AFA because of its failure to cooperate in the investigation. All other producers/exporters from Korea received a final subsidy rate of 1.85 percent.
- In the Mexico AD investigation, mandatory respondents Electrolux Home Products, Corp. NV/Electrolux Home Products De Mexico, S.A. de C.V. (Electrolux), Samsung Electronics Mexico S.A. de C.V. (Samsung), and Whirlpool International S. de R.L. de C.V. (Whirlpool) were determined to have final dumping margins of 36.52 percent, 72.41 percent, and 72.41 percent, respectively. The margins for Samsung and Whirlpool were based on adverse facts available because of their failure to cooperate in the investigation. All other producers/exporters from Mexico received a final dumping margin of 36.52 percent.

- In the CVD investigation, Commerce concluded that two producers and exporters benefited from an export subsidy. Commerce, in accordance with the statute, is required to adjust the Korea AD rates to account for such export subsidies. In keeping with Commerce’s practice in investigations, in the event that AD and CVD orders are issued, Commerce will require cash deposits in the Korea AD proceeding equal to the calculated dumping margins reduced by the company-specific export subsidy rates found for those two companies.
- As a result of the final AD determinations, 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, with the exception of shipments by LG Electronics Inc., if the U.S. International Trade Commission (ITC) issues final affirmative injury determinations. The finding of a *de minimis* final CVD rate for LG Electronics Inc. results in a negative determination; LG Electronics Inc. will therefore not be subject to CVD suspension of liquidation and CVD cash deposit requirements, should they be resumed.
- The petitioner for these investigations is Whirlpool Corporation (corporate headquarters in Benton Harbor, MI, with washing machine production in Clyde, OH).
- The merchandise covered by these investigations is all large residential washers and certain subassemblies thereof from Korea and Mexico. For purposes of these investigations, the term “large residential washers” denotes all automatic clothes washing machines, regardless of the orientation of the rotational axis, except as noted below, with a cabinet width (measured from its widest point) of at least 24.5 inches (62.23 cm) and no more than 32.0 inches (81.28 cm). Excluded from the scope are stacked washer-dryers and commercial washers designed for the “pay per use” market. Also excluded from the scope are automatic clothes washing machines with a vertical rotational axis and a rated capacity of less than 3.70 cubic feet.
- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): HTSUS 8450.11.0040, 8450.11.0080, 8450.20.0090, 8450.90.2000, and 8450.90.6000). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise. These HTS numbers are provided for convenience and Customs purposes only; the written description of the scope is dispositive.
- In 2011, imports of large residential washers from Korea and Mexico were valued at an estimated \$569 million and \$434 million, respectively.

NEXT STEPS

- The ITC is scheduled to make its final determination on or before February 1, 2013.
- If the ITC makes affirmative final determinations that imports of large residential washers from Korea and/or Mexico 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 for Korea and/or Mexico, the investigation(s) will be terminated.

KOREA FINAL DUMPING MARGINS:

EXPORTER/PRODUCER	DUMPING MARGIN	CASH DEPOSIT RATE*
Daewoo	82.41%	79.11%
LG	13.02%	13.02%
Samsung	9.29%	9.23%
All Others	11.86%	11.80%

* The cash deposit rates account for the applicable company-specific export subsidy rates of 3.3 percent for Daewoo, 0.06 percent for Samsung and 0.06 percent for All Others.

KOREA FINAL SUBSIDY RATES:

EXPORTER/PRODUCER	SUBSIDY RATE*
Daewoo Electronics Corporation	72.30%
LG Electronics, Inc.*	0.01% <i>de minimis</i>**
Samsung Electronics Co., Ltd	1.85%
All Others	1.85%

* The subsidy rate and the cash deposit rate are the same.

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

MEXICO FINAL DUMPING MARGINS:

EXPORTER/PRODUCER	DUMPING MARGIN
Electrolux	36.52%
Samsung	72.41%
Whirlpool	72.41%
All Others	36.52%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATIONS
Petition Filed	December 30, 2011	December 30, 2011
DOC Initiation Date	January 19, 2012	January 19, 2012
ITC Preliminary Determination	February 13, 2012	February 13, 2012
DOC Preliminary Determination	May 29, 2012	July 27, 2012
DOC Final Determination	December 18, 2012	December 18, 2012
ITC Final Determination	February 1, 2013	February 1, 2013
Issuance of Order*	February 8, 2013	February 8, 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:

Mexico	2009	2010	2011
Value (USD)	382,747,000	450,234,000	434,302,000
Korea	2009	2010	2011
Value (USD)	569,756,000	659,109,000	568,535,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 8450.11.0040, 8450.11.0080, 8450.20.0090, 8450.90.2000, and 8450.90.6000). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise. The volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.