



## FACT SHEET

### **Commerce Preliminarily Finds Dumping of Bottom Mount Combination Refrigerator-Freezers from the Republic of Korea and Mexico**

- On October 27, 2011, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping (AD) duty investigations of imports of bottom mount combination refrigerator-freezers (bottom mount refrigerators) from the Republic of Korea (Korea) and Mexico.
- For the purposes of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than fair value.
- In the Korea investigation, mandatory respondents Daewoo Electronics Corporation (Daewoo), LG Electronics, Inc. (LG Korea) and Samsung Electronics, Inc. (Samsung Korea) received preliminary dumping rates of 0.00 percent, 4.09 percent and 32.20 percent, respectively. We found that Samsung Korea did not act to the best of its ability by failing to submit useable data with respect to its sales of certain products subject to the investigation, sales which constituted the overwhelming majority of Samsung Korea's home market sales. All other Korean producers/exporters received the preliminary dumping rate of 18.15 percent.
- In the Mexico investigation, mandatory respondents Controladora Mabe S.A. de C.V. /Mabe S.A. de C.V. (Mabe), Electrolux Home Products, Corp. NV/Electrolux Home Products De Mexico, S.A. de C.V. (Electrolux), LG Electronics Monterrey Mexico, S.A. de C.V. (LG Mexico) and Samsung Electronics Mexico S.A. de C.V. (Samsung Mexico) received preliminary dumping rates of 36.21 percent, 19.80 percent, 16.44 percent and 36.65 percent, respectively. All other Mexican producers/exporters received the preliminary dumping rate of 28.02 percent.
- Petitioner alleged targeted dumping on a time-period-specific basis for LG Korea, Samsung Korea, Electrolux, LG Mexico, and Samsung Mexico. Commerce found targeted dumping with respect to each of these companies, except for Electrolux.
- With respect to LG Mexico, Commerce applied the multinational corporation (MNC) provision and calculated its dumping margin by comparing the prices of its sales to the United States to the prices of the sales made by its parent, LG Korea, in its Korean home market. The purpose of the provision is to protect a domestic industry against an MNC that shifts some production to one country (in this case Mexico), uses it as an export platform to engage in dumping, and leverages that dumping with higher prices in the MNC's parent market (in this case Korea) or another market where the MNC has production and sales.
- In the Korea investigation, Commerce preliminarily determined that critical circumstances do not exist with respect to imports of bottom mount refrigerators from Korea. In the Mexico investigation, Commerce preliminarily determined that critical circumstances exist only with respect to imports of bottom mount refrigerators from Samsung Mexico.

- As a result of these preliminary determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect a cash deposit or bond based on these preliminary rates, except for Daewoo, for which the preliminary determination is negative. Commerce will also instruct CBP to begin collection of cash deposits or bonds on imports of the subject merchandise from Samsung Mexico 90 days prior to the date of publication of the preliminary determination.
- The petitioner for these investigations is: Whirlpool Corporation (MI) with plants in Iowa and Arkansas.
- The products covered by these investigations are all bottom mount combination refrigerator-freezers and certain assemblies thereof from Korea and Mexico. For purposes of the investigations, the term “bottom mount combination refrigerator-freezers” denotes freestanding or built-in cabinets that have an integral source of refrigeration using compression technology, with all of the following characteristics:
  - The cabinet contains at least two interior storage compartments accessible through one or more separate external doors or drawers or a combination thereof;
  - An upper-most interior storage compartment(s) that is accessible through an external door or drawer is either a refrigerator compartment or convertible compartment, but is not a freezer compartment (The existence of an interior sub-compartment for ice-making in an upper-most storage compartment does not render an upper-most storage compartment a freezer compartment); and
  - There is at least one freezer or convertible compartment that is mounted below an upper-most interior storage compartment(s).

For purposes of the investigations, a refrigerator compartment is capable of storing food at temperatures above 32 degrees F (0 degrees C), a freezer compartment is capable of storing food at temperatures at or below 32 degrees F (0 degrees C), and a convertible compartment is capable of operating as either a refrigerator compartment or a freezer compartment, as defined above. Also covered are certain assemblies used in bottom mount combination refrigerator-freezers, namely: (1) any assembled cabinets designed for use in bottom mount combination refrigerator-freezers that incorporate, at a minimum: (a) an external metal shell, (b) a back panel, (c) a deck, (d) an interior plastic liner, (e) wiring, and (f) insulation; (2) any assembled external doors designed for use in bottom mount combination refrigerator-freezers that incorporate, at a minimum: (a) an external metal shell, (b) an interior plastic liner, and (c) insulation; and (3) any assembled external drawers designed for use in bottom mount combination refrigerator-freezers that incorporate, at a minimum: (a) an external metal shell, (b) an interior plastic liner, and (c) insulation.

- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): 8418.10.0010, 8418.10.0020, 8418.10.0030, and 8418.10.0040. Products subject to these investigations may also enter under HTSUS subheadings 8418.21.0010, 8418.21.0020, 8418.21.0030, 8418.21.0090, and 8418.99.4000, 8418.99.8050, and 8418.99.8060. These HTS numbers are provided for convenience and Customs purposes only; the written description of the scope is dispositive.

- In 2010, imports of refrigerators, including the refrigerators included by these investigations, from Korea and Mexico were valued at an estimated \$880.7 million and \$2.3 billion, respectively. However, the bottom mount refrigerators subject to these investigations are classified within HTSUS basket categories that contain products beyond the scope of the investigations.

**NEXT STEPS**

- Commerce is currently scheduled to make its final determinations in March 2012.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of bottom mount refrigerator-freezers from Korea and/or Mexico materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. The ITC is scheduled to make its final injury determinations on or about April 30, 2012.

**PRELIMINARY DUMPING MARGINS:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>MARGIN</b>
<b>KOREA</b>	<b>Daewoo</b>	<b>0.00%</b>
	<b>LG</b>	<b>4.09%</b>
	<b>Samsung</b>	<b>32.20%</b>
	<b>All Others Rate</b>	<b>18.15%</b>

<b>COUNTRY</b>	<b>PRODUCER/EXPORTER</b>	<b>MARGIN</b>
<b>MEXICO</b>	<b>Mabe</b>	<b>36.21%</b>
	<b>Electrolux</b>	<b>19.80%</b>
	<b>LG</b>	<b>16.44%</b>
	<b>Samsung</b>	<b>36.65%</b>
	<b>All Others Rate</b>	<b>28.02%</b>

## CASE CALENDAR:

EVENT	AD INVESTIGATIONS
Petition Filed	March 30, 2011
DOC Initiation Date	April 19, 2011
ITC Preliminary Determination	May 16, 2011
DOC Preliminary Determination	October 27, 2011
DOC Final Determination*	March 14, 2012
ITC Final Determination**	April 30, 2012
Issuance of Order***	May 7, 2012

\*This deadline has been extended under the governing statute and is an estimate depending on the exact date of publication of the preliminary results in the Federal Register.

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

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

## IMPORT STATISTICS:

KOREA	2008	2009	2010
Value (US\$)	657,597,000	600,925,000	880,683,000
MEXICO	2008	2009	2010
Value (US\$)	2,032,589,000	1,951,043,000	2,312,238,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 8418.10.0010, 8418.10.0020, 8418.10.0030, 8418.10.0040, 8418.21.0010, 8418.21.0020, 8418.21.0030, 8418.21.0090, 8418.99.4000, 8418.99.8050, and 8418.99.8060.

**NOTE:** These HTSUS subheadings do not differentiate between top mount, side-by-side, and bottom mount refrigerator units and their parts. Therefore, import statistics in the above table may include significant amounts of non-subject merchandise. Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.