



FACT SHEET

Commerce Finds Unfair Dumping and Subsidization of Lightweight Thermal Paper from the People's Republic of China and Germany

- On September 26, the Department of Commerce announced its affirmative final determinations in the antidumping (AD) and countervailing duty (CVD) investigations of imports of lightweight thermal paper (LWTP), commonly used for printed receipts, from the People's Republic of China (AD/CVD) and Germany (AD).
- Dumping occurs when a foreign company sells a product in the United States at less than normal value. Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce determined that producers/exporters from China and Germany have sold LWTP in the United States at 19.77 and 115.29 percent, and 6.50 percent less than normal value, respectively.
- Commerce also found that Chinese producers/exporters received net countervailable subsidies ranging from 0.57 (*de minimis*) to 137.25 percent.
- In the China AD investigation, participating respondents Guangdong Guanhao High-Tech Co., Ltd., and Shanghai Hanhong Paper Co., Ltd., received final rates of 19.77 and 115.29 percent, respectively. All other Chinese producers/exporters received the China-wide rate of 115.29 percent.
- In the China CVD investigation, participating respondents Guangdong Guanhao High-Tech Co., Ltd., and Shanghai Hanhong Paper Co., Ltd., received net subsidy rates of 13.17 and 0.57 (*de minimis*) percent, respectively. Three other companies failed to participate in the investigation and received adverse rates ranging from 123.65 to 137.25 percent. All other Chinese producers/exporters received a rate of 13.17 percent.
- In the Germany AD investigation, the final rate for Papierfabrik August Koehler AG and all other exporters from Germany is 6.50 percent.
- As a result of the final AD determinations, Commerce will instruct U.S. Customs and Border Protection to continue to suspend liquidation of entries of subject merchandise and to collect a cash deposit or bond based on the final rates. For purposes of countervailing duties, suspension of liquidation will only resume if the U.S. International Trade Commission (ITC) issues an affirmative injury finding and Commerce issues a CVD order. The amount of the export subsidies found in the CVD investigation will be deducted from Guangdong Guanhao High-Tech's AD cash deposit rate.
- The petitioner for these investigations is Appleton Papers, Inc. (WI).

- The merchandise covered by these investigations is a paper coated with chemicals that will react to form images when exposed to heat. LWTP is typically, but not exclusively, used for point-of-sale applications, such as printing receipts and coupons.
- LWTP is currently classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 4811.90.8040, 4811.90.9090, 3703.10.60, 4811.59.20, 4820.10.20, and 4823.40.00. These HTSUS item numbers are basket categories, covering not only LWTP, but also other types of thermal paper and non-thermal paper. While HTSUS subheadings are provided for convenience and customs purposes, Commerce’s written description of the scope of these investigations is final and conclusive.
- In 2007, imports of LTWP from China were valued at an estimated \$57 million; imports from Germany were valued at an estimated \$147 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to issue its final determinations on or before November 10.
- If the ITC makes affirmative final determinations that imports from China and/or Germany materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders.

FINAL NET SUBSIDY RATES:

PRODUCER/EXPORTER	SUBSIDY RATE
Guangdong Guanhao High-Tech Co., Ltd.	13.17%
Shanghai Hanhong Paper Co., Ltd.	0.57% (<i>de minimis</i>)*
MDCN Technology Co., Ltd.	123.65%
Xiamen Anne Paper Co., Ltd.	123.65%
Shenzhen Yuanming Industrial Development Co., Ltd.	137.25%
All Others	13.17%

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

FINAL DUMPING MARGINS:

COUNTRY	PRODUCER/EXPORTER	MARGIN
CHINA	Guangdong Guan hao High-Tech Co., Ltd./ Guangdong Guan hao High-Tech Co., Ltd.	19.77%
	Shanghai Han hong Paper Co., Ltd./ Shanghai Han hong Paper Co., Ltd.	115.29%
	China-Wide Entity	115.29%
GERMANY	Papierfabrik August Koehler AG and Koehler America, Inc.	6.50%
	All Others	6.50%

CASE CALENDAR:

EVENT	AD INVESTIGATIONS	CVD INVESTIGATION
Petitions Filed	September 19, 2007	September 19, 2007
DOC Initiation Date	October 29, 2007	October 29, 2007
ITC Preliminary Determination	November 27, 2007	November 27, 2007
DOC Preliminary Determinations	May 6, 2008	March 7, 2008
DOC Final Determinations	September 25, 2008	September 25, 2008
ITC Final Determination	November 10, 2008	November 10, 2008
Issuance of Orders*	November 17, 2008	November 17, 2008

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

IMPORT STATISTICS:

CHINA	2005	2006	2007
Volume (kg)	81,578,543	35,369,028	23,684,293
Value (\$US)	90,599,287	65,077,520	56,723,437
GERMANY			
	2005	2006	2007
Volume (kg)	75,964,105	79,225,873	76,513,513
Value (\$US)	143,833,288	148,630,069	147,309,450

Source: ITC DataWeb. The following HTSUS subheadings were used: 4811.90.80.00, 4811.90.90.90, 4811.90.80.40, 4811.90.90.00, 4811.59.20.00, and 4823.40.00.00. Note: The HTSUS subheading 4811.90.80.40 did not exist until January 2007. Before January 2007, the appropriate HTSUS subheading was 4811.90.80.00. Also, subheading 4811.90.90.90 did not exist until July 2005. Before July 2005, the appropriate subheading was 4811.90.90.00. HTSUS 4820.10.20.00 and 3703.10.60.00 were not included because the volume was in units and could not be converted to kilograms. These HTSUS subheadings are basket categories, covering not only subject merchandise, but also other types of thermal paper and non-thermal paper.