



## FACT SHEET

### Commerce Finds Subsidization of Laminated Woven Sacks from the People's Republic of China

- On November 27, the Department of Commerce announced its affirmative preliminary determination in the countervailing duty (CVD) investigation on imports of laminated woven sacks from the People's Republic of China.
- Commerce preliminarily determined that Chinese producers/exporters received net countervailable subsidies ranging from 2.57 percent to 57.14 percent. 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 preliminary rates for Han Shing Chemical Co., Ltd., Ningbo Yong Feng Packaging Co., Ltd., and Shangdong Qilu Plastic Fabric Group, Ltd., are based on total adverse facts available because these respondents failed to fully cooperate.
- The petitioners for this investigation are the Laminated Woven Sack Committee, an *ad hoc* association, and its individual members: Bancroft Bag, Inc. (LA); Mid-America Packaging, LLC (OH); Coating Excellence International, LLC (WI); Polytex Fibers Corp. (TX); and Hood Packaging Corp. (MS).
- The merchandise covered by this investigation is laminated woven sacks, which are typically used for retail packaging of consumer goods such as pet foods and bird seed. Laminated woven sacks consist of one or more plies of fabric of polypropylene strip and/or woven polyethylene strip; with or without an extrusion coating of polypropylene and/or polyethylene; laminated by any method either to an exterior ply of plastic film such as biaxially oriented polypropylene or to an exterior ply of paper that is suitable for high quality print graphics; printed with three colors or more in register; with or without lining; whether finished or unfinished; whether or not closed on one end; whether or not in roll form; with or without handles; with or without special closing features; not exceeding one kilogram in weight.
- Effective July 1, 2007, laminated woven sacks are classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 6305.33.0050 and 6305.33.0080. Laminated woven sacks were previously classifiable under HTSUS subheading 6305.33.0020. While HTSUS subheadings are provided for convenience and customs purposes, Commerce's written description of the scope of this investigation is dispositive.
- From 2004 to 2006, imports of laminated woven sacks from China increased 80 percent by volume and were valued at an estimated \$40 million in 2006.

### NEXT STEPS

- Commerce is currently scheduled to make its final determination by June 14, 2008.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes a final affirmative determination that imports from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order.

**Preliminary Countervailable Subsidy Rates:**

<b>PRODUCER/EXPORTER</b>	<b>SUBSIDY RATE</b>
<b>Han Shing Chemical Co. Ltd.</b>	<b>57.14%</b>
<b>Ningbo Yong Feng Packaging Co., Ltd.</b>	<b>57.14%</b>
<b>Shandong Shouguang Jianyuanchun Co., Ltd</b>	<b>2.57%</b>
<b>Shangdong Qilu Plastic Fabric Group, Ltd.</b>	<b>57.14%</b>
<b>Zibo Aifudi Plastic Packaging Co. Ltd.</b>	<b>11.59%</b>
<b>All Others</b>	<b>2.57%</b>

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

**Case Calendar:**

<b>EVENT</b>	<b>DATE</b>
<b>Petitions Filed</b>	<b>June 28, 2007</b>
<b>DOC Initiation Date</b>	<b>July 18, 2007</b>
<b>ITC Preliminary Determination</b>	<b>August 13, 2007</b>
<b>DOC Preliminary Determination</b>	<b>November 26, 2007</b>
<b>DOC Final Determination*</b>	<b>June 14, 2008</b>
<b>ITC Final Determination**</b>	<b>July 31, 2008</b>
<b>Issuance of Order***</b>	<b>August 7, 2008</b>

\* Fully extended and aligned with the antidumping proceeding.

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

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

**Import Statistics:**

<b>China</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Volume (kgs)</b>	<b>11,050,630</b>	<b>15,090,603</b>	<b>19,856,681</b>
<b>Value (\$US)</b>	<b>\$17,562,221</b>	<b>\$27,647,842</b>	<b>\$39,722,183</b>

Source: U.S. International Trade Commission Dataweb for HTSUS subheading 6305.33.0020, which is a basket category.