



## FACT SHEET

### Commerce Preliminarily Finds Dumping of Imports of Xanthan Gum from Austria and the People's Republic of China

- On January 4, 2013, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of xanthan gum from Austria and the People's Republic of China (China).
- The AD law provides 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 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.
- Commerce preliminarily determined that producers/exporters from Austria and China sold xanthan gum in the United States at dumping margins of 17.18 percent, and 21.69 percent to 154.07 percent, respectively.
- In the Austria investigation, mandatory respondent Jungbunzlauer Austria received a preliminary dumping margin of 17.18 percent. All other producers/exporters from Austria also received a preliminary dumping margin of 17.18 percent.
- In the China investigation, mandatory respondents Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.) and Deosen Biochemical Ltd. received preliminary dumping margins of 21.69 percent and 127.65 percent, respectively. Four other exporters qualified for a separate rate of 74.67 percent. All other producers/exporters from China received the China-wide preliminary dumping margin of 154.07 percent.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The petitioner for these investigations is CP Kelco U.S., Inc. (GA).
- The merchandise covered by these investigations is dry xanthan gum, whether or not coated or blended with other products. Further, xanthan gum is included in these investigations regardless of physical form, including, but not limited to, solutions, slurries, dry powders of any particle size, or unground fiber. Xanthan gum that has been blended with other product(s) is included in this scope when the resulting mix contains 15 percent or more of xanthan gum by dry weight. Other products with which xanthan gum may be blended include, but are not limited to, sugars, minerals, and salts.
- In 2011, imports of xanthan gum from Austria and China were valued at an estimated \$25 million and \$64 million, respectively, and are provided for under HTSUS category 3913.90.2000.

## NEXT STEPS

- Commerce is currently scheduled to make its final determinations in May 2013.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of xanthan gum from Austria and/or China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce or the ITC's final determination is negative, no AD orders will be issued. The ITC will make its final injury determinations in May 2013.

## PRELIMINARY DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Austria	Jungbunzlauer Austria	17.18%
	All Others	17.18%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
China	Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.)	21.69%
	Deosen Biochemical Ltd.	127.65%
	Separate Rate Companies (See Attached List)	74.67%
	China-Wide Rate	154.07%

## CASE CALENDAR:

EVENT	AD INVESTIGATIONS
Petitions Filed	June 5, 2012
DOC Initiation Date	June 25, 2012
ITC Preliminary Determination	July 20, 2012
DOC Preliminary Determination	January 3, 2013
DOC Final Determination	May 18, 2013 <sup>†</sup>
ITC Final Determination*	July 2, 2013
Issuance of Order**	July 9, 2013

NOTE: Commerce preliminary and final determination deadlines are governed by the statute. For AD investigations, the deadlines are set forth in sections 733 and 735 of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

<sup>†</sup>Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

\*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 Commerce and the ITC.

## IMPORT STATISTICS:

Austria	2009	2010	2011
Volume (metric tons)	3,400	4,300	4,200
Value (US\$)	19,302,000	24,750,000	25,207,000

China	2009	2010	2011
Volume (metric tons)	8,200	14,700	15,400
Value (US\$)	34,591,000	60,538,000	64,019,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 3913.90.2000). This HTS subheading is a basket category and may cover both subject and non-subject merchandise.

**Separate Rate Companies for China**

<b>Exporter</b>	<b>Producer</b>
A.H.A. International Co., Ltd.	Shandong Fufeng Fermentation Co., Ltd.
A.H.A. International Co., Ltd.	Deosen Biochemical Ltd.
CP Kelco (Shandong) Biological Company Limited	CP Kelco (Shandong) Biological Company Limited
Hebei Xinhe Biochemical Co. Ltd.	Hebei Xinhe Biochemical Co. Ltd.
Shanghai Smart Chemicals Co. Ltd.	Deosen Biochemical Ltd.