



## FACT SHEET

### **Commerce Finds Dumping and Countervailable Subsidization of Imports of Hardwood and Decorative Plywood from the People's Republic of China**

- On September 17, 2013, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of hardwood and decorative plywood from the People's Republic of China (China).
- The AD and CVD law provides U.S. businesses and workers with a transparent and internationally approved mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing 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 imports of hardwood and decorative plywood from China have been sold in the United States at dumping margins ranging from 55.76 percent to 121.65 percent.
- Commerce also determined that imports of hardwood and decorative plywood from China have received countervailable subsidies ranging from *de minimis* to 27.16 percent.
- In the AD investigation, mandatory respondents Linyi San Fortune Wood Co., Ltd. and Jiangyang Group received final dumping margins of 55.76 percent and 62.55 percent, respectively. Numerous other exporters qualified for a separate rate of 59.46 percent (see Attachment 1). All other producers/exporters from China received a final dumping margin of 121.65 percent.
- In the CVD investigation, mandatory respondents Linyi City Dongfang Jinxin Economic & Trade Co., Ltd (Dongfang), Linyi San Fortune Wood Co., Ltd. (San Fortune), and Shanghai Fancywood Inc. a/k/a Shanghai Senda Fancywood Industry Co. (Senda), received *de minimis* final subsidy rates. For each of the 15 companies that did not respond to Commerce's Quantity and Value Questionnaires used for purposes of respondent selection, Commerce has applied a rate of 27.16 percent *ad valorem* based on adverse facts available because of their failure to provide information requested by Commerce. All other Chinese producers/exporters have been assigned a final subsidy rate of 13.58 percent.
- As a result of the final AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the final subsidy rates for the 15 uncooperative companies and all other producers and exporters not selected for investigation. The three companies selected for investigation (Dongfang, San Fortune, and Senda)

will not be subject to cash deposits for CVD duties (cash deposits for AD duties will still apply). If the U.S. International Trade Commission (ITC) issues a negative injury determination, both investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.

- The petitioner for these investigations is the Coalition for Fair Trade of Hardwood Plywood. The members of the Coalition are: Columbia Forest Products (Greensboro, NC); Commonwealth Plywood Inc. (Whitehall, NY); Murphy Plywood (Eugene, OR); Roseburg Forest Products Co. (Roseburg and Dillard, OR); States Industries, Inc. (Eugene, OR); and Timber Products Company (Springfield, OR).
- The merchandise subject to these investigations is hardwood and decorative plywood. Hardwood and decorative plywood is a flat panel composed of an assembly of two or more layers or plies of wood veneers in combination with a core. The veneers, along with the core, are glued or otherwise bonded together to form a finished product. A hardwood and decorative plywood panel must have face and back veneers which are composed of one or more species of hardwoods, softwoods, or bamboo. Hardwood and decorative plywood may include products that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2009.
- All hardwood and decorative plywood is included within the scope of these investigations, without regard to dimension (overall thickness, thickness of face veneer, thickness of back veneer, thickness of core, thickness of inner veneers, width, or length). However, the most common panel sizes of hardwood and decorative plywood are 1219 x 1829 mm (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches).
- A “veneer” is a thin slice of wood which is rotary cut, sliced or sawed from a log, bolt or flitch. The face veneer is the exposed veneer of a hardwood and decorative plywood product which is of a superior grade than that of the back veneer, which is the other exposed veneer of the product (i.e., as opposed to the inner veneers). When the two exposed veneers are of equal grade, either one can be considered the face or back veneer. For products that are entirely composed of veneer, such as Veneer Core Platforms, the exposed veneers are to be considered the face and back veneers, in accordance with the descriptions above.
- The core of hardwood and decorative plywood consists of the layer or layers of one or more material(s) that are situated between the face and back veneers. The core may be composed of a range of materials, including but not limited to veneers, particleboard, and medium-density fiberboard (MDF).
- All hardwood and decorative plywood is included within the scope of this investigation regardless of whether or not the face and/or back veneers are surface coated, unless the surface coating obscures the grain, texture or markings of the wood in a permanent manner. Examples of surface coatings which may not obscure the grain, texture or markings of the wood include, but are not limited to, ultra-violet light cured polyurethanes, oil or oil-modified or water based polyurethanes, wax, epoxy-ester finishes, and moisture-cured urethanes. Hardwood and decorative plywood that has face and/or back veneers which have a permanent and opaque surface coating which obscures the grain, texture or markings of the wood, are not included within the scope of this investigation. Examples of permanently affixed surface coatings which may obscure the grain, texture or markings of wood

include, but are not limited to, paper, aluminum, high pressure laminate (“HPL”), MDF, medium density overlay (“MDO”), and phenolic film. Additionally, the face veneer of hardwood and decorative plywood may be sanded, smoothed or given a “distressed” appearance through such methods as hand-scraping or wire brushing. The face veneer may be stained.

- The scope of these investigations excludes the following items: (1) structural plywood (also known as “industrial plywood” or “industrial panels”) that is manufactured and stamped to meet U.S. Products Standard PS 1-09, PS 2-09, or PS 2-10 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), including but not limited to the “bond performance” requirements set forth at paragraph 5.8.6.4 of that Standard and the performance criteria detailed at Table 4 through 10 of that Standard; (2) products which have a face and back veneer of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People’s Republic of China, Import Administration, International Trade Administration, U.S. Department of Commerce Investigation Nos. A-570-970 and C-570-971 (published December 8, 2011), and additionally, multilayered wood flooring with a face veneer of bamboo or composed entirely of bamboo; (4) plywood which has a shape or design other than a flat panel; (5) products made entirely from bamboo and adhesives (also known as “solid bamboo”).
- Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 4412.10.0500; 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.2510; 4412.32.2520; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.5600; 4412.39.1000; 4412.39.3000; 4412.39.4011; 4412.39.4012; 4412.39.4019; 4412.39.4031; 4412.39.4032; 4412.39.4039; 4412.39.4051; 4412.39.4052; 4412.39.4059; 4412.39.4061; 4412.39.4062; 4412.39.4069; 4412.39.5010; 4412.39.5030; 4412.39.5050; 4412.94.1030; 4412.94.1050; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.6000; 4412.94.7000; 4412.94.8000; 4412.94.9000; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000 4412.10.9000; 4412.31.4080; 4412.32.0570; 4412.32.2530; 4412.94.5100; 4412.94.9500; 4412.99.5115; and 4412.99.9500.
- In 2012, imports of hardwood and decorative plywood from China were valued at an estimated \$747.9 million.

## **NEXT STEPS**

- The ITC is scheduled to make its final injury determination on October 31, 2013.
- If the ITC makes an affirmative final determination that imports of hardwood and decorative plywood from China 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, the investigations will be terminated.

**FINAL MARGINS AND RATES:**

<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGINS</b>
<b>Linyi San Fortune Wood Co., Ltd.</b>	<b>55.76%</b>
<b>Jiangyang Group</b>	<b>62.55%</b>
<b>Separate Rate Companies (See Attached List)</b>	<b>59.46%</b>
<b>China-Wide Rate</b>	<b>121.65%</b>

**FINAL SUBSIDY RATES:**

<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATE*</b>
<b>Linyi City Dongfang Jinxin Economic &amp; Trade Co., Ltd</b>	<i>de minimis</i>
<b>Linyi San Fortune Wood Co., Ltd. (San Fortune)</b>	<i>de minimis</i>
<b>Dongfangand Shanghai Fancywood Inc. a/k/a Shanghai Senda Fancywood Industry Co. (Senda)</b>	<i>de minimis</i>
<b>Asia Dekor (Heyuan) Woods Co., Ltd.</b>	<b>27.16%</b>
<b>Baishan Huafeng Wooden Product Co</b>	<b>27.16%</b>
<b>China Friend Limited</b>	<b>27.16%</b>
<b>Feixian Guangyuan Plywood Factory</b>	<b>27.16%</b>

<b>Feixian Xinfeng Wood Co Ltd.</b>	<b>27.16%</b>
<b>Huzhou Chen Hang Wood Co. Ltd.</b>	<b>27.16%</b>
<b>Jiafeng Wood (Suzhou) Co., Ltd.</b>	<b>27.16%</b>
<b>Linyi Guoxin Wood Co., Ltd.</b>	<b>27.16%</b>
<b>Linyi Huayuan Wood Co., Ltd.</b>	<b>27.16%</b>
<b>Linyi Sengong Wood Co., Ltd.</b>	<b>27.16%</b>
<b>Lizhong Wood Industry Limited Co.</b>	<b>27.16%</b>
<b>Shandong Lichen Group Co., Ltd.</b>	<b>27.16%</b>
<b>Wellmade Floor Industries Co. Ltd.</b>	<b>27.16%</b>
<b>Zhejiang Dadongwu GreenHome Wood Co.</b>	<b>27.16%</b>
<b>Zhejiang Desheng Wood Industry Co., Ltd.</b>	<b>27.16%</b>
<b>All Others</b>	<b>13.58%</b>

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

**CASE CALENDAR:**

<b>EVENT</b>	<b>CVD INVESTIGATION</b>	<b>AD INVESTIGATION</b>
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<b>Petition Filed</b>	<b>September 27, 2012</b>	<b>September 27, 2012</b>
<b>DOC Initiation Date</b>	<b>October 17, 2012</b>	<b>October 17, 2012</b>
<b>ITC Preliminary Determination</b>	<b>November 13, 2012</b>	<b>November 13, 2013</b>
<b>DOC Preliminary Determination</b>	<b>February 26, 2012</b>	<b>April 29, 2013</b>
<b>DOC Final Determination</b>	<b>September 16, 2013</b>	<b>September 16, 2013</b>
<b>ITC Final Determination</b>	<b>October 13, 2013</b>	<b>October 31, 2013</b>
<b>Issuance of Order*</b>	<b>November 7, 2013</b>	<b>November 7, 2013</b>

**NOTE:** Commerce preliminary and final determination deadlines are governed by 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:

<b>CHINA</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Value (USD)</b>	<b>651,421,000</b>	<b>632,862,000</b>	<b>747,861,000</b>

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 4412.10.0500, 4412.31.0520, 4412.31.0540, 4412.31.0560, 4412.31.2510, 4412.31.2520, 4412.31.4040, 4412.31.4050, 4412.31.4060, 4412.31.4070, 4412.31.5135, 4412.31.5155, 4412.31.5165, 4412.31.5175, 4412.31.6000, 4412.31.9100, 4412.32.0520, 4412.32.0540, 4412.32.0560, 4412.32.2510, 4412.32.2520, 4412.32.3135, 4412.32.3155, 4412.32.3165, 4412.32.3175, 4412.32.3185, 4412.32.5600, 4412.39.1000, 4412.39.3000, 4412.39.4011, 4412.39.4012, 4412.39.4019, 4412.39.4031, 4412.39.4032, 4412.39.4039, 4412.39.4051, 4412.39.4052, 4412.39.4059, 4412.39.4061, 4412.39.4062, 4412.39.4069, 4412.39.5010, 4412.39.5030, 4412.39.5050, 4412.94.1030, 4412.94.1050, 4412.94.3111, 4412.94.3121, 4412.94.3131, 4412.94.3141, 4412.94.3160, 4412.94.3171, 4412.94.4100, 4412.94.6000, 4412.94.7000, 4412.94.8000, 4412.94.9000, 4412.99.0600, 4412.99.1020, 4412.99.1030, 4412.99.1040, 4412.99.3110, 4412.99.3120, 4412.99.3130, 4412.99.3140, 4412.99.3150, 4412.99.3160, 4412.99.3170, 4412.99.4100, 4412.99.5710, 4412.99.6000, 4412.99.7000, 4412.99.8000, 4412.99.9000, 4412.10.9000, 4412.31.4080, 4412.32.0570, 4412.32.2530, 4412.94.5100, 4412.94.9500, 4412.99.5115, and 4412.99.9500 ). Some HTS subheadings are basket categories and may cover both subject and non-subject merchandise.

\*Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.

**NOTE:** Upon advice from U.S. Customs and Border Protection, the following HTS numbers were added to the scope: 4412.10.9000; 4412.31.4080; 4412.32.0570; 4412.32.2530; 4412.94.5100; 4412.94.9500; 4412.99.5115; and 4412.99.9500.

## ATTACHMENT I

### Companies Receiving a Separate Rate

- 1 Anhui Tiansen Trading Co., Ltd.
- 2 Anhui Wanmu Wood Co., Ltd.
- 3 Anhui Xinyuanda Wood Co., Ltd.
- 4 Anji Hefeng Bamboo & Wood Industry Co., Ltd.
- 5 Anji Qichen Bamboo Industry Co., Ltd.
- 6 Bergey (Tianjin) International Co., Ltd.
- 7 Celtic Co., Ltd
- 8 Cosco Star International Co., Ltd.
- 9 Dehua Tb Industry & Trade Company Limited
- 10 Deqing Dajiang Import And Export Co., Ltd.
- 11 Fengxian Fangyuan Wood Co., Ltd.
- 12 G.D. Enterprise Limited
- 13 Green Link International Corp.
- 14 Guangxi Guixun Panel Co.
- 15 Highland Industries Inc.
- 16 Huainan Mengping Import And Export Co., Ltd
- 17 Jiangsu Dilun International Trading Co., Ltd.
- 18 Jiangsu Eastern Shengxin International Trading Co., Ltd.
- 19 Jiangsu Happy Wood Industrial Group Co., Ltd.
- 20 Jiangsu Shengyang Industrial Joint Stock Co., Ltd.
- 21 Jiangsu Simba Flooring Co., Ltd.
- 22 Jiangsu Top Point International Co., Ltd.
- 23 Jiangsu Vermont Wood Products Co., Ltd
- 24 Jiashan Dalin Wood Industry Co., Ltd.
- 25 Jiaxing Brilliant Import & Export Co., Ltd
- 26 Jiaxing Gsun Imp. & Exp. Co., Ltd
- 27 Jiaxing Hengtong Wood Co., Ltd
- 28 Jiaxing Kaochuan Woodwork Co.,Ltd
- 29 Joc Yuantai International Trading Co., Ltd.
- 30 Langfang Baomujie Wood Co., Ltd.
- 31 Larkcop International Co., Ltd.,
- 32 Leadwood Industrial Corp.
- 33 Lianyungang Penghai International Trading Co., Ltd.
- 34 Lianyungang Yuantai International Trade Co., Ltd.
- 35 Lingyi Huasheng Yongbin Wood Co., Ltd.
- 36 Linyi Anshun Timber Co., Ltd.
- 37 Linyi City Dongfang Jinxin Economic & Trade Co., Ltd.
- 38 Linyi Dahua Wood Co., Ltd.

- 39 Linyi Dongfangjuxin Wood Co., Ltd.
- 40 Linyi Evergreen Wood Co., Ltd.
- 41 Linyi Glary Plywood Co., Ltd.
- 42 Linyi Hengsheng Wood Industry Co., Ltd.
- 43 Linyi Huifeng Wood Industry Co., Ltd
- 44 Linyi Jiahe Wood Industry Co., Ltd.
- 45 Linyi Kaier International Trade Co., Ltd.
- 46 Linyi King Import And Export Co., Ltd
- 47 Linyi Linhai Wood Co., Ltd.
- 48 Linyi Mingzhu Wood Co., Ltd
- 49 Linyi Tianhe Wooden Industry Co., Ltd.
- 50 Linyi Zhongtai Import And Export Co., Ltd.
- 51 Pacific Plywood Co., Ltd.
- 52 Pingyi Jinniu Wood Co., Ltd.
- 53 Pizhou Hengxing International Trade Co., Ltd.
- 54 Qingdao King Sports Products Technology Co., Ltd
- 55 Qingdao Top P&Q International Corp.
- 56 Qufu Luhan Woodwork Co., Ltd
- 57 Qufu Shengfu Wood Work Co., Ltd.
- 58 Shandong Anxin Timber Co., Ltd.
- 59 Shandong Jinli Imp.&Exp. Co., Ltd.
- 60 Shandong Qishan International Trading Co., Ltd.
- 61 Shandong Union Wood Co., Ltd.
- 62 Shandong Xingang Group
- 63 Shangdong Huaxin Jiasheng Wood Co.,Ltd.
- 64 Shanghai Aviation Import & Export Co., Ltd.
- 65 Shanghai Futuwood Trading Co., Ltd.
- 66 Shanghai Luli Trading Co., Ltd.
- 67 Shanghai Mailin International Trade Co., Ltd.
- 68 Shanghai S&M Trade Co., Ltd.
- 69 Shanghai Senda Fancywood Industry Co.
- 70 Shouguang Sanyang Wood Industry Co., Ltd.
- 71 Siyang Enika International Trade Co., Ltd.
- 72 Smart Gift International
- 73 Sumec International Technology Co., Ltd
- 74 Suqian Foreign Trade Co., Ltd.
- 75 Suqian Hopeway International Trade Co., Ltd
- 76 Suzhou Dongda Wood Co., Ltd.
- 77 Suzhou Fengshuwan Import And Export Trade Co., Ltd
- 78 Suzhou Oriental Dragon Import And Export Corp. Ltd.
- 79 Wenzhou Eita Import & Export Co., Ltd.
- 80 Xuzhou Antop International Trade Co., Ltd.



- 81 Xuzhou Baoqi Wood Product Co., Ltd.
- 82 Xuzhou Chengxin Wood Co., Ltd.
- 83 Xuzhou Ekea International Trade Co., Ltd
- 84 Xuzhou Hansun Import & Export Co., Ltd
- 85 Xuzhou Hongda Wood Co., Ltd
- 86 Xuzhou Pengyu Wood Products Co., Ltd.
- 87 Xuzhou Pinlin International Trade Co., Ltd.
- 88 Xuzhou Runjin Import & Export Trade Co., Ltd.
- 89 Xuzhou Sanli Wood Co., Ltd.
- 90 Xuzhou Shenghe Wood Co., Ltd.
- 91 Xuzhou Shengping Import & Export Co., Ltd.
- 92 Xuzhou Sincere Wood Co., Ltd.
- 93 Xuzhou Tianshan Wood Co., Ltd
- 94 Xuzhou Timber International Trade Co., Ltd.
- 95 Xuzhou Weilin Wood Co., Ltd.
- 96 Xuzhou Zhongda Building Materials Co., Ltd.
- 97 Yijiang Wood Products (Kunshan) Co., Ltd.
- 98 Yinhe Machinery Chemical Limited Company Of Shandong Province
- 99 Yishui Hongtai Wood-Made Co., Ltd
- 100 Yutai Zezhong Wood Co., Ltd.
- 101 Zhejiang Anji Tiancheng Flooring Co., Ltd.
- 102 Zhejiang Dehua Tb Import & Export Co., Ltd
- 103 Zhejiang Shenghua Yunfeng Import & Export Co., Ltd.
- 104 Zhejiang Xinyuan Bamboo Products Co., Ltd.
- 105 Zhejiang Yongyu Bamboo Joint-Stock Co., Ltd.