



FACT SHEET

Commerce Finds Dumping and Subsidization of Imports of Drawn Stainless Steel Sinks from the People's Republic of China (China)

- On February 20, 2013, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of drawn stainless steel sinks from China.
- The AD and CVD laws provide 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 and subsidization 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. 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 drawn stainless steel sinks from China have been sold in the United States at dumping margins ranging from 27.14 percent to 76.53 percent.
- Commerce also determined that drawn stainless steel sinks from China have received countervailable subsidies ranging from 4.80 percent to 12.26 percent.
- In the AD investigation, mandatory respondents Zhongshan Superte Kitchenware Co., Ltd. (Superte) and Guangdong Dongyuan Kitchenware Industrial Co., Ltd. (Dongyuan) received final dumping margins of 39.87 percent and 27.14 percent, respectively. Nineteen other exporters qualified for a separate rate of 33.51 percent. All other producers/exporters from China received a final dumping margin of 76.53 percent.
- In the CVD investigation, mandatory respondents Guangdong Yingao Kitchen Utensils Co., Ltd. and Superte received final subsidy rates of 4.80 percent and 12.21 percent, respectively. For merchandise produced by Superte and exported by Foshan Zhaoshun Trade Co., Ltd., the final subsidy rate is 12.26 percent. All other producers/exporters from China received a final subsidy rate of 8.51 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. As a result of the affirmative final CVD determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit equal to the final subsidy rates if the U.S. International Trade Commission (ITC) issues a final affirmative injury determination.
- In the CVD investigation, Commerce concluded that all producers and exporters benefited from both export and domestic subsidies. In the AD investigation, the Commerce determined that certain

countervailable domestic subsidies were passed-through to the price of the subject merchandise of one mandatory respondent, Dongyuan, and the companies receiving a separate rate. Therefore, in accordance with the statute, Commerce adjusted the AD margins, where appropriate, to account for the domestic subsidies. Further, if the ITC issues an affirmative final determination, Commerce will order the resumption of the suspension of liquidation in the CVD investigation and reduce the AD cash deposit rates, as appropriate, for the export subsidies received.

- The petitioner for these investigations is Elkay Manufacturing Company (IL).
- The merchandise covered by these investigations is drawn stainless steel sinks from China. Drawn stainless steel sinks are stainless steel sinks with single or multiple drawn bowls and a smooth basin with seamless, smooth, and rounded corners.
- Specifically excluded from the scope of these investigations are stainless steel sinks with fabricated bowls. Fabricated bowls do not have seamless corners, but rather are made by notching and bending the stainless steel, and then welding and finishing the vertical corners to form the bowls. Stainless steel sinks with fabricated bowls may sometimes be referred to as “zero radius” or “near zero radius” sinks.
- Imports of the subject merchandise are provided for under Harmonized Tariff Schedule of the United States (HTSUS) 7324.10.0000 and 7324.10.0010. These HTS numbers are provided for convenience and customs purposes only; the written description of the scope is dispositive.
- In 2011, imports of drawn stainless steel sinks from China were valued at an estimated \$118 million.

NEXT STEPS

- The ITC is scheduled to make its final injury determination on or before April 5, 2013.
- If the ITC makes an affirmative final determination that imports of drawn stainless steel sinks 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 for China, the investigations will be terminated.

FINAL MARGINS AND RATES:

EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT RATE*
Zhongshan Superte Kitchenware Co., Ltd. (Superte)	39.87%	39.77%
Guangdong Dongyuan Kitchenware Industrial Co., Ltd. (Dongyuan)	27.14%	24.12%
Guangdong Yingao Kitchen Utensils Co., Ltd. (Yingao)	33.51%	32.56%
Separate Rate Companies (See Attached List)	33.51%	31.95%
China-Wide Rate	76.53%	76.45%

* The cash deposit rates account for the applicable company-specific export subsidy rates of 0.10 percent for Superte, 0.09 percent for Dongyuan, 0.08 percent for Yingao, 0.09 percent for the separate rate companies, and 0.08 percent for the China-wide entity; and the applicable company-specific estimated domestic subsidy pass-through rates of 0.00 percent for Superte, 2.93 percent for Dongyuan, 0.87 for Yingao, 1.47 percent for the separate rate companies, and 0.00 percent for the China-wide entity

FINAL SUBSIDY RATES:

EXPORTER/PRODUCER	SUBSIDY RATE*
Guangdong Yingao Kitchen Utensils Co., Ltd., and Foshan Magang Kitchen Utensils Co., Ltd.	4.80%
Zhongshan Superte Kitchenware Co., Ltd.	12.21%
Foshan Zhaoshun Trade Co., Ltd.	12.26%
All Others	8.51%

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

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	March 1, 2012	March 1, 2012
DOC Initiation Date	March 21, 2012	March 21, 2012
ITC Preliminary Determination	April 16, 2012	April 16, 2012
DOC Preliminary Determination	July 30, 2012	September 27, 2012
DOC Final Determination	February 19, 2013	February 19, 2013
ITC Final Determination	April 5, 2013	April 5, 2013
Issuance of Order*	April 12, 2013	April 12, 2013

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

CHINA	2009	2010	2011
Volume (units)	2,049,000	2,759,000	3,287,000
Value (US\$)	68,805,000	98,150,000	117,950,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7324.10.0000).

Note: This HTSUS subheading does not differentiate between stainless steel sinks with drawn bowls and those with fabricated bowls. Therefore, import statistics in this table may include non-subject merchandise.