



## FACT SHEET

### **Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Ceramic Tile from the People's Republic of China**

- On May 1, 2019, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of ceramic tile from the People's Republic of China (China).
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted 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, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner is the Coalition for Fair Trade in Ceramic Tile. The members of the Coalition for Fair Trade in Ceramic Tile are American Wonder Porcelain (Lebanon, TN), Crossville, Inc. (Crossville, TN), Dal-Tile Corporation (Dallas, TX), Del Conca USA, Inc. (Loudon, TN), Florida Tile, Inc. (Lexington, KY), Florim USA (Clarksville, TN), Landmark Ceramics (Mount Pleasant, TN), and StonePeak Ceramics (Chicago, IL).
- The merchandise covered by these investigations is ceramic flooring tile, wall tile, paving tile, hearth tile, porcelain tile, mosaic tile, flags, finishing tile, and the like (hereinafter ceramic tile). Ceramic tiles are articles containing a mixture of minerals including clay (generally hydrous silicates of alumina or magnesium) that are fired so the raw materials are fused to produce a finished good that is less than 3.2 cm in actual thickness. All ceramic tile is subject to the scope regardless of end use, surface area, and weight, regardless of whether the tile is glazed or unglazed, regardless of the water absorption coefficient by weight, regardless of the extent of vitrification, and regardless of whether or not the tile is on a backing. Subject merchandise includes ceramic tile with decorative features that may in spots exceed 3.2 cm in thickness and includes ceramic tile "slabs" or "panels" (tiles that are larger than 1 square meter (11 square ft.)).

Subject merchandise includes ceramic tile that undergoes minor processing in a third country prior to importation into the United States. Similarly, subject merchandise includes ceramic tile produced that undergoes minor processing after importation into the United States. Such minor processing includes, but is not limited to, one or more of the following: beveling, cutting, trimming, staining, painting, polishing, finishing, additional firing, or any other processing that would otherwise not remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope product.

Subject merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the following subheadings of heading 6907: 6901.21.1005, 6907.21.1011,

6907.21.1051, 6907.21.2000, 6907.21.3000, 6907.21.4000, 6907.21.9011, 6907.21.9051, 6907.22.1005, 6907.22.1011, 6907.22.1051, 6907.22.2000, 6907.22.3000, 6907.22.4000, 6907.22.9011, 6907.22.9051, 6907.23.1005, 6907.23.1011, 6907.23.1051, 6907.23.2000, 6907.23.3000, 6907.23.4000, 6907.23.9011, 6907.23.9051, 6907.30.1005, 6907.30.1011, 6907.30.1051, 6907.30.2000, 6907.30.3000, 6907.30.4000, 6907.30.9011, 6907.30.9051, 6907.40.1005, 6907.40.1011, 6907.40.1051, 6907.40.2000, 6907.40.3000, 6907.40.4000, 6907.40.9011, and 6907.40.9051. Subject merchandise may also enter under subheadings of headings 6914 and 6905: 6914.10.8000, 6914.90.8000, 6905.10.0000, and 6905.90.0050. The HTSUS subheadings are provided for convenience and customs purposes only. The written description of the scope of these investigations is dispositive.

- In 2018, imports of ceramic tile from China were valued at an estimated \$483.1 million.
- The Initiation Decision Checklists are on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case numbers: A-570-108 for the AD investigation and C-570-109 for the CVD investigation.

#### NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before May 28, 2019.
- If the ITC determines that there is a reasonable indication that imports of ceramic tile from China materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and Commerce will be scheduled to announce its preliminary CVD determination on July 8, 2019, and its preliminary AD determination on September 18, 2019, although these dates may be extended. If the ITC’s determinations are negative, the investigations will be terminated.

#### ALLEGED DUMPING MARGINS:

| COUNTRY | DUMPING MARGINS         |
|---------|-------------------------|
| China   | 127.33 – 356.02 percent |

#### ESTIMATED SUBSIDY RATE:

| COUNTRY | SUBSIDY RATE              |
|---------|---------------------------|
| China   | Above <i>de minimis</i> * |

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

## CASE CALENDAR:

| EVENT                           | CVD INVESTIGATION  | AD INVESTIGATION   |
|---------------------------------|--------------------|--------------------|
| Petitions Filed                 | April 10, 2019     | April 10, 2019     |
| DOC Initiation Date             | April 30, 2019     | April 30, 2019     |
| ITC Preliminary Determinations* | May 28, 2019†      | May 28, 2019†      |
| DOC Preliminary Determinations  | July 5, 2019       | September 17, 2019 |
| DOC Final Determinations        | September 18, 2019 | December 2, 2019†  |
| ITC Final Determinations**      | November 4, 2019   | January 16, 2020   |
| Issuance of Orders***           | November 12, 2019† | January 23, 2020   |

NOTE: Commerce's preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

\* If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

\*\*This will take place only in the event of final affirmative determinations from Commerce.

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

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

## IMPORT STATISTICS:

| CHINA                  | 2016        | 2017        | 2018        |
|------------------------|-------------|-------------|-------------|
| Volume (square meters) | 54,198,129  | 61,056,303  | 64,302,627  |
| Value (USD)            | 408,866,916 | 457,986,278 | 483,082,244 |

Source: U.S. Census Bureau, accessed through Global Trade Atlas (HTSUS 6907 and 6908).