



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Carton-Closing Staples from the People's Republic of China

- On October 30, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of carton-closing staples from the People's Republic of China (China).
- The AD law provides 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 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.
- Commerce calculated a preliminary dumping rate of 13.74 percent for mandatory respondent Shanghai Yueda Nails Co., Ltd. The other selected mandatory respondent, Zhejiang Best Nail Industrial Co., Ltd. withdrew its participation from the investigation; thus, we have preliminarily determined that it is part of the China-wide entity. Commerce has preliminarily assigned to the China-wide entity a dumping margin of 58.93 percent, based on adverse facts available.
- Further, Commerce preliminarily found that Shanghai Yueda Nails Co., Ltd. and three of its affiliates comprise a single entity, the Yueda Group, to which Commerce preliminarily assigned a single cash deposit rate of 13.74 percent.
- Two additional companies have demonstrated that they are independent from Chinese government control; thus, Commerce preliminarily granted these two companies a separate rate, which is equal to the dumping rate calculated for the Yueda Group.
- The petitioner is North American Steel & Wire, Inc./ISM Enterprises (ISM). ISM is located in Pennsylvania.
- The merchandise covered by this investigation is carton-closing staples. Carton-closing staples may be manufactured from carbon, alloy, or stainless steel wire, and are included in the scope of the investigation regardless of whether they are uncoated or coated, regardless of the type of coating.
- Carton-closing staples are generally made to American Society for Testing and Materials (ASTM) specification ASTM D1974/D1974M- 16, but can also be made to other specifications. Regardless of specification, however, all carton-closing staples meeting the scope description are included in the scope. Carton-closing staples include stick staple products, often referred to as staple strips, and roll staple products, often referred to as coils. Stick staples are lightly cemented or lacquered together to facilitate handling and loading into stapling machines. Roll staples are taped together along their crowns. Carton-closing staples are covered regardless of whether they are imported in stick form or roll form.

- Carton-closing staples vary by the size of the wire, the width of the crown, and the length of the leg. The nominal leg length ranges from 0.4095 inch to 1.375 inches and the nominal crown width ranges from 1.125 inches to 1.375 inches. The size of the wire used in the production of carton-closing staples varies from 0.029 to 0.064 inch (nominal thickness) by 0.064 to 0.100 inch (nominal width).
- Carton-closing staples subject to this investigation are currently classifiable under subheadings 8305.20.00.00 and 7317.00.65.60 of the Harmonized Tariff Schedule of the United States (“HTSUS”). While the HTSUS subheadings and ASTM specification are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.
- In 2016, imports of carton-closing staples from China were valued at an estimated \$73.2 million.

NEXT STEPS

- Commerce has extended the final determination in this investigation and is scheduled to announce the final determination on or about March 13, 2018.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of carton-closing staples from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce’s or the ITC’s final determination is negative, no AD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

DUMPING MARGINS:

COUNTRY	PRODUCER/EXPORTER	DUMPING MARGIN
China	Yueda Group: Shanghai Yueda Nails Co., Ltd., Qishan Printing Machinery Co., Ltd., Fastnail Products Limited, and Wuhan FOPO Trading Co., Ltd.	13.74%
	Hangzhou Huayu Machinery Co., Ltd.	13.74%
	The Stanley Works (Langfang) Fastening Systems Co., Ltd.	13.74%
	China-Wide	58.93%

CASE CALENDAR:

EVENT	AD INVESTIGATION
Petition Filed	March 31, 2017
DOC Initiation Date	April 20, 2017
ITC Preliminary Determination	May 15, 2017
DOC Preliminary Determination	October 27, 2017
DOC Final Determination	March 13, 2018
ITC Final Determination*	April 26, 2018
Issuance of Order**	May 3, 2018

NOTE: Commerce's preliminary and final determination deadlines are governed by statute. 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.

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

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IMPORT STATISTICS:

CHINA	2014	2015	2016
Volume (metric tons)	46,772	51,408	54,664
Value (USD)	72,184,292	76,262,738	73,214,777

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7317.00.6560 and 8305.20.0000).

These HTSUS subheadings are basket categories and cover both subject and non-subject merchandise; therefore, the import statistics above may be significantly overstated.