

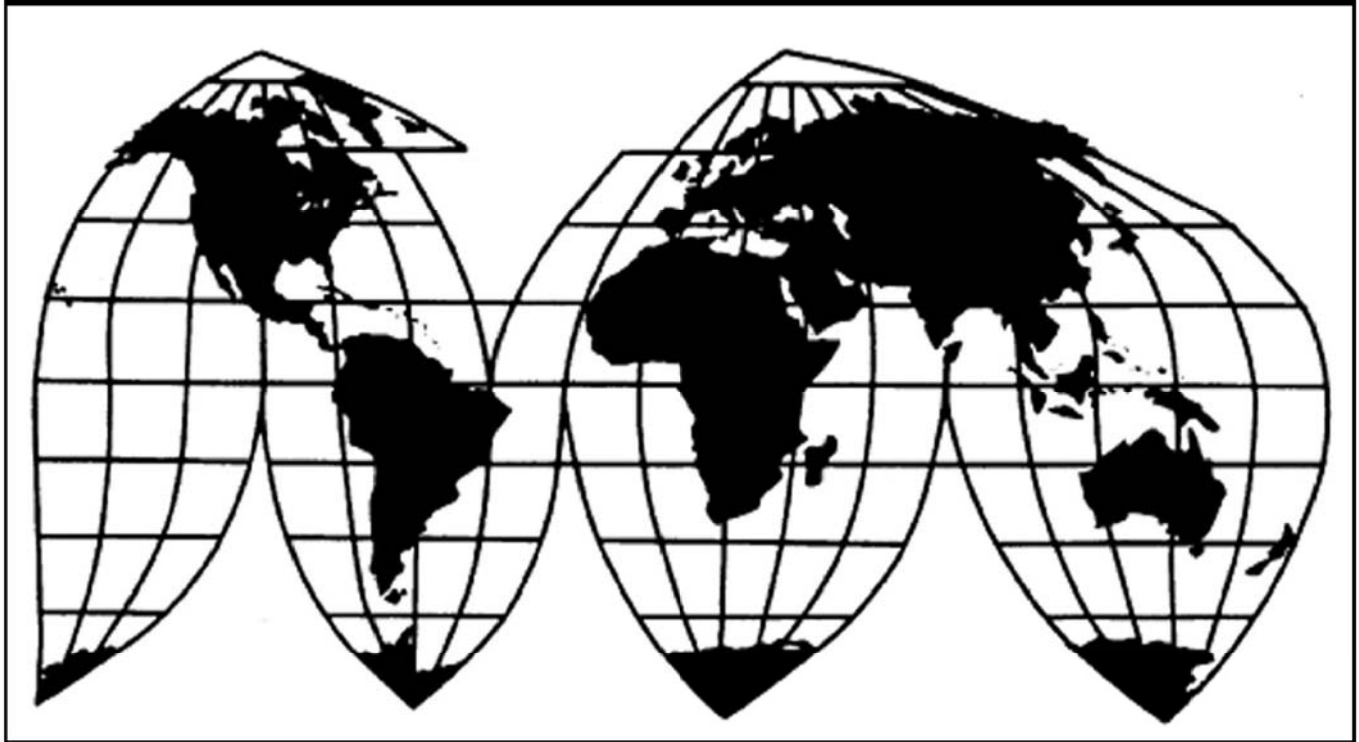
COMMODITY MATCHBOOKS FROM INDIA

Investigation Nos. 701-TA-459 and 731-TA-1155 (Review)

Publication 4525

April 2015

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-459 and 731-TA-1155 (Review)

Commodity Matchbooks from India

Determinations

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the countervailing duty order and antidumping duty order on commodity matchbooks from India would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Background

The Commission instituted these reviews on November 3, 2014 (79 F.R. 65186) and determined on February 6, 2015 that it would conduct expedited reviews (80 F.R. 9480, February 23, 2015).

¹ The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR § 207.2(f)).

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping and countervailing duty orders on commodity matchbooks from India would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigations. In December 2009, the Commission determined that an industry in the United States was materially injured by reason of imports of commodity matchbooks from India that the U.S. Department of Commerce (“Commerce”) found had been sold at less than fair value and subsidized.¹ Commerce issued antidumping duty and countervailing duty orders covering the subject merchandise on December 11, 2009.²

Current Reviews. The Commission instituted these reviews on November 3, 2014. The Commission received one substantive response to the notice of institution from D.D. Bean & Sons Co. (“DDB”), the sole domestic producer of commodity matchbooks.³ No other interested party responded to the Commission’s notice of institution. On February 6, 2015, the Commission found DDB’s response to the notice of institution to be individually adequate, the domestic interested party group response to be adequate, and the respondent interested party group response inadequate. The Commission did not find any circumstances that would warrant conducting full reviews and determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act.⁴

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”⁵ The Tariff Act defines “domestic like

¹ *Commodity Matchbooks from India*, Inv. Nos. 701-TA-459 and 731-TA-1155 (Final), USITC Pub. 4117 (December 2009) (“Original Determination”). The period of investigation (“POI”) was January 1, 2006 to June 30, 2009.

² *Notice of Antidumping Duty Order: Commodity Matchbooks from India*, 74 Fed. Reg. 65737 (Dec. 11, 2009); and *Notice of Countervailing Duty Order: Commodity Matchbooks from India*, 74 Fed. Reg. 65740 (Dec. 11, 2009).

³ DDB did not enter a notice of appearance and therefore, while it is an interested party, it is not a party to these reviews.

⁴ See Explanation of Commission Determination on Adequacy, EDIS Doc. No. 551483 (Feb. 9, 2015).

⁵ 19 U.S.C. § 1677(4)(A).

product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”⁶ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.⁷

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

The scope of this investigation covers commodity matchbooks, also known as commodity book matches, paper matches or booklet matches.⁸ Commodity matchbooks typically, but do not necessarily, consist of twenty match stems which are usually made from paperboard or similar material tipped with a match head composed of any chemical formula. The match stems may be stitched, stapled or otherwise fastened into a matchbook cover of any material, on which a striking strip composed of any chemical formula has been applied to assist in the ignition process.

Commodity matchbooks included in the scope of this investigation may or may not contain printing. For example, they may have no printing other than the identification of the manufacturer or importer. Commodity matchbooks may also be printed with a generic message such as “*Thank You*” or a generic image such as the American Flag, with store brands (*e.g., Kroger, 7-Eleven, Shurfine or Giant*); product brands for national or regional advertisers such as cigarettes or alcoholic beverages; or with corporate brands for national or regional distributors (*e.g., Penley Corp. or Diamond Brands*). They all enter retail distribution channels. Regardless of the materials used for the stems of the

⁶ 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

⁷ *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

⁸ Commerce states that “such commodity matchbooks are also referred to as “for resale” because they always enter into retail channels, meaning businesses that sell a general variety of tangible merchandise, *e.g.,* convenience stores, supermarkets, dollar stores, drug stores and mass merchandisers.” *Final Determination of the Expedited First Sunset Review of the Antidumping Duty Order: Commodity Matchbooks from India*, 80 Fed. Reg. 12801 (Mar. 11, 2015) (“Commerce AD Review Determination”); *Final Determination of the Expedited First Sunset Review of the Countervailing Duty Determination: Commodity Matchbooks from India*, 80 Fed. Reg. 12800 (Mar. 11, 2015) (“Commerce CVD Review Determination”).

matches and regardless of the way the match stems are fastened to the matchbook cover, all commodity matchbooks are included in the scope of this investigation.

All matchbooks, including commodity matchbooks, typically comply with the United States Consumer Product Safety Commission (CPSC) Safety Standard for Matchbooks, codified at 16 CFR § 1202.1 *et. seq.*

The scope of this investigation excludes promotional matchbooks, often referred to as “not for resale,” or “specialty advertising” matchbooks, as they do not enter into retail channels and are sold to businesses that provide hospitality, dining, drinking or entertainment services to their customers, and are given away by these businesses as promotional items. Such promotional matchbooks are distinguished by the physical characteristic of having the name and/or logo of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbecue or individual establishment printed prominently on the matchbook cover. Promotional matchbook cover printing also typically includes the address and the phone number of the business or establishment being promoted.⁹ Also excluded are all other matches that are not fastened into a matchbook cover such as wooden matches, stick matches, box matches, kitchen matches, pocket matches, penny matches, household matches, strike anywhere matches (aka “SAW” matches), strike-on-box matches (aka “SOB” matches), fireplace matches, barbecue/grill matches, fire starters, and wax matches.

The merchandise subject to this investigation is properly classified under subheading 3605.00.0060 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 3605.00.0030 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.¹⁰

⁹ Commerce explained that “{t}he gross distinctions between commodity matchbooks and promotional matchbooks may be summarized as follows: (1) If it has no printing, or is printed with a generic message such as ‘Thank You’ or a generic image such as the American Flag, or printed with national or regional store brands or corporate brands, it is commodity; (2) if it has printing, and the printing includes the name of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbecue, or individual establishment prominently displayed on the matchbook cover, it is promotional.” Commerce AD Review Determination, 80 Fed. Reg. at 12802; Commerce CVD Review Determination, 80 Fed. Reg. at 12800.

¹⁰ Commerce AD Review Determination, 80 Fed. Reg. at 12801-02; Commerce CVD Review Determination, 80 Fed. Reg. at 12800.

The scope definition set out above is unchanged from Commerce’s scope definition in the original investigations.

Commodity matchbooks consist of paper matches fastened into a matchbook cover. The cover of a commodity matchbook is usually plain white paperboard, sometimes printed with a generic message or image, such as “Thank You” or the American flag. The match stem is made from paperboard and the match head is made from a chemical mixture that is usually potassium chlorate, ground glass, gelatin, sulfur, diatomaceous earth, and carboxymethylcellulose. A mixture of red phosphorus, polyvinyl acetate, and ground glass is applied to the cover for use as a striking surface for the match head. Commodity matchbooks contain 20 matches, corresponding to the number of cigarettes in a pack. All commodity matchbooks, whether imported or domestically produced, are required to meet CPSC safety standards.¹¹

In the original investigations, the Commission found a single domestic like product consisting of commodity matchbooks, which was coextensive with Commerce’s scope.¹² The Commission had considered whether to include promotional matchbooks in its definition of the domestic like product. It concluded that while commodity and promotional matchbooks share the same physical characteristics and uses, they differed in quality, end use, purchasers’ perceptions, channels of distribution, and production processes.¹³ Specifically, the Commission found the promotional matchbooks were generally of higher quality, with custom printed covers, were more expensive, and were used primarily as souvenirs.¹⁴

In these reviews, DDB states that it agrees with the definition of the domestic like product that the Commission adopted in the original investigations.¹⁵ There is no new information obtained during these reviews that would suggest any reason to revisit the Commission’s domestic like product definition from the original determinations.¹⁶ Accordingly, we define the domestic like product as commodity matchbooks, a definition that is coextensive with Commerce’s scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”¹⁷ In defining the domestic industry, the Commission’s general practice has been

¹¹ Confidential Report (“CR”) at 5-6, Public Report (“PR”) at I-5.

¹² Original Determination, USITC Pub. 4117 at 7.

¹³ Original Determination, USITC Pub. 4117 at 6-7.

¹⁴ Original Determination, USITC Pub. 4117 at 6-7.

¹⁵ DDB’s Response to Notice of Institution, December 3, 2014 at 12.

¹⁶ See generally, CR at 4-10, PR at I-6-8.

¹⁷ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission defined a single domestic industry consisting of all domestic producers of commodity matchbooks.¹⁸ There were no related party issues in the original investigations.¹⁹ In these reviews, DDB states that it agrees with the Commission's previous domestic industry definition.²⁰ There are no related party or other domestic industry issues in these reviews.²¹ Accordingly, in light of the definition of the domestic like product, we define the domestic industry as consisting of all domestic producers of commodity matchbooks. The sole current producer of commodity matchbooks is DDB.

III. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."²² The Uruguay Round Agreements Act Statement of Administrative Action ("SAA") states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."²³ Thus, the likelihood standard is prospective in nature.²⁴ The U.S. Court of International Trade has found that "likely," as used in the five-year

¹⁸ Original Determination, USITC Pub. 4117 at 7.

¹⁹ Original Determination, USITC Pub. 4117 at 7 n.36.

²⁰ DDB's Response to Notice of Institution, December 3, 2014 at 12-13.

²¹ See CR at 14, PR at I-9-10.

²² 19 U.S.C. § 1675a(a).

²³ SAA, H.R. Rep. No. 103-316 at 883-84 (1994). The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id.* at 883.

²⁴ While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.²⁵

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”²⁶ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”²⁷

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”²⁸ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).²⁹ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.³⁰

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms

²⁵ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

²⁶ 19 U.S.C. § 1675a(a)(5).

²⁷ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

²⁸ 19 U.S.C. § 1675a(a)(1).

²⁹ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings since the orders were imposed. CR at 12, PR at I-9.

³⁰ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

or relative to production or consumption in the United States.³¹ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.³²

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.³³

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.³⁴ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.³⁵

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the commodity matchbook industry in India. There also is limited information on the commodity matchbook market in the

³¹ 19 U.S.C. § 1675a(a)(2).

³² 19 U.S.C. § 1675a(a)(2)(A-D).

³³ See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

³⁴ 19 U.S.C. § 1675a(a)(4).

³⁵ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and the limited new information on the record in these first five-year reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”³⁶ The following conditions of competition inform our determinations.

Demand Conditions. In the original investigations, the Commission found that in general, the demand for commodity matchbooks was closely linked to the demand for cigarettes. It observed, however, that demand for commodity matchbooks as measured by apparent U.S. consumption declined at a greater rate over the POI than the decline in demand for cigarettes.³⁷ The Commission concluded that additional factors, such as the use of lighters in lieu of matches, had a negative impact on the demand for commodity matchbooks and that demand was likely to continue declining.³⁸ Apparent U.S. consumption of commodity matchbooks declined each year of the POI and was lower at the end of the POI than at the beginning.³⁹

In these reviews, the available information indicates that the conditions of competition that influence demand for commodity matchbooks have not changed significantly since the original investigation and that demand continues to trend downward at a moderate rate.⁴⁰ Apparent U.S. consumption was *** cases in 2013.⁴¹

Supply Conditions. In the original investigations, the Commission found that there were three domestic producers, of which DDB was one. The Commission found that the domestic

³⁶ 19 U.S.C. § 1675a(a)(4).

³⁷ Original Determination, USITC Pub. 4117 at 11.

³⁸ Original Determination, USITC Pub. 4117 at 11.

³⁹ Original Determination, USITC Pub. 4117 at 11. Apparent U.S. consumption of commodity matchbooks was *** cases in 2006, *** cases in 2007, and *** cases in 2008. Apparent U.S. consumption was *** cases during January – June (“interim”) 2008 and *** cases during interim 2009. Confidential Original Determination, EDIS Doc. 548606 at 16.

⁴⁰ CR at 22, PR at I-9-10; *see also* DDB’s Response to Notice of Institution, December 3, 2014, at 11.

⁴¹ CR/PR at Table 5. U.S. import and apparent U.S. consumption data for 2013 are not directly comparable to the data presented for 2006-08, as 2013 import data are derived from official statistics, which do not distinguish commodity from promotional matchbooks and other matches, whereas 2006-08 import data only represents commodity matchbooks. As a result, apparent consumption in 2013 is overstated and the domestic industry market share is understated. CR at 21-22, PR at I-15.

industry's market share, on a quantity basis, increased over the POI.⁴² The market share of subject imports fell over the POI.⁴³ The Commission found that China and Mexico were nonsubject sources of commodity matchbooks during the POI, and that their share of the U.S. market also declined over the POI.⁴⁴

In these investigations, two domestic producers have ceased production, leaving DDB the sole domestic producer of commodity matchbooks. DDB argues that there are no new technologies or production methods that would change the supply conditions for commodity matchbooks.⁴⁵ By quantity, DDB's share of apparent U.S. consumption was *** percent in 2013, subject imports were *** percent, and nonsubject imports were *** percent.^{46 47}

Substitutability. In the original investigations, the Commission found that there was a high degree of substitutability between the subject imports and the domestic like product. It also found that while domestic producers' and importers' responses varied regarding the importance of price as a factor in sales, all responding purchasers indicated that price was very important in purchasing decisions.⁴⁸ The Commission found that commodity matchbooks were sold on both a contract and a spot basis and that DDB sold ***, while another domestic producer sold ***.⁴⁹ Raw materials accounted for almost *** the cost of production of commodity matchbooks and in the original investigations DDB reported that energy, paraffin, match stem, and potassium chlorate prices all increased in 2008.⁵⁰

In these reviews, there is no new information on the record to suggest that the substitutability of commodity matchbooks from domestic and subject sources has changed since the original investigations. Accordingly, we again find that the domestic like product and subject merchandise are highly substitutable and that price continues to be an important factor in purchasing decisions.

⁴² Original Determination, USITC Pub. 4117 at 12. The domestic industry's market share increased from *** percent in 2006 to *** in 2007, and then to *** percent in 2008. Confidential Original Determination at 18.

⁴³ Original Determination, USITC Pub. 4117 at 12. The market share of subject imports fell from *** percent in 2006 to *** percent in 2008. Confidential Original Determination at 18.

⁴⁴ Original Determination, USITC Pub. 4117 at 12. Nonsubject imports as a share of the U.S. market declined from 2006 to 2007 and were *** percent in 2008 and the first half of 2009. Confidential Original Determination at 18.

⁴⁵ DDB's Response to Notice of Institution, December 3, 2014 at 12.

⁴⁶ Commodity matchbooks, promotional matchbooks, and other matches are all imported under the same HTSUS number, 3605.00.0060. Therefore, all data on the record concerning imports of commodity matchbooks during the period of review are overstated and are not directly comparable to data on the record in the original investigations. CR at 18, PR at I-13.

⁴⁷ CR/PR at Table 6. As previously stated, because of the use of official import statistics including out-of-scope products to measure apparent U.S. consumption, DDB's share of apparent U.S. consumption, which is based on its U.S. shipments, is likely understated in 2013.

⁴⁸ Original Determination, USITC Pub. 4117 at 13.

⁴⁹ Confidential Original Determination at 19.

⁵⁰ Confidential Original Determination at 19.

C. Likely Volume of Subject Imports

Original Investigations. In the original investigations, the Commission found that notwithstanding a decline, the volume of subject imports was significant, both in absolute terms and relative to U.S. consumption and production.⁵¹ The Commission found that the decline in subject imports was due in large part to the domestic industry's strategy of cutting its prices to meet import competition in 2006 and 2007, which followed an increase in subject imports from 2005 to 2006, as well as to the filing of the petition on October 29, 2008.⁵²

Current Reviews. In these reviews, the information available indicates that the orders have had a disciplining effect on the volume of subject imports, which declined significantly and may have exited the U.S. market entirely since the imposition of the orders. Official import statistics for commodity and promotional matchbooks and other matches⁵³ show that imports of such merchandise from India decreased 92.4 percent between 2009 and 2013.⁵⁴ Imports from India were 131,299 cases in 2009, 1,092 cases in 2010, 1,645 cases in 2011, 650 cases in 2012, and 10,020 cases in 2013.⁵⁵ Imports of items from India classified under HTSUS number 3605.00.0060 accounted for *** percent of apparent U.S. consumption in 2013.⁵⁶ DDB asserts that based on its monitoring of inbound Customs data, it believes that no commodity matchbooks have been imported from India since the orders went into effect and that any imports from India classified under HTSUS number 3605.00.0060 likely consist of "wax matches, fire starters, and other miscellaneous pyrotechnic articles."⁵⁷

The record contains limited current data specific to commodity matchbook producers in India because subject producers in India declined to participate or furnish information in these reviews. Nonetheless, the information available in these reviews indicates that subject producers are export oriented and are increasing their exports of matches. In the original investigations, one subject producer, Triveni Safety, was responsible for the majority of commodity matchbook production in India and the majority of exports of subject merchandise to the United States in 2007.⁵⁸ The record shows that Triveni Safety continues to produce matchbooks and that global trade data for matches -- a category which encompasses, but is broader than, commodity matchbooks -- indicate that India has been the world's largest

⁵¹ Original Determination, USITC Pub. 4117 at 14-15.

⁵² Original Determination, USITC Pub. 4117 at 15.

⁵³ As stated earlier, all data on the record concerning imports of commodity matchbooks during the period of review are overstated and are not directly comparable to data on the record in the original investigations. CR at 18, PR at I-13.

⁵⁴ CR at 19, PR at I-12.

⁵⁵ CR/PR at Table 4.

⁵⁶ CR/PR at Table 6.

⁵⁷ DDB's Response to Request for Further Information in Support of its Response to Notice of Institution, December 15, 2014, at 4.

⁵⁸ CR at 26, PR at I-17.

exporter of matches in every year from 2009 to 2013.⁵⁹ Furthermore, between 2009 and 2013, India increased its global exports of matches.⁶⁰ We find that the commodity matchbook industry in India has the ability to import significant quantities of subject merchandise to the United States upon revocation, as it did during the original investigations, in light of its large and increasing exports of matches.

The record also indicates that there are barriers to the importation of the subject merchandise into countries other than the United States. While there are no antidumping or countervailing duty orders in place in third countries, the record shows that Egypt and Guatemala – the only other countries besides the United States that use commodity matchbooks – maintain steep import tariffs on commodity matchbooks.⁶¹ These barriers would create further incentive for the subject producers to direct exports to the U.S. market should the orders under review be revoked.

In light of these factors, we find that the subject producers are likely, absent the restraining effects of the orders, to direct significant volumes of commodity matchbooks to the U.S. market, as they did during the original investigations.⁶² We find that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the orders were revoked.

D. Likely Price Effects

In the original investigations, the Commission found that subject imports undersold the domestic like product in all 14 quarterly price comparisons at margins that averaged 16.4 percent.⁶³ It found the declines in prices for the domestic like product corresponded with the largest margins of underselling and concluded that the presence of subject imports depressed prices for the domestic like product to a significant degree. The Commission also found that the domestic industry's ratio of cost of goods sold to net sales increased over the POI, and concluded that subject imports suppressed domestic prices to a significant degree.⁶⁴

Current Reviews. There is no new product-specific pricing information on the record of these expedited reviews. The domestic producer is the sole source of pricing data for sales of commodity matchbooks in the United States. It reported that the average case value of its U.S. shipments in 2013 was \$***, which was higher than any reported during the original investigations.⁶⁵ Given the substitutable nature of commodity matchbooks, we find that price continues to be an important factor in purchasing decisions. In light of the pervasive underselling during the original POI, we find that if the antidumping and countervailing duty

⁵⁹ CR/PR at Table 7.

⁶⁰ CR/PR at Table 7.

⁶¹ CR at 28-29, PR at I-18.

⁶² The record of the current reviews does not contain information about inventories of the subject merchandise or concerning subject producers' ability to engage in product shifting.

⁶³ Original Determination, USITC Pub. 4117 at 15.

⁶⁴ Original Determination, USITC Pub. 4117 at 15-16.

⁶⁵ CR/PR at Table 3.

orders were revoked, subject imports from India would likely undersell the domestic like product as they did during the original investigations. This in turn would likely cause the domestic producers to cut prices or restrain price increases, or to lose sales.

Accordingly, given the likely significant volume of subject imports, we find that the subject imports would likely engage in significant underselling of the domestic like product to gain market share, or would likely have significant depressing or suppressing effects on the price of the domestic like product if the antidumping and countervailing duty orders were revoked.

E. Likely Impact

Original Investigations. In the original investigations, the Commission found declines in most measures of industry performance from the beginning of the POI until the time the petitions were filed. The Commission found that the domestic industry's production, capacity utilization, shipments, and inventories as a ratio to shipments declined.⁶⁶ It also found that the domestic industry's employment and financial indicators all declined over the POI. The Commission considered whether decreased demand contributed to the financial condition of the domestic industry and concluded that while it may have led to deterioration in some aspects of the domestic industry's financial performance, the decrease in demand was not sufficient to explain the financial state of the domestic industry.⁶⁷ It also considered the role of nonsubject imports and concluded that they were not the cause of any injury to the domestic industry because they were not always present in the market throughout the POI and they were priced higher than subject imports.⁶⁸ The Commission concluded that subject imports had a significant adverse impact on the condition of the domestic industry and that the domestic industry was materially injured by reason of subject imports.⁶⁹

Current Reviews. The information available concerning the domestic industry's condition in these reviews consists of the data that DDB, the sole domestic producer, provided in its response to the notice of institution. Because these are expedited reviews, we have only limited information with respect to the domestic industry's financial performance. The limited record is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.⁷⁰

The information on the record indicates that the domestic industry has improved its operating performance since the original investigations. Its capacity was *** cases in 2013 and reported production was *** cases in 2013; accordingly, capacity utilization was *** percent.

⁶⁶ Original Determination, USITC Pub. 4117 at 17. The Commission observed that despite these declines, the domestic industry regained market share. *Id.*

⁶⁷ Original Determination, USITC Pub. 4117 at 17-18.

⁶⁸ Original Determination, USITC Pub. 4117 at 18.

⁶⁹ Original Determination, USITC Pub. 4117 at 19.

⁷⁰ Vice Chairman Pinkert finds the data on vulnerability to be mixed. Although the domestic industry's profitability per unit has improved since the original investigations, the quantity of its sales has declined. CR/PR at Table 3.

U.S. shipments were *** cases in 2013.⁷¹ DDB reported an operating income of \$*** from sales of \$***, resulting in an operating margin of *** percent in 2013.⁷² While, the domestic industry's reported capacity, production, and quantity of U.S. shipments were lower in 2013 than during the original investigations, this is not surprising in light of reported downward trends in U.S. demand. The domestic industry's operating income and operating income margin were higher in 2013 than at any point in the original investigations.⁷³ Based on the limited record of these reviews, we find that, should the orders be revoked, the likely significant volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These declines would likely have a direct adverse impact on the domestic industry's profitability and employment, as well as its ability to raise capital, to make and maintain capital investments, and to fund research and development.

We also have considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. The available data indicate that nonsubject imports may have increased in the U.S. market since the orders were imposed in 2009.⁷⁴ Notwithstanding any increase in nonsubject imports during the period of review, however, the domestic industry was able to increase its operating income and operating margin.⁷⁵ We therefore conclude, the likely adverse effects of revocation we have identified are not attributable to nonsubject imports.

Accordingly, we conclude that, if the antidumping and countervailing duty orders were revoked, subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping and countervailing duty orders on commodity matchbooks from India would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

⁷¹ CR/PR at Table 3.

⁷² CR/PR at Table 3.

⁷³ CR/PR at Table 3.

⁷⁴ Of the eight largest nonsubject sources of imports indicated in official import statistics, only one, Mexico, is known to produce commodity matchbooks. CR at 18, PR at I-14; CR/PR at Table 4. There were no reported imports from Mexico in 2009 and 2010, and fluctuating amounts from 2011 to 2013. CR/PR at Table 4. As previously stated, however, the reporting number used in official import statistics for commodity matchbooks also includes out-of-scope matchbooks.

⁷⁵ CR/PR at Table 3.

INFORMATION OBTAINED IN THE REVIEWS

BACKGROUND

On November 3, 2014, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)) (“the Act”),¹ that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on commodity matchbooks from India would likely lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information to the Commission.^{3 4} The following tabulation presents information relating to the background and schedule of this proceeding:

| Effective or statutory date | Action |
|-----------------------------|--|
| November 3, 2014 | Notice of institution and initiation of five-year reviews by Commerce and Commission |
| February 6, 2015 | Commission vote on adequacy |
| March 11, 2015 | Results of Commerce’s expedited five-year reviews |
| April 6, 2015 | Commission statutory deadline to complete expedited reviews, unless extended |

¹ 19 U.S.C. § 1675(c).

² *Institution of a Five-Year Review: Commodity Matchbooks from India*, 79 FR 65243, November 3, 2014. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review: Commodity Matchbooks from India*, 79 FR 65186, November 3, 2014. All pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in appendix B.

⁴ Interested parties were also asked to provide a list of three to five leading purchasers in the U.S. market of commodity matchbooks in their response to the notice of institution. The following *** firms were named as top purchasers of commodity matchbooks: ***. Purchaser questionnaires were sent to all of these firms but no response was provided.

RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

INDIVIDUAL RESPONSES

The Commission received one submission in response to its notice of institution filed by U.S. producer D.D. Bean & Sons Co. (“D.D. Bean” or the “domestic interested party”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information requested in the notice. The responding interested party is given an opportunity to remedy and explain any deficiencies in its response.⁵ Coverage of the response is shown in Table 1. The Commission did not receive any responses from Indian producers or importers of the subject merchandise from India.

Table 1

Commodity matchbooks: Summary of responses to the Commission’s notice of institution

| Type of interested party | Number | Coverage |
|--------------------------|--------|-------------------|
| U.S. producer | 1 | 100% ¹ |

¹The coverage figure represents the domestic interested party’s estimate of its share of total U.S. production of commodity matchbooks. *D.D. Bean’s Response to Notice of Institution*, December 3, 2014, p.1 and exh. 2.

PARTY COMMENTS ON ADEQUACY

The Commission did not receive any separate submissions from parties commenting on the adequacy of the response to the notice of institution and whether the Commission should conduct expedited or full reviews. However, D.D. Bean noted in its response to the notice of institution that it has provided “adequate information.” It also urged the Commission to conduct expedited reviews since its substantive response was the only one submitted in these reviews.⁶

RECENT DEVELOPMENTS IN THE INDUSTRY

The domestic interested party noted in its response that it is not aware of any new technologies or production methods in the commodity matchbook industry that would have changed supply conditions domestically or worldwide since the Commission’s original

⁵ *D.D. Bean’s Response to Notice of Institution*, December 3, 2014. Commission staff requested further information in a December 4, 2014 letter from Catherine Defilippo to ***. That information was provided in *D.D. Bean’s Response to Request for Further Information in Support of its Response to Notice of Institution*, December 15, 2014.

⁶ *D.D. Bean’s Response to Notice of Institution*, December 3, 2014, p. 13.

investigations. According to the domestic interested party, the trend in global demand for commodity matchbooks remains unchanged (continuing downward at a moderate rate).⁷

U.S. producer Atlas Match LLC (“Atlas”) ceased production of commodity matchbooks in 2009, although the company continues to produce promotional matchbooks in its Euless, Texas facility. There have been no other major developments identified in the U.S. industry since Atlas closed its facility in Frankfort, Illinois and ceased production of commodity matchbooks.⁸

THE PRODUCT

COMMERCE’S SCOPE

Commerce has defined the subject merchandise as:

The scope of this investigation covers commodity matchbooks, also known as commodity book matches, paper matches or booklet matches.⁹ Commodity matchbooks typically, but do not necessarily, consist of twenty match stems which are usually made from paperboard or similar material tipped with a match head composed of any chemical formula. The match stems may be stitched, stapled or otherwise fastened into a matchbook cover of any material, on which a striking strip composed of any chemical formula has been applied to assist in the ignition process.

Commodity matchbooks included in the scope of this investigation may or may not contain printing. For example, they may have no printing other than the identification of the manufacturer or importer. Commodity matchbooks may also be printed with a generic message such as “Thank You” or a generic image such as the American Flag, with store brands (e.g., Kroger, 7-Eleven, Shurfine or Giant); product brands for national or regional advertisers such as cigarettes or alcoholic beverages; or with corporate brands for national or regional distributors (e.g., Penley Corp. or Diamond Brands). They all enter retail distribution channels. Regardless of the materials used for the stems of the matches and regardless of the way the match stems are fastened to the matchbook cover, all commodity matchbooks are included in the scope of this investigation.

⁷ D.D. Bean’s Response to Notice of Institution, December 3, 2014, pp. 11-12.

⁸ D.D. Bean’s Response to Request for Further Information in Support of its Response to Notice of Institution, December 15, 2014, p. 4.

⁹ Such commodity matchbooks are also referred to as “for resale” because they always enter into retail channels, meaning businesses that sell a general variety of tangible merchandise, e.g., convenience stores, supermarkets, dollar stores, drug stores and mass merchandisers.

All matchbooks, including commodity matchbooks, typically comply with the United States Consumer Product Safety Commission (CPSC) Safety Standard for Matchbooks, codified at 16 CFR § 1202.1 *et. seq.*

The scope of this investigation excludes promotional matchbooks, often referred to as “not for resale,” or “specialty advertising” matchbooks, as they do not enter into retail channels and are sold to businesses that provide hospitality, dining, drinking or entertainment services to their customers, and are given away by these businesses as promotional items. Such promotional matchbooks are distinguished by the physical characteristic of having the name and/or logo of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbecue or individual establishment printed prominently on the matchbook cover. Promotional matchbook cover printing also typically includes the address and the phone number of the business or establishment being promoted.¹⁰ Also excluded are all other matches that are not fastened into a matchbook cover such as wooden matches, stick matches, box matches, kitchen matches, pocket matches, penny matches, household matches, strike anywhere matches (aka “SAW” matches), strike-on-box matches (aka “SOB” matches), fireplace matches, barbeque/grill matches, fire starters, and wax matches.

The merchandise subject to this investigation is properly classified under subheading 3605.00.0060 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 3605.00.0030 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.¹¹

¹⁰ The distinctions between commodity matchbooks and promotional matchbooks may be summarized as follows: (1) If it has no printing, or is printed with a generic message such as “Thank You” or a generic image such as the American Flag, or printed with national or regional store brands or corporate brands, it is commodity; (2) if it has printing, and the printing includes the name of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbeque, or individual establishment prominently displayed on the matchbook cover, it is promotional.

¹¹ *Notice of Final Determination of Sales at Less than Fair Value: Commodity Matchbooks from India*, 74 FR 54536, October 22, 2009; *Notice of Final Affirmative Countervailing Duty Determination: Commodity Matchbooks from India*, 74 FR 54547, October 22, 2009.

DESCRIPTION AND USES¹²

Commodity matchbooks consist of paper match stems fastened into a matchbook cover. The cover is usually made of plain white paperboard, which is sometimes printed with a simple generic message or image, such as “Thank You,” the American flag, or a chain store logo. Figure 1 shows an example of a commodity matchbook cover. A composition of red phosphorus, polyvinyl acetate, and ground glass is applied to the cover for use as a striking surface. The match stem is made from paperboard and is tipped with a match head composed of a chemical mixture (usually potassium chlorate, ground glass, gelatin, sulfur, diatomaceous earth, and carboxymethylcellulose), which ignites as the result of a chemical reaction when struck on the striking surface. Commodity matchbooks contain 20 matches, equaling the quantity of cigarettes in a pack. All commodity matchbooks, whether imported or made in the United States, are required to meet U.S. consumer product safety standards.

Figure 1

Commodity matchbooks: Commodity matchbook cover



Source: *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, USITC Publication 4117, December 2009, p. I-8.

U.S. TARIFF TREATMENT

Commodity matchbooks are classifiable in the Harmonized Tariff Schedule of the United States (“HTS”) under subheading 3605.00.00 and reported for statistical purposes under statistical reporting number 3605.00.0060.¹³ Table 2 presents current tariff rates for HTS subheading 3605.00.00 (matches, other than pyrotechnic articles of heading 3604).

¹² Unless otherwise noted, this information is based on *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, USITC Publication 4117, December 2009, pp. 5-6.

¹³ The domestic interested party notes that, “in addition to commodity matchbooks, reported under this HTS category are likely wax matches, fire starters, and other miscellaneous pyrotechnic articles.” *D.D. Bean’s Response to Request for Further Information in Support of its Response to Notice of Institution*, December 15, 2014, p. 4.

Table 2
Commodity matchbooks: Tariff rates, 2014

| HTS provision | Article Description | General ¹ | Special ² | Column 2 ³ |
|---------------|---|----------------------|----------------------|---|
| | | Rates | | |
| 3605.00.00 | Matches, other than pyrotechnic articles of heading 3604..... | Free | | \$.20 per gross of immediate containers |
| 30 | Matches with natural wood stems..... | | | |
| 60 | Other..... | | | |

¹ Normal trade relations, formerly known as the most-favored-nation duty rate.

² Special rates not applicable when General rate is free.

³ Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.

Source: Harmonized Tariff Schedule of the United States (2014)(Rev. 1).

THE DEFINITION OF THE DOMESTIC LIKE PRODUCT

The domestic like product is defined as the domestically produced product or products that are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. In the original investigations, the Commission defined a single domestic like product comprised of commodity matchbooks coextensive with the scope defined by Commerce.¹⁴

The Commission excluded promotional matchbooks from its definition, though it acknowledged that commodity and promotional matchbooks share some physical characteristics and uses. Each consists of match stems attached to a cover with a striking face, and each is used as a portable ignition source. The physical characteristics, however, often differ in terms of the number of stems, the color of the stems and match heads, the material of the matchbook covers, and especially the nature of the printed advertising (if any, in the case of commodity matchbooks) on the covers.¹⁵

The stems and match heads of commodity matchbooks are in standardized colors, whereas those of promotional matchbooks come in a wide variety of colors. The covers of promotional matchbooks are often much more elaborate than the plain paperboard covers of commodity matchbooks, and the quality of the cover board, finish, match stems, and printing is typically of a much higher caliber than that of commodity matchbooks.¹⁶

¹⁴ *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, USITC Publication 4117, December 2009, p. 7.

¹⁵ *Ibid.*, p. 6.

¹⁶ *Ibid.*

There are also differences in the uses for the two types of matchbooks, particularly at the first level of trade among customers who buy the matchbooks from the producers. The customers for promotional matchbooks use them for promotional purposes, whereas the customers for commodity matchbooks generally intend them for use as an ignition source. End users tend to keep promotional matchbooks as souvenirs, adding them to match cover collections or storing them for future reference for addresses or telephone numbers.¹⁷

Although each can be used as an ignition source (e.g., to light cigarettes) and certain end users perceive them to be interchangeable, commodity and promotional matchbooks are not generally viewed as interchangeable by purchasers due to their different physical characteristics and uses.¹⁸

Purchasers' perceptions of commodity and promotional matchbooks also differ based on their different uses. Purchasers of commodity matchbooks perceive them as an accessory to facilitate cigarette sales. Purchasers of promotional matchbooks, on the other hand, perceive promotional matchbooks as an advertising medium.¹⁹ Furthermore, there can be substantial differences in the prices of the two kinds of matchbooks; the average unit values of promotional matchbooks are *** the average unit values of commodity matchbooks.²⁰

Commodity and promotional matchbooks also are sold through different channels of distribution. Commodity matchbooks are bought by wholesalers and distributors for resale to retailers, or are purchased directly by large retail chains. Promotional matchbooks are typically sold directly to the establishments that have commissioned their production.²¹

There are also some differences in the production processes and machinery used to make the two kinds of matchbooks. Commodity matchbooks are produced on high-speed, roll-to-roll presses, while promotional matchbooks are made on slower, sheet-fed presses. Commodity matchbooks are made in a continuous production process using an assembly line of machines specifically designed for high-speed, long runs. Promotional matchbooks, on the other hand, are made in a discrete production process using machines best suited for short runs and a high degree of customization.²²

Given that the differences between commodity matchbooks and promotional matchbooks outweigh the similarities, and in the absence of argument to the contrary during the original investigations, the Commission declined to include promotional matchbooks in the definition of the domestic like product in the original investigations.²³

¹⁷ Ibid. The record is mixed as to the extent promotional matchbooks are collected and kept as souvenirs rather than used as a portable ignition source and discarded. Ibid., p. I-10.

¹⁸ Ibid.

¹⁹ Ibid., p. 7.

²⁰ Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, table I-6.

²¹ *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, USITC Publication 4117, December 2009, p. 7.

²² Ibid.

²³ Ibid.

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product. According to its response to the notice of institution, the domestic interested party in the current five-year reviews supports the Commission's definition of the domestic like product found in the original investigations.²⁴

THE ORIGINAL AND RELATED INVESTIGATIONS

THE ORIGINAL INVESTIGATIONS

The original investigations resulted from antidumping and countervailing duty petitions filed with Commerce and the Commission on October 29, 2008 by D.D. Bean (Jaffrey, New Hampshire).²⁵ On October 22, 2009, Commerce published its affirmative antidumping and countervailing duty determinations. It calculated antidumping margins for Indian producers as follows: Triveni Safety Matches Pvt. Ltd. (66.07 percent) and all others (66.07 percent).²⁶ The countervailable subsidy margins were calculated for Indian producers as follows: Triveni Safety Matches Pvt. Ltd. (9.88 percent) and all others (9.88 percent).²⁷ On December 10, 2009, the Commission published its affirmative material injury determinations regarding imports of commodity matchbooks from India.²⁸ The Commission's determinations were not subsequently litigated. Commerce issued antidumping and countervailing duty orders on subject imports on December 11, 2009.²⁹ Data compiled during the original investigations are presented in appendix C.

RELATED INVESTIGATIONS

Commodity matchbooks have not been the subject of any other antidumping or countervailing duty investigations in the United States.

²⁴ *D.D. Bean's Response to Notice of Institution*, December 3, 2014, pp. 12-13.

²⁵ *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, USITC Publication 4117, December 2009, p. I-1.

²⁶ *Notice of Final Determination of Sales at Less than Fair Value: Commodity Matchbooks from India*, 74 FR 54537, October 22, 2009.

²⁷ *Notice of Final Affirmative Countervailing Duty Determination: Commodity Matchbooks from India*, 74 FR 54548, October 22, 2009.

²⁸ *Notice of Final Determination: Commodity Matchbooks from India*, 74 FR 65549, December 10, 2009. *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, USITC Publication 4117, December 2009, pp. 3-7 and 13-29.

²⁹ *Notice of Antidumping Duty Order: Commodity Matchbooks from India*, 74 FR 65737, December 11, 2009; and *Notice of Countervailing Duty Order: Commodity Matchbooks from India*, 74 FR 65740, December 11, 2009.

ACTIONS AT COMMERCE

COMMERCE'S REVIEWS

Commerce has not conducted any administrative reviews of the antidumping or countervailing duty orders on imports of commodity matchbooks from India. Commerce has not made duty absorption findings and has not conducted scope inquiries, anti-circumvention inquiries, or changed circumstances reviews since the antidumping and countervailing duty orders were imposed.

CURRENT FIVE-YEAR REVIEW RESULTS

Commerce notified the Commission that it had not received adequate responses from respondent interested parties to its notice of initiation of the current five-year reviews of the antidumping duty and countervailing duty orders on imports of commodity matchbooks from India. Consequently, it intends to conduct expedited reviews of the orders and to issue its final determinations by March 2, 2015.³⁰

THE INDUSTRY IN THE UNITED STATES

U.S. PRODUCERS

At the time of the original investigations, two companies produced commodity matchbooks in the United States. D.D. Bean, the petitioner and *** producer of commodity matchbooks, accounted for *** percent of domestic production in 2008 and Atlas accounted for *** percent of domestic production in 2008.³¹

D.D. Bean has operated continuously since 1938. Its primary product is commodity matchbooks, though it did produce a *** of promotional matchbooks and *** in 2008. It did not import commodity or promotional matchbooks, though it was exporting matchbooks to *** at the time it filed the petition.³² D.D. Bean reported that ***.³³

Atlas was founded in 1960 to serve the promotional matchbooks market. It merged with Bradley Industries ("Bradley") of Frankfort, Illinois in September 2007. Bradley was a

³⁰ Letter to Catherine DeFilippo, Director, Office of Investigations, U.S. International Trade Commission from Abdelali Elouaradia, Director, Office IV AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce International Trade Administration, December 18, 2014.

³¹ Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, table III-1.

³² *Ibid.*, p. III-1.

³³ *Ibid.*, p. III-5.

producer of commodity matchbooks. Atlas closed Bradley's manufacturing facility in the second quarter of 2008, citing a decline in the commodity matchbook business. After the closing of the Frankfort facility, all of the company's production took place in Atlas' original facility in Eules.³⁴ Atlas reported *** during the original investigations. It did not ***.³⁵ Atlas reported that *** in 2008.³⁶

In response to the Commission's notice of institution of the current five-year reviews, D.D. Bean indicated that it is currently the only domestic producer of commodity matchbooks.³⁷ Upon request for further information, D.D. Bean explained that Atlas ceased production of commodity matchbooks in 2009, though it continues to produce promotional matchbooks at its Eules, Texas facility.³⁸

DEFINITION OF THE DOMESTIC INDUSTRY AND RELATED PARTY ISSUES

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."³⁹ Based on its finding that the domestic like product definition was limited to commodity matchbooks, the Commission defined a single domestic industry consisting of all producers of commodity matchbooks.⁴⁰ The domestic interested party in the current five-year reviews supports the Commission's definition of the domestic industry as defined in the original investigations.⁴¹ The domestic interested party also indicated that it is not related to any importers or exporters of the subject merchandise nor does it import the subject merchandise.⁴²

U.S. PRODUCERS' TRADE AND FINANCIAL DATA

The Commission requested domestic interested parties to provide trade and financial data in response to the notice of institution.⁴³ Table 3 presents a compilation of the data

³⁴ Ibid., pp. III-1-III-3.

³⁵ Ibid., p. III-2.

³⁶ Ibid., p. III-5.

³⁷ *D.D. Bean's Response to Notice of Institution*, December 3, 2014, p. 9.

³⁸ *D.D. Bean's Response to Request for Further Information in Support of its Response to Notice of Institution*, December 15, 2014, p. 4.

³⁹ 19 U.S.C. § 1677(4)(A).

⁴⁰ *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, USITC Publication 4117, December 2009, p. 7.

⁴¹ *D.D. Bean's Response to Notice of Institution*, December 3, 2014, pp. 12-13.

⁴² *D.D. Bean's Response to Request for Further Information in Support of its Response to Notice of Institution*, December 15, 2014, p. 1.

⁴³ Individual company trade and financial data are presented in appendix B.

submitted by the sole U.S. producer in the current five-year reviews, as well as trade and financial data submitted by U.S. producers (D.D. Bean and Atlas) in the original investigations.

Table 3

Commodity matchbooks: Trade and financial data submitted by U.S. producers, 2006-08, and 2013

* * * * *

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. IMPORTERS

During the final phase of the original investigations, importer questionnaires were sent to 20 firms believed to be importers of commodity matchbooks and two U.S. producers of commodity matchbooks.⁴⁴ Usable questionnaire responses were received from five companies, two of which reported importing promotional matchbooks only.⁴⁵ The three importers of commodity matchbooks were believed to have represented almost all U.S. imports of commodity matchbooks from India between 2006 and 2008.

***, which began importing commodity matchbooks from India in ***, accounted for *** percent of subject imports during 2006-08. *** indicated in its questionnaire response in the original investigation that it was ***. *** was the second largest importer during 2006-08, importing *** percent of subject imports, and *** reported importing the commodity matchbooks from India only ***. ***.⁴⁶

In the current five-year reviews, the domestic interested party indicated that it is not aware of any active importers of the subject merchandise from India.⁴⁷ However, D.D. Bean noted that Steamline Industries, Inc. (“Steamline”) is the importer of record for wooden safety

⁴⁴ The Commission sent questionnaires in the original investigations to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection (“Customs”), may have imported commodity matchbooks under HTS subheading 3605.00.00 in any one year since 2006. According to D.D. Bean, imports of commodity matchbooks may have also entered under HTS statistical reporting number 3605.00.0060 (matches, not with natural wood stems) or 3605.00.0030 (matches with natural wood stems). Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, p. IV-1.

⁴⁵ Questionnaire responses were received in the original investigations from 12 firms that certified that they did not import commodity matchbooks since 2006. One importer stated that the company dissolved in November 2007 and did not import matchbooks from India. One firm was identified as a freight forwarder and did not import. Three firms, identified as small non-subject-country importers according to Customs’ records, did not respond to the importer questionnaire. Ibid.

⁴⁶ Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, pp. IV-1-IV-2.

⁴⁷ D.D. Bean’s Response to Notice of Institution, December 3, 2014, p. 9.

matches into the U.S. market from India. It stated that it believes that Steamline could use its existing distribution network to import commodity matchbooks into the United States from India if the current duties were lifted.⁴⁸

U.S. IMPORTS

In its original investigations, the Commission found that the volume of subject imports was significant, both in absolute terms and relative to consumption and production in the United States.⁴⁹ The volume of subject imports decreased from *** cases in 2006 to *** cases in 2008; however, the Commission concluded that the decline of imports was due to D.D. Bean's aggressive price cuts. Absent D.D. Bean's competitive pricing of commodity matchbooks, the Commission believed that the volume of subject imports would have been higher.⁵⁰

Table 4 presents official Commerce statistics for commodity and promotional matchbooks and other matches, which were imported under HTS statistical reporting number 3605.00.0060 during the period of the current five-year reviews (2009-13). The quantity of such merchandise decreased 37.5 percent from 2009 to 2013. However, the landed, duty-paid value increased 272.4 percent over the same period. The quantity of U.S. imports of commodity and promotional matchbooks and other matches from India from 2009 to 2013 has decreased 92.4 percent and the landed, duty-paid value of those items has decreased 48.6 percent over the same period. Based on its monitoring of inbound Customs data, the domestic interested party believes that commodity matchbooks from India have not been imported to the United States since the orders went into effect in 2009. Thus, it states that U.S. imports from India after 2009 reported by official Commerce statistics are likely comprised solely of nonsubject merchandise, such as promotional matchbooks and other matches.⁵¹ The Commission also reported in the original investigations that as much as *** of imports from nonsubject countries entering the United States under HTS 3605.00.0060 were believed to be

⁴⁸ *D.D. Bean's Response to Request for Further Information in Support of its Response to Notice of Institution*, December 15, 2014, p. 2 and exh. 5.

⁴⁹ Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, p. 22.

⁵⁰ *Ibid.*, pp. 20-21 and table IV-5.

⁵¹ *D.D. Bean's Response to Request for Further Information in Support of its Response to Notice of Institution*, December 15, 2014, p. 4.

Table 4

Commodity matchbooks: U.S. imports of commodity and promotional matchbooks, and other matches, 2009-13

| Item | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------------|--|---------|---------|---------|-----------|
| | Quantity (cases) | | | | |
| China | 7,563 | 227,024 | 903 | 550 | 54,786 |
| Japan | 95,701 | 54,166 | 20,803 | 38,239 | 26,144 |
| Hong Kong | 100,800 | 1,134 | 31,994 | 0 | 25,000 |
| Trinidad & Tobago | 0 | 0 | 0 | 0 | 24,229 |
| Sweden | 0 | 224,000 | 0 | 66,957 | 23,867 |
| Mexico | 0 | 0 | 27,819 | 35,864 | 22,500 |
| Israel | 50 | 112 | 0 | 0 | 12,913 |
| Estonia | 21,068 | 681 | 11,451 | 9,932 | 12,214 |
| India | 131,299 | 1,092 | 1,645 | 650 | 10,020 |
| All other imports | 12,566 | 10,707 | 10,961 | 5,584 | 18,936 |
| Total imports | 369,047 | 518,916 | 105,576 | 157,776 | 230,609 |
| | Landed, duty-paid value (dollars) | | | | |
| China | 46,475 | 122,148 | 18,563 | 9,709 | 181,278 |
| Japan | 171,852 | 207,340 | 56,721 | 282,771 | 211,909 |
| Hong Kong | 16,346 | 21,213 | 23,531 | 0 | 5,800 |
| Trinidad & Tobago | 0 | 0 | 0 | 0 | 60,105 |
| Sweden | 0 | 61,600 | 0 | 193,596 | 1,044,845 |
| Mexico | 0 | 0 | 43,640 | 64,902 | 34,320 |
| Israel | 6,097 | 28,241 | 0 | 0 | 1,044,930 |
| Estonia | 56,166 | 51,500 | 31,006 | 27,290 | 61,218 |
| India | 162,203 | 35,718 | 58,085 | 15,912 | 83,449 |
| All other imports | 304,789 | 288,346 | 115,052 | 69,214 | 117,186 |
| Total imports | 763,928 | 816,106 | 346,598 | 663,394 | 2,845,040 |

Note.--Because of rounding, figures may not add to total shown.

Note.--Commission staff relied on importer questionnaire responses for estimates of subject imports during the original investigation. Importer data from questionnaires are not available in this adequacy phase of the current five-year reviews.

Note.--The subject merchandise enters the United States under HTS statistical reporting number 3605.00.0060, a category that includes commodity and promotional matchbooks, as well as other types of matches. Therefore, official U.S. import data are somewhat overstated to the extent that other nonsubject matchbooks and matches are included in the data. The domestic interested party notes that, “{i}n addition to commodity matchbooks, reported under this HTS category are likely wax matches, fire starters, and other miscellaneous pyrotechnic articles.” *D.D. Bean’s Response to Request for Further Information in Support of its Response to Notice of Institution*, December 15, 2014, p. 4.

Note.--The domestic interested party stated that, to the best of its knowledge, there have been no U.S. imports of subject merchandise from India since the imposition of duties. *D.D. Bean’s Response to Notice of Institution*, December 3, 2014, p. 9.

Source: Official Commerce statistics for HTS statistical reporting number 3605.00.0060.

items other than commodity matchbooks.⁵² In addition, only the United States, Egypt, Guatemala, Mexico, and India were known to have manufacturing capabilities for commodity matchbooks at the time of the original investigations.⁵³ Therefore, the official import statistics presented in Table 4 are believed to be overstated by a substantial amount.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

In the original investigations, apparent consumption measured in both quantity and value, decreased from 2006 to 2008. The decline in apparent consumption was attributed in part to the decline in sales of cigarettes; D.D. Bean estimated that more than 95 percent of all commodity matchbooks are used to light cigarettes.⁵⁴ D.D. Bean reported in the original investigation that it ***.⁵⁵

In the original investigations, U.S. producers and importers were asked to comment on the extent to which declining demand was attributable to the use of lighters as opposed to the decline in the rate of smoking. A few importers did not know and could not comment. Other importers indicated that lighters had the biggest effect on demand when they entered the market in the 1970s and were relatively cheaper and easy to use. *** indicated in the original investigations that while lighters had an effect on demand, lower demand for cigarettes had a larger effect on the decline in demand for commodity matchbooks.⁵⁶

According to the latest data published by the Centers for Disease Control and Prevention (“CDC”), the smoking rate for adults in the United States has fallen from 20.9 percent in 2005 to 17.8 percent in 2013.⁵⁷ The CDC also reported that the absolute number of smokers in the United States decreased from 45.1 million in 2005 to 42.1 million in 2013 while the country’s population increased over the same period.⁵⁸ This decline in the smoking rate is reflective of the domestic interested party’s view that the trend in demand for commodity matchbooks is continuing downward at a moderate rate.⁵⁹

Table 5 presents data on U.S. producers’ U.S. shipments, U.S. imports, and apparent U.S. consumption of commodity matchbooks. As previously noted, U.S. apparent consumption fell in terms of quantity and value from 2006 to 2008 and U.S. producers’ shipments of commodity matchbooks were lower in 2013 as compared with 2008. U.S. import and apparent U.S.

⁵² Staff Report, *Commodity Matchbooks from India*, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final), INV-GG-107, November 5, 2009, p. IV-2.

⁵³ Ibid., p. VII-6.

⁵⁴ Staff Report, *Commodity Matchbooks from India*, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final), INV-GG-107, November 5, 2009, p. IV-6.

⁵⁵ Ibid., pp. IV-5-IV-6.

⁵⁶ Ibid., p. IV-6.

⁵⁷ CDC Press release, *Adult cigarette smoking rate overall hits all-time low*, November 26, 2014, <http://www.cdc.gov/media/releases/2014/p1126-adult-smoking.html>, retrieved January 7, 2015.

⁵⁸ Ibid.

⁵⁹ *D.D. Bean’s Response to Notice of Institution*, December 3, 2014, pp. 11-12.

consumption data for 2013 are not directly comparable to the data presented for 2006-08, as 2013 import data are derived from official statistics, which include commodity and promotional matchbooks and other matches, and 2006-08 import data are derived from questionnaire responses, which consist only of commodity matchbooks. As a result, apparent consumption in 2013 is overstated to the extent that its import component consists of products other than commodity matchbooks.

Table 5
Commodity matchbooks: U.S. producers' U.S. shipments, U.S. shipments of imports, and apparent U.S. consumption, 2006-08 and 2013

| Item | 2006 | 2007 | 2008 | | 2013 |
|---------------------------------|-------------------------|------|------|--|-----------|
| | Quantity (cases) | | | | |
| U.S. producers' U.S. shipments | *** | *** | *** | | *** |
| U.S. shipments of imports from— | | | | | |
| India | *** | *** | *** | | 10,020 |
| All other | *** | *** | *** | | 220,589 |
| Total shipments of imports | *** | *** | *** | | 230,609 |
| Apparent U.S. consumption | *** | *** | *** | | *** |
| | Value (dollars) | | | | |
| U.S. producers' U.S. shipments | *** | *** | *** | | *** |
| U.S. shipments of imports from— | | | | | |
| India | *** | *** | *** | | 83,449 |
| All other | *** | *** | *** | | 2,761,591 |
| Total shipments of imports | *** | *** | *** | | 2,845,040 |
| Apparent U.S. consumption | *** | *** | *** | | *** |

Note.-- 2006-08 U.S. import data consist of shipments of imports of commodity matchbooks reported in questionnaire responses submitted in the original investigations. Commission staff determined that questionnaire responses provided more reliable import data than official Customs data due to misclassification and inclusion of nonsubject products under HTS statistical reporting number 3605.00.0060. Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, p. IV-2. 2013 U.S. import data are derived from official Commerce statistics (HTS 3605.00.0060) and are believed to include substantial amounts of nonsubject items. D.D. Bean noted that there have been no U.S. imports of subject merchandise from India since the imposition of duties.

Source: 2006-08 data are compiled using data submitted in the Commission's original investigation. Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, table C-1. 2013 U.S. producers' U.S. shipments are compiled from the D.D. Bean's response to the Commission's notice of institution and 2013 U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 3605.00.0060.

Table 6 presents data on U.S. market shares of U.S. apparent consumption. The producers' share of apparent consumption increased from 2006 to 2008 in terms of both quantity and value. As previously noted, official import statistics presented for 2013 are believed to be substantially overstated and are not comparable to data presented for 2006-08. Therefore, the U.S. producer share of apparent U.S. consumption presented in table 6 for 2013 is understated and the apparent U.S. consumption figures for 2013 are overstated.

Table 6

Commodity matchbooks: Apparent U.S. consumption and U.S. market shares, 2006-08 and 2013

* * * * *

PRICES AND RELATED INFORMATION

During the original investigations, U.S. producers and importers of commodity matchbooks were asked to provide quarterly data for the total quantity and f.o.b. (U.S. point of shipment) value of selected products that were shipped to unrelated customers in the U.S. market. The products for which pricing data were requested were as follows:

Product 1 – Paper matchbooks with 20 match stems, secured into a plain white cover (referred to as “plain white”) or imprinted with THANK YOU packed into trays of 50 books each, wrapped in a paper sleeve and packed 50 trays to a carton/case containing 2,500 matchbooks.

Product 2 – Paper matchbooks with 20 match stems, secured into a cover imprinted with a logo, packed into trays of 50 books each, wrapped in a paper sleeve and packed 50 trays to a carton/case containing 2,500 matchbooks.

Product 3 – Promotional paper matchbooks (“not for resale” or “specialty advertising”) with 20 match stems, secured into a cover imprinted with specialty advertising. Price should be reported by piece. (Firms were contacted to request quantities on a carton/case basis equivalent to that for commodity matchbooks).⁶⁰

Two U.S. producers and three importers provided pricing data for commodity matchbooks during the original investigations.⁶¹ Pricing data for the subject imports were only available for Product 1. Subject imports undersold the domestic like product in all 14 quarterly pricing comparisons for Product 1 by an average margin of 16.4 percent.⁶²

In the current five-year reviews, the domestic interested party stated that it is not aware of pricing sources for commodity matchbooks in markets outside of the United States. Because it is the only U.S. producer of commodity matchbooks, it is the only source of pricing data in the

⁶⁰ *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, USITC Publication 4117, December 2009, p. V-2.

⁶¹ The data accounted for *** percent of the quantity of U.S. producers’ shipments and *** percent of importers’ shipments of the subject imports from India. Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, p. V-3.

⁶² *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, USITC Publication 4117, December 2009, p. 15.

United States.⁶³ The average case value of D.D. Bean's reported U.S. commercial shipments or commodity matches in 2013 was \$***.⁶⁴ The average case value of U.S. commercial shipments of commodity matchbooks reported by U.S. producers in the original investigations was \$*** in 2006, 2007, and 2008, respectively.⁶⁵ D.D. Bean noted in its response to the notice of institution that, during the original investigations, "the only way U.S. producers were able to retain some customers was by lowering pricing to unprofitable levels."⁶⁶ It further noted that since then, it "has been able to increase prices to keep up with rising raw material costs, factory overheads, and labor costs."⁶⁷

THE INDUSTRY IN INDIA

In the original investigations, the petition alleged that there were two producers/exporters of commodity matchbooks in India, Triveni Safety and Hind Matches Pvt. Ltd ("Hind"). Foreign producer questionnaires were issued in the original investigations to both producers identified in the petition. Triveni Safety was the only foreign producer that provided a questionnaire response in the original investigations. Triveni Safety estimated in its questionnaire during the preliminary phase of the investigations that it accounted for *** percent of production of commodity matchbooks in India in 2007, and *** percent of exports of commodity matchbooks to the United States in that year.⁶⁸

Interested parties in the original investigations stated that the Indian firm, Hind, ***.⁶⁹ In the current five-year reviews, the domestic interested party identified two producers of matchbooks in India: Triveni Safety and The Bell Match Private Limited ("Bell Match").⁷⁰ D.D. Bean indicated that to the best of its knowledge, Triveni Safety no longer produces or exports commodity matchbooks to the U.S. market. It added that the website for Triveni Safety indicates that it currently produces safety matches and promotional matchbooks.⁷¹ D.D. Bean also reported that Bell Match currently produces commodity matches for sale in India and has recently exported commodity matches to Canada.⁷²

⁶³ *D.D. Bean's Response to Notice of Institution*, December 3, 2014, p. 11.

⁶⁴ *Ibid.*, Exh. 2.

⁶⁵ Appendix C, table C-1.

⁶⁶ *D.D. Bean's Response to Notice of Institution*, December 3, 2014, p. 6.

⁶⁷ *Ibid.*, p. 7.

⁶⁸ Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, p. VII-1.

⁶⁹ *Ibid.*, p. VII-2.

⁷⁰ *D.D. Bean's Response to Request for Further Information in Support of Response to Notice of Institution*, December 15, 2014, pp. 1-3.

⁷¹ *Ibid.*, p. 1 and exh. 1.

⁷² *Ibid.*, p. 3 and exh. 6.

The Commission did not receive any responses to the notice of institution from producers or exporters of commodity matchbooks in India in these current five-year reviews.⁷³

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Neither antidumping nor countervailing duty orders have been placed on commodity matchbooks in third-country markets. However, D.D. Bean noted in its response that Egypt and Guatemala maintain steep import tariffs on commodity matchbooks at 30 and 15 percent, respectively.⁷⁴

THE GLOBAL MARKET

According to D.D. Bean, there was limited use of commodity matchbooks in international markets during the original investigations. The only known countries with historical and current resale distribution of commodity matchbooks were the United States, Canada, Egypt, and Guatemala. Only the United States, Egypt, Guatemala, Mexico, and India had known manufacturing capabilities for commodity matchbooks.⁷⁵

During the original investigations, *** importer, ***, reported importing nonsubject commodity matchbooks from ***, and *** for the following reasons: ***. *** identified the Mexican supplier as ***. It also reported importing a Chinese product from ***. *** submitted a questionnaire response in the original investigations, indicating that it ***.⁷⁶

In these current five-year reviews, the domestic interested party noted that Egypt and Guatemala remain the only two other countries that use commodity matchbooks, while the rest of the world primarily uses wooden matches. Both countries have domestic producers of commodity matchbooks.⁷⁷

⁷³ Data provided by Triveni Safety in the original investigations are presented in appendix C (table VII-1, duplicated from the Commission's staff report).

⁷⁴ D.D. Bean's Response to Notice of Institution, December 3, 2014, p.12; Arab Republic of Egypt, Ministry of Finance, <http://www.mof.gov.eg/mofgallerysource/English/New-Tariff/Customs.htm>, retrieved January 12, 2015. Guatemala maintains a 15 percent import tariff rate on articles under HS subheading 3605.00. Secretaria de Integracion Economica Centroamericana, <http://www.aic.sieca.int/public/Nomenclature/NomenclatureIndex.aspx?Member=sieca>, retrieved January 12, 2015.

⁷⁵ D.D. Bean's Response to Notice of Institution, December 3, 2014, p.12; Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, p. VII-6.

⁷⁶ Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, p. VII-7.

⁷⁷ D.D. Bean's Response to Notice of Institution, December 3, 2014, p. 12. Egypt maintains a 30 percent import tariff rate on articles under HS subheading 3605.00. Arab Republic of Egypt, Ministry of Finance, <http://www.mof.gov.eg/mofgallerysource/English/New-Tariff/Customs.htm>, retrieved January 12, 2015. (continued...)

In the original investigations, official Commerce import statistics were not presented in the Commission's staff report because they included nonsubject items, such as promotional matchbooks and other types of matches. Global Trade Atlas ("GTA") data with regard to global exports were not presented for the same reason.⁷⁸ Regardless, in the absence of respondent interested party responses in these current five-year reviews, GTA export data are presented in table 7. Of the countries identified in the petition as having commodity matchbook production capabilities, Guatemala, Mexico, and India have increased exports of matches (other than pyrotechnic articles) during 2009-13. Egypt did not export such merchandise during 2013.

(...continued)

12, 2015. Guatemala maintains a 15 percent import tariff rate on articles under HS subheading 3605.00. Secretaria de Integracion Economica Centroamericana, <http://www.aic.sieca.int/public/Nomenclature/NomenclatureIndex.aspx?Member=sieca>, retrieved January 12, 2015.

⁷⁸ Staff Report, *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)*, INV-GG-107, November 5, 2009, p. VII-6.

Table 7

Commodity matchbooks: Global exports of matches, other than pyrotechnic articles, by major sources, 2009-13

| Item | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------------------|-----------------------|----------------|----------------|----------------|----------------|
| | Value (1,000 dollars) | | | | |
| India | 37,119 | 42,899 | 35,340 | 55,971 | 49,312 |
| EU28 (External Trade) | 19,655 | 19,194 | 19,562 | 22,971 | 23,969 |
| South Africa | 6,923 | 12,406 | 24,413 | 17,217 | 17,169 |
| Russia | 23,379 | 17,600 | 17,204 | 14,965 | 14,013 |
| Indonesia | 10,193 | 9,533 | 11,780 | 14,711 | 17,412 |
| Belarus | 14,578 | 13,611 | 13,920 | 13,337 | 15,005 |
| Brazil | 6,154 | 6,528 | 6,939 | 7,436 | 8,254 |
| Guatemala | 4,414 | 5,392 | 5,628 | 5,770 | 6,124 |
| China | 6,596 | 6,160 | 4,907 | 5,254 | 6,637 |
| Japan | 2,903 | 2,900 | 2,543 | 2,365 | 1,959 |
| United States | 1,608 | 2,567 | 1,207 | 2,340 | 1,406 |
| Chile | 1,306 | 1,089 | 2,318 | 1,907 | 1,908 |
| Turkey | 1,792 | 1,585 | 1,716 | 1,497 | 2,050 |
| Mexico | 92 | 367 | 794 | 1,050 | 1,322 |
| Egypt | 489 | 177 | 143 | 62 | 0 |
| All other | 6,751 | 3,750 | 5,909 | 4,943 | 6,094 |
| Total | 143,952 | 145,758 | 154,324 | 171,795 | 172,632 |

Note.--Because of rounding, figures may not add to total shown.

Note.--These data include matches other than pyrotechnic articles of heading 3604 (3605.00), which consist of matches with natural wood stems (3605.00.0030), promotional matchbooks (3605.00.0060), commodity matchbooks (3605.00.0060) and other matches (3605.00.0060).

Source: Global Trade Information Services, Inc., *Global Trade Atlas*, HS subheading 3605.00 (Matches, other than pyrotechnic articles), retrieved January 5, 2015.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

| Citation | Title | Link |
|------------------------------------|---|---|
| 79 FR 65186 November 3, 2014 | <i>Initiation of Five-Year ("Sunset") Review: Commodity Matchbooks from India</i> | http://www.gpo.gov/fdsys/pkg/FR-2014-11-03/pdf/2014-26087.pdf |
| 79 FR 65243 November 3, 2014 | <i>Institution of Five-Year Reviews: Commodity Matchbooks from India</i> | http://www.gpo.gov/fdsys/pkg/FR-2014-11-03/pdf/2014-25992.pdf |
| February 6, 2015 | Explanation of Commission Determination on Adequacy | http://pubapps2.usitc.gov/sunset/caseProfsuppattmnt/download/11699 |

APPENDIX B
COMPANY-SPECIFIC DATA

**RESPONSE CHECKLIST FOR THE U.S. PRODUCER IN THE FIVE-YEAR REVIEWS OF COMMODITY
MATCHBOOKS FROM INDIA**

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN THE ORIGINAL INVESTIGATIONS

Table C-1
COMMODITY MATCHBOOKS: Summary data concerning the U.S. market, 2006-08, January-June 2008, and January-June 2009

* * * * *

Table C-2
PROMOTIONAL MATCHBOOKS: Summary data concerning the U.S. market, 2006-08, January-June 2008, and January-June 2009

* * * * *

Table C-3
COMMODITY & PROMOTIONAL MATCHBOOKS: Summary data concerning the U.S. market, 2006-08, January-June 2008, and January-June 2009

* * * * *