

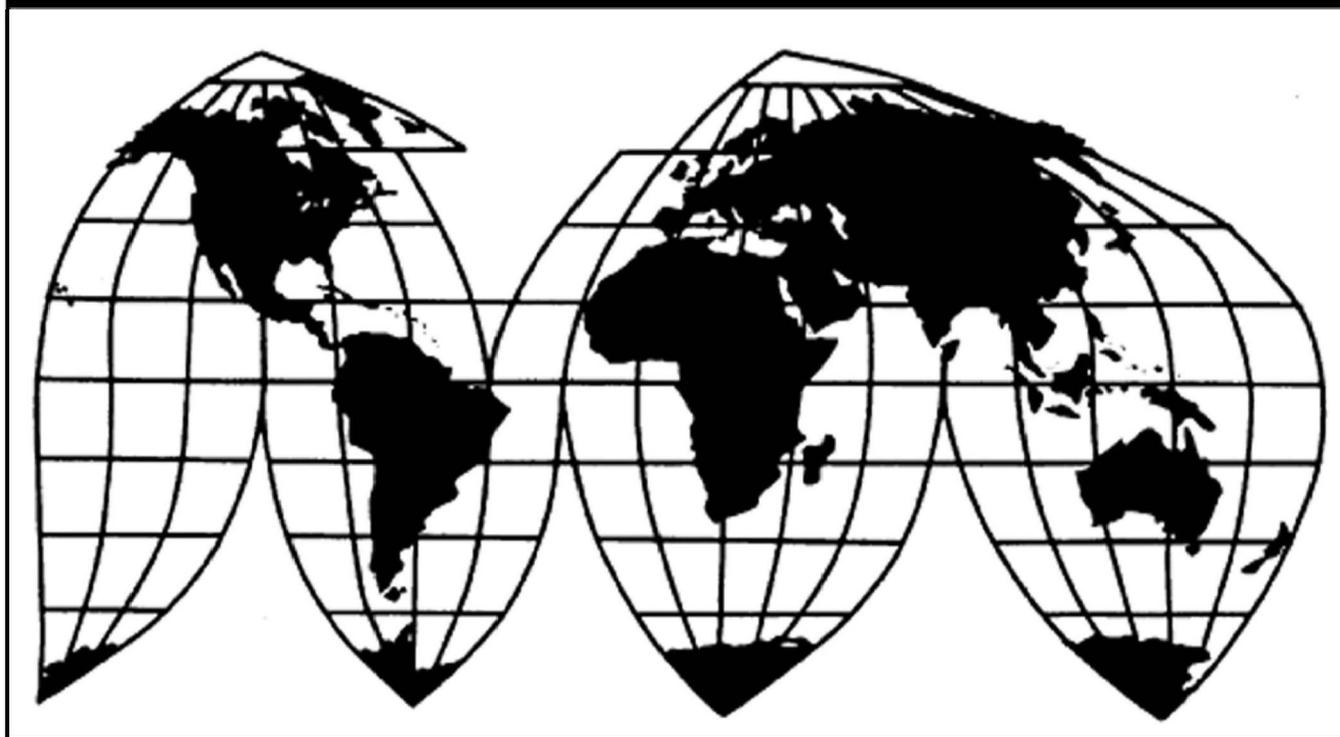
Petroleum Wax Candles from China

Investigation No. 731-TA-282 (Fifth Review)

Publication 5232

October 2021

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-282 (Fifth Review)

Petroleum Wax Candles from China

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on petroleum wax candles from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted this review on April 1, 2021 (86 FR 17203) and determined on July 7, 2021 that it would conduct an expedited review (86 FR 51380, September 15, 2021).

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

² Vice Chair Randolph J. Stayin not participating.

Views of the Commission

Based on the record of this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping order on petroleum wax candles (“candles”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. Background

Original Investigation. In August 1986, the Commission determined that an industry in the United States was materially injured by reason of imports of candles from China that were sold at less than fair value.² The U.S. Department of Commerce (“Commerce”) issued an antidumping duty order on candles from China on August 28, 1986.³

First Review. On January 4, 1999, the Commission instituted its first five-year review of the order.⁴ After conducting an expedited review, the Commission reached an affirmative determination in August 1999, and Commerce published its continuation of the order on September 23, 1999.⁵

Second Review. On August 2, 2004, the Commission instituted its second five-year review and subsequently determined to conduct a full review.⁶ The Commission reached an affirmative determination in July 2005, and Commerce published a continuation of the order on September 29, 2005.⁷

¹ Vice Chair Stayin did not participate in this proceeding.

² *Petroleum Wax Candles from the People’s Republic of China*, Inv. No. 731-TA-282 (Final), USITC Pub. 1888 (August 1986) (“*Original Determination*”).

³ *Antidumping Duty Order: Petroleum Wax Candles from the People’s Republic of China*, 51 Fed. Reg. 30686 (Aug. 28, 1986).

⁴ *Petroleum Wax Candles from China*, 64 Fed. Reg. 365 (Jan. 4, 1999).

⁵ *Petroleum Wax Candles from China*, Inv. No 731-TA-282 (Review), USITC Pub. 3226 (August 1999) (“*First Review Determination*”); *Petroleum Wax Candles from China*, 64 Fed. Reg. 48851 (Sep. 8, 1999); *Continuation of Antidumping Duty Order: Petroleum Wax Candles From the People’s Republic of China*, 64 Fed. Reg. 51514 (Sep. 23, 1999).

⁶ *Petroleum Wax Candles from China*, 69 Fed. Reg. 46182 (Aug. 2, 2004). On November 5, 2004, the Commission determined, despite an inadequate respondent interested party group response, that a full review was warranted in light of numerous scope rulings Commerce had issued since imposition of the order in 1986. *Petroleum Wax Candles from China*, 69 Fed. Reg. 68175 (Nov. 23, 2004).

⁷ *Petroleum Wax Candles from the People’s Republic of China*, Inv. No. 731-TA-282 (Second Review), USITC Pub. 3790 (July 2005) (“*Second Review Determination*”) at 3; *Petroleum Wax Candles*

Third Review. On July 1, 2010, the Commission instituted its third five-year review.⁸ After conducting an expedited review,⁹ the Commission reached an affirmative determination in December 2010, and Commerce published its continuation of the order on January 6, 2011.¹⁰

Fourth Review. The Commission instituted the fourth five-year review on December 1, 2015.¹¹ After conducting an expedited review,¹² the Commission reached an affirmative determination in May 2016, and Commerce published its continuation of the order on May 26, 2016.¹³

Current Review. The Commission instituted this fifth five-year review on April 1, 2021.¹⁴ The Commission received a single response to its notice of institution filed by the National Candle Association (“NCA” or “domestic producers”), a trade association whose 36 members produce and/or wholesale domestically produced candles.¹⁵ It did not receive a response to the notice of institution from any respondent interested party. On July 7, 2021, the Commission determined that the domestic interested party group response to its notice of institution was adequate.¹⁶ In the absence of any respondent interested party response, or any other circumstances that would warrant a full review, the Commission determined that it would

from China, 70 Fed. Reg. 44695 (Aug. 3, 2005); *Continuation of Antidumping Duty Order: Petroleum Wax Candles from the People's Republic of China (“PRC”)*, 70 Fed. Reg. 56890 (Sept. 29, 2005).

⁸ *Petroleum Wax Candles from China*, 75 Fed. Reg. 38121 (July 1, 2010).

⁹ *Petroleum Wax Candles from China*, 75 Fed. Reg. 63200 (Oct. 14, 2010).

¹⁰ *Petroleum Wax Candles from China*, Inv. No. 731-TA-282 (Third Review), USITC Pub. 4207 (December 2010) (“*Third Review Determination*”); *Petroleum Wax Candles from China*, 75 Fed. Reg. 80843 (Dec. 23, 2010); *Petroleum Wax Candles From the People's Republic of China: Continuation of Antidumping Duty Order*, 76 Fed. Reg. 773 (Jan. 6, 2011).

¹¹ *Petroleum Wax Candles from China*, 80 Fed. Reg. 75130 (Dec. 1, 2015).

¹² *Petroleum Wax Candles from China; Scheduling of an Expedited Five-Year Review*, 81 Fed. Reg. 15122 (Mar. 21, 2016).

¹³ *Petroleum Wax Candles from China*, 81 Fed. Reg. 31256 (May 18, 2017); *Petroleum Wax Candles from China*, Inv. No. 731-TA-282 (Fourth Review), USIT Pub. 4610 (May 2016) (“*Fourth Review Determination*”); *Petroleum Wax Candles from China*, 81 Fed. Reg. 31256 (May 18, 2016); *Certain Petroleum Wax Candles From the People's Republic of China: Continuation of Antidumping Duty Order*, 81 Fed. Reg. 33466 (May 26, 2016).

¹⁴ *Petroleum Wax Candles from China; Institution of a Five-Year Review*, 86 Fed. Reg. 17203 (Apr. 1, 2021).

¹⁵ Response at 1.

¹⁶ *Petroleum Wax Candles From China; Scheduling of Expedited Five-Year Review (“Scheduling Notice”)*, 86 Fed. Reg. 51380, 51381 (Sep. 15, 2021); *Explanation of Commission Determination on Adequacy in Petroleum Wax Candles from China*, Inv. No. 731-TA-282 (*Fifth Review*), EDIS Doc. 747198 (July 19, 2021) (“*Adequacy Explanation*”).

conduct an expedited review of the order.¹⁷ NCA filed comments supporting an affirmative determination on September 17, 2021, pursuant to Commission rule 207.62(d)(1).¹⁸

U.S. industry data are based on information submitted by NCA on behalf of its 36 member firms; it estimates that its members accounted for 80 percent of U.S. candle production in 2020.¹⁹ U.S. import data and related information are based on Commerce's official import statistics.²⁰ Foreign industry data and related information are based on information furnished by NCA, information from the prior proceedings, and publicly available information gathered by Commission staff.²¹ One U.S. purchaser responded to the Commission's adequacy phase questionnaire.²²

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."²³ The Tariff Act defines "domestic like 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."²⁴ The Commission's practice in five-year reviews is to examine the domestic like product definition from the original

¹⁷ *Scheduling Notice*, 86 Fed. Reg. 51380, 51381. Commissioner Johanson determined that, in light of the time that has transpired since the Commission last conducted a full investigation in this matter, conducting a full review was warranted. Adequacy Explanation, EDIS Doc. 747198.

¹⁸ Domestic Producers' Confidential Final Comments, EDIS Doc. 751997 (Sept 17, 2021) ("Final Comments") at 2.

¹⁹ Confidential Report ("CR"), Memorandum INV-TT-080 (June 23, 2021) at Table I-1; Public Report ("PR") at Table I-1; Response at 2.

²⁰ CR/PR Tables I-3-4. These official import statistics may contain products outside the scope of this review as the HTS number applicable to in-scope products also covers out-of-scope products (e.g., candles containing more than 50 percent beeswax). *Id.* at Table I-3.

²¹ See generally CR/PR I-17-18.

²² CR/PR D-3-. The only responding purchaser, ***. *Id.*

²³ 19 U.S.C. § 1677(4)(A).

²⁴ 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. Dep't 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).

investigation and consider whether the record indicates any reason to revisit the prior findings.²⁵

Commerce has defined the scope of the antidumping order in this five-year review as follows:

. . . {C}ertain scented or unscented petroleum wax candles made from petroleum wax and having fiber or paper-cored wicks. They are sold in the following shapes: tapers, spirals and straight-sided dinner candles; rounds, columns, pillars, votives; and various wax-filled containers. The products were originally classifiable under the Tariff Schedules of the United States item 755.25, Candles and Tapers. The products are currently classifiable under the Harmonized Tariff Schedule (HTSUS) subheading 3406.00.00. The HTSUS subheading is provided for convenience and customs purposes. The written description remains dispositive.²⁶

This scope definition has not changed since the original investigation. Commerce has, however, issued numerous scope rulings and published a scope interpretation in 2011.²⁷

Candles are made of solid, fusible, combustible waxes or fatty substances surrounding and saturating a combustible wick. Candles are used to produce light, heat, or scent or for celebratory or ritual purposes. As a candle burns, its flame is fed by a supply of melted wax that flows up the wick as a result of capillary action. Wax is melted as the flame burns down and consumes the wick, and a cup of melted wax forms as the outside layer of the candle is cooled by an upward current of air drawn by the heat of the candle. The proper interactions among candle diameter, wax, wick, air movements, drafts, and other factors result in an operational burning candle.²⁸

Two broad categories of wax are used for commercial purposes: natural and synthetic. The bulk of candle manufacturing utilizes various combinations of natural waxes, principally paraffins, microcrystallines, stearic acid, and beeswax. Wax selection for candle-making takes

²⁵ 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).

²⁶ *Issues and Decision Memorandum for the Final Results of the Expedited Fifth Sunset Review of the Antidumping Duty Order on Certain Petroleum Wax Candles from the People's Republic of China*, EDIS Doc. 752053 (July 2, 2021) at 2 (“Commerce Final Decision Memorandum”).

²⁷ See CR/PR I-5-6; *Petroleum Wax Candles From the People's Republic of China: Final Results of Request for Comments on the Scope of the Antidumping Duty Order*, 76 Fed. Reg. 46277 (August 2, 2011); *Commerce Final Decision Memorandum* at 5.

²⁸ See CR/PR I-6-7.

into consideration a number of wax characteristics, such as melting point, viscosity, and burning power. Typically, U.S. manufacturers will use higher melt-point waxes (130-160°F) for tapers, columns, and votives and use lower melt-point, or slack, waxes for wax-filled containers. U.S. manufacturers use refined and semi-refined waxes in candle production. In the original determination, the Commission noted that petroleum wax candles may contain other waxes in varying amounts, depending on the size and shape of the candle, to enhance melt point, viscosity, and burning power.²⁹

B. The Prior Proceedings

In the original investigation, the Commission considered whether candles made of materials other than petroleum wax, principally beeswax, should be considered a part of the domestic like product. The Commission defined petroleum wax candles as those composed of more than 50 percent petroleum wax and defined beeswax candles as those composed of more than 50 percent beeswax.³⁰ Comparing beeswax and petroleum wax candles, the Commission defined the domestic like product as consisting “only of petroleum wax candles.”³¹

In the first review, the Commission found that none of the additional information collected in the review warranted a departure from its original definition of the domestic like product, and no party objected to that definition. Consequently, the Commission defined the domestic like product as petroleum wax candles.³²

In the full second review, the Commission reexamined its prior finding to determine whether to include all blended candles within the domestic like product, regardless of the proportions of petroleum and vegetable wax.³³ The Commission concluded that, with the

²⁹ CR/PR I-7.

³⁰ *Original Determination*, USITC Pub. 1888 at 4-5.

³¹ *Original Determination*, USITC Pub. 1888 at 9. In reaching this conclusion, the Commission found that beeswax candles had different physical characteristics and uses (religious purposes), were sold mainly through different channels (principally in religious and specialty markets), were priced considerably higher, and were produced only in small quantities by major domestic producers of petroleum wax candles. *Id.* at 5. Further, the Commission found that beeswax candles are not interchangeable with petroleum wax candles because of a threefold difference in the cost of production and because beeswax and petroleum wax candles were not perceived as competitive products by candle producers. *Id.* at 5-6, 6 n.11.

³² *First Review Determination*, USITC Pub. 3226 at 5.

³³ *Second Review Determination*, USITC Pub. 3790 at 7. The Commission defined “blended candles” for the purposes of its analysis as candles containing any blend of petroleum and vegetable wax. The Commission found that there was no commercial production in the United States (or elsewhere) of blended candles at the time of its original determination in 1986. Beginning in the late 1990s, however, some U.S. candle-makers began commercial production of blended candles, and such

exception of price, the evidence in the record regarding each like product factor favored the inclusion of all blended wax candles in the domestic like product.³⁴ It stated that the evidence did not reflect a clear dividing line between blended wax candles with more than 50 percent petroleum wax content and those with 50 percent or less petroleum wax content, but rather that these different types fell within a continuum. Accordingly, the Commission defined the domestic like product as “candles with fiber or paper-cored wicks and containing any amount of petroleum wax, except for candles containing more than 50 percent beeswax.”³⁵

In the third and fourth five-year reviews, no new information suggested that any change in the like product definition from the second review was warranted, and the domestic interested parties agreed with that definition.³⁶ Consequently, the Commission defined the domestic like product as “candles with fiber or paper-cored wicks and containing any amount of petroleum wax, except for candles containing more than 50 percent beeswax.”³⁷

C. The Current Review

In this review, there is no new information in the record indicating that the characteristics of candles have changed so as to warrant revisiting the domestic like product definition.³⁸ NCA agrees with the Commission’s definition of the domestic like product in the second and subsequent reviews.³⁹ We therefore again define a single domestic like product consisting of all candles with fiber or paper-cored wicks and containing any amount of petroleum wax, except for candles containing more than 50 percent beeswax.

production continued over the period of the second review. Blended candles were not raised as an issue during the expedited first five-year review. *Id.*

³⁴ *Second Review Determination*, USITC Pub. 3790 at 9. The Commission determined, applying its six-factor like product analysis, that petroleum and vegetable wax candles (1) had similar physical characteristics in appearance, odor, and feel; (2) were used for the same purposes; (3) shared common manufacturing facilities, processes, and employees; (4) were perceived to be completely interchangeable; and (5) were sold through the same channels of distribution and were advertised and displayed in the same manner. With respect to price, the Commission found that the cost of vegetable wax was higher than the cost of petroleum wax and that this differential was reflected in prices for the candles produced from different blends of these waxes during the period of review. *Id.*

³⁵ *Second Review Determination*, USITC Pub. 3790 at 9.

³⁶ *Third Review Determination*, USITC Pub. 4207 at 7; *Fourth Review Determination*, USITC Pub. 4610 at 6-7.

³⁷ *Third Review Determination*, USITC Pub. 4207 at 7; *Fourth Review Determination*, USITC Pub. 4610 at 7.

³⁸ *See generally* CR/PR I-6-7.

³⁹ Response at 37.

D. 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.”⁴⁰ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In its original determination and the first five-year review, the Commission defined the domestic industry as all domestic producers of petroleum wax candles.⁴¹ In the subsequent reviews, the Commission defined the domestic industry as “all domestic producers of candles with fiber or paper-core wicks and containing any amount of petroleum wax, except for candles containing more than 50 percent beeswax,” consistent with the revised domestic like product definition.⁴²

In this review, NCA agrees with the Commission’s domestic industry definition from the prior review and stated that it has no knowledge of any domestic producers qualifying as related parties as defined in 19 U.S.C. § 1677(4)(B).⁴³ Consequently, consistent with our definition of the domestic like product, we define the domestic industry to include all domestic producers of candles with fiber or paper-cored wicks and containing any amount of petroleum wax, except for candles containing more than 50 percent beeswax.

⁴⁰ 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.

⁴¹ *Original Determination*, USITC Pub. 1888 at 9; *First Review Determination*, USITC Pub. 3226 at 5-6.

⁴² *Second Review Determination*, USITC Pub. 3790 at 9; *Third Review Determination*, USITC Pub. 4207 at 7; *Fourth Review Determination*, USITC Pub. 4610 at 7. In the second five-year review, the Commission found that *** U.S. producers imported subject candles from China, but did not find that appropriate circumstances existed to exclude any U.S. producer as a related party. *Second Review Determination*, USITC Pub. 3790 at 10-12; *Confidential Second Review Determination*, EDIS Doc. 743968 at 12-17. In all other prior proceedings, there were no related party issues. *Original Determination*, USITC Pub. 1888; *First Review Determination*, USITC Pub. 3226; *Third Review Determination*, USITC Pub. 4207 at 7; *Fourth Review Determination*, USITC Pub. 4610 at 7.

⁴³ Response at 29, 37. The record of this review indicates that NCA members collectively imported *** pounds of candles from China in 2020, representing far less than *** percent of U.S. imports of subject merchandise and similarly far less than *** percent of reported domestic production that year. *Calculated from* CR/PR Table I-1 Note, Table I-2, Table I-4; Response at Exhibit E.

III. Revocation of the Antidumping Order 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.”⁴⁴ 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.”⁴⁵ Thus, the likelihood standard is prospective in nature.⁴⁶ The U.S. Court of International Trade (“CIT”) has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁴⁷

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

⁴⁴ 19 U.S.C. § 1675a(a).

⁴⁵ SAA, H.R. Rep. 103-316, vol. 1 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.

⁴⁶ 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.

⁴⁷ 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’”).

time.”⁴⁸ 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.”⁴⁹

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 order is revoked or the suspended investigation is terminated.”⁵⁰ 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).⁵¹ 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.⁵²

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 or relative to production or consumption in the United States.⁵³ 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

⁴⁸ 19 U.S.C. § 1675a(a)(5).

⁴⁹ 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.*

⁵⁰ 19 U.S.C. § 1675a(a)(1).

⁵¹ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders under review. *See Commerce Final Decision Memorandum.*

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

⁵³ 19 U.S.C. § 1675a(a)(2).

country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁵⁴

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.⁵⁵

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.⁵⁶ 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 order under review and whether the industry is vulnerable to material injury upon revocation.⁵⁷

No respondent interested party participated in this review. The record, therefore, contains limited new information with respect to the candle industry in China. There also is limited information regarding the candle market in the United States during the period of review. Accordingly, for our determination, we rely, as appropriate, on the limited new information on the record in this review and the facts available from the prior proceedings.

⁵⁴ 19 U.S.C. § 1675a(a)(2)(A-D).

⁵⁵ 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.

⁵⁶ 19 U.S.C. § 1675a(a)(4).

⁵⁷ 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.

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.”⁵⁸ The following conditions of competition inform our determination.

1. The Prior Proceedings

Demand Conditions. In the original investigation, apparent U.S. consumption increased by 12.8 percent from 1983 to 1984 and then declined slightly (by 1.0 percent) from 1984 to 1985.⁵⁹ Demand for candles grew substantially between the original investigation and the first review, with the domestic industry, subject imports, and nonsubject imports sharing in the growth.⁶⁰ The Commission attributed this increase to the greater use of candles for non-traditional purposes, such as aromatherapy, scenting, and home decoration.⁶¹

In the second five-year review, the Commission observed that demand remained relatively flat, due to a saturation of the market for non-traditional purposes.⁶² In the third five-year review, the Commission observed that the 2008/2009 recession caused a marked decline in U.S. demand for candles as a result of weak home sales in 2008 and 2009.⁶³ It also found that sales of candles continued to be affected by seasonal purchases and by competition from other air fresheners.⁶⁴ In the fourth five-year review, the Commission found that demand had yet to recover from the recession.⁶⁵

In the original investigation and first three reviews, the Commission found that department and specialty stores, as well as merchandisers, were the principal outlets for candle

⁵⁸ 19 U.S.C. § 1675a(a)(4).

⁵⁹ *Original Determination*, USITC Pub. 1888 at 12.

⁶⁰ *First Review Determination*, USITC Pub. 3226 at 8; *Second Review Determination*, USITC Pub. 3790 at 15.

⁶¹ *First Review Determination*, USITC Pub. 3226 at 8; *Second Review Determination*, USITC Pub. 3790 at 15.

⁶² *Second Review Determination*, USITC Pub. 3790 at 15. The Commission observed that demand had a seasonal component, increasing at the end of the year during the holiday season, and that candles in different shapes, colors, and scents may be preferred in different market segments. *Id.* at 14.

⁶³ *Third Review Determination*, USITC Pub. 4207 at 11. The Commission observed that a major incentive for purchases of candles is the sale of new and existing homes because candles are often part of homeowners' efforts to decorate living spaces. *Id.*

⁶⁴ *Third Review Determination*, USITC Pub. 4207 at 11.

⁶⁵ *Fourth Review Determination*, USITC Pub. 4610 at 12.

sales.⁶⁶ In the fourth review, the Commission found that that the majority of sales in the U.S. market were to large discount retailers in the high-volume mass merchandise market.⁶⁷

Supply Conditions. The domestic industry supplied the majority of apparent U.S. consumption in the original investigation and the first five-year review and the largest share of apparent U.S. consumption (compared to subject and nonsubject imports) in the second five-year review.⁶⁸ In the third and fourth five-year reviews, the domestic industry was the second largest source of supply after nonsubject imports, with subject imports supplying only a small share of the market.⁶⁹ Subject imports remained in the market in all prior reviews.⁷⁰

In each of the prior proceedings, a few large and many small domestic producers supplied the market.⁷¹ The number of producers doubled in both the first and second five-year reviews, increasing from 100 in the original investigation to 400 in the second five-year review; there was, however, some contraction among large producers since the original investigation.⁷²

Substitutability and Other Conditions. The Commission found that the domestic like product and subject imports were frequently interchangeable in the second review and highly interchangeable in the third and fourth reviews.⁷³ In each of the prior proceedings, the Commission found that price was an important factor in purchasing decisions.⁷⁴ In the third review, the Commission observed that the price of paraffin wax, the principal raw material used

⁶⁶ *Original Determination*, USITC Pub. 1888 at 8 n.17; *First Review Determination*, USITC Pub. 3226 at 9; *Second Review Determination*, USITC Pub. 3790 at 15-16; *Third Review Determination*, USITC Pub. 4207 at 11.

⁶⁷ *Fourth Review Determination*, USITC Pub. 4610 at 12.

⁶⁸ CR/PR Table I-4.

⁶⁹ *Third Review Determination*, USITC Pub. 4207 at 11; *Fourth Review Determination*, USITC Pub. 4610 at 12. The domestic industry's share of apparent U.S. consumption was *** percent in 2014, lower than in the original investigation or in any prior review, while subject imports accounted for *** percent of apparent U.S. consumption. *Fourth Review Determination*, USITC Pub. 4610 at 12; *Confidential Fourth Review Determination*, EDIS Doc. 743971 at 17.

⁷⁰ *First Review Determination*, USITC Pub. 3226 at 8; *Second Review Determination*, USITC Pub. 3790 at 15; *Third Review Determination*, USITC Pub. 4207 at 11; *Fourth Review Determination*, USITC Pub. 4610 at 12.

⁷¹ *Original Determination*, USITC Pub. 1888 at 14.

⁷² See *First Review Determination*, USITC Pub. 3226 at 9; *Second Review Determination*, USITC Pub. 3790 at 15.

⁷³ *Second Review Determination*, USITC Pub. 3790 at 21; *Third Review Determination*, USITC Pub. 4207 at 16; *Fourth Review Determination*, USITC Pub. 4610 at 13.

⁷⁴ *Original Determination*, USITC Pub. 1888 at A-10; *First Review Determination*, USITC Pub. 3226 at 13; *Second Review Determination*, USITC Pub. 3790 at 21; *Third Review Determination*, USITC Pub. 4207 at 16; *Fourth Review Determination*, USITC Pub. 4610 at 17.

to produce candles, doubled from 2004 to 2009.⁷⁵ In the fourth review, the Commission found that the prices of paraffin wax and indirect raw materials had continued to increase.⁷⁶

2. The Current Review

Demand Conditions. NCA asserts that the conditions of competition of the candle industry have “largely remained unchanged since the prior review.”⁷⁷ It also contends that demand for candles in the retail consumer sector has temporarily increased as a result of the COVID-19 pandemic.⁷⁸ The majority of candle sales in the U.S. market continue to be to large discount retailers in the high-volume mass merchandise market.⁷⁹ Apparent U.S. consumption was *** pounds in 2020, a figure greater than in 1985, 1998, 2009, and 2014, but less than in 2004.⁸⁰

Supply Conditions. In 2020, the domestic industry was the second largest supplier to the U.S. market, accounting for *** percent of apparent U.S. consumption.⁸¹ Nonsubject imports were the largest source of supply to the U.S. market, accounting for *** percent of apparent U.S. consumption.⁸² Subject imports were the smallest source of supply to the U.S. market in 2020, accounting for *** percent of apparent U.S. consumption.⁸³

Substitutability and Other Conditions. The record in this review contains no new information to indicate that the degree of interchangeability between the domestic like product and subject imports, or the importance of price in purchasing decisions, has changed since the prior review.⁸⁴ Accordingly, we again find that subject imports and the domestic like product are highly interchangeable, and that price continues to be an important factor in purchasing decisions for candles in the U.S. market. Available information indicates that input costs increased during the period of review, due in part to reduced U.S. supplies of petroleum wax

⁷⁵ *Third Review Determination*, USITC Pub. 4207 at 11, 13.

⁷⁶ *Fourth Review Determination*, USITC Pub. 4610 at 13.

⁷⁷ NCA’s Comments on Adequacy at 4, 5; Final Comments at 4-6. ***, the one responding purchaser, ***. CR/PR D-3-4.

⁷⁸ Response at 8.

⁷⁹ Response at 18.

⁸⁰ CR/PR Table I-4.

⁸¹ CR/PR Table I-4.

⁸² CR/PR Table I-4. Vietnam was the largest source of nonsubject imports in 2020. CR/PR at Table I-3.

⁸³ CR/PR Table I-4.

⁸⁴ Domestic producers also maintain that candles from China are highly interchangeable with U.S. produced candles and that price is an important purchasing factor. Final Comments at 10-11.

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Commerce has considered over 107 scope requests, as well as two anticircumvention inquiries leading to findings of circumvention, since the order was imposed.⁸⁶ In 2015, the U.S. Court of International Trade entered default judgment penalizing an importer of candles attempting to evade the order.⁸⁷ NCA contends that, after the European Union (“EU”) and Mexico revoked their respective antidumping duty orders on candles from China, imports of candles from China into the EU and Mexico significantly increased and the average unit values of imports into the EU significantly decreased.⁸⁸

Effective February 14, 2020, candles originating from China are subject to an additional 7.5 percent *ad valorem* duty under section 301 of the Trade Act of 1974 as amended⁸⁹ (“section 301 tariffs”).⁹⁰

C. Likely Volume of Subject Imports

1. The Prior Proceedings

Original Investigation. In the original investigation, the Commission found that the increase in subject imports from China was significant.⁹¹ Subject import volume increased by over 75 percent, and the value of these imports nearly doubled from 1983 to 1985. The Commission also found that subject imports’ share of total candle imports increased by more than 10 percentage points in 1985.⁹²

First Review. In the first five-year review, the Commission found that subject import volume was likely to be significant if the antidumping duty order were revoked.⁹³ The Commission found that China was the largest candle exporter to the United States and that it

⁸⁵ CR/PR at I-9; Response at 25-26.

⁸⁶ *Commerce Final Decision Memorandum* at 3, 5.

⁸⁷ Response at 35-36 citing *United States v. NYCC 1959 Inc.*, 79 F. Supp.3d 1343, CIT Slip Op. 15-65 (Ct. Int’l Trade 2015). See also Final Comments at 9.

⁸⁸ Response at 12-13, Exhibit N. The EU decision occurred, partially, on the basis that Chinese exporters faced more favorable pricing in the United States and other countries than in the EU, therefore making the EU market less attractive than those other markets. *Id.* at 33-34, Exhibit M.

⁸⁹ 19 U.S.C. § 2411.

⁹⁰ 19 U.S.C. § 2411; CR/PR I-6; *Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 85 Fed. Reg. 3741 (Jan. 22, 2020).

⁹¹ *Original Determination*, USITC Pub. 1888 at 17.

⁹² *Original Determination*, USITC Pub. 1888 at 14-15.

⁹³ *First Review Determination*, USITC Pub. 3226 at 12.

had the ability and incentive to establish a significant presence in the U.S. market.⁹⁴ Although subject imports declined in 1986 after the antidumping duty order was issued, China was the fastest growing candle exporter to the United States in the 1990s. The Commission observed that this rapid increase took place even with antidumping duty deposit rates of 54.21 percent in place, concluding that the increase would have been greater absent the order. Although the record contained no aggregate data regarding the Chinese industry, the Commission stated that the substantial increase in subject imports and candle exports from China to other countries indicated that Chinese producers had increased their production capacity since the original investigation. It found that Chinese producers already had manufacturing capacity and channels of distribution in place, along with an abundant source of labor and raw materials to expand candle production and increase exports to the U.S. market were the order to be revoked. Additionally, Chinese producers had the ability to shift from production of out-of-scope candles to subject candles upon revocation. Finally, the Commission found that Mexico's imposition in 1993 of an antidumping duty order on candles from China with duties of 103 percent would create an incentive for Chinese producers to ship more candles into the United States if the order were revoked.⁹⁵

Second Review. In the second five-year review, the Commission again found that subject import volume was likely to be significant. It explained that China continued to be the largest single source of candle imports into the United States and that the United States continued to be the world's largest market for candle exports from China even with the order in place. Additionally, the large volumes of Chinese exports to other markets would provide an additional source of subject imports if the order were revoked. The growing exports of Chinese candles to the United States and to other countries further indicated that the expansion of Chinese production found in the original investigation and the first five-year review was continuing.⁹⁶

The Commission also found that total candle exports from China were at record levels during the period of review, while unit values of candle imports from China to the United States were generally declining despite the existence of the antidumping duty order.⁹⁷ In addition, Chinese producers had significantly increased their exports of out-of-scope blended vegetable wax candles (with less than 50 percent petroleum wax content) to the United States following

⁹⁴ *First Review Determination*, USITC Pub. 3226 at 11-12.

⁹⁵ *First Review Determination*, USITC Pub. 3226 at 11.

⁹⁶ *Second Review Determination*, USITC Pub. 3790 at 18.

⁹⁷ *Second Review Determination*, USITC Pub. 3790 at 18-19.

the imposition of the antidumping duty order on petroleum wax candles.⁹⁸ The Commission concluded that the Chinese producers would likely shift production for the U.S. export market from out-of-scope vegetable wax candles to subject candles if the order were revoked.⁹⁹ Finally, the Commission found that barriers to the importation of Chinese candles in other markets would create an incentive for subject producers to ship additional candles to the United States upon revocation.¹⁰⁰

Third Review. In the third five-year review, the Commission again determined that subject import volume was likely to be significant if the antidumping duty order were revoked.¹⁰¹ It found that candle producers in China had the ability to increase rapidly their existing capacity and production.¹⁰² The Commission found that the candle industry in China remained highly export oriented and the United States was an attractive market because of its size.¹⁰³ The Commission also observed that the industry in China faced barriers to entry in other markets, particularly the EU and Mexico.¹⁰⁴

Fourth Review. In the fourth five-year review, the Commission found that the candle industry in China was the world's largest, had substantial and increasing capacity to produce both candles and important inputs (*e.g.*, paraffin wax), had substantial excess capacity, and remained highly export oriented.¹⁰⁵ The Commission also found that Chinese producers continued to be present in the U.S. market since the imposition of the order—although at much lower quantities since the peak in 2004—and therefore had existing distribution networks in the United States.¹⁰⁶ Further, the Commission found that there were no longer any barriers to subject candles in third country markets after Mexico terminated its antidumping duty order on candles from China in 2011 and the EU terminated its antidumping duty order on candles from

⁹⁸ *Second Review Determination*, USITC Pub. 3790 at 19.

⁹⁹ *Second Review Determination*, USITC Pub. 3790 at 19.

¹⁰⁰ *Second Review Determination*, USITC Pub. 3790 at 20.

¹⁰¹ *Third Review Determination*, USITC Pub. 4207 at 14.

¹⁰² *Third Review Determination*, USITC Pub. 4207 at 14. The Commission based this finding on several factors, including increased production capacity in China since 1985, access to established domestic channels of distribution, excess candle making capacity in China, and the large and growing production capacity for paraffin wax in China. *Id.*

¹⁰³ *Third Review Determination*, USITC Pub. 4270 at 14.

¹⁰⁴ *Third Review Determination*, USITC Pub. 4270 at 14.

¹⁰⁵ The Chinese candle industry's capacity utilization rate was 66.7 percent in 2014 while its roughly 276 million pounds of unused capacity exceeded the peak level of U.S. imports from China. China was the world's second largest exporter of candles; Chinese producers accounted for approximately 20.3 percent of global exports of candles in 2014. *Fourth Review Determination*, USITC Pub. 4610 at 15.

¹⁰⁶ *Fourth Review Determination*, USITC Pub. 4610 at 15.

China in 2015.¹⁰⁷ Consequently, the Commission found that Chinese candle producers would likely have the ability and incentive to increase shipments to the United States after revocation, using established distribution channels, and therefore concluded that the volume of subject imports would likely be significant.¹⁰⁸

2. The Current Review

The record in this review indicates that the order continues to have a disciplining effect on subject imports. During the period of review, the volume of subject imports ranged from 13.6 million pounds in 2016 to 21.8 million pounds in 2020, far below the peak subject import volume of 208 million pounds in 2004, before the anticircumvention determination by Commerce in October 2006.¹⁰⁹

Subject Chinese producers have the means and the incentive to increase their exports of subject merchandise to the U.S. market to significant levels if the order were revoked. First, the record indicates that the Chinese candle industry increased its production capacity by *** percent during the period of review, from *** pounds in 2015 to *** pounds in 2020, even as lagging production resulted in substantial unused capacity.¹¹⁰ Specifically, in 2020, the Chinese industry's production of *** pounds of candles yielded excess capacity of *** pounds, equivalent to *** percent of apparent U.S. consumption that year.¹¹¹ Chinese producers demonstrated their ability to rapidly increase exports of candles by increasing their exports of candles to the EU from 130.3 million pounds in 2015 to 213.7 million pounds in 2019, after the EU's revocation of its antidumping duty order on candles from China in 2015.¹¹²

¹⁰⁷ *Fourth Review Determination*, USITC Pub. 4610 at 15.

¹⁰⁸ *Fourth Review Determination*, USITC Pub. 4610 at 15-16.

¹⁰⁹ CR/PR Tables I-3-4; *Later-Developed Merchandise Anticircumvention Inquiry of the Antidumping Duty Order on Petroleum Wax Candles from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 71 Fed. Reg. 59075 (Oct. 6, 2006). We note that after this anticircumvention determination in October 2006, subject imports declined to 29 million pounds in 2007 and to 21.8 million pounds in 2020. Response at Exhibit D, CR/PR Table I-3. The fact that subject import volumes decreased significantly following the anticircumvention determination, and continued to decrease, further indicates that the order continues to have a disciplining effect on subject imports.

¹¹⁰ Response at 8, Exhibits D-E, L.1-2; CR/PR I-18. NCA further contends that Chinese producers have substantial, increasing, and excess capacity to produce paraffin wax and observes that Chinese producers are the largest suppliers of paraffin wax to the U.S. market. NCA argues that this paraffin wax could easily be used by Chinese producers to increase production of candles in the event of revocation. Response at 10-11.

¹¹¹ Response at 8, Exhibits D-E, L.1-2; CR/PR I-18.

¹¹² Response at 12, Exhibit N.2.

The record also indicates that subject Chinese producers remain export oriented and interested in the U.S. market. In 2020, the Chinese industry exported 604.2 million pounds of candles, equivalent to *** of its total production, indicating that subject producers are dependent on exports.¹¹³ China was the world's largest exporter of candles throughout the period of review, by value, and accounted for 21.1 percent of the total value of global exports in 2020.¹¹⁴

Chinese producers also remain interested in supplying the U.S. market. Subject imports were higher in 2020, at 21.8 million pounds, than in 2009 (15.7 million pounds) or 2014 (13.9 million pounds), and the United States was the second largest export market for Chinese producers, by value, in 2020.¹¹⁵ Having maintained a continuous presence in the U.S. market since imposition of the order, Chinese candle producers apparently retain established distribution channels that could be used to increase their exports to the United States in the event of revocation.

Given the Chinese industry's increased capacity and substantial excess capacity, its export orientation and dependence on exports, and its continued interest in the U.S. market, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the order were revoked.¹¹⁶

D. Likely Price Effects

1. The Prior Proceedings

Original Investigation. In the original investigation, the Commission found that candles from China were consistently priced lower than the domestic like product with large margins of underselling for all candle varieties. Additionally, there was evidence of price suppression or depression for various types of candles in sales to mass merchandisers, the marketing channel

¹¹³ Response at Exhibits L.1, L.2; CR/PR I-18.

¹¹⁴ CR/PR Table I-6. We recognize that GTA data cover a product category broader than the scope of the order under review, including both subject candles and out-of-scope products, and therefore the export data may be overstated.

¹¹⁵ CR/PR Tables I-4-5.

¹¹⁶ We do not find that the imposition of section 301 tariffs on subject imports from China would likely restrain subject imports from entering the U.S. market upon revocation. No responding domestic producer or purchaser reported that this tariff has had an effect on either the supply of or demand for subject imports or that they anticipated such effects in the reasonably foreseeable future. See CR/PR at D-4. Furthermore, information on the record indicates that the imposition of section 301 tariffs in 2020 did not prevent subject imports from increasing that year relative to 2019. CR/PR Table I-3.

The record in this review contains no information concerning inventories of the subject merchandise. See CR/PR at I-17-18.

most affected by the subject imports. The Commission found that the greater margins of underselling by subject imports to department and specialty stores suggested that the domestic like product was priced more competitively in mass merchandising outlets as a result of a greater market penetration by the subject imports in those outlets.¹¹⁷

First Review. In the first five-year review, the Commission found that the limited price information in the record indicated that subject imports from China would likely undersell the domestic like product and have significant price effects, as they did before the imposition of the order, if the order were revoked.¹¹⁸ Noting the importance of price in purchasing decisions, the Commission found that Chinese candle producers would likely have an incentive to undersell the domestic industry in order to regain market share. As in the original determination, the Commission found that price effects were likely to be the most pronounced in the mass merchandiser portion of the market, where high volumes and intense competition among retailers made it likely that purchasers would switch suppliers readily based on relatively small changes in price.¹¹⁹

Second Review. In the second five-year review, the Commission again found that price remained a very important factor in purchasing decisions and that purchasers, particularly high-volume mass merchandisers, were likely to switch suppliers based on small differences in price. Mass merchandisers continued to be the principal outlet for candle sales during the period of review and an increasing percentage of subject imports were sold in the mass merchandise market.¹²⁰

The Commission found that the limited pricing data available in the second five-year review confirmed that the mass merchandiser market was particularly price sensitive, as reflected in the price declines in the domestically produced products sold to this market segment. Other information in the record indicated that subject imports were priced lower than the domestic like product even with the order in place and that subject imports competed aggressively in the U.S. market by underselling the domestic like product.¹²¹ Moreover, the Commission observed that out-of-scope blended Chinese candles competed directly in the United States with subject merchandise during the period of review. The Commission determined that these low-priced blended candles would likely be replaced by low-priced subject imports in the event of revocation. The Commission concluded that revocation of the antidumping duty order would be likely to lead to significant price effects, including significant

¹¹⁷ *Original Determination*, USITC Pub. 1888 at 16-17.

¹¹⁸ *First Review Determination*, USITC Pub. 3226 at 13.

¹¹⁹ *First Review Determination*, USITC Pub. 3226 at 13-14.

¹²⁰ *Second Review Determination*, USITC Pub. 3790 at 21.

¹²¹ *Second Review Determination*, USITC Pub. 3790 at 21.

underselling of the domestic like product by the subject imports, as well as significant price depression or suppression, in the reasonably foreseeable future.¹²²

Third and Fourth Reviews. In the third and fourth five-year reviews there were no new pricing comparisons.¹²³ The Commission again found that price was an important factor in purchasing decisions, particularly in the mass merchandiser segment, where merchandisers were to likely switch suppliers based on small price differences.¹²⁴ The Commission concluded that, given the conditions of competition, the likely significant volumes of subject imports would likely significantly undersell the domestic like product to gain market share and would likely have significant depressing or suppressing effects on the prices of the domestic like product if the order were revoked.¹²⁵

2. The Current Reviews

There is no new product-specific pricing information on the record due to the expedited nature of this review. We have found that subject import volume is likely to be significant if the order is revoked. Given the pervasiveness of underselling during the original investigation and the importance of price to purchasers, subject producers are likely to resume their strategy of underselling the domestic like product as a means of rapidly increasing their penetration of the U.S. market.¹²⁶ Accordingly, we find that subject imports would likely undersell the domestic like product to a significant degree.

As previously discussed, we have found that domestically produced candles and subject imports are highly interchangeable, and that price is an important factor in purchasing decisions. The available information indicates that mass merchandisers, which continue to

¹²² *Second Review Determination*, USITC Pub. 3790 at 22.

¹²³ *Third Review Determination*, USITC Pub. 4207 at 16; *Fourth Review Determination*, USITC Pub. 4610 at 17-18.

¹²⁴ *Third Review Determination*, USITC Pub. 4207 at 16; *Fourth Review Determination*, USITC Pub. 4610 at 17-18. The Commission also observed in the third review that the AUV of subject imports was below the AUV of the domestic like product in 2004, but the AUV of subject imports increased significantly from 2006 to 2009 in response to the increase in antidumping duty deposit rates in 2005. *Third Review Determination*, USITC Pub. 4207 at 16.

¹²⁵ *Third Review Determination*, USITC Pub. 4207 at 16; *Fourth Review Determination*, USITC Pub. 4610 at 18.

¹²⁶ Other evidence on the record suggests that subject import prices are likely to decline after revocation. The average unit value of subject imports increased significantly after Commerce's anticircumvention determination in October 2006. *Compare* CR/PR Table I-3 with appendix C-6. Conversely, the average unit value of candles imported from China into the EU declined significantly after the EU revoked the antidumping duty order on candles from China in 2015. Response at 20, Exhibit N.2.

account for a majority of the U.S. candle market, are particularly price sensitive, and likely to switch suppliers based on relatively small changes in price.¹²⁷ Consequently, the significant underselling by subject imports that is likely would force the domestic industry to either lower prices or else lose sales. In light of these considerations, we find that subject imports would likely have significant depressing or suppressing effects on prices for the domestic like product if the order were revoked.

E. Likely Impact

1. The Prior Proceedings

Original Investigation. In the original determination, the Commission found that the low-priced subject imports took market share from the domestic industry in each segment of the market. The domestic industry's capacity utilization was just over 50 percent and declining. Employment levels and financial indicators also declined.¹²⁸

First Review. In the first five-year review, the Commission found that the antidumping duty order had a significant restraining effect on subject imports. After imposition of the order, the volume of subject imports declined sharply, the AUV of subject imports doubled, and U.S. producers were able to raise their prices and regain market share. Despite the initial volume declines and price increases following imposition of the order, subject imports' AUV declined during the period of review, and they regained a significant market presence at the expense of U.S. producers. The Commission found it likely that the most immediate impact of revocation would be that the domestic industry would cut prices on high-volume sales to compete with subject imports. The Commission concluded that the price and volume declines would likely have a significant adverse impact on the production, shipment, sales, and revenue levels of the domestic industry. The Commission also determined that this reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability, as well as its ability to raise capital and make and maintain necessary capital investments. In addition, the Commission found it likely that revocation of the order would result in employment declines for domestic firms, particularly the smaller and medium-sized companies that did not utilize heavily automated processes.¹²⁹

Second Review. In the second five-year review, the Commission found that the domestic industry's condition had improved since the imposition of the antidumping duty

¹²⁷ Response at 25, Exhibit C.

¹²⁸ *Original Determination*, USITC Pub. 1888 at 16-17.

¹²⁹ *First Review Determination*, USITC Pub. 3226 at 15.

order. During the period of review, the industry had operated profitably, and its domestic shipments and total shipments increased. The domestic industry's capacity had also increased as more firms entered the market. As a result, the Commission determined that the domestic industry was not vulnerable.¹³⁰ The Commission also found, however, that the domestic industry's financial condition declined over the period of review. The Commission observed that, as subject imports increased and their prices declined, the domestic industry's operating income, capacity utilization, capital expenditures, and return on investment all declined.¹³¹ The Commission found that, if the order were revoked, prices for candles sold in the mass merchandise and department store channels would decline in response to large volumes of subject imports, and the consequent price depression ultimately would likely result in reduced prices and lower revenues in the direct sales channel as well. Consequently, the Commission determined that revocation of the antidumping duty order would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.¹³²

Third Review. In the third five-year review, the domestic industry's trade and financial indicators all declined relative to those at the end of the second review, except for operating income as a percentage of net sales, which increased. The Commission found that the limited evidence on the record was insufficient to make a finding on vulnerability.¹³³ According to the Commission, the likely significant increase in subject imports and the accompanying price effects would likely adversely impact the domestic industry's trade, employment, and financial indicators. Consequently, the Commission concluded that revocation of the antidumping duty order would likely have a significant impact on the domestic industry within a reasonably foreseeable time.¹³⁴

Fourth Review. The Commission found in the fourth five-year review that the limited information on the record was insufficient to make a vulnerability finding.¹³⁵ The Commission observed that the domestic industry's capacity, production, and U.S. shipments had decreased since the time of the third review, while its operating income as a percentage of net sales had increased to a level higher than in 2009, 2004, or 1985.¹³⁶ The Commission found that

¹³⁰ *Second Review Determination*, USITC Pub. 3790 at 23-24.

¹³¹ *Second Review Determination*, USITC Pub. 3790 at 24.

¹³² *Second Review Determination*, USITC Pub. 3790 at 25.

¹³³ *Third Review Determination*, USITC Pub. 4207 at 19 n.99.

¹³⁴ *Third Review Determination*, USITC Pub. 4207 at 19.

¹³⁵ *Fourth Review Determination*, USITC Pub. 4610 at 19. One Commissioner found that the domestic industry was not vulnerable to the continuation or recurrence of material injury in the event of revocation of the antidumping duty order. *Fourth Review Determination*, USITC Pub. 4610 at 19 n.121.

¹³⁶ *Fourth Review Determination*, USITC Pub. 4610 at 19. Specifically, the Commission found that capacity and production declined since the time of the third review while capacity utilization was higher

revocation of the order would likely result in a significant increase in subject import volume that would significantly undersell the domestic like product and have significant price effects on domestic producers, forcing them to cut prices or cede market share to subject imports. The Commission concluded that the significant likely subject import volume and price effects would have a significant impact on the domestic industry's performance if the order were revoked.¹³⁷

In its non-attribution analysis, the Commission found that the domestic industry's operating income and operating income as a percentage of net sales increased from 2009 to 2014, despite the increasing presence of nonsubject imports.¹³⁸ Therefore, the likely impact of subject imports in the reasonably foreseeable future would be distinguishable from that of any future nonsubject imports.¹³⁹ The Commission concluded that, if the order were revoked, subject imports from China would likely have a significant impact on the domestic industry within a reasonably foreseeable time.¹⁴⁰

2. The Current Reviews

Due to the expedited nature of this review, the record contains limited information on the domestic industry's performance since the prior proceedings. This information, and the limited record available, are insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

The available information indicates that the condition of the domestic industry has generally declined since the last review. In 2020, the domestic industry's capacity was *** pounds, production was *** pounds, capacity utilization was *** percent, and U.S. shipments were *** pounds valued at \$***.¹⁴¹ The industry's capacity, production, and total value of U.S. shipments were lower in 2020 than in 2014, but its capacity utilization and volume of U.S.

in 2014 than in 2009. The domestic industry's U.S. shipments were lower in 2014 than in 2009 while the AUV of U.S. shipments was higher. Its 2014 operating income ratio was higher than that reported in 2009, 2004, or 1985. *Id.*

¹³⁷ *Fourth Review Determination*, USITC Pub. 4610 at 20. Specifically, the Commission found that the likely significant volume and price effects would negatively affect domestic production, shipments, and market share thereby directly impacting the industry's profitability and employment, as well as its ability to raise capital, make and maintain capital investments, and fund research and development. *Id.*

¹³⁸ *Fourth Review Determination*, USITC Pub. 4610 at 20.

¹³⁹ *Fourth Review Determination*, USITC Pub. 4610 at 20.

¹⁴⁰ *Fourth Review Determination*, USITC Pub. 4610 at 20.

¹⁴¹ CR/PR at Table I-2. The domestic industry's capacity, production, and value of U.S. shipments were less in 2020 than in 2004, 2009, and 2014. CR/PR at Table I-2. The domestic industry's U.S. shipment volume was less in 2020 than in 2004 and 2009. *Id.*

shipments were higher.¹⁴² The domestic industry's net sales revenue was \$*** in 2020, with a gross profit of \$*** and operating income of \$***.¹⁴³ The industry's operating income as a share of net sales was *** in 2020, which was lower than in 2004, 2009, or 2014, but higher than in 1985.¹⁴⁴

We have found that revocation of the order would likely result in significant subject import volumes that would undersell the domestic like product and would likely have significant depressing or suppressing effects on prices for the domestic like product. Given the high degree of interchangeability between subject and domestic candles and the importance of price to purchasers, the significant volume of low-priced subject imports would likely force domestic producers to either cut prices or cede market share to subject imports. Consequently, the likely significant volume and price effects of subject imports would adversely impact the domestic industry's production, shipments, and market share, directly impacting the 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 have also 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 subject imports. As previously noted, nonsubject imports were the largest source of supply in the U.S. market in 2020, and increased their share of apparent U.S. consumption since the prior review, from *** percent in 2014 to *** percent in 2020.¹⁴⁵ Given the high degree of interchangeability between subject imports and the domestic like product and the importance of price to purchasers, however, the significant presence of nonsubject imports in the U.S. market would not prevent the significant increase in subject import volume that is likely after revocation from taking market share from the domestic industry, which retains a significant share of the U.S. market, as well as from nonsubject imports, or forcing domestic producers to lower their prices to retain market share. We therefore find that the likely impact of increasing volumes of low-priced subject imports on the domestic industry is distinguishable from that of any future nonsubject imports.

¹⁴² CR/PR at Table I-2. In 2014, the domestic industry's capacity was *** pounds, its production was *** pounds, its capacity utilization was *** percent, and its U.S. shipments were *** pounds. *Id.*

¹⁴³ CR/PR at Table I-2. The domestic industry's operating income as a share of net sales was *** percent in 1985, 15.9 percent in 2004, *** percent in 2009, and *** percent in 2014. *Id.*

¹⁴⁴ CR/PR at Table I-2. Domestic producers' 2020 net revenue, gross profit, operating profit, and operating ratio were all lower than in 2004, 2009, and 2014. *Id.*

¹⁴⁵ CR/PR at Table I-4.

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

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping duty order on candles from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Information obtained in this review

Background

On April 1, 2021, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of the antidumping duty order on petroleum wax candles (“candles”) from China 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 requested by the Commission.^{3 4} The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
April 1, 2021	Notice of initiation by Commerce (86 FR 16701, March 31, 2021)
April 1, 2021	Notice of institution by Commission (86 FR 17203, April 1, 2021)
July 7, 2021	Scheduled date for Commission’s vote on adequacy
July 30, 2021	Scheduled date for Commerce’s results of its expedited review
August 30, 2021	Commission’s statutory deadline to complete expedited review
March 28, 2022	Commission’s statutory deadline to complete full review

¹ 19 U.S.C. 1675(c).

² 86 FR 17203, April 1, 2021. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order. 86 FR 16701, March 31, 2021. Pertinent Federal Register notices are referenced in app. 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 app. B. Summary data compiled in the original investigation and one subsequent full review are presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

Responses to the Commission’s notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of the following entity:

1. National Candle Association (“NCA”), an association representing 36 domestic producers, wholesalers, and importers of the subject merchandise (collectively referred to herein as “domestic interested parties”).⁵

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

Table I-1
Candles: Summary of completed responses to the Commission’s notice of institution

Interested party	Type	Number of firms	Coverage
U.S. trade association	Domestic	36	80%

Note: The U.S. trade association coverage figure presented is the domestic interested parties’ estimate of their share of total U.S. production of candles during 2020. Domestic interested parties’ response to the notice of institution, May 3, 2021, p. 2.

Note: NCA reported that collectively its members imported *** pounds of candles in 2020 and that these imports were ***. These imports represent *** percent of U.S. imports of candles during 2020 reported under HTS statistical reporting number 3406.00.0000. Domestic interested parties’ response to the notice of institution, May 3, 2021, Exhibit E; and official Commerce statistics for HTS statistical reporting number 3406.00.0000, accessed April 30, 2021.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review from the

⁵ In addition to being domestic producers, some members of the NCA are also U.S. importers of candles from China. All NCA members supports the continuation of the order covering imports of candles from China.

NCA. The NCA requests that the Commission conduct an expedited review of the antidumping duty order on candles.⁶

The original investigation and subsequent reviews

The original investigation

The original investigation resulted from a petition filed on September 4, 1985 with Commerce and the Commission by the NCA, Arlington, Virginia.⁷ On July 10, 1986, Commerce determined that imports of candles from China were being sold at less than fair value (“LTFV”).⁸ The Commission determined on August 21, 1986 that the domestic industry was materially injured by reason of LTFV imports of candles from China.⁹ On August 28, 1986, Commerce issued its antidumping duty order with the final weighted-average dumping margin of 54.21 percent.¹⁰

The first five-year review

On April 8, 1999, the Commission determined that it would conduct an expedited review of the antidumping duty order on candles from China.¹¹ On June 17, 1999, Commerce determined that revocation of the antidumping duty order on candles from China would be likely to lead to continuation or recurrence of dumping.¹² On September 1, 1999, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹³ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective September 23, 1999, Commerce issued a continuation of the antidumping duty order on imports of candles from China.¹⁴

⁶ Domestic interested parties’ comments on adequacy, June 11, 2021, pp. 3-4.

⁷ Candles from China, Inv. No. 731-TA-282 (Final), USITC Publication 1888, August 1986 (“Original publication”), p. A-1.

⁸ 51 FR 25085, July 10, 1986.

⁹ 51 FR 30558, August 27, 1986.

¹⁰ 51 FR 30687, August 28, 1986.

¹¹ 64 FR 19197, April 19, 1999.

¹² 64 FR 32481, June 17, 1999.

¹³ 64 FR 48851, September 8, 1999.

¹⁴ 64 FR 51514, September 23, 1999.

The second five-year review

On November 5, 2004, the Commission determined that it would conduct a full review of the antidumping duty order on candles from China.¹⁵ On December 16, 2004, Commerce determined that revocation of the antidumping duty order on candles from China would be likely to lead to continuation or recurrence of dumping.¹⁶ On July 28, 2005, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁷ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective August 10, 2005, Commerce issued a continuation of the antidumping order on imports of candles from China.¹⁸

The third five-year review

On October 4, 2010, the Commission determined that it would conduct an expedited review of the antidumping duty order on candles from China.¹⁹ On November 18, 2010, Commerce determined that revocation of the antidumping duty order on candles from China would be likely to lead to continuation or recurrence of dumping.²⁰ On December 16, 2010, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.²¹ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective January 6, 2011, Commerce issued a continuation of the antidumping order on imports of candles from China.²²

The fourth five-year review

On March 7, 2016, the Commission determined that it would conduct an expedited review of the antidumping duty order on candles from China.²³ On March 30, 2016, Commerce determined that revocation of the antidumping duty order on candles from China would be likely to lead to continuation or recurrence of dumping.²⁴ On May 12, 2016, the Commission

¹⁵ 69 FR 68175, November 23, 2004.

¹⁶ 69 FR 75302, December 16, 2004.

¹⁷ 70 FR 44695, August 3, 2005.

¹⁸ 70 FR 56890, September 29, 2005.

¹⁹ 75 FR 38121, July 1, 2010.

²⁰ 75 FR 70713, November 18, 2010.

²¹ 75 FR 80843, December 23, 2010.

²² 76 FR 773, January 6, 2011.

²³ 81 FR 15122, March 21, 2016.

²⁴ 81 FR 17665, March 30, 2016.

determined that material injury would be likely to continue or recur within a reasonably foreseeable time.²⁵ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective May 26, 2016, Commerce issued a continuation of the antidumping order on imports of candles from China.²⁶

Previous and related investigations

Candles have not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

Commerce's five-year review

Commerce announced that it would conduct an expedited review with respect to the order on imports of candles from China with the intent of issuing the final results of this review based on the facts available not later than July 29, 2021.²⁷ Commerce's Issues and Decision Memorandum, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The Issues and Decision Memorandum will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty order on imports of candles from China are noted in the sections titled "The original investigation" and "U.S. imports," if applicable.

²⁵ 81 FR 31256, May 18, 2016.

²⁶ 81 FR 33466, May 26, 2016.

²⁷ Letter from Melissa G. Skinner, Senior Director, Office VII, Office of AD/CVD operations, U.S. Department of Commerce to Nannette Christ, Director of Investigations, May 21, 2021.

The product

Commerce's scope

Commerce has defined the scope as follows:

*The products covered by the order are certain scented or unscented petroleum wax candles made from petroleum wax and having fiber or paper-cored wicks. They are sold in the following shapes: Tapers, spirals and straight-sided dinner candles; rounds, columns, pillars, votives; and various wax-filled containers.*²⁸

U.S. tariff treatment

Petroleum wax candles are provided for in HTS heading 3406.00.00, covering “Candles, tapers and the like.” Petroleum wax candles imported into the U.S. market receive a column 1-general duty rate of “free.” This HTS heading includes candles of other materials in addition to petroleum wax candles.

Effective February 14, 2020, petroleum wax candles imported from China are subject to an additional 7.5 percent ad valorem duty under Section 301 of the Trade Act of 1974.²⁹ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.³⁰ No exclusion orders exist for this product.

Description and uses³¹

A candle is made of solid, fusible, combustible waxes or fatty substances surrounding and saturating a combustible wick. Candles are used to produce light, heat, or scent or for celebratory or ritual purposes. As a candle burns, its flame is fed by a supply of melted wax that flows up the wick as a result of capillary action. Wax is melted as the flame burns down and

²⁸ 81 FR 33466, May 26, 2016.

²⁹ USTR, “\$300 Billion Trade Action (List 4),” found at <https://ustr.gov/issue-areas/enforcement/section-301-investigations/section-301-china/300-billion-trade-action/>, retrieved June 23, 2021, and 85 FR 3741, January 22, 2020. From September 1, 2019 to February 14, 2020, petroleum wax candles imported from China had been subject to an additional 15 percent ad valorem duty under Section 301.

³⁰ HTS Chapter 99, p. XXII.

³¹ Unless otherwise noted, this information is based on information contained in *Petroleum Wax Candles from China: Investigation No. 731-TA-282 (Fourth Review)*, USITC Publication 4610, May 2016, pp. I-4 through I-5.

consumes the wick, and a cup of melted wax forms as the outside layer of the candle is cooled by an upward current of air drawn by the heat of the candle. The proper interactions among candle diameter, wax, wick, air movements, drafts, and other factors result in an operational burning candle.

Two broad categories of wax are used for commercial purposes: natural and synthetic. The bulk of candle manufacturing utilizes various combinations of natural waxes, principally paraffins,³² microcrystallines, stearic acid, and beeswax. Wax selection for candle-making takes into consideration a number of wax characteristics, such as melting point, viscosity, and burning power. Typically, U.S. manufacturers will use higher melt-point waxes (130-160°F) for tapers, columns, and votives and use lower melt-point, or slack, waxes for wax-filled containers. U.S. manufacturers use refined and semi-refined waxes in candle production. Petroleum wax candles may contain other waxes in varying amounts, depending on the size and shape of the candle, to enhance the melt point, viscosity, and burning power.

Many different sizes and types of wicking are available for candle manufacturing. Wicks may be flat braid, square braid, stranded, twisted, metal core, glass fiber, or hollow. Wick sizing depends on the number of threads used, such as a 30-ply wick, which consists of a 3-strand braid of 10 threads each. The size of the wick must be adjusted to the diameter of the candle for proper burn. A candle of lower melting-point wax should have a wick of looser plait than one with a higher melting point and less-ready combustion.

In addition to wax and wick, scents, dyes, labeling, and packaging are other components in the production of candles. Scents added to wax are created by the same companies that produce perfumes, and they are specially compounded for use in petroleum wax; scents as a share of production costs can range from 0 for unscented candles to 60 percent for scented votives. Special wax-soluble dyes are used in color formulations, which are controlled in order to produce color consistency. Labeling and packaging as costs of production may be provided at the request of purchasers (e.g., private labeling and UPC labels) or may be required (e.g., warning labels).

³² The use of paraffin wax from petroleum was first introduced into candle-making in the 19th century. Candle manufacturing accounted for approximately 10 percent of U.S. petroleum wax usage in the mid-1980s. ***. Other commercial applications for paraffin wax include adhesives, coatings, cosmetics, pharmaceutical preparations, plastics, polishes, and rubber. *Candles from the People's Republic of China: Investigation No. 731-TA-282 (Final)*, USITC Publication 1888, August 1986, p. A-3; ***.

Manufacturing process³³

Candle manufacturing has evolved over the years from hand-dipping a few dozen candles per hour to the use of automatic rotary molding machines that produce 6,000 candles per hour. At one time, all candles were produced from hot liquid wax, but technology has created a cold process that allows wax to be compressed into various candle shapes and forms.

In the hot wax process, wax is shipped and stored in liquid form. Steam-heated storage tanks and remote-controlled pumping systems permit custom blending of each batch of candle wax in its individual steam kettle. Cold wax processes cool the hot liquid wax in towers or through rotating drums into a powdered form, which is then supplied through tanks into compression and extrusion machines. Manufacturing techniques currently in use by U.S. manufacturers include dipping, molding, pouring, extrusion, and compression. A discussion of the principal manufacturing techniques is presented below.

Pouring and dipping

U.S. candle manufacturers employ hand-poured processes for certain types of candles, when unusual shapes or dimensions impose physical or cost restrictions on the method of production. Dipping is a repeated, hot process. It consists of the following procedures: freehanging wicks are attached to candle-dipping boards or cages; dipping stations containing liquid wax are positioned along the straight line or circular path; candles are cooled and cut or melted to the desired length, then tapered, including any reverse taper at the base; two final dips in microcrystalline or high melt-point wax are applied as a color overdip and to harden the candle exterior for better burning; and the candles are cut down from the dipping board, inspected, and packaged.

Molding

Machine molding techniques are also hot processes and may be semi- or fully automated. The procedures for semi-automated machine molding include the following: wicks are tended (made taut or straight, and centered); the molding machine is heated; liquid wax

³³ Unless otherwise noted, this information is based on information contained in *Candles from the People's Republic of China: Investigation No. 731-TA-282 (Final)*, USITC Publication 1888, August 1986, pp. A-8 through A-10; *Petroleum Wax Candles From China: Investigation No. 731-TA-282 (Review)*, USITC Publication 3226, August 1999; *Petroleum Wax Candles From China: Investigation No. 731-TA-282 (Second Review)*, USITC Publication 3790, July 2005, pp. I-12 through I-13; *Petroleum Wax Candles From China: Investigation No. 731-TA-282 (Third Review)*, USITC Publication 4207, December 2010, p. I-12; *Petroleum Wax Candles from China: Investigation No. 731-TA-282 (Fourth Review)*, USITC Publication 4610, May 2016, pp. I-5 through I-6.

stored in steam kettles is poured into the molds encased in the machine; the machine is water cooled, and the candles are ejected from the molds; wicks are cut for the removal of the set (group of candles) in the rack; and the set of candles is removed, inspected, and packaged.

The industry in the United States

U.S. producers

In response to the Commission's notice of institution in this current review, NCA provided a list of 36 NCA members currently operating as U.S. producers of candles, which accounted for approximately 80 percent of production of candles in the United States during 2020 as well as 22 additional non NCA member U.S. producers of candles.³⁴

Recent developments

Since the Commission's last five-year review, the U.S. petroleum wax candle industry has experienced developments with respect to input supply and costs as well as demand for the product. Such developments included the reduced U.S. supply of (and related price increases for) petroleum wax inputs and the COVID-19 pandemic's impact on candle consumption. Petroleum wax (also called paraffin) is generally produced from Group I base oils, but paraffin supplies are reportedly declining as Group 1 base oils are being replaced by Group II and Group III base oils in the United States, Canada, and Europe.³⁵ NCA reports that ***.³⁶ The situation was further exacerbated by mixed trends in supply and demand for candles during the mobility restrictions (e.g., quarantining and other measures intended to curb the spread of the virus) that occurred as the COVID-19 pandemic spread worldwide in

³⁴ Domestic interested parties' response to the notice of institution, May 3, 2021, p. 2 and Exhibit G.

³⁵ ***; Kalkman, Tohme, Menassa, and Berjaoui, "Can Group 1 Base Oil Come Back?" *Arthur D. Little ViewPoint*, found at https://www.adlittle.com/sites/default/files/viewpoints/ADL_BaseOil.pdf, retrieved June 4, 2021; Mordor Intelligence, "Base Oil Market - Growth, Trends, Covid-19 Impact, and Forecasts (2021 - 2026)", found at <https://mordorintelligence.com/industry-reports/base-oil-market>, retrieved June 4, 2021.

³⁶ NCA's Substantive Response, May 3, 2021, pp. 5 through 7. NCA also suggests that excess Chinese paraffin currently exported might instead be used to make petroleum wax candles if the order on the candles is revoked.

2020, reportedly resulting in reduced income and spending for many consumers, as well as supply chain disruptions.³⁷

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year review.³⁸ Table I-2 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigation and subsequent five-year reviews.

³⁷ Markets and Markets, "Industrial Wax Market by Type (Fossil-based wax, Synthetic wax, Bio-Based wax), Application (Candles, Packaging, Coatings & Polishes, Hot-melt Adhesives, Tires & Rubber, Cosmetics & Personal Care, Food), and Region - Global Forecast to 2025," found at <https://www.marketsandmarkets.com/Market-Reports/industrial-wax-market-197935975.html>, retrieved June 4, 2021; NCA's Substantive Response, May 3, 2021, pp. 26, 31-32, and p. 2 of Exhibit K.3. Whereas the Markets and Markets report indicates that home use declined because of lower spending and income during the pandemic, NCA reports that demand varied with home use increasing versus declines in religious and event use.

³⁸ Individual company trade and financial data are presented in app. B.

Table I-2
Candles: Trade and financial data submitted by U.S. producers, by period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; ratio is in percent

Item	Measure	1985	1998	2004	2009	2014	2020
Capacity	Quantity	181,709	NA	695,671	502,443	***	***
Production	Quantity	94,708	411,872	361,269	194,912	***	***
Capacity utilization	Ratio	52.1	NA	51.9	38.8	***	***
U.S. shipments	Quantity	90,933	375,515	361,272	195,175	***2	***
U.S. shipments	Value	136,617	1,032,884	1,213,666	853,198	***	***
U.S. shipments	Unit value	\$1.50	\$2.75	\$3.36	\$4.37	\$***	\$***
Net sales	Value	***	NA	1,356,196	***	***	***
COGS	Value	***	NA	709,141	***	***	***
COGS to net sales	Ratio	62.7	NA	52.3	***	***	***
Gross profit or (loss)	Value	***	NA	647,055	***	***	***
SG&A expenses	Value	***	NA	432,080	***	***	***
Operating income or (loss)	Value	***	NA	214,975	***	***	***
Operating income or (loss) to net sales	Ratio	***	NA	15.9	***	***	***

Source: For the years 1985-2014, data are compiled using data submitted in the Commission's original investigation and subsequent five-year reviews. For the year 2020, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, May 3, 2021, Exhibit E.

Note: In 1998, 2004, and 2009 there was no internal consumption reported. In 2014, internal consumption was reported as 48,000 pounds, valued at \$1,327 total.

Note: For a discussion of data coverage, please see "U.S. producers" section.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.³⁹

The Domestic Like Product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determination and its expedited first five-year review determination, the Commission defined the Domestic Like Product as consisting only of petroleum wax candles composed of more than 50 percent petroleum wax. In its full second five-year review determination and its expedited third and fourth five-year review determinations, the Commission defined the Domestic Like Product as candles with fiber or paper-cored wicks and containing any amount of petroleum wax, except for candles containing more than 50 percent beeswax.

The Domestic Industry is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determination and its expedited first five-year review determination, the Commission defined the Domestic Industry as producers of petroleum wax candles. In its full second five-year review determination and its expedited third and fourth five-year review determinations, the Commission defined the Domestic Industry as consisting of all domestic producers of candles with fiber or paper-cored wicks and containing petroleum wax, except for candles that contain more than 50 percent beeswax, consistent with its revised domestic like product definition.⁴⁰

³⁹ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

⁴⁰ 86 FR 17203, April 1, 2021.

U.S. imports and apparent U.S. consumption

U.S. importers

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from 33 firms, which accounted for approximately 85 percent of total U.S. imports of candles from China during 1985.⁴¹ Import data presented in the original investigation are based on official Commerce statistics and questionnaire responses.

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested parties provided a list of 96 firms that may currently import candles from China.⁴² Import data presented in the first five-year review are based on official Commerce statistics.

During the second five-year review, the Commission received U.S. importer questionnaires from 47 firms, which accounted for approximately 22 percent of total U.S. imports of candles from China during 1999.⁴³ Import data presented in the second five-year review are based on official Commerce statistics and questionnaire responses.

Although the Commission did not receive responses from any respondent interested parties in its third five-year review, the domestic interested parties provided a list of 200 protentional importers and foreign producers of wax candles from China.⁴⁴ Import data presented in the third five-year review are based on official Commerce statistics.

Lastly, although the Commission did not receive responses from any respondent interested parties in its fourth five-year review, the domestic interested parties provided a list of 36 firms that may currently import candles from China.⁴⁵ Import data presented in the fourth five-year review are based on official Commerce statistics.

⁴¹ Candles from the People's Republic of China, Inv. No. 731-TA-282 (Final), USITC Publication 1888, August 1986 ("Original publication"), p. A-14.

⁴² Petroleum Wax Candles from China, Inv. No. 731-TA-282 (Review), USITC Publication 3226, August 1999 ("First review publication"), p. I-8.

⁴³ Petroleum Wax Candles from China, Inv. No. 731-TA-282 (Second Review), USITC Publication 3790, July 2005 ("Second review publication"), p. IV-1.

⁴⁴ Petroleum Wax Candles from China, Inv. No. 731-TA-282 (Third Review), USITC Publication 4207, December 2010 ("Third review publication"), p. I-18.

⁴⁵ Petroleum Wax Candles from China, Inv. No. 731-TA-282 (Fourth Review), USITC Publication 4610, May 2016 ("Fourth review publication"), p. I-14.

Although the Commission did not receive responses from any respondent interested parties in this current review, in its response to the Commission’s notice of institution, the domestic interested parties provided a list of 38 potential U.S. importers of candles.⁴⁶

U.S. imports

Table I-3 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2020 imports by quantity).

⁴⁶ Domestic interested parties’ response to the notice of institution, May 3, 2021, Exhibit H.2.

Table I-3
Candles: U.S. imports, by source and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound

U.S. imports from	Measure	2015	2016	2017	2018	2019	2020
China (Subject)	Quantity	14,458	13,572	16,468	18,422	20,172	21,777
Vietnam	Quantity	75,748	87,868	95,542	118,004	146,586	191,018
Canada	Quantity	77,632	72,609	69,862	87,145	80,626	145,683
Mexico	Quantity	31,232	37,150	48,835	58,598	64,615	83,875
All other sources	Quantity	77,947	75,332	98,264	95,897	98,036	92,398
Nonsubject sources	Quantity	262,560	272,959	312,503	359,643	389,862	512,975
All import sources	Quantity	277,018	286,531	328,971	378,065	410,035	534,752
China (Subject)	Value	37,684	33,857	42,019	42,246	43,972	43,301
Vietnam	Value	146,504	175,116	185,677	233,806	270,583	358,677
Canada	Value	97,838	88,388	84,729	101,934	97,716	165,222
Mexico	Value	20,600	22,600	28,047	34,722	36,626	42,345
All other sources	Value	110,122	102,663	133,332	125,858	131,818	140,703
Nonsubject sources	Value	375,065	388,767	431,785	496,320	536,742	706,947
All import sources	Value	412,749	422,624	473,804	538,566	580,714	750,248
China (Subject)	Unit value	2.61	2.49	2.55	2.29	2.18	1.99
Vietnam	Unit value	1.93	1.99	1.94	1.98	1.85	1.88
Canada	Unit value	1.26	1.22	1.21	1.17	1.21	1.13
Mexico	Unit value	0.66	0.61	0.57	0.59	0.57	0.50
All other sources	Unit value	1.41	1.36	1.36	1.31	1.34	1.52
Nonsubject sources	Unit value	1.43	1.42	1.38	1.38	1.38	1.38
All import sources	Unit value	1.49	1.47	1.44	1.42	1.42	1.40

Source: Compiled from official Commerce statistics for HTS statistical reporting number 3406.00.0000, accessed April 30, 2021. These data may be overstated as HTS heading 3406.00.0000 may contain products outside the scope of this review.

Note: Because of rounding, figure may not add to total shown.

Apparent U.S. consumption and market shares

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

Table I-4
Candles: Apparent U.S. consumption, and market shares, by source and period

Quantity in 1,000 pounds; value in 1,000 dollars; share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent

Source	Measure	1985	1998	2004	2009	2014	2020
U.S. producers'							
U.S. shipments	Quantity	90,933	375,515	361,272	195,175	***	***
China	Quantity	28,949	86,597	208,073	15,709	13,904	21,777
Nonsubject sources	Quantity	33,728	214,148	160,551	231,206	268,338	512,975
Total imports	Quantity	62,677	300,745	368,624	246,915	282,242	534,752
Apparent U.S. consumption	Quantity	153,610	676,260	729,896	442,090	***	***
U.S. producers'							
U.S. shipments	Value	136,617	1,032,884	1,213,666	853,198	***	***
China	Value	18,009	95,126	219,540	33,200	38,867	43,301
Nonsubject sources	Value	38,263	268,793	241,178	365,468	373,604	706,947
All import sources	Value	56,272	363,919	460,717	398,668	412,471	750,248
Apparent U.S. consumption	Value	192,889	1,396,803	1,674,383	1,251,866	***	***
U.S. producers	Share of quantity	59.2	55.5	49.5	44.1	***	***
China	Share of quantity	18.8	12.8	28.5	3.6	***	***
Nonsubject sources	Share of quantity	22.0	31.7	22.0	52.3	***	***
All import sources	Share of quantity	40.8	44.5	50.5	55.9	***	***
U.S. producers	Share of value	70.8	73.9	72.5	68.2	***	***
China	Share of value	9.3	6.8	13.1	2.7	***	***
Nonsubject sources	Share of value	19.8	19.2	14.4	29.2	***	***
All import sources	Share of value	29.2	26.1	26.1	31.8	***	***

Source: For the years 1985-2014, data are compiled using data submitted in the Commission's original investigation and first five-year reviews. For the year 2020, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 3406.00.0000, accessed April 30, 2021.

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections

The industry in China

During the final phase of the original investigation, NCA identified 44 factories and the China Native Products Corp. identified 11 factories in China that produced candles for export. Approximately *** percent of the U.S. imports of petroleum wax candles from China were exported by the China Native Products Corp.⁴⁷

The Commission did not receive responses from any respondent interested parties in its first five-year review, and domestic interested parties were unable to provide a list of producers of candles in China in that proceeding.⁴⁸

During the second five-year review, eight firms provided the Commission with limited data on their candle operations in China.⁴⁹

Although the Commission did not receive responses from any respondent interested parties in its third five-year review, the domestic interested parties provided a list of 200 possible importers and producers of candles in China in that proceeding.⁵⁰

Lastly, although the Commission did not receive responses from any respondent interested parties in its fourth five-year review, the domestic interested parties provided a list of 40 possible importers and producers of candles in China in that proceeding.⁵¹

Although the Commission did not receive responses from any respondent interested parties in this five-year review, the domestic interested parties provided a list of eight possible producers/exporters of candles in China.⁵²

⁴⁷ Original confidential report, p. A-48.

⁴⁸ First review publication, p. I-12-I-14.

⁴⁹ Second review publication, p. IV-7.

⁵⁰ Third review publication, p. I-26.

⁵¹ Fourth review publication, p. I-18.

⁵² Domestic interested parties' response to the notice of institution, May 3, 2021, Exhibit H.1.

According to data from NCA, the Chinese candle industry *** during 2015-20, from ***.⁵³ Production, also reportedly ***. *** during the same period.⁵⁴ NCA says that annual *** are said to ***, with ***.⁵⁵ The NCA also says that a draft version of the 14th 5-Year Plan (available as of March 2021) sets petroleum production targets, which are expected to also increase Chinese candle production during 2021-26.⁵⁶

Table I-5 presents export data for 3406.00, a category that includes petroleum wax candles and out-of-scope products, from China (by export destination in descending order of quantity for 2015 through 2020).

**Table I-5
Candles: Value of exports from China, by destination and period**

Value in 1,000 dollars

Destination market	2015	2016	2017	2018	2019	2020
United Kingdom	57,209	61,327	75,783	74,767	77,161	79,184
United States	49,394	46,437	49,077	59,311	61,906	67,270
Australia	27,592	30,127	30,215	33,548	35,049	39,780
Netherlands	33,173	26,034	27,757	30,705	36,713	39,718
Germany	35,097	36,538	38,895	38,929	40,169	35,952
France	18,859	23,334	25,135	27,047	29,297	27,372
Canada	17,609	14,931	15,358	15,996	19,086	20,609
Taiwan	10,112	19,473	30,148	58,063	52,423	19,279
Italy	11,096	14,481	14,847	19,364	16,610	17,537
Poland	6,358	6,720	9,527	11,981	15,101	15,847
All other markets	266,499	279,402	316,742	369,711	383,515	362,547
All markets	609,002	590,533	612,645	682,387	696,267	634,475

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS heading 3406.00, accessed April 30, 2021. These data may be overstated as HTS heading 3406.00 may contain products outside the scope of this review.

Note: Because of rounding, figures may not add to totals shown.

⁵³ Domestic interested parties' response to the notice of institution, May 3, 2021, Exh. L.1, p. 2.

⁵⁴ Domestic interested parties' response to the notice of institution, May 3, 2021, Exh. L.1, p. 2.

⁵⁵ Domestic interested parties' response to the notice of institution, May 3, 2021, Exh. L.2, p. 1; ***.

⁵⁶ Domestic interested parties' response to the notice of institution, May 3, 2021, p. 9.

Antidumping or countervailing duty orders in third-country markets

Trade remedies in two third-country markets have been removed since the original U.S. AD order entered into effect. The European Union (“EU”) imposed an antidumping duty order on candles from China in May 2009. In August of 2015 it allowed the order to sunset. The domestic interested parties note that the European Commission (“EC”) based its decision in part on a finding that Chinese exporters faced a more favorable pricing environment in the United States, Canada, and other “main” third country markets than in the EU. They went on to note that the EC also based its decision in part upon a finding that there was no publicly available evidence regarding capacity utilization in China, which the NCA provided in its response.⁵⁷ Additionally, Mexico had an antidumping duty order in place on imports of candles from China until the end of 2011.⁵⁸

The global market

Table I-6 presents the largest global export sources of candles during 2015-20, ranked by value. The value of China’s exports increased through 2020, but the total value of its exports was lower in 2020 than in 2019. In comparison, the value of Poland’s world exports of candles grew steadily by over 30 percent during the period both in terms of export volumes and global export share. Exports from the Netherlands, the United States, Germany, and the United Kingdom were lower in 2020 than in 2015, while exports from Canada, Belgium, France, and especially the Czech Republic, were higher.

⁵⁷ Commission Implementing Regulation (EU) 2015/1361, August 6, 2015. NCA provided detailed information about the Chinese petroleum wax candle industry in its submissions for the current and past five-year reviews.

⁵⁸ Domestic interested parties’ response to the notice of institution, May 3, 2021, pp. 12-13.

Table I-6
Candles: Value of global exports by country and period

Value in 1,000 dollars

Exporting country	2015	2016	2017	2018	2019	2020
China	609,002	590,533	612,645	682,387	696,267	634,475
Poland	472,635	493,603	549,987	583,326	610,735	618,020
Netherlands	256,818	267,978	228,602	229,184	219,564	229,083
United States	364,371	325,803	278,928	214,015	201,751	196,911
Canada	105,402	92,588	89,238	112,550	99,855	167,954
Germany	185,882	178,807	175,101	173,149	159,573	163,570
Czech Republic	15,961	19,955	48,056	83,954	98,847	144,930
Belgium	93,153	96,156	105,867	118,679	123,402	131,450
United Kingdom	106,152	104,445	98,233	103,097	94,994	90,765
France	51,134	48,862	58,705	61,750	63,105	78,046
All other exporters	668,755	714,810	739,695	833,789	569,478	548,836
All exporters	2,929,265	2,933,540	2,985,056	3,195,881	2,937,571	3,004,040

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 3406.00, accessed June 23, 2021. These data may be overstated as HTS subheading 3406.00 may contain products outside the scope of this review.

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

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, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
86 FR 17203, April 1, 2021	<i>Petroleum Wax Candles From China; Institution of a Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2021-04-01/pdf/2021-06356.pdf
86 FR 16701, March 31, 2021	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2021-03-31/pdf/2021-06645.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

Table B-1
Wax Candles: Response checklist for U.S. producers

Item	NCA	Total
Nature of operation	Yes	Yes
Statement of intent to participate	Yes	Yes
Statement of likely effects of revoking the order	Yes	Yes
U.S. producer list	Yes	Yes
U.S. importer/foreign producer list	Yes	Yes
List of 3-5 leading purchasers	Yes	Yes
List of sources for national/regional prices	Yes	Yes
Changes in supply/demand	Yes	Yes

Table B-2
Wax Candles: Trade and financial data submitted by U.S. producers, 2020

Quantity in 1,000 pounds, value in 1,000 dollars, ratio in percent

Item	Measure	NCA	Total
Capacity	Quantity	***	***
Production	Quantity	***	***
Percent of total production reported	Ratio	100.0	100.0
Commercial U.S. shipments	Quantity	***	***
Commercial U.S. shipments:	Value	***	***
Internal consumption and company transfers	Quantity	***	***
Internal consumption and company transfers	Value	***	***
Net sales	Value	***	***
COGS	Value	***	***
Gross profit or (loss)	Value	***	***
SG&A expenses	Value	***	***
Operating income or (loss)	Value	***	***

APPENDIX C
SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

**Table I-3
Candles: U.S. producers' trade, employment, and financial data, 1983-85, 1998, 1999-2004, and 2009¹**

(Quantity=1,000 pounds; value=\$1,000; unit values are per pound)

Item	1983	1984	1985	1998	1999	2000	2001	2002	2003	2004	2009
Capacity	171,596	183,554	181,709	(²)	548,420	597,371	618,609	614,811	644,047	695,671	502,443
Production	94,427	95,769	94,708	411,872	360,164	357,383	315,577	324,359	328,936	361,269	194,912
Capacity utilization (percent)	55.0	52.2	52.1	(²)	65.7	59.8	51.0	52.8	51.1	51.9	38.8
U.S. shipments: ³ Quantity	90,929	93,179	90,933	375,515	293,239	315,042	333,688	337,052	330,304	361,272	195,175
Value (\$1,000)	144,746	144,445	136,617	1,032,884	1,058,798	1,149,911	1,124,558	1,101,018	1,165,266	1,213,666	853,198
Unit value	\$1.59	\$1.55	\$1.50	\$2.75	\$3.61	\$3.65	\$3.37	\$3.27	\$3.53	\$3.36	\$4.37
Exports: Quantity	3,157	2,304	1,437	(²)	13,855	14,211	11,879	11,784	11,843	11,886	(²)
Value (\$1,000)	3,528	3,207	1,807	(²)	65,427	61,680	58,534	65,878	64,157	70,485	(²)
Unit value	\$1.12	\$1.39	\$1.26	(²)	\$4.72	\$4.34	\$4.93	\$5.59	\$5.42	\$5.93	(²)
Total shipments: Quantity	94,086	95,483	92,370	(²)	307,094	329,253	345,567	348,836	342,147	373,158	(²)
Value (\$1,000)	148,274	147,652	138,424	(²)	1,124,225	1,211,591	1,183,092	1,166,896	1,229,423	1,284,151	(²)
Unit value	\$1.58	\$1.55	\$1.50	(²)	\$3.66	\$3.68	\$3.42	\$3.35	\$3.59	\$3.44	(²)
End-of-period inventories	20,353	20,190	20,890	(²)	223,250	197,458	164,090	138,771	126,614	113,655	(²)

Table continued on next page.

Table I-3--Continued
Candles: U.S. producers' trade, employment, and financial data, 1983-85, 1998, 1999-2004, and 2009¹

(Quantity=1,000 pounds; value=\$1,000; unit values are per pound)

Item	1983	1984	1985	1998	1999	2000	2001	2002	2003	2004	2009
Production and related workers (number)	3,272	3,191	2,875	(²)	5,076	5,025	4,692	4,828	4,680	4,389	(²)
Hours worked (1,000 hours)	3,358	3,229	2,928	(²)	9,556	9,527	8,855	9,098	9,136	8,735	(²)
Wages paid (\$1,000)	19,980	20,961	20,562	(²)	107,247	112,103	104,915	108,215	110,601	106,839	(²)
Hourly wages	\$5.95	\$6.49	\$7.02	(²)	\$11.20	\$11.72	\$11.81	\$11.83	\$12.05	\$12.16	(²)
Productivity (pounds/hour)	28.1	29.7	32.3	(²)	37.6	37.4	35.6	35.6	35.9	41.3	(²)
Unit labor costs	\$0.21	\$0.22	\$0.22	(²)	\$0.30	\$0.31	\$0.33	\$0.33	\$0.34	\$0.30	(²)
Net sales (\$1,000)	***	***	***	(²)	1,039,120	1,205,903	1,213,118	1,269,768	1,326,889	1,356,196	***
Cost of goods sold (\$1,000)	***	***	***	(²)	526,148	618,764	638,424	663,534	686,927	709,141	***
Gross profit or (loss) (\$1,000)	***	***	***	(²)	512,971	587,139	574,694	606,234	639,962	647,055	***
SG&A expenses (\$1,000)	***	***	***	(²)	303,664	364,677	368,169	406,548	427,030	432,080	***
Operating income or (loss) (\$1,000)	***	***	***	(²)	209,308	222,462	206,524	199,687	212,932	214,975	***
Operating income (loss)/sales (percent)	***	***	***	(²)	20.1	18.4	17.0	15.7	16.0	15.9	***

¹ Data presented for 2009 were provided by the National Candle Association, 40 members of which are believed to represent approximately *** percent of candle production during 2009.

² Not available.

³ During the first five-year review, shipment data were also provided for 1996 (305 million pounds) and 1997 (335 million pounds).

Note.—Financial data for 2009 as reported by the domestic interested party do not reconcile.

Source: Staff Report on Petroleum Wax Candles, Investigation No. 731-TA-282 (Second Review), June 17, 2005, INV-CC-092, table I-1; Response of domestic interested party, August 2, 2010, Attachment E.

Table I-5

Candles: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1983-85, 1996-98, 1999-2004, and 2009

Item	1983	1984	1985	1996	1997	1998
Quantity (1,000 pounds)						
U.S. producers' U.S. shipments	90,929	93,179	90,933	305,125	335,395	375,515
U.S. imports from-- China	16,539	26,705	28,949	41,108	45,939	86,597
Other sources	29,121	34,456	33,728	86,516	117,088	214,148
Total imports	45,660	61,161	62,677	127,624	163,027	300,745
Apparent U.S. consumption	136,589	154,340	153,610	432,749	498,422	676,260
Value (1,000 dollars)						
U.S. producers' U.S. shipments	144,746	144,445	136,617	(¹)	(¹)	1,032,884
U.S. imports from-- China	9,170	16,123	18,009	75,591	76,378	95,126
Other sources	27,880	33,654	38,263	137,564	165,958	268,793
Total imports	37,050	49,777	56,272	213,155	242,336	363,919
Apparent U.S. consumption	181,796	194,222	192,889	(¹)	(¹)	1,396,803
Share of consumption based on quantity (percent)						
U.S. producers' U.S. shipments	66.6	60.4	59.2	70.5	67.3	55.6
U.S. imports from-- China	12.1	17.3	18.8	9.5	9.2	12.8
Other sources	21.3	22.3	22.0	20.0	23.5	31.6
Total imports	33.4	39.6	40.8	29.5	32.7	44.4
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0	100.0
Share of consumption based on value (percent)						
U.S. producers' U.S. shipments	79.6	74.4	70.8	(¹)	(¹)	73.9
U.S. imports from-- China	5.0	8.3	9.3	(¹)	(¹)	6.8
Other sources	15.3	17.3	19.8	(¹)	(¹)	19.2
Total imports	20.4	25.6	29.2	(¹)	(¹)	26.1
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table I-5--Continued

Candles: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1983-85, 1996-98, 1999-2004, and 2009

Item	1999	2000	2001	2002	2003	2004	2009
Quantity (1,000 pounds)							
U.S. producers' U.S. shipments	293,239	315,042	333,688	337,052	330,304	361,272	195,175
U.S. imports from-- China	151,908	156,765	133,553	174,165	183,644	208,073	15,709
Other sources	284,396	288,054	233,886	201,401	179,851	160,551	231,206
Total imports	436,304	444,819	367,439	375,566	363,495	368,624	246,915
Apparent U.S. consumption	729,543	759,862	701,128	712,618	693,799	729,896	442,090
Value (1,000 dollars)							
U.S. producers' U.S. shipments	1,058,798	1,149,911	1,124,558	1,101,018	1,165,266	1,213,666	853,198
U.S. imports from-- China	149,240	171,593	151,162	179,244	185,143	219,540	33,200
Other sources	371,697	372,136	312,808	264,855	262,067	241,178	365,468
Total imports	520,937	543,729	463,970	444,099	447,211	460,717	398,668
Apparent U.S. consumption	1,579,735	1,693,640	1,588,527	1,545,117	1,612,477	1,674,383	1,251,866
Share of consumption based on quantity (percent)							
U.S. producers' U.S. shipments	40.2	41.5	47.6	47.3	47.6	49.5	44.1
U.S. imports from-- China	20.8	20.6	19.0	24.4	26.5	28.5	3.6
Other sources	39.0	37.9	33.4	28.3	25.9	22.0	52.3
Total imports	59.8	58.5	52.4	52.7	52.4	50.5	55.9
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Share of consumption based on value (percent)							
U.S. producers' U.S. shipments	67.0	67.9	70.8	71.3	72.3	72.5	68.2
U.S. imports from-- China	9.4	10.1	9.5	11.6	11.5	13.1	2.7
Other sources	23.5	22.0	19.7	17.1	16.3	14.4	29.2
Total imports	33.0	32.1	29.2	28.7	27.7	27.5	31.8
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0	100.0	100.0
¹ Not available. Note.--Because of rounding, figures may not add to the totals shown. Source: <i>Staff Report on Petroleum Wax Candles, Investigation No. 731-TA-282 (Second Review)</i> , June 17, 2005, INV-CC-092, table I-1; official Commerce statistics, HTS statistical reporting number 3406.00.0000; and <i>Response</i> of domestic interested party, August 2, 2010, Attachment E.							

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following three firms as the top purchasers of petroleum wax candles: *** Purchaser questionnaires were sent to these three firms and one firm (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for petroleum wax candles that have occurred in the United States or in the market for petroleum wax candles in China since January 1, 2015?

Purchaser	Yes / No	Changes that have occurred
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for petroleum wax candles in the United States or in the market for petroleum wax candles in China within a reasonably foreseeable time?

Purchaser	Yes / No	Changes that have occurred
***	***	***