

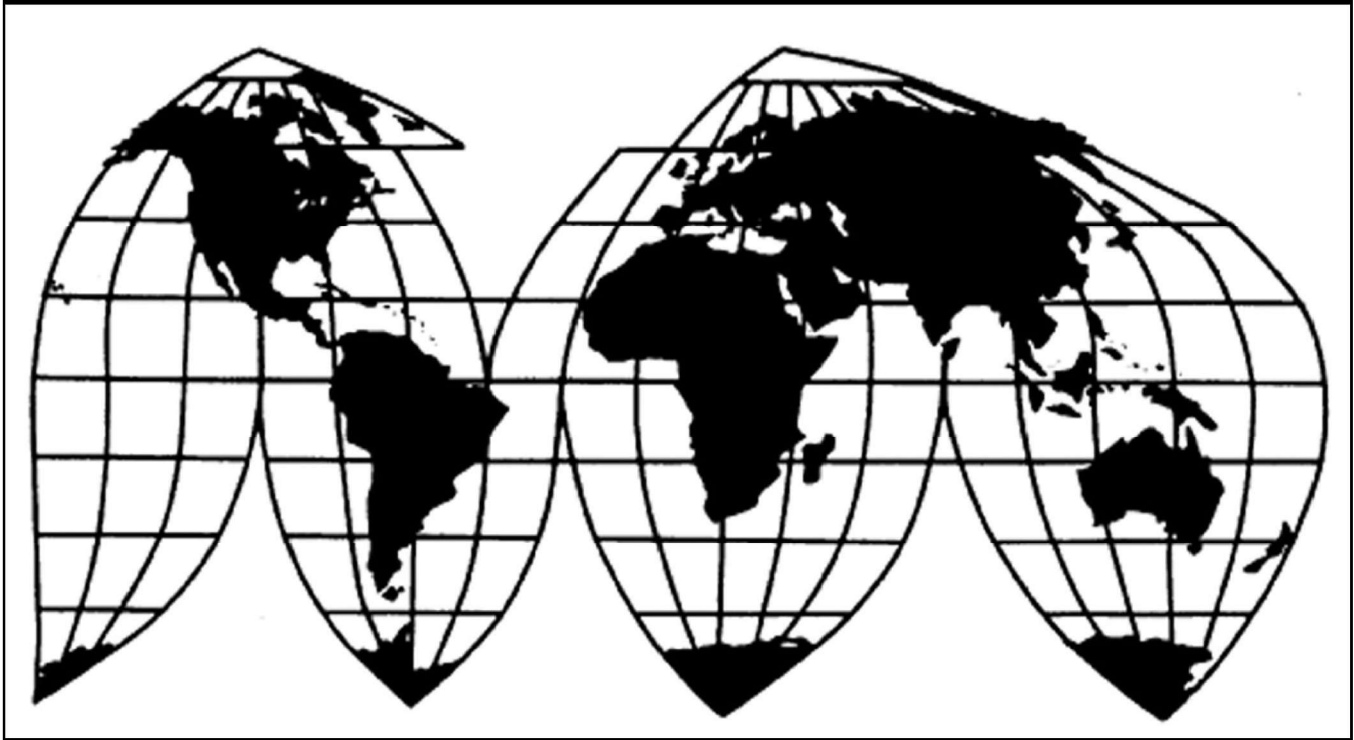
# **Paper Shopping Bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam**

Inv. Nos. 701-TA-690-691 and 731-TA-1619-1627 (Preliminary)

**Publication 5448**

**July 2023**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

## COMMISSIONERS

**David S. Johanson, Chairman**

**Rhonda K. Schmidlein**

**Jason E. Kearns**

**Randolph J. Stayin**

**Amy A. Karpel**

---

Catherine DeFilippo  
*Director of Operations*

---

*Staff assigned*

Andres Andrade, Investigator

Nitin Joshi, Investigator

Sarah Scott, Industry Analyst

Craig Thomsen, Economist

Joanna Lo, Accountant

Jason Wang, Statistician

John Henderson, Attorney

Mary Beth Jones, Supervisory Investigator

Address all communications to  
Secretary to the Commission  
United States International Trade Commission  
Washington, DC 20436

# U.S. International Trade Commission

Washington, DC 20436  
*www.usitc.gov*

## **Paper Shopping Bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam**

Inv. Nos. 701-TA-690-691 and 731-TA-1619-1627 (Preliminary)

**Publication 5448**



**July 2023**



# CONTENTS

	Page
<b>Determinations .....</b>	<b>1</b>
<b>Views of the Commission.....</b>	<b>3</b>
<b>Part I: Introduction.....</b>	<b>I-1</b>
Background.....	I-1
Statutory criteria .....	I-2
Organization of report.....	I-3
Market summary.....	I-3
Summary data and data sources.....	I-4
Previous and related investigations.....	I-4
Nature and extent of alleged subsidies and sales at LTFV .....	I-4
Alleged subsidies .....	I-4
Alleged sales at LTFV .....	I-4
The subject merchandise .....	I-5
Commerce’s scope .....	I-5
Tariff treatment.....	I-6
The product.....	I-7
Description and applications.....	I-7
Manufacturing processes .....	I-14
Domestic like product issues.....	I-18
Physical characteristics and uses.....	I-19
Interchangeability.....	I-20
Channels of distribution .....	I-20
Customer and producer perceptions .....	I-21
Manufacturing facilities and production employees .....	I-21
Price.....	I-22

## CONTENTS

	Page
<b>Part II: Conditions of competition in the U.S. market.....</b>	<b>II-1</b>
U.S. market characteristics.....	II-1
Purchasers.....	II-2
Impact of section 301 tariffs.....	II-2
Channels of distribution.....	II-3
Geographic distribution.....	II-4
Supply and demand considerations.....	II-5
U.S. supply.....	II-5
U.S. demand.....	II-10
Substitutability issues.....	II-13
Factors affecting purchasing decisions.....	II-13
Comparison of U.S.-produced and imported PSBs.....	II-14
<b>Part III: U.S. producers' production, shipments, and employment.....</b>	<b>III-1</b>
U.S. producers.....	III-1
U.S. production, capacity, and capacity utilization.....	III-4
Alternative products.....	III-8
U.S. producers' U.S. shipments and exports.....	III-8
U.S. producers' inventories.....	III-10
U.S. producers' imports from subject sources.....	III-11
U.S. employment, wages, and productivity.....	III-12
<b>Part IV: U.S. imports, apparent U.S. consumption, and market shares.....</b>	<b>IV-1</b>
U.S. importers.....	IV-1
U.S. imports.....	IV-6
Negligibility.....	IV-11
Cumulation considerations.....	IV-13
Fungibility.....	IV-13
Geographical markets.....	IV-18
Presence in the market.....	IV-21

## CONTENTS

	Page
<b>Part IV: U.S. imports, apparent U.S. consumption, and market shares.....</b>	<b>Continued</b>
Apparent U.S. consumption and market shares .....	IV-27
Quantity.....	IV-27
Value .....	IV-30
<b>Part V: Pricing data.....</b>	<b>V-1</b>
Factors affecting prices .....	V-1
Raw material costs .....	V-1
Transportation costs to the U.S. market .....	V-3
U.S. inland transportation costs .....	V-3
Pricing practices .....	V-3
Pricing methods.....	V-3
Sales terms and discounts .....	V-4
Price data.....	V-5
Price trends.....	V-17
Price comparisons .....	V-19
Lost sales and lost revenue .....	V-21
<b>Part VI: Financial experience of U.S. producers .....</b>	<b>VI-1</b>
Background.....	VI-1
Operations on PSBs .....	VI-2
Net sales .....	VI-13
Cost of goods sold and gross profit or loss.....	VI-14
SG&A expenses and operating income or loss.....	VI-16
All other expenses and net income or loss .....	VI-17
Capital expenditures and R&D expenses .....	VI-18
Assets and return on assets .....	VI-19
COVID-19 and financial performance .....	VI-20
Capital and investment .....	VI-21

## CONTENTS

	Page
<b>Part VII: Threat considerations and information on nonsubject countries.....</b>	<b>VII-1</b>
The industry in Cambodia .....	VII-3
Changes in operations .....	VII-3
Operations on PSBs .....	VII-3
Alternative products.....	VII-6
Exports.....	VII-6
The industry in China.....	VII-9
Changes in operations .....	VII-10
Operations on PSBs .....	VII-10
Alternative products.....	VII-14
Exports.....	VII-15
The industry in Colombia .....	VII-17
Changes in operations .....	VII-18
Operations on PSBs .....	VII-19
Alternative products.....	VII-22
Exports.....	VII-23
The industry in India.....	VII-25
Changes in operations .....	VII-26
Operations on PSBs .....	VII-27
Alternative products.....	VII-31
Exports.....	VII-32
The industry in Malaysia .....	VII-34
Changes in operations .....	VII-34
Operations on PSBs .....	VII-35
Alternative products.....	VII-38
Exports.....	VII-39



## CONTENTS

	Page
<b>Part VII: Threat considerations and information on nonsubject countries.....</b>	<b>Continued</b>
The industry in Portugal .....	VII-42
Changes in operations .....	VII-42
Operations on PSBs .....	VII-43
Alternative products.....	VII-47
Exports.....	VII-48
The industry in Taiwan .....	VII-50
Exports.....	VII-50
The industry in Turkey.....	VII-53
Changes in operations .....	VII-54
Operations on PSBs .....	VII-55
Alternative products.....	VII-60
Exports.....	VII-61
The industry in Vietnam .....	VII-64
Changes in operations .....	VII-65
Operations on PSBs .....	VII-65
Alternative products.....	VII-69
Exports.....	VII-70
Subject countries combined.....	VII-73
U.S. inventories of imported merchandise .....	VII-75
U.S. importers' outstanding orders.....	VII-78
Third-country trade actions .....	VII-78
Information on nonsubject countries .....	VII-78

## CONTENTS

Page

### Appendixes

A. Federal Register notices.....	A-1
B. List of staff conference witnesses .....	B-1
C. Summary data .....	C-1
D. Impacts on demand from changes in consumer behavior and governmental policies .	D-1
E. Negligibility period (unadjusted official import statistics).....	E-1

Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (\*\*\*) in public reports.

## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-690-691 and 731-TA-1619-1627 (Preliminary)

Paper Shopping Bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of paper shopping bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam, provided for in subheadings 4819.30.00 and 4819.40.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (“LTFV”) and to be subsidized by the governments of China and India.<sup>2</sup>

### COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission’s rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in § 207.21 of the Commission’s rules, upon notice from the U.S. Department of Commerce (“Commerce”) of affirmative preliminary determinations in the investigations under §§ 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under §§ 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

---

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

<sup>2</sup> 88 FR 41380, (June 26, 2023) and 88 FR 41589, (June 27, 2023).

## **BACKGROUND**

On May 31, 2023, the Coalition for Fair Trade in Shopping Bags, a coalition whose members include Novolex Holdings, LLC, Charlotte, North Carolina, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Pittsburgh, Pennsylvania, filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of paper shopping bags from China and India and LTFV imports of paper shopping bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam. Accordingly, effective May 31, 2023, the Commission instituted countervailing duty investigation Nos. 701-TA-690-691 and antidumping duty investigation Nos. 731-TA-1619-1627 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of June 6, 2023 (88 FR 37097). The Commission conducted its conference on June 21, 2023. All persons who requested the opportunity were permitted to participate.

## Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of paper shopping bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam that are allegedly sold in the United States at less than fair value and that are allegedly subsidized by the governments of China and India.

### I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.<sup>1</sup> In applying this standard, the Commission weighs the evidence before it and determines whether “(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation.”<sup>2</sup>

---

<sup>1</sup> 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); see also *American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States*, 20 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

<sup>2</sup> *American Lamb Co.*, 785 F.2d at 1001; see also *Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

## II. Background

**Parties to the Investigation.** The Coalition for Fair Trade in Shopping Bags (“petitioner” or “the Coalition”), an *ad hoc* coalition whose members include Novolex Holdings, LLC (“Novolex”), a domestic producer of paper shopping bags, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (the “USW”), a union representing workers at paper shopping bag production facilities, filed the petitions in these investigations on May 31, 2023. Representatives of Novolex and the USW appeared at the staff conference, accompanied by counsel, and petitioner submitted a postconference brief.

Several respondent entities participated in these investigations. The American Alliance for Responsible Trade in Paper Bags (the “Alliance Respondents”), an *ad hoc* group of U.S. firms that import subject paper shopping bags and purchase U.S.-made paper shopping bags for distribution, submitted a postconference brief. Representatives of two members of the Alliance, AnnJoy Imports LLC (“AnnJoy”) and Commonwealth Packaging Company (“Commonwealth”), U.S. importers of subject merchandise, appeared at the conference, accompanied by counsel. Bunzl Distribution USA, LLC (“Bunzl”), another U.S. importer of subject merchandise, also submitted a postconference brief. In addition, one nonparty, PanPacific Plastics Manufacturing Inc. (“PPMI”), a U.S. importer of paper bags as well as a producer and importer of out-of-scope plastic bags, submitted a brief written statement.

**Data Coverage.** U.S. industry data are based on the questionnaire responses of four U.S. producers that accounted for the vast majority of U.S. production of paper shopping bags

in 2022.<sup>3</sup> U.S. import data are based on official U.S. Department of Commerce (“Commerce”) import statistics and questionnaire responses from 42 U.S. importers, accounting for 20.7 percent of U.S. imports from subject sources and 21.0 percent of U.S. imports from nonsubject sources in 2022 under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, which are both “basket” categories including both in-scope paper shopping bags and out-of-scope merchandise.<sup>4</sup>

The Commission received responses to its questionnaire from 26 foreign producers of subject merchandise: one producer/exporter in Cambodia, estimated to have accounted for approximately \*\*\* percent of production of subject merchandise in Cambodia in 2022;<sup>5</sup> six producers/exporters in China, estimated to account for \*\*\* production of subject merchandise in China in 2022;<sup>6</sup> two producers/exporters in Colombia, estimated to account for approximately \*\*\* percent of production of subject merchandise in Colombia in 2022;<sup>7</sup> seven producers/exporters in India, estimated to account for \*\*\* production of subject merchandise in India in 2022;<sup>8</sup> two producers/exporters in Malaysia, estimated to account for approximately \*\*\* percent of production of subject merchandise in Malaysia in 2022;<sup>9</sup> one producer/exporter in Portugal, estimated to account for approximately \*\*\* percent of production of subject

---

<sup>3</sup> Confidential Report, Memorandum INV-VV-058 (July 10, 2023) (“CR”) at I-4; Public Report, *Paper Shopping Bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam*, Inv. Nos. 701-TA-690-691 and 731-TA-1619-1627 (Preliminary), USITC Pub. 5448 (July 2023) (“PR”) at I-4.

<sup>4</sup> CR/PR at IV-1. No responding U.S. importers reported imports of paper shopping bags from Malaysia. *Id.* at IV-1 n.4.

<sup>5</sup> CR/PR at VII-3.

<sup>6</sup> CR/PR at VII-9.

<sup>7</sup> CR/PR at VII-17 to VII-18.

<sup>8</sup> CR/PR at VII-25.

<sup>9</sup> CR/PR at VII-34.

merchandise in Portugal in 2022;<sup>10</sup> two producers/exporters in Turkey, estimated to account for \*\*\* production of subject merchandise in Turkey in 2022;<sup>11</sup> and five producers/exporters in Vietnam, estimated to account for \*\*\* production of subject merchandise in Vietnam in 2022.<sup>12</sup> The Commission did not receive any response to its questionnaire from any producers or exporters of paper shopping bags in Taiwan.<sup>13</sup>

### III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”<sup>14</sup> Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff Act”), defines the relevant domestic industry as the “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.”<sup>15</sup> In turn, 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.”<sup>16</sup>

By statute, the Commission’s “domestic like product” analysis begins with the “article subject to an investigation,” *i.e.*, the subject merchandise as determined by Commerce.<sup>17</sup>

---

<sup>10</sup> CR/PR at VII-42.

<sup>11</sup> CR/PR at VII-53.

<sup>12</sup> CR/PR at VII-64. One of the five responding producers in Vietnam \*\*\* in 2022. *Id.* at Table VII-48.

<sup>13</sup> CR/PR at VII-50.

<sup>14</sup> 19 U.S.C. § 1677(4)(A).

<sup>15</sup> 19 U.S.C. § 1677(4)(A).

<sup>16</sup> 19 U.S.C. § 1677(10).

<sup>17</sup> 19 U.S.C. § 1677(10). The Commission must accept Commerce’s determination as to the  
(Continued...)



Therefore, Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is “necessarily the starting point of the Commission’s like product analysis.”<sup>18</sup> The Commission then defines the domestic like product in light of the imported articles Commerce has identified.<sup>19</sup> The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.<sup>20</sup> No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.<sup>21</sup> The Commission looks for clear dividing lines among possible like products and disregards minor

---

scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See, e.g., USEC, Inc. v. United States*, 34 Fed. App’x 725, 730 (Fed. Cir. 2002) (“The ITC may not modify the class or kind of imported merchandise examined by Commerce.”); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

<sup>18</sup> *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, Case No. 19-1289, slip op. at 8-9 (Fed. Cir. Feb. 7, 2020) (the statute requires the Commission to start with Commerce’s subject merchandise in reaching its own like product determination).

<sup>19</sup> *Cleo*, 501 F.3d at 1298 n.1 (“Commerce’s {scope} finding does not control the Commission’s {like product} determination.”); *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–52 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission’s determination defining six like products in investigations where Commerce found five classes or kinds).

<sup>20</sup> *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); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

<sup>21</sup> *See, e.g., S. Rep. No. 96-249 at 90-91 (1979).*

variations.<sup>22</sup> The Commission may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.<sup>23</sup>

#### **A. Scope Definition**

In its notices of initiation, Commerce defined the imported merchandise within the scope of these investigations as:

The products within the scope of these investigations are paper shopping bags with handles of any type, regardless of whether there is any printing, regardless of how the top edges are finished (e.g., folded, serrated, or otherwise finished), regardless of color, and regardless of whether the top edges contain adhesive or other material for sealing closed. Subject paper shopping bags have a width of at least 4.5 inches and depth of at least 2.5 inches.

Paper shopping bags typically are made of kraft paper but can be made from any type of cellulose fiber, paperboard, or pressboard with a basis weight less than 300 grams per square meter (GSM).

A non-exhaustive illustrative list of the types of handles on shopping bags covered by the scope include handles made from any materials such as twisted paper, flat paper, yarn, ribbon, rope, string, or plastic, as well as die-cut handles (whether the punchout is fully removed or partially attached as a flap).

Excluded from the scope are:

- Paper sacks or bags that are of a 1/6 or 1/7 barrel size (i.e., 11.5–12.5 inches in width, 6.5–7.5 inches in depth, and 13.5–17.5 inches in height) with flat paper handles or die-cut handles;
- Paper sacks or bags with die-cut handles, a grams per square meter paper weight of less than 86 GSM, and a height of less than 11.5 inches; and

---

<sup>22</sup> See, e.g., *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in “such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.”).

<sup>23</sup> See, e.g., *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington*, 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

- Shopping bags (i) with non-paper handles made wholly of woven ribbon or other similar woven fabric and (ii) that are finished with folded tops or for which tied knots or t-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags.

The above-referenced dimensions are provided for paper bags in the opened position. The height of the bag is the distance from the bottom fold edge to the top edge (i.e., excluding the height of handles that extend above the top edge). The depth of the bag is the distance from the front of the bag edge to the back of the bag edge (typically measured at the bottom of the bag). The width of the bag is measured from the left to the right edges of the front and back panels (upon which the handles typically are located).

This merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 4819.30.0040 and 4819.40.0040. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope is dispositive.<sup>24</sup>

Paper shopping bags within Commerce's scope are bags that are made from paper and have handles. They are commonly used by commercial establishments as shopping carrier bags (to carry retail purchases) and by restaurants (for delivery bags or take-away orders).<sup>25</sup>

Paper shopping bags are typically made from kraft paper but can be made from any paper that has been processed from cellulose fiber. Typically, the kraft paper is brown or white and the paper shopping bags can be brown, white, or colored. The paper used in paper shopping bags can come in various basis weights that typically range from 50 pounds to 80 pounds, and the scope requires a weight of less than 300 grams per square meter. Paper

---

<sup>24</sup> *Certain Paper Shopping Bags From Cambodia, the People's Republic of China, Colombia, India, Malaysia, Portugal, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 88 Fed. Reg. 41589, 41595 (June 27, 2023); *Certain Paper Shopping Bags From India and the People's Republic of China: Initiation of Countervailing Duty Investigations*, 88 Fed. Reg. 41380, 41383-84 (June 26, 2023). The scope is the same in the antidumping and countervailing duty investigations.

<sup>25</sup> CR/PR at I-7.

shopping bags can either be unprinted or printed with a design.<sup>26</sup> All paper shopping bags have handles, which distinguish them from other types of out-of-scope paper bags.<sup>27</sup>

## **B. Arguments of the Parties**

*Petitioner's Argument.* Petitioner argues that the Commission should define a single domestic like product consisting of all paper shopping bags covered by the scope. It states that the factors that the Commission normally considers in its like product analysis demonstrate that while there are only minor variations among paper shopping bag products, a clear dividing line exists between paper shopping bags and other types of paper bags, including grocery bags, SOS bags, and industrial bags.<sup>28</sup>

Specifically, petitioner contends that paper shopping bags have different physical characteristics than other paper bag products, highlighting, amongst other things, differences with respect to whether the bags are produced in industry standard sizes, presence/absence of handles, location of handles on the bags, and the weight of the paper used to produce the bags.<sup>29</sup> Petitioner also contends that paper shopping bags are used by retailers and restaurants (carry-out and delivery), while other types of paper bags have different end uses – grocery bags by grocery stores, SOS bags for lighter weight items, and industrial bags for much heavier and bulkier items, limiting their interchangeability.<sup>30</sup> In addition, petitioner maintains that

---

<sup>26</sup> CR/PR at I-8 to I-9.

<sup>27</sup> Unlike paper shopping bags, other types of paper bags -- grocery bags, self-opening sacks ("SOS bags") and industrial bags – often do not have handles. Moreover, the scope excludes paper sacks or bags of a 1/6 or 1/7 barrel size (the industry standard size of most grocery bags) that have flat paper handles (which grocery bags with handles typically have) or die-cut handles. CR/PR at I-8 nn.15-17. Thus, Commerce's scope excludes most, if not all, grocery bags, SOS bags, and industrial bags.

<sup>28</sup> Petitioner's Postconference Brief at 6-9.

<sup>29</sup> Petitioner's Postconference Brief at 9-10.

<sup>30</sup> Petitioner's Postconference Brief at 11-12

producers make paper shopping bags on unique dedicated equipment that is not used to make other kinds of paper bags,<sup>31</sup> and that customers and producers perceive paper shopping bags to be a unique product category that is different from other types of paper bags.<sup>32</sup> As to price, petitioner states that paper shopping bag prices are a continuum, with no clear dividing line between any in-scope products. By contrast, it contends that the price per pound of paper shopping bags is substantially higher than the prices of other types of paper bags.<sup>33</sup>

*Respondents' Argument.* Alliance Respondents argue that the record supports a negative determination in the preliminary phase of the investigations even accepting petitioner's proposed definition of the domestic like product, acknowledging that the Commission collected data based on that definition.<sup>34</sup> However, they contend that in any final phase of the investigations, the Commission should define the domestic like product more broadly than the scope to include all paper bags, both in-scope and out-of-scope. They state that paper bags are a continuum of products, ranging from low-end SOS bags to grocery and restaurant takeout bags to high-end retail bags, with no clear dividing line among the various types, and contend that the differences between types relied upon by petitioner are only minor variations.<sup>35</sup>

---

<sup>31</sup> Petitioner's Postconference Brief at 13.

<sup>32</sup> Petitioner's Postconference Brief at 12; Petition, Volume 1, at 14.

<sup>33</sup> Petitioner's Postconference Brief at 13-14.

<sup>34</sup> Alliance Respondents' Postconference Brief at 5. While Alliance Respondents suggest that they are only arguing that the Commission define the domestic like product more broadly than the scope in any final phase of the investigations, in their response to Commission staff's questions, they fully brief the argument that the Commission should define the domestic like product to include all paper bags. Alliance Respondents' Postconference Brief, Response to Staff Questions at 1-6; see Conference Transcript ("Tr.") at 176-77 (Kessler).

<sup>35</sup> Alliance Respondents' Postconference Brief at 5-6 and Response to Staff Questions at 1-2.

Alliance Respondents state that all paper bags share common physical characteristics and uses, in that all are made from paper, almost all have four sides and a flat bottom, and all are primarily used for carrying items purchased by a consumer. They further assert that there is a high degree of interchangeability between paper shopping bags, grocery bags (particularly those with handles), and SOS bags,<sup>36</sup> and a substantial overlap in channels of distribution among different kinds of paper bags. They dispute petitioner’s contention that customers and producers perceive paper shopping bags as more convenient and user-friendly than out-of-scope bags because they have handles, asserting that other paper bags also have handles, and other paper bags are user-friendly in other respects.<sup>37</sup> While acknowledging Novolex’s contention that it produces paper shopping bags in different facilities and on different machines than other types of paper bags, Alliance Respondents dispute that this draws a clear dividing line, stating that different kinds of paper bags of the same size could be produced on the same fixed single-size machines, and a variable size machine could produce different kinds of bags if programmed correctly.<sup>38</sup> They also contend that there is no clear dividing line between different kinds of paper bags based on price, in that prices for plain “stock” bags are driven by size and paper weight, as to which there is substantial overlap between different kinds of bags, while prices for customized bags tend to be higher because of their more expensive features.<sup>39</sup>

---

<sup>36</sup> Alliance Respondents’ Postconference Brief, Response to Staff Questions at 2-4.

<sup>37</sup> Alliance Respondents’ Postconference Brief, Response to Staff Questions at 4-5.

<sup>38</sup> Alliance Respondents’ Postconference Brief, Response to Staff Questions at 5.

<sup>39</sup> Alliance Respondents’ Postconference Brief, Response to Staff Questions at 5-6.

### C. Analysis

Based on the record in the preliminary phase of these investigations, we define a single domestic like product consisting of paper shopping bags, coextensive with Commerce's scope.<sup>40</sup>

*Physical Characteristics and Uses.* There are similarities and differences between paper shopping bags and out-of-scope paper bags in terms of physical characteristics and uses. Paper shopping bags and out-of-scope paper bags are all made of paper and generally designed with four sides and a flat bottom. Paper shopping bags are more finished than out-of-scope grocery bags, however, and while grocery bags come in standard industry sizes, paper shopping bags do not. While paper shopping bags all have handles, grocery bags often do not have handles, or have flat paper handles attached to the outside of the bag.<sup>41</sup> Out-of-scope SOS bags and merchandise bags are typically made with lighter paper than paper shopping bags. SOS bags typically do not have handles, and often have a semicircular notch on the top for ease of opening.<sup>42</sup> Out-of-scope industrial bags do not have paper handles, are typically multi-wall (made from two or more plies of paper), and are typically larger than paper shopping bags, grocery bags, and SOS bags.<sup>43</sup>

---

<sup>40</sup> While Alliance Respondents argue that the Commission should define a domestic like product broader than the scope consisting of all paper bags in any final phase of these investigations, they acknowledge that in the preliminary phase of these investigations, the Commission has collected data based on petitioner's proposed definition. Thus, the record does not include relevant data concerning domestic producers of all paper bags, including out-of-scope bags, that would be necessary for the Commission to analyze a domestic industry corresponding to the broader domestic like product definition advocated by Alliance Respondents. PPMI contends that imports of \*\*\*, are not causing injury to the domestic industry, but it has not made a domestic like product argument, or suggested the "most similar" domestic product if in fact this imported product is not produced domestically. PPMI's Statement at 7-10.

<sup>41</sup> CR/PR at I-8 n.15. An AnnJoy witness testified that paper shopping bags can be the same size as grocery bags, and can be used by grocery stores for food purchases. Conference Tr. at 162 (Jobs).

<sup>42</sup> CR/PR at I-8 n.16.

<sup>43</sup> CR/PR at I-8 n.17.

There are also similarities and differences between paper shopping bags and out-of-scope bags in terms of end uses. All paper bags are generally used to hold items, such as retail purchases or food, for transport, and, with the exception of some industrial bags, are used by consumers. While paper shopping bags are used as shopping carrier bags to carry retail purchases or as delivery bags or take-away bags by restaurants, out-of-scope grocery bags are used to carry grocery purchases, out-of-scope SOS bags can be used by retailers to package lighter-weight items or food purchases, and out-of-scope merchandise bags are typically used for items such as liquor and bread. Out-of-scope industrial bags are generally used to store and transport heavy items, including pet food, cement, fertilizer, chemicals, building materials, and yard waste.<sup>44</sup>

*Manufacturing Facilities, Production Processes and Employees.* Novolex reports producing paper shopping bags using equipment and employees dedicated to the production of paper shopping bags. Novolex produces out-of-scope grocery bags and SOS bags on entirely different machines that run only standard sizes of such bags, and reports that it would not be \*\*\*. Indeed, no responding U.S. producer reported production of other products on the same equipment used to produce paper shopping bags.<sup>45</sup> On the other hand, consistent with Alliance Respondents' claim that different kinds of bags of the same size can be produced on the same fixed, single-size machines, a respondent witness testified at the conference that a machine

---

<sup>44</sup> CR/PR at I-7, I-8 nn.15-16; Petition, Volume I, at 14.

<sup>45</sup> CR/PR at I-14, III-8; Conference Tr. at 30, 47, 52 (Veder); Petitioner's Postconference Brief at 13; \*\*\* U.S. Producer Questionnaire at II-4; *see also* \*\*\* U.S. Producer Questionnaire at II-4 (reporting that \*\*\*).



used to produce paper shopping bags in variable sizes could be programmed to produce other types of out-of-scope bags.<sup>46</sup>

*Channels of Distribution.* Domestic producers' U.S. shipments of paper shopping bags were made primarily to distributors during the January 2020-March 2023 period of investigation ("POI"), with U.S. shipments to distributors accounting for between \*\*\* percent and \*\*\* percent of their total U.S. shipments during the 2020-2022 period, but a substantial share was also shipped to end users, which accounted for between \*\*\* percent and \*\*\* percent of their total U.S. shipments during the same period.<sup>47</sup> Both petitioner and Alliance Respondents state that out-of-scope grocery bags and SOS bags are sold primarily to distributors.<sup>48</sup> According to petitioner, out-of-scope industrial bags are sold to end users, specifically companies producing items such as cement, building materials, pet food, chemicals, and fertilizer, as well as to retailers and wholesalers for sale as bags for collecting yard waste.<sup>49</sup>

*Interchangeability.* There is limited information in the record regarding the interchangeability of paper shopping bags with out-of-scope paper bag products. According to petitioner, retailers and restaurants will use the appropriate type of paper bag with the appropriate characteristics for their intended end use, and will not substitute a different type of paper bag with inappropriate characteristics for a paper shopping bag. For example, it claims

---

<sup>46</sup> Conference Tr. at 178 (Jobes).

<sup>47</sup> CR/PR at Table II. Novolex reported that customers that buy large volumes of paper shopping bags, such as major retailers and restaurant chains, purchase directly from U.S. producers or importers, while customers that buy smaller volumes generally purchase from distributors. Petitioner's Postconference Brief, Exh. 10, Declaration of Kevin Burnett at Paragraph 19; see CR/PR at II-3; Conference Tr. at 44-45 (Heil), 45 (Frantz), 70 (Burnett).

<sup>48</sup> Petition, Volume I, at 14; Alliance Respondents' Postconference Brief, Response to Staff Questions at 4.

<sup>49</sup> Petition, Volume I, at 14.

that SOS bags are too light to carry many of the items carried in paper shopping bags, and industrial bags carry heavier and bulkier items than those carried in paper shopping bags.<sup>50</sup> Nevertheless, to the extent that there is overlap between paper shopping bags and out-of-scope types of bags, such as for carrying food products, there would be some degree of interchangeability between them.

*Producer and Customer Perceptions.* There is limited information on the record concerning customer perceptions of paper shopping bags as opposed to out-of-scope types of paper bags, other than petitioner's characterizations of bags with handles as more "user-friendly" than bags without handles.<sup>51</sup> Regarding producer perceptions, the fact that \*\*\* on the equipment used to produce paper shopping bags suggests that \*\*\* perceive paper shopping bags as distinct from out-of-scope paper bags.<sup>52</sup>

*Price.* There is limited information on the record concerning the relative prices of paper shopping bags and out-of-scope paper bags. Novolex provided information that the price per pound of paper shopping bags exists on a continuum, with no clear dividing lines, and is generally higher, by a range of 60 to 110 percent, than the price of grocery bags, SOS bags, and industrial bags, depending on the size of the bag and the bag print complexity.<sup>53</sup> On the other hand, respondents dispute that there is a clear difference in price between paper shopping bags and out-of-scope paper bags, contending that prices for different types of paper bags would overlap depending upon their size, paper weight, and degree of customization.<sup>54</sup>

---

<sup>50</sup> CR/PR at I-20.

<sup>51</sup> Petition, Volume I, at 14.

<sup>52</sup> CR/PR at I-14, III-8.

<sup>53</sup> Petitioner's Postconference Brief, Exh. 10, Declaration of Kevin Burnett at Paragraph 20.

<sup>54</sup> CR/PR at I-22.

*Conclusion.* The record of the preliminary phase of the investigations indicates that all paper shopping bags covered by the scope of these investigations comprise a continuum of products that share the same basic physical characteristics and uses. Moreover, there are similarities and differences between paper shopping bags and out-of-scope paper bags. The unique physical characteristics of paper shopping bags, including their handles, size and weight, and appearance, make them ideally suited for use by retailers and restaurants as bags in which their customers can take away retail purchases or food. By contrast, the differing physical characteristics of out-of-scope grocery bags, SOS bags, merchandise bags, and industrial bags make them better suited for different applications. Nevertheless, while the physical characteristics of the different kinds of bags render some more appropriate than others for particular end uses, out-of-scope grocery bags, SOS bags, and merchandise bags are all often used, like paper shopping bags, to package food products, suggesting some degree of interchangeability between these different kinds of paper bags.

There are also similarities and differences between paper shopping bags and out-of-scope bags in terms of channels of distribution. As noted, domestic producers of paper shopping bags sell primarily to distributors, but also to end users, and out-of-scope grocery bags and SOS bags are sold primarily to distributors.<sup>55</sup> The available information in the record indicates that out-of-scope industrial bags are sold to end users for industrial applications, and also to retailers and wholesalers for collecting yard waste.<sup>56</sup>

---

<sup>55</sup> CR/PR at I-20, Table II-2.

<sup>56</sup> Petition, Volume I, at 14.

The record also indicates that domestic producers produce paper shopping bags using different equipment and different, specially trained employees from those they use to produce out-of-scope types of paper bags, largely because paper shopping bags are produced in multiple sizes, while grocery bags and SOS bags are generally produced in standard sizes.<sup>57</sup> This suggests that domestic producers perceive paper shopping bags to be a distinct product from out-of-scope types of paper bags.

Finally, Novolex provided information indicating that the price per pound of paper shopping bags is typically \*\*\* than that of other types of paper bags, although respondents claim that there can be overlap in terms of price.<sup>58</sup>

Based on the record in the preliminary phase of the investigations, we find that, on balance, there are more differences than similarities between paper shopping bags and out-of-scope types of paper bags. Although paper shopping bags and out-of-scope paper bags share general physical characteristics and uses, there are physical differences between paper shopping bags and out-of-scope bags that often correspond to holding different types of items (*e.g.*, groceries versus other types of retail or restaurant purchases) and can limit the interchangeability of paper shopping bags and out-of-scope paper bags. The record also indicates that domestic producers comprising \*\*\* of U.S. production of paper shopping bags produce paper shopping bags on different equipment with different employees from those they use to produce other types of paper bags, perceiving paper shopping bags as a distinct product in this regard, and sell paper shopping bags for a premium over out-of-scope paper bags. Based

---

<sup>57</sup> CR/PR at I-14 and n.36, I-21.

<sup>58</sup> Petitioner's Postconference Brief, Exh. 10, Declaration of Kevin Burnett at Paragraph 20.

on the preponderance of differences between paper shopping bags and out-of-scope paper bags, we do not define the domestic like product to include out-of-scope paper bags. We therefore define a single domestic like product consisting of all paper shopping bags, coextensive with the scope, for purposes of these preliminary determinations.<sup>59</sup>

#### **IV. Domestic Industry**

The domestic industry is defined as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>60</sup> In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise

---

<sup>59</sup> We remind the parties to indicate in their comments on the draft questionnaires in any final phase of the investigations whether they intend to raise a domestic like product argument, including the proposed definition of the domestic like product and the grounds for such an argument. 19 C.F.R. § 207.20(b).

<sup>60</sup> 19 U.S.C. § 1677(4)(A).

or which are themselves importers.<sup>61</sup> Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.<sup>62</sup>

One U.S. producer, \*\*\*, is subject to possible exclusion under the related parties provision because it imported subject merchandise from China and India during the POI.<sup>63</sup> No party has argued that it should be excluded from the domestic industry under the related parties provision.

\*\*\* accounted for \*\*\* percent of U.S. production of paper shopping bags in 2022, and was the \*\*\* of the four reporting U.S. producers that year in terms of U.S. production volume.<sup>64</sup> It is \*\*\*.<sup>65</sup> From China, it imported \*\*\* pounds of paper shopping bags in 2020, \*\*\* pounds in 2021, \*\*\* pounds in 2022, and \*\*\* pounds in interim 2023; it imported an additional \*\*\* pounds in 2022 and \*\*\* pounds in interim 2023 from India.<sup>66</sup> The ratio of its combined subject imports to production was \*\*\* percent in 2020, \*\*\* percent in 2021, \*\*\* percent in 2022, and

---

<sup>61</sup> See *Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

<sup>62</sup> The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);
- (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;
- (4) the ratio of import shipments to U.S. production for the imported product; and
- (5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015); see also *Torrington Co.*, 790 F. Supp. at 1168.

<sup>63</sup> CR/PR at III-11; Table III-10.

<sup>64</sup> CR/PR at Table III-1.

<sup>65</sup> CR/PR at Table III-1.

<sup>66</sup> CR/PR at Table III-10. \*\*\* reported \*\*\* imports of subject merchandise in interim 2022. *Id.*

\*\*\* percent in January-March (“interim”) 2023.<sup>67</sup> \*\*\* indicates that its imports from India were to \*\*\* and its imports from China were \*\*\*.<sup>68</sup>

In view of the fact that \*\*\* is \*\*\* with a \*\*\* ratio of subject imports to domestic production, \*\*\* primary interest appears to be in domestic production. Moreover, there is no indication in the record that including \*\*\* in the domestic industry would skew the data for the domestic industry or mask injury to the industry. We therefore find that appropriate circumstances do not exist to exclude \*\*\* from the domestic industry pursuant to the related parties provision.

Accordingly, consistent with our definition of the domestic like product, we define the domestic industry to include all domestic producers of paper shopping bags.

## **V. Negligible Imports**

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.<sup>69</sup> The statute further provides that subject imports from a single country which comprise less than 3 percent of total such imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such

---

<sup>67</sup> CR/PR at Table III-10.

<sup>68</sup> CR/PR at Table III-11.

<sup>69</sup> 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B).

merchandise imported into the United States.<sup>70</sup> In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative), the statute indicates that the negligibility thresholds are 4 percent and 9 percent, rather than 3 percent and 7 percent.<sup>71</sup>

*Petitioner's Argument.* Petitioner argues that the Commission should find that imports from each of the nine subject countries are not negligible. It contends that the Commission should make a reasonable estimate using data from the official import statistics, which are the best information available on the record, and show that imports from none of the subject countries are negligible. Petitioner states that official import statistics show that subject imports from China, India, Taiwan, and Vietnam all exceeded 3 percent of total imports during the applicable 12-month period, and that subject imports from Cambodia, Colombia, Malaysia, Portugal, and Turkey, while all individually below 3 percent of total imports, when aggregated accounted for 10.2 percent of total imports during the relevant period, and thus are not negligible.<sup>72</sup>

Petitioner contends that the Commission should not rely on importer questionnaire data for its negligibility analysis, because those data are very incomplete, particularly with respect to subject imports from \*\*\*. For those countries, petitioner argues, foreign producer questionnaire responses indicate that there were substantial export shipments of subject

---

<sup>70</sup> 19 U.S.C. § 1677(24)(A)(ii).

<sup>71</sup> 19 U.S.C. § 1677(24)(B). Neither China nor India, the two sources of imports subject to these countervailing duty investigations, are on USTR's list of developing countries for purposes of applicability of the 4 percent and 9 percent negligibility limits. *See Designations of Developing Countries and Least Developed Countries Under the Countervailing Duty Law*, 85 Fed. Reg. 7613 (Feb. 10, 2020).

<sup>72</sup> Petitioner's Postconference Brief at 14-16.



merchandise to the U.S. market that were not accounted for in the importer questionnaire data, rendering the importer questionnaire data unreliable for the Commission's negligibility analysis.<sup>73</sup>

*Respondents' Argument.* Alliance Respondents argue that the Commission should find that imports from Cambodia, Colombia, Malaysia, Portugal, and Turkey are negligible, and accordingly should terminate the investigations as to imports from those countries. They contend that the Commission should rely on questionnaire data rather than official import statistics for its material injury analysis in general, and its negligibility analysis in particular. They assert that the official import statistics are flawed and unreliable because the two relevant HTS subheadings are "basket" categories covering imports of various kinds of paper bags that are excluded from the scope in addition to imports of in-scope paper shopping bags. Alliance Respondents state that, by contrast, the Commission's questionnaire data provide good coverage of subject imports without the excluded out-of-scope products.<sup>74</sup>

Alliance Respondents assert that the questionnaire data show that imports from these five countries all individually accounted for less than 3 percent of total imports during the applicable 12-month period, and that the aggregated total of imports from these five countries accounted for only \*\*\* percent of total imports, which is less than the 7 percent threshold.<sup>75</sup> They further argue that imports from these five subject countries are not likely to meet the 3 percent threshold individually in the imminent future, nor are they likely to meet the 7 percent threshold in the aggregate in the imminent future. They also contend that there is not a

---

<sup>73</sup> Petitioner's Postconference Brief at 16-18.

<sup>74</sup> Alliance Respondents' Postconference Brief at 11-12.

<sup>75</sup> Alliance Respondents' Postconference Brief at 12-13, 14-15.

likelihood that evidence leading to a contrary result will arise in any final phase of the investigations.<sup>76</sup>

*Analysis.* The import data for paper shopping bags in Commerce’s official statistics are based on imports coming in under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, which are “basket” categories that include imports of in-scope paper shopping bags and out-of-scope products. Consequently, Commission staff adjusted the official import statistics to remove out-of-scope imports that entered under the pertinent HTS numbers and to add in-scope imports that entered under other HTS numbers but that were identified by U.S. importers in the Commission’s questionnaires. We find that these adjusted data are the best information available on the record in the preliminary phase of the investigations concerning the volume of imports from each subject country and the total volume of imports of paper shopping bags during the relevant 12-month period.<sup>77</sup>

We are unpersuaded by Alliance Respondents’ argument that importer questionnaire data by themselves provide a more reliable basis for our negligibility analysis. The Commission received usable questionnaire responses from 42 importers, representing 20.7 percent of U.S. imports from subject sources and 21.0 percent from nonsubject sources in 2022 under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, as adjusted to remove reported out-of-scope imports under those HTS statistical reporting numbers submitted in response to Commission questionnaires.<sup>78</sup> Recognizing that these percentages may be understated due to the possible inclusion of out-of-scope merchandise in the denominator, the coverage provided

---

<sup>76</sup> Alliance Respondents’ Postconference Brief at 13-15.

<sup>77</sup> CR/PR at Table IV-3 note.

<sup>78</sup> CR/PR at IV-1 and n.2.

by the importers' questionnaires is too low to provide a reliable basis for our negligibility analysis. Indeed, there were no imports of subject merchandise from Malaysia reported in the importer questionnaires, yet purchasers reported buying paper shopping bags from Malaysia during the POI.<sup>79</sup> Moreover, the export data for paper shopping bags reported by responding foreign producers confirm that the import data for paper shopping bags reported by responding importers are substantially understated with respect to Colombia, Malaysia, Portugal, and Turkey.<sup>80</sup> The import data reported by responding importers may also be understated in light of the change in the scope between the time the questionnaires were issued (based on the proposed scope in the petition) and the time Commerce issued its institution notice, which deleted two of the exclusions that had been included in the scope of the questionnaires.<sup>81</sup>

Based on the adjusted official import statistics, during the most recent 12-month period for which data are available preceding the filing of the petition on May 31, 2023, May 2022

---

<sup>79</sup> CR/PR at IV-1 n.4, V-21, Table V-14.

<sup>80</sup> *Comparing* import data for 2022 from U.S. importer questionnaires with export data for 2022 from foreign producer questionnaires shows that in 2022, reported subject imports from Colombia were \*\*\* pounds but reported exports of subject merchandise from Colombia to the United States were \*\*\* pounds, reported subject imports from Portugal were \*\*\* pounds but reported exports of subject merchandise from Portugal to the United States were \*\*\* pounds, and reported subject imports from Turkey were \*\*\* pounds but reported exports of subject merchandise from Turkey to the United States were \*\*\* pounds. Import data derived from EDIS Document No. 800273; CR/PR at Tables VII-17, VII-37, VII-45; *see also* Petitioner's Postconference Brief at 16-18. Although no responding importer reported imports of paper shopping bags from Malaysia, responding Malaysian producers reported exporting \*\*\* pounds of paper shopping bags to the United States in 2022. *Id.* at Table VII-30. Moreover, as noted above, purchasers also reported purchasing subject paper shopping bags from Malaysia, *id.* at Table V-14, and at least four U.S. importers responding to the Commission's questionnaires indicated some familiarity with Malaysian product in their response to the Commission's question on interchangeability of subject imports from Malaysia with the domestic like product. *Id.* at Table II-7.

<sup>81</sup> *Compare* Petition Vol. I, at 8, with *Certain Paper Shopping Bags From India and the People's Republic of China: Initiation of Countervailing Duty Investigations*, 88 Fed. Reg. 41380, 41383-84 (June 26, 2023); *see also* Blank U.S. Importers' Questionnaire at 2 (EDIS Document No. 797789).

through April 2023, subject imports from China accounted for \*\*\* percent of total imports of paper shopping bags, subject imports from India accounted for \*\*\* percent of total imports, subject imports from Taiwan accounted for \*\*\* percent of total imports, and subject imports from Vietnam accounted for \*\*\* percent of total imports.<sup>82</sup> Because subject imports from China, India, Taiwan, and Vietnam exceed the three percent negligibility threshold, we find that imports from each of these countries subject to the antidumping duty investigations are not negligible and that imports from China and India subject to the countervailing duty investigations are not negligible.

Imports from the remaining subject countries individually accounted for less than 3 percent of total imports during the applicable 12-month period. Specifically, subject imports from Cambodia accounted for \*\*\* percent of total imports of paper shopping bags, subject imports from Colombia accounted for \*\*\* percent of total imports, subject imports from Malaysia accounted for \*\*\* percent of total imports, subject imports from Portugal accounted for \*\*\* percent of total imports, and subject imports from Turkey accounted for \*\*\* percent of total imports.<sup>83</sup> While the imports from these five countries are individually negligible, the aggregate volume of imports of subject merchandise from these five countries accounted for \*\*\* percent of total imports during the applicable 12-month period,<sup>84</sup> exceeding the 7 percent threshold in the statute.<sup>85</sup> Thus, we also find that imports from Malaysia, Turkey, Portugal, Cambodia, and Colombia subject to the antidumping duty investigations are not negligible.

---

<sup>82</sup> CR/PR at Table IV-3. Subject import volumes from China and India are the same with respect to the antidumping and countervailing duty investigations.

<sup>83</sup> CR/PR at Table IV-3.

<sup>84</sup> CR/PR at Table IV-3.

<sup>85</sup> 19 U.S.C. § 1677(24)(A)(ii).

## VI. Cumulation

For purposes of evaluating the volume and effects for a determination of reasonable indication of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

- (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.<sup>86</sup>

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.<sup>87</sup> Only a “reasonable overlap” of competition is required.<sup>88</sup>

---

<sup>86</sup> See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-80 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int’l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

<sup>87</sup> See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

<sup>88</sup> The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that “the new section will not affect current Commission practice under which the (Continued...)

*Petitioner's Argument.* Petitioner argues that the Commission should cumulate subject imports from all nine subject countries for its analysis of present material injury. It contends that subject imports from all sources and the domestic like product are fungible and compete head-to-head against each other in the U.S. market.<sup>89</sup> It further asserts that subject imports and the domestic like product are sold in the same geographic markets and were present in the U.S. market throughout the POI.<sup>90</sup> Petitioner also contends that domestic producers and importers of subject merchandise both sell paper shopping bags to distributors and directly to end users.<sup>91</sup>

*Respondents' Argument.* Alliance Respondents contend that subject imports from Cambodia, Colombia, Malaysia, Portugal, and Turkey are negligible and accordingly cannot be cumulated with imports from the other subject countries. However, they state that they do not contest cumulation of the imports from the subject countries they consider to be “non-negligible” (China, India, Taiwan, and Vietnam) for purposes of the preliminary determinations, while reserving the right to revisit this issue in any final phase of the investigations.<sup>92</sup>

*Analysis.* We consider subject imports from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam on a cumulated basis, because the statutory criteria for cumulation are satisfied. As an initial matter, petitioner filed the

---

statutory requirement is satisfied if there is a reasonable overlap of competition.” H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy*, 678 F. Supp. at 902); *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”).

<sup>89</sup> Petitioner’s Postconference Brief at 2, 21-22 and Response to Staff Questions at 10-12.

<sup>90</sup> Petitioner’s Postconference Brief at 22-23.

<sup>91</sup> Petitioner’s Postconference Brief at 22-23.

<sup>92</sup> Alliance Respondents’ Postconference Brief at 15.

antidumping/countervailing duty petitions with respect to all nine subject countries on the same day, May 31, 2023.<sup>93</sup> As explained below, there is also a reasonable overlap of competition between and among imports of paper shopping bags from each subject country and the domestic like product.

*Fungibility.* All responding U.S. producers reported that product from all sources was “always” interchangeable.<sup>94</sup> Most responding U.S. importers reported that product from all sources was either “always” or “frequently” interchangeable.<sup>95</sup> Furthermore, in 2022, subject imports from each subject country for which data are available overlapped with the domestic like product in terms of certain product characteristics. Specifically, a \*\*\* of U.S. shipments in 2022 by U.S. producers and importers of subject merchandise for all eight subject countries for which data are available were of paper shopping bags with twisted paper handles.<sup>96</sup> Similarly, a majority of U.S. shipments in 2022 by U.S. producers and importers of subject merchandise for

---

<sup>93</sup> None of the statutory exceptions to cumulation applies.

<sup>94</sup> CR/PR at II-14.

<sup>95</sup> CR/PR at Table II-7. There were three instances in which a majority of responding importers did not find that product from the two country sources being compared was “always” or “frequently” interchangeable. A majority of responding importers (5 of 9) reported that the domestic like product and subject imports from Turkey were “sometimes” interchangeable, with two reporting that they were “always” interchangeable, and two that they were “frequently” interchangeable. Similarly, a majority of responding importers (9 of 16) reported that the domestic like product and subject imports from Vietnam were “sometimes” interchangeable, with four reporting that they were “always” interchangeable, and three that they were “frequently” interchangeable. In addition, a plurality of responding importers (2 of 4) reported that subject imports from Malaysia and subject imports from Vietnam were “sometimes” interchangeable, with one reporting that they were “always” interchangeable, and one that they were “frequently” interchangeable. *Id.*

<sup>96</sup> CR/PR at Table IV-4. Paper shopping bags with twisted paper handles accounted for \*\*\* percent of U.S. shipments by U.S. producers. Among importers of subject merchandise, the share of U.S. shipments accounted for by shipments of paper shopping bags with twisted paper handles ranged between \*\*\* percent for Portugal and \*\*\* percent for Colombia and India. *Id.*

all eight subject countries for which data are available were of paper shopping bags of the color brown.<sup>97</sup>

In addition, the Commission's pricing data, while limited, indicate overlap and head-to-head competition in sales of pricing product 1 between the domestic like product and subject imports from the seven subject countries for which the Commission received usable pricing data (Cambodia, China, Colombia, India, Taiwan, Turkey, and Vietnam).<sup>98</sup> Further, purchasers responding to the Commission's lost sales/lost revenue survey reported switching from purchasing the domestic like product to purchasing subject imports from seven of the nine subject countries, including China, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam. Such data indicate head-to-head competition between the domestic like product and imports of paper shopping bags from the subject countries.<sup>99</sup>

*Channels of Distribution.* The domestic like product was primarily sold to distributors, with the percentage sold to distributors ranging between \*\*\* percent and \*\*\* percent during the 2020-2022 period, but a substantial share was also sold to end users, ranging between \*\*\* percent and \*\*\* percent during the same period.<sup>100</sup> Similarly, in 2022, subject imports from Cambodia, China, Colombia, and Taiwan were sold mainly to distributors but also to end users,

---

<sup>97</sup> CR/PR at Table IV-5. Brown paper shopping bags accounted for \*\*\* percent of U.S. shipments by U.S. producers. Among importers of subject merchandise, the share of U.S. shipments accounted for by shipments of brown shopping bags ranged between \*\*\* percent for Portugal and \*\*\* percent for Colombia. *Id.*

<sup>98</sup> CR/PR at Table V-4. Pricing product 1 is a plain Kraft (brown) bag with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. CR/PR at V-5.

<sup>99</sup> CR/PR at Table V-14.

<sup>100</sup> CR/PR at Table II-2.



while subject imports of from India, Portugal, Taiwan, and Vietnam were sold mainly to end users but also to distributors.<sup>101</sup>

*Geographic Overlap.* U.S. producers sold the domestic like product in every region in the United States.<sup>102</sup> Subject imports from Cambodia, China, Colombia, India, Portugal, Taiwan, Turkey, and Vietnam were reportedly sold in the Northeast, Midwest and Southeast regions of the United States.<sup>103</sup> Although responding importers reported no imports of subject merchandise from Malaysia, official import statistics indicate that imports from Malaysia, as

---

<sup>101</sup> CR/PR at II-2. No importer reported imports of subject merchandise from Malaysia. *Id.* at IV-1 n.4. Appreciable percentages of the subject imports from all eight subject countries for which there are data available went to end users during the 2020-2022 period. For subject imports from Cambodia, the percentage going to end users ranged between \*\*\* percent and \*\*\* percent during the 2020-2022 period; for subject imports from China, the percentage going to end users ranged between \*\*\* percent and \*\*\* percent; for subject imports from Colombia, the percentage going to end users ranged between \*\*\* percent and \*\*\* percent; for subject imports from India, the percentage going to end users ranged between \*\*\* percent and \*\*\* percent; for subject imports from Portugal, the percentage going to end users ranged between \*\*\* percent and \*\*\* percent; for subject imports from Taiwan, the percentage going to end users ranged between \*\*\* percent and \*\*\* percent; for subject imports from Turkey, the percentage going to end users ranged between \*\*\* percent and \*\*\* percent; and for subject imports from Vietnam, the percentage going to end users ranged between \*\*\* percent and \*\*\* percent. *Id.*

Subject imports from all eight subject countries for which data are available also went to distributors, although for subject imports from Portugal, the percentage going to distributors ranged between only \*\*\* percent and \*\*\* percent during the 2020-2022 period. For subject imports from Cambodia, the percentage going to distributors ranged between \*\*\* percent and \*\*\* percent during the 2020-2022 period; for subject imports from China, the percentage going to distributors ranged between \*\*\* percent and \*\*\* percent; for subject imports from Colombia, the percentage going to distributors ranged between \*\*\* percent and \*\*\* percent; for subject imports from India, the percentage going to distributors ranged between \*\*\* percent and \*\*\* percent; for subject imports from Taiwan, the percentage going to distributors ranged between \*\*\* percent and \*\*\* percent; for subject imports from Turkey, the percentage going to distributors ranged between \*\*\* percent and \*\*\* percent; and for subject imports from Vietnam, the percentage going to distributors ranged between \*\*\* percent and \*\*\* percent. *Id.*

<sup>101</sup> CR/PR at Table II-3.

<sup>102</sup> CR/PR at Table II-3.

<sup>103</sup> CR/PR at Table II-3. Importers of subject merchandise from seven of these eight subject countries also sold their product in the Central Southwest and Mountain regions (with imports from Turkey being the exception) and the Pacific Coast region (with imports from Colombia being the exception). *Id.*

well as imports from all eight other subject countries, entered the United States through ports located in each of the East, North, South, and West regions.<sup>104</sup>

*Simultaneous Presence in Market.* Subject imports from each of the nine subject countries were present in the U.S. market in all 39 months of the POI.<sup>105</sup> Pricing data show the domestic product in the market throughout the POI.<sup>106</sup>

*Conclusion.* The record of the preliminary phase of the investigations indicates that subject imports from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam are fungible with the domestic like product and each other. The record also indicates that imports from each of the subject countries (except for Malaysia, for which U.S. shipment data were not available) and the domestic like product were sold in overlapping channels of distribution, to distributors and end users. In addition, domestically produced paper shopping bags and imports from each subject country were sold in overlapping geographic market areas of the United States and were simultaneously present in the U.S. market during the POI. Because there is a reasonable overlap of competition between and among subject imports from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam and the domestic like product, we cumulate subject imports from these sources for our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

---

<sup>104</sup> CR/PR at Table IV-6. Imports from Malaysia primarily entered the United States through ports located in the East and West regions. *Id.*

<sup>105</sup> CR/PR at Table IV-7.

<sup>106</sup> CR/PR at Tables V-4 through V-7.

## VII. Reasonable Indication of Material Injury by Reason of Subject Imports

### A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.<sup>107</sup> In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.<sup>108</sup> The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”<sup>109</sup> In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.<sup>110</sup> No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>111</sup>

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is “materially injured or threatened with material injury by reason of” unfairly traded imports,<sup>112</sup> it does not define the phrase “by reason of,” indicating that this aspect of the injury analysis is left to the Commission’s

---

<sup>107</sup> 19 U.S.C. §§ 1671b(a), 1673b(a).

<sup>108</sup> 19 U.S.C. § 1677(7)(B). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each {such} factor ... and explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B).

<sup>109</sup> 19 U.S.C. § 1677(7)(A).

<sup>110</sup> 19 U.S.C. § 1677(7)(C)(iii).

<sup>111</sup> 19 U.S.C. § 1677(7)(C)(iii).

<sup>112</sup> 19 U.S.C. §§ 1671b(a), 1673b(a).

reasonable exercise of its discretion.<sup>113</sup> In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.<sup>114</sup>

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material

---

<sup>113</sup> *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), *aff’g*, 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

<sup>114</sup> The Federal Circuit, in addressing the causation standard of the statute, observed that “{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement.” *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that “this court requires evidence in the record ‘to show that the harm occurred “by reason of” the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.’” See also *Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass’n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

injury threshold.<sup>115</sup> In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.<sup>116</sup> Nor does the “by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.<sup>117</sup> It is clear that the existence of injury caused by other factors does not compel a negative determination.<sup>118</sup>

---

<sup>115</sup> SAA at 851-52 (“{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.”); S. Rep. 96-249 at 75 (1979) (the Commission “will consider information which indicates that harm is caused by factors other than less-than-fair-value imports.”); H.R. Rep. 96-317 at 47 (1979) (“in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;” those factors include “the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry”); accord *Mittal Steel*, 542 F.3d at 877.

<sup>116</sup> SAA at 851-52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); *Taiwan Semiconductor Industry Ass’n*, 266 F.3d at 1345 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); see also *Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e.*, it is not an ‘other causal factor,’ then there is nothing to further examine regarding attribution to injury”), citing *Gerald Metals*, 132 F.3d at 722 (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

<sup>117</sup> S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

<sup>118</sup> See *Nippon Steel Corp.*, 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

Assessment of whether material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way” as long as “the injury to the domestic industry can reasonably be attributed to the subject imports.”<sup>119</sup> The Commission ensures that it has “evidence in the record” to “show that the harm occurred ‘by reason of’ the LTFV imports,” and that it is “not attributing injury from other sources to the subject imports.”<sup>120</sup> The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”<sup>121</sup>

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.<sup>122</sup> Congress has delegated this factual finding to the Commission because of the agency’s institutional expertise in resolving injury issues.<sup>123</sup>

---

<sup>119</sup> *Mittal Steel*, 542 F.3d at 876-878; see also *id.* at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.”), citing *United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission’s causation analysis as comports with the Court’s guidance in *Mittal*.

<sup>120</sup> *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant “other factor” may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

<sup>121</sup> *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); see also *Mittal Steel*, 542 F.3d at 879 (“*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason of’ subject imports.”).

<sup>122</sup> We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

<sup>123</sup> *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp.*, 458 F.3d at 1350, citing *U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 (“The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.”).

## **B. Conditions of Competition and the Business Cycle**

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

### **1. Demand Conditions**

U.S. demand for paper shopping bags depends mainly on demand in the retail and restaurant/food service (delivery and takeout) sectors. Paper shopping bags are typically provided by retailers and restaurants to their customers free of charge and represent a small share of the cost of most sales. Some paper shopping bags that fall within the definition of the scope are gift bags that are sold at retail by stores like Hobby Lobby, Target, and Walmart.<sup>124</sup>

Most U.S. producers and importers reported that U.S. demand for paper shopping bags increased during the POI.<sup>125</sup> The COVID-19 pandemic beginning in early 2020 affected demand for paper shopping bags, as many in-person retail and restaurant establishments shut down, but online delivery and carry-out from restaurants increased. Moreover, although spending for “food-away-from-home” sharply declined during the first months of the pandemic, it outpaced spending for “food-at-home” in every month beginning in January 2021, and the increase in demand for paper shopping bags in the restaurant sector during the COVID-19 pandemic was greater than the decrease in demand in the retail sector.<sup>126</sup> Demand has also been affected by

---

<sup>124</sup> CR/PR at II-10 to II-11.

<sup>125</sup> CR/PR at Table II-5.

<sup>126</sup> CR/PR at II-11 and Table D-1; Conference Tr. at 17 (Shah), 26 (Burnett), 149 (Weinstein), 157 (Straitman). Novolex reported that during the COVID-19 pandemic in 2020, as demand surged in the restaurant delivery/takeout segment, \*\*\*. Petitioner’s Postconference Brief, Exh. 17, Declaration of Jeremy Heil at Paragraph 11.

efforts by states and municipalities to ban or reduce the use of single-use plastic bags, which has caused an increase in demand for paper bags, including paper shopping bags.<sup>127</sup>

Apparent U.S. consumption increased by \*\*\* percent between 2020 and 2022, increasing from \*\*\* pounds in 2020 to \*\*\* pounds in 2021 before declining to \*\*\* pounds in 2022; it was \*\*\* percent lower, at \*\*\* pounds, in interim 2023, compared with \*\*\* pounds in interim 2022.<sup>128</sup>

## 2. Supply Conditions

During the POI, cumulated subject imports were the largest supplier to the U.S. market. The share of apparent U.S. consumption accounted for by cumulated subject imports increased from \*\*\* percent in 2020 to \*\*\* percent in 2021 and \*\*\* percent in 2022; it was \*\*\* percentage points lower, at \*\*\* percent, in interim 2023, compared with \*\*\* percent in interim 2022.<sup>129</sup>

The domestic industry was the second-largest supplier to the U.S. market during the POI. The share of apparent U.S. consumption accounted for by the domestic industry decreased from \*\*\* percent in 2020 to \*\*\* percent in 2021 and \*\*\* percent in 2022; it was \*\*\* percentage points higher, at \*\*\* percent, in interim 2023, compared with \*\*\* percent in interim 2022.<sup>130</sup>

---

<sup>127</sup> CR/PR at II-1, II-12 and Table D-2; Conference Tr. at 22 (Heil), 66-68 (Frantz), 149, 151 (Weinstein), 157-58 (Straitman).

<sup>128</sup> CR/PR at IV-27, Table IV-8.

<sup>129</sup> CR/PR at Tables IV-8, C-1. Thus, cumulated subject imports' share of apparent U.S. consumption increased by \*\*\* percentage points from 2020 to 2022. *Id.*

<sup>130</sup> CR/PR at Tables IV-8, C-1. Thus, the domestic industry's share of apparent U.S. consumption declined by \*\*\* percentage points from 2020 to 2022. *Id.*



The domestic industry has two major producers, ProAmpac Holdings, Inc. (“ProAmpac”) and Novolex, which accounted for \*\*\* and \*\*\* percent, respectively, of U.S. production of paper shopping bags in 2022. Two newer and smaller producers, American Paper Bag and Fischer Paper Products, Inc. (“Fischer”), accounted for \*\*\* and \*\*\* percent, respectively, of U.S. production of paper shopping bags in 2022.<sup>131</sup>

Novolex \*\*\*, but reported curtailing production equipment and labor hours beginning in 2022.<sup>132</sup> In July 2021, Novolex acquired Flexo Converters (“Flexo”), a manufacturer of paper shopping bags that operated two facilities with \*\*\* paper shopping bag machines.<sup>133</sup> American Paper Bag \*\*\*,<sup>134</sup> Fischer \*\*\*,<sup>135</sup>

U.S. producers reported that production of paper shopping bags is capital intensive, making it important for them to maintain high capacity utilization.<sup>136</sup> Production of paper shopping bags requires specialized equipment that can make multiple sizes of bags and can attach handles to the inside of bags, as well as employees that are trained to use this equipment.<sup>137</sup> However, it can take substantial time to reset a machine to make paper shopping bags of different sizes, and the number of bags produced overall can be increased by

---

<sup>131</sup> CR/PR at Table III-1. Petitioner identified another new domestic producer, Shamrock Corporation, that reportedly began production during the COVID-19 pandemic but did not submit a questionnaire response. *Id.* at III-1 n.2; Conference Tr. at 39, 55 (Byers). Moreover, in 2022, a German company acquired a facility in West Virginia with plans to begin operations producing paper bags, although it is not clear that the plant will be producing paper shopping bags. CR/PR at Table III-3; Conference Tr. at 186 (Ethridge); Petitioner’s Postconference Brief, Response to Staff Questions at 1; Alliance Respondents’ Postconference Brief, Response to Staff Questions at 17-18.

<sup>132</sup> CR/PR at Table III-4; Conference Tr. at 22 (Heil), 28-29 (Burnett).

<sup>133</sup> Conference Tr. at 17-18 (Shah); CR/PR at Table III-4. In April 2022, \*\*\*. CR/PR at VI-1 n.2.

<sup>134</sup> CR/PR at Table III-4, VI-1 n.2.

<sup>135</sup> CR/PR at Table III-4; VI-1 n.2.

<sup>136</sup> CR/PR at II-1.

<sup>137</sup> Conference Tr. at 30-32, 52 (Veder); CR/PR at I-16 to I-17.

reducing the number of different types of bags being produced, thus reducing changeover times.<sup>138</sup>

The domestic industry's practical capacity increased irregularly by \*\*\* percent between 2020 and 2022, increasing from \*\*\* pounds in 2020 to \*\*\* pounds, and then falling to \*\*\* pounds in 2022; it was \*\*\* percent higher in interim 2023, at \*\*\* pounds, compared with interim 2022, at \*\*\* pounds.<sup>139</sup> The industry's capacity utilization declined by \*\*\* percentage points between 2020 and 2022, falling from \*\*\* percent in 2020 to \*\*\* percent in 2021 and \*\*\* percent in 2022. Capacity utilization was \*\*\* percentage points lower in interim 2023, at \*\*\* percent, compared with interim 2022, at \*\*\* percent.

Nonsubject imports were the third largest supplier to the U.S. market during the POI. The share of apparent U.S. consumption accounted for by nonsubject imports declined from \*\*\* percent in 2020 to \*\*\* percent in 2021 and \*\*\* percent in 2022; it was \*\*\* percentage points lower in interim 2023, at \*\*\* percent, compared with interim 2022, at \*\*\* percent.<sup>140</sup> The largest sources of nonsubject imports during the POI were Mexico, Canada, Indonesia, and Germany.<sup>141</sup> Novolex has an affiliate, \*\*\*, producing paper shopping bags in Mexico.<sup>142</sup>

Two U.S. producers reported supply constraints during the POI because of the surge in U.S. demand during the COVID-19 pandemic as restaurants sold more of their meals as

---

<sup>138</sup> CR/PR at II-7, II-17; Conference Tr. at 81 (Burnett), 104-05 (Veder, Burnett); Petitioner's Postconference Brief, Exh. 10, Declaration of Kevin Burnett at Paragraph 10.

<sup>139</sup> CR/PR at Tables III-5, C-1.

<sup>140</sup> CR/PR at Tables IV-8, C-1. Thus, nonsubject imports' share of apparent U.S. consumption declined \*\*\* percentage points from 2020 to 2022.

<sup>141</sup> CR/PR at II-9.

<sup>142</sup> CR/PR at Table III-2; Petitioner's Postconference Brief, Exh. 10, Declaration of Kevin Burnett at Paragraph 14.

takeout.<sup>143</sup> Novolex reported that in response to COVID-19 supply constraints, it temporarily de-prioritized small print- or small-size runs to prioritize larger-run products, requested that some customers switch to standardized sizes and purchase stock bags instead of custom-printed bags, and also temporarily increased lead times on some orders.<sup>144</sup> Novolex has minimum order quantities of 25,000 bags for printed bags, and it increased that minimum for approximately a year during the pandemic.<sup>145</sup>

Nineteen responding importers reported supply constraints. With respect to constraints on domestic production during the POI, importers reported a general reduction in the availability of U.S.-produced paper shopping bags, limitations on the range of bag specifications that domestic producers would produce, long lead times for delivery from U.S. producers, constraints in the availability of paper and labor, and limited availability of recycled paper shopping bags from U.S. sources.<sup>146</sup> Some importers complained that Novolex and other domestic producers left smaller customers to find other sources, including subject imports,<sup>147</sup> while Novolex contends that, although it limited small print- or small size- orders, it did not de-prioritize any segments of the market.<sup>148</sup> Importers also reported supply constraints with

---

<sup>143</sup> CR/PR at II-9.

<sup>144</sup> CR/PR at II-3, II-7, II-9, II-17; Conference Tr. at 78-79 (Shah); 80-81 (Burnett); Petitioner's Postconference Brief, Exh. 10, Declaration of Kevin Burnett at Paragraph 8.

<sup>145</sup> CR/PR at II-17 to II-18; Conference Tr. at 120-21 (Burnett), 122-23 (Heil); Petitioner's Postconference Brief, Exh. 10, Declaration of Kevin Burnett at Paragraph 12 and Exh. 17, Declaration of Jeremy Heil at Paragraph 3. Some other domestic producers and foreign producers have smaller minimum order quantity requirements. CR/PR at II-17 and n.32; Conference Tr. at 169-70 (Straitman).

<sup>146</sup> CR/PR at II-1, II-9, II-18.

<sup>147</sup> CR/PR at II-1, II-9, II-18; Conference Tr. at 149-50 (Weinstein), 158 (Straitman), 189 (Ethridge).

<sup>148</sup> CR/PR at II-9, Conference Tr. at 120-21 (Burnett), 122-23 (Heil); Petitioner's Postconference Brief, Exh. 10, Declaration of Kevin Burnett at Paragraph 12, and Exh. 17, Declaration of Jeremy Heil at Paragraph 3.

respect to some subject sources, including supply chain problems related to the COVID-19 pandemic, high freight costs, and supply shortages due to the spike in U.S. demand.<sup>149</sup>

### **3. Substitutability and Other Conditions**

The record in the preliminary phase of these investigations indicates a moderate to high degree of substitutability between cumulated subject imports and the domestic like product.<sup>150</sup> All responding U.S. producers reported that the domestic like product and imports from all subject sources were “always” interchangeable.<sup>151</sup> Majorities of responding U.S. importers reported that the domestic like product and imports from most subject sources (Cambodia, China, Colombia, India, Malaysia, Portugal, and Taiwan) were “always” or “frequently” interchangeable, although majorities of responding importers reported that the domestic like product was only “sometimes” interchangeable with subject imports from Turkey and Vietnam.<sup>152</sup> Importers noted greater interchangeability between domestic and subject sources with respect to generic kraft paper bags than with respect to bags with high-end finishes (*e.g.*, hand-finished folded tops).<sup>153</sup>

Importers reported several factors that may limit substitutability between subject imports and the domestic like product, some of them relating to the domestic industry’s supply constraints during the POI previously discussed in section VII.B.1, as well as lack of availability of certain types of paper shopping bags.<sup>154</sup> Importers reported that there are certain types of

---

<sup>149</sup> CR/PR at II-10.

<sup>150</sup> CR/PR at II-13.

<sup>151</sup> CR/PR at II-14.

<sup>152</sup> CR/PR a Table II-7.

<sup>153</sup> CR/PR at II-16.

<sup>154</sup> CR/PR at II-18.

bags that domestic producers are generally unable to produce, noting various features such as certain bag sizes and bag types (*e.g.*, J-slit bags) that subject suppliers could provide.<sup>155</sup> Other importers reported that, even where the domestic industry has the capability to produce customized bags with such features, domestic producers are often not interested in producing them, preferring to produce large quantities of standardized sizes and specifications in order to maximize the efficient use of their production equipment.<sup>156</sup>

Importers also reported availability concerns with respect to paper shopping bags that domestic producers supply.<sup>157</sup> Importers reported that U.S. producers often had very long lead times, limited capacity to fulfill increased U.S. demand, and high minimum order quantity requirements.<sup>158</sup> As previously noted, some sources of subject imports also had supply constraints during the POI limiting their availability.<sup>159</sup>

The record shows that price is an important factor in purchasing decisions for paper shopping bags along with availability. Purchasers cited price most often (14 firms) as one of their top-three factors considered in purchasing decisions, followed by availability (13 firms) and quality (11 firms). However, availability was most frequently cited by purchasers as their

---

<sup>155</sup> Features noted by importers as having limited availability from domestic producers include folded tops, woven paper handles, ribbon handles, heavy weights of paper, complex printing, and glitter special die-cut shapes on tags. CR/PR at II-16 to II-17.

<sup>156</sup> CR/PR at II-17. In response to allegations that there were certain products that domestic producers were unable or unwilling to produce, Novolex stated that it did produce bags with custom sizes, interior print, different types of handles, and turn-tops (*i.e.*, folded over bags), while adding that in order to justify the production of custom sizes, the price must cover the additional expense. Petitioner's Postconference Brief, Exh. 17, Declaration of Jeremy Heil at Paragraph 10; *see* Conference Tr. at 156 (Straitman), 189 (Ethridge), Alliance Respondents' Postconference Brief at 6-12.

<sup>157</sup> CR/PR at II-13.

<sup>158</sup> CR/PR at II-1, II-17, II-18. According to a Commonwealth witness, domestic producers were sometimes offering lead times in 2020 and 2021 that were twice those offered by subject suppliers. Conference Tr. at 158 (Straitman).

<sup>159</sup> CR/PR at II-10.

first-most (8 firms) and second-most (5 firms) important factor.<sup>160</sup> Responding U.S. producers reported that nonprice differences between the domestic like product and subject imports were “never” significant in their firm’s sales of paper shopping bags, with the exception that one U.S. producer reported that nonprice differences between the domestic like product and subject imports from India were “sometimes” significant.<sup>161</sup> Majorities of responding importers reported that nonprice differences were “always” or “frequently” significant in comparisons of the domestic like product and subject imports from six of the nine subject countries (Cambodia, China, Colombia, India, Taiwan, and Vietnam), while majorities of responding importers reported that nonprice differences were only “sometimes” or “never” significant in comparisons of the domestic like product and subject imports from the other three subject countries (Malaysia, Portugal, and Turkey).<sup>162</sup>

Both U.S. producers and importers of subject merchandise reported that the largest share (although less than half) of their sales of paper shopping bags went to the spot market. In 2022, U.S. producers reported selling \*\*\* percent of their paper shopping bags on the spot market, \*\*\* percent under long-term contracts, \*\*\* percent under annual contracts, and \*\*\* percent under short-term contracts. Responding importers reported selling \*\*\* percent of subject paper shopping bags in 2022 on the spot market, \*\*\* percent under annual contracts, \*\*\* percent under long-term contracts, and \*\*\* percent under short-term contracts.<sup>163</sup>

---

<sup>160</sup> CR/PR at Table II-6.

<sup>161</sup> CR/PR at II-18.

<sup>162</sup> CR/PR at Table II-8.

<sup>163</sup> CR/PR at V-4, Table V-3.

Paper is the major raw material in the production of paper shopping bags. The weight of the paper used to produce paper shopping bags varies based on the specifications of the bag being produced, with higher-end paper shopping bags typically using a higher-weight paper.<sup>164</sup> Other raw materials used in the production of paper shopping bags include handles, glue/adhesives, and ink/printing.<sup>165</sup>

Raw material costs accounted for the largest share of the domestic industry's cost of goods sold ("COGS") throughout the POI, declining from \*\*\* percent in 2020 to \*\*\* percent in 2021, and then increasing to \*\*\* percent in 2022; they were higher, at \*\*\* percent, in interim 2023, compared with \*\*\* percent in interim 2022.<sup>166</sup> Most U.S. producers and importers reported that raw material prices increased during the POI.<sup>167</sup> The price of 50-lb. kraft paper increased by \*\*\* percent overall from January 2020 to March 2023, increasing from January 2020 to April 2022 and then beginning to decline in December 2022.<sup>168</sup>

Products described in HTS subheading 4819.30 and 4819.40 (the two subheadings in which imports of paper shopping bags enter) imported from China were subject to an additional 25 percent *ad valorem* duty under Section 301 of the Trade Act of 1974 throughout the POI.<sup>169</sup>

---

<sup>164</sup> CR/PR at V-1.

<sup>165</sup> CR/PR at I-15, V-1, VI-14.

<sup>166</sup> CR/PR at VI-14, Table VI-1.

<sup>167</sup> CR/PR a Table II-5.

<sup>168</sup> CR/PR at V-1; Figure V-1, Table V-1.

<sup>169</sup> CR/PR at I-6; see Petitioner's Postconference Brief, Response to Staff Questions at 18.

### C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”<sup>170</sup>

Cumulated subject imports, by volume, increased by 78.5 percent between 2020 and 2022, increasing from 249.2 million pounds in 2020 to 422.6 million pounds in 2021 and 444.9 million pounds in 2022; cumulated subject imports were 69.5 million pounds in interim 2023, compared with 115.5 million pounds in interim 2022.<sup>171</sup> Cumulated subject imports’ market share increased from \*\*\* percent of apparent U.S. consumption in 2020 to \*\*\* percent in 2021 and \*\*\* percent in 2022; their market share was \*\*\* percent in interim 2023, compared with \*\*\* percent in interim 2022.<sup>172</sup>

Cumulated subject imports also increased as a ratio to domestic industry production during the POI from \*\*\* percent in 2020 to \*\*\* percent in 2021 to \*\*\* percent in 2022; the ratio was \*\*\* percent in interim 2023, compared with \*\*\* percent in interim 2022.<sup>173</sup>

Based on the record in the preliminary phase of these investigations, we find that the volume of cumulated subject imports and the increase in that volume are significant in absolute terms and relative to production and consumption in the United States.

---

<sup>170</sup> 19 U.S.C. § 1677(7)(C)(i).

<sup>171</sup> CR/PR at Tables IV-8, C-1.

<sup>172</sup> CR/PR at Tables IV-8, C-1. Cumulated subject imports gained market share at the expense of the domestic industry, increasing by \*\*\* percentage points between 2020 and 2022, as the domestic industry’s market share declined by \*\*\* percentage points during the same period. *Id.*

<sup>173</sup> CR/PR at Table IV-2. Thus, cumulated subject imports as a ratio to U.S. production increased by \*\*\* percentage points between 2020 and 2022. *Id.*



#### D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.<sup>174</sup>

As discussed in section VII.B.3 above, we find that there is a moderate to high degree of substitutability between cumulated subject imports and the domestic like product, and that price is an important factor in purchasing decisions for paper shopping bags, along with availability.

The Commission collected quarterly f.o.b. pricing data on sales of four paper shopping bag products shipped to unrelated U.S. customers during the POI.<sup>175</sup> Two U.S. producers and 14 importers provided usable pricing data for sales of the requested products, although not all

---

<sup>174</sup> 19 U.S.C. § 1677(7)(C)(ii).

<sup>175</sup> CR/PR at V-5. The four pricing products are:

**Product 1.**-- Plain Kraft (brown) bag with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Product 2.**-- Plain Kraft (brown) bag with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Product 3.**-- Plain Kraft (brown) bag with a serrated top that has a 16-inch wide face, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Product 4.**-- Plain white bag with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset and, that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. *Id.*

firms reported pricing data for all products for all quarters.<sup>176</sup> The pricing data reported by these firms accounted for approximately \*\*\* percent of the value of the domestic industry's U.S. shipments of paper shopping bags in 2022. With respect to subject imports, the value of the reported U.S. shipments of these pricing products as a share of the value of reported U.S. shipments of subject imports in 2022 was \*\*\* percent with respect to subject imports from Cambodia, \*\*\* percent with respect to subject imports from China, \*\*\* percent with respect to subject imports from Colombia, \*\*\* percent with respect to subject imports from India, \*\*\* percent with respect to subject imports from Taiwan, \*\*\* percent with respect to subject imports from Turkey, and \*\*\* percent with respect to subject imports from Vietnam.<sup>177</sup> No pricing data were reported for subject imports from Malaysia or Portugal.<sup>178</sup>

Cumulated subject imports undersold the domestic like product in 58 of 163 quarterly comparisons with underselling margins ranging between 0.2 percent and 76.1 percent, and averaging 27.3 percent.<sup>179</sup> Cumulated subject imports oversold the domestic like product in the remaining 105 quarterly comparisons, with overselling margins ranging between 0.0 and 143.3 percent and averaging 52.9 percent.<sup>180</sup> There were 102.5 million subject paper shopping bags in the quarters with underselling and 62.6 million subject paper shopping bag in the quarters with overselling.<sup>181</sup> Thus, the

---

<sup>176</sup> CR/PR at V-6.

<sup>177</sup> CR/PR at V-6.

<sup>178</sup> CR/PR at V-6. No importers reported trade or price data for imports from Malaysia, while several firms reported that they imported paper shopping bags from Portugal but none of these firms reported price data. *Id.* at V-6 n.9.

<sup>179</sup> CR/PR at Table V-9.

<sup>180</sup> CR/PR at Table V-9.

<sup>181</sup> CR/PR at Table V-9.

pricing data show predominant underselling by volume; quarterly comparisons in which there was underselling by cumulated subject imports accounted for 62.1 percent of the reported subject import sales volume in the Commission's pricing data.<sup>182</sup>

The record further indicates that the volume of cumulated subject imports that undersold the domestic like product increased over the POI as cumulated subject imports increased and gained market share.<sup>183</sup> Indeed, between 2020 and 2022, cumulated subject imports increased by 78.5 percent and gained \*\*\* percentage points in market share.<sup>184</sup> The quantity of subject imports that undersold the domestic like product increased by \*\*\* percent during the same period, rising from \*\*\* subject paper shopping bags in 2020 to \*\*\* subject paper shopping bags in 2021 and \*\*\* subject paper shopping bags in 2022.<sup>185</sup> On a percentage basis, \*\*\* percent of the subject imports in quarterly price comparisons in 2020 undersold the domestic like product, \*\*\* percent of subject imports undersold in 2021, and \*\*\* percent undersold in 2022.<sup>186</sup>

We have also considered purchasers' responses to the Commission's lost sales/lost revenue survey. Of the 17 responding purchasers, 12 purchasers reported that, since 2020, they had purchased subject paper shopping bags instead of domestically produced paper shopping bags, and ten of these purchasers reported that the price of subject imports was

---

<sup>182</sup> CR/PR at Table V-9.

<sup>183</sup> See, e.g., CR/PR at Figures V-2 & V-3, Tables V-9 & C-1; see also footnote 185, *infra*.

<sup>184</sup> CR/PR at Table C-1.

<sup>185</sup> Derived from CR/PR at Tables V-4 through V-7, C-1. Thus, subject import underselling, by volume, was \*\*\* of the POI. Further, the quantity of subject imports underselling the domestic like product in interim 2023 was \*\*\* subject paper shopping bags. *Id.*

<sup>186</sup> Derived from CR/PR at Tables V-4 through V-7. In interim 2023, \*\*\* percent of the subject imports in quarterly price comparisons undersold the domestic product. *Id.*

lower than the price of the domestically produced product.<sup>187</sup> Three of those purchasers also reported that price was a primary reason for their decision to purchase \*\*\* paper shopping bags from the subject countries rather than the domestic like product.<sup>188</sup>

Based on the foregoing, including the moderate-to-high degree of substitutability between cumulated subject imports and the domestic like product, the importance of price in purchasing decisions, the predominant underselling by cumulated subject imports by quantity, and the increasing quantities of subject imports involved in quarters of underselling as subject imports gained market share from the domestic industry over the POI, we find that cumulated subject imports undersold the domestic like product to a significant degree. The underselling caused subject imports to gain market share at the expense of the domestic industry.<sup>189</sup>

We have also examined price trends during the POI. In general, prices increased over the POI, with the increases in domestic producers' prices for the four pricing products over the POI ranging between \*\*\* percent and \*\*\* percent from the first quarter of 2020 to the first quarter of 2023.<sup>190</sup> Likewise, prices of subject imports

---

<sup>187</sup> CR/PR at V-24.

<sup>188</sup> CR/PR at V-24, Tables V-13, V-14. The quantity of subject bags involved in these confirmed lost sales was equivalent to \*\*\* percent of total reported purchases of subject imports. CR/PR at Tables V-13, V-14 compared with Table V-11.

<sup>189</sup> CR/PR at Table C-1. Cumulated subject imports gained \*\*\* percentage points of market share at the expense of the domestic industry during the POI. *Id.*

<sup>190</sup> CR/PR at V-17, Table V-8. As discussed above, apparent U.S. consumption increased by \*\*\* percent between 2020 and 2022. Table C-1. Further, no purchaser reported that U.S. producers reduced their prices in order to compete with lower-priced subject imports. *Id.* at V-27.

generally increased over the POI, with the increases in subject import prices for the four pricing products ranging between \*\*\* percent and \*\*\* percent.<sup>191</sup>

We have also considered whether cumulated subject imports prevented price increases for domestically produced paper shopping bags which otherwise would have occurred to a significant degree. The record shows that the domestic industry's ratio of COGS to net sales rose \*\*\* percentage points between 2020 and 2022, from \*\*\* percent in 2020 to \*\*\* percent in 2021 and \*\*\* percent in 2022; it was \*\*\* percent in interim 2023, compared with \*\*\* percent in interim 2022.<sup>192</sup> During the POI, the industry reported increases in all components of its COGS on an absolute and per-unit basis.<sup>193</sup> The domestic industry's raw material costs increased on a per-unit basis by \$\*\*\* per pound between 2020 and 2022, an increase of \*\*\* percent,<sup>194</sup> and its COGS increased on a per-unit basis by \$\*\*\* per pound, or \*\*\* percent, between 2020 and 2022.<sup>195</sup> While the domestic industry's net sales average unit value (AUV) also increased, by \$\*\*\* per pound, or \*\*\* percent, between 2020 and 2022,<sup>196</sup> this increase did not keep pace with the industry's increasing costs.

---

<sup>191</sup> CR/PR at Table V-8. Exceptions involved prices of subject imports from China declined by \*\*\* percent for pricing product 2 and by \*\*\* percent for pricing product 4. *Id.*

<sup>192</sup> CR/PR at Tables VI-3, C-1.

<sup>193</sup> CR/PR at Tables VI-1, VI-2.

<sup>194</sup> CR/PR at Tables VI-1, VI-2. The domestic industry's per-unit raw material costs rose from \$\*\*\* per pound in 2020 to \$\*\*\* per pound in 2021 and \$\*\*\* per pound in 2022; they were higher, at \$\*\*\* per pound in interim 2023, compared with \$\*\*\* per pound in interim 2022. *Id.* at Table VI-1.

<sup>195</sup> CR/PR at Tables VI-1, VI-2. The domestic industry's per-unit COGS rose from \$\*\*\* per pound in 2020 to \$\*\*\* per pound in 2021 and \$\*\*\* per pound in 2022; it was higher, at \$\*\*\* per pound, in interim 2023, compared with \$\*\*\* per pound in interim 2022. *Id.* at Table VI-1.

<sup>196</sup> CR/PR at Tables VI-1, VI-2. The domestic industry's net sales AUV increased from \$\*\*\* per pound in 2020 to \$\*\*\* per pound in 2021 and \$\*\*\* per pound in 2022; it was higher, at \$\*\*\* per pound, in interim 2023, compared with \$\*\*\* per pound in interim 2022. *Id.* at Table VI-1.

Thus, as the domestic industry's raw material and other costs were increasing during the POI, the industry was unable to raise its prices sufficiently to reflect the full increase in its COGS, resulting in a cost-price squeeze. The domestic industry's inability to cover the increase in its COGS occurred during a period of sharply increasing U.S. demand, as apparent U.S. consumption increased by \*\*\* percent between 2020 and 2022.<sup>197</sup> Accordingly, we find that cumulated subject imports prevented price increases by the domestic industry, which otherwise would have occurred, to a significant degree.

In sum, based on the record in the preliminary phase of these investigations, we find that cumulated subject imports significantly undersold the domestic like product and had significant price effects.

#### **E. Impact of the Subject Imports**<sup>198</sup>

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices.

---

<sup>197</sup> CR/PR at Table C-1.

<sup>198</sup> Commerce initiated antidumping duty investigations based on estimated dumping margins of 59.57 to 118.21 percent for imports from Cambodia, 93.10 to 237.02 percent for imports from China, 56.14 percent for imports from Colombia, 26.45 to 96.15 percent for imports from India, 148.19 percent for imports from Malaysia, 31.12 to 188.78 percent for imports from Portugal, 60.26 to 65.81 percent for imports from Taiwan, 13.65 to 47.56 percent for imports from Turkey, and 27.64 to 92.34 percent for imports from Vietnam. *Certain Paper Shopping Bags From Cambodia, the People's Republic of China, Colombia, India, Malaysia, Portugal, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 88 Fed. Reg. 41589, 41592 (June 27, 2023).

No single factor is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>199</sup>

During the POI, the domestic industry should have been in a position to benefit from the \*\*\* percent increase in apparent U.S. consumption.<sup>200</sup> Instead, the industry’s output and financial performance generally declined, as increasing volumes of low-priced subject imports captured market share from the domestic industry and suppressed prices for the domestic like product.

The domestic industry’s practical capacity increased by \*\*\* percent between 2020 and 2022. Practical capacity increased from \*\*\* pounds to \*\*\* pounds, and then declined to \*\*\* pounds; it was \*\*\* percent higher, at \*\*\* pounds, in interim 2023, compared with \*\*\* pounds in interim 2022.<sup>201</sup> Notwithstanding this increase in capacity and the increase in apparent U.S. consumption over this period, the industry’s output indica declined. The domestic industry’s production quantity declined by \*\*\* percent between 2020 and 2022, increasing from \*\*\* pounds in 2020 to \*\*\* pounds in 2021, and then falling to \*\*\* pounds in 2022; production was \*\*\* percent lower, at \*\*\* pounds, in interim 2023, compared with \*\*\* pounds in interim 2022.<sup>202</sup> The industry’s capacity utilization declined by \*\*\* percentage points between 2020 and 2022, falling from \*\*\* percent in 2020 to \*\*\* percent in 2021 to \*\*\* percent in 2022.

---

<sup>199</sup> 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act (“TPEA”) of 2015, Pub. L. 114-27.

<sup>200</sup> CR/PR at Table C-1.

<sup>201</sup> CR/PR at Tables III-5, C-1.

<sup>202</sup> CR/PR at Tables III-5, C-1.

Capacity utilization was \*\*\* percentage points lower, at \*\*\* percent, in interim 2023, compared with \*\*\* percent in interim 2022.<sup>203</sup>

The domestic industry's employment indicia generally increased overall from 2020 to 2022, although productivity declined. The industry's number of production and related workers ("PRWs") increased by \*\*\* percent from 2020 to 2022, increasing from \*\*\* in 2020 to \*\*\* in 2021, and then falling to \*\*\* in 2022. It was \*\*\* percent lower, at \*\*\* PRWs, in interim 2023, compared with \*\*\* PRWs in interim 2022.<sup>204</sup> Hours worked increased by \*\*\* percent between 2020 and 2022, increasing from \*\*\* hours in 2020 to \*\*\* hours in 2021, and then falling to \*\*\* hours in 2022; hours worked was \*\*\* percent higher, at \*\*\* hours, in interim 2023, compared with \*\*\* hours in interim 2022.<sup>205</sup> Wages paid increased by \*\*\* percent between 2020 and 2022, rising from \$\*\*\* in 2020 to \$\*\*\* in 2021 and \$\*\*\* in 2022; wages paid were \*\*\* percent lower, at \$\*\*\*, in interim 2023, compared with \$\*\*\* in interim 2022.<sup>206</sup> Productivity declined by \*\*\* percent between 2020 and 2022, decreasing from \*\*\* pounds per hour in 2020 to \*\*\* pounds per hour in 2021 and \*\*\* pounds per hour in 2022; productivity was \*\*\* percent lower, at \*\*\* pounds per hour, in interim 2023, compared with \*\*\* pounds per hour in interim 2022.<sup>207</sup>

---

<sup>203</sup> CR/PR at Tables III-5, C-1.

<sup>204</sup> CR/PR at Tables III-12, C-1.

<sup>205</sup> CR/PR at Tables III-12, C-1.

<sup>206</sup> CR/PR at Tables III-12, C-1.

<sup>207</sup> CR/PR at Tables III-12, C-1.



End-of-period inventories declined by \*\*\* percent between 2020 and 2022, decreasing from \*\*\* pounds in 2020 to \*\*\* pounds in 2021 and \*\*\* pounds in 2022; they were \*\*\* percent higher, at \*\*\* pounds, in interim 2023, compared with \*\*\* pounds in interim 2022.<sup>208</sup>

The domestic industry's U.S. shipments decreased by \*\*\* percent from 2020 to 2022, increasing from \*\*\* pounds in 2020 to \*\*\* pounds in 2021, and then falling to \*\*\* pounds in 2022; U.S. shipments were \*\*\* percent lower, at \*\*\* pounds, in interim 2023, compared with \*\*\* pounds in interim 2022.<sup>209</sup>

The industry's market share declined by \*\*\* percentage points between 2020 and 2022, falling from \*\*\* percent in 2020 to \*\*\* percent in 2021 and \*\*\* percent in 2022. Its market share was \*\*\* percentage points higher, at \*\*\* percent, in interim 2023, compared with \*\*\* percent in interim 2022.<sup>210</sup>

Despite an increase in net sales value between 2020 and 2022, the domestic industry suffered substantial declines in its financial indicators over this period. The industry's net sales value increased by \*\*\* percent between 2020 and 2022, rising from \$\*\*\* in 2020 to \$\*\*\* in 2021 and \$\*\*\* in 2022; net sales value was \*\*\* percent lower, at \$\*\*\*, in interim 2023, compared with \$\*\*\* in interim 2022.<sup>211</sup> The industry's gross profit declined by \*\*\* percent between 2020 and 2022, falling from \$\*\*\* in 2020 to \$\*\*\* in 2021 and \$\*\*\* in 2022; gross profit was \*\*\* percent lower, at \$\*\*\*, in interim 2023, compared with \$\*\*\* in interim 2022.<sup>212</sup> The industry's operating income decreased by \*\*\* percent between 2020 and 2022, declining

---

<sup>208</sup> CR/PR at Tables III-9, C-1.

<sup>209</sup> CR/PR at Tables III-8, C-1.

<sup>210</sup> CR/PR at Tables IV-8, C-1.

<sup>211</sup> CR/PR at Tables VI-1, C-1.

<sup>212</sup> CR/PR at Tables VI-1, C-1.

from \$\*\*\* in 2020 to \$\*\*\* in 2021 and \$\*\*\* in 2022; its operating income was \*\*\* percent lower, at \$\*\*\* in interim 2023, compared with \$\*\*\* in interim 2022.<sup>213</sup> The industry's ratio of operating income to net sales decreased from \*\*\* percent in 2020 to \*\*\* percent in 2021 and \*\*\* percent in interim 2022; it was lower, at \*\*\* percent, in interim 2023, compared with \*\*\* percent in interim 2022.<sup>214</sup> The industry's net income declined by \*\*\* percent between 2020 and 2022, falling from \$\*\*\* in 2020 to \$\*\*\* in 2021 to \$\*\*\* in 2022; its net income was \$\*\*\* in interim 2023, compared with \$\*\*\* in interim 2022.<sup>215</sup> The industry's net income margin fell from \*\*\* percent in 2020 to \*\*\* percent in 2021 and \*\*\* percent in 2022; it was \*\*\* percent in interim 2023, compared with \*\*\* percent in interim 2022. The industry's net assets increased by \*\*\* percent between 2020 and 2022, rising from \$\*\*\* in 2020 to \$\*\*\* in 2021 and \$\*\*\* in 2022.<sup>216</sup> The industry's return on assets declined from \*\*\* percent in 2020 to \*\*\* percent in 2021 to \*\*\* percent in 2022.<sup>217</sup>

The domestic industry's capital expenditures increased overall by \*\*\* percent between 2020 and 2022, increasing from \$\*\*\* in 2020 to \$\*\*\* in 2021, and then falling to \$\*\*\* in 2022; its capital expenditures were \*\*\* percent lower, at \$\*\*\*, in interim 2023, compared with \$\*\*\* in interim 2022.<sup>218</sup> No responding U.S. producers reported research and development ("R&D") expenses during the POI.<sup>219</sup>

---

<sup>213</sup> CR/PR at Tables VI-1, C-1.

<sup>214</sup> CR/PR at Tables VI-1, C-1.

<sup>215</sup> CR/PR at Tables VI-1, C-1.

<sup>216</sup> CR/PR at Tables VI-7, C-1.

<sup>217</sup> CR/PR at Table VI-8.

<sup>218</sup> CR/PR at Tables VI-5, C-1. The \*\*\* capital expenditures reported in 2021 reflect \*\*\*, while the capital expenditures reported in interim 2022 \*\*\*. *Id.* at VI-18 n.19 and Table VI-6.

<sup>219</sup> CR/PR at VI-18.

Based on the record in the preliminary phase of these investigations, we find that the significant volume of cumulated subject imports, which increased by 78.5 percent between 2020 to 2022, significantly undersold the domestic like product by volume, and gained market share at the domestic industry's expense.<sup>220</sup> Cumulated subject imports also suppressed prices for the domestic like product to a significant degree. As a result, the domestic industry's production, capacity utilization, and U.S. shipments all declined over the POI despite a significant increase in apparent U.S. consumption. The industry's financial performance also deteriorated, and it suffered a \*\*\* in 2022.

We are unpersuaded by Alliance Respondents' argument that the domestic industry is healthy and not injured by subject imports given its investments in new production facilities as well as the new entrants in the industry during the POI show.<sup>221</sup> To the contrary, as discussed above, the industry experienced declines in its production, capacity utilization, shipments, market share, and financial condition, even as apparent U.S. consumption increased. Moreover, all four responding U.S. producers reported that \*\*\*.<sup>222</sup>

We are also unpersuaded by Alliance Respondents' argument that subject imports did not cause injury to the domestic industry because there is attenuated competition between subject imports and the domestic industry. They contend that the domestic industry focuses primarily on supplying the U.S. market with "stock" bags with standard sizes and specifications, while subject imports supply the U.S. market with various customized specialty products that

---

<sup>220</sup> As explained above, cumulated subject imports gained \*\*\* percentage points of market share during 2020-2022 and the domestic industry's market share declined by \*\*\* percentage points during the same period. See CR/PR at Table C-1.

<sup>221</sup> Alliance Respondents' Postconference Brief at 4, 30.

<sup>222</sup> CR/PR at Table VI-12.

the domestic industry cannot supply and with which it does not compete. Furthermore, they contend that the increase in subject import volume between 2020 and 2022 was driven by the domestic industry's inability to meet the rise in U.S. demand caused by the COVID-19 pandemic, the unavailability of and long lead times for domestic product, and the industry's decision during the pandemic to curtail its production and supply of customized bags, forcing its customers to turn to subject imports.<sup>223</sup> While we intend to examine further in any final phase of these investigations the extent of any supply constraints on the part of domestic producers that may have drawn subject imports into the market, we note that the significant underselling by subject imports, which increased in terms of quantity and prevalence between 2020 and 2022, and domestic producers' inability to raise price sufficiently to cover rising costs are inconsistent with what would be expected if there were short supplies of domestically produced paper shopping bags.<sup>224</sup> Moreover, the domestic industry's declining rate of capacity utilization, as U.S. production declined by \*\*\* percent between 2020 and 2002 despite the industry's increasing practical capacity, also appears inconsistent with Alliance Respondents' argument that the domestic industry was capacity-constrained from serving increasing demand for paper shopping bags.<sup>225</sup>

---

<sup>223</sup> Alliance Respondents' Postconference Brief at 9-10, 16-23, 31-32; *see also* PPMI's Statement at 3-7.

<sup>224</sup> See CR/PR at Tables V-4 through V-7.

<sup>225</sup> CR/PR at Table C-1. In any final phase of these investigations, we intend to obtain more information on such specialty products and their share of the U.S. market and the extent to which the domestic industry experienced supply constraints during the POI. In any final phase of these investigations, we also intend to further investigate the extent to which supply constraints and lead times affected the domestic industry's performance.

We have also considered whether there are other factors that may have had an impact on the domestic industry to ensure that we are not attributing injury from such other factors to subject imports. While nonsubject imports had a substantial presence in the U.S. market throughout the POI, their market share declined over the POI, and did not account for any of the market share lost by the domestic industry during the period.<sup>226</sup>

Alliance Respondents contend that petitioner's claim of injury is based on declining prices in the fourth quarter of 2022 and the first quarter of 2023, and argue that any injury during that period was in fact caused by a downturn in the business cycle that caused a decline in U.S. demand for paper shopping bags, adversely impacting both the domestic industry and subject imports, which lost market share during that period.<sup>227</sup> However, the record shows that evidence of injury to the domestic industry is not limited to those final two quarters of the POI. To the contrary, the record shows that between 2020 and 2021, before the alleged downturn in the business cycle, the domestic industry lost \*\*\* percentage points of market share to subject imports and its COGS to net sales ratio increased by \*\*\* percentage points.<sup>228</sup> Regardless of what may have contributed to price declines in the fourth quarter of 2022 and the first quarter of 2023, we find that subject imports prevented the domestic industry from fully realizing price

---

<sup>226</sup> The market share of nonsubject imports declined from \*\*\* percent in 2020 to \*\*\* percent in 2021 and \*\*\* percent in 2022; it was \*\*\* percentage points lower in interim 2023, at \*\*\* percent, compared with interim 2022, at \*\*\* percent. CR/PR at Tables IV-8, C-1.

<sup>227</sup> Alliance Respondents' Postconference Brief at 3-4, 32; Conference Tr. at 12 (Kessler), 227-28 (Hartmann).

<sup>228</sup> The domestic industry's market share declined from \*\*\* percent in 2020 to \*\*\* percent in 2021, while subject import market share increased from \*\*\* percent in 2020 to \*\*\* percent in 2021. CR/PR at Table C-1. The domestic industry's COGS to net sales ratio increased from \*\*\* percent in 2020 to \*\*\* percent in 2021. *Id.*

increases which otherwise would have occurred prior to that time as apparent U.S. consumption increased.

Respondents also contend that any injury to petitioner was “self-inflicted” as a result of decisions by Novolex. According to respondent Bunzl, Novolex adopted an “aggressive” strategy to invest in new equipment and acquire competitors, but is now suffering from high carrying costs from these investments in light of the rise in interest rates given inflationary concerns.<sup>229</sup> However, we conduct our analysis based on the domestic industry as a whole, not on the performance of individual domestic producers.<sup>230</sup> As noted, the Commission received questionnaire data from four domestic producers on their operations.<sup>231</sup> We note that Novolex is \*\*\* producer in the domestic industry, accounting for \*\*\* percent of domestic production in 2022, while the \*\*\* producer, \*\*\*, accounted for \*\*\* percent.<sup>232</sup> While Novolex is the only member of the domestic industry that is a member of the petitioning coalition, ProAmpac, as well as smaller producers American Paper Bag and Fischer, \*\*\*.<sup>233</sup> In any event, Novolex’s interest costs from its investments and acquisitions do not explain the domestic industry’s declines in production, capacity utilization and U.S. shipments, as the industry lost market share to subject imports between 2020 and 2022.<sup>234</sup>

---

<sup>229</sup> Bunzl’s Postconference Brief at 4-5. A Commonwealth witness testifying on behalf of the Alliance Respondents also stated that any material injury that Novolex is suffering is “self-inflicted,” but attributed this to Novolex “choosing not to serve” the specialty side of the U.S. market. Conference Tr. at 160 (Straitman).

<sup>230</sup> 19 U.S.C. § 1677(4)(A).

<sup>231</sup> CR/PR at III-1.

<sup>232</sup> CR/PR at Table III-1.

<sup>233</sup> CR/PR at Table VI-12.

<sup>234</sup> In any final phase of these investigations, we intend to obtain more information on the effect of interest costs on the financial condition of the domestic industry.

In sum, based on the record in the preliminary phase of these investigations, we conclude that subject imports had a significant impact on the domestic industry.

## **VIII. Conclusion**

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam that are allegedly sold in the United States at less than fair value and subsidized by the governments of China and India.





# Part I: Introduction

## Background

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by the Coalition for Fair Trade in Shopping Bags, a coalition whose members include Novolex Holdings, LLC (“Novolex”), Charlotte, North Carolina, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (“United Steelworkers”), Pittsburgh, Pennsylvania on May 31, 2023, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of paper shopping bags (“PSBs”)<sup>1</sup> from China and India, and less-than-fair-value (“LTFV”) imports of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam. Table I-1 presents information relating to the background of these investigations.<sup>2 3</sup>

**Table I-1**  
**PSBs: Information relating to the background and schedule of this proceeding**

Effective date	Action
May 31, 2023	Petitions filed with Commerce and the Commission; institution of the Commission investigations (88 FR 37097, June 6, 2023)
June 20, 2023	Commerce’s CVD notice of initiation (88 FR 41380, June 26, 2023); Commerce’s AD notice of initiation (88 FR 41589, June 27, 2023)
June 21, 2023	Commission’s conference
July 14, 2023	Commission’s vote
July 17, 2023	Commission’s determinations
July 24, 2023	Commission’s views

---

<sup>1</sup> See the section entitled “The subject merchandise” in Part I of this report for a complete description of the merchandise subject in this proceeding.

<sup>2</sup> Pertinent Federal Register notices are referenced in appendix A and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> A list of witnesses appearing at the conference is presented in appendix B of this report.

## Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the “Act”) (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

*shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.*

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--<sup>4</sup>

*In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant. . . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree. . . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.*

---

<sup>4</sup> Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

*In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—<sup>5</sup>*

*(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.*

## **Organization of report**

Part I of this report presents information on the subject merchandise, alleged subsidy and dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission’s consideration of the question of threat of material injury as well as information regarding nonsubject countries.

## **Market summary**

PSBs are generally used by commercial establishments as shopping carrier bags or by restaurants as take-away bags or delivery bags. The leading U.S. producers of PSBs are Novolex and ProAmpac LLC (“ProAmpac”), while leading producers of PSBs outside the United States include \*\*\*, \*\*\*, and \*\*\*. The leading U.S. importers of PSBs from subject countries are \*\*\*, \*\*\*, and \*\*\*. Leading importers of PSBs from nonsubject countries (primarily Mexico and Indonesia) include \*\*\* and \*\*\*. U.S. purchasers of PSBs include distributors, restaurant wholesalers, and retailers; leading purchasers include \*\*\*.

---

<sup>5</sup> Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

Apparent U.S. consumption of PSBs totaled approximately \*\*\* pounds (\$\*\*\*) in 2022. Currently, five firms are known to produce PSBs in the United States. U.S. producers' U.S. shipments of PSBs totaled \*\*\* pounds (\$\*\*\*) in 2022, and accounted for \*\*\* percent of apparent U.S. consumption by quantity and \*\*\* percent by value. U.S. imports from subject sources totaled 444.9 million pounds (\$721.3 million) in 2022 and accounted for \*\*\* percent of apparent U.S. consumption by quantity and \*\*\* percent by value. U.S. imports from nonsubject sources totaled 212.5 million pounds (\$313.1 million) in 2022 and accounted for \*\*\* percent of apparent U.S. consumption by quantity and \*\*\* percent by value.

## **Summary data and data sources**

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of four firms that accounted for the vast majority of U.S. production of PSBs during 2022.<sup>6</sup> U.S. imports are based on official import statistics and the questionnaire responses of 42 firms.

## **Previous and related investigations**

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

## **Nature and extent of alleged subsidies and sales at LTFV**

### **Alleged subsidies**

On June 26, 2023, Commerce published a notice in the Federal Register of the initiation of its countervailing duty investigations on PSBs from China and India.<sup>7</sup>

### **Alleged sales at LTFV**

On June 27, 2023, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigations on PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam. Commerce has initiated antidumping duty investigations based on estimated dumping margins of 18.21 to 248.81 percent for PSBs from

---

<sup>6</sup> Petition, Volume I, pp. 4 and 15-16.

<sup>7</sup> For further information on the alleged subsidy programs see Commerce's notice of initiation and related CVD Initiation Checklist. 88 FR 41380, June 26, 2023.

Cambodia, 93.10 to 237.02 percent for PSBs from China, 56.14 percent for PSBs from Colombia, 26.45 to 96.15 percent for PSBs from India, 148.19 percent for PSBs from Malaysia, 31.12 to 188.78 percent for PSBs from Portugal, 60.26 to 65.81 percent for PSBs from Taiwan, 13.65 to 47.56 percent for PSBs from Turkey, and 27.64 to 92.34 percent for PSBs from Vietnam.<sup>8</sup>

## The subject merchandise

### Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:<sup>9</sup>

*The products within the scope of these investigations are paper shopping bags with handles of any type, regardless of whether there is any printing, regardless of how the top edges are finished (e.g., folded, serrated, or otherwise finished), regardless of color, and regardless of whether the top edges contain adhesive or other material for sealing closed. Subject paper shopping bags have a width of at least 4.5 inches and depth of at least 2.5 inches.*

*Paper shopping bags typically are made of kraft paper but can be made from any type of cellulose fiber, paperboard, or pressboard with a basis weight less than 300 grams per square meter (GSM).*

*A non-exhaustive illustrative list of the types of handles on shopping bags covered by the scope include handles made from any materials such as twisted paper, flat paper, yarn, ribbon, rope, string, or plastic, as well as die-cut handles (whether the punchout is fully removed or partially attached as a flap).*

*Excluded from the scope are:*

- *Paper sacks or bags that are of a 1/6 or 1/7 barrel size ( i.e., 11.5–12.5 inches in width, 6.5–7.5 inches in depth, and 13.5–17.5 inches in height) with flat paper handles or die-cut handles;*
- *Paper sacks or bags with die-cut handles, a grams per square meter paper weight of less than 86 GSM, and a height of less than 11.5 inches; and*
- *Shopping bags (i) with non-paper handles made wholly of woven ribbon or other similar woven fabric and (ii) that are finished with*

---

<sup>8</sup> 88 FR 41589, June 27, 2023.

<sup>9</sup> 88 FR 41589, June 27, 2023.

*folded tops or for which tied knots or t-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags.*

*The above-referenced dimensions are provided for paper bags in the opened position. The height of the bag is the distance from the bottom fold edge to the top edge (i.e., excluding the height of handles that extend above the top edge). The depth of the bag is the distance from the front of the bag edge to the back of the bag edge (typically measured at the bottom of the bag). The width of the bag is measured from the left to the right edges of the front and back panels (upon which the handles typically are located).*

## **Tariff treatment**

Harmonized Tariff Schedule of the United States (“HTS”) subheading 4819.30.00 covers sacks and bags, having a base of a width of 40 cm or more and subheading 4819.40.00 covers other sacks and bags, including cones. PSBs, specifically, are currently imported under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040.<sup>10</sup> The general rate of duty is “free” for subheadings 4819.30.00 and 4819.40.00.<sup>11</sup> Products described in HTS subheadings 4819.30.00 and 4819.40.00 (including statistical reporting numbers 4819.30.0040 and 4819.40.0040), originating in China are subject to an additional 25 percent ad valorem duty under Section 301 of the Trade Act of 1974.<sup>12</sup> Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

---

<sup>10</sup> These subheadings each include products that are outside the scope of these investigations.

<sup>11</sup> See HTS (2023) Revision 9, Publication 5445, June 2023, p. 48-23.

<sup>12</sup> The U.S. Trade Representative imposed the tariffs under Section 301 of the Trade Act of 1974 after determining that certain acts, policies, and practices of China are unreasonable or discriminatory and burden or restrict U.S. commerce. 82 FR 40213, August 24, 2017 and 83 FR 14906, April 6, 2018). The products included in the third enumeration (“Tranche 3”) of goods produced in China are subject to additional Section 301 duties. Tranche 3 tariffs with a duty rate of 10 percent were put in place September 24, 2018 (83 FR 47974, September 21, 2018). On May 10, 2019, tranche 3 tariffs were increased to 25 percent ad valorem (84 FR 20459, May 9, 2019). If a Tranche 3 good was exported from China to the United States prior to May 10, 2019, and entered the United States prior to June 1, 2019, it was not subject to the escalated 25 percent duty (84 FR 21892, May 15, 2019). See HTS heading 9903.88.03 and U.S. notes 20 (e) and (f) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2023) Revision 9, Publication 5445, June 2023, pp. 99-III-27, 99-III-28, 99-III-41.

## The product<sup>13</sup>

### Description and applications

Paper shopping bags are bags made from paper that have handles. They are commonly used by commercial establishments as shopping carrier bags (to carry retail purchases) and delivery bags or take-away bags by restaurants.<sup>14</sup> There are some physical characteristics that are similar to and some that generally distinguish PSBs from other types of paper bags (e.g., the

---

<sup>13</sup> Unless otherwise noted, the information in this section is based on Petition, Vol. I, pp. 7-8 and 11-14, Response of Petitioner to Volume I Supplemental Questionnaire, p. 2-6, and Exhibit I-S5, Petitioner postconference brief, pp. 7-27 and Exhibit 1, p. 19 and Exhibit 8, pp. 1-24, and 88 FR 41589, June 27, 2023. The universe of PSBs is extensive, and the discussion provided is not exhaustive.

<sup>14</sup> There is no industry standard that specifies the end use. There are bags with handles that are not defined as PSBs, including paper sacks or bags of a 1/6 or 1/7 barrel size (i.e., 11.5-12.5 inches in width, 6.5-7.5 inches in depth, and 13.5-17.5 inches in height) with flat paper handles or die-cut handles. Other paper sacks or bags with die-cut handles, a grams per square meter paper weight of less than 86 GSM, and a height of less than 11.5 inches are also not PSBs. Finally, shopping bags (i) with non-paper handles made wholly of woven ribbon or other similar woven fabric and (ii) that are finished with folded tops or for which tied knots or t-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags are not considered PSBs. For example, the Eurotote has a few key characteristics that can make it different from PSBs. It is generally made of heavier-weight materials (ranging from 180 GSM to 200 GSM). Eurototes also commonly (but not necessarily) have cardboard reinforced turn-tops and soft loop synthetic handles that are threaded through eyelets and secured with tied knots or t-bar aglets.

other types of paper bags can include grocery bags,<sup>15</sup> self-opening sacks (commonly referred to as “SOS” bags), merchandise bags,<sup>16</sup> and industrial bags<sup>17</sup>).

PSBs are typically made from kraft paper<sup>18</sup> but can be made from any paper that has been processed from cellulose fiber.<sup>19</sup> The paper can be made with virgin fiber, recycled fiber, or some combination of the two, to meet customers’ requirements and any needed Certificate of Analysis (“COA”).<sup>20</sup> Typically, the kraft paper is brown or white and the bags can be brown, white, or colored. The paper used in paper shopping bags can come in various basis weights

---

<sup>15</sup> PSBs are typically more finished than grocery bags. Grocery bags come in industry standard sizes of 1/6 and 1/7 BBL (BBL stands for “barrel” and denotes the total capacity of the bag in relation to a barrel of flour or sugar). However, there are also similar smaller (1/8 BBL) and larger (1/4 BBL) sacks.

Grocery bags typically have a serrated top, and sometimes come with a semicircular notch in the top of the bag for easy opening. Grocery bags typically either do not have handles or have flat paper handles which are typically attached to the outside of the bag. Grocery bags are typically made with paper ranging from 52 to 70 pounds in basis weight. Some grocery bags are made with wet strength kraft paper (which has superior performance in wet and moist environments) to prevent bag failure. Grocery bags are used primarily by grocery stores for packaging food purchases.

<sup>16</sup> SOS and merchandise bags are typically made with lighter paper than PSBs. SOS bags may have basis weights ranging from 30 pounds for lighter performance to 66 pounds for more heavy-duty products. Merchandise bags typically have basis weights of 30 pounds. Some SOS bags are three dimensional, similar to PSBs and grocery bags (and usually without handles), while merchandise bags are flat or a pinch bottom. Merchandise bags are typically used for items such as liquor or bread.

SOS bags often have a semicircular notch, known as a thumb notch, on the top for ease of opening. SOS bags vary in size and have an industry standard bag size number ranging from 1/2# to 25# that corresponds to the bag dimensions. SOS bags do not typically have handles. SOS bags can be used by retailers to package lighter-weight merchandise or food purchases.

<sup>17</sup> Industrial bags are typically multi-wall (made from two or more plies of paper) in design to increase strength and resist tears. Some industrial paper bags also have a barrier coating made with plastic. They are typically larger than PSBs, grocery bags, and SOS bags. Industrial bags do not have paper handles and are generally used to store and transport heavy, bulk items like cement, pet food, fertilizer, chemicals, building materials, and yard waste.

<sup>18</sup> Kraft paper and paperboard means paper and paperboard of which not less than 80 percent by weight of the total fiber content consists of fibers obtained by the chemical sulfate or soda processes. USITC, HTSUS Revision 8, Publication 5442, June 2023, p. 48-2.

Kraft paper is made with a particular wood pulp manufacturing process to ensure durability. PaperIndex Academy, (n.d.), “Kraft Paper Primer,” <https://www.paperindex.com/academy/paper-grades/kraft-paper-primer>, accessed June 12, 2023.

<sup>19</sup> Novolex \*\*\*, but it also uses \*\*\*, and sometimes uses \*\*\* to produce PSBs.

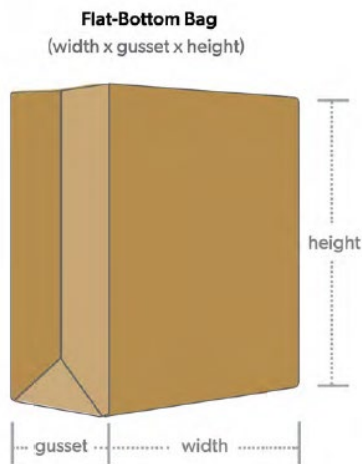
<sup>20</sup> The COA certifies that the product meets the required standard. Indeed.com, “What is a certificate of analysis?”, <https://sg.indeed.com/career-advice/career-development/what-is-certificate-of-analysis>, accessed June 26, 2023.



typically ranging from 50 pounds to 80 pounds and is less than 300 grams per square meter (“GSM”).<sup>21</sup> It can either be unprinted or printed with a design.

PSBs typically have four sides, are rectangular or square in shape, and have a flat bottom. They have varying dimensions (there are no standard sizes) but are at least 4.5 inches wide and 2.5 inches deep (gusset) (figure I-1).<sup>22</sup> They are designed with indented folds on the side or bottom of the bag to allow it to ship flat and expand to full capacity when opened.<sup>23</sup> PSBs typically have gusset folds on the width sides and an envelope shaped fold at the bottom.

**Figure I-1**  
**How to measure a flat-bottom bag**



Source: Novolex DURO® Product Catalog, p. 9, <https://novolex.com/products/duro-product-catalog/>, retrieved June 13, 2023.

The top edge of the PSB can be serrated, folded down to make a smooth edge, or otherwise finished (figure I-2).<sup>24</sup>

---

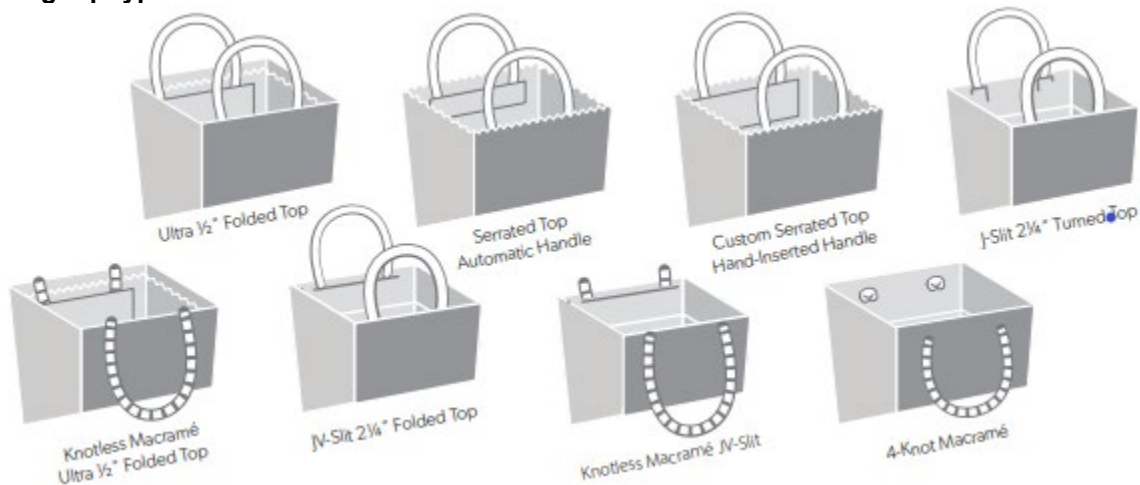
<sup>21</sup> GSM, grams per square meter, is a common paper and packaging measure of thickness. The thickness and weight increase as the GSM value increases. Iverson, Jana, September 23, 2021, “GSM vs PT Unit System: What is the Difference?,” <https://pakfactory.com/blog/gsm-vs-pt-unit-system/>.

<sup>22</sup> PSBs are measured in the open position: height, width, and depth. The height measures the distance from the bottom fold edge to the top edge (i.e., excluding the height of handles). The width is measured from the left to the right edges on the panel (where the handles are typically located). The depth is the size of the gussets or side panels and is measured from the front of the bag edge to the back of the bag edge (when open).

<sup>23</sup> The flat bottom permits the bag to stand up for ease of loading.

<sup>24</sup> Serration and edge folding are done to help prevent paper cuts.

**Figure I-2**  
**Bag top types<sup>25</sup>**



Source: Novolex Shopping Bag Guide by DURO® [https://novolex.com/wp-content/uploads/D\\_BR\\_0052\\_0922\\_Duro\\_ShoppingBagsBrochure\\_WEB.pdf](https://novolex.com/wp-content/uploads/D_BR_0052_0922_Duro_ShoppingBagsBrochure_WEB.pdf), retrieved June 13, 2023.

PSBs that can be sealed typically include adhesive strips along the top edge (figure I-3). They can also have fold-over options.

**Figure I-3**  
**Sealed top paper shopping bags**



Source: Novolex Tamper-Evident Bags by DURO®, [https://novolex.com/wp-content/uploads/D\\_BR\\_1429\\_1122\\_Stock\\_Paper\\_Tamper\\_Evident\\_Collection\\_WEB.pdf](https://novolex.com/wp-content/uploads/D_BR_1429_1122_Stock_Paper_Tamper_Evident_Collection_WEB.pdf), retrieved June 13, 2023. Novolex Duro Product Catalog, p.22, <https://novolex.com/duro-product-catalog/>, retrieved June 13, 2023.

---

<sup>25</sup> Shopping bags (i) with non-paper handles made wholly of woven ribbon or other similar woven fabric and (ii) that are finished with folded tops or for which tied knots or t-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags are not considered PSBs.

The type of PSB handle being used varies based on the application and customer preference.<sup>26</sup> The handles are commonly, although not necessarily, made from twisted paper or flat handles made from folded paper,<sup>27</sup> but the handles can be made of other materials (i.e., woven paper ribbon).<sup>28</sup> The handles can also be die-cut, in addition to handles made of material (e.g., twisted paper or plastic). The handles are commonly attached to the bag with a patch that is glued to the inside of the bag, but handles can be affixed using different means.

Twisted paper handles are commonly used on PSBs and are made from strips of paper (generally kraft) that are twisted together to become rigid and strong (figure I-4). These handles are generally fixed internally to the bag with a glued paper strip. These handles are valued because the twisted paper is thicker than folded paper and relatively durable. The twisted paper bends in an arch and makes it easy to grip and affix to the bag with glue using a kraft paper patch.

**Figure I-4**  
**Twisted paper bag handles**



Source: Novolex DURO® Product Catalog, p. 20, <https://novolex.com/duro-product-catalog/>, retrieved June 13, 2023.

---

<sup>26</sup> There are many types of paper bag handles, including those used for PSBs and other types of paper bags. The discussion provided is not exhaustive to all types of paper bag handles.

<sup>27</sup> PSBs do not include paper sacks or bags with die-cut handles, a grams per square meter paper weight of less than 86 GSM, and a height of less than 11.5 inches.

<sup>28</sup> Ribbon and rope handles tend to be associated with more stylish bags, as they provide a more elegant appearance (e.g., gift bags), rather than other handle types intended for a more utilitarian purpose (i.e., to convey heavier contents). Fibers can be woven into ribbons or bound together like rope. The materials used vary (e.g., cotton, silk, nylon, plastics, etc.). They are typically secured to the bags with through holes at the top of the bag with knots or aglets to hold them in place.

PSBs do not include shopping bags with non-paper handles made wholly of woven ribbon or other similar woven fabric, and that are finished with folded tops, or for which tied knots or t-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags.

Flat paper handles are a length of paper folded at the ends and attached (inside and/or outside) to the bag (figure I-5).<sup>29</sup> They are typically used by supermarkets and restaurants.

**Figure I-5**  
**Flat paper handles**<sup>30</sup>



Source: Fischer Paper Products Product Catalog, p. 1. <https://fischerpaperproducts.com/wp-content/uploads/2023/03/Fischer-Paper-Products-Catalog-2023-3.9.23.pdf>; Novolex DURO® Bag Product Catalog, p. 2, [http://novolex.com/assets/content/D\\_CA\\_0031\\_1116\\_DuroProductCatalog\\_Web.pdf](http://novolex.com/assets/content/D_CA_0031_1116_DuroProductCatalog_Web.pdf), retrieved June 13, 2023.

Rope and ribbon handles are typically associated with a more elegant aesthetic.<sup>31</sup> They are commonly used for medium to heavyweight bags. Rope used for these handles is usually made of nylon, however some are made with handles that are a fabric cord with a paper core. The ribbon handles are typically grosgrain<sup>32</sup> and can be made from cotton, satin, or polyester; however, some ribbon handles are made from paper (figure I-6).<sup>33</sup>

---

<sup>29</sup> PSBs do not include paper sacks or bags that are of a 1/6 or 1/7 barrel size (i.e., 11.5-12.5 inches in width, 6.5-7.5 inches in depth, and 13.5-17.5 inches in height) with flat paper handles.

<sup>30</sup> Grocery bags typically have the handles on the outside.

<sup>31</sup> PSBs do not include those bags with non-paper handles made wholly of woven ribbon or other similar woven fabric and that are finished with folded top, or for which tied knots or T-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags.

<sup>32</sup> Grosgrain is a firm, close-woven, fine-corded fabric.

<sup>33</sup> AnnJoy, "Should "environmentally friendly" packaging really be your goal?" <https://annjoy.com/blog/blog-post-title-four-6766s-apnl7>, retrieved June 26, 2023.

**Figure I-6**  
**Paper bag with paper ribbon handle**



Source: AnnJoy, “Sustainability,” <https://annjoy.com/sustainability>, retrieved June 26, 2023.

A “die-cut” handle is cut into the body of the bag (and is typically patch reinforced), as opposed to being a separate handle attached to the top of the bag. The die-cut punchout may be fully removed or partially attached as a flap. An example of a “die-cut” handle (figure I-7).<sup>34</sup>

---

<sup>34</sup> PSBs do not include paper sacks or bags that are of a 1/6 or 1/7 barrel size (*i.e.*, 11.5-12.5 inches in width, 6.5-7.5 inches in depth, and 13.5-17.5 inches in height) with flat paper handles or die-cut handles. PSBs also do not include paper sacks or bags with die-cut handles, a grams per square meter paper weight of less than 86 GSM, and a height of less than 11.5 inches.

**Figure I-7**  
**Bag with die-cut handle**



Source: Novolex DURO® <sup>3</sup>/<sub>4</sub> Die Cut Handle Bags, [http://novolex.com/assets/content/D\\_BR\\_0212\\_0417\\_Duro\\_3\\_4\\_DieCutHandleBags\\_Brochure.pdf](http://novolex.com/assets/content/D_BR_0212_0417_Duro_3_4_DieCutHandleBags_Brochure.pdf), retrieved June 13, 2023.

## **Manufacturing processes<sup>35</sup>**

As many bags are manufactured based on customer specifications, the manufacturing process may differ somewhat from one type of PSB to another. The equipment used to make the PSBs is designed exclusively to produce PSBs and employees are specifically trained to operate this equipment.<sup>36</sup> The machines that make PSBs are variable in that they can be reset to make different size PSBs, but they cannot be used to manufacture other products.<sup>37</sup> The process is highly automated after initial paper hanging (when it is set up at the beginning of the line) to collecting and inspecting the PSBs at the end of the line. Domestic production is similar to that of foreign production.

---

<sup>35</sup> Unless otherwise noted, the information in this section is based on Petition, Vol. I, pp. 7-8 and 11-1, Response of Petitioner to Volume I Supplemental Questionnaire, p. 2-6, and Exhibit I-S5, Preliminary Conference Transcripts, pp. 22, 30-33, 47-52, 81, 92, 94, 105-113, 214, Petitioner postconference brief, pp. 7-27 and Exhibit 1, p. 19, and 88 FR 41589, June 27, 2023.

The universe of PSBs is extensive, and the discussion provided is very general and not exhaustive.

<sup>36</sup> According to the petitioner, PSBs are typically produced in separate facilities from those producing other types of bags and sacks (e.g., grocery bags, SOS bags, and industrial bags). The equipment used by the domestic industry to produce paper shopping bags and grocery bags, SOS bags, and industrial bags is also different. The employees that produce paper shopping bags reportedly are not the same employees that produce grocery bags, SOS bags, and industrial bags.

<sup>37</sup> When bag sizes or printing are changed, the machines are shut down for change-over adjustments. In 2022, Novolex completed \*\*\*.

The manufacturing process for PSB products usually includes these four broad steps: (1) setting up paper at the beginning of the line (preprinting may be done in this step); (2) processing the paper through the bag conversion machine: (a) the paper is fed into the machine that is used to fold the paper and glue the elements together to make the PSBs.; (b) based on the specifications, handles may be applied either through affixing separate materials (e.g., twisted paper handles) or cutting (for die-cut handles); (c) the paper is folded and glued together to make the PSBs; and (3) finishing, as needed (e.g., post-printing); and (4) preparing product for shipping. The general material inputs are paper, handles, and glue.

### **Setting up the paper**

The production process begins with large diameter paper rolls or, in some cases, stacks of paper sheets.<sup>38</sup> Usually, it is rolled paper that is purchased in specific widths from suppliers, depending on the bag sizes in the production run.

Depending on customer specifications, the paper may be preprinted before it is further processed. Preprinting involves feeding the paper roll through a printer and then rewinding the printed paper at the end of the printer before converting into PSBs. Less detailed printing can be done during the bag conversion process, using an in-line printing unit. For example, the bottom of a paper bag is generally printed in one color with information such as the manufacturer name, brand, manufacture location, sustainability certification, and recycled content (figure I-8).<sup>39</sup>

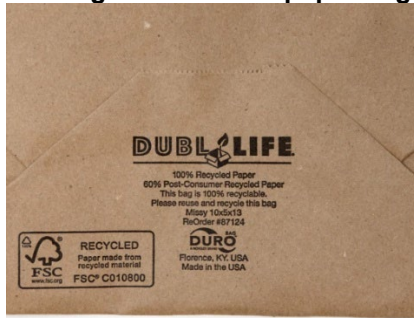
---

<sup>38</sup> Typically, the PSBs are made from kraft paper, but it is possible to make them with other types of paper. The paper can be made with some level of recycled content or virgin pulp.

<sup>39</sup> Responsible forest management can be signified by certification. One common certification used in the United States is the Forest Stewardship Council (FSC). Using the FSC label can signify that the product comes from responsible sources. A chain-of-custody certification goes further, in that it traces the path of products from the forest through the supply chain. FSC, “Chain-of-custody certification,” <https://us.fsc.org/en-us/certification/chain-of-custody-certification>, retrieved June 27, 2023.

Some companies also earn Biodegradable Products Institute (BPI) certification to signify that the product is compostable. BPI, “Certification,” <https://bpiworld.org/certification>, retrieved June 27, 2023.

**Figure I-8**  
**Printing on bottom of paper bag**



Source: Quipply, <https://quipply.com/duro-bag-kraft-paper-grocery-bag-with-handle-60-10in-x-5in-x-13in.html>, retrieved June 22, 2023.

### **Processing the paper**

The paper, which may or may not be preprinted, is fed into the shopping bag making machine and is referred to as the “web.” As twisted paper handles are commonly used for PSBs and are generally applied in an automated process, the following describes their inclusion. The paper is guided over a series of rollers where glue is applied on the web to the positions that will be the inside of the bag by two rectangular pads where the twist paper handle patches will be affixed. Approximately one-inch perforations are made at the same places (in proximity to where the handles will be attached) to align with where a bag is to be separated from the roll (the bottom of one bag meets with the top of the next).



At the same time, handles and patches are being made. A serpentine shape of the purchased twisted paper string<sup>40</sup> is made that is sandwiched between layers of the kraft paper patch to be glued to the web (figure I-9).

**Figure I-9.**  
**Machine making twisted paper handle patches**



Source: Shamrock Corporation, <https://www.shamrockwraps.com/paper-bags/>, retrieved June 22, 2023.

The long length is separated down the middle to make the left and right handle. These handles are fed into the process on a handle tower on top of the bag machine. The handles and patches are then placed directly over the rectangular areas where the glue has been applied on the web and pressure is applied.

After the handles have been attached, the paper web begins to be formed into a rectangular tube—creating the front of the bag, and the left-side and right-side panels (the gussets).<sup>41</sup> The backside edge is then sealed, completing the rectangular tube.

There are now several feet of formed and connected rectangular tubes that will then be cut to produce individual bags. The top of one bag will be the bottom of another, and while still part of the uncut tube approximately three inches of paper covers the handles that are still inside the preceding bag tube.<sup>42</sup> A serrated cutting knife aligns with where the perforations were made earlier (where the handles were attached). The separation of the bags is aided by an incorporated speed differential on the cut-off mechanism, which allows clearance for the handles.<sup>43</sup> This process separates the bags similar to how paper towels are pulled apart. After

---

<sup>40</sup> Typically, a reel of paper is twisted mechanically to make a string/cord onto a spool.

<sup>41</sup> A gusset is an indented fold on either side of a bag. The gusset is the depth of a bag.

<sup>42</sup> The specified bag size will indicate where the cut occurs.

<sup>43</sup> Some of machines produce folded top, where the top of the bag is folded over and glued to make a smooth edge.

the tube is separated into individual bags, the bag bottom is formed. Glue is applied at the opening of the bottom flaps, they are then folded, and then sealed.

### **Finishing and preparing product for shipping**

An automatic counter identifies each group of 25 bags (referred to as a "hand"). Any post printing needed is processed at this stage. Each hand is then visually inspected and packed in a carton<sup>44</sup> with each hand alternating in direction to even the thickness. For most bag sizes, there are usually 250 bags (of the same size) per box, but for larger bags that number is usually 200. The corrugated boxes of PSBs are then placed on wooden pallets and shrink wrapped for shipping to the customer.

### **Domestic like product issues**

The petitioner proposes that the PSBs covered by the scope of these investigations should be treated as a single domestic like product. Petitioner states there are only minor variations among different types of PSBs, while there are clear dividing lines between PSBs and other types of paper bags.<sup>45</sup> Respondents do not dispute the petitioner's proposed definition of the domestic like product for the purposes of the preliminary phase of these investigations, but if the Commission proceeds to a final phase investigation, respondents propose the Commission should define the domestic like product more broadly than the scope, covering all paper bags.<sup>46</sup>

The Commission's decision regarding the appropriate domestic product(s) that are "like" the subject imported product is based on a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes, and production employees; (5) customer and producer perceptions; and (6) price. Information regarding these factors is discussed below.

---

<sup>44</sup> Both corrugated boxes and cartons are made from paper materials. Cartons are usually made of thinner material, such as paperboard, and are usually used as outer packaging. A box uses thicker paper stock and is usually intended for shipping. The cartons or shipping corrugated boxes may be plain or printed with the customer specified information.

<sup>45</sup> Petitioners' postconference brief, pp. 7-8.

<sup>46</sup> Respondents state that paper bags are a continuum of products ranging from low-end SOS bags to grocery and restaurant/takeout bags to high-end retail bags, with substantial overlap and no clear dividing lines among the various types of bags. American Alliance for Responsible Trade in Paper Bags's ("Alliance respondent") postconference brief, pp. 5-6.

## **Physical characteristics and uses**

Petitioner claims that the paper used in PSBs can come in various basis weights typically ranging from 50 pounds to 80 pounds.

### **PSBs compared to grocery bags<sup>47</sup>**

Petitioner claims that PSBs are not made to industry standard sizes, but in the United States, grocery bags come in industry standard sizes of 1/6 and 1/7 BBL and typically do not have handles while PSBs do. When grocery bags do have handles they are attached to the outside of the bag, while the handles for in-scope PSBs are typically attached with glue to the inside of the bag. Grocery bags may have a squared fold on the bottom of the bag, while PSBs are more typically made with an envelope fold.

### **PSBs compared to SOS bags<sup>48</sup>**

Petitioner claims that PSBs have handles, while SOS bags generally do not. SOS bags are typically made with lighter paper than PSBs, with basis weights typically ranging from 30 pounds to 50 pounds. SOS bags often have a semicircular notch, known as a thumb notch, on the top for ease of opening. PSBs do not have such a notch. SOS bags are generally made to industry standard sizes ranging from ½ pound to 25 pounds, while PSBs are not.

### **PSBs compared to industrial bags<sup>49</sup>**

Petitioner claims industrial paper bags are typically multi-wall in design, that is they are made from two or more plies of paper to increase strength and tear resistance. Some industrial paper bags also can have a barrier coating made with plastic. Industrial bags do not have paper handles. In all these ways, industrial bags differ from PSBs. Industrial bags are also generally made to larger sizes than PSBs.

Alliance respondent claims that all paper bags share common physical characteristics and uses. They are all made from paper, ranging in basis weight from 30 pounds to over 70 pounds. With few exceptions, all paper bags have four sides and a flat bottom. All types of paper bags are primarily used for carrying items purchased by a consumer. This includes both food items purchased at restaurants/take-out establishments or at supermarkets/grocery stores and non-food items purchased at other retail establishments.<sup>50</sup>

---

<sup>47</sup> Petitioner's postconference brief, pp. 9-10.

<sup>48</sup> Petitioner's postconference brief, p. 10.

<sup>49</sup> Petitioner's postconference brief, p. 10.

<sup>50</sup> Alliance respondent's postconference brief, Responses to Staff Questions, p. 2.

## **Interchangeability**

Petitioner claims that PSBs covered by the scope of these investigations are generally interchangeable because they are generally used for similar applications. Individual retailers and restaurants may choose the size and type of paper shopping bag they prefer but will not substitute another type of bag for PSBs. Grocery bags are used almost exclusively by grocery stores, SOS bags are too light to carry the type of items carried in PSBs, and industrial bags are used to carry items much heavier and bulkier than the type of items customers carry in paper shopping bags.<sup>51</sup>

Alliance respondent claims paper grocery bags may or may not have handles, and paper bags used in grocery stores often have flat paper handles. Thus, to a supermarket or other grocery retailer, a grocery bag with handles is interchangeable with PSBs. There is also a high degree of interchangeability between SOS bags and PSBs – both can be used for holding food purchases at restaurant or take-out establishments.<sup>52</sup>

## **Channels of distribution**

Petitioner claims that PSBs are generally sold through the same channels of distribution. Customers that buy large volumes of PSBs – such as major retailers or restaurant chains – negotiate the purchase of those bags directly from a producer or importer. Customers that buy smaller volumes will generally purchase from distributors. But there is no clear distinction between which types of paper shopping bags go into which channels of distribution.<sup>53</sup>

Alliance respondent claims there is substantial overlap in the channels of distribution for all PSBs. Shopping bags, grocery bags, and SOS bags are all sold primarily through distributors. They can also be sold directly to retailers or, for shopping bags and SOS bags, restaurant/take-out establishments.<sup>54</sup>

---

<sup>51</sup> Petitioner's postconference brief, pp. 11-12.

<sup>52</sup> Alliance respondent's postconference brief, Responses to Staff Questions, pp. 3-4.

<sup>53</sup> Petitioner's postconference brief, p. 12.

<sup>54</sup> Alliance respondent's postconference brief, Responses to Staff Questions, p. 4.

## **Customer and producer perceptions**

Petitioner claims that customers and producers generally perceive PSBs as a unique product category that is distinct from other types of paper bags. Novolex makes PSBs on unique equipment that is not used to make any other type of bags. Petitioner also claims retailers and restaurants do not offer their customers grocery bags or industrial bags to carry the type of items carried in PSBs. Nor do they offer SOS bags for such applications, because SOS bags do not have handles and typically have lighter paper weight.<sup>55</sup>

Alliance respondent claims that customer and producer perceptions as PSBs being more convenient or user-friendly due to having handles can also be applied to other types of paper bags, specifically grocery bags, because they can also have handles. Respondent also claims that restaurants, retailers, supermarkets and grocery stores all use printing to convey their brand image.<sup>56</sup>

## **Manufacturing facilities and production employees**

Petitioner claims all PSBs are made in common manufacturing facilities, using common production processes, and with common production employees. PSBs are made on equipment that can be adjusted to make bags of multiple sizes. By contrast, machinery used to make other paper bags – such as grocery bags or SOS bags – is designed to mass produce specific bags to standard sizes.<sup>57</sup>

Respondent claims PSBs can come in the same standard sizes and dimensions as other types of paper bags. Thus, PSBs and grocery bags or SOS bags could be produced on the same fixed single size machines if they are the same size. Conversely, although making grocery bags and SOS bags on fixed single size machines may be more efficient, a variable size machine could be used to produce these types of bags if it is programmed correctly.<sup>58</sup>

---

<sup>55</sup> Petitioner's postconference brief, p. 12.

<sup>56</sup> Alliance respondent's postconference brief, Responses to Staff Questions, pp. 4-5.

<sup>57</sup> Petitioner's postconference brief, p. 13.

<sup>58</sup> Alliance respondent's postconference brief, Responses to Staff Questions, p. 5.

## Price

Petitioner claims the PSBs covered by these investigations are generally sold on a continuum of prices, with no clear dividing line. Based on Novolex’s experience, the price per pound of PSBs on average range between 60 percent to 110 percent higher than the price of grocery bags, SOS bags, and industrial bags, depending on the size of the bag and the bag print complexity.<sup>59</sup>

Alliance respondent claims prices for plain, unprinted or “stock” PSBs are largely driven by size and paper weight. Respondent also claims there is substantial overlap between paper shopping bags and grocery and SOS bags in terms of size and paper weight, therefore the prices of these types of paper bags also overlap. Customized paper bags are typically higher priced due to more expensive features such as special handles, complex printing, bottom boards, etc.<sup>60</sup>

---

<sup>59</sup> Petitioner’s postconference brief, pp. 5-6.

<sup>60</sup> Alliance respondent’s postconference brief, Responses to Staff Questions, pp. 5-6.

## Part II: Conditions of competition in the U.S. market

### U.S. market characteristics

PSBs are bags with handles that are commonly used by retail and commercial establishments as shopping carrier bags or as take-away bags or delivery bags at restaurants. PSBs can be customized in a number of ways: size dimensions; paper color (brown, white, or other colors); paper weight/thickness; bag construction (bottom or top fold types); exterior and interior printing, coating, embossing/debossing, foil, etc.; type of edge (serrated, folded, etc.); type of bottom board and whether it is printed; type of handles (twisted paper, flat paper, woven paper, yarn, ribbon, rope, string, plastic, or die-cut); how the handles are affixed to the bag (glued, tied knots, etc.).<sup>1</sup> PSBs are typically made from Kraft paper made with either virgin or recycled fiber. They can be sold unprinted or printed with a design or logo. PSBs are generally recyclable.<sup>2</sup>

Three of 4 responding U.S. producers and 17 of 38 responding importers indicated that the market was subject to distinctive conditions of competition. All three producers reported that production was capital intensive and therefore it was important for them to run at high capacity utilization. Importers' responses were more varied. First, a number noted that demand for PSBs was increasing because of bans on plastic bags and increased worries about the environment. Second, importers reported a number of difficulties with U.S. producers including: long lead times and little capacity for the seasonal demand, requiring larger orders, abandoning smaller purchasers and distributors or putting smaller customers on allocation when domestic producers receive larger orders from other purchasers, focusing on producing commodity PSBs that require relatively little labor, and no longer making certain types of PSBs. Third, importers described the importance of customization of PSBs for some purchasers and some (import) suppliers, which was often noted as being very important for smaller purchasers. Finally, importers stressed the importance to retailers of the provision of high quality PSBs that are available on time because purchasers reportedly will break off relationships with suppliers that do not provide this.

Apparent U.S. consumption of PSBs fluctuated during 2020-22, increasing \*\*\* percent between 2020 and 2021, then decreasing slightly (\*\* percent) between 2021 and 2022. Overall, apparent U.S. consumption in 2022 was \*\*\* percent higher in 2022 than in 2020. In January-March ("interim") 2023, it was \*\*\* percent lower than in January-March 2022.

---

<sup>1</sup> Alliance respondent's postconference brief, pp. 9-10.

<sup>2</sup> Petition, volume 1, p. 7.

## Purchasers

Lost sale/lost revenue surveys were sent to 43 purchasers of PSBs. The Commission received 18 survey responses indicating that firms had purchased PSBs since January 1, 2020,<sup>3</sup> and 1 response indicating that the firm had not. The largest purchases and imports of PSBs in terms of value were reported by \*\*\* which all reported purchasing/importing more than \$\*\*\* of PSBs.<sup>4</sup>

## Impact of section 301 tariffs

U.S. producers and importers were asked if the section 301 tariffs on a variety of products imported from China had an impact on the market and what effects they have had. A plurality of producers and importers did not know but one producer and 22 importers reported they did have an effect (table II-1). The U.S. producer reported that the section 301 tariffs initially reduced competition from China but this impact has waned. A number of importers agreed that the section 301 tariffs have increased the cost of imports from China; other importer responses noted that demand for domestically produced PSBs had increased, customers have shifted away from China to other import sources, imports have continued since China is the only source for the specific type of PSBs, imports from China have fallen, and generally, that supply chains have been disrupted.

**Table II-1**

**PSBs: Count of firms reporting if the section 301 tariffs on Chinese origin products had an impact**

Firm type	Yes	No	Do not know
U.S. producers	1	1	2
Importers	22	5	14

Source: Compiled from data submitted in response to Commission questionnaires.

---

<sup>3</sup> These purchasers were \*\*\*.

<sup>4</sup> Purchaser \*\*\*.



## Channels of distribution

U.S. producers and importers from Cambodia, China, Colombia, and Taiwan sold mainly to distributors while importers from the other subject countries sold mainly to end users, as shown in table II-2. Witnesses for Novolex stated that it sells to customers from the smallest distributor to the largest restaurant chains, but also that it sells PSBs to large distributors who sell to small "mom-and-pop" establishments after having completed post-production printing on the PSBs.<sup>5</sup> During the COVID-19 pandemic, "Novolex de-prioritized small print- or small-size runs which allowed Novolex to prioritize larger-run products in order to minimize down times and to produce more bags."<sup>6</sup>

**Table II-2**  
**PSBs: Share of U.S. shipments by source, channel of distribution, and period**

Shares in percent

Source	Channel	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
United States	Distributor	***	***	***	***	***
United States	End user	***	***	***	***	***
Cambodia	Distributor	***	***	***	***	***
Cambodia	End user	***	***	***	***	***
China	Distributor	***	***	***	***	***
China	End user	***	***	***	***	***
Colombia	Distributor	***	***	***	***	***
Colombia	End user	***	***	***	***	***
India	Distributor	***	***	***	***	***
India	End user	***	***	***	***	***
Malaysia	Distributor	***	***	***	***	***
Malaysia	End user	***	***	***	***	***
Portugal	Distributor	***	***	***	***	***
Portugal	End user	***	***	***	***	***
Taiwan	Distributor	***	***	***	***	***
Taiwan	End user	***	***	***	***	***
Turkey	Distributor	***	***	***	***	***
Turkey	End user	***	***	***	***	***
Vietnam	Distributor	***	***	***	***	***
Vietnam	End user	***	***	***	***	***
Subject sources	Distributor	***	***	***	***	***
Subject sources	End user	***	***	***	***	***
Nonsubject sources	Distributor	***	***	***	***	***
Nonsubject sources	End user	***	***	***	***	***
All import sources	Distributor	***	***	***	***	***
All import sources	End user	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

<sup>5</sup> Conference transcript, pp. 44-45 (Heil), 45 (Frantz), 70 (Burnett), and 75 (Byers).

<sup>6</sup> Petitioner's postconference brief, exh. 1 at pp. 16-17.

## Geographic distribution

U.S. producers and importers from most subject countries reported selling PSBs to all regions in the United States (table II-3).<sup>7</sup> For U.S. producers, 9.8 percent of sales were within 100 miles of their production facility, 72.4 percent were between 101 and 1,000 miles, and 17.8 percent were over 1,000 miles. Importers sold 42.5 percent within 100 miles of their U.S. point of shipment, 50.1 percent between 101 and 1,000 miles, and 7.4 percent over 1,000 miles.

**Table II-3**  
**PSBs: Count of U.S. producers' and U.S. importers' geographic markets**

Region	U.S. producers	Cambodia	China	Colombia	India	Malaysia
Northeast	4	2	20	3	14	0
Midwest	4	2	16	2	12	0
Southeast	4	3	18	2	12	0
Central Southwest	4	2	18	3	9	0
Mountain	4	1	14	1	7	0
Pacific Coast	4	2	17	0	8	0
Other	2	2	10	1	4	0
All regions (except Other)	4	1	14	0	7	0
Reporting firms	4	4	21	5	14	0

Table continued

Region	Portugal	Taiwan	Turkey	Vietnam	Subject sources
Northeast	4	4	5	9	34
Midwest	3	3	2	8	26
Southeast	4	2	2	8	27
Central Southwest	2	2	0	8	22
Mountain	2	3	0	6	18
Pacific Coast	3	4	2	9	20
Other	2	1	0	2	15
All regions (except Other)	2	2	0	6	16
Reporting firms	5	6	6	10	37

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other U.S. markets include AK, HI, PR, and VI.

<sup>7</sup> Importers of PSBs from Colombia did not sell to the Pacific Coast and importers of PSBs from Turkey did not sell in the Central Southwest and Mountains regions. No responses were received from importers of subject product from Malaysia.

## Supply and demand considerations

### U.S. supply

Table II-4 provides a summary of the supply factors regarding PSBs from U.S. producers and from subject countries.

**Table II-4**  
**PSBs: Supply factors that affect the ability to increase shipments to the U.S. market, by country**

Quantity in 1,000 pounds; ratio and share in percent

Factor	Measure	United States	Cambodia	China	Colombia	India
Capacity 2020	Quantity	***	***	***	***	***
Capacity 2022	Quantity	***	***	***	***	***
Capacity utilization 2020	Ratio	***	***	***	***	***
Capacity utilization 2022	Ratio	***	***	***	***	***
Inventories to total shipments 2020	Ratio	***	***	***	***	***
Inventories to total shipments 2022	Ratio	***	***	***	***	***
Home market shipments 2022	Share	***	***	***	***	***
Non-US export market shipments 2022	Share	***	***	***	***	***
Ability to shift production (firms reporting "yes")	Count	***	***	***	***	***

Table continued.

**Table II-4 Continued****PSBs: Supply factors that affect the ability to increase shipments to the U.S. market, by country**

Quantity in 1,000 pounds; ratio and share in percent

Factor	Measure	Malaysia	Portugal	Taiwan	Turkey	Vietnam	Subject suppliers
Capacity 2020	Quantity	***	***	***	***	***	***
Capacity 2022	Quantity	***	***	***	***	***	***
Capacity utilization 2020	Ratio	***	***	***	***	***	***
Capacity utilization 2022	Ratio	***	***	***	***	***	***
Inventories to total shipments 2020	Ratio	***	***	***	***	***	***
Inventories to total shipments 2022	Ratio	***	***	***	***	***	***
Home market shipments 2022	Share	***	***	***	***	***	***
Non-US export market shipments 2022	Share	***	***	***	***	***	***
Ability to shift production (firms reporting “yes”)	Count	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Responding U.S. producers accounted for virtually all U.S. production of PSBs in 2022. Responding foreign producer/exporter firms accounted for less than 25 percent of U.S. imports of PSBs from Cambodia, Malaysia and Turkey during 2022. Responding foreign producer/exporter firms accounted for less than half of U.S. imports of PSBs from China and India during 2022. Responding foreign producer/exporter firms accounted for more than half of U.S. imports of PSBs from Colombia during 2022. Responding foreign producer/exporter firms accounted for more than 75 percent of U.S. imports of PSBs from Portugal during 2022. Responding foreign producer/exporter firms accounted for virtually all U.S. imports of PSBs from Vietnam during 2022. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, “Summary Data and Data Sources.”

Note: \*\*\*.

**Domestic production**

Based on available information, U.S. producers of PSBs have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of U.S.-produced PSBs to the U.S. market. The main contributing factors to this degree of responsiveness of supply is the availability of unused capacity. Factors mitigating responsiveness of supply include limited availability of inventories, limited ability to shift shipments from alternate markets or inventories, and limited ability to shift production to or from alternate products.

Capacity utilization fell as capacity increased by \*\*\* percent but production fell \*\*\* percent between 2020 and 2022.<sup>8</sup> Witnesses for Novolex stated that it faced some “small or short-lived” supply chain and labor issues in 2020, but was back to normal production by mid-to late-2021.<sup>9</sup> As demand increased due to shifts in consumer behavior stemming from the COVID-19 pandemic, Novolex increased its production by “asking some of our customers to standardize some sizes, go from a custom-printed bag to a stock bag” or to consolidate the number of requested prints.<sup>10</sup> By reducing the number of different types of bags produced, it could increase the number of bags produced by reducing changeover times which could be 8 to 16 hours.<sup>11</sup> Producers reported limited exports to \*\*\* equaling \*\*\* percent of shipments in 2022. Other products that producers reportedly can produce on the same equipment as PSBs are \*\*\*. Novolex reported that all of the equipment used to make PSBs is only designed to make PSBs.<sup>12</sup> \*\*\*.

### **Subject imports from subject countries**

Based on available information, producers of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Turkey, and Vietnam generally have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of PSBs to the U.S. market. No producer from Taiwan responded to the Commission’s questionnaire. Factors influencing this include an increased capacity and decreased capacity utilization leading to more than twice as much available capacity for production, substantial third-country exports (more than one-third of cumulated 2022 shipments), increasing levels of domestically held inventories, and 8 of 26 foreign producers’ ability to shift production to or from other products. Mitigating the responsiveness of supply is a decreased level of inventories held overseas.

Foreign producers from eight of nine subject countries responded to the Commission’s questionnaire. Producers in all eight subject sources reported increasing capacity to manufacture PSBs. Producers in six of eight subject countries reported decreasing levels of capacity utilization between 2020 and 2022. Malaysia, Cambodia, Vietnam, and Colombia

---

<sup>8</sup> A witness for Novolex stated that its data include Flexo’s data, who noted Flexo had been under-utilizing its machinery before its purchase by Novolex in mid-2021. Conference transcript, pp. 18 (Shah) and 82-83 (Frantz).

<sup>9</sup> Ibid., pp. 78-79 (Shah) and 80 (Frantz).

<sup>10</sup> Ibid., p. 79 (Shah).

<sup>11</sup> Ibid., p. 81 (Burnett).

<sup>12</sup> Ibid., p. 30 (Veder).

reported the lowest levels of capacity utilization in both 2020 and 2022 (below \*\*\* percent). China accounted for approximately \*\*\* of subject capacity in 2020, but about \*\*\* percent in 2022 as producers in Cambodia, Colombia, Malaysia, Turkey, and Vietnam \*\*\* their reported capacity and India \*\*\* its reported capacity.

The source with the greatest ability to respond to changes in demand is likely China, which has the most capability to increase production and shift sales in larger amounts to the U.S. in response to price changes in the U.S. market. Other sources were mixed with respect to whether they could increase shipments to the United States – some had considerable excess capacity and others had a considerable percentage of exports shipped to other countries that might be diverted to the United States. Most had declining inventories as well.

The ratios of ending inventories held by foreign producers to their total shipments of PSBs in all seven subject countries that responded to this question were larger than the inventory ratios of domestic producers,<sup>13</sup> and declined for five of the seven countries. Ending inventory ratios in \*\*\* increased by \*\*\* percentage points, respectively. The changes were mostly less than 3 percentage points, with the exception of the Colombian producers, which reported a decline of \*\*\* percentage points. Overall foreign held ending inventory levels increased from 21.4 million pounds in 2020 to 26.5 million pounds in 2021 but decreased to 23.6 million pounds in 2022. Ending inventories in interim 2023 were 25.6 million pounds compared with 25.1 million pounds in interim 2022. Domestically-held ending inventories increased steadily, however – from 7.5 million pounds in 2020 to 17.3 million pounds in 2022. They were slightly lower in the first quarter of 2023 (14.2 million pounds) compared with the first quarter of 2022 (14.3 million pounds).

Home market shipments in 2022 for the PSB industry in subject countries varied considerably: from \*\*\* percent in Vietnam and \*\*\* percent in Malaysia to \*\*\* percent in China. Non-U.S. exports in 2022 were highest for Turkey (\*\*\* percent) and Portugal (\*\*\* percent), moderate for China (\*\*\* percent) and Malaysia (\*\*\* percent), and relatively low for Vietnam (\*\*\* percent), India (\*\*\* percent), and Colombia (\*\*\* percent).

Eight of 26 responding foreign producers/exporters reported being able to produce some nonsubject products on the same machinery and equipment used to make PSBs. These products include “SOS” bags (Self Opening Sacks), which were noted by six responding foreign producers, die-cut handle bags, bags with a lower paper weight, polypropylene shopping bags, and 1/6 or 1/7 barrel flat-handle grocery bags.

---

<sup>13</sup> Domestic inventory ratios were below \*\*\* percent in each relevant period.

## Imports from nonsubject sources

Nonsubject imports associated with HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040 which also include out-of-scope product accounted for \*\*\* percent of total U.S. imports in these classifications in 2022.<sup>14</sup> The largest sources of nonsubject imports during January 2020-March 2023 were Mexico, Canada, Indonesia, and Germany. Combined, these countries accounted for 72.0 percent of imports from nonsubject sources in 2022 for these HTS statistical reporting numbers.

## Supply constraints

Two of four U.S. producers and 19 of 39 importers reported that they had experienced supply constraints since January 1, 2020. U.S. producers \*\*\* reported supply constraints, particularly because the COVID-19 pandemic created a temporary surge in demand (in part due to restaurants selling an increasing proportion of their meals as takeout since many dining rooms were closed).<sup>15</sup> Importers reported supply constraints both with respect to both U.S.-produced and imported product. Reported domestic production constraints included: reduced availability of U.S.-produced PSBs generally, and a limiting of certain specifications, long U.S. producer lead times, constraints in the availability of paper and labor which caused \*\*\* to decide to stop selling to some customers, limited availability of recycled PSBs from U.S. sources, and Duro (Novolex) leaving customers to find other sources. Novolex stated that it “did not prioritize segments in response to COVID-related supply constraints. Instead, Novolex de-prioritized small print- or small-size runs.”<sup>16</sup> Seven purchasers also reported that domestic suppliers have had issues with availability since January 1, 2020. For example, \*\*\*.<sup>17</sup> They also noted that the range of specifications offered was being tightened. For further information, see the section titled “Comparison of U.S.-produced and imported PSBs” below.

---

<sup>14</sup> Adjusted to remove reported out of scope imports under the HTS statistical reporting numbers submitted in response to Commission questionnaires.

<sup>15</sup> \*\*\*. Petitioner’s postconference brief, exh 1 at p. 28.

<sup>16</sup> Petitioner’s postconference brief, exh. 1 at p. 16.

<sup>17</sup> Respondent Bunzl’s postconference brief, exh. 4.

Importers reported supply difficulties from imported sources including: an overseas factory in \*\*\* which closed temporarily in response to COVID-19; containers arriving late and other supply chain problems caused by the COVID-19 pandemic which caused some importers to run out of product; different-than-expected usage patterns that caused supply difficulties; the war in Ukraine and inflation in Turkey which caused weekly price changes; an inability to absorb high freight costs by importers; and, generally, shortages in supply due to spikes in demand. In addition, increased demand due to bag legislation (and limited increases in capacity of U.S. producers) caused importers to seek new sources.

## **U.S. demand**

Based on available information, the overall demand for PSBs is likely to experience small to moderate changes in response to changes in price. The main contributing factors are the somewhat limited range of substitute products, with the primary substitute (single-use plastic bags) becoming increasingly restricted in certain jurisdictions, and that PSBs are usually an item that is a necessary cost of doing business so patrons can carry out their purchases, although some gift bags are sold by retailers.

## **End uses and cost share**

U.S. demand for PSBs depends mainly on retailer, restaurant/food service, and other demand for PSBs. PSBs are typically provided to the customers of these firms free of charge and represent a small share of the cost of most sales. Some PSBs that fall into the definition of the scope are gift bags that are sold at retail by stores like Hobby Lobby, Target, and Walmart. In either case, PSBs are an end-use good and not generally used as part of any other good.

## **Business cycles**

Two of 4 U.S. producers and 27 of 40 importers indicated that the market was subject to business cycles. Specifically, some firms reportedly cyclical in demand, specifically increased demand in the second half of the year: during back-to-school shopping and through the holiday shopping season. Also, when people are generally optimistic about their financial situation, they tend to increase their retail and dining out purchases. One firm noted however that increased use of e-commerce has reduced demand.



## Demand trends

Most firms reported an increase in U.S. demand for PSBs since January 1, 2020 (table II-5). Firms reported that demand follows general economic cycles, or, more specifically, demand in the retail and restaurant (delivery and takeout) sectors. Producers and importers were asked whether the COVID-19 pandemic had influenced consumer behavior which resulted in changes in the U.S. PSB market. Two of 4 domestic producers and 24 of 37 importers indicated that there has been an impact on demand in the paper shopping bag market of changes in in-person retail and online delivery behavior in the United States. Firm-specific answers are provided in Appendix D.

One way in which the COVID-19 pandemic affected consumer behavior is with respect to meal preparation at home versus purchasing food away from home. After a sharp drop in food-away-from-home spending in the first months of the pandemic, it has outpaced food-at-home spending in every month since January 2021. In addition, food expenditures in December 2022 were 8.8 percent higher than in December 2019 even controlling for inflation.<sup>18</sup> Petitioner noted that the increase in demand for paper shopping bags in the restaurant sector during the COVID-19 pandemic was greater than the decrease in demand in the retail sector.<sup>19</sup> Because of shortages and supply chain issues during 2020 and 2021, customers may have over-bought and in 2023 are “working through inventories” that are lasting longer than expected.<sup>20</sup>

**Table II-5**  
**PSBs: Count of firms’ responses regarding overall domestic and foreign demand, by firm type**

Market	Firm type	Steadily increase	Fluctuate higher	No change	Fluctuate lower	Steadily decrease
Domestic demand	U.S. producers	1	3	0	0	0
Domestic demand	Importers	16	16	2	2	2
Foreign demand	U.S. producers	0	3	0	0	0
Foreign demand	Importers	9	6	5	2	0
Raw material prices	U.S. producers	3	1	0	1	0
Raw material prices	Importers	16	15	4	2	1

Source: Compiled from data submitted in response to Commission questionnaires.

<sup>18</sup> “COVID-19 Economic Implications for Agriculture, Food, and Rural America,” USDA, <https://www.ers.usda.gov/covid-19/food-and-consumers/>, retrieved July 3, 2023.

<sup>19</sup> Petitioner’s postconference brief, p. 26.

<sup>20</sup> Conference transcript, pp. 203-204 (Straitman). See also petitioner’s postconference brief, p. 30.

Demand has also been affected by other issues related to plastic bags. One importer noted that because of inflation, some firms are switching to plastic bags to reduce costs. Alternatively, various state legislatures have enacted programs to reduce the use of all single use bags, and this has prompted some increase in demand for paper bags. Producers and importers were asked how these measures had influenced the PSB market; 3 of 4 domestic producers and 25 of 38 responding importers reported that changes in governmental policies affected demand in the PSB market. Individual firm responses are also presented in Appendix D. One witness at the staff conference testified that currently, eight states ban single-use plastic bags, which has caused a “significant, long-term” increase in demand for paper bags.<sup>21</sup> Purchaser \*\*\* described the effect as well: “In the U.S., the number of states, cities and municipalities that have forced a switch to paper bags has quadrupled in the last 3 years - driving the paper bag volume up significantly. Paper bag prices are historically at least two times the price of plastic bags. Canada has also announced that as of Jan 1, 2024, all plastic bags will be banned across the country.”

### **Substitute products**

Half the U.S. producers (2 of 4) and most importers (24 of 40) reported that there were substitutes for paper shopping bags. Substitutes for PSBs reported by firms included plastic bags, reusable bags (nonwoven bags and fabric bags), and boxes. Petitioner reported that, on an individual firm level, “Individual retailers and restaurants may choose the size and type of paper shopping bag they prefer but will not substitute another type of bag for paper shopping bags”<sup>22</sup> as it also believes there is not significant competition on price between plastic and paper shopping bags.

---

<sup>21</sup> Conference transcript, p. 149 (Weinstein).

<sup>22</sup> Petitioner’s postconference brief, p. 11 and exh. 1, pp. 12-13.

## **Substitutability issues**

This section assesses the degree to which U.S.-produced PSBs and imports of PSBs from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of PSBs from domestic and imported sources based on those factors. Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced PSBs and PSBs imported from subject sources.<sup>23</sup> Factors contributing to this level of substitutability include similar quality, availability, and lead times; little preference for particular country of origin or producers; and similarities between domestically produced PSBs and PSBs imported from subject countries for certain types of PSBs. There are some differences in paper weight, quality, and print quality, but these factors would not tend to limit substitutability. Differences limiting substitutability are mostly based on the lack of availability of certain types of PSBs from domestic producers or of a lack of availability of the types that they do produce leading to differences in lead times between PSBs sourced from domestic producers or importers of subject merchandise.

### **Factors affecting purchasing decisions**

Purchasers responding to lost sales/lost revenue allegations<sup>24</sup> were asked to identify the main purchasing factors their firm considered in their purchasing decisions for PSBs. The major purchasing factors identified by firms include availability, price, quality, ease of purchasing, availability of customization, and delivery timing.

---

<sup>23</sup> The degree of substitution between domestic and imported PSBs depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced PSBs to the PSBs imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

<sup>24</sup> This information is compiled from responses by purchasers identified by Petitioner listed in its lost sales/lost revenue allegations noted earlier.

The most frequently cited top-three factors firms consider in their purchasing decisions for PSBs were price (14 firms), availability (13 firms), and quality (11 firms), as shown in table II-6. Availability was the most frequently cited first-most important factor (cited by 8 firms) and second-most important factor (5 firms).<sup>25</sup> Quality was the second-most frequently reported most important factor (5 firms). Price was the most frequently reported third-most important factor (8 firms).

**Table II-6**  
**PSBs: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor**

Factor	First	Second	Third	Total
Availability	8	5	0	13
Quality	5	4	2	11
Price	3	3	8	14
Reliable delivery/lead times/consistent supply	0	4	3	7
Custom sizing/printing	1	1	2	4
Service	0	3	0	3
Flexibility in purchase quantities	0	1	1	2
All other factors	1	0	2	3

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other factors include “Ability to outsource to a vendor and reallocate internal resources to other procurement priorities” (\*\*\*) as the most important factor and “increased need for handle bags” and “operational improvements” as third-most important factors. Some purchasers included more than one factor within each rank, and some noted other factors beyond the top-three most important: “available box quantities - we service small independent retailers and some do not need 200 or 250 bags. We offer shopping bags in quantities as low as 100 per box. That is not an option with domestic suppliers,” “capacity, capacity, capacity,” “factory compliance, cooperative, flexible, reputable, proper billing, reporting,” “service and on-time delivery,” “stability in pricing - typically index-based,” “supplier sustainability initiatives,” and “supplier with a commitment to \*\*\*.”

### Comparison of U.S.-produced and imported PSBs

In order to determine whether U.S.-produced PSBs can generally be used in the same applications as imports from subject countries, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. All responding U.S. producers reported that product from all sources was always interchangeable. As shown in table II-7, most importers reported that PSBs from all sources were either always or frequently interchangeable.

<sup>25</sup> Three purchasers noted that both availability and lead times/reliable delivery/supply consistency were among their top-three factors. Two of the 18 responding purchasers did not include either availability or delivery issues among their top-three factors (\*\*\*)

**Table II-7**

**PSBs: Count of importers reporting the interchangeability between product produced in the United States and in other countries, by country pair**

<b>Country pair</b>	<b>Always</b>	<b>Frequently</b>	<b>Sometimes</b>	<b>Never</b>
U.S. vs. Cambodia	3	2	3	0
U.S. vs. China	8	7	8	2
U.S. vs. Colombia	2	3	2	1
U.S. vs. India	6	6	8	1
U.S. vs. Malaysia	2	1	0	1
U.S. vs. Portugal	3	3	2	0
U.S. vs. Taiwan	4	3	2	1
U.S. vs. Turkey	2	2	5	0
U.S. vs. Vietnam	4	3	9	0
Cambodia vs. China	3	2	1	0
Cambodia vs. Colombia	2	2	0	0
Cambodia vs. India	3	2	1	0
Cambodia vs. Malaysia	2	1	0	0
Cambodia vs. Portugal	3	1	0	0
Cambodia vs. Taiwan	2	1	0	0
Cambodia vs. Turkey	2	2	0	0
Cambodia vs. Vietnam	2	2	1	0
China vs. Colombia	2	2	1	1
China vs. India	5	5	2	0
China vs. Malaysia	2	1	1	1
China vs. Portugal	3	1	1	0
China vs. Taiwan	2	2	2	0
China vs. Turkey	2	2	1	0
China vs. Vietnam	3	3	4	0
Colombia vs. India	4	2	1	0
Colombia vs. Malaysia	2	2	0	1
Colombia vs. Portugal	2	1	1	0
Colombia vs. Taiwan	3	1	0	2
Colombia vs. Turkey	1	2	1	0
Colombia vs. Vietnam	1	3	1	0
India vs. Malaysia	3	1	0	0
India vs. Portugal	3	1	0	0
India vs. Taiwan	3	1	0	1
India vs. Turkey	2	2	0	0
India vs. Vietnam	3	3	2	0

Table continued.

**Table II-7 Continued****PSBs: Count of importers reporting the interchangeability between product produced in the United States and in other countries, by country pair**

Country pair	Always	Frequently	Sometimes	Never
Malaysia vs. Portugal	2	1	1	0
Malaysia vs. Taiwan	2	1	1	1
Malaysia vs. Turkey	1	1	1	0
Malaysia vs. Vietnam	1	1	2	0
Portugal vs. Taiwan	1	1	1	0
Portugal vs. Turkey	2	1	1	0
Portugal vs. Vietnam	2	1	2	0
Taiwan vs. Turkey	2	1	0	0
Taiwan vs. Vietnam	3	1	2	0
Turkey vs. Vietnam	2	2	2	0
U.S. vs. other	3	4	1	1
Cambodia vs. other	1	1	0	0
China vs. other	3	4	0	0
Colombia vs. other	1	1	0	0
India vs. other	2	2	0	0
Malaysia vs. other	1	1	0	0
Portugal vs. other	1	1	0	0
Taiwan vs. other	1	1	0	0
Turkey vs. other	1	1	0	0
Vietnam vs. other	3	1	0	0

Source: Compiled from data submitted in response to Commission questionnaires.

Greater interchangeability was reported among certain types of bags than others. More generic kraft paper bags were reported to be more interchangeable than those with more high-end finishes like importer \*\*\* hand-finished folded tops which are desired by some retailers. Other importers also noted limited interchangeability between domestic and subject imported product due domestic producers' inability to produce certain types of bags. Importers noted elements such as bag sizes, bag types (e.g., a \*\*\*), customization of graphics, paper weights, recycled paper, thickness of bags, and woven paper handles. In comparing U.S. capabilities to those in China and Indonesia, importer \*\*\* stated that "the products are never interchangeable because U.S. suppliers cannot do the folded tops, ribbon handles, glitter treatments, special die-cut shapes on tags, foil/hot stamping, or UV treatments/applications that overseas suppliers can. As far as we are aware, U.S. producers are just developing capabilities to do a serrated top gift bag and paper twist handles, but these remain as new/immature capabilities for known U.S. producers and they are not able to produce those products \*\*\*." At the staff

conference, a witness for Commonwealth Packaging stated that importers offer features that Novolex and ProAmpac can't or won't produce, and that they are "generally uninterested" in any order fewer than several hundred thousand bags.<sup>26</sup> Respondent Pan Pacific reported that \*\*\*.<sup>27</sup>

Importer \*\*\* reported that the limitation comes from the nature of paper bag manufacturing machines, which are built to produce a PSBs of a certain type and size. A witness for petitioner noted that certain bag sizes, such as one-sixth barrel SOS bags that are outside the scope of these investigations are run on fixed single-size machines, but machines making PSBs can make PSBs of different sizes, though it takes considerable time to reset the machines to make different bags of different sizes.<sup>28</sup> Therefore, Novolex tries to keep running the same size of bag as much as possible.<sup>29</sup> As noted earlier, during the COVID-19 pandemic, Novolex also tried to narrow its focus further onto fewer specifications of bags.<sup>30</sup> In describing the market structure, importer \*\*\* reported that "producers in {the} United States don't produce all types of paper shopping bags due to their capacity of production and ability of facility and equipment. {The} variety of sources in foreign countries suppliers complement what producers in United States don't produce that much." Importer \*\*\* also noted that difference in bag size availability "necessitate foreign suppliers who can produce specialized bags." During the staff conference, a witness for respondent AnnJoy noted that importers have traditionally imported specialty types of bags with handmade details, custom printing, or certain types of bags; Novolex reportedly set up a factory in Mexico to produce a modified version of a Euro-tote bag.<sup>31</sup>

During the staff conference, respondents also noted that the minimum order quantities for domestic producers Novolex and ProAmpac are substantially higher than those for other producers, whether domestically or overseas.<sup>32</sup> A witness for Novolex stated that its current minimum order quantity is about 25,000 bags, but it was higher for about a year during the

---

<sup>26</sup> Conference transcript, p. 156 (Straitman).

<sup>27</sup> Respondent Pan Pacific's postconference brief, pp. 7-10.

<sup>28</sup> Conference transcript, pp. 47, 105 (Veder). See also petitioner's postconference brief, p. 27.

<sup>29</sup> Conference transcript, p. 105 (Burnett).

<sup>30</sup> Ibid., p. 81 (Burnett).

<sup>31</sup> Ibid., pp. 147-148 (Weinstein).

<sup>32</sup> Ibid., pp. 169 (Jobes) and 170 (Straitman). Other domestic producers reportedly have smaller minimum order quantities around 6,000 bags. Petitioner's postconference briefexh. 1 at p. 21.

pandemic.<sup>33</sup> Alliance respondents noted that \*\*\*.<sup>34</sup>

Other importers and purchasers noted that domestic producers had availability issues. Importer \*\*\* reported that “U.S. producers do not want to work with us due to their availability.” \*\*\* noted domestically constrained capacity and longer lead times. \*\*\* noted that growth in its takeout business during the COVID-19 pandemic required increased purchases but domestic and worldwide producers caused production issues which precipitated fluctuations in sourcing. Purchaser \*\*\* added that domestic supply chain issues were “challenged” and that there was a paper shortage, which caused \*\*\* to have “no options but to turn to imports.” Purchasers \*\*\* also reported domestic capacity constraint issues.

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of PSBs from the United States, subject, or nonsubject countries. U.S. producers reported that there were never differences other than price for all but one country pair; one producer reported that there were sometimes differences other than price between U.S. PSBs and those produced in India but the other three U.S. producers reported that there were never differences other than price. As seen in table II-8, most responding importers reported that there were always or frequently differences other than price between U.S. product and product from Cambodia, China, Colombia, India, and Taiwan.

A number of importers reported differences in availability between PSBs manufactured in the United States and those from one or more subject countries in a variety of ways. Nine importers reported that the lack of availability in the United States created the market for imports. Colombia, Mexico, and Portugal were reported to have better paper bag availability than U.S. producers. One importer stated that domestic producers often are producing at full capacity and unable to sell to distributors. Importer \*\*\* noted that the usage \*\*\* is too small for U.S. manufacturers which caused it to purchase from Cambodia. The other difference importers reported was, as noted above, that imported PSBs offered specialized PSBs not available from U.S. producers.

---

<sup>33</sup> Ibid., p. 121 (Burnett).

<sup>34</sup> Alliance respondent’s postconference brief, pp. 19-20.



**Table II-8****PSBs: Count of importers reporting the significance of differences between product produced in the United States and in other countries, by country pair**

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. Cambodia	2	3	1	2
U.S. vs. China	7	12	3	2
U.S. vs. Colombia	3	3	1	2
U.S. vs. India	6	6	4	2
U.S. vs. Malaysia	2	0	1	2
U.S. vs. Portugal	0	3	3	2
U.S. vs. Taiwan	4	1	3	1
U.S. vs. Turkey	2	1	4	1
U.S. vs. Vietnam	1	7	5	2
Cambodia vs. China	1	1	1	1
Cambodia vs. Colombia	0	1	0	2
Cambodia vs. India	1	2	0	1
Cambodia vs. Malaysia	0	0	1	2
Cambodia vs. Portugal	0	1	0	3
Cambodia vs. Taiwan	1	1	0	1
Cambodia vs. Turkey	0	1	0	2
Cambodia vs. Vietnam	0	1	1	3
China vs. Colombia	1	1	1	1
China vs. India	2	4	2	2
China vs. Malaysia	1	1	1	1
China vs. Portugal	1	1	1	2
China vs. Taiwan	1	0	3	1
China vs. Turkey	1	0	2	1
China vs. Vietnam	0	1	5	3
Colombia vs. India	2	0	1	1
Colombia vs. Malaysia	0	0	2	2
Colombia vs. Portugal	0	0	2	2
Colombia vs. Taiwan	0	1	1	2
Colombia vs. Turkey	0	0	2	1
Colombia vs. Vietnam	0	0	2	2

Table continued.

**Table II-8 Continued****PSBs: Count of importers reporting the significance of differences between product produced in the United States and in other countries, by country pair**

Country pair	Always	Frequently	Sometimes	Never
India vs. Malaysia	2	0	0	2
India vs. Portugal	1	1	0	2
India vs. Taiwan	1	1	1	1
India vs. Turkey	1	0	1	1
India vs. Vietnam	0	2	2	4
Malaysia vs. Portugal	0	1	0	3
Malaysia vs. Taiwan	0	2	1	1
Malaysia vs. Turkey	0	1	0	2
Malaysia vs. Vietnam	0	0	1	3
Portugal vs. Taiwan	0	1	0	2
Portugal vs. Turkey	0	0	2	2
Portugal vs. Vietnam	1	0	3	1
Taiwan vs. Turkey	1	0	0	2
Taiwan vs. Vietnam	1	0	2	1
Turkey vs. Vietnam	1	0	2	2
U.S. vs. other	1	3	2	2
Cambodia vs. other	0	0	1	1
China vs. other	0	2	2	2
Colombia vs. other	0	0	1	1
India vs. other	0	1	1	2
Malaysia vs. other	0	0	1	1
Portugal vs. other	0	0	2	1
Taiwan vs. other	0	0	1	1
Turkey vs. other	0	0	2	1
Vietnam vs. other	0	0	2	2

Source: Compiled from data submitted in response to Commission questionnaires.

## Part III: U.S. producers’ production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in Part I of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part IV and Part V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of four firms that accounted for the vast majority of U.S. production of PSBs during 2022.<sup>1</sup>

### U.S. producers

The Commission issued a U.S. producer questionnaire to three firms based on information contained in the petition. Four firms provided usable data on their operations.<sup>2</sup> Staff believes that these responses represent the vast majority of U.S. production of PSBs.

Table III-1 lists U.S. producers of PSBs, their production locations, positions on the petition, and shares of total production.

**Table III-1**  
**PSBs: U.S. producers, their positions on the petition, production locations, and shares of reported production, 2022**

Shares in percent

Firm	Position on petition	Production location(s)	Share of production
American Paper Bag	***	Sugar Notch, PA	***
Fischer	***	Antioch, IL	***
Novolex	Member of Petitioning Coalition	Walton, KY Florence, KY Monroe, GA Meriden, CT Vancouver, WA	***
ProAmpac	***	Tulsa, OK Mobile, AL Walden, NY	***
All firms	Various	Various	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

<sup>1</sup> Petition, Volume I, pp. 15-16.

<sup>2</sup> Petitioners also identified Shamrock Corporation as a fifth U.S. producer of PSBs. Conference transcript p. 39. Staff have identified Broadway Industries as a potential sixth producer of PSBs. Broadway Industries webpage, <https://broadwayind.com/about-broadway-industries/>, retrieved July 5, 2023.

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms.

**Table III-2**  
**PSBs: U.S. producers' ownership, related and/or affiliated firms**

Reporting firm	Relationship type and related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in table III-2, one U.S. producer is related to a nonsubject foreign producer of PSBs. In addition, as discussed in greater detail below, one U.S. producer directly imported the subject merchandise.

Table III-3 presents events in the U.S. industry since January 1, 2020.

**Table III-3**  
**PSBs: Important industry events since 2020**

Item	Firm	Event
Plant opening	Papier-Mettler	In May 2022, Papier-Mettler, a German packaging manufacturer, acquired an industrial building in Moorefield, West Virginia with plans to establish operations. The \$48 million project is expected to create 100 jobs.

Source: Germany-Based Papier-Mettler Plans Moorefield, West Virginia, Operations, <https://www.areadevelopment.com/newsitems/6-29-2022/papier-mettler-moorefield-west-virginia.shtml>, retrieved June 28, 2023.

Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of PSBs since 2020. All four producers indicated in their questionnaire responses that they had experienced such changes. Table III-4 presents the changes identified by these producers.

**Table III-4**

**PSBs: U.S. producers' reported changes in operations, since January 1, 2020**

<b>Item</b>	<b>Firm name and narrative response on changes in operations</b>
Plant openings	***
Plant closings	***
Production curtailments	***
Expansions	***
Expansions	***
Expansions	***
Acquisitions	***
Consolidations	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. production, capacity, and capacity utilization

Table III-5 presents U.S. producers' installed overall capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment. Production capacity is dedicated entirely to the production of PSBs as no responding U.S. producer reported production of other products on the same equipment used to produce PSBs.<sup>3</sup>

**Table III-5**  
**PSBs: U.S. producers' installed and practical capacity, production, and utilization on the same equipment as in-scope production, by period**

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical PSBs	Capacity	***	***	***	***	***
Practical PSBs	Production	***	***	***	***	***
Practical PSBs	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Installed overall production capacity is the level of production that a firm's establishment(s) could have attained, assuming the firm's optimal product mix, and based solely on existing capital investments, i.e., machinery and equipment that is in place and ready to operate. This capacity measure does not account for other constraints to production such as existing workforce constraints, availability of raw materials, or downtime for maintenance, repair, and clean-up. This capacity measure is sometimes referred to as "nameplate" or "theoretical" capacity in some industries.

Note: Practical overall production capacity is the level of production that a firm's establishment(s) could reasonably have expected to attain, accounting for the firm's actual product mix over the period for which data were collected. This capacity measure is based on not only existing capital investments, i.e., machinery and equipment that is in place and ready to operate but also non-capital investment constraints, such as (1) normal operating conditions, including normal downtime for maintenance, repair, and cleanup; (2) the firm's existing in-place and readily available labor force; (3) availability of material inputs; and (4) any other constraints that may have limited the firm's ability to produce the reported products. Importantly, this capacity measure is the maximum "practical" production a firm could have achieved without hiring new personnel or expanding the number of shifts operated in the period.

<sup>3</sup> \*\*\* utilizes machinery capable of producing both PSBs and paper mailers with the same equipment.  
 \*\*\* producer questionnaire response, section II-4.

Table III-6 presents U.S. producers’ reported narratives regarding practical capacity constraints.

**Table III-6**  
**PSBs: U.S. producers’ reported capacity constraints since January 1, 2020**

Item	Firm name and narrative response on constraints to practical overall capacity
Existing labor force	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-7 and figure III-1 present U.S. producers’ production, practical production capacity, and capacity utilization. Responding U.S. producers’ capacity fluctuated during 2020-22 with an overall increase of \*\*\* percent, and was \*\*\* percent higher during interim 2023 compared with interim 2022. All responding U.S. producers, other than \*\*\*, reported overall increases in capacity during 2020-22.<sup>4</sup> \*\*\* and \*\*\* reported higher production capacity during interim 2023 compared with interim 2022, while \*\*\* and \*\*\* reported lower and unchanged capacity levels, respectively, during the same time period.

During 2020-22, responding U.S. producers’ production fluctuated, with an overall decrease of \*\*\* percent, increasing by \*\*\* percent during 2020-21 and then decreasing by \*\*\* percent during 2021-22. Responding U.S. producers’ production was \*\*\* percent lower during interim 2023 compared with interim 2022.

Responding U.S. producers’ average capacity utilization rate decreased by \*\*\* percentage points during 2020-22, and was \*\*\* percentage points lower during interim 2023 compared with interim 2022. During 2020-22, \*\*\* and \*\*\* capacity utilization rates increased by \*\*\* and \*\*\* percentage points respectively,<sup>5</sup> while \*\*\* capacity utilization rates decreased by \*\*\* percentage points. The capacity utilization rate for \*\*\* decreased by \*\*\* percentage points during 2021-22. Capacity utilization rates for \*\*\* and \*\*\* were higher during interim 2023, compared with interim 2022, while \*\*\* and \*\*\* capacity utilization rates were lower during the same time period.

---

<sup>4</sup> As noted in table III-4, during 2020-22 \*\*\* acquired \*\*\* machines capable of producing PSBs and an additional \*\*\* machines through its acquisition of \*\*\*.

<sup>5</sup> This increase in capacity utilization for \*\*\* is primarily driven by its capacity being \*\*\* percent lower in 2022 than in 2020.

**Table III-7**  
**PSBs: Firm-by-firm capacity, by period**

**Capacity**

Capacity in 1,000 pounds

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table III-7 Continued**  
**PSBs: Firm-by-firm production, by period**

**Production**

Production in 1,000 pounds

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table III-7 Continued**  
**PSBs: Firm-by-firm capacity utilization, by period**

**Capacity utilization**

Capacity utilization in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.



**Table III-7 Continued**  
**PSBs: Firm-by-firm share of production, by period**

**Share of production**

Share in percent

<b>Firm</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Jan-Mar 2022</b>	<b>Jan-Mar 2023</b>
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Capacity utilization ratio represents the ratio of the U.S. producer's production to its production capacity.

**Figure III-1**  
**PSBs: U.S. producers' production, capacity, and capacity utilization, by period**

\* \* \* \* \*

Source: Compiled from data submitted in response to Commission questionnaires.

## Alternative products

No responding U.S. producer reported production of other products using the same equipment to produce PSBs. However, one U.S. producer, \*\*\*, reported the ability to shift production to alternative products, \*\*\*.<sup>6</sup> Additionally, \*\*\* reported it is possible to remove the handle units from its own shopping bag machines to produce bags similar to grocery and SOS bags, but noted this adjustment would run at a lower speed preventing it from being cost competitive. \*\*\* also reported its operators require time and training to run other types of bag machines.<sup>7</sup>

## U.S. producers' U.S. shipments and exports

Table III-8 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. shipments accounted for at least \*\*\* percent of U.S. producers' total shipments throughout 2020-22 and interim 2023. U.S. shipments by quantity increased by \*\*\* pounds (\*\*\*) percent) during 2020-21, then decreased by \*\*\* pounds (\*\*\*) percent) during 2021-22, and was \*\*\* pounds (\*\*\*) percent) lower during interim 2023 compared with interim 2022. The average unit value of U.S. producers' U.S. shipments increased steadily during 2020-22, with an overall increase of \*\*\* percent, and was \*\*\* percent higher during interim 2023 compared with interim 2022. The vast majority of U.S. producers' U.S. shipments were commercial U.S. shipments.<sup>8</sup>

Export shipments fluctuated during 2020-22, with an overall decrease of \*\*\* percent, and were \*\*\* percent lower in interim 2023 compared with interim 2022. Only \*\*\* and \*\*\* reported export shipments during 2020-22 and interim 2023.<sup>9</sup> During 2020-22, \*\*\* reported export shipments increased from \*\*\* pounds to \*\*\* pounds (\*\*\*) percent), while \*\*\* reported export shipments decreased from \*\*\* pounds to \*\*\* pounds (\*\*\*) percent).

---

<sup>6</sup> \*\*\* producer questionnaire response, section II-4a.

<sup>7</sup> \*\*\* producer questionnaire response, section II-4a.

<sup>8</sup> One U.S. producer, \*\*\*, reported small volumes of transfers to related firms, which accounted for between \*\*\* and \*\*\* percent of overall U.S. producers' U.S. shipments at various points throughout 2020-22 and interim 2023.

<sup>9</sup> \*\*\* reported Canada and Mexico as its principal export markets. \*\*\* reported Canada as its principal export market. See \*\*\* and \*\*\* producer questionnaire responses, section II-8.

**Table III-8**  
**PSBs: U.S. producers' total shipments, by destination and period**

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

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. shipments	Quantity	***	***	***	***	***
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. producers' inventories

Table III-9 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. During 2020-22, U.S. producers' inventories decreased each year with an overall decrease of \*\*\* pounds (\*\*\*) percent), but were \*\*\* pounds (\*\*\*) percent) higher in interim 2023 compared with interim 2022. The majority of reported inventories were held by \*\*\* whose share of U.S. producers' reported inventories ranged from \*\*\* percent to \*\*\* percent during 2020-22. During 2020-22, \*\*\* inventories increased by \*\*\* pounds (\*\*\*) percent) while \*\*\* inventories decreased by \*\*\* pounds (\*\*\*) percent) during the same time period.

The ratio of responding U.S. producers' inventories to their U.S. production ranged from \*\*\* percent to \*\*\* percent during 2020-22, and was \*\*\* percent in interim 2023 compared with \*\*\* percent in interim 2022. The ratio of responding U.S. producers' inventories to their U.S. shipments ranged from \*\*\* percent to \*\*\* percent during 2020-22, and was \*\*\* percent in interim 2023 compared with \*\*\* percent in interim 2022.

**Table III-9**  
**PSBs: U.S. producers' inventories and their ratio to select items, by period**

Quantity in 1,000 pounds; ratio in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
End-of-period inventory quantity	***	***	***	***	***
Inventory ratio to U.S. production	***	***	***	***	***
Inventory ratio to U.S. shipments	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. producers' imports from subject sources

\*\*\* was the only U.S. producer to report imports from subject sources. \*\*\* imports of PSBs are presented in table III-10, while its reasons for importing are noted in table III-11.<sup>10</sup>

**Table III-10**

**PSBs: \*\*\* U.S. production, subject imports, and ratio of subject imports to production, by source and period**

Quantity in 1,000 pounds; ratio in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from China	Quantity	***	***	***	***	***
Imports from India	Quantity	***	***	***	***	***
Imports from subject sources	Quantity	***	***	***	***	***
Imports from China to U.S. production	Ratio	***	***	***	***	***
Imports from India to U.S. production	Ratio	***	***	***	***	***
Imports from subject sources to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "--".

**Table III-11**

**PSBs: U.S. producers' reasons for importing**

Item	Narrative response on reasons for importing
***'s reason for importing	***

Source: Compiled from data submitted in response to Commission questionnaires.

<sup>10</sup> \*\*\* imports from nonsubject sources, the majority of which are from \*\*\*, ranged from \*\*\* pounds to \*\*\* pounds during 2020-22 and were \*\*\* pounds in interim 2023. \*\*\* importer questionnaire response, section II-14a.

## U.S. employment, wages, and productivity

Table III-12 shows U.S. producers' employment-related data. U.S. producers' combined reported number of PRWs increased by \*\*\* PRWs (\*\*\*) percent) during 2020-21 and then decreased by \*\*\* PRWs (\*\*\*) percent) during 2021-22, for an overall increase of \*\*\* PRWs (\*\*\*) percent) during 2020-22. Total hours worked by reported PRWs combined increased by \*\*\* hours (\*\*\*) percent) during 2020-21, and then decreased by \*\*\* hours (\*\*\*) percent) during 2021-22, for an overall increase of \*\*\* hours (\*\*\*) percent) during 2020-22. Hours worked per PRW increased by \*\*\* hours during 2020-21, and then decreased by \*\*\* hours during 2021-22, and was \*\*\* hours higher during interim 2023 compared with interim 2022. Total wages paid increased by \*\*\* percent during 2020-22, but were \*\*\* percent lower in interim 2023 compared with interim 2022. Hourly wages increased by \$\*\*\* per hour (\*\*\*) percent) during 2020-21, and then further increased by \$\*\*\* per hour (\*\*\*) percent) during 2021-22 and were \$\*\*\* per hour (\*\*\*) percent) lower in interim 2023 compared with interim 2022.<sup>11</sup> Productivity decreased annually for an overall decrease of \*\*\* pounds per hour (\*\*\*) percent) during 2020-22, and was \*\*\* pounds per hour (\*\*\*) percent) lower in interim 2023 compared with interim 2022. During 2020-22, unit labor costs increased by \$\*\*\* per pound (\*\*\*) percent) but remained unchanged in interim 2023 compared with interim 2022.

**Table III-12**  
**PSBs: U.S. producers' employment related information, by period**

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***
Unit labor costs (dollars per pound)	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

<sup>11</sup> \*\*\* reported its average hourly wages paid have increased significantly during the time period due to higher wage inflation impacting the wider economy. \*\*\* producer questionnaire response, section II-10.

# Part IV: U.S. imports, apparent U.S. consumption, and market shares

## U.S. importers

The Commission issued importer questionnaires to 111 firms believed to be importers of subject PSBs, as well as to all U.S. producers of PSBs.<sup>1</sup> Usable questionnaire responses were received from 42 companies, representing 20.7 percent of U.S. imports from subject sources and 21.0 percent from nonsubject sources in 2022 under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, “basket” categories.<sup>2</sup> <sup>3</sup> Table IV-1 lists all responding U.S. importers of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam and other sources, their locations, and their shares of U.S. imports, in 2022.<sup>4</sup>

**Table IV-1**  
**PSBs: U.S. importers, their headquarters, and share of imports within each source, 2022**

Share in percent

Firm	Headquarters	Cambodia	China	Colombia	India	Malaysia	Portugal
American Retail Supply	Puyallup, WA	***	***	***	***	***	***
Annjoy	Delray Beach, FL	***	***	***	***	***	***
Baggs	Edison, NJ	***	***	***	***	***	***
Bath & Body Works	Columbus, OH	***	***	***	***	***	***
Better Earth	Clarkston, GA	***	***	***	***	***	***
Bunzl	Creve Coeur, MO	***	***	***	***	***	***
Carry Bag	Brooklyn, NY	***	***	***	***	***	***
Cheer Moon	City Of Industry, CA	***	***	***	***	***	***
Commonwealth	Harrisburg, PA	***	***	***	***	***	***

Table continued

<sup>1</sup> The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data from third-party sources, may have accounted for more than one percent of total imports under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040 in 2022.

<sup>2</sup> Official import statistics adjusted to remove reported out of scope imports under the HTS statistical reporting numbers submitted in response to Commission questionnaires.

<sup>3</sup> Two U.S. importers, \*\*\* and \*\*\*, submitted questionnaires with unusable data. Staff has removed these questionnaires from the dataset.

<sup>4</sup> No responding U.S. importers reported imports from Malaysia.

**Table IV-1 Continued**

**PSBs: U.S. importers, their headquarters, and share of imports within each source, 2022**

Share in percent

Firm	Headquarters	Cambodia	China	Colombia	India	Malaysia	Portugal
Dollar General	Goodlettsville, TN	***	***	***	***	***	***
Fleet Packaging	South Orange, NJ	***	***	***	***	***	***
Greater Pacific	Issaquah, WA	***	***	***	***	***	***
Infinity Global	Danville, VA	***	***	***	***	***	***
Innovative Packaging	Dallas, TX	***	***	***	***	***	***
Island Plastic	Aiea, HI	***	***	***	***	***	***
Jet Paper Bags	Wayne, NJ	***	***	***	***	***	***
Lanca	Hillside, NJ	***	***	***	***	***	***
Mega Plastic	New Brunswick, NJ	***	***	***	***	***	***
Meristem	Roswell, GA	***	***	***	***	***	***
Metropak	Richardson, TX	***	***	***	***	***	***
Mettler	Raynham, MA	***	***	***	***	***	***
New York Packaging	New Hyde Park, NY	***	***	***	***	***	***
Norman Love	Fort Myers, FL	***	***	***	***	***	***
Novolex	Harsville, SC	***	***	***	***	***	***
Pacific Western	Brea, CA	***	***	***	***	***	***
Pack America	New York, NY	***	***	***	***	***	***
Pan Pacific	Hayward, CA	***	***	***	***	***	***
Prime Line	South Plainfield, NJ	***	***	***	***	***	***
S. Freedman	Landover, MD	***	***	***	***	***	***
S. Walter	Trevoze, PA	***	***	***	***	***	***
Shalom	Dayton, NJ	***	***	***	***	***	***
Solupac	North Miami, FL	***	***	***	***	***	***
Star Trade	Commack, NY	***	***	***	***	***	***
Store Supply	Bridgeton, MO	***	***	***	***	***	***
SupplyCaddy	Miami, FL	***	***	***	***	***	***

Table continued



**Table IV-1 Continued**

**PSBs: U.S. importers, their headquarters, and share of imports within each source, 2022**

Share in percent

Firm	Headquarters	Cambodia	China	Colombia	India	Malaysia	Portugal
Target	Minneapolis, MN	***	***	***	***	***	***
Uline	Pleasant Prairie, WI	***	***	***	***	***	***
Verizon	Basking Ridge, NJ	***	***	***	***	***	***
Vivabox	Rockville, MD	***	***	***	***	***	***
Walmart	Bentonville, AR	***	***	***	***	***	***
WSCS	Basingstoke, Hampshire, Uk.,	***	***	***	***	***	***
ZT Merchandising	Fresh Meadows, NY	***	***	***	***	***	***
All firms	Various	100.0	100.0	100.0	100.0	---	100.0

Table continued

**Table IV-1 Continued**

**PSBs: U.S. importers, their headquarters, and share of imports within each source, 2022**

Share in percent

Firm	Headquarters	Taiwan	Turkey	Vietnam	Subject sources	Nonsubject sources	All import sources
American Retail Supply	Puyallup, WA	***	***	***	***	***	***
Annjoy	Delray Beach, FL	***	***	***	***	***	***
Baggs	Edison, NJ	***	***	***	***	***	***
Bath & Body Works	Columbus, OH	***	***	***	***	***	***
Better Earth	Clarkston, GA	***	***	***	***	***	***
Bunzl	Creve Coeur, MO	***	***	***	***	***	***
Carry Bag	Brooklyn, NY	***	***	***	***	***	***
Cheer Moon	City Of Industry, CA	***	***	***	***	***	***
Commonwealth	Harrisburg, PA	***	***	***	***	***	***
Dollar General	Goodlettsville, TN	***	***	***	***	***	***
Fleet Packaging	South Orange, NJ	***	***	***	***	***	***
Greater Pacific	Issaquah, WA	***	***	***	***	***	***
Infinity Global	Danville, VA	***	***	***	***	***	***
Innovative Packaging	Dallas, TX	***	***	***	***	***	***
Island Plastic	Aiea, HI	***	***	***	***	***	***
Jet Paper Bags	Wayne, NJ	***	***	***	***	***	***
Lanca	Hillside, NJ	***	***	***	***	***	***
Mega Plastic	New Brunswick, NJ	***	***	***	***	***	***
Meristem	Roswell, GA	***	***	***	***	***	***
Metropak	Richardson, TX	***	***	***	***	***	***
Mettler	Raynham, MA	***	***	***	***	***	***

Table continued

**Table IV-1 Continued**  
**PSBs: U.S. importers, their headquarters, and share of imports within each source, 2022**

Share in percent

Firm	Headquarters	Taiwan	Turkey	Vietnam	Subject sources	Nonsubject sources	All import sources
New York Packaging	New Hyde Park, NY	***	***	***	***	***	***
Norman Love	Fort Myers, FL	***	***	***	***	***	***
Novolex	Harsville, SC	***	***	***	***	***	***
Pacific Western	Brea, CA	***	***	***	***	***	***
Pack America	New York, NY	***	***	***	***	***	***
Pan Pacific	Hayward, CA	***	***	***	***	***	***
Prime Line	South Plainfield, NJ	***	***	***	***	***	***
S. Freedman	Landover, MD	***	***	***	***	***	***
S. Walter	Treose, PA	***	***	***	***	***	***
Shalom	Dayton, NJ	***	***	***	***	***	***
Solupac	North Miami, FL	***	***	***	***	***	***
Star Trade	Commack, NY	***	***	***	***	***	***
Store Supply	Bridgeton, MO	***	***	***	***	***	***
SupplyCaddy	Miami, FL	***	***	***	***	***	***
Target	Minneapolis, MN	***	***	***	***	***	***
Uline	Pleasant Prairie, WI	***	***	***	***	***	***
Verizon	Basking Ridge, NJ	***	***	***	***	***	***
Vivabox	Rockville, MD	***	***	***	***	***	***
Walmart	Bentonville, AR	***	***	***	***	***	***
WSCS	Basingstoke, Hampshire, Uk.,	***	***	***	***	***	***
ZT Merchandising	Fresh Meadows, NY	***	***	***	***	***	***
All firms	Various	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "--".

## U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam and all other sources. Imports from subject sources increased from 249.2 million pounds to 444.9 million pounds, a 78.5 percent increase, during 2020-22 and accounted for 58.4 percent to 67.7 percent of total imports during the same time period. Subject source imports accounted for 68.1 percent of total imports during interim 2022 and 64.6 percent of total imports during interim 2023. Imports from nonsubject sources increased from 177.9 million pounds in 2020 to 217.3 million pounds in 2021, and then decreased to 212.5 million pounds in 2022, for an overall increase of 19.5 percent.<sup>5 6</sup> The ratio of imports from subject sources to U.S. production increased by \*\*\* percentage points during 2020-22 and was \*\*\* percentage points lower in interim 2023 compared with interim 2022.

Imports from all subject sources increased during 2020-22; however imports from China, India, and Vietnam saw the largest increases by quantity (\*\*\* pounds, \*\*\* percent; \*\*\* pounds, \*\*\* percent; and \*\*\* pounds, \*\*\* percent, respectively). Throughout 2020-22, unit values for imports from combined subject sources remained higher than unit values for imports from nonsubject sources. Imports from Colombia maintained the lowest average unit values among subject sources, ranging from \$\*\*\* to \$\*\*\* per pound, while imports from Vietnam had the highest unit values in 2020 (\$\*\*\* per pound), and imports from China had the highest unit values in 2021 (\$\*\*\* per pound) and 2022 (\$\*\*\* per pound).

---

<sup>5</sup> The largest sources of imports from nonsubject sources by quantity, in 2022, include Mexico (80.9 million pounds), Canada (42.1 million pounds), Indonesia (29.7 million pounds), and Germany (22.9 million pounds).

<sup>6</sup> \*\*\* imports of PSBs from nonsubject sources, the majority of which are from \*\*\*, were \*\*\* pounds in 2020, \*\*\* pounds in 2021, \*\*\* pounds in 2022, \*\*\* pounds in interim 2022, and \*\*\* pounds in interim 2023. These imports accounted for \*\*\* percent to \*\*\* percent of all U.S. imports from nonsubject sources during 2020-22 and \*\*\* percent of all U.S. imports from nonsubject sources in interim 2023. \*\*\* importer questionnaire response, section II-14a.

**Table IV-2**  
**PSBs: U.S. imports by source and period**

Quantity in 1,000 pounds; value in 1,000 dollars

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Cambodia	Quantity	***	***	***	***	***
China	Quantity	***	***	***	***	***
Colombia	Quantity	***	***	***	***	***
India	Quantity	***	***	***	***	***
Malaysia	Quantity	***	***	***	***	***
Portugal	Quantity	***	***	***	***	***
Taiwan	Quantity	***	***	***	***	***
Turkey	Quantity	***	***	***	***	***
Vietnam	Quantity	***	***	***	***	***
Subject sources	Quantity	249,191	422,584	444,903	115,497	69,492
Nonsubject sources	Quantity	177,871	217,289	212,497	54,220	38,069
All import sources	Quantity	427,061	639,874	657,400	169,717	107,561
Cambodia	Value	***	***	***	***	***
China	Value	***	***	***	***	***
Colombia	Value	***	***	***	***	***
India	Value	***	***	***	***	***
Malaysia	Value	***	***	***	***	***
Portugal	Value	***	***	***	***	***
Taiwan	Value	***	***	***	***	***
Turkey	Value	***	***	***	***	***
Vietnam	Value	***	***	***	***	***
Subject sources	Value	380,842	596,132	721,300	166,511	105,404
Nonsubject sources	Value	202,025	269,274	313,122	74,043	57,889
All import sources	Value	582,867	865,406	1,034,422	240,554	163,293

Table continued

**Table IV-2 Continued**  
**PSBs: Share of U.S. imports by source and period**

Unit value in dollars per 1,000 pounds, share in percent

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Cambodia	Unit value	***	***	***	***	***
China	Unit value	***	***	***	***	***
Colombia	Unit value	***	***	***	***	***
India	Unit value	***	***	***	***	***
Malaysia	Unit value	***	***	***	***	***
Portugal	Unit value	***	***	***	***	***
Taiwan	Unit value	***	***	***	***	***
Turkey	Unit value	***	***	***	***	***
Vietnam	Unit value	***	***	***	***	***
Subject sources	Unit value	1.53	1.41	1.62	1.44	1.52
Nonsubject sources	Unit value	1.14	1.24	1.47	1.37	1.52
All import sources	Unit value	1.36	1.35	1.57	1.42	1.52
Cambodia	Share of quantity	***	***	***	***	***
China	Share of quantity	***	***	***	***	***
Colombia	Share of quantity	***	***	***	***	***
India	Share of quantity	***	***	***	***	***
Malaysia	Share of quantity	***	***	***	***	***
Portugal	Share of quantity	***	***	***	***	***
Taiwan	Share of quantity	***	***	***	***	***
Turkey	Share of quantity	***	***	***	***	***
Vietnam	Share of quantity	***	***	***	***	***
Subject sources	Share of quantity	58.4	66.0	67.7	68.1	64.6
Nonsubject sources	Share of quantity	41.6	34.0	32.3	31.9	35.4
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0

Table continued

**Table IV-2 Continued**  
**PSBs: Share of U.S. imports by source and period**

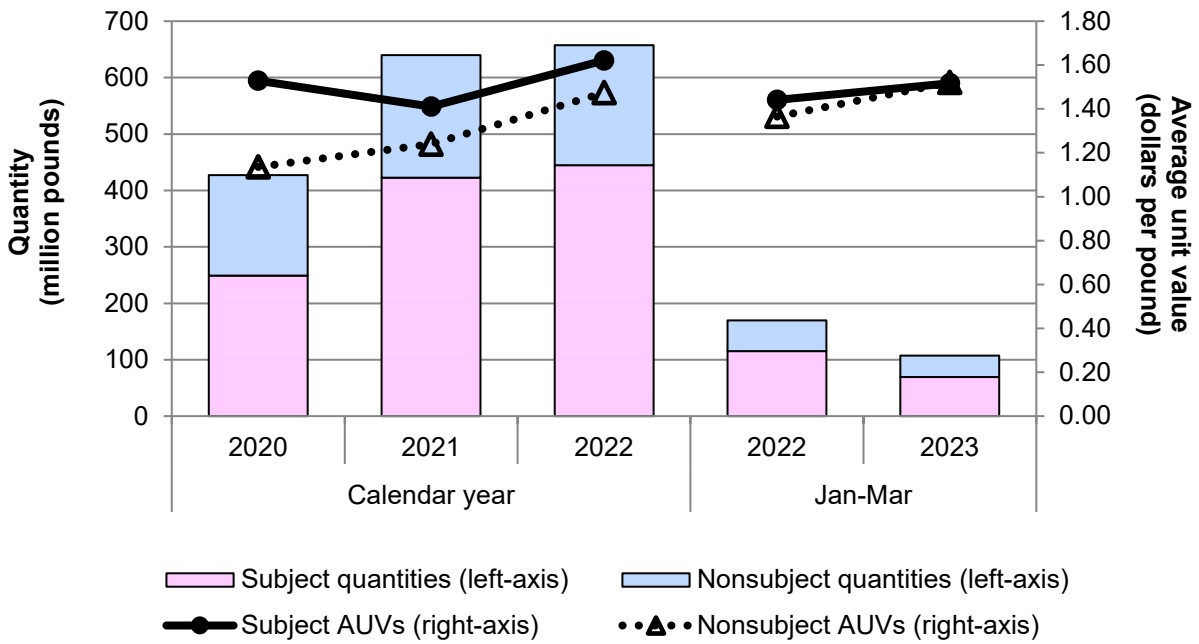
Share and ratio in percent; ratios represent the ratio to U.S. production

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Cambodia	Share of value	***	***	***	***	***
China	Share of value	***	***	***	***	***
Colombia	Share of value	***	***	***	***	***
India	Share of value	***	***	***	***	***
Malaysia	Share of value	***	***	***	***	***
Portugal	Share of value	***	***	***	***	***
Taiwan	Share of value	***	***	***	***	***
Turkey	Share of value	***	***	***	***	***
Vietnam	Share of value	***	***	***	***	***
Subject sources	Share of value	65.3	68.9	69.7	69.2	64.5
Nonsubject sources	Share of value	34.7	31.1	30.3	30.8	35.5
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
Cambodia	Ratio	***	***	***	***	***
China	Ratio	***	***	***	***	***
Colombia	Ratio	***	***	***	***	***
India	Ratio	***	***	***	***	***
Malaysia	Ratio	***	***	***	***	***
Portugal	Ratio	***	***	***	***	***
Taiwan	Ratio	***	***	***	***	***
Turkey	Ratio	***	***	***	***	***
Vietnam	Ratio	***	***	***	***	***
Subject sources	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023, adjusted to remove reported out of scope imports under the HTS statistical reporting numbers submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series. Value data are based on landed-duty paid value.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

**Figure IV-1**  
**PSBs: U.S. import quantities and average unit values, by source and period**



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023, adjusted to remove reported out of scope imports under the HTS statistical reporting numbers submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series. Value data are based on landed-duty paid value.



## Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.<sup>7</sup> Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.<sup>8</sup> Country-specific shares for imports from Cambodia, Colombia, Malaysia, Portugal, and Turkey ranged from \*\*\* to \*\*\* percent, collectively \*\*\* percent, of total imports of PSBs during May 2022 through April 2023. Country-specific shares for imports from China, India, Taiwan, and Vietnam ranged from \*\*\* to \*\*\* percent of total imports of PSBs during May 2022 through April 2023.<sup>9</sup>

---

<sup>7</sup> Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

<sup>8</sup> Section 771 (24) of the Act (19 U.S.C § 1677(24)).

<sup>9</sup> See appendix E for data on U.S. imports during May 2022 through April 2023 using unadjusted official import statistics.

**Table IV-3**  
**PSBs: U.S. imports in the twelve-month period preceding the filing of the petition, May 2022 through April 2023**

Quantity in 1,000 pounds; share in percent

Source of imports	Quantity	Share of quantity	Share of individually negligible sources (percent)
Cambodia	***	***	***
China	***	***	***
Colombia	***	***	***
India	***	***	***
Malaysia	***	***	***
Portugal	***	***	***
Taiwan	***	***	***
Turkey	***	***	***
Vietnam	***	***	***
Subject sources	386,681	66.8	***
Nonsubject sources	191,923	33.2	NA
All import sources	578,604	100.0	NA

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023, adjusted to remove reported out of scope imports under the HTS numbers and add in-scope imports reported under other HTS numbers submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series. Value data are based on landed-duty paid value.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

## Cumulation considerations

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

### Fungibility

Table IV-4 and figure IV-2 present data for U.S. producers' and U.S. importers' U.S. shipments of PSBs, by source and product type. The product type with the highest share of reported U.S. shipments from all sources was twisted paper handle PSBs (\*\*\*) percent). U.S. producers held the highest shares of U.S. shipments of PSBs with twisted paper handles (\*\*\*) percent), while U.S. importers held the highest share of U.S. shipments of PSBs with die cut handles (\*\*\*) percent). All other in-scope products were primarily reported as U.S. shipments of imports from China (\*\*\*) percent).<sup>10</sup>

---

<sup>10</sup> The vast majority of these products were reported by \*\*\* which listed polypropylene ribbon/cord, molded plastic, and woven ribbon as their defining characteristics. \*\*\* importer questionnaire response, section II-6c.

**Table IV-4**  
**PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022**

Quantity in 1,000 pounds

Source	Twisted paper handles	Flat paper handles	Die cut handles	Other products	All product types
U.S. producers	***	***	***	***	***
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

Table continued

**Table IV-4 Continued**  
**PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022**

Shares across in percent

Source	Twisted paper handles	Flat paper handles	Die cut handles	Other products	All product types
U.S. producers	***	***	***	***	100.0
Cambodia	***	***	***	***	100.0
China	***	***	***	***	100.0
Colombia	***	***	***	***	100.0
India	***	***	***	***	100.0
Malaysia	***	***	***	***	---
Portugal	***	***	***	***	100.0
Taiwan	***	***	***	***	100.0
Turkey	***	***	***	***	100.0
Vietnam	***	***	***	***	100.0
Subject sources	***	***	***	***	100.0
Nonsubject sources	***	***	***	***	100.0
All import sources	***	***	***	***	100.0
All sources	***	***	***	***	100.0

Table continued

**Table IV-4 Continued**  
**PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022**

Shares down in percent

Source	Twisted paper handles	Flat paper handles	Die cut handles	Other products	All product types
U.S. producers	***	***	***	***	***
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

**Figure IV-2**  
**PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022**

\* \* \* \* \*

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-5 and figure IV-3 present data for U.S. producers' and U.S. importers' U.S. shipments of PSBs, by source and product color. The majority of U.S. shipments from U.S. producers and the majority of U.S. shipments of imports from each individual subject country were brown PSBs, with the share of U.S. shipments from all sources reported as brown PSBs being \*\*\* percent. The majority of U.S. shipments of brown PSBs were from U.S. producers, \*\*\* percent, while the majority of U.S. shipments of other color PSBs were from import sources, \*\*\* percent from subject sources and \*\*\* percent from nonsubject sources.

**Table IV-5**  
**PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and product color, 2022**

Quantity in 1,000 pounds

Source	Brown	Other colors	All colors
U.S. producers	***	***	***
Cambodia	***	***	***
China	***	***	***
Colombia	***	***	***
India	***	***	***
Malaysia	***	***	***
Portugal	***	***	***
Taiwan	***	***	***
Turkey	***	***	***
Vietnam	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued

**Table IV-5 Continued****PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and product color, 2022**

Shares across in percent

Source	Brown	Other colors	All colors
U.S. producers	***	***	100.0
Cambodia	***	***	100.0
China	***	***	100.0
Colombia	***	***	100.0
India	***	***	100.0
Malaysia	***	***	---
Portugal	***	***	100.0
Taiwan	***	***	100.0
Turkey	***	***	100.0
Vietnam	***	***	100.0
Subject sources	***	***	100.0
Nonsubject sources	***	***	100.0
All import sources	***	***	100.0
All sources	***	***	100.0

Table continued

**Table IV-5 Continued****PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and product color, 2022**

Shares down in percent

Source	Brown	Other colors	All colors
U.S. producers	***	***	***
Cambodia	***	***	***
China	***	***	***
Colombia	***	***	***
India	***	***	***
Malaysia	***	***	***
Portugal	***	***	***
Taiwan	***	***	***
Turkey	***	***	***
Vietnam	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

**Figure IV-3**  
**PSBs: U.S. imports by source and product color, 2022**

\* \* \* \* \*

Source: Compiled from data submitted in response to Commission questionnaires.

### **Geographical markets**

Table IV-6 presents data on U.S. imports of PSBs by border of entry in 2022. According to official import statistics, imports from each subject source entered the United States through ports in every region, while the majority of subject source imports combined entered through ports in the East and West. The majority of U.S. imports from India and Turkey entered the United States in 2022 through ports located in the East, while the majority of U.S. imports from Portugal entered through ports located in the North, and the majority of U.S. imports from Colombia entered through ports located in the South and East. The majority of U.S. imports from Cambodia, China, Malaysia, Taiwan, and Vietnam entered through ports located in the East and West.



**Table IV-6**  
**PSBs: U.S. imports by source and border of entry, 2022**

Quantity in 1,000 pounds

Source	East	North	South	West	All borders
Cambodia	3,939	1,736	431	5,977	12,083
China	86,922	37,615	23,656	91,410	239,603
Colombia	6,807	443	7,872	2,308	17,429
India	60,916	5,195	4,242	3,813	74,166
Malaysia	8,886	1,118	936	4,791	15,731
Portugal	2,066	7,341	1,947	2,640	13,995
Taiwan	7,212	2,334	614	14,234	24,394
Turkey	15,617	977	1,685	185	18,464
Vietnam	39,289	19,239	7,172	34,401	100,100
Subject sources	231,654	76,000	48,554	159,757	515,965
Nonsubject sources	72,011	33,907	96,685	31,047	233,650
All import sources	303,664	109,906	145,240	190,804	749,615

Table continued

**Table IV-6 Continued**  
**PSBs: U.S. imports by source and border of entry, 2022**

Share across in percent

Source	East	North	South	West	All borders
Cambodia	32.6	14.4	3.6	49.5	100.0
China	36.3	15.7	9.9	38.2	100.0
Colombia	39.1	2.5	45.2	13.2	100.0
India	82.1	7.0	5.7	5.1	100.0
Malaysia	56.5	7.1	6.0	30.5	100.0
Portugal	14.8	52.5	13.9	18.9	100.0
Taiwan	29.6	9.6	2.5	58.3	100.0
Turkey	84.6	5.3	9.1	1.0	100.0
Vietnam	39.2	19.2	7.2	34.4	100.0
Subject sources	44.9	14.7	9.4	31.0	100.0
Nonsubject sources	30.8	14.5	41.4	13.3	100.0
All import sources	40.5	14.7	19.4	25.5	100.0

Table continued

**Table IV-6 Continued**  
**PSBs: U.S. imports by source and border of entry, 2022**

Share down in percent

Source	East	North	South	West	All borders
Cambodia	1.3	1.6	0.3	3.1	1.6
China	28.6	34.2	16.3	47.9	32.0
Colombia	2.2	0.4	5.4	1.2	2.3
India	20.1	4.7	2.9	2.0	9.9
Malaysia	2.9	1.0	0.6	2.5	2.1
Portugal	0.7	6.7	1.3	1.4	1.9
Taiwan	2.4	2.1	0.4	7.5	3.3
Turkey	5.1	0.9	1.2	0.1	2.5
Vietnam	12.9	17.5	4.9	18.0	13.4
Subject sources	76.3	69.1	33.4	83.7	68.8
Nonsubject sources	23.7	30.9	66.6	16.3	31.2
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023.

Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Data are unadjusted official U.S. import statistics and therefore include out of scope products.

## Presence in the market

Table IV-7 and figures IV-4 and IV-5 present monthly data for subject and nonsubject imports of PSBs during January 2020 through March 2023. U.S. imports of PSBs from each subject source were present in every month during January 2020 through March 2023. The months with the highest reported U.S. imports for each calendar year were October (2020) and September (2021 and 2022).

**Table IV-7**  
**PSBs: Quantity of U.S. imports, by source and month**

Quantity in 1,000 pounds

Year	Month	Cambodia	China	Colombia	India	Malaysia	Portugal
2020	January	56	15,168	282	489	191	330
2020	February	10	13,649	403	437	179	212
2020	March	25	5,956	449	603	173	264
2020	April	97	11,376	574	735	406	384
2020	May	99	8,617	591	170	309	357
2020	June	241	9,761	545	852	406	854
2020	July	177	15,505	668	686	649	765
2020	August	145	24,273	474	880	1,182	1,378
2020	September	240	19,666	892	1,850	547	1,176
2020	October	181	26,008	1,134	2,472	493	1,426
2020	November	149	18,675	879	2,865	730	887
2020	December	188	12,480	991	2,575	928	858
2021	January	232	12,074	847	2,394	1,023	1,024
2021	February	199	12,493	1,163	1,821	1,009	1,147
2021	March	257	16,445	1,652	2,580	1,351	1,620
2021	April	215	14,288	1,457	2,664	757	1,458
2021	May	259	14,474	1,379	2,820	2,617	1,239
2021	June	235	17,928	1,208	2,425	1,309	1,376
2021	July	217	20,810	1,092	3,152	944	1,460
2021	August	503	23,769	1,036	3,318	2,503	1,279
2021	September	572	32,989	898	4,688	493	850
2021	October	663	29,845	1,391	5,714	1,188	1,188
2021	November	1,170	27,816	960	5,326	1,510	1,410
2021	December	431	24,396	1,471	5,734	1,372	1,307

Table continued

**Table IV-7 Continued**  
**PSBs: Quantity of U.S. imports, by source and month**

Quantity in 1,000 pounds

Year	Month	Cambodia	China	Colombia	India	Malaysia	Portugal
2022	January	601	20,510	1,315	6,280	1,150	1,072
2022	February	872	17,063	1,652	5,155	657	1,002
2022	March	1,308	19,246	1,572	7,761	1,240	1,137
2022	April	1,005	17,370	1,181	8,523	1,125	1,044
2022	May	936	18,282	1,606	7,442	1,626	1,070
2022	June	1,465	16,775	1,193	5,926	648	839
2022	July	864	19,200	1,451	5,622	1,274	455
2022	August	795	29,958	1,775	4,937	1,404	1,374
2022	September	1,360	29,741	1,391	6,868	1,286	2,265
2022	October	1,243	21,479	1,916	4,397	2,824	1,629
2022	November	1,143	15,675	1,194	7,540	1,478	1,395
2022	December	490	14,304	1,183	3,715	1,019	713
2023	January	379	14,892	722	5,373	966	263
2023	February	449	11,998	931	3,839	1,444	517
2023	March	823	9,808	1,264	4,232	1,048	491
2023	April	631	12,903	795	4,255	1,984	261

Table continued

**Table IV-7 Continued**  
**PSBs: Quantity of U.S. imports, by source and month**

Quantity in 1,000 pounds

Year	Month	Taiwan	Turkey	Vietnam	Subject sources	Nonsubject sources	All import sources
2020	January	1,035	354	2,552	20,457	14,045	34,501
2020	February	716	464	2,769	18,840	13,707	32,547
2020	March	391	758	2,293	10,912	16,078	26,990
2020	April	929	1,269	2,569	18,339	16,222	34,561
2020	May	629	1,946	1,685	14,402	17,453	31,855
2020	June	741	1,039	2,953	17,393	15,969	33,361
2020	July	958	2,033	2,944	24,384	15,834	40,218
2020	August	466	2,681	4,052	35,531	17,598	53,129
2020	September	1,869	1,752	5,688	33,678	16,877	50,555
2020	October	1,467	2,767	7,414	43,360	20,332	63,693
2020	November	1,502	1,601	5,912	33,199	19,210	52,409
2020	December	1,564	1,725	5,075	26,383	18,839	45,222
2021	January	1,520	2,012	3,740	24,865	17,181	42,047
2021	February	1,326	2,134	4,599	25,890	16,435	42,325
2021	March	1,390	2,657	5,532	33,483	19,172	52,654
2021	April	1,929	4,140	5,586	32,494	18,819	51,313
2021	May	2,137	3,288	5,898	34,112	18,048	52,160
2021	June	1,966	3,415	7,251	37,114	21,129	58,243
2021	July	2,561	2,310	8,112	40,659	20,415	61,074
2021	August	1,860	1,280	9,675	45,222	20,549	65,771
2021	September	1,896	1,868	9,183	53,436	19,842	73,278
2021	October	1,886	1,626	9,854	53,355	20,702	74,057
2021	November	1,526	2,185	9,420	51,323	24,050	75,373
2021	December	1,895	2,215	11,108	49,929	21,538	71,467

Table continued

**Table IV-7 Continued**  
**PSBs: Quantity of U.S. imports, by source and month**

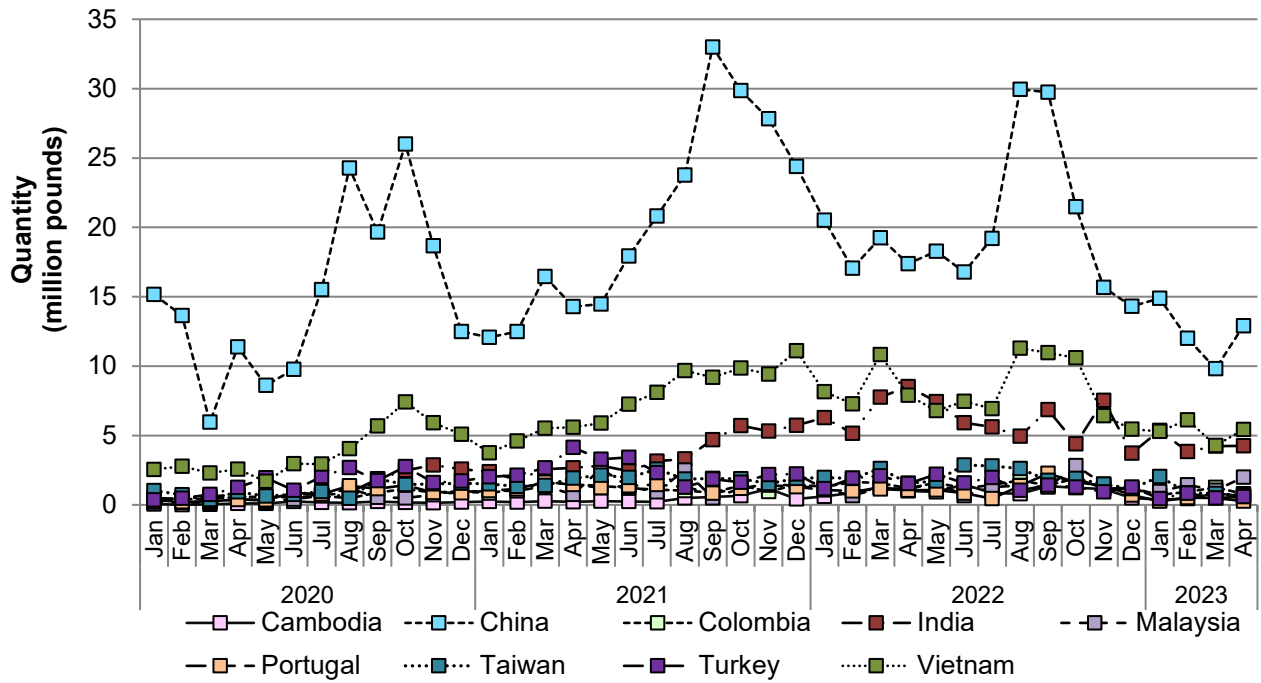
Quantity in 1,000 pounds

Year	Month	Taiwan	Turkey	Vietnam	Subject sources	Nonsubject sources	All import sources
2022	January	1,966	1,159	8,157	42,210	19,197	61,407
2022	February	1,909	1,924	7,288	37,521	18,458	55,980
2022	March	2,622	2,082	10,829	47,797	21,830	69,627
2022	April	1,557	1,540	7,889	41,234	19,195	60,429
2022	May	1,720	2,214	6,797	41,692	22,102	63,795
2022	June	2,874	1,587	7,471	38,777	19,164	57,941
2022	July	2,809	1,979	6,922	40,577	18,360	58,937
2022	August	2,609	1,061	11,285	55,198	18,189	73,388
2022	September	1,757	1,425	10,968	57,061	18,609	75,671
2022	October	1,914	1,290	10,609	47,303	20,432	67,734
2022	November	1,490	925	6,421	37,260	21,176	58,436
2022	December	1,166	1,278	5,465	29,333	16,938	46,271
2023	January	2,039	447	5,305	30,386	15,379	45,765
2023	February	855	842	6,117	26,992	12,701	39,694
2023	March	808	504	4,280	23,258	15,903	39,161
2023	April	669	599	5,437	27,534	14,225	41,759

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023. Imports are based on the imports for consumption data series.

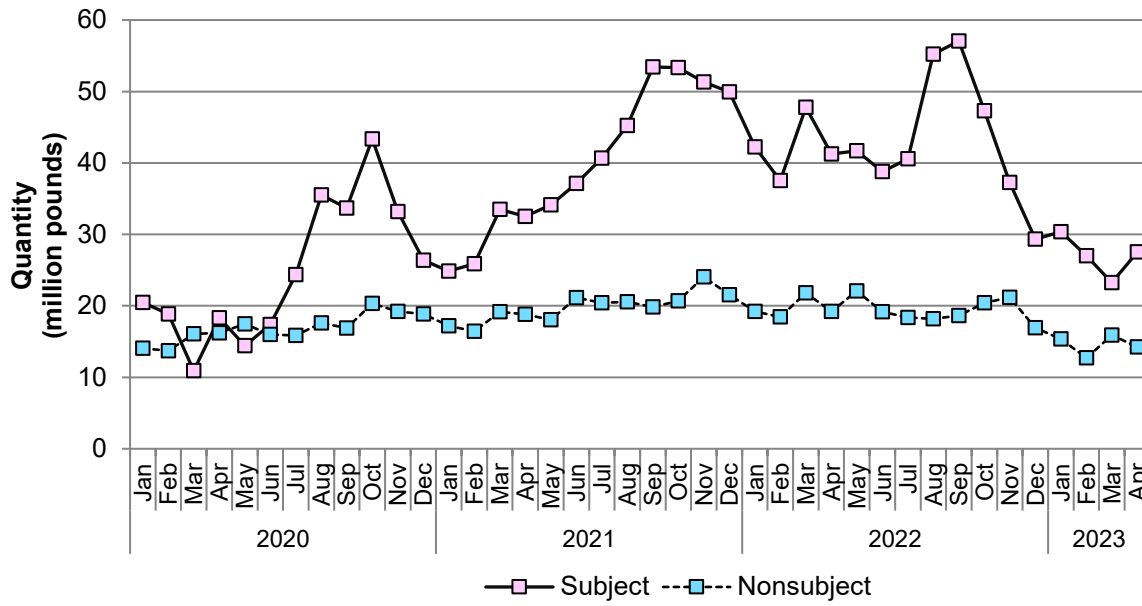
Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”. Data are unadjusted official U.S. import statistics and therefore include out of scope products.

**Figure IV-4**  
**PSBs: Imports from individual subject sources, by source and month**



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023. Imports are based on the imports for consumption data series.

**Figure IV-5**  
**PSBs: Imports from individual subject sources, by source and month**



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023. Imports are based on the imports for consumption data series.



## Apparent U.S. consumption and market shares

### Quantity

Table IV-8 and figure IV-6 present data on apparent U.S. consumption and U.S. market shares by quantity for PSBs. During 2020-22, apparent U.S. consumption for PSBs from all sources fluctuated with an overall increase of \*\*\* percent, first increasing by \*\*\* percent during 2020-21, and then decreasing by \*\*\* percent during 2021-22. Overall apparent U.S. consumption was \*\*\* percent lower during interim 2023 compared with interim 2022. Apparent U.S. consumption of PSBs from U.S. producers increased by \*\*\* pounds (\*\*\* percent) during 2020-21, then decreased by \*\*\* pounds (\*\*\* percent) during 2021-22 and was \*\*\* pounds (\*\*\* percent) lower during interim 2023 compared with interim 2022. Apparent U.S. consumption of imports from subject sources increased from 249.2 million pounds to 444.9 million pounds, a 78.5 percent increase, during 2020-22, but was 46.0 million pounds (39.8 percent) lower during interim 2023 compared with interim 2022. Apparent U.S. consumption of imports from nonsubject sources increased from 177.9 million pounds in 2020 to 217.3 million pounds in 2021, then decreased to 212.5 million pounds in 2022, and was 16.2 million pounds (29.8 percent) lower in interim 2023 compared with interim 2022. During 2020-22, among subject sources, apparent U.S. consumption of imports from China, India, and Vietnam saw the largest overall increases by quantity (\*\*\* pounds, \*\*\* percent; \*\*\* pounds, \*\*\* percent; and \*\*\* pounds, \*\*\* percent, respectively); however, apparent U.S. consumption of imports from the same three countries were lower in interim 2023 compared with interim 2022 (\*\*\* pounds, or \*\*\* percent, for China; \*\*\* pounds, or \*\*\* percent, for India; and \*\*\* pounds, or \*\*\* percent, for Vietnam).

During 2020-22, U.S. producers' share of apparent U.S. consumption decreased by \*\*\* percentage points but was \*\*\* percentage points higher during interim 2023 compared with interim 2022. The share of apparent U.S. consumption of PSBs from subject sources increased by \*\*\* percentage points during 2020-22, while the share of apparent U.S. consumption of PSBs from nonsubject sources decreased by 2.3 percentage points during the same time period. Both subject and nonsubject source imports' share of apparent U.S. consumption was lower in interim 2023 compared with interim 2022 (by \*\*\* percentage points and \*\*\* percentage points, respectively). During 2020-22, the share of apparent U.S. consumption for PSBs from all individual subject source countries, except China and Turkey, increased overall. The share of apparent U.S. consumption for PSBs from Vietnam and India increased the most during 2020-22, by \*\*\* percentage points and \*\*\* percentage points,

respectively, while the share of apparent U.S. consumption for PSBs from Cambodia, Colombia, Malaysia, Portugal, and Taiwan increased by less than \*\*\* percentage point each. The share of apparent U.S. consumption for PSBs from China increased by \*\*\* percentage points during 2020-21, and then decreased by \*\*\* percentage points during 2021-22. The share of apparent U.S. consumption for PSBs from Turkey increased by \*\*\* percentage points during 2020-21, and then decreased by \*\*\* percentage points during 2021-22.

**Table IV-8**  
**PSBs: Apparent U.S. consumption and market shares based on quantity, by source and period**

Quantity in 1,000 pounds; shares in percent

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. producers	Quantity	***	***	***	***	***
Cambodia	Quantity	***	***	***	***	***
China	Quantity	***	***	***	***	***
Colombia	Quantity	***	***	***	***	***
India	Quantity	***	***	***	***	***
Malaysia	Quantity	***	***	***	***	***
Portugal	Quantity	***	***	***	***	***
Taiwan	Quantity	***	***	***	***	***
Turkey	Quantity	***	***	***	***	***
Vietnam	Quantity	***	***	***	***	***
Subject sources	Quantity	249,191	422,584	444,903	115,497	69,492
Nonsubject sources	Quantity	177,871	217,289	212,497	54,220	38,069
All import sources	Quantity	427,061	639,874	657,400	169,717	107,561
All sources	Quantity	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Cambodia	Share	***	***	***	***	***
China	Share	***	***	***	***	***
Colombia	Share	***	***	***	***	***
India	Share	***	***	***	***	***
Malaysia	Share	***	***	***	***	***
Portugal	Share	***	***	***	***	***
Taiwan	Share	***	***	***	***	***
Turkey	Share	***	***	***	***	***
Vietnam	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023, adjusted to remove reported out of scope imports under the HTS statistical reporting numbers submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series.

**Figure IV-6**  
**PSBs: Apparent U.S. consumption based on quantity, by source and period**

\* \* \* \* \*

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023, adjusted to remove reported out of scope imports under the HTS statistical reporting numbers submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series.

## Value

Table IV-9 and figure IV-7 present data on apparent U.S. consumption and U.S. market shares by value for PSBs. Apparent U.S. consumption, by value, for PSBs from all sources increased by \*\*\* percent during 2020-22 but was \*\*\* percent lower during interim 2023 compared with interim 2022. The value of apparent U.S. consumption of PSBs from U.S. producers increased by \$\*\*\* (\*\*\* percent) during 2020-22 and was \$\*\*\* (\*\*\* percent) higher during interim 2023 compared with interim 2022. The value of apparent U.S. consumption of PSBs from subject imports increased by \$340.5 million (89.4 percent) during 2020-22 but was \$61.1 million (36.7 percent) lower during interim 2023 compared with interim 2022. The value of apparent U.S. consumption of PSBs from nonsubject imports increased by \$111.1 million (55.0 percent) during 2020-22 but was \$16.2 million (21.8 percent) lower during interim 2023 compared with interim 2022.

U.S. producers' share of apparent U.S. consumption by value declined by \*\*\* percentage points during 2020-22 but was \*\*\* percentage points higher during interim 2023 compared with interim 2022. Subject sources' share of apparent U.S. consumption by value increased by \*\*\* percentage points during 2020-22 but was \*\*\* percentage points lower during interim 2023 compared with interim 2022. Nonsubject source imports' share of apparent U.S. consumption by value decreased by \*\*\* percentage points during 2020-21 but then increased by the same amount in 2021-22, and was \*\*\* percentage points higher during interim 2023 compared with interim 2022.

**Table IV-9**  
**PSBs: Apparent U.S. consumption and market shares based on value, by source and period**

Value in 1,000 dollars; shares in percent

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. producers	Value	***	***	***	***	***
Cambodia	Value	***	***	***	***	***
China	Value	***	***	***	***	***
Colombia	Value	***	***	***	***	***
India	Value	***	***	***	***	***
Malaysia	Value	***	***	***	***	***
Portugal	Value	***	***	***	***	***
Taiwan	Value	***	***	***	***	***
Turkey	Value	***	***	***	***	***
Vietnam	Value	***	***	***	***	***
Subject sources	Value	380,842	596,132	721,300	166,511	105,404
Nonsubject sources	Value	202,025	269,274	313,122	74,043	57,889
All import sources	Value	582,867	865,406	1,034,422	240,554	163,293
All sources	Value	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Cambodia	Share	***	***	***	***	***
China	Share	***	***	***	***	***
Colombia	Share	***	***	***	***	***
India	Share	***	***	***	***	***
Malaysia	Share	***	***	***	***	***
Portugal	Share	***	***	***	***	***
Taiwan	Share	***	***	***	***	***
Turkey	Share	***	***	***	***	***
Vietnam	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023, adjusted to remove reported out of scope imports under the HTS statistical reporting numbers submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series. Value data are based on landed-duty paid values.

**Figure IV-7**  
**PSBs: Apparent U.S. consumption based on value, by source and period**

\* \* \* \* \*

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023, adjusted to remove reported out of scope imports under the HTS statistical reporting numbers submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series. Value data are based on landed-duty paid values.

# Part V: Pricing data

## Factors affecting prices

### Raw material costs

The major raw material in the production of PSBs is the paper used in their construction. The weight of the paper used to produce PSBs varies based on the specification of the bag being produced. Higher-end shopping bags typically use a higher weight paper.<sup>1</sup> The price of 50-lb. Kraft paper increased by \*\*\* percent from January 2020 to March 2023 (figure V-1 and table V-1). Kraft paper prices increased in a series of steps from January 2020 to April 2022 and began to decline in December 2022. Other ancillary raw materials used in the production of PSBs include items like glue and handles.

**Figure V-1**  
**Raw materials: Average monthly price of unbleached Kraft natural multiwall sack paper, 50 lb., January 2020-March 2023**

\* \* \* \* \*

Source: \*\*\*, accessed June 23, 2023.

Note: Average of monthly high and low prices.

---

<sup>1</sup> Conference transcript, p. 185 (Straitman).

**Table V-1****Raw materials: Average monthly price of unbleached Kraft natural multiwall sack paper, 50 lb., January 2020-March 2023**

Price in dollars per short ton

Year	Month	Price
2020	January	***
2020	February	***
2020	March	***
2020	April	***
2020	May	***
2020	June	***
2020	July	***
2020	August	***
2020	September	***
2020	October	***
2020	November	***
2020	December	***
2021	January	***
2021	February	***
2021	March	***
2021	April	***
2021	May	***
2021	June	***
2021	July	***
2021	August	***
2021	September	***
2021	October	***
2021	November	***
2021	December	***
2022	January	***
2022	February	***
2022	March	***
2022	April	***
2022	May	***
2022	June	***
2022	July	***
2022	August	***
2022	September	***
2022	October	***
2022	November	***
2022	December	***
2023	January	***
2023	February	***
2023	March	***

Source: \*\*\*, accessed June 23, 2023.

Note: Average of monthly high and low prices.



## Transportation costs to the U.S. market

Transportation costs for PSBs shipped from subject countries to the United States averaged 22.3 percent for Cambodia, 13.8 percent for China, 10.1 percent for Colombia, 17.0 percent for India, 15.9 percent for Malaysia, 22.2 percent for Portugal, 15.6 percent for Taiwan, 11.4 percent for Turkey, and 12.7 percent for Vietnam during 2022. These estimates were derived from official import data and represent the transportation and other charges on imports in two HTS statistical reporting numbers that include other out-of-scope product.<sup>2</sup>

## U.S. inland transportation costs

All 4 responding U.S. producers and 39 of 41 responding importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 2 to 6 percent<sup>3</sup> while most importers reported costs of 1 to 10 percent, although five importers reported costs of 20 to 25 percent.

## Pricing practices

### Pricing methods

U.S. producers and importers reported setting prices using transaction-by-transaction negotiations, contracts, and price lists (table V-2). The three importers that reported using other methods reported that they were retailers and did not sell PSBs.

**Table V-2**  
**PSBs: Count of U.S. producers' and importers' reported price setting methods**

Method	U.S. producers	Importers
Transaction-by-transaction	4	24
Contract	4	17
Set price list	3	14
Other	0	3
Responding firms	4	38

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

---

<sup>2</sup> The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2022 and then dividing by the customs value based on the HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040.

<sup>3</sup> \*\*\*.

U.S. producers and importers reported selling the largest share (but less than half) of their PSBs in the spot market (table V-3). The next largest share was sold via long-term contracts for the U.S. producers and via annual contracts for the importers.

**Table V-3**  
**PSBs: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2022**

Share in percent

Type of sale	U.S. producers	Subject importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
Total	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

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

Most U.S. producers reported that their short-term contracts fixed prices (\*\*\*) , did not allow for price renegotiations, and did not index to raw materials. In contrast, most U.S. producers reported that their annual and long-term contracts did allow for price renegotiation and were indexed to raw materials. Most responding importers reported that short-term and annual contracts fixed both price and quantity, did not allow for price renegotiations, and were not indexed to raw material costs. Regarding their long-term contracts, most responding importers reported they allowed price renegotiation during the contract, but other contract provisions tended to vary from importer to importer.

### Sales terms and discounts

All responding U.S. producers typically quote prices on a delivered basis, although one firm also reported selling on an f.o.b. basis. Most importers typically quote prices on an f.o.b. basis, with slightly fewer selling on a delivered basis. Half of U.S. producers reported they offer discounts; \*\*\*, and \*\*\*. Most importers (26 of 39) reported they have no discount policy, 11 reported offering quantity discounts, 4 reported offering total volume discounts, and 2 reported offering other discounts (early payment discounts and rebates).

## Price data<sup>4</sup>

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following PSB products shipped to unrelated U.S. customers during January 2020 to March 2023.<sup>5 6</sup>

**Product 1.**-- Plain Kraft (brown) bag with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Product 2.**-- Plain Kraft (brown) bag with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Product 3.**-- Plain Kraft (brown) bag with a serrated top that has a 16-inch wide face, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Product 4.**-- Plain white bag with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset and, that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

---

<sup>4</sup> Purchase cost data for importers' internal consumption or use at retail were also requested but no importers reported such data for these products. Commercial shipments comprised most reported U.S. shipments from each subject country (see Part IV).

<sup>5</sup> Pricing data were requested without regard to channel of distribution, print covering, or as to whether it was a stock or custom-printed product. Petitioner reported that for stock products, which are typically sold through distribution, order sizes could range from less than a pallet to several pallets on one order, whereas custom PSBs typically have larger order sizes \*\*\*. \*\*\*. Petitioner's postconference brief, responses to staff questions, p. 14.

<sup>6</sup> Products 1 and 3 are typically used by retailers; products 2 and 4 by restaurants.

Two U.S. producers and 14 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.<sup>7</sup> Pricing data reported by these firms accounted for approximately \*\*\* percent of the value of U.S. producers' U.S. shipments of PSBs. With respect to subject imports, the value of these pricing products compared with the value of U.S. shipments of subject imports in 2022 was: Cambodia (\*\*\* percent), China (\*\*\* percent), Colombia (\*\*\* percent), India (\*\*\* percent), Taiwan (\*\*\* percent), Turkey (\*\*\* percent), and Vietnam (\*\*\* percent).<sup>8</sup> No price data were reported for Malaysia or Portugal.<sup>9</sup> Price data for products 1-4 are presented in tables V-4 to V-7 and figures V-2 to V-5.

---

<sup>7</sup> Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

<sup>8</sup> Pricing coverage is based on U.S. shipments reported in questionnaires. Coverage is calculated based on value since trade data were collected by weight whereas price data were collected by number of bags.

<sup>9</sup> No importers reported trade or price data for imports from Malaysia (see Part IV). Several firms reported that they imported PSBs from Portugal but none of these firms reported price data.

**Table V-4**  
**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter**

Price in dollars per 1,000 bags, quantity in 1,000 bags, margin in percent.

Period	U.S. price	U.S. quantity	Cambodia price	Cambodia quantity	Cambodia margin	China price	China quantity	China margin
2020 Q1	***	***	--	0	--	***	***	***
2020 Q2	***	***	--	0	--	***	***	***
2020 Q3	***	***	--	0	--	***	***	***
2020 Q4	***	***	--	0	--	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Colombia price	Colombia quantity	Colombia margin	India price	India quantity	India margin
2020 Q1	***	***	--	0	--	--	0	--
2020 Q2	***	***	--	0	--	--	0	--
2020 Q3	***	***	***	***	***	--	0	--
2020 Q4	***	***	***	***	***	--	0	--
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	--	0	--	***	***	***
2021 Q4	***	***	--	0	--	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***

Table continued.

**Table V-4 Continued**

**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter**

Price in dollars per 1,000 bags, quantity in 1,000 bags, margin in percent.

Period	U.S. price	U.S. quantity	Taiwan price	Taiwan quantity	Taiwan margin	Turkey price	Turkey quantity	Turkey margin
2020 Q1	***	***	--	0	--	--	0	--
2020 Q2	***	***	--	0	--	--	0	--
2020 Q3	***	***	--	0	--	***	***	***
2020 Q4	***	***	***	***	***	--	0	--
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	--	0	--
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Vietnam price	Vietnam quantity	Vietnam margin
2020 Q1	***	***	--	0	--
2020 Q2	***	***	--	0	--
2020 Q3	***	***	--	0	--
2020 Q4	***	***	--	0	--
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	--	0	--
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	--	0	--

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Plain Kraft (brown) bag with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Table V-5**

**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter**

Price in dollars per 1,000 bags, quantity in 1,000 bags, margin in percent.

Period	U.S. price	U.S. quantity	Cambodia price	Cambodia quantity	Cambodia margin	China price	China quantity	China margin
2020 Q1	***	***	--	0	--	***	***	***
2020 Q2	***	***	--	0	--	***	***	***
2020 Q3	***	***	--	0	--	***	***	***
2020 Q4	***	***	--	0	--	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	India price	India quantity	India margin	Turkey price	Turkey quantity	Turkey margin
2020 Q1	***	***	--	0	--	--	0	--
2020 Q2	***	***	--	0	--	***	***	***
2020 Q3	***	***	--	0	--	***	***	***
2020 Q4	***	***	***	***	***	--	0	--
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	--	0	--
2022 Q3	***	***	***	***	***	--	0	--
2022 Q4	***	***	***	***	***	--	0	--
2023 Q1	***	***	***	***	***	--	0	--

Table continued.

**Table V-5 Continued**

**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter**

Price in dollars per 1,000 bags, quantity in 1,000 bags, margin in percent.

Period	U.S. price	U.S. quantity	Vietnam price	Vietnam quantity	Vietnam margin
2020 Q1	***	***	--	0	--
2020 Q2	***	***	--	0	--
2020 Q3	***	***	--	0	--
2020 Q4	***	***	--	0	--
2021 Q1	***	***	--	0	--
2021 Q2	***	***	***	***	***
2021 Q3	***	***	--	0	--
2021 Q4	***	***	--	0	--
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	--	0	--
2022 Q4	***	***	--	0	--
2023 Q1	***	***	--	0	--

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: Plain Kraft (brown) bag with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.



**Table V-6**

**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter**

Price in dollars per 1,000 bags, quantity in 1,000 bags, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China margin	India price	India quantity	India margin
2020 Q1	***	***	***	***	***	--	0	--
2020 Q2	***	***	***	***	***	--	0	--
2020 Q3	***	***	***	***	***	--	0	--
2020 Q4	***	***	***	***	***	--	0	--
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Turkey price	Turkey quantity	Turkey margin	Vietnam price	Vietnam quantity	Vietnam margin
2020 Q1	***	***	--	0	--	--	0	--
2020 Q2	***	***	--	0	--	--	0	--
2020 Q3	***	***	***	***	***	--	0	--
2020 Q4	***	***	--	0	--	--	0	--
2021 Q1	***	***	--	0	--	***	***	***
2021 Q2	***	***	--	0	--	***	***	***
2021 Q3	***	***	--	0	--	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	--	0	--	--	0	--
2022 Q2	***	***	***	***	***	--	0	--
2022 Q3	***	***	--	0	--	--	0	--
2022 Q4	***	***	--	0	--	***	***	***
2023 Q1	***	***	--	0	--	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Plain Kraft (brown) bag with a serrated top that has a 16-inch wide face, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Table V-7**

**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter**

Price in dollars per 1,000 bags, quantity in 1,000 bags, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China margin	India price	India quantity	India margin
2020 Q1	***	***	***	***	***	--	0	--
2020 Q2	***	***	***	***	***	--	0	--
2020 Q3	***	***	***	***	***	--	0	--
2020 Q4	***	***	***	***	***	--	0	--
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	--	0	--
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Turkey price	Turkey quantity	Turkey margin
2020 Q1	***	***	--	0	--
2020 Q2	***	***	--	0	--
2020 Q3	***	***	***	***	***
2020 Q4	***	***	--	0	--
2021 Q1	***	***	--	0	--
2021 Q2	***	***	--	0	--
2021 Q3	***	***	--	0	--
2021 Q4	***	***	***	***	***
2022 Q1	***	***	--	0	--
2022 Q2	***	***	--	0	--
2022 Q3	***	***	--	0	--
2022 Q4	***	***	--	0	--
2023 Q1	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Plain white bag with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset and, that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Figure V-2**

**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter**

**Price of product 1**

\* \* \* \* \*

**Volume of product 1**

\* \* \* \* \*

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Plain Kraft (brown) bag with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Figure V-3**  
**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter**

**Price of product 2**

\* \* \* \* \*

**Volume of product 2**

\* \* \* \* \*

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: Plain Kraft (brown) bag with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Figure V-4**  
**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter**

**Price of product 3**

\* \* \* \* \*

**Volume of product 3**

\* \* \* \* \*

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Plain kraft (brown) bag with a serrated top that has a 16-inch wide face, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

**Figure V-5**  
**PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by source and quarter**

**Price of product 4**

\* \* \* \* \*

**Volume of product 4**

\* \* \* \* \*

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Plain white bag with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset and, that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

## Price trends

In general, prices increased during January 2020 to March 2023. Table V-8 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from \*\*\* to \*\*\* percent during January 2020 to March 2023 while import price increases ranged from \*\*\* to \*\*\* percent and import decreases ranged from \*\*\* percent to \*\*\* percent. Domestic prices generally rose from the first quarter of 2020 through the third quarter of 2022,<sup>10</sup> then decreased during the final two quarters of the period.

**Table V-8**  
**PSBs: Summary of price data, by product and source, January 2020-March 2023**

Quantity in 1,000 bags, price in dollars per 1,000 bags

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Percent change in price over period
Product 1	United States	13	***	***	***	***	***	***
Product 1	Cambodia	9	***	***	***	---	***	---
Product 1	China	13	***	***	***	***	***	***
Product 1	Colombia	9	***	***	***	---	***	***
Product 1	India	9	***	***	***	---	***	---
Product 1	Malaysia	0	0	---	---	---	---	---
Product 1	Portugal	0	0	---	---	---	---	---
Product 1	Taiwan	10	***	***	***	---	***	***
Product 1	Turkey	9	***	***	***	---	***	***
Product 1	Vietnam	7	***	***	***	---	---	---
Product 2	United States	13	***	***	***	***	***	***
Product 2	Cambodia	9	***	***	***	---	***	---
Product 2	China	13	***	***	***	***	***	***
Product 2	Colombia	0	0	---	---	---	---	---
Product 2	India	10	***	***	***	---	***	***
Product 2	Malaysia	0	0	---	---	---	---	---
Product 2	Portugal	0	0	---	---	---	---	---
Product 2	Taiwan	0	0	---	---	---	---	---
Product 2	Turkey	7	***	***	***	---	---	---
Product 2	Vietnam	3	***	***	***	---	---	---

Table continued.

<sup>10</sup> Product 2 was \*\*\* higher in the second quarter of 2022 than the third quarter.

**Table V-8 Continued**

**PSBs: Summary of price data, by product and source, January 2020-March 2023**

Quantity in 1,000 bags, price in dollars per 1,000 bags

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Percent change in price over period
Product 3	United States	***	***	***	***	***	***	***
Product 3	Cambodia	0	0	---	---	---	---	---
Product 3	China	***	***	***	***	***	***	***
Product 3	Colombia	0	0	---	---	---	---	---
Product 3	India	***	***	***	***	---	***	---
Product 3	Malaysia	0	0	---	---	---	---	---
Product 3	Portugal	0	0	---	---	---	---	---
Product 3	Taiwan	0	0	---	---	---	---	---
Product 3	Turkey	***	***	***	***	---	---	---
Product 3	Vietnam	***	***	***	***	---	***	---
Product 4	United States	***	***	***	***	***	***	***
Product 4	Cambodia	0	0	---	---	---	---	---
Product 4	China	***	***	***	***	***	***	***
Product 4	Colombia	0	0	---	---	---	---	---
Product 4	India	***	***	***	***	---	***	---
Product 4	Malaysia	0	0	---	---	---	---	---
Product 4	Portugal	0	0	---	---	---	---	---
Product 4	Taiwan	0	0	---	---	---	---	---
Product 4	Turkey	***	***	***	***	---	***	---
Product 4	Vietnam	0	0	---	---	---	---	---

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Percent change column is percentage change from the first quarter in which there is data in 2020 to last quarter in which there is data in the among the last four quarters in the period. Percentage changes are not presented for series without data meeting these criteria.



## Price comparisons

As shown in tables V-9 and V-10, prices for product imported from subject countries were below those for U.S.-produced product in 58 of 163 instances (102.5 million PSBs); margins of underselling ranged from 0.2 to 76.1 percent. In the remaining 105 instances (62.6 million PSBs), prices for product from subject countries were between 0.0 and 143.3 percent above prices for the domestic product. The greatest number of quarters and the highest volume of imports underselling domestic product were for product 1, and the majority of volume was for product imported from \*\*\*.

**Table V-9**  
**PSBs: Instances of underselling and overselling and the range and average of margins, by product**

Quantity in 1,000 bags; margin in percent

Product	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	30	***	***	***	***
Product 2	Underselling	21	***	***	***	***
Product 3	Underselling	3	***	***	***	***
Product 4	Underselling	4	***	***	***	***
Total, all products	Underselling	58	102,516	27.3	0.2	76.1
Product 1	Overselling	36	***	***	***	***
Product 2	Overselling	21	***	***	***	***
Product 3	Overselling	28	***	***	***	***
Product 4	Overselling	20	***	***	***	***
Total, all products	Overselling	105	62,595	(52.9)	(0.0)	(143.3)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

**Table V-10**  
**PSBs: Instances of underselling and overselling and the range and average of margins, by source**

Quantity in 1,000 bags; margin in percent

Source	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Cambodia	Underselling	2	***	***	***	***
China	Underselling	5	***	***	***	***
Colombia	Underselling	9	***	***	***	***
India	Underselling	11	***	***	***	***
Malaysia	Underselling	0	0	---	---	---
Portugal	Underselling	0	0	---	---	---
Taiwan	Underselling	9	***	***	***	***
Turkey	Underselling	17	***	***	***	***
Vietnam	Underselling	5	***	***	***	***
All subject sources	Underselling	58	102,516	27.3	0.2	76.1
Cambodia	Overselling	16	***	***	***	***
China	Overselling	47	***	***	***	***
Colombia	Overselling	0	0	---	---	---
India	Overselling	25	***	***	***	***
Malaysia	Overselling	0	0	---	---	---
Portugal	Overselling	0	0	---	---	---
Taiwan	Overselling	1	***	***	***	***
Turkey	Overselling	5	***	***	***	***
Vietnam	Overselling	11	***	***	***	***
All subject sources	Overselling	105	62,595	(52.9)	(0.0)	(143.3)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

## Lost sales and lost revenue

The Commission requested that U.S. producers of PSBs report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of PSBs from subject countries during January 2020 to March 2023. All four responding U.S. producers reported that they had to either reduce prices or roll back announced price increases, and three firms reported that they had lost sales. Two U.S. producers submitted lost sales and lost revenue allegations. The two responding U.S. producers identified 32 firms with which they lost sales or revenue (1 consisting of a lost sales allegation, 7 consisting of lost revenue allegations, and 24 consisting of both types of allegations). Most allegations did not report the country of origin and eight allegations were against multiple countries. There were no allegations made with respect to subject imports from Cambodia, Malaysia, or Taiwan, nine allegations with respect to China, one with respect to Colombia, seven with respect to India, one with respect to Portugal, two with respect to Turkey, and eight with respect to Vietnam.

Staff contacted 43 purchasers and received usable responses from 18 purchasers.<sup>11</sup> Responding purchasers reported purchasing 1.9 billion PSBs during January 2020 to March 2023 (table V-11).

During 2022, responding firms purchased or imported \*\*\* percent of their PSBs from U.S. producers, \*\*\* percent from Cambodia, \*\*\* percent from China, \*\*\* percent from Colombia, \*\*\* percent from India, \*\*\* percent from Malaysia, \*\*\* percent from Portugal, \*\*\* percent from Taiwan, \*\*\* percent from Turkey, \*\*\* percent from Vietnam, \*\*\* percent from nonsubject countries, and \*\*\* percent from “unknown source” countries on a quantity basis. The share of purchases and imports from subject sources increased from \*\*\* percent of total purchases and imports in 2020 to \*\*\* percent in 2021, but decreased to \*\*\* percent in 2022.<sup>12</sup>

---

<sup>11</sup> In addition, one firm responded that it had not purchased, or imported for its own use, PSBs since January 1, 2020.

<sup>12</sup> These data do not include \*\*\*. \*\*\*.



Purchasers were asked about changes in their purchasing patterns from different sources since 2020 (table V-12). Of the responding purchasers, 5 reported decreasing purchases from domestic producers (3 fluctuating but ending lower and 2 steady decrease), 7 reported increasing purchases (3 fluctuating but ending higher and 4 steady increase), 2 reported no change, and 2 did not purchase any domestic product.<sup>13</sup> Explanations for increasing purchases of domestic product included: bans on plastic bags, changing bag types, increased business, and increased demand or clearing of the backlog of demand from the COVID-19 pandemic. Explanations for decreasing purchases of domestic product included a lack of U.S. capacity and consistency, moving to a new store supply vendor, and increases in sales volume causing a firm to request bids and then change suppliers.

In general, more firms reported increases in sourcing PSBs from subject countries than decreases. China, India, and Vietnam were the sources from which purchasers most frequently reported increasing their PSBs purchases or imports. Firms reported increasing purchases from subject countries for a number of reasons. Multiple purchasers noted increases in demand, with some adding that it was because of the COVID-19 pandemic. Others noted that there were limits on global availability of PSBs, in particular with respect to domestic capacity constraints, that made them switch vendors. One firm noted that Chinese capacity was constrained as well, so it switched to sourcing from Vietnam. Purchasers also noted that changes in products or specifications caused them to switch sources or vendors. One firm noted that it consolidated with a vendor that was sourcing from China and Taiwan. One purchaser that sourced more from Vietnam wanted to find an alternative for gift bags produced in China. Finally, purchasers also reported that sustainability initiatives or legislation shifted purchases from plastic single-use bags to paper shopping bags, which caused increases in some purchases from China, India, and Portugal. Firms reporting decreased purchases from subject countries listed the following as reasons: the section 301 tariffs and COVID-19 policies (China), COVID-19 policies and limited supply (Portugal), better production in other countries (India), and supply chain issues (India) as the reasons.

---

<sup>13</sup> Of the 18 responding purchasers, 5 purchasers indicated that they did not know the source of some of the PSBs they purchased.

**Table V-12****PSBs: Count of purchasers' responses regarding changes in purchase patterns from U.S., subject, and nonsubject countries**

Source of purchases	Steadily increase	Fluctuate higher	No change	Fluctuate lower	Steadily decrease	Did not purchase
United States	4	3	2	3	2	2
Cambodia	0	0	1	0	0	10
China	4	4	1	2	1	3
Colombia	0	1	0	0	0	10
India	2	2	0	1	1	6
Malaysia	1	0	2	0	0	8
Portugal	1	0	0	1	0	9
Taiwan	0	1	0	1	0	8
Turkey	1	1	0	0	0	10
Vietnam	4	1	0	0	1	6
Nonsubject sources	2	2	1	0	0	6
Sources unknown	2	1	1	1	0	6

Source: Compiled from data submitted in response to Commission questionnaires.

Of the 17 responding purchasers, 12 reported that, since 2020, they had purchased imported PSBs from subject countries instead of U.S.-produced product. Ten of these purchasers reported that subject import prices were lower than U.S.-produced product, but only three reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. These three purchasers estimated the quantity of PSBs from subject countries purchased instead of domestic product; quantities ranged from \*\*\* million PSBs to \*\*\* million PSBs (tables V-13 and V-14). Purchasers that purchased PSBs from subject countries instead of domestic product not due to price identified the reasons as a lack of overall availability of U.S. produced PSBs resulting from the elimination of product offerings, long lead times and supplier unreliability, the unavailability of the type of PSBs the purchaser wanted resulting from a lack of product variety, an unwillingness to customize, and changing to a new consolidator.

**Table V-13**

**PSBs: Purchasers' responses to purchasing subject imports instead of domestic product, by firm**

Quantity in 1,000 bags

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

**Table V-13 Continued**

**PSBs: Purchasers' responses to purchasing subject imports instead of domestic product, by firm**

Quantity in 1,000 bags

<b>Purchaser</b>	<b>Purchased subject imports instead of domestic</b>	<b>Imports priced lower</b>	<b>Choice based on price</b>	<b>Quantity</b>	<b>Explanation</b>
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	Yes--12; No--5	Yes--10; No--2	Yes--3; No--9	***	NA

Source: Compiled from data submitted in response to Commission questionnaires.



**Table V-14****PSBs: Purchasers' responses to purchasing subject imports instead of domestic product, by source**

Quantity in 1,000 bags

Source	Count of purchasers reporting subject instead of domestic	Count of purchasers reported that imports were priced lower	Count of purchasers reporting that price was a primary reason for shift	Quantity
Cambodia	---	---	---	***
China	11	9	3	***
Colombia	---	---	---	***
India	5	4	2	***
Malaysia	2	1	1	***
Portugal	1	1	---	***
Taiwan	1	1	---	***
Turkey	1	1	---	***
Vietnam	5	4	1	***
Any subject source	12	10	3	***

Source: Compiled from data submitted in response to Commission questionnaires.

None of the purchasers reported that U.S. producers had reduced prices in order to compete with lower-priced imports from any subject country. Of the 17 purchasers that responded to the question, 10 reported that U.S. producers had not reduced prices and 7 did not know (table V-15).



# Part VI: Financial experience of U.S. producers

## Background<sup>1</sup>

Four U.S. producers (American Paper Bag, Fischer, Novolex, and ProAmpac) provided usable financial results on their paper shopping bag (“PSB”) operations. The PSB industry experienced several industry changes over the period examined.<sup>2</sup> All U.S. producers reported financial data on a calendar year basis and on the basis of GAAP.

Figure VI-1 presents each responding firm’s share of the total reported net sales quantity in 2022. Net sales consisted primarily of commercial sales, with \*\*\* U.S. producer (\*\*\*) reporting transfers to related firms for all five periods for which data were collected.<sup>3</sup> Non-commercial sales are included but not presented separately in this section of the report.

---

<sup>1</sup> The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles (“GAAP”), fiscal year (“FY”), net sales (“NS”), cost of goods sold (“COGS”), selling, general, and administrative expenses (“SG&A expenses”), average unit values (“AUVs”), research and development expenses (“R&D expenses”), return on assets (“ROA”), January 2020 to March 2023 (“period examined”), January to March 2022 (“interim 2022”), January to March 2023 (“interim 2023”).

<sup>2</sup> In May 2021, Novolex announced the acquisition of Flexo Converters USA, Inc. (“Flexo”) \*\*\*, a manufacturer of in-scope PSBs \*\*\* paper bags in Meriden, Connecticut and Monroe, Georgia. \*\*\*. \*\*\* have been consolidated \*\*\* U.S. producer questionnaire response for the entire period examined (\*\*\*) Novolex webpage, <https://novolex.com/news/novolex-agrees-to-acquire-flexo-converters-usa-inc/>, retrieved June 22, 2023; postconference transcript, p. 40, exh. 10, p. 2 and 8; and, response from \*\*\* to staff questions, June 29, 2023.

In April 2022, \*\*\*. \*\*\* U.S. producer questionnaire, I-5; and postconference transcript, exh. 1, p. 25; and, response from \*\*\* to staff questions, June 29, 2023.

Three new U.S. producers entered the PSB market: American Paper Bag (\*\*\*), Fischer (\*\*\*), and Shamrock Corporation (previously made gift wrap paper, started making PSBs during the COVID 19 pandemic but did not submit a U.S. producer questionnaire response). U.S. producer questionnaires, II-2a; response from \*\*\* to staff questions, June 27, 2023; and, conference transcript, pp. 39 and 55 (Byers).

<sup>3</sup> From 2020 to March 2023, \*\*\*.

**Figure VI-1**  
**PSBs: U.S. producers' share of net sales quantity in 2022, by firm**

\* \* \* \* \*

Source: Compiled from data submitted in response to Commission questionnaires.

## **Operations on PSBs**

Table VI-1 presents aggregated data on U.S. producers' operations in relation to PSBs, while table VI-2 presents corresponding changes in AUVs. Table VI-3 presents selected company-specific financial data.

**Table VI-1**  
**PSBs: U.S. producers' results of operations, by item and period**

Quantity in 1,000 pounds; value in 1,000 dollars; ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Total net sales	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
COGS: Raw materials	Value	***	***	***	***	***
COGS: Direct labor	Value	***	***	***	***	***
COGS: Other factory	Value	***	***	***	***	***
COGS: Total	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Other expense / (income), net	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***
Cash flow	Value	***	***	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***	***	***
COGS: Other factory	Ratio to NS	***	***	***	***	***
COGS: Total	Ratio to NS	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***

Table continued.

**Table VI-1 Continued**  
**PSBs: U.S. producers' results of operations, by item and period**

Shares in percent; unit values in dollars per pound; count in number of firms reporting

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
COGS: Raw materials	Share	***	***	***	***	***
COGS: Direct labor	Share	***	***	***	***	***
COGS: Other factory	Share	***	***	***	***	***
COGS: Total	Share	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
COGS: Raw materials	Unit value	***	***	***	***	***
COGS: Direct labor	Unit value	***	***	***	***	***
COGS: Other factory	Unit value	***	***	***	***	***
COGS: Total	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***
Operating losses	Count	***	***	***	***	***
Net losses	Count	***	***	***	***	***
Data	Count	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares represent the share of COGS. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

**Table VI-2**  
**PSBs: Changes in AUVs between comparison periods**

Changes in percent

Item	2020-22	2020-21	2021-22	Jan-Mar 2022-23
Total net sales	▲***	▲***	▲***	▲***
COGS: Raw materials	▲***	▲***	▲***	▲***
COGS: Direct labor	▲***	▲***	▲***	▲***
COGS: Other factory	▲***	▲***	▲***	▼***
COGS: Total	▲***	▲***	▲***	▲***

Table continued.

**Table VI-2 Continued**  
**PSBs: Changes in AUVs between comparison periods**

Changes in dollars per pound

Item	2020-22	2020-21	2021-22	Jan-Mar 2022-23
Total net sales	▲***	▲***	▲***	▲***
COGS: Raw materials	▲***	▲***	▲***	▲***
COGS: Direct labor	▲***	▲***	▲***	▲***
COGS: Other factory	▲***	▲***	▲***	▼***
COGS: Total	▲***	▲***	▲***	▲***
Gross profit or (loss)	▼***	▼***	▼***	▼***
SG&A expense	▲***	▼***	▲***	▼***
Operating income or (loss)	▼***	▼***	▼***	▼***
Net income or (loss)	▼***	▼***	▼***	▼***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

**Table VI-3**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Net sales quantity**

Quantity in 1,000 pounds

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Net sales value**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**COGS**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.



**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Gross profit or (loss)**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**SG&A expenses**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Operating income or (loss)**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Net income or (loss)**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**COGS to net sales ratio**

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Gross profit or (loss) to net sales ratio**

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**SG&A expenses to net sales ratio**

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Operating income or (loss) to net sales ratio**

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Net income or (loss) to net sales ratio**

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Unit net sales value**

Unit values in dollars per pound

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Unit raw material costs**

Unit values in dollars per pound

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Unit direct labor costs**

Unit values in dollars per pound

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Unit other factory costs**

Unit values in dollars per pound

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Unit COGS**

Unit values in dollars per pound

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Unit gross profit or (loss)**

Unit values in dollars per pound

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Unit SG&A expenses**

Unit values in dollars per pound

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Unit operating income or (loss)**

Unit values in dollars per pound

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

**Table VI-3 Continued**  
**PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period**

**Unit net income or (loss)**

Unit values in dollars per pound

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Net sales<sup>4</sup>

As presented in table VI-1, total net sales quantity \*\*\* declined while total net sales value increased each year from 2020 to 2022; both quantity and value were lower in interim 2023 than in interim 2022.<sup>5</sup> Table VI-3 shows individual U.S. producers' net sales quantity and value trends \*\*\*.<sup>6 7</sup> U.S. producers (\*\*\*) both reported lower sales volumes and net sales values in interim 2023 than in interim 2022 while \*\*\* U.S. producers (\*\*\*) reported higher sales volumes and net sales values in interim 2023 than in interim 2022.<sup>8</sup> Differences in net sales between \*\*\* U.S. producers are largely attributable to differences in product mix as well as the impact of COVID-19 on demand for PSBs starting in 2020.<sup>9</sup>

\*\*\* reported virtually the \*\*\* net sales AUVs, increasing each year from 2020 to 2022; interim period net sales AUVs values differed but both reported higher net sales AUVs in interim 2023 than in interim 2022. In general, U.S. producers (\*\*\*)

---

<sup>4</sup> As discussed previously, \*\*\*. Response from \*\*\* to staff questions, June 29, 2023.

<sup>5</sup> \*\*\* accounted for \*\*\* percent or more of net sales quantity and value over the period examined, driving changes in net sales as well as other financial results of the aggregated U.S. PSB industry.

<sup>6</sup> Novolex \*\*\*. Response from \*\*\* to staff questions, June 29, 2023.

<sup>7</sup> ProAmpac \*\*\*. Response from \*\*\* to staff questions, June 29, 2023.

<sup>8</sup> \*\*\* net sales quantity and value ranging from \*\*\* percent of total net sales from 2020 to 2022.

<sup>9</sup> For additional information on the effects of the COVID-19 pandemic on financials, see table VI-10.

attributed the increase in net sales AUVs to increases in raw materials, direct labor, and other factory costs during the period examined.<sup>10</sup>

## Cost of goods sold and gross profit or loss

As presented in table VI-1, raw material costs represented the largest share of total COGS from 2020 to March 2023.<sup>11</sup> Total raw material costs increased in value from 2020 to 2022 and were higher in interim 2023 than in interim 2022. On a per-unit basis, total raw materials \*\*\* increased and were higher in interim 2023 than in interim 2022. As a share of net sales, total raw materials \*\*\* increased from 2020 to 2022 and were higher in interim 2023 than interim 2022. Table VI-3 presents company-specific raw material cost AUVs, with variations partially attributable to the large range of product mix and volume of sales.<sup>12</sup> The primary input is uncoated paper, with other raw material inputs such as handles, adhesives, and ink/printing. Table VI-4 presents raw materials, by type.

---

<sup>10</sup> Differences in product mix may explain the net sales AUV fluctuations among individual U.S. producers over the period examined. U.S. producers reduced their unique average stock keeping units (“SKUs”) sold from \*\*\* in 2020 to \*\*\* in 2022. Individually, \*\*\* U.S. producers’ SKUs decreased (\*\*\*) from 2020 to 2022 while \*\*\* U.S. producers increased the number of SKUs of PSBs sold (\*\*\*). U.S. producer questionnaires, III-8d.

Although \*\*\* noted that the reduction in SKUs improved operational efficiency, these product mix reductions did not materially impact their operations. \*\*\* U.S. producers (\*\*\*) reported the largest fluctuations in averages sales values, resulting from expanding their product offerings as they ramped up production of PSBs. Responses from \*\*\* to staff questions, June 29, 2023 and response from \*\*\* to staff questions, June 27, 2023.

<sup>11</sup> One U.S. producer (\*\*\*) reported purchasing inputs (\*\*\*) from related firms equal to \*\*\* percent of total COGS in 2022, valued using negotiated transfer price to approximate FMV. \*\*\* U.S. producer questionnaire, III-6 and III-7a.

<sup>12</sup> U.S. producers reported increasing raw material costs resulting from inflation but were unable to fully offset input cost increases by raising their selling prices. \*\*\*. In addition, U.S. producers reported using paper inputs that have \*\*\*. \*\*\* U.S. producer cited these factors as having a material impact on paper input costs. Responses from \*\*\* to staff questions, June 29, 2023 and response from \*\*\* to staff questions, June 27, 2023.



**Table VI-4**  
**PSBs: U.S. producers' raw material costs in 2022**

Value in 1,000 dollars; unit values in dollars per pound; share of value in percent

Item	Value	Unit value	Share of value
Uncoated paper	***	***	***
Other material inputs	***	***	***
All raw materials	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Other factory costs accounted for the second largest share of total COGS, increasing in per-unit value (primarily in fixed costs).<sup>13</sup> Direct labor costs, which accounted for the smallest share of total COGS, increased in total value and on a per-unit basis from 2020 to 2022. When measured as a ratio to total net sales, both direct labor and other factory costs increased from 2020 to 2022 and were lower in interim 2023 than in interim 2022.<sup>14</sup> Other factory and direct labor cost totals were lower in interim 2023 than in interim 2022; on a per-unit basis, other factory and direct labor costs stayed the same for both interim periods.

As presented in table VI-1, total COGS and the ratio of COGS to net sales \*\*\* increased from 2020 to 2022, primarily resulting from raw material costs increasing at a faster rate than net sales values. The AUVs of total COGS also \*\*\* increased from 2020 to 2022, reflecting the previously discussed increases in per-unit raw materials, direct labor, and other factory costs. Total COGS, the ratio of COGS to net sales, and AUVs of COGS were higher in interim 2023 than in interim 2022.

Based on the data in table VI-1, all presented measures of gross profit \*\*\* decreased from 2020 to 2022 and were lower in interim 2023 than in interim 2022. The decline in gross profits reported by the U.S. industry reflects lower sales volume while COGS increased more than revenue.

---

<sup>13</sup> \*\*\* U.S. producers reported increases in total other factory costs from 2020 to 2022, with \*\*\* reporting the largest actual increase and \*\*\*. \*\*\*. For \*\*\* U.S. producers (\*\*\*), other factory cost increases resulted from \*\*\* over the period examined. \*\*\* U.S. producer questionnaire, II-2a, II-16, and III-8d; response from \*\*\* to staff questions, June 29, 2023; and, response from \*\*\* to staff questions, June 27, 2023.

<sup>14</sup> Inflation was a factor \*\*\* for the increases in direct labor and other factory costs as well as fixed costs that cannot be reduced when production quantities decline. Ibid. Responses from \*\*\* to staff questions, June 29, 2023 and response from \*\*\* to staff questions, June 27, 2023.

## SG&A expenses and operating income or loss

As presented in table VI-1, U.S. producers' total SG&A expenses decreased from 2020 to 2022 and were lower in interim 2023 than in interim 2022.<sup>15</sup> The AUVs of SG&A expenses were virtually the same (fluctuating from \*\*\* per pound) from 2020 to 2022 and were lower in interim 2023 than in interim 2022. The SG&A expense ratios (i.e., total SG&A expenses divided by net sales) decreased from 2020 to 2022 and were lower interim 2023 than in interim 2022. The \*\*\* U.S. producers (\*\*\*) reported higher than industry average SG&A expense ratios as a result of \*\*\*.<sup>16</sup>

Table VI-1 shows that U.S. producers' operating income declined from 2020 to 2022 and was lower in interim 2023 than in interim 2022. The declines in operating performance of U.S. producers are attributable to the same reasons as those for gross profit from 2020 to 2022 (i.e., sales volume declined, and sales AUVs increased less than total COGS).

---

<sup>15</sup> Packaging costs for shipping PSBs to customers have been reported as part of SG&A expenses. U.S. producer questionnaire responses, III-9c and response from \*\*\* to staff questions, June 29, 2023.

<sup>16</sup> \*\*\* U.S. producer questionnaire, II-2a, II-16, and III-8d and response from \*\*\* to staff questions, June 27, 2023.

## All other expenses and net income or loss

Classified below the operating income level are interest expenses, other expenses, and other income. In table VI-1, these items are aggregated and only the net amount is shown, revealing that net all other expenses and income increased (driven by interest expenses) from 2020 to 2022 and were higher in interim 2023 than in interim 2022.<sup>17</sup>

Net income had a similar pattern as operating income: the industry reported declining net income from 2020 to 2022; a net income in interim 2022 became a net loss in interim 2023. The absolute difference between operating and net profits narrowed and widened in conjunction with changes in total interest expenses and all other income and expenses.<sup>18</sup>

---

<sup>17</sup> Interest expenses were the largest share (\*\*\*) percent) of net all other expenses and income, decreasing from 2020 to 2021 before increasing from 2021 to 2022; interest expenses were higher in interim 2023 than in interim 2022. U.S. producers cited interest rate increases as the primary reason for increasing interest expenses. \*\*\*. Responses from \*\*\* to staff questions, June 29, 2023 and response from \*\*\* to staff questions, June 27, 2023.

<sup>18</sup> A variance analysis is not shown mostly due to the large variety of product mixes and different cost structures among the reporting firms as well as new producers joining the PSB industry in 2020 (\*\*\*) and 2021 (\*\*\*)).

## Capital expenditures and R&D expenses

Table VI-5 presents capital expenditures, by firm, and table VI-6 present the firms' narrative explanations of the nature, focus, and significance of their capital expenditures, respectively. The \*\*\* capital expenditures in 2021 reflect \*\*\*.<sup>19</sup> No responding U.S. producers reported R&D expenses during the period examined.

**Table VI-5**  
**PSBs: U.S. producers' capital expenditures, by firm and period**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
American Paper Bag	***	***	***	***	***
Fischer	***	***	***	***	***
Novolex	***	***	***	***	***
ProAmpac	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

**Table VI-6**  
**PSBs: U.S. producers' narrative descriptions of their capital expenditures, by firm**

Firm	Narrative on assets
American Paper Bag	***
Fischer	***
Novolex	***
ProAmpac	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Assets and return on assets

Table VI-7 presents data on the U.S. producers' total assets while table VI-8 presents their operating ROA.<sup>20</sup> Table VI-9 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time. U.S. producers reported increases in net assets each year, while ROA declined each year from 2020 to 2022.

<sup>19</sup> \*\*\*. Response from \*\*\* to staff questions, June 29, 2023.

<sup>20</sup> The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value on a product-specific basis.

**Table VI-7**  
**PSBs: U.S. producers' total net assets, by firm and period**

Value in 1,000 dollars

<b>Firm</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires (\*\*\*)

**Table VI-8**  
**PSBs: U.S. producers' ROA, by firm and period**

Ratio in percent

<b>Firm</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

**Table VI-9**

**PSBs: U.S. producers' narrative descriptions of their total net assets, by firm**

<b>Firm</b>	<b>Narrative on changes in firm assets</b>
American Paper Bag	***
Fischer	***
Novolex	***
ProAmpac	***

Source: Compiled from data submitted in response to Commission questionnaires and response from \*\*\* to staff questions, June 29, 2023.

## **COVID-19 and financial performance**

Table VI-10 presents the U.S. producers' narrative responses regarding the effects of COVID-19 on their financial performance.

**Table VI-10**

**PSBs: Narrative responses relating to the COVID-19 pandemic effects on U.S. producers' financial performance, since January 1, 2020**

<b>Firm</b>	<b>Narrative response on the effects of the COVID-19 pandemic</b>
American Paper Bag	***
Fischer	***
Novolex	***
ProAmpac	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Capital and investment

The Commission requested U.S. producers of PSBs to describe any actual or potential negative effects of imports of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and/or Vietnam on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-11 presents the number of firms reporting an impact in each category and table VI-12 provides the U.S. producers' narrative responses.

**Table VI-11**

**PSBs: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2020, by effect**

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	2
Denial or rejection of investment proposal	Investment	0
Reduction in the size of capital investments	Investment	1
Return on specific investments negatively impacted	Investment	4
Other investment effects	Investment	0
Any negative effects on investment	Investment	4
Rejection of bank loans	Growth	1
Lowering of credit rating	Growth	1
Problem related to the issue of stocks or bonds	Growth	1
Ability to service debt	Growth	2
Other growth and development effects	Growth	4
Any negative effects on growth and development	Growth	4
Anticipated negative effects of imports	Future	4

Source: Compiled from data submitted in response to Commission questionnaires.

**Table VI-12**

**PSBs: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2020, by firm and effect**

Item	Firm name and narrative on impact of imports
Cancellation, postponement, or rejection of expansion projects	***
Cancellation, postponement, or rejection of expansion projects	***
Reduction in the size of capital investments	***
Return on specific investments negatively impacted	***
Return on specific investments negatively impacted	***
Return on specific investments negatively impacted	***

Table continued.



**Table VI-12 Continued**

**PSBs: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2020, by firm and effect**

Item	Firm name and narrative on impact of imports
Return on specific investments negatively impacted	***
Ability to service debt	***
Other effects on growth and development	***
Other effects on growth and development	***
Other effects on growth and development	***
Other effects on growth and development	***
Anticipated effects of imports	***

Table continued.

**Table VI-12 Continued**

**PSBs: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2020, by firm and effect**

Item	Firm name and narrative on impact of imports
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

*In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors<sup>1</sup>--*

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
- (V) inventories of the subject merchandise,*

---

<sup>1</sup> Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that “The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.”

- (VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,*
- (VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),*
- (VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and*
- (IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).<sup>2</sup>*

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

---

<sup>2</sup> Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

## The industry in Cambodia

The Commission issued foreign producers' or exporters' questionnaires to three firms believed to produce and/or export PSBs from Cambodia.<sup>3</sup> A usable response to the Commission's questionnaire was received from Uupak Company Limited ("Uupak"). Uupak's exports to the United States accounted for approximately \*\*\* percent of U.S. imports of PSBs from Cambodia in 2022. According to an estimate provided by Uupak, its production accounts for approximately \*\*\* percent of overall production of PSBs in Cambodia in 2022. Table VII-1 presents information on Uupak's operations in Cambodia.

**Table VII-1**  
**PSBs: Summary data for Cambodian producer Uupak, 2022**

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Uupak	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

### Changes in operations

Uupak reported no change in the character of its operations or organization relating to the production of PSBs since 2020.

### Operations on PSBs

Table VII-2 presents Uupak's installed capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment.

---

<sup>3</sup> These firms were identified through a review of information submitted in the petition and presented in third-party sources.

**Table VII-2****PSBs: Cambodian producer Uupak's installed and practical capacity and production on the same equipment as subject production, by period**

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical PSBs	Capacity	***	***	***	***	***
Practical PSBs	Production	***	***	***	***	***
Practical PSBs	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission's questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Note: Installed overall production capacity is the level of production that a firm's establishment(s) could have attained, assuming the firm's optimal product mix, and based solely on existing capital investments, i.e., machinery and equipment that is in place and ready to operate. This capacity measure does not account for other constraints to production such as existing workforce constraints, availability of raw materials, or downtime for maintenance, repair, and clean-up. This capacity measure is sometimes referred to as "nameplate" or "theoretical" capacity in some industries.

Note: Practical overall production capacity is the level of production that a firm's establishment(s) could reasonably have expected to attain, accounting for the firm's actual product mix over the period for which data were collected. This capacity measure is based on not only existing capital investments, i.e., machinery and equipment that is in place and ready to operate but also non-capital investment constraints, such as (1) normal operating conditions, including normal downtime for maintenance, repair, and cleanup; (2) the firm's existing in-place and readily available labor force; (3) availability of material inputs; and (4) any other constraints that may have limited the firm's ability to produce the reported products. Importantly, this capacity measure is the maximum "practical" production a firm could have achieved without hiring new personnel or expanding the number of shifts operated in the period.

Table VII-3 presents Uupak's reported narrative practical production constraints.

**Table VII-3****PSBs: Uupak's narrative responses regarding production constraints since January 1, 2020**

Item	Firm name and narrative response on constraints to practical overall capacity
Existing labor force	***
Supply of material inputs	***
Fuel or energy	***
Storage capacity	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-4 presents data on Uupak’s PSBs operations in Cambodia. During 2020-22 Uupak’s practical production capacity increased by \*\*\* percent, and \*\*\* from interim 2022 to interim 2023. Uupak’s production capacity is projected to \*\*\* from 2023 to 2024.

During 2020-22, Uupak’s production increased by \*\*\* percent, and was lower by \*\*\* percent during the interim period of January-March 2023 (“interim 2023”) compared to the interim period of January-March 2022 (“interim 2022”). Uupak’s capacity utilization fluctuated year to year, increasing from \*\*\* percent in 2020 to \*\*\* percent in 2020, then decreasing to \*\*\* percent in 2022. It was \*\*\* percent in interim 2023, compared with \*\*\* percent in interim 2022. Uupak’s capacity utilization is projected to be \*\*\* percent in 2023 and 2024.

Uupak reported \*\*\* during 2020-22.

Export shipments accounted for \*\*\* of Uupak’s shipments during the period for which data were collected, with \*\*\* of its exports going to the United States. During 2020-22, exports to the United States increased by \*\*\* percent, and were lower by \*\*\* percent in interim 2022 than in interim 2021.

**Table VII-4**  
**PSBs: Data on Cambodian producer Uupak’s operations, by period**

Quantity in 1,000 pounds

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

**Table VII-4 Continued**  
**PSBs: Data on Cambodian producer Uupak's operations, by period**

Ratios and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

## Alternative products

Uupak \*\*\* on the same equipment and machinery used to produce PSBs.

## Exports

According to GTA, the leading export markets for paper sacks and bags from Cambodia are the United States and Japan (table VII-5). During 2022, the United States was the top export market for paper sacks and bags from Cambodia, accounting for 88.7 percent, followed by Japan, accounting for 10.0 percent.



**Table VII-5**  
**Paper sacks and bags: Exports from Cambodia, by period**

Quantity in 1,000 pounds; value in 1,000 dollars

<b>Destination market</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Quantity	3,786	8,164	14,145
Japan	Quantity	1,370	1,278	1,597
Canada	Quantity	9	70	167
Australia	Quantity	---	---	13
Kazakhstan	Quantity	---	---	10
Netherlands	Quantity	0	1	4
Macau	Quantity	---	0	3
United Kingdom	Quantity	1	---	2
Taiwan	Quantity	3	7	2
All other destination markets	Quantity	23	18	9
All destination markets	Quantity	5,192	9,539	15,951
United States	Value	3,822	10,972	19,356
Japan	Value	3,448	3,420	4,542
Canada	Value	22	681	1,128
Australia	Value	---	---	6
Kazakhstan	Value	---	---	27
Netherlands	Value	0	4	8
Macau	Value	---	1	3
United Kingdom	Value	9	---	13
Taiwan	Value	10	15	5
All other destination markets	Value	67	72	40
All destination markets	Value	7,378	15,166	25,127

Table continued.

**Table VII-5 Continued**  
**Paper sacks and bags: Exports from Cambodia, by period**

Unit values in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	1.01	1.34	1.37
Japan	Unit value	2.52	2.68	2.85
Canada	Unit value	2.51	9.77	6.77
Australia	Unit value	---	---	0.43
Kazakhstan	Unit value	---	---	2.56
Netherlands	Unit value	3.69	2.89	2.21
Macau	Unit value	---	4.81	1.33
United Kingdom	Unit value	11.17	---	5.31
Taiwan	Unit value	3.10	2.21	2.08
All other destination markets	Unit value	2.87	3.92	4.39
All destination markets	Unit value	1.42	1.59	1.58
United States	Share of quantity	72.9	85.6	88.7
Japan	Share of quantity	26.4	13.4	10.0
Canada	Share of quantity	0.2	0.7	1.0
Australia	Share of quantity	---	---	0.1
Kazakhstan	Share of quantity	---	---	0.1
Netherlands	Share of quantity	0.0	0.0	0.0
Macau	Share of quantity	---	0.0	0.0
United Kingdom	Share of quantity	0.0	---	0.0
Taiwan	Share of quantity	0.1	0.1	0.0
All other destination markets	Share of quantity	0.4	0.2	0.1
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official imports statistics of imports from Cambodia (constructed export statistics for Cambodia) under HS subheading 4819.30 and 4819.40 as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed June 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

## The industry in China

The Commission issued foreign producers' or exporters' questionnaires to 19 firms believed to produce and/or export PSBs from China.<sup>4</sup> Usable responses to the Commission's questionnaire were received from six firms: Free Choice Industrial Company Limited ("Free Choice"), Grand Intelligent Limited ("Grand Intelligent"), Xiamen Huide Xiesheng Packaging Co., Ltd ("Huide"), Fujian Nanwang Environment Protection Scien-tech CO.,LTD ("Nanwang Pack"), Xiamen New Idea Packaging Co., Ltd ("New idea"), and Wenzhou Weijie Packing CO., Ltd ("Weijie Packing"). These firms' exports to the United States accounted for approximately \*\*\* percent of U.S. imports of PSBs from China in 2022. According to estimates provided by questionnaire respondents, their production accounts for approximately \*\*\* of overall production of PSBs in China in 2022. Table VII-6 presents information on the PSBs operations of the responding producers and exporters in China.

**Table VII-6**  
**PSBs: Summary data for producers in China, 2022**

Quantity in 1,000 pounds; share in percent

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Free Choice	***	***	***	***	***	***
Grand Intelligent	***	***	***	***	***	***
Huide	***	***	***	***	***	***
Nanwang Pack	***	***	***	***	***	***
New Idea	***	***	***	***	***	***
Weijie Packing	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

<sup>4</sup> These firms were identified through a review of information submitted in the petition and presented in third-party sources.

## Changes in operations

Producers in China were asked to report any change in the character of their operations or organization relating to the production of PSBs since 2020. Four of six producers indicated in their questionnaires that they had experienced such changes. Table VII-7 presents the changes identified by these producers.

**Table VII-7**  
**PSBs: Reported changes in operations in China since January 1, 2020, by firm**

Item	Firm name and accompanying narrative response
Plant openings	***
Prolonged shutdowns	***
Relocations	***
Relocations	***
Expansions	***
Expansions	***
Weather-related or force majeure events	***
Other	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Operations on PSBs

Table VII-8 presents data on Chinese producers' installed capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment.

**Table VII-8**  
**PSBs: Chinese producers' installed and practical capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical PSBs	Capacity	***	***	***	***	***
Practical PSBs	Production	***	***	***	***	***
Practical PSBs	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-9 presents Chinese producers' reported capacity constraints since January 1, 2020.

**Table VII-9**  
**PSBs: Chinese producers' reported capacity constraints since January 1, 2020**

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Logistics/transportation	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-10 presents information on the PSBs operations of the responding producers and exporters in China. During 2020-22, the Chinese producers' capacity increased by \*\*\* percent, but was lower by \*\*\* percent during interim 2023 than during interim 2022. The Chinese producers' production of PSBs fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022. Overall production increased \*\*\* percent from 2020 to 2022. Production of PSBs was higher by \*\*\* percent in interim 2023 than in interim 2022. The Chinese producers' capacity utilization decreased by \*\*\* percentage points during 2020-22, but was higher by \*\*\* percentage points during interim 2023 than during interim 2022. The Chinese producers' end-of-periods inventories fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, for an overall end-of-period inventories decline of \*\*\* percent from 2020 to 2022. End-of-period inventories were \*\*\* percent higher in interim 2023 than in interim 2022.

Chinese producers' internal consumption of PSBs fluctuated year to year, overall increasing by \*\*\* percent during 2020-22. \*\*\*. Internal consumption of PSBs was lower by \*\*\* percent in interim 2023 than in interim 2022. \*\*\* home market shipments by responding producers in China were commercial shipments. During 2020-22, the Chinese producers' home market shipments increased by \*\*\* percent, but were lower by \*\*\* percent during interim 2023 than during interim 2022.

The Chinese producers' exports to the United States fluctuated year to year, increased by \*\*\* percent from 2020 to 2021, then decreased by \*\*\* percent from 2021 to 2022. Overall exports to the United States decreased \*\*\* percent from 2020 to 2022. Exports to the United States of PSBs were lower by \*\*\* percent in interim 2023 than in interim 2022. During 2020-22, the Chinese producers' exports to all other markets decreased by \*\*\* percent, but were lower by \*\*\* percent during interim 2023 than during interim 2022.

Chinese producers' 2023 and 2024 capacity and production are projected to increase. The Chinese producers' exports to all other markets and exports to the United States are projected to both increase, respectively, compared to 2022.

**Table VII-10**  
**PSBs: Data on industry in China, by period**

Quantity in 1,000 pounds

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

**Table VII-10 Continued**  
**PSBs: Data on industry in China, by period**

Ratio and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

### Alternative products

As shown in table VII-11, responding firms in China produced other products on the same equipment and machinery used to produce PSBs. During 2020-22, the Chinese producers' production of other products increased by \*\*\* percent, and was higher by \*\*\* percent during interim 2023 than during interim 2022. \*\*\*.



**Table VII-11****PSBs: Producers' in China overall capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds; share in percent

Product type	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
PSBs	Quantity	***	***	***	***	***
Paper grocery bags	Quantity	***	***	***	***	***
Small die cut handle bags	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
All out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
PSBs	Share	***	***	***	***	***
Paper grocery bags	Share	***	***	***	***	***
Small die cut handle bags	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
All out-of-scope products	Share	***	***	***	***	***
All products	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

**Exports**

According to GTA, the leading export markets for paper sacks and bags from China are the United States and Japan. (table VII-12). During 2022, the United States was the top export market for paper sacks and bags from China, accounting for 23.4 percent of exports. Japan, the next largest export destination, accounted for 7.5 percent of exports in 2022.

**Table VII-12**  
**Paper sacks and bags: Exports from China, by period**

Quantity in 1,000 pounds; value in 1,000 dollars

<b>Destination market</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Quantity	202,401	293,409	275,738
Japan	Quantity	76,793	76,254	88,119
Australia	Quantity	44,626	51,984	65,986
United Kingdom	Quantity	39,657	50,325	61,071
Canada	Quantity	28,472	48,706	51,977
Germany	Quantity	24,442	29,307	39,866
Korea, South	Quantity	18,830	24,963	35,914
Netherlands	Quantity	20,369	26,835	34,505
Hong Kong	Quantity	31,460	37,565	33,079
All other destination markets	Quantity	316,004	402,335	491,969
All destination markets	Quantity	803,055	1,041,682	1,178,225
United States	Value	283,400	428,140	460,026
Japan	Value	128,752	141,038	154,033
Australia	Value	65,758	89,047	117,381
United Kingdom	Value	67,848	96,501	114,480
Canada	Value	39,934	63,229	73,722
Germany	Value	52,978	67,009	84,318
Korea, South	Value	43,048	50,717	67,121
Netherlands	Value	39,012	52,849	62,578
Hong Kong	Value	42,728	58,299	52,641
All other destination markets	Value	544,803	727,499	948,801
All destination markets	Value	1,308,261	1,774,327	2,135,100

Table continued.

**Table VII-12 Continued**  
**Paper sacks and bags: Exports from China, by period**

Unit value in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	1.40	1.46	1.67
Japan	Unit value	1.68	1.85	1.75
Australia	Unit value	1.47	1.71	1.78
United Kingdom	Unit value	1.71	1.92	1.87
Canada	Unit value	1.40	1.30	1.42
Germany	Unit value	2.17	2.29	2.12
Korea, South	Unit value	2.29	2.03	1.87
Netherlands	Unit value	1.92	1.97	1.81
Hong Kong	Unit value	1.36	1.55	1.59
All other destination markets	Unit value	1.72	1.81	1.93
All destination markets	Unit value	1.63	1.70	1.81
United States	Share of quantity	25.2	28.2	23.4
Japan	Share of quantity	9.6	7.3	7.5
Australia	Share of quantity	5.6	5.0	5.6
United Kingdom	Share of quantity	4.9	4.8	5.2
Canada	Share of quantity	3.5	4.7	4.4
Germany	Share of quantity	3.0	2.8	3.4
Korea, South	Share of quantity	2.3	2.4	3.0
Netherlands	Share of quantity	2.5	2.6	2.9
Hong Kong	Share of quantity	3.9	3.6	2.8
All other destination markets	Share of quantity	39.4	38.6	41.8
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4819.30 and 4819.40 as reported by China Customs in the Global Trade Atlas Suite database, accessed June 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

## The industry in Colombia

The Commission issued foreign producers' or exporters' questionnaires to three firms believed to produce and/or export PSBs from Colombia.<sup>5</sup> Usable responses to the Commission's questionnaire were received from two firms: Ditar S.A. ("Ditar"), and Fabrica DE Bolsas De Papel Unibol S.A.S ("Unibol"). These firms' exports to the United States accounted for approximately \*\*\* percent of U.S. imports of PSBs from Colombia in 2022. According to estimates requested

<sup>5</sup> These firms were identified through a review of information submitted in the petition and presented in third-party sources.

of the responding producers in Colombia, their production of PSBs in Colombia reported in questionnaires accounts for approximately \*\*\* percent of overall production of PSBs in Colombia. Table VII-13 presents information on the PSBs operations of the responding producers and exporters in Colombia.

**Table VII-13**  
**PSBs: Summary data for producers in Colombia, 2022**

Quantity in 1,000 pounds; share in percent

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Ditar	***	***	***	***	***	***
Unibol	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".\*\*\*

## Changes in operations

Producers in Colombia were asked to report any change in the character of their operations or organization relating to the production of PSBs since 2020. Both producers indicated in their questionnaires that they had experienced such changes. Table VII-14 presents the changes identified by these producers.

**Table VII-14**  
**PSBs: Reported changes in operations in Colombia since January 1, 2020, by firm**

Item	Firm name and accompanying narrative response
Production curtailments	***
Expansions	***
Acquisitions	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Operations on PSBs

Table VII-15 presents data on Colombia producers' installed capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment.

**Table VII-15**  
**PSBs: Colombia producers' installed and practical capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical PSBs	Capacity	***	***	***	***	***
Practical PSBs	Production	***	***	***	***	***
Practical PSBs	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-16 presents Colombia producers' reported capacity constraints since January 1, 2020.

**Table VII-16**  
**PSBs: Colombia producers' reported capacity constraints since January 1, 2020**

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Supply of material inputs	***
Storage capacity	***
Logistics/transportation	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-17 presents information on the PSBs operations of the responding producers and exporters in Colombia. During 2020-22, the Colombian producers' capacity increased by \*\*\* percent, and was higher by \*\*\* percent during interim 2023 than during interim 2022. During 2020-22, the Colombian producers' production increased by \*\*\* percent, but was lower by \*\*\* percent in interim 2023 than in interim 2022. The Colombian producers' capacity utilization fluctuated year to year, increasing \*\*\* percentage points from 2020 to 2021, then decreased by \*\*\* percentage points from 2021 to 2022, for an overall decrease of \*\*\* percentage points between 2020 and 2022. Capacity utilization of PSBs was lower by \*\*\* percentage points in interim 2023 than in interim 2022. During 2020-22, the Colombian producers' end-of-period inventories decreased by \*\*\* percent, and were lower by \*\*\* percent during interim 2023 than during interim 2022.

Colombian producers' internal consumption of PSBs was less than \*\*\* percent. \*\*\*. During 2020-22, the Colombian producers' home market shipments increased by \*\*\* percent, but was lower by \*\*\* percent during interim 2023 than during interim 2022. Commercial shipments accounted for \*\*\* home market shipments during 2020-22 and in interim 2022 and interim 2023.

During 2020-22, the Colombian producers' exports to the United States increased by \*\*\* percent, but were lower by \*\*\* percent during interim 2023 than during interim 2022. The Colombian producers' exports to all other markets fluctuated year to year, decreased by \*\*\* percent from 2020 to 2021, then increased by \*\*\* percent from 2021 to 2022, overall exports to all other markets increased \*\*\* percent in 2022 over 2020. Exports to all other markets of PSB were lower by \*\*\* percent in interim 2023 than in interim 2022. Exports of PSBs to all other markets were \*\*\* relative to exports to the U.S.

Colombian producers' 2023 and 2024 capacity is projected to increase while production is projected to decrease. The Colombian producers' exports to all other markets and exports to the United States are projected to both increase, respectively, compared to 2022.

**Table VII-17**  
**PSBs: Data on industry in Colombia, by period**

Quantity in 1,000 pounds

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***	***	***
Total exports to the United States	***	***	***	***	***	***	***

Table continued.

**Table VII-17 Continued**  
**PSBs: Data on industry in Colombia, by period**

Ratio and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***
Total exports to United States by producers share	***	***	***	***	***	***	***
Total exports to United States by resellers share	***	***	***	***	***	***	***
Total exports to the United States adjusted share of total shipments	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

### Alternative products

Colombian producers \*\*\* on the same equipment and machinery used to produce PSBs.



## Exports

According to GTA, the leading export markets for paper sacks and bags from Colombia are the United States and Canada (table VII-18). During 2022, the United States was the top export market for paper sacks and bags from Colombia, accounting for 68.3 percent, followed by Canada, accounting for 7.3 percent.

**Table VII-18**  
**Paper sacks and bags: Exports from Colombia, by period**

Quantity in 1,000 pounds; value in 1,000 dollars

Destination market	Measure	2020	2021	2022
United States	Quantity	9,599	21,218	24,584
Canada	Quantity	1,008	2,093	2,626
Honduras	Quantity	0	282	2,335
Peru	Quantity	110	1,312	2,063
Panama	Quantity	844	970	1,383
Costa Rica	Quantity	775	329	998
Ecuador	Quantity	131	179	455
Jamaica	Quantity	228	243	322
Chile	Quantity	634	870	321
All other destination markets	Quantity	632	1,568	928
All destination markets	Quantity	13,961	29,064	36,016
United States	Value	5,746	14,713	21,169
Canada	Value	537	1,139	1,612
Honduras	Value	0	179	1,568
Peru	Value	238	797	1,472
Panama	Value	841	893	1,794
Costa Rica	Value	572	253	748
Ecuador	Value	201	209	502
Jamaica	Value	171	157	242
Chile	Value	1,023	1,118	257
All other destination markets	Value	776	1,382	1,163
All destination markets	Value	10,105	20,839	30,526

Table continued.

**Table VII-18 Continued**  
**Paper sacks and bags: Exports from Colombia, by period**

Unit value in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	0.60	0.69	0.86
Canada	Unit value	0.53	0.54	0.61
Honduras	Unit value	0.28	0.64	0.67
Peru	Unit value	2.17	0.61	0.71
Panama	Unit value	1.00	0.92	1.30
Costa Rica	Unit value	0.74	0.77	0.75
Ecuador	Unit value	1.54	1.16	1.10
Jamaica	Unit value	0.75	0.64	0.75
Chile	Unit value	1.61	1.28	0.80
All other destination markets	Unit value	1.23	0.88	1.25
All destination markets	Unit value	0.72	0.72	0.85
United States	Share of quantity	68.8	73.0	68.3
Canada	Share of quantity	7.2	7.2	7.3
Honduras	Share of quantity	0.0	1.0	6.5
Peru	Share of quantity	0.8	4.5	5.7
Panama	Share of quantity	6.0	3.3	3.8
Costa Rica	Share of quantity	5.5	1.1	2.8
Ecuador	Share of quantity	0.9	0.6	1.3
Jamaica	Share of quantity	1.6	0.8	0.9
Chile	Share of quantity	4.5	3.0	0.9
All other destination markets	Share of quantity	4.5	5.4	2.6
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4819.30 and 4819.40 as reported by Direccion de Impuestos y Aduanas Nacionales de Colombia – DIAN in the Global Trade Atlas Suite database, accessed June 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

## The industry in India

The Commission issued foreign producers' or exporters' questionnaires to 17 firms believed to produce and/or export PSBs from India.<sup>6</sup> Usable responses to the Commission's questionnaire were received from seven firms: Aero Plast Limited ("Aero Plast"), Amate Products Pvt Ltd ("Amate"), Kuloday Plastomers Private Limited ("Kuloday Plastomers"), Max Packaging, Pack Planet Private Limited ("Pack Planet"), Tejaswi Plastic PVT LTD ("Tejaswi"), and The Velvin group (Velvin Paper Products and DBA Velvin Packaging Solutions Private limited) ("Velvin"). These firms' exports to the United States accounted for approximately \*\*\* percent of U.S. imports of PSBs from India in 2022. Responding producers' production accounts for approximately \*\*\* of overall production of PSBs in India in 2022. Table VII-19 presents information on the PSBs operations of the responding producers and exporters in India.

**Table VII-19**  
**PSBs: Summary data for producers in India, 2022**

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Aero Plast	***	***	***	***	***	***
Amate	***	***	***	***	***	***
Kuloday Plastomers	***	***	***	***	***	***
Max Packaging	***	***	***	***	***	***
Pack Planet	***	***	***	***	***	***
Tejaswi	***	***	***	***	***	***
Velvin	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

<sup>6</sup> These firms were identified through a review of information submitted in the petition and presented in third-party sources.

## Changes in operations

Producers in India were asked to report any change in the character of their operations or organization relating to the production of PSBs since 2020. All producers indicated in their questionnaires that they had experienced such changes. Table VII-20 presents the changes identified by these producers.

**Table VII-20**  
**PSBs: Reported changes in operations in India since January 1, 2020, by firm**

Item	Firm name and accompanying narrative response
Plant openings	***
Plant openings	***
Plant openings	***
Plant openings	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Production curtailments	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Operations on PSBs

Table VII-21 presents data on Indian producers' installed capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment.

**Table VII-21**

**PSBs: Indian producers' installed and practical capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical PSBs	Capacity	***	***	***	***	***
Practical PSBs	Production	***	***	***	***	***
Practical PSBs	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-22 presents Indian producers' reported capacity constraints since January 1, 2020.

**Table VII-22**

**PSBs: Indian producers' reported capacity constraints since January 1, 2020**

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Fuel or energy	***
Logistics/transportation	***
Other constraints	***
Other constraints	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-23 presents information on the PSBs operations of the responding producers and exporters in India. During 2020-22, the Indian producers' capacity increased by \*\*\* percent, and was higher by \*\*\* percent during interim 2023 than during interim 2022. During 2020-22, the Indian producers' production increased by \*\*\* percent, but was lower by \*\*\* percent during interim 2023 than during interim 2022. Indian producers' capacity utilization of PSBs fluctuated year to year, increased by \*\*\* percentage points from 2020 to 2021, then decreased by \*\*\* percentage points from 2021 to 2022, overall capacity utilization decreased \*\*\* percentage points from 2020 to 2022. Capacity utilization for PSBs was lower by \*\*\* percentage points in interim 2023 than in interim 2022. During 2020-22,

the Indian producers' end-of-period inventories increased by \*\*\* percent, and were higher by \*\*\* percent during interim 2023 than during interim 2022.

Indian producers' reported \*\*\* of PSBs. During 2020-22, the Indian producers' home market shipments increased by \*\*\* percent, and were higher by \*\*\* percent in interim 2023 than in interim 2022.

During 2020-22, the Indian producers' exports to the United States increased by \*\*\* percent, but were lower by \*\*\* percent in interim 2023 than in interim 2022. The Indian producers' exports to all other markets fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, for an increase of \*\*\* percent from 2020 to 2022. Exports to all other markets of PSBs were lower by \*\*\* percent in interim 2023 than in interim 2022.

Indian producers' 2023 and 2024 capacity is projected to increase while production is projected to remain below 2022 levels. The Indian producers' exports to all other markets are projected to increase while exports to the United States are projected to decrease compared to 2022.

**Table VII-23**  
**PSBs: Data on industry in India, by period**

Quantity in 1,000 pounds

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

**Table VII-23 Continued**  
**PSBs: Data on industry in India, by period**

Ratio and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "--".



## Alternative products

As shown in table VII-24, PSBs accounted for the majority of total production on shared equipment during 2020-22 and in interim periods. \*\*\*. Paper grocery bags were produced by \*\*\*.

**Table VII-24**

**PSBs: Producers' in India overall capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds; share in percent

Product type	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
PSBs	Quantity	***	***	***	***	***
Paper grocery bags	Quantity	***	***	***	***	***
Small die cut handle bags	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
All out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
PSBs	Share	***	***	***	***	***
Paper grocery bags	Share	***	***	***	***	***
Small die cut handle bags	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
All out-of-scope products	Share	***	***	***	***	***
All products	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

## Exports

According to GTA, the leading export markets for paper sacks and bags from India are the United States and United Kingdom (table VII-25). During 2022, the United States was the top export market for paper sacks and bags from India, accounting for 64.1 percent, followed by the United Kingdom, accounting for 13.8 percent.

**Table VII-25**  
**Paper sacks and bags: Exports from India, by period**

Quantity in 1,000 pounds; value in 1,000 dollars

Destination market	Measure	2020	2021	2022
United States	Quantity	13,115	48,893	65,884
United Kingdom	Quantity	5,398	13,570	14,197
United Arab Emirates	Quantity	2,255	4,044	5,935
Canada	Quantity	440	2,964	4,041
Australia	Quantity	1,504	4,904	2,932
Ireland	Quantity	522	1,826	2,109
Kuwait	Quantity	144	665	1,307
Saudi Arabia	Quantity	347	502	810
Oman	Quantity	235	718	707
All other destination markets	Quantity	2,148	4,144	4,790
All destination markets	Quantity	26,108	82,230	102,711
United States	Value	12,275	38,488	54,756
United Kingdom	Value	4,879	10,168	11,299
United Arab Emirates	Value	2,017	3,798	5,686
Canada	Value	644	2,524	3,383
Australia	Value	1,518	4,388	3,218
Ireland	Value	450	1,365	1,482
Kuwait	Value	150	543	1,145
Saudi Arabia	Value	323	465	777
Oman	Value	242	628	660
All other destination markets	Value	2,348	4,329	5,354
All destination markets	Value	24,847	66,697	87,762

Table continued.

**Table VII-25 Continued**  
**Paper sacks and bags: Exports from India, by period**

Unit value in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	0.94	0.79	0.83
United Kingdom	Unit value	0.90	0.75	0.80
United Arab Emirates	Unit value	0.89	0.94	0.96
Canada	Unit value	1.46	0.85	0.84
Australia	Unit value	1.01	0.89	1.10
Ireland	Unit value	0.86	0.75	0.70
Kuwait	Unit value	1.04	0.82	0.88
Saudi Arabia	Unit value	0.93	0.93	0.96
Oman	Unit value	1.03	0.88	0.93
All other destination markets	Unit value	1.09	1.04	1.12
All destination markets	Unit value	0.95	0.81	0.85
United States	Share of quantity	50.2	59.5	64.1
United Kingdom	Share of quantity	20.7	16.5	13.8
United Arab Emirates	Share of quantity	8.6	4.9	5.8
Canada	Share of quantity	1.7	3.6	3.9
Australia	Share of quantity	5.8	6.0	2.9
Ireland	Share of quantity	2.0	2.2	2.1
Kuwait	Share of quantity	0.6	0.8	1.3
Saudi Arabia	Share of quantity	1.3	0.6	0.8
Oman	Share of quantity	0.9	0.9	0.7
All other destination markets	Share of quantity	8.2	5.0	4.7
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4819.30 and 4819.40 as reported by Ministry of Commerce in the Global Trade Atlas Suite database, accessed June 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

## The industry in Malaysia

The Commission issued foreign producers' or exporters' questionnaires to three firms believed to produce and/or export PSBs from Malaysia.<sup>7</sup> Usable responses to the Commission's questionnaire were received from two firms: Hexachase Packaging Sdn Bhd ("Hexachase"), and Nanwang Pack (M) SDN BHD ("Nanawang"). These firms' exports to the United States accounted for approximately \*\*\* percent of U.S. imports of PSBs from Malaysia in 2022. These firms estimate their production accounts for approximately \*\*\* percent of overall production of PSBs in Malaysia in 2022. Table VII-26 presents information on the PSBs operations of the responding producers and exporters in Malaysia.

**Table VII-26**  
**PSBs: Summary data for producers in Malaysia, 2022**

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Hexachase	***	***	***	***	***	***
Nanwang	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "--".

## Changes in operations

Producers in Malaysia were asked to report any change in the character of their operations or organization relating to the production of PSBs since 2020. Both producers indicated in their questionnaires that they had experienced such changes. Table VII-27 presents the changes identified by these producers.

<sup>7</sup> These firms were identified through a review of information submitted in the petition and presented in third-party sources.

**Table VII-27****PSBs: Reported changes in operations in Malaysia since January 1, 2020, by firm**

Item	Firm name and accompanying narrative response
Plant openings	***
Production curtailments	***
Expansions	***
Expansions	***
Weather-related or force majeure events	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

**Operations on PSBs**

Table VII-28 presents data on Malaysia producers' installed capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment.

**Table VII-28****PSBs: Malaysian producers' installed and practical capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical PSBs	Capacity	***	***	***	***	***
Practical PSBs	Production	***	***	***	***	***
Practical PSBs	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-29 presents Malaysian producers' reported capacity constraints since January 1, 2020.

**Table VII-29**  
**PSBs: Malaysian producers' reported capacity constraints since January 1, 2020**

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Existing labor force	***
Supply of material inputs	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-30 presents information on the PSBs operations of the responding producers and exporters in Malaysia. During 2020-22, the Malaysian producers' capacity increased by \*\*\* percent, and was higher by \*\*\* percent during interim 2023 than during interim 2022. The Malaysian producers' production of PSBs fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, for an overall increase of \*\*\* percent during 2020-22. Production of PSBs was lower by \*\*\* percent in interim 2023 than in interim 2022. The Malaysian producers' capacity utilization for PSBs fluctuated year to year, increasing by \*\*\* percentage points from 2020 to 2021, then decreasing by \*\*\* percentage points from 2021 to 2022. Capacity utilization decreased by \*\*\* percentage points between 2020 and 2022. Capacity utilization for PSBs was lower by \*\*\* percentage points in interim 2023 than in interim 2022. During 2020-22, the Malaysian producers' end-of-period inventories increased by \*\*\* percent, but were lower by \*\*\* percent during interim 2023 than during interim 2022.

Malaysian producers reported \*\*\* internal consumption of PSBs. During 2020-22, the Malaysian producers' home market shipments increased by \*\*\* percent, and were higher by \*\*\* percent in interim 2023 than in interim 2022.

The Malaysian producers' exports to the United States fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022 for an overall increase of \*\*\* during 2020-2022. Exports to the United States of PSBs were lower by \*\*\* percent in interim 2023 than in interim 2022. During 2020-22, the Malaysian producers' exports to all other markets increased by \*\*\* percent, and were higher by \*\*\* percent during interim 2023 than during interim 2022.

Malaysian producers' 2023 and 2024 capacity and production are projected to increase relative to 2022. The Malaysian producers' exports to all other markets and exports to the United States are projected to both increase, respectively, compared to 2022.

**Table VII-30**  
**PSBs: Data on industry in Malaysia, by period**

Quantity in 1,000 pounds

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

**Table VII-30 Continued**  
**PSBs: Data on industry in Malaysia, by period**

Share and ratio in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "--".

### Alternative products

As shown in table VII-31, PSBs accounted for the \*\*\* of total production on shared equipment during 2020-22 and in interim periods. \*\*\*.



**Table VII-31****PSBs: Producers' in Malaysia overall capacity and production on the same equipment as subject production, by period**

Quantity in 1,000; share in percent

Product type	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
PSBs	Quantity	***	***	***	***	***
Paper grocery bags	Quantity	***	***	***	***	***
Small die cut handle bags	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
All out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
PSBs	Share	***	***	***	***	***
Paper grocery bags	Share	***	***	***	***	***
Small die cut handle bags	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
All out-of-scope products	Share	***	***	***	***	***
All products	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "--".

**Exports**

According to GTA, the leading export markets for paper sacks and bags from Malaysia are Singapore, Indonesia, and the United States (table VII-32). During 2022, Singapore was the top export market for paper sacks and bags from Malaysia, accounting for 21.9 percent, followed by Indonesia, accounting for 21.3 percent, followed by the United States, accounting for 19.0 percent.

**Table VII-32**  
**Paper sacks and bags: Exports from Malaysia, by period**

Quantity in 1,000 pounds; value in 1,000 dollars

<b>Destination market</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Quantity	5,512	16,811	12,447
Singapore	Quantity	13,393	15,247	14,333
Indonesia	Quantity	7,554	8,169	13,956
Australia	Quantity	3,385	5,430	6,914
Thailand	Quantity	6,355	7,410	6,566
Philippines	Quantity	2,437	3,336	2,927
New Zealand	Quantity	1,287	2,387	2,118
Taiwan	Quantity	1,684	2,641	1,134
Vietnam	Quantity	311	475	944
All other destination markets	Quantity	4,199	4,733	4,098
All destination markets	Quantity	46,115	66,641	65,436
United States	Value	4,302	11,546	10,468
Singapore	Value	13,420	14,238	13,765
Indonesia	Value	5,264	6,149	13,620
Australia	Value	2,864	4,927	6,471
Thailand	Value	5,336	7,393	7,490
Philippines	Value	2,247	3,195	3,285
New Zealand	Value	1,004	2,413	2,814
Taiwan	Value	1,106	1,877	1,021
Vietnam	Value	913	818	1,070
All other destination markets	Value	3,601	3,953	4,549
All destination markets	Value	40,057	56,509	64,554

Table continued.

**Table VII-32 Continued**  
**Paper sacks and bags: Exports from Malaysia, by period**

Unit value in dollars per pound; shares in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	0.78	0.69	0.84
Singapore	Unit value	1.00	0.93	0.96
Indonesia	Unit value	0.70	0.75	0.98
Australia	Unit value	0.85	0.91	0.94
Thailand	Unit value	0.84	1.00	1.14
Philippines	Unit value	0.92	0.96	1.12
New Zealand	Unit value	0.78	1.01	1.33
Taiwan	Unit value	0.66	0.71	0.90
Vietnam	Unit value	2.94	1.72	1.13
All other destination markets	Unit value	0.86	0.84	1.11
All destination markets	Unit value	0.87	0.85	0.99
United States	Share of quantity	12.0	25.2	19.0
Singapore	Share of quantity	29.0	22.9	21.9
Indonesia	Share of quantity	16.4	12.3	21.3
Australia	Share of quantity	7.3	8.1	10.6
Thailand	Share of quantity	13.8	11.1	10.0
Philippines	Share of quantity	5.3	5.0	4.5
New Zealand	Share of quantity	2.8	3.6	3.2
Taiwan	Share of quantity	3.7	4.0	1.7
Vietnam	Share of quantity	0.7	0.7	1.4
All other destination markets	Share of quantity	9.1	7.1	6.3
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4819.30 and 4819.40 as reported by Department of Statistics Malaysia in the Global Trade Atlas Suite database, accessed June 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

## The industry in Portugal

The Commission issued foreign producers' or exporters' questionnaires to two firms believed to produce and/or export PSBs from Portugal.<sup>8</sup> A usable response to the Commission's questionnaire was received from Finieco Industria e Comercio de Embalagem SA ("Finieco"). This firm's exports to the United States accounted for approximately \*\*\* percent of U.S. imports of PSBs from Portugal in 2022. Finieco estimates its production of PSBs accounts for approximately \*\*\* percent of overall production in Portugal in 2022. Table VII-33 presents information on Finieco's operations in Portugal.

**Table VII-33**  
**PSBs: Summary data for Portuguese producer Finieco, 2022**

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Finieco	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

## Changes in operations

Finieco was asked to report any change in the character of their operations or organization relating to the production of PSBs since 2020. Table VII-34 presents the changes in operations identified by Finieco.

---

<sup>8</sup> These firms were identified through a review of information submitted in the petition and presented in third-party sources.

**Table VII-34****PSBs: Reported changes in operations by Portuguese producer Finieco since January 1, 2020**

Item	Firm name and accompanying narrative response
Production curtailments	***
Expansions	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Operations on PSBs

Table VII-35 presents Finieco's installed capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment.

**Table VII-35****PSBs: Portuguese producer Finieco's installed and practical capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical PSBs	Capacity	***	***	***	***	***
Practical PSBs	Production	***	***	***	***	***
Practical PSBs	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-36 presents Finieco's reported capacity constraints since January 1, 2020.

**Table VII-36**

**PSBs: Portuguese producer Finieco's reported capacity constraints since January 1, 2020**

<b>Item</b>	<b>Firm name and narrative response on constraints to practical overall capacity</b>
Production bottlenecks	***
Existing labor force	***
Supply of material inputs	***
Fuel or energy	***
Storage capacity	***
Logistics/transportation	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-37 presents data on Finieco on the PSBs operations in Portugal. Finieco's capacity to produce PSBs fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, for an overall increase by \*\*\* percent from 2020 to 2022. Capacity of PSBs was higher by \*\*\* percent in interim 2023 than in interim 2022. Finieco's production of PSBs fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, and overall production increased \*\*\* percent during 2020-2022. Production of PSBs was lower by \*\*\* percent in interim 2023 than in interim 2022. Finieco's capacity utilization of PSBs fluctuated year to year, increasing by \*\*\* percentage points from 2020 to 2021, then decreasing by \*\*\* percentage points from 2021 to 2022, for an overall increase of \*\*\* percentage points from 2020 to 2022. Capacity utilization of PSBs was lower by \*\*\* percentage points in interim 2023 than in interim 2022. Finieco's end-of-period inventories fluctuated year to year, decreasing by \*\*\* percent from 2020 to 2021, then increasing by \*\*\* percent from 2021 to 2022, and increasing by \*\*\* percent 2020-22. End-of period inventories PSBs were higher by \*\*\* percent in interim 2023 than in interim 2022.

Finieco reported \*\*\* internal consumption of PSBs. Finieco's home market shipments fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreased by \*\*\* percent from 2021 to 2022. Overall home market shipments were \*\*\* percent lower in 2022 than in 2020. Home market shipments of PSBs were lower by \*\*\* percent in interim 2023 than in interim 2022.

Finieco's exports to the United States fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, for an overall increase of \*\*\* percent from 2020 to 2022. Exports to the United States of PSB were lower by \*\*\* percent in interim 2023 than in interim 2022. Finieco's exports to all other markets fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, and overall exports increased \*\*\* percent from 2020 to 2022. Exports to all other of PSB were lower by \*\*\* percent in interim 2023 than in interim 2022.

Finieco's 2023 and 2024 capacity is projected to increase then decrease, while production is projected to decrease and then increase, with both remaining below 2022 levels. Finieco's exports to all other markets and exports to the United States are projected to both decrease, respectively, compared to 2022.

**Table VII-37**  
**PSBs: Data on Portuguese producer Finieco's operations, by period**

Quantity in 1,000 pounds

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.



**Table VII-37 Continued**  
**PSBs: Data on Portuguese producer Finieco's operations, by period**

Ratio and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

### Alternative products

Finieco did not report production on other products on the same equipment used to produce PSBs.

## Exports

According to GTA, the leading export markets for paper sacks and bags from Portugal are Spain, France, and the United States (table VII-38). During 2022, Spain was the top export market for paper sacks and bags from Portugal, accounting for 36.8 percent, followed by France, accounting for 18.0 percent, followed by the United States account for 10.2 percent.

**Table VII-38**  
**Paper sacks and bags: Exports from Portugal, by period**

Quantity in 1,000 pounds; value in 1,000 dollars

Destination market	Measure	2020	2021	2022
United States	Quantity	9,762	14,606	11,362
Spain	Quantity	26,300	36,833	40,817
France	Quantity	17,471	18,689	19,951
Poland	Quantity	2,082	7,091	7,706
Germany	Quantity	2,403	3,331	4,807
United Kingdom	Quantity	1,836	3,262	4,271
Belgium	Quantity	2,963	3,283	4,043
Angola	Quantity	2,434	2,298	3,217
Netherlands	Quantity	2,035	1,365	2,652
All other destination markets	Quantity	5,783	10,608	12,169
All destination markets	Quantity	73,069	101,364	110,996
United States	Value	9,530	15,845	17,604
Spain	Value	24,674	39,503	44,617
France	Value	17,026	18,402	22,428
Poland	Value	1,725	4,183	6,417
Germany	Value	3,640	5,112	6,666
United Kingdom	Value	2,734	3,123	5,222
Belgium	Value	2,451	2,943	4,421
Angola	Value	2,997	2,727	4,646
Netherlands	Value	2,907	2,193	3,759
All other destination markets	Value	6,926	11,892	14,760
All destination markets	Value	74,610	105,925	130,540

Table continued

**Table VII-38 Continued**  
**Paper sacks and bags: Exports from Portugal, by period**

Unit value in dollars per pound; share in percent

<b>Destination market</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Unit value	0.98	1.08	1.55
Spain	Unit value	0.94	1.07	1.09
France	Unit value	0.97	0.98	1.12
Poland	Unit value	0.83	0.59	0.83
Germany	Unit value	1.51	1.53	1.39
United Kingdom	Unit value	1.49	0.96	1.22
Belgium	Unit value	0.83	0.90	1.09
Angola	Unit value	1.23	1.19	1.44
Netherlands	Unit value	1.43	1.61	1.42
All other destination markets	Unit value	1.20	1.12	1.21
All destination markets	Unit value	1.02	1.04	1.18
United States	Share of quantity	13.4	14.4	10.2
Spain	Share of quantity	36.0	36.3	36.8
France	Share of quantity	23.9	18.4	18.0
Poland	Share of quantity	2.8	7.0	6.9
Germany	Share of quantity	3.3	3.3	4.3
United Kingdom	Share of quantity	2.5	3.2	3.8
Belgium	Share of quantity	4.1	3.2	3.6
Angola	Share of quantity	3.3	2.3	2.9
Netherlands	Share of quantity	2.8	1.3	2.4
All other destination markets	Share of quantity	7.9	10.5	11.0
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4819.30 and 4819.40 as reported by Eurostat in the Global Trade Atlas Suite database, accessed June 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

## **The industry in Taiwan**

The Commission issued foreign producers' or exporters' questionnaires to three firms believed to produce and/or export PSBs from Taiwan.<sup>9</sup> No firm responded to the Commission's questionnaires.

### **Exports**

According to GTA, the leading export markets for paper sacks and bags from Taiwan are the United States and Vietnam (table VII-39). During 2022, the United States was the top export market for paper sacks and bags from Taiwan, accounting for 68.8 percent, followed by Vietnam, accounting for 8.8 percent.

---

<sup>9</sup> These firms were identified through a review of information submitted in the petition and presented in third-party sources.

**Table VII-39**  
**Paper sacks and bags: Exports from Taiwan, by period**

Quantity in 1,000 pounds; value in 1,000 dollars

<b>Destination market</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Quantity	13,538	24,436	23,761
Vietnam	Quantity	2,984	4,222	3,036
Hong Kong	Quantity	2,044	1,880	1,587
New Zealand	Quantity	1,036	1,142	1,122
Japan	Quantity	1,261	1,342	955
Singapore	Quantity	975	966	737
Thailand	Quantity	622	850	545
China	Quantity	1,252	609	525
Australia	Quantity	469	468	442
All other destination markets	Quantity	4,329	2,716	1,839
All destination markets	Quantity	28,510	38,630	34,549
United States	Value	18,745	30,459	30,354
Vietnam	Value	1,781	3,340	2,264
Hong Kong	Value	3,159	2,979	2,459
New Zealand	Value	1,067	1,155	1,206
Japan	Value	2,138	1,880	1,491
Singapore	Value	1,358	1,441	1,188
Thailand	Value	383	610	356
China	Value	963	674	384
Australia	Value	999	957	1,428
All other destination markets	Value	5,826	4,599	3,240
All destination markets	Value	36,418	48,094	44,369

Table continued.

**Table VII-39 Continued**  
**Paper sacks and bags: Exports from Taiwan, by period**

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per 1,000 pounds; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	1.38	1.25	1.28
Vietnam	Unit value	0.60	0.79	0.75
Hong Kong	Unit value	1.54	1.58	1.55
New Zealand	Unit value	1.03	1.01	1.08
Japan	Unit value	1.70	1.40	1.56
Singapore	Unit value	1.39	1.49	1.61
Thailand	Unit value	0.62	0.72	0.65
China	Unit value	0.77	1.11	0.73
Australia	Unit value	2.13	2.04	3.23
All other destination markets	Unit value	1.35	1.69	1.76
All destination markets	Unit value	1.28	1.24	1.28
United States	Share of quantity	47.5	63.3	68.8
Vietnam	Share of quantity	10.5	10.9	8.8
Hong Kong	Share of quantity	7.2	4.9	4.6
New Zealand	Share of quantity	3.6	3.0	3.2
Japan	Share of quantity	4.4	3.5	2.8
Singapore	Share of quantity	3.4	2.5	2.1
Thailand	Share of quantity	2.2	2.2	1.6
China	Share of quantity	4.4	1.6	1.5
Australia	Share of quantity	1.6	1.2	1.3
All other destination markets	Share of quantity	15.2	7.0	5.3
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4819.30 and 481940 as reported by Taiwan Directorate General of Customs in the Global Trade Atlas Suite database, accessed June 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

## The industry in Turkey

The Commission issued foreign producers' or exporters' questionnaires to 20 firms believed to produce and/or export PSBs from Turkey.<sup>10</sup> Usable responses to the Commission's questionnaire were received from two firms: Kahramanmaraş Kagit Sanayi Ve Ticaret Anonim Sirketi ("KMK Paper"), and Oztas Ambalaj San. ve Tic. A.S. ("Oztas Ambalaj"). These firms' exports to the United States accounted for approximately \*\*\* of U.S. imports of PSBs from Turkey in 2022. Responding firms estimate their production accounts for approximately \*\*\* of overall production of PSBs in Turkey in 2022. Table VII-40 presents information on the PSBs operations of the responding producers and exporters in Turkey. Table VII-41 presents summary data for resellers in Turkey during 2022.

**Table VII-40**  
**PSBs: Summary data for producers in Turkey, 2022**

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
KMK Paper	***	***	***	***	***	***
Oztas Ambalaj	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

<sup>10</sup> These firms were identified through a review of information submitted in the petition and presented in third-party sources.

**Table VII-41**  
**PSBs: Summary data for resellers in Turkey, 2022**

Firm	Resales exported to the United States (1,000 pounds)	Share of resales exported to the United States (percent)
Jefira	***	***
All firms	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

## Changes in operations

Producers in Turkey were asked to report any change in the character of their operations or organization relating to the production of PSBs since 2020. Both producers indicated in their questionnaires that they had experienced such changes. Table VII-42 presents the changes identified by these producers.



**Table VII-42**

**PSBs: Reported changes in operations in Turkey since January 1, 2020, by firm**

<b>Item</b>	<b>Firm name and accompanying narrative response</b>
Plant openings	***
Prolonged shutdowns	***
Relocations	***
Relocations	***
Expansions	***
Weather-related or force majeure events	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

### **Operations on PSBs**

Table VII-43 presents data on Turkey producers' installed capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment.

**Table VII-43****PSBs: Turkish producers' installed and practical capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds; ratio and share in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical PSBs	Capacity	***	***	***	***	***
Practical PSBs	Production	***	***	***	***	***
Practical PSBs	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-44 presents Turkey producers' reported capacity constraints since January 1, 2020.

**Table VII-44**  
**PSBs: Turkish producers' reported capacity constraints since January 1, 2020**

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Fuel or energy	***
Storage capacity	***
Storage capacity	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-45 presents information on the PSBs operations of the responding producers and exporters in Turkey. During 2020-22, the Turkish producers' capacity increased by \*\*\* percent, and was higher by \*\*\* percent during interim 2023 than during interim 2022. During 2020-22, the Turkish producers' production increased by \*\*\* percent, and was higher by \*\*\* percent during interim 2023 than during interim 2022. During 2020-22, the Turkish capacity utilization decreased by \*\*\* percentage points, and was lower by \*\*\* percentage points during interim 2023 than during interim 2022. During 2020-22, the Turkish producers' end-of-period inventories increased by \*\*\* percent, and were higher by \*\*\* percent during interim 2023 than during interim 2022.

The Turkish producers' internal consumption fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, for an

increase of \*\*\* percent 2020-22. Internal consumption of PSBs was lower by \*\*\* percent in interim 2023 than in interim 2022. The Turkish producers' home market shipments fluctuated year to year, decreased by \*\*\* percent from 2020 to 2021, then increased by \*\*\* percent from 2021 to 2022, with an overall increase of \*\*\* percent during 2020-22. Home market shipments of PSBs were higher by \*\*\* percent in interim 2023 than in interim 2022.

During 2020-22, the Turkish producers' exports to the United States decreased by \*\*\* percent, and were lower by \*\*\* percent during interim 2023 than during interim 2022. During 2020-22, the Turkish producers' exports to all other markets increased by \*\*\* percent, and were higher by \*\*\* percent during interim 2023 than during interim 2022.

Turkish producers' 2023 and 2024 capacity and production are projected to increase. The Turkish producers' exports to all other markets are projected to increase while exports to the United States are projected to decrease, compared to 2022.

**Table VII-45**  
**PSBs: Data on industry in Turkey, by period**

Quantity in 1,000 pounds; ratio and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***	***	***
Total exports to the United States	***	***	***	***	***	***	***

Table continued.

**Table VII-45 Continued**  
**PSBs: Data on industry in Turkey, by period**

Ratio and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***
Total exports to United States by producers share	***	***	***	***	***	***	***
Total exports to United States by resellers share	***	***	***	***	***	***	***
Total exports to the United States adjusted share of total shipments	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

### Alternative products

As shown in table VII-46, PSBs accounted for the \*\*\* of total production on shared equipment during 2020-22 and in interim periods. Out of scope products accounted for between \*\*\* percent and \*\*\* percent of production on the same equipment. \*\*\*.

**Table VII-46****PSBs: Producers' in Turkey overall capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds; share in percent

Product type	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
PSBs	Quantity	***	***	***	***	***
Paper grocery bags	Quantity	***	***	***	***	***
Small die cut handle bags	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
All out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
PSBs	Share	***	***	***	***	***
Paper grocery bags	Share	***	***	***	***	***
Small die cut handle bags	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
All out-of-scope products	Share	***	***	***	***	***
All products	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

**Exports**

According to GTA, the leading export markets for paper sacks and bags from Turkey are France and the United States (table VII-47). During 2022, France was the top export market for paper sacks and bags from Turkey, accounting for 14.5 percent, followed by the United States, accounting for 10.9 percent.

**Table VII-47**  
**Paper sacks and bags: Exports from Turkey, by period**

Quantity in 1,000 pounds; value in 1,000 dollars

<b>Destination market</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Quantity	23,758	32,312	22,291
France	Quantity	13,860	24,908	29,674
Iraq	Quantity	10,613	11,904	18,972
United Kingdom	Quantity	7,160	12,011	18,891
Germany	Quantity	6,888	14,200	16,424
Israel	Quantity	9,705	15,645	15,284
Azerbaijan	Quantity	10,541	8,345	10,750
Georgia	Quantity	6,137	6,083	6,815
Netherlands	Quantity	2,358	3,768	5,219
All other destination markets	Quantity	43,001	50,929	61,001
All destination markets	Quantity	134,021	180,104	205,320
United States	Value	17,336	28,053	25,494
France	Value	11,913	24,233	29,528
Iraq	Value	5,650	7,210	15,003
United Kingdom	Value	7,253	14,583	23,098
Germany	Value	8,912	18,187	22,174
Israel	Value	8,447	14,617	16,757
Azerbaijan	Value	5,963	5,436	8,107
Georgia	Value	3,599	3,693	5,162
Netherlands	Value	2,538	4,833	6,336
All other destination markets	Value	34,058	47,231	65,662
All destination markets	Value	105,672	168,075	217,321

Table continued.



**Table VII-47 Continued**  
**Paper sacks and bags: Exports from Turkey, by period**

Unit value in dollars per pound; share in percent

<b>Destination market</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Unit value	0.73	0.87	1.14
France	Unit value	0.86	0.97	1.00
Iraq	Unit value	0.53	0.61	0.79
United Kingdom	Unit value	1.01	1.21	1.22
Germany	Unit value	1.29	1.28	1.35
Israel	Unit value	0.87	0.93	1.10
Azerbaijan	Unit value	0.57	0.65	0.75
Georgia	Unit value	0.59	0.61	0.76
Netherlands	Unit value	1.08	1.28	1.21
All other destination markets	Unit value	0.79	0.93	1.08
All destination markets	Unit value	0.79	0.93	1.06
United States	Share of quantity	17.7	17.9	10.9
France	Share of quantity	10.3	13.8	14.5
Iraq	Share of quantity	7.9	6.6	9.2
United Kingdom	Share of quantity	5.3	6.7	9.2
Germany	Share of quantity	5.1	7.9	8.0
Israel	Share of quantity	7.2	8.7	7.4
Azerbaijan	Share of quantity	7.9	4.6	5.2
Georgia	Share of quantity	4.6	3.4	3.3
Netherlands	Share of quantity	1.8	2.1	2.5
All other destination markets	Share of quantity	32.1	28.3	29.7
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4819.30 and 4819.40 as reported by State Institute of Statistics in the Global Trade Atlas Suite database, accessed June 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

## The industry in Vietnam

The Commission issued foreign producers' or exporters' questionnaires to 13 firms believed to produce and/or export PSBs from Vietnam.<sup>11</sup> Usable responses to the Commission's questionnaire were received from five firms: Casablanca Joint Stock Company ("Casablanca"), Blue Sea Joint Stock Company ("Blue Sea"), Goldsun Printing and Packaging ("Gold Sun"), Hi-Level Enterprise Co., Ltd. ("Hi-Level"), and Vietnam Red Star Industry Company Limited ("Red Star").<sup>12</sup> These firms' exports to the United States accounted for approximately \*\*\* of U.S. imports of PSBs from Vietnam in 2022. Responding producers estimate their production accounts for approximately \*\*\* of overall production of PSBs in Vietnam in 2022. Table VII-48 presents information on the PSBs operations of the responding producers and exporters in Vietnam.

**Table VII-48**  
**PSBs: Summary data for producers in Vietnam, 2022**

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Casablanca	***	***	***	***	***	***
Blue Sea	***	***	***	***	***	***
Goldsun	***	***	***	***	***	***
Hi-Level	***	***	***	***	***	***
Red Star	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

<sup>11</sup> These firms were identified through a review of information submitted in the petition and presented in third-party sources.

<sup>12</sup> Two questionnaires were submitted that had unusable data, and were not included.

## Changes in operations

Producers in Vietnam were asked to report any change in the character of their operations or organization relating to the production of PSBs since 2020. Four of six producers indicated in their questionnaires that they had experienced such changes. Table VII-49 presents the changes identified by these producers.

**Table VII-49**

**PSBs: Reported changes in operations in Vietnam since January 1, 2020, by firm**

Item	Firm name and accompanying narrative response
Plant openings	***
Plant openings	***
Production curtailments	***
Expansions	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Operations on PSBs

Table VII-50 presents data on Vietnamese producers' installed capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment.

**Table VII-50****PSBs: Vietnamese producers' installed and practical capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical PSBs	Capacity	***	***	***	***	***
Practical PSBs	Production	***	***	***	***	***
Practical PSBs	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-51 presents Vietnamese producers' reported capacity constraints since January 1, 2020.

**Table VII-51****PSBs: Vietnamese producers' reported capacity constraints since January 1, 2020**

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Fuel or energy	***
Logistics/transportation	***
Logistics/transportation	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-52 presents information on the PSBs operations of the responding producers and exporters in Vietnam. During 2020-22, the Vietnamese producers' capacity increased by \*\*\* percent, and was higher by \*\*\* percent during interim 2023 than during interim 2022. The Vietnamese producers' production fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, with production increasing by \*\*\* during 2020-22. Production of PSBs was lower by \*\*\* percent in interim 2023 than in interim 2022. The Vietnamese producers' capacity utilization fluctuated year to year, increased by \*\*\* percentage points from 2020 to 2021, then decreased by \*\*\* percentage points from 2021 to 2022. Capacity utilization in 2022 was \*\*\* percentage points higher than in 2020. Capacity utilization of PSBs was lower by \*\*\* percentage points in interim 2023 than in interim 2022. The Vietnamese producers' end-of-period inventories fluctuated year to year, increased by \*\*\* percent from 2020 to 2021, then decreased by \*\*\* percent from 2021 to 2022, overall end-of-period inventories increased \*\*\* percent by 2022 from 2020. End-of-period inventories of PSBs were lower by \*\*\* percent in interim 2023 than in interim 2022.

During 2021-22, the Vietnamese producers' reported internal consumption accounted for \*\*\*, \*\*\*, \*\*\*.

The Vietnamese producers' exports to the United States fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, for an increase of \*\*\* percent during 2020-22. Exports to the United States of PSBs were lower by \*\*\* percent in interim 2023 than in interim 2022. During 2020-22, the Vietnamese producers' exports to all other markets increased by \*\*\*, and were higher by \*\*\* percent during interim 2023 than during interim 2022. \*\*\*.

Vietnamese producers' 2023 and 2024 capacity is projected to be higher than in 2022 by 2024, and production for both 2023 and 2024 is projected to be higher. The Vietnamese producers' exports to all other markets and exports to the United States are projected to both increase, respectively, compared to 2022.

**Table VII-52**  
**PSBs: Data on industry in Vietnam, by period**

Quantity in 1,000 pounds

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

**Table VII-52 Continued**  
**PSBs: Data on industry in Vietnam, by period**

Ratio and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "--".

### Alternative products

As shown in table VII-53, PSBs accounted for the majority of total production on shared equipment during 2020-22 and in interim periods. \*\*\*. \*\*\*.

**Table VII-53****PSBs: Producers' in Vietnam overall capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds; share in percent

Product type	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
PSBs	Quantity	***	***	***	***	***
Paper grocery bags	Quantity	***	***	***	***	***
Small die cut handle bags	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
All out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
PSBs	Share	***	***	***	***	***
Paper grocery bags	Share	***	***	***	***	***
Small die cut handle bags	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
All out-of-scope products	Share	***	***	***	***	***
All products	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

**Exports**

According to GTA, the leading export markets for paper sacks and bags from Vietnam are the United States and Australia (table VII-54). During 2022, the United States was the top export market for paper sacks and bags from Vietnam, accounting for 56.8 percent, followed by Australia, accounting for 15.3 percent.



**Table VII-54**  
**Paper sacks and bags: Exports from Vietnam, by period**

Quantity in 1,000 pounds; value in 1,000 dollars

<b>Destination market</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Quantity	47,801	92,366	102,825
Australia	Quantity	16,833	22,116	27,634
South Korea	Quantity	6,568	10,997	12,347
Malaysia	Quantity	8,978	8,721	8,413
Norway	Quantity	7,098	4,311	4,770
Japan	Quantity	4,742	3,972	4,071
New Zealand	Quantity	2,275	2,621	3,409
Taiwan	Quantity	6,151	3,131	2,522
Indonesia	Quantity	1,620	1,776	2,454
All other destination markets	Quantity	11,595	17,587	12,453
All destination markets	Quantity	113,661	167,598	180,898
United States	Value	76,082	107,310	146,859
Australia	Value	13,475	17,754	24,028
South Korea	Value	6,562	9,261	10,579
Malaysia	Value	6,966	7,435	8,187
Norway	Value	5,072	3,812	3,750
Japan	Value	11,045	9,250	10,690
New Zealand	Value	1,771	2,233	3,026
Taiwan	Value	5,255	3,063	2,751
Indonesia	Value	1,151	1,459	2,301
All other destination markets	Value	22,055	28,411	27,104
All destination markets	Value	149,433	189,990	239,275

Table continued.

**Table VII-54 Continued**  
**Paper sacks and bags: Exports from Vietnam, by period**

Unit value in dollars per pound; share in percent

<b>Destination market</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Unit value	1.59	1.16	1.43
Australia	Unit value	0.80	0.80	0.87
South Korea	Unit value	1.00	0.84	0.86
Malaysia	Unit value	0.78	0.85	0.97
Norway	Unit value	0.71	0.88	0.79
Japan	Unit value	2.33	2.33	2.63
New Zealand	Unit value	0.78	0.85	0.89
Taiwan	Unit value	0.85	0.98	1.09
Indonesia	Unit value	0.71	0.82	0.94
All other destination markets	Unit value	1.90	1.62	2.18
All destination markets	Unit value	1.31	1.13	1.32
United States	Share of quantity	42.1	55.1	56.8
Australia	Share of quantity	14.8	13.2	15.3
South Korea	Share of quantity	5.8	6.6	6.8
Malaysia	Share of quantity	7.9	5.2	4.7
Norway	Share of quantity	6.2	2.6	2.6
Japan	Share of quantity	4.2	2.4	2.3
New Zealand	Share of quantity	2.0	1.6	1.9
Taiwan	Share of quantity	5.4	1.9	1.4
Indonesia	Share of quantity	1.4	1.1	1.4
All other destination markets	Share of quantity	10.2	10.5	6.9
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official imports statistics of imports from Vietnam (constructed export statistics for Vietnam) under HS subheading 4819.30 and 4819.40 as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed June 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

## Subject countries combined

Table VII-55 presents summary data on PSBs operations of the reporting subject producers in the subject countries. During 2020-22, subject countries producers' capacity increased by \*\*\* percent, and was higher by \*\*\* percent during interim 2023 than during interim 2022. Subject countries producers' production fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022, with production increasing \*\*\* percent 2020-22. Production of PSBs was lower by \*\*\* percent in interim 2023 than in interim 2022. Subject countries producers' capacity utilization fluctuated year to year, as it increased by \*\*\* percentage points from 2020 to 2021, then decreased by \*\*\* percentage points from 2021 to 2022, decreasing overall by \*\*\* percentage points during 2020-22. Capacity utilization of PSBs was lower by \*\*\* percentage points in interim 2023 than in interim 2022. Subject countries producers' end-of-period inventories fluctuated year to year, increased by \*\*\* percent from 2020 to 2021, then decreased by \*\*\* percent from 2021 to 2022, overall end-of-period inventories increased \*\*\* percent from 2020 to 2022. End-of-period inventories of PSBs were higher by \*\*\* percent in interim 2023 than in interim 2022.

Subject countries producers' internal consumption fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022. Internal consumption increased \*\*\* percent from 2020 to 2022. Internal consumption of PSBs was lower by \*\*\* percent in interim 2023 than in interim 2022. During 2020-22, subject countries producers' home market shipments increased by \*\*\* percent, and were higher by \*\*\* percent during interim 2023 than during interim 2022.

Subject countries producers' exports to the United States fluctuated year to year, increasing by \*\*\* percent from 2020 to 2021, then decreasing by \*\*\* percent from 2021 to 2022; exports to the United States were \*\*\* percent higher in 2022 than in 2020. Exports to the United States of PSBs were lower by \*\*\* percent in interim 2023 than in interim 2022. During 2020-22, subject countries producers' exports to all other markets increased by \*\*\* percent, but were lower by \*\*\* percent during interim 2023 than during interim 2022.

Subject countries producers' 2023 and 2024 capacity and production are projected to both increase, respectively, compared to 2022. Subject countries producers' exports to all other markets are projected to increase while exports to the United States are projected to decrease, compared to 2022.

**Table VII-55**  
**PSBs: Data on the industry in subject countries, by period**

Quantity in 1,000 pounds; ratio and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***	***	***
Total exports to the United States	***	***	***	***	***	***	***

Table continued.

**Table VII-55 Continued**  
**PSBs: Data on the industry in subject countries, by period**

Ratio and share in percent

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	***	***	***	***	***	***	***
Total exports to United States by producers share	***	***	***	***	***	***	***
Total exports to United States by resellers share	***	***	***	***	***	***	***
Total exports to the United States adjusted share of total shipments	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

## U.S. inventories of imported merchandise

Table VII-56 presents data on U.S. importers' reported inventories of PSBs. Inventories of subject imports increased by \*\*\* percent between 2020 and 2022 but were \*\*\* percent lower in interim 2023 than in interim 2022. The ratio of subject importers' inventories to U.S. shipments decreased from \*\*\* percent in 2020 to \*\*\* percent in 2022 but was higher in interim 2023 (\*\*\* percent) than in interim 2022 (\*\*\* percent).

**Table VII-56****PSBs: U.S. importers' inventories and their ratio to select items, by source and period**

Quantity in 1,000 pounds; ratio in percent

Measure	Source	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Inventories quantity	Cambodia	***	***	***	***	***
Ratio to imports	Cambodia	***	***	***	***	***
Ratio to U.S. shipments of imports	Cambodia	***	***	***	***	***
Ratio to total shipments of imports	Cambodia	***	***	***	***	***
Inventories quantity	China	***	***	***	***	***
Ratio to imports	China	***	***	***	***	***
Ratio to U.S. shipments of imports	China	***	***	***	***	***
Ratio to total shipments of imports	China	***	***	***	***	***
Inventories quantity	Colombia	***	***	***	***	***
Ratio to imports	Colombia	***	***	***	***	***
Ratio to U.S. shipments of imports	Colombia	***	***	***	***	***
Ratio to total shipments of imports	Colombia	***	***	***	***	***
Inventories quantity	India	***	***	***	***	***
Ratio to imports	India	***	***	***	***	***
Ratio to U.S. shipments of imports	India	***	***	***	***	***
Ratio to total shipments of imports	India	***	***	***	***	***
Inventories quantity	Malaysia	***	***	***	***	***
Ratio to imports	Malaysia	***	***	***	***	***
Ratio to U.S. shipments of imports	Malaysia	***	***	***	***	***
Ratio to total shipments of imports	Malaysia	***	***	***	***	***
Inventories quantity	Portugal	***	***	***	***	***
Ratio to imports	Portugal	***	***	***	***	***
Ratio to U.S. shipments of imports	Portugal	***	***	***	***	***
Ratio to total shipments of imports	Portugal	***	***	***	***	***

Table continued.

**Table VII-56 Continued**  
**PSBs: U.S. importers' inventories and their ratio to select items, by source and period**

Quantity in 1,000 pounds; ratio in percent

Measure	Source	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Inventories quantity	Taiwan	***	***	***	***	***
Ratio to imports	Taiwan	***	***	***	***	***
Ratio to U.S. shipments of imports	Taiwan	***	***	***	***	***
Ratio to total shipments of imports	Taiwan	***	***	***	***	***
Inventories quantity	Turkey	***	***	***	***	***
Ratio to imports	Turkey	***	***	***	***	***
Ratio to U.S. shipments of imports	Turkey	***	***	***	***	***
Ratio to total shipments of imports	Turkey	***	***	***	***	***
Inventories quantity	Vietnam	***	***	***	***	***
Ratio to imports	Vietnam	***	***	***	***	***
Ratio to U.S. shipments of imports	Vietnam	***	***	***	***	***
Ratio to total shipments of imports	Vietnam	***	***	***	***	***
Inventories quantity	Subject sources	***	***	***	***	***
Ratio to imports	Subject sources	***	***	***	***	***
Ratio to U.S. shipments of imports	Subject sources	***	***	***	***	***
Ratio to total shipments of imports	Subject sources	***	***	***	***	***
Inventories quantity	Nonsubject sources	***	***	***	***	***
Ratio to imports	Nonsubject sources	***	***	***	***	***
Ratio to U.S. shipments of imports	Nonsubject sources	***	***	***	***	***
Ratio to total shipments of imports	Nonsubject sources	***	***	***	***	***
Inventories quantity	All import sources	***	***	***	***	***
Ratio to imports	All import sources	***	***	***	***	***
Ratio to U.S. shipments of imports	All import sources	***	***	***	***	***
Ratio to total shipments of imports	All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

## U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam after March 31, 2023. Their reported data are presented in table VII-57. Thirty-nine of 42 responding firms indicated that they had arranged such imports. Thirty-five firms reported arranged imports from subject sources, while five firms reported arranged imports from nonsubject sources.

**Table VII-57**  
**PSBs: U.S. importers' arranged imports, by source and period**

Quantity in 1,000 pounds

Source	Apr-Jun 2023	Jul-Sept 2023	Oct-Dec 2023	Jan-Mar 2024	Total
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

## Third-country trade actions

Based on available information, PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam have not been subject to other antidumping or countervailing duty investigations outside the United States.

## Information on nonsubject countries

Table VII-58 presents global export value data for paper sacks and bags, a category that includes PSBs and out-of-scope products, by subject and nonsubject exporters in descending order of value and quantity for 2022. Global export value in these products increased by 37.8 percent from 2020 to 2022 and global export quantity increased by 20.9 percent from 2020 to



2022. Even though both export value and quantity increased, value increased more; unit prices increased in each year (2020–22).

The subject exporters accounted for 42.6 percent of global export value in 2022, growing from 34.7 percent in 2020; China accounted for most of that value increase, growing from 25.8 percent in 2020 to 30.6 percent in 2022. From 2020 to 2022, China's exports value increased by 63.2 percent. The next largest subject country, by global export value, was Vietnam, accounting for 3.0 percent of global exports in 2020 and growing to 3.4 percent in 2022. The third largest subject country, by global export value, was Turkey, which accounted for 2.1 percent of global exports in 2020 and grew to 3.1 percent in 2022. The global exports from the second and third largest subject countries grew significantly (Vietnam grew by 60.1 percent, and Turkey grew by 105.7 percent) from 2020 to 2022.

The two largest non-subject global exporters, Italy and Germany, held relatively large shares of global exports, by value. Italy accounted for 9.9 percent of global export value in 2020 and declined to 9.7 percent in 2022; however, Italy's exports increased by 34.7 percent from 2020. Similarly, Germany accounted for 8.5 percent of global export value in 2020 and declined to 7.5 percent in 2022; Germany's exports increased by 22.2 percent from 2020.

The United States accounted for 2.9 percent of global export value in 2022, down from 3.1 percent in 2020. Similar to the top two non-subject countries (Italy and Germany), exports from the United States increased by 29.9 percent from 2020.

The subject exporters accounted for 35.3 percent of global export quantity in 2022, growing from 27.5 percent in 2020; China accounted for most of that quantity increase, growing from 17.7 percent of global exports in 2020 to 21.5 percent in 2022. Since 2020, China's exports quantity increased by 46.7 percent. The next largest subject country, by global export quantity, was Turkey, accounting for 3.0 percent of global exports in 2020 and growing to 3.8 percent in 2022. The third largest subject country, by global export quantity, was Vietnam, which accounted for 2.5 percent of global exports in 2020 and grew to 3.3 percent in 2022. The global exports from the second and third largest subject countries grew significantly (Turkey grew by 53.2 percent, and Vietnam grew by 59.2 percent) from 2020 to 2022.

The two largest nonsubject global exporters, Italy and Germany, held relatively large shares of global exports, by quantity. Italy accounted for 9.3 percent of global export quantity in 2020 and declined to 8.7 percent in 2022; however, Italy's exports increased by 13.0 percent from 2020. Similarly, Germany accounted for 7.0 percent of global export quantity in 2020 and declined to 6.0 percent in 2022; Germany's exports increased by 4.0 percent in 2022. The United States accounted for 6.5 percent of global export quantity in 2022.

Global demand for shopping bags has risen over recent years and continued growth is projected for the future.<sup>13</sup> The COVID-19 global pandemic shifted PSBs demand while shops and restaurants were closed, and food delivery increased. Industry anticipates that there may be an increase in demand as people return to shopping in stores and eating out at restaurants.<sup>14</sup> Simultaneously, the supply chain was plagued with significant delays and disruptions for materials, workers, and transportation.<sup>15</sup> These delays and disruptions have been linked to increased prices.

---

<sup>13</sup> Skyquest Technology Consulting Pvt. Ltd., "Global shopping bag market revenue to reach \$17.66 billion by 2028," December 13, 2022, GlobeNewswire, <https://www.globenewswire.com/news-release/2022/12/13/2572716/0/en/global-shopping-bag-market-revenue-to-reach-17-66-billion-by-2028-consumers-and-retailers-are-shifting-from-single-use-to-reusable-and-personalized-bags.html>, accessed June 28, 2023.

<sup>14</sup> Ahuja, Kabir, Vishwa Chandra, Victoria Lord, and Curtis Peens, "Ordering in: The rapid evolution of food delivery," McKinsey & Company, September 22, 2021, <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/ordering-in-the-rapid-evolution-of-food-delivery>, accessed June 28, 2023; FoodDive, "Inflation and recession threats have rattled retail to its core," October 31, 2022, <https://www.fooddive.com/spons/inflation-and-recession-threats-have-rattled-retail-to-its-core/634617/>, accessed June 28, 2023; Wile, Rob, "Food-delivery apps lose steam as people return to in-person dining," NBC News, April 23, 2022, <https://www.nbcnews.com/business/consumer/uber-eats-doordash-decline-in-person-dining-rcna25249>, accessed June 28, 2023.

<sup>15</sup> World Economic Forum, "5 ways the COVID-19 pandemic has changed the supply chain," January 14, 2022, <https://www.weforum.org/agenda/2022/01/5-ways-the-covid-19-pandemic-has-changed-the-supply-chain/>, accessed June 28, 2023.

**Table VII-58**  
**Paper sacks and bags: Global exports, by country and by period**

Quantity in 1,000 pounds; Value in dollars

<b>Exporting country</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Quantity	280,530	316,397	354,915
Cambodia	Quantity	5,201	9,608	16,118
China	Quantity	803,055	1,041,682	1,178,225
Colombia	Quantity	13,961	29,064	36,016
India	Quantity	26,108	82,230	102,711
Malaysia	Quantity	46,115	66,641	65,436
Portugal	Quantity	73,069	101,364	110,996
Taiwan	Quantity	28,510	38,630	34,549
Turkey	Quantity	134,021	180,104	205,320
Vietnam	Quantity	113,661	167,598	180,898
Subject exporters	Quantity	1,243,701	1,716,922	1,930,268
Italy	Quantity	421,885	465,283	476,714
Germany	Quantity	316,402	327,374	328,966
Poland	Quantity	195,655	204,831	227,575
Brazil	Quantity	155,025	197,022	200,268
Spain	Quantity	167,269	164,234	197,462
Canada	Quantity	153,289	161,787	169,468
Mexico	Quantity	99,733	123,582	140,132
Belgium	Quantity	88,721	103,133	120,092
Serbia	Quantity	93,661	119,414	116,687
Czech Republic	Quantity	80,187	89,213	99,974
Netherlands	Quantity	88,870	102,645	99,390
France	Quantity	71,984	77,712	79,980
All other exporters	Quantity	1,067,857	1,159,199	930,634
All reporting exporters	Quantity	4,524,768	5,328,750	5,472,525

Table continued.

**Table VII-58 Continued**  
**Paper sacks and bags: Global exports, by country and by period**

Value in dollars

<b>Exporting country</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Value	158,133	182,621	205,340
Cambodia	Value	7,378	15,166	25,127
China	Value	1,308,261	1,774,327	2,135,100
Colombia	Value	10,105	20,839	30,526
India	Value	24,847	66,697	87,762
Malaysia	Value	40,057	56,509	64,554
Portugal	Value	74,610	105,925	130,540
Taiwan	Value	36,418	48,094	44,369
Turkey	Value	105,672	168,075	217,321
Vietnam	Value	149,433	189,990	239,275
Subject exporters	Value	1,756,783	2,445,621	2,974,575
Italy	Value	501,142	582,002	675,230
Germany	Value	429,551	481,058	524,911
Poland	Value	195,034	230,104	271,479
Brazil	Value	82,632	101,155	108,045
Spain	Value	142,618	182,771	227,521
Canada	Value	177,770	195,107	236,986
Mexico	Value	92,418	116,296	155,804
Belgium	Value	119,048	134,805	175,017
Serbia	Value	72,039	103,512	118,793
Czech Republic	Value	83,843	103,995	129,313
Netherlands	Value	116,275	139,669	159,363
France	Value	116,489	146,526	162,472
All other exporters	Value	1,019,186	1,196,278	852,999
All reporting exporters	Value	5,062,960	6,341,520	6,977,850

Table continued.

**Table VII-58 Continued**  
**Paper sacks and bags: Global exports, by country and by period**

Unit value in dollars per pound

<b>Exporting country</b>	<b>Measure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
United States	Unit value	0.56	0.58	0.58
Cambodia	Unit value	1.42	1.58	1.56
China	Unit value	1.63	1.70	1.81
Colombia	Unit value	0.72	0.72	0.85
India	Unit value	0.95	0.81	0.85
Malaysia	Unit value	0.87	0.85	0.99
Portugal	Unit value	1.02	1.04	1.18
Taiwan	Unit value	1.28	1.24	1.28
Turkey	Unit value	0.79	0.93	1.06
Vietnam	Unit value	1.31	1.13	1.32
Subject exporters	Unit value	1.41	1.42	1.54
Italy	Unit value	1.19	1.25	1.42
Germany	Unit value	1.36	1.47	1.60
Poland	Unit value	1.00	1.12	1.19
Brazil	Unit value	0.53	0.51	0.54
Spain	Unit value	0.85	1.11	1.15
Canada	Unit value	1.16	1.21	1.40
Mexico	Unit value	0.93	0.94	1.11
Belgium	Unit value	1.34	1.31	1.46
Serbia	Unit value	0.77	0.87	1.02
Czech Republic	Unit value	1.05	1.17	1.29
Netherlands	Unit value	1.31	1.36	1.60
France	Unit value	1.62	1.89	2.03
All other exporters	Unit value	0.95	1.03	0.92
All reporting exporters	Unit value	1.12	1.19	1.28

Table continued.

**Table VII-58 Continued**  
**Paper sacks and bags: Global exports, by country and by period**

Share in percent

Exporting country	Measure	2020	2021	2022
United States	Share of quantity	6.2	5.9	6.5
Cambodia	Share of quantity	0.1	0.2	0.3
China	Share of quantity	17.7	19.5	21.5
Colombia	Share of quantity	0.3	0.5	0.7
India	Share of quantity	0.6	1.5	1.9
Malaysia	Share of quantity	1.0	1.3	1.2
Portugal	Share of quantity	1.6	1.9	2.0
Taiwan	Share of quantity	0.6	0.7	0.6
Turkey	Share of quantity	3.0	3.4	3.8
Vietnam	Share of quantity	2.5	3.1	3.3
Subject exporters	Share of quantity	27.5	32.2	35.3
Italy	Share of quantity	9.3	8.7	8.7
Germany	Share of quantity	7.0	6.1	6.0
Poland	Share of quantity	4.3	3.8	4.2
Brazil	Share of quantity	3.4	3.7	3.7
Spain	Share of quantity	3.7	3.1	3.6
Canada	Share of quantity	3.4	3.0	3.1
Mexico	Share of quantity	2.2	2.3	2.6
Belgium	Share of quantity	2.0	1.9	2.2
Serbia	Share of quantity	2.1	2.2	2.1
Czech Republic	Share of quantity	1.8	1.7	1.8
Netherlands	Share of quantity	2.0	1.9	1.8
France	Share of quantity	1.6	1.5	1.5
All other exporters	Share of quantity	23.6	21.8	17.0
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4819.30 and 4819.40 reported by various national statistical authorities in the Global Trade Atlas database, accessed June 15, 2023, and official global imports statistics from Cambodia and Vietnam under HS subheading 4819.30 and 4819.40 as reported by UN comtrade in the Global Trade Atlas database, accessed June 15, 2023. These data may be overstated as the HS subheadings contain products outside the scope of these investigations.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2022 data.

**APPENDIX A**  
**FEDERAL REGISTER NOTICES**





The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://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
88 FR 37097, June 6, 2023	<i>Paper Shopping Bags From Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam; Institution of Anti-Dumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2023-06-06/pdf/2023-11994.pdf">https://www.govinfo.gov/content/pkg/FR-2023-06-06/pdf/2023-11994.pdf</a>
88 FR 41380, June 26, 2023	<i>Certain Paper Shopping Bags From India and the People's Republic of China: Initiation of Countervailing Duty Investigations</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2023-06-26/pdf/2023-13521.pdf">https://www.govinfo.gov/content/pkg/FR-2023-06-26/pdf/2023-13521.pdf</a>
88 FR 41589, June 27, 2023	<i>Certain Paper Shopping Bags From Cambodia, the People's Republic of China, Colombia, India, Malaysia, Portugal, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2023-06-27/pdf/2023-13576.pdf">https://www.govinfo.gov/content/pkg/FR-2023-06-27/pdf/2023-13576.pdf</a>



**APPENDIX B**

**LIST OF STAFF CONFERENCE WITNESSES**



## CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared in the United States International Trade Commission's Preliminary Conference:

**Subject:** Paper Shopping Bags from Cambodia, China, Colombia  
India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam

**Inv. Nos.:** 701-TA-690-691 and 731-TA-1619-1627 (Preliminary)

**Date and Time:** June 21, 2023 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

### **OPENING REMARKS:**

In Support of Imposition (**J. Michael Taylor**, King & Spalding LLP)  
In Opposition to Imposition (**Jeffrey I. Kessler**, Wilmer Cutler Pickering  
Hale and Dorr LLP)

### **In Support of the Imposition of the Antidumping and Countervailing Duty Orders:**

King & Spalding LLP  
Washington, DC  
on behalf of

Coalition For Fair Trade in Shopping Bags

**Paul Frantz**, President - Food & Delivery, Novolex Holdings, LLC

**Sachin Shah**, Sr. Vice President, Novolex Holdings LLC

**Kevin Burnett**, Vice President of Financial Planning and  
Analysis - Food & Delivery, Novo lex Holdings LLC

**Jeremy Heil**, Vice President of Sales, Specialty Retail, Novolex Holdings, LLC

**John Veder**, Director of Innovation - Paper Products, Novolex Holdings, LLC

**Megan Salrin**, Legislative Representative, United Steelworkers

**In Support of the Imposition of the  
Antidumping and Countervailing Duty Orders (continued):**

**Andrew Szamosszegi**, Principal, Capital Trade, Inc.

**Bonnie B. Byers**, Consultant, King & Spalding LLP

**J. Michael Taylor** )  
 ) – OF COUNSEL  
**Stephen P. Vaughn** )

**In Opposition to the Imposition of the  
Antidumping and Countervailing Duty Orders:**

Wilmer Cutler Pickering Hale and Dorr LLP  
Washington, DC  
on behalf of

American Alliance for Responsible Trade in Paper Bags

**Andrew Straitman**, Chief Executive Officer, Commonwealth Packaging Company

**Howard Weinstein**, Managing Partner, AnnJoy Imports LLC

**Terri Ethridge**, Partner, AnnJoy Imports LLC

**Michael Jobes**, Director of Sales, AnnJoy Imports LLC

**Jeffrey I. Kessler** )  
 ) – OF COUNSEL  
**Stephanie Hartmann** )

**REBUTTAL/CLOSING REMARKS:**

In Support of Imposition (**Stephen P. Vaughn**, King & Spalding LLP)

In Opposition to Imposition (**Stephanie Hartmann**, Wilmer Cutler Pickering  
Hale and Dorr LLP)

**APPENDIX C**  
**SUMMARY DATA**





**Table C-1**

**PSBs: Summary data concerning the U.S. market, by item and period**

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data					Period changes				
	Calendar year			Jan-Mar		Comparison years			Jan-Mar	
	2020	2021	2022	2022	2023	2020-22	2020-21	2021-22	2022-23	
U.S. consumption quantity:										
Amount.....	***	***	***	***	***	▲***	▲***	▼***	▼***	
Producers' share (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***	
Importers' share (fn1):										
Cambodia.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
China.....	***	***	***	***	***	▼***	▲***	▼***	▼***	
Colombia.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
India.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Malaysia.....	***	***	***	***	***	▲***	▲***	▲***	▲***	
Portugal.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Taiwan.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Turkey.....	***	***	***	***	***	▼***	▲***	▼***	▼***	
Vietnam.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Subject sources.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Nonsubject sources.....	***	***	***	***	***	▼***	▼***	▼***	▼***	
All import sources.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
U.S. consumption value:										
Amount.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Producers' share (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***	
Importers' share (fn1):										
Cambodia.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
China.....	***	***	***	***	***	▼***	▼***	▼***	▼***	
Colombia.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
India.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Malaysia.....	***	***	***	***	***	▲***	▲***	▲***	▲***	
Portugal.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Taiwan.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Turkey.....	***	***	***	***	***	▼***	▲***	▼***	▼***	
Vietnam.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Subject sources.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Nonsubject sources.....	***	***	***	***	***	▲***	▼***	▲***	▲***	
All import sources.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
U.S. imports from:										
Cambodia:										
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
China:										
Quantity.....	***	***	***	***	***	▲***	▲***	▼***	▼***	
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Unit value.....	***	***	***	***	***	▲***	▼***	▲***	▲***	
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▼***	▼***	
Colombia:										
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Ending inventory quantity.....	***	***	***	***	***	▼***	▲***	▼***	▼***	
India:										
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▲***	▲***	
Malaysia:										
Quantity.....	***	***	***	***	***	▲***	▲***	▼***	▲***	
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Unit value.....	***	***	***	***	***	▲***	▼***	▲***	▼***	
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***	
Portugal:										
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***	
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***	
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***	

Table continued.

Table C-1 Continued

PSBs: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data					Period changes			
	Calendar year			Jan-Mar		Comparison years			Jan-Mar
	2020	2021	2022	2022	2023	2020-22	2020-21	2021-22	2022-23
U.S. imports from: Continued									
Taiwan:									
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Turkey:									
Quantity.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Vietnam:									
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▼***	▲***
Subject sources:									
Quantity.....	249,191	422,584	444,903	115,497	69,492	▲78.5	▲69.6	▲5.3	▼(39.8)
Value.....	380,842	596,132	721,300	166,511	105,404	▲89.4	▲56.5	▲21.0	▼(36.7)
Unit value.....	\$1.53	\$1.41	\$1.62	\$1.44	\$1.52	▲6.1	▼(7.7)	▲14.9	▲5.2
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Nonsubject sources:									
Quantity.....	177,871	217,289	212,497	54,220	38,069	▲19.5	▲22.2	▼(2.2)	▼(29.8)
Value.....	202,025	269,274	313,122	74,043	57,889	▲55.0	▲33.3	▲16.3	▼(21.8)
Unit value.....	\$1.14	\$1.24	\$1.47	\$1.37	\$1.52	▲29.7	▲9.1	▲18.9	▲11.4
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▼***	▼***
All import sources:									
Quantity.....	427,061	639,874	657,400	169,717	107,561	▲53.9	▲49.8	▲2.7	▼(36.6)
Value.....	582,867	865,406	1,034,422	240,554	163,293	▲77.5	▲48.5	▲19.5	▼(32.1)
Unit value.....	\$1.36	\$1.35	\$1.57	\$1.42	\$1.52	▲15.3	▼(0.9)	▲16.3	▲7.1
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***
U.S. producers:									
Practical capacity quantity.....	***	***	***	***	***	▲***	▲***	▼***	▲***
Production quantity.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Capacity utilization (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▼***
U.S. shipments:									
Quantity.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Export shipments:									
Quantity.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Inventories/total shipments (fn1).....	***	***	***	***	***	▼***	▼***	▲***	▲***
Production workers.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Hours worked (1,000s).....	***	***	***	***	***	▲***	▲***	▼***	▲***
Wages paid (\$1,000).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Hourly wages (dollars per hour).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Productivity (pounds per hour).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit labor costs.....	***	***	***	***	***	▲***	▲***	▲***	▼***

Table continued.

Table C-1 Continued

PSBs: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data					Period changes			
	Calendar year			Jan-Mar		Comparison years			Jan-Mar
	2020	2021	2022	2022	2023	2020-22	2020-21	2021-22	2022-23
U.S. producers: Continued									
Net sales:									
Quantity.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Cost of goods sold (COGS).....	***	***	***	***	***	▲***	▲***	▲***	▲***
Gross profit or (loss) (fn2).....	***	***	***	***	***	▼***	▼***	▼***	▼***
SG&A expenses.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Operating income or (loss) (fn2).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Net income or (loss) (fn2).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit COGS.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit SG&A expenses.....	***	***	***	***	***	▲***	▼***	▲***	▼***
Unit operating income or (loss) (fn2).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit net income or (loss) (fn2).....	***	***	***	***	***	▼***	▼***	▼***	▼***
COGS/sales (fn1).....	***	***	***	***	***	▲***	▲***	▲***	▲***
Operating income or (loss)/sales (fn1)....	***	***	***	***	***	▼***	▼***	▼***	▼***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Capital expenditures.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Research and development expenses....	***	***	***	***	***	***	***	***	***
Net assets.....	***	***	***	***	***	▲***	▲***	▲***	***

Source: Producer data are compiled from data submitted in response to Commission questionnaires. Import data are compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023, adjusted to remove reported out of scope imports under the HTS statistical reporting numbers submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values. 508-compliant tables containing these data are contained in parts III, IV, VI, and VII of this report.

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "--". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.



**APPENDIX D**

**TABLES REGARDING IMPACTS ON DEMAND FROM  
CHANGES IN CONSUMER BEHAVIOR  
AND GOVERNMENTAL POLICIES**



This appendix contains tables related to impacts on PSB demand from changes in online delivery and in-person retail consumer behavior and changes in governmental policies that were referenced in Part II. As noted in Part II, 2 of 4 domestic producers and 24 of 37 importers indicated that there has been an impact on demand in the paper shopping bag market of changes in in-person retail and online delivery behavior in the United States. Table D-1 presents firms' narrative responses from these firms with respect to the effects of these behavioral changes. Similarly, 3 of 4 domestic producers and 25 of 38 responding importers reported that changes in governmental policies affected demand in the paper shopping bag market, and table D-2 presents firms' narrative responses regarding the changes and the effects.

**Table D-1**  
**PSBs: Narrative descriptions on changes in-person retail vs. online delivery impact on demand, by firm and firm type**

<b>Firm</b>	<b>Firm type</b>	<b>Description of changes</b>
***	Producer	***
***	Producer	***
***	Producer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***

Table continued.



**Table D-1 Continued**

**PSBs: Narrative descriptions on changes in-person retail vs. online delivery impact on demand, by firm and firm type**

<b>Firm</b>	<b>Firm type</b>	<b>Description of changes</b>
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***

Table continued.

**Table D-1 Continued**

**PSBs: Narrative descriptions on changes in-person retail vs. online delivery impact on demand, by firm and firm type**

<b>Firm</b>	<b>Firm type</b>	<b>Description of changes</b>
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***

Table continued.

**Table D-1 Continued**

**PSBs: Narrative descriptions on changes in-person retail vs. online delivery impact on demand, by firm and firm type**

<b>Firm</b>	<b>Firm type</b>	<b>Description of changes</b>
***	Importer	***
***	Importer	***
***	Importer	***

Source: Compiled from data submitted in response to Commission questionnaires.

**Table D-2**

**PSBs: Narrative descriptions on changes in government policy impact on demand, by firm and firm type**

<b>Firm</b>	<b>Firm type</b>	<b>Description of changes</b>
***	U.S. producer	***
***	U.S. producer	***
***	U.S. producer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***

Table continued.

**Table D-2 Continued**

**PSBs: Narrative descriptions on changes in government policy impact on demand, by firm and firm type**

<b>Firm</b>	<b>Firm type</b>	<b>Description of changes</b>
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***

Table continued.

**Table D-2 Continued**

**PSBs: Narrative descriptions on changes in government policy impact on demand, by firm and firm type**

<b>Firm</b>	<b>Firm type</b>	<b>Description of changes</b>
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***

Source: Compiled from data submitted in response to Commission questionnaires.



**APPENDIX E**

**NEGLIGIBILITY PERIOD (UNADJUSTED OFFICIAL IMPORT STATISTICS)**





**Table E-1****PSBs: U.S. imports in the twelve month period preceding the filing of the petition, May 2022 through April 2023**

Quantity in 1,000 pounds; shares in percent

<b>Source of imports</b>	<b>Quantity</b>	<b>Share of quantity</b>	<b>Share of individually negligible sources (percent)</b>
Cambodia	10,579	1.6	1.6
China	215,015	32.2	---
Colombia	15,421	2.3	2.3
India	64,147	9.6	---
Malaysia	17,001	2.5	2.5
Portugal	11,271	1.7	1.7
Taiwan	20,712	3.1	---
Turkey	14,151	2.1	2.1
Vietnam	87,076	13.0	---
Subject sources	455,372	68.1	10.2
Nonsubject sources	213,178	31.9	NA
All import sources	668,551	100.0	NA

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed June 14, 2023. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

*PAGE INTENTIONALLY LEFT BLANK*