

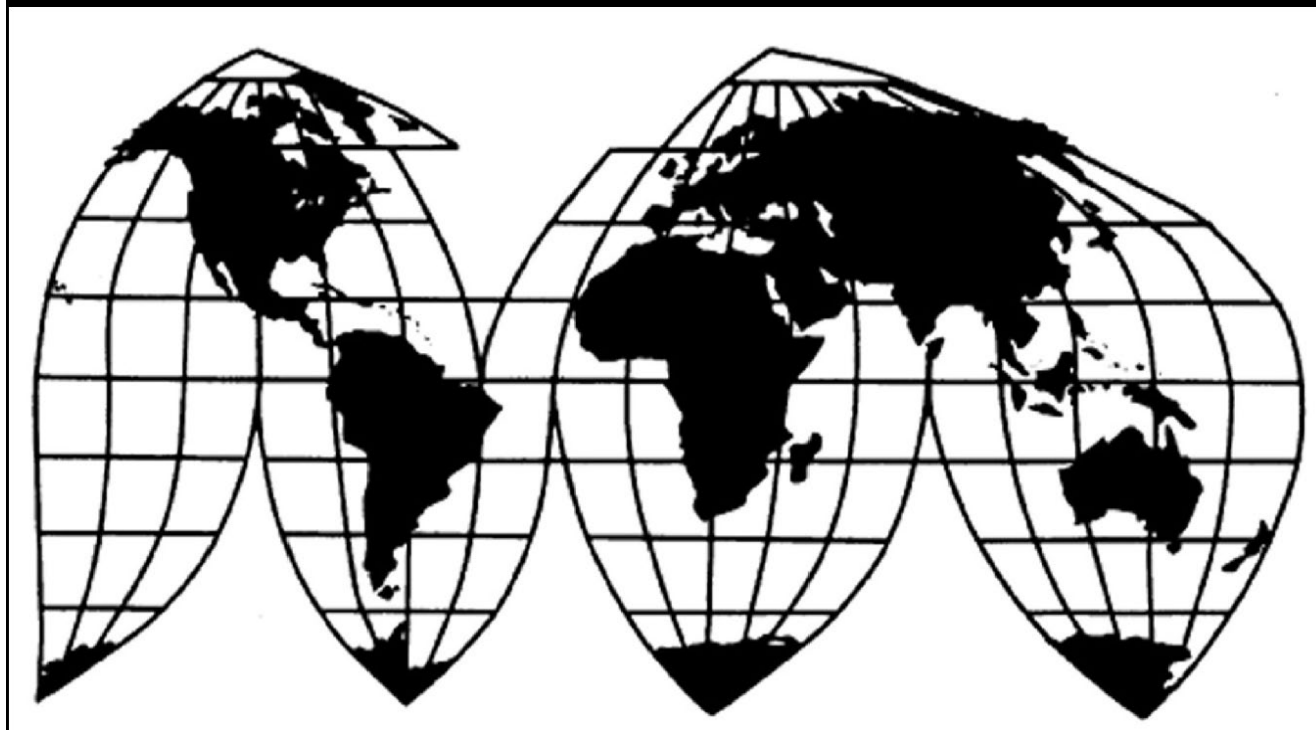
Diethyl Terephthalate from Malaysia, Poland, Taiwan, and Turkey

Investigation Nos. 731-TA-1675-1678 (Preliminary)

Publication 5505

May 2024

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published. 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. 731-TA-1675-1678 (Preliminary)

Dioctyl Terephthalate (DOTP) from Malaysia, Poland, Taiwan, and Turkey

DETERMINATIONS

On the basis of the record¹ 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 dioctyl terephthalate (“DOTP”) from Malaysia, Poland, Taiwan, and Turkey, provided for in subheadings 2917.39.20, 2917.39.70, and 3812.20.10 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”).²

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 section 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 § 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under § 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. Any other party may file an entry of appearance for the final phase of the investigations after publication of the final phase notice of scheduling. 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 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

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

² 89 FR 29285, April 22, 2024.

investigations. As provided in section 207.20 of the Commission's rules, the Director of the Office of Investigations will circulate draft questionnaires for the final phase of the investigations to parties to the investigations, placing copies on the Commission's Electronic Document Information System (EDIS, <https://edis.usitc.gov>), for comment.

BACKGROUND

On March 26, 2024, Eastman Chemical Company, Kingsport, Tennessee, 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 LTFV imports of DOTP from Malaysia, Poland, Taiwan, and Turkey. Accordingly, effective March 26, 2024, the Commission instituted antidumping duty investigation Nos. 731-TA-1675-1678 (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 April 1, 2024 (89 FR 22450). The Commission conducted its conference on April 16, 2024. 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 dioctyl terephthalate (“DOTP”) from Malaysia, Poland, Taiwan, and Turkey that are allegedly sold in the United States at less than fair value.

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.¹ 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.”²

¹ 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.

² *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. Eastman Chemical Company (“Eastman,” or “Petitioner”), a domestic producer of DOTP, filed the petitions in these investigations on March 26, 2024.³ Eastman appeared at the staff conference accompanied by counsel and submitted a postconference brief.⁴ No respondent entities participated in the preliminary phase of these investigations.

Data Coverage. Except as noted, U.S. industry data are based on the questionnaire responses of Eastman and BASF Corporation (“BASF”) (together, “Domestic Producers”), which accounted for all known U.S. production of DOTP in 2023.⁵ U.S. import data are based on the questionnaire responses of 16 U.S. importers and official U.S. Department of Commerce (“Commerce”) import statistics under Harmonized Tariff Schedule of the United States (“HTSUS”) statistical reporting number 2917.39.2000, which is a “basket” category including both in-scope DOTP and out-of-scope merchandise.⁶ Responding importers represented *** percent of U.S. imports of DOTP from subject sources in 2023,⁷ including *** percent

³ Petition Volume I at 1.

⁴ Petitioner’s Post-Conference Brief, EDIS Doc. 819112 (Apr. 19, 2024) (“Petitioner’s Post Conf. Br.”).

⁵ Confidential Staff Report, INV-WW-036 (May 3, 2024) (“CR”) at I-4/ *Dioctyl Terephthalate (“DOTP”) from Malaysia, Poland, Taiwan, and Turkey*, Inv. Nos. 731-TA-1675-1678 (Preliminary), USITC Pub. 5505 (May 2024) (“PR”) at III-1.

⁶ CR/PR at IV-1. DOTP may also be imported under HTSUS subheadings 2917.39.70 and 3812.20.10. CR/PR at I-6.

⁷ CR/PR at IV-1 (total import volumes based on official Commerce import data). Importer questionnaire responses accounted for *** percent of U.S. imports from nonsubject sources in 2023 according to official Commerce import data. CR/PR at I-3 n.7, IV-1 n.2. However, this percentage is likely to be significantly understated. Mexico and Canada collectively accounted for nearly 90 percent of imports from nonsubject sources classified under HTUSUS subheading 2917.39.2000, and nearly all imports from Canada and Mexico are products outside the scope of these investigations. *Id.*

of subject imports from Malaysia, *** percent of subject imports from Poland, *** percent of subject imports from Taiwan,⁸ and *** percent of subject imports from Turkey during 2023.⁹ The Commission received a usable questionnaire response from one foreign producer/exporter of subject merchandise accounting for *** production of DOTP in Poland.¹⁰ The Commission did not receive usable questionnaire responses from foreign producers/exporters of subject merchandise from Malaysia, Taiwan, or Turkey.¹¹

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.”¹² 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.”¹³ 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.”¹⁴

⁸ Importers of DOTP from Taiwan reported a small quantity of out-of-scope merchandise, which has been excluded from the official Commerce import data provided in Appendix E, but not from data in Appendix F or data regarding U.S. imports by border of entry or presence in the market that we have cited below in Section VI. See CR/PR at Table E-1 Note.

⁹ CR/PR at IV-1.

¹⁰ CR/PR at VII-3.

¹¹ CR/PR at VII-3.

¹² 19 U.S.C. § 1677(4)(A).

¹³ 19 U.S.C. § 1677(4)(A).

¹⁴ 19 U.S.C. § 1677(10).

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.¹⁵ 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.”¹⁶ The Commission then defines the domestic like product in light of the imported articles Commerce has identified.¹⁷ 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.¹⁸ No single factor is dispositive, and the Commission may

¹⁵ 19 U.S.C. § 1677(10). The Commission must accept Commerce’s determination as to the 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).

¹⁶ *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).

¹⁷ *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).

¹⁸ *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).

consider other factors it deems relevant based on the facts of a particular investigation.¹⁹ The Commission looks for clear dividing lines among possible like products and disregards minor variations.²⁰ The Commission may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.²¹

A. Scope Definition

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

{D}ioctyl terephthalate (DOTP), regardless of form. DOTP that has been blended with other products is included within this scope when such blends include constituent parts that have not been chemically reacted with each other to produce a different product. For such blends, only the DOTP component of the mixture is covered by the scope of these investigations.

DOTP that is otherwise subject to this investigation is not excluded when commingled with DOTP from sources not subject to this investigation. Commingled refers to the mixing of subject and non-subject DOTP. Only the subject component of such commingled products is covered by the scope of these investigations.

DOTP has the general chemical formulation $C_6H_4(C_8H_{17}COO)_2$ and a chemical name of “bis (2-ethylhexyl) terephthalate” and has a Chemical Abstract Service (CAS) registry number of 6422-86-2. Regardless of the label, all DOTP is covered by these investigations.²²

¹⁹ See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

²⁰ 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.”).

²¹ 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).

²² *Dioctyl Terephthalate From Malaysia, Poland, Taiwan, and the Republic of Türkiye: Initiation of Less-Than-Fair-Value Investigations*, 89 Fed. Reg. 29285 at Appendix (“Initiation Notice”); CR/PR at I-5.

DOTP is a colorless, almost odorless, slightly viscous liquid that is used to make resins more flexible and easier to process as plastics. It is a synthetic organic chemical and part of a group of chemical products, known as plasticizers, that are used in the manufacture of plastics.²³

B. Petitioner's Argument

Eastman argues that the Commission should define a single domestic like product coextensive with the scope of these investigations.²⁴ It argues that the Commission's traditional domestic like product factors support defining a single domestic like product coextensive with the scope, given that all DOTP has the same physical characteristics and chemical structure, is interchangeable to the extent that the DOTP meets the same specifications, is sold through similar channels of distribution, is perceived by producers and customers as a distinct product category, and is sold within a reasonable range of prices, depending on the packaging.²⁵

C. Analysis

We consider whether the Commission should define a single domestic like product coextensive with the scope, as it has in past investigations and reviews involving DOTP. In the initial investigation of *DOTP from South Korea ("DOTP I")* and the first full five-year review of *DOTP from South Korea ("DOTP II")*, in which the scope was essentially identical to that in these investigations, the Commission defined a single domestic like product coextensive with the

²³ CR/PR at I-6.

²⁴ Petitioner's Post Conf. Br. at 8-9.

²⁵ Petitioner's Post Conf. Br. at 8-9.

scope.²⁶ Based on the record, and in the absence of any argument to the contrary, we define a single domestic like product consisting of all DOTP, coextensive with the scope of these investigations.

Physical Characteristics and Uses. The record in the preliminary phase of these investigations indicates that all forms of DOTP share the same physical characteristics and overlapping end uses. The product described in the scope of the investigation is DOTP, which has the chemical formulation $C_6H_4(C_8H_{17}COO)_2$ (or, written in a different manner, $C_{24}H_{38}O_4$) and a CAS registry number of 6422-86-2.²⁷ All DOTP has the same chemical composition, characteristics, specifications, and uses.²⁸ DOTP is a general purpose, non-phthalate plasticizer used generally in flooring, PVC applications, deco sheets, wall coverings, sealing applications, toys, and medical applications.²⁹

Manufacturing Facilities, Production Processes, and Employees. The record indicates that all DOTP is produced either through a transesterification process from the reaction of dimethyl terephthalate (“DMT”) and 2-ethylhexanol (“2-EH”) or a direct esterification process in which terephthalic acid is reacted with 2-EH, both of which result in a final product with the

²⁶ *Diethyl Terephthalate (DOTP) from Korea*, Inv. No. 731-TA-1330 (Final), USITC Pub. 4713 (Aug. 2017) at 6; *Diethyl Terephthalate (DOTP) from Korea*, Inv. No. 731-TA-1330 (Review), USITC Pub. 5433, (June 2023) at 7 (adopting the same definition of the domestic like product in the subsequent review of the order on DOTP from South Korea).

²⁷ CR/PR at I-5.

²⁸ Petitioner’s Post Conf. Br. at 8; Conf. Tr. at 21 (Taylor).

²⁹ CR/PR at I-6. Non-phthalate plasticizers have a cleaner toxicological profile and more positive risk assessments from several government agencies than phthalate plasticizers such as diisononyl phthalate (“DINP”) which has become subject to federal and state regulations in some end-use categories due to carcinogenic and reproductive concerns. Conf. Tr. at 19 (Taylor).

same chemical compound.³⁰ Eastman utilizes the transesterification process in its two DOTP manufacturing facilities while BASF utilizes the direct esterification process.³¹ Although Eastman could potentially produce other products at its DOTP facilities, the existing equipment would require significant capital expenditure and modification due to its inability to process the various raw materials and by-products involved in the production of alternative products.³²

Channels of Distribution. Information on the record shows that Domestic Producers sold *** of their DOTP to end users in 2023.³³

Interchangeability. The record indicates that all DOTP is interchangeable in that all DOTP has the same chemical composition and meets comparable industry specifications.³⁴ According to Eastman, DOTP is a commodity product that is highly interchangeable and highly substitutable.³⁵

Price. According to Eastman, the price of DOTP depends on raw material prices, availability, head-to-head competition, and packaging.³⁶ Pricing data indicate substantial overlap among the domestic prices for DOTP in different packaging forms.³⁷

³⁰ CR/PR at I-8-9; Petition Volume I at 7-8; Conf. Tr. at 21-22, 61-62 (Taylor).

³¹ Conf. Tr. at 19-20 (Taylor). Eastman is a vertically integrated producer of DOTP, and produces the two major inputs of DOTP, DMT and 2-EH. Conf. Tr. at 40 (Taylor). Eastman believes that all foreign subject producers manufacture DOTP use the direct esterification process. Petitioner's Post Conf. Br. at Exhibit 1, pg. 4.

³² *DOTP I*, USITC Pub. 4713 at I-13-14.

³³ CR/PR at Table II-1.

³⁴ CR/PR at I-8; Conf. Tr. at 21 (Taylor).

³⁵ Petitioner's Post Conf. Br. at 15.

³⁶ Petitioner's Post Conf. Br. at 9.

³⁷ Quarterly domestic prices for product 1, DOTP in 20 metric tons containers, including tank trucks, flexitanks or flexitainers, and/or isotanks, ranged from \$*** to \$ *** per metric ton, while quarterly domestic prices for product 2, DOTP in bulk, including railcars and bulk liftings, ranged from \$*** to \$*** per metric ton. CR/PR at Table V-6.

Conclusion. The record in the preliminary phase of these investigations indicates that all DOTP corresponding to the scope of these investigations shares the same physical characteristics and is used in similar applications. Although DOTP is produced using two different production processes, such processes result in a product with the same chemical compound. All DOTP is also sold through similar channels of distribution, is perceived by customers and producers as a distinct product category, and is sold for similar prices. The scope in these investigations is essentially identical to the scope in *DOTP I* and *DOTP II*, in which the Commission defined a single domestic like product coextensive with the scope, and there is no new information or argument on the record of these investigations that would warrant a different definition of the domestic like product.³⁸ Accordingly, we define a single domestic like product consisting of DOTP, coextensive with Commerce’s scope.

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.”³⁹ 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.

Eastman argues that the domestic industry should be defined to include only Eastman and BASF, the two domestic producers of DOTP. There are no related party or other issues

³⁸ *DOTP I*, USITC Pub. 4713 at 6; *DOTP II*, USITC Pub. 5433 at 7.

³⁹ 19 U.S.C. § 1677(4)(A).

regarding the definition of the domestic industry in the preliminary phase of these investigations.⁴⁰ Accordingly, consistent with our definition of the domestic like product, we define the domestic industry as Eastman and BASF, the sole U.S. producers of DOTP.

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.⁴¹ 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

⁴⁰ CR/PR at Tables III-1-2. The record does not indicate that any domestic producer is related to a foreign producer or exporter of the subject merchandise or directly imported subject merchandise. CR/PR at Tables III-1-2, IV-1. ***. ***; CR/PR at III-1, Table III-9. A domestic producer that does not itself import subject merchandise or does not share a corporate affiliation with an importer may nonetheless be deemed a related party if it controls a purchaser of large volumes of subject imports. See SAA at 858. The Commission has found such control to exist, for example, where the domestic producer's purchases were responsible for a predominant proportion of an importer's subject imports and the importer's subject imports were substantial. See, e.g., *Iron Construction Castings from Brazil, Canada, and China*, Inv. Nos. 701-TA-248, 731-TA-262-263, 265 (Fourth Review), USITC Pub. 4655 at 11 (Dec. 2016); *Chlorinated Isocyanurates from China and Spain*, Inv. Nos. 731-TA-1082-1083 (Second Review), USITC Pub. 4646 at 12 (Nov. 2016). The volume of *** from *** accounted for *** percent of subject imports by *** in 2023. Therefore, *** do not appear to account for a sufficient share of *** imports to indicate control over ***. CR/PR at Table III-9; *Calculated from* *** and ***. We therefore find that *** does not qualify for possible exclusion under the related parties provision.

⁴¹ 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B).

merchandise imported into the United States.⁴² 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.⁴³

During the most recent 12-month period preceding the filing of the petitions (March 2023 through February 2024), based on questionnaire response data, subject imports from Malaysia, Poland, Taiwan, and Turkey accounted for ***, ***, ***, and *** percent, respectively, of total reported U.S. imports of DOTP by quantity.⁴⁴ As imports from each subject country are above negligible levels, we find that imports from Malaysia, Poland, Taiwan, and Turkey are not negligible.

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:

⁴² 19 U.S.C. § 1677(24)(A)(ii).

⁴³ 19 U.S.C. § 1677(24)(B).

⁴⁴ CR/PR at Table IV-4. Importer questionnaire responses accounted for *** percent of U.S. imports from nonsubject sources in 2023 according to official Commerce import data under HTUSUS subheading 2917.39.2000. However, as noted above in section I, this percentage is likely to be significantly understated. CR/PR at IV-1. N.2.

- (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.⁴⁵

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.⁴⁶ Only a “reasonable overlap” of competition is required.⁴⁷

A. Petitioner’s Arguments

Eastman argues that the Commission should cumulate subject imports from all four subject countries for its analysis of present material injury as 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.

⁴⁵ 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).

⁴⁶ See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

⁴⁷ 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 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.”).

Eastman cites to *DOTP I* and *DOTP II* to contend that DOTP, regardless of the source, is a fungible commodity product.⁴⁸ It asserts that subject imports and the domestic like product are sold in the same geographic markets, with official Commerce data indicating that imports under the relevant HTSUS subheading entered the U.S. market through ports throughout the same regions in the United States in which the domestic like product was sold.⁴⁹ It further asserts that Eastman, BASF, and importers of subject merchandise sell *** DOTP to end users while selling *** to distributors.⁵⁰ Eastman also contends that the domestic like product and subject imports from all four subject countries were present in the U.S. market throughout the 2021 through 2023 period of investigation (“POI”).⁵¹

B. Analysis

Fungibility. Domestic Producers reported that DOTP from all sources is *** interchangeable, and Eastman contends that all DOTP, regardless of the source, is a fungible commodity product.⁵² A majority of responding U.S. importers reported that subject imports from each subject country are always or frequently interchangeable with each other as well as the domestic like product.⁵³ Additionally, six of seven purchasers responding to the Commission’s lost sales/lost revenue survey, whose responses represented purchases of

⁴⁸ Petitioner’s Post Conf. Br. at 11. Specifically, in *DOTP I*, the Commission found that domestically produced DOTP and imports of DOTP from South Korea were highly substitutable and that parties had identified it as a commodity product. *DOTP I*, USITC Pub. 4713 at 14; *see also DOTP II*, USITC Pub. 5433 at 17-18 (finding that domestically produced DOTP is highly substitutable with imports from South Korea and that price is an important purchasing factor).

⁴⁹ Petitioner’s Post Conf. Br. at 11.

⁵⁰ Petitioner’s Post Conf. Br. at 11.

⁵¹ Petitioner’s Post Conf. Br. at 11.

⁵² Conf. Tr. at 22 (Taylor).

⁵³ CR/PR at Table II-8.

subject merchandise from all four subject countries, reported purchasing subject imports instead of the domestic like product.⁵⁴

Furthermore, the record indicates that subject imports from each subject country overlapped with the domestic like product in terms of packaging types. Specifically, *** of U.S. shipments in 2023 by the domestic industry and responding importers of subject merchandise from all subject countries but Poland were of DOTP packaged in 20-metric-ton containers.⁵⁵ Subject imports from Poland were shipped *** in bulk, railcars, or bulk liftings, which overlapped with *** domestic like product shipped in bulk, railcars, or bulk liftings.⁵⁶

Channels of Distribution. Between *** and *** percent of U.S. shipments of domestic like product were sold to end users during the POI.⁵⁷ Similarly, in 2023, *** subject imports from Malaysia, Poland, Turkey, and Taiwan and were sold to end users.⁵⁸

Geographic Overlap. The domestic like product and subject imports from Malaysia and Taiwan were sold in every region in the United States.⁵⁹ Subject imports from Turkey were sold

⁵⁴ CR/PR at Table V-12.

⁵⁵ DOTP shipped in 20 metric ton containers accounted for *** percent of U.S. shipments by Domestic Producers. CR/PR at Table IV-5. Among importers of subject merchandise, the shares of U.S. shipments accounted for by shipments of DOTP in 20 metric ton containers were *** percent for imports from Malaysia, *** percent for Taiwan, and *** percent for Turkey. *Id.* Likewise, there was head-to-head competition between the domestic like product and subject imports from Malaysia, Taiwan, and Turkey of pricing product 1, which is DOTP in 20 metric ton containers, including tank trucks, flexitanks, or flexitainers, and/or isotanks. CR/PR at Table V-6.

⁵⁶ DOTP shipped in bulk accounted for *** percent of U.S. shipments by Domestic Producers and *** percent of U.S. shipments of imports from Poland in 2023. CR/PR at Table IV-5.

⁵⁷ CR/PR at Table II-1.

⁵⁸ CR/PR at Table II-1. U.S. shipments of subject imports from Malaysia, Poland, Taiwan, and Turkey to end users accounted for ***, ***, ***, and *** percent of U.S. shipments from each subject country in 2023, respectively. *Id.*

⁵⁹ CR/PR at Table II-2.

in all regions of the United States except the Mountains region, and subject imports from Poland were sold in the Northeast, Midwest, and Southeast regions.⁶⁰ Official Commerce import statistics for the relevant HTSUS subheading indicate that imports from all subject countries entered the United States through ports located primarily in the East region.⁶¹

Simultaneous Presence in Market. Based on official Commerce import statistics for the relevant HTSUS subheading, DOTP from Taiwan was imported into the U.S. market in all 36 months of the POI, DOTP from Turkey and Malaysia was imported in 26 months, and DOTP from Poland was imported in 14 months.⁶² Quarterly pricing data also show DOTP from all sources simultaneously present in the U.S. market, particularly in 2023.⁶³

Conclusion. The record of the preliminary phase of the investigations indicates that subject imports from Malaysia, Poland, Taiwan, and Turkey are fungible with each other and the domestic like product. It also indicates that imports from Malaysia, Poland, Taiwan, and Turkey and the domestic like product were sold in overlapping channels of distribution. Imports from each of the subject countries and the domestic like product were sold in overlapping geographic markets and were simultaneously present in the U.S. market during the POI. Because there is a reasonable overlap of competition between and among imports from these four countries and the domestic like product with respect to all of the relevant factors, we cumulate subject imports from Malaysia, Poland, Taiwan, and Turkey.

⁶⁰ CR/PR at Table II-2.

⁶¹ CR/PR at Table IV-7. As explained above in section I, such data may include imports of out-of-scope merchandise.

⁶² CR/PR at Table IV-7. As explained above in section I, such data may include imports of out-of-scope merchandise.

⁶³ CR/PR at Tables V-4 and V-5.

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.⁶⁴ 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.⁶⁵ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”⁶⁶ 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.⁶⁷ 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.”⁶⁸

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,⁶⁹ it does not define the phrase “by reason

⁶⁴ 19 U.S.C. §§ 1671b(a), 1673b(a).

⁶⁵ 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).

⁶⁶ 19 U.S.C. § 1677(7)(A).

⁶⁷ 19 U.S.C. § 1677(7)(C)(iii).

⁶⁸ 19 U.S.C. § 1677(7)(C)(iii).

⁶⁹ 19 U.S.C. §§ 1671b(a), 1673b(a).

of,” indicating that this aspect of the injury analysis is left to the Commission’s reasonable exercise of its discretion.⁷⁰ 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.⁷¹

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

⁷⁰ *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).

⁷¹ 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.⁷² In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.⁷³ 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.⁷⁴ It is clear that the existence of injury caused by other factors does not compel a negative determination.⁷⁵

⁷² 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.

⁷³ 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.”).

⁷⁴ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

⁷⁵ 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.”⁷⁶ 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.”⁷⁷ The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”⁷⁸

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.⁷⁹ Congress has delegated this factual finding to the Commission because of the agency’s institutional expertise in resolving injury issues.⁸⁰

⁷⁶ *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 *Swift-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*.

⁷⁷ *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.

⁷⁸ *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.”).

⁷⁹ We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

⁸⁰ *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

1. Demand Conditions

The record in these investigations indicates that demand for DOTP is driven by demand for downstream products that use DOTP.⁸¹ Such end uses include those in the construction, automotive, and medical industries, as well as in flooring, furniture, upholstery, wires, cables, medical tubing, IV bags, and children's toys.⁸² New privately owned housing units decreased irregularly by 2.25 percent, while domestic automotive production decreased irregularly by 19.9 percent, over the POI.⁸³ Domestic Producers reported that U.S. demand for DOTP *** since January 1, 2021.⁸⁴ While importers' responses were mixed, more responding importers reported that U.S. demand for DOTP increased than those that reported that it decreased during the POI.⁸⁵

During the POI, apparent U.S. consumption decreased from *** metric tons in 2021, to *** metric tons in 2022, and *** metric tons in 2023, for an overall decrease of *** percent.⁸⁶

⁸¹ CR/PR at II-5; *see also DOTP I*, USITC Pub. 4713 at 12; *DOTP II*, USITC Pub. 5433 at 13.

⁸² CR/PR at II-5.

⁸³ CR/PR at Tables II-5-6. Eastman provided data indicating that ***. Petitioner's Post Conf. Br. at Exhibit 1, pgs. 5-6 (***).

⁸⁴ CR/PR at Table II-4.

⁸⁵ CR/PR at Table II-4. Specifically, a plurality (four) of importers reported that U.S. demand for DOTP fluctuated up, while two importers reported that U.S. demand steadily increased, three importers reported that it did not change, three importers reported that it fluctuated down, and two importers reported that it steadily decreased. *Id.*

⁸⁶ CR/PR at Tables IV-8, C-1.

2. Supply Conditions

The domestic industry was the largest supply source to the U.S. market throughout the POI.⁸⁷ As noted previously, Eastman and BASF were the only two domestic producers of DOTP, accounting for *** percent and *** percent of domestic production of DOTP in 2023, respectively.⁸⁸ The domestic industry's market share declined from *** percent of apparent U.S. consumption in 2021 to *** percent in 2022, before increasing to *** percent in 2023, a lower level than in 2021.⁸⁹ The domestic industry's practical production capacity remained stable between 2021 and 2023, ranging from *** metric tons to *** metric tons.⁹⁰ Its capacity utilization declined throughout the POI from *** percent in 2021, to *** percent in 2022, and *** percent in 2023.⁹¹ Eastman reported that the domestic industry produces DOTP using a 24-hour, seven-day-a-week, continuous production process that is designed to operate at a high rate of capacity utilization, maximizing efficiency by spreading unit fixed costs over possible output.⁹²

Subject imports were the second largest source of supply to the U.S. market throughout the POI.⁹³ The market share of subject imports increased irregularly by *** percentage points over the POI, increasing from *** percent of apparent U.S. consumption in 2021 to *** percent in 2022, before decreasing to *** percent in 2023.⁹⁴

⁸⁷ CR/PR at Tables IV-8, C-1.

⁸⁸ CR/PR at Table III-1.

⁸⁹ CR/PR at Tables IV-8, C-1.

⁹⁰ CR/PR at Table III-4.

⁹¹ CR/PR at Table III-4.

⁹² Conf. Tr. at 27 (Davis); *DOTP II*, USITC Pub. 5433 at 15, 27, 32 n.197.

⁹³ CR/PR at Tables IV-8, C-1.

⁹⁴ CR/PR at Tables IV-8, C-1.

Nonsubject imports were by far the smallest source of supply to the U.S. market.⁹⁵ Their share of the U.S. market declined from *** percent of apparent U.S. consumption in 2021, to *** percent in 2022, and *** percent in 2023.⁹⁶ The largest sources of nonsubject imports during the POI were Mexico and Canada.⁹⁷

*** and 8 out of 13 importers reported that they experienced supply constraints since January 1, 2021.⁹⁸ Certain purchasers reported that the domestic industry ***.⁹⁹ Domestic Producers reported that ***, which led to it putting some customers on allocation.¹⁰⁰ Eastman contends that this situation did not affect the domestic industry’s ability to supply the U.S market with sufficient DOTP to meet demand.¹⁰¹

3. Substitutability and Other Conditions

Based on the record of the preliminary phase of these investigations, we find that there is a high degree of substitutability between domestically produced DOTP and subject imports.¹⁰² *** responding U.S. producers and a majority of importers reported that the

⁹⁵ CR/PR at Tables IV-8, C-1.

⁹⁶ CR/PR at Tables IV-8, C-1.

⁹⁷ CR/PR at II-4.

⁹⁸ CR/PR at II-4.

⁹⁹ *See, e.g.*, CR/PR at Table V-14.

¹⁰⁰ CR/PR at II-5.

¹⁰¹ Conf. Tr. at 71-72 (Taylor); Petitioner’s Post Conf. Br. at 14 (indicating that the global DOTP industry saw various disruptions which do not explain the “dramatic drop in” U.S. shipments of the domestic like product during the POI). Petitioner’s Post Conf. Br. at 14. In any final phase of these investigations, we intend to further investigate the extent to which supply constraints affected the U.S. DOTP market.

¹⁰² CR/PR at II-10.

domestic like product and subject imports were always or frequently interchangeable.¹⁰³ *** responding market participant reported that the domestic like product and subject imports were never interchangeable.¹⁰⁴ *** U.S. producers reported that there were either sometimes or never significant differences in factors other than price between subject imports from each subject country and the domestic like product.¹⁰⁵ U.S. importers' responses were more mixed: a majority of importers reported that there were either always or frequently significant differences in factors other than price between subject imports from Malaysia and Poland and the domestic like product; a majority reported that there were sometimes or never significant differences between the subject imports from Turkey and the domestic like product; and importers were evenly divided as to whether significant differences between the subject imports from Taiwan and the domestic like product were sometimes or never present as opposed to always or frequently present.¹⁰⁶

We also find that price is an important factor in purchasing decisions. A *** of responding purchasers (***) reported purchasing subject imports instead of the domestic like product primarily because of price.¹⁰⁷ Responding purchasers also most frequently cited price (seven firms), availability (seven firms), and quality (four firms), as among the top three factors influencing their purchasing decisions.¹⁰⁸ U.S. producers indicated that differences other than

¹⁰³ CR/PR at Tables II-8. *** U.S. producers and a plurality of importers reported that imports from each subject country and the domestic like product were always interchangeable. *Id.* at Table II-7.

¹⁰⁴ CR/PR at Tables II-7-8.

¹⁰⁵ CR/PR at Table II-9.

¹⁰⁶ CR/PR at Table II-10.

¹⁰⁷ CR/PR at Table V-12.

¹⁰⁸ CR/PR at Table II-11.

price between the domestic like product and subject imports were *** significant; a majority of responding U.S. importers (13 of 25) reported that there were sometimes or never differences other than price between subject imports and the domestic like product.¹⁰⁹

*** Domestic Producers and 10 of 13 importers reported that the U.S. market for DOTP was subject to distinct business cycles.¹¹⁰ Importers also reported that the business cycle for the U.S. market for DOTP generally follows seasonality for the construction market in which demand typically peaks in the spring and summer.¹¹¹

During the POI, Domestic Producers and U.S. importers sold *** to ***.¹¹² U.S. producers reported selling *** percent of their U.S. shipments in the spot market and most of their remaining sales were via long-term (*** percent) and annual (*** percent) contracts.¹¹³ Importers reported selling a majority of their U.S. shipments in the spot market (*** percent), followed by short-term contracts (*** percent).¹¹⁴ Both domestic producers reported *** in their annual and long-term contracts, which is typically ***.¹¹⁵ Furthermore, Eastman reported using a “significant number” of contracts with “meet-or-

¹⁰⁹ CR/PR at Tables II-9-10.

¹¹⁰ CR/PR at II-5-6.

¹¹¹ CR/PR at II-6.

¹¹² CR/PR at Table II-1.

¹¹³ CR/PR at Table V-3.

¹¹⁴ CR/PR at Table V-3.

¹¹⁵ CR/PR at V-5.

release clauses,” allowing it to lower its prices to meet a competitor’s quotes and/or allow its customers to “buy certain volume from {a} competitor.”¹¹⁶

U.S. producers reported that *** of their commercial shipments were sold from inventory and that their lead times were approximately ***.¹¹⁷ Importers of subject merchandise reported that *** percent of their commercial shipments were sold from U.S. inventories with lead times averaging *** days.¹¹⁸

*** and seven of 13 importers reported the existence of substitutes for DOTP including other plasticizers, such as diisononyl phthalate (“DINP”), dioctylphthalate (“DOP”), di-(2-propylheptyl) phthalate (“DPHP”), and 1, 2-cyclohexane dicarboxylic acid, di-isononyl ester (“DHIN”).¹¹⁹ Eastman reported that DOTP and phthalate plasticizers are not interchangeable due to different physical characteristics, toxicological profiles, limiting customer/producer perceptions, and regulatory and toxicity concerns that have intensified during the POI.¹²⁰ In any final phase of these investigations, we intend to further investigate the existence of substitutable products and any effect they may have on the U.S. DOTP market.

¹¹⁶ Hearing Tr. at 26-27 (Davis).

¹¹⁷ CR/PR at II-12.

¹¹⁸ CR/PR at II-12. Importers of subject merchandise reported that *** percent of their commercial shipments were sold from foreign inventories with lead times averaging *** days while *** percent of their commercial shipments were produced to order, with lead times averaging *** days. *Id.*

¹¹⁹ CR/PR at II-11.

¹²⁰ Petitioner’s Post Conf. Brief at 8, 14, 35.

The primary raw materials for DOTP production are 2-EH, DMT, and purified terephthalic acid (“PTA”).¹²¹ Raw material costs represent U.S. producers’ largest component of total cost of goods sold (“COGS”); as a percentage of total COGS, their raw material costs decreased from *** percent in 2021 to *** percent in 2022, before increasing to *** percent in 2023.¹²² DMT and PTA are made from paraxylene while 2-EH is made from propylene and other chemicals. According to data from ***, from 2021 to 2023, the average annual prices for paraxylene and crude oil fluctuated but increased overall, with prices for paraxylene increasing by *** percent and prices for crude oil increasing by *** percent during this period.¹²³

C. Volume of Subject Imports

The total volume of subject imports decreased overall by 5.9 percent between 2021 and 2023, initially increasing from 12,940 metric tons in 2021 to 19,947 metric tons in 2022, before decreasing to 12,178 metric tons in 2023.¹²⁴ Importers’ U.S. shipments of subject imports, which were used to calculate apparent U.S. consumption, showed a somewhat different trend. U.S. shipments of subject imports increased overall by 14.9 percent between 2021 and 2023, increasing from 11,641 metric tons in 2021 to 18,752 metric tons in 2022, before decreasing to

¹²¹ CR/PR at I-9, VI-1, Table VI-4.

¹²² CR/PR at Table V-1. *** U.S. producer reported that prices of raw materials had fluctuated but increased since January 2021 while *** reported that such prices had fluctuated but decreased during the POI. *Id.* at Table II-4. Eight importers reported that raw materials prices have either increased steadily during the POI or fluctuated but ended the POI higher than in the beginning while seven importers reported that raw materials prices have either decreased steadily during the POI or fluctuated but ended the POI lower than in the beginning. CR/PR at Table II-4.

¹²³ Petitioner’s Post Conf. Br. at Exhibit 7; CR/PR at V-1, Table V-1, Figure V-1. Prices for paraxylene and crude oil were *** percent and *** percent higher in December 2023 than in January 2021, respectively. CR/PR at V-1.

¹²⁴ CR/PR at Table IV-2.

13,371 metric tons in 2023.¹²⁵ As a share of apparent U.S. consumption, subject imports increased overall by *** percentage points between 2021 and 2023, increasing from *** percent in 2021 to *** percent in 2022, and then decreasing to *** percent in 2023.¹²⁶ Accordingly, based on the record in the preliminary phase of these investigations, we find that the volume of subject imports is significant in both absolute terms and relative to apparent U.S. consumption and that the increase in the volume of subject imports is significant relative to apparent U.S. consumption.¹²⁷

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) (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.¹²⁸

As discussed in section VII.A.3 above, we find that there is a high degree of substitutability between subject imports and the domestic like product, and that price is an important factor in purchasing decisions for DOTP.

¹²⁵ CR/PR at Tables IV-8, C-1.

¹²⁶ CR/PR at Tables IV-8, C-1. As noted above, market shares are calculated based on U.S. importers' reported U.S. shipments for subject imports.

¹²⁷ The ratio of subject imports to U.S. production increased overall by *** percentage points from 2021 to 2023, increasing from *** percent in 2021 to *** percent in 2022, and then decreasing to *** percent in 2023. CR/PR at Table IV-2.

¹²⁸ 19 U.S.C. § 1677(7)(C)(ii).

The Commission collected quarterly quantity and f.o.b. pricing data on sales of two pricing products shipped to unrelated U.S. customers during the POI.¹²⁹ Domestic Producers and nine importers provided pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.¹³⁰ Pricing data reported by these firms accounted for *** of the commercial U.S. shipments of DOTP by U.S. producers and importers of subject merchandise from Malaysia and Poland, *** percent of importers' commercial U.S. shipments of subject merchandise from Taiwan, and *** percent of importers' commercial U.S. shipments of subject merchandise from Turkey in 2023.¹³¹

Prices for subject imports were below those for the domestic like product in six of 36 quarterly comparisons, while prices for subject imports were above those for the domestic like product in 30 of 36 quarterly comparisons.¹³² There were *** metric tons of subject imports in quarterly comparisons in which subject imports undersold the domestic like product (*** percent of the total volume) and *** metric tons of subject imports in quarterly comparisons in which subject imports oversold the domestic like product (*** percent of the total volume).¹³³ The margins of underselling ranged from *** to *** percent, and averaged *** percent, while the margins of overselling ranged from *** to *** percent, and averaged *** percent.¹³⁴

¹²⁹ CR/PR at V-6. The two pricing products were defined as follows: Product 1—Diocetyl terephthalate in 20 MT containers, including tank trucks, flexitanks, or flexitainers, and/or isotanks; Product 2—Diocetyl terephthalate in bulk, including railcars and bulk liftings. CR/PR at V-6.

¹³⁰ CR/PR at V-6.

¹³¹ CR/PR at V-9.

¹³² CR/PR at Table V-9.

¹³³ CR/PR at Table V-9.

¹³⁴ CR/PR at Table V-9.

We have concerns with the reliability of the pricing product data discussed above.¹³⁵ Specifically, although the producer and importer questionnaires requested the reporting of prices exclusive of transportation costs, two major importers, representing *** of subject imports from Poland and ***, indicated that they were unable to exclude such costs from their data.¹³⁶ Therefore, the prices for the domestic like product and subject merchandise in many instances are not on a comparable basis. Therefore, to further evaluate the comparability of prices for the domestic like product and subject merchandise, we compared the domestic industry's reported quarterly prices of Product 1 and Product 2 with quarterly average unit values ("AUVs") based on official Commerce import data, though we note these data have their own limitations.¹³⁷ The AUVs of imports from subject countries were lower than prices for the domestic like product in 23 of 45 quarterly comparisons, involving *** metric tons of imports (*** percent of the total volume of imports from subject countries) with differentials ranging from 0.5 percent to 25.2 percent and averaging 12.2 percent.¹³⁸

¹³⁵ Petitioner's Post Conf. Br. at 20-28.

¹³⁶ CR/PR at V-7.

¹³⁷ CR/PR at Appendix F. Import data are based on landed, duty-paid values, which may not reflect the total cost of importing subject merchandise. See CR/PR at F-1 Note. Consequently, these data alone also do not necessarily provide accurate comparisons of the domestic like product and subject import pricing in the U.S. market.

¹³⁸ CR/PR at Table F-3. As noted above, the official Commerce import data reflect an HTSUS subheading that is a basket category covering both in-scope and out-of-scope imports. However, Eastman claims that *** of imports from subject countries in these data are of in-scope DOTP. Petitioner's Post Conf. Br. at Exhibit 1, pg. 9; Conf. Tr. at 56-57. We note in this regard that responding importers reported imports of subject merchandise in amounts equal to *** percent of the total volume of imports under this subheading. CR/PR at IV-1; Table E-1 Note.

The record also contains seven purchaser responses regarding lost sales/lost revenue.¹³⁹ Six of seven responding purchasers reported that, since 2021, they had purchased subject imports instead of the domestic like product.¹⁴⁰ Four of these purchasers reported that subject import were priced lower than the domestic like product.¹⁴¹ Moreover, four purchasers reported that price was the primary reason for their decision to purchase DOTP from subject sources instead of Domestic Producers.¹⁴² These latter four purchasers collectively reported purchasing *** metric tons of subject imports in lieu of domestically produced DOTP, equating to *** percent of the total volume of subject imports bought by responding purchasers during the POI.¹⁴³ Furthermore, three of the four responding purchasers with

As Eastman considers packaging to be a price-differentiating factor, Petitioner’s Post Conf. Br. at 9, a comparison of AUVs might give rise to product mix concerns. We have addressed this concern with respect to Domestic Producers by using pricing product data instead of domestic shipment AUVs. With respect to importer data, we note that importers of subject merchandise from Malaysia, Taiwan, and Turkey only reported prices for Product 1, while importers of subject merchandise from Poland only reported prices for Product 2. CR/PR at Tables V-4-5. We note further that pricing data accounted for *** percent of U.S. producers’ commercial U.S. shipments of DOTP, *** of importers’ commercial U.S. shipments of subject merchandise from Malaysia and Poland, and *** and *** percent of importers’ commercial U.S. shipments of subject merchandise from Taiwan and Turkey in 2023, respectively. CR/PR at V-6. As noted above, landed, duty-paid values may not reflect the total cost of importing subject merchandise, so these AUV data may understate import pricing relative to domestic producers’ pricing. Nonetheless, these AUV data are probative in indicating that the overselling in the pricing data may not accurately reflect pricing competition for DOTP in the U.S. market and are indicative that subject imports may be underselling domestic product.

¹³⁹ CR/PR at V-15-16.

¹⁴⁰ CR/PR at Table V-11-13.

¹⁴¹ CR/PR at Tables V-12-14. One of the two purchasers that indicated that subject imports were priced higher than the domestic like product, ***, indicated that U.S. producers lowered their prices to compete with subject imports. CR/PR at Table V-14.

¹⁴² CR/PR at Tables V-12-13.

¹⁴³ *Calculated from* CR/PR at Tables V-11-12. Although purchaser *** ***, it ***. CR at Tables V-11-12. Overall, purchasers’ share of total purchases of the domestic like product decreased by *** percent from 2021 to 2023, while their share of total purchases of subject imports increased by *** percent during the same period. CR/PR at Table V-11.

knowledge of Domestic Producers' pricing practices reported that Domestic Producers lowered their prices to compete with subject imports, with price reductions ranging from *** percent.¹⁴⁴ Additionally, Domestic Producers provided contemporaneous sales documentation, including ***, showing that lower-priced subject imports are frequently mentioned during sales negotiations and used to leverage price concessions from domestic producers.¹⁴⁵

Based on the totality of available record evidence in the preliminary phase of these investigations regarding subject import underselling, and given the limitations associated with the pricing and AUV data, we are unable to determine the degree of underselling by subject imports for these preliminary determinations. In any final phase of these investigations, we will further investigate the relative pricing of the domestic like product and subject imports.¹⁴⁶

We have also examined available data on price trends. During the POI, domestic prices fluctuated but increased overall for both pricing products.¹⁴⁷ Domestic Producers' prices for Product 1 and Product 2 increased by *** and *** percent, respectively, from the first quarter of 2021 to the fourth quarter of 2023.¹⁴⁸ Although Domestic Producers' prices

¹⁴⁴ CR/PR at Table V-13.

¹⁴⁵ Conf. Tr. at 26-27 (Davis); Petitioner's Post Conf. Br. at 1-4 (***), 19-20, 29, Exhibits 4-5 (***).

¹⁴⁶ In their comments on the questionnaires in any final phase of these investigations, the parties are invited to comment on ways to improve the collection of reliable pricing data and/or the collection of other data that would allow the Commission to evaluate the relative pricing in the United States of subject imports and the domestic like product.

¹⁴⁷ CR/PR at Tables V-4-8.

¹⁴⁸ CR/PR at Table V-6.

generally increased from 2021 through the first half of 2022 for both pricing products, they declined considerably after the first half of 2022.¹⁴⁹ Specifically, Domestic Producers' prices for Product 1 decreased from \$*** in the third quarter of 2022 to \$*** in the fourth quarter of 2023 (by ***) and prices for Product 2 decreased from \$*** in the third quarter of 2022 to \$*** in the fourth quarter of 2023 (by *** percent).¹⁵⁰ Prices of subject imports followed similar trends during the POI,¹⁵¹ but decreased to a greater extent from the second half of 2022 to 2023 than prices for the domestic like product.¹⁵² These price declines are consistent with Eastman's testimony and contemporaneous sales documentation that Domestic Producers experienced "increased price pressure" from subject imports in the form of "competitive quotes and offers on the spot market" and responded with price concessions to customers to prevent further market share losses.¹⁵³ These declines are also

¹⁴⁹ CR/PR at Tables V-4-8, Figures V-3-6.

¹⁵⁰ *Derived from* CR/PR at V-4-5. Further, the AUVs of Domestic Producers' U.S. shipments declined by *** percent from 2022 to 2023. CR/PR at Table C-1.

¹⁵¹ *See, e.g.,* CR/PR at Tables V-4-6. Subject import prices for Product 1 increased overall during the POI. *Id.* Furthermore, while they increased from 2021 to 2022, they generally declined from 2022 to 2023. *Id.*

¹⁵² During the first quarter of 2021 through the fourth quarter of 2023, prices for subject imports from Taiwan and Turkey, the two subject countries for which pricing data is available throughout the POI, increased by *** and *** percent for Product 1, respectively. CR/PR at Table V-6.

Weighted average subject import prices for Product 1 decreased by *** percent from \$*** in the third quarter of 2022 to \$*** in the fourth quarter of 2023. *Id.* at Table V-4. Prices of subject imports from Malaysia, Taiwan, and Turkey decreased by ***, ***, and *** percent during this same period, respectively. *Id.* at Table V-4. We note further that subject import U.S. shipment AUVs declined by *** percent from 2022 to 2023. CR/PR at Table C-1. Subject import pricing data for Product 2 were only reported in 2023. CR/PR at Table V-5.

¹⁵³ Petitioner's Post Conf. Br. at 1-4 (***), 19-20, 29, Exhibits 4-5 (***); Conf. Tr. at 27 (Davis) (indicating that Eastman made "price concessions" to "prevent further market share loss"). Eastman indicated that this price pressure was also exhibited through Eastman's meet-or-release contract clauses. *Id.*

consistent with the lost revenue responses, where three of the four responding purchasers with knowledge of Domestic Producers' pricing practices reported that Domestic Producers lowered their prices to compete with subject imports, with price reductions ranging from *** percent.¹⁵⁴ However, apparent U.S. consumption also declined from 2022 to 2023, which may have contributed to price declines over this period.¹⁵⁵ In light of these domestic price declines from the second half of 2022 through 2023, which outpaced declines in unit raw material costs and COGS,¹⁵⁶ and given that we are unable to determine the level of underselling by subject imports, we cannot conclude for purposes of these preliminary determinations that subject imports did not have significant price-depressing effects.¹⁵⁷

The domestic industry's per-unit COGS increased during the POI while its net sales AUV decreased. As a result, the domestic industry's ratio of COGS to net sales increased from *** percent in 2021 to *** percent in 2022 and *** percent in 2023, an overall increase of *** percentage points.¹⁵⁸ The domestic industry's raw material costs per unit increased from \$*** per metric ton in 2021 to \$*** per metric ton in 2022, before decreasing to \$*** per metric ton in 2023, an overall increase of \$*** per metric ton, or by *** percent from 2021 to 2023.¹⁵⁹ Its unit COGS increased overall by \$*** per metric ton or by *** percent from

¹⁵⁴ CR/PR at Table V-13.

¹⁵⁵ See section VII.A.1 above.

¹⁵⁶ The domestic industry's raw material costs per metric ton decreased by *** percent, while its COGS per metric ton decreased by *** percent, from 2022 through 2023. CR/PR at Tables V-3, C-1. By comparison, the AUV of its U.S. shipments decreased by *** percent from 2022 to 2023. CR/PR at Table C-1.

¹⁵⁷ See *American Lamb Co.*, 785 F.2d at 1001.

¹⁵⁸ CR/PR at Tables VI-3, C-1.

¹⁵⁹ CR/PR at Tables VI-1, VI-2.

2021 to 2023, increasing from \$*** per metric ton in 2021 to \$*** per metric ton in 2022, before decreasing to \$*** per metric ton in 2023.¹⁶⁰ Its net sales AUV decreased overall by \$*** per metric ton, initially increasing from \$*** per metric ton in 2021 to \$*** per metric ton in 2022, before decreasing by \$*** per metric ton in 2023, or by *** percent from 2021 to 2023.¹⁶¹ Thus, the industry's unit costs generally increased between 2021 and 2022 but declined in 2023, however, the decline in the industry's net sales AUV in 2023 exceeded the cost decline.¹⁶² These movements occurred as apparent U.S. consumption declined by *** percent from 2021 to 2022 and by *** percent in 2023.¹⁶³ In any final phase of these investigations, we intend to further examine whether and to what extent subject imports may have depressed U.S. prices or prevented price increases which otherwise would have occurred, to a significant degree.

In sum, based on the record in the preliminary phase of these investigations, we are unable to determine the degree of underselling by subject imports, and we cannot conclude that subject imports did not depress the domestic industry's prices to a significant degree. Therefore, for purposes of the preliminary phase of these investigations, we cannot conclude that subject imports did not have significant adverse price effects during the POI.¹⁶⁴

¹⁶⁰ CR/PR at Tables VI-1, VI-2.

¹⁶¹ CR/PR at Tables VI-1, VI-2.

¹⁶² See CR/PR at Table VI-2.

¹⁶³ CR/PR at Table C-1.

¹⁶⁴ See *American Lamb Co.*, 785 F.2d at 1001.

E. Impact of the Subject Imports¹⁶⁵

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 (“R&D”), and factors affecting domestic prices. 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.”¹⁶⁶

Most of the domestic industry’s output indicia declined from 2021 to 2023. While the domestic industry’s capacity was relatively stable between 2021 and 2023,¹⁶⁷ its production declined by *** percent from 2021 to 2023.¹⁶⁸ As a result, the domestic industry’s practical capacity utilization continuously declined from *** percent in 2021, to *** percent in 2022, and *** percent in 2023, an overall decrease of *** percentage points.¹⁶⁹ We note that

¹⁶⁵ Commerce initiated these investigations based on estimated dumping margins of 48.70 percent for imports from Malaysia; 57.88 percent for imports from Poland; 93.04 to 148.22 percent for imports from Taiwan; and 42.05 to 80.71 percent for imports from Turkey. *Initiation Notice*, 89 Fed. Reg. at 29288; CR/PR at I-5.

¹⁶⁶ 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.

¹⁶⁷ CR/PR at Tables III-4, III-6, C-1. The domestic industry’s capacity decreased from *** metric tons in 2021 to *** metric tons in 2022, before increasing to and *** metric tons in 2023. *Id.*

¹⁶⁸ CR/PR at Tables III-4, III-6, C-1. The domestic industry’s production decreased from *** metric tons in 2021, to *** metric tons in 2022, and *** metric tons in 2023. *Id.*

¹⁶⁹ CR/PR at Tables III-4, III-6, C-1.

the domestic industry produces DOTP using a 24-hour, seven-day-a-week, continuous production process and reportedly must operate at a high rate of capacity utilization in order to remain profitable.¹⁷⁰

The domestic industry's U.S. shipments declined by *** percent from 2021 to 2023,¹⁷¹ while its market share declined overall by *** percentage points in the same period.¹⁷² End-of-period inventories increased irregularly by *** percent between 2021 and 2023.¹⁷³

The domestic industry's employment indicia generally increased during the POI. Its number of production and related workers ("PRWs"), hours worked, wages paid, and hourly wages all increased overall from 2021 to 2023 by *** percent, *** percent, *** percent, and *** percent, respectively.¹⁷⁴ The industry's productivity declined by *** percent from 2021 to 2023.¹⁷⁵

¹⁷⁰ See, e.g., Conf. Tr. at 27 (Davis); *DOTP II*, USITC Pub. 5433 at 15, 27, 32 n.197. As discussed above, we intend to examine further the issue of domestic industry supply constraints in any final phase of these investigations. See section VII.B.2 above.

¹⁷¹ CR/PR at Table C-1. The domestic industry's U.S. shipments declined from *** metric tons in 2021, to *** metric tons in 2022, and *** metric tons in 2023. CR/PR at Tables III-7, IV-8, C-1.

¹⁷² CR/PR at Tables III-7, IV-8 C-1. The domestic industry's market share declined from *** percent in 2021 to *** percent in 2022, before increasing to *** percent in 2023. *Id.*

¹⁷³ CR/PR at Table C-1. The domestic industry's end-of-period inventories decreased from *** metric tons in 2021 to *** metric tons in 2022, before increasing to *** metric tons in 2023. CR/PR at Tables III-8, C-1. As a ratio to total shipments, the domestic industry's end-of-period inventories increased by *** percentage points from 2021 to 2023, increasing from *** percent in 2021, to *** percent in 2022, and *** percent in 2023. *Id.*

¹⁷⁴ CR/PR at Tables III-11, C-1. The domestic industry's number of PRWs were *** in 2021, *** in 2022, and *** in 2023. *Id.* The number of hours worked were *** hours in 2021, *** hours in 2022, and *** hours in 2023. *Id.* Total wages paid were \$*** in 2021, \$*** in 2022, and \$*** in 2023. *Id.* Hourly wages were \$*** in 2021, \$*** in 2022, and \$*** in 2023. *Id.*

¹⁷⁵ CR/PR at Tables III-11, C-1. The domestic industry's productivity was *** metric tons per hour in 2021, *** metric tons per hour in 2022, and *** metric tons per hour in 2023. *Id.*

Most of the domestic industry's financial performance indicia also declined over the course of the POI. From 2021 to 2023, its net sales (by value) declined by *** percent.¹⁷⁶ The industry's gross profit declined throughout the POI, by *** percent from 2021 to 2023.¹⁷⁷ Similarly, its operating and net income declined throughout the POI, by *** and *** percent from 2021 to 2023, respectively.¹⁷⁸ As a result, the domestic industry's operating and net income margins declined from 2021 to 2023, by *** and *** percentage points, respectively.¹⁷⁹

The domestic industry's capital expenditures increased overall by *** percent from 2021 to 2023.¹⁸⁰ Its R&D expenses declined overall by *** percent during the POI.¹⁸¹ The industry's net assets declined by *** percent from 2021 to 2023.¹⁸² *** domestic producers also reported negative effects on investment and on growth and development due to subject imports.¹⁸³

¹⁷⁶ CR/PR at Tables VI-1, VI-3, C-1. The domestic industry's net sales (by value) were \$*** in 2021, \$*** in 2022, and \$*** in 2023. *Id.*

¹⁷⁷ CR/PR at Tables VI-1, VI-3, C-1. The domestic industry's gross profits were \$*** in 2021, \$*** in 2022, and \$*** in 2023. *Id.*

¹⁷⁸ CR/PR at Tables VI-1, VI-3, C-1. The domestic industry's operating income was \$*** in 2021, \$*** in 2022, and \$*** in 2023. *Id.* Its net income was \$*** in 2021 to \$*** in 2022, and \$*** in 2023. *Id.*

¹⁷⁹ Tables VI-1, VI-3, C-1. The domestic industry's operating income margin was *** percent in 2021, *** percent in 2022, and *** percent in 2023. *Id.* Its net income margin was *** percent in 2021, *** percent in 2022, and *** percent in 2023. *Id.*

¹⁸⁰ Tables VI-1, VI-3, C-1. The domestic industry's capital expenditures were \$*** in 2021, \$*** in 2022, and \$*** in 2023. *Id.*

¹⁸¹ Tables VI-7, C-1. The domestic industry's R&D expenses were \$*** in 2021 and 2022 and \$*** in 2023. *Id.*

¹⁸² Tables VI-9, C-1. The domestic industry's total assets were \$*** in 2021, \$*** in 2022, and \$*** in 2023. *Id.*

¹⁸³ CR/PR at Tables VI-12, VI-13.

As discussed above in section VII.D, there was a significant volume of subject imports in the market and subject imports gained market share at the domestic industry's expense during the POI. After initially increasing prices, and losing market share to subject imports, domestic producers lowered prices starting in mid-2022. For purposes of this preliminary determination, we are unable to determine the level of underselling by subject imports and we cannot conclude that subject import pricing did not depress the domestic industry's prices to a significant degree. As the domestic industry lost market share to subject imports, its production and shipments decreased while its inventories increased,¹⁸⁴ which reduced the industry's capacity utilization, and increased its unit fixed costs in light of its continuous production process that requires high rates of capacity utilization.¹⁸⁵ Further, as the domestic producers lowered their prices beginning in 2022, their revenue declined. As a result, the domestic industry's financial performance declined overall by most measures from 2021 to 2023, including *** in gross, operating, and net income as well as operating and net income margins.¹⁸⁶

Based on the available information, we cannot conclude in the preliminary phase of these investigations that subject imports did not have a significant adverse impact on the domestic industry.¹⁸⁷

¹⁸⁴ CR/PR at Table C-1.

¹⁸⁵ CR/PR at Tables III-6, IV-1, V-3, V-11-12, C-1. The domestic industry's other factory costs per unit increased from \$*** per metric ton in 2021 to \$*** per metric ton in 2022, before decreasing to \$*** per metric ton in 2023. CR/PR at Table VI-1. ***. CR/PR at VI-12 n.14.

¹⁸⁶ CR/PR at Tables IV-1, C-1.

¹⁸⁷ See *American Lamb Co.*, 785 F.2d at 1001.

We also have considered whether there are other factors that may have had an impact on the domestic industry. While apparent U.S. consumption declined overall from 2021 to 2023 by *** percent, the domestic industry's declines in production and shipments (*** and *** percent, respectively) exceeded the declines in apparent U.S. consumption over the same period.¹⁸⁸ Moreover, this decline cannot explain subject imports gaining *** percentage points of market share at the expense of the domestic industry.¹⁸⁹ Thus, based on the record in the preliminary phase of these investigations, demand trends do not appear to fully explain the declines in the domestic industry's condition.

Nonsubject imports were the smallest source of supply to the U.S. market throughout the POI. As discussed above, the market share of nonsubject imports declined from *** percent of apparent U.S. consumption in 2021 to *** percent in 2023.¹⁹⁰ This volume of nonsubject imports does not explain the domestic industry's declines in market share or declining financial performance during the POI.

In sum, based on the record of the preliminary phase of these investigations, we cannot conclude that subject imports did not have a significant impact on the domestic industry.¹⁹¹

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 DOTP from

¹⁸⁸ CR/PR at Table C-1.

¹⁸⁹ CR/PR at Tables IV-8, C-1.

¹⁹⁰ CR/PR at Tables IV-8, C-1.

¹⁹¹ *See American Lamb Co.*, 785 F.2d at 1001.

Malaysia, Poland, Taiwan, and Turkey that are allegedly sold in the United States at less than fair value.

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 Eastman Chemical Company (“Eastman”), Kingsport, Tennessee, on March 26, 2024, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of dioctyl terephthalate (“DOTP”)¹ from Malaysia, Poland, Taiwan, and Turkey. Table I-1 presents information relating to the background of these investigations.^{2 3}

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

Effective date	Action
March 26, 2024	Petitions filed with Commerce and the Commission; institution of the Commission investigations (89 FR 22450, April 1, 2024)
April 15, 2024	Commerce’s notice of initiation (89 FR 29285, April 22, 2024)
April 16, 2024	Commission’s conference
May 9, 2024	Commission’s vote
May 10, 2024	Commission’s determinations
May 17, 2024	Commission’s views

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

² Pertinent Federal Register notices are referenced in appendix A, and may be found at the Commission’s website (www.usitc.gov).

³ 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--⁴

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.

⁴ 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—⁵

(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/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

DOTP is generally used to make resins more flexible and easier to process as plastics.⁶ The leading U.S. producer of DOTP is Eastman, while leading producers of DOTP outside the United States include ***. The leading U.S. importer of DOTP from Malaysia and Taiwan is ***, while the leading importers of DOTP from Poland and Turkey are ***, respectively. The leading importer of DOTP from nonsubject countries include ***.⁷ U.S. purchasers of DOTP include distributors and end users; the leading responding purchaser is ***, followed by **.

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

⁶ Petition, p. 7.

⁷ Nearly all imports from Mexico and Canada, which collectively accounted for nearly 90 percent of all imports from nonsubject sources classified under HTS statistical reporting number 2917.39.2000, the primary statistical reporting number under which DOTP is classified, are products outside the scope of these investigations.

Apparent U.S. consumption of DOTP totaled *** metric tons (\$***) in 2023. Currently, two firms are known to produce DOTP in the United States. U.S. producers' U.S. shipments of DOTP totaled *** metric tons (\$***) in 2023, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of subject imports totaled 13,371 metric tons (\$26.4 million) in 2023 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from nonsubject sources totaled *** metric tons (\$***) in 2023 and accounted for *** percent of apparent U.S. consumption by quantity and 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 two firms that accounted for all known U.S. production of DOTP during 2023. U.S. imports are based on questionnaire responses from 16 firms.

Previous and related investigations

DOTP has been the subject of a prior antidumping duty investigation in the United States as presented in table I-2.

Table I-3
DOTP: Previous and related Commission proceedings and current status

Date	Number	Country	ITC original determination	Current status
2016	731-TA-1330	South Korea	Affirmative	Order continued after first review, August 2023

Nature and extent of alleged subsidies and sales at LTFV

Alleged sales at LTFV

On April 22, 2024, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigations on DOTP from Malaysia, Poland, Taiwan, and Turkey.⁸ Commerce has initiated antidumping duty investigations based on estimated dumping margins of 48.70 percent for DOTP from Malaysia, 57.88 percent for DOTP from Poland, 93.04 percent to 148.22 percent for DOTP from Taiwan, and 42.50 percent to 80.71 percent for DOTP from Turkey.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:⁹

DOTP covered in this proceeding is dioctyl terephthalate (DOTP), regardless of form. DOTP that has been blended with other products is included within this scope when such blends include constituent parts that have not been chemically reacted with each other to produce a different product. For such blends, only the DOTP component of the mixture is covered by the scope of these investigations.

DOTP that is otherwise subject to these investigations is not excluded when commingled with DOTP from sources not subject to these investigations. Commingled refers to the mixing of subject and non-subject DOTP. Only the subject component of such commingled products is covered by the scope of these investigations.

DOTP has the general chemical formulation $C_6H_4(C_8H_{17}COO)_2$ and a chemical name of "bis (2-ethylhexyl) terephthalate" and has a Chemical Abstract Service (CAS) registry number of 6422-86-2. Regardless of the label, all DOTP is covered by these investigations.

⁸ 89 FR 29285, April 22, 2024.

⁹ Ibid.

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations is classifiable under subheading 2917.39.20 (“Plasticizers of aromatic polycarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives”). The 2024 general rate of duty for this subheading is 6.5 percent ad valorem. Subject merchandise may also be imported under subheadings 2917.39.70 (“Other aromatic polycarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives”) or 3812.20.10 (“Compound plasticizers for rubber or plastics, containing any aromatic or modified aromatic plasticizer”). The 2024 general rate of duty for these subheadings is also 6.5 percent ad valorem. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

The product

Description and applications

DOTP is a colorless, almost odorless, slightly viscous liquid that is used to make resins more flexible and easier to process as plastics.¹⁰ It is a synthetic organic chemical and part of a group of chemical products, known as plasticizers, that perform this role in the manufacturing of plastics. DOTP is a general-purpose non-phthalate plasticizer used as an additive in multiple applications, which can be grouped generally into the following categories: rigid flooring, flexible flooring, deco sheet, vinyl wall covering, PVC compound, sealing, tarpaulin and banner, PVC matt, toy, medical, and other.¹¹ The most significant end use in the United States is in flexible flooring.¹²

There are dozens of plasticizers (and an even greater number of formulations that contain a blend of plasticizers) available for commercial use, and the decision to use a particular plasticizer is influenced by the physical-chemical interaction of the plasticizer with the resin (primarily PVC resins in the U.S. market); the desired performance characteristics of the finished product, ranging from stiff to soft; material cost; and the ease and speed of processing. Frequently, a specifically formulated plasticizer will be used to fulfill detailed, unique requirements in the production process or the final product.¹³

¹⁰ Petition, p. 7.

¹¹ Petition, p. 7.

¹² Petition, p. 8.

¹³ Dioctyl Terephthalate from South Korea, Inv. No. 731-TA-1330 (Review), USITC Publication 5433, June 2023, p. I-13.

Plasticizers are used to enhance either the properties of an end product itself (such as PVC flexibility) or the ability to process the intermediate polymers while fabricating a product. Flexible PVC, a primary use of plasticizers like DOTP, is used in a broad range of applications: construction (flooring), electrical components (wire sheathing), consumer goods (toys), packaging, transportation (throughout vehicles), furnishings, and medical uses (tubes). Since this range of applications is so broad, demand for DOTP is generally a reflection of overall economic conditions.¹⁴

There are two primary groups of plasticizers: phthalates (also called ortho-phthalates) and non-phthalates (also but infrequently called para-phthalates). The “ortho-” and “para-” prefixes refer to the plasticizer’s molecular structure, which has a direct relationship to the likelihood that the plasticizer may become separated from the plastic and be a health risk, particularly for children. For example, the plasticizers di-2-ethylhexyl phthalate (DEHP) and DOTP have the same chemical formula ($C_{24}H_{38}O_4$), but their structural differences make DEHP a phthalate plasticizer and DOTP a non-phthalate plasticizer.¹⁵

Because phthalate plasticizers do not “bond” with the resins when plastics are made, they are more easily released into the environment and inhaled or ingested. Congress passed legislation in 2008 that banned the use of certain phthalates in children’s toys and other products and temporarily banned the use of other phthalates. DOTP has a more favorable toxicological profile than phthalate plasticizers, so it has experienced an increase in demand.¹⁶

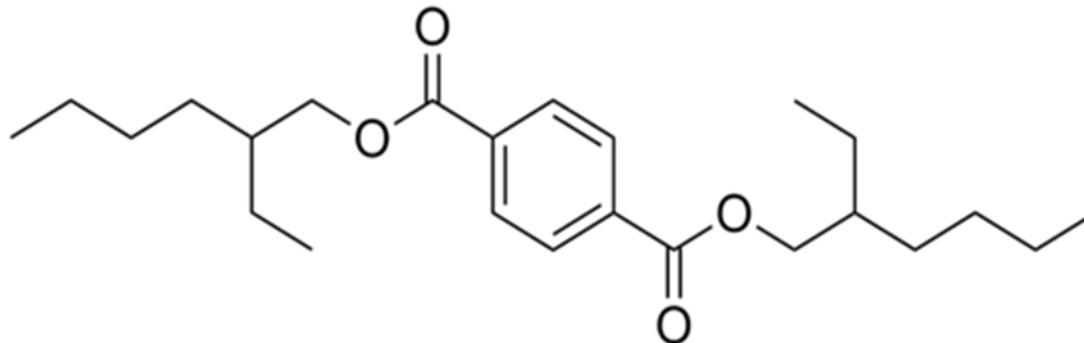
All DOTP (figure I-1) has the same molecular formula ($C_{24}H_{38}O_4$) and structure, and there is no chemical distinction that would prevent DOTP from any source from being used in any application that called for DOTP.

¹⁴ Diethyl Terephthalate from South Korea, Inv. No. 731-TA-1330 (Review), USITC Publication 5433, June 2023, p. I-15.

¹⁵ Diethyl Terephthalate from South Korea, Inv. No. 731-TA-1330 (Review), USITC Publication 5433, June 2023, p. I-14.

¹⁶ Petition, p. 8.

Figure I-1
DOTP: Molecular structure



Source: Wikimedia Commons, "Diocetyl terephthalate," July 14, 2016, https://commons.wikimedia.org/wiki/File:Diocetyl_terephthalate.svg.

In the United States, DOTP is sold by the manufacturer to limited, approved distributors and to end users, primarily original equipment manufacturers ("OEMs") and intermediary producers of PVC compounds.¹⁷ The subject producers sell in the U.S. primarily through distributors and brokers, but also directly to end users.¹⁸

Manufacturing processes

DOTP may be produced via two methods (figure I-2). Eastman uses a transesterification process from the reaction of dimethyl terephthalate (DMT) and 2-ethylhexanol (2-EH), in which methanol is produced as a by-product.¹⁹ BASF produces DOTP in a direct esterification process in which terephthalic acid (TPA) is reacted with 2-EH.²⁰ In the direct esterification process, water is the by-product instead of methanol.²¹ Based on available information, it is believed that all subject producers use the direct esterification process to produce DOTP. While there are various methods for achieving the final mix, with either process, the final product contains the same chemical compound.²²

¹⁷ Petition, p. 9.

¹⁸ Petition, p. 9.

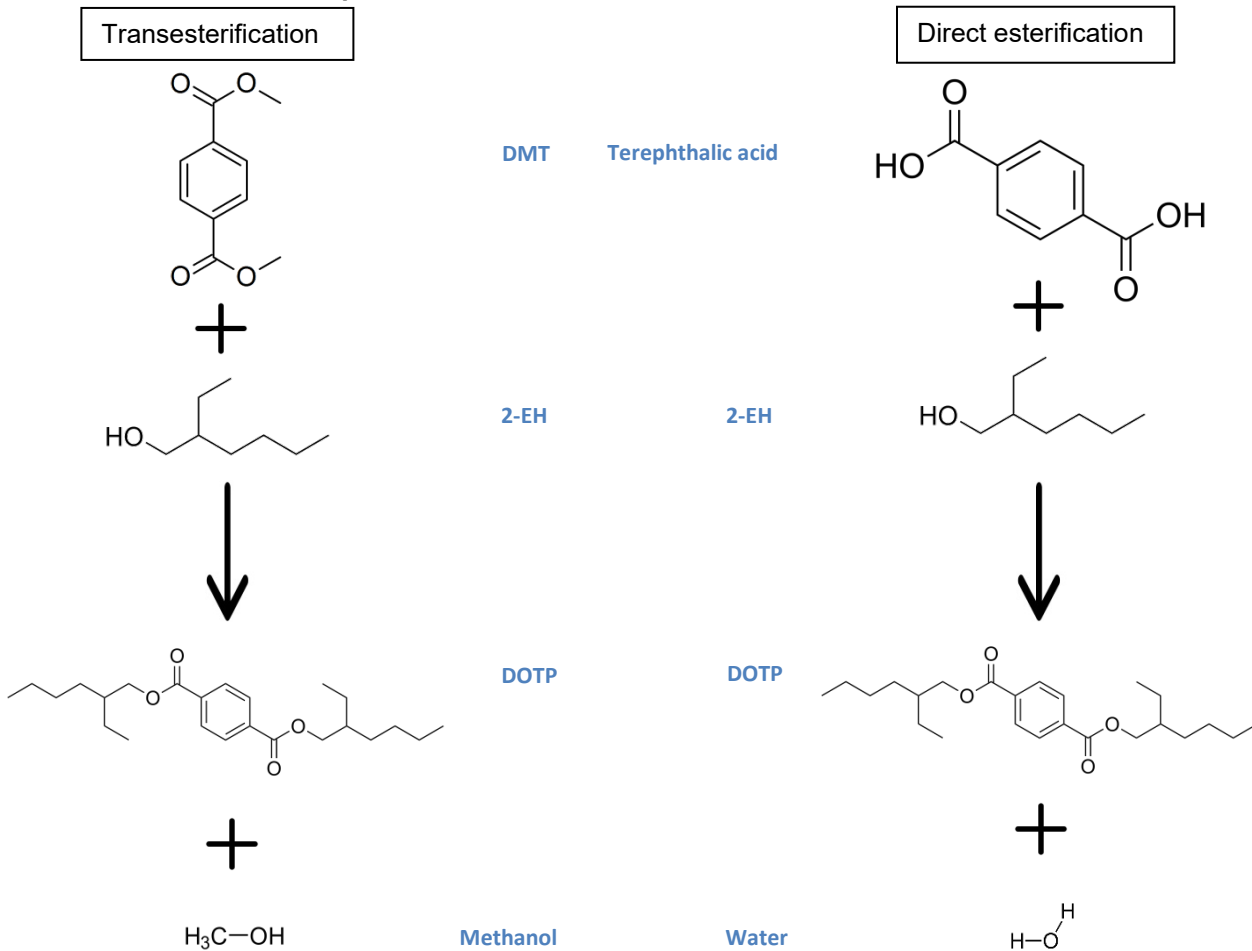
¹⁹ Petition, p. 7.

²⁰ Petition, p. 7, and email from ***, April 24, 2024.

²¹ Petition, pp. 7-8.

²² Petition, p. 8.

Figure I-2
DOTP: Mechanisms for production²³



Petitioner produces the two primary raw materials at its Longview, Texas (2-EH) and Kingsport, Tennessee facilities (DMT) and purchases other minor inputs from unrelated suppliers.²⁴ Petitioner's process produces methanol as a by-product, and the value of the methanol is credited in its cost of goods sold.²⁵ BASF produces 2-EH but purchases TPA.²⁶

²³ The chemical equation for the transesterification process is as follows:
 $2 \text{ C}_8\text{H}_{17}\text{OH} \text{ (2-EH)} + \text{C}_6\text{H}_4(\text{CO})_2(\text{OCH}_3)_2 \text{ (DMT)} \longrightarrow \text{C}_6\text{H}_4(\text{C}_8\text{H}_{17}\text{COO})_2 \text{ (DOTP)} + 2 \text{ CH}_3\text{OH} \text{ (Methanol)}$.
 The chemical equation for the direct esterification process is as follows:
 $2 \text{ C}_8\text{H}_{17}\text{OH} \text{ (2-EH)} + \text{C}_6\text{H}_4(\text{CO}_2\text{H})_2 \text{ (TPA)} \longrightarrow \text{C}_6\text{H}_4(\text{C}_8\text{H}_{17}\text{COO})_2 \text{ (DOTP)} + 2 \text{ H}_2\text{O} \text{ (Water)}$. Petitioner's postconference brief, exh. 8.

²⁴ Petition, p. 8.

²⁵ Petition, p. 8.

²⁶ Email from ***, April 24, 2024.

Domestic like product issues

The petitioner contends that there is a single domestic like product that should include DOTP as defined by the scope of these investigations.²⁷ There is no assertion of an alternative definition of the domestic like product.

²⁷ Petitioner's postconference brief, pp. 7-9.

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

U.S. market characteristics

DOTP is a plasticizer that is used in the production of PVC (polyvinyl chloride) flooring, PVC compounds, houses, toys, and other plastic products. It is added to plastics to impart softness, making them easier to handle.¹ Petitioner stated that DOTP has represented a larger share of the plasticizer market due to trends favoring more environmentally-friendly compounds (away from phthalate plasticizers such as DOP and DINP that are listed in California Proposition 65 as materials known to cause cancer).²

*** U.S. producers, and 9 of 13 importers indicated that the market was not subject to distinctive conditions of competition. Four importers reported that there were distinctive conditions of competition and noted the concentration of U.S. producers, three of which specifically noted that Eastman is trying to eliminate competition; one reported that a domestic producer “implied to an end user that if it purchased DOTP from offshore sources, it would harm the domestic producer’s willingness to supply the end user, especially in times of need.”

Apparent U.S. consumption of DOTP decreased during January 2021-December 2023. Overall, apparent U.S. consumption in 2023 was *** percent lower than in 2021. Petitioner stated that ***.³

Impact of section 301 tariffs

U.S. producers and importers were asked to report the impact of section 301 tariffs on nonsubject Chinese-origin products. *** U.S. producers reported that there had not been an impact on the U.S. market due to the tariffs. Five importers reported that there had been an impact and nine importers reported that they did not know. Importer *** reported that due to the tariffs, Chinese-origin DOTP was not readily available to relieve supply constraints in the

¹ Conference transcript, p. 12 (Dijkman).

² Conference transcript, pp. 13, 19, 20 (Dijkman, Taylor). Proposition 65 requires California to publish a list of chemicals known to cause cancer, birth defects or other reproductive harm. This list, which must be updated at least once a year, has grown to include approximately 900 chemicals since it was first published in 1987. (California Office of Environmental Health Hazard Assessment, <https://oehha.ca.gov/proposition-65/about-proposition-65>, accessed May 2, 2024).

³ Petitioner’s postconference brief, Exhibit 1, p. 6.

United States in 2021 and importers *** reported that these tariffs have created higher costs in the overall market.

Channels of distribution

U.S. producer Eastman sold mainly to end users,⁴ *** and importers sold mainly to end users as shown in table II-1. Petitioner Eastman stated that the largest end use for its DOTP is flexible flooring products that are sold through major retailers such as Home Depot, Lowe’s, Menard’s, and Lumber Liquidators.⁵

Table II-1
DOTP: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

Source	Channel	2021	2022	2023
United States	Distributors / brokers	***	***	***
United States	End users	***	***	***
Malaysia	Distributors / brokers	***	***	***
Malaysia	End users	***	***	***
Poland	Distributors / brokers	***	***	***
Poland	End users	***	***	***
Taiwan	Distributors / brokers	***	***	***
Taiwan	End users	***	***	***
Turkey	Distributors / brokers	***	***	***
Turkey	End users	***	***	***
Subject sources	Distributors / brokers	***	***	***
Subject sources	End users	***	***	***
Nonsubject sources	Distributors / brokers	***	***	***
Nonsubject sources	End users	***	***	***
All imports	Distributors / brokers	***	***	***
All imports	End users	***	***	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

⁴ Conference transcript, p. 26 (Davis).

⁵ Conference transcript, p. 26 (Davis).

Geographic distribution

U.S. producers reported selling DOTP to *** (table II-2). Importers reported selling to all regions, with the majority of importers reporting shipments to the Northeast, Midwest, and Southeast. For U.S. producers, *** percent of sales were between 101 and 1,000 miles and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-2
DOTP: Count of U.S. producers' and U.S. importers' geographic markets

Count in number of firms reporting

Region	U.S. producers	Malaysia	Poland	Taiwan	Turkey	Subject sources
Northeast	***	***	***	7	7	11
Midwest	***	***	***	5	4	8
Southeast	***	***	***	3	6	9
Central Southwest	***	***	***	4	1	4
Mountains	***	***	***	1	0	1
Pacific Coast	***	***	***	4	1	4
Other	***	***	***	0	0	0
All regions (except Other)	***	***	***	1	0	1
Reporting firms	***	1	1	9	8	13

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

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

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding DOTP from U.S. producers and from responding foreign producers. No foreign producers from Malaysia, Taiwan, or Turkey responded.

Table II-3
DOTP: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in metric tons; ratios and shares in percent; count in number of firms reporting

Factor	Measure	United States	Poland
Capacity 2021	Quantity	***	***
Capacity 2023	Quantity	***	***
Capacity utilization 2021	Ratio	***	***
Capacity utilization 2023	Ratio	***	***
Inventories to total shipments 2021	Ratio	***	***
Inventories to total shipments 2023	Ratio	***	***
Home market shipments 2023	Share	***	***
Non-US export market shipments 2023	Share	***	***
Ability to shift production	Count	***	***

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

Note: Responding U.S. producers accounted for virtually all of U.S. production of DOTP in 2023. The responding foreign producer in Poland estimated that it accounted for *** of U.S. imports of DOTP from Poland during 2023. No other foreign producers from subject sources responded. 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 VII.

Domestic production

Based on available information, U.S. producers of DOTP have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced DOTP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the ***. One factor mitigating responsiveness of supply is the ***.

Domestic production capacity increased between 2021 and 2023 and capacity utilization fell by nearly *** percentage points over the period. Approximately *** of U.S. producers' shipments were exported to non-U.S. markets in 2023. U.S. producers reported an inability to shift production away from other products.

Imports from subject sources

No foreign producers from Malaysia, Taiwan, or Turkey responded to the Commission's questionnaires.

Based on available information from one foreign producer from Poland, producers of DOTP from Poland have the ability to respond to changes in demand with small changes in the quantity of shipments of DOTP to the U.S. market. Factors mitigating responsiveness of supply include ***

***.

Imports from nonsubject sources

Nonsubject imports accounted for *** percent of total U.S. imports in 2023. The largest sources of nonsubject imports during January 2021-December 2023 were Canada and Mexico, although this share is likely understated.⁶

Supply constraints

*** U.S. producers and 8 of 13 importers reported that they had experienced supply constraints since January 1, 2021. U.S. producer ***. Two importers specifically reported that Winter Storm Uri impacted availability of DOTP and that they put some customers on allocation. Two importers reported that they did not accept new customers in order to supply existing customers, and two cited COVID-19 as a supply constraint.

U.S. demand

Based on available information, the overall demand for DOTP is likely to experience moderate changes in response to changes in price. The main contributing factors are the availability of substitute products in certain applications and the moderate cost share of DOTP in most of its end-use products.

Petitioner stated that demand for DOTP is derived primarily from the manufacture of consumer products, including those related to construction and building cycles, but more generally, a demand driver has been the regulatory framework in the United States and the resulting shift by brand owners toward DOTP as a non-phthalate plasticizer.⁷

⁶ This share is likely understated as nearly all imports from Mexico and Canada, which collectively accounted for nearly 90 percent of all imports from nonsubject sources classified under HTS statistical reporting number 2917.39.2000, are products outside the scope of these investigations.

⁷ Petitioner's postconference brief, p. 14.

End uses and cost share

U.S. demand for DOTP depends on the demand for U.S.-produced downstream products, particularly in the construction, automotive, and medical industries. Reported end uses include flooring, furniture, upholstery, wires, cables, medical tubing, IV bags, and children's toys.⁸

DOTP accounts for a moderate share of the cost of the end-use products in which it is used. Reported cost shares for some end uses were as follows:

- Building and construction (11-33 percent)
- Flooring (13 percent)
- PVC compounds (15-35 percent)
- Durable goods (20 percent)
- Medical applications (33-40 percent)
- Automotive (34 percent)
- Plastics and coatings (45 percent)
- Inks (60 percent)

Business cycles

U.S. producer Eastman,⁹ *** and 10 of 13 importers indicated that the market was subject to business cycles. Specifically, the DOTP market tends to follow the seasonality for the construction market, and demand is generally higher during the spring and summer months. Some importers also noted that the effects of the COVID-19 pandemic and macroeconomic cycles have also impacted the demand for DOTP.

Demand trends

U.S. producers' *** since January 1, 2021, while importers reported a variety of experiences (table II-4). Six importers reported that demand for DOTP either steadily increased or fluctuated upwards, five importers reported that demand steadily decreased or fluctuated downwards, and three importers reported that demand for DOTP was unchanged over the period.

⁸ Conference transcript, p. 31 (Streatfield).

⁹ Conference transcript, p. 26 (Davis).

Table II-4
DOTP: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Count in number of firms reporting

Market	Firm type	Steadily Increase	Fluctuate Up	No change	Fluctuate Down	Steadily Decrease
Domestic demand	U.S. producers	***	***	***	***	***
Domestic demand	Importers	2	4	3	3	2
Foreign demand	U.S. producers	***	***	***	***	***
Foreign demand	Importers	2	3	3	0	1
Raw material prices	U.S. producers	***	***	***	***	***
Raw material prices	Importers	2	6	1	4	3

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

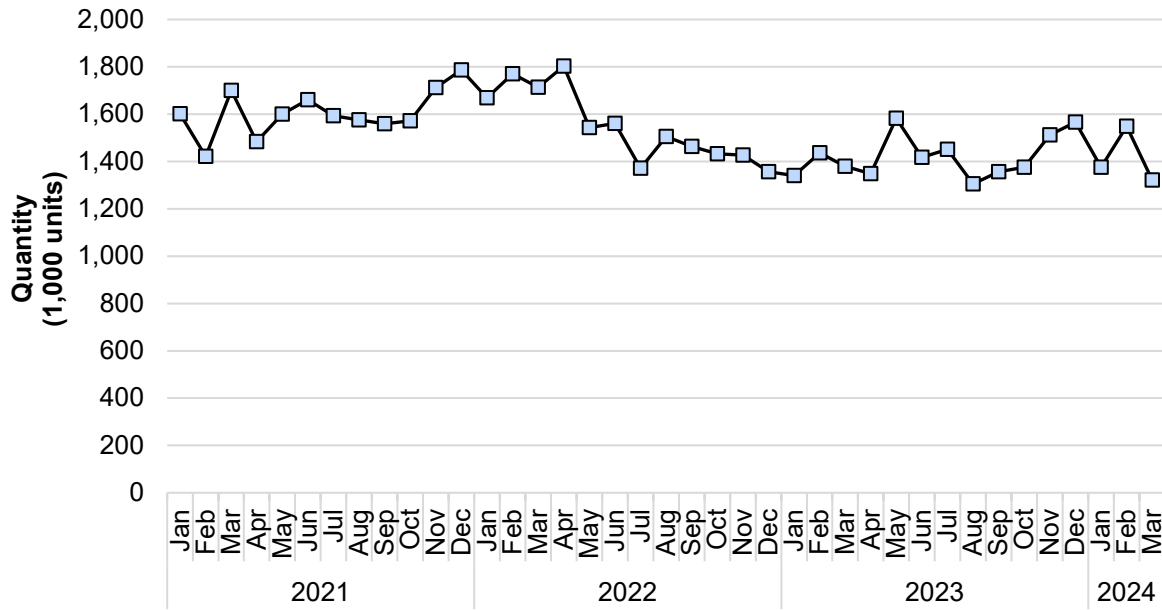
Both construction and automotive sectors experienced declines in production since January 2021. As shown in figure II-1 (and table II-5), production of new privately-owned housing units fluctuated upwards through the first quarter of 2022, at which point, they fluctuated downwards, and experienced an overall decrease of 2.3 percent. As shown in figure II-2 (and table II-6), domestic automotive production decreased drastically from January 2021 through September 2021. Overall, domestic automotive production decreased by 19.9 percent over the period of investigation.

Petitioner stated that it has seen demand grow in building and construction, pharmaceuticals, and durable goods, but noted that the COVID-19 pandemic did have an impact on demand as well.¹⁰ Additionally, Petitioner stated that demand has increased over the last decade due to technology shifts towards non-phthalate plasticizers.¹¹

¹⁰ Conference transcript, pp. 60-61 (Davis).

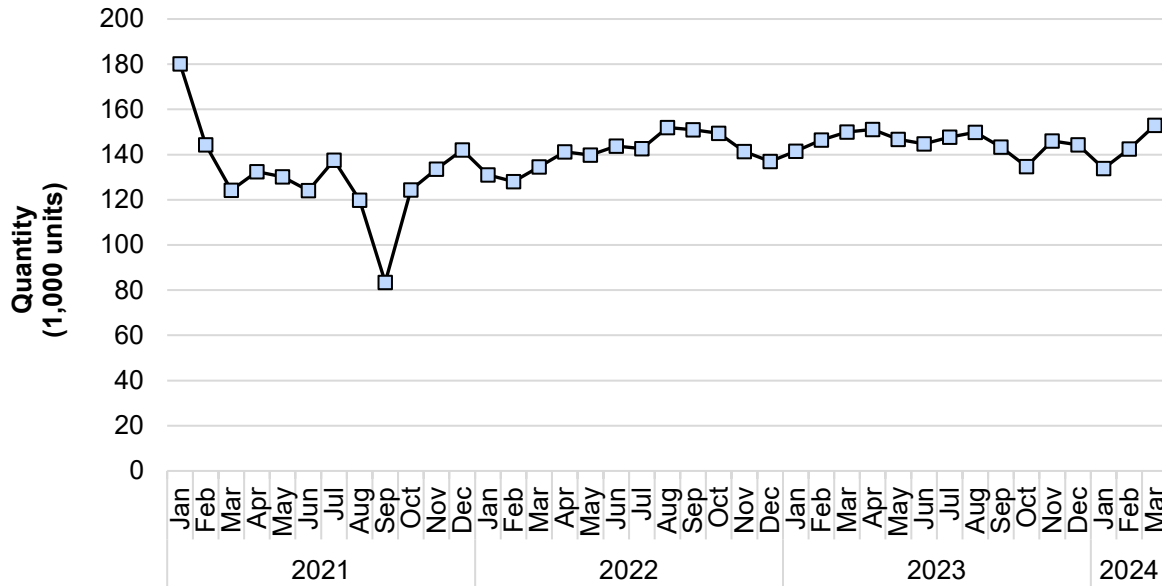
¹¹ Conference transcript, p. 25 (Davis).

Figure II-1
Construction: New privately-owned housing units started, seasonally adjusted, monthly



Source: Federal Reserve Economic Data, Economic Research Division, New Privately-Owned Housing Units Started: Total Units, Thousands of Units, Monthly, Seasonally Adjusted Annual Rate. <https://fred.stlouisfed.org>, Accessed April 23, 2024.

Figure II-2
Auto production: Domestic auto production, seasonally adjusted, monthly



Source: Federal Reserve Economic Data, Economic Research Division, Domestic Auto Production, Thousands of Units, Monthly, Seasonally Adjusted. <https://fred.stlouisfed.org>, Accessed April 23, 2024.

Table II-5
Construction: New privately-owned housing units started, seasonally adjusted, monthly, January 2021-March 2024

Count in 1,000 units

Year	Month	Housing starts
2021	January	1,602
2021	February	1,422
2021	March	1,700
2021	April	1,484
2021	May	1,600
2021	June	1,661
2021	July	1,593
2021	August	1,576
2021	September	1,560
2021	October	1,572
2021	November	1,712
2021	December	1,787
2022	January	1,669
2022	February	1,771
2022	March	1,713
2022	April	1,803
2022	May	1,543
2022	June	1,561
2022	July	1,371
2022	August	1,505
2022	September	1,463
2022	October	1,432
2022	November	1,427
2022	December	1,357
2023	January	1,340
2023	February	1,436
2023	March	1,380
2023	April	1,348
2023	May	1,583
2023	June	1,418
2023	July	1,451
2023	August	1,305
2023	September	1,356
2023	October	1,376
2023	November	1,512
2023	December	1,566
2023	January	1,375
2023	February	1,549
2023	March	1,321

Source: Federal Reserve Economic Data, Economic Research Division, New Privately-Owned Housing Units Started: Total Units, Thousands of Units, Monthly, Seasonally Adjusted Annual Rate.

<https://fred.stlouisfed.org>, Accessed April 23, 2024.

Table II-6**Auto production: Domestic auto production, seasonally adjusted, monthly, January 2021-February 2024**

Count in 1,000 units

Year	Month	Domestic auto production
2021	January	180
2021	February	144
2021	March	124
2021	April	132
2021	May	130
2021	June	124
2021	July	138
2021	August	120
2021	September	84
2021	October	124
2021	November	134
2021	December	142
2022	January	131
2022	February	128
2022	March	135
2022	April	141
2022	May	140
2022	June	144
2022	July	143
2022	August	152
2022	September	151
2022	October	149
2022	November	141
2022	December	137
2023	January	142
2023	February	147
2023	March	150
2023	April	151
2023	May	147
2023	June	145
2023	July	148
2023	August	150
2023	September	143
2023	October	135
2023	November	146
2023	December	144
2023	January	134
2023	February	143
2023	March	153

Source: Federal Reserve Economic Data, Economic Research Division, Domestic Auto Production, Thousands of Units, Monthly, Seasonally Adjusted. <https://fred.stlouisfed.org>, Accessed April 23, 2024.

Substitute products

*** U.S. producer and 7 of 13 importers reported that there are substitutes for DOTP. Substitutes for DOTP include other plasticizers, such as diisononyl phthalate (DINP), dioctyl phthalate (DOP), Di-(2-propylheptyl) phthalate (DPHP), and 1, 2-Cyclohexane Dicarboxylic Acid, Di-Isononyl Ester (DHIN). Some firms reported that DINP and DOP can be used in applications that are not subject to Proposition 65 or the Consumer Product Safety Improvement Act (CPSIA),¹² and reported that the price of DINP can impact the price of DOTP, while other importers reported that DINP substitutions are limited in the automotive, flooring, medical, and packaging industries.

Petitioner stated that it is very costly for end users to switch between different plasticizers on their production lines, so the price of orthophthalate plasticizers typically do not affect the price of DOTP.¹³ Eastman also offers guidance on required reformulation for customers that make the production switch from a traditional phthalate product to DOTP.¹⁴

Substitutability issues

This section assesses the degree to which U.S.-produced DOTP and imports of DOTP from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of DOTP from domestic and imported sources based on those factors. Based on available data, staff believes that there is a high degree of substitutability between domestically produced DOTP and DOTP imported from subject sources.¹⁵ Factors contributing to this level of substitutability include similar quality, availability, and lead times for DOTP from inventory, interchangeability between domestic and subject sources, and limited significant factors other than price.

¹² The CPSIA included provisions addressing, among other things, lead, phthalates, toy safety, durable infant or toddler products, third-party testing and certification, tracking labels, imports, ATVs, civil and criminal penalties and SaferProducts.gov, a publically-searchable database of reports of harm. Consumer Product Safety Commission, <https://www.cpsc.gov/Regulations-Laws--Standards/Statutes/The-Consumer-Product-Safety-Improvement-Act>, accessed May 2, 2024.

¹³ Conference transcript, pp. 23, 31 (Taylor, Streatfield).

¹⁴ Conference transcript, pp. 22-23 (Taylor).

¹⁵ The degree of substitution between domestic and imported DOTP depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced DOTP to DOTP 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.).

Factors affecting purchasing decisions

Purchasers responding to lost sales lost revenue allegations¹⁶ were asked to identify the main purchasing factors their firm considered in their purchasing decisions for DOTP. The major purchasing factors identified by firms include availability/reliability of supply and price (7 purchasers each), quality (4), on-time delivery, established relationship with supplier/approved sources, and diversity of supply (2 each).

Lead times

DOTP is primarily sold from inventory. U.S. producers reported that *** of their commercial shipments were sold from inventory with average lead times of *** days. Responding importers reported that 84.1 percent of commercial shipments were sold from inventories with an average lead time of 18 days, 13.5 percent of commercial shipments were sold from foreign inventories with lead times averaging 51 days and the remaining 2.4 percent of commercial shipments were produced-to-order with lead times of 90 days.

Comparison of U.S.-produced and imported DOTP

In order to determine whether U.S.-produced DOTP can generally be used in the same applications as imports from Malaysia, Poland, Taiwan, and Turkey, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-7 to II-8, U.S. producers reported that U.S.-produced DOTP can *** be used in the same applications as subject imports. Most responding importers reported that U.S.-produced and imported DOTP from subject sources were always or frequently interchangeable.

Importer *** reported that U.S. DOTP is only sometimes interchangeable with imported DOTP because they carry different environmental and health certifications which affects how the DOTP can be used. It noted that end users do not like to mix DOTP from different sources. Importer *** reported that DOTP from Turkey may have varied quality.

¹⁶ This information is compiled from responses by purchasers identified by the Petitioner or other U.S. producers to the lost sales lost revenue allegations. See Part V for additional information.

Table II-7**DOTP: Count of U.S. producers reporting the interchangeability between product produced in the United States and in other countries, by country pair**

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Malaysia	***	***	***	***
United States vs. Poland	***	***	***	***
United States vs. Taiwan	***	***	***	***
United States vs. Turkey	***	***	***	***
Malaysia vs. Poland	***	***	***	***
Malaysia vs. Taiwan	***	***	***	***
Malaysia vs. Turkey	***	***	***	***
Poland vs. Taiwan	***	***	***	***
Poland vs. Turkey	***	***	***	***
Taiwan vs. Turkey	***	***	***	***
United States vs. Other	***	***	***	***
Malaysia vs. Other	***	***	***	***
Poland vs. Other	***	***	***	***
Taiwan vs. Other	***	***	***	***
Turkey vs. Other	***	***	***	***

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

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

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Malaysia	2	1	1	0
United States vs. Poland	3	1	2	0
United States vs. Taiwan	5	2	1	0
United States vs. Turkey	4	1	2	0
Malaysia vs. Poland	1	1	0	0
Malaysia vs. Taiwan	1	1	0	0
Malaysia vs. Turkey	2	1	0	0
Poland vs. Taiwan	2	1	0	0
Poland vs. Turkey	3	1	1	0
Taiwan vs. Turkey	4	1	0	0
United States vs. Other	3	4	1	0
Malaysia vs. Other	2	1	0	0
Poland vs. Other	3	1	0	0
Taiwan vs. Other	3	1	0	0
Turkey vs. Other	4	2	0	0

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

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of DOTP from the United States, subject, or nonsubject countries. As seen in tables II-9 and II-10, U.S. producers reported that differences other than prices are *** significant. Responding importers had more varied responses. Importer *** reported that availability of DOTP is of paramount importance, followed by quality, transportation network, and reliability, “with price factoring in later.” Importer *** reported that imports from Malaysia and Taiwan offer a “vital backup supply option (aka second or third choice) while allowing them to diversify their supply.” Importer *** reported that technical support for DOTP imports from Poland and Turkey are more advanced due to testing methods.

Table II-9
DOTP: Count of U.S. producers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Malaysia	***	***	***	***
United States vs. Poland	***	***	***	***
United States vs. Taiwan	***	***	***	***
United States vs. Turkey	***	***	***	***
Malaysia vs. Poland	***	***	***	***
Malaysia vs. Taiwan	***	***	***	***
Malaysia vs. Turkey	***	***	***	***
Poland vs. Taiwan	***	***	***	***
Poland vs. Turkey	***	***	***	***
Taiwan vs. Turkey	***	***	***	***
United States vs. Other	***	***	***	***
Malaysia vs. Other	***	***	***	***
Poland vs. Other	***	***	***	***
Taiwan vs. Other	***	***	***	***
Turkey vs. Other	***	***	***	***

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

Table II-10**DOTP: Count of importers reporting the significance of differences between product produced in the United States and in other countries, by country pair**

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Malaysia	3	0	0	2
United States vs. Poland	3	0	0	2
United States vs. Taiwan	3	1	1	3
United States vs. Turkey	2	0	2	3
Malaysia vs. Poland	1	0	0	1
Malaysia vs. Taiwan	1	0	0	1
Malaysia vs. Turkey	1	0	0	2
Poland vs. Taiwan	1	0	0	2
Poland vs. Turkey	2	0	0	3
Taiwan vs. Turkey	1	0	0	4
United States vs. Other	2	4	1	2
Malaysia vs. Other	1	1	0	1
Poland vs. Other	1	1	0	2
Taiwan vs. Other	1	2	0	2
Turkey vs. Other	1	1	0	3

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 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 two firms that accounted for all U.S. production of DOTP during 2023.

U.S. producers

The Commission issued a U.S. producer questionnaire to Eastman and BASF based on information contained in the petitions. Both firms provided usable data on their operations. Table III-1 lists U.S. producers of DOTP, their production locations, positions on the petitions, and shares of total production.

Table III-1
DOTP: U.S. producers, their positions on the petitions, production locations, and shares of reported production, 2023

Firm	Position on petitions	Production location(s)	Share of production
BASF	***	Pasadena, TX	***
Eastman	Petitioner	Kingsport, TN Texas City, TX	***
All firms	Various	Various	100.0

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

Table III-2 presents information on U.S. producers’ ownership, related and/or affiliated firms. Neither responding U.S. producer is related to a foreign producer of the subject merchandise or to a U.S. importer of the subject merchandise. As discussed in greater detail below, ***.

Table III-2
DOTP: 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.

There were no major developments in the DOTP industry since January 1, 2021 and no relevant information from outside sources was found.

Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of DOTP since 2021. Eastman and BASF indicated in their questionnaire responses that they had experienced such changes. Table III-3 presents the changes identified by these producers.

Table III-3
DOTP: U.S. producers' reported changes in operations, since January 1, 2021

Item	Firm name and narrative response on changes in operations
Weather-related or force majeure events	***
Other	***

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

In addition to these changes, ***.¹ ***.

¹ Petitioner's postconference brief, exh. 1.

U.S. production, capacity, and capacity utilization

Table III-4 presents U.S. producers' installed and practical capacity and production on the same equipment. U.S. producers' installed overall capacity was *** metric tons in 2021, 2022, and 2023. U.S. producers' practical overall capacity was relatively steady from 2021 to 2023, staying between *** and *** metric tons during that period.

Table III-4
DOTP: U.S. producers' installed and practical capacity and production on the same equipment as in-scope production, by period

Capacity and production in metric tons; utilization in percent

Item	Measure	2021	2022	2023
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical DOTP	Capacity	***	***	***
Practical DOTP	Production	***	***	***
Practical DOTP	Utilization	***	***	***

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

Table III-5 presents U.S. producers' reported narratives regarding practical capacity constraints.

Table III-5
DOTP: U.S. producers' reported capacity constraints since January 1, 2021

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Fuel or energy	***
Other constraints	***

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

Table III-6 and figure III-1 present data on U.S. producers' production, capacity, and capacity utilization. U.S. producers' practical capacity was largely unchanged from 2021 to 2023, remaining between *** and *** metric tons. Their production, however, decreased year to year, ending *** percent lower in 2023 than in 2021. ***.² U.S. producers' average capacity utilization also decreased year to year, ending *** percentage points lower in 2023 than in 2021.³ The yearly decrease in capacity utilization largely reflects *** operations as ***.

Table III-6
DOTP: U.S. producers' output, by firm and period

Practical capacity

Capacity in metric tons

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table III-6 Continued
DOTP: U.S. producers' output, by firm and period

Production

Production in metric tons

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

² ***. Email from ***, April 12, 2024. According to data submitted in response to the Commission's questionnaire, ***. Email from ***, April 12, 2024.

³ Eastman maintains that it produces DOTP using a 24-hour, seven-day-a-week, continuous production process with minimum stoppages designed to operate at a high rate of capacity utilization. Conference transcript, p. 27 (Davis)

Table III-6 Continued
DOTP: U.S. producers' output, by firm and period

Capacity utilization

Capacity utilization in percent

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

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

Table continued.

Table III-6 Continued
DOTP: U.S. producers' output, by firm and period

Share of production

Share in percent

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	100.0	100.0	100.0

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

Figure III-1
DOTP: U.S. producers' output, by period

* * * * *

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

Alternative products

Neither responding U.S. producer reported production of other products using the same equipment to produce DOTP.

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

Table III-7 presents data on U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. shipments accounted for the majority of U.S. producers' total shipments from 2021 to 2023.⁴ The quantity of their U.S. shipments decreased year to year, ending *** percent lower in 2023 than in 2021. The decrease reflects ***.⁵ The value of U.S. producers' U.S. shipments fluctuated year to year, increasing from 2021 to 2022 then decreasing more noticeably from 2022 to 2023, ending *** percent lower in 2023 than in 2021.

The average unit value of U.S. producers' U.S. shipments increased from 2021 to 2022 as value increased, while quantity decreased. It then decreased from 2022 to 2023 as value decreased at a higher rate than quantity.⁶ Overall, the average unit value increased by *** percent from 2021 to 2023. The unit values of both responding firms' U.S. shipments increased from 2021 to 2022 and decreased in 2023.⁷

⁴ ***.

⁵ ***. Email from ***, April 12, 2024. ***. Email from ***, April 12, 2024.

⁶ The unit values of Eastman's and BASF's U.S. shipments ***.

⁷ ***. Email from ***, April 12, 2024 and email from ***, April 12, 2024.

Table III-7
DOTP: U.S. producers' shipments, by destination and period

Quantity in metric tons; value in 1,000 dollars; unit value in dollars per metric tons; share in percent

Item	Measure	2021	2022	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
U.S. shipments	Share of value	***	***	***
Export shipments	Share of value	***	***	***
Total shipments	Share of value	100.0	100.0	100.0

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

By quantity, export shipments accounted for a minority and declining share of U.S. producers' total shipments in each year from 2021 to 2023. The quantity of their export shipments decreased by *** percent from 2021 to 2022 and remained largely unchanged from 2022 to 2023. The value of U.S. producers' export shipments decreased yearly from 2021 to 2023, ending *** percent lower. The unit value of their export shipments fluctuated year to year, increasing from 2021 to 2022 then decreasing more noticeably from 2022 to 2023, ending *** percent lower in 2023 than in 2021.

U.S. producers' inventories

Table III-8 presents U.S. producers' end-of-period inventories and the ratio of their inventories to production, U.S. shipments, and total shipments. U.S. producers' end-of-period inventories fluctuated year to year between 2021 and 2023, decreasing from 2021 to 2022 then increasing more noticeably from 2022 to 2023, ending *** percent higher in 2023 than in 2021.⁸ The ratios of U.S. producers' end-of-period inventories to their U.S. production, U.S. shipments, and total shipments each increased in every year from 2021 to 2023, ending *** percentage points, *** percentage points, and *** percentage points higher, respectively.

Table III-8
DOTP: U.S. producers' inventories and their ratio to select items, by period

Quantity in metric tons; ratio in percent

Item	2021	2022	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' purchases of imports from subject sources

U.S. producers' purchases of imports from subject sources are presented in table III-9 and the reasons for purchasing are presented in table III-10. ***.

⁸ ***. Email from ***, April 12, 2024 and email from ***, April 12, 2024.

Table III-9
DOTP: * U.S. production and purchases of imports from subject sources, by period**

Quantity in metric tons; ratio in percent

Item	Measure	2021	2022	2023
U.S. production	Quantity	***	***	***
Purchases of U.S. imports from ***	Quantity	***	***	***
Producer's purchases to U.S. production	Ratio	***	***	***
Overall imports from ***	Quantity	***	***	***
Producer's purchases to overall imports from ***	Ratio	***	***	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Table III-10
DOTP: * reasons for purchasing**

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

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

U.S. employment, wages, and productivity

Table III-11 shows U.S. producers' employment-related data. The number of production-related workers (“PRWs”) increased by *** percent from 2021 to 2023. Productivity decreased by *** percent from 2021 to 2023, with nearly all the decrease occurring from 2021 to 2022. Unit labor costs and total hours worked, conversely, increased in every year from 2021 to 2023, ending *** percent and *** percent higher, respectively. Hours worked per PRW, wages paid, and hourly wages all increased from 2021 to 2023.

Table III-11
DOTP: U.S. producers' employment-related information, by period

Item	2021	2022	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 (metric tons per hour)	***	***	***
Unit labor costs (dollars per metric ton)	***	***	***

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

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

U.S. importers

The Commission issued importer questionnaires to 78 firms believed to be importers of subject DOTP, as well as to all U.S. producers of DOTP, and received responses from sixteen firms.¹ Based on official Commerce statistics, U.S. importers' questionnaire data accounted for *** percent of subject imports and *** percent² of total imports classified under HTS statistical reporting number 2917.39.2000. Firms responding to the Commission's questionnaire accounted for the following shares of imports (as a share of official Commerce statistics, by quantity) in 2023.³

- *** percent of imports from Malaysia
- *** percent of imports from Poland
- *** percent of imports from Taiwan
- *** percent of imports from Turkey
- *** percent of imports from nonsubject sources.⁴

Table IV-1 lists all responding U.S. importers of DOTP from Malaysia, Poland, Taiwan, Turkey, and other sources, their locations, and their shares of reported U.S. imports, in 2023.

¹ The Commission issued questionnaires to those firms identified in the petitions; staff research; and proprietary, Census-edited Customs' import records.

² This share is likely understated as nearly all imports from Mexico and Canada, which collectively accounted for nearly 90 percent of all imports from nonsubject sources classified under HTS statistical reporting number 2917.39.2000, are products outside the scope of these investigations.

³ Subject import coverage was calculated as a share of subject imports, as reported in questionnaire responses, divided by official import statistics from Commerce.

⁴ This share is likely understated as nearly all imports from Mexico and Canada, which collectively accounted for nearly 90 percent of all imports from nonsubject sources classified under HTS statistical reporting number 2917.39.2000, are products outside the scope of these investigations.

Table IV-1
DOTP: U.S. importers, their headquarters, and share of imports within each source, 2023

Share in percent

Firm	Headquarters	Malaysia	Poland	Taiwan	Turkey
ALAC	New York, NY	***	***	***	***
American Vinyl	Hialeah, FL	***	***	***	***
Beauflor	White, GA	***	***	***	***
BGN	Houston, TX	***	***	***	***
Chemstock	Farmingdale, NJ	***	***	***	***
Greenchem	West Palm Beach, FL	***	***	***	***
Grupa	Kędzierzyn-Koźle, Poland	***	***	***	***
ICC chemical	New York, NY	***	***	***	***
Innua	Burlington, ON	***	***	***	***
Mak	Clifton, NJ	***	***	***	***
Mexichem	Leominster, MA	***	***	***	***
Silver Fern	Seattle, WA	***	***	***	***
Soyventis	Morristown, NJ	***	***	***	***
TCC	Jamestown, RI	***	***	***	***
Triiso	Del Mar, CA	***	***	***	***
Westdry	Westfield, NJ	***	***	***	***
All firms	Various	100.0	100.0	100.0	100.0

Table continued.

Table IV-1 Continued
DOTP: U.S. importers, their headquarters, and share of imports within each source, 2023

Share in percent

Firm	Headquarters	Subject sources	Nonsubject sources	All import sources
ALAC	New York, NY	***	***	***
American Vinyl	Hialeah, FL	***	***	***
Beauflor	White, GA	***	***	***
BGN	Houston, TX	***	***	***
Chemstock	Farmingdale, NJ	***	***	***
Greenchem	West Palm Beach, FL	***	***	***
Grupa	Kędzierzyn-Koźle, Poland	***	***	***
ICC chemical	New York, NY	***	***	***
Innua	Burlington, ON	***	***	***
Mak	Clifton, NJ	***	***	***
Mexichem	Leominster, MA	***	***	***
Silver Fern	Seattle, WA	***	***	***
Soyventis	Morristown, NJ	***	***	***
TCC	Jamestown, RI	***	***	***
Triiso	Del Mar, CA	***	***	***
Westdry	Westfield, NJ	***	***	***
All firms	Various	100.0	100.0	100.0

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

Note: 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 DOTP from Malaysia, Poland, Taiwan, Turkey, and all other sources. Subject imports, by quantity, accounted for the vast majority of total imports in every year from 2021 to 2023, accounting for *** percent throughout the period. Among the subject sources, Taiwan accounted for the largest share of total imports in 2021 and 2023, while Turkey accounted for the largest share in 2022. From 2021 to 2023, the quantity of subject imports decreased by 5.9 percent and the value decreased by 23.2 percent. The unit value of subject imports decreased by 18.4 percent from 2021 to 2023.

Table IV-2
DOTP: U.S. imports by source and period

Quantity in metric tons; value in 1,000 dollars; unit value in dollars per metric tons

Source	Measure	2021	2022	2023
Malaysia	Quantity	***	***	***
Poland	Quantity	***	***	***
Taiwan	Quantity	***	***	***
Turkey	Quantity	***	***	***
Subject sources	Quantity	12,940	19,947	12,178
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
Malaysia	Value	***	***	***
Poland	Value	***	***	***
Taiwan	Value	***	***	***
Turkey	Value	***	***	***
Subject sources	Value	26,836	45,250	20,608
Nonsubject sources	Value	***	***	***
All import sources	Value	***	***	***
Malaysia	Unit value	***	***	***
Poland	Unit value	***	***	***
Taiwan	Unit value	***	***	***
Turkey	Unit value	***	***	***
Subject sources	Unit value	2,074	2,269	1,692
Nonsubject sources	Unit value	***	***	***
All import sources	Unit value	***	***	***

Table continued.

Table IV-2 Continued
DOTP: Share of U.S. imports by source and period

Share and ratio in percent

Source	Measure	2021	2022	2023
Malaysia	Share of quantity	***	***	***
Poland	Share of quantity	***	***	***
Taiwan	Share of quantity	***	***	***
Turkey	Share of quantity	***	***	***
Subject sources	Share of quantity	***	***	***
Nonsubject sources	Share of quantity	***	***	***
All import sources	Share of quantity	100.0	100.0	100.0
Malaysia	Share of value	***	***	***
Poland	Share of value	***	***	***
Taiwan	Share of value	***	***	***
Turkey	Share of value	***	***	***
Subject sources	Share of value	***	***	***
Nonsubject sources	Share of value	***	***	***
All import sources	Share of value	100.0	100.0	100.0
Malaysia	Ratio	***	***	***
Poland	Ratio	***	***	***
Taiwan	Ratio	***	***	***
Turkey	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***

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

Note: Share of quantity is the share of U.S. imports by quantity; share of value is the share of U.S. imports by value; ratio are U.S. imports to production.

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
DOTP: U.S. import quantities and average unit values, by source and period

* * * * *

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

Imports from Malaysia began in 2022 and decreased by *** percent in 2023.⁵ Imports from Poland, by quantity, fluctuated year to year, decreasing to *** from 2021 to 2022 then ending *** higher in 2023 than in 2021.⁶ The quantity of imports from Turkey widely fluctuated year to year, increasing from 2021 to 2022 then decreasing from 2022 to 2023, ending *** percent lower in 2023 than in 2021.⁷ Imports from Taiwan decreased yearly from 2021 to 2023, ending *** percent lower.⁸ The quantity of imports from nonsubject sources decreased every year from 2021 to 2023, ending *** percent lower.

⁵ ***. Email from ***, April 15, 2024.

⁶ ***. Email from ***, April 16, 2024.

⁷ The change in imports from Turkey largely reflects ***. Email from ***, April 10, 2024 and email from ***, April 11, 2024.

⁸ The decrease in imports from Taiwan was largely driven by ***. Email from ***, April 15, 2024. ***. Email from ***, April 22, 2024.

The value of imports from Malaysia was *** percent lower in 2023 than in 2022 and the value of imports from Poland in 2023 was roughly *** higher than the value in 2021. The value of imports from Taiwan decreased every year from 2021 to 2023, ending *** percent lower. The value of imports from Turkey widely fluctuated year to year, increasing from 2021 to 2022 then decreasing from 2022 to 2023, ending *** percent lower in 2023 than in 2021. The value of nonsubject imports decreased every year from 2021 to 2023, ending *** percent lower.

The unit value of imports from Malaysia decreased by *** percent from 2022 to 2023 and the unit value of imports from Poland decreased by *** percent from 2021 to 2023. The unit values of imports from Taiwan and Turkey fluctuated in the same direction, increasing from 2021 to 2022 then decreasing more noticeably from 2022 to 2023, ending *** percent and *** percent lower, respectively, in 2023 than in 2021. By 2023, the unit values of imports from Malaysia, Taiwan, and Turkey were similar, while the unit value of imports from Poland was more noticeably higher. The unit value of nonsubject imports also fluctuated year to year, increasing from 2021 to 2022 then decreasing from 2022 to 2023, ending *** percent lower. Table IV-3 presents data on the changes in import quantity, value, and unit value between comparison periods.

Table IV-3
DOTP: Changes in import quantity, values, and unit values between comparison periods

%Δ in percent

Source	Measure	2021-23	2021-22	2022-23
Malaysia	%Δ Quantity	▲***	▲***	▼***
Poland	%Δ Quantity	▲***	▼***	▲***
Taiwan	%Δ Quantity	▼***	▼***	▼***
Turkey	%Δ Quantity	▼***	▲***	▼***
Subject sources	%Δ Quantity	▼(5.9)	▲54.1	▼(38.9)
Nonsubject sources	%Δ Quantity	▼***	▼***	▼***
All import sources	%Δ Quantity	▼***	▲***	▼***
Malaysia	%Δ Value	▲***	▲***	▼***
Poland	%Δ Value	▲***	▼***	▲***
Taiwan	%Δ Value	▼***	▼***	▼***
Turkey	%Δ Value	▼***	▲***	▼***
Subject sources	%Δ Value	▼(23.2)	▲68.6	▼(54.5)
Nonsubject sources	%Δ Value	▼***	▼***	▼***
All import sources	%Δ Value	▼***	▲***	▼***
Malaysia	%Δ Unit value	▲***	▲***	▼***
Poland	%Δ Unit value	▼***	▼***	▲***
Taiwan	%Δ Unit value	▼***	▲***	▼***
Turkey	%Δ Unit value	▼***	▲***	▼***
Subject sources	%Δ Unit value	▼(18.4)	▲9.4	▼(25.4)
Nonsubject sources	%Δ Unit value	▼***	▲***	▼***
All import sources	%Δ Unit value	▼***	▲***	▼***

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

Note: 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.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.⁹ 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.¹⁰ As presented in table IV-4, imports from Malaysia, Poland, Taiwan, and Turkey accounted for *** percent, *** percent, *** percent, and *** percent of total imports of DOTP, by quantity, respectively, between March 2023 and February 2024.

Table IV-4
DOTP: U.S. imports in the twelve-month period preceding the filing of the petitions, March 2023 through February 2024

Quantity in metric tons; share in percent

Source of imports	Quantity	Share of quantity
Malaysia	***	***
Poland	***	***
Taiwan	***	***
Turkey	***	***
All other import sources	***	***
All import sources	***	100.0

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

⁹ 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)).

¹⁰ Section 771 (24) of the Act (19 U.S.C § 1677(24)).

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-5 and figure IV-2 present data on U.S. producers' and U.S. importers' U.S. shipments of DOTP by packaging type/delivery method in 2023. The majority of U.S. producers' U.S. shipments were in 20 metric ton containers. All or nearly all U.S. shipments of imports from Malaysia, Taiwan, and Turkey also were in 20 metric ton containers, while *** U.S. shipments of imports from Poland were in bulk.

Table IV-5
DOTP: U.S. producers' and U.S. importers' U.S. shipments, by source and packaging type/delivery method, 2023

Quantity in metric tons

Source	Bulk, railcars and bulk liftings	20 MT containers	Other containers	All packaging / delivery methods
U.S. producers	***	***	***	***
Malaysia	***	***	***	***
Poland	***	***	***	***
Taiwan	***	***	***	***
Turkey	***	***	***	***
Subject sources	***	***	***	13,371
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	***	***	***	***

Table continued.

Table IV-5 Continued

DOTP: U.S. producers' and U.S. importers' U.S. shipments, by source and packaging type/delivery method, 2023

Share across in percent

Source	Bulk, railcars, and bulk liftings	20 MT containers	Other containers	All packaging / delivery methods
U.S. producers	***	***	***	100.0
Malaysia	***	***	***	100.0
Poland	***	***	***	100.0
Taiwan	***	***	***	100.0
Turkey	***	***	***	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

DOTP: U.S. producers' and U.S. importers' U.S. shipments, by source and packaging type/delivery method, 2023

Share down in percent

Source	Bulk, railcars, and bulk liftings	20 MT containers	Other containers	All packaging / delivery methods
U.S. producers	***	***	***	***
Malaysia	***	***	***	***
Poland	***	***	***	***
Taiwan	***	***	***	***
Turkey	***	***	***	***
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	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
DOTP: U.S. producers' and U.S. importers' U.S. shipments, by source and packaging type/delivery method, 2023

* * * * *

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

Geographical markets

According to official import statistics, imports of DOTP and other plasticizers from Taiwan and Turkey entered the United States through ports in every region. Imports of DOTP and other plasticizers from Malaysia entered the United States through ports located in the East and North and imports of DOTP and other plasticizers from Poland entered through ports located in the East. The majority or vast majority of imports of DOTP and other plasticizers from each subject source entered the United States through ports located in the East. Nearly all imports of DOTP and other plasticizers from nonsubject sources entered the United States through ports located in the East, North, or South.

Table IV-6
DOTP and other plasticizers: U.S. imports by source and border of entry, 2023

Quantity in metric tons

Source	East	North	South	West	All borders
Malaysia	2,954	62	---	---	3,016
Poland	2,982	---	---	---	2,982
Taiwan	2,288	78	456	1,046	3,867
Turkey	2,138	1	44	18	2,201
Subject sources	10,361	141	500	1,064	12,066
Nonsubject sources	4,901	7,403	5,833	21	18,157
All import sources	15,262	7,544	6,333	1,085	30,223

Table continued.

Table IV-6 Continued
DOTP and other plasticizers: U.S. imports by source and border of entry, 2023

Share across in percent

Source	East	North	South	West	All borders
Malaysia	97.9	2.1	---	---	100.0
Poland	100.0	---	---	---	100.0
Taiwan	59.2	2.0	11.8	27.0	100.0
Turkey	97.1	0.0	2.0	0.8	100.0
Subject sources	85.9	1.2	4.1	8.8	100.0
Nonsubject sources	27.0	40.8	32.1	0.1	100.0
All import sources	50.5	25.0	21.0	3.6	100.0

Table continued.

Table IV-6 Continued
DOTP and other plasticizers: U.S. imports by source and border of entry, 2023

Share down in percent

Source	East	North	South	West	All borders
Malaysia	19.4	0.8	---	---	10.0
Poland	19.5	---	---	---	9.9
Taiwan	15.0	1.0	7.2	96.4	12.8
Turkey	14.0	0.0	0.7	1.7	7.3
Subject sources	67.9	1.9	7.9	98.1	39.9
Nonsubject sources	32.1	98.1	92.1	1.9	60.1
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 statistical reporting number 2917.39.2000, accessed April 7, 2024. 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 "---". HTS statistical reporting number 2917.39.2000 is a basket category that includes DOTP and other plasticizers.

Presence in the market

U.S. imports of DOTP and other plasticizers from Malaysia and Turkey were present in 26 of 36 months between January 2021 and December 2023. U.S. imports of DOTP and other plasticizers from Poland were present in 14 of 36 months between January 2021 and December 2023. U.S. imports of DOTP and other plasticizers from Taiwan were present in every month between January 2021 and December 2023. Overall, imports of DOTP and other plasticizers from the subject sources were present in every month between January 2021 and December 2023. Table IV-7 and figures IV-3 and IV-4 present monthly data for imports of DOTP and other plasticizers between January 2021 and December 2023.

Table IV-7
DOTP and other plasticizers: Quantity of U.S. imports, by source and month

Quantity in metric tons

Year	Month	Malaysia	Poland	Taiwan	Turkey	Subject sources	Nonsubject sources	All import sources
2021	January	---	137	619	170	926	1,401	2,328
2021	February	60	205	176	140	580	1,645	2,225
2021	March	40	---	225	86	352	1,796	2,147
2021	April	44	---	755	166	965	1,499	2,464
2021	May	---	68	512	105	685	1,746	2,431
2021	June	20	137	1,567	---	1,724	1,943	3,667
2021	July	121	---	196	80	397	1,444	1,841
2021	August	---	---	313	476	789	2,562	3,351
2021	September	141	112	1,437	645	2,335	1,732	4,066
2021	October	61	90	394	374	919	1,802	2,721
2021	November	120	---	1,442	325	1,887	2,236	4,123
2021	December	40	---	1,448	243	1,732	1,524	3,256
2022	January	16	---	673	343	1,032	1,873	2,905
2022	February	16	100	1,290	448	1,853	1,545	3,399
2022	March	40	40	2,436	2,555	5,071	2,103	7,174
2022	April	161	---	324	496	981	1,805	2,786
2022	May	80	---	1,340	3,078	4,498	2,176	6,674
2022	June	1,317	79	317	572	2,285	1,918	4,203
2022	July	16	40	37	277	370	2,071	2,440
2022	August	1,175	---	96	19	1,290	2,244	3,535
2022	September	---	---	1,011	1,968	2,979	2,199	5,178
2022	October	80	---	292	776	1,148	1,847	2,995
2022	November	1,085	---	368	---	1,453	1,255	2,708
2022	December	20	---	199	---	219	1,524	1,742

Table continued.

Table IV-7 Continued
DOTP and other plasticizers: Quantity of U.S. imports, by source and month

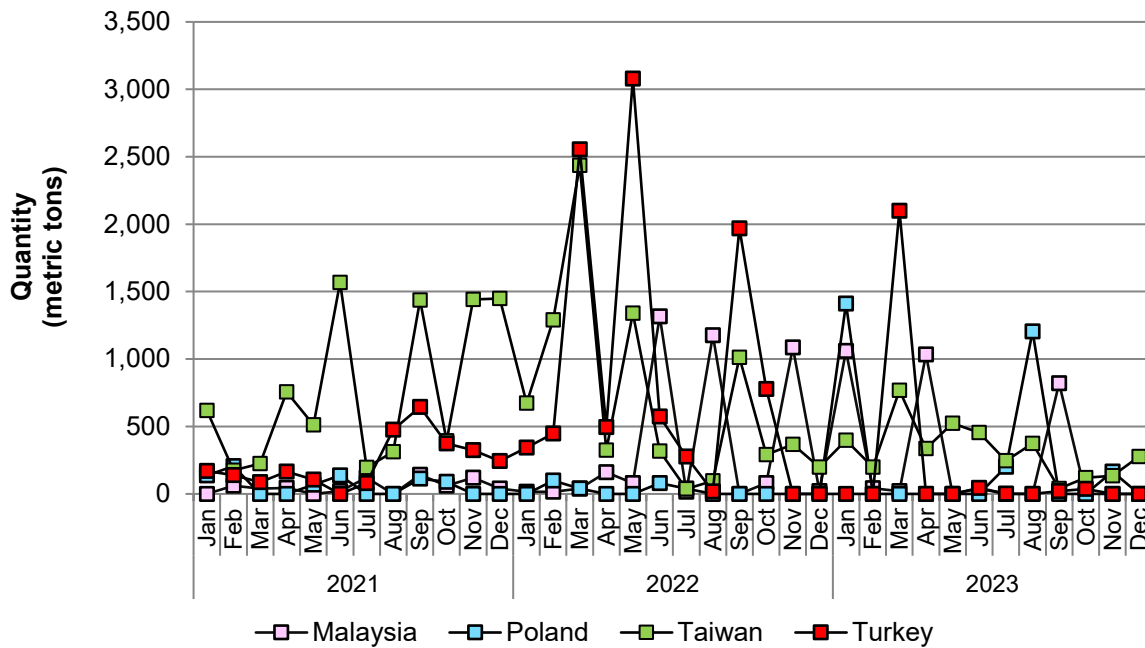
Quantity in metric tons

Year	Month	Malaysia	Poland	Taiwan	Turkey	Subject sources	Nonsubject sources	All import sources
2023	January	1,060	1,410	397	---	2,867	1,735	4,603
2023	February	43	---	198	---	241	1,357	1,597
2023	March	20	---	767	2,100	2,887	1,834	4,722
2023	April	1,033	---	337	---	1,370	1,560	2,930
2023	May	---	---	522	---	522	1,711	2,233
2023	June	40	---	454	44	538	1,481	2,019
2023	July	---	202	245	1	448	1,234	1,682
2023	August	---	1,204	374	---	1,579	1,646	3,224
2023	September	820	---	40	20	880	1,123	2,003
2023	October	---	---	119	36	155	1,897	2,053
2023	November	---	166	135	---	301	1,293	1,594
2023	December	---	---	278	---	278	1,285	1,563

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2917.39.2000, accessed April 7, 2024. HTS statistical reporting number 2917.39.2000 is a basket category that includes DOTP and other plasticizers. Imports are based on the imports for consumption data series.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

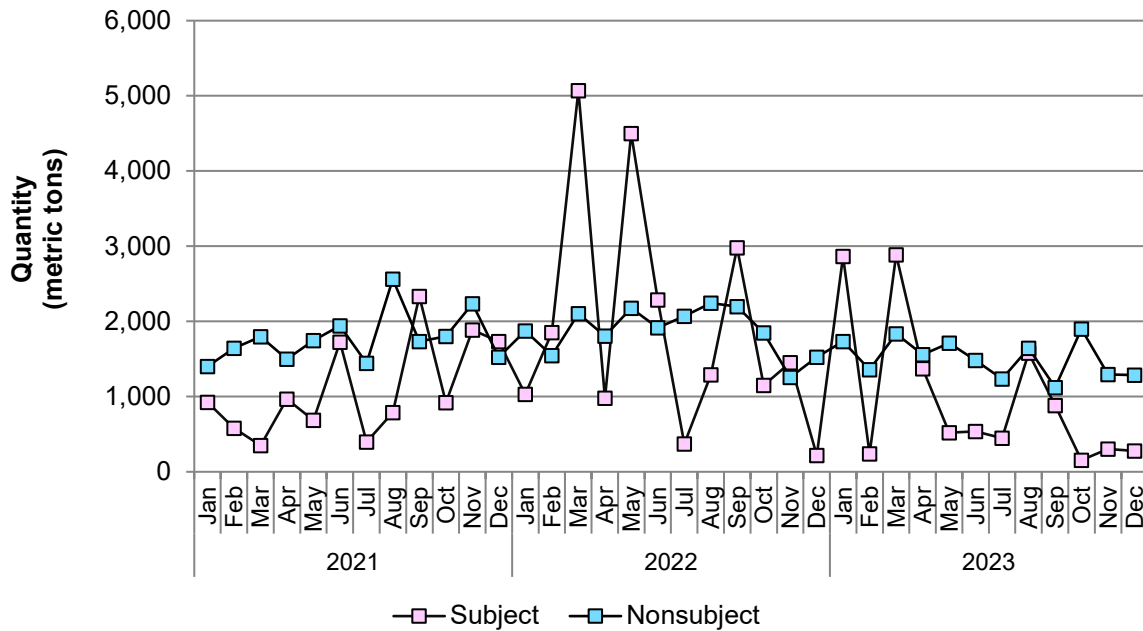
Figure IV-3
DOTP and other plasticizers: U.S. imports from individual subject sources, by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2917.39.2000, accessed April 7, 2024. Imports are based on the imports for consumption data series.

Note: HTS statistical reporting number 2917.39.2000 is a basket category that includes DOTP and other plasticizers.

Figure IV-4
DOTP and other plasticizers: U.S. imports from aggregated subject and nonsubject sources, by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2917.39.2000, accessed April 7, 2024. Imports are based on the imports for consumption data series.

Note: HTS statistical reporting number 2917.39.2000 is a basket category that includes DOTP and other plasticizers.

Apparent U.S. consumption and market shares

Quantity

Table IV-8 and figure IV-5 present data on apparent U.S. consumption and U.S. market shares for DOTP, by quantity. Apparent U.S. consumption decreased year to year between 2021 and 2023, ending *** percent lower. The decrease in apparent consumption during this period largely reflects the yearly decreases in U.S. producers’ U.S. shipments and U.S. shipments of imports from Taiwan, which collectively were larger, on an aggregate basis, than the increases in U.S. shipments of imports from Malaysia, Poland, and Turkey.¹¹

¹¹ For more detailed discussion on the trends in U.S. producers’ U.S. shipments, see Part III and for more detailed discussion on trends in subject and nonsubject imports, see the section entitled “U.S. imports.”

Table IV-8
DOTP: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in metric tons; share in percent

Source	Measure	2021	2022	2023
U.S. producers	Quantity	***	***	***
Malaysia	Quantity	***	***	***
Poland	Quantity	***	***	***
Taiwan	Quantity	***	***	***
Turkey	Quantity	***	***	***
Subject sources	Quantity	11,641	18,752	13,371
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers	Share	***	***	***
Malaysia	Share	***	***	***
Poland	Share	***	***	***
Taiwan	Share	***	***	***
Turkey	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	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-5
DOTP: Apparent U.S. consumption based on quantity, by source and period

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires

U.S. producers' market share fluctuated year to year between 2021 and 2023, decreasing from 2021 to 2022 then increasing from 2022 to 2023, ending *** percentage points lower in 2023 than in 2021. The market shares of U.S. shipments of imports from Malaysia and U.S. shipments of imports from Poland increased by *** percentage points and *** percentage points, respectively, from 2021 to 2023. The market share of U.S. shipments of imports from Taiwan decreased in each year from 2021 and 2023, ending *** percentage points lower. The market share of U.S. shipments of imports from Turkey fluctuated year to year, decreasing from 2021 to 2022 then increasing at a similar rate from 2022 to 2023, ending *** percentage points higher in 2023 than in 2021. Overall, the market share of U.S. shipments of subject imports fluctuated year to year, ending *** percentage points higher in 2023 than in 2021. The market share of imports from nonsubject sources was *** percent in each year from 2021 to 2023.

Value

Table IV-9 and figure IV-6 present data on apparent U.S. consumption and U.S. market shares for DOTP, by value. Apparent U.S. consumption fluctuated year to year between 2021 and 2023, increasing from 2021 to 2022 then decreasing more noticeably from 2022 to 2023, ending *** percent lower. The year-to-year fluctuation in the value of apparent consumption largely reflects the changes in U.S. producers' U.S. shipments and U.S. shipments of imports from Turkey.

Table IV-9
DOTP: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; share in percent

Source	Measure	2021	2022	2023
U.S. producers	Value	***	***	***
Malaysia	Value	***	***	***
Poland	Value	***	***	***
Taiwan	Value	***	***	***
Turkey	Value	***	***	***
Subject sources	Value	30,177	50,643	26,431
Nonsubject sources	Value	***	***	***
All import sources	Value	***	***	***
All sources	Value	***	***	***
U.S. producers	Share	***	***	***
Malaysia	Share	***	***	***
Poland	Share	***	***	***
Taiwan	Share	***	***	***
Turkey	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	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-6
DOTP: Apparent U.S. consumption based on value, by source and period

* * * * *

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

U.S. producers' market share fluctuated year to year, decreasing from 2021 to 2022 then increasing at a similar rate from 2022 to 2023, ending *** percentage points higher in 2023 than in 2021. The market shares of U.S. shipments of imports from Malaysia and U.S. shipments of imports from Poland increased by *** percentage points and *** percentage points, respectively, from 2021 and 2023. The market share of U.S. shipments of imports from Taiwan decreased in each year from 2021 and 2023, ending *** percentage points lower, while the market share of U.S. shipments of imports from Turkey fluctuated year to year, ending *** percentage points higher in 2023 than in 2021. Overall, the market share of U.S. shipments of subject imports fluctuated year to year, ending *** percentage points higher in 2023 than in 2021. The market share of U.S. shipments of imports from nonsubject sources decreased by *** percentage points from 2021 to 2023.

Part V: Pricing data

Factors affecting prices

Raw material costs

The primary raw materials used to manufacture DOTP are 2-ethylhexanol (2-EH), dimethyl terephthalate (DMT), and purified terephthalic acid (PTA).¹ Raw materials accounted for approximately *** of the cost of goods sold during January 2021-December 2023. Petitioner Eastman's production vertically integrates the production of the raw materials 2-EH, DMT, and PTA into its production of DOTP.²

2-EH is made from propylene and other chemicals, while DMT and PTA are made from paraxylene and other chemicals. Propylene and paraxylene are both petrochemicals, and the industry standard ties raw material costs to these upstream products.³

As shown in figure V-1, paraxylene and crude oil prices increased from January 2021 to a peak in June 2022, at which point they began to decline. However, projected prices for paraxylene and crude oil were *** percent and *** percent higher in December 2023 than in January 2021, respectively.

¹ Conference transcript, pp. 20-21 (Taylor). Dioctyl Terephthalate from Korea, Inv. No. 731-TA-1330 (Final), USITC Publication 4713, August 2017, p. V-1.

² Conference transcript, pp. 20-21 (Taylor).

³ Conference transcript, pp. 20-21, 58, 60 (Taylor, Davis). Dioctyl Terephthalate from Korea, Inv. No. 731-TA-1330 (Final), USITC Publication 4713, August 2017, p. V-1.

Figure V-1
Raw materials: Paraxylene and crude oil prices, monthly, January 2021-September 2023,
(projected October 2023-December 2023)

* * * * *

Source: Petitioner's postconference brief, Exhibit 7, ***.

Note: Prices for October-December 2023 are projected.

Table V-1

**Raw materials: Paraxylene and crude oil prices, monthly, January 2021-September 2023,
(projected October 2023-December 2023)**

Paraxylene in dollars per metric ton; crude oil, in dollars per barrel

Year	Month	Paraxylene	Crude oil
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	***	***
2023	April	***	***
2023	May	***	***
2023	June	***	***
2023	July	***	***
2023	August	***	***
2023	September	***	***
2023	October	***	***
2023	November	***	***
2023	December	***	***

Source: Petitioner's postconference brief, Exhibit 7, ***.

Transportation costs to the U.S. market

Transportation costs for DOTP shipped from subject countries to the United States averaged 0.9 percent for Malaysia, 7.7 percent for Poland, 8.7 percent for Taiwan, and 0.6 percent for Turkey during 2023. These estimates were derived from official import data and represent the transportation and other charges on imports.⁴

U.S. inland transportation costs

*** responding U.S. producers and 11 of 15 importers reported that they typically arrange transportation to their customers. U.S. producers reported that their U.S. inland transportation costs ranged from *** percent to *** percent while importers reported transportation costs that ranged from *** percent to *** percent.

Pricing practices

Pricing methods

U.S. producers reported setting prices using *** and importers reported setting prices using transaction-by-transaction negotiations, contracts, price lists, and other methods (table V-2). Importer *** reported that it also negotiates prices on a monthly basis.

⁴ The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2023 and then dividing by the customs value based on the HTS statistical reporting number 2917.39.2000.

Table V-2**DOTP: Count of U.S. producers' and importers' reported price setting methods, 2023**

Method	U.S. producers	U.S. importers
Transaction-by-transaction	***	15
Contract	***	2
Set price list	***	1
Other	***	1
Responding firms	***	15

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.

U.S. producers reported selling *** percent of their DOTP shipments as spot sales, *** percent through long term contracts, and *** percent through annual contracts. Petitioner Eastman stated that it sells on both the spot market and pursuant to long and short term contracts.⁵ Importers reported selling most of their DOTP on the spot market, and the remaining *** percent of shipments was sold through short-term contracts (table V-3).

Table V-3**DOTP: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2023**

Share in percent

Item	U.S. producers	Subject U.S. importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***

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

Note: Because of rounding, figures may not add to the totals shown. Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

U.S. producers reported that their long-term contracts ***. *** reported that their contracts allow for price renegotiation and are indexed to raw materials. U.S. producer Eastman reported that it has a significant number of contracts that contain “meet-or-release” clauses, through which its customers may present a competitive quote and Eastman will either lower its price or allow for the customer to buy a certain volume from the competitor.⁶

⁵ Conference transcript, p. 26 (Davis).

⁶ Conference transcript, p. 26 (Davis).

Two importers reported some sales through short-term contracts in 2023. All four responding importers reported that their contracts do not allow for price renegotiation and four importers reported that their short term contracts fix both price and quantity. Two responding importers reported that prices were not indexed to raw materials.

U.S. producers were asked about their pricing formulas. Eastman reported that ***. BASF reported that ***.

Sales terms and discounts

U.S. producers typically quote prices on *** basis and importers typically quote prices on a delivered basis. *** reported offering total volume discounts and *** reported offering quantity discounts. Most responding importers (13 of 14) reported that they offer no discounts.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following DOTP products shipped to unrelated U.S. customers during January 2021-December 2023.

Product 1.— DOTP in 20 MT containers, including tank trucks, flexitanks or flexitainers, and/or isotanks

Product 2. — DOTP in bulk, including railcars and bulk liftings

Two U.S. producers and nine importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.⁷ Pricing data reported by these firms accounted for virtually all of U.S. producers' U.S. commercial shipments of DOTP. Pricing data reported by importers accounted for virtually all of U.S. commercial shipments of subject imports from Malaysia and Poland, *** percent of commercial shipments from Taiwan, and *** percent of commercial shipments from Turkey in 2023.⁸

⁷ 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.

⁸ Pricing coverage is based on U.S. shipments reported in questionnaires.

Price data for products 1-2 are presented in tables V-4 to V-5 and figures V-2 to V-3.

Two importers reported pricing data that did not exclude U.S. transportation costs, as was requested.⁹ Importer ***, which accounted for *** percent of imports from Turkey, reported that *** percent of its sales were delivered duty paid and that it was unable to exclude transportation costs from its sales prices. Importer ***, which accounted for *** percent of imports from Poland, reported that it did not report its prices on an f.o.b. basis. Staff has included these price data due to these firms’ large shares of the available price data for Poland and Turkey.

Table V-4
DOTP: 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 metric ton, quantity in metric tons, margin in percent.

Period	U.S. price	U.S. quantity	Malaysia price	Malaysia quantity	Malaysia margin	Taiwan price	Taiwan quantity	Taiwan margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***

Table continued.

⁹ Petitioner argues that the price data do not “fully or accurately capture” underselling during the period of investigation. Petitioner also stated that the ***. Postconference brief, p. 2 and Exhibit 1, p. 9. See Appendix D for AUV comparisons of domestically-produced and subject DOTP.

Table V-4--Continued

DOTP: 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 metric ton, quantity in metric tons, margin in percent.

Period	U.S. price	U.S. quantity	Turkey price	Turkey quantity	Turkey margin	Subject sources price	Subject sources quantity	Subject sources margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***

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

Note: Product 1: DOTP in 20 MT containers, including tank trucks, flexitanks or flexitainers, and/or isotanks.

Table V-5

DOTP: 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 metric ton, quantity in metric tons, margin in percent.

Period	U.S. price	U.S. quantity	Poland price	Poland quantity	Poland margin
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***

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

Note: Product 2: DOTP in bulk, including railcars and bulk liftings.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Figure V-2
DOTP: 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: DOTP in 20 MT containers, including tank trucks, flexitanks or flexitainers, and/or isotanks.

Figure V-3
DOTP: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, 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: DOTP in bulk, including railcars and bulk liftings.

Price trends

In general, prices increased during January 2021-December 2023. Table V-6 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent during January 2021-December 2023. Subject import prices increased as well, ending slightly higher than in 2021, but experiencing sharper increases and decreases than domestic prices (figure V-5).

Table V-6
DOTP: Summary of price data, by product and source, January 2021-December 2023

Quantity in metric tons, price in dollars per metric tons

Product	Source	Number of quarters	Quantity	Low price	High price	First quarter price	Last quarter price	Change over period
Product 1	United States	***	***	***	***	***	***	***
Product 1	Malaysia	***	***	***	***	***	***	***
Product 1	Poland	***	***	***	***	***	***	***
Product 1	Taiwan	***	***	***	***	***	***	***
Product 1	Turkey	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	Malaysia	***	***	***	***	***	***	***
Product 2	Poland	***	***	***	***	***	***	***
Product 2	Taiwan	***	***	***	***	***	***	***
Product 2	Turkey	***	***	***	***	***	***	***

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

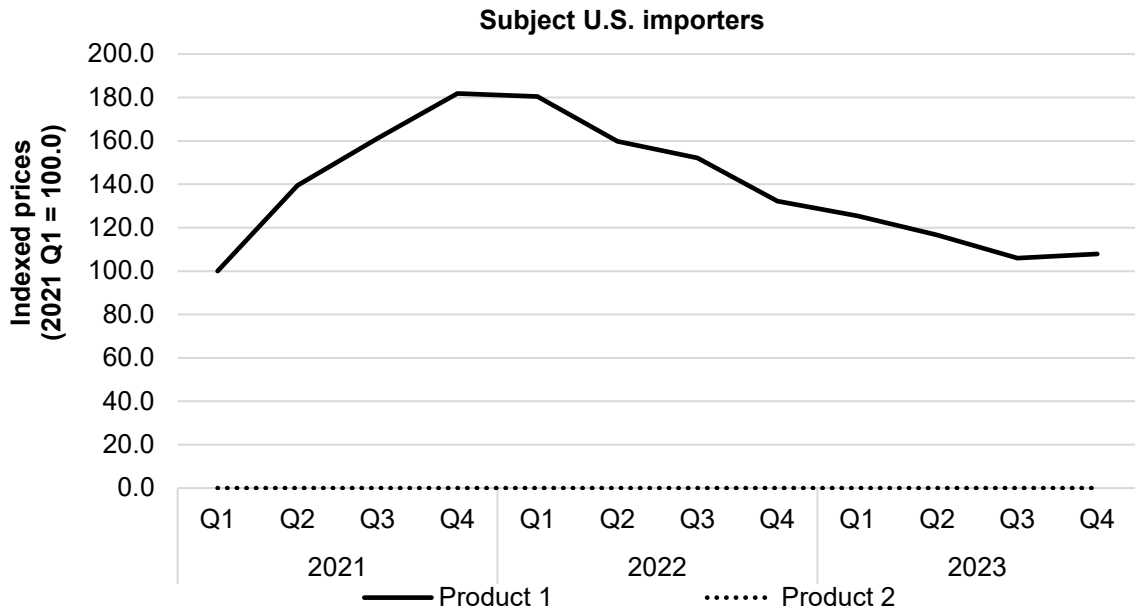
Note: Percent change column is percentage change from the first quarter 2021 to the last quarter in 2023.

Figure V-4
DOTP: Indexed U.S. producer prices, by quarter

* * * * *

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

Figure V-5
DOTP: Indexed U.S. importer prices, by quarter



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

Table V-7**DOTP: Indexed U.S. producer prices, by quarter**

Period	Product 1	Product 2
2021 Q1	***	***
2021 Q2	***	***
2021 Q3	***	***
2021 Q4	***	***
2022 Q1	***	***
2022 Q2	***	***
2022 Q3	***	***
2022 Q4	***	***
2023 Q1	***	***
2023 Q2	***	***
2023 Q3	***	***
2023 Q4	***	***

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

Table V-8**DOTP: Indexed U.S. importer prices, by quarter**

Period	Product 1	Product 2
2021 Q1	100.0	---
2021 Q2	139.4	---
2021 Q3	161.2	---
2021 Q4	181.9	---
2022 Q1	180.4	---
2022 Q2	159.8	---
2022 Q3	152.1	---
2022 Q4	132.3	---
2023 Q1	125.5	---
2023 Q2	116.6	---
2023 Q3	105.9	---
2023 Q4	107.9	---

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Price comparisons

As shown in tables V-9 and V-10, prices for product imported from Malaysia, Poland, Taiwan, and Turkey were below those for U.S.-produced product in 6 of 36 instances (3,704 metric tons); margins of underselling ranged from 0.1 percent to 13.0 percent. In the remaining 30 instances (29,349 metric tons), prices for product from subject sources were between 1.2 percent and 48.0 percent above prices for the domestic product.

Petitioner argues that these quarterly pricing comparisons do not fully or accurately capture underselling during the period of investigation.¹⁰

Table V-9
DOTP: Instances of underselling and overselling and the range and average of margins, by product

Quantity in metric tons; margin in percent

Products	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	2	***	***	***	***
Product 2	Underselling	4	***	***	***	***
All products	Underselling	6	3,704	7.1	0.1	13.0
Product 1	Overselling	30	***	***	***	***
Product 2	Overselling	---	***	***	***	***
All products	Overselling	30	29,349	(17.0)	(1.2)	(48.0)

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.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

¹⁰ Petitioner's postconference brief, p. 2.

Table V-10
DOTP: Instances of underselling and overselling and the range and average of margins, by source

Quantity in metric tons; margin in percent

Sources	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Malaysia	Underselling	---	***	***	***	***
Poland	Underselling	4	***	***	***	***
Taiwan	Underselling	---	***	***	***	***
Turkey	Underselling	2	***	***	***	***
All subject sources	Underselling	6	3,704	7.1	0.1	13.0
Malaysia	Overselling	8	***	***	***	***
Poland	Overselling	---	***	***	***	***
Taiwan	Overselling	12	***	***	***	***
Turkey	Overselling	10	***	***	***	***
All subject sources	Overselling	30	29,349	(17.0)	(1.2)	(48.0)

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.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Lost sales and lost revenue

The Commission requested that U.S. producers of DOTP report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of DOTP from Malaysia, Poland, Taiwan and Turkey during January 2021-December 2023. *** responding U.S. producers, reported that they had to either reduce prices or roll back announced price increases, and that they had lost sales. *** U.S. producers submitted lost sales and lost revenue allegations. The responding U.S. producers identified 20 firms (some firms were reported by multiple producers) with which they lost sales or revenue (6 consisting lost sales allegations, 6 consisting of lost revenue allegations, and 10 consisting of both types of allegations). Allegations spanned all four subject countries and all years in the period of investigation.

Staff contacted 20 purchasers and received responses from 7 purchasers. Responding purchasers reported purchasing or importing 85,905 metric tons of DOTP during January 2021-December 2023 (table V-11).

Of the seven responding purchasers, 6 reported that, since 2021, they had purchased imported DOTP from Malaysia, Poland, Taiwan and/or Turkey instead of U.S.-produced product. Four of these purchasers reported that subject import prices were lower than U.S.-produced product, and four of these purchasers reported that price was a primary reason for the decision

to purchase imported product rather than U.S.-produced product. Four purchasers estimated the quantity of DOTP from subject sources purchased instead of domestic product; quantities ranged from *** metric tons to *** metric tons (tables V-12 and V-13). Purchasers identified lack of availability of domestic DOTP and a purchasing strategy of diversified sourcing as non-price reasons for purchasing imported rather than U.S.-produced product.

Of the seven responding purchasers, three reported that U.S. producers had reduced prices in order to compete with lower-priced imports from Malaysia, Poland, Taiwan, and/or Turkey; three reported that they did not know (tables V-14 and V-15). The reported estimated price reductions ranged from *** to *** percent. In describing the price reductions, *** indicated that domestic producers had raised prices dramatically, so it was easier to find cheaper sources elsewhere.

Table V-11
DOTP: Purchasers’ reported purchases and imports, by firm and source

Quantity in metric tons, share in percent

Firm	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

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

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm’s total purchases of domestic and/or subject country imports between first and last years.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Table V-12**DOTP: Purchasers' responses to purchasing subject imports instead of domestic product, by firm**

Quantity in metric tons

Firm	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Narrative on reasons for purchasing imports
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes--6; No--1	Yes--4; No--2	Yes--4; No--3	***	

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table V-13**DOTP: Purchasers' responses to purchasing subject imports instead of domestic product, by source**

Quantity in metric tons

Source	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity
Malaysia	1	1	---	***
Poland	1	1	1	***
Taiwan	5	4	4	***
Turkey	4	2	2	***
Subject sources	6	4	4	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table V-14**DOTP: Purchasers' responses to U.S. producer price reductions, by firm**

Firm	Producers lowered prices	Price reduction	Narrative on producer price reductions
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	Staff note: ***.
All firms	Yes--3; No--1	***	NA

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table V-15**DOTP: Purchasers' responses to U.S. producer price reductions, by source**

Source	Producers lowered prices	Average price reduction	Range of price reductions
Malaysia	1	---	***
Poland	2	5.0	***
Taiwan	2	6.0	***
Turkey	2	3.5	***
Subject sources	3	5.5	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics. Purchasers *** indicated that availability was an issue, with *** stating “material availability over the past 3 years has been the critical element in our purchasing decisions. Eastman simply could not keep up with domestic demand, and it is critically important to the entire PVC industry that a healthy import supply chain remains intact to supplement domestic supply...We believe Eastman favors a short supply of material so they can raise their prices to levels not justified by costs alone.” Purchaser *** reported that while it did supplement DOTP purchases from overseas due to “unsustainable” prices of domestic DOTP, it rather shifted its purchases from DOTP to ***. Purchaser *** reported that sometimes prices of imported DOTP were higher and sometimes lower than domestically produced DOTP, and purchaser *** reported that “DOTP pricing from domestic producers in 2021 and 2022 were very competitive, so much that imports typically were at a premium.”

Part VI: Financial experience of U.S. producers

Background¹

Two U.S. producers provided usable financial results on their DOTP operations. Both U.S. producers reported financial data for a fiscal year ending December 31.² BASF reported its financial data on the basis of *** and Eastman reported its financial data on the basis of ***. BASF began producing DOTP at its Pasadena, Texas plant in July 2017.

Figure VI-1 presents Eastman’s and BASF’s shares of the total reported net sales quantity in 2023.

Figure VI-1
DOTP: U.S. producers’ share of net sales quantity in 2023, by firm

* * * * *

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

Note: The data used to calculate the firms’ shares of total net sales quantity are located in table VI-3.

¹ 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”), and return on assets (“ROA”).

² Except for a difference due to rounding, the trade and financial sections reconciled.

Operations on DOTP

Table VI-1 presents aggregated data on U.S. producers' operations in relation to DOTP, while table VI-2 presents corresponding changes in AUVs. Table VI-3 presents selected company-specific financial data.

Table VI-1
DOTP: U.S. producers' results of operations, by item and period

Quantity in metric tons; value in 1,000 dollars; ratios in percent

Item	Measure	2021	2022	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	***	***	***
Interest expense	Value	***	***	***
All other expenses	Value	***	***	***
All other income	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
DOTP: U.S. producers' results of operations, by item and period

Shares in percent; unit values in dollars per metric ton; count in number of firms reporting

Item	Measure	2021	2022	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
DOTP: Changes in AUVs between comparison periods

Changes in percent

Item	2021-23	2021-22	2022-23
Total net sales	***	***	***
COGS: Raw materials	***	***	***
COGS: Direct labor	***	***	***
COGS: Other factory	***	***	***
COGS: Total	***	***	***

Table continued.

Table VI-2 Continued
DOTP: Changes in AUVs between comparison periods

Changes in dollars per metric ton

Item	2021-23	2021-22	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
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales quantity

Quantity in metric tons

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales value

Value in 1,000 dollars

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS

Value in 1,000 dollars

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss)

Value in 1,000 dollars

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses

Value in 1,000 dollars

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss)

Value in 1,000 dollars

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss)

Value in 1,000 dollars

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS to net sales ratio

Ratios in percent

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss) to net sales ratio

Ratios in percent

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses to net sales ratio

Ratios in percent

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss) to net sales ratio

Ratios in percent

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss) to net sales ratio

Ratios in percent

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net sales value

Unit values in dollars per metric ton

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit raw material costs

Unit values in dollars per metric ton

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit direct labor costs

Unit values in dollars per metric ton

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit other factory costs

Unit values in dollars per metric ton

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit COGS

Unit values in dollars per metric ton

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit gross profit or (loss)

Unit values in dollars per metric ton

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit SG&A expenses

Unit values in dollars per metric ton

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit operating income or (loss)

Unit values in dollars per metric ton

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
DOTP: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net income or (loss)

Unit values in dollars per metric ton

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
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 "---".

Net sales

Total net sales, by quantity and value, decreased from 2021 to 2023. The industry totals were reflected in the changes in the average unit value of total net sales, which decreased irregularly from 2021 to 2023.^{3 4} As shown by the data in table VI-3, ***.⁵

³ Total net sales data include internal consumption, transfers to related firms, and exports. ***.
 Petitioner's postconference brief, exh. 1 p. 8.

⁴ ***. Email from ***, April 26, 2024; Petitioner's postconference brief, exh. 1 pp. 5-7.

⁵ See earlier discussions in this part of the report regarding the effects of COVID-19 on operations.

Cost of goods sold and gross profit or loss

Raw material costs were the largest component of COGS in each full-year period, accounting for between *** percent (in 2022) and *** percent (in 2021) of total COGS. On a per-metric ton basis, raw material costs increased irregularly from 2021 to 2023; as a ratio to total net sales, raw material costs increased from *** percent in 2021 to *** in 2022 then to *** percent in 2023.

For its raw materials, Eastman utilizes 2-EH and DMT for its inputs into the chemical process to generate DOTP, while BASF uses 2-EH and PTA. Eastman produces 2-EH and DMT, while BASF produces 2-EH and purchases PTA.⁶ 2-EH is made from the upstream main raw material propylene, which Eastman produces.⁷ DMT and TPA are made from paraxylene, and Eastman does not produce paraxylene.⁸ Eastman's process leads to the output generation of methanol, which is recycled back into the input raw material production. BASF's process generates water.⁹ Eastman stated that its process with methanol was one of the most efficient in the world and is more cost effective than the process with water.¹⁰ The company-specific directional trends for raw material AUVs were ***.¹¹ ¹² Table VI-4 presents raw material costs, by type. *** were the largest

⁶ Conference transcript, p. 62 (Taylor).

⁷ Conference transcript, p. 64-65 (Dijkman).

⁸ Conference transcript, p. 69 (Dijkman); Wikipedia, "Terephthalic Acid," accessed April 25, 2024, https://en.wikipedia.org/wiki/Terephthalic_acid.

⁹ Email from ***, April 24, 2024; Conference transcript, p. 21 (Taylor).

¹⁰ Conference transcript, p. 62 (Taylor).

¹¹ The raw material costs *** due to the use of different chemicals for inputs and due to different chemical processes. Eastman was more vertically integrated as it produced most of the chemicals used in its production processes. BASF's 2-EH and PTA accounted for approximately *** percent and *** percent, respectively, of raw material costs in 2023, while Eastman's 2-EH and DMT accounted for approximately *** percent and *** percent of its raw materials in the same year. Eastman combines roughly two parts 2-EH and one-part DMT to generate DOTP and methanol. ***. U.S. producers' questionnaire responses of ***, III-9a, III-9b and III-9f; Email from ***, April 26, 2024; Petitioner's postconference brief, exh. 8.

¹² ***, ***, April 24, 2024.

raw material inputs (together accounting for *** percent of cost, followed by *** (which accounted for an *** percent of cost) in 2023.

Table VI-4
DOTP: U.S. producers' raw material costs in 2023

Value in 1,000 dollars; share of value in percent

Item	Value	Share of value
2-ethylhexanol (2-EH)	***	***
Dimethyl terephthalate (DMT)	***	***
Purified terephthalic acid (PTA)	***	***
Other material inputs	***	***
All raw materials	***	***

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

The smallest component of COGS, direct labor, increased from *** percent of COGS in 2021 to *** percent in 2022 to *** percent in 2023. On a per-metric ton basis, direct labor increased overall from \$*** in 2021 to \$*** in 2022 to \$*** in 2023. Eastman and BASF showed a similar directional trend on a per-metric ton basis.¹³

Lastly, other factory costs, the second largest component of COGS in each yearly period, accounted for between *** percent (2021) and *** percent (2022) of total COGS during 2021-23. On a per metric ton basis, other factory costs increased overall from \$*** in 2021 to \$*** in 2023. As for a directional trend on a per metric ton basis, both companies showed an increase from 2021 to 2022, and then a decrease from 2022 to 2023, ***.¹⁴

¹³ ***. Email from ***, April 24, 2024.

¹⁴ ***. U.S. producers' questionnaire response of ***, III-10, Petitioner's postconference brief, exh. 1, p. 8. ***. Email from ***, April 24, 2024.

Total COGS increased irregularly from 2021 to 2023 on a per metric ton basis. As a ratio to net sales, COGS increased from *** percent in 2021 to *** percent in 2022 to *** percent in 2022.

As shown in table VI-1, the industry's gross profit declined from \$*** in 2021 to \$*** in 2022 to \$*** in 2023. As shown by the data in table VI-3, ***.

SG&A expenses and operating income or loss

The U.S. producers' SG&A expenses decreased overall between 2021 and 2023 (from \$*** to \$***); the ratio of SG&A expenses to total net sales fluctuated between *** percent in 2022 to *** percent in 2023, while SG&A expenses on a per-metric ton basis increased from \$*** in 2021 to \$*** in 2023.

The directional trends of the firms' SG&A expenses varied from 2021 to 2022. ***. The firms trended similarly from 2022 to 2023, with increasing SG&A expenses on a per metric ton basis.¹⁵

The industry's operating income declined overall from \$*** in 2021 to \$*** in 2022 to \$*** in 2022, a *** percent decrease from 2021-2023, which

¹⁵ ***. Email from ***, April 24, 2024.

reflected a ***. Between 2021 and 2022, the operating ***. Between 2022 and 2023, the operating ***. The industry's operating income ratio reflected the underlying trends of the value data, declining from *** percent in 2021 to *** percent in 2022 and then more sharply to *** percent in 2023. The per-unit value of operating income increased from 2021 to 2022 and decreased in 2023, for an overall decrease between 2021 and 2023.

All other expenses and net income or loss

Table VI-1 presents interest expense, other expense, and other income, which are classified below the operating income level and often allocated to the product line from high levels in the corporation. ***.¹⁶ ***.¹⁷

The industry's directional trends for net income were similar to the directional trends in operating income. Net income decreased overall from \$*** in 2021 to \$*** in 2022 to \$*** in 2023, a *** percent decrease from 2021-2023.¹⁸ ¹⁹

¹⁶ ***. U.S. producers' questionnaire response of ***, III-10, and email from ***, April 24, 2024. ***. Email from ***, April 24, 2024.

¹⁷ Email from ***, April 26, 2024.

¹⁸ ***.

¹⁹ A variance analysis is not presented here because of ***.

Capital expenditures and research and development expenses

Table VI-5 presents capital expenditures, by firm, and table VI-7 presents R&D expenses, by firm. Tables VI-6 and VI-8 present the firms' narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively. For capital expenditures in the industry, there was *** of *** percent for the industry from 2021-2023. For R&D expenses, there was *** of *** percent from 2021-2023.

Table VI-5
DOTP: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

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

Table VI-6
DOTP: U.S. producers' narrative descriptions of their capital expenditures, by firm

Firm	Narrative on capital expenditures
BASF	***
Eastman	***

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

Table VI-7
DOTP: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

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

Table VI-8
DOTP: U.S. producers' narrative descriptions of their R&D expenses, by firm

Firm	Narrative on R&D expenses
BASF	***
Eastman	***

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

Assets and return on assets

Table VI-9 presents data on the U.S. producers' total assets while table VI-10 presents their operating ROA.²⁰ Table VI-11 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time. For assets in the industry, there was *** of *** percent from 2021-2023.

Table VI-9
DOTP: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

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

²⁰ 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. ***. Email from ***, May 2, 2024.

Table VI-10
DOTP: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2021	2022	2023
BASF	***	***	***
Eastman	***	***	***
All firms	***	***	***

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

Table VI-11
DOTP: U.S. producers' narrative descriptions of their total net assets, by firm

Firm	Narrative on assets
BASF	***
Eastman	***

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

Capital and investment

The Commission requested U.S. producers of DOTP to describe any actual or potential negative effects of imports of DOTP from Malaysia, Poland, Taiwan, and Turkey on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-12 presents the number of firms reporting an impact in each category and table VI-13 provides the U.S. producers' narrative responses.

Table VI-12

DOTP: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2021, by effect

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	***
Denial or rejection of investment proposal	Investment	***
Reduction in the size of capital investments	Investment	***
Return on specific investments negatively impacted	Investment	***
Other investment effects	Investment	***
Any negative effects on investment	Investment	***
Rejection of bank loans	Growth	***
Lowering of credit rating	Growth	***
Problem related to the issue of stocks or bonds	Growth	***
Ability to service debt	Growth	***
Other growth and development effects	Growth	***
Any negative effects on growth and development	Growth	***
Anticipated negative effects of imports	Future	***

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

Table VI-13

DOTP: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2021, by firm and effect

Item	Firm name and narrative on impact of imports
***	***
***	***
***	***

Table VI-13 Continued

DOTP: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2021, by firm and effect

Item	Firm name and narrative on impact 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 factors¹--

- (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,*

¹ 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).²*

Information on the nature of the alleged subsidies is 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.

² 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."

Subject countries

The Commission issued foreign producers' or exporters' questionnaires to 16 firms that are believed to produce and/or export DOTP from Malaysia, Poland, Taiwan, and Turkey and had valid contact information.³ A usable response to the Commission's questionnaire was received from Grupa Azoty, a producer of DOTP in Poland. Grupa Azoty's exports to the United States accounted for all of U.S. imports of DOTP from Poland in 2023.⁴ In its response to the Commission's questionnaire, Grupa Azoty estimated that it accounts for approximately *** percent of total production in Poland. Table VII-1 presents information on Grupa Azoty's operations in Poland.

Table VII-1
DOTP: Summary data for Polish producer Grupa Azoty, 2023

Producer and (subject foreign industry)	Production (metric tons)	Share of reported production (percent)	Exports to the United States (metric tons)	Share of reported exports to the United States (percent)	Total shipments (metric tons)	Share of firm's total shipments exported to the United States (percent)
Grupa (Poland)	***	***	***	***	***	***
All individual producers	***	***	***	***	***	***

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

There were no major developments in the DOTP industries in the subject countries since January 1, 2021 and no relevant information from outside sources was found.

³ These firms were identified through a review of information submitted in the petitions and presented in third-party sources

⁴ This share reflects a comparison of export data reported by the Grupa Azoty in response to the Commission's foreign producer/exporter questionnaire to import data compiled from responses to the Commission's U.S. importers' questionnaire.

Changes in operations

Grupa Azoty was asked to report any change in the character of their operations or organization relating to the production of DOTP since 2021. Table VII-2 presents the changes identified by these producers.

Table VII-2

DOTP: Reported changes in operations in by Polish producer Grupa Azoty since January 1, 2021

Item	Firm name (subject foreign industry) and accompanying narrative response regarding changes in operations
Prolonged shutdowns	***
Production curtailments	***

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

Operations on DOTP

Table VII-3 presents data on Grupa Azoty's installed capacity, practical overall capacity, practical DOTP capacity, and production on the same equipment. Grupa Azoty did not report any change in its installed overall capacity. However, the firm's practical overall capacity decreased yearly from 2021 to 2023, ending *** percent lower.

Table VII-3

DOTP: Grupa Azoty's installed and practical capacity and production on the same equipment as in-scope merchandise, by period

Capacity and production in metric tons; utilization in percent

Item	Measure	2021	2022	2023
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical DOTP	Capacity	***	***	***
Practical DOTP	Production	***	***	***
Practical DOTP	Utilization	***	***	***

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

Table VII-4 presents Grupa Azoty’s reported capacity constraints since January 1, 2021.

Table VII-4
DOTP: Grupa Azoty’s reported capacity constraints since January 1, 2021

Item	Firm name (subject foreign industry) and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Supply of material inputs	***

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

Table VII-5 presents data on Grupa Azoty’s DOTP operations in Poland. Grupa Azoty’s capacity decreased year to year, ending *** percent lower in 2023 than in 2021.⁵ Its capacity is projected to increase by *** percent from 2023 to 2024 and by *** percent from 2024 to 2025.⁶ Grupa Azoty’s production moved in the same direction as its capacity, ending *** percent lower in 2023 than in 2021.⁷ The firm’s production is projected to increase by *** percent from 2023 to 2024 and by *** percent from 2024 to 2025.⁸ Grupa Azoty’s capacity utilization was largely unchanged from 2021 to 2022, as production and capacity decreased at similar rates, then decreased by *** percentage points from 2022 to 2023. The firm’s capacity utilization is projected to be *** percent in 2024 and 2025.

⁵ The decrease in practical capacity corresponds with the reported ***. Email from ***, April 16, 2024.

⁶ In its response to the Commission’s questionnaire, ***.

⁷ Grupa Azoty’s representatives note that the decrease in production was driven, in part, by ***. Email from ***, April 16, 2024.

⁸ Grupa Azoty based these projections on ***. Email from ***, April 16, 2024.

Table VII-5
DOTP: Data on Polish producer Grupa Azoty's operations, by period

Quantity in metric ton; ratio and share in percent

Item	2021	2022	2023	Projection 2024	Projection 2025
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	***	***	***	***	***
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	100.0	100.0	100.0	100.0	100.0

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Export shipments accounted for the majority of Grupa Azoty's total shipments from 2021 to 2023, with the vast majority going to non-U.S. markets. Grupa Azoty's export shipments to non-U.S. markets decreased in every year from 2021 to 2023, ending *** percent lower.⁹ They are projected, however, to increase by *** percent from 2023 to 2024 and by *** percent from 2024 to 2025. Grupa Azoty's export shipments to the United States *** from 2021 to 2023 and are projected to increase by *** percent from 2023 to 2024 and stay at that level in 2025.¹⁰

Home market shipments, ***, accounted for the minority of Grupa Azoty's total shipments from 2021 to 2023. They decreased in every year from 2021 to 2023, ending *** percent lower.¹¹ Grupa Azoty's home market shipments are projected to increase by *** percent from 2023 to 2024, a level similar to 2021, and by *** percent from 2024 to 2025. Grupa Azoty's end-of-period inventories increased in each year, ending *** higher in 2023 than in 2021. They are projected to increase by *** percent from 2023 to 2024 but decrease by *** percent from 2024 to 2025, a level still higher than 2023.

⁹ The decrease in export shipments to non-U.S. markets corresponds with the yearly decrease in production.

¹⁰ Grupa Azoty reported that the increase in its export shipments ***. Email from ***, April 16, 2024

¹¹ As with the decrease in exports shipments to non-U.S. markets, the decrease in Grupa Azoty's home market shipments corresponds with the yearly decrease in production.

Alternative products

In its response to the Commission’s questionnaire, Grupa Azoty reported production of *** on the same equipment and machinery used to produce DOTP. These products accounted for *** percent of Grupa Azoty’s total production on the same equipment and machinery used to produce DOTP in any year from 2021 to 2023. Table VII-6 presents data on Grupa Azoty’s production of out-of-scope merchandise on the same equipment used to produce DOTP.

Table VII-6
DOTP: Grupa Azoty’s overall production on the same equipment as in-scope production, by period

Quantity in metric tons; share in percent

Product type	Measure	2021	2022	2023
DOTP	Quantity	***	***	***
Other products	Quantity	***	***	***
All products	Quantity	***	***	***
DOTP	Share	***	***	***
Other products	Share	***	***	***
All products	Share	100.0	100.0	100.0

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

Exports

Table VII-7 presents global exports of DOTP and other plasticizers from the subject sources by destination market. Among the subject sources, Taiwan was the largest exporter of DOTP and other plasticizers to all markets in each year from 2021 to 2023 and Turkey was the second largest exporter. Total exports of DOTP and other plasticizers from each subject source decreased from 2021 to 2023.

Table VII-7
DOTP and other plasticizers: Global exports from subject exporters, by country, destination market, and period

Quantity in metric tons; share in percent

Exporter	Destination market	Measure	2021	2022	2023
Malaysia	United States	Quantity	663	4,631	2,021
Poland	United States	Quantity	749	258	2,982
Taiwan	United States	Quantity	12,067	14,078	10,890
Turkey	United States	Quantity	4,416	10,334	2,349
Subject exporters	United States	Quantity	17,896	29,301	18,241
Malaysia	All destination markets	Quantity	16,427	12,760	15,113
Poland	All destination markets	Quantity	36,934	34,214	26,062
Taiwan	All destination markets	Quantity	246,526	210,005	212,689
Turkey	All destination markets	Quantity	76,449	80,362	66,802
Subject exporters	All destination markets	Quantity	376,336	337,342	320,666
Malaysia	United States	Share	4.0	36.3	13.4
Poland	United States	Share	2.0	0.8	11.4
Taiwan	United States	Share	4.9	6.7	5.1
Turkey	United States	Share	5.8	12.9	3.5
Subject exporters	United States	Share	4.8	8.7	5.7

Source: Official exports statistics for Malaysia, Taiwan, and Turkey, and official global imports statistics from Poland (constructed exports) under HS subheading 2917.39 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed April 15, 2024.

Note: Share represent the shares of quantity exported to the United States out of all destination markets.

U.S. inventories of imported merchandise

Table VII-8 presents data on U.S. importers' reported end-of-period inventories of DOTP. Imports from Taiwan accounted for the largest share of U.S. importers' end-of-period inventories in 2021 and 2023, while imports from Turkey accounted for the largest share in 2022. End-of-period inventories of imports from Malaysia were present only in 2022 and 2023 and end-of-period inventories of imports from Poland were present only in 2023. End-of-period inventories of imports from Taiwan decreased year to year, ending *** percent lower in 2023 than in 2021. End-of-period inventories of imports from Turkey widely fluctuated year to year, increasing from 2021 to 2022 then decreasing from 2022 to 2023, ending *** percent lower in 2023 than in 2021. End-of-period inventories of imports from Malaysia decreased by *** percent from 2022 to 2023. Overall, end-of-period inventories of subject imports fluctuated year to year, increasing from 2021 to 2022 then decreasing from 2022 to 2023, ending *** percent lower in 2023 than in 2021. End-of-period inventories of nonsubject imports decreased by *** percent from 2021 to 2023.

Table VII-8
DOTP: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in metric tons; ratio in percent

Measure	Source	2021	2022	2023
Inventories quantity	Malaysia	***	***	***
Ratio to imports	Malaysia	***	***	***
Ratio to U.S. shipments of imports	Malaysia	***	***	***
Ratio to total shipments of imports	Malaysia	***	***	***
Inventories quantity	Poland	***	***	***
Ratio to imports	Poland	***	***	***
Ratio to U.S. shipments of imports	Poland	***	***	***
Ratio to total shipments of imports	Poland	***	***	***
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	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: Zeroes, null values, and undefined calculations are suppressed and shown as “--”.

The ratios of U.S. importers' end-of-period inventories to their imports from Taiwan and to their U.S. shipments of those imports decreased by *** percentage points and *** percentage points, respectively, from 2021 to 2023. The ratios of U.S. importers' end-of-period inventories to their imports from Turkey and to their U.S. shipments of those imports also decreased from 2021 to 2023, by *** percentage points and *** percentage points, respectively. The ratios of U.S. importers' end-of-period inventories to their imports from Malaysia and to their U.S. shipments of those imports decreased by *** percentage points and *** percentage points, respectively, from 2022 to 2023. The ratios of U.S. importers' end-of-period inventories to their imports from Poland and to their U.S. shipments of those imports were *** percent and *** percent, respectively, in 2023. Overall, the ratios of end-of-period inventories to subject imports and to U.S. shipments of subject imports decreased by *** percentage points and *** percentage points, respectively, from 2021 to 2023.

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of DOTP from Malaysia, Poland, Taiwan, Turkey, and other sources after December 31, 2023. The vast majority of the arranged imports are scheduled for the first quarter of 2024, with most of those imports from Taiwan. No firm reported any arranged imports for the second half of 2024.¹² U.S. importers' reported data for arranged imports are presented in table VII-9.

¹² ***. Email from ***, April 15, 2024. ***. Email from ***, April 10, 2024.

Table VII-9
DOTP: U.S. importers' arranged imports, by source and period

Quantity in metric tons

Source	Measure	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Oct-Dec 2024	Total
Malaysia	Quantity	***	***	***	***	***
Poland	Quantity	***	***	***	***	***
Taiwan	Quantity	***	***	***	***	***
Turkey	Quantity	***	***	***	***	***
Subject sources	Quantity	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Third-country trade actions

There are no known trade remedy actions on DOTP in third-country markets against any of the subject countries.

Information on nonsubject countries

The global plasticizer market continues to move away from phthalate plasticizers, with their attendant environmental and health concerns, to nonphthalate plasticizers, including DOTP. However, DOTP production is significant in only a few nonsubject countries. South Korea has substantial production capacity, but it is already under an AD order from another investigation. China is the largest producer and consumer of DOTP with numerous plants entering and exiting the market in China. In 2020, DOTP became the leading plasticizer used in China, and the country is a net importer. In 2019, Sibur opened a DOTP production facility in Russia with an annual capacity of 100,000 metric tons. Mexico has some DOTP production capacity at swing plants, but the producers do not seem focused on DOTP production. Canada and the countries of Western Europe do not produce DOTP. Plasticizer producers in Canada and Western Europe may, however, be capable of producing compound plasticizers containing DOTP.

Table VII-10 presents GTA data for global exports of aromatic polycarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives under HS subheading 2917.39 (an HS classification that includes DOTP and out-of-scope goods). Based on GTA data, South Korea was the dominant global exporter of these plasticizers in 2023, followed by Taiwan, China, and Spain. Although Spain is listed as the fourth-largest exporter of products in this basket category of plasticizers, as mentioned earlier the countries of Western Europe do not produce DOTP.

Table VII-10
DOTP and other plasticizers: Global exports, by exporter and period

Quantity in metric tons; value in 1,000 dollars

Exporting country	Measure	2021	2022	2023
United States	Quantity	98,803	83,462	75,609
Malaysia	Quantity	16,427	12,760	15,113
Poland	Quantity	36,934	34,214	26,062
Taiwan	Quantity	246,526	210,005	212,689
Turkey	Quantity	76,449	80,362	66,802
Subject exporters	Quantity	376,336	337,342	320,666
South Korea	Quantity	481,354	496,728	554,911
China	Quantity	134,383	154,247	172,245
Spain	Quantity	172,044	140,840	107,112
Japan	Quantity	56,966	53,011	56,599
India	Quantity	57,557	49,498	53,334
All other exporters	Quantity	270,557	186,400	150,995
Nonsubject exporters	Quantity	1,172,861	1,080,725	1,095,197
All reporting exporters	Quantity	1,647,999	1,501,529	1,491,472
United States	Value	212,413	220,183	189,513
Malaysia	Value	34,175	22,252	21,694
Poland	Value	71,397	82,402	44,514
Taiwan	Value	300,020	260,556	235,321
Turkey	Value	159,881	153,607	101,200
Subject exporters	Value	565,473	518,817	402,729
South Korea	Value	612,776	633,672	629,991
China	Value	353,085	415,849	340,082
Spain	Value	231,819	241,774	172,099
Japan	Value	103,740	93,884	87,200
India	Value	126,927	127,360	117,040
All other exporters	Value	460,517	420,023	345,572
Nonsubject exporters	Value	1,888,865	1,932,562	1,691,983
All reporting exporters	Value	2,666,751	2,671,563	2,284,225

Table continued.

Table VII-10 Continued
DOTP and other plasticizers: Global exports, by exporter and period

Unit value in dollars per metric ton; share in percent

Exporting country	Measure	2021	2022	2023
United States	Unit value	2,150	2,638	2,506
Malaysia	Unit value	2,080	1,744	1,435
Poland	Unit value	1,933	2,408	1,708
Taiwan	Unit value	1,217	1,241	1,106
Turkey	Unit value	2,091	1,911	1,515
Subject exporters	Unit value	1,503	1,538	1,256
South Korea	Unit value	1,273	1,276	1,135
China	Unit value	2,627	2,696	1,974
Spain	Unit value	1,347	1,717	1,607
Japan	Unit value	1,821	1,771	1,541
India	Unit value	2,205	2,573	2,194
All other exporters	Unit value	1,702	2,253	2,289
Nonsubject exporters	Unit value	1,610	1,788	1,545
All reporting exporters	Unit value	1,618	1,779	1,532
United States	Share of quantity	6.0	5.6	5.1
Malaysia	Share of quantity	1.0	0.8	1.0
Poland	Share of quantity	2.2	2.3	1.7
Taiwan	Share of quantity	15.0	14.0	14.3
Turkey	Share of quantity	4.6	5.4	4.5
Subject exporters	Share of quantity	22.8	22.5	21.5
South Korea	Share of quantity	29.2	33.1	37.2
China	Share of quantity	8.2	10.3	11.5
Spain	Share of quantity	10.4	9.4	7.2
Japan	Share of quantity	3.5	3.5	3.8
India	Share of quantity	3.5	3.3	3.6
All other exporters	Share of quantity	16.4	12.4	10.1
Nonsubject exporters	Share of quantity	71.2	72.0	73.4
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics and official global imports statistics from Poland (constructed exports) under HS subheading 2917.39 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed April 15, 2024.

Note: United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of quantity in 2023.

APPENDIX A
FEDERAL REGISTER NOTICES

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

Citation	Title	Link
89 FR 22450, April 1, 2024	<i>Diethyl Terephthalate (“DOTP”) From Malaysia, Poland, Taiwan, and Turkey; Notice of Institution of Antidumping Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2024-04-01/pdf/2024-06791.pdf
89 FR 29285, April 22, 2024	<i>Diethyl Terephthalate From Malaysia, Poland, Taiwan, and the Republic of Türkiye: Initiation of Less-Than-Fair-Value Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2024-04-22/pdf/2024-08449.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared in the United States International Trade Commission's hearing:

Subject: Dioctyl Terephthalate ("DOTP") from Malaysia, Poland, Taiwan, and Turkey

Inv. Nos.: 731-TA-1675-1678 (Preliminary)

Date and Time: April 16, 2024 - 9:30 a.m.

Sessions were held in connection with these preliminary phase investigations via Webex (**ALL Virtual**).

OPENING REMARKS:

In Support of the Imposition (**Christine Streatfeild**, Baker McKenzie)

In Support of the Imposition of the Antidumping Duty Orders:

Baker McKenzie
Washington, DC
on behalf of

Eastman Chemical Company

Erwin Dijkman, Division President, Chemical Intermediates and Fibers,
Eastman Chemical Company

Raymond Taylor, General Manager, Olefins and Plasticizers,
Eastman Chemical Company

Robert Davis, Product Manager, General Purpose Plasticizers,
Eastman Chemical Company

Brandi White, Government Affairs Director, Eastman Chemical Company

Christine Streatfeild)
Shima Roy) – OF COUNSEL
Elizabeth Mullin)

CLOSING REMARKS:

In Support of the Imposition (**Christine Streatfeild**, Baker McKenzie)

APPENDIX C
SUMMARY DATA

Table C-1

DOTP: Summary data concerning the U.S. market, by item and period

Quantity=metric tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per metric ton; Period changes=percent-exceptions noted

Item	Reported data			Period changes		
	2021	2022	2023	Comparison years		
U.S. consumption quantity:						
Amount.....	***	***	***	▼***	▼***	▼***
Producers' share (fn1).....	***	***	***	▼***	▼***	▲***
Importers' share (fn1):						
Malaysia.....	***	***	***	▲***	▲***	▲***
Poland.....	***	***	***	▲***	▼***	▲***
Taiwan.....	***	***	***	▼***	▼***	▼***
Turkey.....	***	***	***	▲***	▲***	▼***
Subject sources.....	***	***	***	▲***	▲***	▼***
Nonsubject sources.....	***	***	***	▼***	▼***	▼***
All import sources.....	***	***	***	▲***	▲***	▼***
U.S. consumption value:						
Amount.....	***	***	***	▼***	▲***	▼***
Producers' share (fn1).....	***	***	***	▲***	▼***	▲***
Importers' share (fn1):						
Malaysia.....	***	***	***	▲***	▲***	▲***
Poland.....	***	***	***	▲***	▼***	▲***
Taiwan.....	***	***	***	▼***	▼***	▼***
Turkey.....	***	***	***	▲***	▲***	▼***
Subject sources.....	***	***	***	▲***	▲***	▼***
Nonsubject sources.....	***	***	***	▼***	▼***	▼***
All import sources.....	***	***	***	▼***	▲***	▼***
U.S. importers' U.S. shipments of imports from:						
Malaysia:						
Quantity.....	***	***	***	▲***	▲***	▲***
Value.....	***	***	***	▲***	▲***	▼***
Unit value.....	***	***	***	▲***	▲***	▼***
Ending inventory quantity.....	***	***	***	▲***	▲***	▼***
Poland:						
Quantity.....	***	***	***	▲***	▼***	▲***
Value.....	***	***	***	▲***	▼***	▲***
Unit value.....	***	***	***	▼***	▼***	▲***
Ending inventory quantity.....	***	***	***	▲***	***	▲***
Taiwan:						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▼***	▼***	▼***
Unit value.....	***	***	***	▼***	▲***	▼***
Ending inventory quantity.....	***	***	***	▼***	▼***	▼***
Turkey:						
Quantity.....	***	***	***	▲***	▲***	▼***
Value.....	***	***	***	▲***	▲***	▼***
Unit value.....	***	***	***	▼***	▲***	▼***
Ending inventory quantity.....	***	***	***	▼***	▲***	▼***

Table continued

Table C-1 Continued

DOTP: Summary data concerning the U.S. market, by item and period

Quantity=metric tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per metric ton; Period changes=percent-exceptions noted

Item	Reported data			Period changes		
	2021	2022	2023	2021-23	2021-22	2022-23
U.S. importers' U.S. shipments of imports from: Continued						
Subject sources:						
Quantity.....	11,641	18,752	13,371	▲ 14.9	▲ 61.1	▼ (28.7)
Value.....	30,177	50,643	26,431	▼ (12.4)	▲ 67.8	▼ (47.8)
Unit value.....	\$2,592	\$2,701	\$1,977	▼ (23.7)	▲ 4.2	▼ (26.8)
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***
Nonsubject sources:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▼ ***	▼ ***	▼ ***
Unit value.....	***	***	***	▼ ***	▼ ***	▼ ***
Ending inventory quantity.....	***	***	***	▼ ***	▼ ***	▲ ***
All import sources:						
Quantity.....	***	***	***	▲ ***	▲ ***	▼ ***
Value.....	***	***	***	▼ ***	▲ ***	▼ ***
Unit value.....	***	***	***	▼ ***	▲ ***	▼ ***
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 (metric tons per hour).....	***	***	***	▼ ***	▼ ***	▼ ***
Unit labor costs.....	***	***	***	▲ ***	▲ ***	▲ ***

Table continued

Table C-1 Continued

DOTP: Summary data concerning the U.S. market, by item and period

Quantity=metric tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per metric ton; Period changes=percent-exceptions noted

Item	Reported data			Period changes		
	2021	2022	2023	2021-23	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.....	***	***	***	▼***	▲***	▼***
Total assets.....	***	***	***	▼***	▲***	▼***

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

U.S. PRODUCERS' AND U.S. IMPORTERS' STORAGE CAPACITY

Table D-1
DOTP: U.S. producers' and U.S. importers' storage capacity as of December 31, 2023

Quantity in metric tons

Firm type	Measure	Storage Capacity
U.S. producers	Quantity	***
Importers	Quantity	6,952

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

Table D-2
DOTP: Count of firms' responses regarding storage capacity, by type of storage change, 2023

Count in number of firms reporting

Type of storage change	Firm type	No	Yes
Overall change in storage capacity	U.S. producers	***	***
Overall change in storage capacity	Importers	9	4
Ran out of storage or procured additional	U.S. producers	***	***
Ran out of storage or procured additional	Importers	11	1

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

Table D-3
DOTP: U.S. producers' and importers' narratives regarding changes in storage capacity or locations

Firm	Firm type	Narrative on changes in storage capacity
***	U.S. producers	***
***	Importers	***
***	Importers	***
***	Importers	***
***	Importers	***

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

APPENDIX E
ADDITIONAL U.S. IMPORT DATA

Table E-1
DOTP: U.S. imports based on adjusted official U.S. import statistics, by source and period

Quantity in metric tons; value in 1,000 dollars; unit value in dollars per metric ton

Source	Measure	2021	2022	2023
Malaysia	Quantity	647	4,006	3,016
Poland	Quantity	749	258	2,982
Taiwan	Quantity	***	***	***
Turkey	Quantity	2,811	10,532	2,201
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
Malaysia	Value	2,450	9,320	4,666
Poland	Value	1,772	743	6,423
Taiwan	Value	***	***	***
Turkey	Value	6,151	24,091	3,817
Subject sources	Value	***	***	***
Nonsubject sources	Value	***	***	***
All import sources	Value	***	***	***
Malaysia	Unit value	3,785	2,327	1,547
Poland	Unit value	2,365	2,876	2,154
Taiwan	Unit value	***	***	***
Turkey	Unit value	2,188	2,287	1,734
Subject sources	Unit value	***	***	***
Nonsubject sources	Unit value	***	***	***
All import sources	Unit value	***	***	***

Table continued.

Table E-1 Continued**DOTP: U.S. imports based on adjusted official U.S. import statistics, by source and period**

Share and ratio in percent; ratio represents the ratio to U.S. production

Source	Measure	2021	2022	2023
Malaysia	Share of quantity	***	***	***
Poland	Share of quantity	***	***	***
Taiwan	Share of quantity	***	***	***
Turkey	Share of quantity	***	***	***
Subject sources	Share of quantity	***	***	***
Nonsubject sources	Share of quantity	***	***	***
All import sources	Share of quantity	100.0	100.0	100.0
Malaysia	Share of value	***	***	***
Poland	Share of value	***	***	***
Taiwan	Share of value	***	***	***
Turkey	Share of value	***	***	***
Subject sources	Share of value	***	***	***
Nonsubject sources	Share of value	***	***	***
All import sources	Share of value	100.0	100.0	100.0
Malaysia	Ratio	***	***	***
Poland	Ratio	***	***	***
Taiwan	Ratio	***	***	***
Turkey	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 number 2917.39.2000, accessed April 7, 2024, adjusted to remove out-of-scope imports from Canada and Mexico using official imports data and to remove out-of-scope imports from Taiwan and nonsubject sources reported in responses to the Commission's U.S. importers' questionnaire. ***. Imports are based on the imports for consumption data series and import value data are based on landed-duty paid values.

Figure E-1
DOTP: U.S. import quantity and unit value based on adjusted official U.S. import statistics, 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 number 2917.39.2000, accessed April 7, 2024, adjusted to remove out-of-scope imports from Canada and Mexico using official imports data and to remove out-of-scope imports from Taiwan and nonsubject sources reported in responses to the Commission's U.S. importers' questionnaire. ***. Imports are based on the imports for consumption data series and import value data are based on landed-duty paid values.

Table E-2
DOTP: U.S. imports in the twelve-month period preceding the filing of the petitions based on adjusted official U.S. import statistics, March 2023 through February 2024

Quantity in metric tons; share in percent

Source of imports	Quantity	Share of quantity
Malaysia	1,913	***
Poland	2,706	***
Taiwan	***	***
Turkey	2,293	***
All other import sources	***	***
All import sources	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 2917.39.2000, accessed April 7, 2024, adjusted to remove out-of-scope imports from Canada and Mexico using official imports data and to remove out-of-scope imports from Taiwan and nonsubject sources reported in responses to the Commission's U.S. importers' questionnaire. Imports are based on the imports for consumption data series.

APPENDIX F

AUV COMPARISONS OF DOMESTICALLY-PRODUCED AND SUBJECT DOTP

A summary of prices of domestically produced DOTP and subject DOTP AUVs, quantities, and AUV differentials are presented in tables F-1 and F-2 and figures F-1 and F-2. Table F-3 shows the instances and quantities of imports for which AUVs are lower or higher relative to domestic prices.

Table F-1

DOTP: Weighted-average prices and quantities of domestic DOTP for product 1, and weighted-average LDP unit values and quantities of imported DOTP associated with product 1, and differentials in import average unit values under/(above) domestic prices, by source and quarter

U.S. unit value in dollars per metric ton, quantity in metric tons

Period	U.S. price	U.S. quantity	Malaysia unit LDP value	Malaysia quantity	Malaysia differential	Taiwan unit LDP value	Taiwan quantity	Taiwan differential
2021 Q1	***	***	3,600	100	***	1,372	1,020	***
2021 Q2	***	***	4,392	64	***	1,832	2,834	***
2021 Q3	***	***	3,760	262	***	2,190	1,946	***
2021 Q4	***	***	3,723	221	***	2,230	3,284	***
2022 Q1	***	***	3,491	72	***	2,164	4,399	***
2022 Q2	***	***	2,374	1,558	***	2,036	1,981	***
2022 Q3	***	***	2,439	1,191	***	1,883	1,145	***
2022 Q4	***	***	2,081	1,185	***	1,956	859	***
2023 Q1	***	***	1,692	1,123	***	1,621	1,362	***
2023 Q2	***	***	1,535	1,073	***	1,659	1,313	***
2023 Q3	***	***	1,365	820	***	1,529	659	***
2023 Q4	***	***		---	***	1,616	533	***

Table continued.

Table F-1--Continued

DOTP: Weighted-average prices and quantities of domestic DOTP for product 1, and weighted-average LDP unit values and quantities of imported DOTP associated with product 1, and differentials in import average unit values under/(above) domestic prices, by source and quarter

U.S. unit value in dollars per metric ton, quantity in metric tons

Period	U.S. unit value	U.S. quantity	Turkey unit value	Turkey quantity	Turkey differential
2021 Q1	***	***	1,579	396	***
2021 Q2	***	***	2,413	271	***
2021 Q3	***	***	2,205	1,201	***
2021 Q4	***	***	2,358	943	***
2022 Q1	***	***	2,280	3,346	***
2022 Q2	***	***	2,335	4,146	***
2022 Q3	***	***	2,259	2,264	***
2022 Q4	***	***	2,145	776	***
2023 Q1	***	***	1,727	2,100	***
2023 Q2	***	***	1,976	44	***
2023 Q3	***	***	1,791	21	***
2023 Q4	***	***	1,845	36	***

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2917.39.2000, accessed April 7, 2024. Imports are based on the imports for consumption data series. Import values are landed, duty-paid values.

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 "---". Nonsubject sources excludes data for Canada and Mexico confirmed to contain predominantly out-of-scope plasticizers. Data for Taiwan contains some (<*** percent of total from Taiwan) out-of-scope merchandise based on information submitted in response to Commission questionnaires, however, data were not available in sufficient granularity and detail to remove these volumes and values from the quarterly official U.S. import statistics.

Table F-2

DOTP: Weighted-average prices and quantities of domestic DOTP for product 2, and weighted-average LDP unit values and quantities of imported DOTP associated with product 2, and differentials in import average unit values under/(above) domestic unit values, by source and quarter

U.S. unit value in dollars per metric ton, quantity in metric tons

Period	U.S. unit value	U.S. quantity	Poland unit LDP value	Poland quantity	Poland differential
2021 Q1	***	***	1,241	342	***
2021 Q2	***	***	2,402	205	***
2021 Q3	***	***	5,823	112	***
2021 Q4	***	***	2,256	90	***
2022 Q1	***	***	2,894	139	***
2022 Q2	***	***	2,944	79	***
2022 Q3	***	***	2,676	40	***
2022 Q4	***	***		---	***
2023 Q1	***	***	2,283	1,410	***
2023 Q2	***	***		---	***
2023 Q3	***	***	1,991	1,406	***
2023 Q4	***	***	2,444	166	***

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2917.39.2000, accessed April 7, 2024. Imports are based on the imports for consumption data series. Import values are landed, duty-paid values.

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 "---". Nonsubject sources excludes data for Canada and Mexico confirmed to contain predominantly out-of-scope plasticizers.

Figure F-1

DOTP: Weighted-average prices and quantities of domestic DOTP for product 1, and weighted-average LDP unit values and quantities of imported DOTP associated with product 1, and differentials in import average unit values under/(above) domestic prices, by source and quarter

Average unit value

* * * * *

Volume

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2917.39.2000, accessed April 7, 2024. 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 "--". Nonsubject sources excludes data for Canada and Mexico confirmed to contain predominantly out-of-scope plasticizers.

Table F-2

DOTP: Weighted-average prices and quantities of domestic DOTP for product 2, and weighted-average LDP unit values and quantities of imported DOTP associated with product 2, and differentials in import average unit values under/(above) domestic unit values, by source and quarter

Average unit value

* * * * *

Volume

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2917.39.2000, accessed April 7, 2024. 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 "---". Nonsubject sources excludes data for Canada and Mexico confirmed to contain predominantly out-of-scope plasticizers.

Table F-3
DOTP: Instances and quantities of lower/(higher) import AUVs relative to domestic prices, by source

Quantity in metric tons; margins in percent

Sources	Type	Number of quarters	Quantity	Average margin	MIn margin	Max margin
Malaysia	Underselling	6	***	***	***	***
Poland	Underselling	1	***	***	***	***
Taiwan	Underselling	10	***	***	***	***
Turkey	Underselling	6	***	***	***	***
All subject sources	Underselling	23	32,748	12.2	0.5	25.2
Malaysia	Overselling	5	***	***	***	***
Poland	Overselling	9	***	***	***	***
Taiwan	Overselling	2	***	***	***	***
Turkey	Overselling	6	***	***	***	***
All subject sources	Overselling	22	15,789	(41.6)	(0.3)	(196.7)

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2917.39.2000, accessed April 7, 2024. Imports are based on the imports for consumption data series.

