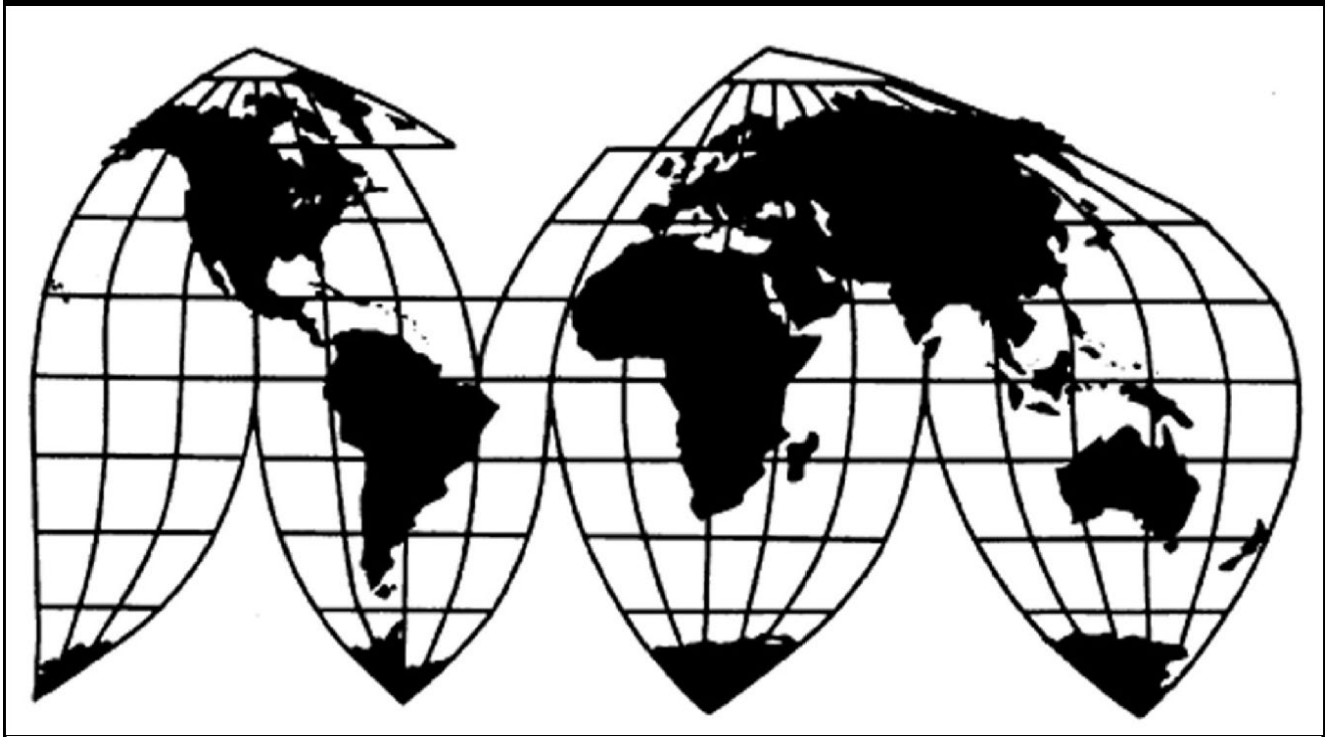
Disposable Aluminum Containers, Pans, Trays, and Lids from China

Investigation Nos. 701-TA-727 and 731-TA-1695 (Preliminary)

Publication 5523 **July 2024**

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-727 and 731-TA-1695 (Preliminary)

Disposable Aluminum Containers, Pans, Trays, and Lids from China

DETERMINATIONS

On the basis of the record[1] 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 disposable aluminum containers, pans, trays, and lids from China, provided for in statistical reporting number 7615.10.7125 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value ("LTFV") and alleged to be subsidized by the Government of China.[2] [3]

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in § 207.21 of the Commission's rules, upon notice from the U.S. Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under §§ 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under §§ 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. 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 and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives,

[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 49833 and 89 FR 49837 (June 12, 2024).

[3] Commissioner Rhonda K. Schmidtlein not participating.

who are parties to the 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 May 16, 2024, the Aluminum Foil Container Manufacturers Association, Lexington, Kentucky, and its individual members Durable Packaging International, Wheeling, Illinois; D&W Fine Pack, LLC, Wood Dale, Illinois; Handi-Foil Corp., Wheeling, Illinois; Penny Plate, LLC, Fishersville, Virginia; Reynolds Consumer Products, LLC, Lake Forest, Illinois; Shah Foil Products, Inc., Piscataway Township, New Jersey; Smart USA, Inc., Bay Shore, New York; and Trinidad/Benham Corp., Denver, Colorado, filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized and LTFV imports of disposable aluminum containers, pans, trays, and lids from China. Accordingly, effective May 16, 2024, the Commission instituted countervailing duty investigation No. 701-TA-727 and antidumping duty investigation No. 731-TA-1695 (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 May 22, 2024 (89 FR 45016). The Commission conducted its conference on June 6, 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 disposable aluminum containers, pans, trays, and lids ("disposable aluminum containers") from China that are allegedly sold in the United States at less than fair value and imports of disposable aluminum containers from China that are allegedly subsidized by the government of China.

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, 2*0 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

The Aluminum Foil Container Manufacturers Association ("AFCMA"), an association with a majority of members who manufacture, produce, or wholesale disposable aluminum containers, filed the petitions in these investigations on May 16, 2024, on behalf of itself and certain of its members – Durable Packaging International, D&W Fine Pack, LLC, Handi-foil Corp., Penny Plate, LLC, Reynolds Consumer Products, LLC, Shah Foil Products, Inc., Smart USA, Inc., and Trinidad/Benham Corp. (collectively, "Petitioners").[3] Petitioners appeared at the staff conference accompanied by counsel and submitted a postconference brief. No respondents participated in the preliminary phase of these investigations.

U.S. industry data are based on the questionnaire responses of Petitioners, which accounted for the majority of U.S. production of disposable aluminum containers in 2023.[4] U.S. import data are based on official import statistics and the questionnaire responses of 18 importers, which accounted for an estimated *** percent of U.S. imports from China in 2023 based on official import statistics.[5] The Commission received responses to its questionnaire from three producers/exporters of merchandise from China, which accounted for approximately *** percent of overall production of disposable aluminum containers in China in

[3] *See* Confidential Staff Report, INV-WW-072 (Jun. 24, 2024) ("CR") at I-1, I-1 n.1; *Disposable Aluminum Containers, Pans, Trays, and Lids from China*, Inv. Nos. 701-TA-727 and 731-TA-1695 (Preliminary), USITC Pub. 5523 (July 2024) ("PR") at I-1, I-1 n.1.

[4] *See* CR/PR at I-4.

[5] CR/PR at IV-1. Questionnaire coverage was determined based on official import statistics using HTS statistical reporting number 7615.10.7125. Petitioners assert that the vast majority of imports of disposable aluminum containers should be classified under HTS statistical reporting number 7615.10.7125. This statistical breakout, which was requested by petitioner AFCMA, took effect in 2017. Responding firms also reported importing under other HTS statistical reporting numbers, so import coverage is likely understated. CR/PR at IV-1 n.2.

2023.[6]

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."[7] 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."[8] 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."[9]

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 the U.S. Department of Commerce ("Commerce").[10] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at LTFV is "necessarily the starting point of the Commission's like product analysis."[11] The Commission then defines the

[6] CR/PR at VII-3.

[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(4)(A).

[9] 19 U.S.C. § 1677(10).

[10] 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).

[11] *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 (Continued…)

domestic like product in light of the imported articles Commerce has identified.[12] 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.[13] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[14] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[15] It may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.[16]

In its notice of initiation, Commerce defined the imported merchandise within the scope

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Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[12] *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*, 747 F. Supp. at 748–52 (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[13] *See*, *e.g.*, *Cleo*, 501 F.3d at 1299; *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).

[14] *See*, *e.g.*, S. Rep. No. 96-249 at 90–91 (1979).

[15] *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.").

[16] *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, coextensive with the scope).

of these investigations as:

> {D}isposable aluminum containers, pans, trays, and lids produced primarily from flat-rolled aluminum. The subject merchandise includes disposable aluminum containers, pans, trays, and lids regardless of shape or size and whether or not wrinkled or smooth.
>
> The term "disposable" is used to identify an aluminum article that is designed to be used once, or for a limited number of times, and then recycled or otherwise disposed.
>
> "Containers, pans, and trays" are receptacles for holding goods.
>
> The subject disposable aluminum lids are intended to be used in combination with disposable containers produced from aluminum or other materials (*e.g.*, paper or plastic). Where a disposable aluminum lid is imported with a non-aluminum container, only the disposable aluminum lid is included in the scope.
>
> Disposable aluminum containers, pans, trays, and lids are also included within the scope regardless of whether the surface has been embossed, printed, coated (including with a non-stick substance), or decorated, and regardless of the style of the edges. The inclusion of a non-aluminum lid or dome sold or packaged with an otherwise in-scope article does not remove the article from the scope, however, only the disposable aluminum container, pan, tray, and lid is covered by the scope definition.
>
> Disposable aluminum containers, pans, trays, and lids are typically used in food-related applications, including but not limited to food preparation, packaging, baking, barbequing, reheating, takeout, or storage, but also have other uses. Regardless of end use, disposable aluminum containers, pans, trays, and lids that meet the scope definition and are not otherwise excluded are subject merchandise.
>
> Excluded from the scope are disposable aluminum casks, drums, cans, boxes and similar containers (including disposable aluminum cups and bottles) properly classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 7612.90. However, aluminum containers, pans, trays, and lids that would otherwise be covered by the scope are not excluded based solely on the fact that they are being classified under HTSUS subheading 7612.90.5000 due to the thickness of aluminum being less than 0.04 mm or greater than 0.22 mm.
>
> The flat-rolled aluminum used to produce the subject articles may be made to ASTM specifications ASTM B479 or ASTM B209-14, but can also be made to other specifications. Regardless of the specification, however, all disposable aluminum

containers, pans, trays, and lids meeting the scope description are included in the scope.[17]

Disposable aluminum containers are versatile reusable objects produced from pressing, molding, or stamping aluminum foil into a container, pan, tray, or lid.[18] They are produced in various colors, surfaces (wrinkled or smooth), shapes and sizes that can be decorated, printed, coated, or embossed based on the intended application and use.[19] Disposable aluminum containers are disposable and designed for single use, but may be reused a limited number of times.[20] They are used in a variety of food applications such as preparation, baking, cooking, reheating, and packaging, as well as transporting and storing.[21] Common forms of disposable aluminum containers are pans and trays.[22] Disposable aluminum containers are often sold or packaged with lids or coverings that are made from aluminum foil or other materials such as paper or plastic.[23]

Disposable aluminum containers are manufactured using 3XXX- or 8XXX-series alloy aluminum foil or sheet.[24] Food container foil or sheet is often produced to Technical Committee on Product Standards ("TCPS") grades 3003, 3004, 8006, and 8011 with a gauge or thickness ranging between 0.03 millimeters and 0.20 millimeters.[25] Disposable aluminum

[17] *Disposable Aluminum Containers, Pans, Trays, and Lids From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 89 Fed. Reg. 49837 (Dep't of Commerce June 12, 2024); *Disposable Aluminum Containers, Pans, Trays, and Lids From the People's Republic of China: Initiation of Countervailing Duty Investigation*, 89 Fed. Reg. 49833 (Dep't Commerce June 12, 2024).

[18] CR/PR at I-8.

[19] CR/PR at I-8.

[20] CR/PR at I-8.

[21] CR/PR at I-8.

[22] CR/PR at I-8.

[23] CR/PR at I-9.

[24] CR/PR at I-9.

[25] CR/PR at I-10.

containers are produced using a specialized machine that requires minimal manual intervention. The aluminum foil is first unwound manually or using a foil decoiler, and then aligned, oiled, and fed into a pneumatically powered press,[26] which uses dies to stamp and mold the aluminum foil sheets into the desired shape of the container.[27] The disposable aluminum containers are then stacked and packaged, often in multi-container packs.[28]

A. Arguments of the Parties

Petitioners argue that the Commission should define a single domestic like product, coextensive with the scope.[29] Petitioners contend that all disposable aluminum containers, including aluminum lids, have similar physical characteristics and end uses; share the same production processes and manufacturing facilities using the same employees; are sold through the same channels of distribution; are perceived as a single product category by producers and consumers; and are priced along a continuum that generally reflects the amount of aluminum used in the production of the disposable aluminum container.[30] Petitioners contend that the Commission routinely groups together products within a domestic like product continuum that are not interchangeable with one another for specific end uses.[31] No Respondents have argued for a different definition of the domestic like product.[32]

[26] CR/PR at I-11-13.
[27] CR/PR at I-13-14.
[28] CR/PR at I-14.
[29] Pet. Postconf. Br. at 3-4, Exhibit 1 at 29-33.
[30] Pet. Postconf. Br at 5-7.
[31] Pet. Postconf. Br. at 6-7 *citing Carbon and Certain Alloy Steel Wire Rod from Belarus, Russia, and the United Arab Emirates*, Inv Nos. 731-TA-1349, 1352, and 1357 (Final), USITC Pub. 4752 at 15 (Jan. 2018) and *Wooden Bedroom Furniture from China*, Inv. No. 731-TA-1058 (Preliminary), USITC Pub. 3667 at 9 (Jan. 2004).
[32] CR/PR at I-16.

B. Analysis and Conclusion

Based on the record, we define a single domestic like product consisting of disposable aluminum containers, coextensive with the scope in these investigations.

Physical Characteristics and Uses. The record indicates that disposable aluminum containers covered by the scope of these investigations, including trays, pans, and lids, share the same basic physical characteristics, as all disposable aluminum containers are stamped, pressed, or molded using flat-rolled, thin-gauge aluminum, typically a 3XXX- or 8XXX-series alloy aluminum foil.[33] All disposable aluminum containers are disposable and designed for single use, although they can be reused for a limited number of times.[34] They are characterized as being lightweight, durable, recyclable, temperature resistant, and acting as a barrier to air and moisture.[35] Disposable aluminum containers generally are used in food applications, such as preparation, baking, cooking, reheating, packaging, transporting, and storing.[36]

Common types of disposable aluminum containers include casserole pans or trays, pie pans or dishes, roaster pans or trays, steam pans or trays, takeout pans or trays, and to-go pans or trays.[37] According to Petitioners, disposable aluminum containers are manufactured into different sizes, shapes, and thicknesses to account for the different weight or size of the food items that will go into the disposable aluminum container.[38] They are often packaged or sold with lids or coverings, which are sometimes made from aluminum foil, but may also be made

[33] CR/PR at I-8-9; Pet. Postconf. Br. at 5.
[34] CR/PR at I-8.
[35] CR/PR at I-10-11; Petition Vol. 1 at 6.
[36] CR/PR at I-8.
[37] CR/PR at I-8.
[38] Pet. Postconf. Br. at 5.

from plastic or paper.[39] We also note that although particular types of disposable aluminum containers may be used for specific cooking or storage applications, they are produced in a number of sizes and shapes without clear dividing lines.

Manufacturing Facilities, Production Processes and Employees. All disposable aluminum containers, including trays, pans, and lids, are generally produced using the same basic manufacturing process and in the same facilities by the same employees.[40] The aluminum foil is first unwound either manually or using a foil decoiler and then fed into a specialized machine that lubricates the aluminum foil or sheet with oil to minimize defects, and then straightens and aligns the aluminum foil using a servo feeder.[41] Subsequently, a pneumatically powered press uses dies to press, mold, or stamp the aluminum into the desired shapes and sizes of the disposable aluminum container while maintaining tension through the process.[42] The press can also emboss or create metal patterns on the disposable aluminum containers.[43] Lastly, the machine stacks and counts the disposable aluminum containers before they are packaged with or without lids, often in multi-container packs.[44] According to Petitioners, all types of domestically produced disposable aluminum containers, including containers, pans, trays, and lids, are produced on similar equipment using similar employees and production processes.[45]

[39] CR/PR at I-9.
[40] CR/PR at I-11-15.
[41] CR/PR at I-13.
[42] CR/PR at I-14.
[43] CR/PR at I-14.
[44] CR/PR at I-14.
[45] Pet. Postconf. Br. at 5, 7.

Channels of Distribution. All domestically produced disposable aluminum containers are sold to ***.[46]

Interchangeability. Disposable aluminum containers encompass a broad spectrum of products with different sizes, shapes, and thicknesses. While sharing general end uses for food applications, their design will vary to account for food items of different sizes and weights.[47] Given these differences in food items, particular types of containers may not be interchangeable at all – for example, a pie plate cannot be used to roast a turkey, and a turkey pan cannot be used to bake a pie. However, there may also be a degree of interchangeability among some types of containers – for example, a pie plate may be used to store cookies or roast a chicken. All responding U.S. producers and most U.S. importers reported that there were no substitutes for disposable aluminum containers.[48] Petitioners claim aluminum lids are used in the same food-related end use applications and are often used in combination with disposable aluminum containers that possess corresponding dimensions.[49]

Producer and Customer Perceptions. Petitioners assert that producers and customers perceive disposable aluminum containers and lids to be a continuum of products that have different dimensions and shapes, but are ultimately used for the same food-related end uses.[50] Additionally, as noted above, all responding U.S. producers reported that there are no substitutes for disposable aluminum containers.[51]

[46] CR/PR at Table II-1.
[47] CR/PR at I-8-11; Pet. Postconf. Br at 5.
[48] CR/PR at II-7.
[49] Pet. Postconf. Br. at 5-6.
[50] Petition Vol. I at 13; Pet. Postconf. Br. at 6-7.
[51] CR/PR at II-7.

Price. Just as different types of disposable aluminum containers exist on a continuum, there is a corresponding range of pricing with no clear dividing lines.[52] Petitioners contend that disposable aluminum containers are priced along a continuum that generally reflects the amount of aluminum used in the production of the specific disposable aluminum container.[53]

Conclusion. The record in the preliminary phase of these investigations indicates that all disposable aluminum containers, pans, trays, and lids are produced from flat-rolled, thin-gauge aluminum foil or sheet, that is stamped, pressed, or molded. They are generally lightweight, durable, recyclable, can be used in heating applications, and act as a barrier to air and moisture, all of which make them particularly suited to cooking and storage of food. In addition, all domestically produced disposable aluminum containers are produced using the same manufacturing processes, facilities, and employees; sold to retailers, distributors, and end users; and perceived by producers and customers to comprise the same product category. Although interchangeability varies among types of disposable aluminum containers, pans, trays, and lids, they exist in a continuum of sizes, shapes, thicknesses, and prices, with no clear dividing lines separating them.

Thus, in light of the above and in the absence of any contrary argument, we define a single domestic like product consisting of all disposable aluminum containers, coextensive with the scope.

[52] Petition Vol. I at 13. The pricing product data show that prices for half-steam and full steam disposable aluminum pans/trays, corresponding lids, and 7-inch round disposable aluminum pans/trays sold by U.S. producers were priced in a relatively narrow range. CR/PR at Tables V-4-7.

[53] Pet. Postconf. Br. 5, 7.

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."[54] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We consider whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[55] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[56]

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[54] 19 U.S.C. § 1677(4)(A).

[55] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd mem.*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.,* 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[56] 19 U.S.C. § 1677(4)(B). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015), *aff'd*, 839 F.3d 1377 (Fed. Cir. 2018); *see also Torrington Co.*, 790 F. Supp. at 1168.

The record indicates that U.S. producer *** is subject to possible exclusion under the related parties provision because it imported and purchased subject imports during the period of investigation ("POI").[57] *** is subject to possible exclusion under the related parties provision because it imported subject imports during the POI.[58] [59]

A. Arguments of the Parties

Petitioners argue that appropriate circumstances do not exist for the Commission to exclude *** or *** from the domestic industry.[60] They contend that these domestic producers ***, their primary interests lie in domestic production of disposable aluminum containers, and they support the petition.[61] Petitioners observe that these domestic producers ***.[62] Petitioners also note that they ***.[63]

[57] CR/PR at III-10-11, Tables III-11, III-14.

[58] CR/PR at III-10 & Table III-12.

[59] Although *** did not itself import subject merchandise, and is not related to any exporter or U.S. importer of subject merchandise, it reported purchasing subject merchandise from importer *** during the POI. CR/PR at Table III-15. 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* The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act 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). Because *** did not complete an importers' questionnaire response, there is no information on the record to establish whether a control relationship exists that would make *** a related party due to its purchases from importer ***. In any final phase of these investigations, we intend to further investigate whether *** may be deemed a related party based on purchases it may have made of subject imports.

[60] Pet. Postconf. Br. at 9.

[61] Pet. Postconf. Br. at 9.

[62] Pet. Postconf. Br. at 9.

[63] Pet. Postconf. Br. at 9-10.

B. Analysis and Conclusion

***. *** accounted for *** percent of reported U.S. production in 2023, was the *** domestic producer of disposable aluminum containers that year, and is a petitioner.[64] Durable's imports of subject merchandise were *** pounds in 2021, *** pounds in 2022, and *** pounds in 2023.[65] The ratio of these imports to *** domestic production was *** percent in 2021 and *** percent in 2022 and 2023.[66] In explaining its reasons for importing, *** states that ***.[67] *** operating income to net sales ratios were *** than the domestic industry average in 2021, but were *** in 2022 and 2023 when it imported more subject imports.[68]

*** also reported purchasing subject merchandise during the POI from importer ***.[69] *** purchases of subject imports from *** were *** pounds in 2023 and *** pounds in interim 2024.[70] Although *** purchases accounted for *** percent of *** imports in 2023 and *** percent of its imports in interim 2024, which suggests a control relationship, *** imports from China accounted for a small proportion of overall U.S. imports from China[71] and were small compared to *** U.S. production.[72]

The record of the preliminary phase of the investigations indicates that while ***

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[64] CR/PR at Table III-1.

[65] CR/PR at Table III-11. *** reported importing *** pounds from January 2023 to March 2023 ("interim 2023") but did not report any imports from January 2024 to March 2024 ("interim 2024"). *Id*.

[66] CR/PR at Table III-11. *** ratio of subject imports to U.S. production was *** percent in interim 2023. *Id*.

[67] CR/PR at Table III-13.

[68] CR/PR at Table VI-3.

[69] CR/PR at Table III-14.

[70] CR/PR at Table III-14. Durable did not report any purchases of subject imports in 2021, 2022, or interim 2023. *Id*.

[71] *** imports from China relative to overall U.S. imports from China were *** percent in 2023 and *** percent in interim 2024. CR/PR at Table III-14.

[72] *** imports from China relative to *** U.S. production were *** percent in 2023 and *** percent in interim 2024. CR/PR at Table III-14.

operating income to net sales ratio was higher than the industry average during the periods it imported and purchased subject imports, these purchases and imports were both small and there is no indication that *** domestic production operations benefited from its purchases or imports such that its inclusion in the domestic industry would mask injury. Moreover, as ***, *** exclusion would skew the domestic industry data and mask declines in domestic industry market share caused by subject imports.[73] Furthermore, *** domestically produced and shipped significant quantities of disposable aluminum containers and maintained significant production capacity for disposable aluminum containers in the United States during the POI.[74] For these reasons, and in the absence of party arguments to the contrary, we find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related parties provision.

****.* *** accounted for *** percent of reported U.S. production in 2023, was the *** domestic producer of disposable aluminum containers that year, and is a petitioner.[75] *** imported *** pounds of subject merchandise in 2023,[76] representing *** percent of its 2023 domestic production.[77] In explaining its reasons for importing, *** stated that ***.[78] *** operating income to net sales ratios were *** than the average for the domestic industry throughout the POI.[79] In view of the fact that *** is a petitioner with a *** ratio of subject imports to domestic production, we find that its primary interest is in domestic production.

[73] CR/PR at Table III-7.
[74] CR/PR at Table III-5; *** U.S. Producer Questionnaire at Question II-8.
[75] CR/PR at Table III-1.
[76] CR/PR at Table III-12.
[77] CR/PR at Table III-12.
[78] CR/PR at Table III-13.
[79] CR/PR at Table VI-3.

There is no evidence on the record that *** domestic production operations benefitted from its imports of subject merchandise such that its inclusion in the domestic industry would mask injury. For these reasons, and in the absence of party arguments to the contrary, we find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related parties provision.

Accordingly, consistent with our definition of the domestic like product, we define the domestic industry to include all U.S. producers of disposable aluminum containers.

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 petitions shall be deemed negligible.[80]

During the 12-month period preceding the filing of the petitions (May 2023 through April 2024), imports of disposable aluminum containers from China accounted for *** percent of total imports.[81] As subject imports are clearly above negligible levels, we find that imports of disposable aluminum containers from China are not negligible.

[80] 19 U.S.C. § 1677(24)(A)(i). In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative ("USTR")), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent. 19 U.S.C. § 1677(24)(B).

[81] CR/PR at Table IV-6.

VI. 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.[82] 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.[83] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[84] 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.[85] 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."[86]

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,[87] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable

[82] 19 U.S.C. §§ 1671b(a), 1673b(a).

[83] 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).

[84] 19 U.S.C. § 1677(7)(A).

[85] 19 U.S.C. § 1677(7)(C)(iii).

[86] 19 U.S.C. § 1677(7)(C)(iii).

[87] 19 U.S.C. §§ 1671b(a), 1673b(a).

exercise of its discretion.[88] 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.[89]

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

[88] *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'd,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[89] 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.[90] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[91] 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.[92] It is clear that the existence of injury caused by other factors does not compel a negative determination.[93]

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[90] 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.

[91] 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.").

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

[93] *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."[94] 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."[95] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[96]

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.[97] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[98]

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[94] *Mittal Steel*, 542 F.3d at 876 & 78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology."), *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[95] *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.

[96] *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.").

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

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

B. Conditions of Competition and the Business Cycle

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

1. Demand Conditions

Disposable aluminum containers are typically used in food-related end uses, such as baking, barbequing, reheating, storing, and transporting food items.[99] Six of eight U.S. producers and 12 of 18 importers indicated that the market for disposable aluminum containers was subject to business cycles.[100] Specifically, demand for disposable aluminum containers increases in advance of summer and winter holidays, such as Memorial Day, the Fourth of July, Labor Day, Thanksgiving, and Christmas.[101]

Petitioners report that demand for disposable aluminum containers is growing, in part due to the better recyclability and sustainability of disposable aluminum containers compared to plastic containers.[102] Most U.S. producers reported a steady increase in U.S demand for disposable aluminum containers since January 1, 2021, and importers' responses were mixed. While a plurality of importers reported that there was no change in U.S. demand, most of the remaining firms reported that demand either steadily increased or fluctuated upwards over the

[99] CR/PR at II-1.
[100] CR/PR at II-6.
[101] CR/PR at II-6.
[102] Conf. Tr. at 69 (Walters); Pet. Postconference Br. at 11; CR/PR at II-6.

period for which data were collected.[103] ***.[104] ***.[105]

Apparent U.S. consumption of disposable aluminum containers increased irregularly from 2021 to 2023. It increased from 283.4 million pounds in 2021 to 303.6 million pounds in 2022, before declining to 292.7 million pounds in 2023, a level 3.3 percent higher than in 2021; it was 5.0 percent higher in interim 2024, at 59.9 million pounds, compared to interim 2023, at 57.0 million pounds.[106]

2. Supply Conditions

The domestic industry was the largest source of disposable aluminum containers in the U.S. market throughout the POI. Its share of apparent U.S. consumption decreased from *** percent in 2021 to *** percent in 2022 before increasing to *** percent in 2023, which was *** percentage points lower than in 2021.[107] U.S. producers' share of the U.S. market was *** percentage points lower in interim 2024, at *** percent, than in interim 2023, at *** percent.[108]

Three domestic producers reported expansions since January 1, 2021.[109] ***.[110] ***.[111]

[103] CR/PR at II-6, Table II-5. Specifically, five producers reported that demand for disposable aluminum containers steadily increased, while three reported no change. *Id.* at Table II-5. Five importers reported that demand for disposable aluminum containers steadily increased, three reported that it fluctuated up, six reported no change in demand, one reported that demand fluctuated down, and two reported that demand steadily decreased. *Id.*

[104] CR/PR at Table III-4.

[105] CR/PR at Table III-4.

[106] CR/PR at Tables IV-7, C-1.

[107] CR/PR at IV-8, Table IV-7.

[108] CR/PR at IV-8, Table IV-7.

[109] CR/PR at Table III-3.

[110] CR/PR at Table III-3.

[111] CR/PR at Table III-3.

Five U.S. producers reported production curtailments since January 1, 2021.[112] ***.[113] ***.[114] ***.[115]

In response to the COVID-19 pandemic, ***.[116] Additionally, ***.[117] More generally, Petitioners reported supply constraints that include sourcing aluminum, lack of storage space, and, primarily, lack of orders for their products.[118]

Petitioners argue that domestic producers of disposable aluminum containers have substantial excess capacity and could supply the entire market.[119] Although they acknowledge that there was some difficulty sourcing raw materials in part of 2021 due to the COVID-19 pandemic, they argue that they currently have sufficient employees and raw materials to increase their production.[120]

Subject imports were the second largest source of supply during the POI and interim period. Their market share increased irregularly by *** percentage points, increasing from *** percent in 2021 to *** percent in 2022, then decreasing to *** percent in 2023.[121] Their market share was *** percentage points higher in interim 2024, at *** percent, than in interim 2023, at *** percent.[122] Six of 18 importers reported supply constraints due to COVID-19.[123]

Imports from nonsubject countries were the smallest source of disposable aluminum

[112] CR/PR at Table III-3.
[113] CR/PR at Table III-3.
[114] CR/PR at Table III-3.
[115] CR/PR at Table III-3.
[116] CR/PR at Table III-4.
[117] CR/PR at Table III-4.
[118] CR/PR at Table III-6; Conf. Tr. at 46-48 (Walters, Shah, Patel, and Cobb).
[119] Pet. Postconference Br. at 11-12, 34, 41.
[120] Pet. Postconference Br. at 12-13, 41; Conf. Tr. at 46-48.
[121] CR/PR at IV-8, Table IV-7.
[122] CR/PR at IV-8, Table IV-7.
[123] CR/PR at II-5.

containers during the POI. Their market share increased ***, from *** percent in 2021 and 2022 to *** percent in 2023.[124] Their market share was higher in interim 2024 at *** percent than in interim 2023 at *** percent.[125] Canada, Turkey, and the United Arab Emirates were the largest nonsubject sources of imports during the POI.[126]

3. Substitutability and Other Conditions

Based on the record in the preliminary phase of these investigations, we find that there is a high degree of substitutability between domestically produced disposable aluminum containers and subject imports. All U.S. producers reported that U.S.-produced disposable aluminum containers and subject imports can always be used interchangeably, and most importers reported that U.S.-produced disposable aluminum containers and subject imports can always or frequently be used interchangeably.[127] Substitutability was limited by factors including differences in customizability and product variety.[128]

We also find that price is an important purchasing factor. All U.S. producers reported that differences other than price between U.S.-produced disposable aluminum containers and subject imports are never significant, and half of importers reported that differences were never or sometimes significant.[129] The other half of importers reported that differences other

[124] CR/PR at IV-8, Table IV-7.

[125] CR/PR at Table IV-7.

[126] CR/PR at II-5, IV-2.

[127] CR/PR at II-9, Table II-7. Specifically, eight importers reported that U.S.-produced disposable aluminum containers and subject imports were always interchangeable, six reported that they were frequently interchangeable, and two reported that they are sometimes interchangeable. *Id.* at Table II-7.

[128] CR/PR at II-9–II-10.

[129] CR/PR at II-9, Table II-8. Specifically, five reported that differences other than price between U.S.-produced disposable aluminum containers and subject imports were never significant and three reported that such differences were sometimes significant. *Id.* at Table II-8.

than price between U.S.-produced disposable aluminum containers and subject imports were frequently or always significant.[130] The most often cited top three factors that purchasers responding to the lost sales and lost revenue survey consider in their purchasing decisions for disposable aluminum containers were price, quality, and availability.[131]

On May 10, 2019, disposable aluminum containers from China imported under HTS subheadings 7612.90.10 and 8309.90.00 became subject to a 25 percent *ad valorem* duty under section 301 of the Trade Act of 1974, as amended ("Section 301"), and on February 14, 2020, disposable aluminum containers from China imported under HTS subheadings 7615.10.30 and 7615.10.91 became subject to a 7.5 percent *ad valorem* duty under Section 301.[132]

U.S. producers reported that *** percent of their commercial shipments were sold from U.S. inventories, with lead times averaging 14 days.[133] The rest of their commercial shipments were produced to order, with lead times averaging 15 days.[134] Importers reported that *** percent of their shipments were from U.S. inventories, with lead times averaging 8 days; *** percent were produced to order, with lead times averaging 92 days; and the remaining *** percent were sold from foreign inventories, with lead times averaging 14 days.[135]

U.S. producers reported selling most of their commercial U.S. shipments of disposable aluminum containers under short-term contracts.[136] U.S. importers reported selling most of

[130] CR/PR at II-9, Table II-8. Specifically, five importers reported that differences other than price between U.S.-produced disposable aluminum containers and subject imports were frequently significant, and three reported that such differences were always significant. Id. at Table II-8.

[131] CR/PR at II-8, Table II-6.

[132] CR/PR at I-7.

[133] CR/PR at II-8.

[134] CR/PR at II-8.

[135] CR/PR at II-8.

[136] CR/PR at V-4, Table V-3.

their disposable aluminum containers in the spot market, but also employ short-term contracts.[137] U.S. producers reported that short-term contracts generally last for three to six months, while long-term contracts were reported to last between two and five years.[138] Responding U.S. producers reported that their contracts generally allow for prices to be fixed, indexed to raw materials, or subject to renegotiation, whereas U.S. importers reported that their contracts do not allow for renegotiation and are not indexed to raw materials.[139] Firms reported indexing to the London Metal Exchange or Midwest Premium published aluminum prices.[140]

Disposable aluminum containers are commonly produced from thin-gauge flat-rolled aluminum foil.[141] Raw materials as a cost of goods sold remained steady and accounted for approximately *** of the cost of goods sold during January 2021 through March 2024.[142] Aluminum prices increased by almost 75 percent between January 2021 and March 2022.[143] After that point, prices decreased, and then for the latter part of 2023 and early 2024, remained stable.[144] Overall, aluminum prices increased by 11.3 percent between January 2021 and March 2024, and by another 12.1 percent between March and April 2024.[145] The raw material cost average unit values ("AUVs") increased from $*** per pound in 2021 to a period high of $*** per pound in 2022, before decreasing to $*** per pound in 2023.[146] They were

[137] CR/PR at V-4, Table V-3.
[138] CR/PR at V-4.
[139] CR/PR at V-4.
[140] CR/PR at V-4.
[141] CR/PR at V-1.
[142] CR/PR at V-1.
[143] CR/PR at V-1.
[144] CR/PR at V-1.
[145] CR/PR at V-1.
[146] CR/PR at VI-14.

lower in interim 2024, at $*** per pound, than in interim 2023, at $*** per pound.[147] On February 14, 2020, aluminum foil originating in China and imported under HTS subheadings 7607.11.60 and 7607.11.90 became subject to an additional 7.5 percent *ad valorem* duty under section 301.[148] Additionally, on March 23, 2018, aluminum foil imported under HTS heading 7607 became subject to a 10 percent *ad valorem* duty under section 232 of the Trade Expansion Act of 1962, as amended.[149]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[150]

The volume of subject imports increased irregularly over the POI, increasing from *** pounds in 2021 to *** pounds in 2022, before declining to *** pounds in 2023, for an overall increase of *** percent from 2021 to 2023.[151] The volume of subject imports was *** percent higher in interim 2024, at *** pounds, than in interim 2023, at *** pounds.[152] Subject imports as a share of apparent U.S. consumption increased from *** percent in 2021 to *** percent in 2022, before declining to *** percent in 2023, a level *** percentage points higher than in 2021.[153] Subject imports' share of apparent U.S. consumption in interim 2024, at *** percent, was *** percentage points higher than in interim 2023, at *** percent.[154]

[147] CR/PR at VI-14.
[148] CR/PR at I-7.
[149] CR/PR at I-8.
[150] 19 U.S.C. § 1677(7)(C)(i).
[151] CR/PR at Tables IV-2, IV-3, C-1.
[152] CR/PR at Tables IV-2, IV-3, C-1.
[153] CR/PR at Tables IV-7, C-1.
[154] CR/PR at Tables IV-7, C-1.

Based on the record of this preliminary phase of the investigations, we conclude that the volume of subject imports and the increase in that volume are significant, both in absolute terms and relative to consumption.

D. Price Effects of the Subject Imports

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[155]

As addressed in section VI.B.3. above, we have found a high degree of substitutability between the domestic like product and subject imports and that price is an important factor in purchasing decisions.[156]

We have examined several sources of data for our underselling analysis. The Commission collected quarterly quantity and f.o.b. pricing data on sales of four products shipped to unrelated U.S. customers during the POI.[157] Eight U.S. producers and 10 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[158] Pricing data reported by these firms accounted for

[155] 19 U.S.C. § 1677(7)(C)(ii).

[156] *See* Section VII.B.3 above.

[157] CR/PR at V-5. The four pricing products were defined as follows: product 1--half-steam disposable aluminum pans/trays (not to include any half-steam pans/trays sold pre-packaged with or including lids); product 2-- full-steam disposable aluminum pans/trays (not to include any full-steam pans/trays sold pre-packaged with or including lids); product 3--disposable aluminum lids made for half-steam pans/trays (not to include lids sold pre-packaged with or including half-steam pans/trays); and product 4--7-inch round disposable aluminum pans/trays (not to include any 7-inch round pans/trays sold pre-packaged with or including lids). *Id.*

[158] CR/PR at V-5–V-6.

approximately *** percent of U.S. producers' U.S. shipments of disposable aluminum containers and *** percent of U.S. commercial shipments of subject imports in 2023.[159]

Prices for disposable aluminum containers imported from China were below those for U.S.-produced disposable aluminum containers in all 52 instances (*** pounds).[160] Margins of underselling ranged from *** percent to *** percent, averaging *** percent.[161]

The Commission also collected import purchase cost data from firms that imported these products for their own use or retail sale.[162] *** importers (***) reported useable import purchase cost data on the requested products.[163] Purchase cost data reported by these firms accounted for *** percent of imports from China in 2023.[164] Purchase costs for disposable aluminum containers from China were lower than U.S. producer prices in all 52 instances (*** pounds).[165] Margins ranged from *** to *** percent, with an average of *** percent.[166]

We recognize that the import purchase cost data may not reflect the total cost of importing. Therefore, we requested that direct importers provide additional information regarding the costs and benefits of directly importing disposable aluminum containers.[167] Importers *** reported that there were no additional costs incurred by importing disposable aluminum containers themselves.[168] Importer *** reported that ***.[169] *** and noted that

[159] CR/PR at V-5–V-6.
[160] CR/PR at V-15, Table V-9.
[161] CR/PR at V-15, Table V-9.
[162] CR/PR at V-5.
[163] CR/PR at V-6.
[164] CR/PR at V-6.
[165] CR/PR at V-15, Table V-10.
[166] CR/PR at V-15, Table V-10.
[167] Importer *** provided responses *** was not included in the pricing product definitions, so it did not provide purchase cost data. CR/PR at V-10.
[168] CR/PR at V-10.
[169] CR/PR at V-10.

these costs are not incurred when purchasing from a U.S. producer or importer.[170] Both firms that provided purchase cost data, ***, indicated that the purchase costs were lower than prices would be if they purchased from a U.S. producer or importer, both excluding and including any additional costs incurred.[171] *** estimated that it saved *** percent and *** estimated that it saved *** percent by importing disposable aluminum containers itself.[172]

We have also considered purchasers' responses to the lost sales/lost revenue survey.[173] Of the 11 responding purchasers, eight reported that, since 2021, they had purchased imported disposable aluminum containers from China instead of U.S.-produced disposable aluminum containers.[174] All eight of these purchasers reported that subject import prices were lower than those of U.S.-produced disposable aluminum containers, 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.[175] These four purchasers purchased an estimated *** pounds of subject imports from China instead of the U.S.-produced disposable aluminum containers.[176] This volume of lost sales to subject imports from China equates to *** percent of responding purchasers' total purchases of disposable aluminum containers from China during the POI, and

[170] CR/PR at V-10.
[171] CR/PR at V-10.
[172] CR/PR at V-10.
[173] The Commission requested that U.S. producers of disposable aluminum containers report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of disposable aluminum containers from China from January 2021 to March 2024. All eight responding U.S. producers reported that they had to either reduce prices or roll back announced price increases, and that they had lost sales. Petitioners submitted lost sales and lost revenue allegations, identifying 79 firms with which they lost sales or revenue (6 consisting lost sales allegations, 3 consisting of lost revenue allegations, and 70 consisting of both types of allegations). Staff contacted 79 purchasers and received responses from 11 purchasers. CR/PR at V-17.
[174] CR/PR at V-17, Table V-12.
[175] CR/PR at V-17, Table V-12.
[176] CR/PR at Table V-12.

*** percent of total reported U.S. shipments of subject imports from China during the POI.[177] Additionally, two of the responding purchasers reported that U.S. producers had reduced prices by an estimated *** percent in order to compete with lower-priced imports from China.[178] Petitioners provided contemporaneous sales documentation, specifically ***, showing that lower-priced subject imports are frequently mentioned during sales negotiations and that some customers stated that they switched from U.S.-produced disposable aluminum containers to subject imports due to their lower prices.[179]

Based on the foregoing, including the high degree of substitutability between domestically produced disposable aluminum containers and subject imports from China, the importance of price in purchasing decisions, and the universal underselling by subject imports from China, we find, for purposes of these preliminary determinations, that underselling by subject imports from China was significant. The underselling caused subject imports to gain sales and market share from the domestic industry over the POI.[180] The industry lost *** percentage points of market share to low-priced subject imports between 2021 and 2023 and *** percentage points in interim 2024 compared to interim 2023.[181]

We have also considered price trends during the POI, when domestic prices fluctuated but increased overall for all pricing products.[182] Domestic producers' price for pricing products 1 and 2 increased through the third quarter of 2022 then declined, for an overall increase of

[177] CR/PR at Tables IV-2, IV-4, IV-5, V-11, V-12,
[178] CR/PR at V-17, Table V-13.
[179] Pet. Postconf. Br. at 27-28, Exh. 11-12.
[180] CR/PR at Tables IV-7, V-12, C-1.
[181] CR/PR at IV-8, Table IV-7.
[182] CR/PR at V-15, Table V-8.

*** percent and *** percent between the first quarter of 2021 and the first quarter of 2024, respectively.[183] Domestic producers' price for pricing products 3 and 4 followed similar trends between the first quarter of 2021 and the first quarter of 2024. The price of product 3 peaked in the fourth quarter of 2022 before declining, for an overall increase of *** percent, while the price of product 4 peaked in the second quarter of 2022 before declining, for an overall increase of *** percent.[184]

Import prices fluctuated but increased overall for *** pricing products. The import price for pricing product 1 and pricing product 3 peaked in the third quarter of 2022 before declining, for an overall increase of *** percent and *** percent, respectively.[185] The import price for pricing product 2 increased irregularly until the fourth quarter of 2022, after which it declined, for an overall increase of *** percent.[186] The import price for pricing product 4 peaked in the second quarter of 2022 before declining, for an overall decrease of *** percent.[187]

Purchase cost data generally shows irregular decreases in the landed duty paid cost over the POI. Pricing product 1 peaked in the fourth quarter of 2022 and then decreased, for an overall increase of *** percent.[188] Pricing product 2 increased until the second quarter of 2022, after which it declined, for an overall decrease of *** percent.[189] Pricing product 3 increased until the fourth quarter of 2021, after which it fluctuated downwards, for an overall decline of

[183] CR/PR at Table V-8, Figures V-2–V-3.
[184] CR/PR at Table V-8, Figures V-4–V-5.
[185] CR/PR at Table V-8, Figures V-2, V-4.
[186] CR/PR at Table V-8, Figure V-3.
[187] CR/PR at Table V-8, Figure V-5.
[188] CR/PR at Table V-8, Figure V-2.
[189] CR/PR at Table V-8, Figure V-3.

*** percent.[190] Pricing product 4 increased irregularly until the third quarter of 2022, then declined, for an overall decrease of *** percent.

We have also examined whether subject imports prevented price increases for domestically produced disposable aluminum containers which otherwise would have occurred. The domestic industry's per-pound cost of goods sold ("COGS") increased irregularly over the POI. Specifically, it increased from $*** in 2021 to $*** in 2022, then declined to $*** in 2023, for an overall increase of $***.[191] The per-pound COGS was lower in interim 2024, at $***, than in interim 2023, at $***.[192] The domestic industry's net sales AUV increased from $*** in 2021 to $*** in 2022, and then decreased to $*** in 2023, for an overall increase of $***.[193] The net sales AUV was lower in interim 2024, at $***, than in interim 2023, at $***.[194] The domestic industry's COGS to net sales ratio decreased from *** percent in 2021 to *** percent in 2022, before increasing to *** percent in 2023, for an overall decrease of *** percentage points.[195] The COGS to net sales ratio in interim 2024, at *** percent, was higher than in interim 2023, at *** percent.[196] The domestic industry's raw material costs per pound increased from $*** per pound in 2021 to $*** per pound in 2022, then decreased to $*** per pound in 2023, an overall increase of $*** per pound.[197] Raw material costs per pound in interim 2024, at $***, were lower than in interim 2023, at $***.[198] In any final phase of these

[190] CR/PR at Table V-8, Figure V-4.
[191] CR/PR at Tables VI-1, VI-2, C-1.
[192] CR/PR at Tables VI-1, C-1.
[193] CR/PR at Tables VI-1, VI-2, C-1.
[194] CR/PR at Tables VI-1, C-1.
[195] CR/PR at Tables VI-1, C-1.
[196] CR/PR at Tables VI-1, C-1.
[197] CR/PR at Table VI-1.
[198] CR/PR at Table VI-1.

investigations, we intend to further examine whether and to what extent subject imports may have depressed or suppressed U.S. prices.

In sum, for purposes of these preliminary investigations, we find that subject imports significantly undersold the domestic like product and gained market share at the expense of the domestic industry. Consequently, we find that subject imports had significant price effects.

E. Impact of the Subject Imports[199]

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."[200]

The domestic industry's trade indicators generally weakened over the POI, contributing to the industry's weaker employment indicators and financial performance in 2023 relative to 2022, and in interim 2024 compared to interim 2023. The domestic industry's practical

[199] In its notice initiating the antidumping duty investigation on disposable aluminum containers form China, Commerce initiated an investigation based on estimated dumping margins ranging from 104.30 to 287.43 percent for imports from China. *Disposable Aluminum Containers, Pans, Trays, and Lids From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 89 Fed. Reg. 49837 (Dep't of Commerce, June 12, 2024).

[200] 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.

disposable aluminum containers capacity increased by *** percent from 2021 to 2023, increasing from *** pounds in 2021 to *** pounds in 2022, and *** pounds in 2023; it was *** percent higher in interim 2024, at *** pounds, than in interim 2023, at *** pounds.[201] Its production decreased by *** percent from 2021 to 2023, decreasing from *** pounds in 2021 to *** pounds 2022, and *** pounds in 2023; its production was *** percent higher in interim 2024, at *** pounds, than in interim 2023, at *** pounds.[202] The industry's capacity utilization decreased by *** percentage points from 2021 to 2023, decreasing from *** percent in 2021 to *** percent in 2022, and *** percent in 2023; it was *** percentage points lower in interim 2024, at *** percent, than in interim 2023, at *** percent.[203]

The domestic industry's employment-related indicators generally improved modestly between 2021 and 2023 but experienced declines in the latter portion of the POI. The number of production and related workers ("PRWs") initially increased from *** PRWs in 2021 to *** PRWs in 2022, before decreasing to *** PRWs in 2023; the number of PRWs was *** percent lower in interim 2024, at *** PRWs, than in interim 2023, at *** PRWs.[204] The industry's total hours worked initially increased from *** hours in 2021 to *** hours in 2022, before decreasing to *** hours in 2023; they were *** percent lower in interim 2024, at *** hours, than in interim 2023, at *** hours.[205] Wages paid initially increased from $*** in 2021 to $*** in 2022, before decreasing to $*** in 2023; they were *** percent lower in interim 2024, at

[201] CR/PR at Tables III-5, C-1.
[202] CR/PR at Tables III-5, C-1.
[203] CR/PR at Tables III-5, C-1.
[204] CR/PR at Tables III-13, C-1.
[205] CR/PR at Tables III-13, C-1.

$***, than in interim 2023, at $***.[206] Productivity decreased throughout the POI, decreasing from *** pounds per hour in 2021 to *** pounds per hour in 2022, and *** pounds per hour in 2023; it was *** percent higher in interim 2024, at *** pounds per hour, than in interim 2023, at *** pounds per hour.[207]

The domestic industry's U.S. shipments decreased *** percent from 2021 to 2023, decreasing from *** pounds in 2021 to *** pounds 2022 and *** pounds in 2023; its U.S. shipments were *** percent lower in interim 2024, at *** pounds, than in interim 2023, at *** pounds.[208] The industry's share of apparent U.S. consumption decreased from *** percent in 2021 to *** percent in 2022 and increased to *** percent in 2023, a level *** percentage points lower than in 2021.[209] Its share of apparent U.S. consumption was *** percentage points lower in interim 2024, at *** percent, than in interim 2023, at *** percent.[210]

The domestic industry's end-of-period inventories increased irregularly by *** percent from 2021 to 2023, increasing from *** pounds in 2021 to *** pounds in 2022, and decreasing to *** pounds in 2023; they were *** percent higher in interim 2024, at *** pounds, than in interim 2023, at *** pounds.[211] As a share of total shipments, the domestic industry's end-of-period inventories increased irregularly by *** percentage points from 2021 to 2023, increasing from *** percent in 2021 to *** percent in 2022, and decreasing to *** percent in 2023; they

[206] CR/PR at Tables III-13, C-1.
[207] CR/PR at Tables III-13, C-1.
[208] CR/PR at Tables III-7, C-1.
[209] CR/PR at Tables IV-7, C-1.
[210] CR/PR at Tables IV-7, C-1.
[211] CR/PR at Tables III-10, C-1.

were *** percentage points higher in interim 2024, at *** percent, than in interim 2023, at *** percent.[212]

The industry's financial performance improved from 2021 to 2022, but almost every indicator worsened from 2022 to 2023. The industry's net sales revenues increased by *** percent from 2021 to 2023, rising from $*** in 2021 to $*** in 2022 and 2023; its net sales revenues were *** percent lower in interim 2024, at $***, than in interim 2023, at $***.[213] Its gross profit increased by *** percent between 2021 to 2023, rising from $*** in 2021 to $*** in 2022, and then falling to $*** in 2023; the industry's gross profit was *** percent lower in interim 2024, at $***, than in interim 2023, at $***.[214] The industry's operating income increased by *** percent between 2021 to 2023, rising from $*** in 2021 to $*** in 2022, and then falling to $*** in 2023; the industry's operating income was *** percent lower in interim 2024, at $***, than in interim 2023, at $***.[215] The industry's net income increased by *** percent between 2021 to 2023, rising from $*** in 2021 to $*** in 2022, and then falling to $*** in 2023; the industry's net income was *** percent lower in interim 2024, at $***, than in interim 2023, at $***.[216] The industry's operating income as a ratio to net sales increased by *** percentage points from 2021 to 2023, increasing from *** percent in 2021 to *** percent in 2022, and decreasing to *** percent in 2023; it was *** percentage points lower in interim 2024, at *** percent, compared to interim 2023, at *** percent.[217] Similarly, the industry's net

[212] CR/PR at Tables III-10, C-1.
[213] CR/PR at Tables VI-1, C-1.
[214] CR/PR at Tables VI-1, C-1.
[215] CR/PR at Tables VI-1, C-1.
[216] CR/PR at Tables VI-1, C-1.
[217] CR/PR at Tables VI-1, C-1.

income as a ratio to net sales increased *** percentage points from 2021 to 2023, increasing from *** percent in 2021 to *** percent in 2022, and decreasing to *** percent in 2023; it was *** percentage points lower in interim 2024, at *** percent, compared to interim 2023, at *** percent.[218]

The domestic industry's capital expenditures decreased by *** percent from 2021 to 2023, decreasing from $*** in 2021 to $*** in 2022, and increasing to $*** in 2023; they were *** percent lower in interim 2024, at $***, than in interim 2023, at $***.[219] The industry's research and development ("R&D") expenses decreased *** percent from 2021 to 2023, decreasing from $*** in 2021 to $*** in 2022, to *** in 2023 or during the interim periods.[220] The domestic industry's return on assets increased from *** percent in 2021 to *** percent in 2022, and then declined *** percent in 2023.[221]

As discussed above, subject import volume and market share increased significantly and at the expense of the domestic industry over the POI, driven by significant underselling. Increasing volumes of low-priced subject imports captured sales and market share from the domestic industry from 2021 to 2023 and in the interim periods. As the industry lost *** percentage points of market share to low-priced subject imports between 2021 and 2023 and *** percentage points in interim 2024 compared to interim 2023, the domestic industry's production, capacity utilization, and U.S. shipments were lower and its financial performance

[218] CR/PR at Tables VI-1, C-1.
[219] CR/PR at Tables VI-6, C-1.
[220] CR/PR at VI-20, Table C-1.
[221] CR/PR at Table VI-9.

weaker than would have been the case otherwise. Consequently, we find that subject imports had a significant adverse impact on the domestic industry.

We have also considered whether there are other factors that may have had an impact on the domestic industry, to ensure that we are not attributing injury from such other factors to subject imports. Nonsubject imports were the smallest source of supply to the U.S. market throughout the POI. As discussed above, nonsubject import's share of apparent U.S. consumption increased slightly over the POI, increasing from *** percent in 2021 and 2022 to *** percent in 2023; its share was higher in interim 2024, at *** percent, than in interim 2023, at *** percent.[222] However, given that nonsubject imports' share of apparent U.S. consumption never exceeded *** percent during the POI, the volume of nonsubject imports does not explain the domestic industry's declines in market share or declining financial performance during the POI.

We have also considered demand trends. Given that apparent U.S. consumption increased irregularly from 2021 to 2023, and was higher in interim 2024 compared to interim 2023, demand trends cannot explain the injury caused by the market share shift from the domestic industry to subject imports over the POI.[223]

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

[222] CR/PR at Tables IV-7, C-1.
[223] CR/PR at Tables IV-7, C-1.

VII. 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 imports of disposable aluminum containers from China that are allegedly sold in the United States at less than fair value and imports of disposable aluminum containers from China that are allegedly subsidized by the government of China.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by the Aluminum Foil Container Manufacturers Association, Lexington, Kentucky, and its individual members,[1] on May 16, 2024, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of disposable aluminum containers, pans, trays, and lids ("aluminum containers")[2] from China. Table I-1 presents information relating to the background of these investigations.[3] [4]

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

Effective date	Action
May 16, 2024	Petitions filed with Commerce and the Commission; institution of Commission investigations (89 FR 45016, May 22, 2024)
June 5, 2024	Commerce's notice of initiation of countervailing duty investigation (89 FR 49833, June 12, 2024)
June 5, 2024	Commerce's notice of initiation of antidumping duty investigation (89 FR 49837, June 12, 2024)
June 6, 2024	Commission's conference
June 28, 2024	Commission's vote
July 1, 2024	Commission's determinations
July 9, 2024	Commission's views

[1] The individual members are Durable Packaging International ("Durable Packaging"), Wheeling, Illinois; D&W Fine Pack, LLC ("Fine Pack"), Wood Dale, Illinois; Handi-Foil Corp. ("Handi-Foil"), Wheeling, Illinois; Penny Plate, LLC ("Penny Plate"), Fishersville, Virginia; Reynolds Consumer Products, LLC ("Reynolds"), Lake Forest, Illinois; Shah Foil Products, Inc. ("Shah Foil"), Piscataway Township, New Jersey; Smart USA, Inc. ("Smart USA"), Bay Shore, New York; and Trinidad/Benham Corp. ("Trinidad Benham"), Denver, Colorado.

[2] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding. Subsequent to the filing of the petitions, the description of the subject merchandise and the title of the proceeding were clarified to give additional prominence to lids.

[3] Pertinent Federal Register notices are referenced in appendix A and may be found at the Commission's website (www.usitc.gov).

[4] 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--[5]

> *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.*

[5] 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—[6]

(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

Aluminum containers are primarily used in food-related applications, such as preparation, baking, cooking, reheating, packaging, transport, and storage. The leading U.S. producer of aluminum containers is ***, followed by ***, while leading producers of aluminum containers outside the United States include *** of China. The leading U.S. importers of aluminum containers from China are ***. Leading importers of aluminum containers from nonsubject countries (primarily United Arab Emirates, Canada, and Turkey) include ***. U.S. purchasers of aluminum containers are distributors and retailers; the leading purchasers are ***.

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

Apparent U.S. consumption of aluminum containers totaled approximately 292.7 million pounds ($1.2 billion) in 2023. Currently, twelve firms are known to produce aluminum containers in the United States.[7] U.S. producers' U.S. shipments of aluminum containers totaled *** pounds ($***) in 2023 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from China totaled *** pounds ($***) in 2023 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled *** pounds ($***) in 2023 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of eight firms that accounted for the majority of U.S. production of aluminum containers during 2023. U.S. imports are based on official import statistics and the questionnaire responses of 18 firms. Data on the subject foreign industry are based on the questionnaire responses of three firms.

Previous and related investigations

Aluminum containers have not been the subject of any prior countervailing and antidumping duty investigations in the United States.

Nature and extent of alleged subsidies and sales at LTFV

Alleged subsidies

On June 12, 2024, Commerce published a notice in the Federal Register of the initiation of its countervailing duty investigation on aluminum containers from China.[8]

[7] Petition, exh. Gen-1. The Commission received eight usable U.S. producer's questionnaire responses. Two additional firms provided questionnaire responses that were not incorporated in this report. See Part III for a detailed discussion regarding U.S. producer coverage.

[8] Based on its review of the petitions, Commerce found that there is sufficient information to initiate a CVD investigation on 16 programs alleged by the petitioners. For further information on the alleged subsidy programs see Commerce's notice of initiation and related CVD Initiation Checklist. 89 FR 49833, June 12, 2024.

Alleged sales at LTFV

On June 12, 2024, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigation on aluminum containers from China.[9] Commerce has initiated its antidumping duty investigation based on estimated dumping margins of 104.30 to 287.43 percent for aluminum containers from China.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[10]

> *The merchandise covered by this investigation is disposable aluminum containers, pans, trays, and lids produced primarily from flat-rolled aluminum. The subject merchandise includes disposable aluminum containers, pans, trays, and lids regardless of shape or size and whether or not wrinkled or smooth.*
>
> *The term "disposable" is used to identify an aluminum article that is designed to be used once, or for a limited number of times, and then recycled or otherwise disposed.*
>
> *"Containers, pans, and trays" are receptacles for holding goods.*
>
> *The subject disposable aluminum lids are intended to be used in combination with disposable containers produced from aluminum or other materials (e.g., paper or plastic). Where a disposable aluminum lid is imported with a non-aluminum container, only the disposable aluminum lid is included in the scope.*
>
> *Disposable aluminum containers, pans, trays, and lids are also included within the scope regardless of whether the surface has been embossed, printed, coated (including with a non-stick substance), or decorated, and regardless of the style of the edges. The inclusion of a non-aluminum lid or dome sold or packaged with an otherwise in-scope article does not remove the article from the scope, however, only the disposable aluminum container, pan, tray, and lid is covered by the scope definition.*
>
> *Disposable aluminum containers, pans, trays, and lids are typically used in food-related applications, including but not limited to food preparation, packaging, baking, barbequing, reheating, takeout, or storage, but also have other uses. Regardless of end use, disposable*

[9] 89 FR 49837, June 12, 2024.
[10] 89 FR 49833 and 49837, June 12, 2024.

aluminum containers, pans, trays, and lids that meet the scope definition and are not otherwise excluded are subject merchandise.

Excluded from the scope are disposable aluminum casks, drums, cans, boxes and similar containers (including disposable aluminum cups and bottles) properly classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 7612.90. However, aluminum containers, pans, trays, and lids that would otherwise be covered by the scope are not excluded based solely on the fact that they are being classified under HTSUS subheading 7612.90.5000 due to the thickness of aluminum being less than 0.04 mm or greater than 0.22 mm.

The flat-rolled aluminum used to produce the subject articles may be made to ASTM specifications ASTM B479 or ASTM B209-14, but can also be made to other specifications. Regardless of the specification, however, all disposable aluminum containers, pans, trays, and lids meeting the scope description are included in the scope.

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations are provided for in the Harmonized Tariff Schedule of the United States ("HTS" or "HTSUS") under statistical reporting number 7615.10.7125.[11] [12]

The subject merchandise may also be imported under the following HTS provisions: 7612.90.1090, 7615.10.3015, 7615.10.3025, 7615.10.7130, 7615.10.7155, 7615.10.7180, 7615.10.9100, and 8309.90.0000.[13] The 2024 column 1-general rate of duty is 5.7 percent ad valorem for HTS subheading 7612.90.10 and 3.1 percent ad valorem for HTS subheadings 7615.10.30, 7615.10.71, and 7615.10.91.[14] The general duty rate for HTS subheading 8309.90.00 is 2.6 percent.[15]

Aluminum containers' raw material, aluminum foil, is imported under HTS subheadings 7607.11.60 and 7607.11.90. HTS 7607.11.60 and 7607.11.90 have general duty rates of 5.3

[11] Prior to January 1, 2017, the subject aluminum containers were covered by HTS statistical reporting numbers 7615.10.7135 and 7615.10.7160. Effective January 1, 2017, a new breakout was created for aluminum containers as HTS statistical reporting number 7615.10.7125; HTS 7615.10.7135 and 7615.10.7160 were discontinued and replaced with 7615.10.7125, 7615.10.7130 and 7615.10.7180. HTSUS (2017) Basic Edition, USITC Publication 4660, February 2017, Change Record, pp. 63; HTSUS (2016) Basic Edition, USITC Publication 4588, March 2016, pp. 76-11 – 76-14.

[12] HTSUS (2024) Revision 3, USITC Publication 5519, June 2024, pp. 76-11 – 76-14.

[13] HTSUS (2024) Revision 3, USITC Publication 5519, June 2024, pp. 76-11 – 76-14 and p. 83-10.

[14] HTSUS (2024) Revision 3, USITC Publication 5519, June 2024, pp. 76-11 – 76-14.

[15] HTSUS (2024) Revision 3, USITC Publication 5519, June 2024, p. 83-10.

percent and 3 percent respectively.[16] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Section 301 tariff treatment

Aluminum containers originating in China and imported under HS subheading 7615.10.71 are not subject to additional duties under section 301 of the Trade Act of 1974, as amended.

Effective May 10, 2019, aluminum containers originating in China and imported under HTS subheadings 7612.90.10 and 8309.90.00 are subject to existing general duty rates and an additional 25 percent ad valorem duty under section 301 of the Trade Act of 1974, as amended.[17]

Effective February 14, 2020, aluminum containers originating in China, and imported under HTS subheadings 7615.10.30 and 7615.10.91 are subject to existing general duty rates and an additional 7.5 percent ad valorem duty under section 301 of the Trade Act of 1974, as amended.

Effective February 14, 2020, aluminum containers' raw material, aluminum foil, originating in China and imported under HTS subheadings 7607.11.60 and 7607.11.90, is subject to an additional 7.5 percent ad valorem duty under section 301 of the Trade Act of 1974, as amended.[18]

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[16] HTSUS (2024) Revision 3, USITC Publication 5519, June 2024, p. 76-9.

[17] HTS subheadings 7612.90.10 and 8309.90.00 were included in the Office of the United States Trade Representative's ("USTR's") third enumeration ("Tranche 3" or "List 3") of products originating in China that became subject to an additional 10 percent ad valorem duty (Annexes A and C of 83 FR 47974, September 21, 2018), effective September 24, 2018. Escalation of this duty to 25 percent ad valorem was rescheduled from January 1, 2019 (Annex B of 83 FR 47974, September 21, 2018) to March 2, 2019 (83 FR 65198, December 19, 2018), but was subsequently postponed until further notice (84 FR 7966, March 5, 2019), and then was implemented, effective May 10, 2019 (84 FR 20459, May 9, 2019). A subsequent modification was provided for subject goods exported from China prior to May 10, 2019, not to be subject to the escalated 25 percent duty for such goods entered into the United States prior to June 1, 2019 (84 FR 21892, May 15, 2019) with the entry date subsequently being extended to prior to June 15, 2019 (84 FR 26930, June 10, 2019).

See also HTS heading 9903.88.03 and U.S. notes 20(e) and 20(f) to HTS Subchapter III of Chapter 99 and related tariff provisions for this duty treatment. Effective January 1, 2024, no exemptions have been granted for aluminum container products originating in China. HTSUS (2024) Revision 3, USITC Publication 5519, June 2024, pp. 99-III-27 – 99-III-28, 99-III-47 – 99-III-48, 99-III-301.

[18] Effective September 1, 2019, USTR included aluminum containers in its $300 Billion Trade Action (List 4 or Tranche 4, Annex A) of products originating in China subject to an initial 10 percent ad valorem duty (84 FR 43304, August 20, 2019) which was subsequently raised to 15 percent ad valorem, with the

(continued...)

Section 232 tariff treatment

Aluminum containers originating in China and imported under HTS subheading 7615 are not subject to additional duties under section 232 of the Trade Expansion Act of 1962, as amended.

Effective March 23, 2018, aluminum containers' raw material, aluminum foil, imported under HTS heading 7607, is subject to an additional 10 percent ad valorem duty under section 232 of the Trade Expansion Act of 1962, as amended.[19]

The product

Description and applications

Aluminum containers are shaped forms produced from pressing, molding, or stamping aluminum foil into a container, pan, tray, or lid. Aluminum containers are produced in various colors, surfaces (wrinkle or smooth), shapes and sizes that can be decorated, printed, coated, or embossed based on the intended application and use.[20] Although designed for single use, aluminum containers are reusable for a limited number of times.[21] Aluminum containers are used in a variety of food applications such as preparation, baking, cooking, reheating, and packaging, as well as transporting and storing.[22] Common forms of aluminum containers are pans and trays, in a variety of styles such as casserole pans or trays; pie pans or dishes; roaster pans or trays; steam pans or trays; takeout pans or trays;[23] and to-go pans or trays (figure I-1).

(…continued)

same effective date of September 1, 2019 (84 FR 45821, August 30, 2019), but was more recently reduced to 7.5 percent ad valorem, effective February 14, 2020 (85 FR 3741, January 22, 2020).

See also HTS heading 9903.88.15 and U.S. notes 20(r) and 20(s) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. HTSUS (2024) Revision 3, USITC Publication 5519, June 2024, pp. 99-III-87 – 99-III-88, 99-III-98, 99-III-303.

[19] 83 FR 11619, March 15, 2018. See also HTS heading 9903.85.01 and U.S. notes 19(a) and 19(b) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. HTSUS (2024) Revision 3, USITC Publication 5519, June 2024, pp. 99-III-15–99-III-18, 99-III-292.

[20] Petition, pp. 6-10.

[21] Disposable aluminum containers are distinguishable from non-disposable aluminum containers by the gauge of the aluminum alloy. Typically, non-disposable aluminum containers are manufactured from a thicker gauge flat-rolled aluminum, designed to be continuously reused —typically in a commercial or residential kitchen. Petition, pp. 6-7.

[22] Aluminum containers may also be used in other non-food related applications.

[23] Aluminum containers' shapes and sizes are customizable for restaurant franchises which reduces in-house packaging.

These containers are often sold or packaged with lids or coverings equipping this material to be reusable. These lids or coverings are made from aluminum foil or other materials such as paper or plastic, although only aluminum lids are specified in the scope of these investigations.[24]

Figure I-1
Aluminum containers: Various types of aluminum containers

Source: Petition, p. 7.

The raw material for aluminum containers is usually 3XXX or 8XXX-series alloy aluminum foil.[25] The characteristics of the foil such as temper, gauge, alloy and wettability determine what series will be used.[26] Aluminum foil may be certified to the ASTM B209-14 or ASTM B479

[24] Petition, p. 6.

[25] Aluminum alloys may be identified using a four-digit number, with the first digit of the number identifying the class or series of the alloy.

[26] Temper is defined as the hardness or elasticity of the foil. The two extreme scales are soft tempered (more malleable) and hard tempered (rigid). Knowing the gauge and the temper of the foil helps determine what alloy should be used based on the tensile strength, elongation, and the burst strength. The wettability of the foil refers to its print adhesion capability. Catty Corporation, "Choosing

(continued...)

specifications.[27] The common aluminum alloys used to produce food container foil are 3003, 3004, 8006 and 8011, with a gauge or thickness ranging between 0.03 millimeters and 0.20 millimeters. However, aluminum containers, pans, trays, and lids that would otherwise be covered by the scope are not excluded based solely on the fact that they are being classified under HTSUS subheading 7612.90.5000 due to the thickness of aluminum being less than 0.04 mm or greater than 0.22 mm.[28] The composition and characteristics are listed below: [29]

- 3003 alloy is primarily composed of aluminum and manganese. It provides a balance of strength and flexibility.[30] This makes it ideal for forming semirigid containers and trays that are both durable and lightweight. Additionally, 3003-aluminum foil's resistance to acidic (tomato-based dishes or citrus fruits) and salty foods ensures that the packaging does not react with the food, maintaining its taste and quality.
- 3004 alloy is primarily composed of aluminum and manganese. It has higher strength than 3003 alloy but lower ductility. This alloy offers superior formability; compatibility with various coatings and lacquer; excellent barrier protection which increases shelf life (preferred choice for packaging ready-to-eat meals and other perishable items due to protection from moisture and light); and enhanced strength and durability, making it ideal for heavy-duty applications.
- 8006 alloy is primarily composed of silicon, iron, manganese, and copper. This alloy offers excellent formability and strength. These characteristics are essential qualities for

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(…continued)

the Right Aluminum Foil," April 15, 2017, https://www.cattycorp.com/2017/04/15/choosing-right-aluminum-foil/.

[27] Petition, p. 8.

[28] Petition, p. 10.

[29] The Piping Mart, "Aluminum 8011 Alloy (UNS A98011) – Composition, Properties and Uses," April 7, 2023, https://blog.thepipingmart.com/grades/aluminum-8011-alloy-uns-a98011-composition-properties-and-uses/.

HTMM Aluminum Foil Co. LTD, "8011 8006 Food Aluminum Roll Foil 3003 3004 For Takeaway Lunch Box," May 29, 2024, https://www.linkedin.com/pulse/8011-8006-food-aluminum-roll-foil-3003-3004-pqqic. 5052 aluminum alloy is also common. It is primarily composed of aluminum, magnesium and chromium. It has good flexibility and very good corrosion resistance, which can be hardened by cold work, not by heat treatment. Southern Manufacturing, "Product data Aluminum Sheet UNS A95052," retrieved June 12, 2024, www.southernmfg.com/modules/products/files/Aluminum205052.pdf. World Material, "5052 Aluminum Properties, Alloy 5052H32 Aluminum Sheet, Tube, Yield Strength, Density,'" retrieved June 12, 2024, https://www.theworldmaterial.com/5052-aluminum-alloy/. The Piping Mart, "Aluminum 8006 Alloy (UNS A98006) – Composition, Properties and Uses," April 7, 2023, https://blog.thepipingmart.com/grades/aluminum-8006-alloy-uns-a98006-composition-properties-and-uses/. United Aluminum, "Aluminum Alloy 3004 Data Sheet," retrieved June 12, 2024, https://unitedaluminum.com/aluminum-3004-alloy/.

[30] Flexibility refers to how easily it molds into various shapes.

creating rigid and sturdy containers. 8006-aluminum foil is resistant to high temperatures, making it suitable for both hot and cold food items. It also provides excellent tensile strength when compared to other aluminum alloys, making it suitable for heavy-duty applications.

- 8011 alloy is primarily composed of aluminum, magnesium, and manganese. It offers excellent corrosion resistance (protection against oxidation) due to its high content of magnesium and manganese. This alloy offers high strength and flexibility as well as superior barrier properties that increases shelf life. It is relatively easy to machine compared to other aluminum alloys. Heat treatment helps improve the material's mechanical properties, such as its hardness or strength. It is resistant to high temperatures without compromising durability, making it suitable for both hot and cold food items.

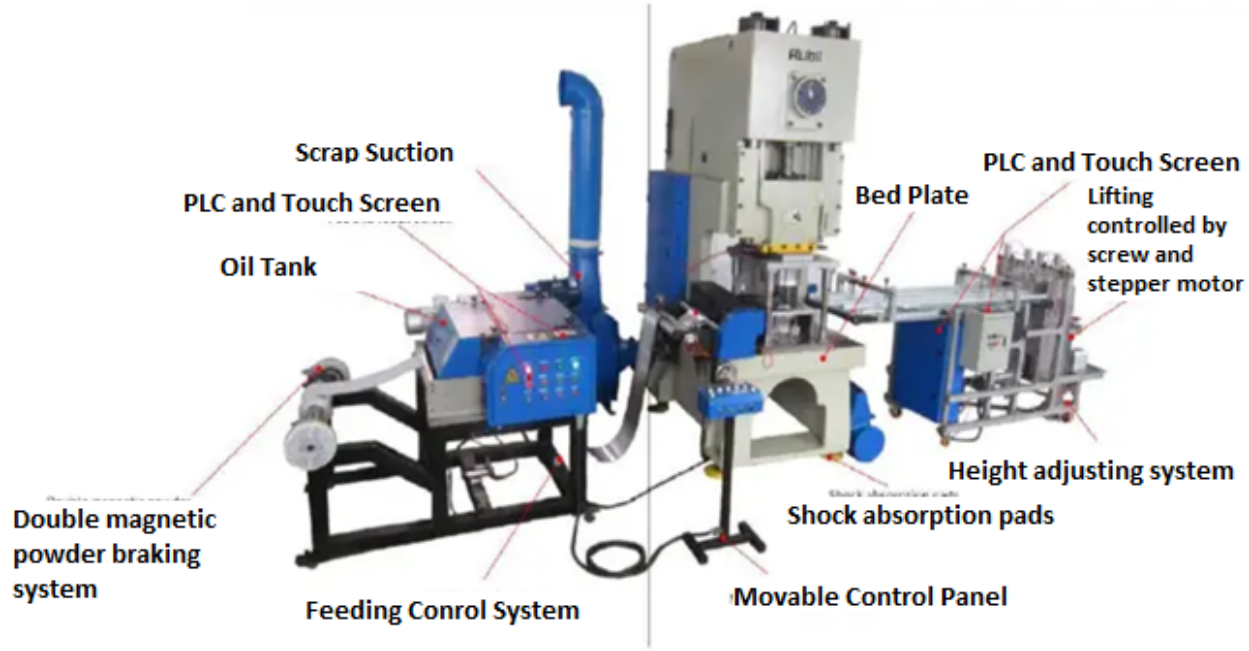
Manufacturing processes

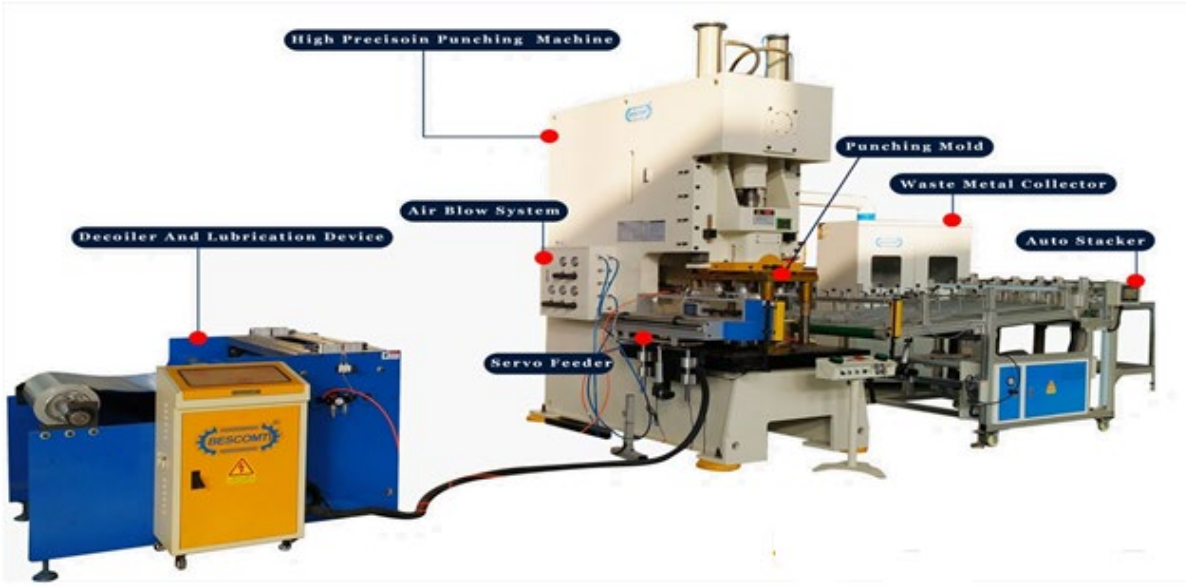
Aluminum containers use one specialized machine for its manufacturing process (figure I-2); it is called the aluminum containers machine.[31] With this specialized machinery (figure I-2 and figure I-3), aluminum foil is used as feedstock for the aluminum containers. The aluminum containers machine's main components consist of the following: foil decoiler (an elective part of the machine), oil feeder, servo feeder, tension device, pneumatic powered press, a container collection station and a waste metal collector (an elective part of the machine).[32]

[31] The aluminum container machine can be fully automatic or semiautomatic. Konix, Blog, "Aluminum container machine and its advantages," April, 6, 2023, https://www.foilonline.com/aluminum-container-machine-and-its-advantages/.

[32] Made in China, "Besco-63t Aluminium Foil Container Making Machine for Aluminum Tray Wrapping," retrieved June 16, 2024, https://bescomt.en.made-in-china.com/product/PZjtQBLFCATM/China-Besco-63t-Aluminium-Foil-Container-Making-Machine-for-Aluminum-Tray-Wrapping.html.

Figure I-2
Aluminum containers: Typical aluminum containers machine components





Punching mould example

Aluminum foil example

Source: Alufoil Products Pvt Ltd., "Fully Automatic Aluminum Foil Container Making Machine," retrieved June 17, 2024, https://www.scribd.com/document/404251990/four-cavity-foil-container-making-machine-pdf and Made in China, "Besco-63t Aluminium Foil Container Making Machine for Aluminum Tray Wrapping,", retrieved June 16, 2024, https://bescomt.en.made-in-china.com/product/PZjtQBLFCATM/China-Besco-63t-Aluminium-Foil-Container-Making-Machine-for-Aluminum-Tray-Wrapping.html.

The production process typically starts with a foil decoiler. Aluminum foil – often referred to as "container foil" or "container stock" – is placed inside the aluminum container machine that unwinds and flattens it.[33] [34] Large rolls can be placed into the aluminum container machine easily which helps to optimize production time. Without the presence of a decoiler, the aluminum coil must be unwound prior to being fed through the automated aluminum container machine.[35] The aluminum container machine uses a lubricator to add oil to prevent friction damage to the foil, minimizing the formation of defective aluminum foil containers.[36] After the lubrication process, aluminum foil is straightened and aligned using a servo feeder to ensure accuracy as a die is later used to punch the aluminum foil into various shapes and sizes.[37]

[33] The thickness or gauge determines whether the product is considered aluminum sheet or aluminum foil. Aluminum sheet products are 0.25 and 6 mm thick while aluminum foils are thinner with a thickness that is less than 0.25 mm. Kloeckner Metals, "Aluminum Coil," retrieved June 13, 2023, https://www.kloecknermetals.com/products/aluminum/aluminum-coil/.

[34] Petition, p. 8.

[35] The Warehouse, Packaging, "Manufacturing aluminium foil containers," August 21, 2017, https://warehousebizongo.wordpress.com/2017/08/21/manufacturing-aluminium-foil-containers/.

[36] The Warehouse, Packaging, "Manufacturing aluminium foil containers," August 21, 2017, https://warehousebizongo.wordpress.com/2017/08/21/manufacturing-aluminium-foil-containers/.

[37] Henli, "Effortless Precision: Simplifying the Servo Feeder for Press Process for Everyone," retrieved June 18, 2024, https://www.henli-machine.com/effortless-precision-simplifying-the-servo-feeder-for-press-process-for-everyone/#:~:text=A%20servo%20feeder%20is%20a,ensuring%20precise%20and%20efficient%20production.

The aluminum container machine contains a foil-tightening mechanism that uses a tension device to prevent the foil from drooping or becoming loose throughout the process. This further minimizes the production of irregularly shaped containers in the manufacturing process.[38] A pneumatically powered press stamps or molds the aluminum foil sheets into the desired shapes of the container.[39] Embossing and the formation of metal patterns for functional and decorative reasons are also performed by the pneumatically powered press stamps or molds.[40] The press also possesses a rapid-breaking mechanism to segregate the newly formed container from the leftover sheets.[41] It can be equipped with various dies which confer the ultimate shape and size of the finished containers. For example, a round ribbed die may be used to produce pie pans, while a rectangular smooth die may be used to produce steam trays.[42]

The final step in the production process includes the stacking of the finished aluminum foil containers. Machines that are fully automated are used to both stack and count the aluminum containers and then package them with or without lids, often in multi-container packs.[43] The manufacturing process of the aluminum container is monitored by an electronic panel which can regulate the speed of the machine and stop the machine in the case of an emergency.[44] After production, the aluminum container undergoes a visual inspection which includes looking for defects such as holes, surface imperfections, and misruns. It also may

[38] The Warehouse, Packaging, "Manufacturing aluminum foil containers," August 21, 2017, https://warehousebizongo.wordpress.com/2017/08/21/manufacturing-aluminium-foil-containers/.

[39] Stamping involves using a die to cut the desired shape out of a sheet of aluminum foil. Deep drawing involves using a plunger to push the aluminum foil into the desired shape. This method is often used for making things like pie pans and cake tins. Medium, "Introduction to Aluminum Foil Container Manufacturing," July 15, 2023, https://medium.com/@shkimachinery/how-to-start-aluminum-foil-container-manufacturing-business-10ba990ad7e7.

[40] Gupta, A. "Aluminum Foil Containers Manufacturing Plant," September 2020, https://www.linkedin.com/pulse/aluminum-foil-containers-manufacturing-plant-ajjay-kumar-gupta.

[41] The Warehouse, Packaging, "Manufacturing aluminium foil containers," August 21, 2017, https://warehousebizongo.wordpress.com/2017/08/21/manufacturing-aluminium-foil-containers/.

[42] Petition, p. 9.

[43] A scrap collecting device is an elective part of the machine. It collects the leftover pieces or any defective pieces into a single place and condenses them into a single block, which can then be recycled. The Warehouse, Packaging, "Manufacturing aluminium foil containers," August 21, 2017, https://warehousebizongo.wordpress.com/2017/08/21/manufacturing-aluminium-foil-containers/.

[44] The Warehouse, Packaging, "Manufacturing aluminium foil containers," August 21, 2017, https://warehousebizongo.wordpress.com/2017/08/21/manufacturing-aluminium-foil-containers/.

undergo non-destructive testing using specialized lighting to detect finer defects not seen during the visual inspection.[45]

Figure I-3
Aluminum containers: Machinery used in the production of disposable aluminum containers

Source: Petition, p. 9.

[45] The most important quality control measures are checking for holes and sharp edges. Conference transcript, pp. 68-69, 79 (Patel).

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations. Petitioners propose a single domestic like product, coextensive with Commerce's scope.[46] No respondents participated in the preliminary phase of these investigations.

[46] Petitioners' postconference brief, pp. 4-7.

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

U.S. market characteristics

Aluminum containers are typically used in food-related end uses, such as baking, barbequing, reheating, storing, and transporting food items, and are produced in a wide range of shapes, sizes, and thicknesses with different colors, rim edges, and other features.[1] Four of 8 U.S. producers and 13 of 18 importers indicated that the market was not subject to distinctive conditions of competition. Four U.S. producers and five importers reported the market was subject to distinct conditions of competition, including competition from imports, price being a driving factor with disposable products, and the cost of raw materials.

The quantity of apparent U.S. consumption of aluminum containers has increased since 2021. Overall, apparent U.S. consumption in 2023 was 3.3 percent higher (by quantity) than in 2021, and 5.0 percent higher during January-March 2024 than in January-March 2023.

Impact of section 301 tariffs and 232 tariffs

U.S. producers and importers were asked to report the impact of section 301 tariffs and 232 measures on overall demand, supply, prices, or raw material costs (table II-1). A plurality of U.S. producers reported that there was an impact on the aluminum container market resulting from section 232 measures and antidumping and countervailing duty (AD/CVD) orders on aluminum foil and common alloy aluminum sheet (CAAS), and that section 301 tariffs did not have an impact on the market. Most importers reported that they did not know what impact section 232 measures, section 301 tariffs, and AD/CVD orders on aluminum foil and CAAS had on the market. Petitioner noted that aluminum containers are not directly covered by the section 232 measures or section 301 tariffs.[2]

[1] Conference transcript, pp. 6, 13 (Herrmann, Patel).
[2] Conference transcript, p. 73 (Walters).

Table II-1
Aluminum containers: Count of firms' responses regarding if there was any impact of the section 232 measures, section 301 tariffs, or AD/CVD orders on aluminum foil or CAAS on the market

Count in number of firms reporting

Item	Firm type	Yes	No	Don't know
232 measures	U.S. producers	4	2	3
232 measures	Importers	2	5	11
301 tariffs	U.S. producers	1	6	1
301 tariffs	Importers	2	5	11
AD / CVD orders on aluminum foil or CAAS	U.S. producers	5	2	1
AD / CVD orders on aluminum foil or CAAS	Importers	4	5	11

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

Of the firms reporting an impact, U.S. producers and importers indicated that the section 232 measures increased their purchase and raw material costs, resulting in higher production costs. Importer *** reported that "due to Section 232, {it} found that products that we imported were still lower in cost than domestically manufactured pricing - but with ***." Firms reported that the section 301 tariffs and AD/CVD orders on aluminum foil or CAAS put upward pressure on conversion fees, increased domestic aluminum prices, and "most of the impact was on the supplier side" and that small amounts were pushed to the customer.

Channels of distribution

Aluminum containers are sold through three channels: directly to retailers such as club stores and supermarkets; directly to large food processors that incorporate the containers into finished food items, such as pies and frozen foods; and distributors that resell to food service operations like restaurants, bakeries, and catering companies.[3] Both U.S. producers and Chinese producers sold in large part to retailers, although this share increased for U.S. producers over the period for which data were collected, and decreased for Chinese producers, as shown in table II-2. More than *** of U.S. producers' shipments were to distributors and more than *** of Chinese producers' shipments were to end users.

[3] Conference transcript, p. 15 (Patel).

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

Shares in percent

Source	Channel	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
United States	Distributors	***	***	***	***	***
United States	End users	***	***	***	***	***
United States	Retailers	***	***	***	***	***
China	Distributors	***	***	***	***	***
China	End users	***	***	***	***	***
China	Retailers	***	***	***	***	***
Nonsubject	Distributors	***	***	***	***	***
Nonsubject	End users	***	***	***	***	***
Nonsubject	Retailers	***	***	***	***	***
All imports	Distributors	***	***	***	***	***
All imports	End users	***	***	***	***	***
All imports	Retailers	***	***	***	***	***

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

Geographic distribution

U.S. producers and importers reported selling aluminum containers to all regions in the United States (table II-3). For U.S. producers, 7.1 percent of sales were within 100 miles of their production facility, 78.6 percent were between 101 and 1,000 miles, and 14.3 percent were over 1,000 miles. Importers sold 73.2 percent within 100 miles of their U.S. point of shipment, 21.1 percent between 101 and 1,000 miles, and 5.7 percent over 1,000 miles.

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

Count in number of firms reporting

Region	U.S. producers	China
Northeast	8	18
Midwest	8	16
Southeast	8	18
Central Southwest	7	13
Mountains	7	12
Pacific Coast	7	15
Other	3	7
All regions (except Other)	7	12
Reporting firms	8	18

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-4 provides a summary of the supply factors regarding aluminum containers from U.S. producers and China.

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

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

Factor	Measure	United States	China
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	Ratio	***	***
Non-US export market shipments 2023	Ratio	***	***
Ability to shift production	Count	***	***

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

Note: Responding U.S. producers accounted for the majority of U.S. production of aluminum containers in 2023. Responding foreign producer/exporter firms accounted for *** percent of U.S. imports of aluminum containers from China during 2023. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

Domestic production

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

U.S. producers' capacity increased over the period for which data were collected, but production decreased over that time. U.S. production capacity increased by *** percent between 2021 and 2023 and was *** percent higher in January-March 2024 than in January-March 2023, while U.S. production decreased by *** percent between 2021 and 2023 and was only *** percent higher in January-March 2024 than in January-March 2023. All U.S. producers

reported that no other products can be produced on the same equipment as aluminum containers, and less than *** percent of shipments were exported in 2023.

Subject imports from China

Based on available information, producers of aluminum containers from China have the ability to respond to changes in demand with moderate changes in the quantity of shipments of aluminum containers to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the rapidly growing capacity of Chinese producers and the ability to shift shipments from alternate markets. Factors mitigating responsiveness of supply include limited availability of unused capacity and inventories and an inability to shift production to or from alternate products.

Responding Chinese producers reported capacity that increased by more than *** over the period for which data were collected, and capacity utilization also increased over the same time. No responding Chinese producers reported an ability to produce other products on the same equipment as aluminum containers, and Chinese producers exported some (*** percent) of their shipments to non-U.S. markets.

Imports from nonsubject sources

Nonsubject sources accounted for *** percent of total U.S. imports, by quantity, in 2023. According to official statistics, the largest sources of nonsubject imports during January 2021-March 2024 were Canada, Turkey, and the United Arab Emirates, and these accounted for the majority of nonsubject imports.

Supply constraints

Most U.S. producers and importers reported that they had not experienced supply constraints since January 2021. However, 3 of 8 responding U.S. producers and 6 of 18 importers reported that they had, citing supply chain disruptions and raw material shortages due to the COVID-19 pandemic in 2021 and post-COVID-19 pandemic demand that returned in the first part of 2022, which affected both domestic and imported aluminum container supply.[4]

U.S. demand

Based on available information, the overall demand for aluminum containers is likely to experience small to moderate changes in response to changes in price. The main contributing

[4] See also Part III, "U.S. Producers."

factors are the limited substitute products and the small-to-moderate cost share of aluminum containers in most of its end-use products.

End uses and cost share

Reported end uses include uses both by individual consumers for applications such as baking and grilling, and for industrial uses in settings such as restaurants, catering, and school cafeterias. Aluminum containers account for a small-to-moderate share of the cost of the final food product. Reported cost shares for some end uses were as follows:

- Schools and supermarkets (less than one percent)
- Restaurants (1-5 percent)
- Baked goods (11 percent)
- Catered meals (20 percent)
- Gifts (35 percent)
- Food serving and storage (40-46 percent)

Business cycles

Six of 8 U.S. producers and 12 of 18 importers indicated that the market was subject to business cycles. Specifically, demand for aluminum containers increases in the second half of the year, specifically in advance of summer and winter holidays, such as Memorial Day, the Fourth of July, Labor Day, Thanksgiving, and Christmas.[5] Some firms reported that people tending to eat out more during the summer months, grilling season, and football season all lead to higher demand for aluminum containers.

Demand trends

Most U.S. producers reported a steady increase in U.S demand for aluminum containers since January 1, 2021 (table II-5), and importers' responses were mixed. While a plurality of importers reported that there was no change in U.S. demand, most of the remaining firms reported that demand either steadily increased or fluctuated upwards over the period for which data were collected. Petitioner stated that recyclability and sustainability has contributed to the growing demand.[6]

[5] Conference transcript, pp. 60, 64 (Walters, Cobb).
[6] Conference transcript, pp. 60, 87 (Walters).

Table II-5
Aluminum containers: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Count in number of firms reporting

Market	Firm type	Steadily Increased	Fluctuated Up	No change	Fluctuated Down	Steadily Decreased
Domestic demand	U.S. producers	5	0	3	0	0
Domestic demand	Importers	5	3	6	1	2
Foreign demand	U.S. producers	2	0	2	0	0
Foreign demand	Importers	0	1	4	1	0

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

Substitute products

Substitutes for aluminum containers are limited. All U.S. producers and most (12 of 17) responding importers reported that there are no substitutes for aluminum containers. Five importers reported that there are some substitutes for aluminum containers, including nondisposable containers, plastic containers, molded fiber take-out containers, stainless steel containers, and foam containers, to be used either for food preparation or take-out. All five firms reported that price changes for these substitutes do not affect the price for aluminum containers.

Substitutability issues

This section assesses the degree to which U.S.-produced aluminum containers and imports of aluminum containers from China can be substituted for one another by examining the importance of certain purchasing factors and the comparability of aluminum containers 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 aluminum containers and aluminum containers imported from subject sources.[7] Factors contributing to this level of substitutability include similar quality, availability, and lead times for aluminum containers from inventory, and few differences between domestically produced aluminum containers and aluminum containers imported from China.

[7] The degree of substitution between domestic and imported aluminum containers depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced aluminum containers to the aluminum containers 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 allegations[8] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for aluminum containers. The major purchasing factors identified by firms include price, quality, availability, and lead times.

Most important purchase factors

The most often cited top three factors firms consider in their purchasing decisions for aluminum containers were price (8 firms), quality (7 firms), and availability (7 firms) as shown in table II-6. Availability was the most frequently cited first-most important factor (cited by 4 firms), followed by price and quality (2 firms each). Quality was the most frequently reported second-most important factor (4 firms) followed by price (3 firms). Lead times was the most frequently reported third-most important factor (4 firms), followed by price (3 firms).

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

Count in number of firms reporting

Factor	First	Second	Third	Total
Price / Cost	2	3	3	8
Quality	2	4	1	7
Availability / Supply	4	2	1	7
Lead times	1	--	4	5
All other factors	1	1	--	NA

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

Note: Other factors include product range and assortment, innovation, and private labeling capabilities.

Lead times

Aluminum containers are primarily sold from U.S. inventories. U.S. producers reported that *** percent of their commercial shipments were sold from U.S. inventories, with lead times averaging 14 days. The remaining *** percent of their commercial shipments were produced-to-order with lead times averaging 15 days. Importers reported that *** percent of their shipments were from U.S. inventories, with lead times averaging 8 days; *** percent were produced-to-order, and the remaining *** percent were sold from foreign inventories, with lead times of 92 days and 14 days, respectively.

[8] This information is compiled from responses by purchasers identified by Petitioners to the lost sales lost revenue allegations. See Part V for additional information.

Comparison of U.S.-produced and imported aluminum containers

In order to determine whether U.S.-produced aluminum containers can generally be used in the same applications as imports from China, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-7, all U.S. producers reported that U.S.-produced aluminum containers and Chinese aluminum containers can always be used interchangeably, and most importers reported that U.S.-produced and Chinese aluminum containers can always or frequently be used interchangeably. Importer *** reported that China produces custom products (***) that U.S. producers will not supply and importer *** stated that aluminum containers from other countries are not always interchangeable with U.S.-produced aluminum containers because dimensions are sometimes meant for other markets, but many Chinese suppliers have designed their production to meet the needs of U.S. customers.

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

Count in number of firms reporting

Country pair	Firm type	Always	Frequently	Sometimes	Never
United States vs. China	U.S. producers	8	0	0	0
United States vs. Other	U.S. producers	8	0	0	0
China vs. Other	U.S. producers	8	0	0	0
United States vs. China	Importers	9	6	2	0
United States vs. Other	Importers	6	2	2	0
China vs. Other	Importers	5	3	0	0

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

As shown in table II-8, all U.S. producers reported that differences other than price between U.S.-produced aluminum containers and Chinese aluminum containers are never significant. U.S. importers were more varied in their experiences, with eight importers reporting that differences are only sometimes or never significant between U.S.-produced and Chinese product and eight importers reporting that differences are always or frequently significant. Importer *** reported that it has worked closely with Chinese suppliers ***, and that it has not experienced similar improvements in the domestic industry. Importer *** reported that its customers consider quality, availability, and line range, and that if a customer can get all sizes and types of

aluminum containers that they need from one line, that is the preference and that most U.S. producers are unable to produce the variety needed on one line.

Table II-8
Aluminum containers: Count of U.S. producers and importers reporting the significance of differences other than price between product produced in the United States and in other countries reported, by country pair

Count in number of firms reporting

Country pair	Firm type	Always	Frequently	Sometimes	Never
United States vs. China	U.S. producers	0	0	0	8
United States vs. Other	U.S. producers	0	0	0	8
China vs. Other	U.S. producers	0	0	0	8
United States vs. China	Importers	3	5	3	5
United States vs. Other	Importers	1	4	1	4
China vs. Other	Importers	0	4	1	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 subsidies and dumping margins was presented in Part I of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part IV and Part V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of eight firms that accounted for the majority of U.S. production of aluminum containers during 2023.

U.S. producers

The Commission issued a U.S. producer questionnaire to 12 firms based on information contained in the petitions. Eight firms provided usable data on their operations.[1] Table III-1 lists U.S. producers of aluminum containers, their production locations, positions on the petition, and shares of reported production.

[1] King Natan Foil submitted an incomplete questionnaire response, while Schwan's Company ("Schwan's") submitted a questionnaire response too late to incorporate in this report. Schwan's reported capacity and production of *** pounds and *** pounds in 2023, respectively, or approximately *** percent of total U.S. production. King Natan Foil reported production of *** pounds in 2023, or approximately *** percent of total U.S. production. Two additional firms, D6, Inc. ("D6") and Western Plastics, Inc. ("Western Plastics") did not respond to the Commission's questionnaire. Petitioners assert that D6, a member of the petitioning association, produces "a very small amount" of aluminum containers for a particular customer. Conference transcript, p. 61 (Cobb). Western Plastics appears to produce primarily out-of-scope products. Western Plastics website, https://www.wplastics.com/about/about-us/, accessed June 13, 2024.

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

Firm	Position on petition	Production location(s)	Share of production
Durable Packaging	Petitioner	Wheeling, IL Lincolnshire, IL Libertyville, IL	***
Fine Pack	Petitioner	Lake Zurich, IL Doral, FL	***
Handi-Foil	Petitioner	Wheeling, IL Antioch, IL Naperville, IL	***
Penny Plate	Petitioner	Fishersville, VA Glasgow, MO	***
Reynolds	Petitioner	Wheeling, IL	***
Shah Foil	Petitioner	Piscataway, NJ	***
Smart USA	Petitioner	Bay Shore, NY	***
Trinidad Benham	Petitioner	LaGrange, GA Dallas, 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.

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

Reporting firm	Relationship type and related firm
***	***
***	***
***	***

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

As indicated in table III-2, no U.S. producers are related to foreign producers of the subject merchandise or U.S. importers of the subject merchandise. In addition, as discussed in greater detail below, two U.S. producers directly import the subject merchandise and two purchase the subject merchandise from U.S. importers.

Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of aluminum containers since January 1, 2021. Six of eight producers indicated in their questionnaires that they had experienced such changes. Table III-3 presents the changes identified by these producers. Five firms reported production curtailments and three firms reported expansions. At the staff conference, representatives for Handi-Foil, Durable Packaging, and Shah Foil testified regarding production curtailments beginning in 2023, including shutting down several presses and reducing shifts.[2]

Firms were also asked about the impact of the COVID-19 pandemic on their aluminum containers operations. Three of eight responding producers reported changes in their supply chain arrangements, production, employment, and/or shipments relating to aluminum containers; their responses are presented in table III-4. U.S. producers generally reported difficulty sourcing raw materials and labor as well as supply chain issues during a period of high demand in 2021.[3]

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

Item	Firm name and narrative response on changes in operations
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Expansions	***
Expansions	***
Expansions	***

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

[2] Conference transcript, pp. 41-43 (Walters, Patel, Anders, and Shah).
[3] Conference transcript, pp. 46-48 (Walters, Shah, and Cobb).

Table III-4
Aluminum containers: U.S. producers' reported impact of COVID-19 on their operations, by firm

Firm	Narrative on COVID-19 impact
***	***
***	***
***	***

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

U.S. production, capacity, and capacity utilization

Table III-5 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. Aluminum containers capacity increased by *** percent between 2021 and 2023, while production decreased by *** percent. Both capacity and production were higher in January-March 2024 than in January-March 2023, by *** percent and *** percent, respectively. Capacity utilization decreased by *** percentage points during 2021-23, from *** percent to *** percent and was lower in January-March 2024 than in January-March 2023. Several U.S. producers reported that production facilities typically run 24 hours per day, 5 days per week.[4] U.S. producers Durable Packaging and Penny Plate also observed that they would consider a typical capacity utilization rate to be approximately 75-80 percent, at which point capacity expansions would be considered to meet demand.[5]

[4] Conference transcript, pp. 43-44 (Anders, Patel, Shah, and Cobb). U.S. producers reported installed capacity of *** pounds in 2021, *** pounds in 2022, *** pounds in 2023, *** pounds in interim 2023, and *** pounds in interim 2024. Various U.S. producers' questionnaire responses, II-3a.

[5] Conference transcript, pp. 44-45 (Anders and Cobb).

Table III-5
Aluminum containers: U.S. producers' output, by firm and period

Practical capacity

Capacity in 1,000 pounds

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table III-5 Continued
Aluminum containers: U.S. producers' output, by firm and period

Production

Production in 1,000 pounds

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table III-5 Continued
Aluminum containers: U.S. producers' output, by firm and period

Capacity utilization

Capacity utilization in percent

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

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

Table continued.

Table III-5 Continued
Aluminum containers: U.S. producers' output, by firm and period

Share of production

Share in percent

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

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

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

* * * * * * *

Alternative products

No U.S. producers reported producing alternative products using the same equipment, machinery, or employees as used to produce aluminum containers.

Constraints on capacity

Table III-6 presents U.S. producers' reported narratives regarding practical capacity constraints. Several U.S. producers reported lack of orders/sales as a primary constraint on capacity.[6]

[6] Conference transcript, pp. 46-48 (Walters, Shah, Patel, and Cobb).

Table III-6
Aluminum containers: U.S. producers' reported practical overall capacity constraints since January 1, 2021

Item	Firm name and narrative response on constraints to practical overall capacity
Supply of material inputs	***
Storage capacity	***
Storage capacity	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

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

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

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. Consistent with production trends discussed above, U.S. producers' U.S. shipments declined in each year during 2021-23, decreasing overall by *** percent, and were *** percent lower in interim 2024 than in interim 2023. Average unit values per pound fluctuated during 2021-23, increasing overall by *** percent, but were *** percent lower in interim 2024 than in interim 2023.

U.S. shipments accounted for the vast majority (more than *** percent) of total shipments in each year. However, ***, reported export shipments ***. Export shipments decreased by *** percent between 2021 and 2023 and were *** percent lower in interim 2024 than in interim 2023.

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

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

Item	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
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	***	***	***	***	***
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	***	***	***	***	***

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

Table III-8 presents U.S. producers' U.S. shipments by type. The large majority of U.S. producers' shipments in 2023 consisted of containers, pans, and trays.[7] Table III-9 presents U.S. producers' U.S. shipments by packaging type. U.S. producers' shipments were sold primarily in bulk (*** percent), followed by branded (*** percent) and private label (*** percent).

Table III-8
Aluminum containers: U.S. producers' U.S. shipments, by product type, 2023

Product type	Quantity (1,000 pounds)	Value (1,000 dollars)	Unit value (dollars per pound)	Share of quantity (percent)	Share of value (percent)
Containers, trays and pans	***	***	***	***	***
Lids	***	***	***	***	***
All product types	***	***	***	***	***

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

[7] Firms were asked to report containers and lids separately for combination packages.

Table III-9
Aluminum containers: U.S. producers' U.S. shipments, by packaging type, 2023

Packaging type	Quantity (1,000 pounds)	Share of quantity (percent)
Bulk	***	***
Branded, retail	***	***
Private label, retail	***	***
All packaging/ branding types	***	***

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

U.S. producers' inventories

Table III-10 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** U.S. producers' ending inventories increased by *** percent between 2021 and 2023, and were *** percent higher in interim 2024 than in interim 2023. During 2021-23, the ratios of inventories to production, U.S. shipments, and total shipments increased by approximately *** percentage points. The ratio of inventories to production was *** percentage points higher in interim 2024 than in interim 2023, while the ratios of inventories to U.S. shipments and total shipments were *** percentage points higher during the same period.

Table III-10
Aluminum containers: U.S. producers' inventories and their ratio to select items, by period

Quantity in 1,000 pounds; ratio in percent

Item	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
End-of-period inventory quantity	***	***	***	***	***
Inventory ratio to U.S. production	***	***	***	***	***
Inventory ratio to U.S. shipments	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***

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

U.S. producers' imports from subject sources

Two firms (***) reported importing aluminum containers from China. Tables III-11 and III-12 present data on individual U.S. producers' U.S. production and U.S. imports of aluminum containers. Table III-13 presents each firm's reasons for importing.

Table III-11
Aluminum containers: *'s U.S. production, subject imports, and ratio of subject imports to production, by source and period**

Quantity in 1,000 pounds; ratio in percent

Item	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
U.S. production	Quantity	***	***	***	***	***
Imports from China	Quantity	***	***	***	***	***
Imports from China to U.S. production	Ratio	***	***	***	***	***

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

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

Table III-12
Aluminum containers: *'s U.S. production, subject imports, and ratio of subject imports to production, by source and period**

Quantity in 1,000 pounds; ratio in percent

Item	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
U.S. production	Quantity	***	***	***	***	***
Imports from China	Quantity	***	***	***	***	***
Imports from China to U.S. production	Ratio	***	***	***	***	***

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

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

Table III-13
Aluminum containers: U.S. producers' reasons for importing, by firm

Firm	Narrative response on reasons for importing
***	***
***	***

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

U.S. producers' purchases of imports from subject sources

Two firms, ***, reported purchases of aluminum containers from China during the period for which data were collected. Tables III-14 and III-15 present U.S. producers' purchases of imports from China. Table III-16 presents each firm's reasons for purchasing.

Table III-14
Aluminum containers: *'s U.S. production, U.S. purchases from subject sources, and ratio of purchases to production, by period**

Quantity in 1,000 pounds; ratio in percent

Item	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
***'s production	Quantity	***	***	***	***	***
***'s purchases of imports from China imported by ***	Quantity	***	***	***	***	***
*** imports from China	Quantity	***	***	***	***	***
Overall U.S. imports from China	Quantity	***	***	***	***	***
***'s purchases of imports from China imported by ***relative to *** imports from China	Ratio	***	***	***	***	***
*** imports from China relative to overall U.S. imports from China	Ratio	***	***	***	***	***
*** imports from China relative to ***'s production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and from proprietary, Census-edited Customs import records using HTS statistical reporting number 7615.10.7125, accessed May 21, 2024.

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

Table III-15
Aluminum containers: *'s U.S. production, U.S. purchases from subject sources, and ratio of purchases to production, by period**

Quantity in 1,000 pounds; ratio in percent

Item	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
***'s production	Quantity	***	***	***	***	***
***'s Purchases of imports from China	Quantity	***	***	***	***	***
Overall U.S. imports from China	Quantity	***	***	***	***	***
***'s Purchases of imports from China relative to overall U.S. imports from China	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and from proprietary, Census-edited Customs import records using HTS statistical reporting number 7615.10.7125, accessed May 21, 2024.

Note: *** identified purchasing imports from ***, which did not submit a U.S. importers' questionnaire response, nor was identifiable under the primary HTS statistical reporting number for these investigations under proprietary, Census-edited Customs import records.

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

Table III-16
Aluminum containers: U.S. producers' reasons for purchasing, firm

Firm	Narrative response on reasons for purchasing
***	***
***	***

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

U.S. employment, wages, and productivity

Table III-17 shows U.S. producers' employment-related data. All employment-related indicators, except hours worked per worker and productivity, increased from 2021 to 2022 then decreased from 2022 to 2023, increasing overall during 2021-23, and were lower in interim 2024 than in interim 2023. The number of production and related workers ("PRWs) increased by *** percent overall during 2021-23 but was *** percent lower in interim 2024 than in interim 2023.[8] Total hours worked increased by *** percent overall during 2021-23, but were *** percent lower in interim 2024 than in interim 2023. Wages paid increased by *** percent overall during 2021-23 but were *** percent lower in interim 2024 than in interim 2023. Productivity decreased overall between 2021 and 2023, by *** percent, while unit labor costs increased by *** percent during 2021-23. Productivity was *** percent higher in interim 2024 than in interim 2023, while unit labor costs were *** percent lower.

Table III-17
Aluminum containers: U.S. producers' employment related information, by item and period

Item	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***
Unit labor costs (dollars per pound)	***	***	***	***	***

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

[8] Half of the responding firms reported an overall increase in PRWs. This is in part due to capacity expansions discussed above. In addition, *** reported that it is unable to lower its headcount when production volume drops. *** reported that it retained employees despite declining sales as it is not easy to find replacements. Various U.S. producers' questionnaire responses, II-12.

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

U.S. importers

The Commission issued importer questionnaires to 35 firms believed to be importers of subject aluminum containers, as well as to all U.S. producers of aluminum containers.[1] Usable questionnaire responses were received from 18 companies, representing *** percent of U.S. imports from China in 2023 under HTS statistical reporting number 7615.10.7125.[2] Unless otherwise specified, import data presented in this report are based on official Commerce statistics for imports entering under HTS statistical reporting number 7615.10.7125 and Commission questionnaires for imports entering under other HTS statistical reporting numbers.[3] Table IV-1 lists all responding U.S. importers of aluminum containers from China and other sources, their headquarters, and their shares of 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] Responding firms also reported importing under other HTS statistical reporting numbers, thus import coverage is understated. Petitioners assert that the vast majority of imports of aluminum containers should be classified under HTS statistical reporting number 7615.10.7125. This statistical breakout, which was requested by the Aluminum Foil Container Manufacturers Association, took effect in 2017. Conference transcript, pp. 10, 30, and 39 (Cobb and Herrmann).

[3] In addition to the "primary" HTS statistical reporting number mentioned above, responding firms reported importing under HTS statistical reporting numbers 7615.10.7130, 7615.10.7155, 7615.10.7180, and 7615.10.9100.

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

Share in percent

Firm	Headquarters	China	Nonsubject sources	All import sources
Brand Buzz	New York, NY	***	***	***
Clark	Lancaster, PA	***	***	***
Dansons	Scottsdale, AZ	***	***	***
Dollar Tree	Chesapeake, VA	***	***	***
Durable Packaging	Wheeling, IL	***	***	***
Four Seasons	Ridgewood, NY	***	***	***
Frankford	Philadelphia, PA	***	***	***
Imperial	Jersey City, NJ	***	***	***
King Zak	Goshen, NY	***	***	***
KitchenDance	Louisville, KY	***	***	***
Middle Group	Hutto, TX	***	***	***
Ocala	New Hyde Park, NY	***	***	***
Pactiv	Lake Forest, IL	***	***	***
Shah Foil	Piscataway, NJ	***	***	***
Three Group	Chesterfield, MO	***	***	***
Walmart	Bentonville, AR	***	***	***
WellCare	Randolph, NJ	***	***	***
Wohler	Mississauga, ON	***	***	***
All firms	Various	100.0	100.0	100.0

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

U.S. imports

Tables IV-2 and IV-3 and figure IV-1 present data for U.S. imports of aluminum containers from China and all other sources. Subject imports accounted for the vast majority of total imports (*** percent or higher in each period). During 2021-23, subject imports increased by *** percent from 2021 to 2022 then decreased by *** percent from 2022 to 2023, increasing overall by *** percent.[4] Subject imports were *** percent higher in interim 2024 than in interim 2023. Imports from nonsubject sources fluctuated but increased overall by *** percent during 2021-23 and were higher in interim 2024 compared to interim 2023. Leading nonsubject sources of imports include Canada, Turkey, and the United Arab Emirates, based on official import statistics for the primary HTS statistical reporting number.[5]

[4] Petitioners attribute the import trends during 2021-22 to shipping delays resulting from the COVID-19 pandemic. Conference transcript, pp. 48-49 (Rosenthal).

[5] Responding firms reported nonsubject imports from ***.

Subject average unit values peaked in 2022 but decreased overall by *** percent between 2021 and 2023, from $*** per pound to $*** per pound, and were *** percent lower in interim 2024 than in interim 2023 ($*** per pound compared to $*** per pound). Nonsubject average unit values increased by *** percent between 2021 and 2023 and were higher in interim 2024 than in interim 2023. As a share of total imports, subject imports increased by*** percentage points during 2021-23, from *** percent to *** percent. The ratio of subject imports to U.S. production increased by *** percentage points from 2021 to 2023 to *** percent and reached *** percent in interim 2024 (compared to *** percent in interim 2023).

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

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

Source	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
China	Quantity	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
China	Value	***	***	***	***	***
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
China	Unit value	***	***	***	***	***
Nonsubject sources	Unit value	***	***	***	***	***
All import sources	Unit value	***	***	***	***	***
China	Share of quantity	***	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***	***
All import sources	Share of quantity	***	***	***	***	***
China	Share of value	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***
All import sources	Share of value	***	***	***	***	***
China	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 statistical reporting number 7615.10.7125, accessed May 21, 2024, adjusted to add imports under other HTS statistical reporting numbers reported in Commission questionnaires. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

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.

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

%Δ in percent

Source	Measure	2021-23	2021-22	2022-23	Jan-Mar 2023-24
China	%Δ Quantity	▲***	▲***	▼***	▲***
Nonsubject sources	%Δ Quantity	▲***	▲***	▲***	▲***
All import sources	%Δ Quantity	▲***	▲***	▼***	▲***
China	%Δ Value	▲***	▲***	▼***	▲***
Nonsubject sources	%Δ Value	▲***	▲***	▲***	▲***
All import sources	%Δ Value	▲***	▲***	▼***	▲***
China	%Δ Unit value	▼***	▲***	▼***	▼***
Nonsubject sources	%Δ Unit value	▲***	▲***	▲***	▲***
All import sources	%Δ Unit value	▼***	▲***	▼***	▼***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 7615.10.7125, accessed May 21, 2024, adjusted to add imports under other HTS statistical reporting numbers reported in Commission questionnaires. Imports are based on the imports for consumption data series. Value data reflect 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 "---". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

Figure IV-1
Aluminum containers: U.S. import quantities and average unit values, by source and period

* * * * * * *

Table IV-4 presents U.S. importers' U.S. shipments by type and source. The vast majority of U.S. importers' U.S. shipments from China and all other sources in 2023 consisted of containers, pans, and trays.[6] Table IV-5 presents U.S. importers' U.S. shipments by packaging type. Most U.S. importers' shipments from China in 2023 were sold as private label (*** percent) and in bulk (*** percent), while U.S. importers' shipments sold as branded accounted for a smaller share (*** percent).

[6] Firms were asked to report containers and lids separately for combination packages.

Table IV-4
Aluminum containers: U.S. importers' U.S. shipments of imports, by product type and source, 2023

Product type	Source	Quantity (1,000 pounds)	Value (1,000 pounds)	Unit value (dollars per pound)	Share of quantity (percent)	Share of value (percent)
Containers, trays, and pans	China	***	***	***	***	***
Lids	China	***	***	***	***	***
All product types	China	***	***	***	***	***
Containers, trays, and pans	Nonsubject sources	***	***	***	***	***
Lids	Nonsubject sources	***	***	***	***	***
All product types	Nonsubject sources	***	***	***	***	***
Containers, trays, and pans	All import sources	***	***	***	***	***
Lids	All import sources	***	***	***	***	***
All product types	All import sources	***	***	***	***	***

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

Table IV-5
Aluminum containers: U.S. importers' U.S. shipments of imports, by packaging type and source, 2023

Packaging type	Source	Quantity (1,000 pounds)	Share of quantity (percent)
Bulk	China	***	***
Branded, retail	China	***	***
Private label, retail	China	***	***
All packaging/ branding types	China	***	***
Bulk	Nonsubject sources	***	***
Branded, retail	Nonsubject sources	***	***
Private label, retail	Nonsubject sources	***	***
All packaging/ branding types	Nonsubject sources	***	***
Bulk	All import sources	***	***
Branded, retail	All import sources	***	***
Private label, retail	All import sources	***	***
All packaging/ branding types	All import sources	***	***

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

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[7] 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.[8] Table IV-6 presents the individual shares of total imports by source, during May 2023 to April 2024.

Table IV-6
Aluminum containers: U.S. imports in the twelve-month period preceding the filing of the petition, May 2023 to April 2024

Quantity in 1,000 pounds; share in percent

Source of imports	Quantity	Share of quantity
China	***	***
Nonsubject sources	***	***
All import sources	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 7615.10.7125, accessed May 21, 2024 adjusted to add imports under other HTS statistical reporting numbers reported in Commission questionnaires.

[7] 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)).

[8] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Apparent U.S. consumption and market shares

Quantity

Table IV-7 and figure IV-2 present data on apparent U.S. consumption and U.S. market shares by quantity for aluminum containers. The quantity of apparent U.S. consumption increased by 7.1 percent during 2021-22 then decreased by 3.6 percent during 2022-23, increasing overall by 3.3 percent during 2021-23. U.S. producers' market share decreased by *** percentage points between 2021 and 2023, from *** percent to *** percent, and was *** percentage points lower in interim 2024 than in interim 2023. Subject import market share increased by *** percentage points, from *** percent in 2021 to *** percent in 2023, and was *** percentage points higher in interim 2024 than in interim 2023. Imports of aluminum containers from nonsubject sources accounted for approximately *** percent of apparent U.S. consumption in each full and partial year.

Table IV-7
Aluminum containers: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in 1,000 pounds; shares in percent

Source	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
U.S. producers	Quantity	***	***	***	***	***
China	Quantity	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
All sources	Quantity	283,406	303,632	292,709	57,032	59,875
U.S. producers	Share	***	***	***	***	***
China	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 7615.10.7125, accessed May 21, 2024 adjusted to add imports under other HTS statistical reporting numbers reported in Commission questionnaires. Imports are based on the imports for consumption data series.

Figure IV-2
Aluminum containers: Apparent U.S. consumption based on quantity, by source and period

* * * * * * *

Value

Table IV-8 and figure IV-3 present data on apparent U.S. consumption and U.S. market shares by value for aluminum containers. The value of apparent U.S. consumption increased by 30.8 percent during 2021-22 then decreased by 8.4 percent during 2022-23, increasing overall by 19.9 percent during 2021-23. U.S. producers' market share decreased by *** percentage points between 2021 and 2023, from *** percent to *** percent, and was *** percentage points lower in interim 2024 than in interim 2023. Subject import market share increased by *** percentage points, from *** percent in 2021 to *** percent in 2023 and was *** percentage points higher in interim 2024 than in interim 2023. Imports of aluminum containers from nonsubject sources accounted for *** percent or less of apparent U.S. consumption in each full and partial year.

Table IV-8
Aluminum containers: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; shares in percent

Source	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
U.S. producers	Value	***	***	***	***	***
China	Value	***	***	***	***	***
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
All sources	Value	999,790	1,307,845	1,198,392	229,018	213,098
U.S. producers	Share	***	***	***	***	***
China	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 7615.10.7125, accessed May 21, 2024 adjusted to add imports under other HTS statistical reporting numbers reported in Commission questionnaires. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Figure IV-3
Aluminum containers: Apparent U.S. consumption based on value, by source and period

* * * * * * *

Part V: Pricing data

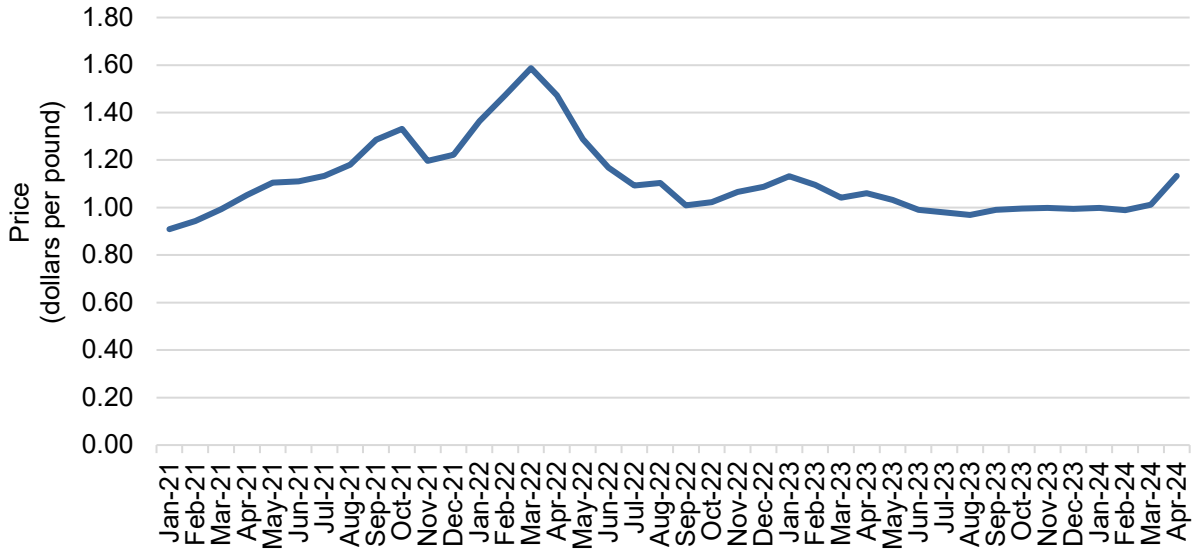
Factors affecting prices

Raw material costs

Aluminum containers are commonly produced from thin-gauge flat-rolled aluminum foil.[1] Raw materials as a cost of goods sold remained steady and accounted for approximately *** of the cost of goods sold during January 2021 through March 2024.

Most U.S. producers (7 of 8) and importers (12 of 17) reported that raw material prices either steadily increased or fluctuated upwards. As shown in table V-1 and figure V-1, aluminum prices increased by almost 75 percent between January 2021 and March 2022. After that point prices decreased, and then remained stable for the latter part of 2023 and early 2024. Overall, aluminum prices increased by 11.3 percent between January 2021 and March 2024. Aluminum prices increased by another 12.1 percent between March and April 2024.

Figure V-1
Raw materials: Global aluminum prices, 99.5% minimum purity, LME spot price, CIF UK ports, monthly, January 2021 through April 2024



Source: International Monetary Fund, Global price of Aluminum, PALUMUSDM, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PALUMUSDM, June 17, 2024.

[1] Conference transcript, pp. 6, 14, and 75 (Herrmann, Patel, Morey).

Table V-1
Raw materials: Global aluminum prices, 99.5% minimum purity, LME spot price, CIF UK ports, monthly, January 2021 through April 2024

Year	Month	Price
2021	January	0.91
2021	February	0.94
2021	March	0.99
2021	April	1.05
2021	May	1.10
2021	June	1.11
2021	July	1.13
2021	August	1.18
2021	September	1.29
2021	October	1.33
2021	November	1.20
2021	December	1.22
2022	January	1.36
2022	February	1.47
2022	March	1.59
2022	April	1.47
2022	May	1.29
2022	June	1.17
2022	July	1.09
2022	August	1.10
2022	September	1.01
2022	October	1.02
2022	November	1.07
2022	December	1.09
2023	January	1.13
2023	February	1.10
2023	March	1.04
2023	April	1.06
2023	May	1.03
2023	June	0.99
2023	July	0.98
2023	August	0.97
2023	September	0.99
2023	October	1.00
2023	November	1.00
2023	December	0.99
2024	January	1.00
2024	February	0.99
2024	March	1.01
2024	April	1.13

Source: International Monetary Fund, Global price of Aluminum, PALUMUSDM, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PALUMUSDM, June 17, 2024.

As discussed in Part II, some firms reported that section 232 measures, section 301 tariffs, and AD/CVD orders on aluminum foil and, for thicker gauges, CAAS, increased their raw material costs and put upward pressure on conversion fees. Most U.S. producers reported that all of their sales of aluminum containers are based on a total price negotiation, but three firms (***) reported that some of their sales (ranging from *** to *** percent) were negotiated based on conversion prices.

Transportation costs to the U.S. market

Transportation costs for aluminum containers shipped from China to the United States averaged 12.4 percent during 2023. These estimates were derived from official import data and represent the transportation and other charges on imports.[2]

U.S. inland transportation costs

Most responding U.S. producers (6 of 9) and importers (16 of 18) reported that they typically arrange transportation to their customers. U.S. producers reported that their U.S. inland transportation costs ranged from less than one percent to four percent while most importers reported costs of less than one percent to eight percent.

Pricing practices

Pricing methods

U.S. producers and importers reported setting prices using a variety of price setting methods, including transaction-by-transaction negotiations, contracts, and price lists. The use of set price lists was the most widely reported price-setting method (table V-2).

[2] 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 7615.10.7125.

Table V-2
Aluminum containers: Count of U.S. producers' and importers' reported price setting methods

Method	U.S. producers	U.S. importers
Transaction-by-transaction	***	***
Contract	***	***
Set price list	***	***
Other	***	***
Responding firms	8	18

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 most of their commercial U.S. shipments under short-term contracts. U.S. importers reported selling most of their aluminum containers in the spot market, but also employ short-term contracts (table V-3).

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

Share in percent

Sale type	U.S. producers	Subject U.S. importers
Long-term contracts	***	***
Annual contract	***	***
Short-term contracts	***	***
Spot sales	***	***
All sales types	100.0	100.0

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

U.S. producers reported that short-term contracts generally last for three to six months, while long-term contracts were reported to last between two and five years. Contracts are negotiated on a rolling basis, and their nature varies by customer.[3] Responding U.S. producers reported that their contracts allow for prices to be renegotiated, fixed, and indexed to raw materials. Responding importers reported their short-term contracts do not allow for price renegotiation, and also do not index to raw materials. Firms reported indexing to the London Metal Exchange or Midwest Premium published aluminum prices.[4]

Petitioner stated that the volatility in raw material pricing and the sense that lower priced aluminum containers can be found elsewhere has made customers want a firm

[3] Conference transcript, p. 25 (Anders).
[4] Conference transcript, p. 62 (Anders).

commitment price, which leads to shorter contracts because producers can provide greater price certainty by shrinking the contract period.[5]

Sales terms and discounts

Six of 8 U.S. producers and 10 of 18 responding importers quote prices on a delivered basis, although some reported quoting prices on the basis of both delivered and f.o.b. Two U.S. producers reported offering quantity discounts, two reported offering total volume discounts, and three reported offering other types of discounts including cash, payment terms, and net terms discounts. U.S. producer *** reported that some of its larger customers request extended terms or prime rates. Four U.S. producers reported that they do not have discount policies. Seven importers reported that they offer quantity discounts, three reported offering total volume discounts, and five reported offering other types of discounts including cash discounts, payment terms discounts and rebates, marketing rebates and early payment discounts, and rebates on total purchase volumes for high volume customers.

Price and purchase cost 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 aluminum containers products shipped to unrelated U.S. customers during January 2021-March 2024. Firms that imported these products for their own use or retail sale were requested to provide import purchase cost data.

Product 1.--Half-steam disposable aluminum pans/trays (not to include any half-steam pans/trays sold pre-packaged with or including lids)

Product 2.-- Full-steam disposable aluminum pans/trays (not to include any full-steam pans/trays sold pre-packaged with or including lids)

Product 3.--Disposable aluminum lids made for half-steam pans/trays (not to include lids sold pre-packaged with or including half-steam pans/trays)

Product 4.--7-inch round disposable aluminum pans/trays (not to include any 7-inch round pans/trays sold pre-packaged with or including lids)

Eight U.S. producers and 10 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Pricing data reported by these firms accounted for approximately *** percent of U.S.

[5] Conference transcript, pp. 77, 100 (Rosenthal, Cobb, Shah).

producers' U.S. shipments of aluminum containers and *** percent of U.S. commercial shipments of subject imports and *** percent of U.S. imports from China in 2023. [6] [7] *** importers (***) reported useable import purchase cost data for products 1-4. Purchase cost data reported by these firms accounted for *** percent of imports from China in 2023. U.S. producers' sales prices, importers' sales prices for imports from China, and landed duty paid (sometimes referred to as "LDP") purchase cost data for imports from China are presented in tables V-4 to V-7.[8]

Table V-4
Aluminum containers: Weighted-average f.o.b. prices, landed duty paid values, and quantities of domestic and imported product 1, margins of underselling/(overselling), and price cost differentials, by source and quarter

Quantity in 1,000 pounds; prices and LDP values in dollars per pound; margin and differential in percent

Period	U.S. price	U.S. quantity	China price	China price quantity	China margin	China unit LDP value	China cost quantity	China differential
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***
2024 Q1	***	***	***	***	***	***	***	***

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

Note: Product 1: Half-steam disposable aluminum pans/trays (not to include any half-steam pans/trays sold pre-packaged with or including lids).

[6] 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.

[7] Importer *** provided price data but staff has excluded the data from the analysis due to several factors including a ***. This firm's price data was significantly higher than other prices reported for the same products.

[8] LDP import value does not include any potential additional costs that a purchaser may incur by importing rather than purchasing from another importer or U.S. producer. Price-cost differences are based on LDP import values whereas margins of underselling/overselling are based on importer sales prices.

Table V-5
Aluminum containers: Weighted-average f.o.b. prices, landed duty paid values, and quantities of domestic and imported product 2, margins of underselling/(overselling), and price cost differentials, by source and quarter

Quantity in 1,000 pounds; prices and LDP values in dollars per pound; margin and differential in percent

Period	U.S. price	U.S. quantity	China price	China price quantity	China margin	China unit LDP value	China cost quantity	China differential
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***
2024 Q1	***	***	***	***	***	***	***	***

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

Note: Product 2: Full-steam disposable aluminum pans/trays (not to include any full-steam pans/trays sold pre-packaged with or including lids).

Note: Staff removed China price data reported by importer *** in Q3 2022 because it was an outlier as reported.

Table V-6
Aluminum containers: Weighted-average f.o.b. prices, landed duty paid values, and quantities of domestic and imported product 3, margins of underselling/(overselling), and price cost differentials, by source and quarter

Quantity in 1,000 pounds; prices and LDP values in dollars per pound; margin and differential in percent

Period	U.S. price	U.S. quantity	China price	China price quantity	China margin	China unit LDP value	China cost quantity	China differential
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***
2024 Q1	***	***	***	***	***	***	***	***

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

Note: Product 3: Disposable aluminum lids made for half-steam pans/trays (not to include lids sold pre-packaged with or including half-steam pans/trays).

Table V-7
Aluminum containers: Weighted-average f.o.b. prices, landed-duty paid values, and quantities of domestic and imported product 4, margins of underselling/(overselling), and price cost differentials, by source and quarter

Quantity in 1,000 pounds; prices and LDP values in dollars per pound; margin and differential in percent

Period	U.S. price	U.S. quantity	China price	China price quantity	China margin	China unit LDP value	China cost quantity	China differential
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***
2024 Q1	***	***	***	***	***	***	***	***

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

Note: Product 4: 7-inch round disposable aluminum pans/trays (not to include any 7-inch round pans/trays sold pre-packaged with or including lids).

Importers reporting import purchase cost data were asked to provide additional information regarding the costs and benefits of directly importing aluminum containers. Importer *** provided responses *** was not included in the pricing product definitions, so it did not provide purchase cost data.

Importers *** reported that there were no additional costs incurred by importing themselves. Importer *** and noted that these costs are not incurred when purchasing from a U.S. producer or importer.

Three firms reported that they compare costs of importing to the cost of purchasing from a U.S. producer in determining whether to import aluminum containers, and two importers compare costs to purchasing from a U.S. importer.

Importer *** stated that the benefits of importing aluminum containers itself included a wider selection of molds, better innovation, and a lower cost. Importer *** stated that the benefits of importing the product itself was the ability to brand a product according to its specifications, price, and the willingness of Chinese producers to create products that are not made by U.S. producers.

Both firms that provided purchase cost data indicated that the purchase costs were lower than prices would be if they purchased from a U.S. producer or importer both excluding and including the additional costs incurred. *** estimated that it saved *** percent of the purchase cost price and *** estimated that it saved *** percent by importing aluminum containers.[9]

[9] *** reported that they based their estimates on previous company transactions.

Figure V-2
Aluminum containers: Weighted-average f.o.b. prices, landed duty paid values, 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: Half-steam disposable aluminum pans/trays (not to include any half-steam pans/trays sold pre-packaged with or including lids).

Figure V-3
Aluminum containers: Weighted-average f.o.b. prices, landed duty paid values, and quantities of domestic and imported product 2, by source and quarter

Price of product 2

* * * * * * *

Volume of product 2

* * * * * * *

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

Note: Product 2: Full-steam disposable aluminum pans/trays (not to include any full-steam pans/trays sold pre-packaged with or including lids).

Note: Staff removed China price data reported by importer *** in Q3 2022 because it was an outlier as reported.

Figure V-4
Aluminum containers: Weighted-average f.o.b. prices, landed duty paid values, and quantities of domestic and imported product 3, by source and quarter

Price of product 3

* * * * * * *

Volume of product 3

* * * * * * *

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

Note: Product 3: Disposable aluminum lids made for half-steam pans/trays (not to include lids sold pre-packaged with or including half-steam pans/trays)

Figure V-5
Aluminum containers: Weighted-average f.o.b. prices, landed duty paid values, and quantities of domestic and imported product 4, by source and quarter

Price of product 4

* * * * * * *

Volume of product 4

* * * * * * *

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

Note: Product 4: 7-inch round disposable aluminum pans/trays (not to include any 7-inch round pans/trays sold pre-packaged with or including lids).

Price and purchase cost trends

In general, prices increased during January 2021-March 2024, *** landed duty paid costs ***. Table V-8 summarizes the price trends, by country and by price and landed duty paid cost. As shown in the table, domestic price increases ranged from *** percent to *** percent during January 2021-March 2024 while import price increases ranged from *** percent to *** percent.[10] Landed duty paid costs ***.

Table V-8
Aluminum containers: Summary of price and purchase cost data, by product and source, January 2021 through March 2024

Prices and unit LDP value in dollars per pound; Quantity in 1,000 pounds; Change in percent

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	China price	***	***	***	***	***	***	***
Product 1	China cost	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	China price	***	***	***	***	***	***	***
Product 2	China cost	***	***	***	***	***	***	***
Product 3	United States	***	***	***	***	***	***	***
Product 3	China price	***	***	***	***	***	***	***
Product 3	China cost	***	***	***	***	***	***	***
Product 4	United States	***	***	***	***	***	***	***
Product 4	China price	***	***	***	***	***	***	***
Product 4	China cost	***	***	***	***	***	***	***

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. Percent change is the change from the first quarter to the last quarter of the data collection period.

Price and purchase cost comparisons

As shown in table V-9, prices for product imported from China were below those for U.S.-produced product in all 52 instances (*** pounds); margins of underselling ranged from *** percent to *** percent. As shown in table V-10, purchase costs for aluminum containers imported from China were lower than U.S. producer prices in all 52 instances (*** pounds), with differentials ranging from *** percent to *** percent.

[10] Chinese prices for pricing product 3 decreased by *** percent.

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

Quantity in 1,000 pounds; margin in percent

Products	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	13	***	***	***	***
Product 2	Underselling	13	***	***	***	***
Product 3	Underselling	13	***	***	***	***
Product 4	Underselling	13	***	***	***	***
All products	Underselling	52	***	***	***	***
Product 1	Overselling	---	***	***	***	***
Product 2	Overselling	---	***	***	***	***
Product 3	Overselling	---	***	***	***	***
Product 4	Overselling	---	***	***	***	***
All products	Overselling	---	---	---	---	---

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: 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 V-10
Aluminum containers: Instances and quantities of lower/(higher) average unit purchase costs compared to U.S. prices and the range and average of price/cost differentials, by product

Quantity in 1,000 pounds; differential in percent

Products	Type	Number of quarters	Quantity	Average differential	Min differential	Max differential
Product 1	Lower than U.S.	13	***	***	***	***
Product 2	Lower than U.S.	13	***	***	***	***
Product 3	Lower than U.S.	13	***	***	***	***
Product 4	Lower than U.S.	13	***	***	***	***
All products	Lower than U.S.	52	***	***	***	***
Product 1	Higher than U.S.	---	***	***	***	***
Product 2	Higher than U.S.	---	***	***	***	***
Product 3	Higher than U.S.	---	***	***	***	***
Product 4	Higher than U.S.	---	***	***	***	***
All products	Higher than U.S.	---	---	---	---	---

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: 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 "---".

Lost sales and lost revenue

The Commission requested that U.S. producers of aluminum containers report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of aluminum containers from China during January 2021 to March 2024. Of the eight responding U.S. producers, all eight reported that they had to either reduce prices or roll back announced price increases, and that they had lost sales. Petitioners submitted lost sales and lost revenue allegations, identifying 79 firms with which they lost sales or revenue (6 consisting lost sales allegations, 3 consisting of lost revenue allegations, and 70 consisting of both types of allegations).

Staff contacted 79 purchasers and received responses from 11 purchasers. Responding purchasers reported purchasing *** pounds of aluminum containers during January 2021-March 2024 (table V-11).

Of the 11 responding purchasers, 8 reported that, since 2021, they had purchased imported aluminum containers from China instead of U.S.-produced product. All eight 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. These purchasers estimated the quantity of aluminum containers from China that their firm purchased instead of domestic product ranged from *** pounds to *** pounds (table V-12). Purchasers identified concerns with ***, lack of availability, and required minimum orders for private labeling as non-price reasons for purchasing imported rather than U.S.-produced product.

Of the 11 responding purchasers, 2 reported that U.S. producers had reduced prices in order to compete with lower-priced imports from China while 4 reported that they did not know (table V-13). The reported estimated price reduction was *** percent.

Table V-11
Aluminum containers: Purchasers' reported purchases and imports, by firm and source

Quantity in 1,000 pounds, change in shares in percentage points

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 full calendar years.

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

Quantity in 1,000 pounds

Firm	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Narrative on reasons for purchasing imports
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes--8; No--3	Yes--8; No--0	Yes--4; No--4	***	NA

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

Table V-13
Aluminum containers: Purchasers' responses to U.S. producer price reductions, by firm

Price reductions in percent

Firm	Producers lowered prices	Price reduction	Narrative on producer price reductions
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--2; No--5	***	NA

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

Part VI: Financial experience of U.S. producers

Background[1]

The following U.S. producers provided usable financial results on their aluminum container operations: ***.[2] All U.S. producers reported their financial data on a calendar year basis.[3] All but two of the responding U.S. producers provided their financial data on the basis of GAAP.[4]

Commercial sales represented the vast majority of net sales of aluminum containers, but a small amount of internal consumption and transfers to related firms were reported by ***.[5] Internal consumption and transfers to related firms combined represented *** percent of total net sales quantity in 2023 and are not shown separately in this section of the report. Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2023.

[1] The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), January-March 2023 ("interim 2023"), January-March 2024 ("interim 2024"), 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] As discussed in Part III, U.S. producer questionnaire responses were also submitted by *** but were not included in this section of the report because the financial data were incomplete.

[3] ***. U.S. producer questionnaire responses, section III-2 A.1-2.

[4] ***. U.S. producer questionnaire responses, section III-2 B.4.

[5] ***. Email from ***.

Figure VI-1
Aluminum containers: U.S. producers' share of net sales quantity in 2023, by firm

* * * * * * *

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

Operations on aluminum containers

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

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

Quantity in 1,000 pounds; value in 1,000 dollars; ratios in percent

Item	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
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
Aluminum containers: U.S. producers' results of operations, by item and period

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

Item	Measure	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
COGS: Raw materials	Share of COGS	***	***	***	***	***
COGS: Direct labor	Share of COGS	***	***	***	***	***
COGS: Other factory	Share of COGS	***	***	***	***	***
COGS: Total	Share of COGS	100.0	100.0	100.0	100.0	100.0
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	8	8	8	8	8

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

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

Table VI-2
Aluminum containers: Changes in AUVs between comparison periods

Changes in percent

Item	2021-23	2021-22	2022-23	Jan-Mar 2023-24
Total net sales	▲***	▲***	▼***	▼***
COGS: Raw materials	▲***	▲***	▼***	▼***
COGS: Direct labor	▲***	▲***	▼***	▲***
COGS: Other factory	▲***	▲***	▲***	▲***
COGS: Total	▲***	▲***	▼***	▼***

Table continued.

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

Changes in dollars per pound

Item	2021-23	2021-22	2022-23	Jan-Mar 2023-24
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: Percentages and unit values shown as “0.0” or “0.00” represent values greater than zero, but less than “0.05” or “0.005,” respectively. 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.

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

Net sales quantity

Quantity in 1,000 pounds

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Net sales value

Value in 1,000 dollars

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

COGS

Value in 1,000 dollars

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Aluminum containers: 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	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

SG&A expenses

Value in 1,000 dollars

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Aluminum containers: 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	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Aluminum containers: 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	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

COGS to net sales ratio

Ratios in percent

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Aluminum containers: 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	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Aluminum containers: 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	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Aluminum containers: 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	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Aluminum containers: 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	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Unit net sales value

Unit values in dollars per pound

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Unit raw material costs

Unit values in dollars per pound

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Unit direct labor costs

Unit values in dollars per pound

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Unit other factory costs

Unit values in dollars per pound

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Unit COGS

Unit values in dollars per pound

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Unit gross profit or (loss)

Unit values in dollars per pound

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Unit SG&A expenses

Unit values in dollars per pound

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Unit operating income or (loss)

Unit values in dollars per pound

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

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

Unit net income or (loss)

Unit values in dollars per pound

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
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

The U.S. producers' quantity of net sales decreased each year between 2021 and 2023 and was lower in interim 2024 than in interim 2023. Net sales revenue increased from 2021 to 2022 but decreased in 2023, for an overall increase between 2021 and 2023. Net sales revenue was lower in interim 2024 than in interim 2023. The net sales AUV increased from $*** per pound in 2021 to $*** per pound in 2022 and then decreased to $*** per pound in 2023. It was lower in interim 2024, at $*** per pound, than in interim 2023, at $*** per pound.

As shown in table VI-3, while the size of the year-to-year changes in their net sales AUVs varied among the companies, the directional trends were mostly uniform. *** companies reported an overall increase between 2021 and 2023, *** companies reported an increase in their net sales AUVs from 2021 to 2022, *** reported a decrease from 2022 to 2023, and *** companies reported lower net sales AUVs in interim 2024 than in interim 2023.

Cost of goods sold and gross profit or loss

Raw material costs represented the largest share of total COGS for aluminum containers during the period for which data were collected, accounting for between *** percent (in interim 2024) and *** percent (in 2022). Table VI-4 presents raw materials, by type. Thin gauge aluminum coils are the primary raw material input for aluminum containers, representing *** percent of total raw material costs in 2023. The large majority of the thin gauge aluminum coils was foil gauge aluminum.[6] ***, reported that they represented *** and *** percent of their raw material costs in 2023, respectively. *** also reported "other raw material inputs" which they described as ***.[7] [8]

[6] ***.

[7] ***. ***'s U.S. producer questionnaire response, section III-9c.

[8] ***. ***'s U.S. producer questionnaire response, sections III-6 and III-7a.

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

Value in 1,000 dollars; unit values in dollars per pound; share of value in percent

Item	Value	Unit value	Share of value
Foil gauge aluminum coils	***	***	***
Sheet gauge aluminum coils	***	***	***
All thin gauge aluminum	***	***	***
Other material inputs	***	***	***
All raw materials	***	***	***

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

Note: The raw material input unit values are calculated based on the total aluminum container sales volume in 2023. Calculating these unit values separately for the foil and sheet gauge aluminum coils without the corresponding sales volumes associated with each would not be meaningful and are, therefore, not shown. Similarly, ***.

Total raw material cost increased irregularly from 2021 to 2023 but was lower in interim 2024 than in interim 2023. The raw material cost AUV increased from $*** per pound in 2021 to a period high of $*** per pound in 2022, before decreasing to $*** per pound in 2023. It was lower in interim 2024, at $*** per pound, than in interim 2023, at $*** per pound. The directional trends of the firms' raw material cost AUVs were almost completely uniform.[9]

Direct labor was the smallest component of COGS in each full- and partial-year period, representing between *** and *** percent during the period for which data were collected. The direct labor AUV increased from $*** per pound in 2021 to $*** per pound in 2022, and then decreased to $*** per pound in 2023. It was higher in interim 2024, at $*** per pound, than it was in interim 2023, at $*** per pound.

[9] ***.

Other factory costs accounted for the second-largest share of COGS during the period for which data were collected, representing between *** and *** percent of total COGS. Other factory costs increased on an actual and per-pound basis between 2021 and 2023. They were lower in interim 2024 than in interim 2023 on an actual basis but were unchanged between the comparable interim periods on a per-pound basis when rounded to the nearest cent. *** had the largest increases in their per-pound other factory costs between 2021 and 2023, with each reporting an increase of $*** per pound.[10]

The industry's COGS per-pound increased from $*** in 2021 to $*** in 2022 and then decreased to $*** in 2023, for an overall increase between 2021 and 2023. Unit COGS was lower in interim 2024, at $*** per pound, than in interim 2023, at $*** per pound. The COGS to net sales ratio decreased from *** percent in 2021 to *** percent in 2022 before increasing to *** percent in 2023. It was higher in interim 2024, at *** percent, than it was in interim 2023, at *** percent.

The industry's gross profit increased from $*** in 2021 to $*** in 2022 and then decreased to $*** in 2023, for an overall increase of *** percent between 2021 and 2023. Gross profit was *** percent lower in interim 2024, at $***, than it was in interim 2023, at $***. The gross profit margin increased from *** percent in 2021 to a period high of *** percent in 2022 and then decreased to *** percent in 2023. The gross profit margin was lower in interim 2024, at *** percent, than it was in interim 2023, at *** percent.

Witness testimony at the staff conference suggested that the aluminum container industry is highly seasonal. Testimony indicated that the first quarter of the year is the slowest, demand increases in the second half of the year, and peaks around the Thanksgiving and Christmas holidays.[11] This seasonality trend is consistent with the difference in the industry's operating results in interim 2023 when compared with the results for the full year. Net sales and gross profit in the first quarter of 2023 accounted for less than *** of the net sales and gross profit recorded for the full year.[12]

[10] In response to questions from staff, ***. Email from ***. When asked about its increase in other factory costs, ***. Email from ***.

[11] Staff Conference testimony, p. 60, 64 (Walters, Cobb).

[12] The industry's interim 2023 net sales quantity and value accounted for *** and *** percent, respectively, of the full-year sales. The interim 2023 gross profit accounted for *** percent of the full-year gross profit.

SG&A expenses and operating income or loss

SG&A expenses increased overall from $*** in 2021 to $*** in 2023 but were slightly lower in interim 2024, at $***, than in interim 2023, at $***. ***, whose SG&A expenses increased by $*** from 2021 to 2023, was responsible for ***. In response to questions from staff, ***.[13] [14] The industry's SG&A expense ratio (SG&A expenses divided by net sales values) increased from *** percent in 2021 to *** percent in 2023 and was higher in interim 2024, at *** percent, compared to interim 2023, at *** percent.

U.S. producers' operating income increased from $*** in 2021 to $*** in 2022 and then decreased to $*** in 2023. It was lower in interim 2024, at $***, than it was in interim 2023, at $***. The operating income margin (operating income as a ratio to net sales) increased from *** percent in 2021 to *** percent in 2022 before decreasing to *** percent in 2023. It was lower in interim 2024, at *** percent, than in interim 2023, at *** percent.

*** of the responding companies reported an increase in operating income from 2021 to 2022 and *** reported a decrease from 2022 to 2023. *** of the responding firms reported an overall decrease in operating income between 2021 and 2023. *** companies reported lower operating income in interim 2024 than in interim 2023. Operating losses were reported by *** in 2023 and interim 2023. In interim 2024, operating losses were reported by *** of the responding U.S. producers.

[13] Email from ***.

[14] ***. In response to questions from staff, ***. Emails from ***.

All other expenses and net income or loss

Classified below the operating income level are interest expense, other expense and other income. Interest expense increased from $*** in 2021 to $*** in 2023 and was higher in interim 2024, at $***, than in interim 2023, at $***.[15] Other expenses decreased irregularly, from $*** in 2021 to $*** in 2023 and was lower in interim 2024, at $***, than in interim 2023, at $***.[16] Lastly, all other income increased irregularly from $*** in 2021 to $*** in 2023 and was higher in interim 2024, at $***, than it was in interim 2023, at $***.[17]

Net income increased from $*** in 2021 to $*** in 2022 and then decreased to $*** in 2023. Net income was lower in interim 2024, at $***, than in interim 2023, at $***. The net income margin increased from *** percent in 2021 to *** percent in 2022 before decreasing to *** percent in 2023. It was lower in interim 2024, at *** percent than in interim 2023, at *** percent.

*** companies, ***, reported net losses in 2023. The *** reported net losses in interim 2023 that worsened to larger net losses in interim 2024, and one additional company, ***, also reported a net loss in interim 2024.

[15] ***.

[16] ***.

[17] ***. Email from ***.

***. The ***. ***'s U.S. producer questionnaire, section III-10; email from ***.

Variance analysis

A variance analysis for the aluminum container operations of U.S. producers is presented in table VI-5.[18] The information for this variance analysis is derived from table VI-1. The analysis shows that the $*** increase in operating income between 2021 and 2023 was attributable to a favorable price variance that was larger than the unfavorable cost/expense and volume variances, combined (i.e., the positive effect of the increase in the net sales AUV was larger than the combined negative effects from the increase in the per-unit cost/expense and the decrease in sales volume). The analysis also shows that the lower operating income in interim 2024, when compared with interim 2023, was primarily attributable to an unfavorable price variance, combined with a smaller unfavorable volume variance, despite a favorable cost/expense variance. (i.e., the negative effects of the decrease in the net sales AUV, combined with lower sales volume, were larger than the positive effect from the decrease in the per-unit costs and expenses).

[18] The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Table VI-5
Aluminum containers: Variance analysis on the operations of U.S. producers between comparison periods

Value in 1,000 dollars

Item	2021-23	2021-22	2022-23	Jan-Mar 2023-24
Net sales price variance	***	***	***	***
Net sales volume variance	***	***	***	***
Net sales total variance	***	***	***	***
COGS cost variance	***	***	***	***
COGS volume variance	***	***	***	***
COGS total variance	***	***	***	***
Gross profit variance	***	***	***	***
SG&A cost variance	***	***	***	***
SG&A volume variance	***	***	***	***
SG&A total variance	***	***	***	***
Operating income price variance	***	***	***	***
Operating income cost variance	***	***	***	***
Operating income volume variance	***	***	***	***
Operating income total variance	***	***	***	***

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

Note: These data are derived from the data in table VI-1. Unfavorable variances (which are negative) are shown in parentheses, all others are favorable (positive).

Capital expenditures and research and development expenses

Table VI-6 presents capital expenditures, by firm, and table VI-7 presents the firms' narrative explanations of the nature, focus, and significance of their capital expenditures by firm. The industry's capital expenditures decreased irregularly from $*** in 2021 to $*** in 2023 and were lower in interim 2024, at $***, than in interim 2023, at $***. *** reported the largest company-specific amounts of capital expenditures in ***, where *** had the largest company-specific amount.

*** R&D expenses during the period for which data were collected. *** reported R&D expenses of ***.[19]

Table VI-6
Aluminum containers: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Durable Packaging	***	***	***	***	***
Fine Pack	***	***	***	***	***
Handi-Foil	***	***	***	***	***
Penny Plate	***	***	***	***	***
Reynolds	***	***	***	***	***
Shah Foil	***	***	***	***	***
Smart USA	***	***	***	***	***
Trinidad Benham	***	***	***	***	***
All firms	***	***	***	***	***

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

[19] *** U.S. producer questionnaire response, section III-13a. ***. *** U.S. producer questionnaire response, section III-13c.

Table VI-7
Aluminum containers: U.S. producers' narrative descriptions of their capital expenditures, by firm

Firm	Narrative on capital expenditures
Durable Packaging	***
Fine Pack	***
Handi-Foil	***
Penny Plate	***
Reynolds	***
Shah Foil	***
Smart USA	***
Trinidad Benham	***

Source: Compiled from data submitted in response to Commission questionnaires

Assets and return on assets

Table VI-8 presents data on the U.S. producers' total assets and table VI-9 presents their operating ROAs.[20] Table VI-10 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time. Total assets increased irregularly from $*** in 2021 to $*** in 2023. Return on assets increased irregularly from *** percent in 2021 to *** percent in 2023.

Table VI-8
Aluminum containers: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

Firm	2021	2022	2023
Durable Packaging	***	***	***
Fine Pack	***	***	***
Handi-Foil	***	***	***
Penny Plate	***	***	***
Reynolds	***	***	***
Shah Foil	***	***	***
Smart USA	***	***	***
Trinidad Benham	***	***	***
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.

Table VI-9
Aluminum containers: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2021	2022	2023
Durable Packaging	***	***	***
Fine Pack	***	***	***
Handi-Foil	***	***	***
Penny Plate	***	***	***
Reynolds	***	***	***
Shah Foil	***	***	***
Smart USA	***	***	***
Trinidad Benham	***	***	***
All firms	***	***	***

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

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

Table VI-10
Aluminum containers: U.S. producers' narrative descriptions of their total net assets, by firm

Firm	Narrative on assets
Durable Packaging	***
Fine Pack	***
Handi-Foil	***
Penny Plate	***
Reynolds	***
Shah Foil	***
Smart USA	***
Trinidad Benham	***

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

Capital and investment

The Commission requested U.S. producers of aluminum containers to describe any actual or potential negative effects of imports of aluminum containers from China on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-11 presents the number of firms reporting an impact in each category and table VI-12 provides the U.S. producers' narrative responses.

Table VI-11
Aluminum containers: 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-12
Aluminum containers: 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 continued.

Table VI-12 Continued
Aluminum containers: 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 factors*[1]*--*
>
> *(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 was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[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."

The industry in China

The Commission issued foreign producers' or exporters' questionnaires to 53 firms believed to produce and/or export aluminum containers from China.[3] Usable responses to the Commission's questionnaire were received from three firms. These firms' exports to the United States accounted for approximately *** percent of U.S. imports of aluminum containers from China in 2023. According to estimates requested of the responding producers in China, the production of aluminum containers in China reported in questionnaires accounted for approximately *** percent of overall production of aluminum containers in China in 2023. Table VII-1 presents information on the aluminum containers operations of the responding producers and exporters in China. Table IV-2 presents information on resellers in China.

Table VII-1
Aluminum containers: Summary data for producers in China, 2023

Producer	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Henan	***	***	***	***	***	***
Uniriver	***	***	***	***	***	***
Weifang	***	***	***	***	***	***
All individual producers	***	***	***	***	***	***

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

Table VII-2
Aluminum containers: Summary data for resellers in China, by firm, 2023

Reseller	Resales exported to the United States (1,000 pounds)	Share of resales exported to the United States (percent)
***	***	***

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

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

Changes in operations

Producers in China were asked to report any change in the character of their operations or organization relating to the production of aluminum containers since January 1, 2021. All three producers indicated in their questionnaires that they had experienced such changes. Table VII-3 presents the changes identified by these producers.

Firms were also asked about the impact of the COVID-19 pandemic on their aluminum containers operations. All three producers reported changes in their supply chain arrangements, production, and/or shipments relating to aluminum containers; their responses are presented in table VII-4. In addition, table VII-5 presents subject producers' anticipated changes in their aluminum containers operations.

Table VII-3
Aluminum containers: Reported changes in operations in China since January 1, 2021, by firm

Item	Firm name and narrative response regarding changes in operations
Production opening	***
Production closing	***
Prolonged shutdown	***
Production curtailments	***
Production curtailments	***
Production shutdowns	***
Expansions	***
Expansions	***
Weather-related or force majeure events	***
Weather-related or force majeure events	***

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

Table VII-4
Aluminum containers: Chinese producers' reported impact of COVID-19 on their operations, by firm

Firm	Narrative on COVID-19 impact
Henan	***
Uniriver	***
Weifang	***

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

Table VII-5
Aluminum containers: Chinese producers' anticipated changes in operations, by firm

Firm	Narrative on anticipated changes in operations
***	***
***	***

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

Operations on aluminum containers

Table VII-6 presents information on the aluminum containers operations of the responding producers and exporters in China. Between 2021 and 2023, subject producers' practical capacity and production of aluminum containers increased more than *** and *** respectively, and were higher in interim 2024 than in interim 2023.[4] The increase in capacity and production is primarily due to ***. Capacity is projected to increase, while production is projected to decrease, in 2024 and 2025 compared to 2023. Capacity utilization was high in each year, ranging from *** percent to *** percent.

Similar to capacity and production, subject producers' exports to the United States between 2021 and 2023 increased ***, were higher in interim 2024 than in interim 2023, and are projected to increase in 2024 and 2025 compared to 2023. Subject producers' exports to the United States accounted for the majority of total shipments (*** percent) during 2021-2023.

[4] Subject producers reported installed capacity of *** pounds in 2021, *** pounds in 2022, *** pounds in 2023, and *** pounds in interim 2023 and interim 2024.

Table VII-6
Aluminum containers: Data on industry in China, by period

Quantity in 1,000 pounds

Item	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024	Projected 2024	Projected 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	***	***	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***	***	***
Total exports to the United States	***	***	***	***	***	***	***

Table continued.

Table VII-6 Continued
Aluminum containers: Data on industry in China, by period

Ratio and share in percent

Item	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024	Projected 2024	Projected 2025
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	***	***	***	***	***	***	***
Producers' exports to the United States share	***	***	***	***	***	***	***
Resellers' exports to the United States share	***	***	***	***	***	***	***
Adjusted exports to the United States share of total shipments	***	***	***	***	***	***	***

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

Note: *** reported practical capacity equal 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 “---“.

Alternative products

Subject producers do not produce alternative products on the same equipment and machinery used to produce aluminum containers and are unable to switch production to alternative products.

Constraints on capacity

Table VII-7 presents subject producers' reported capacity constraints since January 1, 2021.

Table VII-7
Aluminum containers: China producers' reported capacity constraints since January 1, 2021

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Supply of material inputs	***
Supply of material inputs	***
Fuel or energy	***
Storage capacity	***
Logistics/transportation	***

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

Exports

Table VII-8 presents Global Trade Atlas ("GTA") data for HS 7615.10 (aluminum household products), a category that includes aluminum containers and out-of-scope products, from China. The leading export markets for aluminum household products from China were the United States, Japan, United Kingdom, Germany and the Netherlands (table IV-8). During 2023, the United States was the leading export market for aluminum household products from China, accounting for 29.9 percent of the total, followed by Japan, accounting for 6.0 percent.

Table VII-8
Aluminum household products: Exports from China, by destination markets and period

Quantity in 1,000 pounds; value in 1,000 dollars

Destination market	Measure	2021	2022	2023
United States	Quantity	461,436	346,526	370,567
Japan	Quantity	93,141	79,171	74,627
United Kingdom	Quantity	62,137	43,320	51,922
Germany	Quantity	60,029	47,736	36,270
Netherlands	Quantity	41,014	27,143	32,521
Spain	Quantity	49,590	39,570	32,317
Canada	Quantity	46,977	37,431	32,175
Israel	Quantity	29,734	20,175	30,443
Italy	Quantity	53,149	26,369	30,179
All other destination markets	Quantity	630,151	488,968	548,562
All destination markets	Quantity	1,527,359	1,156,409	1,239,584
United States	Value	1,216,314	1,020,784	981,766
Japan	Value	312,135	292,450	248,095
United Kingdom	Value	167,644	127,920	137,185
Germany	Value	155,231	132,520	92,361
Netherlands	Value	113,908	83,373	86,858
Spain	Value	126,452	113,165	84,453
Canada	Value	116,330	103,627	79,588
Israel	Value	70,234	51,768	68,324
Italy	Value	132,642	77,825	79,328
All other destination markets	Value	1,610,651	1,416,119	1,451,890
All destination markets	Value	4,021,541	3,419,551	3,309,848

Table continued.

Table VII-8 Continued
Aluminum household products: Exports from China, by destination markets and period

Unit value in dollars per pound; share in percent

Destination market	Measure	2021	2022	2023
United States	Unit value	2.64	2.95	2.65
Japan	Unit value	3.35	3.69	3.32
United Kingdom	Unit value	2.70	2.95	2.64
Germany	Unit value	2.59	2.78	2.55
Netherlands	Unit value	2.78	3.07	2.67
Spain	Unit value	2.55	2.86	2.61
Canada	Unit value	2.48	2.77	2.47
Israel	Unit value	2.36	2.57	2.24
Italy	Unit value	2.50	2.95	2.63
All other destination markets	Unit value	2.56	2.90	2.65
All destination markets	Unit value	2.63	2.96	2.67
United States	Share of quantity	30.2	30.0	29.9
Japan	Share of quantity	6.1	6.8	6.0
United Kingdom	Share of quantity	4.1	3.7	4.2
Germany	Share of quantity	3.9	4.1	2.9
Netherlands	Share of quantity	2.7	2.3	2.6
Spain	Share of quantity	3.2	3.4	2.6
Canada	Share of quantity	3.1	3.2	2.6
Israel	Share of quantity	1.9	1.7	2.5
Italy	Share of quantity	3.5	2.3	2.4
All other destination markets	Share of quantity	41.3	42.3	44.3
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics for China, under HS subheading 7615.10 as reported by China Customs in the Global Trade Atlas Suite database, accessed May 21, 2024.

Note: United States is shown at the top. All remaining top export destinations are shown in descending order of 2023 quantity data.

U.S. inventories of imported merchandise

Table VII-9 presents data on U.S. importers' reported inventories of aluminum containers. U.S. importers' inventories from China *** between 2021 and 2023 but were *** percent lower in interim 2024 than in interim 2023. The ratio of inventories to total shipments increased overall by *** percentage points during 2021-23 and was *** percentage points lower in interim 2024 than in interim 2023. Similarly, the ratio of inventories to subject imports increased by *** percentage points during 2021-23 and was *** percentage points lower in interim 2024 than in interim 2023.

Table VII-9
Aluminum containers: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 pounds; ratio in percent

Measure	Source	2021	2022	2023	Jan-Mar 2023	Jan-Mar 2024
Inventories quantity	China	***	***	***	***	***
Ratio to imports	China	***	***	***	***	***
Ratio to U.S. shipments of imports	China	***	***	***	***	***
Ratio to total shipments of imports	China	***	***	***	***	***
Inventories quantity	Nonsubject	***	***	***	***	***
Ratio to imports	Nonsubject	***	***	***	***	***
Ratio to U.S. shipments of imports	Nonsubject	***	***	***	***	***
Ratio to total shipments of imports	Nonsubject	***	***	***	***	***
Inventories quantity	All	***	***	***	***	***
Ratio to imports	All	***	***	***	***	***
Ratio to U.S. shipments of imports	All	***	***	***	***	***
Ratio to total shipments of imports	All	***	***	***	***	***

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

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of aluminum containers from China after March 31, 2024. More than two-thirds of responding firms indicated that they had arranged such imports from China. One firm reported arranged imports from nonsubject sources. Their reported data are presented in table VII-10.

Table VII-10
Aluminum containers: U.S. importers' arranged imports, by source and period

Quantity in 1,000 pounds

Source	Apr-Jun 2024	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Total
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Third-country trade actions

On March 31, 2015, the Mexican Ministry of Economy initiated an antidumping investigation on imports of aluminum cookware from China entering the country under HS 7615.10. On December 22, 2015, provisional antidumping duties were placed on imports from China at the rate of $4.10 per kilogram. Imports specifically from Zhejiang Sanhe Kitchenware Co., Ltd., were subjected to a duty rate of $3.74 per kilogram. Definitive duties were enforced October 14, 2016, with a duty rate of $7.73 per kilogram. Imports specifically from Zhejiang Sanhe Kitchenware Co., Ltd. were subjected to a maximum duty of $5.65 per kilogram. A sunset review was initiated on October 5, 2021, and on March 31, 2023, the definitive duty was extended with the duty rate remaining unchanged.[5]

On June 29, 2020, the Eurasian Economic Union which consists of Armenia, Kazakhstan, Kyrgyz Republic, and the Russian Federation initiated an antidumping investigation on products imported from China classified under HS 7615.10. On August 26, 2021, products imported from China were subjected to a definitive duty rate of 21.89 percent.[6]

Information on nonsubject countries

Table VII-11 presents Global Trade Atlas ("GTA") data for HS 7615.10, a category that includes aluminum containers and out-of-scope products (by source in descending order of quantity for 2023). In 2023, the top exporters based on quantity were China (63.5 percent), Australia (9.0 percent), Turkey (3.4 percent), Italy (3.1 percent) India (2.6 percent), and France (2.6 percent) which collectively accounted for nearly 84.8 percent of the global export value.

[5] Global Trade Alert, "Mexico: Extension of definitive antidumping duty on imports of aluminum cookware from China," https://www.globaltradealert.org/intervention/20155/anti-dumping/mexico-definitive-antidumping-duty-on-imports-of-aluminium-cookware-from-china, retrieved June 24, 2024.

[6] WTO, Trade Remedies Data Portal, Antidumping, "Original Investigation AD-32-CN," August 26, 2021, retrieved June 13, 2024, AD-32-CN - Investigation details - Trade Remedies Data Portal (wto.org).

Table VII-11
Aluminum household products: Global exports by exporter and period

Quantity in 1,000 pounds; value in 1,000 dollars

Exporting country	Measure	2021	2022	2023
United States	Quantity	16,789	17,962	13,319
China	Quantity	1,527,359	1,156,409	1,239,584
Australia	Quantity	1,402	1,216	175,236
Turkey	Quantity	113,586	86,300	66,397
Italy	Quantity	106,515	85,666	59,674
India	Quantity	56,056	52,080	51,081
France	Quantity	67,643	54,182	49,934
All other exporters	Quantity	624,355	401,008	296,476
Nonsubject exporters	Quantity	969,558	680,452	698,798
All reporting exporters	Quantity	2,513,706	1,854,823	1,951,701
United States	Value	135,940	138,085	113,711
China	Value	4,021,541	3,419,551	3,309,848
Australia	Value	3,675	3,480	2,703
Turkey	Value	262,858	215,772	164,539
Italy	Value	453,995	383,466	293,941
India	Value	125,433	128,753	115,788
France	Value	361,073	301,936	324,462
All other exporters	Value	1,980,434	1,544,076	1,228,107
Nonsubject exporters	Value	3,187,468	2,577,483	2,129,539
All reporting exporters	Value	7,344,949	6,135,120	5,553,098

Table continued.

Table VII-11 Continued
Aluminum household products: Global exports by exporter and period

Unit value in dollars per pound; share in percent

Exporting country	Measure	2021	2022	2023
United States	Unit value	8.10	7.69	8.54
China	Unit value	2.63	2.96	2.67
Australia	Unit value	2.62	2.86	0.02
Turkey	Unit value	2.31	2.50	2.48
Italy	Unit value	4.26	4.48	4.93
India	Unit value	2.24	2.47	2.27
France	Unit value	5.34	5.57	6.50
All other exporters	Unit value	3.17	3.85	4.14
Nonsubject exporters	Unit value	3.29	3.79	3.05
All reporting exporters	Unit value	2.92	3.31	2.85
United States	Share of quantity	0.7	1.0	0.7
China	Share of quantity	60.8	62.3	63.5
Australia	Share of quantity	0.1	0.1	9.0
Turkey	Share of quantity	4.5	4.7	3.4
Italy	Share of quantity	4.2	4.6	3.1
India	Share of quantity	2.2	2.8	2.6
France	Share of quantity	2.7	2.9	2.6
All other exporters	Share of quantity	24.8	21.6	15.2
Nonsubject exporters	Share of quantity	38.6	36.7	35.8
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics for China, under HS subheading 7615.10 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed May 21, 2024.

Note: United States is shown at the top. All remaining top export destinations are shown in descending order of 2023 quantity data.

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 45016, May 22, 2024	Disposable Aluminum Containers, Pans, and Trays From China; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations	https://www.govinfo.gov/content/pkg/FR-2024-05-22/pdf/2024-11185.pdf
89 FR 49833, June 12, 2024	Disposable Aluminum Containers, Pans, Trays, and Lids From the People's Republic of China: Initiation of Countervailing Duty Investigation	https://www.govinfo.gov/content/pkg/FR-2024-06-12/pdf/2024-12847.pdf
89 FR 49837, June 12, 2024	Disposable Aluminum Containers, Pans, Trays, and Lids From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation	https://www.govinfo.gov/content/pkg/FR-2024-06-12/pdf/2024-12848.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 Preliminary Conference:

Subject: Disposable Aluminum Containers, Pans, and Trays from China

Inv. Nos.: 701-TA-727 and 731-TA-1695 (Preliminary)

Date and Time: June 6, 2024 - 9:45 a.m.

Sessions were held in connection with these preliminary phase investigations in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

In Support of Imposition (**John Herrmann**, Kelley Drye & Warren LLP)

In Support of the Imposition of the Antidumping and Countervailing Duty Orders:

Kelley Drye & Warren LLP
Washington, DC
on behalf of

Aluminum Foil Container Manufacturers Association
Durable Packaging International
D&W Fine Pack, LLC
Handi-Foil Corp.
Penny Plate, LLC
Reynolds Consumer Products, LLC
Shah Foil Products, Inc.
Smart USA, Inc
Trinidad/Benham Corp.

Paul Cobb, President, Aluminum Foil Container Manufacturers Association
President and Chief Executive Officer, Penny Plate, LLC

Raj Patel, Chief Operations Officer, Handi-Foil Corp.

Donna Walters, Director of Aluminum Risk, Trinidad/Benham Corp.

Hanish Shah, Founder and President, Shah Foil

In Support of the Imposition of the
Antidumping and Countervailing Duty Orders (continued):

Scott Anders, President and Chief Executive Officer, Durable Packaging International

Brad Hudgens, Georgetown Economic Services, LLC

Jacob Jones, Georgetown Economic Services, LLC

John M. Herrmann)
Paul C. Rosenthal)
) – OF COUNSEL
Joshua R. Morey)
Matthew G. Pereira)

CLOSING REMARKS:

In Support of Imposition (**Paul C. Rosenthal**, Kelley Drye & Warren LLP)

APPENDIX C

SUMMARY DATA

Table C-1
Aluminum containers: Summary data concerning the U.S. market, by item and period
Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Mar		Comparison years			Jan-Mar
Item	2021	2022	2023	2023	2024	2021-23	2021-22	2022-23	2023-24
U.S. consumption quantity:									
Amount	283,406	303,632	292,709	57,032	59,875	▲3.3	▲7.1	▼(3.6)	▲5.0
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▲***	▼***
Importers' share (fn1):									
China	***	***	***	***	***	▲***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▼***	▲***	▲***
All import sources	***	***	***	***	***	▲***	▲***	▼***	▲***
U.S. consumption value:									
Amount	999,790	1,307,845	1,198,392	229,018	213,098	▲19.9	▲30.8	▼(8.4)	▼(7.0)
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▲***	▼***
Importers' share (fn1):									
China	***	***	***	***	***	▲***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▲***	▲***	▲***
All import sources	***	***	***	***	***	▲***	▲***	▼***	▲***
U.S. imports from:									
China:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▲***
Value	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▼***	▲***	▼***	▼***
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 (pounds per hour)	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit labor costs	***	***	***	***	***	▲***	▲***	▼***	▼***

Table continued.

Table C-1 Continued
Aluminum containers: Summary data concerning the U.S. market, by item and period
Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Mar		Comparison years			Jan-Mar
Item	2021	2022	2023	2023	2024	2021-23	2021-22	2022-23	2023-24
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	***	***	***	NA	NA	▲***	▲***	▼***	NA

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 7615.10.7125, accessed May 21, 2024 adjusted to add imports under other HTS statistical reporting numbers reported in Commission questionnaires. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values. 508-compliant tables for 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 are only calculated when both comparison values represent profits. Only the directional change in profitability is provided when one or both comparison values represent a loss.