Melamine from Germany, Japan, Netherlands, Qatar, and Trinidad and Tobago

Investigation Nos. 701-TA-706, 708-709 and
731-TA-1667, 1669-1670, 1672 (Final)

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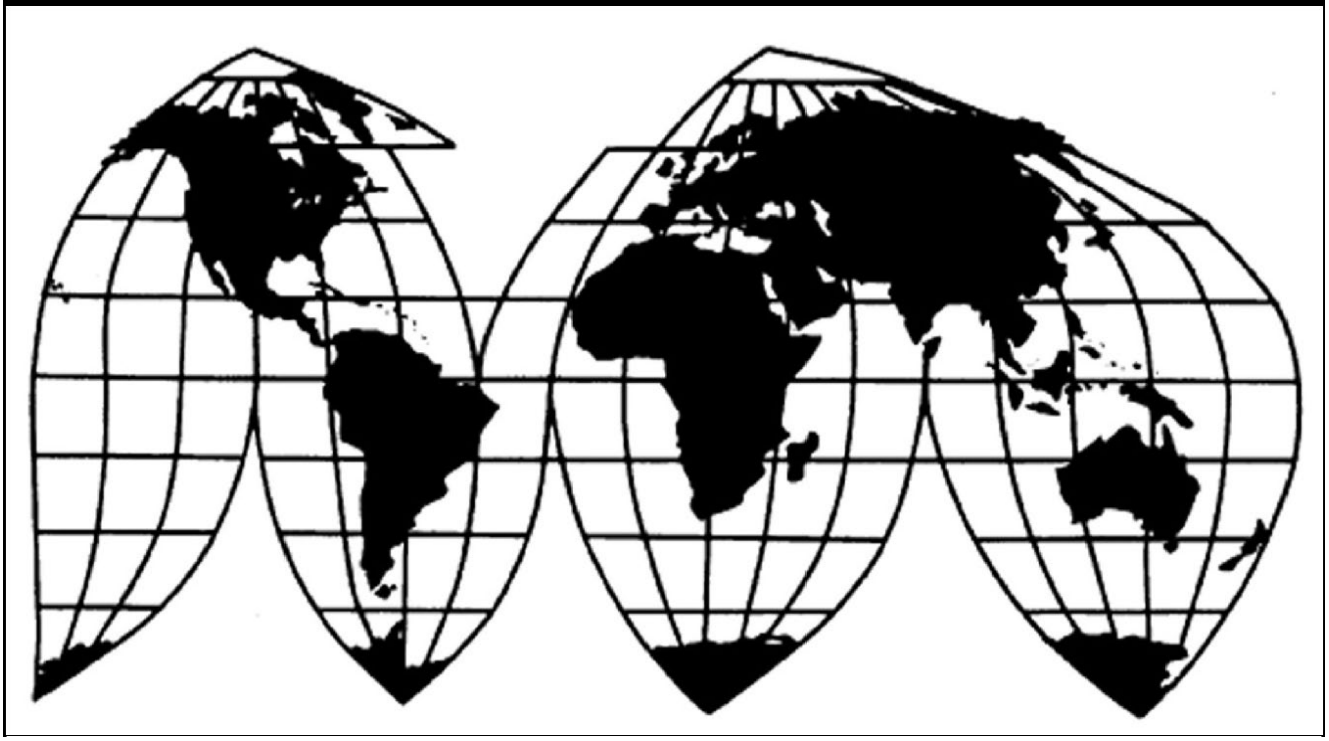

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-706, 708-709 and 731-TA-1667, 1669-1670, 1672 (Final)

Melamine from Germany, Japan, Netherlands, Qatar, and Trinidad and Tobago

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 an industry in the United States is materially injured by reason of imports of melamine, provided for in subheading 2933.61.00 of the Harmonized Tariff Schedule of the United States, from Germany, Japan, and Netherlands that have been found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") and by reason of imports of melamine from Germany and Qatar that that have been found by Commerce to be subsidized by the governments of Germany and Qatar.[2] [3] The Commission also determines that an industry in the United States is threatened with material injury by reason of imports of melamine from Trinidad and Tobago that have been found by Commerce to be sold in the United States at LTFV and subsidized by the government of Trinidad and Tobago.[4]

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[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 97584, 97586, 97590, 97593, and 97601 (December 9, 2024). Commerce also found that imports of melamine from Qatar were not being sold at LTFV (89 FR 97592, December 9, 2024). On December 20, 2024, the Commission published notice of its termination of the antidumping duty investigation on imports of melamine from Qatar (89 FR 104206).

[3] The Commission also finds that imports subject to Commerce's affirmative critical circumstances determination are not likely to undermine seriously the remedial effect of the antidumping duty order on melamine from Japan. Having made a determination that an industry in the United States is threatened with material injury by reason of imports of melamine from Trinidad and Tobago, the Commission did not reach the issue of critical circumstances regarding subject imports from Trinidad and Tobago.

[4] 89 FR 97598 and 97599 (December 9, 2024). The Commission further determines that it would not have found material injury by reason of subject imports from Trinidad & Tobago but for the suspension of liquidation of entries of subject merchandise from Trinidad & Tobago. *See* 19 U.S.C. § 1673d(b)(4)(B).

BACKGROUND

The Commission instituted these investigations effective February 14, 2024, following receipt of petitions filed with the Commission and Commerce by Cornerstone Chemical Company, Waggaman, Louisiana. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of melamine from Germany, India, Qatar, and Trinidad and Tobago were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and that imports of melamine from Germany, India, Japan, Netherlands, Qatar, and Trinidad and Tobago were sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing 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* on September 30, 2024 (89 FR 79637). The Commission conducted its hearing on December 3, 2024. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of melamine from Germany, Japan, and the Netherlands, found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") and imports of melamine from Germany and Qatar found by Commerce to be subsidized by the governments of Germany and Qatar. We also determine that an industry in the United States is threatened with material injury by reason of subject imports of melamine from Trinidad and Tobago ("Trinidad & Tobago") found by Commerce to be sold at LTFV and subsidized by the government of Trinidad & Tobago.

I. Background

Cornerstone Chemical Company ("Cornerstone" or "Petitioner"), the only known domestic producer of melamine, filed the petitions in these investigations on February 14, 2024.[1] The investigation schedules became staggered when Commerce postponed the final determination for its antidumping duty investigation regarding India, and aligned the final determination for its countervailing duty investigation regarding India with the corresponding antidumping duty investigation, but did not postpone the final determinations in the remaining

[1] Petition Volume I at 1. An antidumping duty investigation petition on melamine from Qatar was also filed. However, on December 9, 2024, the Department of Commerce reached a negative final antidumping duty determination in connection with melamine from Qatar and subsequently terminated that antidumping duty investigation (Inv. No. 731-TA-1671 (Final)); *Melamine From Qatar: Final Negative Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 89 Fed. Reg. 97592 (Dec. 9, 2024) ("*Qatar Negative AD Determination.*") We note that all imports of melamine from Qatar continue to be subject merchandise given Commerce's affirmative countervailing duty determination regarding all melamine produced/exported in Qatar. *Qatar CVD Determination,* 89 Fed. Reg. 97593, December 9, 2024.

antidumping and countervailing duty investigations.[2] This gap necessitates earlier Commission determinations in the final phase antidumping duty investigations on melamine from Germany, Japan, the Netherlands, and Trinidad & Tobago and the final phase countervailing duty investigations on melamine from Germany, Qatar, and Trinidad & Tobago than in the trailing investigations regarding melamine from India.[3] Pursuant to the statutory cumulation provision on staggered investigations, the record for each of these investigations will be the same except that, prior to the Commission's determinations in the antidumping and countervailing duty investigations regarding India, the Commission shall include in the record the final Commerce

[2] *Melamine From India: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Determination With the Final Antidumping Duty Determination,* 89 Fed. Reg. 59055 (July 22, 2024); *Melamine From India: Postponement of Final Determination of Sales at Less Than Fair Value Investigation*, 89 Fed. Reg. 84533 (Oct. 23, 2024); *Melamine From India: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part*, 89 Fed. Reg. 77832 (Sep. 24, 2024) ("*India Preliminary AD Determination*"); *Melamine From Germany: Final Affirmative Determination of Sales at Less Than Fair Value*, 89 Fed. Reg. 97584 (Dec. 9, 2024) ("*Germany AD Determination"*); *Melamine From Germany: Final Affirmative Countervailing Duty Determination*, 89 Fed. Reg. 97586 (Dec. 9, 2024) ("*Germany CVD Determination"*); *Melamine From the Netherlands: Final Affirmative Determination of Sales at Less Than Fair Value*, 89 Fed. Reg. 97590 (Dec. 9, 2024) ("*Netherlands AD Determination*"); *Qatar Negative AD Determination*, 89 Fed. Reg. 97592; *Melamine From Qatar: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination*, 89 Fed. Reg. 97593 (Dec. 9, 2024) ("*Qatar CVD Determination"*); *Melamine From Trinidad and Tobago: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part*, 89 Fed. Reg. 97598 (Dec. 9, 2024) ("*Trinidad & Tobago AD Determination"*); *Melamine From Trinidad and Tobago: Final Affirmative Determination in the Countervailing Duty Investigation*, 89 Fed. Reg. 97599 (Dec. 9, 2024) ("*Trinidad & Tobago CVD Determination"*); *Melamine From Japan: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, In Part*, 89 Fed. Reg. 97601 (Dec. 9, 2024) ("*Japan AD Determination*").

[3] Commerce is currently scheduled to issue its final antidumping and countervailing duty determinations in the trailing investigations regarding subject imports from India no later than 135 days from Sep. 24, 2024, or by Feb. 6, 2024. *See, e.g., India Preliminary AD Determination*, 89 Fed. Reg 77832.

The Commission's final determinations in those trailing investigations must be made within 45 days after Commerce's affirmative final determinations, or no later than March 24, 2024. 19 U.S.C. §§ 1671d(b)(2)(B), 1673d(b)(2)(B).

antidumping and countervailing duty determinations with respect to India and the parties' final comments concerning Commerce's later determinations.[4]

Cornerstone submitted prehearing and posthearing briefs and final comments, and representatives of Cornerstone appeared at the hearing accompanied by counsel.[5] Several respondent interested parties participated in these investigations. U.S. importers and purchasers of subject merchandise, Hexion Inc. ("Hexion") and Kronospan USA LLC ("Kronospan"), submitted prehearing and posthearing briefs and final comments, and representatives of Hexion and Kronospan appeared at the hearing accompanied by counsel.[6] S.A.F.E. Chemicals ("S.A.F.E."), a U.S. importer of subject merchandise from India, and Gujarat State Fertilizers and Chemicals Limited ("GSFC"), a foreign producer and exporter of subject merchandise from India, each submitted prehearing briefs, and representatives of these companies appeared at the hearing accompanied by counsel.[7] OCI Nitrogen B.V. ("OCI"), a foreign producer and exporter of subject melamine from the Netherlands submitted prehearing and posthearing briefs and final comments, and representatives of OCI appeared at the hearing

[4] *See* 19 U.S.C. § 1677(7)(G)(iii).

[5] Hearing Transcript ("Hearing Tr.") at 1; Cornerstone Prehearing Brief, EDIS Doc. 838058, and Bracketing Corrections, EDIS Doc. 838191 (Nov. 26, 2024) ("Cornerstone Prehearing Br.") at 1; Cornerstone Posthearing Brief, EDIS Doc. 838945, and Bracketing Corrections, EDIS Doc. 839085 (Dec. 11, 2024) ("Cornerstone Posthearing Br.") at 1; Cornerstone Final Comments, EDIS Doc. 840266 (Dec. 31, 2024).

[6] Hearing Tr. at 1; Hearing Tr. at 1; Hexion Prehearing Brief, EDIS Doc. 838124 (Nov. 26, 2024) ("Hexion Prehearing Br.") at 1; Hexion Posthearing Brief, EDIS Doc. 838957 (Dec. 11, 2024) ("Hexion Posthearing Br.") at 1; Kronospan Prehearing Brief, EDIS Doc. 838136, and Bracketing Corrections, EDIS Doc. 838229 (Nov. 26, 2024) ("Kronospan Prehearing Br.") at 1; Kronospan Posthearing Brief, EDIS Doc. 815939, and Bracketing Corrections, EDIS Doc. 816025 (Dec. 11, 2024) ("Kronospan Posthearing Br.") at 1; Kronospan Final Comments, EDIS Doc. 840280 (Dec. 31, 2024).

[7] Hearing Tr. at 1; S.A.F.E. Chemicals Prehearing Brief, EDIS Doc. 838068, (Nov. 26, 2024) ("S.A.F.E. Prehearing Br.") at 1; Gujarat State Fertilizers & Chemicals Limited Prehearing Brief, EDIS Doc. 838064 (Nov. 26, 2024) ("GSFC Prehearing Br.") at 1.

accompanied by counsel.[8] Qatar Melamine Company ("QMC"), a producer and exporter of melamine from Qatar, submitted prehearing and posthearing briefs and final comments, and representatives of QMC appeared at the hearing accompanied by counsel.[9] Producer and exporter of melamine from Trinidad & Tobago, Methanol Holdings (Trinidad) Ltd., and its affiliate Helm AG, a U.S. importer of subject merchandise from Trinidad & Tobago (together, "MHTL"), submitted prehearing and posthearing briefs and final comments, and representatives of MHTL appeared at the hearing accompanied by counsel.[10]

No respondent interested party representing producers or exporters of melamine from Germany or producers, exporters, or importers of melamine from Japan participated in these investigations.[11]

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[8] Hearing Tr. at 1; OCI Nitrogen B.V. Prehearing Brief, EDIS Doc. 838105, and Bracketing Corrections, EDIS Doc. 838179 (Nov. 26, 2024) ("OCI Prehearing Br.") at 1; OCI Nitrogen B.V. Posthearing Brief, EDIS Doc. 838966 (Dec. 11, 2024) ("OCI Posthearing Br.") at 1; OCI Nitrogen B.V. Final Comments, EDIS Doc. 840265 (Dec. 31, 2024).

[9] QatarEnergy company is the parent company of QMC, the sole producer of melamine in Qatar. Hearing Tr. at 1; Qatar Energy Prehearing Brief, EDIS Doc. 838121, and Bracketing Corrections, EDIS Doc. 838171 (Nov. 26, 2024) ("QMC Prehearing Br.") at 1; Qatar Energy Posthearing Brief, EDIS Doc. 839077, and Bracketing Corrections, EDIS Doc. 816018 (Dec. 11, 2024) ("QMC Posthearing Br.") at 1; Qatar Energy Final Comments, EDIS Doc. 84082 (Dec. 31, 2024).

[10] Hearing Tr. at 1; MHTL Prehearing Brief, EDIS Doc. 838220, and Bracketing Corrections, EDIS Doc. 838118 (Nov. 26, 2024) ("MHTL Prehearing Br.") at 1; MHTL Posthearing Brief, EDIS Doc. 838942, and Bracketing Corrections, EDIS Doc. 839062 (Dec. 11, 2024) ("MHTL Posthearing Br.") at 1; MHTL Final Comments, EDIS Doc. 840269 (Dec. 31, 2024).

[11] Several entities submitted brief non-party statements as defined by the Commission's *Scheduling Notice* and/or appeared at the hearing. *See Melamine From Germany, India, Japan, Netherlands, Qatar, and Trinidad and Tobago; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations*, 89 Fed. Reg. 79637 (Sep. 30, 2024) ("*Scheduling Notice*"). Purchaser Wilsonart Engineered Surfaces ("Wilsonart") submitted prehearing and posthearing briefs, and representatives of Wilsonart appeared at the hearing accompanied by counsel. Wilsonart Prehearing Brief, EDIS Doc. 838096, EDIS Doc. 838171 (Nov. 26, 2024) ("Wilsonart Prehearing Br.") at 1; Wilsonart Posthearing Brief, EDIS Doc. 815913, and Bracketing Corrections, EDIS Doc. 815992 (Dec. 11, 2024) ("Wilsonart Posthearing Br.") at 1. Representatives for purchasers Prefere Melamine LLC and Unilin North America, LLC ("Unilin") submitted prehearing (EDIS Docs. 838034, 838094) (Nov. 26, 2024) and posthearing nonparty statements (EDIS Docs. 838994, 838987) (Dec. 10, 2024) and appeared at the (Continued...)

Data Coverage. U.S. industry data are based on the questionnaire response of Cornerstone, the only known domestic producer of melamine during the period of investigation ("POI"), which extended from January 2021 through June 2024.[12] U.S. import data are based on official Commerce import statistics under Harmonized Tariff Schedule of the United States ("HTSUS") subheading 2933.61.0000, adjusted with proprietary Customs records to remove imports of out-of-scope merchandise, and from the questionnaire responses of 14 U.S. importers.[13] Responding importers represented *** percent of the total volume of U.S. imports of melamine in 2023, as indicated in adjusted official Commerce import statistics.[14] Responding importers represented *** percent of U.S. imports of melamine from Germany, *** percent of U.S. imports of melamine from India, *** percent of U.S. imports of melamine from Japan, *** percent of U.S. imports of melamine from the Netherlands, *** percent of U.S.

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hearing accompanied by counsel; representatives for Egger Wood Products, LLC, an end user of melamine resins, submitted a prehearing nonparty statement and appeared at the hearing accompanied by counsel; end users of melamine resins BMK Americas and Swiss Krono USA, as well as the Composite Panel Association ("CPA"), a trade association of end users of melamine resins, submitted prehearing nonparty statements (EDIS Docs. 838062, 838069, 838065, 838035) (Nov. 26, 2024); the North American Laminate Flooring Association ("NALFA"), a trade association of end users of melamine resins submitted a nonparty statement (EDIS Doc. 838188) (Nov. 27, 2024); Catalynt Solutions, Inc. ("Catalynt"), a U.S. importer of subject merchandise, submitted a posthearing nonparty statement (EDIS Docs. 838992) (Dec. 10, 2024); and representatives of purchasers LRBG Chemicals (USA) Inc. and Allnex USA Inc. and importer ZYP Coatings Inc. appeared at the hearing accompanied by counsel. Hearing Tr. at 1.

[12] Confidential Staff Report, INV-WW-155 (Dec. 19, 2024) ("CR") at I-5, IV-1; *Melamine from Germany, Japan, Netherlands, Qatar, and Trinidad and Tobago*, Inv. Nos. 701-TA-706, 708-709 and 731-TA-1667, 1669-1670, 1672 (Final), USITC Pub. 5577 (Jan. 2025) ("PR") (together, "CR/PR").

[13] CR/PR at IV-1 & n.3. Review of proprietary Customs data and importer questionnaire responses during the final phase of these investigations has shown that out-of-scope merchandise entered under subheading 2933.61.0000; this out-of-scope merchandise was removed to calculate U.S. import volumes.

[14] CR/PR at IV-1, Table IV-1. Adjusted official Commerce import data indicate that nonsubject imports accounted for *** percent of all melamine imports in 2023. CR/PR at Table IV-2. ***, the only importer of nonsubject melamine that responded to the importer questionnaire, reported importing nonsubject merchandise in 2021 and 2022, but not 2023. CR/PR at IV-1 n.4. The other known importer of melamine from nonsubject countries, ***, did not respond to the importer questionnaire. CR/PR at IV-3-4 n.6.

imports of melamine from Qatar, and *** percent of U.S. imports of melamine from Trinidad & Tobago, in 2023.[15]

Foreign industry data and related information are based on the questionnaire responses from five foreign producers/exporters of subject merchandise accounting for *** melamine production in India, the Netherlands, Qatar, and Trinidad & Tobago, and *** percent of melamine production in Germany.[16] The Commission did not receive a questionnaire response from foreign producers/exporters of subject merchandise from Japan.[17]

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the "domestic like product" and the "industry."[18] 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."[19] In turn, the Tariff Act defines "domestic like product" as "a product which is

[15] CR/PR at IV-1, Table IV-1.

[16] CR/PR at VII-3, Table VII-1. Responding foreign producers' exports to the United States represented (as a share of the volume of the adjusted official Commerce import statistics) *** percent of subject imports from Germany, *** percent of subject imports from India, *** percent of imports of subject imports from the Netherlands, *** percent of subject imports from Qatar, and *** percent of subject imports from Trinidad & Tobago. CR/PR at VII-3.

[17] CR/PR at Table VII-1.

[18] 19 U.S.C. § 1677(4)(A).

[19] 19 U.S.C. § 1677(4)(A).

like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[20]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by Commerce.[21] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[22] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[23] 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.[24] No single factor is dispositive, and the Commission may

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[20] 19 U.S.C. § 1677(10).

[21] 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).

[22] *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. Circ. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

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

[24] *See*, *e.g.*, *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *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; (Continued...)

consider other factors it deems relevant based on the facts of a particular investigation.[25] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[26]

B. Product Description

Commerce defined the imported merchandise within the scope of these investigations as follows:

> {M}elamine (Chemical Abstracts Service ("CAS") registry number 108–78–01, molecular formula $C_3H_6N_6$). Melamine is a crystalline powder or granule typically (but not exclusively) used to manufacture melamine formaldehyde resins. All melamine is covered by the scope of these orders irrespective of purity, particle size, or physical form. Melamine that has been blended with other products is included within this scope when such blends include constituent parts that have been intermingled, but that have not been chemically reacted with each other to produce a different product. For such blends, only the melamine component of the mixture is covered by the scope of these orders. Melamine that is otherwise subject to these orders is not excluded when commingled with melamine from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of these orders.
>
> The subject merchandise is provided for in subheading 2933.61.0000 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.[27]

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(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).

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

[26] *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.").

[27] CR/PR at I-9. *See also* Appendices in *Germany AD Determination*, 89 Fed. Reg. 97584; *Germany CVD Determination*, 89 Fed. Reg. 97586; *Netherlands AD Determination*, 89 Fed. Reg. 97590; *Qatar Negative AD Determination*, 89 Fed. Reg. 97592; *Qatar CVD Determination*, 89 Fed. Reg. 97593; (Continued...)

Melamine is an organic chemical most commonly used in the production of melamine-formaldehyde ("MF") resins. It is sold as a white, crystalline powder with a purity of 99.8 percent.[28] MF resins provide hardness, transparency, and stain resistance for a long-lasting working surface.[29] MF resins are used in the production of laminates, surface coatings, adhesives, molding compounds, paper treatments, and other applications.[30] MF resins are also used in kitchen and bathroom countertops, tabletops, doors, and cabinets made using laminates, particularly surface coatings, molding compounds, paper and textile treatments, and adhesives.[31] Melamine is also used in the automotive, appliance, dinnerware, furniture, fabric, and wood paneling industries, and in textile treatment applications.[32] Melamine is produced by heating and concentrating urea in a water solution.[33] This thermal decomposition can be accomplished by the low-pressure catalytic process used by Cornerstone or a high-pressure non-catalytic process used in newer plants by some of the subject foreign producers.[34]

C. Arguments of the Parties

Petitioner's Argument. Cornerstone argues that the Commission should define a single domestic like product, coextensive with the scope, as it did in the preliminary phase. In Cornerstone's view, the Commission's traditional domestic like product factors continue to support a single domestic like product definition coextensive with the scope, given that all

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Trinidad & Tobago AD Determination, 89 Fed. Reg. 97598; *Trinidad and Tobago CVD Determination*, 89 Fed. Reg. 97599; *Japan AD Determination,* 89 Fed. Reg. 97601.

[28] CR/PR at I-10.
[29] CR/PR at I-10.
[30] CR/PR at I-10.
[31] CR/PR at I-10, II-1.
[32] CR/PR at I-10.
[33] CR/PR at I-11.
[34] CR/PR at I-11-13.

melamine has similar physical characteristics and end uses, shares the same production processes and manufacturing facilities using the same employees, is not interchangeable with any other printing plates, is sold through similar channels of distribution, is perceived by producers and customers to comprise the same unique product, and is sold within a range of prices.[35]

Respondents' Argument. Respondents do not contest Petitioner's proposed definition of the domestic like product.[36]

D. Analysis and Conclusion

In its preliminary determinations, the Commission defined a single domestic like product consisting of all melamine, coextensive with Commerce's scope. The Commission observed that the scope in these investigations is essentially identical to the scope in *Melamine I* and *Melamine II*, in which the Commission defined a single domestic like product coextensive with the scope, and there was no new information or argument on the record of the preliminary phase of these investigations that warranted a different definition of the domestic like product.[37]

The record of these final phase investigations does not contain any new information or argument suggesting that the Commission should revisit the domestic like product definition from the preliminary determinations.[38] No party contests Cornerstone's argument that the

[35] Cornerstone Prehearing Br. at 6-10.

[36] CR/PR at I-14.

[37] *Preliminary Determinations*, USITC Pub. 5503 at 14-15; *See also Melamine From Japan*, Inv. No. AA1921-162 (Review), USITC Pub. 3209 (July 1999) (*"Melamine I*") and *Melamine from China and Trinidad & Tobago*, Inv. Nos. 701-TA-526-527 and 731-TA-1262-1263 (Final), USITC Pub. 4585 ("*Melamine II*"*).*

[38] *See* CR/PR at I-10—I-13.

Commission should adopt the same definition in the final phase of the investigations. Accordingly, we again define a single domestic like product consisting of melamine, coextensive with the scope.

III. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[39] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

Cornerstone argues that the Commission should again define the domestic industry as consisting only of Cornerstone.[40] Respondents have not raised any domestic industry arguments. There are no related parties or other domestic industry issues in the final phase of these investigations.[41] Accordingly, consistent with our definition of the domestic like product, we define the domestic industry as Cornerstone, the sole U.S. producer of melamine.

[39] 19 U.S.C. § 1677(4)(A).

[40] Cornerstone Prehearing Brief at 10.

[41] The record indicates that Cornerstone did not import or purchase subject merchandise during the POI, and that it is not related to importers or exporters of subject merchandise. CR/PR at III-1-2, Table III-2. Thus, there are no related parties issues in these investigations.

IV. Negligibility

Section 771(24) of the Tariff Act, which defines "negligibility," provides that imports from a subject country that are 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 self-initiation, as the case may be, shall be deemed negligible.[42] The statute further provides that subject imports from a single country that comprise less than 3 percent of total such imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such merchandise imported into the United States.[43] In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.[44]

Based on the adjusted official Commerce import statistics, during the 12-month period preceding the filing of the petitions (February 2023 through January 2024), subject imports from Germany accounted for *** percent of total melamine imports, subject imports from India accounted for *** percent of melamine total imports, subject imports from Japan accounted for *** percent of total melamine imports, subject imports from the Netherlands

[42] 19 U.S.C. § 1677(24)(A)(i).

[43] 19 U.S.C. § 1677(24)(A)(ii).

[44] 19 U.S.C. § 1677(24)(B). Germany, India, Qatar, and Trinidad & Tobago, the four sources of imports subject to these countervailing duty investigations, are not on USTR's list of developing countries for purposes of applicability of the 4 percent and 9 percent negligibility limits. *See Designations of Developing Countries and Least Developed Countries Under the Countervailing Duty Law,* 85 Fed. Reg. 7613 (USTR Feb. 10, 2020).

accounted for *** percent of total melamine imports, subject imports from Qatar accounted for *** percent of total melamine imports, and subject imports from Trinidad & Tobago accounted for *** percent of total melamine imports.[45]

Because subject imports from all subject countries satisfy the 3 percent statutory negligibility threshold, we find that imports of melamine from Germany, India, Japan, the Netherlands, and Trinidad & Tobago subject to the antidumping duty investigations are not negligible and that imports from Germany, India, Qatar, and Trinidad & Tobago subject to the countervailing duty investigations are not negligible.

V. Cumulation

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

(1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;

(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;

[45] CR/PR at Table IV-5.

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[46]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[47] Only a "reasonable overlap" of competition is required.[48]

One of the four statutory exceptions to the general cumulation rule relates to Trinidad & Tobago, as a beneficiary country under the Caribbean Basin Economic Recovery Act ("CBERA").[49] Under the CBERA exception, subject imports from a CBERA country may only be cumulated with imports from another CBERA country for purposes of determining material injury, or threat thereof, by reason of imports from the CBERA beneficiary country or countries.[50] Consequently, the Commission may not cumulate subject imports from Trinidad & Tobago with subject imports from the other five subject countries for purposes of its

[46] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[47] *See*, *e.g.*, *Wieland Werke, AG v. United State*s, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[48] The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy, S.A. v. United States*, 678 F. Supp. at 902; *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[49] *See* 19 U.S.C. § 1677(7)(G)(ii)(III); *Harmonized Tariff Schedule of the United States Revision 1 (2024) Note 7 Products of Countries Designated as Beneficiary Countries for Purposes of the Caribbean Basin Economic Recovery Act (CBERA)*, at 7(a).

[50] 19 U.S.C. § 1677(7)(G)(ii)(III), 1677(7)(H).

determinations on subject imports from Trinidad & Tobago. The CBERA exception, however, does not bar the Commission from cumulating subject imports from Trinidad & Tobago with subject imports from the other five subject countries for the purposes of determining material injury or threat of material injury by reason of subject imports from those other countries.[51]

A. Arguments of the Parties

Petitioner's Arguments. Cornerstone argues that the Commission should cumulate subject imports from all six subject countries for its analysis of present material injury by subject imports from Germany, India, Japan, the Netherlands, and Qatar.[52] Cornerstone asserts that the Commission found that subject imports from all sources and the domestic like product are fungible and compete head to head in the U.S. market in the *Preliminary Determinations*, and the record does not contain any new information to the contrary.[53]

Cornerstone also cites to *Melamine I and II* to contend that melamine, regardless of the source, is a fungible commodity product.[54] It claims that subject imports and the domestic like product are sold in the same geographic markets, with Census data indicating that while subject imports entered the U.S. market through ports in all regions in the United States, they mainly entered through ports in the Northeast and Southeast.[55] It further asserts that Cornerstone

[51] *See Melamine II*, USITC Pub. 4585 at 8-10 (Dec. 2015) (*Urea Ammonium Nitrate Solutions from Russia and Trinidad and Tobago*, Inv. Nos. 701-TA-668-669 and 731-TA-1565-1566 (Final), USITC Pub. 5338 (Aug. 2022) at 10-11.

[52] Cornerstone Prehearing Br. at 12.

[53] Cornerstone Prehearing Br. at 12 *citing Preliminary Determinations*, USITC Pub. 5503 at 26-27.

[54] Cornerstone Prehearing Br. at 14-16 (citing *Melamine I*, USITC Pub. 3209 at 17; *Melamine II*, USITC Pub. 4585 at 8. Specifically, in *Melamine II*, the Commission found that the "all melamine has the same chemical composition and that, when sold in the United States, it must meet the same industry purity standards." *Melamine II*, USITC Pub. 4585 at 17. Furthermore, in *Melamine I*, the Commission found that melamine is a commodity product. *Melamine I*, USITC Pub. 3209 at 8.

[55] Cornerstone Prehearing Br. at 16.

and importers of subject merchandise sell *** melamine to ***.[56] Cornerstone also contends that it sold melamine throughout the POI while subject imports from all six subject countries were present in the U.S. market during a significant portion of the POI.[57]

Respondents' Arguments. Respondents have not raised any cumulation arguments.

B. Analysis

We consider subject imports from Germany, India, Japan, the Netherlands, Qatar, and Trinidad & Tobago on a cumulated basis for our present material injury determinations regarding subject imports from Germany, Japan, the Netherlands, and Qatar.[58] As an initial matter, Cornerstone filed the antidumping and countervailing duty petitions on imports from all six countries on the same day, February 14, 2024.[59] As discussed below, we find a reasonable overlap of competition between and among melamine imported from Germany, India, Japan, the Netherlands, Qatar, and Trinidad & Tobago, and the domestic like product.

Fungibility. Cornerstone argues, and reported in its producer questionnaire response, that subject imports from all subject countries were *** interchangeable with each other as well as with domestically produced melamine.[60] MHTL claims that U.S. consumers prefer purchasing melamine produced using natural gas instead of coal for environmental

[56] Cornerstone Prehearing Br. at 17.

[57] Cornerstone Prehearing Br. at 17-18.

[58] As indicated in Section I, these investigations became staggered because Commerce postponed its final determinations in the investigations of subject merchandise from India. Pursuant to the statutory cumulation provision on staggered investigations, the record for each of these investigations will be the same except that the record for the Commission's determinations in the antidumping and countervailing duty investigations of imports from India will include the final Commerce antidumping and countervailing duty determinations regarding India and the parties' final comments concerning those determinations.

[59] CR/PR at I-1.

[60] CR/PR at Table II-17.

sustainability reasons.[61] QMC, GSFC, and S.A.F.E. contend that although the different production processes yield chemically identical products,[62] customers prefer melamine produced with the high-pressure process used by foreign subject producers rather than the low-pressure process used by Cornerstone.[63] [64] Most U.S. importers and purchasers reported that subject imports from all subject countries were always or frequently interchangeable with each other as well as with domestically produced melamine.[65] Additionally, a majority of purchasers reported that domestically produced melamine was either superior or comparable to melamine from Germany, the Netherlands, and Trinidad & Tobago with respect to all 15 available purchasing factors.[66] Purchasers reported that domestically produced melamine was either superior or comparable to melamine from the other subject sources for the large majority of factors.[67] In addition, purchasers reported purchasing subject imports from all six of these subject countries instead of the domestic like product.[68]

[61] Conf. Tr. at 167 (Sukhu-Maharaj); MHTL Prehearing Br. at 55-56.

[62] CR/PR at I-13; U.S. producer Cornerstone and foreign subject producers LAT and Mitsui Chemicals, Inc. use the low-pressure process, while MHTL and QMC use the high-pressure process. CR/PR at I-11-12. *** manufactures melamine using both processes. *Id*. GSFC manufactured melamine using both processes until 2022, when it closed its low-pressure plant. CR/PR at I-12-13.

[63] CR/PR at I-12-13; QMC Post Conf. Br. at Exhibit 1, pg. 2, Exhibit 12.

[64] MHTL, however, asserts that its high-pressure non-catalytic process resulted in clumping that led several of its U.S. customers, amounting to approximately one quarter of the U.S. market, refusing to purchase its product. Conf. Tr. at 124 (Sukhu Maharaj); MHTL Post Conf. Br. at 10-11. Cornerstone has indicated that clumping can occur regardless of the manufacturing process used. CR/PR at I-13; Conf. Tr. at 77 (Driscoll).

[65] CR/PR at Tables II-18-19.

[66] CR/PR at Table II-16.

[67] CR/PR at Table II-16. A majority of purchasers reported that domestic like product was either superior or comparable to subject merchandise from India for all factors except availability, price, and reliability of supply; to subject merchandise from Japan for all factors except availability; and to subject merchandise from Qatar for all factors except availability and reliability of supply.

[68] CR/PR at Table V-15.

Furthermore, the record indicates that subject imports from each subject country overlapped with the domestic like product in terms of packaging types. Specifically, in 2023, *** of U.S. shipments by Cornerstone and of imports from all subject countries were of melamine packaged in bags of 1,000 to 3,000 pounds.[69]

Channels of Distribution. The domestic like product and subject imports from each subject country were primarily sold to end users. Specifically, in 2023, *** percent of Cornerstone's U.S. shipments; *** subject imports from India, Japan, the Netherlands, Qatar, and Trinidad & Tobago; and *** subject imports of from Germany (*** percent) were sold to end users.[70]

Geographic Overlap. Cornerstone and importers of subject merchandise from Japan and Trinidad & Tobago reported selling melamine in all regions of the continental United States during the POI.[71] Importers reported selling melamine from the Netherlands in all regions of the continental United States except the Mountains region, melamine from India in all regions of the continental United States except the Mountains and Central Southwest regions, melamine from Germany in the Northeast, Midwest, and Southeast regions, and melamine

[69] Melamine shipped in bags of 1,000 to 3,000 pounds accounted for *** percent of U.S. shipments by Cornerstone in 2023. CR/PR at Table IV-14. Subject importers' U.S. shipments of melamine in bags of 1,000 to 3,000 pounds accounted for *** percent of imports from Germany, *** percent of imports from India, *** percent of imports from Japan, *** percent of imports from the Netherlands, *** percent of imports from Qatar, and *** percent of imports from Trinidad & Tobago in 2023. *Id.* Similarly, the Commission's pricing data indicate that there was significant head-to-head competition for sales of pricing product 2 (unground melamine crystal in bags of 1,000 to 3,000 pounds) between the domestic like product and subject imports from all six subject countries. CR/PR at Table V-7.

[70] CR/PR at Table II-1.

[70] CR/PR at Table II-1.

[71] CR/PR at Table II-2.

Qatar in the Northeast and Southeast regions.[72] Official Commerce import statistics indicate that a majority of imports of melamine from all subject countries entered the United States primarily through ports located in the East region.[73]

Simultaneous Presence in Market. Domestically produced melamine and melamine imports from the Netherlands were simultaneously present in the U.S. market in all 42 months of the POI.[74] Melamine imports from Germany, India, Japan, Qatar, and Trinidad & Tobago were present in 40, 37, 31, 16, and 33 months of the POI, respectively.[75]

Under the CBERA statutory exception to cumulation, we must consider subject imports from Trinidad & Tobago on an individual basis in our material injury analysis of subject imports from Trinidad & Tobago. For the purposes of our material injury analysis with respect to subject imports from the remaining countries, the record establishes that subject imports from Germany, India, Japan, the Netherlands, Qatar, and Trinidad & Tobago are generally fungible with the domestic like product and each other. The record also shows that imports from each of these subject countries and the domestic like product were sold in overlapping channels of distribution and geographic markets and were simultaneously present in the U.S. market during the POI. Because the record indicates a reasonable overlap of competition between and among imports from Germany, India, Japan, the Netherlands, Qatar, and Trinidad & Tobago and the

[72] CR/PR at Table II-2.

[73] CR/PR at Table IV-15. In 2023, *** percent of melamine imports from Germany, *** percent of melamine from India, 53.5 percent of melamine from Japan, 100.0 percent of melamine from the Netherlands, *** percent of melamine from Qatar, and 77.5 percent of melamine from Trinidad & Tobago entered through Eastern ports of entry. *Id*. In 2023, 26.0 percent of melamine from Japan entered through ports in the North region, while 20.0 percent of melamine from Trinidad & Tobago entered through ports in the South region. *Id*.

[74] CR/PR at IV-27, Table IV-16.

[75] CR/PR at Table IV-16.

domestic like product, we cumulate subject imports from these sources for purposes of our analysis of material injury by reason of subject imports from Germany, Japan, the Netherlands, and Qatar.

VI. Material Injury or Threat of Material Injury by Reason of Subject Imports

Based on the record in the final phase of these investigations, we find that an industry in the United States is materially injured by reason of imports of melamine from Germany, Japan, and the Netherlands that Commerce has found to be sold in the United States at LTFV and imports of melamine from Germany and Qatar that Commerce has found to be subsidized by the governments of Germany and Qatar. We further find that an industry in the United States is threatened with material injury by reason of imports of melamine from Trinidad & Tobago that Commerce has found to be sold in the United States at LTFV and to be subsidized by the government of Trinidad & Tobago.

A. Legal Standards for Material Injury

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[76] 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.[77] The statute defines

[76] 19 U.S.C. §§ 1671d(b), 1673d(b).

[77] 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).

"material injury" as "harm which is not inconsequential, immaterial, or unimportant."[78] In assessing whether 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.[79] 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."[80]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[81] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[82] 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.[83]

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[78] 19 U.S.C. § 1677(7)(A).

[79] 19 U.S.C. § 1677(7)(C)(iii).

[80] 19 U.S.C. § 1677(7)(C)(iii).

[81] 19 U.S.C. §§ 1671d(b), 1673d(b).

[82] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[83] 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. (Continued...)

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 injury threshold.[84] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[85] Nor does

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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).

[84] 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.

[85] 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

(Continued...)

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.[86] It is clear that the existence of injury caused by other factors does not compel a negative determination.[87]

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."[88] 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

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.").

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

[87] *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.").

[88] *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*.

sources to the subject imports." [89] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[90]

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.[91] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[92]

B. Legal Standards for Threat of Material Injury by Reason of Subject Imports

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing 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."[93] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material

[89] *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.

[90] *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.").

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

[92] *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.").

[93] 19 U.S.C. § 1677(7)(F)(ii).

injury by reason of subject imports would occur unless an order is issued.[94] In making our determination, we consider all statutory threat factors that are relevant to this investigation.[95]

[94] 19 U.S.C. § 1677(7)(F)(ii).

[95] These factors are as follows:

(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,

(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,

…

(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).

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factor (I) is discussed concerning countervailable subsidies. Statutory threat factors (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning processed agricultural products is inapplicable to these investigations.

C. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is material injury or threat of material injury by reason of subject imports.

1. Demand Considerations

U.S. demand for melamine depends on the demand for downstream products that use MF resins.[96] Melamine resins are used in a wide variety of applications, including laminates, surface coatings, and adhesives used in the construction, furniture, and automotive sectors.[97]

Although Cornerstone reported that U.S. demand for melamine *** over the course of the POI, a plurality of importers and a majority of purchasers reported that U.S. demand fluctuated downwards.[98] According to data from the Federal Reserve Bank of St. Louis, seasonally adjusted U.S. housing starts generally increased from 2021 through the first quarter of 2022, before declining to levels lower than in January 2021 for the remainder of the POI.[99] Domestic automotive production generally decreased though the first three quarters of 2021, before rebounding in the last quarter of 2021 and subsequently fluctuated within a narrow range for the remainder of the POI.[100]

Cornerstone and a majority of responding importers (***) indicated that the U.S. melamine market was *** to business cycles.[101] However, a majority of responding purchasers (***) indicated that the U.S. melamine market was *** to business cycles.[102] Some firms that

[96] CR/PR at I-10, II-1.

[97] CR/PR at I-10, II-1. Use in laminates and surface coatings reportedly accounted for approximately *** of annual melamine consumption in the United States in 2023. CR/PR at I-10.

[98] CR/PR at Tables II-8-9.

[99] CR/PR at Table II-7.

[100] CR/PR at II-14, Table II-7.

[101] CR/PR at II-17.

[102] U.S. Purchaser Questionnaire Responses ("QRs") at III-10.

reported business cycles, including ***, indicated that U.S. melamine sales experience some seasonality tied to housing construction, with upticks in demand occurring during the second and third quarters of the year.[103]

Apparent U.S. consumption of melamine increased from 142.2 million pounds in 2021 to 142.8 million pounds in 2022, before decreasing to 115.8 million pounds in 2023, a level 18.6 percent lower than in 2021; it was 13.7 percent higher in interim 2024, at 65.5 million pounds, than in interim 2023, at 57.6 million pounds.[104]

2. Supply Considerations

Cornerstone, the sole domestic producer throughout the POI, was the largest supply source to the U.S. market in 2021, 2022, and interim 2024, and the second largest source in 2023.[105] Cornerstone's market share decreased from *** percent in 2021 to *** percent in 2022 and *** percent in 2023, a decrease of *** percentage points; its share of apparent U.S. consumption was *** percentage points higher in interim 2024 (*** percent) than in interim 2023 (*** percent).[106] Cornerstone's practical production capacity increased by *** percent between 2021 and 2023, from *** pounds in 2021 to *** pounds in 2022 and *** pounds in 2023; it was *** percent higher in interim 2024 (*** pounds, than in interim 2023 (*** pounds).[107] Its capacity utilization declined from *** percent in 2021 to *** percent in 2022

[103] CR/PR at II-1, II-17.
[104] CR/PR at Tables IV-17, C-1.
[105] CR/PR at Tables IV-17, C-1.
[106] CR/PR at Tables IV-17, C-1.
[107] CR/PR at Tables III-5, C-1.

and *** percent in 2023; it was higher in interim 2024, at *** percent, than in interim 2023, at *** percent.[108]

Cornerstone and a majority of purchasers reported experiencing supply constraints in 2021 and 2022, while a majority of importers reported experiencing supply constraints in 2022.[109] Cornerstone experienced two separate supply disruptions during the POI which caused it to declare *force majeure*: on August 28 2021, due to Hurricane Ida, and on May ***, 2022, due to a "salt coil reactor issue."[110] Cornerstone reported returning to "normal production levels" by September ***, 2021, and July ***, 2022, respectively.[111] Cornerstone officials testified that they lifted the official *force majeure* declarations on April ***, 2022 and November ***, 2022, respectively, months after normal production resumed, and that this delay was to allow Cornerstone to rebuild its inventories.[112] Cornerstone asserted that the 2021 and 2022 supply disruptions were "at most" *** pounds and *** pounds, respectively.[113] Respondents contend that these disruptions caused a U.S. melamine supply shortage in 2022, as Cornerstone did not have sufficient production or capacity to satisfy peak U.S. demand. Cornerstone contends that the U.S. market was oversupplied with subject imports in 2022.[114]

[108] CR/PR at Tables III-5, C-1.

[109] CR/PR at Table II-4. *** and ten of 14 purchasers reported experiencing supply constraints in 2021. *Id*. ***, seven out of 11 importers, and eight out of 14 purchasers reported experiencing supply constraints in 2022. *Id*.

[110] CR/PR at III-2; Cornerstone Prehearing Br. at 46-47. Cornerstone states that the August 2021 outage lasted for three weeks and "had no significant impact on Cornerstone's production." Cornerstone Posthearing Br. at 7. It also states that it halted production for nine weeks as a result of the May 2022 outage. Cornerstone Prehearing Br. at 46-47.

[111] CR/PR at II-11, IV-33.

[112] Hearing Tr. at 79 (Driscoll); CR/PR at III-2.

[113] Petitioner's Post-Conference Brief, EDIS Doc. 815860 (March. 11, 2023) at 32; CR/PR at II-12.

[114] Hearing Tr. at 37, 42 (Driscoll), 185 (Sauter).

Cumulated subject imports grew from the second largest source of supply to the U.S. market in 2021 and 2022 to the largest source in 2023, and returned to being the second largest source in interim 2024.[115] The market share of cumulated subject imports increased from *** percent in 2021 to *** percent in 2022 and *** percent in 2023, an overall increase of *** percentage points; it was *** percentage points lower in interim 2024, at *** percent, than in interim 2023, at *** percent.[116] Trinidad & Tobago was the largest subject country source from 2021 to 2023 and the fourth largest in interim 2024.[117] The market share of subject imports from Trinidad & Tobago increased from *** percent in 2021 to *** percent in 2022 before decreasing to *** percent in 2023, an overall increase of *** percentage points; it was *** percentage points lower in interim 2024, at *** percent, than in interim 2023, at *** percent.[118]

Foreign producers, importers, and purchasers reported supply constraints from subject-country sources during the POI, including as a result of an August 2023 fire at MHTL's plant in Trinidad & Tobago that caused a shutdown from August 2023 through *** 2024.[119] Five importers also reported supply constraints from subject sources during the POI because of ***.[120] Foreign producers also reported prolonged shutdowns in four subject countries and production curtailments in two subject countries.[121]

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[115] CR/PR at Tables IV-17, C-1.

[116] CR/PR at Tables IV-17, C-1.

[117] CR/PR at Tables IV-17, C-1.

[118] CR/PR at Tables IV-17, C-1.

[119] CR/PR at II-13, Tables II-5, VII-3, VII-5. MHTL acknowledges that its "production outage in August 2023. . . prevented it from making any further imports for the rest of 2023. . . and {it} was not able to make future entries until February 2024, after the outage ended." MHTL Posthearing Br. at 12. MHTL's Posthearing Br. at 12.

[120] CR/PR at Table II-5.

[121] CR/PR at Table VII-4.

Nonsubject imports were minimal throughout the POI.[122] Reported U.S. shipments of nonsubject imports relative to apparent U.S. consumption decreased from *** percent in 2021 and 2022 to *** percent for the remainder of the POI.[123] As a percentage of total imports based on adjusted official Commerce import data, nonsubject imports declined throughout each full year of the POI, from *** percent in 2021 to *** percent in 2022 and *** percent in 2023; they were higher in interim 2024, at *** percent, than in interim 2023, at *** percent.[124] The largest sources of nonsubject imports during the POI were ***.[125] The market share of imports from countries other than Trinidad & Tobago increased from *** percent in 2021 to *** percent in 2022 and *** percent in 2023, an overall increase of *** percentage points; it was *** percentage points lower in interim 2024, at *** percent, than in interim 2023, at *** percent.[126]

3. Substitutability and Other Conditions

We find that there is a moderate-to-high degree of substitutability between the domestic like product and cumulated subject imports and between the domestic like product and subject imports from Trinidad & Tobago.[127] As discussed in section IV.B, *** most U.S. importers and purchasers reported that subject imports from all subject countries were always or frequently interchangeable with each other as well as with the domestic like product.[128]

[122] CR/PR at Tables IV-17, C-1.
[123] CR/PR at Tables IV-17, C-1.
[124] CR/PR at Table IV-2.
[125] CR/PR at IV-3 n.6.
[126] CR/PR at IV-17, C-1.
[127] CR/PR at Table II-20
[128] CR/PR at Tables II-17-19. *** reported that subject imports from all subject countries were always interchangeable with each other as well as with domestically produced melamine. *Id*. at Table II-17.

When asked to compare subject imports with the domestic like product with respect to 15 purchasing factors, a majority of responding purchasers reported that domestically produced melamine was comparable to melamine from Germany, the Netherlands, and Trinidad & Tobago for nearly all 15 available purchasing factors.[129] Purchasers reported that domestically produced melamine was comparable to melamine from other subject sources for the large majority of factors.[130] Nearly all responding purchasers reported that the quality of U.S.-produced melamine and subject imports always or usually met minimum quality standards.[131] Most purchasers (11 of 14) reported never making purchasing decisions based on the country of origin, and most purchasers (eight of 11) reported that their customers never make purchasing decisions based on country of origin.[132] While a majority of purchasers (nine of 14) reported aways or usually making purchasing decisions based on the manufacturer, most (eight of 11) reported that their customers never make purchasing decisions based on the manufacturer.[133]

Purchasers and importers reported that subject imports differed from the domestic like product in terms of reliability, availability, and supplier diversity. Furthermore, purchasers and importers generally reported that non-price differences between the domestic like product and subject imports were at least frequently significant. This somewhat limited the substitutability

[129] CR/PR at Table II-16.

[130] CR/PR at Table II-16. A majority of purchasers reported that domestic like product comparable to subject merchandise from: India for all factors except availability, time, price, and reliability of supply; Japan for all factors except availability and delivery time; and Qatar for all factors except availability, delivery time, and reliability of supply. *Id*.

[131] CR/PR at Table II-14.

[132] CR/PR at Table II-10.

[133] CR/PR at Table II-10.

between them.[134] Although Cornerstone reported that non-price differences between subject imports from each subject country and domestically produced melamine were never important, purchasers and importers were more mixed.[135] Either half or majorities of responding U.S. importers reported that non-price differences were always or frequently important.[136] Furthermore, a majority of purchasers reported that non-price differences between the domestic like product and subject imports from all subject countries except Qatar were always or frequently important.[137]

We also find that price is an important factor in purchasing decisions, among other important factors. Responding purchasers most frequently ranked quality among their top three purchasing factors (13 firms), followed by availability (10 firms), and price (nine firms).138 The majority of responding purchasers (eight of 14) reported that price was a very important purchasing factor, and only one purchaser reported that price was not an important purchasing factor.[139] A majority of responding purchasers (nine of 14) reported that they sometimes purchase the lowest-priced melamine, while two reported that they usually do so and three that they never do so.[140] We recognize that a greater number of responding purchasers cited other purchasing factors—quality meets industry standards, availability, product consistency, and reliability of supply—as very important than the number that reported price as very

[134] CR/PR at II-20.
[135] CR/PR at Table II-20.
[136] CR/PR at Table II-21.
[137] CR/PR at Tables II-22.
[138] CR/PR at Table II-11. Quality was cited the most as the first most important factor (eight firms) followed by availability (three firms). *Id*.
[139] CR/PR at Table II-13.
[140] CR/PR at II-21.

important.[141] However, as explained below in section VI.D.3, for many comparisons with the various subject sources, a majority of responding purchasers considered the domestic like product to be comparable or superior to subject imports in terms of some to all of these factors,[142] indicating that price plays an important role in purchases of subject imports.

During the POI, Cornerstone sold *** of its commercial U.S. shipments of melamine from inventory with lead times averaging *** days.[143] U.S. importers reported selling a majority (66.2 percent) of U.S. commercial shipments from U.S. inventories with lead times averaging 11 days. They also reported that 17.7 percent of their U.S. commercial shipments were from foreign inventories with lead times averaging 41 days, and 16.1 percent of their U.S. commercial shipments were produced to order with average lead times of 60 days.[144]

In 2023, Cornerstone and U.S. importers sold the vast majority of melamine to ***.[145] Cornerstone reported selling *** (*** percent) of its melamine through short-term contracts, typically lasting 90 days, and also reported selling substantial quantities (*** percent) using long-term contracts.[146] Cornerstone reported that sales prices and quantities in long-term contracts may still be determined on a quarterly basis.[147] It also stated that its sales prices in contracts are not indexed to prices for raw materials, such as ammonia.[148] U.S. importers

[141] CR/PR at Table II-13.

[142] CR/PR at Table II-16. In no case did a majority of purchasers report that the domestic like product was inferior to the relevant subject imports with regard to non-price factors. *Id*.

[143] CR/PR at II-23.

[144] CR/PR at II-23.

[145] CR/PR at Table II-1. In 2023, *** percent of cumulated subject imports, *** of subject imports from Trinidad & Tobago, and *** percent of Cornerstone's U.S. shipments were made to end users with the remaining share to distributors. *Id*.

[146] CR/PR at Tables V-5-6. It sold the *** percent though spot sales. *Id*.

[147] CR/PR at V-6.

[148] Cornerstone Prehearing Br. at 48.

reported selling the vast majority (*** percent) of subject merchandise through short-term contracts with the *** quantities via spot sales.[149] Most responding importers reported that their short term contracts do not allow for price renegotiation, fix both price and quantity, and are not indexed to raw materials.[150] Six of 14 purchasers reported that they purchase melamine on a quarterly basis, three purchasers reported purchasing on a monthly basis, two purchase on an annual basis, one purchases on a daily basis, and one purchases on a weekly basis.[151]

The primary raw materials used to produce melamine are ammonia and carbon dioxide.[152] Ammonia accounted for the largest share (*** percent) of the domestic industry's total raw material costs in 2023.[153] Published prices for ammonia increased irregularly by *** percent from January 2021 to June 2024, spiking in the second quarter of 2022, in part due to Russia's invasion of Ukraine.[154] Ammonia prices then declined through the second quarter of 2023, before increasing irregularly throughout the remainder of the POI.[155] Raw material costs were the second largest component of Cornerstone's cost of goods sold ("COGS") in 2021, 2023, and interim 2024 and were the largest component in 2022.[156] Cornerstone's raw material costs as a percentage of its COGS increased from *** percent in 2021 to *** percent in 2022 before decreasing to *** percent in 2023; they were lower in interim 2024, at ***

[149] CR/PR at Table V-4.
[150] CR/PR at Table V-5.
[151] CR/PR at V-7.
[152] CR/PR at I-11, VI-6.
[153] CR/PR at Table VI-3.
[154] CR/PR at VI-6 n.9, Tables V-1, V-10.
[155] CR/PR at Tables V-1, V-10.
[156] In 2021, 2023, and interim 2024, "other factory" costs were the largest component of COGS. CR/PR at Table VI1-1.

percent, than interim 2023, at *** percent.[157] Its per-pound raw material costs increased from $*** in 2022 to $*** in 2023 before decreasing to $*** in 2023, an overall decrease of *** percent; they were lower in interim 2024, at $***, than in interim 2023, at $***.[158]

D. Material Injury by Reason of Subject Imports from Germany, Japan, the Netherlands, and Qatar

Based on the record in this investigation, we find that an industry in the United States is materially injured by reason of imports of melamine from Germany, Japan, the Netherlands, and Qatar.[159]

1. Volume of Cumulated 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."[160]

The volume of cumulated subject imports decreased overall by *** percent between 2021 and 2023, increasing from *** pounds in 2021 to *** pounds in 2022, and then decreasing to *** pounds in 2023; it was *** percent higher in interim 2024 (*** pounds) than in interim 2023 (*** pounds).[161] As a share of apparent U.S. consumption, cumulated subject

[157] CR/PR at Table VI-1.

[158] CR/PR at Table VI-1.

[159] As discussed above, we have cumulated subject imports from Trinidad & Tobago with subject imports from Germany, India, Japan, the Netherlands, and Qatar for purposes of analyzing whether there is material injury by reason of subject imports from Germany, Japan, the Netherlands, and Qatar. As used in Sections VI.C-E, "cumulated subject imports" refers collectively to imports from Germany, India, Japan, the Netherlands, Qatar, and Trinidad & Tobago.

[160] 19 U.S.C. § 1677(7)(C)(i).

[161] CR/PR at Tables IV-2-3. U.S. shipments of cumulated subject imports increased by *** percent from 2021 to 2023, increasing from *** pounds in 2021 to *** pounds in 2022 and *** pounds in 2023; they were *** percent lower in interim 2024 (*** pounds) than in interim 2023 (*** pounds). *Id*. at Tables IV-17, C-1.

imports increased overall by *** percentage points between 2021 and 2023, increasing from *** percent in 2021 to *** percent in 2022 and *** percent in 2023; the share of apparent U.S. consumption was *** percentage points lower in interim 2024 (*** percent) than in interim 2023 (*** percent). The ratio of cumulated subject imports to domestic production 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.[162]

Based on the foregoing, we find that the volume of cumulated subject imports is significant in absolute terms and relative to apparent U.S. consumption and domestic production, and that the increase in the volume of cumulated subject imports relative to domestic consumption is significant.[163]

2. Price Effects of Cumulated Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of the 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.[164]

[162] CR/PR at Table IV-2.

[163] Commissioner Schmidtlein notes that subject imports did not increase in quantity over the POI so she does not find any increase in subject import volume to be significant.

[164] 19 U.S.C. § 1677(7)(C)(ii).

As discussed in section VI.C.3 above, we find that there is at least a moderate-to-high degree of substitutability between cumulated subject imports and the domestic like product, and that price is an important factor in purchasing decisions, among other important factors.

The Commission collected quarterly quantity and f.o.b. pricing data on sales of three pricing products shipped to unrelated U.S. customers during the POI.[165] Cornerstone and nine importers provided usable pricing data, although not all firms reported pricing for all products for all quarters.[166] Pricing data reported by these firms accounted for all of the U.S. shipments reported by Cornerstone, virtually all of the U.S. shipments reported by importers of subject merchandise from Germany, India, and Trinidad & Tobago, *** percent of importers' U.S. shipments of subject merchandise from Japan, *** percent of importers' U.S. shipments of subject merchandise from the Netherlands, and *** percent of importers' U.S. shipments of subject merchandise from Qatar in 2023.[167]

Cumulated subject imports undersold the domestic like product in 58 of 113 (or 51.3 percent of) quarterly comparisons, corresponding to *** percent of reported subject import sales volume (*** pounds), with underselling margins ranging from less than 0.05 to 35.6 percent and averaging 12.6 percent.[168] Subject imports oversold the domestic like product in 55 of 113 (or 48.7 percent of) quarterly comparisons, corresponding to *** percent of reported

[165] The three pricing products are as follows:
Product 1.—Unground melamine crystal unpackaged in bulk.
Product 2.—Unground melamine crystal in bags of 1,000 to 3,000 pounds.
Product 3.—Unground melamine crystal in bags of 50 to 60 pounds. CR/PR at V-8.
[166] CR/PR at V-8.
[167] CR/PR at V-8.
[168] CR/PR at Table V- 11.

subject import volume (49.1 million pounds), with overselling margins ranging from *** percent to *** percent and averaging *** percent.[169]

Subject imports predominantly undersold the domestic like product in 2021 and 2022. Starting in 2023, as Cornerstone cut prices to regain sales, as discussed below in this section, subject imports predominantly oversold the domestic like product.[170] In 2021, cumulated subject imports undersold the domestic like product in 20 of 30 (or 66.6 percent of) quarterly comparisons, corresponding to *** percent of reported subject import sales volume (*** pounds), with underselling margins ranging from *** to *** percent and averaging *** percent.[171] In 2022, cumulated subject imports undersold the domestic like product in 20 of 32 (or 62.5 percent of) quarterly comparisons, corresponding to *** percent of reported subject import sales volume (*** pounds), with underselling margins ranging from less than *** to *** percent and averaging *** percent.[172] In 2023, cumulated subject imports undersold the domestic like product in 13 of 34 (or 38.2 percent of) quarterly comparisons, corresponding to *** percent of reported subject import sales volume (*** pounds), with underselling margins ranging from *** to *** percent and averaging *** percent.[173] In interim 2024, cumulated subject imports undersold the domestic like product in 5 of 17 (or 29.4 percent of) quarterly comparisons, corresponding to *** percent of reported subject import sales volume (*** pounds), with underselling margins ranging from *** to *** percent and averaging ***

[169] CR/PR at Table V- 11.
[170] CR/PR at Table V-13.
[171] CR/PR at Table V-13.
[172] CR/PR at Table V-13.
[173] CR/PR at Table V-13.

percent.[174] Thus, a great majority of the volume of subject imports was in quarters with underselling in 2021 and 2022, and a substantial share was in quarters with underselling in 2023, even as Cornerstone was reducing prices.

Moreover, ten of 13 responding purchasers reported that they had purchased subject imports instead of domestically produced melamine during the POI.[175] Of these ten purchasers, seven reported that subject imports were priced lower than the domestic like product.[176]

Based on the foregoing, in particular the moderate-to-high degree of substitutability between subject imports and the domestic like product, the importance of price in purchasing decisions, and evidence indicating that subject imports were sold at lower prices than the domestic like product persistently and in large volumes, we find that cumulated subject imports undersold the domestic like product to a significant degree during the POI.[177] The underselling

[174] CR/PR at Table V-13.

[175] CR/PR at Table V-15.

[176] CR/PR at Table V-15. No responding purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. *Id.*

[177] We are unpersuaded by certain respondents' contention that the time lag between importers' negotiations with U.S. customers and importation exaggerated the apparent underselling. OCI Posthearing Br. at 6-7 ("imports take weeks or even months to arrive to the United States, meaning those prices are already outdated by the time the product arrives"); Wilsonart Posthearing Br. at 12-13 ("Since negotiations with importers for price and volume occur in advance to accommodate transit and lead times, Wilsonart and other purchasers would have already negotiated with importers for melamine shipments in the fourth quarter of 2022 prior to Petitioner's price {increase} announcement.") This argument fails to account for the fact that a large majority (*** percent) of U.S. importers' commercial shipments were sold from U.S. inventory, with lead times averaging *** days, just *** more than Cornerstone's average lead time. CR/PR at II-23. These shipments would have not been subject to the "weeks or even months" of shipping time, and their prices would be no more "outdated" on delivery than Cornerstone's. *Id*. OCI also fails to account for the fact that the majority of remaining shipments were from foreign inventories, with an average lead time of 41 days. *Id.* The longest delivery times, for made-to-order melamine, averaged 60 days. *Id.* As the Commission's pricing data average prices over three months, it is unlikely that a one-month or two-month difference in lead time applicable to approximately one-third of shipments would eliminate underselling. Finally, with respect to pricing product 2, which accounted for the great majority of pricing data during the POI, the price of subject imports throughout 2022 was below the price for domestic product in the matching quarterly comparisons as well as in the prior quarter for each comparison. *See* CR/PR at Table V-7.

contributed to cumulated subject imports gaining market share over the period at Cornerstone's expense.[178] Cumulated subject imports gained *** percentage points of market share in 2022 and an additional *** points of market share in 2023 for an overall *** percentage points increase of market share at Cornerstone's expense from 2021 to 2023.[179]

We have examined price trends during the POI and whether cumulated subject imports depressed or suppressed prices to a significant degree.[180] In general, Cornerstone's prices fluctuated, but increased overall for all three pricing products.[181] Although Cornerstone's prices substantially increased from 2021 to 2022, its prices for all three pricing products declined considerably overall from 2022 through the end of the POI.[182] These substantial price declines are consistent with Cornerstone's assertion that it cut prices in 2023 and interim 2024 in an attempt to regain lost market share.[183] Prices of cumulated subject imports followed

[178] For the reasons explained below in section VI.D.3, we disagree with respondents that this market share shift was solely the result of Cornerstone's production disruptions rather than low-priced subject imports. *See* Hexion Prehearing Br. at 4-7; QMC Prehearing Br. at 13-14; Kronospan Prehearing Br. at 7-13; Kronospan Posthearing Br. at 4-7 (asserting that the supply disruptions caused "supply uncertainty"); Wilsonart Prehearing Br. at 6; Wilsonart Posthearing Br. at 5-6; Hearing Tr. at 161 (Sauter).

[179] CR/PR at Tables IV-17, C-1. We note below in section IV.D.3 that decreased underselling in 2023 and interim 2024 is consistent with Cornerstone cutting prices in 2023 to retake market share.

[180] None of the eight responding purchasers with knowledge reported that Cornerstone had reduced prices to compete with lower-priced subject imports. *Id.* at Table V-17. Five of the purchasers reported that they did not know if Cornerstone reduced prices in order to compete with lower-priced subject imports. *Id*.

[181] CR/PR at Tables V-6-8. Between the first and last quarters of the POI, its prices increased by *** percent for product 1, *** percent for product 2, and *** percent for product 3. *Id*. CR/PR at Table V-9. The AUV of Cornerstone's U.S. shipments increased overall by *** percent from 2021 to 2023, increasing by *** percent from $*** in 2021 to $*** in 2022 before declining by *** percent to $*** in 2023; it was *** percent lower in interim 2024, at $***, than in interim 2023, at ***. CR/PR at Tables C-1, VI-1-2.

[182] CR/PR at Tables V-6-8, Figures V-4-6. Specifically, from the fourth quarter of 2022 to second quarter of 2024, domestic prices for product 1 decreased by *** percent, product 2 decreased by *** percent, and product 3 decreased by *** percent. *Id*.

[183] Cornerstone Prehearing Br. at 36-38; Hearing. Tr. at 28, 32 (Frank); CR/PR at Table C-1.

similar trends, increasing from 2021 to 2022 then decreasing for the remainder of the POI, but ending the POI higher than in the beginning.[184] Cornerstone submitted contemporaneous documentation containing examples of pricing pressure from subject import competition.[185]

Cornerstone's ratio of COGS to net sales fluctuated over the POI, decreasing from *** in 2021 to *** in 2022 and increasing to *** in 2023.[186] It was higher in interim 2024 at *** percent, than in interim 2023, at *** percent.[187] From 2021 to 2022, Cornerstone's net sales AUV increased to a greater degree than its per-unit COGS, while from 2022 to 2023 its net sales AUV decreased to a greater degree than its per-unit COGS.[188] During the interim period, its per-unit COGS decreased to a greater degree than its net sales AUV.[189]

Based on the above, including the moderate-to-high degree of substitutability and the importance of price in purchasing decisions, we find that low-priced subject imports depressed prices to a significant degree from the fourth quarter of 2022 onward. [190]

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[184] *See, e.g.*, CR/PR at Figure V-7, Table V-9. Although prices for cumulated subject imports generally increased from 2021 to 2022 for all three pricing products, they generally declined from 2022 to interim 2024. CR/PR at Figure V-7.

[185] Cornerstone Prehearing Br. at 24-25, Exhibit 1, Attachments 1-9.

[186] CR/PR at Tables VI-1, C-1.

[187] CR/PR at Tables VI-1, C-1.

[188] CR/PR at Tables VI-1, C-1.

[189] CR/PR at Tables VI-1, C-1.

[190] Commissioner Johanson does not join this finding or the following three paragraphs. Respondents asserted that price declines during the POI were driven primarily by declining demand and ammonia costs rather than low-priced subject imports. Cornerstone's per-unit net sales AUVs declined by $*** per pound from 2022 to 2023, while its per-unit raw material costs decreased by only $*** per pound and its per-unit total cost decreased by only $***. CR/PR at VI-2. Thus, although ammonia costs as reported by *** declined substantially from 2022 to 2023, Cornerstone's per unit net sales value declined by a much greater extent than its per unit costs. CR/PR at V-2 and Table C-1. Apparent U.S. consumption over that period declined by 19.0 percent. CR/PR at Table C-1. It is unclear the extent to which this decline in apparent U.S. consumption correlates to an actual decline in demand. As noted, Cornerstone reported that demand generally fluctuated up over the POI, while a majority of purchasers reported that it fluctuated down and importer responses were mixed. CR/PR at Table II-8. Parties (Continued...)

Respondents assert that price declines were driven primarily by ammonia costs and declining demand rather than low-priced subject imports.[191] Cornerstone's per-unit net sales AUV declined by $*** per pound from 2022 to 2023, while its per-unit raw material costs decreased by only $*** per pound and its per-unit total cost decreased by only $***.[192] Thus, although ammonia costs as reported by *** declined substantially from 2022 to 2023, Cornerstone's per unit net sales value declined by a much greater extent than its per unit costs and therefore cannot explain the extent of the price declines that began in the fourth quarter of 2022.[193]

Apparent U.S. consumption over that period declined by 19.0 percent.[194] The record indicates that the 19.0 percent decline in apparent domestic consumption is not sufficiently large to explain the *** percent decline in Cornerstone's U.S. shipment AUV over the same period or its declining prices from the fourth quarter of 2022 to second quarter of 2024 (*** percent for product 1, *** percent for product 2, and *** percent for product 3).[195] Moreover,

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dispute the extent to which demand declined from 2022 to 2023, though generally agree demand declined to some degree from 2022 to 2023. *See, e.g.,* Hearing Tr. at 44-45 (Driscoll) ("Demand softened from 2022 to 2023, but it did not fall off a cliff the way our prices did."), 157 (Szamosszegi) ("To the extent demand was dropping, and I think what you're hearing here is it's just a matter of degrees{.}"). From 2022 to 2023, housing starts decreased to a lesser extent than apparent U.S. consumption, while domestic auto production increased. *Compare* CR/PR at Figure II-1 and Table II-7 (showing housing starts and domestic auto production) to Table C-1 (apparent U.S. consumption). A significant decline in demand from 2022 to 2023 likely impacted price declines during the period. Coupled with substantial domestic price increases in 2021-2022 and an overall increase in domestic prices during the POI, CR/PR at V-16, Commissioner Johanson does not find significant price depression on this record.

[191] Kronospan Prehearing Br. at 2-4; Kronospan Posthearing Br. at 12-14; Hexion Prehearing Br. at 16; QMC Prehearing Br. at 22-23; QMC Posthearing Br. at 10-12; OCI Prehearing Br. at 23-24; OCI Posthearing Br. at 5-6.

[192] CR/PR at VI-2.

[193] CR/PR at V-2 and C-1 (citing OCI Prehearing Br. at Exbibit 3).

[194] CR/PR at C-1.

[195] *See* CR/PR at Tables IV-17, V-6-8, VI-1-2, C-1.

other evidence suggests this decline in apparent U.S. consumption may not reflect an actual decline in demand or may overestimate the extent of a decline in demand for melamine over the POI. The decline in apparent U.S. consumption does not correlate to a shared view among market participants that there was an actual decline in demand over the POI. As noted, Cornerstone reported that demand generally fluctuated up over the POI, while a majority of purchasers reported that it fluctuated down and importer responses were mixed.[196] Parties dispute the extent to which demand declined from 2022 to 2023, though generally agree demand declined to some degree from 2022 to 2023.[197] Data from downstream industries consuming melamine also deviate from the apparent U.S. consumption data. From 2022 to 2023, housing starts decreased to a lesser extent than apparent U.S. consumption, while domestic auto production increased.[198]

While a decline in demand from 2022 to 2023 may have impacted prices somewhat, we find that the record shows that subject imports had a significant price depressing effect, especially in light of Cornerstone's reducing prices in 2023 in an attempt to regain market share from subject imports. We observe also that melamine prices did not correlate reliably with changes in apparent domestic consumption. Apparent domestic consumption was essentially flat from 2021 to 2022, but Cornerstone's U.S. shipment AUV increased by *** percent.[199] Apparent U.S. consumption was 13.7 percent higher in interim 2024 compared to interim 2023,

[196] CR/PR at Table II-8.

[197] *See, e.g.*, Hearing Tr. at 44-45 (Driscoll) ("Demand softened from 2022 to 2023, but it did not fall off a cliff the way our prices did."), 157 (Szamosszegi) ("To the extent demand was dropping, and I think what you're hearing here is it's just a matter of degrees{.}").

[198] *Compare* CR/PR at Figure II-1 and Table II-7 (showing housing starts and domestic auto production) to C-1 (showing apparent U.S. consumption).

[199] *See* CR/PR at Tables IV-17, C-1.

but Cornerstone's U.S. shipment AUV was *** percent lower.[200] In view of the foregoing, we do not find that a decline in demand accounts for the considerable declines in Cornerstone's prices beginning in the fourth quarter of 2022.

In sum, we find that the significant underselling by cumulated subject imports caused cumulated subject imports to gain significant market share from the domestic industry and depressed prices to a significant degree.[201] We therefore find that cumulated subject imports had significant price effects.[202]

[200] *See* CR/PR at Tables IV-17, VI-1-2, C-1.

[201] Commissioner Johanson does not join the finding of significant price depression, as noted, but otherwise joins the price conclusion.

[202] We disagree with respondents that Cornerstone's alleged status as a price leader prevented subject imports from causing adverse price effects. Hexion Prehearing Br. at 13; Hexion Posthearing Br. at 1; QMC Prehearing Br. at 22; QMC Posthearing Br. at 9; OCI Prehearing Br. at 27; OCI Posthearing Br. at 6; Wilsonart Posthearing Br. at 14. If Cornerstone's published prices affected the market in the way respondents allege, subject importers, which would have been aware of Cornerstone's prices, undercut them in 2021 and 2022, which allowed subject imports to take market share. Indeed, the years with the most underselling (2021-2022) occurred when cumulated subject imports took the most market share from Cornerstone. CR/PR at Table V-13.

3. Impact of Cumulated Subject Imports[203]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[204] 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 debts, research and development, 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."[205]

Cornerstone's performance declined by most measures from 2021 to 2023 to the point of experiencing ***.[206] While its performance improved slightly in interim 2024 compared to

[203] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determinations, Commerce found dumping margins of 179.24 to 218.73 percent for imports from Germany, 115.11 to 127.69 percent for imports from Japan, 53.50 to 72.16 percent for imports from the Netherlands, and 98.32 to 146.85 percent for imports from Trinidad & Tobago. CR/PR at I-7-8; *Germany AD Determination*, 89 Fed. Reg. 97584; *Netherlands AD Determination*, 89 Fed. Reg. 97590; *Trinidad & Tobago AD Determination*, 89 Fed. Reg. 97598; *Japan AD Determination*, 89 Fed. Reg. 97601. Commerce postponed its final determination regarding subject imports from India and made a negative antidumping determination regarding subject imports from Qatar. *Qatar Negative AD Determination*, 89 Fed. Reg. 97592; *India Preliminary AD Determination*, 89 Fed. Reg. 77832; *Melamine From India: Postponement of Final Determination of Sales at Less Than Fair Value Investigation*, 89 Fed. Reg. 84533 (Oct. 23, 2024). We take into account in our analysis the fact that Commerce has made final findings that all subject producers in Germany, Japan, the Netherlands, and Trinidad & Tobago are selling subject imports in the United States at less than fair value. Further, our analysis of the significant underselling of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

[204] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

[205] 19 U.S.C. § 1677(7)(C)(iii)..

[206] *See* CR/PR at C-1.

interim 2023, it still experienced ***.[207] Cornerstone lost market share to cumulated subject imports during each full year of the POI, and most of its output indicators—including production and U.S. shipments—declined by a substantially greater percentage than the *** percent decline in apparent U.S. consumption between 2021 and 2023.[208]

While Cornerstone's capacity increased by *** percent between 2021 and 2023, its production and U.S. shipments all declined sharply.[209] As a result, its capacity utilization declined by *** percentage points during that period.[210] Cornerstone's production, U.S. shipments, capacity, and capacity utilization were higher in interim 2024 than in interim 2023.[211] Cornerstone's market share decreased by *** percentage points from 2021 to 2023, declining from *** percent in 2021 to *** percent in 2022 and *** percent in 2023; it was *** percentage points higher in interim 2024 (*** percent).[212] Its end-of-period inventories increased by *** percent, between 2021 and 2023, but were *** percent lower in interim 2024 than in interim 2023.[213]

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[207] *See* CR/PR at C-1.

[208] *See* CR/PR at C-1.

[209] CR/PR at Tables III-5, C-1. Cornerstone's production decreased from *** pounds in 2021 to *** pounds in 2022 and *** pounds in 2023; it was higher in interim 2024, at *** pounds, than in interim 2023, at *** pounds. *Id*. Cornerstone's capacity increased from *** pounds in 2021 to *** pounds in 2022 and *** pounds in 2023; it was higher in interim 2024, at *** pounds, than in interim 2023, at *** pounds. *Id*. Its U.S. shipments declined from *** pounds in 2021 to *** pounds in 2022 and *** pounds in 2023; they were higher in interim 2024, at *** pounds, than in interim 2023, at *** pounds. *Id.* at Tables III-7, C-1.

[210] CR/PR at Tables III-5, C-1. Cornerstone's rate of capacity utilization decreased from *** percent in 2021 to *** percent in 2022 and *** percent in 2023; it was higher in interim 2024, at *** percent, than in interim 2023, at *** percent. *Id*.

[211] CR/PR at Tables III-5, III-7, C-1.

[212] CR/PR at Tables IV-17, C.1.

[213] CR/PR at Tables III-8, C-1. Cornerstone's end-of-period inventories increased from *** pounds in 2021 to *** pounds in 2022 and *** pounds in 2023; they were lower in interim 2024, at *** pounds, than in interim 2023, at *** pounds. *Id*. As a ratio to total shipments, Cornerstone's end-of-
(Continued...)

Cornerstone's employment indicia generally increased during the POI, but were lower in interim 2024 compared to interim 2023. Its number of production and related workers ("PRWs"), hours worked, wages paid, and hourly wages, all increased overall from 2021 to 2023 by *** percent, *** percent, *** percent, and *** percent, respectively.[214] However, its productivity declined by *** percent from 2021 to 2023.[215] All of these indicators except hourly wages and productivity were lower in interim 2024 than interim 2023.[216]

Most of Cornerstone's financial performance indicia declined overall from 2021 to 2023 to the point where it saw substantial ***. While these indicia slightly improved in interim 2024 compared to 2023, Cornerstone continued to ***. From 2021 to 2023, Cornerstone's net sales (by value) declined by *** percent; they were *** percent higher in interim 2024 than in interim 2023.[217] Its gross profit declined irregularly from 2021 to 2023, and it incurred a gross loss of *** in 2023; its *** was $*** in interim 2023 and $*** in interim 2024.[218] Similarly,

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period inventories increased by *** percentage points from 2021 to 2023, from *** percent in 2021 to *** percent in 2022 and *** percent in 2023; they were lower in interim 2024, at *** percent, than in interim 2024, at *** percent. *Id*.

[214] CR/PR at Tables III-9, C-1. Cornerstone's number of PRWs was *** in 2021, *** in 2022, and *** in 2023; it was lower in interim 2024, at ***, than in interim 2023, at ***. *Id*. The number of hours worked was *** hours in 2021, *** hours in 2022, and *** hours in 2023; it was lower in interim 2024, at *** hours, than in interim 2023, at *** hours. *Id*. Total wages paid were $*** in 2021, $*** in 2022, and $*** in 2023; they were lower in interim 2024 at $*** than in interim 2023 at $*** *Id*. Hourly wages were $*** in 2021, $*** in 2022, and $*** in 2023; they were higher in interim 2024 at $*** than in interim 2023 at $***. *Id*. Cornerstone's employment-related performance indicia generally improved during the POI. Cornerstone explained that ***. CR/PR at III-9 n.15.

[215] CR/PR at Tables III-9. Cornerstone's productivity was *** pounds per hour in 2021, *** 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. *Id*.

[216] CR/PR at Tables III-9, C-1.

[217] CR/PR at Table C-1. Cornerstone's net sales (by value) were $*** in 2021, $*** in 2022, and $*** in 2023; they were higher in interim 2024, at $***, than in interim 2023, at $***. *Id*.

[218] CR/PR at Tables VI-1, C-1. Cornerstone's gross profit was $*** in 2021 and $*** in 2022, and its gross losses were *** in 2023. *Id*.

Cornerstone's operating and net income declined irregularly from 2021 to 2023, and it incurred operating and net losses of $*** and $*** in 2023, respectively. Cornerstone's operating *** was *** in interim 2024, at $***, than in interim 2023, at $***.[219] Its net *** were slightly *** in interim 2024, at $***, than in interim 2023, at $***.[220] The domestic industry's operating and net income margins both declined irregularly from 2021 to 2023, by *** and *** percentage points respectively, and were *** and ***, respectively, in 2023. The operating and net income margins remained *** in the interim periods; in interim 2023 they were *** and *** percent, respectively, and in interim 2024 they were *** and *** percent, respectively.[221]

Cornerstone was unable to make substantial capital investments during the POI, and its capital expenditures were "***."[222] Its capital expenditures declined overall by *** percent from 2021 to 2023 and were *** percent lower in interim 2024 than in interim 2023.[223] Its research and development ("R&D") expenses declined by *** percent during the from 2021 to 2023 and were at *** in interim 2023 and interim 2024.[224] Cornerstone's net assets declined

[219] C/PR at Tables VI-1, C-1

[220] CR/PR at Tables VI-1, C-1. Cornerstone's operating income was $*** in 2021 and $*** in 2022, and it had an operating loss of $*** in 2023. *Id*. Its net income increased from $*** in 2021 to $*** in 2022 and it had a net loss of $*** in 2023. *Id*.

[221] CR/PR at Tables VI-6, C-1. Cornerstone's operating income margin was *** percent in 2021, *** percent in 2022, and *** percent in 2023. *Id*. Its net income margin was *** percent in 2021, *** percent in 2022, and *** percent in 2023. *Id*.

[222] CR/PR at Tables VI-8 and VI-6.

[223] CR/PR at Tables VI-6, C-1. Cornerstone's capital expenditures were $*** in 2021, $*** in 2022, and $*** in 2023; they were lower in interim 2024, at ***, than in interim 2023, at ***. *Id*.

[224] CR/PR at Tables VI-6, C-1. Cornerstone's R&D expenses were $*** in 2021, $*** in 2022, and $*** in 2023. *Id*.

by *** percent from 2021 to 2023.[225] It also reported negative effects on investment and on growth and development due to subject imports.[226]

Despite declining apparent U.S. consumption, U.S. shipments of cumulated subject imports increased by *** percent from 2021 to 2023.[227] During that period, imports significantly undersold domestic melamine and captured *** percentage points of market share from Cornerstone, and as we found above, significantly depressed prices starting in the beginning of 2023.[228] The decline in Cornerstone's U.S. shipments and production caused capacity utilization to decline in each full year of the POI, while its end-of-period inventories and its unit fixed costs increased.[229] It significantly cut prices in 2023 and interim 2024 to try to gain back market share.[230] The strategy succeeded in recovering market share, but its financial

[225] Cornerstone's net assets were $*** in 2021, $*** in 2022, and $*** in 2023; its net asset data were *** for the interim periods. CR/PR at Tables VI-6, C-1. *Id*.

[226] CR/PR at Tables VI-7-8.

[227] CR/PR at Tables IV-17, C-1. U.S. shipments of cumulated subject imports were *** percent lower in interim 2024 than in 2023. *Id*.

[228] CR/PR at Tables IV-17, C-1. Cornerstone's share of apparent U.S. consumption decreased *** percentage points from 2021 to 2023, while its share of apparent U.S. consumption was *** percentage points higher in interim 2024 than in interim 2023. *Id*. In contrast, cumulated subject imports' share of apparent U.S. consumption increased *** percentage points from 2021 to 2023 and their share of apparent U.S. consumption was *** percentage points lower in interim 2024 than in interim 2023. *Id*.

[229] Cornerstone Prehearing Br. at 44. Cornerstone produces melamine using a capital-intensive, 24-hour, seven-day-a week, continuous production process with high fixed costs which requires that it operate at a high rate of capacity utilization to be profitable. CR/PR at III-4; Hearing Tr. at 28 (Frank).

[230] As explained above in section VI.C.2, these price cuts outpaced its declining per-unit COGS from 2022 to 2023. *See* CR/PR at Tables V-6-8, VI-1, C-1.

We are unpersuaded by respondents' argument that there is a lack of correlation among the volume of subject imports, the prevalence of underselling, and industry performance that disproves the existence of a causal link between subject imports and injury to the domestic industry. Respondents observe that Cornerstone's gross profits and net income increased significantly in 2022, when cumulated subject imports and underselling peaked, but declined in 2023, when subject imports and apparent domestic consumption declined. OCI Prehearing Br. at 2, 41; OCI Posthearing Br. at 4; QMC Posthearing Br. at 14-15. Hexion adds that Cornerstone's condition improved in interim 2024 compared to interim 2023 despite the increasing volume of cumulated subject imports. Hexion Prehearing Br. at 19; Hexion Posthearing Br. at 6 *citing* CR/PR at Tables IV-19. In a similar vein, QMC notes that subject (Continued...)

performance worsened by most measures, including double-digit declines in operating and net income margins from 2021 to 2023.[231] Further, coincident with the significant price depression beginning in the fourth quarter of 2022, [232] Cornerstone experienced ***.[233] In light of these considerations we find that cumulated subject imports had a significant adverse impact on the domestic industry.

Respondents assert that Cornerstone's supply disruptions, and not low-priced subject imports, caused Cornerstone to lose market share to cumulated subject imports from 2021 to 2023. Specifically, they argue that the volume and market share of cumulated subject imports

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imports' market share was lower in interim 2024 than in interim 2023, when they predominantly oversold the domestic like product. QMC Prehearing Br. at 28. However, these claims fail to account for Cornerstone's efforts to blunt the injurious effects of unfairly traded subject imports. In 2022, when underselling was highly prevalent and brought subject import volumes to their highest levels, Cornerstone's financial performance improved because prices reached their highest level of the POI, but its production, capacity utilization, shipments, and market share fell. Going into 2023, subject imports' continued market share gain during a time of declining apparent domestic consumption resulted in unsustainable volume losses for Cornerstone and a new strategy of lowering prices to regain market share. The company succeeded in increasing market share and production, but at the cost of a precipitous drop in financial performance.

[231] Although most of Cornerstone's indicators improved from 2021 to 2022, its performance would have been stronger had subject import underselling not prevented the company from retaining more market share, which would have increased revenues and improved profitability by spreading fixed costs across a larger shipment base. *See* Hearing Tr. at 23 (Frank). As indicated above in section VI.C.2, Cornerstone produces melamine using a capital-intensive continuous production process with high fixed costs, which require it to operate at a high rate of capacity utilization to be profitable. Hearing Tr. at 28 (Frank). Indeed, its per-unit other factory costs and labor costs increased during the time of falling production and shipment levels. *See* CR/PR at VI-8 n.13 (citing Hearing Tr. at 23 (Frank) (indicating that its fixed costs consist of approximately fifty percent labor and fifty percent maintenance costs), Tables VI-1, C-1.

[232] Commissioner Johanson, as noted, does not find significant price depression and therefore does not join this clause.

[233] CR/PR at Tables VI-1, C-1. Cornerstone's U.S. shipments and market share increased in interim 2024 compared to interim 2023 following substantial price cuts during that period. CR/PR at Tables IV-17, V-6-8, C-1. The record also indicates that Cornerstone's prices and U.S. shipment volume increased from the first to second quarter of 2024 following the filing of the petitions. *See* CR/PR at Tables V-6-8 (prices for products 1-3 increased in the second quarter of 2024 compared to the first while its combined shipment volume increased during this same period for these three products).

increased from 2021 to 2022 only to fill supply gaps caused by Cornerstone's supply disruptions and that the market share increases continued into 2023 because the supply disruptions led purchasers to prioritize supply diversity and reliability.[234]

We acknowledge that Cornerstone's production disruptions affected its ability to supply all of the melamine requested by its customers at certain times in 2022. However, the record also indicates that subject imports did not increase in 2022 only to "fill supply gaps" caused by these supply disruptions.[235] From 2021 to 2022, cumulated subject imports increased by (*** pounds), much greater than the decline in Cornerstone's production that year (*** pounds) or the total effect on "supply" estimated by Cornerstone (*** pounds).[236] Further, although the disruption prevented Cornerstone from meeting some orders at some points during the periods covered by its *force majeure* declarations, the fact that it operated at far less than its practical capacity in 2022—which takes account of the production outages—means it could have supplied more melamine to the U.S. market.[237] Furthermore, in 2022 and 2023 Cornerstone's

[234] Hexion Prehearing Br. at 4-7; QMC Prehearing Br. at 13-14; Kronospan Prehearing Br. at 10-13; MHTL Prehearing Br. at 24; Wilsonart Prehearing Br. at 6-10.

[235] *See*, *e.g.*, Hexion Prehearing Br. at 4-7; QMC Prehearing Br. at 13-14; Kronospan Prehearing Br. at 7-13; Wilsonart Prehearing Br. at 6; Wilsonart Posthearing Br. at 3-5; Hexion Posthearing Br. at 1, 3. We add that Cornerstone officials testified that it took steps to mitigate the effect of the temporary disruptions on its U.S. customers. Hearing Tr. at 31 (Frank).

[236] CR/PR at II-12, Tables IV-2, C-1. MHTL asserts that 2021 is an inappropriate baseline year for comparing changes in production because it was affected by Cornerstone's first production disruption. MHTL Prehearing Br. at 43. Despite Cornerstone's late-2021 production disruption, which was much shorter than its 2022 disruption, it produced more melamine in 2021 (*** pounds) than in 2019 (*** pounds). CR/PR at Tables III-5, C-1; Cornerstone's Response to Commission's Notice of Institution of Five-Year Review of Melamine from China, EDIS Doc. 838509 (Dec. 2, 2020); *Melamine from China*, Inv. Nos. 701-TA-526 and 731-TA-1262 (Review) USITC Pub. 5210 (June 2021) (EDIS Doc. 838510) at Table I-4.

[237] *See* Cornerstone U.S. Producer QR at II-3c. *See* Cornerstone U.S. Producer QR at II-3c. Cornerstone's unused capacity (*** pounds) in 2022 was greater than the increase in U.S. shipments of cumulated subject imports (*** pounds) from 2021 to 2022. *Calculated from* CR/PR at Tables III-5, IV-17, C-1.

end-of-period inventories were significantly higher than its targeted inventory of *** pounds, further indicating the availability of excess melamine to supply customers' demand.[238] We also note that if cumulated subject imports increased in 2022 simply to address a supply shortage, purchasers would have paid a premium for them, especially in a market with relatively transparent pricing.[239] However, cumulated subject imports undersold the domestic like product in 62.5 percent quarterly comparisons, corresponding to *** percent of reported subject import sales volume in 2022.[240] Finally, and tellingly, subject imports continued to take market share from Cornerstone in 2023, after the production disruptions and *force majeure* declarations had ended.[241]

We are not persuaded by respondents' efforts to characterize this further erosion of Cornerstone's market share solely as a "psychological" effect of the supply disruptions, which led purchasers to diversify toward more reliable supply sources, or their contention that purchasing decisions were mainly driven by factors other than price.[242] If this were the case,

[238] CR/PR at Table III-8; Cornerstone's U.S. Producer QR at II-8; Cornerstone's Posthearing Br. at Exhibit 1 pg. 11; Hearing Tr. at 31 (Frank). Its end-of-period inventories were *** pounds in 2022 and *** pounds in 2023.

Contrary to Hexion's assertion, Cornerstone's exports did not drive its lost market share from 2021 to 2022, as Cornerstone's share of export shipments to total shipments declined from *** percent in 2021 to *** in 2022, and the volume of its exports fell by *** pounds, supporting Cornerstone's contention that it diverted export shipments to the U.S. market to supply its U.S. customers that year. Hexion Prehearing Br. at 15; CR/PR at Table III-7.

[239] Hearing Tr. at 37 (Driscoll), 262 (Carillon), 263 (Miller) (importers and purchasers acknowledging that melamine prices were relatively transparent in in the U.S. market in 2021 and throughout most of 2022); CR/PR at V-7.

[240] CR/PR at Table V-13.

[241] CR/PR at Tables IV-17, C-1.

[242] Hexion Prehearing Br. at 4-7, 14-15; QMC Prehearing Br. at 13-14; Kronospan Prehearing Br. at 10-15; MHTL Prehearing Br. at 24; Wilsonart Prehearing Br. at 6-10; Hexion Posthearing Br. at 4; Kronospan Posthearing Br. at 11; QMC Posthearing Br. at 8. *See also See* Hearing Tr. at 158-160 (Miller), 170 (Obermaier), 172 (Holcombe), 176 (Wagner), 179 (Bennett), 184 (Monoson); Prehearing Non-Party (Continued...)

Cornerstone would not have been able to increase its market share with lower prices in interim 2024. Continued import underselling accordingly provides a more compelling explanation for subject imports' ability to take market share from Cornerstone after any period of *force majeure* declaration.

We also note that the record indicates that domestically produced melamine is relatively comparable with subject imports in terms of quality, availability, and reliability. All purchasers reported that the domestic like product was at least comparable with subject imports from each subject country in terms of quality, the top-ranked purchasing factor.[243] Regarding availability and reliability of supply, most purchasers reported that the domestic like product was comparable with or superior to subject imports from Germany, the Netherlands, and Trinidad & Tobago—the three largest country sources over the POI, representing a large majority (*** percent) of U.S. shipments of subject imports in 2023.[244] Moreover, supply constraints also affected subject merchandise during the POI. Producers in *** reported shutdowns, plant closures, or production curtailments over the POI, including MHTL's six-month production outage detailed above in section VI.C.3 and below in section VI.E.1.[245]

Statements of Prefere Melamine LLC, Unilin North America, LLC, Egger Wood Products, LLC, BMK Americas and Swiss Krono USA, and the Composite Panel Association; Non-Party Statements of North American Laminate Flooring Association; Posthearing Non-Party Statements of Prefere Melamine LLC, and Unilin North America, LLC. (non-party statements and testimony that supplier diversity and/or purchaser reliability became important purchasing factors after Cornerstone's production constraints). We note that none of these purchasers or end users of MF resins reported that they do not at least consider price when making purchasing decisions.

[243] CR/PR at Table II-16. Furthermore, *** of purchasers with knowledge reported that subject imports from all subject countries always met minimum quality specifications. CR/PR at Table II-14.

[244] CR/PR at Tables II-16, IV-2.

[245] CR/PR at Tables V-15, VII-3-4; MHTL Posthearing Br. at 12. We also note that there were plant closures in Germany and Japan over the POI. CR/PR at Table VII-3.

Furthermore, other evidence on the record indicates that reliability and diversification were not the sole factors motivating purchasers and that price was a critical factor. Contemporaneous sales documents and communications between Cornerstone and *** show that Cornerstone was either *** or that *** to receive price concessions.[246] These were *** of the top *** purchasers of subject merchandise over the POI, accounting for *** of all reported purchases .[247] For *** Hexion and Wilsonart, subject imports' shares of their total purchases increased by *** percentage points and *** percentage points, respectively, from 2021 to 2023, *** at the expense of their purchases from Cornerstone.[248] These increased purchases represented *** percent of the increase in U.S. shipments of cumulated subject imports from 2021 to 2023 and *** percent of apparent U.S. consumption in 2023.[249] These purchasers both argue that Cornerstone's production constraints—and not low import prices—motivated them to switch sources.[250] However, *** reported that price is a *** purchasing factor.[251] Furthermore, Wilsonart considers the domestic like product to be at least comparable with subject imports from all available subject countries in terms of ***.[252] Hexion, the ***

[246] Cornerstone Prehearing Br. at 24-25; Exhibit 1, Attachments 1-9. For example, purchaser *** indicated that "due to continuous pressure from our customers to reduce prices we'll have to go with the lowest offers. We will not be able to allocate any volume to Cornerstone this quarter." *Id.* at 24; Exhibit 1 Attachment 4. ***, the *** purchaser, indicated that the volume of its purchases from Cornerstone would be reduced at the current price, but that lower prices could lead to significantly increased sales volumes, as much as "close to 90 {percent}, if not more." *Id.* at 24-25; Exhibit 1 Attachment 9.

[247] CR/PR at Table V-14.

[248] CR/PR at Table V-14. Hexion's total purchases over the POI included ***; Wilsonart's total purchases over the POI included ***. *Id.*

[249] *Calculated from* Hexion and Wilsonart U.S. Purchaser QRs at II-1; CR/PR at Table C-1. We also note that for purchaser ***, subject imports' share of its total purchases increased by *** percentage points from 2021 to 2023, *** at the expense of Cornerstone. CR/PR at Table V-14.

[250] CR/PR at Table V-15.

[251] Hexion and Wilsonart U.S. Purchaser QR at III-26.

[252] Wilsonart U.S. Purchaser QR at III-28 (***), IV-3.

purchaser considers the domestic like product to be at least comparable with subject imports from all subject countries in terms of *** while also ***.[253] Hexion and Wilsonart also reported that the domestic like product is *** interchangeable with subject imports from all available subject countries.[254] Finally, their arguments are undercut by the contemporaneous sales documents discussed above. As such, we are unpersuaded by respondents' argument that Cornerstone's poor performance is entirely attributable to its supply disruptions rather than subject imports.

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. We recognize that apparent U.S. consumption of melamine declined by 18.6 percent from 2021 to 2023.[255] We find, however, that declining consumption does not fully account for Cornerstone's declining performance from 2021 to 2023. To begin, many measures of Cornerstone's performance declined to a greater degree than would be expected based on the 18.6 percent decline in apparent U.S. consumption between 2021 and 2023, including a *** percent decline in production, a *** percent decline in U.S. shipments, and a *** percent decline in net sales quantity.[256] Nor does declining consumption explain the *** percentage point market share shift from Cornerstone to subject imports as dumped and subsidized imports entered the U.S. market in increased quantities at prices that undersold the domestic like product. In any event, apparent U.S. consumption recovered somewhat in interim 2024,

[253] Hexion U.S. Purchaser QR at III-28 (***), IV-3.
[254] Hexion U.S. purchaser QR at IV-1.
[255] CR/PR at Tables IV-17, C-1.
[256] CR/PR at Tables IV-17, VI-2, C-1.

but the domestic industry continued to perform quite poorly. Accordingly, we find that declining consumption does not fully explain Cornerstone's deteriorating performance during the POI.[257]

Nonsubject imports were minimal throughout the POI, as their share of apparent U.S. consumption decreased from *** percent in 2021 and 2022 to *** percent for the remainder of the POI. Accordingly, nonsubject imports cannot explain Cornerstone's loss of market share and other adverse trends during the POI.[258]

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

[257] For the reasons explained above in section VI.C.2, we disagree with respondents' assertion that price declines from 2021 to 2022, and therefore the resulting decline in Cornerstone's financial performance, were driven primarily by declining demand and ammonia costs rather than low-priced subject imports. Kronospan Prehearing Br. at 2-4; Kronospan Posthearing Br. at 12-14; Hexion Prehearing Br. at 16; QMC Prehearing Br. at 22-23; QMC Posthearing Br. at 10-12 OCI Prehearing Br. at 23-24; OCI Posthearing Br. at 5-6.

[258] CR/PR at Tables IV-17, C-1. MHTL argues that U.S. shipments of nonsubject imports are underrepresented in the questionnaire response data given that importers of nonsubject merchandise did not respond to the Commission's questionnaire. MHTL Prehearing Br. at 26. As indicated above in section I, while *** did not respond to the Commission's U.S. importer questionnaire, official Commerce import data indicate that nonsubject imports were minimal during the POI, accounting for *** percent of all melamine imports in 2023. CR/PR at Table IV-2. Further, imports from nonsubject countries declined from 2021 to 2023 in absolute terms and as a percentage of total imports. CR/PR at Table IV-2. Therefore, data from the missing importer would not have affected the trends in subject import and Cornerstone's market share during that period.

E. Material Injury or Threat of Material Injury by Reason of Subject Imports from Trinidad & Tobago

Based on the record in these investigations, we find that an industry in the United States is threatened with material injury by reason of imports of melamine from Trinidad & Tobago that have been sold at LTFV and subsidized by the government of Trinidad & Tobago.[259]

1. Volume and Likely Volume of Subject Imports from Trinidad & Tobago

The volume of subject imports from Trinidad & Tobago initially increased from 25.1 million pounds in 2021 to 36.6 million pounds in 2022, and then declined to 8.8 million pounds in 2023; it was higher in interim 2024, at 5.7 million pounds, than in interim 2023, at 2.4 million pounds.[260] In each full year, subject imports from Trinidad & Tobago held a fluctuating but significant share of the U.S. market,[261] which increased from *** percent in 2021 to *** percent in 2022, and then declined to *** percent in 2023, for an overall increase of *** percentage point. However, their share was lower in interim 2024, at *** percent, than in interim 2023, at *** percent.[262] Trinidad & Tobago accounted for the *** of apparent U.S.

[259] In its final countervailing duty determination concerning melamine from Trinidad & Tobago, Commerce found two subsidy programs to be countervailable: Provision of Natural Gas for Less-Than-Adequate Renumeration; and Import Duty Exemptions. *Melamine From Trinidad and Tobago: Final Affirmative Determination in the Countervailing Duty Investigation*, 89 Fed. Reg. 97599 (Dec. 9, 2024) (referencing its *Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Melamine from Trinidad and Tobago* (Dec. 2, 2024) at 2). However, we have considered the information presented by Commerce as to the nature of these subsidies, and none of them are a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.

[260] CR/PR at Table IV-2. The volume of subject imports from Trinidad & Tobago increased by 45.6 percent from 2021 to 2022, but declined 75.9 percent from 2022 to 2023, for an overall decline of 64.9 percent; it was 136.4 percent higher in interim 2024 than in interim 2023. *Id*. U.S. shipments of subject imports from Trinidad & Tobago decreased by *** percent from 2021 to 2023, increasing *** percent from *** pounds in 2021 to *** pounds in 2022 before decreasing by *** percent to *** pounds in 2023; they were *** percent lower in interim 2024 (*** pounds) than in interim 2023 (*** pounds). *Id*. at Tables IV-17, C-1.

[261] CR/PR at Table IV-17.

[262] CR/PR at Tables IV-17, C-1.

consumption out of any individual country import source from 2021 to 2023.[263] We note that while subject imports from Trinidad & Tobago held significantly less market share in interim 2024 than in interim 2023, the decrease follows a fire that shuttered production for six months. MHTL's continued shipments to the United States during the period affected by the shutdown reflect an ongoing commitment to remain in the U.S. market and retain U.S. customers. On this record, we find that the volume of subject imports from Trinidad & Tobago during the POI was significant, both in absolute terms and relative to consumption in the United States.[264]

We also find that subject imports from Trinidad & Tobago are likely to increase substantially in the imminent future. MHTL has recovered from its six-month shutdown, produces melamine at pre-shutdown levels, and projects that it will increase exports to the U.S. market in 2025 to more than *** their 2023 level.[265] Indeed, despite continually declining apparent U.S. consumption from 2021 to 2023,[266] MHTL's exports are projected to be *** percent higher in 2025 than they were in 2021.[267] Its projected exports in 2025 are equivalent

[263] CR/PR at Tables IV-17, C-1.

[264] The ratio of subject imports from Trinidad & Tobago to domestic production was *** percent in 2021, *** percent in 2022, and *** percent in 2023. CR/PR at Table IV-2.

[265] MHTL's exports to the United States were *** pounds in 2021, *** pounds in 2022, and *** pounds in 2023; they were higher in interim 2024, at *** pounds, than in interim 2023, at *** pounds. CR/PR at Table VII-7. MHTL projects its exports to the United States to be *** pounds in full-year 2024 and *** pounds in 2025. *Id*.

We recognize that *** has reported arranged imports from Trinidad & Tobago. However, MHTL's corporate affiliate Helm was the only U.S. importer of subject merchandise from Trinidad & Tobago during the POI, and *** of its U.S. shipments were from U.S. inventories in 2023. MHTL U.S. Importer QR at III-8. Therefore, MHTL's export decisions appear to be based on restocking Helm's inventory rather than to fill specific purchasers' orders. Indeed, MHTL acknowledged that "{i}n order to ensure timely delivery to meet the needs of its U.S. customers, Helm U.S. typically endeavors to maintain a modest inventory at all times for just-in-time delivery." MHTL Prehearing Br. at 59. As such, Helm's reporting of arranged imports does not appear to be particularly instructive of likely import volumes in the imminent future.

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

[267] CR/PR at Table VII-7.

to *** percent of apparent U.S. consumption in 2023, *** percentage points higher than the ratio of MHTL's exports to apparent U.S. consumption in 2023, and equal to that in 2022 when subject imports from Trinidad & Tobago gained *** percentage points of market share from Cornerstone.[268] Moreover, MHTL's projections of exports to the United States are likely underestimated as, despite its stated ***,[269] its projected 2025 exports to the United States are *** of its projected production.[270] Thus, the likely volume and increase in volume of subject imports from Trinidad & Tobago are likely to be significant within the imminent future, both in absolute terms and relative to apparent U.S. consumption.

Furthermore, MHTL will have the ability and incentive to significantly increase exports to the United States. It is significantly export oriented, as *** of its shipments are exports,[271] and the large U.S. market has historically been attractive to MHTL. Although MHTL's exports to the U.S. market declined as a share of its total shipments from 2021 to 2023, they were higher in interim 2024 than in interim 2023.[272] We find it notable that before MHTL's shutdown, this

[268] MHTL's exports to the United States relative to apparent U.S. consumption were *** percent in 2021, *** percent in 2022, *** percent in 2023, *** percent in interim 2023, and *** percent in interim 2024. *Calculated from* CR/PR at Tables IV-17, VII-7. MHTL's projected exports in 2025 relative to 2023 apparent U.S. consumption is also significantly higher than the market share of subject imports from Trinidad & Tobago throughout the POI. *Id*. We acknowledge that export data reported by foreign producers may differ with import and U.S. shipment data in certain respects, including the timing and value of shipments as well as the accounting of inventory held by U.S. importers. However, we find this comparison useful in assessing the volume of these projected exports relative to the size of the U.S. market, particularly given that MHTL's affiliate Helm was the only U.S. importer of subject merchandise from Trinidad & Tobago over the POI. *See* CR/PR at Table IV-1.

[269] *See* MHTL Foreign Producer QR at II-9; MHTL Prehearing Br. at 14-17.

[270] *See* CR/PR at Table VII-7; MHTL Foreign Producer QR at II-9; MHTL Prehearing Br. at 16.

[271] *See* CR/PR at Table VII-7.

[272] CR/PR at Table VII-7. MHTL's exports to the United States as a share of its total shipments increased from *** percent in 2021 to *** percent in 2022, before decreasing to *** percent in 2023; it was higher in interim 2024, at *** percent, than in interim 2023, at *** percent. *Id*. This share is projected to increase from *** percent in 2024 to *** percent in 2025. *Id*.

share increased by *** percentage points from 2021 to 2022 to the point where *** MHTL's shipments were exported to the United States.[273] MHTL projects that its resumption of normal production will result in this share increasing by *** percentage points to *** percent from 2023 to 2025 after MHTL resumes normal production.[274]

MHTL's capacity utilization rate increased from 2021 to 2022, before decreasing from 2022 to 2023 and was lower in interim 2024 compared to interim 2023.[275] However, its capacity utilization is expected to rebound in the remaining portion of 2024 and 2025.[276] Despite MHTL's plant shutdown in 2023 and 2024, MHTL's excess capacity in terms of volume was significant relative to U.S. demand during the POI, ranging from *** to *** percent of apparent U.S. consumption from 2021 to 2023.[277] Moreover, MHTL projects its excess capacity in 2024 to be *** pounds, *** than it was ***.[278] Its projected production and export figures for 2025 show that it expects to devote essentially all of its excess capacity to increasing shipments to the United States. As such, MHTL's substantial current and projected capacity and excess capacity are likely to result in it substantially increasing subject imports from Trinidad & Tobago in the imminent future.

[273] CR/PR at Table VII-7. We are unpersuaded by MHTL's assertion that its *** will prevent it from significantly increasing exports to the United States. MHTL Prehearing Br. at 14-17. This *** is apparently quite flexible, as the actual *** varied greatly during the POI. Moreover, we have already found that subject imports from Trinidad & Tobago were significant and will likely be significant in the imminent future. *See* CR/PR at Tables IV-17, VII-7, C-1.

[274] CR/PR at Table VII-7.

[275] CR/PR at Table VII-7. MHTL's capacity utilization rate was *** percent in 2021, *** percent in 2022, *** percent in 2023, *** percent in interim 2023, and *** percent in interim 2024. *Id*. MHTL projects it to be *** percent in 2024 and *** percent in 2025.

[276] CR/PR at Table VII-3.

[277] *Calculated from* CR/PR at Table VII-7.

[278] *Calculated from* CR/PR at Table VII-7, Table IV-17.

We find it noteworthy that *** responding purchasers have bought subject imports from Trinidad & Tobago, and that these have accounted for a growing share of all total reported purchases during the POI.[279] Taken together, these *** firms accounted for more than three quarters of reported purchases, indicating that MHTL has gained access to the most significant segment of purchasers in the U.S. market.[280]

In sum, subject imports from Trinidad & Tobago maintained a significant presence in the U.S. market during the POI. Having resumed normal production activities in 2024, MHTL now projects its exports to the United States to increase in 2025 to levels higher than in 2021 and 2023. As such, a substantial increase in subject imports from Trinidad & Tobago is imminent. The United States remains an attractive export market for subject merchandise from Trinidad & Tobago. Moreover, MHTL's production capacity and excess capacity during the POI demonstrate both the ability and incentive to substantially increase the volume of exports to the United States in the imminent future. Based on these considerations, we conclude that the volume of subject imports from Trinidad & Tobago is likely to be significant within the imminent future, both in absolute terms and relative to consumption in the United States, and that the increase in the volume and market share of such subject imports will likely be significant.

2. Price Effects and Likely Price Effects of the Subject Imports from Trinidad & Tobago

As discussed in sections VI.C.3 and D.2 above, we have found that there is a moderate-to-high degree of substitutability between domestically produced melamine and melamine imported from Trinidad & Tobago, and that price is an important factor in purchasing decisions.

[279] CR/PR at Table V-14.
[280] CR/PR at Table V-14.

The Commission collected quarterly quantity and f.o.b. pricing data on sales of the three pricing products shipped to unrelated U.S. customers during the POI, as described above in section VI.D.2.[281] Cornerstone and one importer of subject melamine from Trinidad & Tobago, MHTL, provided usable pricing data for sales of the requested products, although both firms did not report shipments of all products for all quarters.[282] Pricing data reported by these firms accounted for all of Cornerstone's U.S. shipments as well as those of subject imports from Trinidad & Tobago in 2023.[283]

Subject imports from Trinidad & Tobago undersold the domestic like product in 22 of 27 (or 81.5 percent of) quarterly comparisons, corresponding to *** percent of the reported volume of subject imports from Trinidad & Tobago (*** pounds), with underselling margins ranging from *** to *** percent and averaging *** percent.[284] [285] Subject imports oversold the domestic like product in 5 of 27 (or 18.5 percent of) quarterly comparisons, corresponding to *** percent of the reported volume of subject imports from Trinidad & Tobago (*** pounds),

[281] CR/PR at V-8.

[282] CR/PR at V-8, Table IV-1.

[283] CR/PR at V-8.

[284] CR/PR at Table V- 11. Subject imports from Trinidad & Tobago undersold the domestic like product in all comparisons in 2021 and 2022, involving *** pounds and *** pounds, respectively, and a large majority of comparisons in 2023 (85.7 percent), involving *** percent of the volume of subject imports (*** pounds). CR/PR at Table V-13. Subject imports from Trinidad & Tobago oversold the domestic like product in all four comparisons in interim 2024, involving *** pounds. *Id*.

[285] Subject imports from Trinidad & Tobago were priced lower than combined imports from Germany, India, Japan, the Netherlands, and Qatar in 19 of 27 comparisons, accounting for *** percent of the volume of reported subject imports from Trinidad & Tobago. *See* CR/PR at Table D-3. Subject imports from Trinidad & Tobago were priced higher than melamine imports from India in eight of 14 quarters, Germany in seven of 14 quarters, Japan in five of 19 quarters, Netherlands in six of 27 quarters, and Qatar in 3 of 7 quarters. *Id*.

with overselling margins ranging from *** percent to *** percent and averaging *** percent.[286]

Seven of 13 responding purchasers reported that they had purchased subject imports from Trinidad & Tobago instead of the domestic like product during the POI.[287] Of these seven purchasers, six reported that subject imports were priced lower than the domestic like product.[288] Overall, the share of total purchases accounted for by subject imports from Trinidad & Tobago increased by *** percentage points from 2021 to 2023, *** at the expense of purchases from Cornerstone.[289]

Based on the foregoing, in particular the moderate-to-high degree of substitutability between subject imports and the domestic like product, the importance of price in purchasing decisions, and record evidence indicating that subject imports *** undersold than the domestic like product, we find that subject imports from Trinidad & Tobago significantly undersold the domestic like product during the POI.[290] The significant underselling contributed to subject

[286] CR/PR at Table V- 11.

[287] CR/PR at Table V-15.

[288] CR/PR at Table V-15.

[289] CR/PR at Table V-14. Purchasers' total purchases over the POI included *** pounds of domestically produced melamine and *** pounds of subject imports from Trinidad & Tobago. *Id*. Five purchasers *** increased their share of their purchases of subject imports over the POI. *Id*.

[290] For the reasons explained above in section VI.D.2, we are unpersuaded by MHTL's contention that an alleged time lag between price negotiations and importation exaggerated any apparent underselling. MHTL Posthearing Br. at 8-9. We add that MHTL reported that *** of its sales were from U.S. inventories, with lead times averaging *** days, just *** more than Cornerstone's average lead time. MHTL U.S. Importer QR at III-8; CR/PR at II-23. Therefore, there appears to be very little, if any, difference between Cornerstone and MHTL with respect to the lag between negotiation of prices and the date of shipment.

Based on the weight of evidence of underselling by subject imports from Trinidad & Tobago during the POI as a whole, overselling in interim 2024 is not informative as to the future pricing of subject imports from Trinidad & Tobago, particularly given overlaps with MHTL's shutdown and overall lower domestic prices in interim 2024.

imports from Trinidad & Tobago gaining *** percentage points of market share at the expense of Cornerstone from 2021 to 2022.[291] [292] The six-month plant shutdown that began in 2023 resulted in MHTL's exports to the United States decreasing significantly in 2023 and interim 2024.[293] Therefore, and contrary to our finding in section IV.D.2 regarding cumulated subject imports, the significant underselling by subject imports from Trinidad & Tobago did not result in a significant shift in market share in 2023 as compared to 2022.

However, as explained above in section VI.E.1, MHTL projects that its exports to the United States will be higher in 2025 than in 2021, which we find will likely lead to a substantial increase in subject imports from Trinidad & Tobago in absolute terms and as a share of apparent U.S. consumption. Given the predominance of underselling by MHTL during the POI, which abated only as a result of the 2023 shutdown and Cornerstone's decision to reduce price to regain market share, we expect that these imminent imports will predominantly undersell the domestic like product and nonsubject imports, including any nonsubject imports from Germany, India, Japan, the Netherlands, and Qatar ("five-country imports"), and gain market share at the expense of the domestic industry.[294]

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[291] CR/PR at Tables IV-17, C-1. The market share of subject imports from Trinidad & Tobago increased from *** percent in 2021 to *** percent in 2022, and then declined to *** percent in 2023; it was lower in interim 2024 at *** percent than in interim 2023 at *** percent. *Id*.

[292] For the reasons explained below in section VI.D.3, we are unpersuaded by MHTL's assertion that the *** percentage point market share shift from 2021 to 2022 was solely the result of Cornerstone's supply disruptions, not low-priced subject imports.

[293] MHTL's Posthearing Br. at 12. As explained above in section VI.C.2, we find that cumulated subject imports had significant price effects given that the significant underselling by cumulated subject imports caused subject imports to gain significant market share (*** percentage points) from Cornerstone from 2021 to 2023. However, subject imports from Trinidad & Tobago did not gain significant market share from 2021 to 2023.

[294] As noted above, we treat imports from Germany, India, Japan, the Netherlands, and Qatar as nonsubject imports for purposes of our analysis of subject merchandise from Trinidad & Tobago.

We have also examined available data on price trends. As discussed above in section VI.D.2, Cornerstone's prices generally fluctuated but increased overall,[295] increasing substantially in 2021 and 2022 before declining considerably from 2022 through the last quarter of the POI,[296] consistent with Cornerstone's assertion that it was forced to cut prices in 2023 and interim 2024 to attempt to retake lost market share.[297] Subject imports from Trinidad & Tobago followed similar price trends during the POI.[298] Further, as explained above in section VI.D.2, from 2021 to 2023, Cornerstone's COGS-to-net-sales ratio fluctuated over the POI, decreasing from *** percent in 2021 to *** percent in 2022 and increasing to *** percent in 2023; it was higher in interim 2024 at *** percent, than in interim 2023, at *** percent.[299] From 2021 to 2022, Cornerstone's net sales AUV increased to a greater degree than its per-unit COGS, while from 2022 to 2023 its net sales AUV decreased to a greater degree than its per-unit COGS.[300] During the interim periods, its per-unit COGS decreased to a greater degree than

[295] CR/PR at Tables V-6-8. Between the first and last quarters of the POI, its prices increased by *** percent for product 1, *** percent for product 2, and *** percent for product 3. *Id*. CR/PR at Table V-9. The AUV of Cornerstone's U.S. shipments increased overall by *** percent from 2021 to 2023, increasing by *** percent from $*** in 2021 to $*** in 2022 before declining by *** percent to $*** in 2023; it was *** percent lower in interim 2024 at $*** than in interim 2023 at ***. CR/PR at Tables C-1, VI-1-2.

[296] CR/PR at Tables V-6-8, Figures V-4-6. Specifically, from the fourth quarter of 2022 to second quarter of 2024, domestic prices for product 1 decreased by *** percent, product 2 decreased by *** percent, and product 3 decreased by *** percent. *Id*.

[297] Cornerstone Prehearing Br. at 36-38; Conf. Tr. at 28, 32 (Frank); Conf. Tr. at 31 (Driscoll). *See* CR/PR at C-1.

[298] *See, e.g.*, CR/PR at Figures V-5-6, Tables V-7-8. Although prices for subject imports from Trinidad & Tobago generally increased from 2021 to 2022 for Products 2 and 3, they generally declined from 2022 to 2023 and in interim 2024 compared to interim 2023. CR/PR at Tables V-7-8. There was no reported pricing data for Product 1 for subject imports from Trinidad & Tobago. CR/PR at Table V-6. Prices of subject imports from Trinidad & Tobago increased overall by *** percent for Products 2 and 3 during the POI. CR/PR at Table V-9.

[299] CR/PR at Tables VI-1, C-1.

[300] CR/PR at Tables VI-1, C-1.

its net sales AUV.[301] [302] Our price depression finding in section IV.D.2 above centered around Cornerstone's price declines beginning in the fourth quarter of 2022 in an attempt to retake market share from cumulated subject imports. However, as explained above, the market share of subject imports from Trinidad & Tobago decreased from 2022 to 2023 and was lower in interim 2024 than in interim 2023 due to temporary production problems. Indeed, subject imports from Trinidad & Tobago made up a much smaller share of imports in 2023 and interim 2024 than in prior years of the POI, indicating that subject imports from Trinidad & Tobago had a diminished role in impacting U.S. prices during the last portion of the POI.[303]

However, given our finding that the volume of subject imports from Trinidad & Tobago will likely imminently increase and will likely undersell both the domestic like product and nonsubject imports, we find that subject imports from Trinidad & Tobago would likely force Cornerstone to either reduce its prices, forego price increases that would otherwise have occurred, or risk losing market share to subject imports, as it did in 2022.

In sum, in light of the significant underselling observed during the POI, the moderate-to-high degree of substitutability between the domestic like product and subject imports, the importance of price in purchasing decisions, and the likely increase in subject imports from Trinidad & Tobago, we find that significant underselling by subject imports from Trinidad & Tobago is likely in the immediate future. Absent relief, the likely significant volume of low-

[301] CR/PR at Tables VI-1, C-1.

[302] Commissioner Johanson does not find significant price depression, as noted above, and therefore does not join the remainder of this paragraph.

[303] CR/PR at Table IV-2. As a percentage of total imports based on adjusted official Commerce import data, subject imports from Trinidad & Tobago declined from *** percent in 2021 to *** percent in 2022 and *** percent in 2023; they were higher in interim 2024, at *** percent, than in interim 2023, at *** percent. *Id*.

priced subject imports from Trinidad & Tobago will likely have significant price effects in the imminent future.

3. Impact and Likely Impact of the Subject Imports from Trinidad & Tobago[304]

As previously discussed in Section VI.D.3. above, most of Cornerstone's output indicators, including production, shipments, and capacity utilization, declined over the 2021 to 2023 period as Cornerstone lost market share.[305] Its price increases from 2021 to 2023 were not commensurate with is increasing per-unit costs. Furthermore, despite increasing per-unit costs from 2022 to 2023, Cornerstone cut prices to below their 2022 levels in 2023, resulting in a cost-price squeeze and significant financial losses. Its financial performance declined with respect to virtually all measures from 2021 to 2023, including double-digit declines in operating and net income margins, to the point of experiencing *** losses in 2023.[306] In interim 2024, demand recovered somewhat, Cornerstone retook some of its lost market share (although it still had *** market share than in 2021), and its financial indicators improved slightly. Despite these small improvements, it still experienced significant *** losses in interim 2024.[307] Accordingly, we find that the industry is in a vulnerable condition.

Subject imports from Trinidad & Tobago were the largest individual country import supply source throughout each full year of the POI and had a significant presence in the U.S.

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[304] In its final determinations, Commerce found dumping margins ranging from 98.32 to 146.85 percent for imports from Trinidad & Tobago. CR/PR at I-7-8; *Trinidad & Tobago AD Determination*, 89 Fed. Reg. 97598.

[305] CR/PR at Tables VI-1, C-1. Its capacity utilization fell to *** percent in 2023. *Id*. As discussed above, Cornerstone's employment-related performance indicia generally improved during the POI. Cornerstone explained that ***. CR/PR at III-9 n.15.

[306] CR/PR at Tables VI-1, C-1.

[307] CR/PR at Tables VI-1, C-1.

market throughout the POI.[308] As discussed above, the market share of subject imports from Trinidad & Tobago fluctuated but increased overall by only *** percentage points from 2021 to 2023, increasing from *** percent in 2021 to *** percent in 2022 before declining to *** percent in 2023; it was lower in interim 2024, at *** percent, than in interim 2024, at *** percent.[309] During the POI, subject imports from Trinidad & Tobago undersold the domestic like product in most quarterly price comparisons and on a volume basis.[310] This *** pounds, or *** percent of the total volume of underselling by cumulated subject imports over the POI).[311] As such, the subject imports from Trinidad & Tobago undersold the domestic like product to a significant degree, contributing, in part, to Cornerstone's lost market share from 2021 to 2022.[312] However, we acknowledge that—unlike cumulated subject imports—subject imports from Trinidad & Tobago gained minimal market share in 2023 compared to 2021 (*** percentage points) as MHTL's exports to the United States declined significantly during its plant shutdown.[313]

However, MHTL has since returned to normal production operations,[314] and its exports to the United States are projected to be higher in 2025 than they were in 2021 in absolute

[308] CR/PR at Tables IV-17, C-1.

[309] CR/PR at Table C-1.

[310] *Calculated from* CR/PR at Table V-12.

[311] *Calculated from* CR/PR at Table V-12.

[312] As we indicated above in section VI.C.3, because of the presence of undersold cumulated subject imports, Cornerstone lost market share in 2022 and 2023 and lowered its prices in 2023 and interim 2024, resulting in lower revenues and weaker financial performance than it otherwise would have had. However, Cornerstone's price cuts in 2023 and interim 2024 were an attempt to take market share lost almost exclusively to cumulated subject imports in 2023 compared to 2021.

[313] CR/PR at Tables V-17, C-1, MHTL Prehearing Br. at pgs. 57-58. MHTL acknowledges that because of the shutdown, it "offered only *** against contractual obligations at the end of 2023 due to *** and told customers that it would ***{.}'" MHTL Posthearing Br. at 12.

[314] MHTL Prehearing Br. at 58.

terms and as a share of apparent U.S. consumption.[315] Therefore, as indicated above in sections VI.E.1 and E.2, the likely significant volume of subject imports from Trinidad & Tobago will likely undersell the domestic like product to a significant degree. Given the moderate-to-high degree of substitutability between the domestic like product and subject imports and the importance of price, the likely substantial and increasing volume of low-priced subject imports from Trinidad & Tobago will likely gain sales and market share at Cornerstone's expense or else force Cornerstone to either cut prices or forego needed price increases. Furthermore, as noted above, Cornerstone's current condition leaves it vulnerable to material injury. Therefore, given the above, the likely significant volume of low-priced subject imports from Trinidad & Tobago and their adverse price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on Cornerstone's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. Thus, we find that the likely substantial increase in low-priced subject imports from Trinidad & Tobago will have a significant adverse impact on the domestic industry in the imminent future.

MHTL asserts that Cornerstone lost market share from 2021 to 2022 solely because of Cornerstone's supply disruptions.[316] Specifically, MHTL asserts that the increase in imports from Trinidad & Tobago from 2020 to 2022 is *** that Cornerstone estimated its supply disruptions affected production ("at most" *** pounds) in 2022,[317] and that once those

[315] CR/PR at Table VII-7.
[316] MHTL Prehearing Br. at 38-40, 42, 53.
[317] MHTL Posthearing Br. at 2-3.

disruptions ended, shipments of MHTL melamine receded to levels lower than in 2021.[318] This argument asks us to make two assumptions that are not supported by the record—that increased subject imports from Trinidad & Tobago filled *all* of the orders affected by Cornerstone's outages and that they receded from the market in 2023 because customers no longer needed them. We noted in section VI.D.3 that cumulated subject imports (including those from Trinidad & Tobago) increased by a greater amount (*** pounds) from 2021 to 2022 than Cornerstone's production decreased (*** pounds).[319] The record indicates that imports from the other five countries under investigation ("five-country imports") serviced at least some of the orders that Cornerstone could not,[320] and that Cornerstone had excess capacity in 2022 that could have served some of the demand met by MHTL in that year.[321] The record is also clear that MHTL's plant fire and resulting six-month production shutdown was at least partially responsible for the decline in subject imports from Trinidad & Tobago in 2023.[322] Thus, we cannot accept MHTL's assertion that the increase in imports from Trinidad & Tobago during the POI went exclusively to service sales that Cornerstone could not make because of its production outages.

[318] MHTL Prehearing Br. at 39-40 *citing* Cornerstone Post Conf. Br. at 32; MHTL Posthearing Br. at 2 (arguing the increase in imports from Trinidad & Tobago from 2020 to 2022 is the *** that Cornerstone estimated its supply disruptions affected supply (*** pounds).

[319] CR/PR at II-12 and Table C-1.

[320] In particular, five-country imports increased by *** pounds from 2021 to 2022, while subject imports from Trinidad & Tobago increased by *** pounds. CR/PR at Table C-1.

[321] *See* Section VI.D.3. Cornerstone's 2022 unused capacity and end-of-2022 inventories were approximately *** times higher than the increase in U.S. shipments of subject imports from Trinidad & Tobago from 2021 to 2022, respectively. CR/PR at Tables III-8, C-1. Cornerstone officials also testified that the company took steps to mitigate the effect of the temporary disruptions on its U.S. customers. Hearing Tr. at 31 (Frank).

[322] MHTL acknowledges that its "production outage in August 2023. . . prevented it from making any further imports for the rest of 2023. . . and {it} was not able to make future entries until February 2024, after the outage ended." MHTL Posthearing Br. at 12.

We also disagree with MHTL's contention that subject imports from Trinidad & Tobago took market share from Cornerstone only due to nonprice reasons. If subject imports from Trinidad & Tobago increased in 2022 simply to address a supply shortage, purchasers would have paid a premium for them, especially in a market with relatively transparent pricing.[323] However, subject imports from Trinidad & Tobago universally undersold the domestic like product in 2021 and 2022 at margins averaging *** and *** percent in each respective year.[324] Notably, this universal underselling occurred when importers and purchasers were aware of Cornerstone's published prices, indicating that importers knew they were undercutting Cornerstone's prices when they gained market share at its expense.[325]

Most tellingly, MHTL projects that subject imports from Trinidad & Tobago will increase to even higher levels in 2025, long after Cornerstone's supply disruptions and *force majeure* declarations ended.[326] This likely significant increase in volume will not be driven by the residual "psychological" effects of Cornerstone's supply disruptions.[327] As discussed in section VI.B.3 above, we have found that domestically produced melamine has a moderate-to-high

[323] Hearing Tr. at 37 (Driscoll), 262 (Carillon), 263 Miller (importers and purchasers acknowledge that melamine prices were relatively transparent in in the U.S. market in 2021 and throughout most of 2022); CR/PR at V-7.

[324] CR/PR at Table V-13

[325] Hearing Tr. at 37 (Driscoll), 262 (Carillon), 263 Miller. Parties generally agree that prices in the U.S. market were relatively transparent up until the fourth quarter of 2022. *See, e.g.,* Hearing Tr. at 37 (Driscoll), 262 (Carillon), 263 (Miller); Wilsonart Posthearing Br. at 10; Cornerstone Prehearing Br. at 24-25. As explained below, the decreased instances of underselling and market share gains in 2023 and interim 2024 were predominantly the result of Cornerstone's price-cuts and the filing of the petition, further indicating the importance of price in purchasing decisions. Furthermore, as explained above in section VI.E.2, we disagree with MHTL's assertion that any alleged lag time exaggerated the apparent underselling.

[326] As indicated above in section VI.D.1, we find above that given MHTL's projected exports in 2025, low-priced subject imports from Trinidad & Tobago will continue to increase and gain more market share in the immediate future than it had in 2021.

[327] *See* MHTL Prehearing Br. at 24, 52.

degree of substitutability with subject imports from Trinidad & Tobago and that price is an important purchasing factor. Furthermore, as explained above in section VI.D.3, Cornerstone's market share was higher in interim 2024 than in interim 2023 with lower prices, showing that price, rather than Cornerstone's perceived reliability or its purchasers' alleged further need to diversify sources, at least partially explains purchasing decisions.[328]

Six of the seven purchasers that reported purchasing subject imports from Trinidad & Tobago instead of the domestic like product reported that subject imports were priced lower than the domestic like product. Although none of these six purchasers reported that they purchased subject imports instead of the domestic like product because of price, *** rated price as at least a somewhat important purchasing factor.[329] Further, all purchasers reported that the domestic like product was comparable to subject imports from Trinidad & Tobago in terms of quality, the top-ranked purchasing factor.[330] With respect to other top-ranked purchasing factors, most purchasers reported that the domestic like product was comparable to or superior to subject imports from Trinidad & Tobago in terms of availability, meeting industry standards, product consistency, and reliability of supply.[331] Therefore, we find that price at least contributed to purchasers' decision to shift purchases from Cornerstone to subject

[328] CR/PR at Tables IV-17, C-1.

[329] *** six reported that price was at least "somewhat important." U.S. Purchaser QRs at III-26. *** all reported that price is a "very important" purchasing factor while *** reported that it is "somewhat important." U.S. Purchaser QRs at III-26.

[330] CR/PR at Table II-16. Furthermore, six of the nine responding purchasers with knowledge, reported that subject imports from Trinidad & Tobago always met minimum quality specifications. CR/PR at Table II-14.

[331] CR/PR at Tables II-16.

imports from Trinidad & Tobago during the POI and will likely contribute to their decision to shift purchases as MHTL increases its shipments in the immediate future.

Contemporaneous sales documents and communications described above in section VI.D.2 between Cornerstone and several purchasers of subject imports from Trinidad & Tobago, ***, show that Cornerstone was *** or that *** to receive price concessions.[332] These documents undercut these purchasers' arguments that purchasing decisions were driven primarily by factors other than price. For ***, Hexion and Wilsonart, subject imports from Trinidad & Tobago's share of total purchases increased by *** percentage points and *** percentage points, respectively, from 2021 to 2023, *** at the expense of purchases from Cornerstone.[333] These increased purchases represented *** percent of the increase in U.S. shipments of subject imports from Trinidad & Tobago from 2021 to 2022 and *** percent of apparent U.S. consumption in 2022.[334]

We have also considered other factors to ensure that we are not attributing any likely injury to subject imports that will actually result from other causes.

We recognize that five-country imports gained market share at Cornerstone's expense while subject imports from Trinidad & Tobago only gained minimal (*** percentage points) of market share from 2021 to 2023.[335] However, as we find above, in sections VI.E.1-2, subject

[332] Cornerstone Prehearing Br. at 24-25, Exhibit 1, Attachments 1-8 (Contemporaneous sales communications with ***).

[333] CR/PR at Table V-14. Hexion's total purchases over the POI included *** pounds of domestically produced melamine and *** pounds of subject imports from Trinidad & Tobago; Wilsonart's total purchases over the POI included *** pounds of domestically produced melamine and *** pounds of subject imports from Trinidad & Tobago. *Id.*

[334] *Calculated from* Hexion and Wilsonart U.S. Purchaser QRs at II-1; CR/PR at C-1. We also note that for purchaser ***, subject imports from Trinidad & Tobago's share of its total purchases increased by *** percentage points from 2021 to 2023, *** at the expense of Cornerstone. CR/PR at Table V-14.

[335] *Derived from* CR/PR at Tables IV-17, C-1.

imports from Trinidad & Tobago will likely undersell the domestic like product in the imminent future and this will likely facilitate the increased imports that MHTL projects to occur in 2025 and result in increased sales and market share. Absent relief, these increased imports will likely gain sales and market share at Cornerstone's expense. Subject imports from Trinidad & Tobago, which accounted for approximately *** of all imports during the POI, accounted for *** percent of all underselling during the POI in terms of volume.[336] Furthermore, subject imports from Trinidad & Tobago undersold the domestic like product more consistently than any other source, and were priced lower than imports from all other subject countries in 19 of 27 comparisons, accounting for *** percent of the volume of subject imports from Trinidad & Tobago in comparisons with five-country imports.[337] Moreover, the AUV of U.S. shipments of subject imports from Trinidad & Tobago was lower than the AUV of combined imports from other countries in 2022 and 2023.[338]

Given the moderate-to-high degree of substitutability between the subject merchandise and the domestic like product and the importance of price in purchasing decisions, the

[336] *Calculated from* CR/PR at Tables IV-2, V-11, V-13. Subject imports from Trinidad & Tobago undersold the domestic like product in 81.5 percent of comparisons, corresponding to *** percent of the volume of reported subject imports from Trinidad & Tobago in the pricing comparisons. CR/PR at Table V-12. Five-country imports were priced lower than the domestic like product in a minority of comparisons (36 of 86) accounting for *** percent of the volume of those imports in the pricing comparisons. *Id*. During 2023 when domestic melamine prices declined, subject imports from Trinidad & Tobago accounted for over half (*** percent) of the volume of cumulated subject imports that undersold the domestic like product that year. *See* CR/PR at Tables V-13.

[337] Subject imports from Trinidad & Tobago were priced lower in a majority of comparisons with subject imports from India and half of comparisons with subject imports from Germany. *See* CR at Table D-3. Furthermore, a majority of subject imports from Trinidad & Tobago were priced lower than subject imports from India and Qatar in terms of volume. *See* CR at Table D-3. CR/PR at Table D-3.

[338] *See* CR/PR at Table C-1. The AUV of U.S. shipments of imports from sources other than Trinidad & Tobago was $*** in 2021, $*** in 2022, $*** in 2023, $*** in interim 2023, and $*** in interim 2024. *Id*. The AUV of U.S. shipments of subject imports from Trinidad & Tobago was *** in 2021 ***, in 2022, *** in 2023 *** in interim 2023, and *** in interim 2024. *Id*.

presence of imports from countries other than Trinidad & Tobago in the imminent future would likely not prevent the significant volume of low-priced subject imports from Trinidad & Tobago that is likely in the absence of any order from gaining sales and market share at Cornerstone's expense and/or forcing Cornerstone to either lower prices or forgo price increases to retain sales, notwithstanding any market share that subject imports from Trinidad & Tobago might also gain relative to imports from other countries.[339] As such, we find that imports from countries other than Trinidad & Tobago do not explain the likely threat of material injury by reason of subject imports from Trinidad & Tobago.

For the reasons explained above in section VI.D.3, we find that declining demand does not fully explain Cornerstone's deteriorating performance from 2021 to 2023. In addition, declining demand does not explain the increase in the market share of subject imports from Trinidad & Tobago in 2022. Changes in demand also do not explain the likely effects we have found with respect to likely increased subject imports from Trinidad & Tobago. Apparent consumption was higher in interim 2024 compared to interim 2023 by *** percent.[340] The record evidence is mixed as to whether demand is likely to increase or decrease in the imminent future, but no party reported major changes.[341] Even if demand increases, it will not

[339] Given the significant rates of underselling explained above compared to that of five-country imports, the moderate-to-high degree of substitutability between the subject merchandise and the domestic like product, and the importance of price in purchasing decisions, the record indicates that subject imports from Trinidad & Tobago would likely increase and gain market share at Cornerstone's expense, notwithstanding the presence of imports from other countries, as they did in 2022.

[340] *E.g.,* CR/PR at VII-7, I-10.

[341] Specifically, although Cornerstone reported that U.S. demand *** from 2023 to 2024, a *** of importers reported that demand either increased or did not change during this period, and an equal number of purchasers reported that demand did not change as those that reported that demand increased during this period (three). CR/PR at Table II-9. Furthermore, monthly U.S. housing starts and domestic auto production generally decreased from the end of 2023 through the first half of 2024. *See* (Continued...)

negate the harmful impacts of the likely increased volume of lower-priced subject imports from Trinidad & Tobago, including lost market share and downward pricing pressure. Indeed, MHTL's projects its 2025 exports to the United States to be *** higher than they were in 2023, far greater than the *** percent increase in apparent U.S. consumption in interim 2024 compared to interim 2023.[342] If demand were to decrease, that would make the domestic industry more vulnerable, and magnify the impact of the likely increased subject imports from Trinidad & Tobago.

In sum, Cornerstone is vulnerable to material injury by reason of subject imports from Trinidad & Tobago. Furthermore, subject imports from Trinidad & Tobago will likely increase significantly in the imminent future at prices that will likely undersell the domestic like product and force Cornerstone to decrease prices, forgo price increases, or lose market share to subject imports from Trinidad & Tobago, negatively impacting its performance. As such, we conclude that Cornerstone is threatened with material injury by reason of subject imports from Trinidad & Tobago absent issuance of the orders.

VII. Critical Circumstances

A. Legal Standards

On December 9, 2024, Commerce issued its final determinations in its antidumping and countervailing duty investigations of melamine from all subject countries except India.[343] In its

CR/PR at Table II-7 (seasonally adjusted housing starts and domestic auto production were 15.2 and 10.4 percent lower in June 2024 compared to December 2023, respectively.

[342] CR/PR at Table VII-7.

[343] *Germany AD Determination*, 89 Fed. Reg. 97584; *Germany CVD Determination*, 89 Fed. Reg. 97586 (Dec. 9, 2024); *Netherlands AD Determination*, 89 Fed. Reg. 97590; *Qatar Negative AD Determination*, 89 Fed. Reg. 97592; *Qatar CVD Determination*, 89 Fed. Reg. 97593; *Trinidad and Tobago AD Determination*, 89 Fed. Reg. 97598; *Trinidad and Tobago CVD Determination*, 89 Fed. Reg. 97599; (Continued...)

final antidumping duty determinations, Commerce made final affirmative critical circumstances determinations with respect to melamine from Japan produced or exported by Mitsui Chemicals ("Mitsui") and melamine from Trinidad & Tobago produced or exported by MHTL.[344] Because we have determined that the domestic industry is materially injured by reason of subject imports from Japan, we must further determine "whether the imports subject to the affirmative {Commerce critical circumstances} determination ... are likely to undermine seriously the remedial effect of the antidumping {and/or countervailing duty} order{s} to be issued."[345]

The SAA indicates that the Commission is to determine "whether, by massively increasing imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order" and specifically "whether the surge in imports prior to the suspension of liquidation, rather than the failure to provide retroactive relief, is likely to seriously undermine the remedial effect of the order."[346] The legislative history for the critical circumstances provision indicates that the provision was designed "to deter exporters whose

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Japan AD Determination, In Part, 89 Fed. Reg. 97601. Commerce issued preliminary critical circumstances determinations in its CVD and AD investigations with regard to certain melamine imports from India on July 22, 2024, and September 22, 2024, respectively. *Melamine From India: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Determination With the Final Antidumping Duty Determination*, 89 Fed Reg. 59055 (July 22, 2024); *Melamine From India: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part*, 89 Fed Reg. 77832 (Sep. 24, 2024).

[344] *Trinidad & Tobago AD Determination,* 89. Fed. Reg 97598; *Japan AD Determination*, 89 Fed. Reg. 97601 (.

[345] 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii). Having made a determination that an industry in the United States is threatened with material injury by reason of imports of melamine from Trinidad and Tobago, the Commission does not reach the issue of critical circumstances regarding subject imports from Trinidad & Tobago.

[346] SAA at 877.

merchandise is subject to an investigation from circumventing the intent of the law by increasing their exports to the United States during the period between initiation of an investigation and a preliminary determination by {Commerce}."[347] An affirmative critical circumstances determination by the Commission, in conjunction with an affirmative determination of material injury by reason of subject imports, would normally result in the retroactive imposition of duties for those imports subject to the affirmative Commerce critical circumstances determination for a period 90 days prior to the suspension of liquidation.

The statute provides that, in making this determination, the Commission shall consider, among other factors it considers relevant,

> (I) the timing and the volume of the imports,
>
> (II) a rapid increase in inventories of the imports, and
>
> (III) any other circumstances indicating that the remedial effect of the {order} will be seriously undermined.[348]

In considering the timing and volume of subject imports, the Commission's practice is to consider import quantities prior to the filing of the petition with those subsequent to the filing of the petition using monthly statistics on the record regarding those firms for which Commerce has made an affirmative critical circumstances determination.[349]

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[347] *ICC Industries, Inc. v United States,* 812 F.2d 694, 700 (Fed. Cir. 1987), *quoting* H.R. Rep. No. 96-317 at 63 (1979), *aff'g* 632 F. Supp. 36 (Ct. Int'l Trade 1986). *See* 19 U.S.C. §§ 1671b(e)(2), 1673b(e)(2).

[348] 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

[349] *See Lined Paper School Supplies from China, India, and Indonesia,* Inv. Nos. 701-TA-442-43, 731-TA-1095-97**,** USITC Pub. 3884 at 46-48 (Sep. 2006); *Carbazole Violet Pigment from China and India,* Inv. Nos. 701-TA-437 and 731-TA-1060-61 (Final), USITC Pub. 3744 at 26 (Dec. 2004); *Certain Frozen Fish Fillets from Vietnam,* Inv. No. 731-TA-1012 (Final), USITC Pub. 3617 at 20-22 (Aug. 2003).

B. Party Arguments

Cornerstone argues that given the significant increases in subject import volume and importer inventories in the post-petition period and the vulnerability of the injured domestic industry, the Commission should make an affirmative critical circumstances determination with respect to the antidumping duty investigations regarding relevant subject imports from Japan.[350] No party has made arguments with regard to Commerce's critical circumstances finding regarding subject imports produced or exported by Mitsui.[351]

C. Analysis

We first consider the appropriate period for comparisons in our critical circumstances analysis of subject imports from Japan. The petitions in these investigations were filed on February 14, 2024. The Commission frequently relies on comparisons of the six-month periods preceding and following filing of the petitions, but has relied on shorter periods when

[350] Cornerstone Prehearing Br. at 61 *citing* CR/PR at Table IV-6.

[351] GSFC and S.A.F.E. submitted prehearing briefs and appeared at the hearing to argue that imports of subject merchandise from India in the post-petition period are unlikely to seriously undermine the remedial effect of the order. However, the Commission is not making a final determination regarding subject imports from India in this leading investigation and Commerce has not yet made a final critical circumstances determination with respect to an Indian producer. As such, we have not summarized these respondents' arguments.

No interested party to the investigations has argued against finding critical circumstances regarding subject imports from Japan. Catalynt Solutions ("Catalynt"), an importer of subject merchandise from Japan, filed brief non-party statement after the hearing. Catalynt Brief Nonparty Statement, EDIS Doc. 838992 (Dec. 10, 2024) ("Catalynt Brief Nonparty Statement"). We note that Catalynt is not an interested party in these investigations given that, although it submitted an importer questionnaire, it did not file an entry of appearance pursuant to the Commission's *Scheduling Notice* and 19 CFR § 201.11. Catalynt argues that because Mitsui's subject imports have certain unique physical attributes, they do not compete with the domestic like product. Catalynt Brief Nonparty Statement at 3. Catalynt contends that imports in in April 2024 must have been ordered before February 14, 2024, because Mitsui has a four-week lead time and takes an additional 40 to 50 days to transport melamine to the United States. Catalynt Brief Nonparty Statement at 5. Catalynt argues further that subject import increases in July 2024 resulted from shipping backlogs in Japan and production delays with respect to orders made before the filing of the petition. Catalynt Brief Nonparty Statement at 5.

Commerce's preliminary determination applicable to the country at issue fell within the six-month post-petition period the Commission typically considers.[352] Cornerstone argues for a six-month comparison period.[353] Commerce issued its preliminary affirmative determination in its antidumping duty investigation of melamine from Japan on September 24, 2024, after the sixth month following the filing of the petitions.[354] Therefore, we will compare the volume of subject imports in the six months prior to the filing of the petitions (August 2023 – January 2024) with the volume of subject imports in the six months after the filing of the petitions (February 2024 – July 2024).[355]

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[352] *See Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547, 731-TA-1291-1297 (Final), USITC Pub. 4638 at 49-50 (Sept. 2016); *Certain Corrosion-Resistance Steel Products from China, India, Italy, Korea, and Taiwan,* Inv. No. 701-TA-534-537 and 731-TA-1274-1278 (Final), USITC Pub. 4630 at 35-40 (July 2016); *Carbon and Certain Steel Wire Rod from China*, Inv. Nos. 701-TA-512, 731-TA-1248 (Final), USITC Pub. 4509 at 25-26 (Jan. 2015) (using five-month periods because preliminary Commerce countervailing duty determination was during the sixth month after the petition).

The Commission is not required to examine the same periods that Commerce examined in performing the critical circumstances analysis. *See Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-1104 (Final), USITC Pub. 3922 at 35 (June 2007); *Steel Concrete Reinforcing Bars from Turkey*, Inv. No. 731-TA-745 (Final), USITC Pub. 3034 at 34 (Apr. 1997).

[353] Cornerstone Prehearing Br. at 60.

[354] CR/PR at Table I-1; *Melamine from Japan: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, In Part*, 89 Fed. Reg. 77819 (Sep. 24, 2024).

The petition was filed less than halfway through February, on February 14, 2024. If a petition is filed within the first half of a month, it is Commission practice to consider that month to be in the post-petition period. *See*, *e.g.*, *Pentafluoroethane (R-125) from China*, Inv. Nos. 701-TA-662 and 731-TA-1554 (Final), USITC Pub. 5281 (Feb. 2022) at 1, 41-42.

[355] The Commission may also use different periods when the product is seasonal. *See 1,1,1,2--Tetrafluoroethane (R-134a) from China*, Inv. No. 731-TA-1313 (Final), USITC Pub. 4679 at 25 (April 2017) (seasonal product); *Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-1104 (Final), USITC Pub. 3922 at 35 (June 2007) (declining to analyze different periods absent seasonality). Some parties reported that there was some seasonality in the market; in particular, *** reported that U.S. melamine sales generally experience some seasonality tied to housing construction, with upticks in demand occurring during the warmer months, *i.e.* the second and third quarters of a given year. CR/PR at II-17. However, the extent or magnitude of any such seasonality is unknown on this record.

Subject imports from Japan from Mitsui increased from *** pounds in the pre-petition period to *** pounds in the post-petition period, an increase of *** pounds or *** percent.[356] The post-petition volume of these imports and the post-petition increase in the volume of these imports were equivalent to *** percent and *** percent, respectively, of apparent U.S. consumption in interim 2024.[357] U.S. inventories of the relevant subject imports from Japan were *** pounds at the end of the pre-petition period and *** pounds at the end of the post-petition period, an increase of *** pounds or *** percent.[358] The post-petition volume of U.S. inventories of subject imports from Japan from Mitsui and the post-petition increase in the volume of U.S. inventories of the relevant subject imports were equivalent to *** percent and *** percent, respectively, of apparent U.S. consumption in interim 2024.[359]

The pricing data do not indicate that subject imports from Japan subject to Commerce's affirmative critical circumstances determination are likely to undermine seriously the effect of the antidumping duty order. Subject imports from Japan oversold the domestic like product throughout interim 2024 at margins ranging from *** to *** percent.[360] Furthermore, Cornerstone's prices increased from the quarter covered entirely by the pre-petition period (fourth quarter of 2023) to the quarter covered entirely by the post-petition period (second quarter of 2024).[361] However, we acknowledge that prices for both pricing products of subject

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

[357] *Compare* CR/PR Table IV-17 *with* Table IV-6 (comparing post-petition imports (*** pounds and the increase therein (*** pounds) from February 2024 to July 2024 to apparent U.S. consumption in interim 2024 *** pounds)).

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

[359] *Compare* CR/PR Table IV-17 *with* Table IV-7 (comparing post-petition inventories of imports (*** pounds and the increase therein (*** pounds) from February 2024 to July 2024 to apparent U.S. consumption in interim 2024 *** pounds)).

[360] CR/PR at Table V-7-8.

[361] CR/PR at Tables V-6-8.

imports from Japan decreased from the fourth quarter of 2023 to the second quarter of 2024.[362]

In addition to the foregoing, the timing of the increase in the relevant subject imports from Japan in the post-petition period is instructive.[363] Relevant subject imports were only present in two months of the post-petition period, *** 2024, and the increase in imports occurred entirely in one month, ***.[364]

In light of the foregoing, including the timing of relevant subject imports, the price of these imports, and the small absolute volume of these imports and increase in that volume, particularly within the context of the overall U.S. market, we do not find that subject imports from Japan subject to Commerce's affirmative critical circumstances determination are likely to undermine seriously the effect of the antidumping duty order.[365] Accordingly, we determine that critical circumstances do not exist with respect to subject imports from Japan.

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[362] Prices for product 2 decreased from *** in the fourth quarter of 2023 to *** in the second quarter of 2024, while prices for product 3 decreased from *** in the fourth quarter of 2023 to *** in the second quarter of 2024. CR/PR at Tables V-7-8. The AUV of U.S. shipments of subject imports from Japan was lower in interim 2024 than in interim 2023 ($*** per pound compared to $*** per pound). CR/PR at Tables IV-17, C-1. We recognize that the pricing data may contain shipments of subject imports from Japan from producers/exporters other than Mitsui. Nonetheless, we find pricing data to be instructive.

[363] As discussed in this section and V.B.1 above, *** and some responding importers reported that the melamine market was subject to seasonality tied to housing construction, with contracting occurring in the second and third quarters of a given year. Subject imports and U.S. shipments of subject imports from Japan were 26.9 and *** percent higher, respectively, in the first half of 2024 than in the first half of 2023, even though apparent U.S. consumption was 13.7 percent higher in interim 2024 than in interim 2023. *Calculated from* CR/PR at Tables IV-2, C-1.

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

[365] Commissioner Kearns has recognized that, at least in some cases, an increase in imports can undermine the remedial effect of an order even if those imports and the increase in those imports is relatively small in the context of the overall market. *See Mattresses from Bosnia and Herzegovina, Bulgaria, Burma, Italy, Philippines, Poland, Slovenia, and Taiwan*, Inv. Nos. 731-TA-1629-1631, 1633, 1636-1638, and 1640 (Final), USITC Pub. 5520 (June 2024) at *Separate Views of Commissioner Jason E.*
(Continued...)

VIII. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason imports of melamine from Germany, Japan, and the Netherlands that were found to be sold in the United States at LTFV and imports of melamine from Germany and Qatar that were found to be subsidized by the governments of Germany and Qatar. We also determine that an industry in the United States is threatened with material injury by reason of subject imports of melamine from Trinidad & Tobago that were found to be sold at LTFV and subsidized by the government of Trinidad & Tobago. Finally, we find that critical circumstances do not exist with respect to melamine from Japan.[366]

Kearns on Critical Circumstances. But he agrees that other considerations in this case, including the timing and pricing of the imports, do not indicate that importers rushed to beat the cash deposit requirement or that critical circumstances exist with respect to subject imports from Japan.

[366] Based on the record of this investigation, we would not have found material injury by reason of subject imports from Trinidad & Tobago but for the suspension of liquidation of entries of subject merchandise. *See* 19 U.S.C. § 1673d(b)(4)(B).

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 Cornerstone Chemical Company ("Cornerstone"), Waggaman, Louisiana, on February 14, 2024, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of melamine[1] from Germany, India, Qatar, and Trinidad and Tobago and less-than-fair-value ("LTFV") imports of melamine from Germany, India, Japan, the Netherlands, Qatar, and Trinidad and Tobago.[2] Table I-1 presents information relating to the background of these investigations.[3] [4]

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

Effective date	Action
February 14, 2024	Petitions filed with Commerce and the Commission; institution of the Commission investigations (89 FR 13090, February 21, 2024)
March 5, 2024	Commerce's notice of initiation of countervailing duty (CVD) and antidumping duty (AD) investigations (89 FR 17381 and 17413, March 11, 2024)
July 22, 2024	Commerce's preliminary CVD determinations and alignment of final CVD determinations with final AD determinations (89 FR 59045, 59053, 59055, and 59057, July 22, 2024)
September 24, 2024	Commerce's preliminary AD determinations (89 FR 77814, 77819, 77822, 77824, 77829, and 77832, September 24, 2024); scheduling of final phase of Commission investigations (89 FR 79637, September 30, 2024)
October 23, 2024	Commerce's postponement of final CVD and AD determination regarding imports from India (89 FR 84533, October 23, 2024)
December 3, 2024	Commission's hearing
December 9, 2024	Commerce's final CVD and AD determinations, except India (89 FR 97584, 97586, 97590, 97592, 97593, 97598, 97599, and 97601, December 9, 2024)

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

[2] The Commission's antidumping duty investigation regarding imports of melamine from Qatar was terminated following a negative determination by Commerce. 89 FR 97592, December 9, 2024.

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

[4] Appendix B presents the witnesses that appeared at the Commission's hearing.

Effective date	Action
December 9, 2024	Commission's termination of Qatar AD investigation following Commerce's negative final determination (89 FR 97592, December 9, 2024)
January 7, 2025	Commission's vote, except India
January 23, 2025	Commission's views, except India
February 6, 2025	Scheduled date for Commerce's final CVD and AD determinations regarding imports from India (89 FR 84533, October 23, 2024)

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*

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

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.

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, 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.

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

Market summary

Melamine is a fine, white crystalline powder that is generally used to manufacture amino resins, the major end uses of which include surface coatings, laminates, molding compounds, paper treatment, adhesives, and textile-treatment applications in the automotive, appliance, dinnerware, furniture, fabric, and wood paneling industries.[7] Cornerstone is the sole U.S. producer of melamine, while leading producers of melamine outside of the United States include LAT Nitrogen Piesteritz GmbH ("LAT") of Germany, Gujarat State Fertilizers & Chemicals Limited ("Gujarat") of India, Mitsui Chemicals and Nissan Chemical Corp. of Japan,[8] OCI Nitrogen B.V. ("OCI") of the Netherlands, Qatar Melamine Company ("Qatar Melamine") of Qatar, and Methanol Holdings (Trinidad) Limited ("Methanol Holdings") of Trinidad and Tobago. The leading U.S. importers of melamine from subject countries are LAT (Germany), S.A.F.E. Chemicals LLC ("S.A.F.E.") (India), *** (Japan), OCI (Netherlands), Kronochem USA LLC ("Kronochem") and *** (Qatar), and Helm U.S. Corporation ("Helm") (Trinidad and Tobago), while leading importers of melamine from nonsubject countries (primarily Russia) include ***. U.S. purchasers of melamine are mostly end users; leading purchasers include ***.

Apparent U.S. consumption of melamine totaled approximately 115.8 million pounds ($129.7 million) in 2023. Cornerstone's U.S. shipments of melamine totaled *** pounds ($***) in 2023 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from subject sources totaled *** pounds ($***) in 2023 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from nonsubject sources were zero in 2023.

[7] Petition, p. 8; and Melamine from China, Inv. Nos. 701-TA-526 and 731-TA-1262, USITC Publication 5210, June 2021, p. 6.

[8] The Commission did not receive questionnaire responses from any Japanese firm.

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 Cornerstone's questionnaire response that accounted for all U.S. production of melamine during 2023. U.S. imports are based on adjusted official import statistics and the questionnaire responses of 14 firms.[9] Data on the subject foreign industries are based on the questionnaire responses of five firms.

Previous and related investigations

The Commission has conducted three previous import relief investigations on melamine or melamine crystal, as presented in table I-2.

Table I-2
Melamine: Previous and related Commission proceedings and current status

Date	Investigation Number	Country	ITC original determination	Current status
1977	AA1921-162	Japan	Affirmative	Order revoked effective September 1, 2004 after no domestic party responded to Commerce's notice of initiation of the third review
1982	731-TA-107	Brazil	Negative (Preliminary)	---
2015	701-TA-526	China	Affirmative	Order continued after first review, effective July 9, 2021
2015	731-TA-1262	China	Affirmative	Order continued after first review, effective July 9, 2021
2015	701-TA-527	Trinidad and Tobago	Negative	---
2015	731-TA-1263	Trinidad and Tobago	Negative	---

Source: U.S. International Trade Commission publications and Federal Register notices.

Note: The subject merchandise for the Japan investigation was melamine crystal. The subject merchandise for all other investigations was melamine.

Note: "Date" refers to the year in which the investigation was instituted by the Commission.

[9] See Part IV of this report for a detailed discussion of import methodology and questionnaire coverage.

Nature and extent of subsidies and sales at LTFV

Subsidies

On December 9, 2024, Commerce published notices in the Federal Register of its final determinations of countervailable subsidies for producers and exporters of melamine from Germany, Qatar, and Trinidad and Tobago.[10] Commerce is scheduled to make its final CVD determination with respect to imports from India on February 6, 2025.[11]

Tables I-3 through I-5 presents Commerce's findings of subsidization of melamine in Germany, Qatar, and Trinidad and Tobago, respectively.

Table I-3
Melamine: Commerce's final subsidy determination with respect to imports from Germany

Entity	Final countervailable subsidy rate (percent)
LAT Nitrogen Piesteritz GmbH	29.72
All others	29.72

Source: 89 FR 97586, December 9, 2024.

Table I-4
Melamine: Commerce's final subsidy determination with respect to imports from Qatar

Entity	Final countervailable subsidy rate (percent)
Qatar Melamine Company; Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.P.J.S.C.; Qatar Fertiliser Company (P.S.C.); Industries Qatar Q.P.S.C.; QatarEnergy	41.91
All others	41.91

Source: 89 FR 97593, December 9, 2024.

[10] 89 FR 97586, 97593, and 97599, December 9, 2024.

[11] 89 FR 59055, July 22, 2024; and 89 FR 84533, October 23, 2024. On October 23, 2024, Commerce postponed its final AD determination with respect to imports from India. Because Commerce aligned its CVD final determination with its AD final determination, it is scheduled to make its final CVD determination on February 6, 2025. Ibid.

Table I-5
Melamine: Commerce's final subsidy determination with respect to imports from Trinidad and Tobago

Entity	Final countervailable subsidy rate (percent)
Methanol Holdings (Trinidad) Ltd.	7.43
All others	7.43

Source: 89 FR 97599, December 9, 2024.

Note: The subsidy rate for Methanol Holdings (Trinidad) Ltd. is based on adverse facts available.

Sales at LTFV

On December 9, 2024, Commerce published notices in the Federal Register of its final determinations of sales at LTFV with respect to imports from Germany, Japan, the Netherlands, Qatar, and Trinidad and Tobago.[12] Commerce postponed its final AD determination with respect to imports from India and is scheduled to make its final AD determination on February 6, 2025.[13]

Tables I-6 through I-10 present Commerce's dumping margins with respect to imports of melamine from Germany, Japan, the Netherlands, Qatar, and Trinidad and Tobago, respectively.

Table I-6
Melamine: Commerce's final weighted-average LTFV margins with respect to imports from Germany

Exporter/Producer	Final dumping margin (percent)
LAT Nitrogen Piesteritz GmbH	218.73
All others	179.24

Source: 89 FR 97584, December 9, 2024.

Note: The dumping margin for LAT Nitrogen Piesteritz GmbH is based on facts available with adverse inferences.

[12] 89 FR 97584, 97590, 97592, 97598, and 97601, December 9, 2024.
[13] 89 FR 84533, October 23, 2024.

Table I-7
Melamine: Commerce's final weighted-average LTFV margins with respect to imports from Japan

Exporter/Producer	Final dumping margin (percent)
Mitsui Chemicals, Inc.	127.69
All others	115.11

Source: 89 FR 97601, December 9, 2024.

Note: The dumping margin for Mitsui Chemicals, Inc. is based on facts available with adverse inferences.

Table I-8
Melamine: Commerce's final weighted-average LTFV margins with respect to imports from the Netherlands

Exporter/Producer	Final dumping margin (percent)
OCI Nitrogen B.V	72.16
All others	53.50

Source: 89 FR 97590, December 9, 2024.

Note: The dumping margin for OCI Nitrogen B.V is based on facts available with adverse inferences.

Table I-9
Melamine: Commerce's final weighted-average LTFV margins with respect to imports from Qatar

Exporter/Producer	Final dumping margin (percent)
Qatar Melamine Company; Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.P.J.S.C.; Qatar Fertiliser Company (P.S.C.)	0.00
All others	---

Source: 89 FR 97592, December 9, 2024.

Note: Commerce did not calculate a dumping margin for all other producers and exporters because it did not make an affirmative final determination of sales at LTFV.

Table I-10
Melamine: Commerce's final weighted-average LTFV margins with respect to imports from Trinidad and Tobago

Exporter/Producer	Final dumping margin (percent)
Methanol Holdings (Trinidad) Limited	146.85
All others	98.32

Source: 89 FR 97598, December 9, 2024.

Note: Because the companion countervailing duty investigation found no export subsidies, Commerce did not offset the weighted-average dumping margins.

Note: The dumping margin for Methanol Holdings (Trinidad) Limited is based on facts available with adverse inferences.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[14]

> *The merchandise subject to this investigation is melamine (Chemical Abstracts Service (CAS) registry number 108-78-01, molecular formula $C_3 H_6 N_6$). Melamine is also known as 2,4,6-triamino-striazine; 1,3,5-Triazine-2,4,6- triamine; Cyanurotriamide; Cyanurotriamine; Cyanuramide; and by various brand names. Melamine is a crystalline powder or granule. All melamine is covered by the scope of this investigation irrespective of purity, particle size, or physical form. Melamine that has been blended with other products is included within this scope when such blends include constituent parts that have been intermingled, but that have not been chemically reacted with each other to produce a different product. For such blends, only the melamine component of the mixture is covered by the scope of this investigation. Melamine that is otherwise subject to this investigation is not excluded when commingled with melamine from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of this investigation.*

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that melamine, the merchandise subject to this investigation, is imported under Harmonized Tariff Schedule of the United States (HTS) subheading 2933.61.00.[15] The 2024 general rate of duty for this subheading is 3.5 percent ad valorem. Products of Trinidad and Tobago are eligible for duty-free entry under the Caribbean Basin Economic Recovery Act, upon proper importer claim showing compliance with HTS general note 7; absent a proper importer claim (or for non-qualifying goods), the general rate will apply. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

[14] 89 FR 97584, 97586, 97590, 97592, 97593, 97598, 97599, and 97601, December 9, 2024.

[15] Petitioner is not aware of out-of-scope merchandise entering under HTS subheading 2933.61.00 nor of melamine entering under other HTS subheadings. Petitioner's postconference brief, exh. 1, p. 18; and conference transcript, pp. 49-50 (McLain and Driscoll). Petitioner is also not aware of any imports of mixtures or blends containing melamine during 2021-23. Petitioner's postconference brief, exh. 1, p. 19.

Imports of melamine from China are subject to additional Section 301 duties of 25 percent ad valorem, effective since May 10, 2019, up from the original 10 percent duty proclaimed in September 2018.[16]

The product

Description and applications

Melamine is a fine, white organic crystalline powder with the chemical structure 1,3,5-triazine-2,4,6-triamine ($C_3H_6N_6$, CAS number 108-78-1).[17] Sold as a white, crystalline powder with a purity of 99.8 percent, melamine has a melting point of approximately 350 degrees Celsius, with vaporization, and is only slightly soluble in water.[18]

Melamine is used primarily to manufacture melamine-formaldehyde ("MF") resins that are feedstocks in products used in the automotive, construction, and furniture sectors, including surface coatings, laminates, molding compounds, paper and textile treatments, and adhesives.[19] Use in laminates and surface coatings reportedly accounted for about *** percent of annual melamine consumption in the United States in 2023.[20] Laminates, which accounted for *** percent of melamine use in 2023, are used in kitchen and bathroom countertops, table tops, doors, and cabinets.[21] MF resins provide durability and stain resistance for long-lasting working surfaces.[22]

[16] 84 FR 26930, June 10, 2019.
[17] PubChem, *Melamine*, March 2, 2024.
[18] Petition, p. 8; PubChem, *Melamine*, March 2, 2024.
[19] Petition, pp. 8 and 9; Hexion, *Melamine Resins*, accessed March 8, 2024.
[20] Petition, p. 9.
[21] Petition, p. 9.
[22] Petition, p. 9.

Manufacturing processes

Melamine is produced by thermal decomposition of urea (CH_4N_2O).[23] Urea is made by reacting ammonia (NH_3) and carbon dioxide (CO_2) under heat and pressure.[24] The aqueous urea solution is then concentrated and heated in a reactor to form melamine, either via a low-pressure catalytic process in which the reaction is carried out in the gas phase[25] or a high-pressure non-catalytic process in which the reaction is in the liquid phase.[26] A patent application from 2023 states that two advantages of the high-pressure process are that it doesn't need a catalyst (which requires periodic replacement) and can use smaller reactors.[27] Regardless of the process used, one or more reactors can be utilized in the production process.[28] Figure I-1 presents the low-pressure process.

[23] ***.

[24] Petition, pp. 10-11.

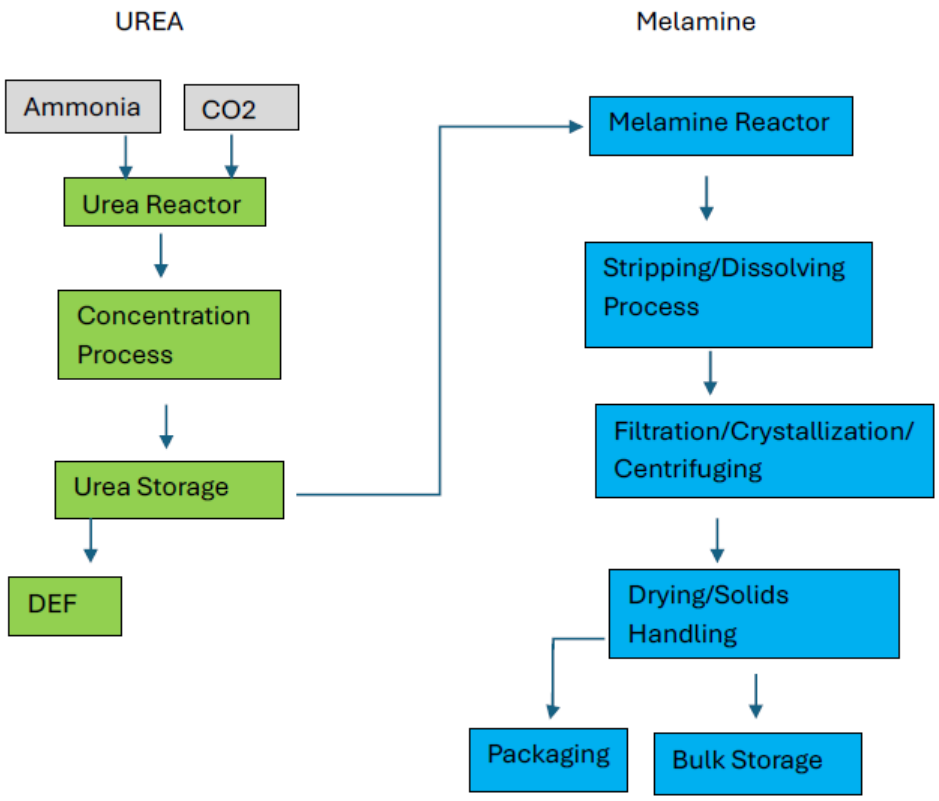
[25] Hearing transcript, 21 (Frank). In the low-pressure process, the urea is concentrated via circulation of a molten salt solution. Conference transcript, p. 18 (Frank).

[26] Petition, pp. 10-11; hearing transcript, 21 (Frank). The two processes were developed by several companies and are usually licensed to users. The petitioner said that there are "no continuing licensing costs associated" with their production of melamine. Conference transcript, p. 81 (Blaser).

[27] European Patent Office, "European Patent Application: Process for the Synthesis of Melamine," September 20, 2023.

[28] Cornerstone operates one reactor, while at least two foreign producers (***) utilize multiple reactors, allowing for continued, but diminished, production while one reactor is down. Email to USITC staff, dated December 18, 2024, from ***; USITC staff telephone interview, December 18, 2024, with ***.

Figure I-1
Melamine: Cornerstone's low-pressure production process



Source: Staff field trip report, Cornerstone, October 16, 2024. Reprinted with permission.

With exception of two companies using both processes, the melamine producers covered by these investigations use one or the other of the two processes. Cornerstone (United States), LAT Nitrogen (Germany), OCI Nitrogen (Netherlands), and Mitsui Chemicals, Inc. (Japan) use the low-pressure process, while Methanol Holdings (Trinidad and Tobago) and Qatar Melamine use the high-pressure process.[29] The exceptions were *** and Gujarat (India).[30] Gujarat, which operated three plants during 2021 through April 2022—two older plants that used the low-pressure process and a newer plant brought onstream in 2019 that

[29] Conference transcript, pp. 19 (Frank), 82 (Driscoll), 92 (Driscoll), 136 (Sukhu-Maharaj), and 150 (Wulf); S&P Global Commodity Insights, "Interview: Borealis CEO Sees Growing Challenges to Run Petrochemical Units in Europe," August 1, 2023; PDM, "Develop and Implement a Flange Integrity Management System at the Chemelot Site," accessed March 8, 2024; Eurotechnica, "The Euromel® References List," accessed March 8, 2024.

[30] GSFC India Blog (Gujarat), "Melamine Leading the Way," September 15, 2020; Conference transcript, pp. 136 (Sukhu-Maharaj) and 143 (Raghuwanshi); email to USITC staff, dated December 18, 2024, from ***.

used the high-pressure process.[31] In April 2022, however, Gujarat closed the two older plants and now only operates the 2019 plant.[32]

The petitioner stated that while its facility uses the low-pressure process, newer plants are likely to use the high-pressure process.[33] Qatar Melamine also noted that the high-pressure process is used in more modern plants.[34] The petitioner stated that both the low-pressure and high-pressure processes create melamine that has the same characteristics, specifications, and uses; in addition, clumping, often caused by moisture, humidity, or sitting for longer times, including on vessels, can happen with either low or high pressure.[35] Cornerstone is not aware of any meaningful differences in maintenance or downtime between high-pressure and low-pressure melamine plants or in any geographic factors that would lead to the selection of one process over the other.[36]

Importer S.A.F.E. stated in its postconference brief that melamine produced from low-pressure processes, especially with production that uses coal such as in China, tends to have more impurities and be more subject to clumping; S.A.F.E. also reported that melamine produced via the high-pressure process accounts for a large share of U.S. imports and is perceived to have several advantages, including ease of use, less clumping, and fewer impurities.[37] Methanol Holdings, which uses the high-pressure process, stated that its product is chemically identical to that produced by the low-pressure process but is subject to clumping, which can limit its buyers and applications.[38] Petitioner and respondents expressed different

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[31] GSFC India Blog (Gujarat), "Melamine Leading the Way," September 15, 2020; Conference transcript, pp. 136 (Sukhu-Maharaj) and 143 (Raghuwanshi).

[32] GSFC India Blog (Gujarat), "Melamine Leading the Way," September 15, 2020; Conference transcript, p. 136 (Sukhu-Maharaj).

[33] Conference transcript, 82 (Driscoll). Cornerstone's melamine facility came onstream in 1971 with periodic updates since that time. Cornerstone, "Cornerstone Chemical Company: History," accessed December 5, 2024.

[34] Qatar Melamine, postconference brief, March 11, 2024, p. 6. Qatar Melamine's production facility was inaugurated in 2010. Qatar Fertiliser Company, 2014 Annual Report, https://qafco.qa/multimedia/publications/annual-reports, accessed December 13, 2024; and "350m melamine plant opens," October 13, 2010, https://www.iloveqatar.net/news/general/350m-melamine-plant-opens, accessed December 13, 2024.

[35] Petition, p. 11; conference transcript. P. 77 (Driscoll). Producers can also produce melamine that meets specific purity levels for different customers and applications.

[36] Petitioner's postconference brief, exh. 1, p. 9. Cornerstone stated in the hearing that its second force majeure (May 2022) was caused by an unexpectedly early failure of its salt coil, prior to its planned replacement cycle of every 4-6 years; the repair was said to cost "a few million dollars" and cut sales for about a month. Hearing transcript, 25 (Frank); 62-63 (Blaser); 156 (Pierce).

[37] S.A.F.E., postconference brief, March 11, 2024, p. 4; Conference transcript, 136-137 (Chandan).

[38] Methanol Holdings postconference brief, March 11, 2024, pp. 10-11.

opinions at the hearing about the impact of clumping, with the petitioner stating that clumps can be broken up before use and one respondent saying that clumping makes the melamine "very difficult to use."[39]

Gujarat stated in its postconference brief that the plants using the high-pressure process are more cost-effective and produce higher quality melamine.[40] Another perceived benefit of melamine produced via the high-pressure process, particularly in Europe and increasingly in the United States, is that the melamine is considered more sustainable.[41] Purchaser Hexion reported that it uses melamine produced from both the low-pressure and high-pressure processes.[42]

The costs of the processes are affected by several factors, including the recycling of the ammonia and carbon dioxide by-product off-gases.[43] The off-gases can be used as inputs either for urea production or ammonium nitrate or ammonium sulfate production.[44] Also, many producers are back integrated to various stages along the production route, with some producing the urea feedstock and, potentially, the urea's ammonia feedstock too.[45] The petitioner produces the urea feedstock and purchases the ammonia and carbon dioxide feedstocks.[46]

[39] Hearing transcript, 144 (Frank); 218 (Holcombe).
[40] Gujarat postconference brief, March 11, 2024, p. 10.
[41] Conference transcript, 164-165 (Carroll and Sukhu-Maharaj).
[42] Conference transcript, 149 (Lestini).
[43] Casales, "First Casale Lem™ Melamine Plant in Operation," December 3, 2020.
[44] Casales, "First Casale Lem™ Melamine Plant in Operation," December 3, 2020.
[45] Qatar Fertiliser Company, "Qatar Fertiliser Company (QAFCO)," accessed March 14, 2024; Proman, "Methanol Holdings (Trinidad) Limited," accessed March 14, 2024; GFSC, "Melamine, Leading the Way," September 23, 2020; Gujarat, "GSFC - Vadodara Unit," June 29, 2022; Conference Transcript, p. 19 (Frank).
[46] Conference transcript, p. 19 (Frank).

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations. In the preliminary phase of these investigations, the Commission defined a single domestic like product, coextensive with the scope.[47] In the final phase of these investigations, no parties requested data or other information necessary for the analysis of the domestic like product. Petitioners maintained that the domestic like product should be defined as a single domestic like product, coextensive with the scope.[48] No other party commented on the domestic like product definition.

[47] Melamine from Germany, India, Japan, Netherlands, Qatar, and Trinidad and Tobago, Inv. Nos. 701-TA-706-709 and 731-TA-1667-1672 (Preliminary), USITC Publication 5503, April 2024, p. 15.

[48] Petitioner's prehearing brief, p. 10; and hearing transcript, p. 42 (McLain).

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

U.S. market characteristics

Melamine is a fine, white crystalline powder that is used primarily to manufacture MF resins, the main uses of which include surface coatings, laminates, molding compounds, paper treatment, adhesives, and textile-treatment applications in the automotive, appliance, dinnerware, furniture, fabric, and wood paneling industries.[1] Typical laminate products include kitchen and bathroom countertops, table tops, doors, and cabinets.[2] Melamine is sold to the resin manufacturing industry which is highly consolidated and there are only a few major purchasers of melamine's primary downstream product, melamine resin, including board manufacturers, foam producers, and molding compound producers.[3] According to U.S. producer Cornerstone, U.S. demand is highly concentrated with four very large purchasers that buy the majority of melamine, with a few other significant purchasers.[4]

When asked whether the melamine market was subject to distinct conditions of competition, U.S. producer Cornerstone indicated that the market ***. Three of 12 importers reported distinct conditions of competition, specifically noting that the market is dependent on construction and automotive markets.

Apparent U.S. consumption of melamine by quantity decreased during January 2021 - June 2024. Overall, apparent U.S. consumption in 2023 was 18.6 percent lower than in 2021.

[1] Petition, p. 8.

[2] Petition, p. 9.

[3] Melamine from China and Trinidad and Tobago, Inv. Nos. 701-TA-526-527 and 731-TA-1262-1263 (Final), USITC Publication 4585, December 2015.

[4] Conference transcript, pp. 24, 38 (Driscoll, McLain).

U.S. purchasers

The Commission received 14 usable questionnaire responses from firms that had purchased melamine during January 2021-June 2024.[5] [6] [7] Most purchasers (13 of 14) are end users and one responding purchaser is a distributor. Responding U.S. purchasers were mostly located in the upper Midwest and in the Southeast. The responding purchasers represented firms in a variety of domestic industries, including resin coating manufacturers. Large purchasers of melamine include ***.

Impact of section 301 tariffs

The U.S. producer, importers, and purchasers were asked to report the impact of section 301 tariffs on overall demand, supply, prices, or raw material costs. Purchasers *** and *** reported that the existing antidumping duties in place against China from the 2015 petition have effectively stopped all imports of melamine from China to the United States.

[5] The following firms provided purchaser questionnaire responses: ***.

[6] Of the 14 responding purchasers, 11 purchased domestic melamine, 6 purchased subject imports from Germany, 4 purchased subject imports from India, 4 purchased subject imports from Japan, 9 purchased subject imports from the Netherlands, 3 purchased subject imports from Qatar, 8 purchased subject imports from Trinidad and Tobago, and 5 purchased imports of melamine from other sources.

[7] Thirteen purchasers indicated they had marketing/pricing knowledge of domestic product, 9 of product from Germany, 8 of product from India, 7 of product from Japan, 9 of product from Netherlands, 6 of product from Qatar, 10 of product from Trinidad and Tobago, and 6 of nonsubject countries.

Channels of distribution

U.S. producer Cornerstone sold mainly to *** and importers sold mainly to end users as shown in table II-1.

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

Shares in percent

Source	Channel	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024
United States	Distributors	***	***	***	***	***
United States	End users	***	***	***	***	***
Germany	Distributors	***	***	***	***	***
Germany	End users	***	***	***	***	***
India	Distributors	***	***	***	***	***
India	End users	***	***	***	***	***
Japan	Distributors	***	***	***	***	***
Japan	End users	***	***	***	***	***
Netherlands	Distributors	***	***	***	***	***
Netherlands	End users	***	***	***	***	***
Qatar	Distributors	***	***	***	***	***
Qatar	End users	***	***	***	***	***
Trinidad and Tobago	Distributors	***	***	***	***	***
Trinidad and Tobago	End users	***	***	***	***	***
Subject sources	Distributors	***	***	***	***	***
Subject sources	End users	***	***	***	***	***
Subject sources less Trinidad and Tobago	Distributors	***	***	***	***	***
Subject sources less Trinidad and Tobago	End users	***	***	***	***	***
Nonsubject sources	Distributors	***	***	***	***	***
Nonsubject sources	End users	***	***	***	***	***
All sources less Trinidad and Tobago	Distributors	***	***	***	***	***
All sources less Trinidad and Tobago	End users	***	***	***	***	***
All imports	Distributors	***	***	***	***	***
All imports	End users	***	***	***	***	***

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 "---".

Geographic distribution

U.S. producer Cornerstone reported selling melamine to *** in the contiguous United States and importers reported selling melamine to all regions in the contiguous United States (table II-2). Cornerstone reported that *** percent of sales were between 101 and 1,000 miles and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

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

Count in number of firms reporting

Region	U.S. producers	Germany	India	Japan
Northeast	***	2	3	1
Midwest	***	1	2	1
Southeast	***	1	2	3
Central Southwest	***	0	0	1
Mountains	***	0	0	1
Pacific Coast	***	0	1	1
Other	***	0	0	0
All regions (except Other)	***	0	0	0
Reporting firms	***	2	4	3

Table continued.

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

Count in number of firms reporting

Region	Netherlands	Qatar	Trinidad and Tobago	Subject sources
Northeast	***	1	***	6
Midwest	***	0	***	6
Southeast	***	2	***	10
Central Southwest	***	0	***	3
Mountains	***	0	***	2
Pacific Coast	***	0	***	4
Other	***	0	***	0
All regions (except Other)	***	0	***	1
Reporting firms	***	3	***	10

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

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

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding melamine from U.S. producer Cornerstone and from subject countries.

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

Quantity in 1,000 pounds; ratios and shares in percent; Count in number of firms reporting

Factor	Measure	United States	Germany	India	Japan
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	***	***	***	***

Table continued.

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

Quantity in 1,000 pounds; ratios and shares in percent; Count in number of firms reporting

Factor	Measure	Netherlands	Qatar	Trinidad and Tobago	Subject suppliers
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: The responding U.S. producer accounted for all of U.S. production of melamine in 2023. Responding foreign producer/exporter firms accounted for virtually all U.S. imports from the Netherlands and Trinidad and Tobago; more than 75 percent of U.S. imports from India; and more than half of U.S. imports from Germany and Qatar. No Japanese producers responded. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part VII, “Subject countries.”

Domestic production

Based on available information, U.S. producer Cornerstone has the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced melamine to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, availability of unused inventories, and the ability to shift shipments from alternate markets. Their limited ability to shift production to or from alternate products mitigates the responsiveness of supply. Cornerstone testified that "Cornerstone has enough production capacity to supply virtually all U.S. demand."[8]

U.S. producer Cornerstone reported increased production capacity from 2021 to 2023, but decreased production, which led to a large decrease in capacity utilization from 2021 to 2023. As discussed below in "Supply constraints", Cornerstone experienced production issues in 2021 and 2022.

Cornerstone's inventories relative to total shipments increased substantially from 2021 to 2023. Exports to markets outside the United States were over *** of the firm's total shipments in 2023. Cornerstone reported that it was *** to produce other products on the same equipment used to produce melamine.

Subject imports from Germany

Based on available information, producers of melamine from Germany have the ability to respond to changes in demand with moderate changes in the quantity of shipments of melamine to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of inventories, and the ability to shift shipment from alternate markets. Factors mitigating the responsiveness of supply include limited unused capacity and an inability to produced alternate products on the same equipment used to produce melamine.

The responding German producer reported decreases in both production capacity and production, and an increase in capacity utilization from 2021 to 2023. The German producer's inventories relative to total shipments increased from 2021 to 2023. The German producer reported selling just under *** of shipments in its home market and just under *** of shipments to markets other than the United States. The responding German producer reported being *** to produce other products on the same equipment used to produce melamine.

[8] Hearing transcript, pp. 35 (Driscoll).

Subject imports from India

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

The responding Indian producer reported decreases in production and production capacity and an increase in capacity utilization from 2021 to 2023. Production was considerably higher during January-June 2024 than in January-June 2023. Inventories as a share of total shipments decreased from 2021 to 2023 and were lower in interim 2024 than in interim 2023. The Indian producer reported selling just under *** of shipments to its home market and just under *** to non-U.S. export markets. The Indian producer reported being *** to produce other products on the same equipment used to produce melamine.

Subject imports from Japan

Staff did not receive data from foreign producers in Japan. Imports from Japan and importer's inventories were fairly constant with between 2021 and 2023.

Subject imports from the Netherlands

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

The producer in the Netherlands (***) reported both decreased production and a large decrease in production capacity from 2021 to 2023. It reported that its melamine production was ***. However, capacity utilization was constant from 2021 to 2023 and into interim 2024, and inventories increased overall. It reported selling over *** of shipments to markets other than the United

States and a very small share of shipments to the home market in 2023. It reported being *** to produce other products on the same equipment used to produce melamine.

Subject imports from Qatar

Based on available information, producers of melamine from Qatar have the ability to respond to changes in demand with small-to-moderate changes in the quantity of shipments of melamine to the U.S. market. The main contributing factor to this degree of responsiveness of supply is the ability to shift shipments from alternate markets. Factors mitigating the degree of responsiveness of supply are *** unused capacity, limited inventories, and *** to shift production to or from alternate products.

The responding producer from Qatar reported increased production, production capacity, and capacity utilization from 2021 to 2023. Its inventories remained at a low level relative to total shipments throughout the period. It reported selling *** shipments to markets other than the United States. It reported being *** to produce other products on the same equipment used to produce melamine.

Subject imports from Trinidad and Tobago

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

The producer in Trinidad and Tobago reported decreased production and production capacity and increased capacity utilization from 2021 to 2023. It reported inventories dropped to a *** share of total shipments in 2023. It reported selling over *** of total shipments to markets other than the United States. It reported being *** to produce other products on the same equipment used to produce melamine.

Imports from nonsubject sources

Nonsubject imports accounted for *** percent of total U.S. imports by quantity in 2021 and *** percent in 2023.

Supply constraints

U.S. producer Cornerstone and 7 of 12 importers also reported that they had experienced supply constraints since January 1, 2021. Cornerstone reported that it had *** (table II-4). Most responding importers reported experiencing supply constraints in 2022 but not during 2021, 2023, and interim 2024. Most purchasers reported that they had experienced supply constraints from their suppliers during 2021 and 2022, but most did not experience constraints in 2023 and interim 2024. Narrative responses from the U.S. producer and importers regarding their supply constraints are presented in table II-5.

Table II-4
Melamine: Count of firms' responses regarding the presence of supply constraints, by firm type and period

Count in number of firms reporting

Period	Firm type	No	Yes
2021	U.S. producers	***	***
2022	U.S. producers	***	***
2023	U.S. producers	***	***
Jan-Jun 2024	U.S. producers	***	***
2021	Importers	6	5
2022	Importers	4	7
2023	Importers	7	4
Jan-Jun 2024	Importers	6	5
2021	Purchasers	4	10
2022	Purchasers	6	8
2023	Purchasers	9	3
Jan-Jun 2024	Purchasers	8	2

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

Table II-5
Melamine: Firms' responses regarding supply constraints

Firm	Firm type	Timing	Duration	Description
Cornerstone	U.S. producer	***	***	***
Cornerstone	U.S. producer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***

Table continued.

Table II-5 Continued
Melamine: Firms' responses regarding supply constraints

Firm	Firm type	Timing	Duration	Description
***	Importer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***
***	Importer	***	***	***

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

Cornerstone had two force majeure events during 2021 and 2022.[9] The first event was caused by Hurricane Ida and involved a plant shutdown for approximately three weeks starting on August 28, 2021. Production restarted on September 20, 2021; Cornerstone reported achieving pre-event production levels a day later on September 21, 2021. Cornerstone's U.S. customers were on allocation until approximately October 1, 2021 (approximately five weeks); Cornerstone lifted the force majeure on April 6, 2022. [10] For the first force majeure event Cornerstone estimated that "the actual reduction in supply to Cornerstone's U.S. customers was, at most, *** pounds."[11]

The second force majeure event stopped production for approximately nine weeks due to a salt coil breakdown in the reactor at Cornerstone's plant beginning May 18, 2022. Production resumed on July 22, 2022; Cornerstone reported achieving pre-event production on July 27, 2022. Cornerstone's U.S. customers were on allocation from May 18, 2022, until approximately August 10, 2022 (approximately 12 weeks). Cornerstone declared the second force majeure on June 2, 2022, and lifted the force majeure on November 9, 2022.[12] For the

[9] For additional discussion on Cornerstone's forces majeures please refer to Part III, "U.S. producer."
[10] Petitioner's postconference brief, p. 10.
[11] Petitioner's postconference brief, Exhibit 2, p. 3.
[12] Petitioner's postconference brief, p. 12; Hearing transcript, pp. 31-32 (Sokol).

second force majeure Cornerstone estimated that "the actual reduction in supply to U.S. customers was at most *** pounds."[13]

In both events the force majeure was kept in place after the resumption of production as Cornerstone replenished inventories that were drawn down during the outages.[14] Cornerstone reported wanting to achieve a *** inventory level of approximately *** pounds before lifting either force majeure. Reaching this target took several months as Cornerstone prioritized serving customer demand while aiming to achieve an inventory level that would permit the lifting of the force majeure.[15]

These production issues impacted the high-demand periods for melamine, which is during the spring and summer months. Cornerstone reported that during the initial force majeure in 2021 it did not miss delivering any shipments.[16] It reported minimizing the impact on its customers by supplying melamine out of existing inventories, diverting export volumes to U.S. customers, and in some cases, extending delivery schedules. It reported that the production curtailments in 2022 resulted in some shipment delays, the placement of some of its contractual customers on allocation, and it not fulfilling certain orders by a small amount.[17]

Importer *** reported that Cornerstone's production issues led it to prioritize diversifying its supply chain and develop alternative sources for melamine to mitigate supply chain risk and ensure a reliable supply of melamine to meet production requirements for melamine resins based on customer demand. Other importers reported that the COVID-19 pandemic interrupted logistics and that high shipping costs during 2021 to mid- 2022 limited imports. Importers also reported several global events that contributed to the limited supply of melamine: the Russia-Ukraine war that began in early 2022, the explosion of the Nord Stream 2 natural gas pipeline in September 2022 which limited energy for melamine production in Europe, and two attacks on merchant navy vessels in the Red Sea in December 2023 that caused disruptions in shipping.

Purchasers also reported that they had experienced supply constraints since January 1, 2021, with 10 of 14 purchasers reporting constraints in 2021; 8 of 14 reporting constrains in 2022; 3 of 12 responding purchasers reporting constrains in 2023; 2 of 10 responding purchasers reporting constraints in 2024. Purchasers that reported supply constraints in 2021 and 2022 all cited Cornerstone's unplanned outages as well as their need to either cancel orders, pay higher prices, and/or find alternative sources for melamine to ensure a reliable

[13] Petitioner's postconference brief, Exhibit 2, p. 6.
[14] Hearing transcript, p. 31 (Sokol).
[15] Petitioner's postconference brief, Exhibit 2, pp. 4.
[16] Hearing transcript, p. 89 (Driscoll).
[17] Conference transcript, pp. 66 (Sokol), 67 (Driscoll); Petitioner's postconference brief, p. 32.

supply to meet their own production requirements. Purchasers Hexion and Wilsonart reported that Cornerstone's production issues were very disruptive to their businesses, with Hexion declaring a force majeure itself, and Wilsonart manually allocating its limited melamine amongst its customers and providing "off-spec material" to its customers.[18]

Three purchasers reported supply constraints in 2023, and two purchasers reported supply constraints in 2024. All reported an unplanned plant outage at Helm's (Methanol Holding Trinidad Ltd. (MHTL)) production site in Trinidad and Tobago. Cornerstone reported that MHTL had experienced a production outage from ***.[19] Purchaser *** reported that MHTL experienced an unplanned plant outage in ***.

Purchaser inventories

Petitioner argued that many purchasers built up inventories in response to the forces majeures and drew down on these inventories in 2023.[20] Several large purchasers provided their end-of-period inventory levels by year (table II-6).

Table II-6
Purchaser end-of-period inventories

Quantities in actual pounds

Purchaser	2021	2022	2023
Hexion	***	***	***
Prefere	***	***	***
Wilsonart	***	***	***
Purchaser Inventory Totals	***	***	***

Source: Hexion posthearing brief, Exhibit 1, p. 1, Prefere posthearing brief, p. 1, Wilsonart posthearing brief, Answers to Commissioner Questions, p. 1.

Purchaser Wilsonart stated that it uses the storage space of its tollers and vendors for its melamine purchases, and that these firms then convert the melamine into Wilsonart's melamine resins and ships on demand; these tollers and vendors have a limited space for storing additional inventory for Wilsonart, and can store up to a *** of melamine, without ***.[21] Respondent Unilin generally purchases melamine resins, but during Cornerstone's force majeure events, it did attempt to purchase melamine directly in 2022, and

[18] Conference transcript, pp. 105, 146, 148 (Carroll, Lestini).
[19] Petitioner's prehearing brief, pp. 29-30; MHTL postconference brief, p. 4.
[20] Hearing transcript, p. 120, 123 (Vaughn).
[21] Wilsonart posthearing brief, Commissioner Questions, p. 4.

kept an inventory quantity of approximately one week of Unilin's needs (*** pounds).[22] Purchaser Hexion testified, "when I speak in terms of as a safety stock, if you will, we're talking maybe a few weeks. We're not even talking months of what our inventory increase was…. we consider our increase in inventory at the end of 2022 to be very insignificant."[23] Purchaser Prefere testified, "when we looked at our 2022 year-end inventory, we already had some indications that prices were going to be decreasing in the first quarter of 2023. So our inventories were extremely low."[24]

New suppliers

Three of 14 purchasers indicated that new suppliers entered the U.S. market since January 1, 2021. Purchasers cited new capacity that has entered the U.S. market from India and Qatar.

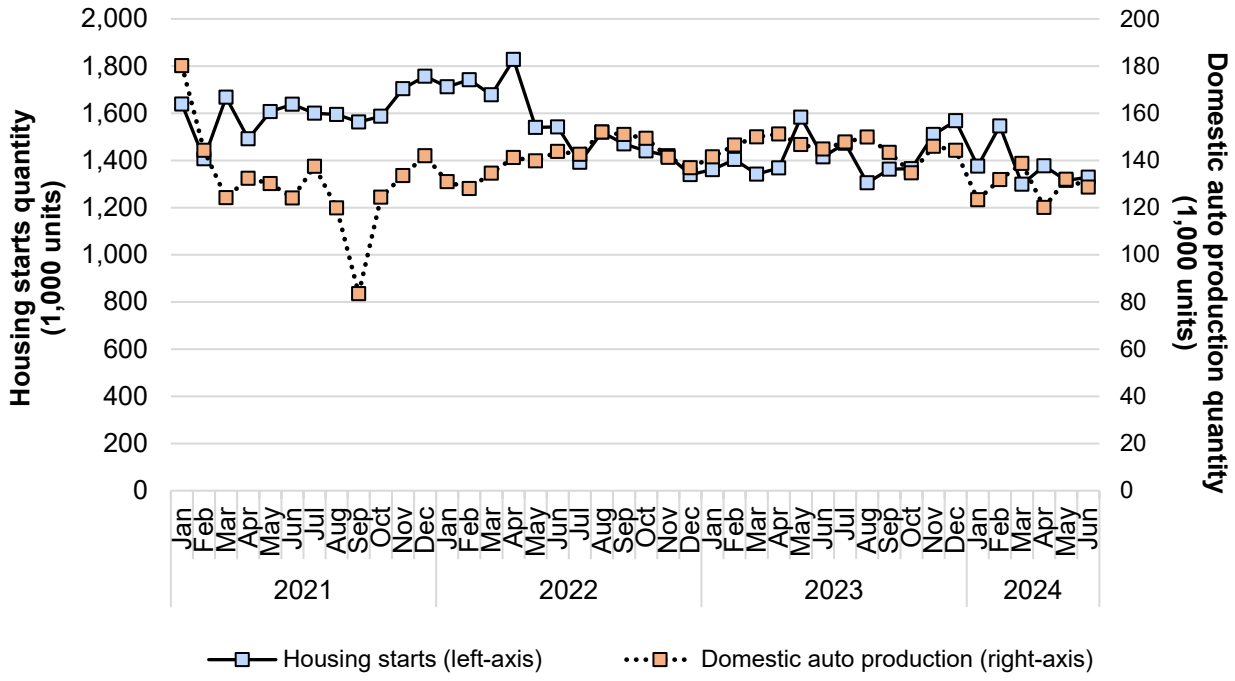
U.S. demand

Based on available information, the overall demand for melamine is likely to experience small changes in response to changes in price. The main contributing factors are the lack of substitute products and the small cost share of melamine in final products in the construction and automotive industries. Melamine comprises a medium cost share of intermediate products, such as melamine resins. Cornerstone reported that U.S. demand for melamine is driven by downstream demand for home and automotive products that incorporate melamine resins. Consistent with these downstream demand drivers, demand for melamine generally follows broader macroeconomic trends in the United States.[25]

As shown in figure II-1 and table II-7, housing starts increased during 2021 and mid-2022, at which point housing starts declined to levels lower than in January 2021, and has since fluctuated within a relatively narrow range. On the other hand, automotive production experienced a large decrease in the first quarter of 2021, but with the exception of a large one month drop in 2021, has fluctuated within a narrow range since March 2021.

[22] Unilin posthearing brief, Attachment A, p. 5.
[23] Hearing transcript, p. 210 (Miller).
[24] Hearing transcript, p. 211 (Carillon).
[25] Hearing transcript, pp. 34 (Driscoll).

Figure II-1
Demand trends: Housing starts and domestic auto production, by month, seasonally adjusted



Source: Federal Reserve Bank of St. Louis, Economic Research Division, New Privately-Owned Housing Units Started: Total Units, Thousands of Units, Monthly, Seasonally Adjusted Annual Rate, https://fred.stlouisfed.org/series/HOUST, and Domestic Auto Production, Thousands of Units, Monthly, Seasonally Adjusted, https://fred.stlouisfed.org/series/DAUPSA, accessed October 23, 2024.

Table II-7
Demand trends: Housing starts and domestic auto production, by month, seasonally adjusted

Housing starts and domestic auto production in 1,000 units

Year	Month	Housing starts	Domestic auto production
2021	January	1,639	180
2021	February	1,407	144
2021	March	1,668	124
2021	April	1,492	132
2021	May	1,607	130
2021	June	1,638	124
2021	July	1,600	138
2021	August	1,595	120
2021	September	1,563	84
2021	October	1,587	124
2021	November	1,704	134
2021	December	1,757	142
2022	January	1712	131
2022	February	1742	128
2022	March	1678	135
2022	April	1828	141
2022	May	1540	140
2022	June	1542	144
2022	July	1392	143
2022	August	1520	152
2022	September	1470	151
2022	October	1440	149
2022	November	1420	141
2022	December	1340	137
2023	January	1361	142
2023	February	1404	147
2023	March	1342	150
2023	April	1368	151
2023	May	1583	147
2023	June	1415	145
2023	July	1473	148
2023	August	1305	150
2023	September	1363	143
2023	October	1365	135
2023	November	1510	146
2023	December	1568	144

Table continued.

Table II-7 Continued
Demand trends: Housing starts and domestic auto production, by month, seasonally adjusted

Housing starts and domestic auto production in 1,000 units

Year	Month	Housing starts	Domestic auto production
2024	January	1376	123
2024	February	1546	132
2024	March	1299	139
2024	April	1377	120
2024	May	1315	132
2024	June	1329	129

Source: Federal Reserve Bank of St. Louis, Economic Research Division, New Privately-Owned Housing Units Started: Total Units, Thousands of Units, Monthly, Seasonally Adjusted Annual Rate, https://fred.stlouisfed.org/series/HOUST, and Domestic Auto Production, Thousands of Units, Monthly, Seasonally Adjusted, https://fred.stlouisfed.org/series/DAUPSA, accessed October 23, 2024.

End uses and cost share

U.S. demand for melamine depends on the demand for U.S.-produced downstream products. End uses include surface coatings, laminates, molding compounds, paper treatments, adhesives, and textile-treatment applications in the automotive, appliance, dinnerware, furniture, fabric, and wood paneling industries.[26]

Melamine accounts for a small share of the cost of the end-use products in which it is used, and a moderate share of the cost of intermediate products, such as melamine resins. Cornerstone reported that melamine accounts for *** percent of the cost of resins. Importers reported a range of end uses for melamine and their respective cost shares including resins (with melamine ranging from 9-77 percent of the total cost), melamine compounds and boron nitride (30-41 percent), wood processing (10 percent), thermally fused laminate (4-9 percent), water treatment (5 percent), and laminate flooring (6 percent).

Business cycles

U.S. producer Cornerstone reported that the market *** subject to business cycles. Seven of 12 responding importers indicated that the market is subject to business cycles. Importer *** reported that many of the final products that include melamine (mainly panels and laminates) are driven by construction demand of new houses and remodeling. Firms reported that business cycles generally follow the seasonality for housing construction during the second and third quarters of the year as the better weather in the United States allows for more construction.

[26] Petition, p. 8.

Demand trends

U.S. producer Cornerstone reported that U.S. demand for melamine *** and a plurality of importers and a majority of purchasers reported that U.S. demand fluctuated downwards, since January 1, 2021 (table II-8 and II-9). Cornerstone reported that demand for melamine rebounded in 2021 and 2022 to a return to pre-pandemic demand levels as COVID-19 related shutdowns ended and this rebound was largely driven by increased interest in home improvement projects. Cornerstone argued that in 2022, subject imports surged into the U.S. market at levels far beyond what was demanded, creating an inventory glut that carried over into 2023. Cornerstone added that demand increased further from 2023 to 2024.[27]

Table II-8
Melamine: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Count in number of firms reporting

Firm type	Market	Steadily Increase	Fluctuate Up	No change	Fluctuate Down	Steadily Decrease
U.S. producers	Domestic	***	***	***	***	***
Importers	Domestic	2	3	3	2	3
Purchasers	Domestic	1	2	1	6	2
U.S. producers	Foreign	***	***	***	***	***
Importers	Foreign	2	2	1	2	1
Purchasers	Foreign	0	2	1	1	1
Purchasers	End use	1	2	0	7	3

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

Importer *** reported that overall U.S. demand has increased significantly through 2023 as demand in the housing market increased. Importer *** reported that U.S. demand has risen but has not returned to pre-pandemic levels.

Purchaser *** reported that melamine demand tracked overall economic conditions of steady growth as the economy rebounded from the COVID-19 pandemic. The growth of melamine demand in the United States continued until the second half of 2023 where they saw a drop in demand, after which steady growth once again continued.

Firms provided mixed responses regarding trends in demand outside the United States. U.S. producer Cornerstone reported that demand outside of the United States *** overall. It explained that demand generally increased then leveled out in 2022 as end-user demand in Europe softened. Importer *** reported that demand declined in Europe due to the war in Ukraine, and in South America and South Asia due to the

[27] Conference transcript, p. 28 (Driscoll).

COVID-19 pandemic. Purchaser *** reported that demand in Europe decreased due to high energy costs as a result of the war in Ukraine in 2022, and a subsequent drop in construction. It added that demand for melamine in Europe began to increase in 2023 but has softened in the second half of 2024.

Table II-9
Melamine: Count of firms' responses regarding domestic demand, by firm type and period

Count in number of firms reporting

Firm type	Period	Increase	No change	Decrease
U.S. producers	2021-22	***	***	***
U.S. producers	2022-23	***	***	***
U.S. producers	2023-24	***	***	***
Importers	2021-22	5	1	1
Importers	2022-23	1	2	4
Importers	2023-24	1	4	3
Purchasers	2021-22	3	1	3
Purchasers	2022-23	2	1	4
Purchasers	2023-24	3	3	1

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

Table II-9 Continued
Melamine: Count of firms' responses regarding foreign demand, by firm type and period

Count in number of firms reporting

Firm type	Period	Increase	No change	Decrease
U.S. producers	2021-22	***	***	***
U.S. producers	2022-23	***	***	***
U.S. producers	2023-24	***	***	***
Importers	2021-22	2	1	1
Importers	2022-23	1	1	2
Importers	2023-24	1	3	0
Purchasers	2021-22	1	1	1
Purchasers	2022-23	0	1	2
Purchasers	2023-24	2	1	0

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

Substitute products

Petitioner Cornerstone, all 11 responding importers, and 12 purchasers reported that there are no substitutes for melamine.

Substitutability issues

This section assesses the degree to which U.S.-produced melamine and imports of melamine from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of melamine from domestic and

imported sources based on those factors. Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced melamine and melamine imported from subject sources.[28] Factors contributing to this level of substitutability include similar quality and interchangeability between domestic and subject sources. Factors reducing substitutability include availability and reliability of supply issues, and the importance of supply diversity (as reported by various purchasers).

Factors affecting purchasing decisions

Purchaser decisions based on source

As shown in table II-10, a majority of purchasers (9 of 14) reported that they always or usually make purchasing decisions based on the producer, although the remaining five purchasers reported that they never make purchasing decisions based on the producer. Most purchasers (11 of 14) reported that they never make purchasing decisions based on the country of origin. Most purchasers reported that most of their customers never make purchasing decisions based on the producer or country of origin. Of the five purchasers that reported that they always make decisions based on the manufacturer, one firm (***) reported that its specific product was only available from one source. Purchaser *** reported that it had a supplier qualification process and purchaser *** reported that having a diversified supply chain is a critical component of ensuring their production.

Table II-10
Melamine: Count of purchasing decisions by purchaser or their customer, based on producer and country of origin

Count in number of firms reporting

Firm making decision	Decision based on	Always	Usually	Sometimes	Never
Purchaser	Producer	5	4	0	5
Customer	Producer	1	0	2	8
Purchaser	Country	3	0	0	11
Customer	Country	1	0	2	8

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

[28] The degree of substitution between domestic and imported melamine depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced melamine to the melamine imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as 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.).

Importance of purchasing domestic product

All 12 responding purchasers reported that most or all of their purchases did not require U.S.-produced product. Two reported other preferences for domestic product, with purchaser *** reporting that *** and purchaser *** reporting that it ***.

Most important purchase factors

The most often cited top three factors firms consider in their purchasing decisions for melamine were quality (13 firms), availability/ supply (10 firms), and price (9 firms) as shown in table II-11. Quality was the most frequently reported first-most important factor (8 firms), followed by availability (3 firms). Availability was the most frequently reported second-most important factor (5 firms); and price was the most frequently reported third-most important factor (7 firms).

Table II-11
Melamine: Count of ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Count in number of firms reporting

Factor	First	Second	Third	Total
Quality	8	4	1	13
Availability / Supply	3	5	3	10
Price / Cost	0	2	7	9
All other factors	3	2	2	NA

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

Purchaser *** reported that its primary purchasing factors are the quality of material and conformance to internal specifications followed by the ability of melamine suppliers to supply volumes consistently and without interruption. After Cornerstone's forces majeures, it increased its efforts to diversify its supply chain. Purchaser *** reported that its primary purchasing factor was to ensure supply diversity in a risk mitigating supply chain.

The majority of purchasers (9 of 14) reported that they only sometimes purchase the lowest-priced product, whereas three purchasers reported that they never purchase the lowest-priced product, and two purchasers reported that they usually purchase the lowest-priced product.

Firms were also asked if they have had experiences with impurities, contaminants, and defects in melamine that has been sold or purchased. As shown in table II-12, producer Cornerstone reported that it has ***. Three importers *** reported incidents of customers complaining about melamine having clumping or being found compacted. Importer ***

reported clumping of purchased melamine originating from the Netherlands. Importer *** reported that customers complaining about ***. Importer *** reported ***.

Purchasers were asked if they had experienced impurities, contaminants, or other physical defects, such as clumping, in their purchases since January 1, 2021. Ten purchasers reported that they had not, and four purchasers reported that they had. Purchasers *** reported that they had experienced clumping issues with melamine from Cornerstone, and purchasers *** experiencing clumping issues with their purchases from Trinidad and Tobago producer MHTL. In all of these cases, purchases were returned to the producers. Purchaser *** reported that clumping can occur from all vendors, and often originates from melamine's exposure to moisture during storage, and the severity of the clumping is affected by particle size.

Table II-12
Melamine: Count of firms' responses regarding reported impurities, contaminants, or other physical defects, by firm type

Count in number of firms reporting

Firm type	No	Yes
U.S. producers	***	***
Importers	9	3
Purchasers	10	4

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

Importance of specified purchase factors

Purchasers were asked to rate the importance of 16 factors in their purchasing decisions (table II-13). The factors rated as very important by more than half of responding purchasers were availability, quality meets industry standards, and reliability of supply (14 each); product consistency (13 firms); and delivery time and price (8 firms each). A majority or plurality of firms reported that discounts offered, minimum quantity requirements, product range, and U.S. transportation costs were not important factors. Seven of 14 purchasers reported that diversity of supply was an important factor in their purchase decisions.

Table II-13
Melamine: Count of importance of purchase factors, as reported by U.S. purchasers, by factor

Count in number of firms reporting

Factor	Very important	Somewhat important	Not important
Availability	14	0	0
Delivery terms	5	7	2
Delivery time	8	5	1
Discounts offered	1	6	7
Diversity of supply	7	4	3
Minimum quantity requirements	2	2	10
Packaging	6	8	0
Payment terms	4	8	2
Price	8	5	1
Product consistency	13	1	0
Product range	2	2	9
Quality meets industry standards	14	0	0
Quality exceeds industry standards	5	5	3
Reliability of supply	14	0	0
Technical support/service	2	8	4
U.S. transportation costs	2	5	7

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

Lead times

Melamine is primarily sold from inventory. U.S. producer Cornerstone reported that *** of its shipments were sold from inventory, with lead times of *** days. Importers reported that 66.2 percent of their commercial shipments were sold from U.S. inventories, with lead times averaging 11 days; 17.7 percent were from foreign inventories with lead times averaging 41 days; and 16.1 percent were produced to order with average lead times of 60 days.

Supplier certification

Ten of 14 purchasers require their suppliers to become certified or qualified to sell melamine to their firm. Purchasers reported that the time to qualify a new supplier ranged from 7 to 180 days. One purchaser, ***, reported a foreign supplier had failed in its attempt to qualify melamine, reporting that ***.

Minimum quality specifications

As shown in table II-14, most responding purchasers (8 of 14) reported that domestically produced product always met minimum quality specifications. Most responding purchasers reported that melamine from subject sources always met minimum quality specifications.

Table II-14
Melamine: Count of U.S. purchasers' responses regarding suppliers' ability to meet minimum quality specifications, by source

Count in number of firms reporting

Source of purchases	Always	Usually	Sometimes	Rarely or never	Don't Know
United States	8	3	0	1	2
Germany	6	1	0	0	7
India	4	0	0	1	8
Japan	4	2	0	0	7
Netherlands	7	1	1	0	5
Qatar	3	0	0	0	10
Trinidad and Tobago	6	2	0	1	5
Nonsubject sources	4	1	0	0	4

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

Note: Purchasers were asked how often domestically produced or imported melamine meets minimum quality specifications for their own or their customers' uses.

Changes in purchasing patterns

Ten purchasers reported that they had changed suppliers since January 1, 2021, while four reported that they had not. Some purchasers reported reducing purchases from Cornerstone because of events relating to its force majeure declarations. Some purchasers reported increasing purchases from a variety of foreign firms to ensure a more secure supply chain because of Cornerstone's alleged inability to supply sufficient melamine during much of 2021 and 2022.

Purchasers were asked about changes in their purchasing patterns from different countries since January 1, 2021 (table II-15). Purchasers largely reported decreased purchases of U.S.-produced product. Purchasers mostly reported increased purchases of product from Germany, India, Japan, and Qatar and decreased purchases of product from the Netherlands and Trinidad and Tobago. Purchasers reported increased purchases of product from nonsubject countries. Seven purchasers attributed this shift explicitly to Cornerstone's two force majeure declarations and the resulting reduced availability of supply in the United States. Three of these seven purchasers additionally attributed this shift to a desire to maintain a more diversified supply chain.

Table II-15
Melamine: Count of changes in purchase patterns, by source

Count in number of firms reporting

Source of purchases	Steadily Increase	Fluctuate Up	No change	Fluctuate Down	Steadily Decrease	Did not purchase
United States	0	2	3	4	2	0
Germany	0	3	1	2	0	4
India	3	1	0	0	0	5
Japan	0	1	3	0	0	7
Netherlands	1	2	2	2	2	2
Qatar	0	2	0	1	0	5
Trinidad and Tobago	1	1	1	4	1	3
Nonsubject sources	1	3	1	1	0	2

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

Purchase factor comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing melamine produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on 15 factors (table II-16) for which they were asked to rate the importance.

In comparing the domestic product with that from subject sources, most responding purchasers rated the products as comparable for all 15 factors for Germany, 11 of 15 factors for India, 13 of 15 factors for Japan, all 15 factors for the Netherlands, 12 of 15 factors for Qatar, and all 15 factors for Trinidad and Tobago. Price was generally rated as comparable by most purchasers in comparing U.S. product to imports from each subject country except for Indian product, for which most responding purchasers reported that the Indian product was priced lower than the domestic product.

With respect to melamine produced in the United States compared to product from India, a majority of responding U.S. purchasers reported that U.S. product was inferior on availability, price, and reliability of supply, while it was superior on delivery time.

With respect to melamine produced in the United States compared to product from Japan, a majority of responding U.S. purchasers reported that U.S. product was inferior on availability, while it was superior on delivery time.

With respect to melamine produced in the United States compared to product from Qatar, a majority of responding U.S. purchasers reported that U.S. product was inferior on availability and reliability of supply, while it was superior on delivery time.

Table II-16
Melamine: Count of U.S. purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Count in number of firms reporting

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs Germany	1	4	2
Delivery terms	U.S. vs Germany	0	6	0
Delivery time	U.S. vs Germany	2	2	2
Discounts offered	U.S. vs Germany	0	6	0
Minimum quantity requirements	U.S. vs Germany	0	5	1
Packaging	U.S. vs Germany	1	5	0
Payment terms	U.S. vs Germany	1	5	0
Price	U.S. vs Germany	2	4	2
Product consistency	U.S. vs Germany	0	5	1
Product range	U.S. vs Germany	0	5	0
Quality meets industry standards	U.S. vs Germany	0	6	0
Quality exceeds industry standards	U.S. vs Germany	0	5	0
Reliability of supply	U.S. vs Germany	0	5	2
Technical support/service	U.S. vs Germany	0	6	0
U.S. transportation costs	U.S. vs Germany	1	4	1

Table continued.

Table II-16 Continued
Melamine: Count of U.S. purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Count in number of firms reporting

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs India	2	1	3
Delivery terms	U.S. vs India	2	3	0
Delivery time	U.S. vs India	4	0	1
Discounts offered	U.S. vs India	1	4	0
Minimum quantity requirements	U.S. vs India	1	4	0
Packaging	U.S. vs India	1	4	0
Payment terms	U.S. vs India	1	4	0
Price	U.S. vs India	1	2	4
Product consistency	U.S. vs India	1	4	0
Product range	U.S. vs India	1	3	0
Quality meets industry standards	U.S. vs India	1	4	0
Quality exceeds industry standards	U.S. vs India	1	3	0
Reliability of supply	U.S. vs India	2	1	3
Technical support/service	U.S. vs India	1	4	0
U.S. transportation costs	U.S. vs India	2	3	0

Table continued.

Table II-16 Continued
Melamine: Count of U.S. purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Count in number of firms reporting

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs Japan	1	2	3
Delivery terms	U.S. vs Japan	1	2	0
Delivery time	U.S. vs Japan	2	1	0
Discounts offered	U.S. vs Japan	1	2	0
Minimum quantity requirements	U.S. vs Japan	1	2	0
Packaging	U.S. vs Japan	1	2	0
Payment terms	U.S. vs Japan	1	2	0
Price	U.S. vs Japan	1	3	1
Product consistency	U.S. vs Japan	0	3	1
Product range	U.S. vs Japan	0	2	0
Quality meets industry standards	U.S. vs Japan	0	3	0
Quality exceeds industry standards	U.S. vs Japan	0	2	0
Reliability of supply	U.S. vs Japan	1	2	1
Technical support/service	U.S. vs Japan	0	3	0
U.S. transportation costs	U.S. vs Japan	1	2	0

Table continued.

Table II-16 Continued
Melamine: Count of U.S. purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Count in number of firms reporting

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs Netherlands	0	8	2
Delivery terms	U.S. vs Netherlands	0	9	0
Delivery time	U.S. vs Netherlands	1	6	2
Discounts offered	U.S. vs Netherlands	0	9	0
Minimum quantity requirements	U.S. vs Netherlands	0	9	0
Packaging	U.S. vs Netherlands	1	8	0
Payment terms	U.S. vs Netherlands	0	9	0
Price	U.S. vs Netherlands	2	7	2
Product consistency	U.S. vs Netherlands	1	7	1
Product range	U.S. vs Netherlands	0	8	0
Quality meets industry standards	U.S. vs Netherlands	1	8	0
Quality exceeds industry standards	U.S. vs Netherlands	1	7	0
Reliability of supply	U.S. vs Netherlands	0	8	2
Technical support/service	U.S. vs Netherlands	0	9	0
U.S. transportation costs	U.S. vs Netherlands	1	8	0

Table continued.

Table II-16 Continued
Melamine: Count of U.S. purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Count in number of firms reporting

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs Qatar	1	1	2
Delivery terms	U.S. vs Qatar	0	3	0
Delivery time	U.S. vs Qatar	2	0	1
Discounts offered	U.S. vs Qatar	0	3	0
Minimum quantity requirements	U.S. vs Qatar	0	3	0
Packaging	U.S. vs Qatar	0	3	0
Payment terms	U.S. vs Qatar	1	2	0
Price	U.S. vs Qatar	1	2	2
Product consistency	U.S. vs Qatar	0	3	0
Product range	U.S. vs Qatar	0	2	0
Quality meets industry standards	U.S. vs Qatar	0	3	0
Quality exceeds industry standards	U.S. vs Qatar	0	2	0
Reliability of supply	U.S. vs Qatar	1	1	2
Technical support/service	U.S. vs Qatar	0	3	0
U.S. transportation costs	U.S. vs Qatar	1	2	0

Table continued.

Table II-16 Continued
Melamine: Count of U.S. purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Count in number of firms reporting

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs Trinidad and Tobago	0	6	3
Delivery terms	U.S. vs Trinidad and Tobago	0	7	0
Delivery time	U.S. vs Trinidad and Tobago	1	5	1
Discounts offered	U.S. vs Trinidad and Tobago	0	7	0
Minimum quantity requirements	U.S. vs Trinidad and Tobago	0	7	0
Packaging	U.S. vs Trinidad and Tobago	1	6	0
Payment terms	U.S. vs Trinidad and Tobago	0	7	0
Price	U.S. vs Trinidad and Tobago	2	5	2
Product consistency	U.S. vs Trinidad and Tobago	0	7	0
Product range	U.S. vs Trinidad and Tobago	0	6	0
Quality meets industry standards	U.S. vs Trinidad and Tobago	0	7	0
Quality exceeds industry standards	U.S. vs Trinidad and Tobago	0	6	0
Reliability of supply	U.S. vs Trinidad and Tobago	0	7	1
Technical support/service	U.S. vs Trinidad and Tobago	0	7	0
U.S. transportation costs	U.S. vs Trinidad and Tobago	1	6	0

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

Note: With respect to cost/price factors, a rating of superior means that the cost/price for the first source in the country pair is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Comparison of U.S.-produced and imported melamine

In order to determine whether U.S.-produced melamine can generally be used in the same applications as imports from each subject country, the U.S. producer, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-17 through II-19, U.S. producer Cornerstone reported that U.S.-produced melamine is *** interchangeable with melamine imported from subject countries. Most importers and purchasers reported that U.S.-produced melamine is always interchangeable with melamine imported from subject countries, except for the Netherlands, for which importers reported the products were always or frequently interchangeable.

Table II-17
Melamine: Count of U.S. producers 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	Always	Frequently	Sometimes	Never
United States vs. Germany	***	***	***	***
United States vs. India	***	***	***	***
United States vs. Japan	***	***	***	***
United States vs. Netherlands	***	***	***	***
United States vs. Qatar	***	***	***	***
United States vs. Trinidad & Tobago	***	***	***	***
Germany vs. India	***	***	***	***
Germany vs. Japan	***	***	***	***
Germany vs. Netherlands	***	***	***	***
Germany vs. Qatar	***	***	***	***
Germany vs. Trinidad & Tobago	***	***	***	***
India vs. Japan	***	***	***	***
India vs. Netherlands	***	***	***	***
India vs. Qatar	***	***	***	***
India vs. Trinidad & Tobago	***	***	***	***
Japan vs. Netherlands	***	***	***	***
Japan vs. Qatar	***	***	***	***
Japan vs. Trinidad & Tobago	***	***	***	***
Netherlands vs. Qatar	***	***	***	***
Netherlands vs. Trinidad & Tobago	***	***	***	***
Qatar vs. Trinidad & Tobago	***	***	***	***
United States vs. Other	***	***	***	***
Germany vs. Other	***	***	***	***
India vs. Other	***	***	***	***
Japan vs. Other	***	***	***	***
Netherlands vs. Other	***	***	***	***
Qatar vs. Other	***	***	***	***
Trinidad & Tobago vs. Other	***	***	***	***

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

Table II-18
Melamine: Count of U.S. 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	Always	Frequently	Sometimes	Never
United States vs. Germany	5	2	0	0
United States vs. India	5	2	0	0
United States vs. Japan	4	1	2	0
United States vs. Netherlands	4	4	0	0
United States vs. Qatar	5	2	1	0
United States vs. Trinidad & Tobago	5	2	1	0
Germany vs. India	4	1	0	0
Germany vs. Japan	3	1	1	0
Germany vs. Netherlands	3	2	0	0
Germany vs. Qatar	4	1	0	0
Germany vs. Trinidad & Tobago	4	1	0	0
India vs. Japan	3	1	1	0
India vs. Netherlands	3	2	0	0
India vs. Qatar	4	1	0	0
India vs. Trinidad & Tobago	4	1	0	0
Japan vs. Netherlands	2	2	0	0
Japan vs. Qatar	3	1	0	0
Japan vs. Trinidad & Tobago	3	1	0	0
Netherlands vs. Qatar	3	2	0	0
Netherlands vs. Trinidad & Tobago	3	3	0	0
Qatar vs. Trinidad & Tobago	4	2	0	0
United States vs. Other	1	0	1	0
Germany vs. Other	1	0	1	0
India vs. Other	1	0	1	0
Japan vs. Other	0	0	1	0
Netherlands vs. Other	1	0	1	0
Qatar vs. Other	1	0	1	0
Trinidad & Tobago vs. Other	1	0	1	0

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

Table II-19
Melamine: Count of U.S. purchasers 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	Always	Frequently	Sometimes	Never
United States vs. Germany	7	0	0	0
United States vs. India	4	0	0	1
United States vs. Japan	4	0	0	1
United States vs. Netherlands	7	1	1	0
United States vs. Qatar	3	0	0	0
United States vs. Trinidad & Tobago	6	1	0	0
Germany vs. India	4	0	0	1
Germany vs. Japan	4	0	0	0
Germany vs. Netherlands	6	0	1	0
Germany vs. Qatar	3	0	0	0
Germany vs. Trinidad & Tobago	5	1	0	0
India vs. Japan	2	0	0	0
India vs. Netherlands	4	0	0	1
India vs. Qatar	3	0	0	0
India vs. Trinidad & Tobago	3	0	0	1
Japan vs. Netherlands	2	0	1	0
Japan vs. Qatar	1	0	0	0
Japan vs. Trinidad & Tobago	1	2	0	0
Netherlands vs. Qatar	3	0	0	0
Netherlands vs. Trinidad & Tobago	5	1	0	0
Qatar vs. Trinidad & Tobago	4	0	0	0
United States vs. Other	1	3	0	0
Germany vs. Other	1	1	0	0
India vs. Other	1	0	0	0
Japan vs. Other	0	1	0	0
Netherlands vs. Other	1	1	0	0
Qatar vs. Other	1	0	0	0
Trinidad & Tobago vs. Other	1	1	0	0

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

In addition, the U.S. producer, importers, and purchasers were asked to assess how often differences other than price were significant in sales of melamine from the United States, subject, or nonsubject countries. As seen in tables II-20 to II-22, U.S. producer Cornerstone reported that differences other than price between U.S.-produced melamine and subject product are *** significant. Importers' responses were mixed, with nearly all responding importers reporting that differences other than price were at least sometimes significant in their sales. Importers reported that significant differences other than price include reliability/consistency/diversity of supply (5 firms); product availability (2 firms); and product quality, particle size, quality of service, ease of conducting business and customer relations (1 firm each). Most responding purchasers reported that differences other than price between U.S. product and subject imports were always or frequently important in their purchases for all subject countries except Qatar, for half of the responding firms reported always or frequently. Purchasers reported that significant differences other than price include availability of supply (4 firms), quality of the product (2 firms), and lead time (1 firm).

Table II-20
Melamine: Count of U.S. producers 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	Always	Frequently	Sometimes	Never
United States vs. Germany	***	***	***	***
United States vs. India	***	***	***	***
United States vs. Japan	***	***	***	***
United States vs. Netherlands	***	***	***	***
United States vs. Qatar	***	***	***	***
United States vs. Trinidad & Tobago	***	***	***	***
Germany vs. India	***	***	***	***
Germany vs. Japan	***	***	***	***
Germany vs. Netherlands	***	***	***	***
Germany vs. Qatar	***	***	***	***
Germany vs. Trinidad & Tobago	***	***	***	***
India vs. Japan	***	***	***	***
India vs. Netherlands	***	***	***	***
India vs. Qatar	***	***	***	***
India vs. Trinidad & Tobago	***	***	***	***
Japan vs. Netherlands	***	***	***	***
Japan vs. Qatar	***	***	***	***
Japan vs. Trinidad & Tobago	***	***	***	***
Netherlands vs. Qatar	***	***	***	***
Netherlands vs. Trinidad & Tobago	***	***	***	***
Qatar vs. Trinidad & Tobago	***	***	***	***
United States vs. Other	***	***	***	***
Germany vs. Other	***	***	***	***
India vs. Other	***	***	***	***
Japan vs. Other	***	***	***	***
Netherlands vs. Other	***	***	***	***
Qatar vs. Other	***	***	***	***
Trinidad & Tobago vs. Other	***	***	***	***

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

Table II-21
Melamine: Count of U.S. 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	Always	Frequently	Sometimes	Never
United States vs. Germany	2	1	3	0
United States vs. India	3	1	2	0
United States vs. Japan	1	2	3	0
United States vs. Netherlands	2	2	3	0
United States vs. Qatar	2	2	3	0
United States vs. Trinidad & Tobago	2	2	3	0
Germany vs. India	2	1	1	1
Germany vs. Japan	1	1	3	0
Germany vs. Netherlands	2	1	3	0
Germany vs. Qatar	2	1	2	0
Germany vs. Trinidad & Tobago	2	1	3	0
India vs. Japan	1	1	3	0
India vs. Netherlands	2	1	2	0
India vs. Qatar	2	1	2	0
India vs. Trinidad & Tobago	2	1	3	0
Japan vs. Netherlands	1	1	2	0
Japan vs. Qatar	1	1	2	0
Japan vs. Trinidad & Tobago	1	1	2	0
Netherlands vs. Qatar	2	1	2	0
Netherlands vs. Trinidad & Tobago	2	1	3	0
Qatar vs. Trinidad & Tobago	2	1	3	0
United States vs. Other	1	1	1	0
Germany vs. Other	1	1	0	0
India vs. Other	1	1	0	0
Japan vs. Other	0	1	0	0
Netherlands vs. Other	1	1	0	0
Qatar vs. Other	1	1	1	0
Trinidad & Tobago vs. Other	1	1	1	0

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

Table II-22
Melamine: Count of U.S. purchasers 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	Always	Frequently	Sometimes	Never
United States vs. Germany	5	0	0	2
United States vs. India	2	1	1	1
United States vs. Japan	2	1	0	1
United States vs. Netherlands	5	2	1	2
United States vs. Qatar	2	0	1	1
United States vs. Trinidad & Tobago	7	0	0	2
Germany vs. India	2	1	1	1
Germany vs. Japan	2	1	0	2
Germany vs. Netherlands	5	1	0	2
Germany vs. Qatar	2	0	1	1
Germany vs. Trinidad & Tobago	5	0	0	2
India vs. Japan	1	1	0	1
India vs. Netherlands	2	1	1	1
India vs. Qatar	2	0	0	2
India vs. Trinidad & Tobago	2	0	1	1
Japan vs. Netherlands	2	1	0	1
Japan vs. Qatar	1	0	0	1
Japan vs. Trinidad & Tobago	2	0	1	1
Netherlands vs. Qatar	2	0	1	1
Netherlands vs. Trinidad & Tobago	5	0	0	2
Qatar vs. Trinidad & Tobago	2	0	0	2
United States vs. Other	2	0	1	1
Germany vs. Other	2	0	0	0
India vs. Other	1	0	0	0
Japan vs. Other	1	0	0	0
Netherlands vs. Other	2	0	0	0
Qatar vs. Other	1	0	0	0
Trinidad & Tobago vs. Other	1	0	0	0

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

Elasticity estimates

This section discusses elasticity estimates. Parties were encouraged to comment on estimates in their briefs and did not provide any comments.

U.S. supply elasticity

The domestic supply elasticity for melamine measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of melamine. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced melamine. Analysis of these factors above indicates that the U.S. industry has the ability to greatly increase or decrease shipments to the U.S. market; an estimate in the range of 4 to 8 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for melamine measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of melamine. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the melamine in the production of any downstream products. Based on the available information, the aggregate demand for melamine is likely to be inelastic; a range of -0.5 to -1.0 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[29] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced melamine and imported melamine is at least moderate-to-high, likely to be in the range of 3 to 6.

[29] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

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 Cornerstone's questionnaire response that accounted for all U.S. production of melamine during 2023.

U.S. producer

The Commission issued a U.S. producer questionnaire to one firm based on information contained in the petitions. This firm provided usable data on their operations. Table III-1 lists U.S. producer Cornerstone's production location, its position on the petitions, and share of reported production.

Table III-1
Melamine: U.S. producer, its position on the petitions, production locations, and share of reported production, 2023

Firm	Position on petitions	Production location	Share of production
Cornerstone	Petitioner	Waggaman, LA	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
Melamine: U.S. producers' ownership, related and/or affiliated firms

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

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

As indicated in table III-2, Cornerstone is not related to foreign producers of the subject merchandise or U.S. importers of the subject merchandise. In addition, Cornerstone did not directly import the subject merchandise or purchase the subject merchandise from U.S. importers.

Table III-3 presents events in the U.S. industry since January 1, 2021. Cornerstone experienced two production curtailments and subsequent force majeures during 2021-22. On August 28, 2021, Cornerstone shut down its manufacturing operations and issued a force majeure notice in anticipation of Hurricane Ida. The production outage lasted three weeks and Cornerstone achieved pre-event production levels by September ***, 2021, while the force majeure stayed in effect until April ***, 2022 to rebuild inventory.[1] On May ***, 2022, Cornerstone shut down its production for approximately *** weeks due to unplanned maintenance on its salt coil reactor and declared force majeure on June 2, 2022. Cornerstone resumed production in late July 2022 and lifted the force majeure on November ***, 2022. During the production outages, Cornerstone stated that it was able to supply its customers from inventory, by diverting product scheduled for export, and extending some delivery schedules.[2] In addition, Cornerstone underwent an equity and debt restructuring in late 2023.[3]

Table III-3
Melamine: Important industry events since January 1, 2021

Item	Firm	Event
Force majeure	Cornerstone	Cornerstone stated in a press release dated August 31, 2021, that it had closed its Waggaman, LA, production facility on August 28, 2021, in anticipation of Hurricane Ida and declared force majeure.
Force majeure	Cornerstone	Cornerstone stated in a press release dated June 2, 2022, that it closed its Waggaman, LA, production facility for repairs for an unspecified reason on June 2, 2022, and declared force majeure, adding that this closure, combined with the impact from Hurricane Ida, could last about 25 days. Moody's stated that the facility was closed for over 8 weeks.

Source: Cornerstone, "Cornerstone Statement Regarding Operational Status Following Hurricane Ida," August 31, 2021; Cornerstone, "Cornerstone Statement Regarding Force Majeure Relating to Supply of Melamine," press release, June 2, 2022; Moody's, "CSTN Merger Sub, Inc. -- Moody's States that Outages at CSTN's Facility Reduce the Near-Term Potential for an Upgrade," August 30, 2022.

[1] Petitioner's postconference brief, exh. 3, pp. 2-3; and conference transcript, pp. 64-66, 104 (Sokol, Driscoll, and Carroll).

[2] Petitioner's postconference brief, exh. 3, pp. 2-4; conference transcript, pp. 64-66, 104 (Sokol, Driscoll, and Carroll); and hearing transcript, pp. 25-26 (Frank).

[3] Conference transcript, p. 17 (Sokol); hearing transcript, p. 40 (Blaser); and Petitioner's postconference brief, p. 30 and exh. 1, pp. 13-14.

Cornerstone was asked to report any changes in the character of its operations or organization relating to the production of melamine since January 1, 2021. Table III-4 presents the changes identified by Cornerstone.

Table III-4
Melamine: U.S. producer's reported changes in operations since January 1, 2021

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

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. producer's production, capacity, and capacity utilization. Melamine capacity increased by *** percent between 2021 and 2023, while production decreased by *** percent.[4] Capacity and production were higher in January-June 2024 than in January-June 2023, by *** percent and *** percent, respectively. Capacity utilization decreased by *** percentage points during 2021-23, from *** percent to *** percent, but was *** percentage points higher in January-June 2024 than in January-June 2023 (*** percent compared to *** percent).[5]

Cornerstone's practical production capacity is based on operating *** hours per week, *** weeks per year and adjusted for the actual duration of planned maintenance outages, which typically last three to four weeks.[6] Cornerstone reported that "***."[7] Cornerstone's production facility is highly capital intensive and designed to produce melamine most efficiently in continuous operation at or near full capacity 24 hours per day, seven days a week.[8]

[4] As mentioned previously, Cornerstone experienced two unplanned production outages and force majeures during 2021-22.

[5] Cornerstone reported that ***. Cornerstone's response to ITC follow-up questions, October 25, 2024, pp. 8-10.

[6] Cornerstone's U.S. producer questionnaire response, II-3b; and conference transcript, pp. 52-53 (Blaser). More specifically, ***. Staff field trip report, Cornerstone, October 16, 2024.

[7] Cornerstone's U.S. producer questionnaire response, II-3c. Cornerstone reported installed capacity of *** pounds in each year, *** pounds during January-June 2023, and *** pounds during January-June 2024. Cornerstone based its installed capacity on ***. Ibid., II-3a and II-3c.

[8] Conference transcript, pp. 31, 52-54 (Blaser).

Table III-5
Melamine: U.S. producer's practical capacity, production, and capacity utilization, by period

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

Item	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024
Capacity	***	***	***	***	***
Production	***	***	***	***	***
Capacity utilization	***	***	***	***	***

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

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

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

* * * * * * *

Alternative products

Cornerstone does not produce alternative products using the same equipment, machinery, or employees as used to produce melamine. Cornerstone stated that the plant was "designed, built, and licensed specifically for the production of melamine" and "cannot be modified to produce any other product."[9]

[9] Conference transcript, p. 20 (Frank); and Cornerstone's U.S. producer questionnaire response, II-4b.

Constraints on capacity

Table III-6 presents Cornerstone's reported narratives regarding practical capacity constraints. Cornerstone cites planned and unplanned maintenance, raw material and utility supply, such as ammonia, steam, and electricity, and demand as constraints on its production capacity.[10]

Table III-6
Melamine: U.S. producers' reported capacity constraints since January 1, 2021

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

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

U.S. producer's U.S. shipments and exports

Table III-7 presents Cornerstone's U.S. shipments, export shipments, and total shipments. Consistent with production trends discussed above, Cornerstone's U.S. shipments declined in each year, decreasing overall by *** percent between 2021 and 2023. The average unit value of U.S. shipments increased by *** percent during 2021-22, then decreased by *** percent during 2022-23, for an overall increase of *** percent between 2021 and 2023. U.S. shipments were *** percent higher, while average unit values were *** percent lower, in January-June 2024 than in January-June 2023.[11]

[10] Conference transcript, p. 62 (Sokol).

[11] Cornerstone attributed in part its higher U.S. shipment volumes and lower average unit values in January-June 2024 compared to January-June 2023 to ***. Cornerstone's response to ITC follow-up questions, October 25, 2024, pp. 8-10.

U.S. shipments accounted for the majority of total shipments (approximately *** in each year). Export shipments decreased by *** percent between 2021 and 2023 but were nearly *** higher in January-June 2024 than in January-June 2023.[12] As mentioned previously, Cornerstone diverted some of its export shipments during 2021-22 to supply its customers during force majeure events. Cornerstone's principal export markets include ***.[13]

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

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

Item	Measure	2021	2022	2023	Jan-Jun 2023	Jan-Jun 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	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

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

[12] Cornerstone indicated that ***. Cornerstone's response to ITC follow-up questions, October 25, 2024, p. 3.

[13] Cornerstone's U.S. producer questionnaire response, II-8. ***. Cornerstone's U.S. producer questionnaire response, II-11.

U.S. producers' inventories

Table III-8 presents U.S. producer's end-of-period inventories and the ratio of these inventories to U.S. producer's production, U.S. shipments, and total shipments. Cornerstone's ending inventories increased *** between 2021 and 2023 but were *** percent lower in January-June 2024 than in January-June 2023. Cornerstone reported ***.[14]

The ratio of inventories to production increased by *** percentage points between 2021 and 2023, while the ratio of inventories to U.S. shipments and total shipments increased by *** and *** percentage points, respectively. The ratio of inventories to production was *** percentage points lower in January-June 2024 than in January-June 2023, while the ratio of inventories to U.S. shipments and total shipments were *** and *** percentage points, respectively.

Table III-8
Melamine: 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-Jun 2023	Jan-Jun 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 and purchases from subject sources

Cornerstone did not import or purchase melamine from any source during the period for which data were collected.

[14] Cornerstone's response to ITC follow-up questions, October 25, 2024, p. 3.

U.S. employment, wages, and productivity

Table III-9 shows U.S. producer's employment-related data. All employment-related indicators increased overall during 2021-23, with the exception of productivity. However, several employment-related indicators, including the number of production and related workers ("PRWs"), total hours worked, and wages paid were lower in January-June 2024 than in January-June 2023. The number of PRWs fluctuated and increased overall by *** percent during 2021-23, but was *** percent lower in January-June 2024 than in January-June 2023.[15] Similarly, total hours worked and wages paid fluctuated and increased overall during 2021-23, by *** percent and *** percent, respectively, but were lower in January-June 2024 than in January-June 2023, by *** percent and *** percent, respectively.

Hours worked per PRW and hourly wages increased overall by *** percent and *** percent, respectively, between 2021 and 2023, increasing in each year of the period, and were higher in January-June 2024 than in January-June 2023.[16] Productivity decreased by *** percent while unit labor costs increased by *** percent, between 2021 and 2023. However, productivity was *** percent higher while unit labor costs were *** percent lower, in January-June 2024 than in January-June 2023.

Table III-9
Melamine: U.S. producers' employment related information, by period

Item	2021	2022	2023	Jan-Jun 2023	Jan-Jun 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.

[15] Cornerstone reported that ***. Thus, ***. Cornerstone's U.S. producer questionnaire response, II-10.

[16] Cornerstone reported ***. In a typical shift, ***. Staff field trip report, Cornerstone, October 16, 2024.

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

U.S. importers

The Commission issued importer questionnaires to 17 firms believed to be importers of subject melamine, as well as to the sole U.S. producer of melamine.[1] Usable questionnaire responses were received from 14 firms, which represented the following shares of total U.S. imports in 2023 under HTS subheading 2933.61.00:[2] [3]

- Germany, *** percent
- India, *** percent
- Japan, *** percent
- the Netherlands, *** percent
- Qatar, *** percent
- Trinidad and Tobago, *** percent
- Subject sources, *** percent
- Nonsubject sources, zero percent[4]
- All import sources, *** percent

Table IV-1 lists all responding U.S. importers of melamine from Germany, India, Japan, the Netherlands, Qatar, Trinidad and Tobago, and other sources, their locations, and their shares of reported U.S. imports, in 2023.

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

[2] *** did not provide a questionnaire response in these final phase investigations but did so during the preliminary phase. That questionnaire response is incorporated into this report. ***. An additional firm *** certified that it did not import melamine from any source since January 1, 2021. The coverage estimates presented were calculated based on proprietary Customs records using HTS subheading 2933.61.00 (quantity of imports accounted by firms that responded to the Commission's questionnaire divided by total quantity of imports). No responding firm reported imports of melamine classified in other HTS subheadings.

[3] Import data presented in this report were calculated from official import statistics under HTS subheading 2933.61.00, adjusted with proprietary Customs records. Proprietary Customs records were used to remove out-of-scope imports that entered under HTS subheading 2933.61.00. These out-of-scope imports from *** were imported by ***. *** importer questionnaire response and staff correspondence with ***, September 30, 2024.

Official import statistics were also adjusted to reclassify ***. ***. Staff correspondence with ***, March 8, 2024.

[4] ***, the only responding importer of nonsubject imports, in the preliminary or final phase of these investigations, reported imports in 2021 and 2022 only.

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

Share in percent

Firm	Headquarters	Germany	India	Japan	Nether-lands	Qatar	Trinidad and Tobago
Catalynt	Edmonds, WA	***	***	***	***	***	***
Dura	Oaklan, CA	***	***	***	***	***	***
EuroChem	Tulsa, OK	***	***	***	***	***	***
Gromax	Irvine, CA	***	***	***	***	***	***
Helm	Houston, TX	***	***	***	***	***	***
Hexion	Columbus, OH	***	***	***	***	***	***
Kronochem	Eastaboga, AL	***	***	***	***	***	***
LAT	Lutherstadt-Wittenberg, Germany	***	***	***	***	***	***
OCI	Wilmington, DE	***	***	***	***	***	***
S.A.F.E.	Dayton, TX	***	***	***	***	***	***
Sumitomo	New York, NY	***	***	***	***	***	***
TRiiSO	Del Mar, CA	***	***	***	***	***	***
Waxian	Englewood, NJ	***	***	***	***	***	***
ZYP	Oak Ridge, TN	***	***	***	***	***	***
All firms	Various	100.0	100.0	100.0	100.0	100.0	100.0

Table continued.

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

Share in percent

Firm	Headquarters	Subject sources	Nonsubject sources	All import sources
Catalynt	Edmonds, WA	***	***	***
Dura	Oaklan, CA	***	***	***
EuroChem	Tulsa, OK	***	***	***
Gromax	Irvine, CA	***	***	***
Helm	Houston, TX	***	***	***
Hexion	Columbus, OH	***	***	***
Kronochem	Eastaboga, AL	***	***	***
LAT	Lutherstadt-Wittenberg, DE	***	***	***
OCI	Wilmington, DE	***	***	***
S.A.F.E.	Dayton, TX	***	***	***
Sumitomo	New York, NY	***	***	***
TRiiSO	Del Mar, CA	***	***	***
Waxian	Englewood, NJ	***	***	***
ZYP	Oak Ridge, TN	***	***	***
All firms	Various	100.0	---	100.0

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

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

Note: U.S. importer *** provided a questionnaire response but ***.

U.S. imports

Tables IV-2 and IV 3 and figure IV-1 present data for U.S. imports of melamine from Germany, India, Japan, the Netherlands, Qatar, Trinidad and Tobago, and all other sources. During 2021-23, subject imports increased by *** percent from 2021 to 2022 then decreased by *** percent from 2022 to 2023, decreasing overall by *** percent. Subject imports were *** percent higher in January-June 2024 than in January-June 2023.[5] Nonsubject imports decreased by *** percent between 2021 and 2023 but were higher in January-June 2024 than in January-June 2023.[6]

[5] Imports from each subject source increased from 2021 to 2022. Imports from India, Japan, and Qatar continued to increase from 2022 to 2023, while imports from Germany, the Netherlands, and Trinidad and Tobago decreased from 2022 to 2023. Imports from each subject source, except India and Qatar, were higher in January-June 2024 than in January-June 2023.

[6] Based on adjusted official Commerce statistics, leading nonsubject sources of imports include ***.

(*continued*...)

Average unit values ("AUVs") from subject sources peaked in 2022 and increased overall between 2021 and 2023, by *** percent. However, the AUV of subject imports was *** percent lower in January-June 2024 than in January-June 2023 ($*** per pound compared to $*** per pound). The AUV of nonsubject imports decreased by *** percent between 2021 and 2023 and was *** percent lower in January-June 2024 than in January-June 2023.

Subject imports accounted for the vast majority (more than *** percent) of total U.S. imports in each period. Subject imports as a share of total imports increased by *** percentage points during 2021-23, from *** percent in 2021 to *** percent in 2023 but was *** percentage points lower in January-June 2024 than in January-June 2023 (*** percent compared to *** percent).

Trinidad and Tobago was the largest source of subject imports in 2021 and 2022, accounting for *** percent and *** percent of total U.S. imports, respectively, and the second largest in 2023, accounting for *** percent. Imports from Trinidad and Tobago increased by 45.6 percent during 2021-22 then decreased by 75.9 percent during 2022-23, decreasing overall by 64.9 percent between 2021 and 2023.[7] Imports from Trinidad and Tobago were more than two times higher in January-June 2024 than in January-June 2023. The

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Based on adjusted Commerce statistics, *** accounted for *** percent of total imports in each full year and during January-June 2023 and *** percent of total imports during January-June 2024. According to proprietary, Census-edited Customs records ***, was the foreign-domiciled U.S. importer of record for 2023 and interim 2024 imports from Austria. *** did not provide a U.S. importers' questionnaire submission.

*** accounted for *** percent of total imports in 2021, *** percent in 2022, *** percent in 2023, and *** percent in each interim period. *** accounted for *** percent of total imports in 2021, *** percent in 2022, *** percent in 2023 and January-June 2023, and *** percent in January-June 2024. *** accounted for *** percent of total imports in 2022 and *** percent in all other periods. *** accounted for *** percent of total imports in 2021, *** percent in 2022 and *** percent in all other periods.

[7] Respondent Methanol Holdings, the sole producer and exporter of melamine from Trinidad and Tobago, attributes the increase in imports during 2021-22 to supply constraints and "unmet U.S. demand" resulting from Cornerstone's two force majeure events. It attributes the sharp decline in imports from 2022-23 as a response to affiliated U.S. importer Helm's request to reduce volumes to the United States in light of "excess inventory and slackening demand." A representative for Methanol Holdings at the staff conference further stated that the decline in imports from 2022-23 was due to declining U.S. prices that drove its decision to divert a greater share of its production to Europe in 2023.

According to Methanol Holdings, Methanol Holdings and its affiliates Helm U.S. and Helm AG (Germany) operate under a long-term global distribution strategy to divide its melamine production equally between the U.S. and European markets, but that it is able to respond to demand conditions such as those described above; this strategy has been in place since the firm began melamine production in 2010. Methanol Holdings' postconference brief, pp. 6-8, 34; and conference transcript, pp. 119-121 (Sukhu-Maharaj).

Netherlands was the largest source of subject imports in 2023, accounting for *** percent of total U.S. imports.

The ratio of subject imports to U.S. production increased by *** percentage points from 2021 to 2022 then decreased by *** percentage points, increasing overall by *** percentage points during 2021-23, and was *** percent in 2023. The ratio of subject imports to U.S. production was *** percentage points lower in January-June 2024 than in January-June 2023.

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

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

Source	Measure	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024
Germany	Quantity	***	***	***	***	***
India	Quantity	***	***	***	***	***
Japan	Quantity	908	1,018	1,474	989	1,256
Netherlands	Quantity	15,214	23,301	14,817	8,157	8,929
Qatar	Quantity	***	***	***	***	***
Trinidad and Tobago	Quantity	25,133	36,597	8,818	2,425	5,732
Subject sources	Quantity	***	***	***	***	***
Subject sources less Trinidad and Tobago	Quantity	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***
All sources less Trinidad and Tobago	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
Germany	Value	***	***	***	***	***
India	Value	***	***	***	***	***
Japan	Value	869	1,982	1,399	1,055	916
Netherlands	Value	12,032	39,644	18,493	11,818	6,399
Qatar	Value	***	***	***	***	***
Trinidad and Tobago	Value	20,755	61,725	5,842	2,516	4,522
Subject sources	Value	***	***	***	***	***
Subject sources less Trinidad and Tobago	Value	***	***	***	***	***
Nonsubject sources	Value	***	***	***	***	***
All sources less Trinidad and Tobago	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***

Table continued.

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

Unit value in dollars per pound; share in percent

Source	Measure	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024
Germany	Unit value	***	***	***	***	***
India	Unit value	***	***	***	***	***
Japan	Unit value	0.96	1.95	0.95	1.07	0.73
Netherlands	Unit value	0.79	1.70	1.25	1.45	0.72
Qatar	Unit value	***	***	***	***	***
Trinidad and Tobago	Unit value	0.83	1.69	0.66	1.04	0.79
Subject sources	Unit value	***	***	***	***	***
Subject sources less Trinidad and Tobago	Unit value	***	***	***	***	***
Nonsubject sources	Unit value	***	***	***	***	***
All sources less Trinidad and Tobago	Unit value	***	***	***	***	***
All import sources	Unit value	***	***	***	***	***
Germany	Share of quantity	***	***	***	***	***
India	Share of quantity	***	***	***	***	***
Japan	Share of quantity	***	***	***	***	***
Netherlands	Share of quantity	***	***	***	***	***
Qatar	Share of quantity	***	***	***	***	***
Trinidad and Tobago	Share of quantity	***	***	***	***	***
Subject sources	Share of quantity	***	***	***	***	***
Subject sources less Trinidad and Tobago	Share of quantity	***	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***	***
All sources less Trinidad and Tobago	Share of quantity	***	***	***	***	***
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0

Table continued.

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

Share and ratio in percent

Source	Measure	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024
Germany	Share of value	***	***	***	***	***
India	Share of value	***	***	***	***	***
Japan	Share of value	***	***	***	***	***
Netherlands	Share of value	***	***	***	***	***
Qatar	Share of value	***	***	***	***	***
Trinidad and Tobago	Share of value	***	***	***	***	***
Subject sources	Share of value	***	***	***	***	***
Subject sources less Trinidad and Tobago	Share of value	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***
All sources less Trinidad and Tobago	Share of value	***	***	***	***	***
All import sources	Share of value	***	***	***	***	***
Germany	Ratio	***	***	***	***	***
India	Ratio	***	***	***	***	***
Japan	Ratio	***	***	***	***	***
Netherlands	Ratio	***	***	***	***	***
Qatar	Ratio	***	***	***	***	***
Trinidad and Tobago	Ratio	***	***	***	***	***
Subject sources	Ratio	***	***	***	***	***
Subject sources less Trinidad and Tobago	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All sources less Trinidad and Tobago	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 2933.61.0000, accessed October 10, 2024 and adjusted to remove out of scope merchandise *** under the same HTS statistical reporting number and reclassify *** using proprietary, Census-edited Customs records accessed September 26, 2024.

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
Melamine: Changes in import quantity, values, and unit values between comparison periods

Changes (Δ) in percent

Source	Measure	2021-23	2021-22	2022-23	Jan-Jun 2023-24
Germany	%Δ Quantity	***	***	***	***
India	%Δ Quantity	***	***	***	***
Japan	%Δ Quantity	▲62.3	▲12.1	▲44.8	▲26.9
Netherlands	%Δ Quantity	▼(2.6)	▲53.2	▼(36.4)	▲9.5
Qatar	%Δ Quantity	***	***	***	***
Trinidad and Tobago	%Δ Quantity	▼(64.9)	▲45.6	▼(75.9)	▲136.4
Subject sources	%Δ Quantity	***	***	***	***
Subject sources less Trinidad and Tobago	%Δ Quantity	***	***	***	***
Nonsubject sources	%Δ Quantity	***	***	***	***
All sources less Trinidad and Tobago	%Δ Quantity	***	***	***	***
All import sources	%Δ Quantity	***	***	***	***
Germany	%Δ Value	***	***	***	***
India	%Δ Value	***	***	***	***
Japan	%Δ Value	▲61.0	▲128.0	▼(29.4)	▼(13.2)
Netherlands	%Δ Value	▲53.7	▲229.5	▼(53.4)	▼(45.9)
Qatar	%Δ Value	***	***	***	***
Trinidad and Tobago	%Δ Value	▼(71.8)	▲197.4	▼(90.5)	▲79.7
Subject sources	%Δ Value	***	***	***	***
Subject sources less Trinidad and Tobago	%Δ Value	***	***	***	***
Nonsubject sources	%Δ Value	***	***	***	***
All sources less Trinidad and Tobago	%Δ Value	***	***	***	***
All import sources	%Δ Value	***	***	***	***

Table continued.

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

Changes (Δ) in percent

Source	Measure	2021-23	2021-22	2022-23	Jan-Jun 2023-24
Germany	%Δ Unit value	***	***	***	***
India	%Δ Unit value	***	***	***	***
Japan	%Δ Unit value	▼(0.8)	▲103.4	▼(51.3)	▼(31.6)
Netherlands	%Δ Unit value	▲57.8	▲115.1	▼(26.6)	▼(50.5)
Qatar	%Δ Unit value	***	***	***	***
Trinidad and Tobago	%Δ Unit value	▼(19.8)	▲104.2	▼(60.7)	▼(24.0)
Subject sources	%Δ Unit value	***	***	***	***
Subject sources less Trinidad and Tobago	%Δ Unit value	***	***	***	***
Nonsubject sources	%Δ Unit value	***	***	***	***
All sources less Trinidad and Tobago	%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 2933.61.0000, accessed October 10, 2024 and adjusted to remove out of scope merchandise *** under the same HTS statistical reporting number and reclassify *** using proprietary, Census-edited Customs records accessed September 26, 2024.

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

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

* * * * * * *

Firms were asked about the impact of the COVID-19 pandemic on their melamine operations. Seven of 14 responding firms reported changes in their supply chain arrangements, importation, employment and/or shipments relating to melamine; their responses are presented in table IV-4.

Table IV-4
Melamine: U.S. importers' reported impact of COVID-19 pandemic on operations

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

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

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.[8] 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.[9] Table IV-5 presents the individual shares of total imports by source during February 2023 through January 2024.

[8] 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)).

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

Table IV-5
Melamine: U.S. imports in the twelve-month period preceding the filing of the petitions, February 2023 through January 2024

Quantity in 1,000 pounds; share in percent

Source of imports	Quantity	Share of quantity
Germany	***	***
India	***	***
Japan	1,517	***
Netherlands	15,699	***
Qatar	***	***
Trinidad and Tobago	8,378	***
Subject sources	***	***
Subject sources less Trinidad and Tobago	***	***
Nonsubject sources	***	***
All sources less Trinidad and Tobago	***	***
All import sources	***	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2933.61.0000, accessed October 10, 2024 and adjusted to remove out of scope merchandise *** under the same HTS statistical reporting number and reclassify *** using proprietary, Census-edited Customs records accessed September 26, 2024.

Note: Commerce made an affirmative preliminary CVD determination and a negative preliminary LTFV determination with respect to imports of melamine from Qatar. 89 FR 59045, July 22, 2024; and 89 FR 77824, September 24, 2024.

Critical circumstances[10]

On December 9, 2024, Commerce issued final affirmative critical circumstances determinations in the context of its AD investigations with regard to certain imports from Japan and Trinidad and Tobago.[11] For Japan, Commerce determined that critical circumstances exist with respect to imports of melamine from Mitsui Chemicals, but do not exist with respect to all other exporters or producers.[12] For Trinidad and Tobago, Commerce determined that critical circumstances exist with respect to imports of melamine from Methanol Holdings (Trinidad) Limited, but do not exist with respect to all other exporters or producers.[13]

In addition, Commerce issued preliminary critical circumstances determinations in its CVD and AD investigations with regard to certain melamine imports from India on July 22, 2024 and September 22, 2024, respectively.[14] In the CVD investigation, Commerce preliminarily determined that critical circumstances exist with respect to imports of melamine from Gujarat State Fertilizers and Chemicals Limited and all other exporters or producers.[15] In the AD investigation, Commerce preliminarily determined that critical circumstances exist with respect to imports of melamine from Gujarat State Fertilizers and Chemicals Limited, but do not exist with respect to all other exporters or producers.[16]

In these investigations, if both Commerce and the Commission make affirmative final critical circumstances determinations, certain subject imports may be subject to duties retroactive by 90 days from the effective date of Commerce's affirmative preliminary CVD and AD determinations, or July 22, 2024 and September 24, 2024, respectively. Tables IV-6 through IV-9 and figures IV-2 and IV-3 present these data for Japan and Trinidad and Tobago and tables IV-10 through IV-13 and figures IV-4 and IV-5 present these data for India.

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[10] When petitioners file timely allegations of critical circumstances, Commerce examines whether there is a reasonable basis to believe or suspect that (1) either there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at LTFV and that there was likely to be material injury by reason of such sales; and (2) there have been massive imports of the subject merchandise over a relatively short period.

[11] 89 FR 97598 and 89 FR 97601, December 9, 2023. Commerce also issued a final negative critical circumstances determination in the context of its CVD investigation with regard to certain imports from Qatar. 89 FR 97593, December 9, 2023.

[12] 89 FR 97601, December 9, 2024.

[13] 89 FR 97598, December 9, 2024.

[14] 89 FR 59055, July 22, 2024; and 89 FR 77832, September 24, 2024.

[15] 89 FR 59055, July 22, 2024.

[16] 89 FR 77832, September 24, 2024.

Table IV-6
Melamine: U.S. imports from Japan subject to Commerce's affirmative final critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
August 2023	Before	***
September 2023	Before	***
October 2023	Before	***
November 2023	Before	***
December 2023	Before	***
January 2024	Before	***
February 2024	After	***
March 2024	After	***
April 2024	After	***
May 2024	After	***
June 2024	After	***
July 2024	After	***

Table continued.

Table IV-6 Continued
Melamine: U.S. imports from Japan subject to Commerce's affirmative final critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds; difference in percent

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from proprietary, Census-edited Customs records using HTS statistical reporting number 2933.61.0000, accessed on September 26, 2024. Imports are based on the imports for consumption data series.

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

Note: The Commerce affirmative final AD critical circumstances determination applies to Japanese producer Mitsui Chemicals.

Figure IV-2
Melamine: U.S. imports from Japan subject to Commerce's affirmative final critical circumstances determination in the AD investigation, by month

* * * * * * *

Table IV-7
Melamine: U.S. importers' U.S. inventories of imports from Japan subject to Commerce's affirmative final critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds; index in percent

Inventories on or around	Quantity	Index
January 31, 2024	***	***
February 29, 2024	***	***
March 31, 2024	***	***
April 30, 2024	***	***
May 31, 2024	***	***
June 30, 2024	***	***
July 31, 2024	***	***

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

Note: Index based on end-of-period inventories on January 31, 2024, equal to 100.0 percent.

Note: The Commerce affirmative final AD critical circumstances determination applies to Japanese producer Mitsui Chemicals.

Table IV-8
Melamine: U.S. imports from Trinidad and Tobago subject to Commerce's affirmative final critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
August 2023	Before	***
September 2023	Before	***
October 2023	Before	***
November 2023	Before	***
December 2023	Before	***
January 2024	Before	***
February 2024	After	***
March 2024	After	***
April 2024	After	***
May 2024	After	***
June 2024	After	***
July 2024	After	***

Table continued.

Table IV-8 Continued
Melamine: U.S. imports from Trinidad and Tobago subject to Commerce's affirmative final critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds; difference in percent

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from proprietary, Census-edited Customs records using HTS statistical reporting number 2933.61.0000, accessed on September 26, 2024. Imports are based on the imports for consumption data series.

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

Note: The Commerce affirmative final AD critical circumstances determination applies to Trinidadian producer Methanol Holdings (Trinidad) Limited.

Figure IV-3
Melamine: U.S. imports from Trinidad and Tobago subject to Commerce's affirmative final critical circumstances determination in the AD investigation, by month

* * * * * * *

Table IV-9
Melamine: U.S. importers' U.S. inventories of imports from Trinidad and Tobago subject to Commerce's affirmative final critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds; index in percent

Inventories on or around	Quantity	Index
January 31, 2024	***	***
February 29, 2024	***	***
March 31, 2024	***	***
April 30, 2024	***	***
May 31, 2024	***	***
June 30, 2024	***	***
July 31, 2024	***	***

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

Note: Index based on end-of-period inventories on January 31, 2024, equal to 100.0 percent.

Note: The Commerce affirmative final AD critical circumstances determination applies to Trinidadian producer Methanol Holdings (Trinidad) Limited.

Table IV-10
Melamine: U.S. imports from India subject to Commerce's affirmative preliminary critical circumstances determination in the CVD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
August 2023	Before	***
September 2023	Before	***
October 2023	Before	***
November 2023	Before	***
December 2023	Before	***
January 2024	Before	***
February 2024	After	***
March 2024	After	***
April 2024	After	***
May 2024	After	***
June 2024	After	***
July 2024	After	***

Table continued.

Table IV-10 Continued
Melamine: U.S. imports from India subject to Commerce's affirmative preliminary critical circumstances determination in the CVD investigation, by month

Quantity in 1,000 pounds; difference in percent

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from proprietary, Census-edited Customs records using HTS statistical reporting number 2933.61.0000, accessed on September 26, 2024. Imports are based on the imports for consumption data series.

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

Note: The Commerce affirmative preliminary CVD critical circumstances determination applies to all producers from India, including Gujarat State Fertilizers and Chemicals Limited.

Figure IV-4
Melamine: U.S. imports from India subject to Commerce's affirmative preliminary critical circumstances determination in the CVD investigation, by month

* * * * * * *

Table IV-11
Melamine: U.S. importers' U.S. inventories of imports from India subject to Commerce's affirmative preliminary critical circumstances determination in the CVD investigation, by date

Quantity in 1,000 pounds; index in percent

Inventories on or around	Quantity	Index
January 31, 2024	***	***
February 29, 2024	***	***
March 31, 2024	***	***
April 30, 2024	***	***
May 31, 2024	***	***
June 30, 2024	***	***
July 31, 2024	***	***

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

Note: Index based on end-of-period inventories on January 31, 2024, equal to 100.0 percent.

Note: The Commerce affirmative preliminary CVD critical circumstances determination applies to all producers from India, including Gujarat State Fertilizers and Chemicals Limited.

Table IV-12
Melamine: U.S. imports from India subject to Commerce's affirmative preliminary critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
August 2023	Before	***
September 2023	Before	***
October 2023	Before	***
November 2023	Before	***
December 2023	Before	***
January 2024	Before	***
February 2024	After	***
March 2024	After	***
April 2024	After	***
May 2024	After	***
June 2024	After	***
July 2024	After	***

Table continued.

Table IV-12 Continued
Melamine: U.S. imports from India subject to Commerce's affirmative preliminary critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds; difference in percent

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from proprietary, Census-edited Customs records using HTS statistical reporting number 2933.61.0000, accessed on September 26, 2024. Imports are based on the imports for consumption data series.

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

Note: The Commerce affirmative preliminary AD critical circumstances determination applies to Indian producer Gujarat State Fertilizers and Chemicals Limited.

Figure IV-5
Melamine: U.S. imports from India subject to Commerce's affirmative preliminary critical circumstances determination in the AD investigation, by month

* * * * * * *

Table IV-13
Melamine: U.S. importers' U.S. inventories of imports from India subject to Commerce's affirmative preliminary critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds; index in percent

Inventories on or around	Quantity	Index
January 31, 2024	***	***
February 29, 2024	***	***
March 31, 2024	***	***
April 30, 2024	***	***
May 31, 2024	***	***
June 30, 2024	***	***
July 31, 2024	***	***

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

Note: Index based on end-of-period inventories on January 31, 2024, equal to 100.0 percent.

Note: The Commerce affirmative preliminary AD critical circumstances determination applies to Indian producer Gujarat State Fertilizers and Chemicals Limited.

Cumulation considerations

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Table IV-14 and figure IV-6 present U.S. producer's and U.S. importers' U.S. shipments of melamine by source and type of packaging in 2023. The vast majority of U.S. producer's and U.S. importers' shipments are of melamine in unground crystal form.[17] "All other products" consists of *** reported by ***, U.S. importer of melamine from ***.

The majority of Cornerstone's U.S. shipments were of melamine in bags of 1,000 to 3,000 pounds (*** percent) followed by product unpackaged in bulk (*** percent). The vast majority (*** percent) of U.S. importers' U.S. shipments from subject sources combined consisted of melamine in bags of 1,000 to 3,000 pounds. Specifically, U.S. importers' U.S. shipments of melamine from Germany, India, the Netherlands, Qatar, and Trinidad and Tobago were predominantly or exclusively in bags of 1,000 to 3,000 pounds. The majority of U.S. importers' U.S. shipments of melamine from Japan (*** percent) were also in bags of 1,000 to 3,000 pounds followed by product in bags of 50 to 60 pounds (*** percent).

[17] See also question IV-2 of the U.S. producers' questionnaire and question III-2 of the U.S. importers' questionnaire.

Table IV-14
Melamine: U.S. producer's and subject U.S. importers' U.S. shipments, by source and packaging, 2023

Quantity in 1,000 pounds

Source	Unpackaged in bulk	Bags of 1,000 to 3,000 pounds	Bags of 50 to 60 pounds	All other products	All items
U.S. producers	***	***	***	***	***
Germany	***	***	***	***	***
India	***	***	***	***	***
Japan	***	***	***	***	***
Netherlands	***	***	***	***	***
Qatar	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less Trinidad and Tobago	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources less Trinidad and Tobago	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

Table continued.

Table IV-14 Continued
Melamine: U.S. producer's and subject U.S. importers' U.S. shipments, by source and packaging, 2023

Share across in percent

Source	Unpackaged in bulk	Bags of 1,000 to 3,000 pounds	Bags of 50 to 60 pounds	All other products	All items
U.S. producers	***	***	***	***	100.0
Germany	***	***	***	***	100.0
India	***	***	***	***	100.0
Japan	***	***	***	***	100.0
Netherlands	***	***	***	***	100.0
Qatar	***	***	***	***	100.0
Trinidad and Tobago	***	***	***	***	100.0
Subject sources	***	***	***	***	100.0
Subject sources less Trinidad and Tobago	***	***	***	***	100.0
Nonsubject sources	***	***	***	***	---
All import sources less Trinidad and Tobago	***	***	***	***	100.0
All import sources	***	***	***	***	100.0
All sources	***	***	***	***	100.0

Table continued.

Table IV-14 Continued
Melamine: U.S. producer's and subject U.S. importers' U.S. shipments, by source and packaging, 2023

Share down in percent

Source	Unpackaged in bulk	Bags of 1,000 to 3,000 pounds	Bags of 50 to 60 pounds	All other products	All items
U.S. producers	***	***	***	***	***
Germany	***	***	***	***	***
India	***	***	***	***	***
Japan	***	***	***	***	***
Netherlands	***	***	***	***	***
Qatar	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less Trinidad and Tobago	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources less Trinidad and Tobago	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	100.0	100.0	100.0	100.0	100.0

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

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

Figure IV-6
Melamine: U.S. producer's and subject U.S. importers' U.S. shipments, by source and packaging, 2023

* * * * * * *

Geographical markets

Melamine produced in the United States are shipped nationwide (see Part II for more information on geographic markets). Table IV-15 presents U.S. imports of melamine, by source and border of entry in 2023, based on adjusted official Commerce statistics. The majority of melamine from each subject country entered through Eastern borders of entry. Subject imports entered primarily through the following Customs districts, in descending order of quantity: (1) Charleston, South Carolina; (2) New York, New York; (3) Savannah, Georgia; and (4) Norfolk, Virginia.

Table IV-15
Melamine: U.S. imports by source and border of entry, 2023

Quantity in 1,000 pounds

Source	East	North	South	West	All borders
Germany	***	***	***	***	***
India	***	***	***	***	***
Japan	789	383	44	258	1,474
Netherlands	14,817	---	---	---	14,817
Qatar	***	***	***	***	***
Trinidad and Tobago	6,834	---	1,764	220	8,818
Subject sources	***	***	***	***	***
Subject sources less Trinidad and Tobago	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources less Trinidad and Tobago	***	***	***	***	***
All import sources	***	***	***	***	***

Table continued.

Table IV-15 Continued
Melamine: U.S. imports by source and border of entry, 2023

Share across in percent

Source	East	North	South	West	All borders
Germany	***	***	***	***	100.0
India	***	***	***	***	100.0
Japan	53.5	26.0	3.0	17.5	100.0
Netherlands	100.0	---	---	---	100.0
Qatar	***	***	***	***	100.0
Trinidad and Tobago	77.5	---	20.0	2.5	100.0
Subject sources	***	***	***	***	100.0
Subject sources less Trinidad and Tobago	***	***	***	***	100.0
Nonsubject sources	***	***	***	***	100.0
All import sources less Trinidad and Tobago	***	***	***	***	100.0
All import sources	***	***	***	***	100.0

Table continued.

Table IV-15 Continued
Melamine: U.S. imports by source and border of entry, 2023

Share down in percent

Source	East	North	South	West	All borders
Germany	***	***	***	***	***
India	***	***	***	***	***
Japan	***	***	***	***	***
Netherlands	***	***	***	***	***
Qatar	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less Trinidad and Tobago	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources less Trinidad and Tobago	***	***	***	***	***
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2933.61.0000, accessed October 10, 2024 and adjusted to remove out of scope merchandise *** under the same HTS statistical reporting number and reclassify *** using proprietary, Census-edited Customs records accessed September 26, 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 "---". Data are from reported pricing product data as presented in Part 5 of the report and therefore may not reflect 100% of U.S. shipments.

Presence in the market

Melamine produced in the United States was present in the market throughout the period for which data were collected. Table IV-16 and figures IV-7 and IV-8 present monthly data for U.S. imports of melamine from subject and nonsubject sources between January 2021 and June 2024. Imports of melamine from Germany were present in 40 of 42 months, while imports from India were present in 37 of 42 months. Imports from Japan were present in 31 of 42 months, while imports from the Netherlands were present in each month during this period. Imports from Qatar were present in 16 of 42 months, while imports from Trinidad and Tobago were present in 33 of 42 months.

Table IV-16
Melamine: U.S. imports, by year, month, and source

Quantity in 1,000 pounds

Year	Month	Germany	India	Japan	Nether-lands	Qatar	Trinidad and Tobago
2021	January	***	***	88	1,720	***	1,323
2021	February	***	***	---	2,866	***	1,543
2021	March	***	***	172	794	***	2,205
2021	April	***	***	44	1,190	***	3,219
2021	May	***	***	---	1,146	***	1,323
2021	June	***	***	---	1,146	***	2,028
2021	July	***	***	44	1,301	***	970
2021	August	***	***	42	44	***	1,235
2021	September	***	***	262	595	***	3,131
2021	October	***	***	128	1,281	***	3,351
2021	November	***	***	128	1,631	***	2,161
2021	December	***	***	---	1,499	***	2,646
2022	January	***	***	218	661	***	1,587
2022	February	***	***	44	397	***	2,425
2022	March	***	***	84	1,499	***	2,866
2022	April	***	***	---	1,063	***	1,984
2022	May	***	***	---	2,844	***	3,307
2022	June	***	***	---	2,822	***	2,646
2022	July	***	***	126	2,426	***	3,527
2022	August	***	***	---	4,688	***	5,864
2022	September	***	***	126	3,307	***	4,850
2022	October	***	***	209	794	***	4,145
2022	November	***	***	44	1,411	***	1,587
2022	December	***	***	168	1,389	***	1,808

Table continued.

Table IV-16 Continued
Melamine: U.S. imports, by year, month, and source

Quantity in 1,000 pounds

Year	Month	Germany	India	Japan	Nether-lands	Qatar	Trinidad and Tobago
2023	January	***	***	84	1,323	***	441
2023	February	***	***	515	1,720	***	220
2023	March	***	***	---	1,720	***	---
2023	April	***	***	214	132	***	---
2023	May	***	***	---	1,720	***	---
2023	June	***	***	176	1,543	***	1,764
2023	July	***	***	44	1,279	***	882
2023	August	***	***	88	617	***	1,984
2023	September	***	***	44	1,102	***	3,527
2023	October	***	***	132	1,455	***	---
2023	November	***	***	176	1,102	***	---
2023	December	***	***	---	1,105	***	---
2024	January	***	***	127	2,205	***	---
2024	February	***	***	176	661	***	---
2024	March	***	***	88	1,014	***	2,425
2024	April	***	***	644	2,183	***	2,866
2024	May	***	***	132	1,631	***	441
2024	June	***	***	88	1,235	***	---
2024	July	***	***	266	1,808	***	---

Table continued.

Table IV-16 Continued
Melamine: U.S. imports, by year, month, and source

Quantity in 1,000 pounds

Year	Month	Subject sources	Subject sources less Trinidad and Tobago	Non-subject sources	All import sources less Trinidad and Tobago	All import sources
2021	January	***	***	***	***	***
2021	February	***	***	***	***	***
2021	March	***	***	***	***	***
2021	April	***	***	***	***	***
2021	May	***	***	***	***	***
2021	June	***	***	***	***	***
2021	July	***	***	***	***	***
2021	August	***	***	***	***	***
2021	September	***	***	***	***	***
2021	October	***	***	***	***	***
2021	November	***	***	***	***	***
2021	December	***	***	***	***	***
2022	January	***	***	***	***	***
2022	February	***	***	***	***	***
2022	March	***	***	***	***	***
2022	April	***	***	***	***	***
2022	May	***	***	***	***	***
2022	June	***	***	***	***	***
2022	July	***	***	***	***	***
2022	August	***	***	***	***	***
2022	September	***	***	***	***	***
2022	October	***	***	***	***	***
2022	November	***	***	***	***	***
2022	December	***	***	***	***	***

Table continued.

Table IV-16 Continued
Melamine: U.S. imports, by year, month, and source

Quantity in 1,000 pounds

Year	Month	Subject sources	Subject sources less Trinidad and Tobago	Non-subject sources	All import sources less Trinidad and Tobago	All import sources
2023	January	***	***	***	***	***
2023	February	***	***	***	***	***
2023	March	***	***	***	***	***
2023	April	***	***	***	***	***
2023	May	***	***	***	***	***
2023	June	***	***	***	***	***
2023	July	***	***	***	***	***
2023	August	***	***	***	***	***
2023	September	***	***	***	***	***
2023	October	***	***	***	***	***
2023	November	***	***	***	***	***
2023	December	***	***	***	***	***
2024	January	***	***	***	***	***
2024	February	***	***	***	***	***
2024	March	***	***	***	***	***
2024	April	***	***	***	***	***
2024	May	***	***	***	***	***
2024	June	***	***	***	***	***
2024	July	***	***	***	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2933.61.0000, accessed October 10, 2024 and adjusted to remove out of scope merchandise *** under the same HTS statistical reporting number and reclassify *** using proprietary, Census-edited Customs records accessed September 26, 2024.

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

Figure IV-7
Melamine: U.S. imports from individual subject sources, by month

* * * * * * *

Figure IV-8
Melamine: U.S. imports from aggregated subject and nonsubject sources, by month

* * * * * * *

Apparent U.S. consumption and market shares

Quantity

Table IV-17 and figure IV-9 present data on apparent U.S. consumption and U.S. market shares by quantity for melamine. The quantity of apparent U.S. consumption increased by 0.4 percent during 2021-22 then decreased by 19.0 percent during 2022-23, decreasing overall by 18.6 percent during 2021-23, but was 13.7 percent higher in January-June 2024 than in January-June 2023. Cornerstone's market share decreased by *** percentage points during 2021-23, from *** percent to *** percent, but was *** percentage points higher in January-June 2024 than in January-June 2023 (*** percent compared to *** percent).

Subject import market share increased by *** percentage points, from *** percent in 2021 to *** percent in 2023, but was *** percentage points lower in January-June 2024 than in January-June 2023 (*** percent compared to *** percent).

Table IV-17
Melamine: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in 1,000 pounds; share in percent

Source	Measure	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024
U.S. producers	Quantity	***	***	***	***	***
Germany	Quantity	***	***	***	***	***
India	Quantity	***	***	***	***	***
Japan	Quantity	***	***	***	***	***
Netherlands	Quantity	***	***	***	***	***
Qatar	Quantity	***	***	***	***	***
Trinidad and Tobago	Quantity	***	***	***	***	***
Subject sources	Quantity	***	***	***	***	***
Subject sources less Trinidad and Tobago	Quantity	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***
All import sources less Trinidad and Tobago	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
All sources	Quantity	142,227	142,831	115,756	57,612	65,532
U.S. producers	Share	***	***	***	***	***
Germany	Share	***	***	***	***	***
India	Share	***	***	***	***	***
Japan	Share	***	***	***	***	***
Netherlands	Share	***	***	***	***	***
Qatar	Share	***	***	***	***	***
Trinidad and Tobago	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Subject sources less Trinidad and Tobago	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources less Trinidad and Tobago	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.

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

Figure IV-9
Melamine: Apparent U.S. consumption based on quantity, by source and period

* * * * * * *

Value

Table IV-18 and figure IV-10 present data on apparent U.S. consumption and U.S. market shares by value for melamine. The value of apparent U.S. consumption increased by 88.2 percent during 2021-22 then decreased by 52.2 percent during 2022-23, decreasing overall by 10.0 percent during 2021-23, and was 35.5 percent lower in January-June 2024 than in January-June 2023. Cornerstone's market share decreased by *** percentage points during 2021-23, from *** percent to *** percent, but was *** percentage points higher in January-June 2024 than in January-June 2023 (*** percent compared to *** percent).

Subject import market share increased by *** percentage points, from *** percent in 2021 to *** percent in 2023, but was *** percentage points lower in January-June 2024 than in January-June 2023 (*** percent compared to *** percent).

Table IV-18
Melamine: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; share in percent

Source	Measure	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024
U.S. producers	Value	***	***	***	***	***
Germany	Value	***	***	***	***	***
India	Value	***	***	***	***	***
Japan	Value	***	***	***	***	***
Netherlands	Value	***	***	***	***	***
Qatar	Value	***	***	***	***	***
Trinidad and Tobago	Value	***	***	***	***	***
Subject sources	Value	***	***	***	***	***
Subject sources less Trinidad and Tobago	Value	***	***	***	***	***
Nonsubject sources	Value	***	***	***	***	***
All import sources less Trinidad and Tobago	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
All sources	Value	144,046	271,156	129,673	83,441	53,857
U.S. producers	Share	***	***	***	***	***
Germany	Share	***	***	***	***	***
India	Share	***	***	***	***	***
Japan	Share	***	***	***	***	***
Netherlands	Share	***	***	***	***	***
Qatar	Share	***	***	***	***	***
Trinidad and Tobago	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Subject sources less Trinidad and Tobago	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources less Trinidad and Tobago	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.

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

Figure IV-10
Melamine: Apparent U.S. consumption based on value, by source and period

* * * * * * *

Part V: Pricing data

Factors affecting prices

Raw material costs

Melamine is produced using a low-pressure catalytic process or a high-pressure non-catalytic process that reacts to urea and ammonia.[1] Natural gas is a major component to the production of ammonia, and subsequently to the production of melamine. Cornerstone makes the urea feedstock that goes into the production of melamine, and purchases ammonia and carbon dioxide from third parties.[2] Petitioner stated that melamine production has a much higher fixed cost structure relative to raw materials and energy than many other chemical products.[3]

Ammonia prices increased *** from the first quarter of 2021 through the second quarter of 2022, then declined through the second quarter of 2023, and then fluctuated within a more narrow range through the end of the period, at levels slightly higher than early 2021 levels (figure V-1 and table V-1). Figure V-2 and table V-2 show that natural gas prices increased significantly in 2021 through August 2022 but in 2023 declined to levels lower than in 2021 and remained lower through the second quarter of 2024. Raw materials accounted for *** percent of the U.S. producer's cost of goods sold in 2023.

U.S. producer Cornerstone reported that raw material prices *** during the period, *** during 2021-2022, and then *** for the rest of the period (2022-24). Most responding importers (5 of 9)[4] reported that raw material prices fluctuated upwards since 2021. Nine of 14 purchasers reported that they are familiar with raw material costs, but only 4 purchasers reported that these raw material costs affected their contracts. These purchasers reported that natural gas and ammonia costs were cited during pricing negotiations, and large purchaser and respondent Hexion stated that melamine prices closely track changes in ammonia and natural gas prices.[5]

[1] Petition, p. 10, hearing transcript, p. 22 (Frank).

[2] Conference transcript, p. 19 (Frank).

[3] Hearing transcript, p. 23 (Frank).

[4] Two importers reported no change in raw material costs, one reported that raw material costs fluctuated down, and one reported that costs steadily decreased.

[5] Hearing transcript, p. 159 (Miller).

Figure V-1
Raw materials: Ammonia prices, January 2021-June 2024

* * * * * * *

Source: *** ammonia prices as replicated in OCI's prehearing brief, Exhibit 3.

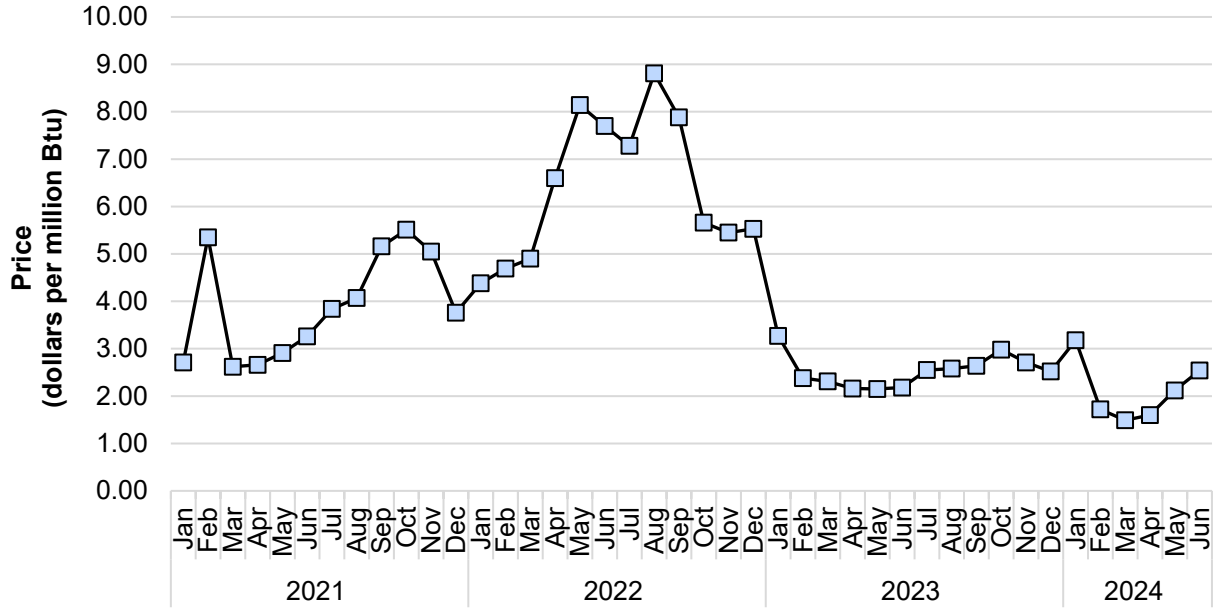
Table V-1
Raw materials: Ammonia prices, January 2021-June 2024

Price in dollars per metric ton

Period	Price
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	***
2024 Q2	***

Source: *** ammonia prices as replicated in OCI's prehearing brief, Exhibit 3.

Figure V-2
Raw materials: Natural gas prices, January 2021-June 2024



Source: EIA, Henry Hub Natural Gas Spot Price, http://www.eia.gov/dnav/ng/hist/rngwhhdm.htm, accessed October 17, 2024.

Table V-2
Raw materials: Natural gas prices, January 2021-June 2024

Price in dollars per million Btu; NA is not applicable

Month	2021	2022	2023	2024
January	2.71	4.38	3.27	3.18
February	5.35	4.69	2.38	1.72
March	2.62	4.90	2.31	1.49
April	2.66	6.60	2.16	1.60
May	2.91	8.14	2.15	2.12
June	3.26	7.70	2.18	2.54
July	3.84	7.28	2.55	NA
August	4.07	8.81	2.58	NA
September	5.16	7.88	2.64	NA
October	5.51	5.66	2.98	NA
November	5.05	5.45	2.71	NA
December	3.76	5.53	2.52	NA

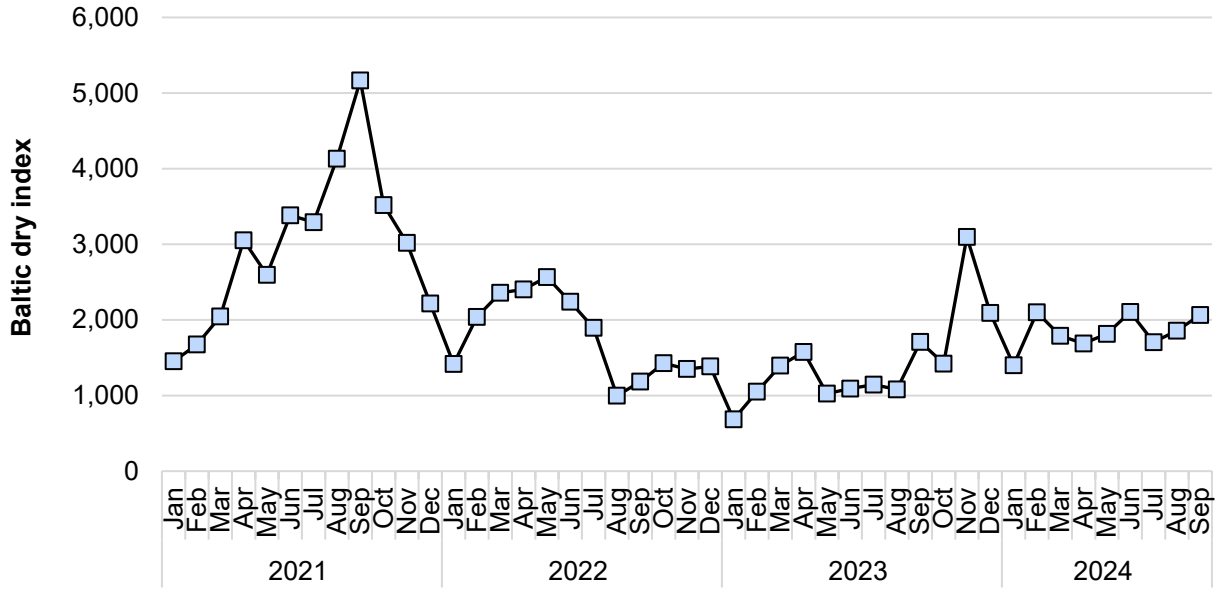
Source: EIA, Henry Hub Natural Gas Spot Price, http://www.eia.gov/dnav/ng/hist/rngwhhdm.htm, accessed October 17, 2024.

Transportation costs to the U.S. market

Transportation costs for melamine shipped from subject countries to the United States averaged 7.7 percent for Germany, 15.6 percent for India, 10.5 percent for Japan, 3.3 percent for Netherlands, 8.5 for Qatar, and 10.2 percent for Trinidad and Tobago during 2023. These estimates were derived from official import data and represent the transportation and other charges on imports.[6]

As shown in figure V-3 and table V-3, international freight rates spiked through the third quarter of 2021 and declined sharply through the end of 2021, at which point these costs fluctuated and ended at a higher level than in January 2021. Freight rates then spiked again in November 2023 (albeit at a lower level than the 2021 spike), coinciding with Houthi attacks on neutral Red Sea shipping, before leveling in the remainder of the period at higher rates than 2022.[7]

Figure V-3
Shipping costs: Baltic dry index, monthly, January 2021-September 2024



Source: Statista, https://www.statista.com/statistics/1035941/baltic-dry-index/, accessed October 17, 2024.

[6] 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 2933.61.0000.

[7] Energy Information Administration, "Red Sea attacks increase shipping times and freight rates," February 1, 2024, https://www.eia.gov/todayinenergy/detail.php?id=61363. Accessed November 4, 2024.

Table V-3
Shipping costs: Baltic dry index, monthly, January 2021-September 2024

Month	2021	2022	2023	2024
January	1,452	1,418	685	1,401
February	1,675	2,040	1,050	2,101
March	2,046	2,358	1,395	1,789
April	3,053	2,404	1,576	1,688
May	2,596	2,566	1,025	1,815
June	3,383	2,240	1,092	2,104
July	3,292	1,895	1,143	1,705
August	4,132	997	1,081	1,858
September	5,167	1,184	1,710	2,065
October	3,519	1,427	1,422	NA
November	3,018	1,351	3,097	NA
December	2,217	1,385	2,092	NA

Source: Statista, https://www.statista.com/statistics/1035941/baltic-dry-index/, accessed October 17, 2024.

U.S. inland transportation costs

U.S. producer Cornerstone reported that *** transportation and all nine responding importers reported that they typically arrange transportation to their customers. Cornerstone reported that its U.S. inland transportation costs average *** percent while importers reported costs of 0 to 10 percent. Cornerstone noted that it has multiple U.S. locations from which it ships melamine.[8] Some foreign suppliers also have distribution warehouses in the United States whereas other foreign producers ship the product directly to their customers that are importers of record.[9]

Petitioner stated that bulk-packed melamine (particularly for rail transport) may be discounted because the savings of the freight costs can be passed along to the customer.[10]

Pricing practices

Pricing methods

U.S. producer Cornerstone reported setting prices *** and importers reported setting prices using transaction-by-transaction negotiations, contracts, price lists, and other methods, including quarterly volume and price agreements (table V-4).

[8] Conference transcript, p. 75 (Driscoll).
[9] Conference transcript, p. 95 (Driscoll).
[10] Hearing transcript, p. 143 (Driscoll).

Table V-4
Melamine: Count of U.S. producers' and importers' reported price setting methods

Count in number of firms reporting

Method	U.S. producers	U.S. importers
Transaction-by-transaction	***	7
Contract	***	3
Set price list	***	1
Other	***	1
Responding firms	***	10

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. producer Cornerstone reported selling the vast majority of its melamine under ***. Importers reported selling the vast majority of their melamine under short-term contracts (table V-5).

Table V-5
Melamine: 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.

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

Cornerstone stated that while there may be long-term "umbrella" contracts, prices and volumes are still determined on a quarterly basis.[11] According to Petitioner, price information is transparent and readily available through business intelligence services and from public trade data, since the tariff category is specific to melamine and because of the small number of players in the industry.[12] Petitioner stated that some purchasing managers will directly quote competing price offers during quarterly price negotiations, while others will note that

[11] Conference transcript, p. 26 (Driscoll); hearing transcript, p. 87 (Driscoll).
[12] Conference transcript, pp. 26-27 (Driscoll); hearing transcript, p. 31 (Driscoll).

Cornerstone's prices are simply too high.[13] Most responding importers reported that their short term contracts do not allow for price renegotiation, fix both price and quantity, and are not indexed to raw materials.

Six of 14 purchasers reported that they purchase product on a quarterly basis.[14] Three purchasers reported purchasing on a monthly basis, two purchase on an annual basis, one purchaser daily, and one purchases weekly. Nine of 14 responding purchasers reported that their purchasing frequency had not changed since 2021. Five firms reported that purchasing frequency had changed over the period, with two reporting changing or unpredictable needs of their customers, and three reporting declining or total cessation of their melamine purchases. Most (8 of 12) responding purchasers contact one to four suppliers before making a purchase.

Sales terms and discounts

U.S. producer Cornerstone typically quotes prices on *** basis and importers typically quote prices on a delivered basis. Cornerstone offers *** discounts, and most importers reported no discount policy; two reported offering quantity discounts, one reported total volume discounts, and two reported other types of discounts, including early payments.

Price leadership

Seven of 14 purchasers reported that Cornerstone is the price leader in the melamine market. These purchasers reported that Cornerstone will typically post price increases publicly approximately one month before the beginning of a quarter, and that the rest of the market will follow its lead.

Respondents stated that during Cornerstone's forces majeures, there was a "lag" in prices of imports because Cornerstone was not selling melamine nor was it publishing its prices as it does normally, so market participants relied on old prices; when Cornerstone became operational and updated its pricing, importers followed suit.[15] Several respondent witnesses also cited price lags due to timing differences between when the price was negotiated and when the sale was realized and due to time "on the water."[16]

[13] Hearing transcript, p. 105 (Driscoll).

[14] Purchaser *** reported that it previously purchased on a quarterly basis, but last purchased melamine in 2022.

[15] Hearing transcript, p. 203, 205 (Miller, Levinson); OCI Nitrogen posthearing brief, Responses to Commissioner Questions, Response #1.

[16] Hearing transcript, pp. 196, 198 (Peterson, Wilson).

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following melamine products shipped to unrelated U.S. customers during January 2021-September 2024.

Product 1.—Unground melamine crystal unpackaged in bulk.

Product 2.—Unground melamine crystal in bags of 1,000 to 3,000 pounds.

Product 3.—Unground melamine crystal in bags of 50 to 60 pounds.

U.S. producer Cornerstone and nine importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[17] Pricing data reported by these firms accounted for all of Cornerstone's U.S. shipments of melamine and virtually all U.S. commercial shipments of subject imports from Germany, India, and Trinidad and Tobago in 2023.[18] Pricing data reported by importers accounted for *** percent of U.S. commercial shipments of imports from Japan, *** percent of imports from the Netherlands, and *** percent of imports from Qatar in 2023.

Price data for products 1-3 are presented in tables V-6 to V-8 and figures V-4 to V-6.

[17] 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.

[18] Pricing coverage is based on U.S. shipments reported in questionnaires.

Table V-6
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound; quantity in 1,000 pounds; margin in percent

Period	U.S. price	U.S. quantity	India price	India quantity	India margin
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***

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

Note: Product 1: Unground melamine crystal unpackaged in bulk.

Note: No pricing product data was received for the other subject sources.

Table V-7
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound; quantity in 1,000 pounds; margin in percent

Period	U.S. price	U.S. quantity	Germany price	Germany quantity	Germany margin	India price	India quantity	India margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***
2024 Q1	***	***	***	***	***	***	***	***
2024 Q2	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Japan price	Japan quantity	Japan margin	Netherlands price	Netherlands quantity	Netherlands margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***
2024 Q1	***	***	***	***	***	***	***	***
2024 Q2	***	***	***	***	***	***	***	***

Table continued.

Table V-7--Continued
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound; quantity in 1,000 pounds; margin in percent

Period	U.S. price	U.S. quantity	Qatar price	Qatar quantity	Qatar margin	Trinidad and Tobago price	Trinidad and Tobago quantity	Trinidad and Tobago margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***
2024 Q1	***	***	***	***	***	***	***	***
2024 Q2	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Subject price	Subject quantity	Subject margin
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***

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

Note: Product 2: Unground melamine crystal in bags of 1,000 to 3,000 pounds.

Table V-8
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound; quantity in 1,000 pounds; margin in percent

Period	U.S. price	U.S. quantity	Japan price	Japan quantity	Japan margin	Netherlands price	Netherlands quantity	Netherlands margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***
2024 Q1	***	***	***	***	***	***	***	***
2024 Q2	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Trinidad and Tobago price	Trinidad and Tobago quantity	Trinidad and Tobago margin	Subject price	Subject quantity	Subject margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***
2024 Q1	***	***	***	***	***	***	***	***
2024 Q2	***	***	***	***	***	***	***	***

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

Note: Product 3: Unground melamine crystal in bags of 50 to 60 pounds.

Note: Netherlands importer *** reported a *** due to "***". Email from ***, October 28, 2024.

Figure V-4
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter

Price of product 1

* * * * * * *

Volume of product 1

* * * * * * *

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

Note: Product 1: Unground melamine crystal unpackaged in bulk.

Figure V-5
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter

Price of product 2

* * * * * * *

Volume of product 2

* * * * * * *

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

Note: Product 2: Unground melamine crystal in bags of 1,000 to 3,000 pounds.

Figure V-6
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter

Price of product 3

* * * * * * *

Volume of product 3

* * * * * * *

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

Note: Product 3: Unground melamine crystal in bags of 50 to 60 pounds.

Price trends

In general, prices increased during 2021-2022 and decreased during 2023 and into 2024 but remained at levels higher than in the first quarter of 2021. Table V-9 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** percent to *** percent between January 2021 and June 2024 while import price increases ranged from *** percent to *** percent.

Table V-9
Melamine: Summary of price data, by product and source, January 2021-June 2024

Quantity in 1,000 pounds; price in dollars per pound; 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	Germany	***	***	***	***	***	***	***
Product 1	India	***	***	***	***	***	***	***
Product 1	Japan	***	***	***	***	***	***	***
Product 1	Netherlands	***	***	***	***	***	***	***
Product 1	Qatar	***	***	***	***	***	***	***
Product 1	Trinidad and Tobago	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	Germany	***	***	***	***	***	***	***
Product 2	India	***	***	***	***	***	***	***
Product 2	Japan	***	***	***	***	***	***	***
Product 2	Netherlands	***	***	***	***	***	***	***
Product 2	Qatar	***	***	***	***	***	***	***
Product 2	Trinidad and Tobago	***	***	***	***	***	***	***
Product 3	United States	***	***	***	***	***	***	***
Product 3	Germany	***	***	***	***	***	***	***
Product 3	India	***	***	***	***	***	***	***
Product 3	Japan	***	***	***	***	***	***	***
Product 3	Netherlands	***	***	***	***	***	***	***
Product 3	Qatar	***	***	***	***	***	***	***
Product 3	Trinidad and Tobago	***	***	***	***	***	***	***

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

Note: Percent change column is percentage change from the first quarter of 2021 to the third quarter of 2024.

Petitioner stated that several factors contributed to higher melamine prices in 2022, including higher ammonia and energy costs, and stronger demand for end-user demand in the home construction and automotive markets, as well as Cornerstone's supply constraints and supply disruptions in Europe due to the conflict in Ukraine.[19] Respondents stated that both U.S. and global prices for melamine decreased in 2023,[20] and industry news outlet Chemanalyst attributed decreasing North American and global prices for melamine in 2023 and 2024 "to low demand and high inventory levels."[21] Figure V-7 shows the price trends compared to ammonia costs.

Figure V-7
Melamine: Indexed aggregated U.S. producer and subject importer prices, and ammonia prices, January 2021 to June 2024

* * * * * * *

Source: Compiled from responses to Commission questionnaires; *** ammonia prices as replicated in OCI's prehearing brief, Exhibit 3.

[19] Petitioner posthearing brief, Answers to Commissioner Questions, Exhibit 1, pp. 20, 26.
[20] Hearing transcript, pp. 256-7 (Groden).
[21] Chemanalyst.com, "North American Melamine Prices Drop Amid Bearish Market Activity," https://www.chemanalyst.com/NewsAndDeals/NewsDetails/north-american-melamine-prices-drop-amid-bearish-market-activity-29172, July 23, 2024; Chemanalyst.com, "Persistent Melamine Price Drop Amidst Low Demand and Poor Weather," https://www.chemanalyst.com/NewsAndDeals/NewsDetails/persistent-melamine-price-drop-amidst-low-demand-and-poor-weather-28254, June 7, 2024.

Table V-10
Indexed U.S. producer prices, subject importer prices, and ammonia prices, January 2021 to June 2024

Indexed prices (2021 Q1 = 100.0)

Period	U.S producer price	Subject import sources price	Ammonia price
2021 Q1	100.0	100.0	100.0
2021 Q2	***	***	***
2021 Q3	***	***	***
2021 Q4	***	***	***
2022 Q1	***	***	***
2022 Q2	***	***	***
2022 Q3	***	***	***
2022 Q4	***	***	***
2023 Q1	***	***	***
2023 Q2	***	***	***
2023 Q3	***	***	***
2023 Q4	***	***	***
2024 Q1	***	***	***
2024 Q2	***	***	***

Source: Compiled from responses to Commission questionnaires; *** ammonia prices as replicated in OCI's prehearing brief, Exhibit 3.

Price comparisons

As shown in tables V-11 to V-14, prices for product imported from subject sources were below those for U.S.-produced product in 58 of 113 instances (137.2 million pounds); margins of underselling ranged from 0.0 percent to 35.6 percent. In the remaining 55 instances (49.1 million pounds), prices for product from subject sources were between 0.1 percent and 259.7 percent above prices for the domestic product.

Prices for product imported from Trinidad and Tobago were below those for U.S.-produced product in 22 of 28 instances (*** pounds); margins of underselling ranged from *** to *** percent. In the remaining six instances (*** pounds), prices were between *** and *** percent above prices for the domestic product. For price comparisons between Trinidad and Tobago and other subject countries, see Appendix D.

Table V-11
Melamine: Instances of underselling and overselling and the range and average of margins, by source and by product

Quantity in 1,000 pounds; margin in percent

Sources	Product	Type	Number of instances	Quantity	Average margin	Min margin	Max margin
Subject sources	Product 1	Underselling	1	***	***	***	***
Subject sources	Product 2	Underselling	44	***	***	***	***
Subject sources	Product 3	Underselling	13	***	***	***	***
Subject sources	All products	Underselling	58	137,222	12.6	0.0	35.6
Subject sources	Product 1	Overselling	2	***	***	***	***
Subject sources	Product 2	Overselling	31	***	***	***	***
Subject sources	Product 3	Overselling	22	***	***	***	***
Subject sources	All products	Overselling	55	49,109	(34.8)	(0.1)	(259.7)
Trinidad and Tobago	Product 1	Underselling	---	***	***	***	***
Trinidad and Tobago	Product 2	Underselling	11	***	***	***	***
Trinidad and Tobago	Product 3	Underselling	11	***	***	***	***
Trinidad and Tobago	All products	Underselling	22	***	***	***	***
Trinidad and Tobago	Product 1	Overselling	---	***	***	***	***
Trinidad and Tobago	Product 2	Overselling	3	***	***	***	***
Trinidad and Tobago	Product 3	Overselling	2	***	***	***	***
Trinidad and Tobago	All products	Overselling	5	***	***	***	***

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 “---“.

As shown in table V-12, the majority of melamine imported from Germany, India, and Trinidad and Tobago undersold the domestic product both in the number of instances and by quantity. The Netherlands had more instances of overselling but undersold more by quantity. The majority of melamine imported from Japan and Qatar oversold the domestic product both in the number of instances.

Table V-12
Melamine: Instances of underselling and overselling and the range and average of margins, by source

Quantity in 1,000 pounds; margin in percent

Sources	Type	Number of instances	Quantity	Average margin	Min margin	Max margin
Germany	Underselling	11	***	***	***	***
India	Underselling	11	***	***	***	***
Japan	Underselling	5	***	***	***	***
Netherlands	Underselling	7	***	***	***	***
Qatar	Underselling	2	***	***	***	***
Trinidad and Tobago	Underselling	22	***	***	***	***
All subject sources	Underselling	58	137,222	12.6	0.0	35.6
Subject sources less Trinidad and Tobago	Underselling	36	***	***	***	***
Germany	Overselling	3	***	***	***	***
India	Overselling	6	***	***	***	***
Japan	Overselling	15	***	***	***	***
Netherlands	Overselling	21	***	***	***	***
Qatar	Overselling	5	***	***	***	***
Trinidad and Tobago	Overselling	5	***	***	***	***
All subject sources	Overselling	55	49,109	(34.8)	(0.1)	(259.7)
Subject sources less Trinidad and Tobago	Overselling	50	***	***	***	***

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table V-13 shows that melamine from subject sources undersold U.S.-produced melamine predominantly during 2021 and 2022,[22] but in 2023 and January through June 2024, subject sources mostly oversold U.S.-produced melamine. Melamine from Trinidad and Tobago undersold U.S.-produced melamine in *** during 2021 and 2022, in *** in 2023, and in *** instances in January through June 2024.

Table V-13
Melamine: Instances of underselling and overselling and the range and average of margins, by year

Quantity in 1,000 pounds; margin in percent

Sources	Year	Type	Number of instances	Quantity	Average margin	Min margin	Max margin
Subject sources	2021	Underselling	20	***	***	***	***
Subject sources	2022	Underselling	20	***	***	***	***
Subject sources	2023	Underselling	13	***	***	***	***
Subject sources	January through June 2024	Underselling	5	***	***	***	***
Subject sources	All years	Underselling	58	137,222	12.6	0.0	35.6
Subject sources	2021	Overselling	10	***	***	***	***
Subject sources	2022	Overselling	12	***	***	***	***
Subject sources	2023	Overselling	21	***	***	***	***
Subject sources	January through June 2024	Overselling	12	***	***	***	***
Subject sources	All years	Overselling	55	49,109	(34.8)	(0.1)	(259.7)
Trinidad and Tobago	2021	Underselling	8	***	***	***	***
Trinidad and Tobago	2022	Underselling	8	***	***	***	***
Trinidad and Tobago	2023	Underselling	6	***	***	***	***
Trinidad and Tobago	January through June 2024	Underselling	---	***	***	***	***
Trinidad and Tobago	All years	Underselling	22	***	***	***	***
Trinidad and Tobago	2021	Overselling	---	***	***	***	***
Trinidad and Tobago	2022	Overselling	---	***	***	***	***
Trinidad and Tobago	2023	Overselling	1	***	***	***	***
Trinidad and Tobago	January through June 2024	Overselling	4	***	***	***	***
Trinidad and Tobago	All years	Overselling	5	***	***	***	***

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.

[22] Purchaser *** reported that Cornerstone's major price changes over the period of 2021-22 were a result of their forces majeures and raw material price change events. The purchaser reported that ***."

Lost sales and lost revenue

The Commission requested that the U.S. producer report purchasers with which it experienced instances of lost sales or revenue due to competition from imports of melamine from Germany, India, Japan, Netherlands, Qatar, and Trinidad and Tobago during January 2021-December 2023. U.S. producer Cornerstone submitted lost sales and lost revenue allegations identifying *** firms with which it lost sales and revenue (*** consisting of lost sales and *** consisting of both types of allegations).

In the final phase of the investigations, Cornerstone reported that it *** due to imports from Germany, India, Japan, the Netherlands, Qatar, and Trinidad and Tobago.

Staff contacted 25 purchasers and received responses from 14 purchasers. Responding purchasers reported purchasing 426.4 million pounds of melamine since January 1, 2021 (table V-14).

Of the 14 responding purchasers, 10 reported that, since 2021, they had purchased imported melamine from subject countries instead of U.S.-produced product. Seven of these purchasers reported that subject import prices were lower than U.S.-produced product, but none reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product (tables V-15 and V-16). Purchasers identified Cornerstone not having the quality of product they needed, or that they had to diversify their supply base due to Cornerstone's two forces majeures as non-price reasons for purchasing imported rather than U.S.-produced product.

No purchasers reported that U.S. producers had reduced prices in order to compete with lower-priced imports from Germany, India, Japan, Netherlands, Qatar, or Trinidad and Tobago; five reported that they did not know (table V-17).

Table V-14
Melamine: U.S. 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	Change in all other share
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table V-14 Continued
Melamine: U.S. purchasers' reported purchases and imports, by firm and source

Quantity in 1,000 pounds; Change in shares in percentage points

Firm	Domestic quantity	Trinidad and Tobago quantity	All other quantity	Change in domestic share	Change in Trinidad and Tobago share	Change in all other share
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: The all other category includes unknown sources. Changes in shares represent the share of the firm's total purchases of domestic and/or subject country imports between first and last years and are presented in percentage points. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table V-15
Melamine: U.S. purchasers' responses to purchasing subject imports instead of domestic product, by firm

Firm	Purchased subject imports instead of domestic	Purchased Trinidad and Tobago imports instead of domestic	Purchased subject imports instead of domestic less Trinidad and Tobago
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--10; No--3	Yes--7; No--6	Yes--9; No--4

Table continued.

Table V-15 Continued
Melamine: U.S. purchasers' responses to purchasing subject imports instead of domestic product, by firm

Firm	Subject imports priced lower	Trinidad and Tobago imports priced lower	Subject less Trinidad and Tobago imports priced lower
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--7; No--2	Yes--6; No--0	Yes--6; No--3

Table continued.

Table V-15 Continued
Melamine: U.S. purchasers' responses to purchasing subject imports instead of domestic product, by firm

Firm	Choice based on price	Quantity	Narrative on reasons for purchasing imports
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--0; No--8	***	NA

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

Table V-16
Melamine: Purchasers' responses to purchasing subject imports instead of domestic product, by source

Count in number of firms reporting; Quantity in 1,000 pounds

Source	Purchased subject imports instead of domestic	Subject imports priced lower	Choice based on price	Quantity
Germany	5	4	---	***
India	3	3	---	***
Japan	3	1	---	***
Netherlands	8	5	---	***
Qatar	2	2	---	***
Trinidad and Tobago	7	6	---	***
Subject sources	10	7	---	***
Subject sources less Trinidad and Tobago	9	6	---	***

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

Table V-17
Melamine: Purchasers' responses to U.S. producer price reductions, by firm

Firm	Producers lowered prices	Price reduction	Narrative on producer price reductions
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--0; No--8	***	NA

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

In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics. Purchaser *** expressed frustration at Cornerstone for bringing this case while doubting Cornerstone's ability to supply customers with the same grade material that was being imported into the United States. Purchaser *** reported that multiple events, including *** and multiple forces majeures "eroded all trust" it had in Cornerstone to be a reliable and trustworthy vendor. Purchaser *** reported that the effects of Cornerstone's forces majeures caused them to

diversify their supply base. *** reported that "they would not consider that they purchased imports 'instead of' U.S.-produced melamine, because U.S.-produced melamine was not available, but rather, 'in addition' to U.S.- produced melamine."

Purchaser *** reported that there are long lead times for delivery to the United States from Japan or Qatar and that melamine purchased in one quarter may not be consumed in the same quarter. Purchaser *** reported that the price of melamine is negotiated quarterly, and to ensure constant supply, melamine prices are negotiated ahead of time.

Part VI: Financial experience of U.S. producers

Background[1]

The petitioner, Cornerstone, is the only U.S. producer of melamine, and provided usable financial results on its melamine operations. Cornerstone reported financial data on a calendar year and on the basis of GAAP. Commercial domestic and export sales accounted for the majority of Cornerstone's revenue accounting for *** percent of total revenue, respectively, in 2023, while transfers to related firms (all exports) accounted for the remaining *** percent of revenue in 2023.[2] [3] [4]

[1] The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

[2] ***. Cornerstone's U.S. producer questionnaire response, section II-11, and response to Commission staff from Counsel to Cornerstone, March 4, 2024.

[3] ***. Cornerstone's U.S. producer questionnaire response, section II-2a. The firm also stated that

[4] Staff conducted a verification of Cornerstone's trade and financial data. No changes were identified as a result of the verification process.

Operations on Melamine

Table VI-1 presents aggregated data on the U.S. producer's operations in relation to melamine, while table VI-2 presents corresponding changes in AUVs.

Table VI-1
Melamine: U.S. producer Cornerstone's 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-Jun 2023	Jan-Jun 2024
Commercial: Domestic sales	Quantity	***	***	***	***	***
Commercial: Export sales	Quantity	***	***	***	***	***
Transfers: Export sales	Quantity	***	***	***	***	***
Total net sales	Quantity	***	***	***	***	***
Commercial: Domestic sales	Value	***	***	***	***	***
Commercial: Export sales	Value	***	***	***	***	***
Transfers: Export sales	Value	***	***	***	***	***
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	***	***	***	***	***
Net other expense or (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
Melamine: U.S. producer Cornerstone's 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-Jun 2023	Jan-Jun 2024
COGS: Raw materials	Share	***	***	***	***	***
COGS: Direct labor	Share	***	***	***	***	***
COGS: Other factory	Share	***	***	***	***	***
COGS: Total	Share	***	***	***	***	***
Commercial: Domestic sales	Unit value	***	***	***	***	***
Commercial: Export sales	Unit value	***	***	***	***	***
Transfers: Export sales	Unit value	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
COGS: Raw materials	Unit value	***	***	***	***	***
COGS: Direct labor	Unit value	***	***	***	***	***
COGS: Other factory	Unit value	***	***	***	***	***
COGS: Total	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***
Operating losses	Count	***	***	***	***	***
Net losses	Count	***	***	***	***	***
Data	Count	***	***	***	***	***

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

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

Table VI-2
Melamine: Changes in AUVs between comparison periods

Changes in percent

Item	2021-23	2021-22	2022-23	Jan-Jun 2023-24
Commercial: Domestic sales	▲***	▲***	▼***	▼***
Commercial: Export sales	▼***	▲***	▼***	▼***
Transfers: Export sales	▼***	▲***	▼***	▼***
Total net sales	▼***	▲***	▼***	▼***
COGS: Raw materials	▲***	▲***	▼***	▼***
COGS: Direct labor	▲***	▲***	▲***	▼***
COGS: Other factory	▲***	▲***	▲***	▼***
COGS: Total	▲***	▲***	▼***	▼***

Table continued.

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

Changes in dollars per pound

Item	2021-23	2021-22	2022-23	Jan-Jun 2023-24
Commercial: Domestic sales	▲***	▲***	▼***	▼***
Commercial: Export sales	▼***	▲***	▼***	▼***
Transfers: Export sales	▼***	▲***	▼***	▼***
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.

Net sales

Total net sales quantity includes commercial domestic and export sales, and transfers to related firms accounting for *** percent of total sales quantity, respectively, in 2023. Total sales quantity decreased by *** percent from 2021 to 2023. While sales value also decreased overall from 2021 to 2023 by *** percent, it increased by *** percent from 2021 to 2022 (despite a *** percent decrease in sales quantity that same period), then decreased by *** percent from 2022 to 2023. In January-June 2024 ("interim 2024"), total sales quantity was higher by a notable *** percent *** compared with January-June 2023 ("interim 2023"), and sales value was also higher but at a much smaller rate (*** percent).[5] On an average per pound basis, total net sales value increased from $*** in 2021 to $*** in 2022, then decreased to $*** in 2023, and was lower in interim 2024 at $*** compared with interim 2023 at $***.[6] [7] [8]

[5] ***. Response to Commission staff from Counsel to Cornerstone, October 25, 2024.

[6] In response to Commission staff inquiry about ***. Response to Commission staff from Counsel to Cornerstone, March 4, 2024.

[7] ***. Response to Commission staff from Counsel to Cornerstone, October 25, 2024.

[8] ***. Response to Commission staff from Counsel to Cornerstone, March 4, 2024.

Cost of goods sold and gross profit or loss

Raw material costs, direct labor, and other factory costs accounted for *** percent of total COGS, respectively, in 2023.

Raw material costs, the second largest component of COGS in all reporting periods except 2022, irregularly decreased by *** percent from 2021 to 2023, with all the decrease occurring from 2022 to 2023. Raw material costs were *** percent lower in interim 2024 compared with interim 2023. On an average per pound basis, raw material costs increased from $*** in 2021 to $*** in 2022 then decreased to $*** in 2023, and were lower in interim 2024 at $*** compared with interim 2023 at $***, largely reflecting the directional trends of ammonia costs.[9] [10] As a ratio to net sales, raw material costs increased from *** percent to *** percent in 2023, and were lower in interim 2024 at *** percent compared with *** percent in interim 2023.

Table VI-3 presents details on specific raw material inputs as a share of total raw material costs in 2023. Ammonia accounted for *** percent of total raw material inputs, followed by other raw material inputs and steam accounting for *** percent, respectively.[11]

[9] Cornerstone stated that there was a substantial increase in the cost of ammonia which started in 2021 and peaked in the beginning of 2022 due to the Ukraine/Russia war. Ammonia prices increased from $250 a ton to almost $1,600 a ton over that period. Cornerstone also stated that utilities such as natural gas and electricity (provided through natural gas in Louisiana) also increased in 2022. The firm further explained that it does not have the ability to pass the increases to its customers. Conference transcript pp. 55-56 (Blaser)

[10] ***. Cornerstone's U.S. producer questionnaire response, section III-9a.

[11] ***. Purchases were reported in a manner consist with the company's accounting books and records. Response to Commission staff from Counsel to Cornerstone, March 4, 2024, and Cornerstone's U.S. producer questionnaire response, sections III-5, III-6, III-7a and III-7b.

Table VI-3
Melamine: U.S. producer Cornerstone's 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
Ammonia	***	***	***
Other material inputs	***	***	***
Steam	***	***	***
All raw materials	***	***	100.0

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

Note: ***.

Table VI-4 presents details on energy costs, which are the largest component of other material inputs in table VI-3 above. Both electricity and natural gas costs increased on a total value and per-pound basis from 2021 to 2022, then decreased from 2022 to 2023. Energy costs were higher on a total value and lower on a per-pound basis in interim 2024 compared with interim 2023.

Table VI-4
Melamine: U.S. producer Cornerstones' energy costs

Value in 1,000 dollars; unit vales in dollars per pound; Share of value in percent

Item	Measure	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024
Electricity	Value	***	***	***	***	***
Natural gas	Value	***	***	***	***	***
All select energy costs	Value	***	***	***	***	***
Electricity	Unit value	***	***	***	***	***
Natural gas	Unit value	***	***	***	***	***
All select energy costs	Unit value	***	***	***	***	***
Electricity	Share of value	***	***	***	***	***
Natural gas	Share of value	***	***	***	***	***
All select energy costs	Share of value	100.0	100.0	100.0	100.0	100.0

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

Direct labor costs, the smallest component of COGS decreased overall by *** percent from 2021 to 2023, and were *** percent higher in interim 2024 compared with interim 2023. On an average per pound basis, direct labor costs increased from $*** in 2021 to $*** in 2023, and were lower in interim 2024 at $*** compared with interim 2023 at $***. As a ratio to net sales, direct labor costs irregularly increased from *** percent in 2021 to *** percent in 2023, and were higher in interim 2024 at *** percent compared with interim 2023 at *** percent.[12]

Other factory costs, the largest component of COGS in all reporting periods except 2022, irregularly decreased by *** percent from 2021 to 2023, and were *** percent higher in interim 2024 compared with interim 2023. On an average per pound basis, other factory costs increased from $*** in 2021 to $*** in 2023, and were lower in interim 2024 at $*** compared with interim 2023 at $***.[13] As a ratio to net sales, other factory costs irregularly increased from *** percent in 2021 to *** percent, and were higher interim 2024 at *** percent compared with interim 2023 at *** percent.[14] [15]

Overall, total COGS irregularly decreased by *** percent from 2021 to 2023 (largely reflecting the trends of raw material costs) and was *** percent higher in interim 2024 compared with interim 2023. On an average per pound basis, total COGS irregularly increased from $*** in 2021 to $*** in 2023, and was lower in interim 2024 at $*** compared with interim 2023 at $*** (reflecting the higher sales volume during that period). As a ratio to net sales, total COGS irregularly increased from *** percent in 2021 to *** percent in 2023, and was lower in interim 2024 at *** percent compared with interim 2023 at *** percent.

[12] ***. Petitioner's postconference brief, p.29.

[13] Cornerstone stated that the decrease in its production and sales volume in 2023, resulted in higher unit costs that year. The firm further stated that melamine production is highly capital-intensive with a higher fixed cost structure relative to raw materials and energy, compared with many other commodity chemical products. Thus, any reduction of production below full capacity utilization has a direct effect on per-unit fixed costs and profitability. Hearing transcript, p.23 (Frank).

[14] Cornerstone explained that its fixed costs are principally made up of about 50 percent labor and 50 percent plant maintenance costs. Which are expense costs to keep the plant running 24/7. Conference transcript p.56 (Blaser).

[15] ***. Cornerstone's U.S. producer questionnaire response, sections III-10a and b.

As shown in table VI-1, gross profit increased from $*** in 2021 to $*** in 2022, then notably decreased to *** in 2023, and slightly improved at *** in interim 2024 compared with *** in interim 2023. As a ratio to net sales, gross profit increased from *** percent in 2021 to *** percent in 2022, then decreased to *** percent in 2023, and improved in interim 2024 at *** percent compared with interim 2023 at *** percent.

SG&A expenses and operating income or loss

SG&A expenses notably increased from $*** in 2021 to $*** in 2023 (***), and were higher in interim 2024 at $*** compared with $*** in interim 2023.[16] [17] The corresponding SG&A expense ratio (total SG&A expenses divided by total sales value) irregularly increased from *** percent to *** percent in 2023, and was higher in interim 2024 at *** percent compared with *** percent in interim 2023.

As shown in table VI-1, operating income increased from $*** in 2021 to $*** in 2022, then decreased to *** in 2023, and was worse in interim 2024 at *** compared with *** in interim 2023. As a ratio to net sales, operating income irregularly decreased from *** percent in 2021 to *** percent in 2023, and improved in interim 2024 at *** percent compared with *** percent.

All other expenses and net income or loss

Classified below the operating income level are interest expense, other expenses, and other income. Interest expense, other expenses, and other income were combined and only the net amount is shown as “net other expense or (income)”. As shown in table VI-1, the net amount increased from 2021 to 2023, and was lower in interim 2024 compared with interim

[16] Response to Commission staff from Counsel to Cornerstone, March 4, 2024.

[17] ***. Cornerstone’s U.S. producer questionnaire response, sections II-2a, and III-10a and b, and response to Commission staff from Counsel to Cornerstone, October 25, 2024.

2023, largely reflecting the trends of interest expense, which accounted for the majority of the net amount of all other expenses and income in each period examined.[18] [19]

As shown in table VI-1, net income increased from $*** in 2021 to $*** in 2022, then decreased to *** in 2023, and improved in interim 2024 at *** compared with interim 2023 at ***. As a ratio to net sales, net income irregularly decreased from *** percent in 2021 to *** percent in 2023, and improved in interim 2024 at *** percent compared with *** percent in interim 2023.

Variance analysis

A variance analysis for the operations of the U.S. producer of melamine is presented in table VI-5.[20] The information for this variance analysis is derived from table VI-1. The data shows that operating income increased from 2021 to 2022 primarily because the favorable price variance on net sales (unit sales values increased) was greater than the unfavorable cost variance (unit COGS and unit SG&A expenses increased). From 2022 to 2023, however, operating income decreased primarily as a result of the unfavorable price variance that was greater than the favorable cost variance. Overall, operating income decreased from 2021 to 2023 primarily as a result of both unfavorable price and cost variances. In the comparable

[18] ***. Response to Commission staff from Counsel to Cornerstone, March 4, 2024.

[19] ***. Response to Commission staff from Counsel to Cornerstone, March 4, March 8 and March 18, 2024.

[20] 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.

interim periods, the increased operating loss was the result of unfavorable price and volume variances that offset a favorable cost variance.

Table VI-5
Melamine: Variance analysis for U.S. producer Cornerstone between comparison periods

Value in 1,000 dollars

Item	2021-23	2021-22	2022-23	Jan-Jun 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, R&D expenses, total net assets and ROA

Table VI-6 presents Cornerstone's capital expenditures, R&D expenses, net assets and operating ROA.[21] Table VI-7 presents Cornerstone's narrative explanations of the nature, focus, and significance of its capital expenditures, R&D expenses, and any significant changes in asset levels over time. Capital expenditures decreased by *** percent from 2021 to 2023, and were *** percent lower in interim 2024 compared with interim 2023.[22] R&D expenses ***

[21] 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.

[22] ***. Response to Commission staff from Counsel to Cornerstone, October 25, 2024.

***, decreased by *** percent. Total assets decreased overall from 2021 to 2023, and the operating ROA decreased irregularly from *** percent in 2021 to *** percent in 2023.[23]

Table VI-6
Melamine: U.S. producer Cornerstone's capital expenditures, R&D expenses, total net assets, and ROA, by item and period

Value in 1,000 dollars

Item	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024
Capital expenditures	***	***	***	***	***
R&D expenses	***	***	***	***	***
Net assets	***	***	***	NA	NA
ROA	***	***	***	NA	NA

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

Table VI-7
Melamine: U.S. producer Cornerstone's narrative descriptions of their capital expenditures, R&D expenses, and net assets

Item	Narrative on capital expenditures
Capital expenditures	***
R&D expenses	***
Net assets	***

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

Capital and investment

The Commission requested the U.S. producer of melamine to describe any actual or potential negative effects of imports of melamine from Germany, India, Japan, Netherlands, Qatar, and Trinidad and Tobago on its growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-8 presents Cornerstone's reported actual and anticipated negative impact in each category, and table VI-9 provides Cornerstone's narrative responses.

[23] ***. Response to Commission staff from Counsel to Cornerstone, March 4, 2024.

Table VI-8
Melamine: U.S. producer Cornerstone's 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	***
Negative effects on investment on any subject country	Investment	***
Negative effects on investment from Trinidad and Tobago	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	***
Negative effect from any subject country	Growth	***
Negative effect from Trinidad and Tobago	Growth	***
Anticipated negative effects of imports	Future	***
Anticipated negative effects of imports	Future	***

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

Table VI-9
Melamine: U.S. producer Cornerstone's 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
Other negative effects on investments	***

Item	Firm name and narrative on impact of imports
Lowering of credit rating	***
Problem related to the issue of stocks or bonds	***
Ability to service debt	***

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 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."

Subject countries

The Commission issued foreign producers' or exporters' questionnaires to 15 firms believed to produce and/or export melamine from Germany, India, Japan, the Netherlands, Qatar, and Trinidad and Tobago.[3] Usable responses to the Commission's questionnaire were received from five firms in total.

Table VII-1 presents the number of producers/exporters that responded to the Commission's questionnaire, their estimated share of total production of melamine, and their exports to the United States as a share of U.S. imports, by each subject country in 2023.

Table VII-1
Melamine: Number of responding producers/exporters, approximate share of production, and exports to the United States as a share of U.S. imports, by subject foreign industry, 2023

Subject foreign industry	Number of responding firms	Approximate share of production (percent)	Exports as a share of U.S. imports from subject country (percent)
Germany	1	***	***
India	1	***	***
Japan	0	***	***
Netherlands	1	***	***
Qatar	1	***	***
Trinidad and Tobago	1	***	***

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 2933.61.0000, accessed October 10, 2024 and adjusted to remove out of scope merchandise *** under the same HTS statistical reporting number and reclassify *** using proprietary, Census-edited Customs records accessed September 26, 2024.

Note: "Approximate share of production" reflects the responding firms' estimates of their production as a share of total country production of melamine. Shares are rounded to the nearest whole number.

Note: "Exports as a share of U.S. imports" reflects a comparison of export data reported by firms in response to the Commission's foreign producer/exporter questionnaire with adjusted official import statistics.

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 "---".

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

Table VII-2 presents information on the melamine operations of the responding subject producers/exporters during 2023.

Table VII-2
Melamine: Summary data on responding subject foreign producers in 2023, by firm

Subject foreign industry: Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Germany: LAT	***	***	***	***	***	***
India: Gujarat State Fertilizers	***	***	***	***	***	***
Netherlands: OCI Nitrogen	***	***	***	***	***	***
Qatar: Qatar Melamine	***	***	***	***	***	***
Trinidad and Tobago: Methanol Holdings	***	***	***	***	***	***
All individual producers	466,790	100.0	41,508	100.0	***	***

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

Note: An additional foreign producer from Germany (***) reported that it ceased production operations in April 2023 and the plant was deconstructed. *** reported melamine production of *** pounds in 2021 and *** pounds in 2022 and did not export to the United States during that period. Staff correspondence with ***, October 10, 2024.

Table VII-3 presents events in the subject countries' industries since January 1, 2021.

Table VII-3
Melamine: Important industry events in subject countries since January 1, 2021

Item	Country	Event
Creation of LAT	Germany and Austria	LAT was created in 2023 when AGROFERT acquired Borealis Fertilizer, Technical Nitrogen and Melamine business. LAT produces melamine in Linz, Austria, and Piesteritz, Germany.
Closure of BASF's melamine production units	Germany	BASF announced that its melamine plant in Ludwigshafen, Germany, would be closed down in 2023. Petitioner reported that BASF produced melamine for captive consumption to produce its resins.
Nissan Chemical ceases melamine production	Japan	Nissan Chemical announced in August 2021 that it would end its melamine production in June 2022 and would instead buy melamine to make its melamine-containing downstream products.
Methanol Holdings plant shutdown	Trinidad and Tobago	In August 2023, a fire at Methanol Holding's melamine plant caused a temporary shutdown.

Sources on next page.

Source: LAT Nitrogen, "Welcome to LAT Nitrogen," accessed March 15, 2024; LAT Nitrogen, "Producing Melamine of High Quality," accessed November 5, 2024; BASF, "https://www.basf.com/global/en/investors/calendar-and-publications/factbook/segments/materials/monomers.html#accordion_v2-1494d9a1e1-item-5e88955122," accessed March 15, 2024; Petition, footnote 67; Nissan Chemical Corporation, "Restructuring of Chemicals Business by Terminating Production of Melamine," press release, August 10, 2021; Daily Express, "Fire shuts down Proman's Melamine 1 Plant at Pt Lisas," August 20, 2023, https://trinidadexpress.com/news/local/fire-shuts-down-proman-s-melamine-1-plant-at-pt-lisas/article_83b7226e-3ef6-11ee-861c-877d74d5f729.html#google_vignette, accessed December 19, 2023; and Proman, "Methanol Holdings (Trinidad) Limited," https://www.proman.org/companies/mhtl/, accessed December 19, 2023.

Changes in operations

Subject producers were asked to report any change in the character of their operations or organization relating to the production of melamine since January 1, 2021. All five responding subject producers indicated in their questionnaires that they had experienced such changes.[4] Four of five responding firms reported prolonged shutdowns, two firms reported production curtailments, and one firm reported an acquisition. Tables VII-4 and VII-5 present the changes identified by these producers.

Table VII-4
Melamine: Count of reported changes in operations since January 1, 2021, by change and subject foreign industry

Count in number of firms reporting

Item	Germany	India	Japan	Nether-lands	Qatar	Trinidad and Tobago	Subject sources
Plant openings	***	***	***	***	***	***	0
Plant closings	***	***	***	***	***	***	0
Prolonged shutdowns	***	***	***	***	***	***	4
Production curtailments	***	***	***	***	***	***	2
Relocations	***	***	***	***	***	***	0
Expansions	***	***	***	***	***	***	0
Acquisitions	***	***	***	***	***	***	1
Consolidations	***	***	***	***	***	***	0
Weather-related or force majeure events	***	***	***	***	***	***	0
Other	***	***	***	***	***	***	1
Any change	***	***	***	***	***	***	5

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

[4] In addition, all five responding firms reported that they did not anticipate any changes in the character of their melamine production operations in the future.

Table VII-5
Melamine: Reported changes in operations in the subject countries since January 1, 2021, by change, subject industry, and firm

Item	Subject foreign industry, firm name, and narrative response
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Production curtailments	***
Production curtailments	***
Acquisitions	***
Other	***

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

Operations on melamine

Aggregate melamine operations

Table VII-6 presents information on the melamine operations of the responding producers/exporters (aggregate data for all subject foreign industries). Subject producers' combined practical capacity and production of melamine decreased during 2021-23, by 36.6 percent and 32.8 percent respectively, but were higher in January-June 2024 than in January-June 2023, by 40.7 percent and 84.1 percent respectively.[5] Capacity and production are projected to increase by nearly 50 percent in 2024 and more than 50 percent in 2025 compared to 2023.

[5] Subject producers' aggregate installed capacity was 947.8 million pounds in 2021, 949.4 million pounds in 2022, 911.8 million pounds in 2023, 454.0 million pounds in January-June 2023, and 455.3 million pounds in January-June 2024. Subject producers' questionnaire responses, II-3a.

Subject producers' exports to the United States between 2021 and 2023 increased by 64.7 percent from 2021-22 then decreased by 49.8 percent from 2022-23, decreasing overall by 17.3 percent, but were 24.9 percent higher in January-June 2024 than in January-June 2023. Subject producers' exports to the United States are projected to decrease by 23.8 percent in 2024 then increase by 27.5 percent in 2025 when compared to 2023. Subject producers' exports to the United States as a share of total shipments ranged from *** percent in 2021 and *** percent in 2022. The majority of subject producers' shipments in each period consisted of exports to other markets, primarily to Europe and the Middle East.

Table VII-6
Melamine: Data on the subject foreign industries, by item and period

Quantity in 1,000 pounds

Item	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Capacity	773,640	617,736	490,806	256,876	361,379	725,024	755,426
Production	694,377	573,178	466,790	182,146	335,373	696,534	739,623
End-of-period inventories	27,039	49,451	35,021	32,742	50,828	52,533	48,180
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	50,178	82,634	41,508	18,516	23,121	31,636	52,911
Exports to all other markets	508,970	358,598	338,130	141,151	237,221	523,108	564,300
Export shipments	559,148	441,232	379,638	159,667	260,342	554,744	617,211
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-6 Continued
Melamine: Data on the subject foreign industries, by period

Ratio and share in percent

Item	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Capacity utilization ratio	89.8	92.8	95.1	70.9	92.8	96.1	97.9
Inventory ratio to production	3.9	8.6	7.5	9.0	7.6	7.5	6.5
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

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

Table VII-7 presents information on the melamine operations in Trinidad and Tobago.

Table VII-7
Melamine: Data on industry in Trinidad and Tobago, by item and period

Quantity in 1,000 pounds

Item	2021	2022	2023	Jan-Jun 2023	Jan-Jun 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	***	***	***	***	***	***	***

Table continued.

Table VII-7 Continued
Melamine: Data on industry in Trinidad and Tobago, by item and period

Ratio and share in percent

Item	2021	2022	2023	Jan-Jun 2023	Jan-Jun 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	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

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

Practical melamine capacity and production by subject foreign industry

Table VII-8 presents information on subject producers' production, capacity, and capacity utilization, by subject country. Capacity and production from each subject country, with the exception of Qatar, decreased overall between 2021 and 2023.[6] Two firms reported capacity of 100 percent or more during the period for which data were collected.[7]

Production in Germany and the Netherlands was approximately *** times higher in January-June 2024 than in January-June 2023, while production in India was *** percent higher during the same period. Production in Qatar and Trinidad and Tobago was lower in January-June 2024 than in January-June 2023, by *** percent and *** percent respectively. Capacity and production in each subject country (except Qatar) is projected to be higher in 2024 and/or 2025 than in 2023. Capacity in Qatar is projected to remain the same, while production is projected to be lower, in 2024 and 2025 compared to 2023.

Capacity utilization from each subject country was high in each year, ranging from *** percent to *** percent, which is consistent with petitioner and respondents' statements that melamine production facilities are highly capital intensive and designed to produce melamine most efficiently in continuous operation at or near full capacity 24 hours per day, seven days a week. Petitioner and respondents agree that a "normal" capacity utilization rate for melamine production is around 90 percent.[8]

[6] Subject producers' reported practical capacity constraints include planned and unplanned maintenance as well as availability of raw materials. One subject producer (***) reported that its practical capacity and the reasons for year-on-year fluctuations take into account (1) interruptions of raw material supply from upstream plants such as ammonia, carbon dioxide, and urea; (2) unplanned downtime for technical reasons and delays in maintenance execution; and (3) production curtailments for economic reasons, ***. *** foreign producer questionnaire response, II-3c.

[7] *** reported practical capacity at *** percent or above in each period. The firm reported that ***. Staff correspondence with ***, November 5, 2024; and *** foreign producer questionnaire response, II-3c. *** also reported capacity utilization *** higher than *** percent in 2023 and confirms that it is correct: ***. Staff correspondence with ***, November 5, 2024.

[8] Conference transcript, pp. 31, 52-53, 131-132 (Blaser, Sukhu-Maharaj, Dutra, Campbell, and Chandan).

Table VII-8
Melamine: Subject foreign producers' output: Practical capacity, by source and period

Practical capacity

Capacity in 1,000 pounds

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	773,640	617,736	490,806	256,876	361,379	725,024	755,426

Table continued.

Table VII-8 Continued
Melamine: Subject foreign producers' output: Production, by source and period

Production

Production in 1,000 pounds

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	694,377	573,178	466,790	182,146	335,373	696,534	739,623

Table continued.

Table VII-8 Continued
Melamine: Subject foreign producers' output: Capacity utilization, by source and period

Capacity utilization

Capacity utilization in percent

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	89.8	92.8	95.1	70.9	92.8	96.1	97.9

Table continued.

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

Table VII-8 Continued
Melamine: Subject foreign producers' output: Share of production, by source and period

Share of production

Share in percent

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Alternative products

Subject producers do not produce alternative products on the same equipment and machinery used to produce melamine and are unable to switch production to alternative products. Similar to the U.S. industry, melamine facilities are designed to produce melamine only.[9]

[9] Conference transcript, pp. 130-131 (Sukhu-Maharaj, Campbell, and Craven).

Constraints on capacity

Tables VII-9 presents subject producers' reported capacity constraints since January 1, 2021. Subject producers generally reported raw material availability and planned and unplanned maintenance as capacity constraints.

Table VII-9
Melamine: Subject foreign producers' reported constraints to practical overall capacity since January 1, 2021, by constraint and firm

Item	Subject foreign industry, firm name, and narrative response
Supply of material inputs	***
Supply of material inputs	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

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

Melamine exports, by subject country

Table VII-10 presents information on subject producers' exports of melamine by country. Exports to the United States from each subject country peaked in 2022 then decreased from 2022 to 2023. Exports to the United States from India, the Netherlands, and Qatar increased overall between 2021 and 2023, while exports to the United States from Germany and Trinidad and Tobago decreased during the same period. Exports to the United States from each subject country were higher in January-June 2024 than in January-June 2023, except for India. Exports to the United States from each subject country were projected to be lower in 2024 and 2025 than in 2023 or ***, except for the Netherlands. The majority of total shipments from each subject country (except India) were exported, primarily to markets other than the United States. India exported *** of its total shipments in each period, primarily to markets other than the United States.

Table VII-10
Melamine: Subject foreign producers' exports: Exports to the United States, by source and period

Exports to the United States

Quantity in 1,000 pounds

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	50,178	82,634	41,508	18,516	23,121	31,636	52,911

Table continued.

Table VII-10 Continued
Melamine: Subject foreign producers' exports: Share of total shipments exported to the United States, by source and period

Share of total shipments exported to the United States

Share in percent

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	***	***	***	***	***	***	***

Table continued.

Table VII-10 Continued
Melamine: Subject foreign producers' exports: Exports to all destination markets, by source and period

Total exports

Quantity in 1,000 pounds

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	559,148	441,232	379,638	159,667	260,342	554,744	617,211

Table continued.

Table VII-10 Continued
Melamine: Subject foreign producers' exports: Share of total shipments exported to all destination markets, by source and period

Share of total shipments exported

Share in percent

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	***	***	***	***	***	***	***

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

Melamine inventories, by subject foreign industry

Table VII-11 presents subject producers' reported inventories of melamine. Ending inventories in Germany, the Netherlands, and Qatar increased during 2021-23, while inventories in India and Trinidad and Tobago decreased during the same period. Ending inventories in Germany and the Netherlands were higher in January-June 2024 than in January-June 2023, while ending inventories in India, Qatar, and Trinidad and Tobago were lower during the same period. The ratio of subject producers' inventories to total shipments exported ranged from *** percent to *** percent in each period.

Table VII-11
Melamine: Subject foreign industries' ending inventories: Ending inventories, by subject foreign industry and period

Quantity in 1,000 pounds

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	27,039	49,451	35,021	32,742	50,828	52,533	48,180

Table continued.

Table VII-11 Continued
Melamine: Subject foreign industries' ending inventories: Ratio of ending inventories to total shipments exported, by subject foreign industry and period

Ratio in percent

Subject foreign industry	2021	2022	2023	Jan-Jun 2023	Jan-Jun 2024	Projected 2024	Projected 2025
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***
Qatar	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***
All subject foreign industries	***	***	***	***	***	***	***

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

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

Exports

Table VII-12 presents Global Trade Atlas ("GTA") data for exports of melamine from subject countries to the United States and to all destination markets.

Table VII-12
Melamine: Global exports from subject foreign industries, by subject foreign exporter, destination market, and period

Quantity in 1,000 pounds; share in percent

Exporter	Destination market	Measure	2021	2022	2023
Germany	United States	Quantity	10,480	11,803	11,387
India	United States	Quantity	2,152	9,237	8,801
Japan	United States	Quantity	1,005	1,017	1,386
Netherlands	United States	Quantity	15,214	23,301	14,817
Qatar	United States	Quantity	88	220	3,858
Trinidad and Tobago	United States	Quantity	25,133	36,597	8,818
Subject exporters	United States	Quantity	54,071	82,174	49,068
Germany	All destination markets	Quantity	188,123	116,165	103,941
India	All destination markets	Quantity	14,572	39,977	28,787
Japan	All destination markets	Quantity	58,334	37,969	15,621
Netherlands	All destination markets	Quantity	167,198	142,344	107,990
Qatar	All destination markets	Quantity	125,490	128,775	130,136
Trinidad and Tobago	All destination markets	Quantity	60,202	66,188	41,671
Subject exporters	All destination markets	Quantity	613,918	531,418	428,147
Germany	United States	Share	5.6	10.2	11.0
India	United States	Share	14.8	23.1	30.6
Japan	United States	Share	1.7	2.7	8.9
Netherlands	United States	Share	9.1	16.4	13.7
Qatar	United States	Share	0.1	0.2	3.0
Trinidad and Tobago	United States	Share	41.7	55.3	21.2
Subject exporters	United States	Share	8.8	15.5	11.5

Source: Official exports statistics and official global imports statistics from Netherlands, Qatar, Trinidad and Tobago, and Austria (constructed exports) under HS subheading 2933.61 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed October 11, 2024.

U.S. inventories of imported merchandise

Table VII-13 presents data on U.S. importers' reported inventories of melamine.[10] U.S. importers' inventories from subject sources *** from 2021-22, then decreased by *** percent from 2022-23, decreasing overall by *** percent between 2021 and 2023. U.S. importers' inventories from subject sources were *** percent lower in January-June 2024 than in January-June 2023. Trinidad and Tobago and the Netherlands accounted for the vast majority of reported inventories in each period.

[10] ***, a U.S. importer from *** was unable to report its inventories by country of origin or by supplier as it does not maintain such records. ***. *** U.S. importer questionnaire response, II-14.

The ratio of inventories to subject imports fluctuated and decreased by *** percentage points during 2021-23. Similarly, the ratio of inventories to total shipments of subject imports fluctuated and decreased by *** percentage points during 2021-23. The ratios of inventories to subject imports and total shipments were lower in January-June 2024 than in January-June 2023, by *** and *** percentage points, respectively. No U.S. importer reported inventories from nonsubject sources.

Table VII-13
Melamine: 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-Jun 2023	Jan-Jun 2024
Inventories quantity	Germany	***	***	***	***	***
Ratio to imports	Germany	***	***	***	***	***
Ratio to U.S. shipments of imports	Germany	***	***	***	***	***
Ratio to total shipments of imports	Germany	***	***	***	***	***
Inventories quantity	India	***	***	***	***	***
Ratio to imports	India	***	***	***	***	***
Ratio to U.S. shipments of imports	India	***	***	***	***	***
Ratio to total shipments of imports	India	***	***	***	***	***
Inventories quantity	Japan	***	***	***	***	***
Ratio to imports	Japan	***	***	***	***	***
Ratio to U.S. shipments of imports	Japan	***	***	***	***	***
Ratio to total shipments of imports	Japan	***	***	***	***	***
Inventories quantity	Netherlands	***	***	***	***	***
Ratio to imports	Netherlands	***	***	***	***	***
Ratio to U.S. shipments of imports	Netherlands	***	***	***	***	***
Ratio to total shipments of imports	Netherlands	***	***	***	***	***
Inventories quantity	Qatar	***	***	***	***	***
Ratio to imports	Qatar	***	***	***	***	***
Ratio to U.S. shipments of imports	Qatar	***	***	***	***	***
Ratio to total shipments of imports	Qatar	***	***	***	***	***
Inventories quantity	Trinidad and Tobago	***	***	***	***	***
Ratio to imports	Trinidad and Tobago	***	***	***	***	***
Ratio to U.S. shipments of imports	Trinidad and Tobago	***	***	***	***	***
Ratio to total shipments of imports	Trinidad and Tobago	***	***	***	***	***

Table continued.

Table VII-13 Continued
Melamine: 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-Jun 2023	Jan-Jun 2024
Inventories quantity	Subject sources	***	***	***	***	***
Ratio to imports	Subject sources	***	***	***	***	***
Ratio to U.S. shipments of imports	Subject sources	***	***	***	***	***
Ratio to total shipments of imports	Subject sources	***	***	***	***	***
Inventories quantity	Subject sources less Trinidad and Tobago	***	***	***	***	***
Ratio to imports	Subject sources less Trinidad and Tobago	***	***	***	***	***
Ratio to U.S. shipments of imports	Subject sources less Trinidad and Tobago	***	***	***	***	***
Ratio to total shipments of imports	Subject sources less Trinidad and Tobago	***	***	***	***	***
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 sources less Trinidad and Tobago	***	***	***	***	***
Ratio to imports	All sources less Trinidad and Tobago	***	***	***	***	***
Ratio to U.S. shipments of imports	All sources less Trinidad and Tobago	***	***	***	***	***
Ratio to total shipments of imports	All sources less Trinidad and Tobago	***	***	***	***	***
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.

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

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of melamine after June 30, 2024. Eight of 14 responding firms indicated that they had arranged such imports (seven from subject sources and one from nonsubject sources).[11] Their reported data are presented in table VII-14.

Table VII-14
Melamine: U.S. importers' arranged imports, by source and period

Quantity in 1,000 pounds

Source	Jul-Sept 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	Total
Germany	***	***	***	***	***
India	***	***	***	***	***
Japan	***	***	***	***	***
Netherlands	***	***	***	***	***
Qatar	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less Trinidad and Tobago	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources less Trinidad and Tobago	***	***	***	***	***
All import sources	***	***	***	***	***

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

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

[11] ***. Staff correspondence with ***, November 6, 2024.

Third-country trade actions

India initiated an antidumping investigation in February 2021 regarding imports of melamine originating in or exported from the European Union, Japan, Qatar, and the United Arab Emirates. Affirmative findings were made for all the subject countries in February 2022, and it was recommended that antidumping duties be imposed on India's imports of melamine originating in or exported from each of the subject countries.[12] India announced on May 26, 2022, that it would not impose antidumping duties on melamine originating in or exported from the European Union, Japan, Qatar, and the United Arab Emirates.[13]

As of August 26, 2021, after conducting a sunset review initiated in September 2020 at the request of Gujarat State Fertilizers & Chemicals Limited, India also announced that the Directorate General of Trade Remedies recommended extending the existing antidumping order on imports of melamine from China for five years because of "significant" ongoing imports from China.[14] The measure continues previous extensions of the antidumping duties originally imposed in 2004.

In regard to the European Union (EU), it was announced on September 15, 2023, that an antidumping order would be imposed on EU imports of melamine from China after an expiry review (prompted by the imminent expiration of the existing antidumping order on such imports) concluded that "there is a strong likelihood that the expiry of the anti-dumping measures on imports from the Chinese mainland would result in the continuation of dumping." The review was requested in March 2022 by Borealis Agrolinz Melamine GmbH, OCI Nitrogen BV and Grupa Azoty Zaklady Azotowe Pulawy SA.[15]

[12] Government of India, Ministry of Commerce & Industry Department of Commerce Directorate General of Trade Remedies, "Notification Final Findings (Case No - AD (OI) 01/2021): Subject: Anti-Dumping investigation concerning imports of Melamine from European Union, Japan, Qatar and United Arab Emirates," February 25, 2022.

[13] Government of India, Ministry of Finance, Department of Revenue (Tax Research Unit), "Office Memorandum: Subject: Anti-Dumping Investigation Concerning Imports of Melamine from the European Union, Japan, Qatar and the United Arab Emirates – Regarding," May 26, 2022.

[14] *The Economic Times*, "Commerce Ministry recommends extending anti-dumping duty on melamine from China," August 26, 2021; *The Economic Times*, "India Extends Anti-Dumping Duty on Melamine, Vitrified Tile Imports from China," February 25, 2021.

[15] HKTDC Research, "Regulatory Alert - EU - Anti-dumping Actions Anti-dumping Actions 2023-29," September 19, 2023.

A partial interim review addressing EU imports of melamine from China is also underway. The review was initiated on December 19, 2023, based on a request filed on November 13, 2023, by LAT Nitrogen, OCI Nitrogen BV, and Grupa Azoty Zaklady Azotowe Pulawy SA. The companies requested that the European Commission convert the existing minimum import price and fixed duties to ad valorem duties.[16] It was expected to end on August 20, 2024, with the measures expected to take effect on December 19, 2024, but has been extended until March 2025 with any amended measures effective the day after the publication of a regulation in the *Official Journal of the European Union*.[17]

Information on nonsubject countries

As shown in table VII-15, China was the largest world exporter of melamine during 2021-23, accounting for 66.4 percent of global exports by quantity in 2023, followed by Qatar (8.2 percent), the Netherlands (6.8 percent), and Germany (6.6 percent). The value and quantity trends of Chinese melamine exports diverged during 2021-23. While the quantity of such exports peaked in 2022 at 1.2 billion pounds before declining to 1.1 billion pounds in 2023, the value steadily decreased during 2021-23 from $850 million in 2021 to $469.7 million in 2023 (about 56.6 percent of global melamine exports by value in 2023).

Chinese production capacity also reportedly increased during 2021-23. ***.[18]

[16] European Commission (EC), "Notice of Initiation of a Partial Interim Review of the Anti-Dumping Measures Applicable to Imports of Melamine Originating in The People's Republic of China," December 20, 2023.

[17] EC, "Trade Defence Investigations: Case R808 – Melamine," December 6, 2024; EC, "Notice of Initiation of a Partial Interim Review of the Anti-Dumping Measures Applicable to Imports of Melamine Originating in The People's Republic of China," December 20, 2023; EC, "Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on Protection Against Dumped Imports From Countries Not Members of the European Union (Codification)," *Official Journal of the European Union*, June 30, 2016.

[18] ***.

Table VII-15
Melamine: 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	54,793	37,248	35,142
Germany	Quantity	188,123	116,165	103,941
India	Quantity	14,572	39,977	28,787
Japan	Quantity	58,334	37,969	15,621
Netherlands	Quantity	167,198	142,344	107,990
Qatar	Quantity	125,490	128,775	130,136
Trinidad and Tobago	Quantity	60,202	66,188	41,671
Subject exporters	Quantity	613,918	531,418	428,147
China	Quantity	1,114,357	1,177,371	1,050,398
Belgium	Quantity	19,909	25,137	34,694
Spain	Quantity	7,550	15,732	11,570
Turkey	Quantity	7,706	11,927	7,957
Austria	Quantity	9,081	4,377	2,891
All other exporters	Quantity	115,950	13,520	10,223
All reporting exporters	Quantity	1,943,265	1,816,731	1,581,020
United States	Value	34,405	34,832	19,287
Germany	Value	175,117	171,499	71,317
India	Value	13,525	35,301	16,524
Japan	Value	42,874	36,956	9,476
Netherlands	Value	161,063	216,510	84,614
Qatar	Value	100,648	136,653	83,817
Trinidad and Tobago	Value	49,198	97,269	26,457
Subject exporters	Value	542,425	694,188	292,206
China	Value	850,203	749,882	469,660
Belgium	Value	21,177	30,183	23,464
Spain	Value	8,874	21,951	9,382
Turkey	Value	9,605	13,185	5,139
Austria	Value	9,969	8,266	3,307
All other exporters	Value	94,570	16,009	6,817
All reporting exporters	Value	1,571,228	1,568,496	829,260

Table continued.

Table VII-15 Continued
Melamine: Global exports, by reporting country and by period

Unit value in dollars per pound; share in percent

Exporting country	Measure	2021	2022	2023
United States	Unit value	0.63	0.94	0.55
Germany	Unit value	0.93	1.48	0.69
India	Unit value	0.93	0.88	0.57
Japan	Unit value	0.73	0.97	0.61
Netherlands	Unit value	0.96	1.52	0.78
Qatar	Unit value	0.80	1.06	0.64
Trinidad and Tobago	Unit value	0.82	1.47	0.63
Subject exporters	Unit value	0.88	1.31	0.68
China	Unit value	0.76	0.64	0.45
Belgium	Unit value	1.06	1.20	0.68
Spain	Unit value	1.18	1.40	0.81
Turkey	Unit value	1.25	1.11	0.65
Austria	Unit value	1.10	1.89	1.14
All other exporters	Unit value	0.82	1.18	0.67
All reporting exporters	Unit value	0.81	0.86	0.52
United States	Share of quantity	2.8	2.1	2.2
Germany	Share of quantity	9.7	6.4	6.6
India	Share of quantity	0.7	2.2	1.8
Japan	Share of quantity	3.0	2.1	1.0
Netherlands	Share of quantity	8.6	7.8	6.8
Qatar	Share of quantity	6.5	7.1	8.2
Trinidad and Tobago	Share of quantity	3.1	3.6	2.6
Subject exporters	Share of quantity	31.6	29.3	27.1
China	Share of quantity	57.3	64.8	66.4
Belgium	Share of quantity	1.0	1.4	2.2
Spain	Share of quantity	0.4	0.9	0.7
Turkey	Share of quantity	0.4	0.7	0.5
Austria	Share of quantity	0.5	0.2	0.2
All other exporters	Share of quantity	6.0	0.7	0.6
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics and official global imports statistics from Netherlands, Qatar, Trinidad and Tobago, and Austria (constructed exports) under HS subheading 2933.61 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed October 11, 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 "---". United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2023 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 13090, February 21, 2024	*Melamine From Germany, India, Japan, Netherlands, Qatar, and Trinidad and Tobago; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2024-02-21/pdf/2024-03497.pdf
89 FR 17381, March 11, 2024	*Melamine From Germany, India, Qatar, and Trinidad and Tobago: Initiation of Countervailing Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2024-03-11/pdf/2024-05126.pdf
89 FR 17413, March 11, 2024	*Melamine From Germany, India, Japan, the Netherlands, Qatar, and Trinidad and Tobago: Initiation of Less-Than-Fair-Value Investigations*	https://www.govinfo.gov/content/pkg/FR-2024-03-11/pdf/2024-05127.pdf
89 FR 59045, July 22, 2024	*Melamine From Qatar: Preliminary Affirmative Countervailing Duty Determination, Preliminary Negative Determination of Critical Circumstances, and Alignment of Final Determination With Final Antidumping Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2024-07-22/pdf/2024-15978.pdf
89 FR 59053, July 22, 2024	*Melamine From Germany: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2024-07-22/pdf/2024-15980.pdf
89 FR 59055, July 22, 2024	*Melamine From India: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Determination With the Final Antidumping Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2024-07-22/pdf/2024-15981.pdf
89 FR 59057, July 22, 2024	*Melamine From Trinidad and Tobago: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2024-07-22/pdf/2024-15979.pdf
89 FR 77814, September 24, 2024	*Melamine From Trinidad and Tobago: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, In Part*	https://www.govinfo.gov/content/pkg/FR-2024-09-24/pdf/2024-21829.pdf
89 FR 77819, September 24, 2024	*Melamine From Japan: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, In Part*	https://www.govinfo.gov/content/pkg/FR-2024-09-24/pdf/2024-21826.pdf
89 FR 77822, September 24, 2024	*Melamine From Germany: Preliminary Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2024-09-24/pdf/2024-21825.pdf

Citation	Title	Link
89 FR 77824, September 24, 2024	*Melamine From Qatar: Preliminary Negative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2024-09-24/pdf/2024-21828.pdf
89 FR 77829, September 24, 2024	*Melamine From the Netherlands: Preliminary Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2024-09-24/pdf/2024-21827.pdf
89 FR 77832, September 24, 2024	*Melamine From India: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part*	https://www.govinfo.gov/content/pkg/FR-2024-09-24/pdf/2024-21824.pdf
89 FR 79637, September 30, 2024	*Melamine From Germany, India, Japan, Netherlands, Qatar, and Trinidad and Tobago; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2024-09-30/pdf/2024-22252.pdf
89 FR 84533, October 23, 2024	*Melamine From India: Postponement of Final Determination of Sales at Less Than Fair Value Investigation*	https://www.govinfo.gov/content/pkg/FR-2024-10-23/pdf/2024-24499.pdf
89 FR 97584, December 9, 2024	*Melamine From Germany: Final Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2024-12-09/pdf/2024-28800.pdf
89 FR 97586, December 9, 2024	*Melamine From Germany: Final Affirmative Countervailing Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2024-12-09/pdf/2024-28801.pdf
89 FR 97590, December 9, 2024	*Melamine From the Netherlands: Final Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2024-12-09/pdf/2024-28795.pdf
89 FR 97592, December 9, 2024	*Melamine From Qatar: Final Negative Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*	https://www.govinfo.gov/content/pkg/FR-2024-12-09/pdf/2024-28796.pdf
89 FR 97593, December 9, 2024	*Melamine From Qatar: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination*	https://www.govinfo.gov/content/pkg/FR-2024-12-09/pdf/2024-28797.pdf
89 FR 97598, December 9, 2024	*Melamine From Trinidad and Tobago: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part*	https://www.govinfo.gov/content/pkg/FR-2024-12-09/pdf/2024-28799.pdf
89 FR 97599, December 9, 2024	*Melamine From Trinidad and Tobago: Final Affirmative Determination in the Countervailing Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2024-12-09/pdf/2024-28798.pdf
89 FR 97601, December 9, 2024	*Melamine From Japan: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, In Part*	https://www.govinfo.gov/content/pkg/FR-2024-12-09/pdf/2024-28794.pdf

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject: Melamine from Germany, India, Japan, Netherlands, Qatar, and Trinidad and Tobago

Inv. Nos.: 701-TA-706-709 and 731-TA-1667-1672 (Final)

Date and Time: December 3, 2024 - 9:30 a.m.

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

OPENING REMARKS:

In Support of Imposition (**Stephen J. Orava**, King & Spalding LLP)
In Opposition to Imposition (**Jeremy W. Dutra**, Squire Patton Boggs (US) LLP)

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

King & Spalding LLP
Washington, DC
on behalf of

Cornerstone Chemical Company

Matthew Sokol, Chief Executive Officer, Cornerstone Chemical Company

Thomas Blaser, Chief Financial Officer, Cornerstone Chemical Company

Michael Driscoll, Global Business Manager of Melamine, Cornerstone Chemical Company

Roland Frank, Vice President and General Manager of Operations, Cornerstone Chemical Company

Andrew Szamosszegi, Principal, Capital Trade, Incorporated

Stephen J. Orava)
Stephen Vaughn)
) – OF COUNSEL
Patrick McLain)
Kanzanira Thorington)

In Opposition to the Imposition of the
Antidumping and Countervailing Duty Orders:

Squire Patton Boggs (US) LLP
Washington, DC
on behalf of

Hexion Inc.

Chelsea Miller, Senior Community Manager, Hexion, Inc.

Steven Sauter, North American Business Director, Hexion, Inc.

Jeremy W. Dutra) – OF COUNSEL

White & Case LLP
Washington, DC
on behalf of

Qatar Melamine Company ("QMC")

Craig Brook, Associate General Counsel (Corporate Governance and Compliance), QatarEnergy

Jay Campbell)
) – OF COUNSEL
Ron Kendler)

Morris, Manning & Martin LLP
Washington, DC
on behalf of

OCI Nitrogen B.V. ("OCI Nitrogen")

Michèl Heutz, Business Manager, OCI Nitrogen

Emma K. Peterson, Director of International Trade Analytics, Morris, Manning & Martin, LLP

Brady W. Mills) – OF COUNSEL

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

Fox Rothschild LLP
Washington, DC
on behalf of

Wilsonart LLC

Michael Pierce, Global Community Manager, Wilsonart LLC

Lizbeth R. Levinson)
) – OF COUNSEL
Alexander D. Keyser)

Steptoe LLP
Washington, DC
on behalf of

Helm U.S. Corporation
Methanol Holdings (Trinidad) Ltd.

Christian Wulf, Senior Product Manager, Helm U.S. Corporation

Hanna Sukhu-Maharaj, Director of Marketing and Logistics,
Methanol Holdings (Trinidad) Ltd.

Cara Groden, Senior Economic Consultant, ION Economics, LLC

Eric C. Emerson)
Zhu (Judy) Wang) – OF COUNSEL
Mert E. Arkan)

Mayer Brown LLP
Washington, DC
on behalf of

Allnex USA Inc. ("Allnex")

Philip N. Wilson, Global Sourcing Manager, Allnex

Sydney H. Mintzer) – OF COUNSEL

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

Craven Trade Law LLC
Chicago, IL
on behalf of

S.A.F.E. Chemicals ("S.A.F.E.")
Gujarat State Fertilizers and Chemicals Limited ("GSFC")

David J. Craven) – OF COUNSEL

Covington & Burling LLP
Washington, DC
on behalf of

Kronospan USA LLC ("Kronospan")

Hans Obermaier, Chief Executive Officer, Kronospan

James M. Smith) – OF COUNSEL

Non-Party in Opposition

Squire Patton Boggs (US) LLP
Washington, DC
on behalf of

Prefere Melamine LLC
Egger Wood Products, LLC

Emily Nuber, Vice President Procurement, Prefere Melamine LLC

Raymond Carillon, Jr., Operations Manager, Pefere Melamine LLC

Stefan Wagner, Corporate Chemical Procurement Manager, Egger Group

Jonathan Stephens, Chief Financial Officer, Plant Manager/Finance Administration, Egger Group

Jeremy W. Dutra) – OF COUNSEL

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

Alston& Bird
Washington, DC
on behalf of

Unilin North America, LLC ("Unilin")

Marc Monoson, Strategic Purchasing Director, Laminate & Hardwood, Unilin

Lian Yang)
) – OF COUNSEL
Robert Hawes)

White & Case LLP
Washington, DC
on behalf of

ZYP Coatings Inc.

Justin Holcombe, Vice President and General Manager, ZYP Coatings Inc.

Jay Campbell)
) – OF COUNSEL
Ron Kendler)

Morris, Manning & Martin LLP
Washington, DC
on behalf of

LRBG Chemicals (USA) Inc.

James Bennett, President and Chief executive Officer, LRBG Chemicals (USA) Inc.

Brady W. Mills) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Stephen Vaughn**, King & Spalding LLP)
In Opposition to Imposition (**Jay Campbell** *and* **Ron Kendler**, White & Case LLP *and* **Zhu *(*Judy) Wang**, Steptoe LLP)

APPENDIX C

SUMMARY DATA

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

Item	Reported data: Calendar year 2021	2022	2023	Jan-Jun 2023	2024	Period changes: Comparison years 2021-23	2021-22	2022-23	Jan-Jun 2023-24
U.S. consumption quantity:									
Amount	142,227	142,831	115,756	57,612	65,532	▼(18.6)	▲0.4	▼(19.0)	▲13.7
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***
Importers' share (fn1):									
Germany	***	***	***	***	***	▲***	▲***	▼***	▲***
India	***	***	***	***	***	▲***	▲***	▲***	▼***
Japan	***	***	***	***	***	▲***	▼***	▲***	▲***
Netherlands	***	***	***	***	***	▲***	▲***	▲***	▼***
Qatar	***	***	***	***	***	▲***	▲***	▲***	▼***
Trinidad and Tobago (TT)	***	***	***	***	***	▲***	▲***	▼***	▼***
Subject sources	***	***	***	***	***	▲***	▲***	▲***	▼***
Subject sources less TT	***	***	***	***	***	▲***	▲***	▲***	▼***
Nonsubject sources	***	***	***	***	***	▼***	▼***	▼***	***
All import sources less TT	***	***	***	***	***	▲***	▲***	▲***	▼***
All import sources	***	***	***	***	***	▲***	▲***	▲***	▼***
U.S. consumption value:									
Amount	144,046	271,156	129,673	83,441	53,857	▼(10.0)	▲88.2	▼(52.2)	▼(35.5)
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***
Importers' share (fn1):									
Germany	***	***	***	***	***	▲***	▲***	▼***	▲***
India	***	***	***	***	***	▲***	▲***	▲***	▼***
Japan	***	***	***	***	***	▲***	▼***	▲***	▲***
Netherlands	***	***	***	***	***	▲***	▲***	▲***	▲***
Qatar	***	***	***	***	***	▲***	▲***	▲***	▼***
Trinidad and Tobago (TT)	***	***	***	***	***	▼***	▲***	▼***	▼***
Subject sources	***	***	***	***	***	▲***	▲***	▲***	▼***
Subject sources less TT	***	***	***	***	***	▲***	▲***	▲***	▼***
Nonsubject sources	***	***	***	***	***	▼***	▼***	▼***	***
All import sources less TT	***	***	***	***	***	▲***	▲***	▲***	▼***
All import sources	***	***	***	***	***	▲***	▲***	▲***	▼***

Table continued.

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

Item	Reported data: Calendar year 2021	2022	2023	Jan-Jun 2023	2024	Period changes: Comparison years 2021-23	2021-22	2022-23	Jan-Jun 2023-24
U.S. importers' U.S. shipments of imports from:									
Germany:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▲***
Value	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
India:									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Japan:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
Value	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
Netherlands:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▲***
Value	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Qatar:									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▲***	***	▲***	***
Trinidad and Tobago:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Value	***	***	***	***	***	▼***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Subject sources:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Value	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Subject sources less Trinidad and Tobago:									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Nonsubject sources:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	***
Value	***	***	***	***	***	▼***	▲***	▼***	***
Unit value	***	***	***	***	***	▼***	▲***	▼***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources less Trinidad and Tobago:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Value	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
All import sources:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Value	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▲***	▼***	▼***

Table continued.

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

Item	Reported data: Calendar year 2021	2022	2023	Jan-Jun 2023	2024	Period changes: Comparison years 2021-23	2021-22	2022-23	Jan-Jun 2023-24
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	***	***	***	***	***	▲***	▲***	▲***	▼***
Net sales:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Value	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▼***	▲***	▼***	▼***
Cost of goods sold (COGS)	***	***	***	***	***	▼***	▲***	▼***	▲***
Gross profit or (loss) (fn2)	***	***	***	***	***	▼***	▲***	▼***	▲***
SG&A expenses	***	***	***	***	***	▲***	▲***	▲***	▲***
Operating income or (loss) (fn2)	***	***	***	***	***	▼***	▲***	▼***	▼***
Net income or (loss) (fn2)	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit COGS	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit SG&A expenses	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit operating income or (loss) (fn2)	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit net income or (loss) (fn2)	***	***	***	***	***	▼***	▲***	▼***	▲***
COGS/sales (fn1)	***	***	***	***	***	▲***	▼***	▲***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▲***	▼***	▲***
Net income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▲***	▼***	▲***
Capital expenditures	***	***	***	***	***	▼***	▼***	▼***	▼***
Research and development expenses	***	***	***	***	***	▲***	▲***	▼***	***
Total assets	***	***	***	***	***	▼***	▼***	▼***	***

Source: Compiled from responses to Comission questionnaires. 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 only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

APPENDIX D

TRINIDAD AND TOBAGO COUNTRY PRICE COMPARISONS

Tables D-1 and D-2 (and figures D-1 and D-2) present price data for pricing products 2 and 3 from the United States, imported from Trinidad and Tobago, and all other subject countries (excluding Trinidad and Tobago). In comparing all other subject country pricing data with U.S. producer pricing data, prices for product imported from all other subject countries were lower than prices for U.S.-produced product in 12 instances and higher in 19 instances.

In comparing all other subject country pricing data with Trinidad and Tobago pricing data, prices for product imported from all other subject countries were lower than prices for product imported from Trinidad and Tobago in 8 instances and higher in 19 instances. Summaries of price differentials are presented in tables D-3 through D-4.

Table D-1
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 from Trinidad and Tobago, and all other subject sources, by quarter

Quantity in 1,000 pounds; Prices in dollars per pound

Period	U.S. price	U.S. quantity	Trinidad and Tobago price	Trinidad and Tobago quantity	All other subject sources price	All other subject sources quantity
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	***	***	***	***	***	***
2024 Q2	***	***	***	***	***	***

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

Note: Product 2: Unground melamine crystal in bags of 1,000 to 3,000 pounds.

Figure D-1
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter

Price of product 2

* * * * * * *

Volume of product 2

* * * * * * *

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

Note: Product 2: Unground melamine crystal in bags of 1,000 to 3,000 pounds.

Table D-2
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 from Trinidad and Tobago, and all other subject sources, by quarter

Quantity in 1,000 pounds; Prices in dollars per pound

Period	U.S. price	U.S. quantity	Trinidad and Tobago price	Trinidad and Tobago quantity	All other subject sources price	All other subject sources quantity
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	***	***	***	***	***	***
2024 Q2	***	***	***	***	***	***

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

Note: Product 3: Unground melamine crystal in bags of 50 to 60 pounds.

Figure D-2
Melamine: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter

Price of product 3

* * * * * * *

Volume of product 3

* * * * * * *

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

Note: Product 3: Unground melamine crystal in bags of 50 to 60 pounds.

Table D-3
Melamine: Summary of higher/(lower) unit values for all other subject sources price data, by source, January 2021 through June 2024

Quantity in 1,000 pounds

Comparison source	Benchmark source	Number of quarters lower	Quantity lower	Number of quarters higher	Quantity higher
Germany	United States	11	***	3	***
Germany	Trinidad and Tobago	7	***	7	***
India	United States	11	***	6	***
India	Trinidad and Tobago	8	***	6	***
Japan	United States	5	***	15	***
Japan	Trinidad and Tobago	5	***	14	***
Netherlands	United States	7	***	21	***
Netherlands	Trinidad and Tobago	6	***	21	***
Qatar	United States	2	***	5	***
Qatar	Trinidad and Tobago	3	***	4	***
All other subject sources	United States	12	***	19	***
All other subject sources	Trinidad and Tobago	8	***	19	***

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

Table D-4
Melamine: Summary of higher/(lower) unit values for all other subject sources price data, by source and period, January 2021 through June 2024

Quantity in 1,000 pounds

Comparison source	Benchmark source	Period	Number of quarters lower	Quantity lower	Number of quarters higher	Quantity higher
All other subject sources	United States	2021	4	***	5	***
All other subject sources	United States	2022	5	***	4	***
All other subject sources	United States	2023	3	***	6	***
All other subject sources	United States	Jan-Jun 2024	---	***	4	***
All other subject sources	United States	All years	12	***	19	***
All other subject sources	Trinidad and Tobago	2021	3	***	5	***
All other subject sources	Trinidad and Tobago	2022	2	***	6	***
All other subject sources	Trinidad and Tobago	2023	1	***	6	***
All other subject sources	Trinidad and Tobago	Jan-Jun 2024	2	***	2	***
All other subject sources	Trinidad and Tobago	All years	8	***	19	***

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