

Fine Denier PSF from China, India, Korea, Taiwan, and Vietnam

**Domestic Industry Presentation by
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Domestic Like Product

- (1) Should be Defined as Fine Denier
- (2) Co-extensive with Scope of Case
- (3) Consistent with ITC Decisions in Prior Investigations of Other PSF
- (4) Supported by Statute and ITC Six Factor Test

Domestic Industry

(1) All U.S. Producers of Fine Denier

- DAK Americas
- Auriga
- Nan Ya
- Palmetto Synthetics

(2) No Producer Should be Excluded Based on Affiliation or Importation

(3) All Producers' Interests Lie Primarily in U.S. Production and Support the Case

Subject Imports from China, India, Korea, Taiwan, and Vietnam Exceed the 3 Percent Negligibility Threshold

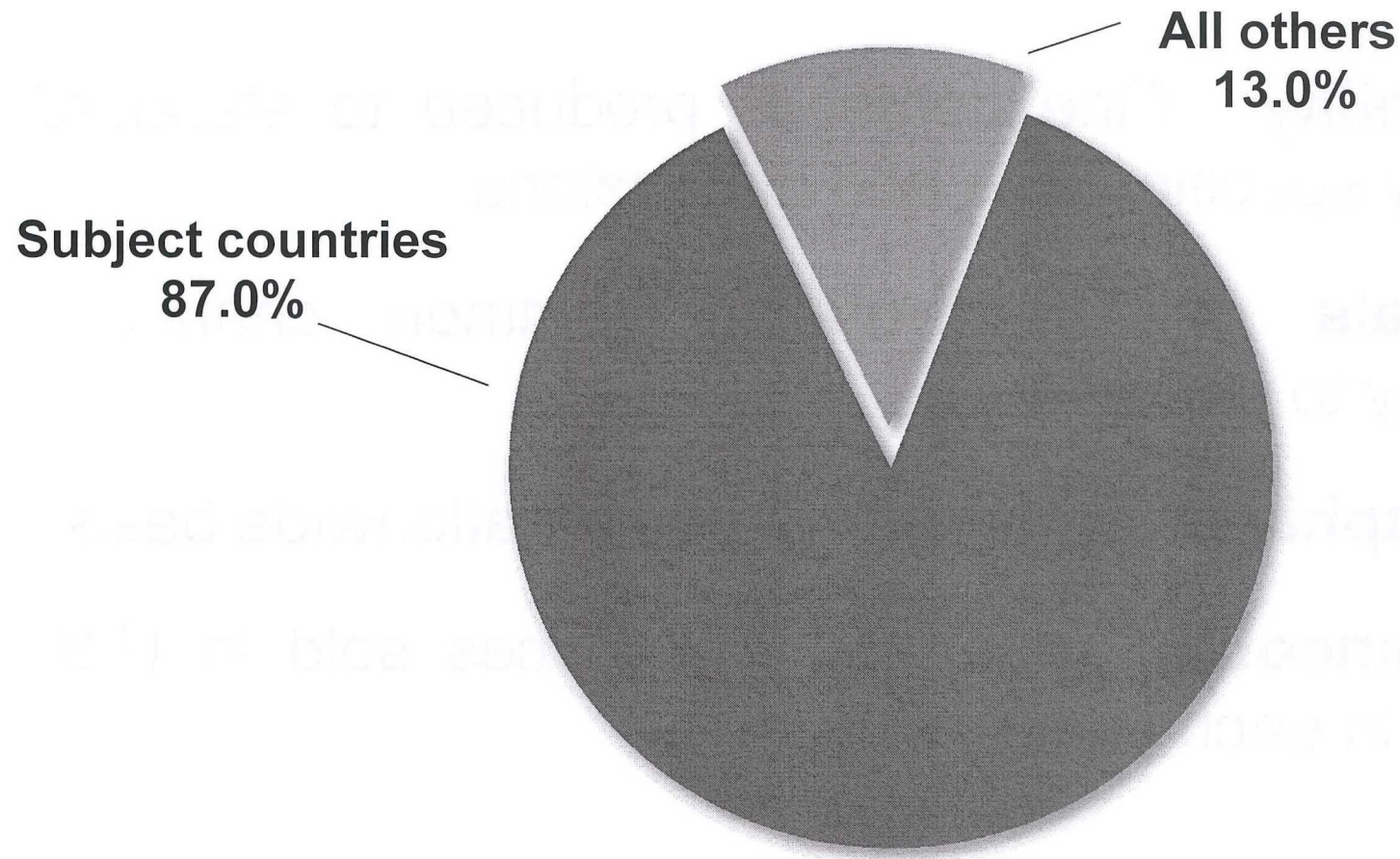
Country	Share of Total Imports (%) (Apr. 16 – Mar. 17)
China	55.6%
India	10.2%
Korea	7.0%
Taiwan	5.4%
Vietnam	8.1%
Total	86.2%

Source: U.S. Department of Commerce official import statistics.

Cumulation

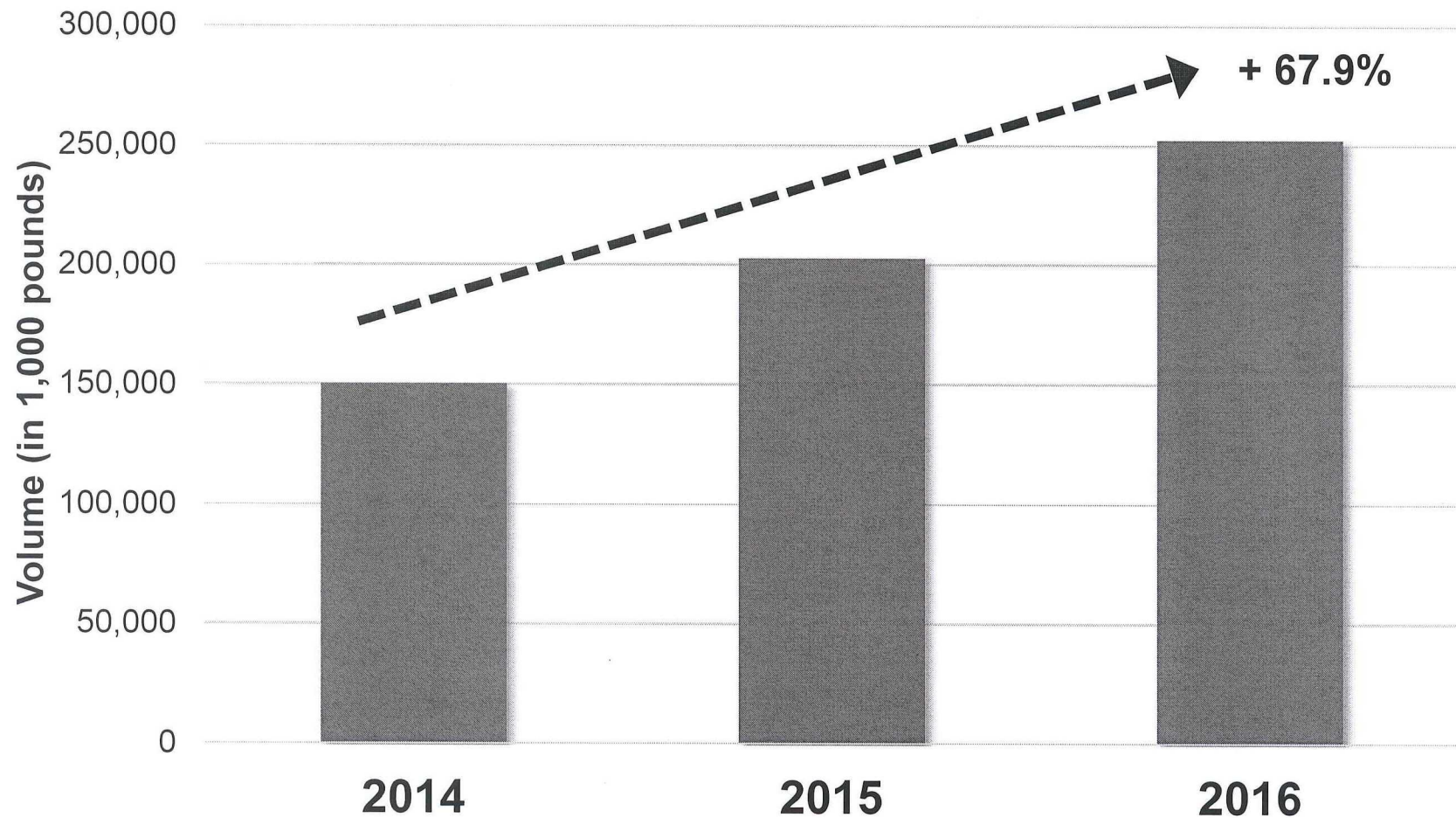
- (1) **Fungibility:** Fine denier is produced to standard industry specifications and dimensions
- (2) **Channels of Distribution:** Common channels, primarily to end users
- (3) **Geographic Overlap:** All sold on a nationwide basis
- (4) **Simultaneous Presence:** All sources sold in U.S. market in each year of POI

Subject Import Volumes Are Substantial and Account for the Vast Majority of Imports



Source: Department of Commerce official import statistics (2016).

Subject Import Volumes Are Large and Increasing



Source: Department of Commerce official import statistics.

Subject Imports' Market Share Increased Significantly from 2014 to 2016



Source: U.S. Producer QRs at II-7 and Department of Commerce official import statistics.

Direct Imports Undersold U.S. Prices

	Number of Quarters – Underselling by Subject Imports	Underselling Volume by Subject Imports	Number of Quarters – Overselling by Subject Imports	Overselling Volume by Subject Imports	Percent Underselling Based on Number	Percent Underselling Based on Volume
Total	[]

Source: U.S. Producer QRs at IV-2 and Importer QRs at III-2.

Subject Imports, on a Volume Basis, Undercut U.S. Prices Significantly

	Underselling Volume by Subject Imports	Overselling Volume by Subject Imports	Percent Underselling Based on Volume
Total	[]

Source: U.S. Producer QRs at IV-2 and Importer QRs at III-2.

Import AUVs Undersold U.S. Producer AUVs Over the POI



Source: Department of Commerce official import statistics.

Domestic Producer Prices Fell Precipitously Over the POI



Source: U.S. Producer QRs at IV-2 and U.S. Producer QR at II-7.

Virtually All U.S. Purchasers Reported that Subject Imports Were Lower Priced

Source: ITC Lost Sales and Lost Revenue Survey

Purchasers Reported U.S. Producers Were Forced to Lower Prices to Compete With Subject Imports

Source: ITC Lost Sales and Revenue Survey at 5.

Domestic Industry Trade Indicators Declined Substantially from 2014 to 2016



Production down by []



Domestic Shipment Volume down by [] in 2016.



Capacity Utilization dropped from [] to [] in 2016

Source: U.S. Producer QRs at II-7.

Domestic Industry Financial Indicators Declined Substantially from 2014 to 2016

- ↓ Net Sales Value down by []
- ↓ Gross Profit down from [] in 2014 to [] in 2016
- ↓ Operating Income down from [] in 2014 to [] in 2016
- ↓ Net Income down from [] in 2014 to [] in 2016
- ↓ Operating income down from [] in 2014 to [] in 2016
- ↓ Net income down from [] in 2014 to [] in 2016

Source: U.S. Producer QRs at III-9a.

Negative Effects Experienced by U.S. Producers Due To Subject Imports

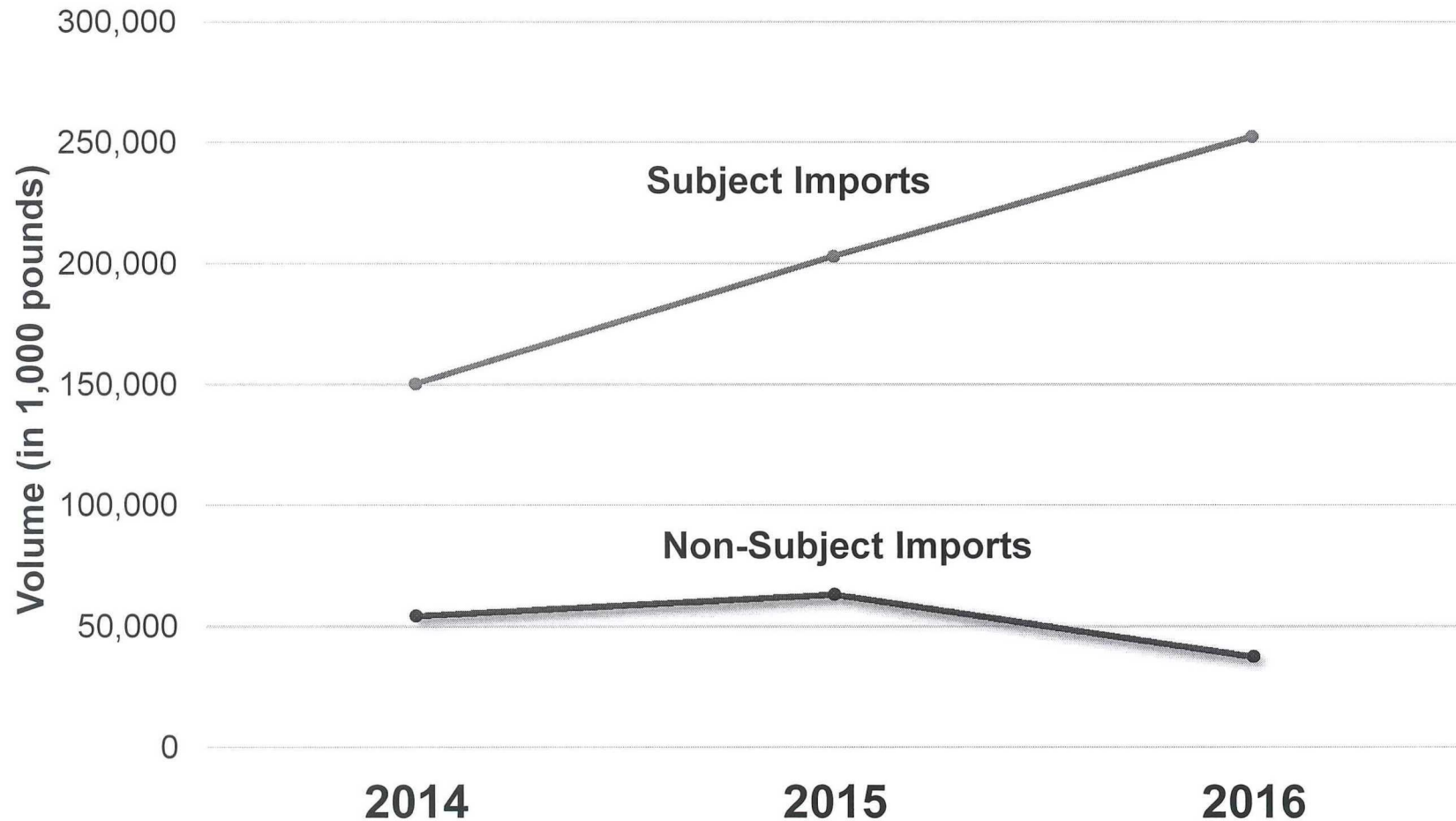
Source: Producers' QR at III-15a, III-16a, and III-17a.

Subject Import Market Share Increased at the Direct Expense of U.S. Producers



Source: U.S. Producers' QR at II-7 and U.S. Department of Commerce official import statistics.

Non-Subject Import Volumes Are Low and Decreasing



Source: U.S. Department of Commerce official import statistics.

U.S. Production and Shipments Declined at a Faster Pace Than U.S. Demand



Source: U.S. Producer QRs at II-7 and Department of Commerce official import statistics.

Despite Decline in U.S. Demand, Subject Import Volume Surged



Source: U.S. Producer QRs at II-7 and Department of Commerce official import statistics.

Subject Producers Have Unused and Growing Capacity

- “Significant excess capacity in China’s fibre industry” is driving an export boom (PCI).
- In 2015, Korean producer Toray Industries, Inc. added a polyester staple production line with a focus on increasing sales of “nonwoven fabric staple fiber.”
- Indian producer Reliance Industries Ltd. claims to be “the largest producer of polyester fibre and yarn in the world,” with an annual capacity of 2.5 million tonnes.
- Vietnamese producer Hop Thanh Co., Ltd. continues “increasing capacity to meet customers’ demands.”
- Taiwanese producer, Chung Shing Textile Marketing Co., Ltd., produces 1.5 billion pounds of polyester staple fiber per year, much of which is fine denier.

Source: Petition Vol. I at Exh. I-11

Subject Producers Export Significant Volumes with a Focus on the United States

- Chinese producer Zhejiang Anshun Pettechs Fibre Co. exports 71-80 percent of its PSF. Chinese producer Hangzhou Best Chemical Fibre Co. exports 64 percent of its PSF, the largest share of which goes to North America.
- Indian producer Indo-Rama (India) Limited Synthetics seeks to “capture new markets,” take advantage of the “huge potential to increase the export of {man-made fiber}-based textiles,” and “penetrate into new countries and strengthen our presence in existing geographies.”
- Vietnamese foreign producer Hop Thanh is a significant exporter with foreign customers in the United States and Europe.

Source: Petition Vol. I at Exh. I-11

