

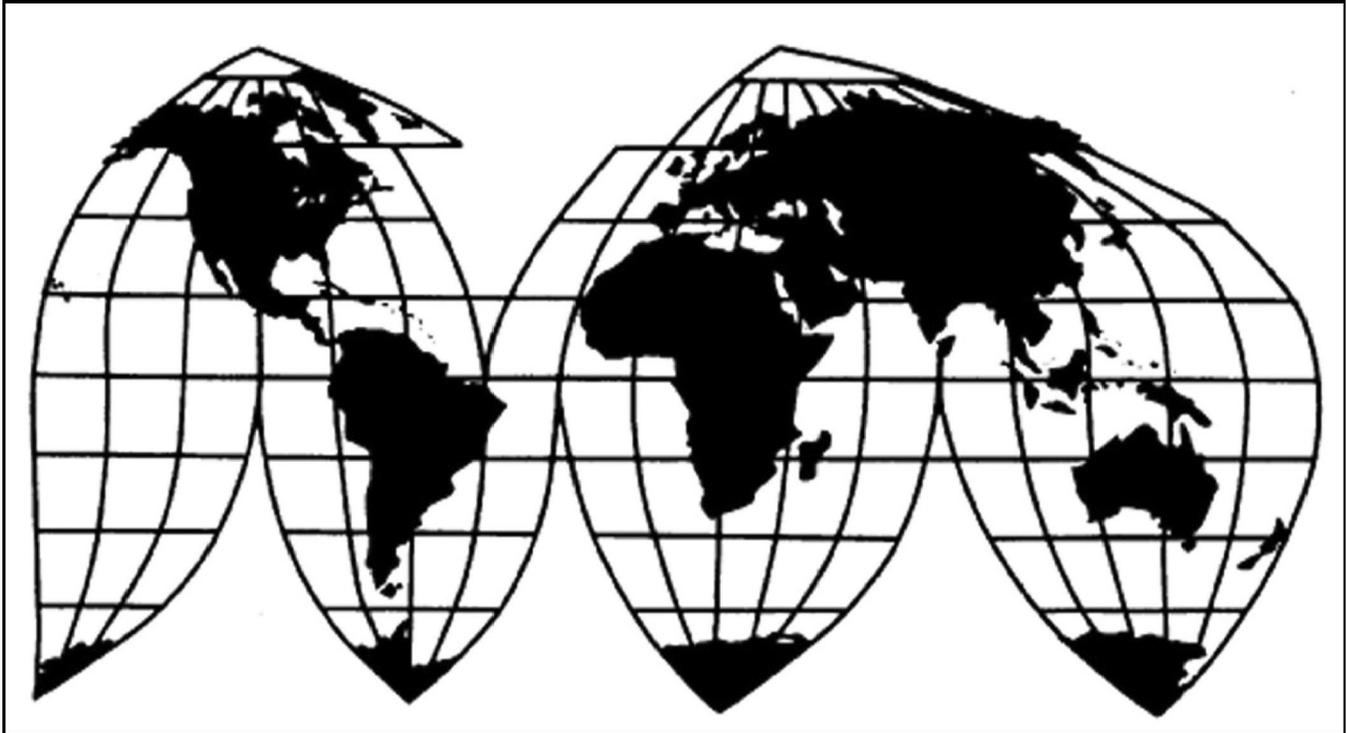
# **Barium Carbonate from China**

Investigation No. 731-TA-1020 (Third Review)

**Publication 5098**

**August 2020**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1020 (Third Review)

Barium Carbonate from China

### DETERMINATION

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on barium carbonate from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### BACKGROUND

The Commission instituted this review on January 2, 2020 (85 FR 125) and determined on April 6, 2020 that it would conduct an expedited review (85 FR 42918, July 15, 2020).

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



## Views of the Commission

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on barium carbonate from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

*Original Investigation:* On September 30, 2002, Chemical Products Corporation (“CPC”) filed an antidumping duty petition covering barium carbonate from China. On September 19, 2003, the Commission determined that an industry in the United States was materially injured by reason of imports of barium carbonate from China that the U.S. Department of Commerce (“Commerce”) had determined to be sold in the United States at less than fair value.<sup>1</sup> Commerce issued an antidumping duty order (“the order”) on October 1, 2003.<sup>2</sup>

*First Review:* The Commission instituted its first five-year review of the order on September 2, 2008.<sup>3</sup> After conducting an expedited review,<sup>4</sup> the Commission reached an affirmative determination on March 4, 2009.<sup>5</sup> Commerce issued a continuation of the order on March 17, 2009.<sup>6</sup>

*Second Review:* The Commission instituted its second five-year review of the order on February 3, 2014.<sup>7</sup> After conducting a full review,<sup>8</sup> the Commission reached an affirmative determination on February 2, 2015.<sup>9</sup> Commerce issued a continuation of the order on February 17, 2015.<sup>10</sup>

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<sup>1</sup> *Barium Carbonate from China*, Inv. No. 731-TA-1020 (Final), USITC Pub. 3631 (Sept. 2003) at 3 (“*Original Determination*”); *Barium Carbonate From China*, 68 Fed. Reg. 55653 (Sept. 26, 2003).

<sup>2</sup> *Antidumping Duty Order: Barium Carbonate from the People’s Republic of China*, 68 Fed. Reg. 56619 (Oct. 1, 2003).

<sup>3</sup> *Barium Carbonate From China*, 73 Fed. Reg. 51315 (Sept. 2, 2008).

<sup>4</sup> *Barium Carbonate From China*, 73 Fed. Reg. 77058 (Dec. 18, 2008).

<sup>5</sup> *Barium Carbonate from China*, Inv. No. 731-TA-1020 (Review), USITC Pub. 4060 (Jan. 2009) (“*First Review*”) at 3; *Barium Carbonate From China*, 74 Fed. Reg. 10278 (Mar. 10, 2009).

<sup>6</sup> *Barium Carbonate from the People’s Republic of China: Continuation of Antidumping Duty Order*, 74 Fed. Reg. 11348 (Mar. 17, 2009).

<sup>7</sup> *Barium Carbonate from China: Institution of Five-Year Review*, 79 Fed. Reg. 6219 (Feb. 3, 2014).

<sup>8</sup> *Barium Carbonate from China, Notice of Commission Determination to Conduct a Full Five-Year Review*, 79 Fed. Reg. 29454 (May 22, 2014). The Commission found the domestic interested party group response adequate and the respondent interested party group response inadequate but determined that other circumstances warranted conducting a full review. Summary Voting Sheet, EDIS Doc. 533605; see also Explanation of Commission Determination on Adequacy (May 16, 2014), EDIS Doc. 534072.

<sup>9</sup> *Barium Carbonate from China*, Inv. No. 731-TA-1020 (Second Review), USITC Pub. 4518 (Feb. 2015) at 3 (“*Second Review*”); *Barium Carbonate From China*, 80 Fed. Reg. 6766 (Feb. 6, 2015).

<sup>10</sup> *Barium Carbonate from the People’s Republic of China: Continuation of Antidumping Duty Order*, 80 Fed. Reg. 8286 (Feb. 17, 2015).

*Current Review:* The Commission instituted this third five-year review on January 2, 2020.<sup>11</sup> CPC filed the sole response to the notice of institution. On April 6, 2020, the Commission determined that the domestic interested party group response was adequate and the respondent interested party group response was inadequate.<sup>12</sup> Finding that no other circumstances warranted conducting a full review, the Commission determined to conduct an expedited review.<sup>13</sup> CPC submitted comments on the determination that the Commission should reach.<sup>14</sup>

U.S. industry data are based on data that CPC, a U.S. producer of barium carbonate that reportedly accounted for all domestic production of barium carbonate in 2019, furnished in its response to the notice of institution.<sup>15</sup> U.S. import data and related information are based on Commerce official import statistics.<sup>16</sup> Foreign industry data and related information are based on information from CPC, data from the original investigation and prior reviews, and publicly available information gathered by staff.<sup>17</sup> Two U.S. purchasers of barium carbonate responded to the Commission's adequacy phase questionnaire.<sup>18</sup>

## **II. Domestic Like Product and Industry**

### **A. Domestic Like Product**

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."<sup>19</sup> The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."<sup>20</sup> The Commission's practice in five-year reviews is to examine the domestic like product definition from the original

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<sup>11</sup> *Barium Carbonate From China; Institution of a Five-Year Review*, 85 Fed. Reg. 125 (Jan. 2, 2020). The period of review for the current review is calendar years 2014–2019.

<sup>12</sup> Explanation of Commission Determination on Adequacy, EDIS Doc. 707496 (Apr. 10, 2020) ("Adequacy Statement").

<sup>13</sup> Adequacy Statement, EDIS Doc. 707496 (Apr. 10, 2020); *Barium Carbonate From China; Scheduling of an Expedited Five-Year Review*, 85 Fed. Reg. 42918 (July 15, 2020).

<sup>14</sup> Domestic Industry's Final Comments ("Comments"), EDIS Doc. 714988 (July 20, 2020).

<sup>15</sup> Confidential Report, Memorandum INV-SS-035 ("CR") at Table I-1 (March. 25, 2020); Public Report ("PR") at Table I-1; Response at 15.

<sup>16</sup> See CR/PR at Tables I-3 and I-4.

<sup>17</sup> See CR/PR at Tables I-5 and I-6.

<sup>18</sup> CR/PR at Appx. D-3.

<sup>19</sup> 19 U.S.C. § 1677(4)(A).

<sup>20</sup> 19 U.S.C. § 1677(10); 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); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>21</sup>

Commerce has defined the imported merchandise within the scope of the order under review as follows:

{B}arium carbonate, regardless of form or grade. The product covered by this order is currently classifiable under subheading 2836.60.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.<sup>22</sup>

Barium carbonate is a heavy, odorless, white-to-cream colored chemical with the chemical formula BaCO<sub>3</sub>. It is found naturally in the mineral witherite, although most barium carbonate that is sold commercially is produced synthetically. Barium carbonate is sold commercially in granular, powder, or high-purity forms. The granular and powdered forms of barium carbonate, which typically contain at least 98 percent barium carbonate, have essentially the same chemical composition and similar physical properties, and differ principally in their particle size. Granular barium carbonate consists of relatively large particles (averaging over 105 microns), while powdered barium carbonate consists of smaller particles (averaging less than five microns).<sup>23</sup> These forms of barium carbonate are used in the production of specialty glass as well as in the production of brick, tile, and other ceramic goods.<sup>24</sup> High-purity barium carbonate, with a purity greater than 99.5 percent, has a lower percentage of impurities than the forms described above. It is used in the production of ceramic capacitors and fuses.<sup>25</sup>

In the original investigation the Commission found one domestic like product consisting of all barium carbonate, coextensive with the scope definition. It found no clear dividing lines between the granular and powdered forms of barium carbonate.<sup>26</sup> In both the first and second reviews, the Commission found that no new information on the record warranted revisiting the

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<sup>21</sup> See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

<sup>22</sup> *Barium Carbonate From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 26666 (May 5, 2020). The scope has not changed since the original investigation. See *Original Determination*, USITC Pub. 3631 at 4; *Second Review*, USITC Pub. 4518 at 4.

<sup>23</sup> CR/PR at I-5.

<sup>24</sup> CR/PR at I-6.

<sup>25</sup> CR/PR at I-6.

<sup>26</sup> *Original Determination*, USITC Pub. 3631 at 5–6, citing *Barium Carbonate from China*, Inv. No. 731-TA-1020 (Preliminary), USITC Pub. 3561 (Sept. 2003) at 6–7. The definition of the domestic like product was undisputed during the final phase of the original investigation.

domestic like product definition and accordingly continued to define a single domestic like product coextensive with the scope of the order.<sup>27</sup>

In the current review, CPC states that it agrees with the Commission's domestic like product definition from the prior proceedings.<sup>28</sup> The record contains no new information suggesting that the characteristics and uses of domestically produced barium carbonate have changed since the second review.<sup>29</sup> We therefore again define the domestic like product as consisting of all barium carbonate, regardless of form or grade, coextensive with the scope of the review.

## **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."<sup>30</sup> In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigation and prior reviews, the Commission defined the domestic industry as consisting of all domestic producers of barium carbonate, regardless of form or grade. There were no related party issues in any of the prior proceedings.<sup>31</sup>

CPC states that it agrees with the domestic industry definition the Commission reached in the prior proceedings.<sup>32</sup> There are no related party or other issues regarding the definition of the domestic industry in the current review.<sup>33</sup> Accordingly, we again define the domestic industry as all domestic producers of barium carbonate, regardless of form or grade.<sup>34</sup>

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<sup>27</sup> *First Review*, USITC Pub. 4060 at 5; *Second Review*, USITC Pub. 4518 at 5.

<sup>28</sup> Response at 24.

<sup>29</sup> See generally CR/PR at I-5-I-8.

<sup>30</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>31</sup> *Original Determination*, USITC Pub. 3631 at 6; *First Review*, USITC Pub. 4060 at 5-6; *Second Review*, USITC Pub. 4518 at 6.

<sup>32</sup> Response at 24.

<sup>33</sup> CPC did not import subject merchandise during the 2014-2019 period of review and is not related to an exporter or importer of subject merchandise. Response at 15, 19.

<sup>34</sup> CPC identified Osram Sylvania Inc. ("Osram") as a small captive domestic producer of barium carbonate and CPC stated it is unaware of whether Osram currently produces any for resale. CR/PR at Table I-1, n.1. The record contains no further information concerning Osram.

### III. Revocation of the Antidumping Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

#### A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>35</sup> The Uruguay Round Agreements Act Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>36</sup> Thus, the likelihood standard is prospective in nature.<sup>37</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>38</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>39</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but

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<sup>35</sup> 19 U.S.C. § 1675a(a).

<sup>36</sup> SAA, H.R. Rep. 103-316, vol. I at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>37</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>38</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>39</sup> 19 U.S.C. § 1675a(a)(5).

normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>40</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>41</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>42</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>43</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>44</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) 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.<sup>45</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as

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<sup>40</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>41</sup> 19 U.S.C. § 1675a(a)(1).

<sup>42</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the order. *Barium Carbonate From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 26666 (May 5, 2020) and accompanying Issues and Decisions Memorandum at 3.

<sup>43</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>44</sup> 19 U.S.C. § 1675a(a)(2).

<sup>45</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>46</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>47</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.<sup>48</sup>

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the barium carbonate industry in China. There also is limited information on the barium carbonate market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigation and prior reviews, and the limited new information on the record in this third review.

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

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>49</sup> The following conditions of competition inform our determination.

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<sup>46</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>47</sup> 19 U.S.C. § 1675a(a)(4).

<sup>48</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, 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 may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>49</sup> 19 U.S.C. § 1675a(a)(4).

## 1. Demand Conditions

*Original Investigation.* In the original investigation, the Commission found that barium carbonate was principally used in the production of glass (particularly television glass), brick, and tile. Production of glass accounted for approximately 79 percent of total U.S. consumption of barium carbonate and relied primarily on the granular form of the product, although powdered barium carbonate could also be used for some glass production.<sup>50</sup> Approximately \*\*\* of domestic producers' shipments in 2002 were of the granular product.<sup>51</sup> The Commission also noted that the brick and tile sector, which almost exclusively used a powdered form of barium carbonate, accounted for about 16 percent of apparent U.S. consumption.<sup>52</sup> Apparent U.S. consumption of barium carbonate declined from \*\*\* short tons in 2000 to \*\*\* short tons in 2002.<sup>53</sup> The Commission found that the decline in U.S. demand for barium carbonate was due to a general economic slowdown and reduced demand for television glass resulting from the increasing importation of finished televisions.<sup>54</sup>

*Prior Reviews.* In the first review, the Commission found that cathode-ray tubes, a principal end-use application for barium carbonate during the original investigation, were no longer produced in the United States due to a shift to flat panel or projection screens.<sup>55</sup> The Commission found that apparent U.S. consumption of barium carbonate had declined sharply from \*\*\* short tons in 2002 to \*\*\* short tons in 2007.<sup>56</sup>

In the second review, the Commission found that barium carbonate continued to be used in the production of specialty glass, bricks, and tiles, and that U.S. demand for barium carbonate continued to depend on demand for these downstream products and on the condition of the general economy.<sup>57</sup> The Commission observed that demand for barium carbonate showed minor fluctuations from 2008 to 2013, with apparent U.S. consumption declining irregularly from \*\*\* short tons in 2008 to \*\*\* short tons in 2013.<sup>58</sup>

*Current Review.* In the current review, barium carbonate's primary end uses continue to be in the production of specialty glass, bricks, tiles, and other clay products.<sup>59</sup> U.S. demand for barium carbonate for glass production is roughly correlated with spending on transportation infrastructure due to the use of specialty reflective glass in signage and other road markers, while demand for barium carbonate for brick production is correlated with trends in housing

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<sup>50</sup> *Original Determination*, USITC Pub. 3631 at 7.

<sup>51</sup> *Original Determination*, USITC Pub. 3631 at 7; *Confidential Original Determination*, EDIS Doc. 699609, at 9.

<sup>52</sup> *Original Determination*, USITC Pub. 3631 at 7 n.34.

<sup>53</sup> *Original Determination*, USITC Pub. 3631 at 8; *Confidential Original Determination*, EDIS Doc. 699609, at 10.

<sup>54</sup> *Original Determination*, USITC Pub. 3631 at 8.

<sup>55</sup> *First Review*, USITC Pub. 4060 at 8.

<sup>56</sup> *First Review*, USITC Pub. 4060 at 8; *Confidential First Review*, EDIS Doc. 699596, at 9–10.

<sup>57</sup> *Second Review*, USITC Pub. 4518 at 9.

<sup>58</sup> *Second Review*, USITC Pub. 4518 at 9; *Confidential Second Review*, EDIS Doc. 699592, at 12.

<sup>59</sup> CR/PR at I-6; Response at 21.

construction.<sup>60</sup> While housing construction declined during the economic recession of 2007 to 2009, the level of new residential housing construction increased over the past five years.<sup>61</sup> Apparent U.S. consumption was \*\*\* short tons in 2019, lower than in 2002, 2007, or 2013.<sup>62</sup>

## 2. Supply Conditions

*Original Investigation.* In the original investigation, the Commission found that two domestic producers (with CPC being by far the larger of the two), subject imports, and nonsubject imports, primarily from Mexico and Germany, supplied barium carbonate to the U.S. market during the period of investigation. The Commission also found that the volume of nonsubject imports declined significantly from 2000 to 2002 while the volume of subject imports increased.<sup>63</sup>

*Prior Reviews.* In the first review, the Commission found that CPC accounted for virtually all U.S. production of barium carbonate.<sup>64</sup>

In the second review, the Commission found that CPC, then the only U.S. producer of barium carbonate, was the largest source of supply in the U.S. market throughout the period of review.<sup>65</sup> The Commission observed that CPC's share of apparent U.S. consumption was \*\*\* percent in 2013 and that its share of apparent U.S. consumption fluctuated over the period of review but was higher in 2013 than in 2008.<sup>66</sup> The Commission found that subject imports were present in the U.S. market throughout the period of review at far lower volumes than prior to the imposition of the order, and that nonsubject imports' share of apparent U.S. consumption was lower in 2013 than in 2008. The principal sources of nonsubject imports were Germany, India, and Italy.<sup>67</sup>

*Current Review.* In the current review, CPC accounted for all known domestic production of barium carbonate and was the predominant supplier of barium carbonate in the U.S. market in 2019. CPC's U.S. shipments totaled \*\*\* short tons and accounted for \*\*\* percent of apparent U.S. consumption in 2019.<sup>68</sup> Nonsubject imports were also present in the U.S. market, particularly from Germany, Italy, and India. Italy was the largest source of nonsubject imports during the current period of review.<sup>69</sup> The volume of nonsubject imports totaled 2,126 short tons and accounted for \*\*\* percent of apparent U.S. consumption in

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<sup>60</sup> CR/PR at I-6; Response at 21.

<sup>61</sup> Response at 21–22.

<sup>62</sup> CR/PR at Table I-4.

<sup>63</sup> *Original Determination*, USITC Pub. 3631 at 8.

<sup>64</sup> *First Review*, USITC Pub. 4060 at 8.

<sup>65</sup> *Second Review*, USITC Pub. 4518 at 9.

<sup>66</sup> *Second Review*, USITC Pub. 4518 at 9; *Confidential Second Review*, EDIS Doc. 699592, at 13–14.

<sup>67</sup> *Second Review*, USITC Pub. 4518 at 10.

<sup>68</sup> CR/PR at Tables I-1 and I-4; Response at 15.

<sup>69</sup> CR/PR at Table I-3 (based on cumulated imports from 2014-19); Response at 23. However, Germany was the largest source of nonsubject imports in 2019 (by quantity). CR/PR at Table I-3.

2019.<sup>70</sup> Subject imports were present in the U.S. market during the period of review sporadically and in low volumes.<sup>71</sup> In 2019 the volume of subject imports was less than 0.05 short tons and accounted for less than \*\*\* percent of apparent U.S consumption.<sup>72</sup>

### 3. Substitutability

*Original Investigation.* In the original investigation, the Commission found that there was a moderate to high degree of substitution between the domestic like product and the subject merchandise, with a higher degree of substitution for the granular form of barium carbonate.<sup>73</sup>

*Prior Reviews.* In the first review, the Commission found that because the quality of barium carbonate produced in China had improved and its product range had expanded since the original investigation, subject producers were able to compete in the United States in the full range of end-use applications.<sup>74</sup> Accordingly, it found that the degree of substitution between the domestic like product and subject merchandise was higher than the moderate to high degree the Commission had found in the original investigation.<sup>75</sup>

In the second review, the Commission found that, based on responding market participants' reports of a high degree of interchangeability between barium carbonate from different sources, the domestic like product and subject imports were highly substitutable.<sup>76</sup> The Commission also found that price was an important factor in purchasing decisions.<sup>77</sup>

*Current Review.* There is no new information to warrant modification of the Commission's findings from the last review that the domestic like product and subject imports are highly substitutable and that price is an important factor in purchasing decisions.<sup>78</sup> Accordingly, we again find that there is a high degree of substitutability between the domestic like product and subject imports and that price continues to be an important factor in purchasing decisions.

Imports of barium carbonate from China are currently subject to additional 25 percent *ad valorem* duties under Section 301 of the Trade Act of 1974.<sup>79</sup>

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<sup>70</sup> CR/PR at Table I-4.

<sup>71</sup> CR/PR at Table I-3.

<sup>72</sup> CR/PR at Table I-4.

<sup>73</sup> *Original Determination*, USITC Pub. 3631 at 9.

<sup>74</sup> *First Review*, USITC Pub. 4060 at 8–9.

<sup>75</sup> *First Review*, USITC Pub. 4060 at 9.

<sup>76</sup> *Second Review*, USITC Pub. 4518 at 10–11.

<sup>77</sup> *Second Review*, USITC Pub. 4518 at 10.

<sup>78</sup> CPC asserts that the substitutability of the domestic like product and the subject imports has not changed since the prior reviews. Response at 23.

<sup>79</sup> 19 U.S.C. § 2411. See *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 20459 (May 9, 2019); HTS 9908.03 and Note 20(f). The Section 301 duties originally applied to the subject merchandise at a rate of 10 percent *ad valorem* on September 24, 2018, increasing to 25 percent *ad*

## C. Likely Volume of Subject Imports

### 1. The Prior Proceedings

In the original investigation, the Commission found that the volume of subject imports increased irregularly from \*\*\* short tons in 2000 to \*\*\* short tons in 2002. Subject import shipments increased from \*\*\* percent of apparent U.S. consumption in 2000 to \*\*\* percent in 2002. The Commission found that the volume of subject imports increased relative to domestic production during the period of investigation; subject imports were equivalent to \*\*\* percent of domestic production in 2000 and \*\*\* percent in 2002.<sup>80</sup> Similarly, the ratio of shipments of subject imports to U.S. production increased from \*\*\* percent in 2000 to \*\*\* percent in 2002.<sup>81</sup> Accordingly, the Commission found that the volume and increase in volume of subject imports was significant in absolute terms and relative to production and consumption in the United States.<sup>82</sup>

In the first review, the Commission found that, with the order in place, subject import volumes were much smaller than in the original investigation.<sup>83</sup> The volume of subject imports declined from \*\*\* short tons in 2002 to 192 short tons in 2003, and then declined irregularly to 154 short tons in 2007.<sup>84</sup> The Commission found that the volume of subject imports would likely be significant if the order were revoked in light of the high level of excess capacity in China and the export orientation of the subject industry. The industry in China had a demonstrated ability to shift exports between markets, and would have the incentive to increase exports to the United States if the order were revoked in light of the European Union's ("EU") imposition of an antidumping duty order on barium carbonate from China.<sup>85</sup>

In the second review, subject imports were present in the U.S. market in small volumes throughout the period of review under the discipline of the order; the peak annual quantity of subject imports during the period was 218 short tons in 2008, which accounted for \*\*\* percent of apparent U.S. consumption.<sup>86</sup> The record indicated that the subject industry had the ability to export significant quantities of barium carbonate to the United States. The sole subject foreign producer that responded to the Commission questionnaire had an annual production

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(...Continued)

*valorem* on May 10, 2019. *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47974 (Sept. 21, 2018); *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 20459 (May 9, 2019).

<sup>80</sup> *Original Determination*, USITC Pub. 3631 at 9–10; *Confidential Original Determination*, EDIS Doc. 699609, at 13.

<sup>81</sup> *Original Determination*, USITC Pub. 3631 at 10; *Confidential Original Determination*, EDIS Doc. 699609, at 14.

<sup>82</sup> *Original Determination*, USITC Pub. 3631 at 10.

<sup>83</sup> *First Review*, USITC Pub. 4060 at 9.

<sup>84</sup> *First Review*, USITC Pub. 4060 at 9–10; *Confidential First Review*, EDIS Doc. 699596, at 11–12.

<sup>85</sup> *First Review*, USITC Pub. 4060 at 10.

<sup>86</sup> *Second Review*, USITC Pub. 4518 at 13; *Confidential Second Review*, EDIS Doc. 699592, at 20.

capacity equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production in 2013. Additionally, available information indicated that subject foreign producers had \*\*\* short tons of excess production capacity with a capacity utilization rate of \*\*\* percent in 2012.<sup>87</sup>

The Commission found that Chinese producers had the ability and incentive to increase shipments of barium carbonate to the United States if the order were revoked. The subject industry was export oriented; it accounted for 93.3 percent of global barium carbonate exports by volume in 2013 and exported to over 60 countries.<sup>88</sup> Moreover, the subject industry was able to shift exports from third-country markets to the United States upon revocation. The Commission noted that the subject producers had maintained a presence in the U.S. market during the period of review, and found that they had several incentives to increase exports to the United States in the event of revocation of the order in light of higher prices in the U.S. market compared to Asian markets and likely declines in demand for barium carbonate in Asia. Moreover, the EU and India had barriers to the importation of barium carbonate from China.<sup>89</sup> Consequently, the Commission found that the volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant in the reasonably foreseeable future absent the restraining effect of the order.<sup>90</sup>

## 2. The Current Review

Subject imports were present in the U.S. market during the current period of review sporadically and in limited volumes, evidencing the order's disciplining effect. During the period of review, annual subject import volumes ranged from a low of zero short tons in 2014 and 2018 to a high of 22 short tons in 2015 and 2017.<sup>91</sup>

The record shows that the subject industry continues to have large production and export capabilities. China was the world's largest exporter of barium carbonate in each year of the period of review, with global exports ranging between 114,478 short tons and 151,898 short tons each year.<sup>92</sup> Seven subject producers' websites indicate that their annual aggregate production volume exceeds 590,000 short tons.<sup>93</sup> Furthermore, during a 2017 review of the EU antidumping duty order, the European Commission found that, in 2015, ten producers of barium carbonate in China accounted for approximately 470,000 short tons of production

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<sup>87</sup> *Second Review*, USITC Pub. 4518 at 13–14; *Confidential Second Review*, EDIS Doc. 699592, at 20.

<sup>88</sup> *Second Review*, USITC Pub. 4518 at 14; *Confidential Second Review*, EDIS Doc. 699592, at 20–21.

<sup>89</sup> *Second Review*, USITC Pub. 4518 at 14.

<sup>90</sup> *Second Review*, USITC Pub. 4518 at 14–15.

<sup>91</sup> CR/PR at Table I-3.

<sup>92</sup> CR/PR at Table I-6.

<sup>93</sup> Response at 8–9, Exh. I; Comments at 6.

capacity and had 300,000 short tons of excess capacity.<sup>94</sup> Consequently, the facts available collectively indicate that the subject industry continues to have the capacity to produce barium carbonate in substantial quantities and in recent years has had unused capacity that is several times higher than current apparent U.S. consumption.<sup>95</sup>

Upon revocation, subject producers are likely to use their large production capacity and substantial excess production capacity to direct significant volumes of barium carbonate to the U.S. market. The substantial volumes of global exports of barium carbonate from China during the period of review indicate that the subject industry continues to be export oriented. Indeed, subject producers directed barium carbonate exports to markets throughout the world, including shipments to the United States, during the period.<sup>96</sup> The EU and India have maintained antidumping duty orders on imports of barium carbonate from China since 2005 and 2011, respectively, which restricts the subject industry's access to these markets, thereby increasing the attractiveness of the U.S. market if the order were revoked.<sup>97</sup> Furthermore, CPC asserts that subject producers face declining demand for barium carbonate in Asia.<sup>98</sup>

We therefore find that, absent the disciplining effect of the order, the subject industry would likely substantially increase the volume of exports of barium carbonate to the United States. Accordingly, we find that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would likely be significant if the order were revoked.<sup>99</sup>

## **D. Likely Price Effects**

### **1. The Prior Proceedings**

In the original investigation, the Commission found that there was a moderate to high degree of substitutability between the domestic like product and subject imports and that price was a significant factor in purchasing decisions.<sup>100</sup> Subject imports in granular form undersold the domestic like product in seven of 13 comparisons, with underselling margins ranging from

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<sup>94</sup> Response at Exh. II (Commission Implementing Regulation (EU) 2017/1759 of 27 September 2017, Official Journal, L 250, 28.9.2017 at para. 50).

<sup>95</sup> As previously indicated, apparent U.S. consumption was \*\*\* short tons in 2019. CR/PR at Table I-4.

<sup>96</sup> CR/PR at Tables I-3 and I-5.

<sup>97</sup> CR/PR at I-14–I-15.

<sup>98</sup> Response at 14; Comments at 8.

<sup>99</sup> Due to the expedited nature of this review, the record does not contain current information regarding inventories of subject merchandise or subject producers' ability to shift production from other products. Furthermore, the record does not indicate that Section 301 tariffs on barium carbonate from China would pose a substantial impediment to additional volumes of subject imports if the order were revoked; we note that no responding U.S. purchaser identified the Section 301 tariff as a significant supply or demand condition impacting the U.S. market. CR/PR at Appx. D-3.

<sup>100</sup> *Original Determination*, USITC Pub. 3631 at 10–11.

0.1 percent to 9.1 percent.<sup>101</sup> The Commission observed that, while underselling was mixed at the beginning of the period of investigation when the volume of subject imports was lower, the most \*\*\* underselling occurred in the final four quarters of the period, when the volume of subject imports increased by \*\*\*.<sup>102</sup> The Commission also observed that subject imports of the powdered form of the product, which represented a smaller portion of the market than the granular form, undersold the domestic like product in all 13 comparisons with margins ranging from 10.7 percent to 36.0 percent.<sup>103</sup> Accordingly, the Commission found that subject imports significantly undersold the domestic like product and that the margins of underselling were significant.<sup>104</sup>

The Commission observed that prices for the granular form of the domestic like product declined by \*\*\* percent between the first and final quarters of the period of investigation, while prices for granular subject imports declined by \*\*\* percent.<sup>105</sup> CPC's sales prices to several of its customers declined over the period. Accordingly, the Commission found that the subject imports had significant price depressing effects on the domestic like product. Moreover, the Commission observed that this price depression occurred while the domestic industry's cost of goods sold increased. Accordingly, the Commission found that the low prices of subject imports also suppressed domestic price increases to a significant degree.<sup>106</sup> In sum, the Commission found significant underselling and significant price depressing and suppressing effects from subject imports.<sup>107</sup>

In the first review, the Commission found that the quality of subject imports was more comparable to that of the domestic like product than in the original investigation and that subject imports were able to compete in the U.S. market in a greater range of applications.<sup>108</sup> While there was no pricing data in the record, the average unit value ("AUV") of subject imports was \*\*\* percent lower than that for shipments of the domestic like product.<sup>109</sup> The Commission found that subject imports would be priced aggressively to regain market share if the order were revoked. The pricing patterns observed in the original investigation and evidence of continued low prices for subject imports, notwithstanding the imposition of the order, indicated that subject imports would likely undersell the domestic like product if the

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<sup>101</sup> *Original Determination*, USITC Pub. 3631 at 11.

<sup>102</sup> *Original Determination*, USITC Pub. 3631 at 11; *Confidential Original Determination*, EDIS Doc. 699609, at 15.

<sup>103</sup> *Original Determination*, USITC Pub. 3631 at 11.

<sup>104</sup> *Original Determination*, USITC Pub. 3631 at 11, 13.

<sup>105</sup> *Original Determination*, USITC Pub. 3631 at 12; *Confidential Original Determination*, EDIS Doc. 699609, at 16. The Commission also noted that, although competition between the domestic like product and subject imports was more attenuated with respect to the powdered form of barium carbonate, prices for that domestically produced product also declined over the period of investigation. *Original Determination*, USITC Pub. 3631 at 12.

<sup>106</sup> *Original Determination*, USITC Pub. 3631 at 12–13.

<sup>107</sup> *Original Determination*, USITC Pub. 3631 at 13.

<sup>108</sup> *First Review*, USITC Pub. 4060 at 11.

<sup>109</sup> *First Review*, USITC Pub. 4060 at 11; *Confidential First Review*, EDIS Doc. 699596, at 15.

order were revoked. The Commission found that if the order were revoked, subject imports would be likely to have significant depressing or suppressing effects on prices of the domestic like product.<sup>110</sup>

In the second review, subject imports were priced lower than the domestic like product in all three available comparisons, with underselling margins ranging from \*\*\* percent to \*\*\* percent.<sup>111</sup> The Commission found that, if the order were revoked, subject imports would likely be priced lower than the domestic like product based on pricing patterns observed during the original investigation and the continued underselling observed during the review period.<sup>112</sup> It consequently concluded that there would likely be significant underselling if the order were revoked.<sup>113</sup>

The Commission also found that the likely increasing volume of low-priced subject imports, which were highly substitutable with the domestic like product, would likely cause domestic producers either to reduce prices or forgo price increases to maintain market share. Accordingly, the Commission concluded that subject imports would likely have significant price depressing or suppressing effects for the domestic like product if the order were revoked.<sup>114</sup>

## 2. The Current Review

As previously indicated in section III.B.3., the domestic like product and subject imports are highly substitutable and price is an important factor in purchasing decisions. Due to the expedited nature of this review, the record does not contain recent product-specific pricing information for barium carbonate.<sup>115</sup> As discussed above, however, the subject imports significantly undersold the domestic like product during the original investigation and continued to undersell while the order has been in place.

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<sup>110</sup> *First Review*, USITC Pub. 4060 at 11–12.

<sup>111</sup> *Second Review*, USITC Pub. 4518 at 17; *Confidential Second Review*, EDIS Doc. 699592, at 25.

<sup>112</sup> *Second Review*, USITC Pub. 4518 at 17.

<sup>113</sup> *Second Review*, USITC Pub. 4518 at 17.

<sup>114</sup> *Second Review*, USITC Pub. 4518 at 17.

<sup>115</sup> As was the case in the first expedited review of the order, the only data pertaining to prices in the record of the current review are average unit values. See *Barium Carbonate from China*, USITC Pub. 4060 at 11 (“We note that, as a general rule, we do not place great weight on AUV comparisons where product mix issues exist. In this instance, however, because of the lack of respondent party participation in this review, we must rely on the facts available.”) Even AUV data are very limited in the current review, as subject imports were recorded in any appreciable quantities during only 2 years of the period of review, 2015 and 2017, with 22 tons in each of the two years. The AUV of subject imports was \$661 and \$639 per short ton in those two years, respectively. CR/PR at Table I-3. These AUVs were significantly below the AUVs of the major foreign suppliers in those years. Specifically, the AUV of imports from Germany in 2015 and 2017 was \$966 and \$907, respectively. The AUV of imports from Italy was \$1,794 and \$1,155, respectively. *Id.* The AUV of U.S. shipments by CPC was \$\*\*\* per short ton in 2013 (the last year of the prior review period), and \$\*\*\* in 2019 (the last year of the current review period). CR/PR at Table I-2.

Given the likely significant volume of subject imports discussed in section III.C.2., we find that, if the order were revoked, subject imports would likely engage in significant underselling of the domestic like product as they did in the original investigation. This would likely require the domestic industry to either cut prices or forego price increases to compete with the low-priced imports, or risk losing sales and market share to subject imports. Accordingly, subject imports would likely enter the United States at prices that would have significant depressing or suppressing effects on the prices of the domestic like product, as they did in the original investigation.

## **E. Likely Impact**

### **1. The Prior Proceedings**

In the original investigation, the domestic industry was able to maintain market share despite its declining shipment volume after 2000, which the Commission attributed, in part, to the exit of imports of barium carbonate from Mexico from the U.S. market in 2002 and domestic producers' decision to cut prices, notwithstanding rising costs. Reflecting falling prices, the domestic industry's operating income declined from 2000 to 2002 and the industry incurred \*\*\* in interim 2002 and interim 2003. Other indicators of the domestic industry's performance remained fairly constant or declined over the period of investigation.<sup>116</sup>

The Commission found that the domestic industry's financial performance deteriorated significantly as a result of its decision to lower prices for the granular form of the domestic like product rather than cede sales volume to subject imports. Accordingly, the Commission found that the domestic industry was materially injured by reason of subject imports from China.<sup>117</sup>

In the expedited first review, there was limited information on the record concerning the domestic industry's condition. However, the Commission recognized that apparent U.S. consumption, domestic production, and shipments had all decreased since the original investigation largely due to declining demand for barium carbonate. The Commission found that the domestic industry had experienced positive effects as a result of the imposition of the order; its market share and AUV were higher in 2007 than in any year of the period of investigation. Moreover, CPC had been able to sell its barium carbonate at prices that covered its costs and provided it with a reasonable return due to the effects of the order.<sup>118</sup>

The Commission found that, given the likely significant increase in the volumes of subject imports and their likely significant price effects, subject imports would likely have a significant impact on the domestic industry if the order were revoked. Specifically, the Commission found that the domestic industry would likely lose market share to subject imports, which would adversely impact its production, shipments, sales, revenues, employment, profitability, ability to raise capital, and ability to make and maintain necessary

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<sup>116</sup> *Original Determination*, USITC Pub. 3631 at 14; *Confidential Original Determination*, EDIS Doc. 699609, at 20.

<sup>117</sup> *Original Determination*, USITC Pub. 3631 at 15.

<sup>118</sup> *First Review*, USITC Pub. 4060 at 12–13.

capital investments. Accordingly, the Commission concluded that revocation of the order would likely have a significant impact on the domestic industry within a reasonably foreseeable time.<sup>119</sup>

In the second review, the Commission found that the domestic industry's performance was mixed from 2008 to 2013. While the industry's production capacity and U.S. shipments remained relatively steady over the period of review, production and capacity utilization decreased. The domestic industry's market share and AUV increased overall during the period, despite a decrease in apparent U.S. consumption.<sup>120</sup> Similarly, the domestic industry's employment and financial indicators showed mixed results.<sup>121</sup> Although the domestic industry was profitable in 2013 with an operating income that was higher than in 2008, it sustained \*\*\* of the period of review.<sup>122</sup> The Commission found the domestic industry to be vulnerable in light of the forgoing and stagnant U.S. demand.<sup>123</sup>

Moreover, the Commission found that given the cessation of U.S. cathode-ray tube production in 2005, subject imports would likely compete with the domestic industry for the remaining U.S. market segments in the event of revocation. The Commission reiterated its previous findings that, should the order be revoked, the volume of subject imports would likely increase to significant levels, at prices that would likely undersell the domestic like product and have significant price depressing or suppressing effects, forcing the domestic industry to forgo sales and cede market share or reduce prices. The Commission found that the resulting loss of production or revenues would likely cause deterioration in the financial performance of the domestic industry which would, in turn, result in losses of employment or decreasing investment.<sup>124</sup> Accordingly, the Commission concluded that subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time if the order were revoked.<sup>125</sup>

In its non-attribution analysis, the Commission found that, although nonsubject imports were present the U.S. market throughout the period of review, their market share was at its lowest levels in most of the years of the period when the domestic industry exhibited poor financial performance. Because there did not appear to be any correlation between nonsubject imports and the domestic industry's performance, such imports were not likely to have an adverse impact on the domestic industry in the reasonably foreseeable future. Moreover, the Commission found that, given the substitutability of barium carbonate from different sources and the fact that the domestic industry was the largest supplier to the U.S. market, any increase in subject imports' market share would come, at least in part, at the expense of the domestic

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<sup>119</sup> *First Review*, USITC Pub. 4060 at 13.

<sup>120</sup> *Second Review*, USITC Pub. 4518 at 19.

<sup>121</sup> *Second Review*, USITC Pub. 4518 at 20.

<sup>122</sup> *Second Review*, USITC Pub. 4518 at 20–21; *Confidential Second Review*, EDIS Doc. 699592, at 30–31.

<sup>123</sup> *Second Review*, USITC Pub. 4518 at 21.

<sup>124</sup> *Second Review*, USITC Pub. 4518 at 21.

<sup>125</sup> *Second Review*, USITC Pub. 4518 at 22.

industry. Accordingly, the Commission found that the likely effects of nonsubject imports were distinguishable from the likely adverse effects attributed to subject imports.<sup>126</sup>

## 2. The Current Review

Due to the nature of expedited reviews, the record contains limited information on the domestic industry's financial performance since the second review. The available information concerning the domestic industry's condition in this review consists of the data CPC provided in response to the notice of institution.

The data on the record indicate that, in 2019, the domestic industry's production capacity was \*\*\* short tons and its capacity utilization rate was \*\*\* percent. In 2019, the domestic industry's U.S. shipments totaled \*\*\* short tons, valued at \$\*\*\*. It reported total net sales of \$\*\*\*, total cost of goods sold of \$\*\*\*, and operating income of \*\*\*, resulting in an operating income margin of \*\*\* percent.<sup>127</sup> The limited information in the record is insufficient for the Commission to determine whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

Based on the information on the record of this review, we find that should the order be revoked, the likely significant volume and price effects of subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. This adverse impact would likely cause declines in the domestic industry's financial performance which would, in turn, result in losses of employment and declining investment.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Nonsubject imports held a larger share of apparent U.S. consumption in 2019 than in the final year of the original investigation.<sup>128</sup> This increase in market share, however, did not prevent the domestic industry from achieving a greater operating margin in 2019 than in 2013.<sup>129</sup> Furthermore, if the order were revoked, subject imports would likely compete head-to-head with the domestic like product, which accounted for the large majority of apparent U.S. consumption in 2019, given the high level of substitutability between the products. Accordingly, any increase in the volume of subject merchandise would likely take market share from the domestic industry and/or exert downward pressure on prices in the market. Therefore, subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports.

Accordingly, we conclude that if the order were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

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<sup>126</sup> *Second Review*, USITC Pub. 4518 at 22.

<sup>127</sup> CR/PR at Table I-2. In 2019, the industry's capacity, production, and quantity and value of shipments were lower, but its capacity utilization and operating margin were higher, than in 2013. *Id.*

<sup>128</sup> CR/PR at Table I-4.

<sup>129</sup> CR/PR at Table I-2.

#### **IV. Conclusion**

For the reasons discussed above, we determine that revocation of antidumping duty order on barium carbonate from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.



# Information obtained in this review

## Background

On January 2, 2020, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted a review to determine whether revocation of the antidumping duty order on barium carbonate from China would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3</sup> <sup>4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

<b>Effective date</b>	<b>Action</b>
January 1, 2020	Notice of initiation by Commerce (85 FR 67, January 2, 2020)
January 2, 2020	Notice of institution by Commission (85 FR 125, January 2, 2020)
April 6, 2020	Commission’s vote on adequacy
May 5, 2020	Commerce’s results of its expedited review
August 10, 2020	Commission’s determination and views

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> 85 FR 125, January 2, 2020. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order. 85 FR 67, January 2, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings is presented in app. C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

# Responses to the Commission’s notice of institution

## Individual responses

The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of Chemical Products Corporation (“CPC”), a domestic producer of barium carbonate (referred to herein as “domestic interested party”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

**Table I-1**

**Barium carbonate: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer	1	100% <sup>1</sup>

<sup>1</sup> The domestic interested party believes that it is the only domestic producer of barium carbonate. In the original investigation, the Commission identified Osram Sylvania Inc. as a small captive domestic producer of barium carbonate. The domestic interested party is unaware that Osram Sylvania currently produces any barium carbonate for resale. Domestic interested party’s response to the notice of institution, February 3, 2020, p. 15.

## Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested party CPC. CPC requests that the Commission conduct an expedited review of the antidumping duty order on barium carbonate.<sup>5</sup>

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<sup>5</sup> Domestic interested party’s comments on adequacy, February 26, 2020, p. 2.

## **The original investigation and subsequent reviews**

### **The original investigation**

The original investigation resulted from a petition filed on September 30, 2002 with Commerce and the Commission by CPC, Cartersville, Georgia.<sup>6</sup> Effective August 5, 2003, Commerce determined that imports of barium carbonate from China were being sold at less than fair value (“LTFV”).<sup>7</sup> The Commission determined on September 19, 2003 that the domestic industry was materially injured by reason of LTFV imports of barium carbonate from China.<sup>8</sup> On October 1, 2003, Commerce issued its antidumping duty order with the final weighted-average dumping margins ranging from 34.44 to 81.30 percent.<sup>9</sup>

### **The first five-year review**

On December 8, 2008, the Commission determined that it would conduct an expedited review of the antidumping duty order on barium carbonate from China.<sup>10</sup> On January 9, 2009, Commerce determined that revocation of the antidumping duty order on barium carbonate from China would be likely to lead to continuation or recurrence of dumping.<sup>11</sup> On March 4, 2009, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>12</sup> Following an affirmative determination in the five-year review by Commerce and the Commission, effective March 17, 2009, Commerce issued a continuation of the antidumping duty order on imports of barium carbonate from China.<sup>13</sup>

### **The second five-year review**

On May 9, 2014 the Commission determined that it would conduct a full review of the antidumping duty order on barium carbonate from China.<sup>14</sup> On June 4, 2014, Commerce determined that revocation of the antidumping duty order on barium carbonate from China

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<sup>6</sup> Barium Carbonate from China, Inv. No. 731-TA-1020 (Final), USITC Publication 3631, September 2003 (“Original publication”), p. I-1.

<sup>7</sup> 68 FR 46577, August 6, 2003.

<sup>8</sup> 68 FR 55653, September 26, 2003.

<sup>9</sup> 68 FR 56619, October 1, 2003.

<sup>10</sup> 73 FR 77058, December 18, 2008.

<sup>11</sup> 74 FR 882, January 9, 2009.

<sup>12</sup> 74 FR 10278, March 10, 2009.

<sup>13</sup> 74 FR 11348, March 17, 2009.

<sup>14</sup> 79 FR 29454, May 22, 2014.

would be likely to lead to continuation or recurrence of dumping.<sup>15</sup> On February 2, 2015, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>16</sup> Following an affirmative determination in the five-year review by Commerce and the Commission, effective February 17, 2015, Commerce issued a continuation of the antidumping duty order on imports of barium carbonate from China.<sup>17</sup>

## **Previous and related investigations<sup>18</sup>**

On September 9, 1980, an antidumping petition was filed with Commerce and the Commission on imports of barium carbonate and strontium carbonate from the Federal Republic of Germany. On June 4, 1981, the Commission made an affirmative final determination and Commerce subsequently issued an antidumping duty order. In November 1998, as part of a five-year review, Commerce revoked the antidumping duty order effective January 1, 2000, because no domestic interested party responded to the notice of initiation by the applicable deadline.

On October 25, 1983, an antidumping petition was filed with Commerce and the Commission on barium chloride and barium carbonate (precipitated) from China. The Commission made an affirmative preliminary determination on both products; however, Commerce made a negative final dumping determination regarding imports of barium carbonate.

## **Commerce's five-year review**

Commerce is conducting an expedited review with respect to the order on imports of barium carbonate and intends to issue the final results of this review based on the facts available not later than May 1, 2020.<sup>19</sup> Commerce's Issues and Decision Memorandum, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The Memorandum will also include any decisions that may

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<sup>15</sup> 79 FR 32221, June 4, 2014.

<sup>16</sup> 80 FR 6766, February 6, 2015.

<sup>17</sup> 80 FR 8286, February 17, 2015.

<sup>18</sup> Original publication, pp. I-1-2.

<sup>19</sup> Letter from Steven Presing, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, February 25, 2020.

have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty order on imports of barium carbonate are noted in the sections titled “The original investigation” and “U.S. imports,” if applicable.

## **The product**

### **Commerce’s scope**

Commerce has defined the scope as follows:

The merchandise covered by this order is barium carbonate, regardless of form or grade. The product is currently classifiable under subheading 2836.60.0000 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.<sup>20</sup>

### **U.S. tariff treatment**

Barium carbonate is currently provided for in HTS subheading 2836.60.00. Barium carbonate imported from China enters the U.S. market at a 2.3 percent duty rate. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

### **Description and uses<sup>21</sup>**

Barium carbonate is a heavy odorless, white to cream colored chemical with the chemical formula BaCO<sub>3</sub>. It is found naturally in the mineral witherite, although most barium carbonate sold commercially is produced synthetically. Barium carbonate is sold commercially in granular, powder, or high purity form.

The granular and powdered forms of barium carbonate, which typically contain at least 98 percent barium carbonate, have essentially the same chemical composition and similar physical properties, differing principally in their particle size. Granular barium carbonate consists of relatively large particles (average particle size greater than 105 microns), while powdered barium carbonate consists of smaller particles (average size less than 5 microns).

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<sup>20</sup> 80 FR 8286, February 17, 2015.

<sup>21</sup> Unless otherwise noted, the information is based on the original publication, pp. I-4-6; and Barium Carbonate from China, Investigation No. 731-TA-1020 (Second Review), USITC Publication 4518, February 2015 (“Second review publication”), pp. I-9-10.

High purity barium carbonate, with purity greater than 99.5 percent, has a lower percentage of impurities than the forms described above. It is used in the production of ceramic capacitors and fuses known as positive temperature coefficient devices.

In the last review, in addition to various forms of barium carbonate described above, CPC reported making trademarked products Micro Flo™ and Aqua Flo™, specialized powdered products for use in brick and tile production. The original investigation noted that these products faced little competition from Chinese barium carbonate. However, CPC asserted that subsequent advances in production technology allowed Chinese product to compete with Micro Flo™ and Aqua Flo™. The Commission found in the prior reviews that the range of barium carbonate produced in China had expanded, and that Chinese producers were able to compete in the United States in the full range of end-use applications.<sup>22</sup>

Demand for barium carbonate is linked to two major end uses: the production of specialty glass<sup>23</sup> and the production of brick, tile, and other ceramic goods.<sup>24</sup> Barium carbonate is used to produce glass containing reflective beads for road signage and markers. Demand for this application roughly tracks transportation infrastructure spending. Demand for barium carbonate for clay and ceramic goods roughly tracks housing construction.<sup>25</sup> Despite a significant decline during the 2007-2009 economic downturn, demand for residential real estate has generally increased over the last five years.<sup>26</sup>

## **Manufacturing process<sup>27</sup>**

Commercial grade barium carbonate is generally produced from barite ore, which contains barium sulfate. CPC uses the following process to produce barium carbonate:

- Insoluble barium sulfate in barite ore is reduced to soluble barium sulfide in a reducing kiln using coke as a carbon source.

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<sup>22</sup> USITC Pub. 4060, Investigation No. 731-TA-1020 (Review), USITC Publication 4060, January 2009 (“First review publication”) at pp. 8-9; USITC Pub. 4518, at pp. 10-11.

<sup>23</sup> During the original investigation, a substantial amount of barium carbonate sold in the United States was used in the production of glass for cathode ray tube televisions. This glass is no longer manufactured in the United States, with consequent diminished demand for barium carbonate. The use of barium carbonate in televisions and computer screens declined as cathode ray tubes were replaced by certain flat panel televisions or projection televisions, which require little or no barium carbonate.

<sup>24</sup> Domestic interested party’s response to the notice of institution, February 3, 2020, p. 21.

<sup>25</sup> Ibid.

<sup>26</sup> Ibid., pp. 21-22.

<sup>27</sup> Unless otherwise noted, the information from this section is based on Second review publication, pp. I-11-12.

- Barium sulfide is dissolved in water and bleached to reduce impurities.
- The barium sulfide solution is reacted with carbon dioxide to produce a precipitate of barium carbonate.
- The dried barium carbonate is pulverized to produce powdered barium carbonate. To produce the granular grade, the dried barium carbonate undergoes an additional step, calcination.

In the original investigation, CPC reported that its production process shared many fundamental similarities with Chinese producers' process, including the usage of the same raw material, barite ore, and the production of both granular and powdered forms of barium carbonate. However, CPC also reported certain ways in which its process differed from the Chinese producers' process, including:

- CPC using coke as a carbon source in a gas or fuel oil-fired furnace; producers in China using steam coal as a carbon source and pulverized steam coal as the fuel input for the kiln.
- Producers in China using a grade of coal with lower carbon content than the coke used by CPC.
- CPC purchasing carbon dioxide gas directly; producers in China, lacking access to sources of carbon dioxide, producing their own carbon dioxide by reacting limestone (calcium carbonate) and coal in a kiln.
- CPC, due to the availability of natural gas, using the same equipment for both calcining (to produce the granular grade) and drying; Chinese producers, lacking readily available natural gas, using separate equipment for calcining and drying, fueled by kerosene and coal, respectively.
- At CPC, the production process was designed to control the mix of elemental carbon and barite ore in the reducing kiln continuously and with a high degree of accuracy. However, producers in China could not maintain such a degree of control due to the "lumpy" nature of their feedstock. CPC asserted that such a lack of control would result in a substantial loss of efficiency for the Chinese producers.

According to CPC, because of these differences, the Chinese production process was far less efficient and more complicated than CPC's process, resulting in substantial cost disadvantages for Chinese producers. However, a representative of BassTech, which imported and marketed barium carbonate produced by Red Star, contended that CPC's cost structure was higher than Red Star's because CPC must either procure a much lower quality barite ore

locally or import a higher quality barite ore from China. The barite ore that CPC obtains locally was mixed with clay, requiring separation from clay through a process referred to as beneficiation before use to produce barium carbonate. During the second review, CPC asserted that Chinese production quality had improved since the original investigation.

## **The industry in the United States**

### **U.S. producers**

During the final phase of the original investigation, the Commission received U.S. producer questionnaires from two firms, which accounted for all production of barium carbonate in the United States during 2002.<sup>28</sup> In response to the Commission's notice of institution during the expedited first five-year review, the domestic interested party stated it was the only currently operating U.S. producer of barium carbonate during 2007.<sup>29</sup> During the full second five-year review, the Commission received a U.S. producer questionnaire from the domestic interested party, which was believed to account for all domestic production of barium carbonate in 2013.<sup>30</sup>

In response to the Commission's notice of institution in this current review, the domestic interested party stated it is the only currently operating U.S. producer of barium carbonate in the United States during 2019.<sup>31</sup>

### **Recent developments**

The disappearance of cathode ray production in the United States resulted in the decline in domestic demand for barium carbonate. As a result, CPC reduced its production capacity and took steps to align its supply with demand for applications.<sup>32</sup>

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<sup>28</sup> Original publication, p. I-3. Osram Sylvania accounted for less than \*\*\* percent of total U.S. production volume in 2002. Investigation Nos. 731-TA-1020 (Final): Barium Carbonate from China, Confidential Report, INV-AA-122, August 20, 2003 ("Original confidential report"), p. III-2.

<sup>29</sup> First review publication, p. I-10.

<sup>30</sup> Second review publication, p. I-7.

<sup>31</sup> Domestic interested party's response to the notice of institution, February 3, 2020, p. 15.

<sup>32</sup> Ibid., p. 21.

## U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year review.<sup>33</sup> Table I-2 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigation and prior five-year reviews.

**Table I-2**

**Barium carbonate: Trade and financial data submitted by U.S. producers, 2002, 2007, 2013, and 2019**

Item	2002	2007	2013	2019
Capacity (short tons)	***	NA	***	***
Production (short tons)	***	***	***	***
Capacity utilization (percent)	***	NA	***	***
U.S. shipments:				
Quantity (short tons)	***	***	***	***
Value (\$1,000)	***	***	***	***
Unit value (dollars per short ton)	***	***	***	***
Net sales (\$1,000)	***	NA	***	***
COGS (\$1,000)	***	NA	***	***
COGS/net sales (percent)	***	NA	***	***
Gross profit (loss) (\$1,000)	***	NA	***	***
SG&A expenses (\$1,000)	***	NA	***	***
Operating income (loss) (\$1,000)	***	NA	***	***
Operating income (loss)/net sales (percent)	***	NA	***	***

Note: For a discussion of data coverage, please see "U.S. producers" section.

Source: For the years 2002, 2007, and 2013, data are compiled using data submitted in the Commission's original investigation and prior five-year reviews. See *app. C*. For the year 2019, data are compiled using data submitted by the domestic interested party. Domestic interested party's response to the notice of institution, February 3, 2020, exh. 6.

<sup>33</sup> Individual company trade and financial data are presented in *app. B*.

## **Definitions of the domestic like product and domestic industry**

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if “appropriate circumstances” exist.<sup>34</sup>

In its original determination, its expedited first five-year review determination, and its full second five-year review determination, the Commission defined a single domestic like product consisting of all barium carbonate, regardless of form or grade, coextensive with Commerce’s scope and one domestic industry consisting of all domestic producers of barium carbonate, regardless of form or grade, coextensive with Commerce’s scope.<sup>35</sup>

## **U.S. imports and apparent U.S. consumption**

### **U.S. importers**

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from 12 firms, which accounted for virtually all U.S. imports of barium carbonate from China during January 2000-March 2003. Import data presented in the original investigation are based on questionnaire responses.<sup>36</sup>

Although the Commission did not receive responses from any respondent interested parties in its expedited first five-year review, the domestic interested party identified one firm that may currently import barium carbonate from China.<sup>37</sup> Import data presented in the first review are based on official Commerce statistics.

During the full second five-year review, the Commission received U.S. importer questionnaires from five firms, which accounted for virtually all U.S. imports of barium carbonate from China during 2013.<sup>38</sup> The Commission did not receive responses from any

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<sup>34</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>35</sup> 85 FR 125, January 2, 2020.

<sup>36</sup> Original publication, pp. I-3, IV-1.

<sup>37</sup> First review publication, p. I-12.

<sup>38</sup> Second review publication, p. I-14.

respondent interested parties in this current review. In its response to the Commission’s notice of institution, the domestic interested party stated that it has no independent knowledge of potential U.S. importers of barium carbonate.<sup>39</sup>

## U.S. imports

Table I-3 presents the quantity, value, and unit value of U.S. imports from China as well as the other top nonsubject sources of U.S. imports.

**Table I-3**  
**Barium carbonate: U.S. imports, 2014-19**

Item	2014	2015	2016	2017	2018	2019
	<b>Quantity (short tons)</b>					
China (subject)	---	22	2	22	---	0
Germany	1,212	660	410	484	924	744
Italy	1,353	517	720	1,790	1,062	692
India	595	622	578	465	691	574
All other imports	---	20	6	0.1	121	117
Subtotal, nonsubject	3,160	1,819	1,714	2,739	2,798	2,126
Total imports	3,160	1,841	1,716	2,761	2,798	2,126
	<b>Landed, duty-paid value (\$1,000)</b>					
China (subject)	---	14	12	14	---	3
Germany	1,079	637	466	439	772	710
Italy	2,910	928	1,536	2,068	1,698	1,940
India	400	422	289	290	492	368
All other imports	---	16	8	2	62	58
Subtotal, nonsubject	4,389	2,003	2,300	2,799	3,025	3,076
Total imports	4,389	2,017	2,312	2,813	3,025	3,079
	<b>Unit value (dollars per short ton)</b>					
China (subject)	---	661	6,066	639	---	2,353,240
Germany	890	966	1,139	907	836	955
Italy	2,151	1,794	2,132	1,155	1,600	2,803
India	672	678	500	623	711	641
All other imports	---	794	1,359	38,184	515	497
Subtotal, nonsubject	1,389	1,101	1,342	1,022	1,081	1,447
Total imports	1,389	1,096	1,347	1,019	1,081	1,447

Note: Because of rounding, figure may not add to total shown.

Note: Figures shown as “0” represent values greater than zero, but less than “0.05.” Shares and ratios shown as “0.0” represent values greater than zero, but less than “0.05” percent.

Source: Compiled from official Commerce statistics for HTS statistical reporting number 2836.60.0000.

<sup>39</sup> Domestic interested party’s response to the notice of institution, February 3, 2020, pp. 15-16.

## Apparent U.S. consumption and market shares

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

**Table I-4**

**Barium carbonate: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares, 2002, 2007, 2013, and 2019**

Item	2002	2007	2013	2019
	<b>Quantity (short tons)</b>			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China (subject)	***	154	22	0
All other sources	***	3,400	2,338	2,126
Total imports	***	3,554	2,360	2,126
Apparent U.S. consumption	***	***	***	***
	<b>Value (1,000 dollars)</b>			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China (subject)	***	60	14	3
All other sources	***	2,724	4,976	3,076
Total imports	***	2,784	4,990	3,079
Apparent U.S. consumption	***	***	***	***
	<b>Share of consumption based on quantity (percent)</b>			
U.S. producers' share	***	***	***	***
U.S. imports from.--				
China (subject)	***	***	***	***
All other sources	***	***	***	***
Total imports	***	***	***	***
	<b>Share of consumption based on value (percent)</b>			
U.S. producers' share	***	***	***	***
U.S. imports from.--				
China (subject)	***	***	***	***
All other sources	***	***	***	***
Total imports	***	***	***	***

Notes continued on next page.

Note: Figures shown as “0” represent values greater than zero, but less than “0.05.” Shares and ratios shown as “0.0” represent values greater than zero, but less than “0.05” percent.

Note: For a discussion of data coverage, please see “U.S. producers” and “U.S. importers” sections.

Source: For the years 2002, 2007, and 2013, data are compiled using data submitted in the Commission’s original investigation and prior reviews. See app. C. For the year 2019, U.S. producers’ U.S. shipments are compiled from the domestic interested party’s response to the Commission’s notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 2836.60.0000, accessed March 11, 2020.

## The industry in China

During the final phase of the original investigation, the Commission received foreign producer questionnaires from two firms that accounted for an estimated \*\*\* percent of reported U.S. imports of the subject merchandise during 2002.<sup>40</sup>

Although the Commission did not receive responses to its notice of institution from any respondent interested parties in the expedited first five-year review, the domestic interested party provided a list of nine possible producers of barium carbonate in that proceeding.<sup>41</sup>

During the full second five-year review, the Commission received a foreign producer questionnaire from one firm, which accounted for approximately \*\*\* percent of barium carbonate exports from China during 2013.<sup>42</sup>

Although the Commission did not receive responses to its notice of institution from any respondent interested parties in this current five-year review, the domestic interested party provided a list of 14 possible producers of barium carbonate.<sup>43</sup>

Table I-5 presents export data for barium carbonate from China in descending order of quantity for 2019.

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<sup>40</sup> Investigation Nos. 731-TA-1020 (Review): Barium Carbonate from China, Confidential Report, INV-FF-157, December 30, 2008 (“First review confidential report”), p. I-20.

<sup>41</sup> First review publication, p. I-14.

<sup>42</sup> \*\*\*. Investigation Nos. 731-TA-1020 (Second Review): Barium Carbonate from China, Confidential Report, INV-NN-001, January 5, 2015 (“Second review confidential report”), pp. IV-7-8 and table IV-2.

<sup>43</sup> Domestic interested party’s response to the notice of institution, February 3, 2020, exh. 1.

**Table I-5****Barium carbonate: Exports from China, by destination, 2014-19**

Export Destination	Calendar year					
	2014	2015	2016	2017	2018	2019
<b>Quantity (short tons)</b>						
Spain	22,836	23,043	17,715	19,599	18,372	15,503
France	9,510	9,962	12,207	10,328	11,173	12,075
Russia	5,487	6,551	6,377	6,399	5,319	7,415
Italy	9,266	8,521	8,251	6,420	5,738	5,866
Vietnam	2,891	3,249	3,794	1,852	3,209	5,521
Iran	5,223	3,634	4,701	3,647	4,408	5,298
Mexico	4,192	4,990	3,963	3,186	4,277	5,164
Turkey	4,558	3,555	3,413	3,576	3,327	4,626
Japan	6,682	5,806	6,498	5,850	5,146	4,089
Brazil	6,280	6,947	5,254	3,871	4,577	3,817
All Other	74,973	61,038	50,305	54,802	55,043	45,104
Total	151,898	137,296	122,477	119,529	120,589	114,478

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2836.60, accessed March 11, 2020.

## Antidumping or countervailing duty orders in third-country markets

India and the European Union have had antidumping duties on barium carbonate from China in effect since 2011 and 2005. In 2016, India extended antidumping duties on imports of barium carbonate from China after a sunset review, with injury margins ranging from 20-45 percent.<sup>44</sup> In 2017, after the second expiry review, the EU extended its antidumping duties

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<sup>44</sup> Ministry of Finance, *Notification14/2016-Customs (ADD)*, The Gazette of India, April 21, 2016; and Government of India, Ministry of Commerce & Industry, Department of Commerce, Directorate General of Anti-Dumping and Allied Duties, *Sunset Review (SSR) of Anti-Dumping Duties Imposed on the Import of "Barium Carbonate" originating in or exported from China PR*, February 23, 2016, p.26.

against Chinese producers at rates ranging from 6.30 to 56.40 Euros/metric ton.<sup>45</sup> Both the Indian and the EU measures are in effect for five years, respectively expiring in 2021 and 2022.

## The global market

Table I-6 presents global export data for barium carbonate (by source in descending order of quantity for 2019).

**Table I-6**

**Barium carbonate: Global exports by major sources, 2014-19**

Exporter	2014	2015	2016	2017	2018	2019
	Quantity (short tons)					
China	151,898	137,296	122,477	119,529	120,589	114,478
India	483	562	10,053	15,312	16,240	22,006
USA	2,989	4,009	4,006	4,674	5,512	3,824
Spain	475	305	728	1,071	452	694
Japan	344	376	787	1,238	694	556
Czech Republic	988	1,364	1,006	534	429	529
Portugal	2	30	150	165	227	135
United Kingdom	508	442	292	185	135	120
Honduras	0	0	0	0	0	112
South Africa	0	1	8	0	1	73
All other	10,102	4,326	3,780	3,805	3,106	168
Total	167,792	148,710	143,288	146,515	147,445	142,696

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2836.60, accessed March 18, 2020.

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<sup>45</sup> European Commission, *Commission implementing regulation (EU) 2017/1759 of 27 September 2017 imposing a definitive anti-dumping duty on Imports of barium carbonate originating in the People's Republic of China following an expiry review pursuant to article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council*, September 27, 2017, pp. I-250-51.



**APPENDIX A**

***FEDERAL REGISTER NOTICES***



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

Citation	Title	Link
85 FR 67 January 2, 2020	<i>Initiation of Five-Year (Sunset) Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-01-02/pdf/2019-28344.pdf">https://www.govinfo.gov/content/pkg/FR-2020-01-02/pdf/2019-28344.pdf</a>
85 FR 125 January 2, 2020	<i>Barium Carbonate from China; Institution of Five-Year Review</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-01-02/pdf/2019-28039.pdf">https://www.govinfo.gov/content/pkg/FR-2020-01-02/pdf/2019-28039.pdf</a>



**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



**RESPONSE CHECKLIST FOR U.S. PRODUCER**

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**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



**Table C-1**

**Barium carbonate: Summary data concerning the U.S. market, using shipments of imports from questionnaire responses in the calculation of U.S. consumption, 2000-02, January-March 2002, and January-March 2003**

\* \* \* \* \*



Table C-1

## Barium carbonate: Summary data concerning the U.S. market, 2008-13, January to June 2013, and January to June 2014

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

	Reported data							
	2008	2009	Calendar year		2012	2013	January to June	
			2010	2011			2013	2014
U.S. consumption quantity:								
Amount.....	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***
Importers' share (fn1):								
China.....	***	***	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***	***	***
U.S. consumption value:								
Amount.....	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***
Importers' share (fn1):								
China.....	***	***	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***	***	***
U.S. imports from:								
China:								
Quantity.....	218	86	53	103	84	22	22	0
Value.....	104	44	69	183	66	14	14	0
Unit value.....	\$476	\$516	\$1,297	\$1,780	\$790	\$652	\$652	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***
All other sources:								
Quantity.....	3,461	811	3,013	3,044	4,663	2,338	1,064	1,196
Value.....	2,337	617	2,518	5,175	9,528	4,976	1,429	1,408
Unit value.....	\$675	\$761	\$836	\$1,700	\$2,043	\$2,128	\$1,343	\$1,177
Ending inventory quantity.....	***	***	***	***	***	***	***	***
Total imports:								
Quantity.....	3,679	897	3,066	3,147	4,747	2,360	1,086	1,196
Value.....	2,441	662	2,587	5,359	9,595	4,990	1,443	1,408
Unit value.....	\$663	\$738	\$844	\$1,703	\$2,021	\$2,114	\$1,329	\$1,177
Ending inventory quantity.....	***	***	***	***	***	***	***	***
U.S. producers':								
Average 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.....	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***
Net sales:								
Quantity.....	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***
Gross profit of (loss).....	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***

Table continued on the next page.

Table C-1--Continued

Barium carbonate: Summary data concerning the U.S. market, 2008-13, January to June 2013, and January to June 201

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

	Calendar year		Period changes				Jan-Jun 2013-14
	2008-13	2008-09	2009-10	2010-11	2011-12	2012-13	
<b>U.S. consumption quantity:</b>							
Amount.....	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***
Importers' share (fn1):							
China.....	***	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***	***
<b>U.S. consumption value:</b>							
Amount.....	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***
Importers' share (fn1):							
China.....	***	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***	***
<b>U.S. imports from:</b>							
<b>China:</b>							
Quantity.....	(89.9)	(60.6)	(38.4)	94.3	(18.4)	(73.8)	(100.0)
Value.....	(86.2)	(57.2)	54.9	166.8	(63.8)	(78.4)	(100.0)
Unit value.....	37.0	8.4	151.4	37.3	(55.6)	(17.5)	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***
<b>All other sources:</b>							
Quantity.....	(32.4)	(76.6)	271.5	1.0	53.2	(49.9)	12.4
Value.....	112.9	(73.6)	307.9	105.5	84.1	(47.8)	(1.5)
Unit value.....	215.2	12.7	9.8	103.4	20.2	4.1	(12.3)
Ending inventory quantity.....	***	***	***	***	***	***	***
<b>Total imports:</b>							
Quantity.....	(35.9)	(75.6)	241.8	2.6	50.8	(50.3)	10.1
Value.....	104.5	(72.9)	290.9	107.2	79.1	(48.0)	(2.4)
Unit value.....	218.7	11.2	14.4	101.8	18.7	4.6	(11.4)
Ending inventory quantity.....	***	***	***	***	***	***	***
<b>U.S. producers':</b>							
Average capacity quantity.....	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***
<b>U.S. shipments:</b>							
Quantity.....	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***
<b>Export shipments:</b>							
Quantity.....	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***
Hourly wages.....	***	***	***	***	***	***	***
Productivity (short tons per hour).....	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***
<b>Net sales:</b>							
Quantity.....	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***
Gross profit of (loss).....	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1)...	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points

fn2.--Undefined.

**APPENDIX D**

**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from the domestic interested party and it named the following five firms as the top purchasers of barium carbonate: \*\*\*. Purchaser questionnaires were sent to these five firms and two firms \*\*\* replied “\*\*\*” to the following questions:

1. Have there been any significant changes in the supply and demand conditions for barium carbonate that have occurred in the United States or in the market for barium carbonate in China since January 1, 2014? <sup>1</sup>
2. Do you anticipate any significant changes in the supply and demand conditions for barium carbonate in the United States or in the market for barium carbonate in China within a reasonably foreseeable time?

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<sup>1</sup> \*\*\*.

