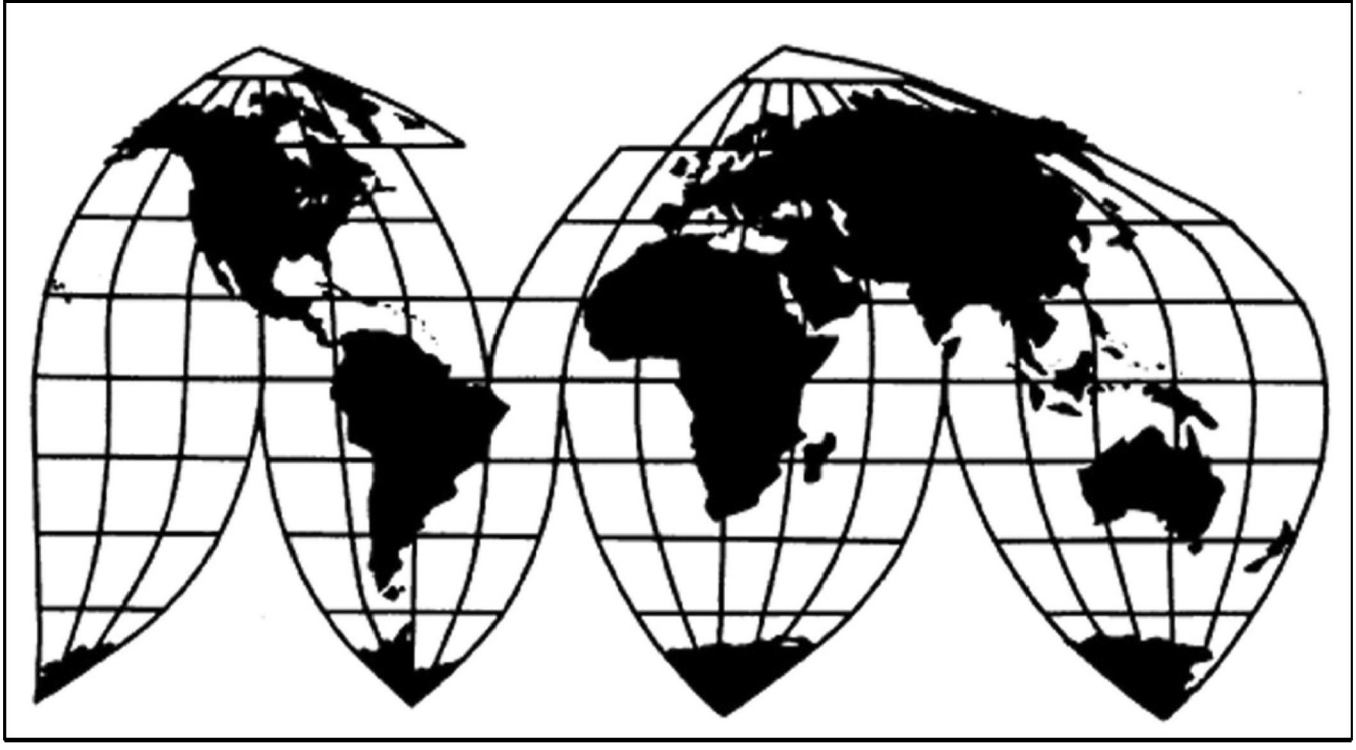
Monosodium Glutamate from China and Indonesia

Investigation Nos. 731-TA-1229-1230 (Review)

Publication 5127 **October 2020**

U.S. International Trade Commission



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Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-1229-1230 (Review)

Monosodium Glutamate from China and Indonesia

DETERMINATION

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the antidumping duty orders on monosodium glutamate ("MSG") from China and Indonesia 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 these reviews on October 1, 2019 (84 FR 52129) and determined on January 6, 2020 that it would conduct full reviews (85 FR 3421, January 21, 2020). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on May 13, 2020 (85 FR 28663). In light of the restrictions on access to the Commission building due to the COVID–19 pandemic, the Commission conducted its hearing through written testimony and video conference on August 25, 2020. All persons who requested the opportunity were permitted to participate.

The Commission made these determinations pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)). The Commission determined that these reviews were extraordinarily complicated and extended the review period by up to 90 days.

[1] 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 these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the antidumping duty orders on monosodium glutamate ("MSG") from China and Indonesia 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

On September 16, 2013, Ajinomoto North America, Inc. ("AJINA" or "the domestic producer") filed antidumping duty petitions concerning imports of MSG from China and Indonesia.[1] On October 23, 2014, the Commission determined that a domestic industry was materially injured by reason of imports of MSG from China and Indonesia that the U.S. Department of Commerce ("Commerce") had found to be sold in the United States at less-than-fair-value.[2] Commerce issued antidumping duty orders on MSG from China and Indonesia ("the orders") on November 26, 2014.[3]

[1] AJINA simultaneously filed countervailing duty petitions with respect MSG from China and Indonesia but later withdrew these petitions, resulting in Commerce's termination of the countervailing duty investigations on March 7, 2014. *Termination of Countervailing Duty Investigations; Monosodium Glutamate From the People's Republic of China and the Republic of Indonesia*, 79 Fed. Reg. 19056 (Apr. 7, 2014). Since the original investigations, AJINA has changed its name to Ajinomoto Health & Nutrition North America, Inc. AJINA Response to the Notice of Institution, EDIS Doc. 692834 (Oct. 31, 2019) at 15, n.31.

[2] *Monosodium Glutamate From China and Indonesia*, Inv. Nos. 731-TA-1229-1230 (Final), USITC Pub. 4499 (Nov. 2014) at 1 ("*Original Determinations*").

[3] *Monosodium Glutamate From the People's Republic of China, and the Republic of Indonesia: Antidumping Duty Orders; and Monosodium Glutamate From the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value*, 79 Fed. Reg. 70505 (Nov. 26, 2014).

The Commission instituted these five-year reviews on October 1, 2019.[4] AJINA responded to the notice of institution. In addition, PT. Cheil Jedang Indonesia and CJ America, Inc. (collectively "CJ"), respectively a producer and importer of subject merchandise from Indonesia, jointly filed a response. The Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response concerning the order on MSG from Indonesia was adequate.[5] Accordingly, the Commission determined to conduct a full review of the order on MSG from Indonesia.[6] The Commission determined that the respondent interested party group response concerning the order on MSG from China was inadequate but determined to conduct a full review of this order to promote administrative efficiency in light of its decision to conduct a full review with respect to the order on MSG from Indonesia.[7]

Representatives of the government of the Republic of Indonesia appeared at the Commission's hearing, as well as representatives of AJINA and CJ, accompanied by counsel.[8] Counsel for AJINA and CJ submitted prehearing and posthearing briefs and final comments. No producer, importer, or exporter of subject merchandise from China participated as a party in these reviews.

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[4] *Monosodium Glutamate From China and Indonesia; Institution of Five-Year Reviews*, 84 Fed. Reg. 52129 (Oct. 1, 2019).

[5] *Monosodium Glutamate From China and Indonesia; Notice of Commission Determinations To Conduct Full Five-Year Reviews*, 85 Fed. Reg. 3421 (Jan. 21, 2020).

[6] *Monosodium Glutamate From China and Indonesia; Notice of Commission Determinations To Conduct Full Five-Year Reviews*, 85 Fed. Reg. 3421 (Jan. 21, 2020).

[7] *Monosodium Glutamate From China and Indonesia; Notice of Commission Determinations To Conduct Full Five-Year Reviews*, 85 Fed. Reg. 3421 (Jan. 21, 2020).

[8] In light of restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its hearing by video conference and written witness testimony, as set forth in procedures provided to the parties.

U.S. industry data are based on the questionnaire response of AJINA, which accounted for all known domestic production of MSG in 2019.[9] U.S. import data and related information are based on Commerce's official import statistics and the questionnaire responses of nine U.S. importers of MSG that accounted for *** percent of subject U.S. imports from China, *** percent of subject imports from Indonesia, and for the majority of U.S. imports of MSG from nonsubject sources in 2019.[10] Foreign industry data and related information are based on the questionnaire responses of four producers of MSG in Indonesia accounting for the substantial majority of that country's production of MSG in 2019 and other data collected by Commission staff.[11] No MSG producer in China responded to the Commission's questionnaire.[12]

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."[13] 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."[14] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original

[9] Confidential Report ("CR"), Memorandum INV-SS-111, at I-10; *Monosodium Glutamate from China and Indonesia*, Investigation Nos. 731-TA-1229-1230 (Review), USITC Pub. 5127 (Oct. 2020), Public Report ("PR") at I-10.

[10] CR/PR at I-10.

[11] CR/PR at I-10.

[12] *See* CR/PR at I-10, IV-17–IV-28.

[13] 19 U.S.C. § 1677(4)(A).

[14] 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, 96th Cong., 1st Sess. 90–91 (1979).

investigation and consider whether the record indicates any reason to revisit the prior findings.[15]

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

> {MSG}, whether or not blended or in solution with other products. Specifically, MSG that has been blended or is in solution with other product(s) is included in this order when the resulting mix contains 15 percent or more of MSG by dry weight. Products with which MSG may be blended include, but are not limited to, salts, sugars, starches, maltodextrins, and various seasonings. Further, MSG is included in this order regardless of physical form (including, but not limited to, in monohydrate or anhydrous form, or as substrates, solutions, dry powders of any particle size, or unfinished forms such as MSG slurry), end-use application, or packaging.
>
> MSG in monohydrate form has a molecular formula of $C_5H_8NO_4Na$ -H_2O, a Chemical Abstract Service (CAS) registry number of 6106-04-3, and a Unique Ingredient Identifier (UNII) number of W81N5U6R6U. MSG in anhydrous form has a molecular formula of $C_5H_8NO_4$ Na, a CAS registry number of 142-47-2, and a UNII number of C3C196L9FG. Merchandise covered by the AD Order is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2922.42.10.00.
>
> Merchandise covered by this Order may also enter under HTSUS subheadings 2922.42.50.00, 2103.90.72.00, 2103.90.74.00, 2103.90.78.00, 2103.90.80.00, and 2103.90.90.91. These tariff classifications, CAS registry numbers, and UNII numbers are provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.[16]

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[15] *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).

[16] *Monosodium Glutamate From the Republic of Indonesia: Final Results of the First Full Five-Year Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 34419 (June 4, 2020); *Issues and Decision Memorandum for the First Full Sunset Review of the Antidumping Duty Order on Monosodium Glutamate from the Republic of Indonesia* (May 28, 2020); *Monosodium Glutamate From the People's*

MSG, a salt of glutamic acid, is a white crystalline substance used worldwide, by itself or in blends, primarily as a flavor enhancer in savory foods, such as meat and fish, soups and broths, certain juices and beverages, frozen and ready-made foods, and sauces and dressings. It is also used in nonfood products such as detergents, cosmetics, and pharmaceuticals.[17]

In the preliminary phase of the original investigations, the Commission found that domestically produced MSG that met the parameters of Commerce's scope definition shared similarities with respect to all six factors the Commission considers in its domestic like product analysis.[18] In the final phase of the investigations, in the absence of any new information concerning the domestic like product or any argument to the contrary, the Commission defined a single domestic like product consisting of all MSG, coextensive with Commerce's scope.[19]

In the current reviews, AJINA and CJ state that they agree with the domestic like product definition the Commission adopted in the original investigations.[20] Furthermore, the record of these reviews indicates that the characteristics and uses of domestically produced MSG have not changed materially since the original investigations.[21] Accordingly, we define the domestic like product as consisting of all MSG, coextensive with the scope of the orders under review.

Republic of China: Final Results of the First Expedited Sunset Review of the Antidumping Duty Order, 85 Fed. Reg. 5616 (Jan. 31, 2020); *Issues and Decision Memorandum for the First Expedited Sunset Review of the Antidumping Duty Order on Monosodium Glutamate from the People's Republic of China* (Jan. 24, 2020). The scope has not changed since the original investigations.

[17] CR/PR at I-15.

[18] *Monosodium Glutamate from China and Indonesia*, Inv. Nos. 701-TA-503-504 and 731-TA-1229-1230 (Preliminary), USTIC Pub. 4437 at 7–8 (Nov. 2013).

[19] *Original Determinations*, USITC Pub. 4499 at 6.

[20] CJ Prehearing Brief, EDIS Doc. 717470 (Aug. 17, 2020) at 1–2; AJINA Response to the Notice of Institution, EDIS Doc. 692834 (Oct. 31, 2019) at 15; AJINA Prehearing Brief, EDIS Doc. 717513 (Aug. 17, 2020) at 10.

[21] *See generally* CR/PR at I-15–I-20.

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."[22] 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 investigations, there were no related party or other domestic industry issues. Accordingly, the Commission defined the domestic industry as consisting of the sole U.S. producer of MSG, AJINA.[23]

There are similarly no related party or other domestic industry issues in the current reviews. AJINA did not import subject merchandise during the January 2014–March 2020 period of review ("POR") and is not related to an exporter or importer of subject merchandise.[24] Both AJINA and CJ state that they agree with the domestic industry definition the Commission

[22] 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.

[23] *Original Determinations*, USITC Pub. 4499 at 7.

[24] AJINA Response to the Notice of Institution at 14; *see* CR/PR at III-8. While AJINA is affiliated with two MSG producers in Indonesia (PT Ajinex International and PT Ajinomoto Indonesia) by virtue of common ownership by ***, these producers did not export MSG to the United States during the POR. AJINA Response to the Notice of Institution at 14; CR/PR at Tables I-7 and IV-10; *see also* Hearing Transcript, EDIS Doc. 718162 (Aug. 26, 2020) at 26 (Mr. Brian Kaskavage, Associate Director, Finance, Supply Chain, & Customer Service, AHN, testified that the company "operate{s} MSG plants in the United States, Europe, Asia and South America to supply customers in those markets with locally produced MSG.").

utilized in the original investigations.[25] Accordingly, we define the domestic industry as consisting of the sole domestic producer of MSG, AJINA.

III. Cumulation

A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[26]

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[27] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of

[25] AJINA Response to the Notice of Institution at 15; AJINA Prehearing Brief at 9–11; CJ Prehearing Brief at 1–2.

[26] 19 U.S.C. § 1675a(a)(7).

[27] 19 U.S.C. § 1677(7)(G)(i); *see also*, *e.g.*, *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

In the original investigations, the Commission found that there was a reasonable overlap of competition among the subject imports from both countries and between subject imports and the domestic like product. Accordingly, it cumulated subject imports from China and Indonesia.[28]

In these reviews, AJINA argues that the Commission should exercise its discretion to cumulate subject imports from China and Indonesia. It contends that imports from each subject source would likely have a discernible adverse impact on the domestic industry upon revocation of the orders, that there is a likely reasonable overlap of competition among the domestic like product, subject imports from China, and subject imports from Indonesia, and that subject imports from China and Indonesia would compete under similar conditions of competition in the U.S. market upon revocation.[29] AJINA states that the volume and pricing patterns of subject imports during the POR, while under the effects of the orders, are not indicative of the prospective volumes or prices of subject imports if the orders were revoked.[30]

CJ argues that that the Commission should not exercise its discretion to cumulate subject imports because imports of MSG from China and Indonesia are likely to compete under different conditions of competition in the U.S. market upon revocation.[31] CJ asserts that if the orders were revoked, the volume of low-priced imports from China would increase significantly,

[28] *Original Determinations*, USITC Pub. 4499 at 8–10.

[29] AJINA Prehearing Brief at 11–30; AJINA Posthearing Brief, EDIS Doc. 718693 (Sept. 2, 2020) at 4–11.

[30] AJINA Posthearing Brief at 7–9.

[31] CJ Prehearing Brief at 2; CJ Posthearing Brief, EDIS Doc. 718673 (Sept. 2, 2020) at 3.

while imports from Indonesia would remain stable.[32] In support, CJ contends that the orders have not restrained the volume of subject imports from Indonesia during the POR in light of the low duty deposit rates applicable to these imports, whereas they have restrained the volume of subject imports from China; moreover, reduced capacity and high capacity utilization rates coupled with increased focus on alternative products and low share of its exports destined for the United States indicate that CJ is not likely to increase exports to the United States in the event of revocation.[33]

In these reviews, the statutory threshold for cumulation is satisfied because both reviews were initiated on the same day: October 1, 2019.[34] In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from either subject country are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports from the subject countries and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

Based on the record, we find that subject imports from China and Indonesia would not be likely to have no discernible adverse impact on the domestic industry if the antidumping

[32] CJ Prehearing Brief at 4; CJ Posthearing Brief at 3–6.

[33] CJ Prehearing Brief at 2–6; CJ Posthearing Brief at 3. In its response to the Commission's notice of institution, CJ argued that revocation of the order on MSG from Indonesia will likely have no discernible impact on the domestic industry because the U.S. industry exhibited strong performance during the POR while the volumes and prices of subject imports from Indonesia were not affected by the order. CJ Response to the Notice of Institution, EDIS Doc. 692829 (Oct. 31, 2019) at 2. CJ did not directly address this topic in its prehearing or posthearing briefs in the context of a cumulation analysis. Nor did CJ dispute the existence of a likely reasonable overlap of competition.

[34] *Initiation of Five-Year (Sunset) Reviews*, 84 Fed. Reg. 52067 (Oct. 1, 2019).

duty orders were revoked. Additionally, we find a likely reasonable overlap of competition among the subject imports and between the subject imports and the domestic like product were the orders to be revoked. We also find that subject imports from China and Indonesia are likely to compete under similar conditions of competition in the U.S. market if the orders were revoked. We therefore exercise our discretion to cumulate subject imports from China and Indonesia in these reviews, as further explained below.

B. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[35] Neither the statute nor the Uruguay Round Agreements Act Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[36] With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if an order is revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

China. In the original investigations, subject imports from China increased from 56.6 million pounds in 2011 to 57.2 million pounds in 2012 and 58.7 million pounds in 2013; their

[35] 19 U.S.C. § 1675a(a)(7).
[36] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

market share was *** percent in 2011, *** percent in 2012, and *** percent in 2013.[37] During the POR, the quantity of subject imports from China declined from 18.2 million pounds in 2014 to 4.5 million pounds in 2015, declined the next three years, reaching a period low of 1.8 million pounds in 2018, and increased to 2.1 million pounds in 2019.[38] The share of apparent U.S. consumption accounted for by subject imports from China declined through much of the POR, from *** percent in 2014 to a period low of *** percent in 2018 and was *** percent in 2019.[39]

In the current reviews, no producers of MSG in China responded to the Commission's foreign producer questionnaire.[40] Available information indicates that China is the world's largest MSG-producing country.[41] The MSG industry in China had an annual production capacity of *** pounds in 2014 and *** pounds in 2018.[42] China's MSG industry produced *** pounds of MSG in 2014 and *** pounds in 2018; its capacity utilization rate declined from *** percent in 2014 to *** percent in 2018.[43] In 2018, China was the world's largest exporter of MSG.[44] Global Trade Atlas ("GTA") data similarly indicate that China was the world's largest exporter of glutamic acid and its salts each year from 2017 to 2019, with global exports of 1.5 billion

[37] CR/PR at Table C-1, Summary Data Compiled During the Original Investigations; Confidential Report (Final), INV-MM-104 (Oct. 9, 2014), EDIS Doc. 695924, at Tables IV-2 and IV-6.

[38] CR/PR at Tables IV-1 and C-1, Summary Data. The volume of subject imports from China was 520,000 pounds in January-March ("interim") 2019 and 578,000 pounds in interim 2020. *Id*.

[39] CR/PR at Tables I-9 and C-1, Summary Data. The share of the quantity of apparent U.S. consumption accounted for by subject imports from China was *** percent in interim 2019 and *** percent in interim 2020. *Id*.

[40] CR/PR at II-4.

[41] Chemical Economics Handbook ("CEH"), EDIS Doc. 715659 (July 27, 2020) at 52. The MSG data reported in the CEH reflect the in-scope product.

[42] *Calculated from* CEH, EDIS Doc. 715659 at 54. All conversions from metric tons to pounds used a conversion factor of 2204.62 pounds per metric ton; CR/PR at Table IV-8. 2018 is the most recent year for which the Chemical Economics Handbook reports data.

[43] *Calculated from* CEH, EDIS Doc. 715659 at 54; CR/PR at Table IV-8, note.

[44] CEH, EDIS Doc. 715659 at 7.

pounds in 2019.[45] MSG from China is currently subject to antidumping duty orders in the European Union ("EU") and Vietnam.[46]

In the original investigations, subject imports from China undersold the domestic like product in 27 of 55 (or 49.0 percent of) comparisons, with margins of underselling that ranged from *** percent to *** percent.[47] In the current reviews, the limited data show that subject imports from China under the discipline of the order undersold the domestic like product in *** of *** (or *** percent of) comparisons at margins of underselling ranging from *** percent to *** percent.[48]

Because the facts available indicate that the MSG industry in China is large, has substantial excess capacity, is the leading global exporter of MSG, and competes with the domestic like product on the basis of price,[49] we do not find that imports of MSG from China would likely have no discernible adverse impact on the domestic industry if the antidumping duty order were revoked.

Indonesia. In the original investigations, subject imports from Indonesia increased from 145,000 pounds in 2011 to 10.0 million pounds in 2013; their share of apparent U.S. consumption increased from *** percent in 2011 to *** percent in 2013.[50]

[45] CR/PR at Tables IV-9, IV-15. Glutamic acid and its salts reported in the GTA data includes both MSG and out-of-scope products. The leading export markets for glutamic acid and its salts from China in 2019 were Vietnam followed by Thailand and Myanmar. CR/PR at IV-9.

[46] CR/PR at IV-29.

[47] *Original Determinations*, USITC Pub. 4499 at V-7; Confidential Report (Final) at V-18.

[48] CR/PR at V-14, Tables V-8 and V-9.

[49] CR/PR at Tables II-6 and II-7.

[50] CR/PR at Table I-9; Confidential Report (Final) at Tables IV-2 and IV-6.

During the POR, the quantity of subject imports from Indonesia was 971,000 pounds in 2014, 3.1 million pounds in 2015, 3.8 million pounds in 2016, 2.6 million pounds in 2017, 4.1 million pounds in 2018, and 7.1 million pounds in 2019.[51] The share of apparent U.S. consumption held by subject imports from Indonesia, on the basis of quantity, increased irregularly from *** percent in 2014 to *** percent in 2019.[52]

In the current reviews, the Commission received questionnaire responses from four MSG producers in Indonesia: PT Ajinex International, PT Ajinomoto Indonesia, CJ, and PT Miwon Indonesia ("Miwon"), which are estimated to have accounted for *** of subject imports from Indonesia in 2019.[53] The Indonesian MSG industry's reported production capacity increased from *** pounds in 2014 to *** pounds in 2015, 2016, 2017, and 2018 and then declined to *** pounds in 2019.[54] Its reported capacity utilization declined from a full-year period high of *** percent in 2014 to a period low of *** percent in 2016, before increasing to *** percent in 2019.[55]

Responding Indonesian producers' exports of MSG fluctuated during the POR, decreasing from a full-year period high of *** pounds in 2014 to a period low of *** pounds in 2017 and increasing to *** pounds in 2019. Exports constituted between *** percent and *** percent of these producers' total annual shipments during the POR. Exports to the United

[51] CR/PR at Table IV-1. The volume of subject imports from Indonesia was 1.0 million pounds in interim 2019 and 1.9 million pounds in interim 2020. *Id*.

[52] CR/PR at Table I-10. The share of the quantity of apparent U.S. consumption accounted for by subject imports from Indonesia was *** percent in interim 2019 and *** percent in interim 2020. *Id*.

[53] CR/PR at IV-21.

[54] CR/PR at Table IV-12. The CEH indicates that the MSG industry in Indonesia had an annual production capacity of approximately *** pounds in 2018. CR/PR at Table IV-8. These data concern the operations of seven producers (as opposed to the four that submitted questionnaire responses). *Id.*

[55] CR/PR at Table IV-12. The CEH indicates that the MSG industry in Indonesia had a capacity utilization rate of *** percent in 2018. CR/PR at Table IV-8, note.

States increased irregularly from *** pounds in 2014 to *** pounds in 2019, accounting for between *** percent and *** percent of total annual shipments, respectively.[56] MSG from Indonesia is currently subject to antidumping duty orders in the EU and Vietnam.[57]

In the original investigations, subject imports from Indonesia undersold the domestic like product in 13 of 27 (or 48.1 percent of) instances; margins of underselling ranged from *** percent to *** percent.[58] In the current reviews, subject imports from Indonesia undersold the domestic like product in *** of *** (or *** percent of) comparisons; margins of underselling ranged from *** to *** percent and there were instances of underselling associated with *** pounds of subject imports from Indonesia as compared to *** pounds associated with instances of overselling.[59]

The record indicates that the MSG industry in Indonesia is large, has some available excess capacity, is export oriented, and continued to undersell the domestic like product in similar proportions to the original investigations. Additionally, subject imports from Indonesia have maintained a substantial presence in the U.S. market during much of the POR, continued to compete with the domestic like product on the basis of price,[60] and their volumes and market share increased between 2017 and 2019. Accordingly, we do not find that imports of

[56] CR/PR at Table IV-12. According to the CEH, the MSG industry in Indonesia exported *** pounds of MSG in 2018, accounting for *** percent of annual production that year. *Calculated from* CEH, EDIS Doc. 715659 at 72. GTA data on glutamic acid and its salts – which includes both MSG and out-of-scope products – indicates that Indonesia's principal export markets for that product in 2019 were Japan, Korea, and Malaysia. CR/PR at Table IV-14.

[57] CR/PR at IV-29.

[58] *Original Determinations*, USITC Pub. 4499 at V-7; Confidential Report (Final) at V-18.

[59] CR/PR at Table V-9.

[60] CR/PR at Tables II-6 and II-7.

MSG from Indonesia would likely have no discernible adverse impact on the domestic industry if the antidumping duty order were revoked.

C. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.[61] Only a "reasonable overlap" of competition is required.[62] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[63]

Fungibility. In the original investigations, the Commission found that MSG from China, Indonesia, and the United States was generally fungible. MSG from domestic producers and both subject sources was produced to the same standards and conformed to the Food Chemicals Codex ("FCC") when used as a food additive. All responding market participants reported that subject imports from China and Indonesia were at least sometimes

[61] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[62] *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); *Wieland Werke,* 718 F. Supp. at 52 ("Completely overlapping markets are not required."); *United States Steel Group v. United States,* 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g*., *Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff'd sub nom., Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

[63] *See generally*, *Chefline Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

interchangeable with each other and with the domestic like product. Additionally, pluralities or majorities of purchasers found that subject imports were comparable with respect to the domestic product and each other with respect to each of 14 non-price purchasing characteristics.[64]

In the current reviews, MSG sold for use in food, whether domestically produced or imported, continues to satisfy FCC standards.[65] The majority of U.S. producers and importers, and at least half of reporting purchasers, reported that the domestic like product, subject imports from China, and subject imports from Indonesia are always or frequently interchangeable in all comparisons between the products.[66] Majorities of purchasers reported that domestically produced MSG is comparable with subject imports from China with respect to 12 out of 16 purchasing factors and is comparable to subject imports from Indonesia with respect to five out of 16 factors. Majorities of purchasers also reported that subject imports from China and Indonesia were comparable with respect to 13 of 16 factors.[67]

Channels of Distribution. In the original investigations, the Commission found that both domestically produced MSG and subject imports of MSG from China and Indonesia shared the same channels of distribution in that they were sold to end users and through distributors.[68] In the current reviews, AJINA shipped MSG to distributors and end users in *** throughout the POR. Importers reported shipping MSG from China to distributors and end users in *** in 2014

[64] *Original Determinations*, USITC Pub. 4499 at 9. Purchaser responses in the original investigations were drawn from questionnaire responses from 31 firms. *Id*. at Confidential Report, II-1.

[65] CR/PR at I-17.

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

[67] CR/PR at Table II-9. Purchaser responses in these reviews are drawn from questionnaire responses from nine firms. CR/PR at I-24.

[68] *Original Determinations*, USITC Pub. 4499 at 9.

and to either end users or distributors for the remaining years of the POR for which importers reported shipments from China.[69] Importers reported shipping MSG from Indonesia primarily to end users in 2014 and 2016 and primarily to distributors for the remaining years of the POR.[70]

Geographic Overlap. In the original investigations, the domestic like product and subject imports from China and Indonesia were sold nationwide.[71] The record in the current reviews similarly shows that AJINA and importers of subject merchandise from China and Indonesia reported selling MSG to all regions in the contiguous United States.[72]

Simultaneous Presence in Market. In the original investigations, the Commission found that MSG, both domestically produced and from each subject source, was present in the U.S. market for much of the period of investigation ("POI").[73] In the current reviews, subject imports from China were present in the U.S. market for 76 of 79 months from January 2014 through July 2020, while subject imports from Indonesia were present for 74 of 79 months.[74] The domestic like product was also present in the U.S. market throughout the POR.[75]

Conclusion. The record indicates that there would be a likely reasonable overlap in competition between and among the domestic like product and subject imports from China and Indonesia if the orders were revoked. Domestically produced MSG and subject imports from

[69] CR/PR at Table II-1. As noted above, importers responding to the Commission's questionnaire comprise *** of subject imports from China. CR/PR at I-23, IV-1.

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

[71] *Original Determinations*, USITC Pub. 4499 at 9.

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

[73] *Original Determinations*, USITC Pub. 4499 at 9.

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

[75] *See* CR/PR at Tables V-3–V-6.

China and Indonesia are largely fungible in that they are produced to common standards and are generally interchangeable, are shipped through common channels of distribution, overlap geographically in sales, and were simultaneously present in the U.S. market throughout the POR. In light of these considerations and the lack of any argument to the contrary, we find that that there likely will be a reasonable overlap in competition between subject imports from China and Indonesia, and between imports from each subject source and the domestic like product, if the orders were revoked.

D. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate subject imports, we assess whether subject imports from the subject countries would compete under similar or different conditions in the U.S. market if the orders under review were revoked. We find that the record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition between subject imports from China and Indonesia in the event of revocation.

First, the record does not indicate any significant distinction in product characteristics between subject imports from China and Indonesia. The domestic producer reported that subject imports from China and Indonesia were interchangeable, and the majority of responding U.S. importers and purchasers reported they were always or frequent interchangeable.[76] A majority of U.S. purchasers indicated that subject imports from China and

[76] CR/PR at Table II-10. In the original investigations, the Commission observed that the domestic producer and a majority of purchasers reported that subject imports from China and Indonesia were at least sometimes interchangeable with each other and the domestic like product. *Original Determinations*, USITC Pub. 4499 at 9.

Indonesia were comparable with respect to 13 of 16 purchasing factors.[77] Thus, the record provides no evidence indicating that the characteristics of imported products from China and Indonesia likely would give rise to different conditions of competitions in the U.S. market if the orders were revoked.

Further, subject imports from both countries have maintained a presence in the U.S. market (***) since imposition of the orders, selling at varying times during the POR to both distributors and end-users, and both subject industries include numerous producers that lack any relationship with a domestic producer that would affect the likely conditions of competition if the orders were revoked.[78]

In addition, each country is subject to export barriers in the EU and Vietnam and therefore would be subject to similar likely conditions of competition with respect to the impact of these export barriers on incentives to redirect shipments to other export markets, including the U.S. market, if the orders were revoked.[79]

We have considered CJ's arguments that subject imports from Indonesia and China will likely compete under different conditions of competition in the U.S. market in the event of revocation, but find them unpersuasive.[80] First, we observe that both the volume and market share of subject imports from both China and Indonesia declined following imposition of the

[77] CR/PR at Table II-9. In the original investigations, the Commission observed that pluralities or majorities of purchasers reported that subject imports from China and Indonesia were "comparable" with respect to the domestic like product and to each other with respect to each of 14 non-price purchasing factors. *Original Determinations*, USITC Pub. 4499 at 9.

[78] CR/PR at Tables IV-5 and IV-10, IV-21.

[79] CR/PR at IV-29.

[80] CJ Prehearing Brief at 2–5; CJ Posthearing Brief at 3–6.

orders.[81] While subject imports from Indonesia have increased irregularly during the POR, whereas subject imports from China decreased early in the POR and have remained relatively stable thereafter,[82] imports from both subject sources remained in the U.S. market, as previously discussed.[83] Moreover, although subject imports from China fell more dramatically after the imposition of the orders relative to subject imports from Indonesia, subject imports from Indonesia (as well as those from China) have not returned during the POR to the peak market penetration that they obtained during the original investigations, contrary to CJ's claim that the orders have had no effect on the volume of subject imports from Indonesia.[84] In light of these considerations, we do not accept CJ's argument that imposition of the orders has had such different impacts on subject imports from Indonesia and China so as to support the conclusion that such imports would likely compete under different conditions of competition if the orders were revoked.[85] We further disagree with CJ's argument that the volume and pricing

[81] CR/PR at Tables I-9 and I-10, Figure I-4.

[82] CR/PR at Tables I-10 and C-1, Summary Data.

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

[84] During the POR, subject import volumes from Indonesia varied considerably, and these imports reached peak market penetration of *** percent in 2019 and *** percent in interim 2020. CR/PR at Table I-10. By contrast, subject imports from Indonesia accounted for as much as *** percent of apparent U.S. consumption during the original investigations. CR/PR at Table C-1, Summary Data Compiled During the Original Investigations.

[85] CJ also argues that, unlike subject imports from China, subject imports from Indonesia have been subject to low duty deposit rates during the POR. CJ Prehearing Brief at 2–3; CJ Posthearing Brief at 3–6. CJ also points to the differences in the likely dumping margins Commerce found for subject imports from China and Indonesia. CJ Posthearing Brief at 3. In support of this argument, CJ asserts that the Commission has declined to cumulate subject imports because of differences in the magnitude of dumping margins. CJ Posthearing Brief, Exh. 1 at 3–4. It also observes that since the imposition of the orders, the administrative reviews have resulted in its cash deposit rate being zero or very low, while those for subject imports from China have been much higher. CJ Prehearing Brief at 2–3. We disagree that the cash deposit rates applicable to subject imports from Indonesia as compared to subject imports from China indicate that in the event of revocation subject imports from Indonesia and from China would compete under different conditions of competition**.** If the orders were revoked, CJ would be able

patterns of subject imports during the POR, while subject to the restraint of the orders, are indicative of the patterns and conditions of competition that would likely prevail upon revocation of the orders.[86]

CJ further asserts that there is little excess production capacity in Indonesia, particularly in relation to the excess production capacity in China.[87] Regardless of any differences in size, the record shows that subject industries in China and Indonesia both maintain substantial production capacity and are export oriented.[88] China has the world's largest MSG industry in terms of production capacity and Indonesia has the world's second largest.[89] Available data further indicate that both industries are among the world's largest exporters of MSG.[90] Thus, to the extent that different levels of excess production capacity or export orientation between

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to price its products free of the discipline of the orders, as would subject producers from China. We also do not consider the likely margins found by Commerce to suggest that imports from the two countries are likely to compete under different conditions of competition.

We also find *Certain Bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom*, Inv. Nos. AA1921-143, 731-TA-341, 731-TA-343-345, 731-TA-391-397, and 731-TA-399 (Review), USITC Pub. 3309 (June 2000), the sole Commission majority opinion CJ cites in support of this proposition, to be inapposite. There, the Commission found that the virtual absence of Hungarian and Romanian subject tapered roller bearing imports from the U.S. market, even during periods where they had low or zero duty deposit rates, to be one of several considerations supporting a finding that revocation of the pertinent orders would have no discernible adverse impact on the domestic industry. *Id.* at 21–22. The Commission did not decide that differences in duty deposit rates or likely dumping margins were indicative of a likely difference in conditions of competition. *Id.* Moreover, the principle is well established that each Commission investigation is *sui generis*. *See Nucor Corp.*, 414 F.3d at 1340; *Cleo Inc. v. United States*, 501 F.3d 1291 (Fed. Cir. 2007); *Hitachi Metals, Ltd*, 949 F.3d at 718.

[86] *See* SAA at 884 (characterizing "revocation or termination of a proceeding and the elimination of its restraining effects on the volumes and prices of imports" an "important change in the status quo.").

[87] CJ Prehearing Brief at 4.

[88] CR/PR at Tables IV-8, IV-9, and IV-12.

[89] CR/PR at Figure IV-4; CEH, EDIS Doc. 715659 at 8.

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

subject countries may affect the likely conditions of competition upon revocation, neither is the case here.

CJ also cites reductions in its production capacity in 2019 and low share of its total exports to the United States as support for its contention that, if the orders were revoked, the volume of subject imports from Indonesia would remain stable or even decline.[91] However, CJ was not the sole Indonesian producer that exported MSG to the U.S market during the POR.[92]

[91] CJ Prehearing Brief at 4; CJ Posthearing Brief at 4–6. CJ also argues that its production capacity decreased because CJ has decided to deemphasize MSG production in its business operations (in favor of alternative products it asserts are growing in popularity) and cites *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, and Taiwan*, Inv. Nos. 731-TA-770-773 and 775 (Third Review), USITC Pub. 4623 (July 2016) ("*SSWR*") as an instance in which the Commission for this reason declined to exercise its discretion to cumulate subject imports. CJ Prehearing Brief at 4. We disagree. In that case, only one of several subject producers was both subject to the order and export oriented, and the record reflected that this producer maintained sustained commitments to its home and regional markets that precluded meaningful exports to the U.S. market. *SSWR*, USITC Pub. 4623 at 28–30. Here, as discussed, the record does not reflect that the Indonesian industry is unable to direct substantial levels of subject imports to the U.S. market, and several export-oriented Indonesian producers maintain significant capacity levels. CR/PR at IV-21, Table IV-8. Moreover, as previously discussed, each Commission investigation is *sui generis*. *See Nucor Corp. v. United States*, 414 F.3d 1331, 1340 (Fed. Cir. 2005); *Cleo Inc. v. United States*, 501 F.3d 1291 (Fed. Cir. 2007); *Hitachi Metals, Ltd. v. United States*, 949 F.3d 710, 718 (Fed. Cir. 2020).

In addition, we disagree with CJ's contention that its increased focus on alternative products indicates that CJ is unlikely to increase its exports to the United States in the event of revocation. *See* CJ Prehearing Brief at 9–11; CJ Posthearing Brief at 3–5, Exh. 1 at 5–6, Exh. 2. As an initial matter, we observe that, notwithstanding CJ's purported increased focus on alternative products, CJ in 2019 produced *** pounds dry weight of MSG, which amounts to *** pounds dry weight of apparent U.S. consumption that year. CR/PR at Tables IV-10, C-1. Although CJ argues that, given its reduced capacity, it would be unable to satisfy its existing customers outside of the United States were it to shift sales to the U.S. market, *see* CJ Prehearing Brief at 11, it does not follow from this claim that CJ would not shift sales to the U.S. market were the order revoked; the record indicates that, under the discipline of the order, the average unit values ("AUVs") of the Indonesian industry's exports to the U.S. market were *** those of other export markets. CR/PR at Table IV-12. Further, while CJ asserts that switching its production lines back to MSG production would be difficult both physically and economically, CJ has not demonstrated that to do so would not be a profitable decision within a reasonably foreseeable time. *See* CJ Prehearing Brief at 4 (arguing that modifications cannot be easily reversed); CJ Posthearing Brief at 6 (arguing that it would cost a substantially greater sum to switch production back to MSG than it did to shift production to alternative products); *see also* AJINA Posthearing Brief at Exh. 5 (estimating, based on AJINA's experience adding production capacity, that CJ's costs would likely be recouped within ***).

[92] CR/PR at Table IV-10.

Notably, Miwon's exports to the United States accounted for *** percent of the volume of subject imports from Indonesia in 2019, and Miwon maintains significant production capacity, as does CJ, even with its recent capacity reduction,[93] undercutting CJ's assertions that its own reduction in production capacity would prevent the volume of subject imports from Indonesia from increasing if the orders were revoked.[94] Overall, the Indonesian MSG industry's capacity increased over the POR, and its capacity utilization rate declined, indicating an increased ability and incentive to direct exports to the U.S. market upon revocation.[95] Consistent with these data and our obligation to consider the whole of the Indonesian industry, we observe that the volume of subject imports from Indonesia increased in 2019 and was substantially larger than that of any other year of the POR, which further demonstrates that the Indonesian MSG industry has an increasing interest in supplying the U.S. market and the ability to do so.[96] Thus, we disagree that evidence on Indonesian production capacity supports CJ's arguments regarding likely conditions of competition between subject imports from Indonesia and China.

[93] Miwon reported an overall production capacity in 2019 of *** pounds dry weight. PT Miwon Indonesia Questionnaire–Foreign Producer, EDIS Doc. 718798 at 9. CJ reported an overall production capacity in 2019 of *** pounds dry weight. PT Cheil Jedang Indonesia Questionnaire–Foreign Producer, EDIS Doc. 713568 at 10.

[94] CR/PR at Table IV-10. In addition, we note that this *** portion of the volume of subject imports from Indonesia in 2019 was due to ***, indicating that relatively small adjustments in the Indonesian industry's orientation towards the U.S. market result in significant changes in the volume of subject imports entering the U.S. market. PT Miwon Indonesia Questionnaire–Foreign Producer, EDIS Doc. 718798 at III-8; *see also* CJ Final Comments, EDIS Doc. 720671 (Sept. 29, 2020) at 3.

[95] CR/PR at Table IV-12. We also examined the data of the two firms that exported subject merchandise to the U.S. market during the POR – CJ and Miwon. While these two firms' combined capacity decreased somewhat between 2018 and 2019, during this period their total exports and exports to the United States both increased. *Calculated from* PT Miwon Indonesia Questionnaire–Foreign Producer, EDIS Doc. 718798 and PT Cheil Jedang Indonesia Questionnaire–Foreign Producer, EDIS Doc. 713568. It is also notable that the third-largest Indonesian producer, ***, which did not respond to the Commission's questionnaire, exported MSG to ***. CR/PR at IV-21.

[96] CR/PR at Table I-10.

E. Conclusion

We do not find that subject imports from China or Indonesia would likely have no discernible adverse impact upon revocation of the orders, and we find that there would be a reasonable overlap of competition between subject imports from both countries and between subject imports from each country and the domestic like product. We also find that the record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition between subject imports from China and Indonesia if the orders were revoked. Accordingly, we exercise our discretion to cumulate subject imports from China and Indonesia for purposes of these reviews.

IV. Revocation of the Antidumping Duty Orders 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."[97] The 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

[97] 19 U.S.C. § 1675a(a).

elimination of its restraining effects on volumes and prices of imports."[98] Thus, the likelihood standard is prospective in nature.[99] 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.[100]

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."[101] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[102]

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[98] SAA at 883–84. 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.

[99] 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.

[100] *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'").

[101] 19 U.S.C. § 1675a(a)(5).

[102] 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*.

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."[103] 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).[104] 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.[105]

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.[106] In doing so, the Commission

[103] 19 U.S.C. § 1675a(a)(1).

[104] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders under review. CR/PR at I-11, n.13; *Monosodium Glutamate From the Republic of Indonesia: Final Results of the First Full Five-Year Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 34419 (June 4, 2020); *Issues and Decision Memorandum for the First Full Sunset Review of the Antidumping Duty Order on Monosodium Glutamate from the People's Republic of Indonesia* (May 28, 2020); *Monosodium Glutamate From the People's Republic of China: Final Results of the First Expedited Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 5616 (Jan. 31, 2020); *Issues and Decision Memorandum for the First Expedited Sunset Review of the Antidumping Duty Order on Monosodium Glutamate from the People's Republic of China* (Jan. 24, 2020).

[105] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[106] 19 U.S.C. § 1675a(a)(2).

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.[107]

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 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.[108]

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,

[107] 19 U.S.C. § 1675a(a)(2)(A–D).

[108] *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.

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.[109] 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 orders under review and whether the industry is vulnerable to material injury upon revocation.[110]

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."[111] The following conditions of competition inform our determinations.

1. Demand Conditions

In the original investigations, the Commission found that demand for MSG was derived from demand of downstream products including processed foods, ready-made food, sauces, spice mixes, dressings, and to a lesser extent, detergents, cosmetics, and pharmaceuticals.[112] Additionally, the Commission noted that the U.S. MSG market was composed of four major segments: direct purchases by large-scale food processors, which accounted for *** percent of

[109] 19 U.S.C. § 1675a(a)(4).

[110] 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.

[111] 19 U.S.C. § 1675a(a)(4).

[112] *Original Determinations*, USITC Pub. 4499 at 14.

the market; sales through distributors to the Chinese food service market; sales to distributors for retail stores; and sales through other distributors. Apparent U.S. consumption of MSG increased from *** pounds in 2011 to *** pounds in 2013.[113]

In the current reviews, U.S demand for MSG continues to be driven by demand for downstream products. MSG accounts for a small share of the overall cost of these downstream products.[114] Market participants provided mixed responses regarding changes in demand in the United States since 2014. Importers' and purchasers' questionnaire responses varied, with a plurality of importers reporting no change in demand, and a plurality of purchasers reporting demand had decreased.[115] CJ contends that global demand for MSG is decreasing due to a shift in consumer preferences towards products perceived as more natural.[116] In contrast, AJINA claims that U.S. apparent consumption for MSG has been relatively constant with gradual increases over time and it has maintained marketing efforts in the United States to combat negative perceptions regarding MSG's health effects.[117] Apparent U.S. consumption of MSG rose during the POR; it was *** pounds in 2014, *** pounds in 2015, *** pounds in 2016, *** pounds in 2017, *** pounds in 2018, and *** pounds in 2019.[118]

[113] *Original Determinations*, USITC Pub. 4499 at 14; *Confidential Original Determinations*, EDIS Doc. 695926 at 19.

[114] CR/PR at II-6.

[115] CR/PR at Table II-4.

[116] CJ Prehearing Brief at 6; CJ Posthearing Brief at 7–9.

[117] AJINA Prehearing Brief at 32; Hearing Transcript at 18–20 (McPhie).

[118] CR/PR at Table I-10. Apparent U.S. consumption was *** pounds in interim 2019 and higher, at *** pounds, in interim 2020. *Id*.

2. Supply Conditions

In the original investigations, the Commission found that the domestic industry was the largest source of supply to the U.S. market.[119] The domestic industry's share of apparent U.S. consumption decreased from *** percent in 2011 to *** percent in 2012 before increasing to *** percent in 2013.[120] Cumulated subject imports were the next largest supply of MSG to the U.S. market; their market share increased from *** percent in 2011 to *** percent in 2013.[121] Nonsubject imports' share of apparent U.S. consumption increased from *** percent in 2011 to *** percent in 2012, before decreasing to *** percent in 2013.[122]

During the current reviews, the domestic industry, which continues to consist solely of AJINA,[123] was the largest source of supply to the U.S. market; its share of apparent U.S. consumption was *** percent in 2014, *** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in 2018, and *** percent in 2019.[124] Nonsubject imports were the second largest source of supply during the POR; their share of apparent U.S. consumption was *** percent in 2014, *** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in 2018, and *** percent in 2019.[125] The largest sources of nonsubject imports were Brazil,

[119] *Original Determinations*, USITC Pub. 4499 at 14.

[120] *Original Determinations*, USITC Pub. 4499 at 14; *Confidential Original Determinations*, EDIS Doc. 695926 at 19–20.

[121] *Original Determinations*, USITC Pub. 4499 at 14; *Confidential Original Determinations*, EDIS Doc. 695926 at 20.

[122] *Original Determinations*, USITC Pub. 4499 at 14; *Confidential Original Determinations*, EDIS Doc. 695926 at 20. Brazil was the largest source of nonsubject imports during the POI. *Id*.

[123] CR/PR at Table I-6.

[124] CR/PR at Table I-10. The domestic industry's share of apparent U.S. consumption was *** percent in interim 2019 and *** percent in interim 2020. *Id*.

[125] CR/PR at Table I-10. Nonsubject imports' share of apparent U.S. consumption was *** percent in interim 2019 and *** percent in interim 2020. *Id*.

Taiwan, and Vietnam.[126] Cumulated subject imports were the third largest source of supply during the POR; their share of apparent U.S. consumption was *** percent in 2014, *** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in 2018, and *** percent in 2019.[127]

3. Substitutability and Other Conditions

In the original investigations, all domestically produced MSG met both FCC and U.S. Pharmacopeia standards, while subject imports generally met these standards, with the exception of some subject imports from China.[128] The Commission found that there was a high degree of substitutability between MSG from different sources and that price was an important factor in purchasing decisions.[129] It also found that the primary raw material the domestic industry used in the production of MSG was glucose derived from corn and other dextrose sources; the cost of corn decreased by *** percent overall during the POI.[130] U.S. producers generally sold MSG through yearly or short-term contracts, while importers generally sold MSG through spot sales or through yearly contracts.[131]

In the current reviews, we find that that there continues to be a high degree of substitutability between domestically produced MSG and the subject merchandise.[132] The majority of responding U.S. importers reported that MSG from the United States, China, and

[126] CR/PR at II-5.

[127] CR/PR at Table I-10. Cumulated subject imports' share of apparent U.S. consumption was *** percent in interim 2019 and *** percent in interim 2020. *Id*.

[128] *Original Determinations*, USITC Pub. 4499 at 15.

[129] *Original Determinations*, USITC Pub. 4499 at 15.

[130] *Original Determinations*, USITC Pub. 4499 at 15; *Confidential Original Determinations*, EDIS Doc. 695926 at 21–22. Additional raw materials used to manufacture MSG included ***. *Original Determinations*, USITC Pub. 4499 at 15; *Confidential Original Determinations*, EDIS Doc. 695926 at 22.

[131] *Original Determinations*, USITC Pub. 4499 at 16.

[132] CR/PR at II-7.

Indonesia was always or frequently interchangeable, and the U.S. producer reported that they were *** interchangeable. The majority of responding U.S. purchasers reported that MSG from the United States and China was always or frequently interchangeable, and half of the responding purchasers reported that MSG from the United States and Indonesia was always or frequently interchangeable.[133]

Price remains an important factor in purchasing decisions. Notably, price was the factor most frequently cited by U.S. purchasers as both the top factor and among the top three most important factors they consider in their purchasing decisions.[134] Moreover, all nine responding purchasers reported that price is a very important purchasing factor (along with product consistency and reliability of supply).[135]

Domestically produced MSG is made of corn starch, which makes up approximately *** of the raw material costs associated with U.S. MSG production.[136] Raw materials are the largest component of the total cost of goods sold ("COGS") for MSG and accounted for over *** of the total COGS throughout the POR.[137] MSG is primarily sold from inventory.[138]

[133] CR/PR at Table II-10.
[134] CR/PR at Table II-6.
[135] CR/PR at Table II-7.
[136] CR/PR at V-1.
[137] CR/PR at V-1.
[138] CR/PR at II-8; Hearing Transcript at 28 (Kaskavage).

Subject imports from China have been subject to additional duties under section 301 of the Trade Act of 1974[139] ("section 301 tariffs") since September 2018. Section 301 tariffs on MSG from China are currently 25 percent *ad valorem*.[140]

C. Likely Volume of Subject Imports

Original Investigations. In the original investigations, the Commission found that the volume of cumulated subject imports increased from 2011 to 2013.[141] Cumulated subject import volume was *** pounds in 2011, *** pounds in 2012, and *** pounds in 2013.[142] The volume of subject imports increased more rapidly than apparent U.S. consumption from 2011 to 2013, and cumulated subject imports' share of apparent U.S. consumption rose from *** percent in 2011 to *** percent in 2012 and *** percent in 2013.[143] The Commission found the volume and increase in volume of cumulated subject imports to be significant both in absolute terms and relative to apparent U.S. consumption.[144]

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[139] 19 U.S.C. § 2411.

[140] *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 19, 2019). These additional duties were originally set at 10 percent ad valorem, effective September 23, 2018. *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). The duty rate increased to 25 percent ad valorem, effective May 10, 2019. *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 19, 2019).

[141] *Original Determinations*, USITC Pub. 4499 at 16.

[142] *Original Determinations*, USITC Pub. 4499 at 16; *Confidential Original Determinations*, EDIS Doc. 695926 at 22–23. The volume of cumulated subject imports was *** pounds in January-June ("interim") 2013 and *** pounds in interim 2014. The Commission found that the reduced volume of cumulated subject imports in interim 2014 was due in part to the filing of the petition and therefore afforded data for interim 2014 reduced weight in its analysis. *Id.*

[143] *Original Determinations*, USITC Pub. 4499 at 16; *Confidential Original Determinations*, EDIS Doc. 695926 at 23.

[144] *Original Determinations*, USITC Pub. 4499 at 16.

Current Reviews. During the current reviews, the orders have disciplined the volume of cumulated subject imports present in the U.S. market. The volume of subject imports decreased each year from 19.2 million pounds in 2014, until reaching a period low of 4.9 million pounds in 2017, and then increased the next two years; the volume of cumulated subject imports was 9.2 million pounds in 2019.[145] Cumulated subject imports' share of apparent U.S. consumption similarly declined from *** percent in 2014 to a period low of *** percent in 2017 and increased thereafter to *** percent in 2019.[146]

The record reflects that the MSG industries in China and Indonesia have the ability cumulatively to increase exports to the United States if the orders were revoked. Subject producers have substantial capacity to produce MSG as well as substantial excess production capacity. Available information indicates that the subject industries had a cumulative production capacity of *** pounds in 2018.[147] Moreover, questionnaire responses from four MSG producers in Indonesia indicate their collective production capacity increased overall, from *** pounds in 2014 to *** pounds in 2019.[148] Available information states that the

[145] CR/PR at Table IV-1.

[146] CR/PR at Table I-10. Cumulated subject import quantity and market penetration were 1.5 million pounds and *** percent in interim 2019 and 2.5 million pounds and *** percent in interim 2020. *Id*.

[147] CR/PR at Table IV-8. This table is based on data from the CEH, EDIS Doc. 715659. As previously discussed in Section II.B., the CEH relies on data from 2018 for *** producers believed to account for all MSG production in Indonesia, while the Commission received foreign producer questionnaire responses from four Indonesian producers. *Compare* CEH, EDIS Doc. 715659 at 68 and CR/PR at IV-21.

[148] CR/PR at Table IV-8. Two of the four producers from Indonesia that submitted questionnaire responses, PT Ajinex International and PT Ajinomoto Indonesia, are related to AJINA and ***. CR/PR at Tables I-7, IV-8, IV-10. Even if we considered only the two MSG producers in Indonesia that exported subject merchandise to the United States during the POR, CJ and Miwon, these producers' collective production capacity of *** pounds was nearly *** that of the domestic industry in 2019. *Calculated from* PT Miwon Indonesia Questionnaire–Foreign Producer, EDIS Doc. 718798; PT Cheil Jedang Indonesia

subject industries cumulatively produced approximately *** pounds of MSG in 2018.[149] The MSG industry in China had a capacity utilization rate of *** percent in 2018.[150] Responding producers in Indonesia reported a capacity utilization rate of *** percent in 2014 and *** percent in 2019, and available data indicates that the industry-wide capacity utilization rate was approximately *** percent in 2018.[151] Moreover, responding Indonesian producers reported end-of period inventories that increased from *** pounds in 2014 to *** pounds in 2019.[152] These inventories exceeded the U.S. producer's total production capacity by over *** pounds in 2019.[153]

Questionnaire–Foreign Producer, EDIS Doc. 713568; CR/PR Table C-1, Summary Data. While these two producers operated at a capacity utilization rate of *** percent in 2019, their unused production capacity would still enable them to export to the United States a volume that is *** the peak volume of subject imports from Indonesia during the original investigations. *Calculated from* PT Miwon Indonesia Questionnaire–Foreign Producer, EDIS Doc. 718798; PT Cheil Jedang Indonesia Questionnaire–Foreign Producer, EDIS Doc. 713568; CR/PR Table C-1, Summary Data Compiled During the Original Investigations.

[149] CR/PR at Table IV-8, notes.

[150] CR/PR at Table IV-8, note.

[151] CR/PR at Table IV-12; CR/PR Table IV-8, note (citing CEH data). Given the size of the Indonesian industry, we observe that even small changes in capacity utilization rates would result in significant increases in production. For example, if responding Indonesian producers raised their capacity utilization rate in the reasonably foreseeable future from the *** percent it was at in 2019 to the *** percent it was at in 2014, that would result in an additional *** pounds of production, which would *** the 2019 subject import volume if directed at the U.S. market. *Derived from* Table IV-12. Indonesian producers, ***, indicated that they produced other products on the same equipment they used to produce MSG. CR/PR at IV-26 and Table IV-13. They stated, however, that they could not switch production to MSG from other products. CR/PR at II-5. As discussed above, *supra* note 91, we are unpersuaded based on the record evidence that the Indonesian industry is precluded from switching production to MSG from other production in the event of revocation.

[152] CR/PR at Table IV-12.

[153] *Compare* CR/PR Tables IV-12 and III-3. While the inventories of the two MSG producers in Indonesia that exported to the United States during the POR were considerably lower, these inventories were still substantial as compared to AJINA's commercial U.S. shipments in 2019. *Compare* PT Miwon Indonesia Questionnaire–Foreign Producer, EDIS Doc. 718798 and PT Cheil Jedang Indonesia Questionnaire–Foreign Producer, EDIS Doc. 713568 to CR/PR at Table III-4.

The record does not contain data on Chinese producers' inventories in China, or on these producers' ability to shift production from other products to MSG.

The MSG industries in China and Indonesia are export oriented and have maintained a presence in the U.S. market throughout the POR. The subject industries cumulatively exported *** pounds of MSG in 2018.[154] Responding Indonesian producers exported between *** percent and *** percent of total annual shipments over the POR to markets across the world.[155] The increase in the volume of cumulated subject imports in the latter part of the POR, from 5.9 million pounds in 2018 to 9.2 million pounds in 2019, indicates both subject producers' continued interest in the U.S. market and their ability to increase exports to the United States rapidly within a short period of time, even with the orders in effect.[156] Available record evidence generally indicates an incentive to increase the volume of these exports if the orders were revoked.[157] Additionally, imports of MSG from China and Indonesia are subject to antidumping duties in the EU and Vietnam, which provides an incentive for subject producers to direct exports to the United States market if the orders under review were revoked.[158] The imposition of the antidumping duty order on imports of MSG from China to Vietnam in March 2020 is particularly pertinent in this respect as Vietnam was China's largest export market for glutamic acid and its salts in 2019.[159]

U.S. importers' inventories of the subject merchandise were lower both on an absolute basis and as a ratio to imports or U.S. shipments of imports in 2019 than in 2014. CR/PR at Table IV-7.

[154] *See* CEH, EDIS Doc. 715659 at 7.

[155] CR/PR at Table IV-12.

[156] CR/PR at Tables I-10 and C-1.

[157] *See* Tables IV-9, IV-12. As previously discussed, *supra* note 91, under the discipline of the orders, the AUVs of the Indonesian industry's exports to the U.S. market were *** those of other export markets. CR/PR at Table IV-12. In addition, the GTA data indicate that, under the discipline of the orders, the AUVs of Chinese exports to the U.S. market were *** those of its exports to other destination markets. CR/PR at Table IV-9.

[158] CR/PR at IV-29.

[159] CR/PR at Table IV-9. As previously indicated, glutamic acid and its salts is a product category that includes both MSG and out-of-scope merchandise.

We find that, given the subject industries' substantial MSG production capacity and excess capacity, their export orientation, their continued presence in the U.S. market notwithstanding the discipline of the orders, and the import barriers they face in third-market countries, revocation of the orders would likely result in a substantial increase in the volume of cumulated subject imports within a reasonably foreseeable time.[160] Consequently, we find the likely volume of cumulated subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the orders were revoked.

D. Likely Price Effects

Original Investigations. In the original investigations, the Commission found that cumulated subject imports and the domestic like product were generally manufactured to industry standard specifications, were highly substitutable, and that price was an important consideration in purchasing decisions.[161] Cumulated subject imports undersold domestically produced MSG in 40 of 82 (or 48.7 percent of) quarterly price comparisons at underselling margins ranging from *** to *** percent.[162] The volume of cumulated subject imports associated with underselling was *** pounds compared to *** pounds associated with

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Although section 301 tariffs are in place on imports of MSG from China, most U.S. importers and purchasers indicated that the tariffs had no impact on the U.S. market or that they were unaware of any such impact. CR/PR at II-1.

[160] CJ's arguments about likely subject import volume were premised on the Commission exercising its discretion not to cumulate subject imports from Indonesia. However, as explained in section III above, we have exercised our discretion to cumulate subject imports from China and Indonesia in these reviews. CJ concedes that subject import volumes from China alone will be significant and will likely have a significant impact on the domestic industry if the orders are revoked. CJ Prehearing Brief at 4; CJ Posthearing Brief at 1.

[161] *Original Determinations*, USITC Pub. 4499 at 17.

[162] *Original Determinations*, USITC Pub. 4499 at 17; *Confidential Original Determinations*, EDIS Doc. 695926 at 24–25.

overselling.[163] In light of the data showing predominant underselling on a quantity basis, the Commission found that cumulated subject imports undersold the domestic like product to a significant degree.[164]

The Commission also found that the domestic industry had experienced a cost-price squeeze from 2011 to 2013 and that the subject imports prevented price increases that otherwise would have occurred to a significant degree. During this period, increases in raw material costs contributed to a *** percent increase in the domestic industry's COGS, while the industry's average unit values remained stable, resulting in a *** increase in the industry's ratio of COGS to net sales during this period.[165] As the volume of cumulated subject imports increased between 2012 and 2013, the domestic industry's prices declined for each pricing product notwithstanding increased apparent U.S. consumption.[166] The Commission also confirmed multiple instances of lost sales and lost revenues totaling $*** and $***, respectively.[167] It concluded that the cumulated subject imports had significant effects on prices of the domestic like product.[168]

Current Reviews. In the current reviews, as discussed above in Section IV.B.3., price continues to be an important factor in purchasing decisions, and there continues to be a high degree of substitutability between domestically produced MSG and subject imports.[169] The

[163] *Original Determinations*, USITC Pub. 4499 at 17; *Confidential Original Determinations*, EDIS Doc. 695926 at 25.

[164] *Original Determinations*, USITC Pub. 4499 at 18.

[165] *Original Determinations*, USITC Pub. 4499 at 18; *Confidential Original Determinations*, EDIS Doc. 695926 at 25–26.

[166] *Original Determinations*, USITC Pub. 4499 at 19.

[167] *Original Determinations*, USITC Pub. 4499 at 19; *Confidential Original Determinations*, EDIS Doc. 695926 at 27.

[168] *Original Determinations*, USITC Pub. 4499 at 19.

[169] CR/PR at Table II-6, II-7.

Commission collected pricing data on four products that accounted for *** percent of U.S. producer's shipments of MSG and *** percent of U.S. shipments of subject imports from Indonesia in 2019.[170] The record contains some pricing data for subject imports from China for 2015, 2017, and 2018, but not other portions of the POR.[171]

Subject imports consisting of 11.2 million pounds undersold the domestic like product in 31 of 64 (or 48.4 percent of) quarterly comparisons at margins ranging from 0.1 percent to 33.7 percent.[172] Subject imports consisting of 4.0 million pounds oversold the domestic like product in 33 of 64 (or 51.5 percent of) quarterly comparisons at margins ranging from 0.3 percent to 15.7 percent.[173] Accordingly, cumulated subject imports exhibited mixed underselling of the domestic like product on the basis of quarterly price comparisons and predominant underselling of the domestic like product on the basis of volume, as they did in the original investigations.

We find that, upon revocation, the likely increased volume of cumulated subject imports are likely to undersell the domestic like product to a significant degree based on the underselling exhibited during the POR, notwithstanding the imposition of the orders, as well as

[170] CR/PR at V-4. The four pricing products were:
Product 1.--MSG Fine 50 LB – Paper Bag. All crystal passed through ASTM #60 or above; no second screen used.
Product 2.--MSG Fine 50 LB – Paper Bag. First screen passed through of crystal smaller than ASTM #60; second screen of ASTM #120 up to or including ASTM #170.
Product 3.--MSG Regular 50 LB – Paper Bag. First screen passed through of crystal smaller than ASTM #20 up to or on ASTM #50; second screen of ASTM #40 up to or including ASTM #100.
Product 4.--MSG Regular 100 LB DRM – Fiber drum. First screen passed through of crystal smaller than ASTM #20 up to or on ASTM #50; second screen of ASTM #40 up to or including ASTM #100.

[171] *See* CR/PR at Tables V-4–V-6. Not all firms reported pricing data for all products for all quarters during the POR. CR/PR at V-4.

[172] CR/PR at Table V-8.

[173] CR/PR at Table V-8.

the underselling that occurred in the original investigations.[174] Due to the importance of price in purchasing decisions and the high degree of substitutability between the domestic like product and the subject merchandise, this underselling would likely cause the domestic industry either to reduce its prices or, as occurred in the original investigations, forego or limit price increases notwithstanding rising costs, or lose market share to lower-priced subject imports. Accordingly, we find that, if the orders were revoked, significant underselling by subject merchandise of the domestic like product is likely and that subject imports are likely to enter at prices that would have significant depressing or suppressing effects on the price of the domestic like product, or cause the domestic industry to lose market share to subject imports.[175]

E. Likely Impact

Original Investigations. In the original investigations, the Commission found that the domestic industry's performance declined despite increasing apparent U.S. consumption; its production and capacity utilization declined from 2011 to 2012 before increasing in 2013, largely due to efforts to expand inventories.[176] The domestic industry's net sales and U.S.

[174] Moreover, several purchasers reported that revocation was likely to result in increased price competition and/or lower prices. CR/PR at Appx. D-5.

[175] As previously discussed in Section IV.D., CJ's arguments are premised on examining subject imports from Indonesia individually and do not purport to address the cumulative analysis we have adopted. Moreover, CJ's arguments that subject imports from Indonesia were priced comparably to the domestic like product during the POR do not comport with our analysis of the data, as explained above. CJ Prehearing Brief at 12–13; CJ Posthearing Brief at 13–14. Finally, CJ's arguments that purchasers prefer the domestic product for non-price reasons cannot be reconciled with either U.S. purchasers' responses in this review regarding the importance of price in purchasing decisions and the interchangeability of domestic product and subject imports or the increase in subject imports' market share at the domestic industry's expense, including confirmed lost sales, during the original investigations. CJ Prehearing Brief at 7–8; CR/PR at Tables II-6, II-7, II-10; *Original Determinations*, USITC Pub. 4499 at 15.

[176] *Original Determinations*, USITC Pub. 4499 at 20.

shipments as measured by volume decreased from 2011 to 2012 before increasing to levels below those of 2011 in 2013.[177] The domestic industry's share of apparent U.S. consumption followed a similar pattern, declining overall from *** percent in 2011 to *** percent in 2013.[178] Employment-related indicators were mixed during this period.[179] The Commission found that the domestic industry's financial performance deteriorated from 2011 to 2013.[180] The industry recorded an operating *** in 2013.[181]

The Commission concluded that the increasing volumes of cumulated subject imports that frequently undersold the domestic like product resulted in the domestic industry losing revenues, due both to price suppression and to reduced output.[182] As a result, subject imports were a cause of the domestic industry's deteriorating operating performance from 2011 to 2013; by contrast, the domestic industry's operating performance improved when cumulated subject import levels fell in the first half of 2014.[183] The Commission therefore concluded that the significant volumes of cumulated subject imports and their adverse price effects had a significant impact on the domestic industry.[184]

In its non-attribution analysis, the Commission found that declining raw materials costs during the POI did not correlate with declines in the domestic industry's revenues or operating

[177] *Original Determinations*, USITC Pub. 4499 at 20–21.

[178] *Original Determinations*, USITC Pub. 4499 at 21; *Confidential Original Determinations*, EDIS Doc. 695926 at 29.

[179] *Original Determinations*, USITC Pub. 4499 at 21.

[180] *Original Determinations*, USITC Pub. 4499 at 21.

[181] *Original Determinations*, USITC Pub. 4499 at 21; *Confidential Original Determinations*, EDIS Doc. 695926 at 30.

[182] *Original Determinations*, USITC Pub. 4499 at 21.

[183] *Original Determinations*, USITC Pub. 4499 at 21–22.

[184] *Original Determinations*, USITC Pub. 4499 at 22.

performance.[185] Increases in the domestic industry's selling, general, and administrative expenses could not fully explain the declines in the domestic industry's operating performance.[186] While the domestic industry experienced some supply shortages in 2012, these were resolved by 2013 and could not explain the domestic industry's difficulties that year.[187] Nonsubject imports, which were mainly imported by AJINA, were generally higher priced than both the subject imports and the domestic like product and therefore could not explain the adverse price effects the Commission had attributed to the cumulated subject imports.[188]

Current Reviews. The record in the current reviews indicates that the domestic industry has benefited from the orders as most of the sole domestic producer's measures of performance improved during the POR. The domestic industry's production capacity increased overall from *** pounds in 2014 to *** pounds in 2019. Its production also increased overall from *** pounds in 2014 to *** pounds in 2019. The domestic industry's capacity utilization rate was relatively stable, never dropping below *** percent during the POR.[189] Its U.S. shipments fluctuated, but increased overall from *** pounds in 2014 to *** pounds in 2019.[190] The domestic industry maintained its position as the largest supplier of MSG to the U.S. market throughout the POR; its share of apparent U.S. consumption declined from *** percent in 2014

[185] *Original Determinations*, USITC Pub. 4499 at 22.

[186] *Original Determinations*, USITC Pub. 4499 at 22; *Confidential Original Determinations*, EDIS Doc. 695926 at 32.

[187] *Original Determinations*, USITC Pub. 4499 at 23.

[188] *Original Determinations*, USITC Pub. 4499 at 23.

[189] CR/PR at Table III-3. Capacity, production, and capacity utilization were each higher in interim 2020 than in interim 2019. *Id*.

[190] CR/PR at Table III-4. U.S. shipments were *** higher in interim 2020 than interim 2019. *Id*.

to *** percent in 2016, then increased to *** percent in 2018, and decreased to *** percent in 2019.[191] Its end-of-period inventories declined from *** pounds in 2014 to *** pounds in 2019.[192]

Most domestic industry employment indicators improved over the POR. Both the number of production related workers ("PRWs") and total hours worked improved overall, increasing from *** PRWs and *** hours worked in 2014 to *** PRWs and *** hours worked in 2019. Hours worked per PRW declined overall from *** in 2014 to *** in 2019. Total wages paid and hourly wages both increased steadily from $*** and $*** in 2014 to $*** and $*** in 2019, respectively, resulting in an overall increase in unit labor costs from $*** to $*** over the same period. Productivity as measured in pounds per hour fluctuated but declined overall from *** in 2014 to *** in 2019.[193]

Most of the domestic industry's financial indicators showed improvement over the POR. While net sales revenues declined overall from $*** in 2014 to $*** in 2019, gross profits increased from *** to $*** over the same period.[194] The industry's operating income similarly increased overall, from $*** in 2014 to $*** in 2019.[195] Its operating margin improved *** from *** percent in 2014 to *** percent in 2015 following the imposition of the orders and fluctuated in a narrow range thereafter, reaching an annual period peak of *** percent in

[191] CR/PR at Table I-10. The domestic industry's share of apparent U.S. consumption was *** percent in interim 2019 and lower, *** percent, in interim 2020. *Id*.

[192] CR/PR at Table III-5. Inventories were higher in interim 2020 than in interim 2019. *Id*.

[193] CR/PR at Table III-7. The number of PRWs, hours worked, hours worked per PRW, wages paid, and hourly wages were all higher in interim 2020 than in interim 2019. Unit labor costs were unchanged, and productivity was lower. *Id*.

[194] CR/PR at Table III-8.

[195] CR/PR at Table III-8.

2019.[196] Its net income increased irregularly from $*** in 2014 to $*** in 2019.[197] Total capital expenditures increased irregularly from $*** in 2014 to a period peak of $*** in 2018 and then declined to $*** in 2019.[198] Research and development expenses declined steadily during each year of the POR, from $*** in 2014 to $*** in 2019.[199]

Due to its generally strong performance during the POR, we find that the domestic industry is not currently in a vulnerable condition. However, notwithstanding this improved condition, the domestic industry will likely be adversely impacted by the increased quantities of low-priced cumulated subject imports we have found are likely in the event of revocation. Specifically, we find that the likely significant volume of cumulated subject imports from China and Indonesia, coupled with the likely significant price effects of such imports, would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions would have a direct adverse impact on the industry's profitability and employment as well as its ability to raise capital and make and maintain necessary capital investments.

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 fluctuated during the POR, but held a larger share of apparent U.S. consumption in 2019 than in the final year of the original investigations.[200] This increase in

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

[197] CR/PR at Table III-8. The domestic industry's sales revenues, gross profit, operating income, operating margin, and net income were each higher in interim 2020 than interim 2019. *Id*.

[198] CR/PR at Table III-12.

[199] CR/PR at Table III-12. Capital expenses and research and development expenses were each lower in interim 2020 than in interim 2019. *Id*.

[200] CR/PR at Tables I-9 and I-10.

nonsubject imports' market share, however, did not prevent the domestic industry from improving its operational and financial performance during the POR, as discussed above. Furthermore, given the high level of substitutability between domestically produced and subject MSG and the importance of price in purchasing decisions, 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, if the orders were revoked. Accordingly, any increase in the volume of subject imports would likely take at least some market share from the domestic industry and/or exert downward pressure on prices in the U.S. market. Indeed, the increase in market share for cumulated subject imports in 2019 came at the expense of the domestic industry.[201] Therefore, subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports.

Accordingly, we conclude that, if the antidumping duty orders were revoked, cumulated subject imports from China and Indonesia would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

V. Conclusion

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

[201] CR/PR at Table C-1, Summary Data.

Accordingly, we conclude that, if the antidumping duty orders were revoked, cumulated subject imports from China and Indonesia would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

V. Conclusion

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

Part I: Introduction

Background

On October 1, 2019, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the antidumping duty orders on monosodium glutamate ("MSG") from China and Indonesia would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On January 6, 2020, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.[4] The following tabulation presents information relating to the background and schedule of this proceeding:[5]

[1] 19 U.S.C. 1675(c).

[2] 84 FR 52129, October 1, 2019. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping duty orders. 84 FR 52067, October 1, 2019.

[4] 85 FR 3421, January 21, 2020. The Commission found that the domestic interested party group response to its notice of institution was adequate. The Commission also found that the respondent interested party group response concerning the antidumping duty order on MSG from Indonesia was adequate, and therefore, determined to proceed with a full review of that order. The Commission found that the respondent interested party group response concerning the antidumping duty order on MSG from China was inadequate, but determined to conduct a full review of this order to promote administrative efficiency.

[5] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy are referenced in appendix A and may also be found at the Commission's website (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct expedited or full reviews may also be found at the website. Appendix B is reserved for the witnesses participating at the Commission's hearing.

Effective date	Action
November 26, 2014	Commerce's antidumping duty orders on MSG from China and Indonesia (79 FR 70505)
October 1, 2019	Commission's institution of five-year reviews (84 FR 52129)
October 1, 2019	Commerce's initiation of five-year reviews (84 FR 52067)
January 6, 2020	Commission's determinations to conduct full five-year reviews (85 FR 3421, January 21, 2020)
January 31, 2020	Commerce's final results of the expedited five-year review of the antidumping duty order on MSG from China (85 FR 5616)
May 13, 2020	Commission's scheduling of the reviews (85 FR 28663)
June 4, 2020	Commerce's final results of the full five-year review of the antidumping duty order on MSG from Indonesia (85 FR 34419)
August 25, 2020	Commission's hearing
October 2, 2020	Scheduled date for the Commission's vote
October 21, 2020	Scheduled date for the Commission's determinations and views

The original investigations

The original investigations resulted from petitions filed by Ajinomoto North America, Inc.[6] ("AJINA"), Itasca, Illinois, on September 16, 2013, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of MSG from China and Indonesia. On March 7, 2014, AJINA withdrew its petition with respect to the countervailing duty ("CVD") investigations on imports of MSG from Indonesia and China. Consequently, Commerce terminated the CVD investigations effective April 7, 2014.[7] Following notification of a final determination by Commerce that imports of MSG from China and Indonesia were being sold at LTFV, the Commission determined on October 23, 2014 that a domestic industry was materially injured by reason of LTFV imports of MSG from China and Indonesia.[8] On November 26, 2014, Commerce issued its antidumping duty orders with the final weighted-average dumping margins ranging from 20.09 to 39.03 percent with respect to imports of MSG from China, and 6.19 percent with respect to imports of MSG from

[6] The firm has since changed its name from "Ajinomoto North America, Inc." to "Ajinomoto Health & Nutrition North America, Inc." See domestic interested party's response to the Commission's notice of institution, p. 15 footnote 31.

[7] 79 FR 19056, April 7, 2014.

[8] *Monosodium Glutamate from China and Indonesia*, *Inv. Nos. 731-TA-1229-1230 (Final)*, USITC Publication 4499, November 2014, p. 1.

Indonesia.[9] On January 6, 2015, Commerce amended its final determination and antidumping duty order with respect to imports of MSG from China with final weighted-average margins ranging from 21.28 percent to 40.41 percent.[10]

Previous and related investigations

The Commission previously conducted an antidumping investigation in 1976 concerning MSG from Korea, under the Antidumping Act of 1921. In Inquiry No. AA1921-Inq.-5, it did not find that there was no reasonable indication that an industry in the United States was being or was likely to be injured, or was prevented from being established, by reason of imports of MSG from Korea possibly sold at less than fair value.[11] The Treasury Department made a determination of sales at not less than fair value, and the investigation was subsequently terminated.[12]

[9] 79 FR 70505, November 26, 2014.

[10] 80 FR 487, January 6, 2015. Following litigation before the U.S. Court of International Trade, effective November 13, 2017, Commerce amended the margin for Chinese producer Langfang Meihua Bio-Technology Co., Ltd. (Meihua) to 34.15 percent. 82 FR 59582, December 15, 2017.

[11] *Monosodium Glutamate from Korea, Negative Determination of "No Reasonable Indication of Injury" in Inquiry No. AA1921-Inq.-5 Under the Antidumping Act, 1921, as Amended,* USITC Publication 778, June 1976.

[12] *Monosodium Glutamate From the Republic of Korea, Antidumping Determination of Sales at Not Less Than Fair Value,* 42 FR 10084, February 18, 1977.

Summary data

Table I-1 presents a summary of data from the original investigations and the current full five-year reviews. Apparent U.S. consumption of MSG totaled approximately *** pounds dry weight ($***) in 2019. U.S. producers' U.S. shipments of MSG totaled *** pounds dry weight ($***) in 2019, and accounted for *** percent of the quantity of apparent U.S. consumption. In 2019, subject U.S. imports from China totaled *** pounds dry weight ($***), accounting for *** percent of apparent U.S. consumption. Subject U.S. imports from Indonesia totaled *** pounds dry weight ($***), accounting for *** percent of apparent U.S. consumption. Nonsubject U.S. imports of MSG totaled *** pounds dry weight ($***), and accounted for *** percent of apparent U.S. consumption in 2019. Since the original investigations, U.S. producers' share of the quantity of apparent U.S. consumption increased, as has the share of apparent U.S. consumption held by nonsubject imports, while the share of subject imports declined.

Table I-1
MSG: Comparative data from the original investigations and these reviews, 2013, 2019

Item	Original investigations	First review
	2013	2019
	Quantity (1,000 pounds dry weight)	
U.S. consumption quantity	***	***
	Share of quantity (percent)	
Share of U.S. consumption: U.S. producers' share	***	***
U.S. importers' share: China	***	***
Indonesia	***	***
Subject sources	***	***
Nonsubject sources	***	***
All import sources	***	***
	Value (1,000 dollars)	
U.S. consumption	***	***
	Share of value (percent)	
Share of U.S. consumption: U.S. producers' share	***	***
U.S. importers' share: China	***	***
Indonesia	***	***
Subject sources	***	***
Nonsubject sources	***	***
All import sources	***	***

Table continued on next page.

Table I-1--Continued
MSG: Comparative data from the original investigations and these reviews, 2013, 2019

Item	Original investigations	First review
	2013	2019
	Quantity (1,000 pounds dry weight); Value (1,000 dollars); and Unit Value (dollars per pound dry weight)	
U.S. imports.--		
China		
Quantity	58,709	2,101
Value	39,074	1,049
Unit value	$0.67	$0.50
Indonesia:		
Quantity	10,016	7,088
Value	7,198	4,549
Unit Value	$0.72	$0.64
Subject sources:		
Quantity	68,725	9,190
Value	46,272	5,598
Unit Value	$0.67	$0.61
Nonsubject sources:		
Quantity	5,730	39,654
Value	4,854	29,862
Unit value	$0.85	$0.75
All import sources:		
Quantity	74,454	48,844
Value	51,126	35,460
Unit value	$0.69	$0.73

Table continued on next page.

Table I-1--Continued
MSG: Comparative data from the original investigations and these first reviews, 2013, 2019

Item	Original investigations	First reviews
	2013	2019
	Quantity (1,000 pounds dry weight); Value (1,000 dollars); and Unit Value (dollars per pound dry weight)	
U.S. industry:		
Capacity (quantity)	***	***
Production (quantity)	***	***
Capacity utilization (percent)	***	***
U.S. shipments:		
Quantity	***	***
Value	***	***
Unit value	***	***
Ending inventory	***	***
Inventories/total shipments	***	***
Production workers	***	***
Hours worked (1,000)	***	***
Wages paid (1,000 dollars)	***	***
Hourly wages	***	***
Productivity (1,000 pounds dry weight per 1,000 hour)	***	***
Financial data:		
Net sales:		
Quantity	***	***
Value	***	***
Unit value	***	***
Cost of goods sold	***	***
Gross profit or (loss)	***	***
SG&A expense	***	***
Operating income or (loss)	***	***
Unit COGS	***	***
Unit operating income	***	***
COGS/ Sales (percent)	***	***
Operating income or (loss)/ Sales (percent)	***	***

Source: Office of Investigations memorandum INV-MM-104 (October 9, 2014), official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*
>
> *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
>
> *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
>
> *(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
>
> *(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..*
>
> *(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--*
>
> *(A) any likely increase in production capacity or existing unused production capacity in the exporting country,*
>
> *(B) existing inventories of the subject merchandise, or likely increases in inventories,*
>
> *(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and*
>
> *(D) 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.*

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

> *(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and*
> *(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.*

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to–

> *(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,*
> *(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and*
> *(C) 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.*

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

Organization of report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for MSG as collected in the reviews is presented in appendix C. U.S. industry data are based on the questionnaire response of one U.S. producer of MSG that is believed to have accounted for all known domestic production of MSG in 2019. U.S. import data and related information are based on Commerce's official import statistics and the questionnaire responses of nine U.S. importers of MSG that are believed to have accounted for *** percent of subject imports of MSG from China, *** percent of subject imports from Indonesia, and the majority of U.S. imports of MSG from nonsubject sources during 2019. Foreign industry data and related information are based on the questionnaire responses of four producers of MSG. Four producers in Indonesia that accounted the substantial majority of total production submitted questionnaire responses. Producers in China did not provide a response to the Commission's questionnaire. Responses by U.S. producers, importers, purchasers, and foreign producers of MSG to a series of questions concerning the significance of the existing antidumping duty orders and the likely effects of revocation of such orders are presented in appendix D.

Commerce's reviews[13]

Administrative reviews[14]

Commerce has completed four antidumping duty administrative reviews with regard to subject imports of MSG from China.[15] The results of the administrative reviews are shown in table I-2.[16]

Table I-2
MSG: Administrative reviews of the antidumping duty order for China

Date results published	Period of review	Producer or exporter	Margin (percent)
81 FR 89062 (December 9, 2016)	05/08/14-10/31/15	PRC-wide entity, covering 38 exporters of subject merchandise	40.41
82 FR 57949 (December 8, 2017)	11/01/15-10/31/16	PRC-wide entity, covering 27 exporters of subject merchandise	40.41
83 FR 64106 (December 13, 2018)	11/01/16-10/31/17	PRC-wide entity, covering 27 exporters of subject merchandise	40.41
85 FR 9736 (February 20, 2020)	11/01/17-10/31/18	PRC-wide entity, covering 28 exporters of subject merchandise	56.54

Note: Following a request from the petitioner, Commerce rescinded the administrative review on MSG from China for the period of November 1, 2018 through October 31, 2019. 85 FR 35414, June 10, 2020.
Source: Cited Federal Register notices.

[13] Commerce has not conducted any changed circumstances review or scope rulings, since the completion of the last five-year review. In addition, Commerce has not issued any duty absorption findings, any company revocations, or any anti-circumvention findings since the imposition of the order.

[14] For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

[15] No respondent party participated in any of the administrative reviews.

[16] A consolidated listing of margins calculated in these investigations is available at appendix E.

Commerce has completed three antidumping duty administrative reviews with regard to subject imports of MSG from Indonesia. The results of the administrative reviews are shown in table I-3.

Table I-3
MSG: Administrative reviews of the antidumping duty order for Indonesia

Date results published	Period of review	Producer or exporter	Margin (percent)
82 FR 11342 (February 22, 2017)	05/08/14-10/31/15	PT. Cheil Jedang Indonesia	0.00
83 FR 13475 (March 29, 2018)	11/01/15-10/31/16	PT. Cheil Jedang Indonesia	0.00
84 FR 37625 (August 1, 2019), 85 FR 3609 (January 22, 2020)	11/01/16-10/31/17	PT. Cheil Jedang Indonesia	0.00 → 0.71

Note: Following a ministerial error, Commerce adjusted the antidumping duty margin issued to PT. Cheil Jedang Indonesia for the 2016-2017 administrative review.

Source: Cited Federal Register notices.

Five-year reviews

Commerce has issued the final results of its expedited review with respect to China and full review with respect to Indonesia.[17] Tables I-4 and I-5 present the dumping margins calculated by Commerce in its original investigations and first reviews.

Table I-4
MSG: Commerce's original and first five-year dumping margins for producers/exporters in China

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)
Langfang Meihua Bio-Technology Co., Ltd./ Meihua Group International Trading (Hong Kong) Limited (exporter), Tongliao Meihua Biological SCI–TECH Co., Ltd./Meihua Holdings Group Co., Ltd., Bazhou Branch (producer)	34.15	40.41
All others (PRC-wide Entity)	39.03	40.41

Source: 79 FR 70505, November 26, 2014, 82 FR 59582, December 15, 2017 and 85 FR 5616, January 31, 2020.

Table I-5
MSG: Commerce's original and first five-year dumping margins for producers/exporters in Indonesia

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)
PT Cheil Jedang Indonesia	6.19	6.19
All others	6.19	6.19

Source: 79 FR 70505, November 26, 2014 and 85 FR 34419, June 4, 2020.

[17] 85 FR 5616, January 31, 2020 and 85 FR 34419, June 4, 2020.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows[18]:

> *The merchandise covered by the Order is MSG, whether or not blended or in solution with other products. Specifically, MSG that has been blended or is in solution with other product(s) is included in this order when the resulting mix contains 15 percent or more of MSG by dry weight. Products with which MSG may be blended include, but are not limited to, salts, sugars, starches, maltodextrins, and various seasonings. Further, MSG is included in this order regardless of physical form (including, but not limited to, in monohydrate or anhydrous form, or as substrates, solutions, dry powders of any particle size, or unfinished forms such as MSG slurry), end-use application, or packaging.*
>
> *MSG in monohydrate form has a molecular formula of C5H8NO4Na - H2O, a Chemical Abstract Service (CAS) registry number of 6106-04-3, and a Unique Ingredient Identifier (UNII) number of W81N5U6R6U. MSG in anhydrous form has a molecular formula of C5H8NO4 Na, a CAS registry number of 142-47-2, and a UNII number of C3C196L9FG. Merchandise covered by the AD Order is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2922.42.10.00.*
>
> *Merchandise covered by this Order may also enter under HTSUS subheadings 2922.42.50.00, 2103.90.72.00, 2103.90.74.00, 2103.90.78.00, 2103.90.80.00, and 2103.90.90.91. These tariff classifications, CAS registry numbers, and UNII numbers are provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.*

[18] *Issues and Decision Memorandum for the Final Results of the First Full Sunset Review of the Antidumping Duty Order on Monosodium Glutamate from the Republic of Indonesia*, May 28, 2020, p. 2.

Tariff treatment

MSG is currently imported under HTS subheading 2922.42.10. MSG produced in China and Indonesia enters the U.S. market at a column 1-general duty rate of 6.5 percent ad valorem. MSG may also be imported under HTS subheadings 2922.42.50, 2103.90.72, 2103.90.74.00, 2103.90.78, 2103.90.80, or 2103.90.90 (statistical reporting number 2103.90.9091), depending on the nature of the imported product. The provisions from chapter 21 apply to edible preparations, mixed condiments, or mixed seasonings that may contain MSG; it is possible that some trademarked MSG products sold for food use may be imported under these provisions. The general rates of duty for those provisions vary widely, and some of these products are subject to tariff-rate quotas upon entry.

MSG that is a product of China is subject to an additional 25 percent ad valorem duty under Section 301 of the Trade Act of 1974 if imported under HTS subheadings 2922.42.10, 2922.42.50, or 2103.90.80.[19] To date, no Section 301 tariff exclusions have been granted for MSG. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

The product

Description and applications

MSG is a white crystalline substance,[20] used worldwide (by itself or in blends) primarily as a flavor enhancer in savory foods, [21] such as meat and fish, soups and broths, certain juices and beverages, frozen and ready-made foods, and sauces and dressings.[22] Nonfood products such as detergents, cosmetics, and pharmaceuticals also utilize MSG. MSG was first identified as a potent flavor enhancer in 1908 in Japan, and by 1909 the Ajinomoto Corporation of Japan (the parent company of the U.S. producer) patented MSG and subsequently produced MSG in

[19] 83 FR 47974, September 21, 2018; and 84 FR 20459, May 9, 2019.

[20] MSG is sold in varying crystal sizes and is highly stable, odorless, and soluble in water.

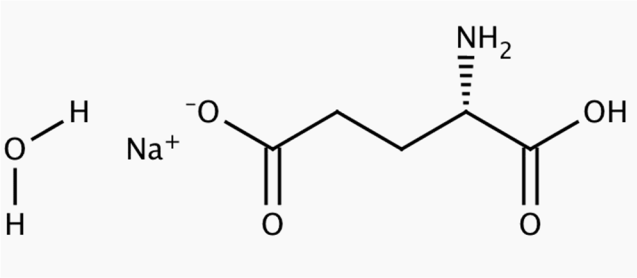
[21] The term to describe savory taste is umami. Umami represent the taste of the MSG (L-glutamate) and five prime ribonucleotides ("nucleotides"), such as guanosine monophosphate (GMP), and inosine monophosphate (IMP). Umami is recognized as the fifth basic taste along with sweet, sour, salty, and bitter. Hearing transcript, p. 18 (Smith), p. 194 (Kim).

[22] Hearing transcript, p. 18 (Smith), p. 194 (Kim).

commercial quantities.[23] MSG is currently the largest-volume amino acid salt produced in the world.[24]

MSG is a salt of glutamic acid, which is an amino acid that is synthesized by the human body and naturally present in protein-containing foods such as meat, vegetables, poultry, and milk.[25] Only the L-glutamate salt imparts the savory taste that is associated with MSG, [26] while the D-isomer lacks any flavor enhancement properties. There are two forms of MSG that fall within the scope of this investigation: MSG monohydrate[27] and MSG anhydrous (figure I-1).[28]

Figure I-1
MSG: Molecular structure



Note: MSG is a salt produced following the reaction of glutamic acid and sodium hydroxide (NaOH), a base. This acid-base reaction produces a salt (MSG) and water. The sodium component of MSG is represented by Na^+. This molecular structure above corresponds to MSG monohydrate CAS no. 6106-04-3. If the water (H_2O) component is removed, the molecular structure would then correspond to MSG anhydrous form, CAS no. 142-47-2.

Source: Review confidential report, p. I-7

[23] *Chemical Economics Handbook: Monosodium Glutamate*, IHS, ("Chemical Economics Handbook") December 2018, p. 11.

[24] Chemical Economics Handbook, p. 11.

[25] The human body breaks down proteins into their constituent amino acids, including glutamic acid. As protein is present in many foods, so is glutamic acid. The human body does not synthesize MSG.

[26] Nucleotides amplify the umami taste and improve the overall quality of the savory character when used in conjunction with MSG. Hearing transcript, p. 194 (Kim).

[27] Molecular formula $C_5H_8NO_4Na \bullet H_2O$ Chemical Abstract Service (CAS) registry number of 6106-04-3 and a Unique Ingredient Identifier (UNII) of W81N5U6R6U.

[28] Molecular formula $C_5H_8NO_4Na$ Chemical Abstract Service (CAS) registry number of 142-47-2 and a Unique Ingredient Identifier (UNII) of C3C196L9FG.

MSG is sold to end users in varying sizes,[29] packaged in bags, boxes, and drums;[30] there are no apparent limitations associated with the transport of MSG. Domestically produced and imported MSG have the same chemical formula, physical characteristics, and specifications.[31] When sold for use in foods, both domestically produced and imported MSG should, as a matter of good manufacturing practices, meet the applicable Food Chemicals Codex (FCC) standards.[32]

Manufacturing process[33]

All MSG production is based on fermentation processes, which are then followed by isolation then purification. The carbohydrate sources used in fermentation vary by region–in the United States, solely corn starch; in China, primarily cornstarch; in Indonesia, tapioca starch and molasses. The carbohydrates are fermented by using *Coryne Bacterium* or *Brevi Bacterium,* a nitrogen source (such as ammonia),[34] an oxygen source, and various acids, minerals, and additives.[35] After fermentation, the mixture is pasteurized and crystallized. The crystals are then processed into crude glutamic acid. This acid is then neutralized with sodium hydroxide (a base), filtered, sterilized, and concentrated. The concentrated MSG is subsequently dried,

[29] MSG is sold in essentially two particle sizes, "regular" and "fine." Producers can set out to produce either regular or fine particles. Fine particles are also a byproduct of the regular particles, so in some cases they can be captured as part of regular production. Hearing transcript p. 78 (Smith).

[30] Hearing transcript, p. 150 (Lee).

[31] *** Chemical Economics Handbook, p. 78-80, 82.

[32] The Food Chemicals Codex (FCC) is a compendium of internationally recognized standards for the purity and identity of food ingredients. It contains monographs for food-grade chemicals, processing aids, foods, flavoring agents, vitamins, functional food ingredients and ingredients. The FCC monographs (standards) can, and are, used in conjunction with other certifications such as the United States Pharmacopeia (USP). Guide to USP-Speak, The United States Pharmacopeia Convention, https://www.usp.org/sites/default/files/usp/document/our-work/DS/glossary-of-usp-terms.pdf, (retrieved July 21, 2020); FAQs: Food Chemicals Codex (FCC) webpage, https://www.usp.org/frequently-asked-questions/food-chemicals-codex-fcc, retrieved July 21, 2020.

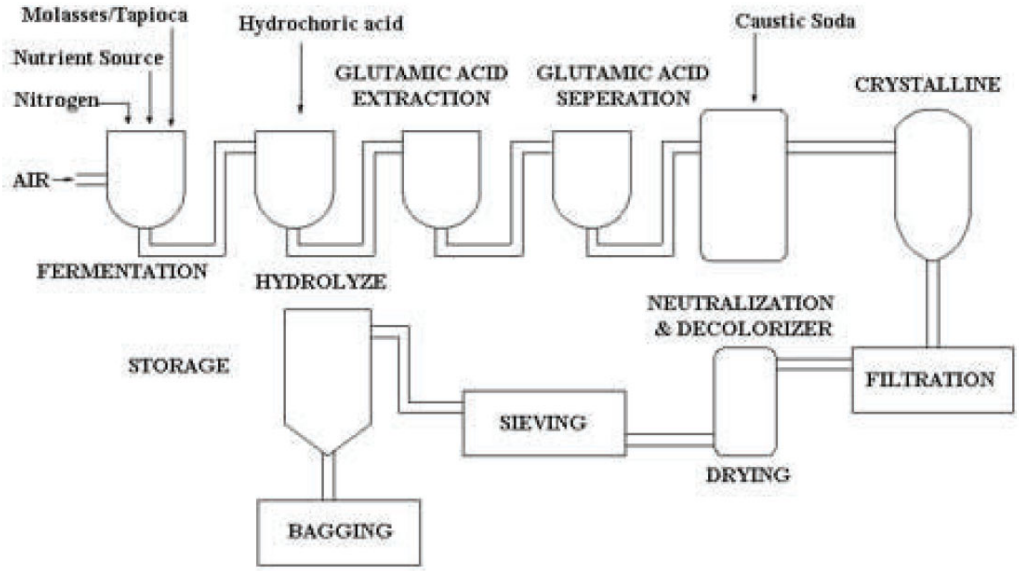
[33] Unless otherwise noted, this information is based on Investigation Nos. 731-TA-1229-1230 (Final): Monosodium Glutamate from China and Indonesia, Confidential Report, INV-RR-133, October 9, 2014, ("Original confidential report"), pp. I-8-10.

[34] Chemical Economics Handbook, p. 12.

[35] Chemical Economics Handbook, p. 12.

separated by particle size, and packed. Examples of the Chinese producers' production process and AJINA's production process[36] are shown in figures I-2 and I-3.[37]

Figure I-2
MSG: Chinese producers' production process



Source: Original publication, p. I-9.

[36] AJINA utilizes a continuous fermentation process for their MSG production. AJINA's prehearing brief at 36; Hearing transcript, p. 17-18 (Smith).

[37] Original confidential report, p. I-11.

Figure I-3
MSG: AJINA's production process

* * * * * * * *

Source: Original confidential report, p. I-12.

Domestic like product issues

In its original determinations, the Commission defined the domestic like product as a single domestic like product consisting of all MSG, coextensive with the scope of the investigations.[38] In its notice of institution in these current five-year reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry definitions.[39] No party requested that the Commission collect data concerning other possible domestic like products in their responses to the Commission's notice of institution[40] or in their comments on the Commission's draft questionnaires.[41]

[38] *Monosodium Glutamate from China and Indonesia*, *Inv. Nos. 731-TA-1229-1230 (Final)*, USITC Publication 4499, November 2014, pp. 3-6.

[39] 84 FR 52129, October 1, 2019.

[40] Domestic interested party response to notice of institution, p. 15, and respondent interested party response to notice of institution, p. 6.

[41] AJINA and PT Cheil Jedang Indonesia ("CJI") and CJ America Inc. ("CJA") (collectively, "CJ") submitted comments on the Commission's draft questionnaires. Neither AJINA nor CJ commented on the Commission's definition of the domestic like product.

U.S. market participants

U.S. producers

During the original investigations, one firm, AJINA, supplied the Commission with usable information on their U.S. operations with respect to MSG.[42] AJINA has been the sole U.S. producer of MSG since the mid-1990s,[43] and accounted for all known U.S. production of MSG in 2013.[44] In these current proceedings, the Commission received a U.S. producers' questionnaire from AJINA, who accounted for all known U.S. production of MSG in 2019. Presented in table I-6 is AJINA's position on continuation of the orders, production location, and share of reported production of MSG in 2019.

Table I-6
MSG: U.S. producer AJINA's position on orders, U.S. production locations, and shares of 2019 reported U.S. production

Firm	Position on continuation of order(s)	Production location(s)	Share of production (percent)
AJINA	Support	Eddyville, IA	100.0
Total			100.0

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

As indicated in table I-7, AJINA ***. The company is owned by ***. The firm's related producers are ***.

[42] In the original investigations, Akzo Nobel Functional Chemicals LLC ("Akzo Nobel") submitted a partial response to the U.S. producers' questionnaire based on its production of ***, a chelating agent and downstream product that uses MSG in the manufacturing process. Akzo Nobel *** the orders and was found to be affiliated with ***. See Office of Investigations memorandum INV-MM-104 (October 9, 2014), p. III-1. The Commission ultimately determined that Akzo Nobel was not a producer of the domestic like product, nor was it a member of the domestic industry. See *Monosodium Glutamate from China and Indonesia*, *Inv. Nos. 731-TA-1229-1230 (Final)*, USITC Publication 4499, November 2014, p. 6, footnote 20.

[43] *Monosodium Glutamate from China and Indonesia*, *Inv. Nos. 731-TA-1229-1230 (Final)*, USITC Publication 4499, November 2014, p. III-1.

[44] *Ibid.*

Table I-7
MSG: U.S. producer AJINA's ownership, and related and/or affiliated firms

Item / Firm	Firm Name	Affiliated/Ownership
Ownership:		
***	***	***
***	***	***
Related importers/exporters:		
***	***	***
Related producers:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

U.S. importers

In the original investigations, 11 U.S. firms supplied the Commission with usable information on their operations involving the importation of MSG, accounting for *** percent of U.S. imports of MSG from China, and virtually all imports from Indonesia between January 2011 and June 2014 under HTS subheading 2922.42.10.

In the current proceedings, the Commission issued U.S. importers' questionnaires to 36 firms believed to be importers of MSG, as well as to all U.S. producers of MSG. Usable questionnaire responses were received from 9 firms, representing *** percent of subject imports of MSG from China, *** percent of subject imports from Indonesia, and the majority of U.S. imports of MSG from nonsubject sources during 2019. Table I-8 lists all responding U.S. importers of MSG from China, Indonesia and other sources, their locations, and their shares of U.S. imports in 2019.

Table I-8
MSG: U.S. importers, sources of imports, U.S. headquarters, and shares of imports in 2019

		Share of imports by source (percent)				
Firm	Headquarters	China	Indonesia	Subject sources	Nonsubject sources	All import sources
Ajinomoto	Itasca, IL	***	***	***	***	***
CJ	Los Angeles, CA	***	***	***	***	***
Crossroad	Fairfield, NJ	***	***	***	***	***
Deko	Earth City, MO	***	***	***	***	***
Foodtopia	Paramus, NJ	***	***	***	***	***
Jascole	Sugar Land, TX	***	***	***	***	***
Mitsubishi	Hackensack, NJ	***	***	***	***	***
Well Luck	Jersey City, NJ	***	***	***	***	***
Total		***	***	***	***	***

Note: *** reported imports of MSG from China in 2019, however reported U.S. imports of MSG from China in previous years during 2014-19.
Source: Compiled from data submitted in response to Commission questionnaires.

U.S. purchasers

The Commission received nine usable questionnaire responses from firms that bought MSG during January 2014 – March 2020.[45] Three responding purchasers are distributors and six are end users. In general, responding U.S. purchasers were located in the Northeast, Southeast, and Pacific Coast. The responding purchasers represented firms in a variety of domestic industries, including food processing and chemical production. Large purchasers of MSG include *** and ***.

Apparent U.S. consumption

Data concerning apparent U.S. consumption and market shares of MSG during the current period of review are shown in table I-10 and figure I-4. Data concerning historical apparent U.S. consumption from the original investigation is shown in table I-9. Apparent U.S. consumption was *** overall in 2013, however U.S. producers have held the *** market share since the conclusion of the original investigations with the antidumping order in effect. During the original investigations, subject imports held between *** percent and *** percent of the quantity of imports of MSG, which then decreased during 2014-19 to as low as *** percent.

In these five-year reviews, despite a slight decrease between 2014 and 2015, the quantity of apparent U.S. consumption increased overall by *** percent during 2014-19, from *** in 2014, to *** pounds dry weight in 2019, and was higher in January to March 2020 than in January to March 2019. U.S. producer AJINA's share of the quantity of apparent U.S. consumption decreased unevenly during 2014-19, declining by *** percentage points overall, and was lower in January to March 2020 than in January to March 2019. The share of the quantity apparent U.S. consumption held by subject imports from China decreased every year through 2018, increasing slightly between 2018 and 2019, though decreasing overall during 2014-19 by *** percentage points, but was higher in January to March 2020 than in January to March 2019. The share of the quantity of apparent U.S. consumption held by subject imports from Indonesia increased early in the period from 2014 to 2016, decreased slightly between 2016 and 2017, then increased from 2017 to 2019, increasing overall during 2014-19 by *** percentage points, and was higher in January to March 2020 than in January to March 2019. The share of the quantity of apparent U.S.

[45] Of the nine responding purchasers, four purchased the domestic MSG and five purchased imports of MSG from other sources.

consumption held by imports from nonsubject sources experienced an overall increase of *** percentage points during 2014-19, and was higher in January to March 2020 than in January to March 2019.

Table I-9
MSG: Historical apparent U.S. consumption, 2011-2013

Item	Calendar year		
	2011	2012	2013
	Quantity (1,000 pounds dry weight)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
China	56,588	57,184	58,709
Indonesia	145	8,819	10,016
Subject sources	56,733	66,002	68,725
Nonsubject sources	8,466	13,102	5,730
All import sources	65,200	79,105	74,454
Apparent consumption	***	***	***
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
China	42,686	42,641	39,074
Indonesia	109	6,643	7,198
Subject sources	42,795	49,284	46,272
Nonsubject sources	7,252	11,441	4,854
All import sources	50,046	60,726	51,126
Apparent consumption	***	***	***
	Share of quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
China	***	***	***
Indonesia	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Share of value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
China	***	***	***
Indonesia	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

Source: Office of Investigations memorandum INV-MM-104 (October 9, 2014).

Table I-10
MSG: Apparent U.S. consumption, and market shares, 2011-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from.--								
China	18,231	4,475	2,573	2,222	1,799	2,101	520	578
Indonesia	971	3,087	3,761	2,628	4,126	7,088	1,000	1,900
Subject sources	19,202	7,563	6,334	4,850	5,925	9,190	1,519	2,478
Nonsubject sources	21,120	36,937	43,543	40,004	36,305	39,654	8,044	8,709
All import sources	40,322	44,500	49,877	44,854	42,230	48,844	9,563	11,187
Apparent consumption	***	***	***	***	***	***	***	***
	Value (1,000 dollars)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from.--								
China	12,025	2,802	1,138	847	731	1,049	166	318
Indonesia	763	2,452	2,763	1,779	2,703	4,549	657	1,205
Subject sources	12,788	5,254	3,901	2,626	3,433	5,598	823	1,522
Nonsubject sources	17,929	28,210	31,039	28,988	27,271	29,862	6,251	6,088
All import sources	30,717	33,464	34,939	31,614	30,704	35,460	7,074	7,611
Apparent consumption	***	***	***	***	***	***	***	***
	Share of quantity (percent)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from.--								
China	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***
	Share of value (percent)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from.--								
China	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed July 21, 2020.

Figure I-4
MSG: Apparent U.S. consumption, 2011-19, January to March 2019, and January to March 2020

* * * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires, official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed July 21, 2020, and Office of Investigations memorandum INV-MM-104 (October 9, 2014).

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

U.S. market characteristics

The primary use of MSG is as a food additive, but it is also used in consumer products (such as in detergents) and industrial applications. MSG used as a food additive must adhere to specifications set forth by the food chemicals codex (FCC). Similarly, MSG used in pharmaceutical products must satisfy the U.S. pharmacopeia (USP) standards. U.S.-produced MSG meets both FCC and USP standards. Chinese and Indonesian MSG also generally meet these specifications.[1] MSG is sold as a commodity with no differences in grades or flavors between domestic and foreign MSG.

Domestic production of MSG comes from a single firm, Ajinomoto (AJINA), which is also an importer of nonsubject MSG. AJINA generally increased its overall production quantity and the value of its production from 2014 to 2019. AJINA's market share fluctuated but always remained above *** percent of the U.S. market throughout the period. The MSG market has seen a general decrease in the quantity, value, and market share of subject imports of MSG while seeing a general increase in the quantity, value and market share of nonsubject imports.

Apparent U.S. consumption of MSG increased during 2014-19. Overall, apparent U.S. consumption in 2019 was 10.7 percent higher than in 2014.

Impact of Section 301 tariffs on MSG

In June 2018, the United States Trade Representative ("USTR") announced a section 301 investigation in response to Chinese trade practices, and effective September 2018, various products were subject to an additional 10 percent duty (see Part I).

The U.S. producer reported that it did not know if the section 301 tariffs had an impact on the U.S. market. The majority of importers and purchasers reported that the 301 tariffs had no impact or that they were unaware of the Section 301 tariffs impact on the MSG market in the United States. Importer *** reported that Section 301 tariffs had no impact on the U.S. market because the market is dominated by the domestic producer. Of the importers that reported that Section 301 tariffs had impacted the MSG market, a majority reported that the supply of domestic MSG in the U.S. market had remained constant, the supply of subject MSG decreased, and half reported that the supply of nonsubject imports in the U.S. market had increased. Half of responding importers reported that the price of subject merchandise had

[1] MSG from China and Indonesia, Inv. Nos. 731-TA-1229-1230 (Final), p. II-1

increased. Of purchasers who reported that the Section 301 tariffs had an impact on the MSG market, a plurality reported the supply of domestic MSG had increased, supply of MSG from China had decreased, and a majority reported the amount of MSG from sources other than China increased in the U.S. market. Purchasers *** and *** reported that MSG from China had become more expensive.

Channels of distribution

The U.S. producer sold approximately *** of U.S. shipments of MSG to distributors and approximately *** to end users throughout the period. Responding importers sold MSG from China *** to both distributors and end users in 2014, *** to end users in 2015, reported *** U.S. shipments in 2016, sold *** to distributors in 2017 and 2018, and reported *** U.S. shipments in 2019 and interim 2020. Responding importers sold the majority of MSG from Indonesia to end users in 2014 and 2016 and to distributors for the rest of the years in the period.

Table II-1
MSG: U.S. producer's and importers' share of reported U.S. shipments, by sources and channels of distribution, 2014-19, January to March 2019, and January to March 2020

* * * * * * *

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

Geographic distribution

The U.S. producer reported selling MSG to *** regions of the United States and importers reported selling MSG to all regions in the contiguous United States (table II-2). For the U.S. producer, *** percent of sales were within 100 miles of its production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold 58.0 percent within 100 miles of their U.S. point of shipment, 41.0 percent between 101 and 1,000 miles, and 1.0 percent over 1,000 miles.

Table II-2
MSG: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	China	Indonesia	Subject U.S. importers
Northeast	***	2	3	5
Midwest	***	2	2	4
Southeast	***	2	2	4
Central Southwest	***	3	2	5
Mountains	***	2	1	3
Pacific Coast	***	3	2	5
Other[1]	***	---	---	---
All regions (except Other)	***	2	1	3
Reporting firms	***	3	3	6

Note: Other is all other U.S. markets, including AK, HI, PR, and VI.
Source: Compiled from data submitted in response to Commission questionnaires.

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding MSG from the U.S. producer and from subject sources China and Indonesia. The Commission received questionnaire responses from the sole U.S. producer, four producers in Indonesia but none from producers in China. Therefore, the staff is unable to assess the supply factors that affect Chinese producers' ability to supply the U.S. market.

Indonesian production capacity for MSG was *** times U.S production capacity in 2019. Both the U.S. producer and responding Indonesian producers reported capacity utilization rates that were close to or exceeded *** percent from January 2014 to December 2019.

Table II-3
MSG: Supply factors that affect the ability to increase shipments to the U.S. market

Item	2014	2019	2014	2019	2014	2019	Shipments by market in 2019 (percent)		Able to shift to alternate products
	Capacity (1,000 pounds dry weight)		Capacity utilization (percent)		Inventories as a ratio to total shipments (percent)		Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	***	***	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***	***	---
Indonesia	***	***	***	***	***	***	***	***	0 of 4

Note: The responding U.S. producer accounted for 100 percent of U.S. production of MSG in 2019. Responding foreign producer/exporter firms accounted for over half of U.S. imports of MSG from Indonesia during 2019. There were no responding Chinese producers. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

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

Domestic production

Based on available information, the U.S. producer, AJINA, has the ability to respond to changes in demand with small changes in the quantity of shipments of U.S.-produced MSG to the U.S. market. The main contributing factor to this degree of responsiveness of supply is low-to-moderate inventory levels. Factors mitigating responsiveness of supply include high levels of capacity utilization, limited ability to shift shipments from alternate markets, and an inability to shift production to or from alternate products.

Domestic capacity to produce MSG increased slightly from 2014 to 2019. Although capacity utilization rates decreased slightly during 2014 to 2019, the U.S. producer increased the total domestic production of MSG by *** percent during this period. Capacity utilization rates were *** from 2014 to 2019. AJINA reported that it was *** to switch production from other products to MSG. The U.S. producer also reported shipping less than *** percent of their production to markets other than the United States in 2019, which limits its ability to divert shipments from other markets in response to an increase in price in the U.S. market. The U.S. producer's inventories as a ratio of total shipments fell from just over *** percent in 2014 to just over *** percent in 2019.

Subject imports from China

No foreign producers from China responded to the Commission's questionnaire with usable production, capacity, or trade data.

Subject imports from Indonesia

Based on available information, producers of MSG from Indonesia have the ability to respond to changes in demand with moderate changes in the quantity of shipments of MSG to the U.S. market. The main contributing factors to this degree of responsiveness of supply are some unused capacity, high inventory levels, and the ability to shift shipments from alternate markets to the United States. Factors mitigating responsiveness of supply are the inability to shift production to or from alternate products.

Indonesian production capacity was higher in 2019 than in 2014, though lower than it had been in 2015-2018. Capacity utilization was lower in 2019 than in 2014. Indonesian capacity utilization rates were close to or above *** percent throughout the period, which although high, does leave some ability to increase production in response to an increase in prices. Indonesian producers reported shipping just under *** of their exports to non-U.S. markets and could potentially divert shipments of MSG in response to an increase in price in the U.S. market relative to the other MSG markets. Indonesian MSG producers also reported that their inventories were over a *** of their commercial shipments in 2019. Indonesian producers' inventories in 2019 exceeded the U.S. producer's total production capacity by over *** pounds. Indonesian producers could respond to changes in the price by releasing MSG from their inventories. *** of the responding Indonesian producers reported that they were able to switch production to MSG from other products.

Imports from nonsubject sources

Nonsubject imports accounted for 81.2 percent of total U.S. imports in 2019. The largest sources of nonsubject imports in 2019 were Brazil, Taiwan, and Vietnam. Combined, these countries accounted for 93.5 percent of nonsubject imports in 2019.

Supply constraints

The U.S. producer and the majority of responding importers (5 of 8) reported that there were no supply constraints since January 1, 2014. Importer *** reported that there were shortages of MSG in the market in 2014 because there was a lack of imports and that the market took time to correct. Importer *** reported that AJINA refused to sell it MSG and it was unable to supply various customers and importer *** reported that it had been unable to meet its commitments with timely shipments of MSG.

New suppliers

All eight responding purchasers indicated that no new suppliers entered the U.S. market since January 1, 2014, and only one purchaser expects additional entrants.

U.S. demand

Based on available information, the overall demand for MSG is likely to experience small changes in response to changes in price. The main contributing factors are the somewhat limited range of substitute products and the small cost share of MSG in most of its end-use products.

End uses and cost share

U.S. demand for MSG depends on the demand for U.S.-produced downstream products. Reported end uses for MSG include processed foods, such as canned soups, ready-made food, spices, spice mixes, salad dressings, and sauces. MSG is also used to a lesser extent in detergents, cosmetics, and pharmaceuticals. The responding U.S. producer, all eight responding importers, and the majority of responding purchasers (6 of 8) reported no changes in end uses. Purchaser *** noted a decrease in product consumption in certain applications as MSG had lost popularity. MSG accounts for a small share of the cost of the end-use products in which it is used.

Business cycles

The U.S. producer, the majority of responding importers (7 of 8), and all nine responding purchasers indicated that the market was not subject to business cycles or conditions of competition. Importer *** reported that demand for MSG increased around September and remained high through the beginning of March for “soup season.”

Demand trends

Firms reported mixed responses to changes in U.S. demand for MSG since 2014. The U.S. producer reported that demand had increased since January 1, 2014 and expected demand to continue to increase. A plurality of importers reported that the U.S. demand for MSG had remained constant since January 1, 2014 and anticipated demand to decrease. Importer *** reported that the demand for natural seasoning has increased but people have become increasingly interested in healthier food without MSG, which has caused an overall decline in demand. A plurality of purchasers reported that U.S. demand for MSG had decreased since January 1, 2014 and expected demand to continue to decrease (table II-4). Purchasers ***

and *** reported that MSG has a stigma among consumers who fear that it is unhealthy.

Table II-4
MSG: Firms' responses regarding U.S. demand

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand in the United States:				
U.S. producer	1	---	---	---
Importers	2	3	2	1
Purchasers	2	2	3	1
Foreign producers	---	---	1	---
Anticipated future demand in the United States:				
U.S. producer	1	---	---	---
Importers	2	2	3	1
Purchasers	3	1	4	---
Foreign producers	---	---	1	---
Demand for purchasers' final products:				
Purchasers	3	2	3	---

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

Substitute products

The U.S. producer, the majority of importers, and the majority of purchasers reported that there were no substitutes and did not anticipate any future changes in substitutes. Importer *** reported that yeast extracts and umami rich ingredients are a substitute for MSG. Purchaser *** also reported that yeast extracts are a substitute for MSG, while purchaser *** reported that in addition to yeast extracts, disodium inosinate and disodium guanylate are substitutes for MSG.

Substitutability issues

The degree of substitution between domestic and imported MSG depends upon such factors as relative prices, quality (e.g., grade standards, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is a high degree of substitutability between domestically produced MSG and MSG imported from subject sources.

Lead times

MSG is sold from inventory. AJINA reported that *** percent of its commercial shipments came from inventories, with lead times averaging *** days. Importers reported that *** percent of their commercial shipments came from U.S. inventories with lead times averaging *** days and the remaining *** percent of commercial shipments came from foreign inventories with lead times averaging *** days.

Knowledge of country sources

Six purchasers indicated they had marketing/pricing knowledge of domestic product, five of Chinese product, three of Indonesian product, and four of product from nonsubject countries. Purchasers reported that the nonsubject countries that they had knowledge of were Vietnam (3 firms), Brazil, Taiwan, Malaysia, and the European Union (1 firm each).

As shown in table II-5, most purchasers and their customers never make purchasing decisions based on the producer or country of origin. One purchaser, ***, reported that it usually based its purchasing decisions on MSG meeting quality standards. Purchaser *** reported that it sometimes makes purchasing decisions based on the sensory and granulation of the MSG.

Table II-5
MSG: Purchasing decisions based on producer and country of origin

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	1	2	1	5
Purchaser's customers make decision based on producer	---	1	2	6
Purchaser makes decision based on country	1	2	2	4
Purchaser's customers make decision based on country	---	1	2	6

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

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for MSG were price (9 firms), quality (6 firms), and availability/supply (3 firms) as shown in table II-6. Price was the most frequently cited first-most important factor (cited by 3 firms), followed by quality (2 firms); price was the most frequently reported second-most important factor (4 firms); and price and availability/supply were the most frequently reported third-most important factor (2 firms each).

Table II-6
MSG: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Factor	First	Second	Third	Total
Price	3	4	2	9
Quality	2	3	1	6
Availability/Supply	1	0	2	3
Other	3	2	4	9

Note: Other factors include food safety standards, USA made, terms, service, reliability, and extension of credit

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

The majority of purchasers (5 of 9) reported that they only usually purchase the lowest-priced product.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 16 factors in their purchasing decisions (table II-7). The factors rated as very important by more than half of responding purchasers were price, product consistency, and reliability of supply (9 firms each), availability (8 firms), quality meets USP/USP-NF standards and quality meets FCC standards (7 firms each), delivery terms and delivery time (5 firms each).

Table II-7
MSG: Importance of purchase factors, as reported by U.S. purchasers, by number of responding firms

Factor	Number of firms reporting		
	Very	Somewhat	Not
Availability	8	1	---
Delivery terms	5	4	---
Delivery time	5	4	---
Discounts offered	3	4	2
Minimum quantity requirements	3	1	5
Packaging	2	5	2
Payment terms	3	6	---
Price	9	---	---
Product consistency	9	---	---
Product range	4	2	3
Quality meets USP/USP-NF standards	7	1	1
Quality meets FCC standards	7	1	1
Quality exceeds industry standards	3	5	1
Reliability of supply	9	---	---
Technical support/service	2	7	---
U.S. transportation costs	4	4	1

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

Supplier certification

Seven of nine responding purchasers require their suppliers to become certified or qualified to sell MSG to their firm. Purchasers reported that the time to qualify a new supplier ranged from 15 to 365 days. None of the responding purchasers reported that the domestic or any foreign supplier had failed in its attempt to qualify product or had lost its approved status since January 1, 2014.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2014 (table II-8). Five of nine responding purchasers reported that they had changed suppliers since January 1, 2014. Reasons reported for changes in sourcing included maintaining multiple suppliers to mitigate potential supply risk. Specifically, a majority of purchasers reported that they increased purchases from U.S. producers. Purchaser *** reported that the price of imports increased and made the price of U.S.-produced MSG more competitive in the U.S. market, while *** and *** reported that the imposition of tariffs on MSG caused them to increase purchases of MSG produced in the United States. The majority of responding purchasers reported that they did not purchase MSG from China or Indonesia.

Table II-8
MSG: Changes in purchase patterns from U.S., subject, and nonsubject countries

Factor	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	3	1	5	---	---
China	5	3	---	1	---
Indonesia	5	2	---	1	1
All other countries	2	2	3	4	1
Sources unknown	5	---	---	1	1

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

Importance of purchasing domestic product

Six of seven responding purchasers reported that all or most of their purchases did not require purchasing U.S.-produced product. One reported it was required by their customers (for 50 percent of its purchases), and 2 reported other preferences for domestic product.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing MSG produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 16 factors for which they were asked to rate the

importance (table II-9). The majority of purchasers rated U.S-produced MSG as superior or comparable to Chinese MSG on all factors. The majority of purchasers rated U.S.-produced MSG as superior or comparable to Indonesian and nonsubject MSG on all factors except price. The majority of purchasers rated Chinese, Indonesian, and nonsubject MSG as superior or comparable on all factors.

Table II-9
MSG: Purchasers' comparisons between U.S.-produced and imported product

	Number of firms reporting								
	U.S. vs. China			U.S. vs. Indonesia			China vs. Indonesia		
Factor	S	C	I	S	C	I	S	C	I
Availability	3	4	---	2	1	---	---	2	---
Delivery terms	4	3	---	2	1	---	---	2	---
Delivery time	5	2	---	2	1	---	---	2	---
Discounts offered	1	5	1	---	3	---	---	2	---
Minimum quantity requirements	3	4	---	2	1	---	---	2	---
Packaging	2	5	---	1	2	---	---	2	---
Payment terms	4	2	1	2	1	---	---	2	---
Price	---	4	3	---	1	2	---	2	---
Product consistency	2	5	---	2	1	---	---	2	---
Product range	1	6	---	1	2	---	---	2	---
Quality meets USP/USP-NF standards	2	5	---	2	1	---	1	1	---
Quality meets FCC standards	2	5	---	2	1	---	1	1	---
Quality exceeds industry standards	3	5	---	2	1	---	---	2	---
Reliability of supply	3	4	1	3	2	1	2	2	1
Technical support/service	3	5	1	2	3	1	1	3	1
U.S. transportation costs	4	3	3	1	4	2	1	3	1

Table continued on next page.

Table II-9 –Continued
MSG: Purchasers' comparisons between U.S.-produced and imported product

Factor	U.S. vs. Nonsubject			China vs. Nonsubject			Indonesia vs. Nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	1	6	1	1	4	1	1	2	1
Delivery terms	2	4	1	1	4	1	1	2	1
Delivery time	3	3	1	1	4	1	1	2	1
Discounts offered	1	4	1	1	3	2	1	2	1
Minimum quantity requirements	2	4	1	1	4	1	1	2	1
Packaging	1	5	1	1	4	1	1	2	1
Payment terms	2	4	1	1	4	1	1	2	1
Price	1	2	4	1	3	2	1	2	1
Product consistency	2	4	1	1	4	1	1	2	1
Product range	1	5	1	1	4	1	1	2	1
Quality meets USP/USP-NF standards	2	4	1	1	3	2	1	1	1
Quality meets FCC standards	2	4	1	1	3	2	1	2	1
Quality exceeds industry standards	2	4	1	1	3	2	1	2	1
Reliability of supply	2	4	1	1	4	1	1	2	1
Technical support/service	2	4	1	1	3	2	1	2	1
U.S. transportation costs	2	3	1	1	3	2	1	1	1

Note: A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.
Note: S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

Comparison of U.S.-produced and imported MSG

In order to determine whether U.S.-produced MSG can generally be used in the same applications as imports from China, Indonesia, and nonsubject countries, the U.S. producer, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-10, the U.S. producer reported that MSG from the United States, China, Indonesia, and nonsubject countries was *** interchangeable. The majority of importers reported that MSG from United States, China, Indonesia, and nonsubject countries was always or frequently interchangeable. Purchasers reported that MSG from United States, China, Indonesia, and nonsubject countries were always or frequently interchangeable, except for MSG from the United States and Indonesia where half of purchasers reported that they were always or frequently

interchangeable, and half of purchasers reported that they were sometimes or never interchangeable.

Table II-10
MSG: Interchangeability between product produced in the United States and in other countries, by country pair

	U.S. producer				U.S. importers				U.S. purchasers			
Country pair	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. China	***	***	***	***	2	4	2	---	1	4	---	1
United States vs. Indonesia	***	***	***	***	1	2	2	---	1	2	2	1
China vs. Indonesia	***	***	***	***	2	2	1	---	1	3	---	1
United States vs. Other	***	***	***	***	2	2	1	---	1	5	---	---
China vs. Other	***	***	***	***	1	4	---	---	1	4	---	---
Indonesia vs. Other	***	***	***	***	1	3	---	---	1	4	1	---

Note: A=Always, F=Frequently, S=Sometimes, N=Never.

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

As can be seen from table II-11, the majority of responding purchasers reported that domestically produced product always met minimum quality specifications. The majority of responding purchasers reported that Chinese MSG usually met minimum quality specifications and the remaining purchasers reported that Chinese MSG always met minimum quality specifications. Purchaser responses on Indonesian MSG meeting quality specifications were mixed.

Table II-11
MSG: Ability to meet minimum quality specifications, by source

Factor	Always	Usually	Sometimes	Rarely or never
United States	5	1	---	---
China	2	3	---	---
Indonesia	1	1	2	---
Other	3	2	---	---

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

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

In addition, the U.S. producer, importers, and purchasers were asked to assess how often differences other than price were significant in sales of MSG from the United States, subject, or nonsubject countries. As seen in table II-12, the U.S. producer reported there was a *** a difference other than price between MSG produced in the United States, China,

Indonesia, and nonsubject countries. The majority of importers reported that there was sometimes or never a difference other than price between MSG produced in the United States, China, Indonesia, and nonsubject countries. The majority of purchasers reported that there were always or frequently differences other than price between MSG produced in the United States, China, Indonesia, and nonsubject countries, except when comparing MSG from China and Indonesia where half of purchasers reported there was always or frequently a difference other than price and half reported that there was sometimes or never a difference other than price.

Table II-12
MSG: Significance of differences other than price between MSG produced in the United States and in other countries, by country pair

	U.S. producer				U.S. importers				U.S. purchasers			
Country pair	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. China	***	***	***	***	---	1	4	1	4	---	2	1
United States vs. Indonesia	***	***	***	***	---	---	2	2	4	---	2	1
China vs. Indonesia	***	***	***	***	---	---	1	3	2	1	2	1
United States vs. Other	***	***	***	***	---	---	1	3	4	---	1	2
China vs. Other	***	***	***	***	---	---	2	2	3	1	1	1
Indonesia vs. Other	***	***	***	***	---	---	1	2	3	1	1	1

Note: A = Always, F = Frequently, S = Sometimes, N = Never.

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

Elasticity estimates

This section discusses elasticity estimates; parties were encouraged to comment on these estimates. No parties provided comments.

U.S. supply elasticity

The domestic supply elasticity for MSG measures the sensitivity of the quantity supplied by the U.S. producer to changes in the U.S. market price of MSG. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced MSG. Analysis of these factors above indicates that the U.S. industry is likely to be able to somewhat

increase or decrease shipments to the U.S. market; an estimate in the range of 2 to 4 is suggested.

U.S. demand elasticity

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

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[2] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced MSG and imported MSG is likely to be in the range of 3 to 5.

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

Part III: Condition of the U.S. industry

Overview

As mentioned in Part I, AJINA has been the sole domestic producer since the mid-1990s. Since the Commission's original investigations, no major developments have occurred in the U.S. MSG industry except for the institution of Section 301 Tariffs on MSG from China (shown below in table III-1).

Table III-1
MSG: Important industry events, 2014-2020

Item	Part of U.S. Industry	Event
New regulation	Importers	Section 301 tariffs were imposed on MSG imports from China as part of what is referred to as Tranche 3 which went into effect on September 21, 2018.

Changes experienced by the industry

AJINA was asked to indicate whether it had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of its operations or organization relating to the production of MSG since January 1, 2014. AJINA indicated that it had experienced such changes; its response is presented in table III-2.

Table III-2
MSG: Changes in the character of U.S. operations since January 1, 2014

Item / Firm	Reported changed in operations
***	***

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

Anticipated changes in operations

AJINA reported that the company *** anticipate any changes in the character of its operations relating to the production of MSG in the future.

U.S. production, capacity, and capacity utilization

Table III-3 and figure III-1 present AJINA's production, capacity, and capacity utilization. AJINA's capacity and production increased overall during 2014-19, by *** percent and *** percent respectively and were highest in 2018.[1] [2] AJINA's capacity utilization stayed consistently *** during 2014-19, never ***.[3]

Table III-3
MSG: U.S. producer's production, capacity, and capacity utilization, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
Capacity	***	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***	***
	Ratio (percent)							
Capacity utilization	***	***	***	***	***	***	***	***

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

[1] AJINA noted in its questionnaire that ***. See AJINA's U.S. producer questionnaire at II-3c.

[2] AJINA reported in its questionnaire that its reported capacity is based on operating ***, with a scheduled ***.

[3] AJINA noted that the firm must continuously operate with a high capacity utilization, as it uses a ***. AJINA's Prehearing Brief, p. 36.

Figure III-1
MSG: U.S. producer's production, capacity, and capacity utilization, 2014-19, January to March 2019, and January to March 2020

* * * * * * * *

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

Constraints on capacity

AJINA reported that its production is ***.[4]

[4] AJINA's U.S. producer questionnaire at II-3d.

U.S. producer's U.S. shipments and exports

Table III-4 presents AJINA's U.S. shipments, export shipments, and total shipments. The quantity and value of AJINA's U.S. shipments increased overall during 2014-19, by *** percent and *** percent, respectively, though were highest in 2018. AJINA's U.S. shipments were higher in January to March 2020 than in January to March 2019. Most of AJINA's U.S. shipments were commercial shipments, which increased overall during 2014-19, despite decreasing between 2014 and 2017. AJINA also reported *** internal consumption during 2014-19. As a share of quantity, AJINA's transfers to its related firms increased during 2014-19 by *** percentage points. AJINA reported exporting between *** and *** percent of the quantity of the firm's total shipments each year during 2014-19 to ***.[5]

[5] AJINA explained that that the firm exports MSG from its U.S. production facility because ***. ***.

Table III-4
MSG: U.S. producer's U.S. shipments, exports shipments, and total shipments, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfer to related firms	***	***	***	***	***	***	***	***
U.S. shipments	***	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***
	Value (1,000 dollars)							
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfer to related firms	***	***	***	***	***	***	***	***
U.S. shipments	***	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***

Table continued.

Table III-4--Continued
MSG: U.S. producer's U.S. shipments, exports shipments, and total shipments, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Unit value (dollars per pound dry weight)							
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfer to related firms	***	***	***	***	***	***	***	***
U.S. shipments	***	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***
	Share of quantity (percent)							
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfer to related firms	***	***	***	***	***	***	***	***
U.S. shipments	***	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***
	Share of value (percent)							
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfer to related firms	***	***	***	***	***	***	***	***
U.S. shipments	***	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***

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

U.S. producer's inventories

Due to its long shelf life, MSG is a product that can be sold from inventory.[6] Table III-5 presents AJINA's end-of-period inventories and the ratio of these inventories to its production, U.S. shipments, and total shipments**.** AJINA's reported inventories decreased overall during 2014-19, and were lower in January to March 2019 than in January to March 2020. During 2014-19, the ratio of inventories to U.S. production decreased overall by *** percentage points, the ratio of inventories to U.S. shipments decreased overall by *** percentage points, and the ratio of inventories to total shipments decreased overall by *** percentage points.

Table III-5
MSG: U.S. producer's inventories, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
U.S. producers' end-of-period inventories	***	***	***	***	***	***	***	***
	Ratio (percent)							
Ratio of inventories to.--								
U.S. production	***	***	***	***	***	***	***	***
U.S. shipments	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***

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

[6] Hearing Tr. p. 33 (Smith).

U.S. producer's imports and purchases

AJINA reported importing MSG into the United States ***. These data are presented below in table III-6. AJINA's imports *** overall during 2014-19, *** between 2014 and 2015 by *** percent, but ***, ending *** in 2019 than in 2014. AJINA's imports were *** in January-March 2020 than in January-March 2019.

Table III-6
MSG: U.S. producer's U.S. production, imports, and import ratios to U.S. production, 2014-19, January to March 2019 and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
AJINA's U.S. production	***	***	***	***	***	***	***	***
AJINA's U.S. imports from nonsubject sources (***)	***	***	***	***	***	***	***	***
	Ratio (percent)							
AJINA's ratio to U.S. production of imports from nonsubject sources (***)	***	***	***	***	***	***	***	***
	Narrative							
AJINA's reason for importing	***							

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

U.S. employment, wages, and productivity

Table III-7 shows AJINA's employment-related data. The number of production and related workers ("PRWs") increased overall during 2014-19 by *** percent, and was higher in January to March 2020 than in January to March 2019. Total number of hours increased during 2014-19 by *** percent, while hours worked per PRW decreased by *** percent. Wages paid and hourly wages increased during 2014-19, by *** percent and *** percent, respectively, and were higher in January to March 2020 than in January to March 2019.

Consistent with small increases and decreases in the firm's capacity utilization, AJINA's productivity fluctuated during 2014-19, decreasing between 2014 and 2015, 2016 and 2017, and between 2018 and 2019, ultimately ending lower in 2019 than in 2014. Productivity was higher in January-March 2019 than in January-March 2020. Total hours worked similarly fluctuated, but generally increased during 2014-19. Unit labor costs increased during 2014-19, by *** per pound dry weight, and was unchanged between January-March 2019 and January-March 2020.

Table III-7
MSG: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2014-19, January to March 2019 and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
Production and related workers (PRWs) (number)	***	***	***	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***	***	***	***
Productivity (pounds dry weight per hour)	***	***	***	***	***	***	***	***
Unit labor costs (dollars per pound dry weight)	***	***	***	***	***	***	***	***

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

Financial experience of U.S. producers

Background

The sole U.S. producer, AJINA, provided usable financial data on its MSG operations. These data are believed to account for all U.S. production of MSG during the period examined. AJINA's financial results were reported on the ***.[7] The company's data were reported on the basis of ***.

Operations on MSG

Income-and-loss data for the U.S. producer are presented in table III-8. Table III-9 presents the corresponding changes in average unit values ("AUVs") reported in table III-8.

[7] ***. Email from ***. ***.

Table III-8
MSG: Results of AJINA's operations, 2014-19, January-March 2019, and January-March 2020

Item	Fiscal year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
Total net sales	***	***	***	***	***	***	***	***
	Value (1,000 dollars)							
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
Total net sales	***	***	***	***	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***	***	***	***	***
Direct labor	***	***	***	***	***	***	***	***
Other factory costs	***	***	***	***	***	***	***	***
Total COGS	***	***	***	***	***	***	***	***
Gross profit	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***
Other expenses/(income), net	***	***	***	***	***	***	***	***
Net income or (loss)	***	***	***	***	***	***	***	***
Depreciation/amortization	***	***	***	***	***	***	***	***
Cash flow	***	***	***	***	***	***	***	***
	Unit value (dollars per pound dry weight)							
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
Total net sales	***	***	***	***	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***	***	***	***	***
Direct labor	***	***	***	***	***	***	***	***
Other factory costs	***	***	***	***	***	***	***	***
Average COGS	***	***	***	***	***	***	***	***
Gross profit	***	***	***	***	***	***	***	***
SG&A expense	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***
Net income or (loss)	***	***	***	***	***	***	***	***

Table continued on next page.

Table III-8—Continued
MSG: Results of AJINA's operations, 2014-19, January-March 2019, and January-March 2020

Item	Fiscal year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Ratio to COGS (percent)							
Cost of goods sold.-- Raw materials	***	***	***	***	***	***	***	***
Direct labor	***	***	***	***	***	***	***	***
Other factory costs	***	***	***	***	***	***	***	***
Total COGS	***	***	***	***	***	***	***	***
	Ratio to net sales (percent)							
Cost of goods sold.-- Raw materials	***	***	***	***	***	***	***	***
Direct labor	***	***	***	***	***	***	***	***
Other factory costs	***	***	***	***	***	***	***	***
Total COGS	***	***	***	***	***	***	***	***
Gross profit	***	***	***	***	***	***	***	***
SG&A expense	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***
Net income or (loss)	***	***	***	***	***	***	***	***
	Number of firms reporting							
Operating losses	***	***	***	***	***	***	***	***
Net losses	***	***	***	***	***	***	***	***
Data	***	***	***	***	***	***	***	***

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

Table III-9
MSG: Changes in AUVs between fiscal years and interim periods

Item	Between fiscal years					January to March	
	2014-19	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Percentage change in AUVSs (percent)						
Commercial shipments	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total net sales	***	***	***	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***	***	***	***
Direct labor	***	***	***	***	***	***	***
Other factory costs	***	***	***	***	***	***	***
Average COGS	***	***	***	***	***	***	***
	Actual change in AUVs (dollars per pound dry weight)						
Commercial shipments	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total net sales	***	***	***	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***	***	***	***
Direct labor	***	***	***	***	***	***	***
Other factory costs	***	***	***	***	***	***	***
Average COGS	***	***	***	***	***	***	***
Gross profit	***	***	***	***	***	***	***
SG&A expense	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***
Net income or (loss)	***	***	***	***	***	***	***

Note: Values of ▲0.00 and ▼(0.00) indicate changes in AUVs that are less than $0.005 and more than $(0.005), respectively.

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

Net sales

***. The company reported that its ***.[8]

The company's net sales volume fluctuated during 2014-19, with a period low of *** dry pounds in 2015, and a period high of *** dry pounds in 2018. The company's net sales volume was *** higher in January-March 2020 than during the same period in 2019. The value of the company's net sales also fluctuated during 2014-19, with a period low of $*** in 2017 and a period high of $*** in 2014. The company's net sales value was higher in interim 2020 than it was in interim 2019. The net sales AUV fluctuated, and ranged from $*** per dry pound in 2018 and $*** per dry pound in 2015.

Cost of goods sold and gross profit or (loss)

The company's raw materials were the largest component of overall COGS, accounting for between *** and *** percent during the period examined. The company's cost of raw materials decreased irregularly between 2014 and 2019, on an actual basis, as a ratio to net sales, and on a per-dry pound basis. The per-dry pound cost of raw materials decreased from $*** in 2014 to $*** in 2019, and was lower in interim 2020 than during interim 2019. Table III-10 presents raw materials, by type.[9] The company reported that ***, the main raw material input for MSG, accounted for *** percent of its total raw material costs in 2019.[10]

[8] Email from ***. U.S. producer's questionnaire response, section ***.

[9] AJINA reported ***. U.S. producers' questionnaire response, section ***.

[10] All other raw material inputs reported by the company include: ***. Email from ***.

Table III-10
MSG: Raw materials by type, 2019

Raw materials	Fiscal year 2019		
	Value (1,000 dollars)	Unit value (dollars per pound dry weight)	Share of value (percent)
Corn starch	***	***	***
Other raw material inputs	***	***	***
Total raw materials	***	***	***

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

Direct labor, the smallest component of the company's reported COGS, accounted for between *** percent and *** percent during the period examined. The company's direct labor fluctuated, but increased overall between 2014 and 2019, in terms of actual dollars, as a ratio to net sales, and on a per-dry pound basis, whereas it was lower in interim 2020 than during interim 2019 by all three measures.

Other factory costs, the last component of COGS, accounted for between *** and *** percent of total COGS during the period examined. These costs fluctuated, but decreased overall, between 2014 and 2019, and were lower in interim 2020 compared to interim 2019, in actual dollars, as a ratio to net sales, and on a per-dry pound basis.

The company's total COGS decreased between 2014 and 2019 by *** percent, from $*** to $***, and was *** percent lower in interim 2020 compared to interim 2019. The COGS to net sales ratio decreased from *** percent in 2014 to *** percent in 2019, and was lower in interim 2020 (*** percent) than during interim 2019 (*** percent). Between 2014 and 2019 the company's total COGS decreased more than the decrease in the company's net sales value, which resulted in an overall increase in gross profit from $*** in 2014 to $*** in 2019. The company's lower COGS in interim 2020 compared to interim 2019, combined with its higher net sales revenue, resulted in gross profit being higher in interim 2020 than during interim 2019.

SG&A expenses and operating income or (loss)

AJINA's SG&A expenses fluctuated during the period examined, but were *** lower in 2019 than in 2014, and were *** higher in interim 2020 compared to interim 2019. The SG&A expense ratio also fluctuated, but remained within *** percent (in 2015) and *** percent (in 2019). Operating income increased irregularly, from $*** in 2014 to $*** in 2019, and was higher in the first quarter of 2020 when compared to the same period in 2019.

All other expenses and net income or (loss)

Classified below operating income are interest expense, other expenses, and other income. In table III-8, a net amount of these items is shown. AJINA's all other expenses/(income) fluctuated between positive numbers (indicating an overall expense/loss) and negative numbers (indicating an overall income/gain), but changed from a net all other expense of $*** in 2014 to a net all other income of $*** in 2019. The company reported that the ***.[11] AJINA's net income increased irregularly from $*** in 2014 to $*** in 2019, and was higher in interim 2020 than during interim 2019.

[11] Email from ***.

Variance analysis

A variance analysis for AJINA's MSG operations is presented in table III-11.[12] The information for this variance analysis is derived from table III-8.

Table III-11
MSG: Variance analysis on the AJINA's operations, between fiscal years and partial year periods

Item	Between fiscal years						January to March
	2014-19	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Value (1,000 dollars)						
Net sales: Price variance	***	***	***	***	***	***	***
Volume variance	***	***	***	***	***	***	***
Net sales variance	***	***	***	***	***	***	***
Cost of sales: Cost/expense variance	***	***	***	***	***	***	***
Volume variance	***	***	***	***	***	***	***
Total cost of sales variance	***	***	***	***	***	***	***
Gross profit variance	***	***	***	***	***	***	***
SG&A expenses: Cost/expense variance	***	***	***	***	***	***	***
Volume variance	***	***	***	***	***	***	***
Total SG&A expense variance	***	***	***	***	***	***	***
Operating income variance	***	***	***	***	***	***	***
Summarized as: Price variance	***	***	***	***	***	***	***
Net cost/expense variance	***	***	***	***	***	***	***
Net volume variance	***	***	***	***	***	***	***

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

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

Capital expenditures and research and development expenses

Table III-12 presents AJINA's capital expenditures and research and development ("R&D") expenses. The company's capital expenditures decreased irregularly from $*** in 2014 to $*** in 2019, and were lower during the first quarter of 2020, at $*** compared to the first quarter of 2019, when they were $***. The company reported that its capital expenditures were related to ***.[13] AJINA's R&D expenses decreased from $*** in 2014 to $*** in 2019, and were *** lower in interim 2020 compared to interim 2019. The company reported that it's R&D expenses were related to ***.[14]

Table III-12
MSG: AJINA's Capital expenditures and R&D expenses, 2014-19, January-March 2019, and January-March 2020

Item	Fiscal year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Capital expenditures (1,000 dollars)							
Total capital expenditures	***	***	***	***	***	***	***	***
	Research and development expenses (1,000 dollars)							
Total R&D expenses	***	***	***	***	***	***	***	***

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

[13] The company reported that its ***. The company also reported that the ***. Email from ***.
[14] U.S. producer's questionnaire, section III-13.

Assets and return on assets

Table III-13 presents data on AJINA's total assets and its return on assets ("ROA").[15]

Table III-13
MSG: AJINA's total assets and return on assets, 2014-19

Firm	Fiscal year					
	2014	2015	2016	2017	2018	2019
	Total net assets (1,000 dollars)					
Total net assets	***	***	***	***	***	***
	Operating return on assets (percent)					
Operating ROA	***	***	***	***	***	***

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

[15] The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value for MSG.

Part IV: U.S. imports and the foreign industries

U.S. imports

Overview

The Commission issued questionnaires to 36 potential importers of MSG during 2014-19. Nine firms provided data and information in response to the questionnaires, while two firms indicated that they had not imported product during the period for which data were collected.[1] Based on official Commerce statistics for imports of MSG, importers' questionnaire data accounted for the majority of total U.S. imports during 2014-19 and approximately 50 percent of total subject imports during 2014-19. Firms responding to the Commission's questionnaire accounted for the following shares of individual subject country's subject imports (as a share of official import statistics, by value) during 2014-19:

- *** percent of the subject imports from China during 2014-19; and
- *** percent of the subject imports from Indonesia during 2014-19

In light of the data coverage by the Commission's questionnaires, import data in this report are based on official Commerce statistics for MSG unless otherwise specified.[2]

[1] *** submitted certified responses indicating that they had not imported MSG into the United States since January 1, 2014.

[2] Subject import coverage was calculated based on ***, of *** under HTS statistical reporting number 2922.42.1000, with *** removed. Two non-responsive firms, *** made up *** of imports of MSG from China during 2014-19. According to ***, *** in 2019, and *** early in the period, from 2014 to 2016. One additional firm, ***, was identified as a large importer of MSG from Indonesia. Based on ***, *** as of November 2019. Despite attempts made by staff to contact these firms through email and phone, these firms did not respond to the Commission's questionnaire.

Imports from subject and nonsubject countries

Table IV-1 and figure IV-1 present information on U.S. imports of MSG from China, Indonesia, and all other sources over the period examined. The quantity of total imports of MSG, while highest in 2016, increased overall during 2014-19 by 21.1 percent, and was higher in January to March 2020 than in January to March 2019. The value of total imports of MSG similarly increased overall during 2014-19 by 15.4 percent, and was higher in January to March 2020 than in January to March 2019. The unit value of total imports of MSG decreased by 4.7 percent during 2014-19, and was lower in January to March 2020 than in January to March 2019.

As a whole, the quantity and value of U.S. imports of MSG from subject sources decreased, by 52.1 percent and 56.2 percent, respectively, during 2014-19, though both were higher in January to March 2020 than in January to March 2019. The unit value of U.S. imports of MSG from subject sources decreased overall during 2014-19 by 8.5 percent, but was higher in January to March 2020 than in January to March 2019. While the quantity of imports of MSG from China decreased sharply (by 88.5 percent) after the antidumping duty order was established in 2014, the quantity imports of MSG from Indonesia increased overall during 2014-19 by 630.0 percent.

The vast majority of the quantity of U.S. imports of MSG were from nonsubject sources, comprising between 52.4 percent and 89.2 percent of the quantity of total U.S. imports during 2014-19. Throughout 2014-19, the unit value of imports of MSG from nonsubject sources was consistently higher than imports of MSG from subject sources combined, and almost always higher than the unit values of U.S. imports of MSG from individual subject countries.[3]

[3] While the average unit value of U.S. imports of MSG from China was consistently lower than the unit value of U.S. imports of MSG from nonsubject sources, the unit value of U.S. imports of MSG from Indonesia was higher than U.S. imports of MSG from nonsubject sources in 2015 and 2016.

Table IV-1
MSG: U.S. imports by source, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
U.S. imports from.--								
China	18,231	4,475	2,573	2,222	1,799	2,101	520	578
Indonesia	971	3,087	3,761	2,628	4,126	7,088	1,000	1,900
Subject sources	19,202	7,563	6,334	4,850	5,925	9,190	1,519	2,478
Nonsubject sources	21,120	36,937	43,543	40,004	36,305	39,654	8,044	8,709
All import sources	40,322	44,500	49,877	44,854	42,230	48,844	9,563	11,187
	Value (1,000 dollars)							
U.S. imports from.--								
China	12,025	2,802	1,138	847	731	1,049	166	318
Indonesia	763	2,452	2,763	1,779	2,703	4,549	657	1,205
Subject sources	12,788	5,254	3,901	2,626	3,433	5,598	823	1,522
Nonsubject sources	17,929	28,210	31,039	28,988	27,271	29,862	6,251	6,088
All import sources	30,717	33,464	34,939	31,614	30,704	35,460	7,074	7,611
	Unit value (dollars per pound dry weight)							
U.S. imports from.--								
China	0.66	0.63	0.44	0.38	0.41	0.50	0.32	0.55
Indonesia	0.79	0.79	0.73	0.68	0.65	0.64	0.66	0.63
Subject sources	0.67	0.69	0.62	0.54	0.58	0.61	0.54	0.61
Nonsubject sources	0.85	0.76	0.71	0.72	0.75	0.75	0.78	0.70
All import sources	0.76	0.75	0.70	0.70	0.73	0.73	0.74	0.68

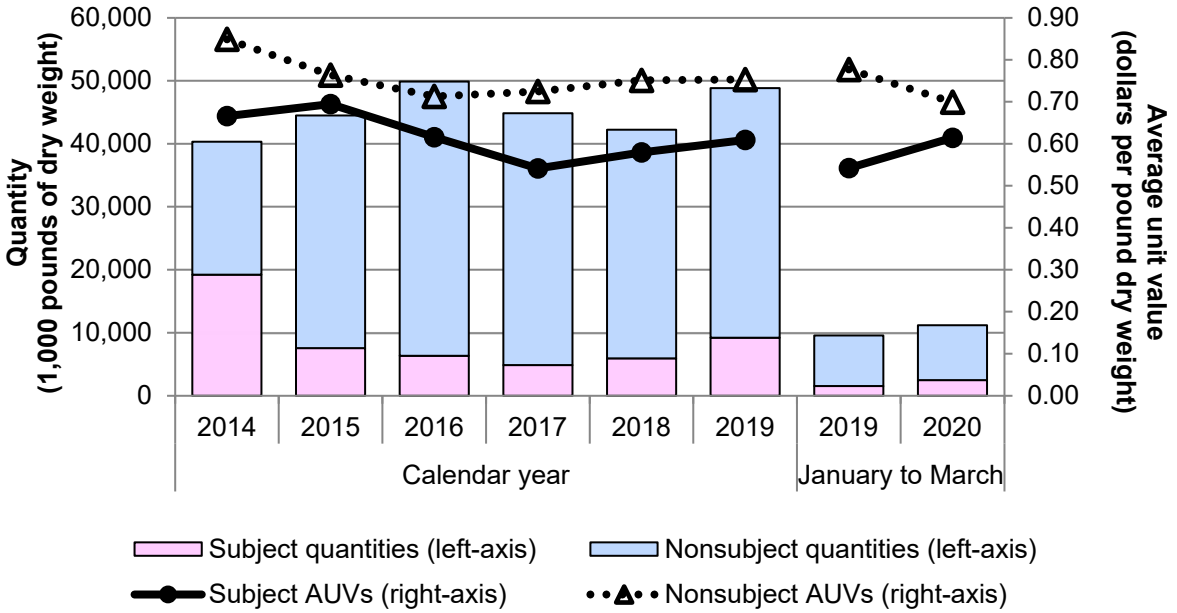
Table continued on next page.

Table IV-1--Continued
MSG: U.S. imports by source, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Share of quantity (percent)							
U.S. imports from.--								
China	45.2	10.1	5.2	5.0	4.3	4.3	5.4	5.2
Indonesia	2.4	6.9	7.5	5.9	9.8	14.5	10.5	17.0
Subject sources	47.6	17.0	12.7	10.8	14.0	18.8	15.9	22.2
Nonsubject sources	52.4	83.0	87.3	89.2	86.0	81.2	84.1	77.8
All import sources	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)							
U.S. imports from.--								
China	39.1	8.4	3.3	2.7	2.4	3.0	2.3	4.2
Indonesia	2.5	7.3	7.9	5.6	8.8	12.8	9.3	15.8
Subject sources	41.6	15.7	11.2	8.3	11.2	15.8	11.6	20.0
Nonsubject sources	58.4	84.3	88.8	91.7	88.8	84.2	88.4	80.0
All import sources	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ratio to U.S. production (percent)							
U.S. imports from.--								
China	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***

Source: Official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed July 21, 2020.

Figure IV-1
MSG: U.S. imports by source, 2014-19, January to March 2019, and January to March 2020



Source: Official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed July 21, 2020.

Table IV-2 presents U.S. imports of MSG from nonsubject sources during 2014-19. Imports from nonsubject sources increased during 2014-19, with imports from Vietnam and Taiwan accounting for the majority of this increase.[4] Other import sources during 2014-19 included *** in Brazil and France.

[4] According to ***, the largest importers of MSG from Vietnam in 2019 were ***. The largest importer of MSG from Taiwan in 2019 was ***.

Table IV-2
MSG: U.S. imports by source, nonsubject sources, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
U.S. imports from.--								
Vietnam	4,790	13,048	24,023	20,144	23,341	23,869	5,939	4,877
Taiwan	3,033	2,905	2,642	4,340	4,532	6,800	1,881	948
Brazil	10,132	17,605	12,922	12,253	6,365	6,427	17	947
Malaysia	132	43	80	483	167	1,705	---	1,827
Peru	274	320	295	317	319	361	101	57
Thailand	106	127	131	140	105	162	43	22
Korea	208	158	214	151	186	161	48	18
Hong Kong	261	62	74	81	60	79	8	8
Germany	---	---	---	---	31	68	---	---
Japan	2	5	19	31	11	16	9	6
France	2,145	2,651	3,042	2,028	1,008	---	---	---
All other sources	36	13	100	36	181	9	---	---
Nonsubject sources	21,120	36,937	43,543	40,004	36,305	39,654	8,044	8,709
	Share of all import sources quantity (percent)							
U.S. imports from.--								
Vietnam	11.9	29.3	48.2	44.9	55.3	48.9	62.1	43.6
Taiwan	7.5	6.5	5.3	9.7	10.7	13.9	19.7	8.5
Brazil	25.1	39.6	25.9	27.3	15.1	13.2	0.2	8.5
Malaysia	0.3	0.1	0.2	1.1	0.4	3.5	---	16.3
Peru	0.7	0.7	0.6	0.7	0.8	0.7	1.1	0.5
Thailand	0.3	0.3	0.3	0.3	0.2	0.3	0.4	0.2
Korea	0.5	0.4	0.4	0.3	0.4	0.3	0.5	0.2
Hong Kong	0.6	0.1	0.1	0.2	0.1	0.2	0.1	0.1
Germany	---	---	---	---	0.1	0.1	---	---
Japan	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1
France	5.3	6.0	6.1	4.5	2.4	---	---	---
All other sources	0.1	0.0	0.2	0.1	0.4	0.0	---	---
Nonsubject sources	52.4	83.0	87.3	89.2	86.0	81.2	84.1	77.8

Source: Official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed July 21, 2020.

Cumulation considerations

In assessing whether U.S. imports from the subject countries are likely to compete with each other and with the domestic like product, the Commission has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Table IV-3 presents U.S. producer AJINA's and U.S. importers' U.S. shipments of MSG by type in 2019.[5] U.S. producer AJINA reported that *** of its shipments were USP/USP-NF or FCC certified.[6] U.S. importers of MSG from Indonesia similarly reported that *** of their U.S. shipments were USP/USP-NF or FCC certified. A large share (*** percent) of US shipments of nonsubject imports of MSG were both USP/USP-NF and FCC certified. *** U.S. importers reported that certification does not impact interchangeability of MSG, while *** U.S. importers indicated that it does impact the interchangeability of MSG.

[5] *** U.S. importers reported U.S. shipments of MSG in 2019.
[6] AJINA clarified that ***. See ***.

Table IV-3
MSG: U.S. producers' and U.S. importers' U.S. shipments of MSG by type, 2019

Item	U.S. producers	U.S. importers					U.S. producers and U.S. importers
		China	Indonesia	Subject sources	Nonsubject sources	All import sources	
	Quantity (1,000 pounds dry weight)						
U.S. shipments.-- Both USP/USP-NF and FCC certified	***	***	***	***	***	***	***
USP/USP-NF certified, not FCC certified	***	***	***	***	***	***	***
FCC certified, not USP/USP-NF certified	***	***	***	***	***	***	***
Neither USP/USP-NF nor FCC certified	***	***	***	***	***	***	***
All types	***	***	***	***	***	***	***
	Share across (percent)						
U.S. shipments.-- Both USP/USP-NF and FCC certified	***	***	***	***	***	***	***
USP/USP-NF certified, not FCC certified	***	***	***	***	***	***	***
FCC certified, not USP/USP-NF certified	***	***	***	***	***	***	***
Neither USP/USP-NF nor FCC certified	***	***	***	***	***	***	***
All types	***	***	***	***	***	***	***
	Share down (percent)						
U.S. shipments.-- Both USP/USP-NF and FCC certified	***	***	***	***	***	***	***
USP/USP-NF certified, not FCC certified	***	***	***	***	***	***	***
FCC certified, not USP/USP-NF certified	***	***	***	***	***	***	***
Neither USP/USP-NF nor FCC certified	***	***	***	***	***	***	***
All types	***	***	***	***	***	***	***

Source: Compiled using responses submitted from Commission questionnaires.

Geographical markets

Table IV-4 presents U.S. imports of MSG by border of entry. The majority of U.S. imports of MSG from subject sources entered through eastern and southern borders, though imports from both subject countries entered through all borders. While imports from nonsubject sources similarly entered through all borders, most imports of MSG from nonsubject sources entered through the eastern and western borders.

Table IV-4
MSG: U.S. imports by source, nonsubject sources, 2014-19, January to March 2019, and January to March 2020

Item	Border of entry				
	East	North	South	West	All borders
	Quantity (1,000 pounds dry weight)				
U.S. imports from.--					
China	1,105	35	892	70	2,101
Indonesia	4,198	812	1,252	826	7,088
Subject sources	5,302	847	2,144	896	9,190
Nonsubject sources	20,086	5,952	3,435	10,181	39,654
All import sources	25,388	6,799	5,579	11,078	48,844
	Share across (percent)				
U.S. imports from.--					
China	52.6	1.7	42.4	3.3	100.0
Indonesia	59.2	11.5	17.7	11.7	100.0
Subject sources	57.7	9.2	23.3	9.8	100.0
Nonsubject sources	50.7	15.0	8.7	25.7	100.0
All import sources	52.0	13.9	11.4	22.7	100.0
	Share down (percent)				
U.S. imports from.--					
China	4.4	0.5	16.0	0.6	4.3
Indonesia	16.5	11.9	22.4	7.5	14.5
Subject sources	20.9	12.5	38.4	8.1	18.8
Nonsubject sources	79.1	87.5	61.6	91.9	81.2
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed July 21, 2020.

Presence in the market

As shown in table IV-5, and figures IV-2 and IV-3, U.S. imports of MSG from subject and nonsubject sources were present in every month from January 2014 through July 2020, a total of 79 months. U.S. imports of MSG from China were present in 76 of those 79 months, while U.S. imports of MSG from Indonesia were present in 74 of 79.

Table IV-5
MSG: U.S. imports by month, 2014-19, January 2014 through July 2020

Month	China	Indonesia	Subject sources	Nonsubject sources	All import sources
	Quantity (1,000 pounds dry weight)				
2014.--					
January	3,869	---	3,869	333	4,203
February	6,791	---	6,791	490	7,282
March	3,908	---	3,908	98	4,006
April	1,548	---	1,548	280	1,828
May	489	---	489	416	905
June	178	74	252	534	786
July	184	74	258	2,254	2,512
August	143	153	297	1,546	1,843
September	57	37	94	5,800	5,894
October	84	242	326	5,437	5,763
November	413	353	766	1,818	2,584
December	566	37	603	2,113	2,716
2015.--					
January	559	37	596	1,803	2,400
February	188	47	235	3,092	3,328
March	222	374	596	2,609	3,205
April	754	326	1,080	2,806	3,886
May	546	360	906	4,876	5,782
June	687	505	1,192	2,566	3,758
July	342	635	978	4,433	5,411
August	316	160	476	3,300	3,775
September	156	74	230	4,878	5,108
October	205	299	504	3,029	3,532
November	170	83	253	2,003	2,255
December	330	188	518	1,543	2,061
2016.--					
January	636	192	828	3,994	4,821
February	355	113	468	5,214	5,682
March	270	283	553	3,812	4,364
April	48	232	280	3,595	3,875
May	230	312	542	4,197	4,739
June	373	235	608	3,436	4,044
July	219	467	686	2,292	2,977
August	---	331	331	2,720	3,051
September	88	266	354	3,048	3,402
October	45	470	515	2,893	3,408
November	261	636	897	3,762	4,659
December	48	225	273	4,581	4,854

Table continued on next page.

Table IV-5--Continued
MSG: U.S. imports by month, January 2014 through July 2020

Month	China	Indonesia	Subject sources	Nonsubject sources	All import sources
	Quantity (1,000 pounds dry weight)				
2017.--					
January	224	155	379	4,153	4,532
February	91	249	340	3,322	3,662
March	301	161	462	5,722	6,184
April	88	125	214	5,619	5,832
May	239	560	799	4,518	5,316
June	175	159	334	3,082	3,415
July	319	482	800	1,809	2,610
August	88	126	213	2,360	2,574
September	130	253	383	2,329	2,712
October	89	116	205	1,559	1,764
November	43	164	207	3,125	3,332
December	436	78	514	2,407	2,921
2018.--					
January	45	494	539	3,646	4,185
February	53	115	169	2,888	3,056
March	---	604	604	3,146	3,751
April	---	602	602	2,071	2,673
May	218	483	701	1,636	2,337
June	201	635	836	1,740	2,575
July	385	263	648	2,337	2,985
August	198	389	587	4,922	5,509
September	100	161	261	3,757	4,018
October	121	153	274	3,637	3,911
November	152	111	263	3,730	3,993
December	326	115	441	2,796	3,237

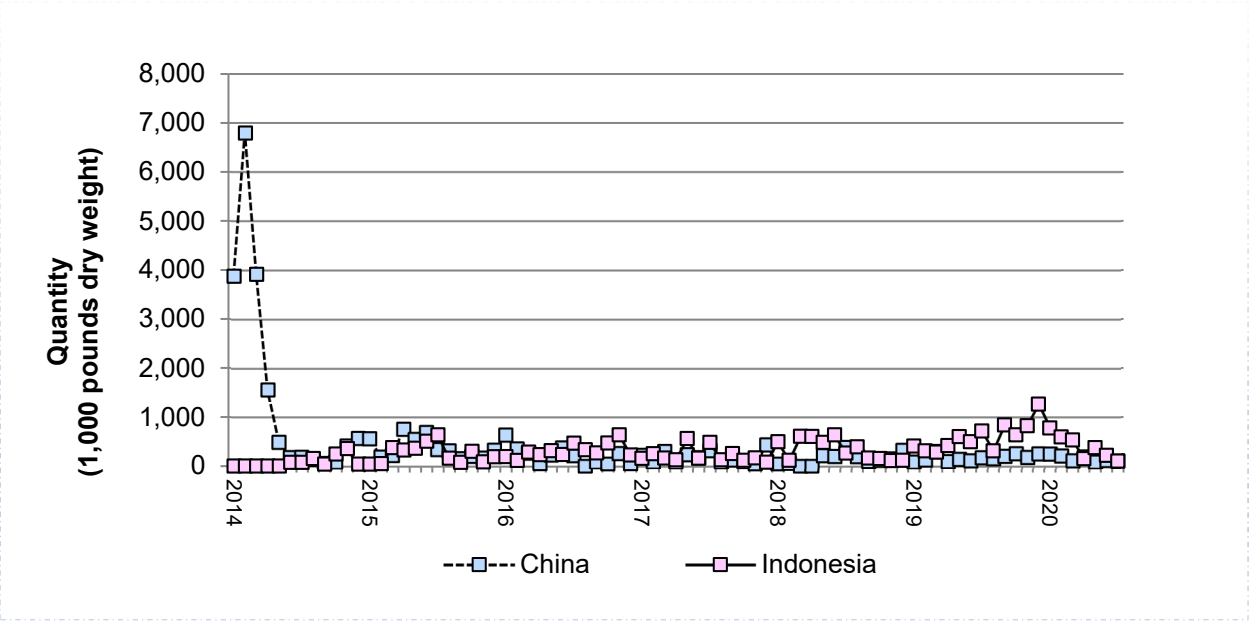
Table continued on next page.

Table IV-5--Continued
MSG: U.S. imports by month, January 2014 through July 2020

Month	China	Indonesia	Subject sources	Nonsubject sources	All import sources
	Quantity (1,000 pounds dry weight)				
2019.--					
January	88	406	495	2,860	3,355
February	129	310	440	2,213	2,652
March	302	283	585	2,972	3,556
April	96	416	513	4,200	4,713
May	141	598	740	3,325	4,064
June	115	495	610	4,670	5,280
July	174	713	887	2,336	3,224
August	157	310	467	2,632	3,099
September	205	837	1,041	3,406	4,448
October	258	634	892	4,890	5,782
November	182	823	1,005	3,717	4,722
December	253	1,262	1,516	2,433	3,949
2020.--					
January	251	776	1,027	1,973	3,000
February	213	593	806	3,048	3,854
March	114	530	645	3,688	4,333
April	191	148	339	5,317	5,656
May	87	373	460	3,170	3,629
June	120	218	338	2,092	2,431
July	102	100	202	1,952	2,154

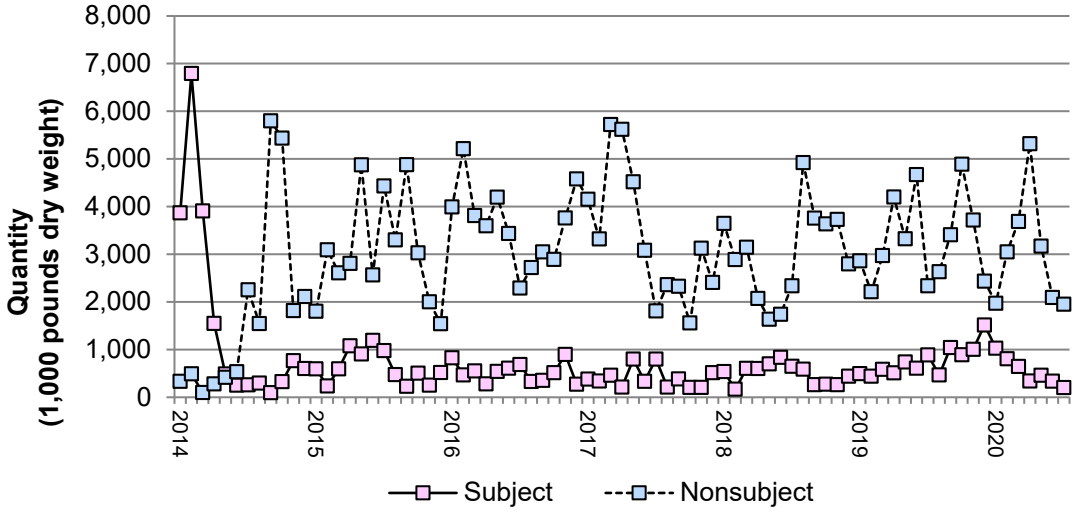
Source: Official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed September 18, 2020.

Figure IV-2
MSG: U.S. imports from individual subject sources by month, January 2014 through July 2020



Source: Official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed September 18, 2020.

Figure IV-3
MSG: U.S. imports from subject and nonsubject sources by month, January 2014 through July 2020



Source: Official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed September 18, 2020.

U.S. importers' imports subsequent to March 2019

The Commission requested importers to indicate whether they had imported or arranged for the importation of MSG from China, Indonesia, and/or nonsubject sources for delivery after March 31, 2020, presented below in in table IV-6. The largest source of arranged imports were from nonsubject sources during April-June 2020.

Table IV-6
MSG: U.S. importers' arranged imports after March 31, 2020

Arranged U.S. imports from	Period				
	Apr-Jun 2020	Jul-Sept 2020	Oct-Dec 2020	Jan-Mar 2021	Total
	Quantity (1,000 pounds dry weight)				
China	***	***	***	***	***
Indonesia	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

U.S. importers' inventories

Table IV-7 presents data for end-of-period inventories of U.S. imports of MSG from China, Indonesia, and all other sources held in the United States. End-of-period inventories of U.S. imports from all sources generally decreased during 2014-19, though increased between 2018 and 2019. This increase between 2018 and 2019 can be attributed to the increase in end-of-period inventories of nonsubject imports. U.S. importer *** accounted for all end-of-period inventories of subject imports from China during 2014-19.[7] U.S. importer *** accounted for the majority of end-of-period inventories of MSG from Indonesia and reported holding end-of-period inventories during each year of 2014-19. *** end-of-period inventories of U.S. imports from Indonesia generally decreased, particularly between 2016 and 2017, though were higher in January to March 2020 than in January to March 2019. Two firms, *** and ***, reported end-of-period inventories of MSG imported from nonsubject sources during each year of 2014-19. These firms' end-of-period inventories decreased by *** during 2014-19, though were lowest in 2018.

[7] U.S. importer ***.

Table IV-7
MSG: U.S. importers' end-of-period inventories of imports, by source, 2014-19, January to March 2019 and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Inventories (1,000 pounds dry weight); Ratios (percent)							
Imports from China: Inventories	***	***	***	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***	***	***	***
Imports from Indonesia: Inventories	***	***	***	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***	***	***	***
Imports from subject sources: Inventories	***	***	***	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***	***	***	***
Imports from nonsubject sources: Inventories	***	***	***	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***	***	***	***
Imports from all import sources: Inventories	***	***	***	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***	***	***	***

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

Subject country producers

Table IV-8 presents subject country producers' annual production capacity in 2018. *** producers of MSG in China reported a total annual production capacity of *** pounds. *** producers of MSG in Indonesia reported a total annual production capacity of *** pounds.

Table IV-8
MSG: Subject country producers' reported capacity, 2018

Country and Firm	Capacity (1,000 metric tons)	Capacity (1,000 pounds)
China:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
Total China	***	***
Indonesia:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
Total Indonesia	***	***

Note: Available information states that Chinese producers of MSG collectively produced *** of MSG in 2018, indicating an industry-wide capacity utilization in 2018 of *** percent. Chemical Economics Handbook, p. 54

Note: Available information states that Indonesian producers of MSG collectively produced *** of MSG in 2018, indicating an industry-wide capacity utilization in 2018 of *** percent. Chemical Economics Handbook, p. 72.

Note: Indonesian firms ***.

Source: Chemical Economics Handbook, pp. 53 and 68.

The industry in China

Overview

At the time of the Commission's original investigations, China was the world's largest MSG-producing country. At least fifteen firms were believed to produce MSG in China, including Hebei Meihua Monosodium Glutamate Group Co., Ltd.; Henan Lianhua Monosodium Glutamate Co., Ltd.; Henan Lotus Gourmet Powder Inc.; Qilu Monosodium Glutamate Group Co., Ltd.; Shandong Fufeng Fermentation Co., Ltd. and Shandong Linghua Group Co., Ltd. The Fufeng Group alone reported a production capacity of 2.3 billion pounds of MSG in 2012.[8] The Commission did not receive complete responses from any foreign producer of MSG from China during the original investigation.[9] In 2018, the Fufeng Group reported a production capacity of *** pounds of MSG, and the Hebei Meihua Monosodium Glutamate Group reported a production capacity of ***.[10]

Exports

According to GTA data, the leading export markets for glutamic acid and its salts from China in 2019 were Vietnam, accounting for 17.4 percent of the quantity of exports of glutamic acid and its salts from China, followed by Thailand, accounting for 13.9 percent, and Myanmar, accounting for 13.5 percent (table IV-9). During 2019, the United States accounted for 0.2 percent of exports of glutamic acid and its salts from China, and the unit value for these exports was *** that of other export markets. Other export markets for Chinese producers of glutamic acid and its salts included Nigeria, Indonesia, and India.

[8] *Monosodium Glutamate from China and Indonesia*, *Inv. Nos. 731-TA-1229-1230 (Final)*, USITC Publication 4499, November 2014, p. VII-3.

[9] The Commission received one response from Akzo Nobel Ningbo, ***, but the firm provided incomplete data. Ibid., p. VII-5.

[10] Table IV-15, infra, citing Chemical Economics Handbook: Monosodium Glutamate, IHS, December 2018, p. 8.

Table IV-9
Glutamic acid and its salts: Exports from China by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (1,000 pounds dry weight)		
United States	2,489	2,573	3,581
Vietnam	153,787	145,529	261,896
Thailand	189,422	159,377	209,299
Myanmar	16,310	31,111	202,859
Nigeria	67,928	67,260	104,674
Indonesia	69,983	77,727	100,366
India	3,812	18,442	81,975
North Korea	26,436	16,658	63,331
Malaysia	12,097	19,573	41,736
All other destination markets	362,086	339,830	431,603
Total exports	904,351	878,079	1,501,320
	Value (1,000 dollars)		
United States	2,111	2,264	2,744
Vietnam	66,618	68,127	121,351
Thailand	80,850	74,411	94,475
Myanmar	6,870	13,514	93,082
Nigeria	30,576	31,221	48,103
Indonesia	29,506	35,647	44,624
India	1,703	8,082	37,121
North Korea	13,519	7,719	29,416
Malaysia	5,347	9,263	20,124
All other destination markets	161,487	162,532	202,066
Total exports	398,585	412,780	693,107

Table continued on next page.

Table IV-9--Continued
Glutamic acid and its salts: Exports from China by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per pound dry weight)		
United States	0.85	0.88	0.77
Vietnam	0.43	0.47	0.46
Thailand	0.43	0.47	0.45
Myanmar	0.42	0.43	0.46
Nigeria	0.45	0.46	0.46
Indonesia	0.42	0.46	0.44
India	0.45	0.44	0.45
North Korea	0.51	0.46	0.46
Malaysia	0.44	0.47	0.48
All other destination markets	0.45	0.48	0.47
Total exports	0.44	0.47	0.46
	Share of quantity (percent)		
United States	0.3	0.3	0.2
Vietnam	17.0	16.6	17.4
Thailand	20.9	18.2	13.9
Myanmar	1.8	3.5	13.5
Nigeria	7.5	7.7	7.0
Indonesia	7.7	8.9	6.7
India	0.4	2.1	5.5
North Korea	2.9	1.9	4.2
Malaysia	1.3	2.2	2.8
All other destination markets	40.0	38.7	28.7
Total exports	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2018 data.

Source: Official exports statistics under HS subheading 2922.42 as reported by China Customs in the Global Trade Atlas database, accessed July 13, 2020.

The industry in Indonesia

Overview

At the time of the original investigations, Indonesia was the world's second largest MSG-producing country. Seven producers were believed to have produced MSG.[11] In these five-year reviews, four firms, PT Ajinex International ("Ajinex") and PT Ajinomoto Indonesia ("PT Ajinomoto"), both affiliates of AJINA, as well as PT Cheil Jedang Indonesia ("CJI") and PT Miwon Indonesia ("PT Miwon") submitted responses to the foreign producer questionnaire.[12] The exports of CJ Indonesia and PT Miwon Indonesia are believed to account for *** U.S. imports of MSG from Indonesia in 2019.[13] [14] Other firms include ***.[15] *** is reported to be the third-largest producer of MSG in Indonesia, behind ***, with a reported annual capacity of *** in 2018.[16] *** exports primarily to ***.[17] *** producer of MSG in Indonesia, with a reported annual capacity of *** in 2018. The firm primarily exports to ***.[18] Table IV-10 presents information on the operations of the four responding producers and exporters of MSG in Indonesia in 2019.

[11] *Monosodium Glutamate from China and Indonesia*, *Inv. Nos. 731-TA-1229-1230 (Final)*, USITC Publication 4499, November 2014, p. VII-3-4.

[12] Ajinomoto stated that while it is affiliated with MSG producers in Indonesia, these producers do not export subject merchandise to the United States. Domestic interested party's response to the notice of institution, p. 13.

[13] According to ***, CJI's exports of MSG accounted for anywhere from *** percent to *** percent of U.S. imports of MSG during 2014-18. In 2019, CJI and PT Miwon *** of U.S. imports of MSG.

[14] PT Miwon is *** owned by parent company Daesang Corporation. Chemical Economics Handbook, p. 69. Prior to 2019, PT Miwon accounted for *** of MSG to the United States.

[15] Chemical Economics Handbook, pp. 69-70.

[16] Chemical Economics Handbook, p. 70.

[17] Data from *** indicates that *** did not export MSG to the United States during 2014-19.

[18] Chemical Economics Handbook, p. 70.

Table IV-10
MSG: Summary data on producers in Indonesia, 2019

Firm	Production (1,000 pounds dry weight)	Share of reported production (percent)	Exports to the United States (1,000 pounds dry weight)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds dry weight)	Share of firm's total shipments exported to the United States (percent)
Ajinex	***	***	***	***	***	***
Ajinomoto	***	***	***	***	***	***
CJI	***	***	***	***	***	***
Miwon	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Changes in operations

As presented in table IV-11, producers in Indonesia reported several operational and organizational changes since January 1, 2014. In addition to these reported changes, *** reportedly moved its production of MSG to ***, as of June 2018.[19]

Table IV-11
MSG: Indonesian producers' reported changes in operations as of January 1, 2014

Item / Firm	Narrative
Expansions:	
***	***
Prolonged shutdowns or curtailments:	
***	***
Other:	
***	***

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

[19] Chemical Economics Handbook, p. 36.

Operations on MSG

Table IV-12 presents Indonesian producers' reported capacity, production, shipments, and inventories. Capacity increased by *** percent during 2014-18, but then decreased in 2019, which is reflective of ***.[20] Capacity was lower during January to March 2020 than in January to March 2019. Production, while at its highest in 2015, increased overall by *** percent during 2014-19, and was higher in January to March 2020 than in January to March 2019. Indonesian producers' reported total home market shipments increased during 2014-19 and accounted for a rising share of total shipments. Export shipments to the U.S. market accounted for a small but rising share of total shipments by the industry in Indonesia, and the volume of export shipments to the United States was higher in 2019 than in 2014. Indonesian producers also reported export shipments to other countries throughout Asia, which were *** percent of total shipments at its lowest point in 2016, and *** percent of total shipments at its highest in 2019. The unit value of Indonesian producers' home market shipments increased during 2014-19, while the unit value of their export shipments, particularly export shipments to the U.S., decreased overall.[21]

[20] ***. See also CJ's Posthearing Brief, p. 4.

[21] AJINA contends that the ***. See Petitioner's Posthearing brief, exh. 1, pp. 24-26.

Table IV-12
MSG: Data on industry in Indonesia, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
Capacity	***	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***	***
Shipments: Internal consumption/ transfers	***	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***	***
Export shipments to: United States	***	***	***	***	***	***	***	***
European Union	***	***	***	***	***	***	***	***
Asia	***	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***	***
Exports to other than the United States	***	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***
	Value (1,000 dollars)							
Shipments: Internal consumption/ transfers	***	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***	***
Export shipments to: United States	***	***	***	***	***	***	***	***
European Union	***	***	***	***	***	***	***	***
Asia	***	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***	***
Exports to other than the United States	***	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***

Table continued on next page.

Table IV-12--Continued
MSG: Data on industry in Indonesia, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Unit value (dollars per pound dry weight)							
Shipments:								
Internal consumption/ transfers	***	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***	***
Export shipments to:								
United States	***	***	***	***	***	***	***	***
European Union	***	***	***	***	***	***	***	***
Asia	***	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***	***
Exports to other than the United States	***	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***
	Ratios and shares (percent)							
Capacity utilization	***	***	***	***	***	***	***	***
Inventories/production	***	***	***	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***	***	***	***
Share of shipments:								
Internal consumption/ transfers	***	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***	***
Export shipments to:								
United States	***	***	***	***	***	***	***	***
European Union	***	***	***	***	***	***	***	***
Asia	***	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***	***
Exports to other than the United States	***	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***

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

Alternative products

As shown in table IV-13, responding Indonesian producers reported producing other products on the same equipment and machinery used to produce MSG. ***. ***. MSG production accounted for *** percent of total production during 2014-19.

Table IV-13
MSG: Overall capacity and production on the same equipment as in-scope production for firms in Indonesia, 2014-19, January to March 2019, and January to March 2020

Item	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
	Quantity (1,000 pounds dry weight)							
Overall capacity	***	***	***	***	***	***	***	***
Production: MSG	***	***	***	***	***	***	***	***
Out-of-scope production	***	***	***	***	***	***	***	***
Total production	***	***	***	***	***	***	***	***
	Ratios and shares (percent)							
Capacity utilization	***	***	***	***	***	***	***	***
Share of production: MSG	***	***	***	***	***	***	***	***
Out-of-scope production	***	***	***	***	***	***	***	***
Total production	***	***	***	***	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Exports

As shown below in table IV-14, according to GTA data, the leading export markets for glutamic acid and its salts from Indonesia in 2019 were Japan, accounting for 28.9 percent of the quantity of exports of MSG from Indonesia, followed by South Korea, accounting for 25.4 percent, and Malaysia, accounting for 14.1 percent. During 2019, the United States accounted for 2.8 percent of exports of MSG from Indonesia.

Table IV-14
Glutamic acid and its salts: Exports from Indonesia by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (1,000 pounds dry weight)		
United States	2,951	4,093	7,669
Japan	69,265	79,816	78,058
South Korea	47,033	53,401	68,569
Malaysia	42,821	39,517	38,134
Philippines	20,204	17,665	15,657
Saudi Arabia	6,500	9,734	10,861
Thailand	10,137	10,712	9,797
Taiwan	6,100	8,418	7,558
Singapore	6,883	5,839	5,568
All other destination markets	70,080	50,800	28,556
Total exports	281,973	279,993	270,428
	Value (1,000 dollars)		
United States	1,721	2,209	4,220
Japan	44,892	49,159	47,673
South Korea	26,444	31,057	40,254
Malaysia	28,737	26,692	24,504
Philippines	13,184	11,346	10,063
Saudi Arabia	4,240	6,506	7,163
Thailand	6,035	6,354	5,973
Taiwan	3,812	4,974	4,516
Singapore	4,538	3,825	3,655
All other destination markets	38,815	29,948	17,666
Total exports	172,418	172,070	165,686

Table continued on next page.

Table IV-14--Continued
Glutamic acid and its salts: Exports from Indonesia by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per pound dry weight)		
United States	0.58	0.54	0.55
Japan	0.65	0.62	0.61
South Korea	0.56	0.58	0.59
Malaysia	0.67	0.68	0.64
Philippines	0.65	0.64	0.64
Saudi Arabia	0.65	0.67	0.66
Thailand	0.60	0.59	0.61
Taiwan	0.63	0.59	0.60
Singapore	0.66	0.66	0.66
All other destination markets	0.55	0.59	0.62
Total exports	0.61	0.61	0.61
	Share of quantity (percent)		
United States	1.0	1.5	2.8
Japan	24.6	28.5	28.9
South Korea	16.7	19.1	25.4
Malaysia	15.2	14.1	14.1
Philippines	7.2	6.3	5.8
Saudi Arabia	2.3	3.5	4.0
Thailand	3.6	3.8	3.6
Taiwan	2.2	3.0	2.8
Singapore	2.4	2.1	2.1
All other destination markets	24.9	18.1	10.6
Total exports	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2018 data.

Source: Official exports statistics under HS subheading 2922.42 as reported by Statistics Indonesia in the Global Trade Atlas database, accessed July 13, 2020.

Antidumping or countervailing duty orders in third-country markets

Since the Commission's original investigations, original antidumping duty orders on MSG from China instituted by the European Union ("EU") in 2008 were extended in January 2015.[22] The duty rates for MSG from China are between 36.5 and 39.7 percent. In addition, the provisional measures published by the European Commission on August 21, 2014 on MSG from Indonesia were confirmed January 2015.[23] The duty rates for MSG from Indonesia are between 7.2 and 28.4 percent. Further extension of EU antidumping orders against China and Indonesia are currently under investigation.[24] In March 2020 the Ministry of Industry and Trade ("MoIT") in Vietnam imposed provisional antidumping measures on some MSG products from China and Indonesia.[25]

The global market

MSG production is predominantly in Asia. Asian production capacity accounted for approximately *** percent of global MSG production capacity in 2018.[26] Other than the countries subject to these investigations, *** are the major producing countries.[27] Figure IV-4 presents world MSG capacity by major producing country in 2018, and table IV-15 presents the leading producers of MSG in 2018. As with production Asia accounts for the majority of MSG consumption, ***, with *** accounting for *** of world consumption in 2018 (figure IV-5).

[22] Domestic interested party's response to the notice of institution, October 31, 2019, p. 7.
[23] Domestic interested party's response to the notice of institution, October 31, 2019, p. 7.
[24] Investigation 2922420010, European Commission, http://trade.ec.europa.eu/tdi/case_history.cfm?init=444 (retrieved July 21, 2020).
[25] "Vietnam imposes anti-dumping measures on Chinese, Indonesian MSG," Vietnam+, March 23, 2020, retrieved July 21, 2020.
[26] *** Chemical Economics Handbook: Monosodium Glutamate, IHS, December 2018, p. 60.
[27] Chemical Economics Handbook: Monosodium Glutamate, IHS, December 2018, p. 8.

Figure IV-4
MSG: World production capacity, 2018

* * * * * * * *

Source: Chemical Economics Handbook: Monosodium Glutamate, IHS, December 2018, p. 8.

Table IV-15
MSG: Leading world producers, 2018

Parent company	Production sites	Annual capacity (1,000 metric tons)	Annual capacity (1,000 pounds)	Share of world MSG capacity (percent)
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
Subtotal		***	***	***
Other		***	***	***
Total		***	***	***

[1] Note: ***.
[2] Note: ***.

Source: Chemical Economics Handbook: Monosodium Glutamate, IHS, December 2018, p. 8.

Figure IV-5
MSG: World consumption, 2018

* * * * * * * *

Source: Chemical Economics Handbook: Monosodium Glutamate, IHS, December 2018, p. 9.

Table IV-16 presents global export data for glutamic acid and its salts, a category that includes MSG and out-of-scope products (subject exporters are listed first, followed by other top exporters in descending order of value for 2019).

Table IV-16
Glutamic acid and its salts: Global exports by major sources, 2017-19

Exporter	Calendar year		
	2017	2018	2019
Value (1,000 dollars)			
United States	7,812	9,144	9,043
China	398,585	412,780	693,107
Indonesia	172,418	172,070	165,686
Subject exporters	571,004	584,849	858,793
Brazil	151,250	140,640	149,394
Thailand	150,345	153,775	149,010
Taiwan	36,430	32,465	33,589
Netherlands	11,145	12,502	11,288
Malaysia	10,559	8,165	10,208
India	6,941	6,473	9,561
Hong Kong	4,675	4,896	5,631
South Korea	7,493	8,278	5,315
Poland	2,096	3,146	5,196
All other exporters	116,722	120,159	19,771
All exporters	1,076,473	1,084,492	1,266,800
Share of value (percent)			
United States	0.7	0.8	0.7
China	37.0	38.1	54.7
Indonesia	16.0	15.9	13.1
Subject exporters	53.0	53.9	67.8
Brazil	14.1	13.0	11.8
Thailand	14.0	14.2	11.8
Taiwan	3.4	3.0	2.7
Netherlands	1.0	1.2	0.9
Malaysia	1.0	0.8	0.8
India	0.6	0.6	0.8
Hong Kong	0.4	0.5	0.4
South Korea	0.7	0.8	0.4
Poland	0.2	0.3	0.4
All other exporters	10.8	11.1	1.6
All exporters	100.0	100.0	100.0

Note: Because of rounding, figures may not add to totals shown.

Source: Official exports statistics under HS subheading 2922.42 as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed July 13, 2020. These data may be overstated as HTS subheading 2922.42.50 may contain products outside the scope of these reviews.

Part V: Pricing data

Factors affecting prices

Raw material costs

MSG is made of corn starch, which makes up approximately *** of the raw material costs. Raw materials are the largest component of the total cost of goods sold ("COGS") for MSG and made up over *** of the total COGS throughout the period. Raw materials decreased slightly from *** percent of COGS to *** percent of COGS throughout the period.

The responding U.S. producer reported that raw material costs *** since January 1, 2014. U.S. producer AJINA reported that there were ***. The U.S. producer reported that it anticipated that raw material costs would *** in the future.

Responses from responding importers were mixed regarding the trends in raw material costs since January 1, 2014 and anticipated raw material cost trends. Three importers reported that raw material costs had remained constant since January 1, 2014 and four anticipated raw material costs to remain constant; two importers reported that raw material costs had increased since January 1, 2014 and one anticipated them to increase in the future; two reported that raw material costs had fluctuated and were anticipated to fluctuate; and one reported that raw material costs had decreased and were anticipated to decrease in the future. Importer *** reported that it needed to pay higher prices for raw materials because of "antidumping duties".[1]

Transportation costs to the U.S. market

Transportation costs for MSG shipped from subject countries to the United States averaged 2.2 percent of the customs value for China and Indonesia during 2019. These estimates were derived from official import data and represent the transportation and other charges on imports.[2]

[1] Hearing transcript, pp. 50-51 (Smith).

[2] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2019 and then dividing by the customs value based on the HTS subheading 2922.42.10.00.

U.S. inland transportation costs

The U.S. producer and all responding importers reported that they typically arrange transportation to their customers. The responding U.S. producer reported that its U.S. inland transportation costs was *** percent while importers reported costs of 1.7 to 10.0 percent.

Pricing practices

Pricing methods

The U.S. producer reported using *** to set prices for MSG and importers reported setting prices using transaction-by-transaction negotiations, contracts, and price lists (table V-1). The petitioner reported that reverse auctions and electronic bidding are also used to set prices for MSG.[3]

Table V-1
MSG: U.S. producer's and importers' reported price setting methods, by number of responding firms

Method	U.S. producers	Importers
Transaction-by-transaction	---	6
Contract	***	4
Set price list	---	1
Other	---	---
Responding firms	1	8

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

The U.S. producer reported selling *** MSG through *** and importers reported selling most of their MSG in the spot market and the remainder through annual contracts (table V-2). The U.S. producer reported *** and ***.

Table V-2
MSG: U.S. producer's and importers' shares of U.S. commercial shipments by type of sale, 2019

* * * * * * *

Note: Because of rounding, figures may not add to the totals shown.

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

[3] Hearing transcript, pp. 91-92 (Kaskavage).

Sales terms and discounts

The responding U.S. producer reported that it typically quotes prices on a *** basis while the majority of importers reported that they typically quote prices on a f.o.b. basis. *** and the majority of importers reported that they had no discount policy. Importer *** reported that it did not normally provide discounts but had provided a rebate to one costumer.

Price leadership

Four purchasers reported that U.S. producer AJINA was a price leader and one purchaser reported that Fufeng was a price leader. Purchaser *** reported that AJINA "holds a monopoly" on the U.S. MSG market due to the antidumping duties and purchaser *** reported that AJINA's pricing was different for different customers. Purchaser *** reported that Fufeng was a price leader based on its production capacity and prices. The petitioner disputed the claim that it is a monopoly or has any market power as they "win and lose business" to other firms.[4]

Price data

The Commission requested the U.S. producer and importers to provide quarterly data for the total quantity and f.o.b. value of the following MSG products shipped to unrelated U.S. customers during January 2014-March 2020.

Product 1.-- MSG Fine 50 LB – Paper Bag. All crystal passed through ASTM #60 or above; no second screen used.

Product 2.-- MSG Fine 50 LB – Paper Bag. First screen passed through of crystal smaller than ASTM #60; second screen of ASTM #120 up to or including ASTM #170.

Product 3.-- MSG Regular 50 LB – Paper Bag. First screen passed through of crystal smaller than ASTM #20 up to or on ASTM #50; second screen of ASTM #40 up to or including ASTM #100.

[4] Hearing transcript, pp. 58-59 (Smith).

Product 4.-- MSG Regular 100 LB DRM – Fiber drum. First screen passed through of crystal smaller than ASTM #20 up to or on ASTM #50; second screen of ASTM #40 up to or including ASTM #100.

The U.S. producer and four importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[5] Pricing data reported by these firms accounted for approximately *** percent of U.S. producer's shipments of MSG and *** percent of U.S. shipments of subject imports from Indonesia in 2019. The Commission did not receive pricing data of subject imports from China in 2019 but the pricing data that the Commission received for subject imports from China in 2018 accounted for *** percent of subject imports.

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-1 to V-4.

[5] Per-unit pricing data are calculated from total quantity and total value data provided by the U.S. producer and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

Table V-3
MSG: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, and margins of underselling/(overselling), by quarter, January 2014 through March 2020

* * * * * * *

Note: Product 1: MSG Fine 50 LB – Paper Bag. All crystal passed through ASTM #60 or above; no second screen used.

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

Table V-4
MSG: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, and margins of underselling/(overselling), by quarter, January 2014 through March 2020

* * * * * * *

Note: Product 2: MSG Fine 50 LB – Paper Bag. First screen passed through of crystal smaller than ASTM #60; second screen of ASTM #120 up to or including ASTM #170.

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

Table V-5
MSG: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, and margins of underselling/(overselling), by quarter, January 2014 through March 2020

* * * * * * *

Note: Product 3: MSG Regular 50 LB – Paper Bag. First screen passed through of crystal smaller than ASTM #20 up to or on ASTM #50; second screen of ASTM #40 up to or including ASTM #100.

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

Table V-6
MSG: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, and margins of underselling/(overselling), by quarter, January 2014 through March 2020

* * * * * * *

Note: Product 4: MSG Regular 100 LB DRM – Fiber drum. First screen passed through of crystal smaller than ASTM #20 up to or on ASTM #50; second screen of ASTM #40 up to or including ASTM #100.

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

Figure V-1
MSG: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarter, January 2014- March 2020

* * * * * * *

Product 1: MSG Fine 50 LB – Paper Bag. All crystal passed through ASTM #60 or above; no second screen used.

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

Figure V-2
MSG: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by quarter, January 2014-March 2020

* * * * * * *

Product 2: MSG Fine 50 LB – Paper Bag. First screen passed through of crystal smaller than ASTM #60; second screen of ASTM #120 up to or including ASTM #170.

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

Figure V-3
MSG: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by quarter, January 2014- March 2020

* * * * * * *

Product 3: MSG Regular 50 LB – Paper Bag. First screen passed through of crystal smaller than ASTM #20 up to or on ASTM #50; second screen of ASTM #40 up to or including ASTM #100.

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

Figure V-4
MSG: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by quarter, January 2014-March 2020

* * * * * * *

Product 4: MSG Regular 100 LB DRM – Fiber drum. First screen passed through of crystal smaller than ASTM #20 up to or on ASTM #50; second screen of ASTM #40 up to or including ASTM #100.

Source: Compiled from data submitted in response to Commission questionnaires

Price trends

In general, prices fluctuated during January 2014-March 2020. Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic prices generally increased during the period. Prices of domestically produced MSG increased for products 1, 2, and 4 with price increases ranging from *** to *** percent. Prices of domestically produced MSG decreased by *** percent for product 3. The Commission did not receive sufficient pricing data to analyze pricing trends for MSG imported from China. Prices of MSG imported from Indonesia fluctuated during January 2014-March 2020. Prices for Indonesian MSG decreased for product 2 by *** percent and decreased for product 3 by *** percent. Price data for Indonesian MSG for product 1 was limited and sporadic.

Table V-7
MSG: Summary of weighted-average f.o.b. prices for products 1-4 from the United States, China, and Indonesia, January 2014 through March 2020

* * * * * * *

Note: Percentage change from the first quarter to the last quarter, if price were available.

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

Price comparisons

As shown in table V-8, prices for product imported from China and Indonesia were below those for U.S.-produced product in 31 of 64 instances (11.2 million pounds); margins of underselling ranged from 0.1 to 33.7 percent. In the remaining 33 instances (4.0 million pounds), prices for product from China and Indonesia were between 0.3 and 15.7 percent above prices for the domestic product.

Table V-8
MSG: Instances of underselling/overselling and the range and average of margins, by product, dollars per pound dry weight

Source	Underselling				
	Number of quarters	Quantity (1,000 pounds dry weight)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Product 1	***	***	***	***	***
Product 2	***	***	***	***	***
Product 3	***	***	***	***	***
Product 4	***	***	***	***	***
Total, underselling	31	11,160	7.1	0.1	33.7
Source	(Overselling)				
	Number of quarters	Quantity (1,000 pounds dry weight)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Product 1	***	***	***	***	***
Product 2	***	***	***	***	***
Product 3	***	***	***	***	***
Product 4	***	***	***	***	***
Total, overselling	33	3,970	(6.5)	(0.3)	(15.7)

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.
Source: Compiled from data submitted in response to Commission questionnaires.

As shown in table V-9, prices for MSG from China were below those for U.S. product in *** of *** instances; margin of underselling ranged from *** to *** percent. In the remaining *** instances, prices for MSG from China were between *** to *** percent above domestic prices. Prices for MSG from Indonesia were below those of U.S.-produced MSG in *** of *** instances; margins of underselling ranged from *** to *** percent. In the remaining *** instances, prices for MSG from Indonesia were *** to *** above prices for domestically produced product.

Table V-9
MSG: Instances of underselling/overselling and the range and average of margins, by country, dollars per pound dry weight

Source	Underselling				
	Number of quarters	Quantity (1,000 pounds dry weight)	Average margin (percent)	Margin Range (percent)	
				Min	Max
China	***	***	***	***	***
Indonesia	***	***	***	***	***
Total, underselling	31	11,160	7.1	0.1	33.7
Source	**(Overselling)**				
	Number of quarters	Quantity (1,000 pounds dry weight)	Average margin (percent)	Margin Range (percent)	
				Min	Max
China	***	***	***	***	***
Indonesia	***	***	***	***	***
Total, overselling	33	3,970	(6.5)	(0.3)	(15.7)

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Note: In the original investigations, subject imports from China were priced lower than domestic product in 27 of 55 comparisons, with underselling margins ranging from 0.2 to 28.8 percent; subject imports from Indonesia were priced lower than domestic product in 14 of 27 comparisons, with underselling margins ranging from 1.6 to 17.4 percent.. Monosodium Glutamate (MSG) *from China and Indonesia, Inv. Nos. 731-1229 (Final)*, USITC Publication 543863, October 2014, p. V-18.

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

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
84 FR 52129 October 1, 2019	*Monosodium Glutamate from China and Indonesia; Institution of Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2019-10-01/pdf/2019-20883.pdf
84 FR 52067 October 1, 2019	*Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/content/pkg/FR-2019-10-01/pdf/2019-21292.pdf
85 FR 3421 January 21, 2020	*Monosodium Glutamate from China and Indonesia; Notice of Commission Determinations To Conduct Full Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2020-01-21/pdf/2020-00789.pdf
85 FR 5616 January 31, 2020	*Monosodium Glutamate From the People's Republic of China: Final Results of the First Expedited Sunset Review of the Antidumping Duty Order*	https://www.govinfo.gov/content/pkg/FR-2020-01-31/pdf/2020-01834.pdf
85 FR 28663 May 13, 2020	*Monosodium Glutamate From China and Indonesia; Scheduling of Full Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2020-05-13/pdf/2020-10244.pdf
85 FR 34419 June 4, 2020	*Monosodium Glutamate From the Republic of Indonesia: Final Results of the First Full Five-Year Sunset Review of the Antidumping Duty Order*	https://www.govinfo.gov/content/pkg/FR-2020-06-04/pdf/2020-12003.pdf

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed participated in the United States International Trade Commission's hearing via videoconference:

Subject: Monosodium Glutamate from China and Indonesia

Inv. Nos.: 731-TA-1229 and 1230 (Review)

Date and Time: August 25, 2020 - 9:30 a.m.

EMBASSY APPEARANCE:

Embassy of the Republic of Indonesia
Washington, DC

Wijayanto (Mr.), **Commercial Attaché**

OPENING REMARKS:

In Support of Continuation (**Iain McPhie**, Baker Botts L.L.P.)
In Opposition to Continuation (**Raymond Paretzky**, McDermott Will & Emery LLP)

In Support of the Continuation of Antidumping Duty Orders:

Baker Botts L.L.P.
Washington, DC
on behalf of

Ajinomoto Health & Nutrition North America, Inc.

Ryan G. Smith, Senior Vice President, Ajinomoto Health & Nutrition North America, Inc.

Brian Kaskavage, Associate Director, Finance, Supply Chain, & Customer Service, Ajinomoto Health & Nutrition North America, Inc.

Jennifer Lutz, Vice President, Economic Consulting Services, LLC

Cara Groden, Senior Economist, Economic Consulting Services, LLC

Iain McPhie)
Jason Wilcox) – OF COUNSEL
Caroline Cartwright)

In Opposition to the Continuation of
Antidumping Duty Orders:

McDermott Will & Emery LLP
Washington, DC
on behalf of

PT. Cheil Jedang Indonesia ("CJI")
CJ America, Inc. ("CJA")

Misun "Michelle" Lee, Sales Director, Human Nutrition and Health Business, CJA

Chin Hong Paul Kim, Vice President, Business Director, Human Nutrition and Health Business, CJA

Hyon Chul Kim, SCM Manager, CJA

Inhyung Hwang, Sales and Marketing Director, CJI

Hari Dwi Laksono, Sales Support Manager, CJI

Raymond Paretzky)
) – OF COUNSEL
David J. Levine)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation (**Iain McPhie**, Baker Botts L.L.P.)
In Opposition to Continuation (**Chin Hong Paul Kim**, CJ America, Inc.; and **David J. Levine**, McDermott Will & Emery LLP)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
MSG: Summary data concerning the U.S. market, 2014-19, January to March 2019, and January to March 2020

(Quantity=1,000 pounds dry weight; Value=1,000 dollars; Productivity=pounds dry weight per hour; Unit values, unit labor costs, and unit expenses=dollars per pound dry weight; Period changes=percent--exceptions noted)

	Reported data							
	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
U.S. consumption quantity:								
Amount	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***
Importers' share (fn1):								
China	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***
U.S. consumption value:								
Amount	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***
Importers' share (fn1):								
China	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***
U.S. imports from:								
China:								
Quantity	18,231	4,475	2,573	2,222	1,799	2,101	520	578
Value	12,025	2,802	1,138	847	731	1,049	166	318
Unit value	$0.66	$0.63	$0.44	$0.38	$0.41	$0.50	$0.32	$0.55
Ending inventory quantity	***	***	***	***	***	***	***	***
Indonesia:								
Quantity	971	3,087	3,761	2,628	4,126	7,088	1,000	1,900
Value	763	2,452	2,763	1,779	2,703	4,549	657	1,205
Unit value	$0.79	$0.79	$0.73	$0.68	$0.65	$0.64	$0.66	$0.63
Ending inventory quantity	***	***	***	***	***	***	***	***
Subject sources:								
Quantity	19,202	7,563	6,334	4,850	5,925	9,190	1,519	2,478
Value	12,788	5,254	3,901	2,626	3,433	5,598	823	1,522
Unit value	$0.67	$0.69	$0.62	$0.54	$0.58	$0.61	$0.54	$0.61
Ending inventory quantity	***	***	***	***	***	***	***	***
Nonsubject sources:								
Quantity	21,120	36,937	43,543	40,004	36,305	39,654	8,044	8,709
Value	17,929	28,210	31,039	28,988	27,271	29,862	6,251	6,088
Unit value	$0.85	$0.76	$0.71	$0.72	$0.75	$0.75	$0.78	$0.70
Ending inventory quantity	***	***	***	***	***	***	***	***
All import sources:								
Quantity	40,322	44,500	49,877	44,854	42,230	48,844	9,563	11,187
Value	30,717	33,464	34,939	31,614	30,704	35,460	7,074	7,611
Unit value	$0.76	$0.75	$0.70	$0.70	$0.73	$0.73	$0.74	$0.68
Ending inventory quantity	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
MSG: Summary data concerning the U.S. market, 2014-19, January to March 2019, and January to March 2020

(Quantity=1,000 pounds dry weight; Value=1,000 dollars; Productivity=pounds dry weight per hour; Unit values, unit labor costs, and unit expenses=dollars per pound dry weight; Period changes=percent--exceptions noted)

	Period changes						
		Comparison years					Jan-Mar
	2014-19	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
U.S. consumption quantity:							
Amount	▲***	▼***	▲***	▼***	▲***	▲***	▲***
Producers' share (fn1)	▼***	▼***	▼***	▲***	▲***	▼***	▼***
Importers' share (fn1):							
China	▼***	▼***	▼***	▼***	▼***	▲***	▲***
Indonesia	▲***	▲***	▲***	▼***	▲***	▲***	▲***
Subject sources	▼***	▼***	▼***	▼***	▲***	▲***	▲***
Nonsubject sources	▲***	▲***	▲***	▼***	▼***	▲***	▲***
All import sources	▲***	▲***	▲***	▼***	▼***	▲***	▲***
U.S. consumption value:							
Amount	▲***	▼***	▲***	▼***	▲***	▲***	▲***
Producers' share (fn1):	▼***	▼***	▼***	▲***	▲***	▼***	▼***
Importers' share (fn1):							
China	▼***	▼***	▼***	▼***	▼***	▲***	▲***
Indonesia	▲***	▲***	▲***	▼***	▲***	▲***	▲***
Subject sources	▼***	▼***	▼***	▼***	▲***	▲***	▲***
Nonsubject sources	▲***	▲***	▲***	▼***	▼***	▲***	▼***
All import sources	▲***	▲***	▲***	▼***	▼***	▲***	▲***
U.S. imports from:							
China:							
Quantity	▼(88.5)	▼(75.5)	▼(42.5)	▼(13.7)	▼(19.0)	▲16.8	▲11.3
Value	▼(91.3)	▼(76.7)	▼(59.4)	▼(25.5)	▼(13.7)	▲43.6	▲91.3
Unit value	▼(24.3)	▼(5.1)	▼(29.4)	▼(13.8)	▲6.5	▲22.9	▲71.9
Ending inventory quantity	***	***	▲***	▲***	▼***	***	***
Indonesia							
Quantity	▲630.0	▲218.0	▲21.8	▼(30.1)	▲57.0	▲71.8	▲90.1
Value	▲496.5	▲221.5	▲12.7	▼(35.6)	▲52.0	▲68.3	▲83.3
Unit value	▼(18.3)	▲1.1	▼(7.5)	▼(7.9)	▼(3.2)	▼(2.0)	▼(3.6)
Ending inventory quantity	▼***	▼***	▲***	▼***	▲***	▼***	▼***
Subject sources:							
Quantity	▼(52.1)	▼(60.6)	▼(16.2)	▼(23.4)	▲22.2	▲55.1	▲63.1
Value	▼(56.2)	▼(58.9)	▼(25.8)	▼(32.7)	▲30.8	▲63.1	▲84.9
Unit value	▼(8.5)	▲4.3	▼(11.4)	▼(12.1)	▲7.0	▲5.1	▲13.3
Ending inventory quantity	▼***	▼***	▲***	▼***	▼***	▼***	▼***
Nonsubject sources:							
Quantity	▲87.8	▲74.9	▲17.9	▼(8.1)	▼(9.2)	▲9.2	▲8.3
Value	▲66.6	▲57.3	▲10.0	▼(6.6)	▼(5.9)	▲9.5	▼(2.6)
Unit value	▼(11.3)	▼(10.0)	▼(6.7)	▲1.7	▲3.7	▲0.3	▼(10.0)
Ending inventory quantity	▼***	▼***	▼***	▲***	▼***	▲***	▼***
All import sources:							
Quantity	▲21.1	▲10.4	▲12.1	▼(10.1)	▼(5.9)	▲15.7	▲17.0
Value	▲15.4	▲8.9	▲4.4	▼(9.5)	▼(2.9)	▲15.5	▲7.6
Unit value	▼(4.7)	▼(1.3)	▼(6.8)	▲0.6	▲3.2	▼(0.1)	▼(8.0)
Ending inventory quantity	▼***	▼***	▼***	▼***	▼***	▲***	▼***

Table continued on next page.

Table C-1--Continued
MSG: Summary data concerning the U.S. market, 2014-19, January to March 2019, and January to March 2020

(Quantity=1,000 pounds dry weight; Value=1,000 dollars; Productivity=pounds dry weight per hour; Unit values, unit labor costs, and unit expenses=dollars per pound dry weight; Period changes=percent--exceptions noted)

	Reported data							
	Calendar year						January to March	
	2014	2015	2016	2017	2018	2019	2019	2020
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	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***
Net sales:								
Quantity	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***
Gross profit or (loss) (fn2)	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***
Operating income or (loss) (fn2)	***	***	***	***	***	***	***	***
Net income or (loss) (fn2)	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***
Research and development expenses	***	***	***	***	***	***	***	***
Net assets	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***
Unit operating income or (loss) (fn2)	***	***	***	***	***	***	***	***
Unit net income or (loss) (fn2)	***	***	***	***	***	***	***	***
COGS/ sales (fn1)	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (fn1)	***	***	***	***	***	***	***	***
Net income or (loss)/ sales (fn1)	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
MSG: Summary data concerning the U.S. market, 2014-19, January to March 2019, and January to March 2020

(Quantity=1,000 pounds dry weight; Value=1,000 dollars; Productivity=pounds dry weight per hour; Unit values, unit labor costs, and unit expenses=dollars per pound dry weight; Period changes=percent--exceptions noted)

	Period changes						
		Comparison years					Jan-Mar
	2014-19	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
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	▼***	▼***	▲***	▼***	▲***	▼***	▼***
Unit labor costs	▲***	▲***	▲***	▲***	▼***	▲***	▲***
Net sales:							
Quantity	▼***	▼***	▲***	▼***	▲***	▼***	▲***
Value	▼***	▼***	▼***	▼***	▲***	▼***	▲***
Unit value	▼***	▲***	▼***	▼***	▼***	▲***	▲***
Cost of goods sold (COGS)	▼***	▼***	▼***	▼***	▲***	▼***	▼***
Gross profit or (loss) (fn2)	▲***	▲***	▲***	▼***	▲***	▲***	▲***
SG&A expenses	▼***	▼***	▲***	▼***	▲***	▲***	▲***
Operating income or (loss) (fn2)	▲***	▲***	▼***	▼***	▲***	▲***	▲***
Net income or (loss) (fn2)	▲***	▲***	▼***	▼***	▼***	▲***	▲***
Capital expenditures	▼***	▼***	▲***	▲***	▲***	▼***	▼***
Research and development expenses	▼***	▼***	▼***	▼***	▼***	▼***	▼***
Net assets	▼***	▼***	▲***	▲***	▼***	▼***	***
Unit COGS	▼***	▼***	▼***	▼***	▼***	▼***	▼***
Unit SG&A expenses	▲***	▼***	▲***	▼***	▲***	▲***	▲***
Unit operating income or (loss) (fn2)	▲***	▲***	▼***	▼***	▼***	▲***	▲***
Unit net income or (loss) (fn2)	▲***	▲***	▼***	▼***	▼***	▲***	▲***
COGS/ sales (fn1)	▼***	▼***	▼***	▼***	▼***	▼***	▼***
Operating income or (loss)/ sales (fn1)	▲***	▲***	▲***	▼***	▼***	▲***	▲***
Net income or (loss)/ sales (fn1)	▲***	▲***	▲***	▼***	▼***	▲***	▲***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Shares preceded by a "▲" represent an increase, while shares preceded by a "▼" represent a decrease.

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

fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting number 2922.42.1000, accessed July 21, 2020.

APPENDIX C

SUMMARY DATA COMPILED DURING ORIGINAL INVESTIGATIONS

Table C-1
MSG: Summary data concerning the U.S. market, 2011-13, January to June 2013, and January to June 2014
(Quantity=1,000 pounds dry weight MSG; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound dry weight MSG; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2011	2012	2013	2013	2014	2011-13	2011-12	2012-13	2013-14
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China	***	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***	***
Subtotal, subject sources	***	***	***	***	***	***	***	***	***
All others sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China	***	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***	***
Subtotal, subject sources	***	***	***	***	***	***	***	***	***
All others sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from:									
China:									
Quantity	56,588	57,184	58,709	26,980	16,729	3.7	1.1	2.7	(38.0)
Value	42,686	42,641	39,074	18,124	11,056	(8.5)	(0.1)	(8.4)	(39.0)
Unit value	$0.75	$0.75	$0.67	$0.67	$0.66	(11.8)	(1.1)	(10.7)	(1.6)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Indonesia:									
Quantity	145	8,819	10,016	3,932	74	6,795.0	5,970.8	13.6	(98.1)
Value	109	6,643	7,198	2,957	58	6,520.4	6,010.2	8.3	(98.0)
Unit value	$0.75	$0.75	$0.72	$0.75	$0.79	(4.0)	0.6	(4.6)	5.0
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity	56,733	66,002	68,725	30,912	16,803	21.1	16.3	4.1	(45.6)
Value	42,795	49,284	46,272	21,081	11,115	8.1	15.2	(6.1)	(47.3)
Unit value	$0.75	$0.75	$0.67	$0.68	$0.66	(10.7)	(1.0)	(9.8)	(3.0)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	8,466	13,102	5,730	5,019	2,151	(32.3)	54.8	(56.3)	(57.1)
Value	7,252	11,441	4,854	4,000	1,966	(33.1)	57.8	(57.6)	(50.8)
Unit value	$0.86	$0.87	$0.85	$0.80	$0.91	(1.1)	1.9	(3.0)	14.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Total imports:									
Quantity	65,200	79,105	74,454	35,931	18,954	14.2	21.3	(5.9)	(47.2)
Value	50,046	60,726	51,126	25,081	13,081	2.2	21.3	(15.8)	(47.8)
Unit value	$0.77	$0.77	$0.69	$0.70	$0.69	(10.5)	0.0	(10.6)	(1.1)
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 (pounds per hour)	***	***	***	***	***	***	***	***	***
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)	***	***	***	***	***	***	***	***	***

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

APPENDIX D

COMMENTS ON EFFECTS OF THE ORDERS AND LIKELY EFFECTS OF REVOCATION

Table D-1
MSG: Firms' narratives on the impact of the orders and likely effects of revocation

Item / Firm	Narrative
U.S. producers: Effect of order on firm:	
***	***

Table continued on next page.

Table D-1--Continued
MSG: Firms' narratives on the impact of the orders and likely effects of revocation

U.S. producers: Likely impact of revocation on firm:	
***	***
U.S. importers: Effect of order on firm:	
***	***
***	***
***	***
***	***
***	***
U.S. importers: Likely impact of revocation on firm:	
***	***
***	***
***	***
***	***
U.S. purchasers: Effect of order on firm:	
***	***
***	***
***	***
***	***
***	***
***	***

Table continued on next page.

Table D-1--Continued
MSG: Firms' narratives on the impact of the orders and likely effects of revocation

U.S. purchasers: Likely impact of revocation on firm:	
***	***
***	***
***	***
***	***
Foreign producers or exporters: Effect of order on firm:	
***	***
***	***
***	***
***	***
Foreign producers or exporters: Likely effect of revocation on firm:	
***	***

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

APPENDIX E

HISTORICAL ANTIDUMPING DUTY MARGIN CALCULATIONS

Table E-1
MSG: Historical antidumping duty margin calculations, China

Source	Period of review	Producer or exporter	Margin (percent)
Petition, Vol. I, p. 36	Investigation (pre-initiation)	N/A (calculated for all entities potentially subject to investigation)	64.77-204-69%
79 FR 26408 (May 8, 2014), **amended** 79 FR 33907 (June 13, 2014)	Investigation (preliminary)	Langfang Meihua Bio-Technology Co., Ltd./Meihua Group International Trading (Hong Kong) Limited., Fujian Province Jianyang Wuyi MSG Co., Ltd., Neimenggu Fufeng Biotechnologies Co., Ltd., Baoji Fufeng Biotechnologies Co., Ltd.	52.24%, 52.27% (PRC-wide entity rate) **amended to** 157.55%, 157.59% (PRC-wide entity rate)
79 FR 58326 (September 29, 2014), **amended** 79 FR 70505 (November 26, 2014), **second amended** 80 FR 487 (January 6, 2015)	Investigation (final)	Langfang Meihua Bio-Technology Co., Ltd./Meihua Group International Trading (Hong Kong) Limited., Fujian Province Jianyang Wuyi MSG Co., Ltd., Neimenggu Fufeng Biotechnologies Co., Ltd., Baoji Fufeng Biotechnologies Co., Ltd.	8.30%, 8.32% (PRC-wide entity rate) **amended to** 20.09%, 39.03% (PRC-wide entity rate) **amended to** 21.28%, 40.41% (PRC-wide entity rate)
81 FR 89062 (December 9, 2016)	05/08/14-10/31/15	PRC-wide entity, covering 38 exporters of subject merchandise	40.41%
82 FR 57949 (December 8, 2017)	11/01/15-10/31/16	PRC-wide entity, covering 27 exporters of subject merchandise	40.41%
83 FR 64106 (December 13, 2018)	11/01/16-10/31/17	PRC-wide entity, covering 27 exporters of subject merchandise	40.41%
85 FR 9736 (February 20, 2020)	11/01/17-10/31/18	PRC-wide entity, covering 28 exporters of subject merchandise	56.54%

Note: Following a request from the petitioner, Commerce rescinded the administrative review on MSG from China for the period of November 1, 2018 through October 31, 2019. 85 FR 35414, June 10, 2020.
Source: Cited Federal Register notices and sources.

Table E-2
MSG: Historical antidumping duty margin calculations, Indonesia

Source	Period of review	Producer or exporter	Margin (percent)
Petition, Vol. I, p. 36	Investigation (pre-initiation)	N/A (calculated for all entities potentially subject to investigation)	50.32-58.67%
79 FR 26406 (May 8, 2014)	Investigation (preliminary)	PT. Cheil Jedang Indonesia and all others	5.61%
79 FR 58329 (September 29, 2014)	Investigation (final)	PT. Cheil Jedang Indonesia and all others	6.19%
82 FR 11342 (February 22, 2017)	05/08/14-10/31/15	PT. Cheil Jedang Indonesia	0.00
83 FR 13475 (March 29, 2018)	11/01/15-10/31/16	PT. Cheil Jedang Indonesia	0.00
84 FR 37625 (August 1, 2019), 85 FR 3609 (January 22, 2020)	11/01/16-10/31/17	PT. Cheil Jedang Indonesia	0.00 **amended to** 0.71

Note: Following a ministerial error, Commerce adjusted the antidumping duty margin issued to PT. Cheil Jedang Indonesia for the 2016-2017 administrative review.

Source: Cited Federal Register notices/sources.