

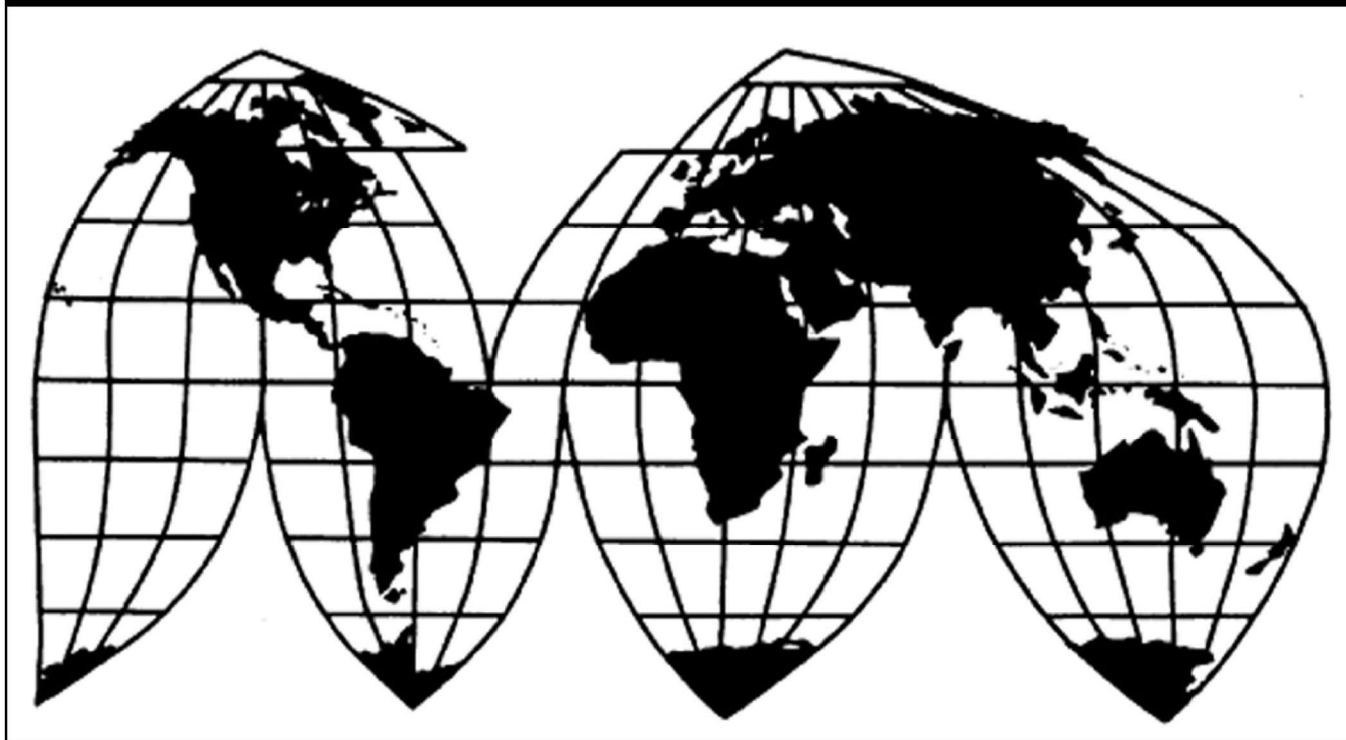
Paper Clips from China

Investigation No. 731-TA-663 (Fifth Review)

Publication 5418

April 2023

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note: Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets or by headings in confidential reports and is deleted and replaced with asterisks in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-663 (Fifth Review)

Paper Clips from China

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on September 1, 2022 (87 FR 53783) and determined on December 5, 2022, that it would conduct an expedited review (88 FR 14391, March 8, 2023).

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

I. Background

Prior Proceedings. In November 1994, the Commission determined that an industry in the United States was materially injured by reason of subject imports of paper clips from China that the U.S. Department of Commerce (“Commerce”) had determined were sold at less than fair value.¹ On November 25, 1994, Commerce issued an antidumping duty order on paper clips from China.²

In each of the initial three five-year reviews of the antidumping duty order concerning paper clips from China, the Commission determined to conduct an expedited review. In July 2000, the Commission completed its first expedited five-year review and determined that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time;³ on August 15, 2000, Commerce published its notice of continuation of the order.⁴

In January 2006, the Commission completed its second expedited five-year review and again determined that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time;⁵ on February 7, 2006, Commerce published its notice of continuation of the order,⁶ and in July 2011, the Commission completed its third expedited five-year review and determined that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of material injury

¹ *Certain Paper Clips from the People’s Republic of China*, Inv. No. 731-TA-663 (Final), USITC Pub. 2829 (Nov. 1994) at I-3 (“*Original Determination*”).

² *Antidumping Duty Order: Certain Paper Clips from the People’s Republic of China*, 59 Fed. Reg. 60606 (Nov. 25, 1994).

³ *Paper Clips from China*, Inv. No. 731-TA-663 (Review), USITC Pub. 3330 (July 2000) at 1 (“*First Review*”).

⁴ *Notice of Continuation of Antidumping Duty Order: Paper Clips from the People’s Republic of China*, 65 Fed. Reg. 49784 (Aug. 15, 2000).

⁵ *Paper Clips from China*, Inv. No. 731-TA-663 (Second Review), USITC Pub. 3834 (Jan. 2006) at 1 (“*Second Review*”).

⁶ *Continuation of Antidumping Duty Order: Paper Clips from the People’s Republic of China*, 71 Fed. Reg. 6269 (Feb. 7, 2006).

within a reasonably foreseeable time;⁷ on July 26, 2011, Commerce published its notice of continuation of the order.⁸

In August 2017, the Commission completed its fourth five-year review and, following a full review, determined that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.⁹ On October 30, 2017, Commerce published its notice of continuation of the order.¹⁰

Current Review. On September 1, 2022, the Commission instituted this fifth five-year review of the antidumping duty order on paper clips from China.¹¹ The Commission received one response to the notice of institution, jointly filed by ACCO Brands USA LLC (“ACCO”) and Victor Technology LLC (“Victor Technology”), which are domestic producers of paper clips (collectively, “Domestic Producers”).¹² No respondent interested party responded to the notice of institution or participated in this review. On December 5, 2022, the Commission determined that the domestic interested party group response was adequate and that the respondent interested party group response was inadequate.¹³ Finding no other circumstances that would warrant conducting a full review, the Commission determined that it would conduct an expedited review of the antidumping duty order.¹⁴ Domestic Producers submitted joint final comments pursuant to 19 C.F.R. § 207.62(d)(1) regarding the determination that the Commission should reach.¹⁵

Data/Response Coverage. U.S. industry data in this review are based on data provided by Domestic Producers in their response to the notice of institution, which are estimated to have accounted for *** percent of U.S. production of paper clips in 2021.¹⁶ U.S. import data and related data

⁷ *Paper Clips from China*, Inv. No. 731-TA-663 (Third Review), USITC Pub. 4242 (July 2011) at 1 (“Third Review”).

⁸ *Paper Clips from the People’s Republic of China: Continuation of the Antidumping Duty Order*, 76 Fed. Reg. 44575 (July 26, 2011).

⁹ *Paper Clips from China*, Inv. No. 731-TA-663 (Fourth Review), USITC Pub. 4719 (Aug. 2017) at 1 (“Fourth Review”).

¹⁰ *Certain Paper Clips from the People’s Republic of China: Continuation of Antidumping Duty Order*, 82 Fed. Reg. 50120 (Oct. 30, 2017).

¹¹ *Paper Clips from China; Institution of a Five-Year Review*, 87 Fed. Reg. 53783 (Sept. 1, 2022).

¹² See *Domestic Producers’ Response to Notice of Institution*, EDIS Docs. 781530, 781627 (Oct. 4, 2022) (“Domestic Response”); Confidential Report, INV-UU-114 (Nov. 22, 2022) (“CR”) at I-2; *Paper Clips from China*, Inv. No. 731-TA-663 (Fifth Review), USITC Pub. 5418 (Apr. 2023) (“PR”) at I-2.

¹³ *Commission Adequacy Vote in Paper Clips from China*, EDIS Doc. 785634 (Dec. 5, 2022).

¹⁴ *Paper Clips from China; Scheduling of an Expedited Five-Year Review*, 88 Fed. Reg. 14391 (Mar. 8, 2023).

¹⁵ *Domestic Producers’ Final Comments*, EDIS Doc. 792622 (Mar. 16, 2023) (“Domestic Final Comments”); *Confidential Domestic Producers’ Final Comments*, EDIS Doc. 792609 (Mar. 16, 2023) (“Confidential Domestic Final Comments”).

¹⁶ CR/PR at Tables I-2-4, I-6; *Domestic Response* at 8, Exhibit 1.

are based on Commerce's official import statistics.¹⁷ Foreign industry data and related information are based on information from the original investigation and prior five-year reviews, information submitted by Domestic Producers in their response to the notice of institution, and publicly available information compiled by the Commission staff.¹⁸ Additionally, two purchasers, ***, responded to the Commission's adequacy phase questionnaire.¹⁹

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."²⁰ 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."²¹ The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.²²

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

¹⁷ CR/PR at Tables I-5, I-6. These data may be overstated because HS subheading 8305.90.3010 may contain products outside the scope of this review. *Id.* at Table I-5, Note.

Hong Kong import data were presented separately from all other nonsubject sources in the original investigation and first three five-year reviews. In the fourth review and the current review, imports from Hong Kong are included with imports from other nonsubject countries. Import data for 2016 consist of questionnaire responses supplemented with *** for non-responding importers, which amounted to a fraction of the volume of imports based on official import statistics used in all previous proceedings. *Id.* at Table I-6, Note.

¹⁸ CR/PR at Tables I-7, I-8.

¹⁹ CR/PR at D-3.

²⁰ 19 U.S.C. § 1677(4)(A).

²¹ 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. Dep't of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *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).

²² *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).

{C}ertain paper clips, wholly of wire of base metal, whether or not galvanized, whether or not plated with nickel or other base metal (*e.g.*, copper), with a wire diameter between 0.025 inches and 0.075 inches (0.64 to 1.91 millimeters), regardless of physical configuration, except as specifically excluded. The products subject to this investigation may have a rectangular or ring-like shape and include, but are not limited to, clips commercially referred to as ‘No. 1 clips,’ ‘No. 3 clips,’ ‘Jumbo’ or ‘Giant’ clips, ‘Gem clips,’ ‘Frictioned clips,’ ‘Perfect Gems,’ ‘Marcel Gems,’ ‘Universal clips,’ ‘Nifty clips,’ ‘Peerless clips,’ ‘Ring clips,’ and ‘Glide-On clips.’

Specifically excluded from the scope of this *Order* are plastic and vinyl covered paper clips, butterfly clips, binder clips, or other paper fasteners that are not wholly made of wire of base metal and are covered under a separate subheading of the Harmonized Tariff Schedule of the United States (HTSUS).

Also excluded are Pendaflex Pile Smart Label Clips that are not wholly made of wire of base metal but are stainless steel wire to molded plastic parts and writeable/rewriteable labels.

The products subject to the *Order* are currently classifiable under subheading 8305.90.3010 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Order* is dispositive.²³

Paper clips are steel wire products formed to provide spring-like tension when used to hold pieces of paper together. These rectangular-shaped products are generally manufactured from steel wire, whether or not galvanized, and whether or not plated with nickel, copper, or other base metals, or coated with vinyl. Although produced in a variety of sizes with different wire diameters, the most commonly used products fall within three categories commercially referred to as No. 1 clips, No. 3 clips, and giant or jumbo clips. The wire diameter of No. 1 clips ranges between 0.034 inch and 0.036 inch; for No. 3 clips, it is 0.034 inch; and for jumbo clips, it ranges between 0.046 inch and 0.050 inch.²⁴

In the original investigation and prior five-year reviews, the Commission defined the domestic like product to be certain wire paper clips (“paper clips”), coextensive with Commerce’s scope.²⁵

²³ Commerce Memorandum from James Maeder to Lisa W. Wang, *Issues and Decision Memorandum for the Final Results of the Expedited Fifth Sunset Review of the Antidumping Duty Order on Paper Clips from the People’s Republic of China* at 3 (Dec. 20, 2022) (“Commerce I&D Memorandum”).

²⁴ See generally CR/PR at I-8-11.

²⁵ *Original Determination*, USITC Pub. 2829 at I-7; *First Review*, USITC Pub. 3330 at 5; *Second Review*, USITC Pub. 3834 at 4-5; *Third Review*, USITC Pub. 4242 at 5; *Fourth Review*, USITC Pub. 4719 at 6. In the original investigation, the Commission considered whether to include other types of paper fasteners (plastic paper clips, ideal clamps, and binder clips) in its domestic like product definition, but it

In this five-year review, the record does not contain any new information suggesting that the pertinent product characteristics and uses of paper clips have changed since the prior proceedings so as to warrant revisiting the Commission's domestic like product definition,²⁶ and the Domestic Producers agree.²⁷ Therefore, we continue to define a single domestic like product consisting of paper clips, coextensive with Commerce's scope.

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."²⁸ In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigation and prior five-year reviews, the Commission defined the domestic industry as all domestic producers of paper clips.²⁹

In this five-year review, Domestic Producers argue that the Commission should define the domestic industry as consisting of all domestic producers of paper clips, and³⁰ there are no related party or other domestic industry issues evident in the record of this five-year review.³¹ Consequently, consistent with our definition of the domestic like product, we again define the domestic industry as all domestic producers of paper clips.

determined that there were more differences than similarities between certain wire paper clips and the other paper fasteners. *Original Determination*, USITC Pub. 2829 at I-6-7.

²⁶ See generally CR/PR at I-8-11.

²⁷ *Domestic Response* at 13.

²⁸ 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.

²⁹ *Original Determination*, USITC Pub. 2829 at I-7; *First Review*, USITC Pub. 3330 at 5; *Second Review*, USITC Pub. 3834 at 5-6; *Third Review*, USITC Pub. 4242 at 5-6; *Fourth Review*, USITC Pub. 4719 at 6-7. In the original investigation, the Commission considered whether to exclude Noesting Co. ("Noesting") and ACCO as related parties because they imported subject merchandise during the period of investigation ("POI"). *Original Determination*, USITC Pub. 2829 at I-7. The Commission determined that appropriate circumstances did not exist to exclude Noesting or ACCO from the domestic industry. *Id.* at I-7-8.

³⁰ *Domestic Response* at 13.

³¹ Domestic Producers reported no known related parties as defined under the statute and ***. *Domestic Response* at 8, Exhibit 1.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³² 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 elimination of its restraining effects on volumes and prices of imports.”³³ Thus, the likelihood standard is prospective in nature.³⁴ The U.S. Court of International Trade (“CIT”) 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.³⁵

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

³² 19 U.S.C. § 1675a(a).

³³ 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.

³⁴ 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.

³⁵ 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’”).

time.”³⁶ 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.”³⁷

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.”³⁸ 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).³⁹ 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.⁴⁰

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.⁴¹ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign

³⁶ 19 U.S.C. § 1675a(a)(5).

³⁷ 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.*

³⁸ 19 U.S.C. § 1675a(a)(1).

³⁹ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the order under review. *Commerce I&D Memorandum* at 3.

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

⁴¹ 19 U.S.C. § 1675a(a)(2).

country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴²

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.⁴³

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁴⁴ 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.⁴⁵

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the paper clips industry in China. There also is limited information on the paper clips market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts

⁴² 19 U.S.C. § 1675a(a)(2)(A-D).

⁴³ 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.

⁴⁴ 19 U.S.C. § 1675a(a)(4).

⁴⁵ 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.

available from the original investigation, the four prior five-year reviews, and the limited new information in this review.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁴⁶ The following conditions of competition inform our determinations.

1. Demand Conditions

Prior Proceedings. In the original investigation, the Commission observed that paper clips were a common office supply product generally made from steel wire. It found that the paper clip industry was mature, with little product innovation. The Commission concluded that the U.S. market for paper clips was changing because the U.S. market increasingly consisted of large discount retailers of office supply products, causing producers to shift sales to those retailers.⁴⁷

In the subsequent five-year reviews, the Commission continued to find that the paper clip industry was mature, and the market increasingly consisted of large discount office supply retailers.⁴⁸ In the first five-year review, the Commission found that apparent U.S. consumption of paper clips increased during the period of review as compared to the original investigation.⁴⁹ In the second five-year review, the Commission found that apparent U.S. consumption was lower than it was in the first review but comparable to the levels observed during the last two years of the original investigation.⁵⁰

In the third five-year review, the Commission found that demand for paper clips was tied to the health of the overall U.S. economy. It concluded that the 2008 downturn in the U.S. economy affected demand for paper clips, as apparent U.S. consumption for paper clips decreased from *** units in 2004 to *** units in 2010.⁵¹ In the fourth five-year review, the Commission found that demand for paper clips remained tied to the health of the overall economy and specifically to demand for, and use of, paper. It found that apparent U.S. consumption of paper clips had declined irregularly during the period of

⁴⁶ 19 U.S.C. § 1675a(a)(4).

⁴⁷ *Original Determination*, USITC Pub. 2829 at I-8.

⁴⁸ *First Review*, USITC Pub. 3330 at 7-8; *Second Review*, USITC Pub. 3834 at 8; *Third Review*, USITC Pub. 4242 at 10; *Fourth Review*, USITC Pub. 4719 at 11.

⁴⁹ *First Review*, USITC Pub. 3330 at 8.

⁵⁰ *Second Review*, USITC Pub. 3834 at 8.

⁵¹ *Third Review*, USITC Pub. 4242 at 10; *Third Review Confidential Opinion*, EDIS Doc. 782710 at 13 (“*Third Review Confidential Opinion*”).

review, from *** units in 2014 to *** units in 2016, and was significantly lower than in any of the prior reviews.⁵²

Current Review. There is no new information indicating that the factors influencing demand have changed since the prior proceedings. The record indicates that demand for paper clips remains tied to the health of the overall economy and specifically to demand for, and use of, paper.⁵³ The mature paper clip market remains dominated by large discount office supply retailers, which are the largest purchasers of paper clips.⁵⁴

Domestic Producers reported a decline in the demand for paper clips since 2016 due to the overall decline in the use of paper at offices and homes, which was exacerbated by the COVID-19 pandemic in 2020 and 2021.⁵⁵ One out of the two responding purchasers, ***, reported that ***.⁵⁶

Apparent U.S. consumption of paper clips was *** units in 2021, as compared to *** units in 2016, *** units in 2010, *** units in 2004, *** units in 1998, and *** units in 1993.⁵⁷

2. Supply Conditions

Prior Proceedings. In the original investigation and the first five-year review, the Commission found that ACCO was the predominant domestic producer. While the domestic industry was the predominant supplier to the U.S. market, nonsubject imports had increased in volume and market penetration as subject imports declined.⁵⁸

In the second five-year review, the Commission found that domestic producers supplied most of the U.S. market, with their shipments accounting for *** percent of apparent U.S. consumption in 2004. The Commission also observed that ACCO continued to be the dominant domestic producer, accounting for *** percent of U.S. production of paper clips in 2004. The total import volume was 2.2 billion units in 2004, with subject imports accounting for more than half of total imports.⁵⁹

In the third five-year review, the domestic industry consisted of three producers,⁶⁰ with ACCO being predominant, accounting for *** percent of total U.S. production of paper clips in 2010. The

⁵² *Fourth Review*, USITC Pub. 4719 at 11; *Fourth Review Confidential Opinion*, EDIS Doc. 782715 at 15-16 (“*Fourth Review Confidential Opinion*”).

⁵³ CR/PR at Table I-3, I-14; *Domestic Response* at 11-12.

⁵⁴ CR/PR at I-8-11; *Domestic Response* at 11-12.

⁵⁵ *Domestic Response* at 11-12.

⁵⁶ CR/PR at D-3.

⁵⁷ CR/PR at Table I-6.

⁵⁸ *First Review*, USITC Pub. 3330 at 8.

⁵⁹ *Second Review*, USITC Pub. 3834 at 8-9; *Second Review Confidential Opinion*, EDIS Doc. 782709 at 10-11 (“*Second Review Confidential Opinion*”). Officemate LLC (“Officemate”), an importer of subject merchandise in the original POI, had since become a domestic producer. *Second Review*, USITC Pub. 3834 at 5.

⁶⁰ Comparatively, the Commission found that there were three domestic producers in the original investigation, *Original Determination*, USITC Pub. 2829 at I-7; four domestic producers in the

domestic industry's share of apparent U.S. consumption remained steady between 2004 and 2010. However, subject imports' share of apparent U.S. consumption increased from *** percent in 2004 to *** percent in 2010. Nonsubject imports' share of apparent U.S. consumption decreased from *** percent in 2004 to *** percent in 2010.⁶¹

In the fourth five-year review, the Commission noted that the domestic industry continued to consist of three producers, with the two largest, ACCO and Officemate, accounting for *** domestic production. The industry's capacity remained steady between 2014 and 2016, while the industry's share of apparent U.S. consumption was higher in 2016, at *** percent, than in the original investigation or any of the prior reviews. The Commission also noted that subject import market share was substantially lower in 2016, at *** percent, than in any prior proceeding, with the exception of the first review, and nonsubject import market share was *** percent that year.⁶²

Current Review. During the period of review, the paper clips market in the United States was supplied primarily by domestic producers, which accounted for *** percent of apparent U.S. consumption in 2021.⁶³ The record indicates that there have been changes to the domestic industry during the period of review, including Victor Technology's acquisition of Officemate and a plant relocation.⁶⁴ Notably, Officemate was acquired by Victor Technology in 2020, consolidating the domestic industry into two firms, ACCO and Victor Technology.⁶⁵

Subject imports were the second largest source of supply in the U.S. market in 2021, accounting for *** percent of apparent U.S. consumption.⁶⁶ Nonsubject imports accounted for the remaining *** percent of apparent U.S. consumption in 2021.⁶⁷

3. Substitutability and Other Conditions

Prior Proceedings. In the original investigation, the Commission found that there was significant direct competition between domestically produced paper clips and paper clips from China, and observed that the competition was based primarily on price, as there were few quality distinctions

first review, *First Review*, USITC Pub. 3330 at 5; and four domestic producers in the second review, *Second Review*, USITC Pub. 3834 at 5.

⁶¹ *Third Review*, USITC Pub. 4242 at 10; *Third Review Confidential Opinion* at 13-14. The domestic industry's share of apparent U.S. consumption had been *** percent in 2004 and *** percent in 2010. *Third Review Confidential Opinion* at 13.

⁶² *Fourth Review*, USITC Pub. 4719 at 12; *Fourth Review Confidential Opinion* at 17-18.

⁶³ CR/PR at Table I-6.

⁶⁴ CR/PR at Table I-3. In 2019, ACCO relocated its paper clips production from Pleasant Prairie, Wisconsin, to Booneville, Mississippi. *Id.*

⁶⁵ CR/PR at Table I-3.

⁶⁶ CR/PR at Table I-6.

⁶⁷ CR/PR at Table I-6. The largest sources of nonsubject imports were Taiwan, Colombia, and Italy. *Id.* at Table I-5.

between the domestic like product and subject merchandise.⁶⁸ In the first five-year review, the Commission found that the domestic like product and subject imports were substitutable and that price was a significant factor in purchasing decisions.⁶⁹

In the second five-year review, the Commission found that the domestic like product and subject imports were highly substitutable and that price was an important factor in purchasing decisions. The Commission also observed a significant increase in the price of steel wire, the principal raw material used in the production of paper clips. Finally, the Commission concluded that large, commercial buyers of paper clips were likely to purchase paper clips together with other office supply products from China because paper clips could balance out the total weight of a shipping container to the maximum weight allowed.⁷⁰

In the third and fourth five-year reviews, the Commission found that the domestic like product and subject imports were highly substitutable, price played an important role in purchasing decisions, and large discount retailers of office supply products, which accounted for a large share of the U.S. market, continued the practice of bundling paper clip purchases with purchases of other office supplies.⁷¹ In the fourth five-year review, the Commission also observed that in 2016, *** percent of paper clip purchases were through annual contracts and *** percent were through spot sales.⁷²

Current Review. The record contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports or the importance of price in purchasing decisions has changed from the prior proceedings.⁷³ Accordingly, we again find that there is a high degree of substitutability between the domestic like product and subject imports and that price remains an important factor in purchasing decisions.

Domestic Producers argue that the domestic industry has experienced an increase in the cost for electrogalvanized wire, the raw material used to produce paper clips, during the period of review.⁷⁴

Subject imports are not currently subject to an additional duty under Section 301 of the Trade Act of 1974⁷⁵ or under Section 232 of the Trade Expansion Act of 1962, as amended; however, steel wire, the raw material for paper clips, is subject to an additional 25 percent *ad valorem* duty.⁷⁶

⁶⁸ *Original Determination*, USITC Pub. 2829 at I-11-12.

⁶⁹ *First Review*, USITC Pub. 3330 at 10.

⁷⁰ *Second Review*, USITC Pub. 3834 at 9, 13.

⁷¹ *Third Review*, USITC Pub. 4242 at 10; *Fourth Review*, USITC Pub. 4719 at 13-14.

⁷² *Fourth Review*, USITC Pub. 4719 at 13-14; *Fourth Review Confidential Opinion* at 20.

⁷³ Domestic Producers assert that these factors have not changed since the last review. *Domestic Response* at 6-7.

⁷⁴ CR/PR at Table I-3; *Domestic Response* at 12. According to Domestic Producers, Victor Technology ***. *Id.* at 12.

⁷⁵ CR/PR at I-7. On September 1, 2019, paper clips from China imported under HTS heading 8305.90.30 were included in “Tranche 4, List 2” (Annex C and D) \$300 Billion Tariff Action at a duty rate of 10 percent *ad valorem*, effective December 15, 2019, which was raised to 15 percent *ad valorem* and subsequently suspended, effective December 15, 2019. *Id.* at I-7 n.29.

⁷⁶ CR/PR at I-7.

C. Likely Volume of Subject Imports

1. The Original Investigation and Prior Reviews

In the original investigation, subject import volume increased irregularly from 4.2 billion units in 1991 to 4.9 billion units in 1993, and subject imports accounted for *** percent of the U.S. market in 1993.⁷⁷

In the first five-year review, the Commission found that, following the imposition of the order, subject imports declined significantly, from 4.9 billion units in 1993 to 164 million units in 1998. It emphasized that subject imports accounted for a much smaller share of apparent U.S. consumption in 1998 than in 1993. It also found that the decline in subject import volume indicated that the antidumping duty order led to the reduced presence of subject imports in the U.S. market.⁷⁸

In the second five-year review, the Commission found that subject import volume steadily increased from 2001 to 2004. Although the volume of subject imports was considerably higher in 2004 than it had been in 1998, the Commission found that subject import volume remained well below levels observed in the original investigation and that subject import market share in 2004 remained substantially lower than it had been prior to the imposition of the order. The Commission found that the volume of subject imports was likely to be significant if the order were revoked. It found that, although the volume and market share of subject imports had decreased substantially after the imposition of the order, they subsequently increased. The Commission also observed that Chinese producers retained unused production capacity that could be used to increase exports to the U.S. market. It observed that large office supply retailers with supply relationships with Chinese producers and exporters only began sourcing paper clips domestically after imposition of the order and concluded that they would likely return to sourcing their paper clips from China if the order were revoked. Additionally, the Commission found that office supply retailers were increasingly purchasing paper clips as part of a bundle of office supply products. The Commission concluded that in some instances, large office supply retailers would likely source paper clips from China in order to maximize the weight of a shipping container.⁷⁹

In the third five-year review, the Commission found that subject import volume and market share were higher than in previous reviews, but still lower than in the original investigation. The Commission observed that the increases occurred despite a decrease in apparent U.S. consumption from 2004 to 2010. It found that, based on the limited record, Chinese producers had significant production capacity and therefore had the ability to increase exports to the United States rapidly. The Commission again found that large discount office supply retailers had preexisting relationships with

⁷⁷ *Original Determination*, USITC Pub. 2829 at I-11; *Confidential Third Review Staff Report*, EDIS Doc. 782712 at Table I-5.

⁷⁸ *First Review*, USITC Pub. 3330 at 9.

⁷⁹ *Second Review*, USITC Pub. 3834 at 10-12.

Chinese producers and exporters, were purchasing other office supplies from Chinese producers, and would likely bundle paper clip purchases with other office supply purchases if the order were revoked. In light of these considerations, the Commission concluded that producers of subject merchandise would likely increase their exports to the United States to a significant level and regain significant market share if the antidumping duty order were revoked. It consequently found that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant if the order were revoked.⁸⁰

In the fourth five-year review, the Commission found that subject import volume and market share had increased irregularly during the period of review. The Commission also observed that the subject industry in China had the ability to increase exports of subject merchandise to the United States rapidly, having maintained the capacity to produce paper clips at the levels observed in the original investigation, and remained export oriented, as the world's leading exporter of paper clips and other office products during the 2014 to 2016 period. As evidence of the continued attractiveness of the U.S. market, the Commission noted that several U.S. purchasers and importers indicated that they would source paper clips from China if the order were revoked, and that large discount office supply retailers continued the practice of bundling paper clips with purchases of other office supply products from China. The Commission consequently found that the likely volume of subject imports would be significant, both in absolute terms and as a share of apparent U.S. consumption, if the order were revoked.⁸¹

2. The Current Review

The record in this review indicates that subject imports maintained a presence in the U.S. market during the period of review under the disciplining effect of the order. Subject import volume fluctuated during the period of review, increasing from 390 million units in 2017 to 401 million units in 2018, declining to 347 million units in 2019 and 256 million units in 2020, and then increasing to 307 million units in 2021, equivalent to *** percent of apparent U.S. consumption that year.⁸² Subject import market share in 2021 was higher than in 1998 and 2016 but lower than in 1993, 2004, and 2010.⁸³

The record in this expedited review contains limited information on the paper clips industry in China. Nonetheless, the available information indicates that subject producers have the means and incentive to increase their exports of subject merchandise to the U.S. market to significant levels if the order were revoked. Domestic Producers provided a list of 17 possible producers of paper clips in

⁸⁰ *Third Review*, USITC Pub. 4242 at 12-13.

⁸¹ *Fourth Review*, USITC Pub. 4719 at 15-16.

⁸² CR/PR at Tables I-5, I-6.

⁸³ CR/PR at Table I-6.

China,⁸⁴ and they argue that subject producers maintain the ability and incentive to produce paper clips at pre-order levels and excess capacity that could be used to increase exports to the United States.⁸⁵ Noting that the production of paper clips requires little technology or capital, Domestic Producers also contend that subject producers could easily increase their production of paper clips by adding additional inexpensive equipment, easily available raw materials, and additional labor.⁸⁶

The record also indicates that subject producers remain large exporters of paper clips. According to data from the Global Trade Atlas (“GTA”), in every year of the period of review, China was the world’s leading exporter of paper clips and other office products, a category including paper clips and out-of-scope products, accounting for approximately three-fourths of global exports of such products, by value, in 2021.⁸⁷ Exports of such products from China increased from \$188.7 million in 2020 to \$204.3 million in 2021.⁸⁸

The information available also indicates that the U.S. market remains attractive to subject producers. Subject imports maintained a significant presence in the U.S. market throughout the period of review, despite the restraining effect of the order, thereby retaining customers and ready distribution networks and reflecting an ongoing interest in selling into the U.S. market.⁸⁹ As explained in Section III.B.1 above, the large discount office supply retailers that account for a large share of paper clip purchases also purchase out-of-scope office supplies from China.⁹⁰ Given their preexisting relationships with Chinese suppliers, these purchasers would likely bundle paper clips from China with shipments of other office supply products if the order were revoked. Indeed, GTA data indicate that the United States was the top destination market for exports of paper clips and other office products from China throughout the period of review.⁹¹

Given the foregoing, including the significant volume of subject imports during the original investigation, the continued presence of subject imports in the U.S. market during the period of review, the Chinese industry’s substantial production and capacity, as evidenced by its large exports, and the attractiveness of the U.S. market to subject producers, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the order were revoked.

⁸⁴ CR/PR at I-21; *Domestic Response* at Exhibit 1.

⁸⁵ *Domestic Response* at 5.

⁸⁶ *Domestic Response* at 5.

⁸⁷ CR/PR at Table I-8.

⁸⁸ CR/PR at Table I-7. We observe that these figures are in excess of an order of magnitude greater than the apparent U.S. consumption in 2021. See CR/PR at Table I-6 (apparent U.S. consumption totaling \$*** in 2021).

⁸⁹ CR/PR at Table I-6.

⁹⁰ *Domestic Response* at 12.

⁹¹ CR/PR at Table I-7. Paper clips from China are not subject to trade remedy actions in third-country markets. *Id.* at I-23.

D. Likely Price Effects of Subject Imports

1. The Original Investigation and Prior Reviews

In the original investigation, the Commission observed that subject imports from China and the domestic like product competed on the basis of price. The Commission noted that ACCO had shifted its sales emphasis to smaller diameter paper clips in order to be price competitive, and for these types of paper clips, prices for subject imports and the domestic product were very close throughout the POI, with underselling in only 2 of 14 quarters. The Commission found this pricing pattern consistent with ACCO cutting prices and shifting product mix to retain market share, and given the importance of price to purchasers, it did not necessarily expect to find significant underselling by subject imports. It further found that low prices for subject imports had prevented domestic prices from increasing commensurate with increases in the cost of carbon steel wire, the primary raw material in the production of paper clips. The Commission concluded that subject imports had depressed prices in 1991 and suppressed domestic prices to a significant degree during the POI.⁹²

In the first five-year review, the Commission found that pricing patterns indicated that if the order were revoked, there would likely be significant underselling by the subject imports to regain market share lost to domestically produced paper clips. Additionally, given the high substitutability between the domestic like product and subject imports and the importance of price in purchasing decisions, the Commission found that the likely increases in subject import volume would likely drive down domestic prices because the domestic producers would be forced to cut prices to compete. The Commission therefore concluded that subject imports would likely have significant depressing or suppressing effects on prices for the domestic like product if the order were revoked.⁹³

In the second five-year review, the Commission found that, if the order were revoked, significant volumes of subject imports would likely significantly undersell the domestic like product and that this underselling would likely have significant depressing or suppressing effects on the prices of the domestic like product within a reasonably foreseeable time. The Commission cited several factors in support of this finding. First, the Commission observed that before imposition of the order, subject imports entered the U.S. market in significant volumes at average unit values (“AUVs”) far below those of the domestic like product and that, as a result, the AUVs of the domestic like product declined. Next, the Commission emphasized that after the antidumping duty order was imposed, the AUVs for both the domestic like product and subject imports increased. Finally, the Commission observed that the domestic like product and subject imports were highly substitutable and directly competed primarily based on price. As a result, the Commission found that “aggressive pricing of subject imports would

⁹² *Original Determination*, USITC Pub. 2829 at I-11-13.

⁹³ *First Review*, USITC Pub. 3330 at 10.

likely be successful in lowering domestic prices to large discount office supply retailers that are already purchasing office supplies from China.”⁹⁴

In the third and fourth five-year reviews, the Commission found that upon revocation of the order, subject imports from China would likely enter the United States at prices that would likely undersell the domestic like product and would likely have significant depressing or suppressing effects on U.S. producers’ prices. It reiterated that paper clips were highly substitutable and that price remained the principal determinant in making a sale in the U.S. market. The Commission also observed that large discount office supply retailers were already sourcing office supplies from China and, given these preexisting relationships and the importance of price, would likely source paper clips from China at low prices if the order were revoked. In the fourth five-year review, the Commission also noted that responding purchasers had indicated their intention to purchase low-priced paper clips from China in the event of revocation.⁹⁵ In light of this likely competition, the Commission concluded in both reviews that if the order were revoked, domestic producers would likely be forced to cut their prices or risk losing market share.⁹⁶

2. The Current Review

As discussed above, we continue to find a high degree of substitutability between the domestic like product and subject imports and that price remains an important factor in purchasing decisions. In addition, although the record contains limited information concerning purchasers, we note that the record does not contain any new information to suggest that the large discount office supply retailers no longer make purchasing decisions on the basis of price or no longer bundle paper clip purchases with other office and business supplies.⁹⁷

Based on the above and the attractiveness of the U.S. market, we find that if the order were revoked, significant volumes of subject imports would likely undersell the domestic like product. Absent the discipline of the order, the significant volume of low-priced subject imports would likely take sales and market share from domestic producers and/or force the domestic industry to cut prices or forego needed price increases, particularly in light of increased raw material costs.⁹⁸ Accordingly, we conclude that if the order were revoked, subject imports would likely have significant price effects.

⁹⁴ *Second Review*, USITC Pub. 3834 at 13.

⁹⁵ *Fourth Review*, USITC Pub. 4719 at 18-19.

⁹⁶ *Third Review*, USITC Pub. 4242 at 15; *Fourth Review*, USITC Pub. 4719 at 18-19.

⁹⁷ *See Domestic Response* at 12.

⁹⁸ *See Domestic Response* at 12.

E. Likely Impact of Subject Imports

1. The Original Investigation and Prior Reviews

In the original investigation, the Commission found that, while subject import volume declined toward the end of the POI, subject import market penetration remained significant throughout the period. The Commission found that because of the price pressure from low-priced subject imports, the domestic industry lowered its prices and shifted its marketing emphasis to less expensive products in an effort to maintain market share. Although the domestic industry's operating income began to improve by 1993, the Commission found that prices remained depressed. The Commission also observed that other performance indicators, including production, capacity utilization, and employment were each lower in interim 1994 than they had been in interim 1993.⁹⁹

In the first five-year review, the Commission found that the order had a positive effect on the domestic industry's performance. Given the industry's improvement, the Commission determined that the domestic industry was not then in a vulnerable state. However, the Commission found that if the order were revoked, the likely increases in the volume and market share of low-priced subject imports and their likely price depressing and suppressing effects would likely have a significant adverse impact on the domestic industry's production, shipments, sales, and revenue. The Commission found that a reduction in the industry's sales and revenue would likely have a direct adverse impact on its employment and profitability as well as its ability to raise capital and make and maintain necessary capital investments.¹⁰⁰

In the second five-year review, the Commission determined that, if the antidumping duty order were revoked, subject imports from China would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time. The Commission observed that the antidumping duty order continued to have a positive effect on the performance of the domestic industry. However, it was unable to determine whether the industry was in a vulnerable state because the record did not contain sufficient information to make such a determination. The Commission concluded that revocation of the antidumping duty order would lead to significant increases in the volume of subject imports at prices that would undersell the domestic like product and take market share and sales from the domestic industry and/or significantly depress or suppress U.S. prices, thereby having a significant negative impact on the domestic industry, including to its market share, production, shipment, sales, and revenue levels. It also found that a reduction in the industry's sales and revenue levels would likely have a direct adverse impact on the domestic industry's employment and profitability as well as its ability to raise capital and make and maintain necessary capital investments.¹⁰¹

⁹⁹ *Original Determination*, USITC Pub. 2829 at I-13-14.

¹⁰⁰ *First Review*, USITC Pub. 3330 at 11.

¹⁰¹ *Second Review*, USITC Pub. 3834 at 14-15.

In the third five-year review, the Commission found the limited evidence in the record was insufficient to determine whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the order. The Commission found that, upon revocation, the volume of subject imports and their price effects would likely lead the domestic industry to lose market share and obtain lower prices, which would adversely impact its production, shipments, sales, and revenue. It determined that those reductions would likely have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments. The Commission also examined the role of other factors. It found that reduced demand did not appear to have adversely affected the domestic industry's market share or financial performance. It found that nonsubject imports had declined over the period of review.¹⁰²

In the fourth five-year review, the Commission found that the condition of the domestic industry had generally declined modestly over the period of review, but did not find that the domestic industry was in a vulnerable condition. The Commission concluded that revocation of the order would likely lead to a significant increase in the volume of subject imports that would likely undersell the domestic like product and significantly depress or suppress prices for the domestic like product. It also found no evidence or argument that the presence of nonsubject imports would prevent subject imports from increasing after revocation of the order, given the subject producers' large amount of available capacity and export orientation and the relative attractiveness of the U.S. market.¹⁰³

2. The Current Review

The record in this expedited review contains limited information concerning the domestic industry's performance since the last review.

The domestic industry's capacity was *** units, which was lower than in the prior proceedings.¹⁰⁴ Its production was also lower than in the prior proceedings, at *** units, while its capacity utilization was higher, at *** percent.¹⁰⁵ The domestic industry's U.S. shipments for 2021, ***

¹⁰² *Third Review*, USITC Pub. 4242 at 17-18. The Commission found that compared to the second five-year review, the industry's market share was stable, its production and shipments were lower, and its financial performance was better than that in the original investigation. *Id.*

¹⁰³ *Fourth Review*, USITC Pub. 4719 at 20-21.

¹⁰⁴ CR/PR at Table I-4. The domestic industry's capacity was *** units in 2016; *** units in 2010; and *** units in 1993. *Id.* There were no reported capacity data for 1998 and 2004.

¹⁰⁵ CR/PR at Table I-4. The domestic industry's production was *** units in 2016; *** units in 2010; *** units in 2004; *** units in 1998; and *** units in 1993. *Id.* Its capacity utilization was *** percent in 2016; *** percent in 2010; and *** percent in 1993. *Id.* There were no reported capacity utilization data for 1998 and 2004.

units, were lower than in the prior proceedings, as were its net sales, which were \$***.¹⁰⁶ In 2021, the industry's operating income, at \$***, and operating income to net sales ratio, at *** percent, were both lower than in the prior reviews but higher than in the original investigation.¹⁰⁷ The domestic industry's market share, at *** percent, was higher than in every prior proceeding but for the fourth review.¹⁰⁸ The limited information in this expedited review is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

Based on the information available in this review, we find that revocation of the order would likely result in a significant increase in subject import volume that would likely undersell the domestic like product to a significant degree. Given the high degree of substitutability between the domestic like product and subject imports and the importance of price to purchasers, significant volumes of low-priced subject imports would likely capture sales and market share from the domestic industry and/or significantly depress or suppress prices for the domestic like product. The likely significant volume of subject imports and their adverse price effects would likely have a significant adverse impact on the domestic industry's production, shipments, sales, market share, and revenues, which, in turn, 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. Nonsubject imports maintained a small presence in the U.S. market during the period of review, accounting for *** percent of apparent U.S. consumption in 2021.¹⁰⁹ The record provides no indication that the presence of nonsubject imports would prevent subject imports from entering the U.S. market in significant quantities after revocation of the order, given the large amount of available capacity of subject producers, the export orientation of the subject industry, and the relative attractiveness of the U.S. market. Given that the domestic industry supplied *** percent of apparent U.S. consumption in 2021, the high degree of substitutability between the subject imports and the domestic like product, and the importance of price in purchasing decisions, we find it likely that the increase in low-priced subject imports would come largely at the expense of the domestic industry and/or depress or suppress prices for the domestic like product. For these reasons, we find that any

¹⁰⁶ CR/PR at Table I-4. The domestic industry's U.S. shipments were *** units in 2016; *** units in 2010; *** units in 2004; *** units in 1998; and *** units in 1993. *Id.* Its net sales were \$*** in 2016; \$*** in 2010; and \$*** in 1993. *Id.* There were no reported net sales data for 1998 and 2004.

Additionally, ACCO reported that ***. *Domestic Response* at Exhibit 1.

¹⁰⁷ CR/PR at Table I-4. The domestic industry's operating income was \$*** in 2016, \$*** in 2010, and \$*** in 1993; its operating income to net sales ratio was *** percent in 2016, *** percent in 2010, and *** percent in 1993. *Id.* There were no reported operating income or operating income to net sales ratio data for 1998 and 2004.

¹⁰⁸ CR/PR at Table I-6. The domestic industry's market share was *** percent in 2016; *** percent in 2010; *** percent in 2004; *** percent in 1998; and *** percent in 1993. *Id.*

¹⁰⁹ CR/PR at Table I-6. Nonsubject imports market share was *** percent in 2016; *** percent in 2010; *** percent in 2004; *** percent in 1998; and *** percent in 1993. *Id.*

effects of nonsubject imports would be distinct from the likely effects attributable to the subject imports.

We recognize that apparent U.S. consumption was *** percent lower in 2021 than in 2016.¹¹⁰ Domestic Producers state that demand for paper clips has declined in 2016 due to the overall decline in the use of paper at offices and homes, as the COVID-19 pandemic resulted in more people working from home and fewer total workers.¹¹¹ To the extent that demand continues to decline, the increase in low-priced subject imports that is likely after revocation would exacerbate the effects of declining demand on the domestic industry.

In sum, we conclude that if the antidumping duty order on paper clips from China were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

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

¹¹⁰ See CR/PR at Table I-6.

¹¹¹ *Domestic Response* at 11-12.

Information obtained in this review

Background

On September 1, 2022, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of the antidumping duty order on certain paper clips (“paper clips”) from China would likely lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} Table I-1 presents information relating to the background and schedule of this proceeding:

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

Effective date	Action
September 1, 2022	Notice of initiation by Commerce (87 FR 53727, September 1, 2022)
September 1, 2022	Notice of institution by Commission (87 FR 53783, September 1, 2022)
December 5, 2022	Commission’s vote on adequacy
December 30, 2022	Commerce’s results of its expedited review
April 11, 2023	Commission’s determination and views

¹ 19 U.S.C. 1675(c).

² 87 FR 53783, September 1, 2022. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order. 87 FR 53727, September 1, 2022. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigation and a subsequent full review are presented in app. C.

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

Responses to the Commission’s notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of the following entities:

1. ACCO Brands USA LLC (“ACCO”) and Victor Technology LLC (“Victor Technology”), domestic producers of paper clips (collectively referred to herein as “domestic interested parties”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-2.

Table I-2

Paper clips: Summary of completed responses to the Commission’s notice of institution

Interested party	Type	Number of firms	Coverage
U.S. producer	Domestic	2	***%

Note: The U.S. producer coverage figure presented is the domestic interested parties’ estimate of their share of total U.S. production of paper clips during 2021. Domestic interested parties’ response to the notice of institution, October 3, 2022, p. 8 and exhibit 1.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review from the domestic interested parties. The domestic interested parties request that the Commission conduct an expedited review of the antidumping duty order on paper clips.⁵

⁵ Domestic interested parties’ comments on adequacy, November 10, 2022, pp. 2-3.

The original investigation

The original investigation resulted from a petition filed on November 29, 1993, with Commerce and the Commission by ACCO USA, Incorporated of Wheeling, Illinois (“ACCO”) and Labelon/Noesting Company of Mount Vernon, New York (“Noesting”).⁶ On October 7, 1994, Commerce determined that imports of paper clips from China were being sold at less than fair value (“LTFV”).⁷ The Commission determined on November 16, 1994, that the domestic industry was materially injured by reason of LTFV imports of paper clips from China.⁸ On November 25, 1994, Commerce issued its antidumping duty order with the final weighted-average dumping margins ranging from 46.01 to 126.94 percent.⁹

The first five-year review

On March 3, 2000, the Commission determined that it would conduct an expedited review of the antidumping duty order on paper clips from China.¹⁰ On July 5, 2000, Commerce determined that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of dumping.¹¹ On July 28, 2000, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹² Following affirmative determinations in the five-year review by Commerce and the Commission, effective August 15, 2000, Commerce issued a continuation of the antidumping duty order on imports of paper clips from China.¹³

⁶ Certain Paper Clips from the People’s Republic of China, Inv. No. 731-TA-663 (Final), USITC Publication 2829, November 1994 (“Original publication”), p. vi and II-3.

⁷ 59 FR 51168, October 7, 1994.

⁸ 59 FR 60655, November 25, 1994.

⁹ 59 FR 60606, November 25, 1994.

¹⁰ 65 FR 15010, March 20, 2000.

¹¹ 65 FR 41434, July 5, 2000.

¹² 65 FR 47518, August 2, 2000.

¹³ 65 FR 49784, August 15, 2000.

The second five-year review

On October 4, 2005, the Commission determined that it would conduct an expedited review of the antidumping duty order on paper clips from China.¹⁴ On November 7, 2005, Commerce determined that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of dumping.¹⁵ On January 18, 2006, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁶ Following affirmative determinations in the five-year review by Commerce and the Commission, effective February 7, 2006, Commerce issued a continuation of the antidumping duty order on imports of paper clips from China.¹⁷

The third five-year review

On April 8, 2011, the Commission determined that it would conduct an expedited review of the antidumping duty order on paper clips from China.¹⁸ On May 6, 2011, Commerce determined that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of dumping.¹⁹ On July 12, 2011, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.²⁰ Following affirmative determinations in the five-year review by Commerce and the Commission, effective July 26, 2011, Commerce issued a continuation of the antidumping duty order on imports of paper clips from China.²¹

¹⁴ 70 FR 61157, October 20, 2005.

¹⁵ 70 FR 67433, November 7, 2005.

¹⁶ 71 FR 3541, January 23, 2006.

¹⁷ 71 FR 6269, February 7, 2006.

¹⁸ 76 FR 31360, May 31, 2011.

¹⁹ 76 FR 26242, May 6, 2011.

²⁰ 76 FR 42730, July 19, 2011.

²¹ 76 FR 44575, July 26, 2011.

The fourth five-year review

On March 1, 2017, the Commission determined that it would conduct a full review of the antidumping duty order on paper clips from China.²² On October 6, 2016, Commerce determined that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of dumping.²³ On August 24, 2017, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.²⁴ Following affirmative determinations in the five-year review by Commerce and the Commission, effective October 30, 2017, Commerce issued a continuation of the antidumping duty order on imports of paper clips from China.²⁵

Previous and related investigations

Paper clips have not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

Commerce's five-year review

Commerce announced that it would conduct an expedited review with respect to the order on imports of paper clips from China with the intent of issuing the final results of this review based on the facts available not later than December 30, 2022.²⁶ Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <http://enforcement.trade.gov/frn/>. Issues and Decision Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty order on imports of paper clips from China are noted in the sections titled “The original investigation” and “U.S. imports,” if applicable.

²² 82 FR 13132, March 9, 2017.

²³ 81 FR 69512, October 6, 2016.

²⁴ 82 FR 41288, August 30, 2017.

²⁵ 82 FR 50120, October 30, 2017.

²⁶ Letter from Alex Villanueva, Senior Director, Office I, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, October 25, 2022.

The product

Commerce's scope

Commerce has defined the scope as follows:

The products covered by the Order are certain paper clips, wholly of wire of base metal, whether or not galvanized, whether or not plated with nickel or other base metal (e.g., copper), with a wire diameter between 0.025 inches and 0.075 inches (0.64 to 1.91 millimeters), regardless of physical configuration, except as specifically excluded. The products subject to the Order may have a rectangular or ringlike shape and include, but are not limited to, clips commercially referred to as "No. 1 clips", "No. 3 clips", "Jumbo" or "Giant" clips, "Gem clips", "Frictioned clips", "Perfect Gems", "Marcel Gems", "Universal clips", "Nifty clips", "Peerless clips", "Ring clips", and "Glide-On clips".

Specifically excluded from the scope of the Order are plastic and vinyl covered paper clips, butterfly clips, binder clips, or other paper fasteners that are not made wholly of wire of base metal and are covered under a separate subheading of the HTSUS.²⁷

²⁷ 82 FR 50120, October 30, 2017.

U.S. tariff treatment

Paper clips are currently provided for in Harmonized Tariff Schedule of the United States (“HTS”) subheading 8305.90.30 and imported under statistical reporting number 8305.90.3010, which covers paper clips and parts thereof, the foregoing wholly of wire of base metal. Paper clips imported from China enters the U.S. market at a column 1-general duty rate of “free.”²⁸

The additional 15 percent ad valorem duty under Section 301 of the Trade Act of 1974 on paper clips imported from China is currently suspended.²⁹ In addition, paper clips are not subject to an additional ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended. However, the raw material for paper clips (steel wire) is subject to the additional 25 percent ad valorem duty.³⁰ Currently, U.S. imports of certain iron and steel articles originating in Australia, Canada, Mexico, and Ukraine are exempt from Section 232 duties; imports originating in Argentina, Brazil, and South Korea are exempt from Section 232 duties within annual quota limits; imports originating in European Union member countries, Japan, and the United Kingdom are exempt from Section 232 duties subject to tariff rate quotas; and imports from all other countries are subject to 25 percent additional duties.³¹ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

²⁸ USITC, HTS (2022) Revision 11, Publication 5382, October 2022, p. 85-7.

²⁹ On September 1, 2019, paper clips from China imported under HTS heading 8305.90.30 were included in “Tranche 4, List 2” (Annex C and D) \$300 Billion Tariff Action at a duty rate of 10 percent ad valorem, effective December 15, 2019. However, this duty on Annex C products was both raised from 10 percent to 15 percent ad valorem, and subsequently suspended, effective December 15, 2019. 84 FR 43304, August 20, 2019; 84 FR 45821, August 30, 2019; and 84 FR 69447, December 18, 2019.

Note: Tranche 4 List 2 products were effective December 15, 2019. However, it was published August 20, 2019.

³⁰ See also HTS heading 9903.80.01 and U.S. notes 16(a) and 16(b) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2022) Revision 11, USITC Publication 5382, October 2022, pp. 99-III-23–99-III-26, 99-III-96.

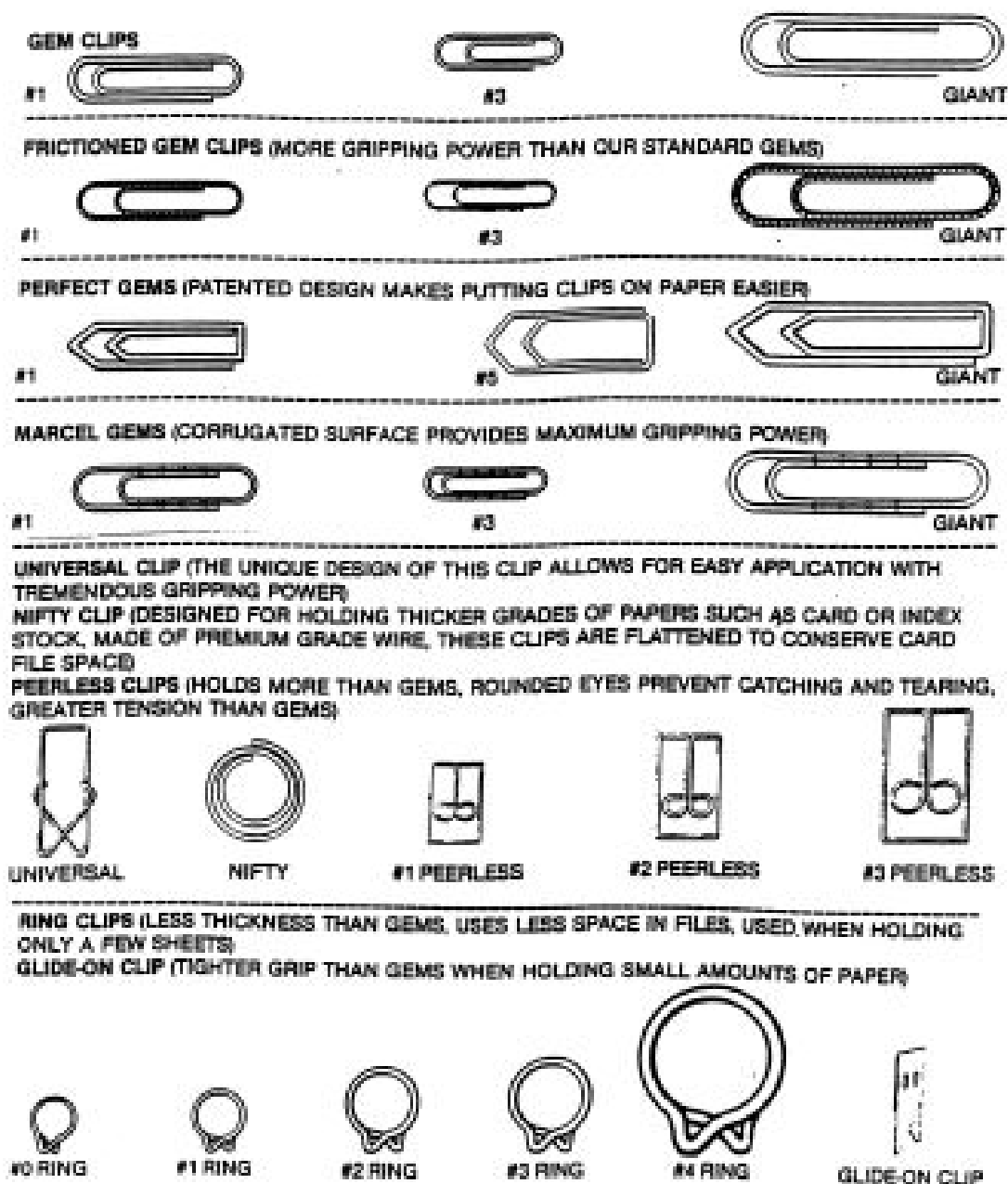
³¹ 83 FR 11625, March 15, 2018; 83 FR 13361, March 28, 2018; 83 FR 20683, May 7, 2018; 83 FR 25857, June 5, 2018; 84 FR 23421, May 21, 2019; 84 FR 23987, May 23, 2019; 87 FR 11, January 3, 2022; 87 FR 19351, April 1, 2022; 87 FR 33407, June 2, 2022; and 87 FR 33591, June 3, 2022.

Description and uses³²

Paper clips are steel wire products formed to provide spring-like tension when used to hold pieces of paper together. These rectangular-shaped products, which are among the most commonly used office supplies in the world, are generally manufactured from steel wire, whether or not galvanized, and whether or not plated with nickel, copper, or other base metals, or coated with vinyl. Although produced in a variety of sizes with different wire diameters, the most commonly used products fall within three categories commercially referred to as No. 1 clips, No. 3 clips, and giant or jumbo clips. The wire diameters of No. 1 clips range between 0.034 inch and 0.036 inch, while the wire diameter of No. 3 clips is 0.034 inch. For jumbo clips, the wire diameters range between 0.046 inch and 0.050 inch. See figure I-1 for illustrations of the subject paper clips; also see figure I-2 for illustrations of other (nonsubject) paper fasteners.

³² Unless otherwise noted, this information is based on Paper Clips from China, Investigation No. 731-TA-663 (Fourth Review), USITC Publication 4719, August 2017 (“Fourth review publication”), pp. I-11 – I-13.

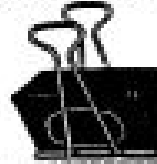
Figure I-1
Paper clips: Illustration of subject paper clips



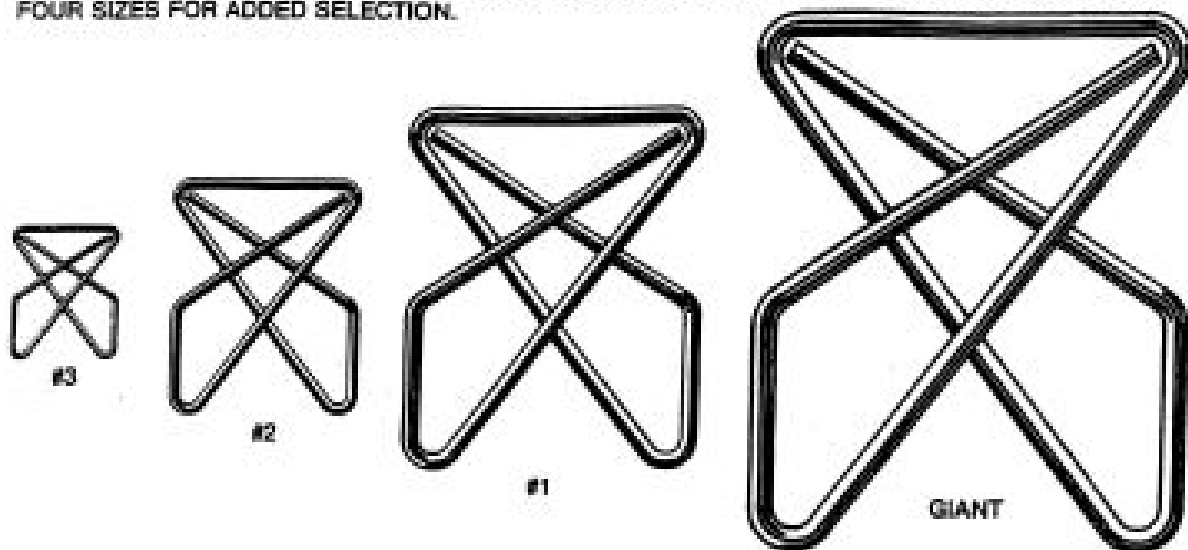
Source: Fourth review publication, figure I-1.

Figure I-2
Paper fasteners: Illustration of nonsubject paper fasteners

BINDER CLIPS—EXCELLENT FOR HOLDING LARGE NUMBERS OF SHEETS, REMOVEABLE HANDLES FOR PERMANENT BINDING. THESE CLIPS COME IN THREE STANDARD SIZES: SMALL, MEDIUM AND LARGE. OTHER SIZES UPON REQUEST.



IDEAL PAPER CLAMPS—HEAVY DUTY FOR BULKY PAPERS, LARGER WIRE DIAMETER THAN CLIPS—FOUR SIZES FOR ADDED SELECTION.



"PETITE" PAPER FASTENERS—PINCH TYPE FASTENER USED WITH FEW SHEETS, USUALLY FOR PERMANENT FASTENING, ONE TIME USE, SHARP PRONG PIERCES PAPERS, AVAILABLE IN THREE SIZES, #0 FOR 2-6 SHEETS, #1 FOR 2-12 SHEETS, #2 FOR 2-24 SHEETS.



Source: Fourth review publication, figure I-2.

Manufacturing process³³

The production of paper clips begins when purchased wire is drawn down to a predetermined size on high-speed wire drawing machines and recoiled on large spools. The wire is drawn from the spools and bent in several places by wedges positioned in a rotary forming device. After bending the wire to form the paper clip, it is cut and packaged.

The equipment used to manufacture paper clips in the United States and China is dedicated to making No. 1 clips, No. 3 clips, or jumbo clips. Although producers in both countries are capable of adjusting their equipment to accommodate different wire sizes, wire-forming machines cannot be used interchangeably to produce different size clips without considerable retooling adjustments.

³³ Unless otherwise noted, this information is based on Fourth review publication, p. I-14.

The industry in the United States

U.S. producers

During the final phase of the original investigation, the Commission received U.S. producer questionnaires from three firms, which accounted for nearly 100 percent of U.S. shipments of paper clips in the United States during 1993.³⁴

During the first five-year review, the domestic interested parties provided a list of three known and currently operating U.S. producers of paper clips. One responding firm accounted for approximately *** percent of production of paper clips in the United States during 1998.³⁵

During the second five-year review, domestic interested parties provided a list of four known and currently operating U.S. producers of paper clips. Two responding firms accounted for almost all of the production of paper clips in the United States during 2004.³⁶

During the third five-year review, domestic interested parties provided a list of three known and currently operating U.S. producers of paper clips. Two responding firms accounted for almost all production of paper clips in the United States during 2010.³⁷

During the fourth five-year review, the Commission received U.S. producer questionnaires from three firms, which accounted for essentially all production of paper clips in the United States during 2016.³⁸

In response to the Commission's notice of institution in this current review, domestic interested parties provided a list of two known and currently operating U.S. producers of paper clips. Two firms providing U.S. industry data in response to the Commission's notice of institution accounted for all known U.S. production of paper clips in the United States during 2021.³⁹

³⁴ Original publication, p. II-9.

³⁵ Investigation No. 731-TA-663 (Review): Paper Clips from China, Confidential Report, INV-X-148, July 3, 2000, ("First review confidential report"), pp. I-10-I-11.

³⁶ Investigation No. 731-TA-663 (Second Review): Paper Clips from China, Confidential Report, INV-CC-208, December 8, 2005, ("Second review confidential report"), p. I-14 and table I-2.

³⁷ Paper Clips from China, Investigation no. 731-TA-663 (Third Review), USITC Publication 4242, July 2011 ("Third review publication"), p. I-9 and table I-2.

³⁸ Fourth review publication, p. III-1.

³⁹ Domestic interested parties' response to the notice of institution, October 3, 2022, p. 8.

Recent developments

Table I-3 presents events in the U.S. paper clips industry since the Commission's last five-year review.⁴⁰

Table I-3
paper clips: Recent developments in the U.S. industry

Item	Firm	Event
Acquisition	Victor Technologies, LLC	On February 6, 2020, Victor Technologies, LLC announced that it completed acquisition of Officemate - a leading manufacturer of office products such as paper clips.
Plant relocation	ACCO Brands	In 2019, ACCO Brands' paper clip production was relocated from Pleasant Prairie, WI to Booneville, MS.
Increased raw material cost	Industry-wide	The domestic industry experienced an increase in raw material cost used to produce paper clips (increase in the price of electrogalvanized wire).
Demand	Industry-wide	Since the last 5-year reviews, the domestic industry experienced a significant decline in demand for paper clips – a decline which started in 2016 and worsened with the COVID-19 pandemic as people started to work from home. The demand for paper declined and by extension, the demand for paper clips followed suit.

Source: Insider PRNewswire; Domestic interested parties' response to the Commission's questions, November 2, 2022, p. 1; Domestic interested parties' response to the notice of institution, October 3, 2022, pp. 11 - 12.

⁴⁰ For recent developments, if any, in tariff treatment, please see "U.S. tariff treatment" section.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year review.⁴¹ Table I-4 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigation and subsequent five-year reviews. Both ACCO and Victor Technology reported ***.⁴²

⁴¹ Individual company trade and financial data are presented in app. B.

⁴² In 2019, ACCO's paper clip production was relocated from Pleasant Prairie, Wisconsin, to Booneville, Mississippi. The Booneville plant is staffed and equipped to support the current demand of a maximum of *** units of paper clips per year, but could be adjusted to reach the capacity that was reported during the last review (*** units) if there is demand. Victor's *** in capacity since the last review occurred gradually due to the decline in demand for paper clips and occurred by *** and ***, especially those on ***. Domestic interested parties' cure response to the notice of institution, November 2, 2022, pp. 6-7.

Table I-4**Paper clips: Trade and financial data submitted by U.S. producers, by period**

Quantity in millions of paper clips; value in 1,000 dollars; unit value in dollars per 1,000 paper clips; ratio is in percent, NA = data not available

Item	Measure	1993	1998	2004	2010	2016	2021
Capacity	Quantity	***	NA	NA	***	***	***
Production	Quantity	***	***	***	***	***	***
Capacity utilization	Ratio	***	NA	NA	***	***	***
U.S. shipments	Quantity	***	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***	***
U.S. shipments	Unit value	\$***	\$***	\$***	\$***	\$***	***
Net sales	Value	***	NA	NA	***	***	***
COGS	Value	***	NA	NA	***	***	***
COGS to net sales	Ratio	***	NA	NA	***	***	***
Gross profit or (loss)	Value	***	NA	NA	***	***	***
SG&A expenses	Value	***	NA	NA	***	***	***
Operating income or (loss)	Value	***	NA	NA	***	***	***
Operating income or (loss) to net sales	Ratio	***	NA	NA	***	***	***

Source: For the years 1993 1998, 2004, 2010, and 2016, data are compiled using data submitted in the Commission's original investigation and five-year reviews. For the year 2021, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, October 3, 2022, exh. 1.

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

Note: ***. Domestic interested parties' response to the notice of institution, October 3, 2022, exh. 1.

Note: During the first review, data reported by ACCO were adjusted upward to account for the remaining U.S. producers. The 1998 data presented in this table reflects this adjusted data. ACCO indicated that its production accounted for *** percent of U.S. production of paper clips. In 1998, the firm produced approximately *** paper clips and shipped *** units with a commercial value of \$***. First review confidential report, table I-1.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.⁴³

In its original determination, its expedited first, second, and third five-year review determinations, and its full fourth five-year review determination, the Commission defined the *Domestic Like Product* as certain wire paper clips, coextensive with Commerce’s scope. In its original determination, its expedited first, second, and third five-year review determinations, and its full fourth five-year review determination, the Commission defined the *Domestic Industry* to consist of all domestic producers of paper clips.⁴⁴

⁴³ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

⁴⁴ 87 FR 53783, September 1, 2022.

U.S. importers

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from 14 firms, which accounted for approximately 53 percent of total U.S. imports of paper clips from China during 1993.⁴⁵ Import data presented in the original investigation are based on official Commerce statistics and questionnaire responses (1993 import data presented in table I-6 were based solely on official Commerce statistics).

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested party provided a list of one firm that may currently import paper clips from China.⁴⁶ Import data presented in the first review are based on official Commerce statistics.

The Commission did not receive responses from any respondent interested parties in its second five-year review, and the domestic interested parties were unable to provide a list of firms that may currently import paper clips from China.⁴⁷ Import data presented in the second review are based on official Commerce statistics.

Although the Commission did not receive responses from any respondent interested parties in its third five-year review, the domestic interested parties provided one firm that may currently import paper clips from China.⁴⁸ Import data presented in the third review are based on official Commerce statistics.

During the fourth five-year review, the Commission received U.S. importer questionnaires from six firms, which accounted for approximately *** percent, by value, of total U.S. imports of paper clips from China during 2016.⁴⁹ Import data presented in the fourth review are based on official questionnaire responses supplemented with ***.

The Commission did not receive responses from any respondent interested parties in this current review and the domestic interested parties were unable to provide a list of potential U.S. importers of paper clips.⁵⁰

⁴⁵ Paper Clips from China, Investigation no. 731-TA-663 (Review), USITC Publication 3330, July 2000 (“First review publication”), pp. I-9 and I-13.

⁴⁶ First review publication, p. I-12.

⁴⁷ Paper Clips from China, Investigation no. 731-TA-663 (Second Review), USITC Publication 3834, January 2006 (“Second review publication”), p. I-14.

⁴⁸ Third review publication, p. I-9.

⁴⁹ Investigation No. 731-TA-663 (Fourth Review): Paper Clips from China, Confidential Report, INV-PP-097, July 20, 2017, (“Fourth review confidential report”), p. IV-1.

⁵⁰ Domestic interested parties’ response to the notice of institution, October 3, 2022, p. 9.

U.S. imports

Table I-5 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2021 imports by quantity).

Table I-5
Paper clips: U.S. imports, by source and period

Quantity in millions of paper clips; value in 1,000 dollars; unit value in dollars per 1,000 of paper clips

U.S. imports from	Measure	2017	2018	2019	2020	2021
China	Quantity	390	401	347	256	307
Taiwan	Quantity	137	120	94	77	120
Colombia	Quantity	85	131	42	84	86
Italy	Quantity	---	---	0.0	2	7
All other sources	Quantity	2	2	1	3	1
Nonsubject sources	Quantity	224	253	136	166	214
All import sources	Quantity	615	654	483	422	521
China	Value	1,708	1,752	1,252	1,052	1,187
Taiwan	Value	519	518	391	319	475
Colombia	Value	155	231	76	153	165
Italy	Value	---	---	3	10	38
All other sources	Value	25	29	11	16	13
Nonsubject sources	Value	699	778	480	498	691
All import sources	Value	2,407	2,529	1,732	1,550	1,878
China	Unit value	4.38	4.37	3.61	4.11	3.87
Taiwan	Unit value	3.79	4.32	4.16	4.14	3.96
Colombia	Unit value	1.82	1.76	1.81	1.82	1.91
Italy	Unit value	---	---	0.0	5.00	5.13
All other sources	Unit value	12.50	14.50	11.00	5.33	16.91
Nonsubject sources	Unit value	3.12	3.08	3.53	3.00	3.22
All import sources	Unit value	3.91	3.87	3.59	3.67	3.6

Source: Compiled from official Commerce statistics for HTS statistical reporting number 8305.90.3010, accessed September 26, 2022. These data may be overstated as HTS statistical reporting number 8305.90.3010 may contain products outside the scope of this review.

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

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

Apparent U.S. consumption and market shares

Table I-6 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

Table I-6
Paper clips: Apparent U.S. consumption and market shares, by source and period

Quantity in millions of paper clips; value in 1,000 dollars; shares in percent

Source	Measure	1993	1998	2004	2010	2016	2021
U.S. producers	Quantity	***	***	***	***	***	***
China	Quantity	4,857	164	1,137	1,197	***	307
Nonsubject sources	Quantity	809	2,263	1,063	398	***	214
All import sources	Quantity	5,666	2,427	2,200	1,595	***	521
Apparent U.S. consumption	Quantity	***	***	***	***	***	***
U.S. producers	Value	***	***	***	***	***	***
China	Value	4,482	459	2,267	3,342	***	1,187
Nonsubject sources	Value	1,769	3,623	1,949	1,114	***	691
All import sources	Value	6,251	4,082	4,216	4,456	***	1,878
Apparent U.S. consumption	Value	***	***	***	***	***	***
U.S. producers	Share of quantity	***	***	***	***	***	***
China	Share of quantity	***	***	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***	***	***
All import sources	Share of quantity	***	***	***	***	***	***
U.S. producers	Share of value	***	***	***	***	***	***
China	Share of value	***	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***	***
All import sources	Share of value	***	***	***	***	***	***

Notes continued on next page.

Table I-6 Continued

Paper clips: Apparent U.S. consumption and market shares, by source and period

Source: For the years 1993, 1998, 2004, 2010, and 2016, data are compiled using data submitted in the Commission's original investigation and five-year reviews. For the year 2021, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 8305.90.3010, accessed September 26, 2022.

Note: Share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent.

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

Note: Hong Kong import data were presented separately from all other nonsubject sources in the original investigation, first five-year review, second five-year review, and third five-year review. In the fourth five-year review and current fifth five-year review import data from Hong Kong are included with nonsubject countries in this table. 2016 import data presented in this table and throughout this report consist of questionnaire responses supplemented with *** for non-responding importers. These adjusted import data are a fraction of comparable official import statistics, which were used in all previous proceedings.

The industry in China

Petitioners alleged during the original investigation that there were at least two factories producing subject paper clips in China, one separate firm exporting paper clips, and four additional firms that both produced and exported the subject products. No information on the Chinese paper clips industry was provided to the Commission during the original investigation either by these firms or by any of the organizations contacted by the Commission staff.⁵¹

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested parties provided a list of 11 possible producers of paper clips in China in that proceeding.⁵²

Although the Commission did not receive responses from any respondent interested parties in its second five-year review, the domestic interested parties provided a list of 12 possible producers of paper clips in China in that proceeding.⁵³

Although the Commission did not receive responses from any respondent interested parties in its third five-year review, the domestic interested parties provided a list of 12 possible producers of paper clips in China in that proceeding.⁵⁴

Although the Commission did not receive responses from any respondent interested parties in its fourth five-year review, the domestic interested parties provided a list of 12 possible producers of paper clips in China in that proceeding.⁵⁵

Although the Commission did not receive responses from any respondent interested parties in this five-year review, the domestic interested parties provided a list of 17 possible producers of paper clips in China.⁵⁶

⁵¹ Original publication, p. II-24.

⁵² First review publication, p. I-16-I-18.

⁵³ Second review publication, p. I-20.

⁵⁴ Third review publication, p. I-14.

⁵⁵ Fourth review publication, p. IV-4.

⁵⁶ Domestic interested parties' response to the notice of institution, October 3, 2022, exh. 1.

Exports

There were no major developments in the China industry since the continuation of the order identified by interested parties in the proceeding and no relevant information via outside sources was found.

Table I-7 presents export data for HS subheading 8305.90, a category that includes subject paper clips and out-of-scope products, from China (by export destination in descending order of value for 2021). China's exports of paper clips to all markets decreased 2.6 percent between 2017 and 2021. Over the same period, the United States remained a top destination even though the export value declined 11.3 percent. In 2021, The United States was the top destination for paper clips from China with an export value that more than doubled that of its second top destination - Japan.

Table I-7
Paper Clips: Value of exports from China, by destination and period.

Value in 1,000 of dollars

Destination market	2017	2018	2019	2020	2021
United States	40,054	35,309	35,201	29,322	35,530
Japan	11,023	11,963	14,940	17,470	16,445
India	7,977	9,650	11,892	8,382	15,887
South Korea	5,019	7,190	10,925	11,332	12,330
Indonesia	8,283	11,120	17,740	9,192	10,774
Thailand	9,353	8,326	5,444	9,841	10,742
Vietnam	9,587	6,219	6,350	7,458	10,137
Malaysia	14,387	12,497	16,446	10,746	7,411
Mexico	8,165	9,140	7,658	5,102	7,295
Russia	3,010	4,477	6,039	5,410	6,552
All other markets	92,850	96,110	98,722	74,433	71,239
All markets	209,710	212,001	231,356	188,688	204,342

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 8305.90, accessed
These data may be overstated as HS subheading 8305.90 may contain products outside the scope of this review.

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

Third-country trade actions

Based on available information, paper clips from China have not been subject to other antidumping or countervailing duty investigations outside the United States.

The global market

Table I-8 presents global export data for 8503.90, a category that includes paper clips and out-of-scope products, (by source in descending order of value for 2021). The top five exporters of paper clips by value are China, Singapore, United States, Slovenia, and Germany, respectively. China accounted for approximately three fourths of the global export value of paper clips in 2021.

Table I-8
Paper Clips: Value of global exports by country and period

Value in 1,000 dollars

Exporting country	2017	2018	2019	2020	2021
China	209,710	212,001	231,356	188,688	204,342
Singapore	11,526	9,283	8,799	6,060	14,444
United States	12,325	11,392	9,372	7,050	8,900
Slovenia	7,115	7,135	6,775	5,951	7,167
Germany	4,620	5,249	4,858	4,287	5,301
Netherlands	4,375	5,257	3,709	2,485	3,639
Poland	2,288	1,480	2,487	3,284	3,488
Hong Kong	7,750	6,481	5,567	4,011	3,477
Taiwan	5,061	5,089	3,629	2,904	2,847
France	2,211	2,380	1,819	1,498	1,946
All other exporters	23,948	29,289	22,731	20,955	17,632
All exporters	290,928	295,034	301,102	247,173	273,184

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 8305.90. These data may be overstated as HS subheading 8305.90 may contain products outside the scope of this review.

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

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
87 FR 53727, September 1, 2022	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2022-09-01/pdf/2022-18925.pdf
87 FR 53783, September 1, 2022	<i>Paper Clips From China; Institution of a Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2022-09-01/pdf/2022-18908.pdf

APPENDIX B

COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

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APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1

Paper clips: Summary data concerning the U.S. market, 2014-16

* * * * *

Table C-1

Paper clips: U.S. producers' capacity, production, capacity utilization, U.S. commercial shipments, and financial data, 1991-1993, January-June 1993-1994, 1998, 2004, and 2010

* * * * *

Table C-2

Paper clips: U.S. imports, by source, 1991-1993, January-June 1993-1994, 1998, 2004, and 2010

Item	Original investigation					First review	Second review	Third review
	1991	1992	1993	January-June		1998	2004	2010
				1993	1994			
	Quantity (million units) ¹							
China	4,189	5,623	4,857	2,387	2,200	164	1,137	1,197
Hong Kong	1,002	1,476	73	34	0	1	3	0.1
Subtotal	5,191	7,099	4,930	2,421	2,200	165	1,140	1,197
Other sources ²	1,519	1,042	736	397	446	2,262	1,060	397
Total	6,710	8,142	5,666	2,818	2,646	2,427	2,200	1,595
	Value (\$1,000 dollars)							
China	3,911	5,494	4,482	2,182	2,077	459	2,267	3,342
Hong Kong	953	1,261	65	31	0	2	8	2
Subtotal	4,864	6,755	4,547	2,213	2,077	461	2,274	3,344
Other sources ²	3,223	2,121	1,704	879	1,238	3,621	1,942	1,112
Total	8,087	8,877	6,251	3,093	3,315	4,082	4,216	4,456
	Unit value (dollars per 1,000 units)							
China	\$0.93	\$0.98	\$0.92	\$0.91	\$0.94	\$2.80	\$1.99	\$2.79
Hong Kong	0.95	0.85	0.89	0.92	-	2.01	2.45	25.01
Average	0.94	0.95	0.92	0.91	0.94	2.79	1.99	2.79
Other sources ²	2.12	2.04	2.31	2.21	2.78	1.60	1.83	2.80
Average	1.21	1.09	1.10	1.10	1.25	1.68	1.92	2.79
¹ Official import quantities were converted from kilograms to units by dividing the number of kilograms by a conversion factor of 0.0007284. This conversion factor was supplied by petitioners during the original investigation. ² The primary "other source" during 1991-1994 was Taiwan. The primary "other sources" during 1998, 2004, and 2010 were Colombia and Taiwan.								
Note.—The applicable HTS number is 8305.90.3010. This HTS category includes products outside the scope of this review. Therefore imports may be somewhat overstated.								
Source: Official Commerce statistics.								

Table C-3

Paper clips: U.S. shipments of domestic product, U.S. imports, apparent U.S. consumption, and U.S. market shares, 1991-1993, January-June 1993-1994, 1998, 2004, and 2010

Item	Original investigation					First review	Second review	Third review
	1991	1992	1993	January-June		1998	2004	2010
				1993	1994			
	Quantity (million units) ¹							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports China	4,189	5,623	4,857	2,387	2,200	164	1,137	1,197
Hong Kong	1,002	1,476	73	34	0	1	3	0.1
Subtotal	5,191	7,099	4,930	2,421	2,200	165	1,140	1,197
All other sources ³	1,519	1,042	736	397	446	2,262	1,060	397
Total	6,710	8,142	5,666	2,818	2,646	2,427	2,200	1,595
Apparent U.S. consumption	***	***	***	***	***	***	***	***
	Share of consumption (percent)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports China	***	***	***	***	***	***	***	***
Hong Kong	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
All other sources ³	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***
¹ Official import quantities were converted from kilograms to units based on a conversion factor supplied by petitioners during the original investigation.								
² Less than 0.1.								
³ The primary "other source" during 1991-1994 was Taiwan. The primary "other sources" during 1998, 2004, and 2010 were Colombia and Taiwan.								
Source: Official Commerce statistics.								

APPENDIX D
PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following four firms as top purchasers of paper clips: ***. Purchaser questionnaires were sent to these four firms and two firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for paper clips that have occurred in the United States or in the market for paper clips in China since January 1, 2017?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for paper clips in the United States or in the market for paper clips in China within a reasonably foreseeable time?

Purchaser	Yes / No	Anticipated changes
***	***	***
***	***	***

