Dioctyl Terephthalate from South Korea

Investigation No. 731-TA-1330 (Review)

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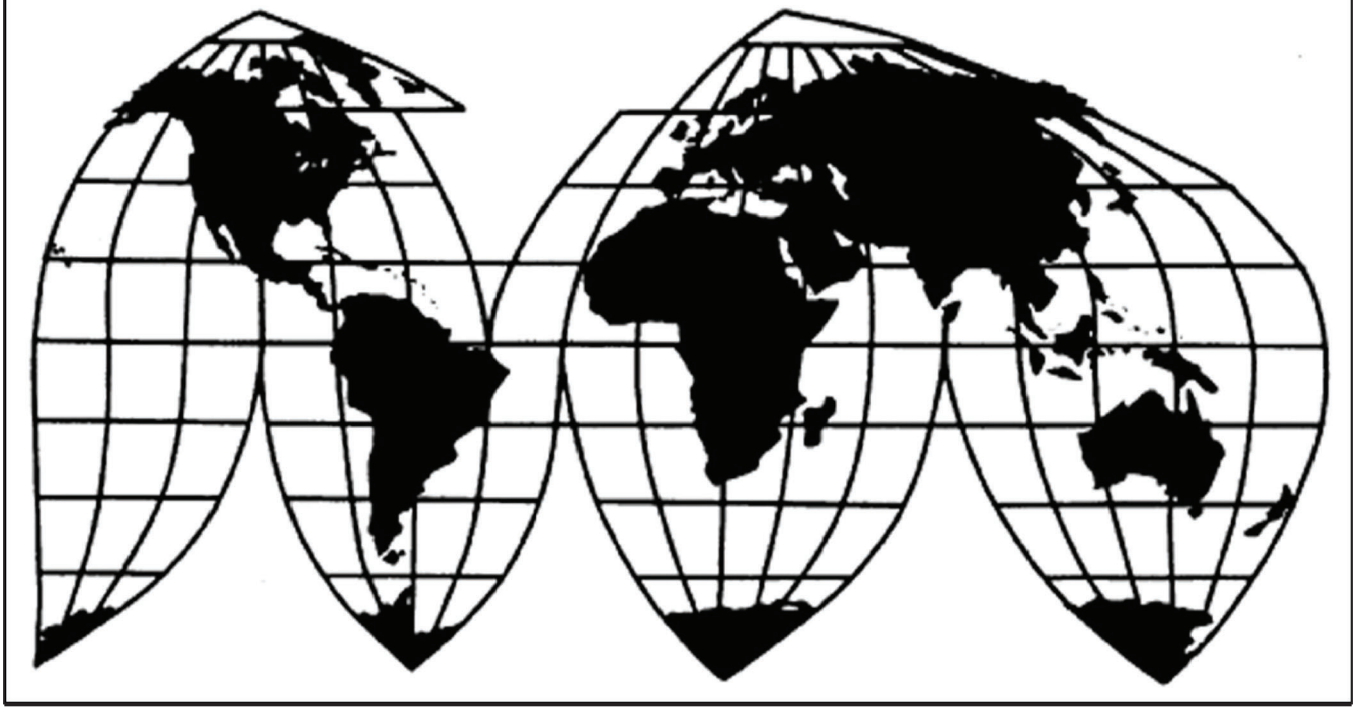
U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1330 (Review)

Dioctyl Terephthalate from South Korea

DETERMINATION

On the basis of the record[1] 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 dioctyl terephthalate from South Korea 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 July 1, 2022 (87 FR 39556) and determined on October 4, 2022 that it would conduct a full review (87 FR 75067, December 7, 2022). Notice of the scheduling of the Commission's review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on December 22, 2022 (87 FR 78708). Since one party requested cancellation of a hearing and no other parties requested a hearing, the public hearing in connection with the review, originally scheduled for April 27, 2023, was cancelled (88 FR 26598).

[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 dioctyl terephthalate ("DOTP") from South Korea would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigation. On June 30, 2016, Eastman Chemical Company ("Eastman") filed an antidumping petition concerning DOTP from South Korea, and in August 2017 the Commission determined that an industry in the United States was materially injured by reason of imports of DOTP from South Korea that had been found by Commerce to be sold in the United States at less than fair value ("LTFV").[1] On August 18, 2017, Commerce issued an antidumping duty order on imports of DOTP from South Korea.[2]

Current Review. The Commission instituted this first five-year review on July 1, 2022.[3] One domestic interested party, domestic producer of DOTP Eastman, and one respondent interested party, subject foreign producer/exporter Aekyung Chemical Co., Ltd. ("AKC"), filed responses to the notice of institution.[4] On October 4, 2022, the Commission found that the domestic interested party and the respondent interested party group responses were adequate and therefore determined to conduct a full review.[5] On January 25, 2023, AKC submitted a

[1] *Dioctyl Terephthalate (DOTP) from Korea*, Inv. No. 731-TA-1330 (Final), USITC Pub. 4713 (Aug. 2017) ("Original Determination") at 3. Commissioner Johanson dissented. *Id.*

[2] *Dioctyl Terephthalate From the Republic of Korea: Antidumping Duty Order*, 82 Fed. Reg. 39409 (Aug. 18, 2017). No litigation resulted from the Commission's determination in the original investigation.

[3] *Dioctyl Terephthalate from South Korea*, 87 Fed. Reg. 39556 (July 1, 2022).

[4] Eastman's Response to the Notice of Institution, EDIS Doc. 776767 (Aug. 1, 2022) ("Eastman's Response"); AKC's Substantive Response to the Notice of Institution, EDIS Doc. 776767 (Aug. 1, 2022) ("AKC's Response").

[5] *Dioctyl Terephthalate from South Korea; Notice of Commission Determination To Conduct a Full Five-Year Review*, 87 Fed. Reg. 75067 (Dec. 7, 2022).

letter indicating that it would not be participating further in this review.[6] The Commission subsequently cancelled the hearing at Eastman's request and issued written questions.[7]

The Commission received prehearing and posthearing briefs filed on behalf of one domestic producer, Eastman.[8] No respondent interested party participated in this full five-year review.[9]

U.S. industry data are based on questionnaire responses from two U.S. producers that are believed to have accounted for all domestic production of DOTP during 2022.[10] U.S. import data are based on the responses of 19 U.S. importers of DOTP which are believed to have accounted for over *** percent of all U.S. imports of DOTP in 2022 and virtually all subject imports during the 2017 through 2022 period of review ("POR").[11]

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[6] Dioctyl Terephthalate from Korea – Sunset Review – Written Statement of Aekyung Chemical Co., Ltd., EDIS Doc. 788582 (Jan. 25, 2023) ("AKC Nonparticipation Statement"). Following AKC's notification of nonparticipation, Eastman requested that the Commission reconsider its adequacy determination and its decision to conduct a full five-year review. Eastman Request for Redetermination of Adequacy and Decision to Conduct an Expedited Review, EDIS Doc. 789011 (Jan. 31, 2023). The Commission denied this request on February 8, 2023. Commissioners Kearns and Karpel did not agree with the majority decision to reject Eastman's request for reconsideration and the resulting decision to conduct a full review of the antidumping order at issue. Commission Letter Denying Request for Reconsideration, EDIS Doc. 789807 (Feb. 8, 2023).

[7] *Scheduling Notice*, 87 Fed. Reg. 78708. Eastman requested that the Commission cancel the hearing and separately filed a request to appear at the hearing pending its request to cancel. No request to appear was received from any respondent interested party. Consequently, the Commission cancelled the hearing. *Dioctyl Terephthalate From South Korea; Cancellation of Hearing for Full Five-Year Review*, 88 Fed. Reg. 26598 (May 1, 2023).

[8] *See* PreHearing Brief of Eastman Chemical Company, EDIS Doc. 794656 (Apr. 20, 2023) ("Eastman's Prehearing Brief"); Dioctyl Terephthalate From Korea: Eastman Chemical Company's Responses to April 28, 2023 Questions in Lieu of Hearing, EDIS Doc. 795752 (May 5, 2023) ("Eastman's Posthearing Brief").

[9] Confidential Report, Memorandum INV-VV-042 (May 22, 2023) ("CR"); *Dioctyl Terephthalate (DOTP) from South Korea*, Inv. No. 731-TA-1330 (Review), USITC Pub. 5433 (June 2023) ("PR") at I-1. As noted above, AKC, a producer of subject merchandise in South Korea, responded to the Commission's notice of institution. However, after the Commission's adequacy determination, AKC indicated to the Commission that it would not be participating further in this review. AKC Nonparticipation Statement. No foreign producer of subject merchandise filed questionnaire responses in this review.

[10] CR/PR at I-9, III-1.

[11] CR/PR at I-9, IV-1. This coverage percentage does not include importer ***, which provided a partial, untimely, and unusable questionnaire response. *See* CR/PR at I-9, I-18, IV-1. Three of the four identified subject producers or their U.S. representatives indicated to the Commission that they did not export subject merchandise to the United States in 2022 and no U.S. importer reported importing subject merchandise in 2022. CR/PR at I-9 n.17. Official Commerce import statistics are not a reliable measure of the volume or value of subject imports because the relevant HTS statistical reporting number, 2917.39.2000, contains substantial quantities of out-of-scope merchandise. CR/PR at IV-1.

The Commission received no questionnaire responses from the four firms identified as possible producers/exporters of DOTP in South Korea.[12] Therefore, foreign industry data and related information are based on information provided by AKC in its response to the notice of institution as well as other available information in the record.[13] AKC estimated that it accounted for approximately *** percent of DOTP production in South Korea in 2021.[14] The record also includes information from the original investigation, information submitted by Eastman, and information gathered by the Commission.[15]

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."[16] 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."[17] 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.[18]

Commerce has defined the scope of the order in this five-year review as follows:

> {D}ioctyl terephthalate (DOTP), regardless of form. DOTP that has been blended with other products is included within this scope when such blends include constituent parts that have not been chemically reacted with each other to produce a different

[12] CR/PR at I-9, IV-7.

[13] CR/PR I-9, IV-7.

[14] AKC's Response at 9.

[15] CR/PR at IV-7-14.

[16] 19 U.S.C. § 1677(4)(A).

[17] 19 U.S.C. § 1677(10); *see*, *e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[18] *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).

product. For such blends, only the DOTP component of the mixture is covered by the scope of this order.

DOTP that is otherwise subject to this investigation is not excluded when commingled with DOTP from sources not subject to this investigation. Commingled refers to the mixing of subject and non-subject DOTP. Only the subject component of such commingled products is covered by the scope of the order.

DOTP has the general chemical formulation $C_6H_4(C_8H_{17}COO)_2$ and a chemical name of "bis (2-ethylhexyl) terephthalate" and has a Chemical Abstract Service (CAS) registry number of 6422-86-2. Regardless of the label, all DOTP is covered by this order.[19]

The scope definition set out above is unchanged, and Commerce has issued no scope rulings, since the original investigation.[20]

DOTP is a colorless, almost odorless, slightly viscous liquid that is used to make resins more flexible and easier to process as plastics. It is a synthetic organic chemical and part of a group of chemical products, known as plasticizers, which are used in the manufacture of plastics.[21]

In the original investigation, the Commission defined a single domestic like product, consisting of all DOTP, coextensive with Commerce's scope definition, and no party argued otherwise in the final phase of the investigation.[22]

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[19] *Issues and Decision Memorandum for the Final Results of the First Expedited Sunset Review of the Antidumping Duty Order on Dioctyl Terephthalate from the Republic of Korea* (Oct. 28, 2022) at 3 ("Commerce IDM"); CR/PR I-12. While the CAS registry number is provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive. *Id*.

[20] Commerce IDM at 3-4; CR/PR at I-10 n.18. Commerce has not conducted any changed circumstances reviews or issued any anti-circumvention findings since the imposition of the order. CR/PR at I-10 n.18.

[21] CR/PR at I-13-15.

[22] *Original Determination*, USITC Pub. 4713 at 6. In the preliminary phase of the original investigation, the Commission rejected an argument from respondent importer ALAC International, Inc. ("ALAC") that the domestic like product should include out-of-scope diisononyl phthalate ("DINP"). While recognizing that DOTP and DINP were similar in terms of end uses and channels of distribution, the Commission found that DOTP and DINP were different chemicals with different chemical (Continued…)

In this review, Eastman asserts that the Commission should again define a single domestic like product coextensive with Commerce's scope, as it did in the original investigation.[23] The record in this review does not indicate that there have been any changes in the characteristics and uses of domestically produced DOTP since the original investigation that would warrant revisiting the definition of the domestic like product.[24] Consequently, we again define a single domestic like product consisting of all DOTP, coextensive with Commerce's scope definition.

B. Domestic Industry and Related Parties

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."[25] 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.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act.[26] This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise

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formulations, and were produced using different inputs, production processes, and manufacturing facilities. The Commission also noted that there were concerns with the toxicity of DINP but not DOTP. The Commission concluded that a clear dividing line separated DOTP and DINP and therefore defined a single domestic like product consisting of all DOTP, coextensive with Commerce's scope. *Id*. at 6 (citing *Dioctyl Terephthalate (DOTP) from Korea*, Inv. No. 731-TA-1330 (Preliminary), USITC Pub. 4630 (Aug. 2016) at 6-11). In the final phase of the investigation, the Commission found that none of the new information on the record called into question its definition of the domestic like product from the preliminary phase, and no party argued for a different definition. *Id* at 6.

[23] Eastman's Response at 5; Eastman's Prehearing Brief at 6-7. Specifically, Eastman argues that there is no new information on the record indicating that the Commission should revisit its definition in the original investigation. *Id*. at 7.

[24] *See generally* CR/PR at I-13-16; AKC's Response at Attachment 1; Eastman's Response at 5; Eastman's Prehearing Brief at 6-7.

[25] 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.

[26] *See* 19 U.S.C. § 1677(4)(B).

or which are themselves importers.[27] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[28]

1. The Original Investigation

In the original investigation, the Commission found that no domestic producer qualified as a related party and that, contrary to respondent's argument, BASF Corporation ("BASF") was not yet a member of the domestic industry.[29] The Commission therefore defined the domestic industry as comprised solely of Eastman, the only domestic firm engaged in DOTP production during the POI.[30]

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[27] *See Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.,* 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[28] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[29] In the original investigation, the respondent argued that the Commission should include BASF as a member of the domestic industry. The Commission observed that while BASF ***, and ***, it had not produced any DOTP during the January 1, 2014, through December 31, 2016, period of investigation ("POI"). The Commission found that the record contained no information on the technical expertise involved in the U.S. production activities that were to be undertaken at BASF's facility or on the quantity and type of parts sourced in the United States by BASF with respect to future DOTP production at its facility and that BASF was not engaged in value-added DOTP activities. It therefore concluded that the record did not support finding that BASF's production-related activities were sufficient to constitute domestic production. As such, the Commission did not include BASF within its definition of the domestic industry. *Original Determination*, USITC Pub. 4713 at 7-8; Confidential Original Determination, EDIS Doc. 779107 at 10.

[30] *Original Determination*, USITC Pub. 4713 at 6-7.

2. The Current Review

In this review, Eastman asserts that the Commission should define the domestic industry as all domestic producers of DOTP, including Eastman and BASF, but does not address the issue of related parties.[31]

One domestic producer, ***, is subject to possible exclusion pursuant to the related parties provision because it imported subject merchandise during the POR.[32] *** was the *** during the POR and accounted for *** percent of U.S. production of DOTP in 2022.[33] *** reported importing *** metric tons of subject merchandise from South Korea in ***, equivalent to *** percent of its domestic production in that year.[34] It reported ***. *** explained that it *** subject merchandise in ***.[35] *** reported significant capital expenditures during the POR, ***.[36] *** continuation of the order.[37]

Given *** in its domestic production operations during the POR and that it only imported subject merchandise *** to ***, *** principal interest appears to be in domestic production rather than importation. Moreover, no party has argued for its exclusion. Accordingly, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

In sum, consistent with our definition of the domestic like product, we define the domestic industry as all U.S. producers of DOTP.

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

[31] Eastman's Prehearing Brief at 7-8.
[32] CR/PR at Table III-9.
[33] CR/PR at Table III-5.
[34] *Calculated from* CR/PR at Tables III-5, III-9.
[35] CR/PR at III-11, Table III-1.
[36] CR/PR Tables III-15-16.
[37] CR/PR at Tables I-5.

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."[38] 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."[39] Thus, the likelihood standard is prospective in nature.[40] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[41]

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[42] 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."[43]

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[38] 19 U.S.C. § 1675a(a).

[39] 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.

[40] 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.

[41] *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'").

[42] 19 U.S.C. § 1675a(a)(5).

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

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[44] 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).[45] 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.[46]

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.[47] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[48]

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

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[44] 19 U.S.C. § 1675a(a)(1).

[45] 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings or company revocations since the imposition of the order. CR/PR at I-10 n.18.

[46] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[47] 19 U.S.C. § 1675a(a)(2).

[48] 19 U.S.C. § 1675a(a)(2)(A-D).

United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[49]

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.[50] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.[51]

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."[52] The following conditions of competition inform our determination.

1. Demand Conditions

Original Investigation. In its original determination, the Commission found that demand for DOTP generally depended on the demand for a diverse array of downstream products and

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[49] *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.

[50] 19 U.S.C. § 1675a(a)(4).

[51] 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.

[52] 19 U.S.C. § 1675a(a)(4).

end uses such as polyvinyl chloride ("PVC") flooring and other types of flooring, PVC compounds, hoses, toys, and other plastic products.[53] The Commission observed that the vast majority of responding market participants reported that U.S. demand for DOTP had increased over the POI and a number of firms attributed the increase to federal and state regulations that encouraged or mandated the use of non-phthalate plasticizers such as DOTP for some end uses instead of ortho-phthalate plasticizers such as DINP.[54] The Commission found that, in light of toxicity and regulatory concerns,[55] a number of manufacturers of consumer products and major retailers had shifted from using ortho-phthalate plasticizers to using DOTP in major end uses.[56] Apparent U.S. consumption of DOTP increased from *** metric tons in 2014, to *** metric tons in 2015, and *** metric tons in 2016, an overall increase of *** percent.[57]

Current Review. As in the original investigation, demand for DOTP continues to be driven by demand for downstream products that use DOTP.[58] *** U.S. producers, a majority of purchasers, and half of responding importers reported that U.S. demand for DOTP increased during the POR.[59] Only *** reported that demand decreased during the POR.[60] ***.[61] *** U.S. producers, a majority of importers, and half of purchasers reported anticipating that U.S. demand will increase over the next two years.[62]

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[53] *Original Determination*, USITC Pub. 4713 at 12.

[54] *Original Determination*, USITC Pub. 4713 at 12.

[55] *Original Determination*, USITC Pub. 4713 at 12-13. These concerns included the Consumer Product Safety Commission banning the use of ortho-phthalate plasticizers in toys and certain child care articles as well as California regulatory authorities listing several ortho-phthalate plasticizers, including DINP, as chemicals that may cause cancer, birth defects, or reproductive harm in the state's Proposition 65 ("Prop. 65"). Under Prop. 65, firms that use such listed chemicals in their products above specified "safe use" levels must post warning labels on the product to inform consumers of the health risks. *Original Determination*, USITC Pub. 4713 at 12.

[56] *Original Determination*, USITC Pub. 4713 at 12-13.

[57] Confidential Original Determination, EDIS Doc. 779107 at 18.

[58] *Original Determination*, USITC Pub. 4713 at 12; CR/PR at II-8. Such products include carpet tiles, luxury vinyl tiles, resilient flooring, rubber flooring, sheet vinyl flooring, chair mats, PVC liner materials, PVC pellets and powder, and PVC strips and rolls. CR/PR at II-8. A majority of purchasers (6 of 11) reported that demand for end-use products increased during the POR and that changes in demand for end uses affected their demand for DOTP. *Id*. at II-8.

[59] CR/PR at Table II-5. Specifically, *** U.S. producers reported that U.S. demand steadily increased during the POR, while seven of 14 responding importers, and 10 of 13 responding purchasers reported demand either having increased steadily or fluctuated during the POR but ended higher. *Id*.

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

[61] CR/PR at Table III-3.

[62] CR/PR at Table II-6. Specifically, *** U.S. producers reported that they anticipate U.S. demand to steadily increase in the foreseeable future, while 9 of 15 responding importers, and 6 of 12

(Continued…)

Apparent U.S. consumption decreased irregularly during the POR by *** percent from *** metric tons in 2017 to *** metric tons in 2022.[63]

2. Supply

Original Investigation. In the original investigation, the domestic industry was the largest source of DOTP in the U.S. market during the POI.[64] Its share of apparent U.S. consumption increased from *** percent in 2014, to *** percent in 2015, and *** percent in 2016.[65] The Commission found that Eastman was the sole domestic producer of DOTP and had increased its capacity during the POI by *** percent through acquisitions and various capacity expansion projects.[66] The Commission also observed that while BASF was not a domestic producer during the POI, it reported making capital expenditures of over $*** and expected to commence producing DOTP in the United States ***.[67]

Subject imports were the second largest source of supply to the U.S. market throughout the POI.[68] Their share of apparent U.S. consumption decreased from *** percent in 2014, to *** percent in 2015, and *** percent in 2016.[69]

Nonsubject imports were the smallest source of supply to the U.S. market throughout the POI. Their share of apparent U.S. consumption declined from *** percent in 2014, to ***

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responding purchasers reported that they anticipate demand to either steadily increase or fluctuate in but end higher in the next two years. *Id*. Two of 14 importers and one of 12 purchasers reported anticipating that U.S. demand will decrease over the next two years. *Id.*

[63] CR/PR at Tables I-8 and C-1. Apparent U.S. consumption was *** metric tons in 2017, *** metric tons in 2018, *** metric tons in 2019, *** metric tons in 2020, *** metric tons in 2021, and *** tons in 2022. *Id*.

[64] *Original Determination*, USITC Pub. 4713 at 13.

[65] Confidential Original Determination, EDIS Doc. 779107 at 18.

[66] Confidential Original Determination, EDIS Doc. 779107 at 18. Eastman's capacity increased from *** metric tons in 2014, to *** metric tons in 2015, and *** metric tons in 2016. *Id*. at 18 n.58. Eastman produced DOTP using a continuous production process for maximum efficiency. *Original Determination*, USITC Pub. 4713 at 13.

[67] Confidential Original Determination, EDIS Doc. 779107 at 18-19.

[68] *Original Determination*, USITC Pub. 4713 at 13-14.

[69] Confidential Original Determination, EDIS Doc. 779107 at 19. The Commission observed that two firms from South Korea, AKC and LG Chemicals, Ltd. ("LG"), together accounted for approximately *** percent of production of DOTP in South Korea in 2016. *Id*. The Commission also observed that under the United States-Korea Free Trade Agreement, the applicable duty for U.S. imports of DOTP originating in South Korea was eliminated, effective March 15, 2012. *Original Determination*, USITC Pub. 4713 at 13-14.

percent in 2015, and *** percent in 2016.[70] The largest sources of nonsubject imports during the POI were China and Mexico.[71]

Current Review. During the POR, the domestic industry continued to be the largest supplier to the U.S. market.[72] Its share of apparent U.S. consumption increased irregularly during the POR from *** percent in 2017, to *** percent in 2018, *** percent in 2019, and *** percent in 2020, before decreasing to *** percent in 2021 and *** percent in 2022.[73]

There were several changes to the domestic industry during the POR, including BASF commencing production of DOTP at its Pasadena, Texas plant in July 2017 and ***.[74] The domestic industry's production capacity increased overall by *** percent from 2017 to 2022, while its capacity utilization rate decreased irregularly from *** percent in 2017 to *** percent in 2022.[75] Eastman reported that the domestic industry produces DOTP using a 24-hour, seven-day a week, continuous production process in order to maximize efficiency, which requires that it operate at a high rate of capacity utilization to reduce unit fixed costs to an economic level.[76]

Subject imports were the second largest source of supply to the U.S. market from 2017 through 2019 and were the third largest source for the remainder of the POR.[77] Subject imports as a share of apparent U.S. consumption decreased from *** percent in 2017 to *** from 2020 through 2022.[78]

Nonsubject imports were the third largest source of supply to the U.S. market from 2017 through 2019 and the second largest source for the remainder of the POR.[79] Nonsubject imports as a share of apparent U.S. consumption increased irregularly during the POR, from ***

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[70] Confidential Original Determination, EDIS Doc. 779107 at 19.

[71] *Original Determination*, USITC Pub. 4713 at 14.

[72] CR/PR at Tables I-8 and C-1.

[73] CR/PR at Tables I-8 and C-1. Apparent U.S. consumption is calculated from the U.S. shipments of both U.S. producers and from 19 importers accounting for more than *** percent of imports of DOTP from all sources, including virtually all imports of DOTP from South Korea. *See* CR/PR at I-9, III-1, and IV-1.

[74] CR/PR at Tables III-1-3.

[75] CR/PR at Tables III-5, C-1. The domestic industry's capacity utilization rate ranged from *** percent in 2022 to *** percent in 2018. *Id*. at Table III-4. The only U.S. producer to report changes in production capacity was ***, which reported an increase from 2018 to 2019 and decreases in 2020 and 2022. *Id.* at Table III-5.

[76] Eastman's Posthearing Brief at 1.

[77] CR/PR at Tables I-8, C-1. Subject imports' share of apparent U.S. consumption was *** percent in 2017, *** percent in 2018, *** percent in 2019, and *** percent from 2020 through 2022. *Id*.

[78] CR/PR at Tables I-8, C-1.

[79] CR/PR at Tables I-8, C-1.

percent in 2017 to *** percent in 2022.[80] Turkey, Taiwan, and Malaysia are believed to be the largest sources of nonsubject imports during the POR.[81]

*** U.S. producers and a majority of importers (***) reported that they had not experienced supply constraints since January 1, 2017.[82] However, a majority of purchasers (10 of 14) reported experiencing supply constraints during this same period.[83] ***.[84] ***.[85]

3. Substitutability and Other Conditions

Original Investigation. During the original investigation, the Commission found that there was a high degree of substitutability between domestically produced DOTP and subject imports and that price was an important factor for purchasers.[86] It observed that both Eastman and ALAC characterized DOTP as a commodity product and that the majority of responding market participants reported that domestically produced DOTP and subject imports were "always" or "frequently" interchangeable.[87] Majorities of purchasers found the domestic like product and subject imports to be "comparable" with respect to each of the 14 non-price factors.[88]

The Commission observed that 16 of 19 purchasers reported that price was a "very important" factor in their purchasing decisions for DOTP, while three purchasers reported that it was "somewhat important."[89] Seventeen purchasers listed price as among their top three most important purchasing factors.[90] A majority of responding firms reported that differences other than price between the domestic like product and subject imports were only "sometimes" or "never" important.[91]

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[80] CR/PR at Tables I-8, C-1. Nonsubject imports' share of apparent U.S. consumption was *** percent in 2017, *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in 2021, and *** percent in 2022. *Id*.

[81] CR/PR at II-7.

[82] CR/PR at II-7.

[83] CR/PR at II-8. Purchasers reported "tight availability" of DOTP after Winter Storm Uri in 2021 and fewer suppliers after subject producer LG exited the U.S. market, while others noted being subject to allocations or other sales controls and the limited availability of DOTP for spot purchases. *Id.*

[84] CR/PR at III-6.

[85] CR/PR at II-7.

[86] *Original Determination*, USITC Pub. 4713 at 14.

[87] *Original Determination*, USITC Pub. 4713 at 14.

[88] *Original Determination*, USITC Pub. 4713 at 14.

[89] *Original Determination*, USITC Pub. 4713 at 14.

[90] *Original Determination*, USITC Pub. 4713 at 14. Eighteen purchasers listed quality as among their top three factors and 13 purchasers listed quality as the most important factor. *Id.*

[91] *Original Determination*, USITC Pub. 4713 at 14.

The Commission found that raw materials accounted for a substantial share of the cost of producing DOTP, observing that Eastman's raw material costs as a share of its cost of goods sold ("COGS") ranged between *** and *** percent during the POI.[92] It also found that U.S. prices for two petrochemicals used as inputs for production of DOTP, propylene and paraxylene, declined over the POI.[93]

The Commission observed that while Eastman and subject importers reported making a majority of their commercial U.S. shipments through spot sales, Eastman reported ***, and importers reported ***.[94] Eastman reported *** that had ***.[95]

The Commission also noted that a majority of responding firms reported that there were substitutes for DOTP such as DINP, but most of these firms indicated that this interchangeability applied to a minority of end-use applications.[96] A smaller number of firms described dioctyl phthalate (DOP) and di(2-propylheptyl) phthalate (DPHP), both ortho-phthalate plasticizers, as substitutes for DOTP in some end-use applications.[97] The Commission observed that responding purchasers and importers reported that regulatory concerns had limited the substitutability of DINP and DOTP and found that a number of manufacturers of consumer products and major retailers had chosen to switch from using ortho-phthalate plasticizers to using the non-phthalate plasticizer DOTP in major end uses such as flooring products.[98] Finally, it noted that a majority of responding firms reported that changes in the price of DINP did not affect DOTP prices.[99]

Current Review. We again find a high degree of substitutability between domestically produced DOTP and subject imports.[100] *** responding U.S. producers, *** importers, and

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[92] *Original Determination*, USITC Pub. 4713 at 15. The Commission observed that the primary raw materials used to manufacture DOTP are 2-ethylhexanol (2-EH), dimethyl terephthalate (DMT), and purified terephthalic acid (PTA). *Id*. Eastman stated that it used 2-EH and DMT while most other DOTP producers used 2-EH and PTA, and that 2-EH was made from propylene and other chemicals, while DMT was made from paraxylene and other chemicals. *Id*.

[93] *Original Determination*, USITC Pub. 4713 at 15.

[94] Confidential Original Determination, EDIS Doc. 779107 at 21.

[95] Confidential Original Determination, EDIS Doc. 779107 at 21. ALAC stated that ***. *Id*.

[96] *Original Determination*, USITC Pub. 4713 at 15.

[97] *Original Determination*, USITC Pub. 4713 at 15-16; Confidential Original Determination, EDIS Doc. 779107 at 22 n.82.

[98] *Original Determination*, USITC Pub. 4713 at 15-16.

[99] *Original Determination*, USITC Pub. 4713 at 15-16; Confidential Original Determination, EDIS Doc. 779107 at 23 n.91. The vast majority of responding firms also reported that changes in the prices of DOP and DPHP had not affected the price of DOTP. *Original Determination*, USITC Pub. 4713 at 15-16; Confidential Original Determination, EDIS Doc. 779107 at 23 n.91.

[100] CR/PR at II-12.

most purchasers reported that the domestic like product and subject imports were always or frequently interchangeable.[101] *** market participant reported that the domestic like product and subject imports were never interchangeable.[102] *** responding U.S. producers and a majority of importers reported that there were either sometimes or never significant differences in factors other than price between subject imports and the domestic like product.[103] Although half of purchasers (four of eight) reported that there were sometimes significant differences in factors other than price between subject imports and the domestic like product,[104] a majority of purchasers reported that the domestic like product was comparable or superior to subject imports with respect to all 13 non-price purchasing factors.[105]

We also find that price is an important factor in purchasing decisions. Responding purchasers most frequently cited availability/reliable delivery/supply continuity (14 firms), price (12 firms), and quality (10 firms) as among the top three factors influencing their purchasing decisions. Price was most frequently reported as the most important factor (six firms) followed by quality (five firms).[106] Furthermore, responding purchasers frequently reported price as a very important factor in purchasing decisions.[107] A majority of purchasers (nine of 14 firms) reported that they usually purchase the lowest-priced product.[108]

The primary raw materials for DOTP production are 2-EH, DMT, and PTA.[109] Raw material costs represent U.S. producers' largest component of total COGS; as a percentage of total COGS, their raw material costs increased irregularly from *** percent in 2017 to ***

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[101] CR/PR at Tables II-13-15.

[102] CR/PR at Tables II-13-15.

[103] CR/PR at Tables II-16-17.

[104] CR/PR at Table II-18. Three purchasers reported that there were frequently significant differences in factors other than price between subject imports and the domestic like product while one purchaser reported that there were always significant differences between these two product groups. *Id*.

[105] CR/PR at Table II-12. A majority of purchasers rated U.S.-produced DOTP comparable or superior to DOTP from South Korea for every purchasing factor except discounts offered. *Id*. Twelve of 13 responding purchasers reported that domestically produced product always met minimum quality specifications, and five of six responding purchasers reported that DOTP imported from South Korea always met minimum quality specifications. CR/PR at Table II-10.

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

[107] CR/PR at Table II-9. Purchasers most frequently reported availability (14 firms), reliability of supply (14 firms), and price (13 firms) as very important to their purchasing decisions. *Id.*

[108] CR/PR at II-14. Four purchasers reported sometimes purchasing the lowest-priced product, and one reported always purchasing the lowest-price product. *Id*.

[109] CR/PR at I-15, III-24, V-1.

percent in 2022.[110] On a per-metric ton basis, U.S. producers' raw material costs increased irregularly from $*** per metric ton in 2017 to $*** per metric ton in 2022.[111] DMT and PTA are made from paraxylene while 2-EH is made from propylene and other chemicals. According to data from the ***, from 2017 to 2021, prices for paraxylene and propylene fluctuated but increased overall, with prices for paraxylene increasing by *** percent and prices for propylene increasing by *** percent during this period.[112] A majority of responding purchasers (nine of 14) reported that they were familiar with the raw material prices for DOTP, and seven of 11 purchasers indicated that raw material prices affected their negotiations or contracts to purchase DOTP since 2017.[113]

U.S. producers reported selling *** percent of their DOTP in the spot market in 2022 and most of their remaining sales were via long-term (*** percent) and annual contracts (*** percent).[114] Importers reported selling a large majority of their products in 2022 in the spot market (*** percent), followed by annual contracts (*** percent), and long-term contracts (*** percent).[115] Both domestic producers reported *** in their annual and long-term contracts, which are typically ***.[116]

U.S. producers reported that *** of their commercial shipments were sold from inventory and that their lead times were approximately ***.[117] While no information is available regarding the lead times of importers of subject merchandise in the current review, in the original investigation, importers of DOTP reported that 75.8 percent of their commercial shipments were sold from inventories with lead times averaging seven days.[118]

In the current review, *** domestic producers, 14 of 15 importers, and 10 of 14 purchasers reported that there have been no changes in the number or types of substitutes for

[110] CR/PR at V-1, Table III-11.

[111] CR/PR at Table III-11.

[112] CR/PR at V-1, Table V-1, Fig. V-1.

[113] CR/PR at V-3. A majority of importers (11 of 13) reported that raw materials prices have either increased steadily during the POR or fluctuated but ended the POR *** than in the beginning. *Id*.

[114] CR/PR at Table V-3.

[115] CR/PR at Table V-3. Importers reported selling *** percent of their products using short-term contracts. *Id*.

[116] CR/PR at V-5. ***, the only other importer *** that reported using contracts for sales of DOTP, reported using fixed prices. *Id*.

[117] CR/PR at II-15.

[118] CR/PR at II-15; *Original Determination*, USITC Pub. 4713 at II-11.

DOTP since 2017.[119] Eastman reported that DOTP and phthalate plasticizers are not interchangeable due to different physical characteristics, toxicological profiles, limiting customer/producer perceptions, as well as regulatory and toxicity concerns that have intensified since 2017.[120] It also reported that prices of ortho-phthalate plasticizers do not affect the price of DOTP.[121] No responding firms indicated that the availability of substitutes had affected demand for DOTP since 2017. [122]

In October 2017, the Consumer Product Safety Commission included five additional phthalates on a list banning the certain phthalates for use in toys for children under the age of 12. This list includes DEHP and DINP, two of the most common phthalate plasticizers. In December 2020, Amazon.com, Inc. announced a ban on all phthalates in its food packaging. In October 2020, the California Supreme Court denied the American Chemistry Council's appeal over the inclusion of DINP as a carcinogen in the Prop. 65 list.[123]

C. Likely Volume of Subject Imports

1. The Original Investigation

In the original investigation, the Commission found that the volume of subject imports was significant, both in absolute terms and relative to apparent U.S. consumption, and the increase in volume of subject imports was significant in absolute terms.[124] The volume of subject imports increased by *** percent during the POI, from *** metric tons in 2014, to *** metric tons in 2015, and *** metric tons in 2016.[125] The share of apparent U.S. consumption

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[119] CR/PR at II-11. As indicated above in this section, in the original investigation, a majority of responding firms reported that there were substitutes of DOTP in certain end-use applications, including ortho-phthalate plasticizers such as DITP, and to a lesser extent, DOP and DPHP. *Original Determination*, USITC Pub. 4713 at 15-16. However, the Commission also observed that U.S. purchasers and importers reported that regulatory concerns limited the substitutability of DINP and DOTP and that certain manufacturers had chosen to switch from using ortho-phthalate plasticizers to using DOTP, a non-phthalate plasticizer. *Id*.

[120] Eastman's Prehearing Brief at 11-12; Eastman's Posthearing Brief. We note that importer *** reported that it replaced DINP with DOTP for some of its products. CR/PR at II-8.

[121] Eastman's Posthearing Brief at 3.

[122] CR/PR at II-11.

[123] CR/PR at II-11, Table III-1.

[124] *Original Determination*, USITC Pub. 4713 at 17.

[125] Confidential Original Determination, EDIS Doc. 779107 at 24.

accounted for by subject imports was *** percent in 2014, *** percent in 2015, and *** percent in 2016.[126]

2. The Current Review

The record in this review indicates that the order has had a disciplining effect on the volume of subject imports. Throughout the POR, annual subject imports were lower than any year of the original POI and minimal from 2020 through 2022.[127] Specifically, the volume of subject imports was *** metric tons in 2017, *** metric tons in 2018, *** metric tons in 2019, *** metric tons in 2020, *** metric tons in 2021, and *** metric tons in 2022.[128] U.S. shipments of subject imports as a share of apparent U.S. consumption declined from *** percent in 2017, to *** percent in 2018, *** percent in 2019, and *** percent for the remainder of the POR.[129]

In this review, the record contains only limited data concerning the industry in South Korea. As noted above, AKC, which estimates that it accounted for approximately *** percent of the production of DOTP in South Korea in 2021, provided information in its response to the notice of institution concerning its operations in 2021 but no foreign producers or exporters responded to the Commission's questionnaire.[130] Nonetheless, the record of this review indicates that the subject industry in South Korea has the ability and incentive to increase exports to the United States to significant levels upon revocation of the order.

The information available shows that the subject industry has increased its production and capacity since the original investigation and had significant excess capacity in 2021. Specifically, based on AKC's estimates, subject producers in South Korea produced approximately *** metric tons of DOTP in 2021,[131] which is *** percent greater than the

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[126] Confidential Original Determination, EDIS Doc. 779107 at 24.

[127] CR/PR at Table IV-1; Confidential Original Determination, EDIS Doc. 779107 at 24.

[128] CR/PR at Table IV-1. U.S. shipments of subject imports were *** metric tons in 2017, *** metric tons in 2018, *** metric tons in 2019, *** metric tons in 2020, *** metric tons in 2021, and *** metric tons in 2022. *Id*. at Tables I-8, C-1.

[129] CR/PR at Tables I-8, C-1. As noted above, U.S. import data are based on the responses of 19 U.S. importers of DOTP which are believed to have accounted for over *** percent of all U.S. imports of DOTP in 2022 and virtually all subject imports during the POR.

[130] CR/PR at IV-7; AKC's Response at 9.

[131] *Calculated from* AKC's Response at 9 (using AKC's reported DOTP production in 2021 (***) and its reported estimate of its percentage of overall production in South Korea in 2021 (*** percent)).

subject industry produced in 2016,[132] significantly greater than the capacity of the subject industry throughout the original POI,[133] and *** apparent U.S. consumption in 2021.[134] Additionally, AKC reported that it had significant DOTP production capacity of *** metric tons and production of *** metric tons in 2021.[135] Consequently, during 2021, AKC alone had excess capacity of *** metric tons, equivalent to *** percent of apparent U.S. consumption in that year.[136] Information from the *** also indicates that there are *** during the POR.[137]

Available information indicates that the subject industry is also export oriented. AKC reported that its customers in Asia and Europe account for "approximately *** percent by quantity" of its sales of DOTP and that it increased its sales in China following that country's reduction of its value added tax rate for sales of DOTP.[138] According to Global Trade Atlas ("GTA") data, throughout the POR, South Korea was by far the largest global exporter of aromatic polycarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives under HS subheading 2917.39, which includes DOTP and out-of-scope products.[139] Exports of such products from South Korea ranged from 470,803 metric tons in 2019 to 510,889 metric tons in 2017, and were 496,658 metric tons in 2022.[140]

The United States is one of the largest global markets for DOTP, accounting for approximately 25 percent of global DOTP consumption,[141] and remains an attractive export market for subject producers, providing them with the incentive to export significant volumes of subject merchandise to the United States in the event of revocation. DOTP prices are generally higher in the United States than in third-country markets such as China, which

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[132] Subject producers reported producing *** metric tons of DOTP in 2016. *Confidential Original Determination*, EDIS Doc. 779107 at Table VII-1.

[133] The subject industry's annual DOTP capacity was *** metric tons in 2014, *** metric tons in 2015, and *** metric tons in 2016. Confidential Report from the Original Determination, EDIS Doc. 779109 at Table VII-3. Eastman estimates that *** identified subject producers in South Korea have approximately *** metric tons of total DOTP production capacity. Eastman's Posthearing Brief at Exhibit 2.

[134] CR/PR at Table I-8.

[135] CR/PR at IV-7.

[136] *Calculated from* CR/PR at IV-7 and Table I-8.

[137] CR/PR at Table IV-5 (indicating that ***). *Id*. While ***. *Id*.

[138] CR/PR at IV-7-8.

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

[140] CR/PR at Tables IV-6-7 (based on GTA data for HTS subheading 2917.39). Exports of such products from South Korea were 510,889 metric tons in 2017, 492,626 metric tons in 2018, 470,803 metric tons in 2019, 501,514 metric tons in 2020, 481,354 metric tons in 2021, and 496,658 metric tons in 2022. *Id*.

[141] Eastman's Posthearing Brief at 5.

accounts for approximately 50 percent of global DOTP consumption.[142] In addition, Turkey imposed antidumping duties on DOTP products from South Korea since 2017, further increasing the relative attractiveness of the U.S. market to DOTP exporters in South Korea in the event of revocation.[143] Several responding importers and purchasers also reported that the imposition of the antidumping duty order resulted in decreased subject imports in the U.S. market and/or that revocation of the order would lead to increased subject imports.[144]

Accordingly, based on the forgoing, including the significant volume of subject imports during the original investigation; the substantial production capacity, including excess capacity, and export orientation of the subject industry; and the attractiveness of the U.S. market, we find that the likely volume of subject imports would be significant, both in absolute terms and relative to consumption in the United States, if the order were revoked.[145]

D. Likely Price Effects

1. The Original Investigation

In the original investigation, the Commission found that subject imports and the domestic like product were highly substitutable and that price was an important factor in purchasing decisions.[146]

Based on pricing product data, the Commission found that subject imports undersold the domestic like product in 20 out of 24 quarterly comparisons, at margins averaging 8.2 percent.[147] The Commission also found that *** metric tons of subject imports were associated with instances of underselling, accounting for 84.0 percent of the quantity of subject imports

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[142] *See*, *e.g.*, Eastman's Posthearing Brief at 5, Exhibit 1 (showing that ***). According to these data, the *** per metric ton, respectively, while the *** per metric ton, respectively. *Id*. at Exhibit 1.

[143] CR/PR at IV-11.

[144] CR/PR at II-7, Table D-1. Five of 11 purchasers reported that the order affected their purchases while nine of 13 purchasers anticipate that revocation of the antidumping duties would have an effect on the domestic DOTP market. CR/PR at II-17. ***. CR/PR at Table D-1. ***. *Id*. *** have ***. *Id*. *** and *** would *** in the event of revocation. *Id*. Purchaser ***. *Id*.

[145] The limited record of this review resulting from the lack of foreign producer participation does not contain information about inventories of the subject merchandise or the potential for product shifting.

[146] *Original Determination*, USITC Pub. 4713 at 17.

[147] *Original Determination*, USITC Pub. 4713 at 17-18; Confidential Original Determination, EDIS Doc. 779107 at 25-26.

covered by the Commission's pricing data.[148] It found the pervasive underselling by subject imports to be significant.[149]

The Commission found that price competition between subject imports and the domestic like product increased over the POI as Eastman lowered its prices to be more competitive with subject imports, thereby reducing the margins of underselling by subject imports.[150] It also found that competition from increasing volumes of low-priced subject imports contributed to declining domestic prices, as the prices of both domestically produced DOTP and subject imports from South Korea declined *** over the POI despite increasing apparent U.S. consumption.[151]

The Commission found that declining raw material costs did not fully explain the magnitude of the decline in DOTP prices because Eastman's prices declined to a *** greater degree than its raw material costs.[152] It also found that DINP prices could not explain declining DOTP prices, given that a substantial majority of responding purchasers reported that changes in DINP prices did not affect DOTP prices.[153]

Finally, the Commission found that Eastman's prices declined to a greater extent than they would have absent the presence of low-priced subject imports, given that U.S. demand for DOTP rapidly increased.[154] It concluded that subject imports significantly undersold the domestic like product and depressed prices for the domestic like product to a significant degree.[155]

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[148] *Original Determination*, USITC Pub. 4713 at 18; Confidential Original Determination, EDIS Doc. 779107 at 25-26.

[149] The Commission also observed that of the ten responding purchasers that reported having purchased subject imports instead of the domestic like product, nine reported that subject imports were priced lower than the domestic like product, and seven reported that price was a primary reason for their decision to purchase subject imports. *Original Determination*, USITC Pub. 4713 at 18 n.103.

[150] *Original Determination*, USITC Pub. 4713 at 18.

[151] Confidential Original Determination, EDIS Doc. 779107 at 26-27. Eight purchasers reported that Eastman reduced its prices in order to compete with lower-priced subject imports, with reductions estimated between one and 30 percent. *Id*. at 27.

[152] Confidential Original Determination, EDIS Doc. 779107 at 27-28.

[153] *Original Determination*, USITC Pub. 4713 at 19.

[154] *Original Determination*, USITC Pub. 4713 at 20-21.

[155] *Original Determination*, USITC Pub. 4713 at 21.

2. The Current Review

As discussed in section IV.B.3, we have found that there is a high degree of substitutability between domestically produced DOTP and subject imports, and that price is an important factor in purchasing decisions.

The Commission collected quarterly price data on two pricing products in this review.[156] Both U.S. producers and four importers provided usable data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[157] Data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. shipments of DOTP in 2022 by quantity and approximately *** percent of U.S. shipments of subject imports from 2017 through 2022.[158] No pricing data for subject imports were reported by importers *** and consequently there are limited price comparisons available.[159]

The pricing data on the record indicate that subject imports undersold the domestic like product in *** (or *** percent of) quarterly comparisons, at margins of underselling that ranged from *** to *** percent and averaged *** percent, while overselling the domestic like product in ***, at overselling margins that ranged from *** to *** percent and averaged *** percent.[160] There were *** metric tons of subject imports sold in quarters in which subject imports undersold the domestic like product, accounting for *** percent of subject import sales volume reported in the pricing data.[161] Thus, notwithstanding the discipline of the order, subject imports undersold the domestic like product in the majority of quarterly comparisons, accounting for most of the reported volume of subject imports covered by the Commission's pricing data during the POR.

We have also considered price trends. Over the POR, the average quarterly price of domestically produced DOTP increased by *** percent for product 1 and *** percent for

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[156] The Commission requested pricing data on the following products:

Product 1.—Dioctyl terephthalate in 20 MT containers, including tank trucks, flexitanks, or flexitainers, and/or isotanks;

Product 2.—Dioctyl terephthalate in bulk, including railcars and bulk liftings. CR/PR at V-6.

[157] CR/PR at V-7.

[158] CR/PR at V-7.

[159] CR/PR at Tables V-4-5. Pricing data for subject imports was ***. *Id*.

[160] CR/PR at Table V-7.

[161] CR/PR at Table V-7. There were *** metric tons of subject imports f subject imports sold in quarters in which subject imports oversold the domestic like product. *Id*.

product 2.[162] While price comparison data for subject imports is not available for either pricing product after 2018, subject import prices generally increased between the first and last quarters for which data are available, from 2017 through 2018 for product 1 and from 2017 through the first quarter of 2018 for product 2.[163]

Of particular significance is the fact that much of the increase in the prices of domestically produced DOTP occurred after subject imports had exited the market with respect to products 1 and 2. Specifically, the domestic industry's price for Product 1 was *** percent higher in the last quarter of 2022 compared to the last quarter of 2018,[164] while its price for Product 2 was *** percent higher in the last quarter of 2022 compared to the first quarter of 2018.[165] Indeed, many U.S. market participants either reported that the order resulted in increased prices or that revocation of the order would lead to negative price effects for domestic producers.[166] For example, ***,[167] ***,[168] ***,[169] and *** ***,[170] while ***.[171]

Given the significant underselling in the original investigation and the predominant underselling during the current POR, as well as our finding that the volume of subject imports would likely be significant after revocation, we find that subject imports are likely to undersell the domestic like product to a significant degree if the order were revoked. Given the high degree of substitutability between subject imports and the domestic like product and the importance of price in purchasing decisions, the significant volume of low-priced subject imports that is likely after revocation would likely force the domestic industry to either reduce its prices as it did in the original investigation, forego needed price increases, or lose sales and market share to subject imports.

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[162] CR/PR Table V-6.

[163] From the first quarter of 2017 through the fourth quarter of 2018, the last quarter for which pricing product data was available for subject imports of Product 1, prices of subject imports increased by *** percent. During this same period, prices of domestically produced DOTP increased by *** percent. *Calculated from* CR/PR at Table V-4.

From the first quarter of 2017 through the first quarter of 2018, the last quarter for which pricing product data was available for subject imports of Product 2, prices of subject imports increased by *** percent. During this same period, prices of domestically produced DOTP increased by *** percent. *Calculated from* CR/PR at Table V-5.

[164] CR/PR at Table V-4.

[165] CR/PR at Table V-5.

[166] CR/PR at Table D-1.

[167] CR/PR at Table D-1. ***. *Id*.

[168] CR/PR at D-1. ***. *Id*.

[169] CR/PR at D-1. ***. *Id*.

[170] CR/PR at Table D-1. ***. *Id*.

[171] CR/PR at Table D-1. ***. *Id*.

Based on the foregoing, we conclude that if the order were revoked, the likely significant volume of subject imports would likely undersell the domestic like product to a significant degree and cause significant price effects.

E. Likely Impact

1. The Original Investigation

In the original investigation, the Commission recognized that the domestic industry experienced some favorable conditions, such as increasing U.S. demand and declining raw material costs, and increased its output, U.S. shipments, net sales quantity, and market share during the POI, but noted that the industry's revenues had declined while its financial indicators declined sharply.[172]

The Commission found that the domestic industry's increasing production, net sales quantity, and U.S. shipments were a product of its increased capacity, demand growth, and its need to maintain a high capacity utilization rate given its continuous production process.[173] In light of the impracticability of reducing production, the Commission found, the domestic industry was required to reduce prices as a result of competition from low-priced subject imports, leading to decreased revenues and sharply declining profitability.[174] Accordingly, the Commission found that the large and increasing volume of low-priced subject imports depressed the domestic industry's prices and caused its revenues to be lower than they otherwise would have been, leading to a sharp decline in its financial performance over the POI.[175]

In its non-attribution analysis, the Commission found that increasing U.S. demand for DOTP did not explain the injury to the domestic industry. It also found that during the POI, nonsubject imports had a small and declining share of the U.S. market and were priced higher than the domestic like product in a majority of quarterly comparisons.[176]

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[172] *Original Determination*, USITC Pub. 4713 at 22-23.

[173] *Original Determination*, USITC Pub. 4713 at 23.

[174] *Original Determination*, USITC Pub. 4713 at 23. The Commission noted that despite the increase of over *** percent in the domestic industry's net sales quantity, its revenues declined by almost *** percent, in part because of the price-depressing effects of low-priced subject imports. Confidential Original Determination, EDIS Doc. 779107 at 34.

[175] *Original Determination*, USITC Pub. 4713 at 23.

[176] *Original Determination*, USITC Pub. 4713 at 23-24.

The Commission concluded that subject imports had a significant impact on the domestic industry.[177]

2. The Current Review[178]

The domestic industry's performance generally improved overall during the POR, initially declining from 2017 through 2020, improving in 2021 to the highest level of the POR, and then declining somewhat from 2021 to 2022 to a level that generally remained higher than in 2017. The industry's production capacity increased by *** percent while its production increased by *** percent, resulting in its capacity utilization rate decreasing by *** percentage points from 2017 to 2022.[179]

The domestic industry's employment-related indicators fluctuated, but generally increased from 2017 to 2022. Its number of production related workers ("PRWs"), hours worked, wages paid, and hourly wages all increased irregularly between 2017 and 2022 by ***,

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[177] *Original Determination*, USITC Pub. 4713 at 24. The Commission rejected ALAC's argument that the increase in subject imports during the POI was ***. The Commission noted that *** of DOTP from South Korea were properly considered subject imports and that BASF was not part of the domestic industry during the POI. Confidential Original Determination, EDIS Doc. 779107 at 36. Even assuming *arguendo* that the subject imports may have ultimately benefited BASF's domestic operations, the Commission explained that the statutory inquiry was whether "an industry in the United States is materially injured . . . by reason of imports . . . ," and found that subject imports had adverse effects on the sole domestic producer, Eastman, irrespective of BASF's role in importation. *Original Determination*, USITC Pub. 4713 at 24.

[178] In its expedited sunset review of the order, Commerce found that revocation of the order would be likely to lead to continuation or recurrence of dumping margins up to 4.08 percent. CR/PR at Table I-4 *citing Dioctyl Terephthalate From the Republic of Korea: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 87 Fed. Reg. 66264 (November 3, 2022).

[179] CR/PR at Table III-5, C-1. The domestic industry's production was *** metric tons in 2017, *** metric tons in 2018, *** metric tons in 2019, *** metric tons in 2020, *** metric tons in 2021, and *** metric tons in 2022. *Id*. The domestic industry's average annual capacity was *** metric tons in 2017, *** metric tons in 2018, *** metric tons in 2019, *** metric tons in 2020, *** metric tons in 2021, and *** metric tons in 2022. *Id*. The domestic industry's capacity utilization rate was *** percent in 2017, *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in 2021, and *** percent in 2022. *Id.*

***, ***, and *** percent, respectively.[180] The domestic industry's productivity decreased irregularly by *** percent between 2017 and 2022.[181]

The quantity of the domestic industry's U.S. shipments decreased irregularly by *** percent while its net sales quantity increased irregularly by *** percent between 2017 and 2022.[182] The domestic industry's share of apparent U.S. consumption and ending inventory levels increased irregularly from 2017 to 2022 by *** percentage points and *** percent, respectively.[183]

Most of the domestic industry's financial performance indicia fluctuated but improved overall during the POR, declining in 2018 and in 2020, when it ***, before rebounding strongly in 2021, and then declining somewhat in 2022. Its net sales value,[184] gross profits,[185] operating

[180] The number of PRWs was *** in 2017, *** in 2018, *** in 2019, *** in 2020, *** in 2021, and *** in 2022. CR/PR at Tables III-10, C-1. Hours worked were *** in 2017, *** in 2018, *** in 2019, *** in 2020, *** in 2021, and *** in 2022. *Id.* Wages paid were $*** in 2017 and 2018, $*** in 2019, $*** in 2020, $*** in 2021, and $*** in 2020. *Id*. Hourly wages were $*** in 2017, *** in 2018, $*** in 2019, $*** in 2020, $*** in 2021, and $*** in 2022. *Id*.

[181] Productivity in metric tons per hour was *** metric tons in 2017, *** metric tons in 2018, *** metric tons in 2019, *** metric tons in 2020, *** metric tons in 2021, and *** metric tons in 2022. CR/PR at Tables III-10, C-1.

[182] U.S. producers' U.S. shipments were *** metric tons in 2017, *** metric tons in 2018, *** metric tons in 2019, *** metric tons in 2020, *** metric tons in 2021, and *** metric tons in 2022. CR/PR at Tables I-8, III-7, C-1. The domestic industry's net sales were *** metric tons in 2017, *** metric tons in 2018, *** metric tons in 2019, *** metric tons in 2020, *** metric tons in 2021, and *** metric tons in 2022. CR/PR at Tables III-7, C-1.

[183] The domestic industry's share of apparent U.S. consumption was *** percent in 2017, *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in 2021, and *** percent in 2022. CR/PR at Tables I-8, C-1. The domestic industry's ending inventory quantities were *** metric tons in 2017, *** metric tons in 2018, *** metric tons in 2019, *** metric tons in 2020, *** metric tons in 2021, and *** metric tons in 2022. CR/PR at Tables III-8, C-1.

[184] Net sales values were $*** in 2017, $*** in 2018, $*** in 2019, $*** in 2020, $*** in 2021, and $*** in 2022. CR/PR at Tables III-7, III-11, C-1.

[185] Gross profits were $*** in 2017, $*** in 2018, $*** in 2019, $*** in 2020, $*** in 2021, and $*** in 2022. CR/PR at Tables III-11, C-1.

income,[186] net income,[187] and research and development expenses[188] all increased overall from 2017 to 2022 by ***, ***, ***, ***, and *** percent, respectively; its assets and return on assets also increased from 2017 to 2022.[189] However, its capital expenditures declined by *** percent during that same period.[190] In general, the record shows that the industry's condition was improved during the POR as compared to the original investigation period and that the domestic industry has benefitted from the order under review.[191]

In assessing the vulnerability of the domestic industry, we observe that most performance indicators fluctuated during the POR, but generally improved in 2022 compared to 2017 including the industry's capacity, production, sales, U.S. shipment value, and market share. However, some indicators including U.S. shipment quantity, capacity utilization, capital expenditures, inventories, and productivity were lower in 2022 compared to 2017. Financial indicators such as net sales revenue, gross profit, operating and net income, and operating and net income margins fluctuated but improved markedly in 2022 compared to 2017. In light of these improvements, we do not find that the domestic industry is in a vulnerable condition.

As discussed above, we have found that the volume of subject imports would likely be significant if the order were revoked, and that subject imports would likely undersell the domestic like product to a significant degree, forcing the domestic industry to either reduce prices or forgo price increases, or else lose sales and market share to subject imports.

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[186] Operating income was $*** in 2017, $*** in 2018, $*** in 2019, $*** in 2020, $*** in 2021, and $*** in 2022. CR/PR at Tables III-11, C-1. The domestic industry's operating margin was *** percent in 2017, *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in 2021, and *** percent in 2022. *Id*.

[187] Net income was $*** in 2017, $*** in 2018, $*** in 2019, *** in 2020, $*** in 2021, and $*** in 2022. CR/PR at Tables III-11, C-1. The domestic industry's net income margin was *** percent in 2017, *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in 2021, and *** percent in 2022. *Id.*

[188] Research and development expenses were $*** in 2017, $*** in 2018, $*** in 2019, $*** in 2020, $*** in 2021, and $*** in 2022. CR/PR at Tables III-17, C-1.

[189] The domestic industry's assets and return on assets both increased from 2017 to 2022 by *** percent and *** percentage points, respectively. *See* CR/PR at Tables III-19-20.

[190] Capital expenditures were $*** in 2017, $*** in 2018, $*** in 2019, $*** in 2020, $*** in 2021, and $*** in 2022. CR/PR at Tables III-15, C-1.

[191] The domestic industry generally reported higher profitability and greater yearly capital expenditures during the POR than in the original investigation as the industry reported substantially higher gross profits, operating income, and operating income ratio in 2022 than in 2016. For example, the industry's condition improved in 2017, the year after the petitions were filed, as evidenced by its *** percent operating margin and *** percent net income margin that year compared to 2016 when the domestic industry reported a *** percent operating margin and a *** net income margin. CR/PR at Appendix C.

Consequently, the likely significant volume of low-priced subject imports and their significant price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, we conclude that, if the order were revoked, subject imports would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports. Nonsubject imports increased irregularly during the POR in terms of both volume and market share, accounting for *** percent of apparent U.S. consumption in 2022.[192] Given the domestic industry's role as the predominant supplier of the U.S. market, the high degree of substitutability between the subject merchandise and the domestic like product, and the importance of price in purchasing decisions, the presence of nonsubject imports would likely not prevent the significant volume of low-priced subject imports that is likely after revocation from taking market share from the domestic industry and/or forcing U.S. producers to either lower prices or forgo price increases to retain market share. Furthermore, despite the increasing volume of nonsubject imports, the domestic industry experienced improved financial performance and increasing prices during the POR due at least in part to the disciplining effects of the order.[193] For these reasons, we find that any effects of nonsubject imports would be distinct from the likely effects attributable to the subject imports.

We have also considered the likely effects of demand trends on the domestic industry. Although apparent U.S. consumption declined irregularly during the POR from *** metric tons in 2017 to *** metric tons in 2022, *** responding firm reported that U.S. demand had either increased or remained the same over the POR.[194] Moreover, the record also indicates that demand is likely to remain stable or increase in the reasonably foreseeable future.[195] *** U.S. producers and a majority of importers anticipate that U.S. demand will increase in the reasonably foreseeable future, while most purchasers anticipate that U.S. demand will either

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[192] CR/PR at Tables I-8, IV-1 C-1. Nonsubject import volume increased from *** metric tons in 2017 to *** metric tons in 2022. *Id*. at Table IV-1. The share of apparent U.S. consumption by nonsubject imports increased from *** percent in 2017 to *** percent in 2022. *Id.* at Table I-8.

[193] CR/PR at Tables III-11, V-6, C-1.

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

[195] CR/PR at Table II-6.

increase or remain the same.[196] To the extent that demand for DOTP declines, the significant volume of low-priced subject imports that is likely after revocation would exacerbate any injury caused by declining demand (including an elevated COGS-to-net sales ratio,[197] leading to a lower operating income-to-net sales margin), and negatively impact the domestic industry by further reducing the industry's sales and/or placing additional downward pressure on domestic DOTP prices. Additionally, increasing U.S. demand will not prevent subject imports from having a significant impact on the domestic industry: in the original investigation, subject imports had significant price depressing effects on the domestic like product despite a substantial increase in apparent consumption during the POI.

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

IV. Conclusion

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

[196] CR/PR at Table II-6. Only one of 12 purchasers and two of 15 importers anticipate that U.S. demand will decrease in 2023 and 2024. *Id*.

[197] As referenced above in section III.B.2, Eastman reported that the domestic industry produces DOTP using a 24-hour, seven-day a week, continuous production process in order to maximize efficiency, which requires that it operate at a high rate of capacity utilization to reduce unit fixed costs to an economic level.

Part I: Introduction

Background

On July 1, 2022 the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted a review to determine whether revocation of the antidumping duty order on dioctyl terephthalate ("DOTP") from South Korea would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On August 1, 2022, Eastman Chemical Company ("Eastman"), a producer of DOTP in the United States and Aekyung Chemical Co., Ltd., ("AKC"), a producer of DOTP in South Korea responded to the Commission's notice of institution in this review.[4] On October 4, 2022, the Commission found that the domestic interested party and the respondent interested party group responses were adequate and therefore determined to conduct a full review.[5] Subsequently, on January 25, 2023, counsel to AKC indicated to the Commission that AKC would no longer participate in this five-year review.[6] On January 31, 2023, Eastman requested the Commission to reconsider its adequacy determination and its decision to conduct a full five-year review.[7] The Commission denied this request for reconsideration on February 8, 2023.[8] On April 18, 2023, Eastman requested that the Commission cancel the hearing scheduled for April 27, 2023.[9] No other parties requested to appear at the hearing. On April 25, 2023, the Commission cancelled the hearing.[10] Table I-1 presents information relating to the background and schedule of this proceeding.[11]

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

[2] 87 FR 39556, July 1, 2022. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of a five-year review of the subject antidumping duty order. 87 FR 39459, July 1, 2022.

[4] 87 FR 75067, December 7, 2022.

[5] 87 FR 75067, December 7, 2022.

[6] Winton and Chapman Written Statement, EDIS Doc. 788582, January 25, 2023.

[7] Eastman Request for Redetermination of Adequacy and Decision to Conduct an Expedited Review, EDIS Doc. 789011, January 31, 2023.

[8] Commission Denying Request for Reconsideration, EDIS Doc. 789807, February 8, 2023.

[9] Eastman Request to Cancel April 27th Hearing, EDIS Doc. 794534, April 18, 2023.

[10] 88 FR 26598, May 1, 2023.

[11] The Commission's notice of institution, notice to conduct a full review and scheduling notice are referenced in appendix A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct an expedited or a full review may also be found at the web site. Appendix B contains Eastman's request to cancel the scheduled hearing.

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

Effective date	Action
August 18, 2017	Commerce's antidumping duty order on DOTP from South Korea (82 FR 39409)
July 1, 2022	Commission's institution of five-year review (87 FR 39556)
July 1, 2022	Commerce's initiation of five-year review (87 FR 39459)
December 7, 2022	Commission's determinations to conduct full five-year review (87 FR 75067)
November 3, 2022	Commerce's final results of expedited five-year review of the antidumping duty order (87 FR 66264)
December 22, 2022	Commission's scheduling of the review (87 FR 78708)
April 27, 2023	Scheduled date for the Commission's hearing. This hearing was subsequently cancelled (88 FR 26598, May 1, 2023)
June 6, 2023	Scheduled date for the Commission's vote
June 26, 2023	Scheduled date for the Commission's determination and views

The original investigation

The original investigation resulted from a petition filed by Eastman Chemical Company, Kingsport, Tennessee, on June 30, 2016, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of DOTP from South Korea. Following notification of a final determination by Commerce that imports of DOTP from South Korea were being sold at LTFV, the Commission determined on August 9, 2017, that a domestic industry was materially injured by reason of LTFV imports of DOTP from South Korea.[12] Commerce published the antidumping duty order on DOTP from South Korea on August 18, 2017.[13]

Previous and related investigations

DOTP has not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

[12] *Dioctyl Terephthalate (DOTP) from Korea*, *Inv. No. 731-TA-1330 (Final)*, USITC Publication 4713, August 2017 ("Original publication"), p. I-1.

[13] 82 FR 39409, August 18, 2017.

Summary data

Table I-2 presents a summary of data from the original investigation and the current full five-year review. Since the original investigation, BASF, the *** importer of *** DOTP in the original investigation, has invested in domestic DOTP capacity, with DOTP production beginning in July 2017.[14] Domestic production capacity was *** percent higher in 2022 than in 2016 and domestic production was *** percent higher. Apparent U.S. consumption of DOTP was *** percent higher in quantity and *** percent higher in value in 2022 than in 2016. Total imports as a share of domestic consumption were *** percentage points lower in volume terms and *** percentage points lower in value terms in 2022 than in 2016. Subject imports' share of apparent U.S. consumption diminished from approximately *** of the U.S. DOTP market in 2016[15] to *** in 2022, as U.S. producers and U.S. importers of DOTP from sources other than South Korea, such as Malaysia, Taiwan, and Turkey, increased their market share.

[14] Domestic interested party's response to the notice of institution, August 1, 2022, p. 2 and Exh. 2. "BASF begins production of Palatinol DOTP plasticizer at its Pasadena, Texas facility," BASF press release, July 18, 2017, https://www.basf.com/us/en/media/news-releases/2017/07/P-US-17-072.html.

[15] Between 2014 and 2016, the market share of Korean DOTP imported and sold in the United States by U.S. importer *** increased by *** percentage points; in contrast, the market share of Korean DOTP imported and sold in the United States by all other importers decreased by *** percentage points between 2014 and 2016. Calculated from *Dioctyl Terephthalate (DOTP) from Korea*, *Inv. No. 731-TA-1330 (Final)*, Confidential Report, INV-PP-086 (July 10, 2017) ("Original confidential report") p. IV-9 and original investigation, *** importer questionnaire response, section II-5.

Table I-2
DOTP: Comparative data from the original investigation and subsequent review, 2016 and 2022

Quantity in metric tons; value in 1,000 dollars; unit values in dollars per metric ton; shares in percent

Item	Measure	2016	2022
Apparent U.S. consumption	Quantity	***	***
U.S. producers market share	Share of quantity	***	***
South Korea market share	Share of quantity	***	***
Nonsubject market share	Share of quantity	***	***
Import market share	Share of quantity	***	***
Apparent U.S. consumption	Value	***	***
U.S. producers market share	Share of value	***	***
South Korea market share	Share of value	***	***
Nonsubject market share	Share of value	***	***
Import market share	Share of value	***	***
South Korea	Quantity	***	***
South Korea	Value	***	***
South Korea	Unit value	***	***
Nonsubject sources	Quantity	***	***
Nonsubject sources	Value	***	***
Nonsubject sources	Unit value	***	***
All import sources	Quantity	***	***
All import sources	Value	***	***
All import sources	Unit value	***	***

Table continued.

Table I-2 Continued
DOTP: Comparative data from the original investigation and subsequent review, 2016 and 2022

Quantity in metric tons; Value in 1,000 dollars; Unit values in dollars per metric ton; Shares in percent

Item	Measure	2016	2022
Capacity	Quantity	***	***
Production	Quantity	***	***
Capacity utilization	Ratio	***	***
Producer U.S. shipments	Quantity	***	***
Producer U.S. shipments	Value	***	***
Producer U.S. shipments	Unit value	***	***
Producer inventories	Quantity	***	***
Producer inventory ratio to total shipments	Ratio	***	***
Production workers (number)	Noted in label	***	***
Hours worked (in 1,000 hours)	Noted in label	***	***
Wages paid (1,000 dollars)	Value	***	***
Hourly wages (dollars per hour)	Value	***	***
Productivity (metric tons per hour)	Noted in label	***	***
Net sales	Quantity	***	***
Net sales	Value	***	***
Net sales	Unit value	***	***
Cost of goods sold	Value	***	***
Gross profit or (loss)	Value	***	***
SG&A expense	Value	***	***
Operating income or (loss)	Value	***	***
Unit COGS	Unit value	***	***
Unit operating income	Unit value	***	***
COGS/ Sales	Ratio	***	***
Operating income or (loss)/ Sales	Ratio	***	***

Source: *Dioctyl Terephthalate (DOTP) from Korea*, *Inv. No. 731-TA-1330 (Final)*, Confidential staff report, August 2017, p. IV-9 and compiled from data submitted in response to Commission questionnaires.

Note: Apparent U.S. consumption and market shares are based on U.S. shipments of imports. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Note: For a discussion of data coverage, please see pp. I-9 and IV-1.

Figure I-1
DOTP: Historic apparent U.S. consumption based on quantity, by period and source

* * * * * * *

Source: *Dioctyl Terephthalate (DOTP) from Korea*, *Inv. No. 731-TA-1330 (Final)*, Confidential staff report, August 2017, p. IV-9 and compiled from data submitted in response to Commission questionnaires.
Note: Apparent U.S. consumption and market share are based on U.S. shipments of imports.

Statutory criteria

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

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

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

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

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

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

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

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

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

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

Organization of report

Information obtained during the course of the review that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for DOTP as collected in the review is presented in appendix C. U.S. industry data are based on the questionnaire responses of two U.S. producers of DOTP that are believed to have accounted for all domestic production of DOTP in 2022. U.S. import data and related information are based on the questionnaire responses of 19 U.S. importers of DOTP. Based on information available from Commerce's official import statistics, the original investigation, and questionnaire data, staff believe these 19 importers accounted for substantially more than *** percent of total U.S. imports of DOTP in 2022. [16] There are believed to be four producers of DOTP in South Korea, however despite repeated staff efforts, none submitted a questionnaire response. Therefore, foreign industry data and related information are based on Aekyung's response to the notice of institute,[17] official export statistics as reported in the Global Trade Atlas, and industry research information. Responses by U.S. producers, importers, and purchasers of DOTP to a series of questions concerning the significance of the existing antidumping duty orders and the likely effects of revocation of such orders are presented in appendix D.

[16] No firm reported importing DOTP from South Korea in 2022. Staff believe that questionnaire data account for substantially more than *** percent of nonsubject imports in 2022 and the substantial majority of imports of DOTP from South Korea since 2017. In its response to the notice of initiation, Aekyung stated that it did not export DOTP in 2021. In a telephone interview with staff, ***

[17] As indicated in Part IV of this report, Aekyung estimated in its response to the notice of institution that it accounted for approximately *** percent of South Korean production of DOTP in 2021. Aekyung's Substantive Response to the Notice of Institution, August 1, 2022, p. 9.

Commerce's reviews[18]

Administrative reviews

Commerce has completed three antidumping duty administrative reviews regarding subject imports of DOTP from South Korea. Commerce initiated a fourth administrative review, but later rescinded the review. The results of the administrative reviews are shown in table I-3.

Table I-3
DOTP: Administrative reviews of the antidumping duty order for South Korea

Date results published	Period of review	Producer or exporter	Margin (percent)
April 21, 2020	February 3, 2017 – July 31, 2018	Aekyung Petrochemical Hanwha Chemical LG Chem	0.82 22.97 0.00
April 9, 2021	August 1, 2018 – July 31, 2019	Aekyung Petrochemical Hanwha Chemical LG Chem	0.00 22.97 0.00
August 11, 2021	August 1, 2019 – July 31, 2020	LG Chem	47.96
April 24, 2023 (date of recission)	August 1, 2021 – July 31, 2022	Aekyung Petrochemical Hanwha Chemical LG Chem	N/A

Source: 85 FR 22136, April 21, 2020; 86 FR 18509, April 9, 2021; 86 FR 43990, August 11, 2021; 88 FR 24758, April 24, 2023.

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

Five-year review

Commerce has issued the final results of its expedited review with respect to South Korea.[19] Table I-4 presents the dumping margins calculated by Commerce in its original investigation and first review.

Table I-4
DOTP: Commerce's original and first five-year review dumping margins for producers/exporters in South Korea

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)
Aekyung Petrochemical	4.08	See note
LG Chem	2.71	See note
All others	3.69	See note

Source: 82 FR 39409, August 18, 2017; 87 FR 66264, November 3, 2022.

Note: Pursuant to sections 751(c) and 752(c) of the Act, Commerce determined that revocation of the Order would be likely to lead to continuation or recurrence of dumping, and that the magnitude of the margin of dumping likely to prevail would be up to 4.08 percent.

[19] 87 FR 66264, November 3, 2022.

The subject merchandise

Commerce's scope

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

> *The merchandise covered by this order is dioctyl terephthalate (DOTP), regardless of form. DOTP that has been blended with other products is included within this scope when such blends include constituent parts that have not been chemically reacted with each other to produce a different product. For such blends, only the DOTP component of the mixture is covered by the scope of this order.*
>
> *DOTP that is otherwise subject to this Order is not excluded when commingled with DOTP from sources not subject to this Order. Commingled refers to the mixing of subject and non-subject DOTP. Only the subject component of such commingled products is covered by the scope of the order.*
>
> *DOTP has the general chemical formulation $C_6H_4(C_8H_{17}COO)_2$ and a chemical name of "bis (2-ethylhexyl) terephthalate" and has a Chemical Abstract Service (CAS) registry number of 6422-86-2. Regardless of the label, all DOTP is covered by this order.*[20]

Tariff treatment

DOTP is classifiable in the Harmonized Tariff Schedule of the United States ("HTS") under subheading 2917.39.20.[21] The 2023 column 1-general duty rate for this subheading is 6.5 per cent *ad valorem*. Since March 15, 2012, the import duty applicable to these goods originating in South Korea is "free" under the U.S.-Korea Free Trade Agreement, upon proper importer claim.[22] Subject merchandise may also be imported under subheadings 2917.39.70 or 3812.20.10. The 2023 column 1-general rate of duty for these subheadings is also 6.5 percent *ad valorem* with goods originating in South Korea eligible to be imported free of duty under the

[20] 87 FR 66264, November 3, 2022.

[21] Statistical reporting number 2917.39.2000 covers "Plasticizers of aromatic polycarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives" and may contain products outside the scope of this review.

[22] The column 1-general rate of duty for subheading 2917.39.20 was 6.5 percent *ad valorem* when the U.S.-Korea Free Trade Agreement became effective in 2012.

U.S.-Korea Free Trade Agreement.[23] Imports from China, a nonsubject country, are subject to additional duties under Section 301 of the Trade Act of 1974[24] ("Section 301").[25] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

The product

Description and applications[26]

DOTP is a colorless, almost odorless, slightly viscous liquid that is used to make resins more flexible and easier to process as plastics. It is a synthetic organic chemical and part of a group of chemical products, known as plasticizers, that perform this role in the manufacturing of plastics. DOTP is used in the production of polyvinyl chloride ("PVC") flooring, PVC compounds, hoses, toys, and other plastic products.[27]

There are dozens of plasticizers (and an even greater number of formulations that contain a blend of plasticizers) available for commercial use, and the decision to use a particular plasticizer is influenced by the physical-chemical interaction of the plasticizer with the resin (primarily PVC resins in the U.S. market);[28] the desired performance characteristics of the finished product, ranging from stiff to soft; material cost; and the ease and speed of processing.[29] Frequently, a specifically formulated plasticizer will be used to fulfill detailed, unique requirements in the production process or the final product.

[23] Subheading 2917.39.70 covers "Other aromatic polycarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives" and 3812.20.10 covers "Compound plasticizers for rubber or plastics, containing any aromatic or modified aromatic plasticizer."

[24] 19 U.S.C. § 2411.

[25] On September 24, 2018, Section 301 duty rate of 10 percent ad valorem rate went into effect and was subsequently increased to 25 percent ad valorem on Jan. 1, 2019. 83 FR 47974, September 21, 2018. The U.S. Trade Representative has not granted any exclusions for subheadings 2917.39 or 3812.20 from Section 301 duties under heading 9903.88.03. Harmonized Tariff Schedule of the United States (2023), Revision 3, Chapter 99 20(f).

[26] Unless otherwise noted, this information is based on the original publication, pp. I-6–I-10.

[27] Original publication, pp. I-3–I-4.

[28] Structural factors that govern compatibility or miscibility, especially molecular size, shape, and polarity, are involved. The solvency and compatibility of a plasticizer with a resin are usually directly related. Primary plasticizers, which rate high for solvency and compatibility, will resist separation from the resin by heat, liquid extraction, or physical contact. Secondary plasticizers have low solvency and compatibility, and a gradual material separation will take place. ***.

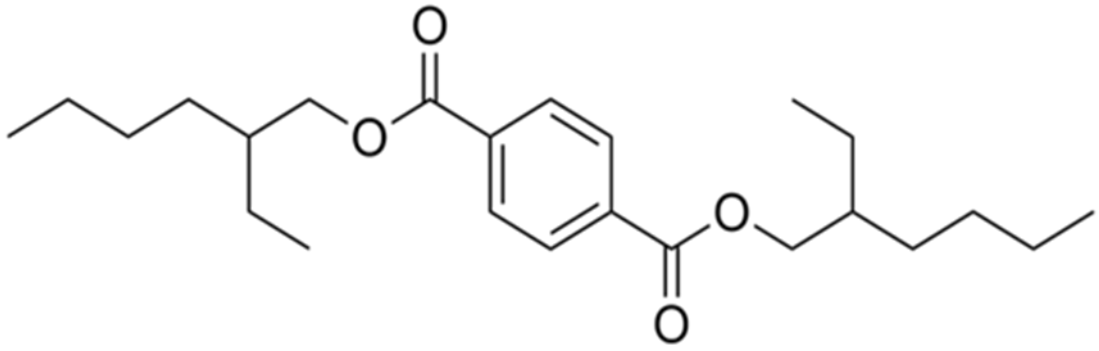
[29] ***.

There are two primary groups of plasticizers: phthalates (also called ortho-phthalates) and non-phthalates (also but infrequently called para-phthalates). The "ortho-" and "para-" prefixes refer to the plasticizer's molecular structure, which has a direct relationship to the likelihood that the plasticizer may become separated from the plastic and be a health risk, particularly for children. For example, the plasticizers di-2-ethylhexyl phthalate (DEHP) and DOTP have the same chemical formula ($C_{24}H_{38}O_4$), but their structural differences make DEHP a phthalate plasticizer and DOTP a non-phthalate plasticizer.

Because phthalate plasticizers do not "bond" with the resins when plastics are made, they are more easily released into the environment and inhaled or ingested. Congress passed legislation in 2008 that banned the use of certain phthalates in children's toys and other products and temporarily banned the use of other phthalates.[30]

All DOTP (figure I-2) has the same molecular formula ($C_{24}H_{38}O_4$) and structure, and there is no chemical distinction that would prevent DOTP from any source from being used in any application that called for DOTP.[31]

Figure I-2
DOTP: Molecular structure



Source: Original publication, p. I-9.

[30] Kamalick, "US Congress Bans Phthalates in Child Products," ICIS, July 28, 2008; U.S. Senator Dianne Feinstein, "Congress Approves Nationwide Ban on Phthalates in Children's Products," press release, July 31, 2008; U.S. Consumer Product Safety Commission (CPSC), "Phthalates," page last updated July 7, 2015. According to the CPSC, "the law that makes children's toys and certain childcare articles subject to the ban on certain phthalates can be found in section 108 of the Consumer Product Safety Improvement Act of 2008 (CPSIA) (pdf), Pub. L. No. 110-314, 122 Stat. 3016 (August 14, 2008). Additional requirements on the ban on phthalates were added in section 5 of Public Law No. 112-28 (August 12, 2011), which amended the CPSIA."

[31] Original publication, p. I-9.

Plasticizers are used to enhance either the properties of an end product itself (such as PVC flexibility) or the ability to process the intermediate polymers while fabricating a product. Flexible PVC, a primary use of plasticizers like DOTP, is used in a broad range of applications: construction (flooring), electrical components (wire sheathing), consumer goods (toys), packaging, transportation (throughout vehicles), furnishings, and medical uses (tubes). Since this range of applications is so broad, demand for DOTP is generally a reflection of overall economic conditions.[32]

Manufacturing processes[33]

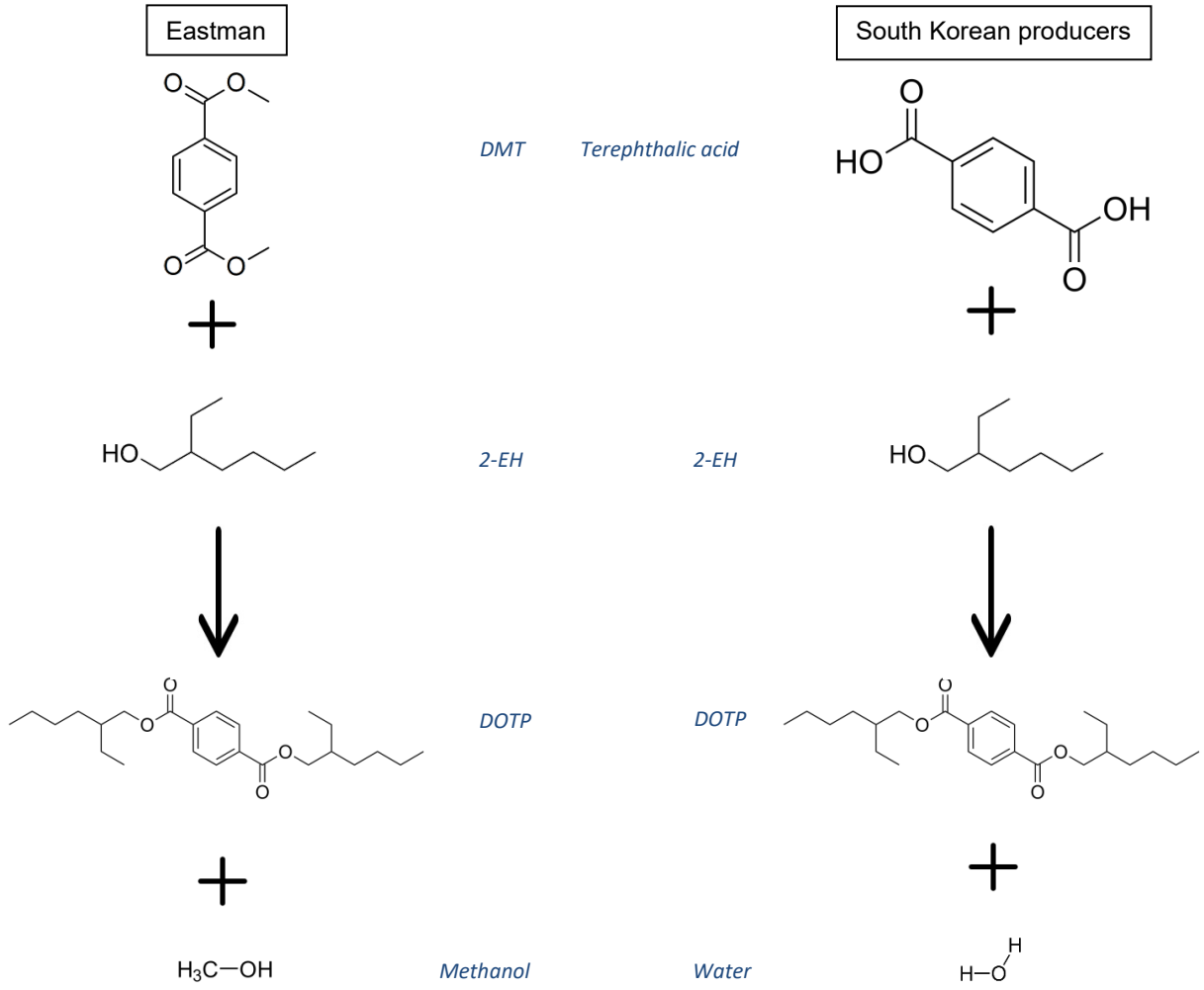
Eastman produces DOTP by reacting DMT (dimethyl terephthalate) with 2-EH (2-ethylhexanol), with methanol as a by-product. South Korean producers reportedly produce DOTP by reacting PTA (purified terephthalic acid) with 2-EH, with water as a by-product (figure I-3). U.S. producer BASF reportedly uses *** to produce DOTP.[34]

[32] ***.

[33] Unless otherwise noted, this information is based on the original publication, pp. I-10–I-11.

[34] ***.

Figure I-3
DOTP: Mechanisms for production by Eastman and South Korean producers



Source: Original publication, p. I-11.

Domestic like product issues

In its original determinations, the Commission defined the domestic like product as coextensive with Commerce's scope.[35] In its notice of institution in this current five-year review, the Commission solicited comments from interested parties regarding the appropriate

[35] Original publication, p. 6.

domestic like product and domestic industry.[36] One interested party commented on the Commission's definition of the domestic like product and indicated agreement.[37] No party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission's draft questionnaires.

U.S. market participants

U.S. producers

During the original investigation, the Commission defined the domestic industry to consist solely of Eastman.[38] The Commission also considered BASF's role in the DOTP market based on factors including capacity; production and related workers; and capital expenditures and found that BASF was "…not currently a domestic producer."[39] Eastman supplied the Commission with information on its U.S. operations with respect to DOTP, which accounted for 100 percent of U.S. production of DOTP in 2016. In the current proceeding, the Commission issued U.S. producers' questionnaires to two firms, both of which provided the Commission with information on their production operations. Eastman and BASF are believed to account for all U.S. production of DOTP in 2022. Presented in table I-5 is a list of current domestic producers of DOTP and each company's position on continuation of the orders, production locations, and share of reported production of DOTP in 2022.

Table I-5
DOTP: U.S. producers, positions on orders, U.S. production locations, and shares of reported U.S. production, 2022

Share in percent

Firm	Position on orders	Production location(s)	Share of production
BASF	***	Pasadena, TX	***
Eastman	***	Kingsport, TN Texas City, TX	***
All firms	Various	Various	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".
.

[36] 87 FR 39556, July 1, 2022.
[37] Substantive Response of Eastman Chemical, p. 5.
[38] Original publication, p. 8.
[39] Original publication, pp. 7-8.

As indicated in table I-6, *** U.S. producer is *** by another firm, no U.S. producers are related to foreign producers of the subject merchandise, none are related to other U.S. importers of the subject merchandise, and none purchased the subject merchandise from U.S. importers. As discussed in greater detail in Part III, one U.S. producer, *** directly imported the subject merchandise ***.

Table I-6
DOTP: U.S. producers' ownership, related and/or affiliated firms

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

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

U.S. importers

In the original investigations, 21 U.S. importing firms supplied the Commission with usable information on their operations involving the importation of DOTP, accounting for *** percent of U.S. imports of DOTP from South Korea, with substantially more limited imports from nonsubject sources. In 2016, ***[40]

In the current proceedings, the Commission issued U.S. importers' questionnaires to 54 firms believed to be importers of DOTP, as well as to all U.S. producers of DOTP. Fully or partially usable questionnaire responses were received from 19 firms, believed to represent the substantial majority of U.S. imports of DOTP from South Korea during 2017-22.[41] Table I-7 lists all responding U.S. importers of DOTP from South Korea and other sources, their locations, and their shares of U.S. imports in 2022.

[40] *Dioctyl Terephthalate (DOTP) from Korea, Inv. No. 731-TA-1330 (Final),* Consolidated Staff Report and Views, p. 14.

[41] Soyventis North America LLC submitted an importer questionnaire after close of business on Friday, May 19, 2023. Staff noted *** in the questionnaire response and could not verify the response in the time available. Accordingly, the *** response of Soyventis North America LLC was deemed unusable and thus is not included in this report. Staff notes that the *** are consistent with the information provided throughout this report.

Table I-7
DOTP: U.S. importers, their headquarters, and share of imports within each source, 2022

Share in percent

Firm	Headquarters	South Korea	Nonsubject sources	All import sources
ALAC	New York, NY	***	***	***
American Vinyl	Tampa, FL	***	***	***
Arkem	Houston, TX		***	***
BASF	Florham Park, NJ	***	***	***
Beauflor	White, GA	***	***	***
BGN	Houston, TX	***	***	***
Chembank International, Inc	Closter, NJ	***	***	***
Greenchem	West Palm Beach, FL	***	***	***
ILPEA	Scottsburg, IN	***	***	***
KH Chemicals	Hamilton, NJ	***	***	***
LG Chem	Atlanta, GA	***	***	***
M.A. Global	Apex , NC	***	***	***
Mexichem	Leominster, MA	***	***	***
NOX	Fostoria,, OH	***	***	***
OTECH	Rolling Prairie, IN	***	***	***
Sanyo	New York, NY	***	***	***
Silver Fern	Seattle, WA	***	***	***
TCC - The Chemical Company	Jamestown, RI	***	***	***
Tribute	Houston, TX	***	***	***
All firms	Various	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

U.S. purchasers

The Commission received 14 usable questionnaire responses from firms that have purchased DOTP since 2017.[42] Eight responding purchasers are PVC manufacturers, four are flooring manufacturers, and two are brokers or distributors. In general, responding U.S. purchasers were located in the Northeast, Midwest, South, and Northwest regions. The responding purchasers represented firms in a variety of domestic industries, including PVC and flooring. Large purchasers of DOTP include ***.

Apparent U.S. consumption and market shares

Quantity

Table I-8 presents data on apparent U.S. consumption and U.S. market shares by quantity for DOTP. Apparent U.S. consumption of DOTP declined by *** percent during 2017-22. Total imports as a share of apparent U.S. consumption declined from *** percent in 2017 to *** percent in 2022, with subject imports declining from *** percent to *** percent and nonsubject imports increasing from *** in 2017 percent to *** percent in 2022. U.S. producers' share of apparent U.S. consumption increased from *** percent in 2017 to *** percent in 2022, as BASF's U.S. shipments of U.S.-produced DOTP *** while Eastman's U.S. shipments ***.

[42] Of the 14 responding purchasers, 12 purchased domestic DOTP, 1 purchased imports of the subject merchandise from South Korea (***), and 5 purchased imports of DOTP from other sources in 2022.

Table I-8
DOTP: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in metric tons, shares in percent

Source	Measure	2017	2018	2019	2020	2021	2022
U.S. producers	Quantity	***	***	***	***	***	***
South Korea	Quantity	***	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***	***
All sources	Quantity	***	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***	***
South Korea	Share	***	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***	***
All import sources	Share	***	***	***	***	***	***
All sources	Share	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure I-4
DOTP: Apparent U.S. consumption based on quantity, by source and period

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires

Value

Table I-9 presents data on apparent U.S. consumption and U.S. market shares by value for DOTP. During 2017-22, apparent U.S. consumption increased from *** dollars to *** dollars (*** percent). During this time, import values increased from *** dollars to *** dollars (*** percent). Imports as a share of apparent U.S. consumption increased from *** percent in 2017 to *** percent in 2022, with the share of subject imports declining from *** percent to *** percent and that of nonsubject imports increasing from *** percent to *** percent. U.S. producers' share of apparent U.S. consumption was *** percent in 2017 and *** percent in 2022.

Table I-9
DOTP: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; shares in percent

Source	Measure	2017	2018	2019	2020	2021	2022
U.S. producers	Value	***	***	***	***	***	***
South Korea	Value	***	***	***	***	***	***
Nonsubject sources	Value	***	***	***	***	***	***
All import sources	Value	***	***	***	***	***	***
All sources	Value	***	***	***	***	***	***
U.S. producers	Share of value	***	***	***	***	***	***
South Korea	Share of value	***	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***	***
All import sources	Share of value	***	***	***	***	***	***
All sources	Share of value	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure I-5
DOTP: Apparent U.S. consumption based on value, by source and period

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires

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

U.S. market characteristics

DOTP is a plasticizer that is used in the production of PVC (polyvinyl chloride) flooring, PVC compounds, hoses, toys, and other plastic products. The effects of regulatory provisions and consumer perceptions on certain plasticizers that may be possible substitutes for DOTP (some of which may have detrimental health effects) just prior to 2017 have affected DOTP's usage in the domestic plasticizer market.

U.S. producers, importers, and purchasers were asked if there had been any significant changes in the product range, mix, or marketing of DOTP since January 1, 2017. *** 14 of 15 responding importers indicated that there had not been any significant changes.

*** 13 of 15 responding importers, and 11 of 13 responding purchasers indicated that the market for DOTP has not been subject to distinctive conditions of competition. Among importers, *** stated that "{w}ithout import supply, domestic producers have a monopoly, prices can increase" and *** stated that "Fixed cost in Asia is typically lower than in the Americas; also Asian producers have sold material in the past under variable cost." Purchaser *** similarly stated, "Limiting imports from Korea is harmful to U.S. flooring producers and others that have to compete with imported finished products. Since there is limited DOTP capacity in the U.S., we pay more than Asian counterparts that can export flooring into the U.S. market at lower prices than we can produce." The other purchaser noting distinctive conditions, ***, stated that Section 301 tariffs pushed several Chinese firms to open downstream manufacturing plants in the United States, which caused a temporary shortage of DOTP in the U.S. market and prices to rise. *** 10 of 12 responding importers, and 6 of 7 responding purchasers reported that they do not anticipate any changes to the distinctive conditions of competition in the DOTP market in the next two years.

Apparent U.S. consumption of DOTP decreased slightly during 2017-22. Overall, apparent U.S. consumption in 2022 was *** percent lower than in 2017. U.S. producers accounted for between *** percent (2017) and *** percent (2020) of apparent U.S. consumption. Imports from South Korea accounted for decreasing percentages of apparent U.S. consumption since 2017 and were *** in 2020-22. Imports from nonsubject sources have increased their market share from a period-low of *** percent in 2018 to *** percent in 2022.

U.S. purchasers

The Commission surveyed purchasers identified in this proceeding and the original investigation, and received 14 useable questionnaire responses from firms that have purchased DOTP since 2017.[1] [2] Eight responding purchasers are PVC manufacturers, four are flooring manufacturers, and two are brokers or distributors. Purchasers reported selling to rubber PVC compound processors, rubber manufacturers, various types of end users, and other distributors. Five purchasers were located in the Northeast, four in the Midwest, four in the South, and one in the Northwest. Ten purchased DOTP in 20-metric ton containers, six purchased DOTP in bulk, and two purchased in totes. In general, most purchasers noted that the manner in which they purchase DOTP is a function of how their manufacturing process is designed: some utilize bulk tanks for on-site storage, which can require unloading from bulk trucks into storage silos, whereas others have little storage capability or no rail capabilities. Some purchasers can use pre-packaged 20-metric ton containers as well, and one (***) stated that it buys in bulk and offloads material from the bulk tank trucks into totes and drums for its customers. Purchaser *** buys 20-metric ton containers based on price, but totes for low-volume locations. Purchaser *** buys 20-metric ton containers for ease of unloading and purchaser *** prefers its packaging in totes.

Responding U.S. purchasers reported purchases amounting to approximately 40 percent of total apparent U.S. consumption of DOTP in 2022. Eleven of 14 purchasers listed U.S. producer Eastman their top supplier in 2022.

[1] Of the 14 responding purchasers, 12 purchased domestic DOTP, 1 purchased imports of the subject merchandise from South Korea (***), and 5 purchased imports of DOTP from other sources in 2022.

[2] These firms are: ***. In addition, a questionnaire response was received from ***.

Impact of section 301 tariffs

U.S. producers, importers, and purchasers were asked to report the impact of Section 301 tariffs on overall demand for DOTP, supply of DOTP (by supply source), prices of DOTP, and raw material costs. *** two of eight importers, and three of seven purchasers could identify no impact on the DOTP market from Section 301 duties on DOTP imported from China.[3] Among the five importers and four purchasers that reported that there was an impact to the Section 301 duties, all five importers reported that domestic supply and the price of DOTP either steadily increased or fluctuated but ended higher in 2022 than in 2017. Other responses were more varied; table II-1 presents these responses.

Table II-1
DOTP: Count of firms' responses regarding the impact of the Section 301 tariffs on Chinese origin products among firms that reported that the duties had an impact

Impact on	Firm type	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease
Domestic supply in market	Importers	2	3	1	---	---
China's supply in market	Importers	---	---	2	1	3
Other than China supply in market	Importers	2	3	1	---	---
Prices of scope merchandise	Importers	1	4	---	---	---
Overall demand in market	Importers	1	---	5	---	---
Raw material costs of scope merchandise	Importers	---	2	2	---	---
Domestic supply in market	Purchasers	1	1	1	1	---
China's supply in market	Purchasers	---	2	---	---	1
Other than China supply in market	Purchasers	1	1	1	---	---
Prices of scope merchandise	Purchasers	3	1	---	---	---
Overall demand in market	Purchasers	1	1	2	---	---
Raw material costs of scope merchandise	Purchasers	3	1	---	---	---

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

Note: ***.

Channels of distribution

U.S. producers and importers sold mainly to end users throughout 2017-22, as shown in table II-2.

[3] Eight importers and seven purchasers reported they did not know if the Section 301 measures had an effect on the DOTP market.

Table II-2
DOTP: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

Source	Channel	2017	2018	2019	2020	2021	2022
United States	Distributor	***	***	***	***	***	***
United States	End user	***	***	***	***	***	***
South Korea	Distributor	***	***	***	***	***	***
South Korea	End user	***	***	***	***	***	***
Nonsubject sources	Distributor	***	***	***	***	***	***
Nonsubject sources	End user	***	***	***	***	***	***
All import sources	Distributor	***	***	***	***	***	***
All import sources	End user	***	***	***	***	***	***
All sources	Distributor	3.1	3.0	3.7	3.8	4.2	4.9
All sources	End user	96.9	97.0	96.3	96.2	95.8	95.1

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

Geographic distribution

U.S. producers reported selling DOTP to *** (table II-3). At least three importers reported selling to all regions in the contiguous United States except for the Mountains region. For U.S. producers, *** percent of 2022 sales were made to firms within 100 miles of their production facility, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles in 2022. No imports from South Korea were sold in 2022, and very small volumes overall during 2020-22.

Table II-3
DOTP: Count of U.S. producers' and U.S. importers' geographic markets, 2017-22

Region	U.S. producers	South Korea
Northeast	***	5
Midwest	***	5
Southeast	***	4
Central Southwest	***	3
Mountain	***	0
Pacific Coast	***	3
Other	***	0
Reporting firms	***	7

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

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding DOTP from U.S. producers. No foreign producers or exporters in South Korea responded to the Commission's questionnaire.

Table II-4
DOTP: Supply factors that affect the ability of U.S. producers to increase shipments to the U.S. market

Quantity in metric tons; ratio and share in percent

Factor	Measure	United States
Capacity 2017	Quantity	***
Capacity 2022	Quantity	***
Capacity utilization 2017	Ratio	***
Capacity utilization 2022	Ratio	***
Inventories to total shipments 2017	Ratio	***
Inventories to total shipments 2022	Ratio	***
Home market shipments 2022	Share	***
Export market shipments 2022	Share	***
Ability to shift production (firms reporting “yes”)	Count	***

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

Note: Responding U.S. producers accounted for all U.S. production of DOTP in 2022.

Domestic production

Based on available information, U.S. producers of DOTP have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced DOTP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the ***. One factor mitigating responsiveness of supply is the ***.

Domestic production capacity increased by *** percent between 2017 and 2022, with BASF starting production in 2017 and ***. Production of DOTP generally varied by *** percent year-to-year, although domestic production increased by more than *** percent in 2018 and decreased by nearly *** percent in 2022. *** were listed as the primary export markets by domestic producers.

Both domestic producers reported changes in the supply of domestic product since 2017, specifying that BASF started DOTP production at its Pasadena, Texas site early in the period. Five of 12 responding importers and 8 of 14 responding purchasers also noted changes in domestic supply availability. Six purchasers and one importer noted issues with the domestic supply of DOTP, and three importers and one purchaser noted the opening of BASF’s plant.

*** 10 of 11 responding importers, and 10 of 14 purchasers do not anticipate changes in domestic supply in the next two years. The importer expecting changes noted that it anticipates higher costs. Among the four purchasers anticipating changes, one noted the current demand is down so supply is not a limiting factor currently, one noted that it will get tighter, and two described demand factors (one noted a move towards bio-based plasticizers, and one noted that increased vinyl flooring manufacturing capacity is scheduled to come online in the next three years).

Subject imports from South Korea

No foreign producers or exporters of DOTP from South Korea submitted data in this review. During the final phase of the original investigation, staff noted that based on available information, producers of DOTP from South Korea had the ability to respond to changes in demand with large changes in the quantity of shipments of DOTP to the U.S. market. Although capacity utilization was relatively high (*** percent), South Korean producers increased capacity by *** percent during 2014-16, suggesting an ability to increase capacity. Approximately *** of South Korean shipments were exported to third-country markets. Inventories were low (*** percent) and South Korean producers noted limited production alternatives, however.[4] [5]

*** 5 of 12 responding importers, and 4 of 11 responding purchasers noted changes in the supply of DOTP imports from South Korea since 2017. Most firms noted that the supply had either decreased substantially or stopped completely. Purchaser *** stated that supply from South Korea was "variable depending upon ability for sales in local Asia markets."

When asked about anticipated changes in supply from South Korea, *** 6 of 10 responding importers, and 9 of 11 responding purchasers do not anticipate any upcoming changes in supply from South Korea. Three importers anticipate changes if this antidumping duty order is removed. *** noted, "In the short term, the easing of overseas logistics constraints associated with the pandemic is expected to result in a general increase in availability of imports compared to 2021 and 2022. Changes in import duties would also have an impact." Two purchasers anticipate South Korean DOTP supply changes: ***

[4] Dioctyl Terephthalate from Korea, Inv. No. 731-TA-1330 (Final), USITC Publication 4713, August 2017, pp. II-6-II-7.

[5] South Korean inventories held in the United States in 2016 were *** metric tons and *** metric tons at the end of 2022. See Appendix C of this report for 2016 and 2022 inventory levels.

***.

Imports from nonsubject sources

Imports from nonsubject sources accounted for *** percent of total U.S. imports by quantity during 2017-22 based on questionnaire responses, but *** percent in 2020-22.[6] The largest sources of imports from nonsubject sources during 2017-22, in descending order, are believed to be Turkey, Taiwan, and Malaysia.[7]

*** noted increased imports from nonsubject sources, with *** specifying imports from Taiwan had increased. Six of 11 responding importers and 3 of 10 responding purchasers noted changes in the supply of DOTP from nonsubject sources. One importer stated that DOTP imported from China was "gone" due to the "China tariff," one noted that it began importing from Turkey in 2022, two importers noted increased nonsubject DOTP imports in 2022, one importer referenced imports from "Asian sources such as Taiwan and Vietnam," and one importer simply noted "India, Taiwan, Turkey, and Europe." Purchaser *** responded that suppliers other than South Korea are entering the U.S. market and purchaser *** stated, "DOTP plasticizer imports to {the} U.S. from China & Turkey are likely to increase as Russia is selling crude oil & derivatives to China and Turkey at attractive prices."

Supply constraints

*** U.S. producers and 10 of 13 responding importers reported that they had not experienced supply constraints since January 1, 2017. *** noted that it put customers on allocation in August 2017 due to the effects of hurricane Harvey and again in February 2021 due to the effects of winter storm Uri. In addition, during 2021 and 2022, *** a sales control to manage sales volume when market demand fluctuated up. Importer *** reported that it exited the domestic DOTP market due to the section 301 tariff on imports from China.

[6] See also data for imports classified under HTS classification number 2917.39.2000. Staff believes that there is little to no production of DOTP in Canada, however. Therefore, data for Canadian imports were not used.

[7] See U.S. importer questionnaires and official import statistics for HTS classification number 2917.39.2000.

Ten of 14 purchasers reported that there were supply constraints in the U.S. DOTP market during 2017-22. Five purchasers noted that they were placed on allocation during the period, particularly in 2021 and 2022, two purchased subject to sales controls, one had its offers for BASF to bid declined since 2017, one noted "tight availability" after 2021 winter storm Uri, one noted that LG no longer sells in the United States, and one noted that for its spot purchases, material is not always available (but has not noted any supply constraints "recently" for its contract business).

New suppliers

Ten of 14 purchasers indicated that new suppliers entered the U.S. market since January 1, 2017, and 5 of 12 responding purchasers expect additional entrants. Five purchasers remarked that DOTP from Turkey entered the market (four specifying BGN as the firm), two cited BASF, two cited Nan Ya Plastics from Taiwan, and one each noted Grupo Azoty (Poland), Mexichem (Mexico), Sibur (Russia), Taiwan UPC Technology Corp. (Taiwan), and Zhejiang Jiaao Enprotech Stock Co. (China).

U.S. demand

Based on available information, the overall demand for DOTP is likely to experience moderate changes in response to changes in price. The main contributing factors are DOTP's limited-to-moderate share of the cost of most end-use products and a somewhat limited substitutability for other products in certain applications.

End uses and cost share

U.S. demand for DOTP depends on the demand for U.S.-produced downstream products. Reported end uses include flooring products (e.g., carpet tiles, luxury vinyl tiles, resilient flooring, rubber flooring, and sheet vinyl flooring), chair mats, PVC liner materials, PVC pellets and powder, PVC strips and rolls. *** U.S. producers, 14 of 15 responding importers, and 11 of 12 responding purchasers reported no changes in end uses. Importer *** stated that, for some of its products, it replaced DINP with DOTP and purchaser *** stated it has replaced PVC-backed carpet tile with carpet tile that is olefin-backed, but still consumes plasticizer in its vinyl flooring products such as luxury vinyl tile. Seven purchasers noted that demand for their end-use products either steadily increased or fluctuated upward over the period, two noted that it did not change, and three noted that demand for their end-use products fluctuated downward or decreased steadily, with 10 of 12 indicating that these changes affected their demand for DOTP.

In general, DOTP accounts for a moderate share of the cost of the end-use products in which it is used. DOTP was reported to account for smaller shares in flooring products (mostly between 3 and 10 percent of the cost of the flooring, although other purchasers noted that DOTP accounted for 14, 19, and 40 percent) than in PVC products, for which DOTP reportedly accounts for between 21 and 45 percent of the cost of the products.

Business cycles

*** U.S. producers, 5 of 15 responding importers, and 4 of 13 responding purchasers indicated that the market was subject to business cycles that are distinct to the DOTP market. Specifically, *** noted that building and construction cycles affect DOTP demand and *** described demand as being somewhat higher in early spring and "somewhat reduced" in the final months of the year. *** similarly stated that demand is higher in the first three quarters of the year. *** stated that DOTP demand is impacted by the housing market and *** stated it is also tied to the automotive market.

Demand trends

Firms' responses regarding demand generally reported an increasing, or at least unchanging, trend in both U.S. and foreign demand for DOTP since January 1, 2017 (table II-5). ***, 7 of 14 responding importers, and 10 of 13 responding purchasers reported demand either having increased steadily or fluctuated during 2017-22 but ended higher. Importers *** and *** noted that some of this may be due to some end users migrating to use DOTP instead of DINP and/or DOP as a plasticizer as a safer alternative. Regarding foreign demand, ***, 6 of 11 responding importers, and 10 of 13 responding purchasers reported demand either increased steadily or fluctuated during 2017-22 but ended higher. The remainder of the responding firms, with the exception of one importer, reported no change in both domestic and foreign demand for DOTP. Generally, firms expect demand to behave similarly over the next two years (table II-6).

Table II-5
DOTP: Count of firms' responses regarding overall domestic and foreign demand since January 1, 2017, by firm type

Market	Firm type	Steadily increase	Fluctuate higher	No change	Fluctuate lower	Steadily decrease
U.S. demand	U.S. producers	***	***	***	***	***
U.S. demand	Importers	5	2	6	1	0
U.S. demand	Purchasers	6	4	3	0	0
Foreign demand	U.S. producers	***	***	***	***	***
Foreign demand	Importers	5	1	5	0	0
Foreign demand	Purchasers	3	3	4	0	0
Demand for end use products	Purchasers	3	3	2	2	1

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

Table II-6
DOTP: Count of firms' responses regarding anticipated overall domestic and foreign demand, by firm type

Market	Firm type	Steadily increase	Fluctuate higher	No change	Fluctuate lower	Steadily decrease
U.S. demand	U.S. producers	***	***	***	***	***
U.S. demand	Importers	5	4	4	1	1
U.S. demand	Purchasers	4	2	5	1	0
Foreign demand	U.S. producers	***	***	***	***	***
Foreign demand	Importers	4	2	5	0	0
Foreign demand	Purchasers	3	2	3	1	0

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

Substitute products

In the original investigation, it was noted that there are several functional substitutes for DOTP, but their use may be somewhat limited due to regulations and consumer preferences. A majority of importers and purchasers noted these substitutes (DINP (diisononyl phthalate); DOP (dioctyl phthalate); and DPHP (di(2-propylheptyl) phthalate)), ***. Further, the staff report noted that the predominant plasticizer in the U.S. market has switched from DOP (dioctyl phthalate) to DINP (diisononyl phthalate), and for some uses, to DOTP, due to possible toxicity of phthalate plasticizers such as DINP.[8]

[8] ***.

In the original investigation, the Commission recognized that certain parties reported that the usage of certain ortho-phthalates such as DOP and DINP were starting to be restricted by government entities (first with the European Union in 2005, then in 2009 in the United States with the passage of the Consumer Product Safety Improvement Act banning the use of ortho-phthalates in toys). In addition, California's Proposition 65 listed DOP and DINP (since 1988 and the end of 2013) as chemicals requiring warning labels indicating that they are "materials known to the State of California to cause cancer." The switch to DOTP in the vinyl flooring manufacturing segment was noted to accelerate in 2010 when one firm switched from ortho-phthalates to non-phthalate plasticizers such as DOTP. An April 2015 study regarding ortho-phthalates in vinyl flooring tiles led to pledges by several major retailers to reduce or eliminate the usage of ortho-phthalates in flooring.[9] Domestic interested party Eastman reported that the prices of ortho-phthalate plasticizers do not affect the prices of DOTP.[10]

Since January 1, 2017, there have been a few developments with respect to possible substitutes for DOTP such as ortho-phthalate plasticizers. For example, in October 2017, the Consumer Product Safety Commission finalized a ban on five more phthalates, prohibiting their use in toys for children under 12.[11] In October 2020, the California Supreme Court denied the American Chemistry Council's appeal over the inclusion of DINP as a carcinogen on the state's Prop 65 list. In December 2020, Amazon announced a ban on all phthalates in its food packaging. In the present review ***, 14 of 15 responding importers, and 10 of 14 purchasers reported that there have been no changes in the number or types of substitutes for DOTP since 2017. Importer *** stated that "PVC shrink film which {uses} DOTP is reducing its production. PET shrink film is increasing instead which {doesn't use DOTP}." Purchaser *** reported that there are many substitutes for DOTP, but they are typically more expensive. Purchaser *** stated that it has not qualified any substitutes as DOTP replacements. Purchaser *** is in the process of qualifying substitutes "due to recent supplier allocations." Finally, purchaser *** switched to using a bio-plasticizer in 2015, although it notes it is not price-competitive with DOTP. No firms indicated that the availability of substitutes had affected demand for DOTP since 2017. ***, all responding importers,[12] and 11 of 14 responding purchasers did not anticipate any future

[9] Dioctyl Terephthalate from Korea, Inv. No. 731-TA-1330 (Final), USITC Publication 4713, August 2017, pp. 1-5.

[10] Eastman's posthearing brief, p. 3.

[11] For more information on these developments, see Table III-1.

[12] One importer marked both "no" and "yes."

changes in substitutes for DOTP. *** indicated that there are trials using bio-plasticizers to take the place of DOTP.

Substitutability issues

This section assesses the degree to which U.S.-produced DOTP and imports of DOTP from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of DOTP from domestic and imported sources based on those factors. Based on available data, staff believes that there is a high degree of substitutability between domestically produced DOTP and DOTP imported from South Korea.[13] Factors contributing to this level of substitutability include few differences with respect to quality, few differences between domestically produced DOTP and DOTP imported from South Korea across multiple purchase factors, and a high level of interchangeability between domestic and subject sources. Factors reducing substitutability include reduced availability of domestic product during certain times during the period such as when weather events occurred or other times when domestic suppliers placed purchasers on allocation or controlled supply, nearly half of purchasers stating their customers have a preference for DOTP from a particular country of origin, and any differences in certification by entities such as the Food and Drug Administration ("FDA") or the National Sanitation Foundation ("NSF").

Factors affecting purchasing decisions[14]

Purchaser decisions based on source

As shown in table II-7, most purchasers varied in how frequently they make purchasing decisions based on the producer or country of origin, although their customers typically never make decisions based on country of origin or producer of DOTP. Four purchasers each reported that they always or never make decisions based on the manufacturer and country of origin, with six firms reporting usually or sometimes. One purchaser noted that the supplier must meet

[13] The degree of substitution between domestic and imported DOTP depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced DOTP to the DOTP imported from South Korea (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

[14] Nine purchasers indicated they had marketing/pricing knowledge of domestic product, six of South Korean product, and nine of product from nonsubject countries.

the specifications for the product, and another noted that some of the DOTP must meet FDA criteria or be NSF-certified. A third purchaser (***) noted that the supplier's service, capacity, and quality is usually a consideration, and that the country of origin impacts that supplier's ability to service ***'s needs.

Table II-7
DOTP: Count of purchasers' responses regarding frequency of purchasing decisions based on producer and country of origin

Firm making decision	Decision based on	Always	Usually	Sometimes	Never
Purchaser	Producer	4	3	3	4
Customer	Producer	0	1	2	9
Purchaser	Country	4	2	4	4
Customer	Country	0	0	3	8

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

Importance of purchasing domestic product

Ten of 13 responding purchasers reported that none of their purchases required purchasing U.S.-produced product. One reported that domestic product was required by law (for 5 percent of its purchases), two reported it was required by their customers (for 5 to 22 percent of their purchases), and one reported other preferences for domestic product (for 45 percent of its purchases). This purchaser noting this domestic preference cited the ability to meet FDA criteria or be NSF-certified. Seven of 14 purchasers indicated that their customers have a preference for one source over another; six noted a preference for domestic product, one for product from China or Turkey due to quality, and one from the United States due to delivery times but from China due to lowest pricing.

Most important purchase factors

The most often cited top three factors firms consider in their purchasing decisions for DOTP were availability/delivery reliability (14 firms), price (12 firms), and quality (10 firms), as shown in table II-8. Price was the most frequently cited first-most important factor (cited by 6 firms), followed by quality (5 firms); and availability/delivery reliability was the most frequently reported second-most and third-most important factor (6 firms each).

Table II-8
DOTP: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Factor	First	Second	Third	Total
Price	6	3	3	12
Quality	5	4	1	10
Availability/reliable delivery/supply continuity	2	6	6	14
Contracts	1	0	1	2
All other factors	0	1	3	4

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

Note: Other factors include lead time (local bulk storage) as the second-most important factor, as well as service, FDA approval/NSF vendor, and "competitiveness" as third-most important factors. Four purchasers also supplied other factors that were important, though not among the three most important factors. Among the factors noted by these purchasers were: ability of supplier to deliver plasticizer in bulk tanker truck, commercial terms agreement, credit terms, fob terms, local tank storage, price, and schedule flexibility.

The majority of purchasers (9 of 14) reported that they usually purchase the lowest-priced product. Four also noted "sometimes" purchasing the lowest-priced product, and one "always" does.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-9). The factors rated as very important by more than three-quarters of responding purchasers were availability and reliability of supply (noted by all 13 purchasers), delivery time and price (12 purchasers), product consistency and quality meets industry standards (11 purchasers). U.S. transportation costs was also noted as a very important factor by more than half of the purchasers.

Table II-9
DOTP: Count of purchasers' responses regarding importance of purchase factors, by factor

Factor	Very important	Somewhat important	Not important
Availability	14	0	0
Reliability of supply	14	0	0
Delivery time	12	2	0
Price	13	1	0
Product consistency	12	2	0
Quality meets industry standards	12	2	0
U.S. transportation costs	8	5	1
Delivery terms	6	8	0
Payment terms	5	8	1
Packaging	5	7	2
Technical support/service	4	9	1
Discounts offered	3	10	1
Quality exceeds industry standards	1	10	3
Product range	1	5	7
Minimum quantity requirements	1	4	8

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

Lead times

DOTP is primarily sold from inventory. U.S. producers reported that *** percent of their commercial shipments were made from inventories: *** reported lead times of *** days depending on delivery mode and *** reported lead times of *** days. No importers reported shipments of DOTP from South Korea in 2022, but in the original investigation approximately three-quarters of importers' shipments were from inventories with lead times averaging 7 days.[15] No importer reported holding end-of-period inventories of DOTP from South Korea since 2018.

Supplier certification

Twelve of 14 responding purchasers require their suppliers to become certified or qualified to sell DOTP to their firm. Purchasers reported that the time to qualify a new supplier ranged from 5-7 days to 180-360 days. Most (8 of 11) purchasers, however, reported certification times of 30 to 90 days. Only 1 of 14 purchasers reported that a supplier had failed in its attempt to qualify DOTP or had lost its approved status since 2017: *** reported that Turkish producer Plastay had failed because of color and clarity concerns.

[15] Dioctyl Terephthalate from Korea, Inv. No. 731-TA-1330 (Final), USITC Publication 4713, August 2017, p. II-19.

Minimum quality specifications

As can be seen from table II-10, 12 of 13 responding purchasers reported that domestically produced product always met minimum quality specifications. Five of six responding purchasers also reported that the DOTP imported from South Korea always met minimum quality specifications, as did five of seven responding purchasers with respect to imports of DOTP from nonsubject sources.

Table II-10
DOTP: Count of purchasers' responses regarding suppliers' ability to meet minimum quality specifications, by source

Source of purchases	Always	Usually	Sometimes	Rarely or never	Don't Know
United States	12	1	0	0	1
South Korea	5	1	0	0	8
Nonsubject sources	5	2	0	0	5

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

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

Twelve purchasers reported factors that helped to determine quality of DOTP. Among the factors listed were chemical characteristics (e.g., ester content, refractive index, specific gravity, water content), physical characteristics (e.g., clarity, color, color consistency, impurities, smell), and performance characteristics (e.g., low temperature brittleness, meet specifications, production compatibility, quality of end product, weatherability).

Changes in purchasing patterns

Seven purchasers reported that they had changed suppliers since January 1, 2017, while six reported that they had not. Specifically, two firms dropped or reduced purchases from LG because of the antidumping order; two firms added BASF (USA), one added EZ Chem based on availability and supply assurance, one added BGN to ensure supply availability, and one added ALAC and Hanwha as secondary suppliers.

Purchasers were also asked about changes in their purchasing patterns from different countries since January 1, 2017 (table II-11). Purchasers reported mixed trends in their purchases of U.S.-produced product because of changes in downstream demand and regulations, the effects of the COVID-19 pandemic, the implementation of antidumping duties, a new downstream process that does not require DOTP, the pricing of DOTP (on its own and in relation to the price of other plasticizers, and U.S. DOTP producer allocations, although more purchasers reported steadily increasing purchases than any other purchase pattern. Two purchasers reported decreased purchases of product from South Korea, with one noting it was because of antidumping duties. Three purchasers reported constant purchases of DOTP from nonsubject sources, whereas two purchases reported purchases from nonsubject countries fluctuating higher. Countries noted by these two purchasers were "China/Taiwan" and Turkey.

Table II-11
DOTP: Count of purchasers' responses regarding changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Steadily decreased	Fluctuated lower	Constant	Fluctuated higher	Steadily increased	Did not purchase
United States	2	2	2	2	4	1
South Korea	1	1	0	0	0	9
Nonsubject sources	0	0	3	2	0	5

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

When asked what effect the antidumping duty order had on their purchases in the DOTP market, 6 of 11 purchasers noted that there was no effect. One noted that it stopped purchasing from South Korean producer LG. Two noted that the antidumping order reduced domestic competition, which led to higher prices. Finally, two noted that it made competing in the flooring business more difficult, with one noting that it enables "non-domestic" flooring producers to compete in the United States. Nine of 13 purchasers believe revocation of the antidumping duties would have an effect on the domestic DOTP market.

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

Purchasers were asked a number of questions comparing DOTP produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors (table II-12) for which they were asked to rate the importance.

Most purchasers reported that U.S. and subject DOTP were comparable on all factors except reliability of supply, delivery time, technical support/service, and discounts offered. Product from the U.S. producers was considered by a majority of purchasers as superior to that imported from South Korea on delivery time. Equal numbers of purchasers rated U.S. product and that imported from South Korea as superior and comparable with respect to reliability of supply (3) and technical support/service (2), and as inferior and comparable with respect to discounts offered (3).

When comparing U.S. product to that from nonsubject countries, a majority of purchasers considered U.S. product to be superior with respect to reliability of supply, delivery time, inferior with respect to price, and comparable for all other factors (with the exception of discounts offered, for which an equal number of purchasers considered the U.S. product to be either comparable or inferior). When comparing product from South Korea with that from nonsubject sources, a majority of purchasers considered product from both sources to be comparable on all factors (with the exception of technical support/service, for which an equal number of purchasers considered the South Korean product to be either comparable or inferior to that from nonsubject sources).

Table II-12
DOTP: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. v. South Korea	0	6	0
Reliability of supply	U.S. v. South Korea	3	3	0
Delivery time	U.S. v. South Korea	5	1	0
Price	U.S. v. South Korea	1	3	2
Product consistency	U.S. v. South Korea	1	5	0
Quality meets industry standards	U.S. v. South Korea	1	5	0
U.S. transportation costs	U.S. v. South Korea	1	5	0
Delivery terms	U.S. v. South Korea	0	6	0
Packaging	U.S. v. South Korea	1	5	0
Payment terms	U.S. v. South Korea	0	6	0
Technical support/service	U.S. v. South Korea	2	2	1
Discounts offered	U.S. v. South Korea	0	3	3
Quality exceeds industry standards	U.S. v. South Korea	1	5	0
Product range	U.S. v. South Korea	0	6	0
Minimum quantity requirements	U.S. v. South Korea	1	4	1

Table continued.

Table II-12 Continued
DOTP: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. v. Nonsubject	3	5	0
Reliability of supply	U.S. v. Nonsubject	5	3	0
Delivery time	U.S. v. Nonsubject	5	2	1
Price	U.S. v. Nonsubject	0	3	4
Product consistency	U.S. v. Nonsubject	1	7	0
Quality meets industry standards	U.S. v. Nonsubject	1	7	0
U.S. transportation costs	U.S. v. Nonsubject	2	3	1
Delivery terms	U.S. v. Nonsubject	3	5	0
Packaging	U.S. v. Nonsubject	0	8	0
Payment terms	U.S. v. Nonsubject	0	7	1
Technical support/service	U.S. v. Nonsubject	2	5	1
Discounts offered	U.S. v. Nonsubject	1	3	3
Quality exceeds industry standards	U.S. v. Nonsubject	1	7	0
Product range	U.S. v. Nonsubject	0	8	0
Minimum quantity requirements	U.S. v. Nonsubject	0	8	0

Table continued.

Table II-12 Continued
DOTP: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	South Korea v. Nonsubject	0	5	0
Reliability of supply	South Korea v. Nonsubject	2	3	0
Delivery time	South Korea v. Nonsubject	0	4	1
Price	South Korea v. Nonsubject	0	4	1
Product consistency	South Korea v. Nonsubject	1	4	0
Quality meets industry standards	South Korea v. Nonsubject	1	4	0
U.S. transportation costs	South Korea v. Nonsubject	1	3	1
Delivery terms	South Korea v. Nonsubject	0	5	0
Packaging	South Korea v. Nonsubject	0	5	0
Payment terms	South Korea v. Nonsubject	0	5	0
Technical support/service	South Korea v. Nonsubject	1	2	2
Discounts offered	South Korea v. Nonsubject	1	3	1
Quality exceeds industry standards	South Korea v. Nonsubject	0	5	0
Product range	South Korea v. Nonsubject	0	5	0
Minimum quantity requirements	South Korea v. Nonsubject	0	5	0

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

Note: A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Comparison of U.S.-produced and imported DOTP

In order to determine whether U.S.-produced DOTP can generally be used in the same applications as imports from South Korea, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-13 to II-15, pluralities or majorities of each firm type indicated that DOTP from each of the countries is frequently interchangeable with those from other countries, with nearly all remaining firms noting that they are always interchangeable. Purchaser *** noted that FDA approval status could impact interchangeability.

Table II-13
DOTP: Count of U.S. producers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. South Korea	***	***	***	***
U.S. vs. other	***	***	***	***
South Korea vs. other	***	***	***	***

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

Table II-14
DOTP: Count of importers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. South Korea	6	5	0	0
U.S. vs. other	6	8	0	0
South Korea vs. other	5	5	0	0

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

Table II-15
DOTP: Count of purchasers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. South Korea	3	4	1	0
U.S. vs. other	2	6	1	0
South Korea vs. other	3	3	0	0

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

In addition, U.S. producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of DOTP from the United States, subject, or nonsubject countries. As seen in tables II-16 to II-18, pluralities or majorities of each firm type indicated that there are sometimes factors other than price that are important in the DOTP market. With the exception of ***

*** two importers noting there are never any factors other than price between any comparator countries, and one purchaser noting there are never important factors other than price when comparing DOTP produced in South Korea and nonsubject countries, the remainder of firms noted that there are either always or frequently important factors other than price. Purchaser *** stated, "Imported material is only competitive if they have tanks to store bulk materials to provide service similar to the service provided by domestic producers. Other factors are also differentiators, such as availability." Importer *** also noted that customers prefer product with "prompt availability."

Table II-16
DOTP: Count of U.S. producers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. South Korea	***	***	***	***
U.S. vs. other	***	***	***	***
South Korea vs. other	***	***	***	***

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

Table II-17
DOTP: Count of importers reporting the significance of differences between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. South Korea	1	2	5	2
U.S. vs. other	1	2	8	2
South Korea vs. other	1	1	4	2

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

Table II-18
DOTP: Count of purchasers reporting the significance of differences between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. South Korea	1	3	4	0
U.S. vs. other	2	3	4	0
South Korea vs. other	0	2	3	1

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

Elasticity estimates

This section discusses elasticity estimates. Parties were encouraged to comment on these estimates in their briefs. No comments were received.

U.S. supply elasticity

The domestic supply elasticity for DOTP measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of DOTP. The elasticity of

domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, the existence of inventories, and the availability of alternate markets for U.S.-produced DOTP. Analysis of these factors above indicates that the U.S. industry has the ability to markedly increase or decrease shipments to the U.S. market; an estimate in the range of 4 to 6 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for DOTP measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of DOTP. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the DOTP in the production of any downstream products. Based on the available information, the aggregate demand for DOTP is likely to be somewhat inelastic; a range of -0.5 to -0.75 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[16] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced DOTP and imported DOTP from South Korea is likely to be in the range of 4 to 8 based on the relatively high interchangeability and multiple factors of comparability between product from the two sources.

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

Part III: Condition of the U.S. industry

Overview

The information in this section of the report was compiled from responses to the Commission's questionnaires. Two firms, BASF and Eastman, which together accounted for all U.S. production of DOTP during 2022, supplied information on their operations in this review.

Table III-1 presents events in the U.S. industry since January 1, 2017.

Table III-1
DOTP: Developments in the U.S. industry since 2017

Item	Firm	Event
Plant opening	BASF	In July 2017, BASF began producing DOTP in Pasadena, TX. The plant has an annual DOTP capacity of 60,000 MT.
Restrictions on competitive products	Industry-wide	In October 2017, the Consumer Product Safety Commission (CPSC) finalized a ban on five more phthalates, prohibiting their use in toys for children under age 12. The list now includes DEHP and DINP, two of the most common phthalate plasticizers.
Restrictions on competitive products	Industry-wide	In October 2020, the California Supreme Court denied the American Chemistry Council's appeal over the inclusion of DINP as a carcinogen on the state's Prop 65 list.
Restrictions on competitive products	Industry-wide	In December 2020, Amazon announced a ban on all phthalates in its food packaging.

Source: "BASF begins production of Palatinol DOTP plasticizer at its Pasadena, Texas facility," BASF press release, July 18, 2017, https://www.basf.com/us/en/media/news-releases/2017/07/P-US-17-072.html. CPSC, "Prohibition of Children's Toys and Child Care Articles Containing Specified Phthalates," https://www.regulations.gov/document/CPSC-2014-0033-0148, October 27, 2017. Bandoim, "Amazon Bans Toxic Chemicals From Its Food Packaging," Forbes, https://www.forbes.com/sites/lanabandoim/2021/01/14/amazon-bans-toxic-chemicals-from-its-food-packaging/?sh=3b1a054b2d31, January 14, 2021. Srebny, "Amazon Restricts 17 Chemicals in FCMs," https://www.foodpackagingforum.org/news/amazon-restricts-17-chemicals-in-fcms, Food Packaging Forum, December 11, 2020. ACC, "ACC Petitions California Supreme Court to Review Prop 65 Listing," https://www.americanchemistry.com/chemistry-in-america/news-trends/press-release/2020/acc-petitions-california-supreme-court-to-review-prop-65-listing, August 17, 2020. "California High Court Denies ACC Appeal Over Prop 65 Listing for DINP," Chemical Watch, https://chemicalwatch.com/164018/california-high-court-denies-acc-appeal-over-prop-65-listing-for-dinp, October 7, 2020.

Changes experienced by the industry

Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of DOTP since 2017. *** reported experiencing such changes. Table III-2 presents the specific changes.

Table III-2
DOTP: Reported changes in operations since January 1, 2017

Type of change	Firm name and narrative on changes in operations
Plant openings	***
Weather-related or force majeure events	*** *** *** ***

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

The Commission asked domestic producers to report whether the COVID-19 pandemic or any government actions to contain the spread of the COVID-19 virus resulted in changes to the firm's supply chain arrangements, production, employment, and shipments relating to DOTP. Table III-3 presents the firms' responses to this question.

Table III-3
DOTP: Reported changes in operations due to COVID-19 pandemic since January 1, 2020

Firm	Narrative on changes in operations due to COVID-19
***	***
***	***

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

Anticipated changes in operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of DOTP. *** responded "no" to this question.[1]

[1] U.S. producers' questionnaire responses of BASF and Eastman, section II-2c.

U.S. production, capacity, and capacity utilization

Table III-4 presents U.S. producers' installed capacity, practical capacity, and production on the same equipment. Changes in capacity, production, and utilization are ***. From 2017 to 2022 practical DOTP capacity increased by ***; production increased by *** with ***; and capacity utilization declined by *** percentage points, with most of the decrease occurring between 2021 and 2022. Eastman stated that its "…Kingsport plant is a 24 hour, 7 days a week operation…" with high capacity utilization necessary for the domestic industry to "…maintain efficiencies and maximize the deployment of assets to manage costs."[2]

Table III-4
DOTP: U.S. producers' overall capacity and production on the same equipment as subject production, by period

Capacity and production in metric tons; utilization in percent

Item	Measure	2017	2018	2019	2020	2021	2022
Installed overall	Capacity	***	***	***	***	***	***
Installed overall	Production	***	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***	***
Practical overall	Production	***	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***	***
Practical DOTP	Capacity	***	***	***	***	***	***
Practical DOTP	Production	***	***	***	***	***	***
Practical DOTP	Utilization	***	***	***	***	***	***

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

[2] Eastman's response to questions in lieu of a hearing, May 5, 2023, p. 1.

Table III-5 presents U.S. producers' production, practical DOTP capacity, and capacity utilization on a firm-by-firm basis. BASF ***.[3] Production of DOTP increased to ***. Eastman reported ***. Neither BASF nor Eastman reported ***.[4] Neither firm reported ***.

Table III-5
DOTP: Firm-by-firm production data, by period

Capacity

Quantity in metric tons

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

[3] ***, sections II-3c and II-3d.

[4] U.S. producers' questionnaire responses of ***, section II-3a.

Table III-5 Continued
DOTP: Firm-by-firm production data, by period

Production

Quantity in metric tons

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-5 Continued
DOTP: Firm-by-firm production data, by period

Capacity utilization

Ratio in percent

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Table continued.

Table III-5 Continued
DOTP: Firm-by-firm production data, by period

Share of production

Share in percent

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Figure III-1
DOTP: U.S. producers' production, capacity, and capacity utilization, by period

* * * * * * *

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

Alternative products

Neither firm reported producing out-of-scope products using the same machinery or workers during 2017-22. ***.

Constraints on capacity

Both responding U.S. producers reported constraints in the manufacturing process, including ***. The responses are shown in table III-6.

Table III-6
DOTP: U.S. producers' reported capacity constraints, by type of constraint and firm

Type of change	Firm name and narrative on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Supply of material inputs	***
Fuel or energy	***

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

BASF ***.[5] Eastman ***.[6]

U.S. producers' U.S. shipments and exports

Table III-7 presents U.S. producers' U.S. shipments (including U.S. commercial shipments, internal consumption, and transfers to related firms), export shipments, and total shipments. U.S. shipments, by quantity, increased from 2017 to 2021, then decreased in 2022, with U.S. shipments being *** metric tons (*** percent) lower in 2022 than in 2017. The directional change of the firms differed: ***.[7]

U.S. shipments, by value, increased irregularly from 2017 to 2022 for an overall increase of $***. The directional change of the firms differed: ***. The directional change of both firms' average

[5] U.S. producers' questionnaire response ***, sections II-3e and II-3f.
[6] U.S. producers' questionnaire response ***, sections II-3e and II-3f.
[7] Email from ***, April 2, 2023.

unit value of U.S. commercial shipments was the same with an ***. Non-commercial shipments (internal consumption and transfers to related firms) were consistently less than *** percent of U.S. shipments.

By quantity, exports increased from 2017 to 2022 by *** metric tons *** percent. Exports peaked in 2021, then declined by *** metric tons (*** percent); this decline ***. By value, exports increased irregularly from 2017 to 2021 but fell in 2022 with an overall increase of $***. Total exports by value ***. ***[8] For the U.S. producers collectively, in 2022 and in most years prior to 2022, average unit values for export shipments were *** than for U.S. shipments.[9]

[8] Email from ***, April 10, 2023. Email from ***, April 10, 2023.

[9] See Appendix C for average unit values for 2014-22.

Table III-7
DOTP: U.S. producers' shipments, by destination and period

Quantity in metric tons; value in 1,000 dollars; unit value in dollars per metric ton; shares in percent

Item	Measure	2017	2018	2019	2020	2021	2022
U.S. shipments	Quantity	***	***	***	***	***	***
Export shipments	Quantity	***	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***	***
Export shipments	Value	***	***	***	***	***	***
Total shipments	Value	***	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***	***
Export shipments	Unit value	***	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***	***
Total shipments	Share of quantity	***	***	***	***	***	***
U.S. shipments	Share of value	***	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***	***
Total shipments	Share of value	***	***	***	***	***	***

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

U.S. producers' inventories

Table III-8 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments.[10] ***. End-of-period inventories rose steadily from 2017 to 2019 then declined to 2022 for an overall increase of ***. The directional change was ***. The decrease in inventories and the lower ratio of inventory to production and shipments *** reflect a drawdown of inventory in 2020.

[10] U.S. producers reported inventories of DOTP could remain saleable for *** (Eastman) and *** (BASF). Among the *** responding importers, *** reported inventories could remain saleable for *** months; *** reported *** months; *** responded *** months; *** responded *** months (of which *** reported *** and *** responded ***, and *** responded *** months.

Table III-8
DOTP: U.S. producers' inventories and their ratio to select items, by period

Quantity in metric tons; ratio are inventories to production and shipments

Item	Measure	2017	2018	2019	2020	2021	2022
End-of-period inventory	Quantity	***	***	***	***	***	***
Inventory to U.S. production	Ratio	***	***	***	***	***	***
Inventory to U.S. shipments	Ratio	***	***	***	***	***	***
Inventory to total shipments	Ratio	***	***	***	***	***	***

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

U.S. producers' imports from subject sources

***'s imports of DOTP are presented in table III-9.

Table III-9
DOTP: *'s U.S. production, subject imports, and ratio of subject imports to production, by source and period**

Quantity in metric tons; ratio in percent

Item	Measure	2017	2018	2019	2020	2021	2022
U.S. production	Quantity	***	***	***	***	***	***
Imports from South Korea	Quantity	***	***	***	***	***	***
Imports from South Korea to U.S. production	Ratio	***	***	***	***	***	***

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

***.[11] ***. ***.

[11] U.S. importers' questionnaire response of ***, section II-4.

U.S. employment, wages, and productivity

Table III-10 shows U.S. producers' employment-related data. ***.[12] Eastman's ***.[13]

Table III-10
DOTP: U.S. producers' employment related information, by period

Item	2017	2018	2019	2020	2021	2022
Production and related workers (PRWs) (number)	***	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***	***
Productivity (metric tons per hour)	***	***	***	***	***	***
Unit labor costs (dollars per metric ton)	***	***	***	***	***	***

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

[12] U.S. producers' questionnaire response of ***, section II-8.
[13] U.S. producers' questionnaire response of ***, section II-8.

Financial experience of U.S. producers

Background[14]

Two U.S. producers provided usable financial results on their DOTP operations. Both U.S. producers reported financial data for a fiscal year ending December 31.[15] BASF reported its financial data on the basis of *** and Eastman reported its financial data on the basis of ***. BASF began producing DOTP at its Pasadena, Texas plant in July 2017.

Figure III-2 presents Eastman's and BASF's shares of the total reported net sales quantity in 2022.

Figure III-2
DOTP: Share of net sales quantity in 2022, by firm

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.
Note: The data used to calculate the firms' shares of total net sales quantity are located in table III-13.

[14] The following abbreviations may be used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), international financial reporting standards ("IFRS"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

[15] Except for a difference due to rounding, the trade and financial sections reconciled.

Operations on DOTP

Table III-11 presents aggregated data on U.S. producers' operations in relation to DOTP, while table III-12 presents corresponding changes in AUVs. Table III-13 presents selected company-specific financial data.[16]

Table III-11
DOTP: Results of operations of U.S. producers, by item and period

Quantity in metric tons; value in 1,000 dollars; ratios in percent

Item	Measure	2017	2018	2019	2020	2021	2022
Total net sales	Quantity	***	***	***	***	***	***
Total net sales	Value	***	***	***	***	***	***
COGS: Raw materials	Value	***	***	***	***	***	***
COGS: Direct labor	Value	***	***	***	***	***	***
COGS: Other factory	Value	***	***	***	***	***	***
COGS: Total	Value	***	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***	***
Interest expense	Value	***	***	***	***	***	***
All other expenses	Value	***	***	***	***	***	***
All other income	Value	***	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***	***
Cash flow	Value	***	***	***	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***	***	***	***
COGS: Other factory	Ratio to NS	***	***	***	***	***	***
COGS: Total	Ratio to NS	***	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***	***

Table continued.

[16] A variance analysis assists in the assessment of the causes of changes in profitability and identifies the relationships between price, unit cost, and volume. It is most useful for products that do not have substantial changes in product mix over the period investigated. A variance analysis is not presented here because of ***.

Table III-11 Continued
DOTP: Results of operations of U.S. producers, by item and period

Shares in percent; unit values in dollars per metric ton; count in number of firms reporting

Item	Measure	2017	2018	2019	2020	2021	2022
COGS: Raw materials	Share	***	***	***	***	***	***
COGS: Direct labor	Share	***	***	***	***	***	***
COGS: Other factory	Share	***	***	***	***	***	***
COGS: Total	Share	***	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***	***
COGS: Raw materials	Unit value	***	***	***	***	***	***
COGS: Direct labor	Unit value	***	***	***	***	***	***
COGS: Other factory	Unit value	***	***	***	***	***	***
COGS: Total	Unit value	***	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***	***
Operating losses	Count	***	***	***	***	***	***
Net losses	Count	***	***	***	***	***	***
Data	Count	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Shares represent the share of COGS. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Table III-12
DOTP: Changes in AUVs between comparison periods

Changes in percent

Item	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22
Total net sales	***	***	***	***	***	***
COGS: Raw materials	***	***	***	***	***	***
COGS: Direct labor	***	***	***	***	***	***
COGS: Other factory	***	***	***	***	***	***
COGS: Total	***	***	***	***	***	***

Table continued.

Table III-12 Continued
DOTP: Changes in AUVs between comparison periods

Changes in dollars per metric ton

Item	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22
Total net sales	***	***	***	***	***	***
COGS: Raw materials	***	***	***	***	***	***
COGS: Direct labor	***	***	***	***	***	***
COGS: Other factory	***	***	***	***	***	***
COGS: Total	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expense	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Net income or (loss)	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Changes in unit values in dollars shown as "0" represent non-zero values less than $0.50. Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

Table III-13
DOTP: Firm-by-firm financial data, by period

Net sales quantity

Quantity in metric tons

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Net sales value

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

COGS

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Gross profit or (loss)

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

SG&A expenses

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Operating income or (loss)

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Net income or (loss)

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

COGS to net sales ratio

Ratios in percent

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Gross profit or (loss) to net sales ratio

Ratios in percent

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

SG&A expenses to net sales ratio

Ratios in percent

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Operating income or (loss) to net sales ratio

Ratios in percent

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Net income or (loss) to net sales ratio

Ratios in percent

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Unit net sales value

Unit values in dollars per metric ton

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Unit raw material

Unit values in dollars per metric ton

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Unit direct labor

Unit values in dollars per metric ton

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Unit other factory costs

Unit values in dollars per metric ton

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Unit COGS

Unit values in dollars per metric ton

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Unit gross profit or (loss)

Unit values in dollars per metric ton

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Unit SG&A expenses

Unit values in dollars per metric ton

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Unit operating income or (loss)

Unit values in dollars per metric ton

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Table continued.

Table III-13 Continued
DOTP: Firm-by-firm financial data, by period

Unit net income or (loss)

Unit values in dollars per metric ton

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Net sales

Total net sales, by quantity, increased from 2017 to 2019, then declined irregularly from 2019 through 2022. Total net sales, by value, increased irregularly from 2017 to 2022. The industry totals reflected *** and the changes in the average unit value of total net sales, which decreased irregularly from 2017 to 2020 but increased in 2021 and 2022.[17] [18] As shown by the data in table III-13, ***.[19]

[17] Total net sales data include internal consumption, transfers to related firms, and exports. ***. Email from ***, March 28, 2023. ***. U.S. producers' questionnaire response of ***, section II-9. ***.

[18] ***. Email from ***, April 4, 2023.

[19] See earlier discussions in this part of the report regarding weather-related events (table III-2) and the effects of COVID-19 on operations (table III-3).

Cost of goods sold and gross profit or loss

Raw material costs were the largest component of COGS in each full-year period, accounting for between *** percent (in 2020) and *** percent (in 2021) of total COGS. On a per-metric ton basis, raw material costs increased overall from 2017 to 2022; as a ratio to total net sales, raw material costs increased from *** percent in 2017 to *** in 2018 then declined irregularly to *** percent in 2022. ***. The company-specific directional trends for raw material AUVs were similar—declining irregularly from 2017 to 2020 and increasing noticeably through 2022. ***.[20] [21]

Table III-14 presents raw material costs, by type. *** were the largest raw material inputs (together accounting for *** percent of cost, followed by *** (which accounted for an *** percent of cost) in 2022.

[20] ***. U.S. producers' questionnaire responses of ***, III-9c and III-9d; emails from ***, March 13, 2023 and ***, March 15 and April 11, 2023.

[21] ***. Email from ***, March 31, 2023.

Table III-14
DOTP: Raw material costs, 2022

Value in 1,000 dollars; share of value in percent

Item	Value	Share of value
Dimethyl terephthalate (DMT)	***	***
2-ethylhexanol (2-EH)	***	***
Purified terephthalic acid (PTA)	***	***
Other material inputs	***	***
All raw materials	***	***

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

The smallest component of COGS, direct labor, accounted for between *** percent in several yearly periods and *** percent (2017) of total COGS during 2017-22. On a per-metric ton basis, direct labor fluctuated but increased overall from $*** in 2017 to $*** in 2022.[22]

Lastly, other factory costs, the second largest component of COGS in each yearly period, accounted for between *** percent (2021) and *** percent (2020) of total COGS during 2017-22. On a per-metric ton basis, other factory costs increased overall from $*** in 2017 to $*** in 2022. The value of ***.[23]

Total COGS increased irregularly from 2017 to 2022. As a ratio to net sales, COGS fluctuated year-to-year, increasing irregularly from *** percent in 2017 to *** percent in 2020 before declining irregularly to *** percent in 2022.

[22] ***. Email from ***, April 2, 2023.
[23] ***. Email from ***, April 4, 2023.

As can be seen in table III-11, the industry's gross profit fluctuated year-to-year from 2017 to 2022 but declined overall from $*** in 2017 to $*** in 2020 before increasing irregularly to $*** in 2022. As shown by the data in table III-13, ***.

SG&A expenses and operating income or loss

The U.S. producers' SG&A expenses increased overall between 2017 and 2022 (from $*** to $***); the ratio of SG&A expenses to total net sales fluctuated between *** in several yearly periods and *** percent in 2020, while SG&A expenses on a per-metric ton basis increased overall, ranging from $*** in 2017 to $*** in 2022. SG&A expenses of the two firms trended similarly, with increasing SG&A expenses from 2017 to 2022. ***.

The industry's operating income declined overall from $*** in 2017 to $*** in 2020 then increased irregularly to $*** in 2022, which ***. Between 2021 and 2022, the operating ***. The industry's operating income ratio reflected the underlying trends of the value data, declining irregularly ***. The per-unit value of operating income followed the similar trend as the operating income ratio.

All other expenses and net income or loss

Table III-11 presents interest expense, other expense, and other income, which are classified below the operating income level and often allocated to the product line from high levels in the corporation. ***.[24] ***.[25]

The industry's directional trends for net income were similar to the directional trends in operating income. Net income decreased overall from $*** in 2017 to *** in 2020, then irregularly increased to $*** in 2022.

[24] U.S. producers' questionnaire response of ***, III-10, and email from ***, March 13, 2023. ***. Emails from ***, March 13 and 31, 2023.

[25] Email from ***, March 15, 2023. Also, ***.

Capital expenditures and research and development expenses

Table III-15 presents capital expenditures, by firm, and table III-17 presents R&D expenses, by firm. Tables III-16 and III-18 present the firms' narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively.

Table III-15
DOTP: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Table III-16
DOTP: Narrative descriptions of U.S. producers' capital expenditures, by firm

Firm	Narrative on capital expenditures
BASF	***
Eastman	***

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

Note: ***. Email from ***, May 1, 2023.

Table III-17
DOTP: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
***	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Table III-18
DOTP: Narrative descriptions of U.S. producers R&D expenses, by firm

Firm	Narrative on R&D expenses
***	***

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

Assets and return on assets

Table III-19 presents data on the U.S. producers' total net assets, while table III-20 presents their operating ROA.[26] Table IIII-21 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time.

Table III-19
DOTP: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Table III-20
DOTP: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2017	2018	2019	2020	2021	2022
BASF	***	***	***	***	***	***
Eastman	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Table III-21
DOTP: Narrative descriptions of U.S. producers' total net assets, by firm

Firm	Narrative on assets
BASF	***
Eastman	***

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

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

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

U.S. imports

Overview

The Commission issued questionnaires to 54 firms believed to have imported DOTP or similar chemicals since 2017. Nineteen firms confirmed imports of DOTP and provided fully or partially usable data and information in response to the questionnaires, while five firms indicated that they had not imported DOTP since 2017.[1] Based on information available from import statistics, the original investigation, and questionnaire data, staff believe that these questionnaire responses account for substantially more than *** percent of all U.S. imports of DOTP in 2022.[2] HTS statistical reporting number 2917.39.2000 includes significant quantities of out-of-scope products, therefore import data for DOTP in this report are based on responses to the Commission's questionnaire.

Imports from subject and nonsubject countries

Table IV-1 presents information on U.S. imports of DOTP from South Korea and all other sources. During 2017-22, U.S. imports increased by *** percent (from *** metric tons to *** metric tons). U.S. imports of DOTP from South Korea were highest at *** metric tons in 2018 but declined to *** metric tons in 2022.[3] During 2017-22, U.S. imports of DOTP from nonsubject sources increased by *** percent (from *** metric tons to *** metric tons).

[1] Staff believe that these 19 firms accounted for the substantial majority of all imports of DOTP from South Korea since 2017. In its response to the notice of initiation, Aekyung stated that it did not export DOTP in 2021 (respondent interested party's response to the notice of initiation, August 1, 2022 p. 9). In a telephone interview with staff, ***

[2] No firm reported importing DOTP from South Korea in 2022.

[3] Staff believe that these questionnaire data account for substantially more than *** percent of all imports in 2022 and the substantial majority of imports of DOTP from South Korea since 2017.

The value of total DOTP imports increased by *** percent during 2017-22 (from $*** to $***). During this period, U.S. imports of DOTP from South Korea declined by *** percent (from $*** to $***) while U.S. imports of DOTP from nonsubject sources increased by *** percent, from $*** to $***. Unit values for all DOTP imports increased by *** percent during 2017-22 (from $*** per metric ton to $*** per metric ton. Unit values for nonsubject imports increased by *** percent (from $*** per metric ton to $*** per metric ton).

Imports from South Korea as a share of total imports decreased from *** percent in 2017 to *** percent in 2022. The ratio of total imports to U.S. production increased from *** in 2017 to percent to *** percent (all from nonsubject sources) in 2022. The ratio of nonsubject imports to U.S. production increased from *** percent to *** percent.

Table IV-1
DOTP: U.S. imports by source and period

Quantity in metric tons; value in 1,000 dollars; unit value in dollars per metric ton; Shares and ratios in percent; Ratios represent the ratio to U.S. production

Source	Measure	2017	2018	2019	2020	2021	2022
South Korea	Quantity	***	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***	***
South Korea	Value	***	***	***	***	***	***
Nonsubject sources	Value	***	***	***	***	***	***
All import sources	Value	***	***	***	***	***	***
South Korea	Unit value	***	***	***	***	***	***
Nonsubject sources	Unit value	***	***	***	***	***	***
All import sources	Unit value	***	***	***	***	***	***
South Korea	Share of quantity	***	***	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***	***	***
All import sources	Share of quantity	***	***	***	***	***	***
South Korea	Share of value	***	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***	***
All import sources	Share of value	***	***	***	***	***	***
South Korea	Ratio	***	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***	***

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

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

Table IV-2
DOTP: Changes in U.S. imports between comparison periods, by source

Changes in percent

Source	Measure	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22
South Korea	%Δ Quantity	▼***	▲***	▼***	▼***	***	▼***
Nonsubject sources	%Δ Quantity	▲***	▼***	▲***	▲***	▲***	▲***
All import sources	%Δ Quantity	▲***	▼***	▼***	▼***	▲***	▲***
South Korea	%Δ Value	▼***	▲***	▼***	▼***	***	▼***
Nonsubject sources	%Δ Value	▲***	▼***	▲***	▲***	▲***	▲***
All import sources	%Δ Value	▲***	▲***	▼***	▲***	▲***	▲***
South Korea	%Δ Unit value	▼***	▲***	▲***	▼***	***	***
Nonsubject sources	%Δ Unit value	▲***	▲***	▼***	▲***	▲***	▲***
All import sources	%Δ Unit value	▲***	▲***	▼***	▲***	▲***	▲***

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

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

Figure IV-1
DOTP: U.S. import quantities and average unit values, by source and by period

* * * * * * *

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

U.S. inventories of imported merchandise

Table IV-3 presents data for inventories of U.S. imports of DOTP from South Korea and all other sources held in the United States.[4] During 2017-22, total inventories of imported DOTP increased by *** percent (from *** metric tons to *** metric tons), with inventories of DOTP imported from South Korea decreasing from *** metric tons to *** metric tons, while inventories of nonsubject imports increasing from *** metric tons to *** metric tons. During this period, the ratio of total inventories to total imports of DOTP increased from *** percent to *** percent, with the ratio of nonsubject inventories to total imports increasing from *** percent to *** percent. At the end of 2022, ***, held *** percent of total inventory of imported DOTP (*** metric tons), all of which was from

[4] U.S. producers reported inventories of DOTP could remain saleable for *** (Eastman) and *** (BASF). Among the *** responding importers, *** reported inventories could remain saleable for *** months; *** reported *** months; *** responded *** months; *** responded *** months (of which *** reported *** and *** responded ***, and *** responded *** months.

nonsubject sources. In contrast, ***.

Table IV-3
DOTP: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in metric tons; ratio in percent

Measure	Source	2017	2018	2019	2020	2021	2022
Inventories quantity	South Korea	***	***	***	***	***	***
Ratio to imports	South Korea	***	***	***	***	***	***
Ratio to U.S. shipments of imports	South Korea	***	***	***	***	***	***
Ratio to total shipments of imports	South Korea	***	***	***	***	***	***
Inventories quantity	Nonsubject	***	***	***	***	***	***
Ratio to imports	Nonsubject	***	***	***	***	***	***
Ratio to U.S. shipments of imports	Nonsubject	***	***	***	***	***	***
Ratio to total shipments of imports	Nonsubject	***	***	***	***	***	***
Inventories quantity	All	***	***	***	***	***	***
Ratio to imports	All	***	***	***	***	***	***
Ratio to U.S. shipments of imports	All	***	***	***	***	***	***
Ratio to total shipments of imports	All	***	***	***	***	***	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. importers' imports subsequent to December 31, 2022

The Commission requested importers to indicate whether they had imported or arranged for the importation of DOTP for delivery during the four quarters after December 31, 2022. *** indicated arranged imports from South Korea, while importers primarily reported arranged nonsubject imports for the first quarter of 2023, with an estimated quantity of *** metric tons.

Table IV-4
DOTP: U.S. importers' arranged imports, by source and period

Quantity in metric tons

Source	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Oct-Dec 2023	Total
South Korea	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Subject country producers

The industry in South Korea

Overview

The Commission issued foreign producers' questionnaires to four firms believed to produce and/or export DOTP from South Korea. No South Korean firm submitted a response to the Commission's questionnaire. Three South Korean producers, Aekyung, LG Chem, and Hanwha, were named in Commerce's administrative reviews. A fourth firm, OCI, identifies itself as a producer of DOTP on its website,[5] although the firm ***.[6] Aekyung submitted a response to the Commission's Notice of Institution, but later declined to participate in this review.[7] Two firms, *** and ***, responded to staff outreach confirming they did not intend to submit questionnaires.

In its response to the Commission's Notice of Institution, Aekyung stated that under normal operating levels and conditions, its DOTP production capacity is ***[8] and that during 2021 it produced *** metric tons of DOTP, for a capacity utilization rate of *** percent. Aekyung also stated that its production accounted for approximately *** percent of total Korean production, that it did not export to the United States in that year,[9] and that its

[5] "Plasticizer," OCI Company website, https://www.oci.co.kr/eng/sub/business/plasticizer.asp.
[6] ***.
[7] Correspondence from Jeffrey Winton, January 25, 2023.
[8] Eastman estimated total production capacity ***. Eastman's response to questions in lieu of a hearing, May 5, 2023, exh. 2.
[9] Respondent interested party's response to the notice of institution, August 1, 2022, p. 9.

customers in Asia and Europe account for "approximately *** percent by quantity" of its sales of DOTP. Aekyung further stated that in April 2019 China reduced its value added tax rate for sales of DOTP from 16 to 13 percent,[10] resulting in increased sales in China for Aekyung and, the firm believes, for other Korean producers.[11]

Table IV-5 presents events in South Korea's industry since January 1, 2017. Since 2017, ***.

Table IV-5
DOTP: Developments in South Korea's industry since 2017

Item	Firm	Event
***	LG Chemical	***
***	LG Chemical	***
***	Hanwha Chemical	***
***	LG Chemical	***

Source: ***.

Exports

According to GTA, the leading export markets for aromatic polycarboyxlic acids and their derivative (an HTS classification that includes DOTP and out-of-scope goods) from South Korea are China, India, and the United States (table IV-6). During 2022, the United States was the third largest export market for goods classified under HS 2917.39 from South Korea, accounting for 6.2 percent of exports. China was the largest export market for goods classified under HS 2917.39, accounting for 37.2 percent. India was the second largest market, accounting for 8.3 percent.

[10] In April 2019 China reduced VAT from 16 percent to 13 percent for broad range of goods in the manufacturing sector. "VAT Rates in China Lowered – 2019 Work Report Announcement," *China Briefing* March 8, 2019. https://www.china-briefing.com/news/vat-rates-china-lowered-2019/.

[11] Respondent interested party's response to the notice of institution, August 1, 2022, pp. 4, 7, 8.

Table IV-6:
Aromatic Polycarboxylic Acids, Their Anhydrides, Halides, Peroxides, Peroxyacids And Their Derivatives, Nesoi: Exports from South Korea, by destination market and by period

Quantity in metric tons; value in 1,000 dollars; unit value in dollars per metric ton; share in percent

Destination market	Measure	2017	2018	2019	2020	2021	2022
United States	Quantity	25,460	27,598	18,922	22,881	35,600	30,872
China	Quantity	210,667	214,693	220,417	244,749	179,561	184,781
India	Quantity	49,431	42,868	38,244	39,523	46,047	41,098
Spain	Quantity	18,958	20,234	20,870	16,652	15,596	20,544
Belgium	Quantity	16,727	16,546	10,806	7,725	11,999	18,363
Italy	Quantity	23,559	24,209	25,981	20,100	20,097	18,208
Turkey	Quantity	9,678	6,084	6,689	9,608	6,478	16,745
Lithuania	Quantity	4,471	4,268	320	2,664	3,422	15,060
Mexico	Quantity	4,480	2,562	6,238	7,153	6,986	11,587
All other destination markets	Quantity	147,457	133,564	122,317	130,460	155,568	139,399
Non-U.S. destination markets	Quantity	485,428	465,028	451,881	478,633	445,754	465,786
All destination markets	Quantity	510,889	492,626	470,803	501,514	481,354	496,658
United States	Value	41,205	38,544	20,297	21,176	44,886	37,319
China	Value	327,319	294,657	211,184	192,617	213,323	216,243
India	Value	87,666	61,197	36,392	34,493	51,083	49,952
Spain	Value	28,197	27,395	22,218	15,384	25,564	32,881
Belgium	Value	29,440	23,564	11,932	7,224	17,652	28,582
Italy	Value	35,299	33,524	27,723	17,978	28,345	22,819
Turkey	Value	15,014	9,331	6,292	7,674	7,418	19,825
Lithuania	Value	8,934	6,018	363	2,144	3,584	18,083
Mexico	Value	8,495	3,536	5,711	6,173	8,932	15,545
All other destination markets	Value	239,936	193,577	130,227	118,647	211,989	192,078
Non-U.S. destination markets	Value	780,300	652,798	452,044	402,333	567,890	596,008
All destination markets	Value	821,505	691,343	472,341	423,509	612,776	633,327

Table continued.

Table IV-6 continued
Aromatic Polycarboxylic Acids, Their Anhydrides, Halides, Peroxides, Peroxyacids And Their Derivatives, Nesoi: Exports from South Korea, by destination market and by period

Quantity in metric tons; value in 1,000 dollars; unit value in dollars per metric ton; share in percent

Destination market	Measure	2017	2018	2019	2020	2021	2022
United States	Unit value	1,618	1,397	1,073	925	1,261	1,209
China	Unit value	1,554	1,372	958	787	1,188	1,170
India	Unit value	1,773	1,428	952	873	1,109	1,215
Spain	Unit value	1,487	1,354	1,065	924	1,639	1,600
Belgium	Unit value	1,760	1,424	1,104	935	1,471	1,556
Italy	Unit value	1,498	1,385	1,067	894	1,410	1,253
Turkey	Unit value	1,551	1,534	941	799	1,145	1,184
Lithuania	Unit value	1,998	1,410	1,136	805	1,047	1,201
Mexico	Unit value	1,896	1,380	916	863	1,278	1,342
All other destination markets	Unit value	1,627	1,449	1,065	909	1,363	1,378
Non-U.S. destination markets	Unit value	1,607	1,404	1,000	841	1,274	1,280
All destination markets	Unit value	1,608	1,403	1,003	844	1,273	1,275
United States	Share of quantity	5.0	5.6	4.0	4.6	7.4	6.2
China	Share of quantity	41.2	43.6	46.8	48.8	37.3	37.2
India	Share of quantity	9.7	8.7	8.1	7.9	9.6	8.3
Spain	Share of quantity	3.7	4.1	4.4	3.3	3.2	4.1
Belgium	Share of quantity	3.3	3.4	2.3	1.5	2.5	3.7
Italy	Share of quantity	4.6	4.9	5.5	4.0	4.2	3.7
Turkey	Share of quantity	1.9	1.2	1.4	1.9	1.3	3.4
Lithuania	Share of quantity	0.9	0.9	0.1	0.5	0.7	3.0
Mexico	Share of quantity	0.9	0.5	1.3	1.4	1.5	2.3
All other destination markets	Share of quantity	28.9	27.1	26.0	26.0	32.3	28.1
Non-U.S. destination markets	Share of quantity	95.0	94.4	96.0	95.4	92.6	93.8
All destination markets	Share of quantity	100.0	100.0	100.0	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 2917.39 as reported by Korea Trade Statistics Promotion Institute (KTSPI) ***; Korea Customs and Trade Development Institution (KCTDI) *** in the Global Trade Atlas database, accessed February 16, 2023
Note: United States is shown at the top. All remaining top export destinations are shown in descending order of 2022 data.
Note: These data may be overstated as HS subheading 2917.39 may contain products outside the scope of this review.
Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top followed by the top exporting countries in descending order of 2022 data.

Third-country trade actions

On October 20, 2017, Turkey imposed antidumping duties on DOTP from South Korea. The order specified a rate of 7.99 percent ad valorem for LG Chemicals and 12.57 percent ad valorem for all other producers.[12] On March 19, 2019, Turkey initiated its equivalent of an anti-circumvention investigation on DOTP from South Korea. This investigation considered whether goods imported from South Korea under "others," Turkey's statistical reporting number of 3812.20.91.00.00, were rendering ineffective the antidumping duty order on DOTP.[13] The Turkish Department of Commerce imposed in November 2019 antidumping duties on imports of this subject product from South Korea at the same rates as on imports of DOTP: LG Chemicals, Ltd. (7.99 percent) and all others (12.57 percent).

Global market

The global plasticizer market continues to move away from phthalate plasticizers, with their attendant environmental and health concerns, to nonphthalate plasticizers, including DOTP. China is the largest producer and consumer of DOTP with numerous plants entering and exiting the market in China.[14] Eastman estimates ***.[15]In 2020, DOTP became the leading plasticizer used in China.[16] In 2019, Sibur opened a DOTP production facility in Russia with an annual capacity of 100,000 metric tons.[17] Turkey, with at least 8 producers capable of producing DOTP, has been increasing its production of DOTP and exporting a larger share of its production. Turkey's exports were largely destined for Europe but increased substantially to the U.S. market in 2022.[18] Taiwan has three producers of

[12] Domestic interested party's response to the notice of institution, Exh. 5, August 1, 2022.

[13] The product under Turkish investigation results from the trans-esterification of DOTP. The subject product is reportedly also a plasticizer that imparts characteristics to plastic similar to those that DOTP does. Communique on the Prevention of Unfair Competition in Imports (Communique no. 2019/32), Ch. 3, Art. 15, Official Gazette, November 9, 2019 (Domestic interested party's response to the notice of institution, Exh. 5, August 1, 2022).

[14] ***.

[15] Eastman's response to questions in lieu of a hearing, May 5, 2023, pp. 4—5.

[16] ***.

[17] Moore, "Sibur Commissions DOTP Plasticizer Plant," June 12, 2019; SIBUR, "SIBUR's Perm Site Launches Production," May 21, 2019.

[18] Most Turkish producers have swing plants capable of producing other plasticizers in addition to DOTP. Atic Kimya, "Atic Kimya," accessed May 18, 2023; Knowde, "Ela Kimyevi Maddeler - About Us," accessed May 18, 2023; Meltem Kimya, "Meltem Kimya From Past to Present," accessed May 18, 2023; Knowde, "Meltem Kimya," accessed May 22, 2023; "Plastay Group - About Us," accessed May 18, 2023. ***.

DOTP and the largest, Nan Ya, increased its DOTP capacity by *** metric tons in late 2019.[19] One Malaysian producer has a line capable of producing of DOTP.[20] Although the line has a capacity of *** metric tons, it is a swing line for DEHP, DINP, and DOTP.[21] India still has limited production of DOTP. The only identified producer of DOTP in Japan is J-Plus, which set up capacity of *** metric tons in May 2019.[22] Canada and the countries of Western Europe do not produce DOTP.[23] Plasticizer producers in Canada and Western Europe may, however, be capable of producing compound plasticizers containing DOTP.

Table IV-7 presents GTA data for global exports of aromatic polycarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives under HS subheading 2917.39 (an HS classification that includes DOTP and out-of-scope goods). South Korea was the largest global exporter of such products from 2017-2022, with exports of such products decreasing in volume (from 510,889 metric tons in 2017 to 496,728 metric tons in 2022, a decrease of 2.8 percent). The value of such products decreased (from 821.5 million dollars in 2017 to 633.7 million dollars in 2022, a decrease of 22.9 percent). South Korea's share of global volume of such products decreased (from 33.1 percent in 2017 to 31.3 percent in 2022, a decrease of 1.9 percentage points).

During the most recent two-year period for which data are available, prices in major markets moved in the same direction. From the last week in April 2021 to the last week in April 2023, the reported mid-level prices decreased by ***.[24]

[19] ***.

[20] UPC Chemicals, "Products - General Plasticizers," accessed May 22, 2023; MiTAC-SYNNEX Group, "UPC Technology Corp., Corporate Profile," accessed May 22, 2023.

[21] ***.

[22] ***.

[23] J-PLUS Co., Ltd., "Our Products," accessed May 15, 2023. ***.

[24] ***.

Table IV-7
Aromatic Polycarboxylic Acids, Their Anhydrides, Halides, Peroxides, Peroxyacids And Their Derivatives, Nesoi: Global exports by exporter and period

Quantity in metric tons; value in 1,000 dollars

Exporting country	Measure	2017	2018	2019	2020	2021	2022
United States	Quantity	114,243	131,993	146,075	110,934	98,929	84,299
South Korea	Quantity	510,889	492,626	470,803	501,514	481,354	496,728
Taiwan	Quantity	218,349	192,972	231,007	269,204	246,526	210,005
China	Quantity	100,818	92,911	98,762	90,665	134,357	154,247
Spain	Quantity	128,603	203,670	171,698	166,761	172,044	140,782
Turkey	Quantity	29,407	22,874	24,202	45,329	76,449	80,362
Netherlands	Quantity	47,509	54,062	63,479	60,294	78,188	65,568
Japan	Quantity	54,225	54,630	92,316	79,342	56,966	53,011
India	Quantity	36,816	48,743	56,647	49,865	57,557	49,498
Belgium	Quantity	51,457	53,153	48,355	43,550	46,239	44,286
Portugal	Quantity	57	218	115,706	81,859	72,972	28,070
All other exporters	Quantity	249,247	273,812	263,314	224,116	225,611	181,831
All reporting exporters	Quantity	1,541,620	1,621,664	1,782,364	1,723,433	1,747,192	1,588,687
United States	Value	235,164	261,231	247,248	191,253	212,562	221,859
South Korea	Value	821,505	691,343	472,341	423,509	612,776	633,672
Taiwan	Value	402,288	285,082	218,624	214,255	300,020	260,556
China	Value	273,751	336,916	295,527	224,511	353,672	415,849
Spain	Value	241,906	291,037	198,793	164,962	231,819	241,568
Turkey	Value	38,946	32,925	30,222	47,149	159,881	153,607
Netherlands	Value	82,544	87,879	83,685	70,075	126,883	121,236
Japan	Value	130,435	116,523	130,733	104,352	103,740	93,884
India	Value	83,357	111,263	135,064	97,423	126,927	127,360
Belgium	Value	104,295	93,646	67,265	51,328	72,377	85,052
Portugal	Value	86	312	89,002	42,214	54,818	30,864
All other exporters	Value	517,569	556,165	490,698	402,973	524,809	503,550
All reporting exporters	Value	2,931,847	2,864,324	2,459,203	2,034,004	2,880,284	2,889,058

Table continued.

Table IV-7 Continued
Aromatic Polycarboxylic Acids, Their Anhydrides, Halides, Peroxides, Peroxyacids And Their Derivatives, Nesoi: Global exports by exporter and period

Unit values in dollars per metric ton; shares in percent

Exporting country	Measure	2017	2018	2019	2020	2021	2022
United States	Unit value	2,058	1,979	1,693	1,724	2,149	2,632
South Korea	Unit value	1,608	1,403	1,003	844	1,273	1,276
Taiwan	Unit value	1,842	1,477	946	796	1,217	1,241
China	Unit value	2,715	3,626	2,992	2,476	2,632	2,696
Spain	Unit value	1,881	1,429	1,158	989	1,347	1,716
Turkey	Unit value	1,324	1,439	1,249	1,040	2,091	1,911
Netherlands	Unit value	1,737	1,626	1,318	1,162	1,623	1,849
Japan	Unit value	2,405	2,133	1,416	1,315	1,821	1,771
India	Unit value	2,264	2,283	2,384	1,954	2,205	2,573
Belgium	Unit value	2,027	1,762	1,391	1,179	1,565	1,921
Portugal	Unit value	1,511	1,433	769	516	751	1,100
All other exporters	Unit value	2,077	2,031	1,864	1,798	2,326	2,769
All reporting exporters	Unit value	1,902	1,766	1,380	1,180	1,649	1,819
United States	Share of quantity	7.4	8.1	8.2	6.4	5.7	5.3
South Korea	Share of quantity	33.1	30.4	26.4	29.1	27.6	31.3
Taiwan	Share of quantity	14.2	11.9	13.0	15.6	14.1	13.2
China	Share of quantity	6.5	5.7	5.5	5.3	7.7	9.7
Spain	Share of quantity	8.3	12.6	9.6	9.7	9.8	8.9
Turkey	Share of quantity	1.9	1.4	1.4	2.6	4.4	5.1
Netherlands	Share of quantity	3.1	3.3	3.6	3.5	4.5	4.1
Japan	Share of quantity	3.5	3.4	5.2	4.6	3.3	3.3
India	Share of quantity	2.4	3.0	3.2	2.9	3.3	3.1
Belgium	Share of quantity	3.3	3.3	2.7	2.5	2.6	2.8
Portugal	Share of quantity	0.0	0.0	6.5	4.7	4.2	1.8
All other exporters	Share of quantity	16.2	16.9	14.8	13.0	12.9	11.4
All reporting exporters	Share of quantity	100.0	100.0	100.0	100.0	100.0	100.0

Source: Official export statistics under HS subheading 2917.39, as reported by various national statistical authorities in the Global Trade Atlas database, accessed March 23, 2023.
Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. United States is shown at the top followed by the countries under order, all remaining top exporting countries in descending order of 2022 data.

Part V: Pricing data

Factors affecting prices

Raw material costs

Raw materials represent a substantial share of the cost of producing DOTP. Domestic producers' raw materials costs as a share of its cost of goods sold (COGS) increased irregularly between 2017 and 2022, from *** percent in 2017 to *** percent in 2022.[1]

The primary raw materials used to manufacture DOTP are 2-ethylhexanol (2-EH), dimethyl terephthalate (DMT), and purified terephthalic acid (PTA). In the original investigation, U.S. producer Eastman stated that it uses 2-EH and DMT while most other DOTP producers use 2-EH and PTA. Eastman also stated that it was one of the last producers of DMT worldwide. Most other global DOTP producers likely use PTA because it is more readily available in the market than DMT.[2]

2-EH is made from propylene and other chemicals, while DMT and PTA are made from paraxylene and other chemicals. Propylene and paraxylene are both petrochemicals. In the original investigation, Eastman stated that the prices of paraxylene and propylene are the best proxies for the prices of raw materials used to make DOTP.[3]

Figure V-1 and table V-1 present data on the contract price trends in the North American market for paraxylene and propylene. Both raw materials followed similar price trends: increasing in 2017 and 2018, decreasing in 2019 and 2020, and increasing in 2021. These raw material price levels were similar to those during the original investigation (2014-16), though somewhat lower than the market prices before that time.

[1] These ratios are substantially lower than those reported by petitioner Eastman in the final phase of the original investigation. During 2014-16, these ratios were reported by Eastman to be between *** percent in 2014, *** percent in 2015, and *** percent in 2016. Derived from Investigation No. 731-TA-1330 (Final): Dioctyl Terephthalate from Korea, Confidential Report, INV-PP-086, July 10, 2017, p. VI-3, Table VI-1.

[2] Dioctyl Terephthalate from Korea, Inv. No. 731-TA-1330 (Final), USITC Publication 4713, August 2017, p. V-1.

[3] Ibid.

Figure V-1
DOTP: North American contract prices of raw materials paraxylene and propylene, 2011-21

* * * * * * *

Source: ***.

Table V-1
DOTP: North American contract prices of raw materials paraxylene and propylene, 2011-21

Price in dollars per metric ton

Year	Paraxylene price	Propylene price
2011	***	***
2012	***	***
2013	***	***
2014	***	***
2015	***	***
2016	***	***
2017	***	***
2018	***	***
2019	***	***
2020	***	***
2021	***	***

Source: ***.

Producers and importers were askedto describe trends in raw material prices. Producers characterized raw material prices as having fluctuated since 2017. *** noted that some raw material prices *** than in 2017 and anticipates ***. *** noted that raw material costs fluctuated ***, although it anticipates that they will *** in the future. Eleven of 13 responding importers indicated that prices for raw materials either increased steadily or fluctuated but ended higher than in 2017. Importers were split, however, on what they anticipate occurring in the foreseeable future: five anticipate increasing raw material prices, four anticipate them to be constant, and four anticipate decreasing raw material prices.

Nine of 14 purchasers are familiar with raw material costs in the DOTP market. Seven of 11 reported that raw material costs affect their contract prices for DOTP. Purchaser *** stated that after a market shortage caused by the February 2021 storm, *** changed its contract with *** to ***. Purchaser *** stated that negotiations with domestic producers were more difficult during the period in which it was placed on allocation.

Transportation costs to the U.S. market

There were *** imports of DOTP in 2022 from South Korea. However, transportation costs for other plasticizers entering the United States from South Korea under the same HTS statistical reporting number as DOTP averaged 18.7 percent during 2022. These estimates were derived from official import data and represent the transportation and other charges on imports.[4]

U.S. inland transportation costs

*** 14 of 15 responding importers reported that they typically arrange transportation to their customers. U.S. producers reported that their U.S. inland transportation costs ranged from *** percent, while most (four of five) responding importers reported costs of 7 to 12 percent.[5]

[4] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2022 and then dividing by the customs value based on the HTS statistical reporting number 2917.39.2000.

[5] The other importer noted U.S. inland transportation costs of 2 percent.

Pricing practices

Pricing methods

*** reported using transaction-by-transaction negotiations and contracts to set prices; in addition, *** uses a set price list (table V-2). Most (14 of 15) responding importers use transaction-by-transaction negotiation to set prices, although *** also uses contracts and *** uses set price lists as well. In formulating domestic prices, U.S. producers use formulas based on raw materials to determine price levels for some contract sales. ***. Importer *** reported using a cost-plus method for determining prices.

Table V-2
DOTP: Count of U.S. producers' and importers' reported price setting methods

Method	U.S. producers	Importers
Transaction-by-transaction	***	14
Contract	***	1
Set price list	***	1
Other	***	1
Responding firms	2	15

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

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

When asked whether conversion prices have changed since 2017, *** no responding importers *** indicated that they had changed. ***.

*** importers reported selling large portions of their DOTP in the spot market (table V-3). ***. Both domestic producers' annual and long-term contracts typically ***.[6] ***, only importer *** reported any use of contracts for sales of DOTP, noting that the contract was in 2017 for bulk DOTP with fixed prices.[7]

Table V-3
DOTP: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2022 (U.S.) and 2016 (South Korea)

Share in percent

Type of sale	U.S. producers (2022)	Importers (2016)
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
Total	100.0	---

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

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

One purchaser reported that it purchases product daily, seven purchase weekly, three purchase monthly, three purchase quarterly, one purchases annually, and one (***) purchased ***. Most purchasers reported contacting between one and five suppliers of DOTP, although one purchaser (***) reported contacting between six and eight suppliers. Of the other purchasers, two purchasers contact at most one supplier, three contact at most two suppliers, four contact at most three suppliers, two contact at most four suppliers, and two contact at most five suppliers.

[6] ***.
[7] ***.

Sales terms and discounts

U.S. producers and importers typically quote prices on a delivered basis. *** quantity discounts, and *** total volume discounts. Thirteen of 15 responding importers that sell DOTP (***) reported offering no discounts.[8]

Price leadership

Eight of 10 responding purchasers reported that domestic producer Eastman was a price leader in the DOTP market during 2017-22, while two reported that importer TCC – The Chemical Company – was a price leader and one each reported that importer ALAC and producer/importer BASF were price leaders. In addition, one purchaser listed three companies in China and two in Hong Kong as price leaders. Eastman was reported to lead pricing by announcing price changes, particularly related to changes in raw material price movements; three purchasers noted that Eastman led the market in increasing prices. Purchaser *** reported a change in Eastman's pricing methodology: "After {the} Texas power outage in 2021, Eastman changed from discounted index contract pricing to market pricing based on current raw material market pricing." Purchasers identifying TCC as a price leader reported that it has very competitive pricing, is knowledgeable of market indicators, and announces price changes up or down.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following DOTP products shipped to unrelated U.S. customers during 2017-22.

Product 1.-- Dioctyl terephthalate in 20 MT containers, including tank trucks, flexitanks, or flexitainers, and/or isotanks

Product 2.-- Dioctyl terephthalate in bulk, including railcars and bulk liftings

[8] ***.

Both U.S. producers and four importers (***) provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[9] No importer reported pricing data for DOTP from South Korea after 2018. Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. shipments of DOTP and *** percent of U.S. shipments of subject imports from South Korea during 2017-22.[10]

Price data for products 1 and 2 are presented in tables V-4 and V-5, as well as in figures V-2 and V-3.

[9] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates. *** supplied usable pricing data, importer *** submitted unusable pricing data, and importer *** provided no pricing data. *** accounted for *** percent of import pricing data.

[10] Pricing coverage is based on U.S. shipments reported in questionnaires.

Table V-4
DOTP: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per metric ton, quantity in metric tons, margin in percent.

Period	U.S. price	U.S. quantity	South Korea price	South Korea quantity	South Korea margin
2017 Q1	***	***	***	***	***
2017 Q2	***	***	***	***	***
2017 Q3	***	***	***	***	***
2017 Q4	***	***	***	***	***
2018 Q1	***	***	***	***	***
2018 Q2	***	***	***	***	***
2018 Q3	***	***	***	***	***
2018 Q4	***	***	***	***	***
2019 Q1	***	***	--	0	--
2019 Q2	***	***	--	0	--
2019 Q3	***	***	--	0	--
2019 Q4	***	***	--	0	--
2020 Q1	***	***	--	0	--
2020 Q2	***	***	--	0	--
2020 Q3	***	***	--	0	--
2020 Q4	***	***	--	0	--
2021 Q1	***	***	--	0	--
2021 Q2	***	***	--	0	--
2021 Q3	***	***	--	0	--
2021 Q4	***	***	--	0	--
2022 Q1	***	***	--	0	--
2022 Q2	***	***	--	0	--
2022 Q3	***	***	--	0	--
2022 Q4	***	***	--	0	--

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

Note: Product 1: Dioctyl terephthalate in 20 MT containers, including tank trucks, flexitanks, or flexitainers, and/or isotanks.

Table V-5
DOTP: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per metric ton, quantity in metric tons, margin in percent.

Period	U.S. price	U.S. quantity	South Korea price	South Korea quantity	South Korea margin
2017 Q1	***	***	***	***	***
2017 Q2	***	***	***	***	***
2017 Q3	***	***	***	***	***
2017 Q4	***	***	***	***	***
2018 Q1	***	***	***	***	***
2018 Q2	***	***	--	0	--
2018 Q3	***	***	--	0	--
2018 Q4	***	***	--	0	--
2019 Q1	***	***	--	0	--
2019 Q2	***	***	--	0	--
2019 Q3	***	***	--	0	--
2019 Q4	***	***	--	0	--
2020 Q1	***	***	--	0	--
2020 Q2	***	***	--	0	--
2020 Q3	***	***	--	0	--
2020 Q4	***	***	--	0	--
2021 Q1	***	***	--	0	--
2021 Q2	***	***	--	0	--
2021 Q3	***	***	--	0	--
2021 Q4	***	***	--	0	--
2022 Q1	***	***	--	0	--
2022 Q2	***	***	--	0	--
2022 Q3	***	***	--	0	--
2022 Q4	***	***	--	0	--

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

Note: Product 2: Dioctyl terephthalate in bulk, including railcars and bulk liftings.

Figure V-2
DOTP: Weighted-average prices and quantities of domestic and imported product 1, by source and quarter

Price of product 1

* * * * * * *

Quantity of product 1

* * * * * * *

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

Note: Product 1: Dioctyl terephthalate in 20 MT containers, including tank trucks, flexitanks, or flexitainers, and/or isotanks.

Figure V-3
DOTP: Weighted-average prices and quantities of domestic and imported product 2, by source and quarter

Price of product 2

* * * * * * *

Quantity of product 2

* * * * * * *

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

Note: Product 2: Dioctyl terephthalate in bulk, including railcars and bulk liftings.

Price trends

In general, domestic prices increased during 2017 and 2018, decreased until the middle of 2020, increased until the middle of 2022, and declined in the fourth quarter of 2022, although remained substantially higher than in the first quarter of 2017. As shown in table V-6, domestic price increases were *** percent for product 1 and *** percent for product 2 between the first and last quarters. Pricing data regarding imported DOTP from South Korea were only provided for 2017 and 2018. Prices increased for both products imported from South Korea during this shortened period: *** percent for product 1 and *** percent for product 2.

Table V-6
DOTP: Summary of price data, by product and source, January 2017-December 2022

Quantity in metric tons, price in dollars per metric ton

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Percent change in price over period
Product 1	United States	24	***	***	***	***	***	***
Product 1	South Korea	8	***	***	***	***	***	***
Product 2	United States	24	***	***	***	***	***	***
Product 2	South Korea	5	***	***	***	***	***	***

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

Note: Percent change column is percentage change from the first quarter in 2017 to the fourth quarter of 2022 for domestic producers and the first or fourth quarter of 2018 (for products 2 and 1, respectively) for South Korea.

Price comparisons[11]

As shown in table V-7, prices for DOTP imported from South Korea were below those for U.S.-produced product in 9 of 13 instances (*** metric tons); margins of underselling ranged from *** to *** percent and averaged *** percent. In four instances in 2018 (*** metric tons), prices for DOTP from South Korea were between *** and *** percent above prices for the domestic product and averaged *** percent higher.

Table V-7
DOTP: Instances of underselling and overselling and the range and average of margins, by product

Quantity in metric tons; margin in percent

Product	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	4	***	***	***	***
Product 2	Underselling	5	***	***	***	***
Total, all products	Underselling	9	***	***	***	***
Product 1	Overselling	4	***	***	***	***
Product 2	Overselling	0	---	---	---	---
Total, all products	Overselling	4	***	***	***	***

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

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

[11] In the original investigations, subject imports from South Korea were priced lower than domestic product in in 20 of 24 instances (*** metric tons); margins of underselling ranged from 1.7 to 14.9 percent. In the remaining 4 instances (*** metric tons), prices for DOTP from Korea were between 2.0 and 4.4 percent above prices for the domestic product. Investigation No. 731-TA-1330 (Final): Dioctyl Terephthalate from Korea, Confidential Report, INV-PP-086, July 10, 2017, p. V-13.

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 39459, July 1, 2022	*Initiation of Five-Year (Sunset) Reviews*	https://www.federalregister.gov/documents/2022/07/01/2022-14144/initiation-of-five-year-sunset-reviews
87 FR 39556, July 1, 2022	*Dioctyl Terephthalate from South Korea: Institution of a Five-Year Review*	https://www.federalregister.gov/documents/2022/07/01/2022-14162/dioctyl-terephthalate-from-south-korea-institution-of-a-five-year-review
87 FR 66264, November 3, 2022	*Dioctyl Terephthalate from the Republic of Korea: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*	https://www.federalregister.gov/documents/2022/11/03/2022-23930/dioctyl-terephthalate-from-the-republic-of-korea-final-results-of-the-expedited-first-sunset-review
87 FR 75067, December 7, 2022	*Dioctyl Terephthalate from South Korea: Notice of Commission to Conduct a Full Five-Year Review*	https://www.federalregister.gov/documents/2022/12/07/2022-26601/dioctyl-terephthalate-from-south-korea-notice-of-commission-determination-to-conduct-a-full
87 FR 78708, December 22, 2022	*Dioctyl Terephthalate from South Korea: Scheduling of a Full Five-Year Review*	https://www.federalregister.gov/documents/2022/12/22/2022-27873/dioctyl-terephthalate-from-south-korea-scheduling-of-a-full-five-year-review

Citation	Title	Link
88 FR 26598, May 1, 2023	*Dioctyl Terephthalate from South Korea: Cancellation of Hearing for Full Five-Year Review*	https://www.federalregister.gov/documents/2023/05/01/2023-09137/dioctyl-terephthalate-from-south-korea-cancellation-of-hearing-for-full-five-year-review

APPENDIX B

REQUEST TO CANCEL HEARING

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VIA ELECTRONIC FILING

April 18, 2023

Inv. No. 731-TA-1330 (Review)

Lisa R. Barton, Secretary
U.S. International Trade Commission
Room 112A
500 E Street, SW
Washington, DC 20436

PUBLIC DOCUMENT

Re: Dioctyl Terephthalate From Korea (First Review): Request to Cancel Hearing

Dear Secretary Barton:

On behalf of Eastman Chemical Company (the "Petitioner"), a domestic producer of Dioctyl Terephthalate, we request that the Commission take action pursuant to 19 C.F.R. §201.12. Specifically, to the extent that no respondent interested parties are participating in this full review, we request that the Commission cancel the hearing that is currently scheduled for April 27, 2023. One foreign producer initially stated its intent to participate. However, on January 25, 2023, that foreign producer, Aekyung Chemical Co., Ltd., confirmed that it is no longer willing to participate at all, nor will any other Korean producers. Indeed, no foreign producer or exporter of the subject merchandise from Korea submitted a questionnaire response.

Baker McKenzie.

Following Aekyung's belated notice that it would not participate, Petitioner requested that the Commission reconsider its decision to conduct a full review to conserve resources and in view of the lack of interest by the foreign producers. The Commission denied that request, and this review has proceeded on a full review schedule, including through the issuance and collection of questionnaires and the Commission Staff's preparation of a complete Prehearing Report.

Petitioner seeks a continuation of the antidumping duty order on DOTP from Korea and has readily complied with all requests in this review and will continue to do so through the filing of a comprehensive prehearing brief and through a posthearing brief, as necessary to assist the Commission in its decision. Petitioner will file its request to appear at the hearing on April 21, per the Scheduling Order, and will participate if such a hearing is deemed required by the Commission. Even so, for efficiency and judicial economy reasons and to preserve the resources of both the Commission and Petitioner, we request that the Commission promptly cancel the scheduled hearing. Particularly given the complete failure to cooperate by all foreign producers in this review, we believe that the hearing is unnecessary and that the record before the Commission is full and complete on the papers. Petitioner also remains fully available to respond to written questions from the Commission in a posthearing brief, should any further questions arise, which we believe obviates the need for a hearing.

Respectfully submitted,

/s/ Christine M. Streatfeild
Christine M. Streatfeild
Michael K. Kondrad

Counsel for Eastman Chemical Company

U.S. INTERNATIONAL TRADE COMMISSION
PUBLIC CERTIFICATE OF SERVICE

I, Christine Streatfeild, hereby certify that at the time of filing the foregoing submission, there are no other parties on Commission's service list for this proceeding.

/s/Christine M. Streatfeild
Christine M. Streatfeild

APPENDIX C

SUMMARY DATA

Table C-1
DOTP: Summary data concerning the U.S. market, by item and period

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

Item	Reported data					
	Calendar year					
	2017	2018	2019	2020	2021	2022
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***
Importers' share (fn1):						
South Korea	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***
All import sources	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***
Importers' share (fn1):						
South Korea	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***
All import sources	***	***	***	***	***	***
U.S. importers' U.S. shipments of imports from:						
South Korea:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Nonsubject sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All import sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***

Table continued.

Table C-1 Continued
DOTP: Summary data concerning the U.S. market, by item and period
Quantity=metric tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per metric ton; Period changes=percent--exceptions noted

	Period changes					
	Comparison years					
Item	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22
U.S. consumption quantity:						
Amount	▼***	▲***	▼***	▼***	▲***	▼***
Producers' share (fn1)	▲***	▲***	▲***	▲***	▼***	▼***
Importers' share (fn1):						
South Korea	▼***	▼***	▼***	▼***	▲***	▼***
Nonsubject sources	▲***	▼***	▲***	▲***	▲***	▲***
All import sources	▼***	▼***	▼***	▼***	▲***	▲***
U.S. consumption value:						
Amount	▲***	▲***	▼***	▼***	▲***	▲***
Producers' share (fn1)	▼***	▲***	▲***	▼***	▼***	▼***
Importers' share (fn1):						
South Korea	▼***	▼***	▼***	▼***	▲***	▼***
Nonsubject sources	▲***	▼***	▲***	▲***	▲***	▲***
All import sources	▲***	▼***	▼***	▲***	▲***	▲***
U.S. importers' U.S. shipments of imports from:						
South Korea:						
Quantity	▼***	▼***	▼***	▼***	▲***	▼***
Value	▼***	▲***	▼***	▼***	▲***	▼***
Unit value	▼***	▲***	▲***	▼***	▲***	▼***
Ending inventory quantity	▼***	▲***	▼***	***	***	***
Nonsubject sources:						
Quantity	▲***	▼***	▲***	▲***	▲***	▲***
Value	▲***	▼***	▼***	▲***	▲***	▲***
Unit value	▲***	▲***	▼***	▲***	▲***	▲***
Ending inventory quantity	▲***	▼***	▲***	▼***	▲***	▲***
All import sources:						
Quantity	▼***	▼***	▼***	▼***	▲***	▲***
Value	▲***	▼***	▼***	▲***	▲***	▲***
Unit value	▲***	▲***	▼***	▲***	▲***	▲***
Ending inventory quantity	▲***	▼***	▼***	▼***	▲***	▲***

Table continued.

Table C-1 Continued

DOTP: Summary data concerning the U.S. market, by item and period

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

Item	Reported data					
	Calendar year					
	2017	2018	2019	2020	2021	2022
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (fn1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***	***
Productivity (metric tons per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss) (fn2)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss) (fn2)	***	***	***	***	***	***
Net income or (loss) (fn2)	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss) (fn2)	***	***	***	***	***	***
Unit net income or (loss) (fn2)	***	***	***	***	***	***
COGS/sales (fn1)	***	***	***	***	***	***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	***
Net income or (loss)/sales (fn1)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Research and development expenses	***	***	***	***	***	***
Net assets	***	***	***	***	***	***

Table continued.

Table C-1 Continued

DOTP: Summary data concerning the U.S. market, by item and period

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

Item	Period changes					
	Comparison years					
	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22
U.S. producers':						
Average capacity quantity	▲***	▲***	▲***	▼***	▲***	▼***
Production quantity	▲***	▲***	▲***	▼***	▲***	▼***
Capacity utilization (fn1)	▼***	▲***	▼***	▼***	▲***	▼***
U.S. shipments:						
Quantity	▼***	▲***	▲***	▼***	▲***	▼***
Value	▲***	▲***	▼***	▼***	▲***	▲***
Unit value	▲***	▲***	▼***	▼***	▲***	▲***
Export shipments:						
Quantity	▲***	▲***	▲***	▲***	▲***	▼***
Value	▲***	▲***	▲***	▼***	▲***	▼***
Unit value	▲***	▲***	▼***	▼***	▲***	▲***
Ending inventory quantity	▲***	▲***	▲***	▼***	▲***	▼***
Inventories/total shipments (fn1)	▼***	▼***	▲***	▼***	▼***	▲***
Production workers	▲***	▼***	***	▲***	***	▲***
Hours worked (1,000s)	▲***	▼***	▼***	▲***	▲***	▲***
Wages paid ($1,000)	▲***	▲***	▼***	▲***	▲***	▲***
Hourly wages (dollars per hour)	▲***	▲***	▼***	▲***	▲***	▲***
Productivity (metric tons per hour)	▼***	▲***	▲***	▼***	▲***	▼***
Unit labor costs	▲***	▼***	▼***	▲***	▼***	▲***
Net sales:						
Quantity	▲***	▲***	▲***	▼***	▲***	▼***
Value	▲***	▲***	▼***	▼***	▲***	▼***
Unit value	▲***	▲***	▼***	▼***	▲***	▲***
Cost of goods sold (COGS)	▲***	▲***	▼***	▼***	▲***	▲***
Gross profit or (loss) (fn2)	▲***	▼***	▲***	▼***	▲***	▼***
SG&A expenses	▲***	▲***	▲***	▼***	▲***	▼***
Operating income or (loss) (fn2)	▲***	▼***	▲***	▼***	▲***	▼***
Net income or (loss) (fn2)	▲***	▼***	▲***	▼***	▲***	▼***
Unit COGS	▲***	▲***	▼***	▼***	▲***	▲***
Unit SG&A expenses	▲***	▲***	▲***	▼***	▲***	▲***
Unit operating income or (loss) (fn2)	▲***	▼***	▲***	▼***	▲***	▼***
Unit net income or (loss) (fn2)	▲***	▼***	▲***	▼***	▲***	▲***
COGS/sales (fn1)	▼***	▲***	▼***	▲***	▼***	▲***
Operating income or (loss)/sales (fn1)	▲***	▼***	▲***	▼***	▲***	▼***
Net income or (loss)/sales (fn1)	▲***	▼***	▲***	▼***	▲***	▼***
Capital expenditures	▼***	▼***	▼***	▲***	▼***	▲***
Research and development expenses	▲***	▲***	▲***	▲***	▼***	▲***
Net assets	▲***	▲***	▲***	▼***	▲***	▲***

Source: Compiled from data submitted in response to Commission questionnaires. 508-compliant tables containing these data are contained in parts I, III, and IV of this report.

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

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

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

HISTORICAL SUMMARY DATA

Original Investigation (August 2017)

Table C-1
DOTP: Summary data concerning the U.S. market, 2014-16

* * * * * * *

Table C-1 – Continued
DOTP: Summary data concerning the U.S. market, 2014-16

* * * * * * *

APPENDIX D

COMMENTS ON EFFECTS OF ORDER AND LIKELY EFFECTS OF REVOCATION

Table D-1
DOTP: Firms' narratives on the impact of the order and the likely impact of revocation

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producers	***
Effect of order	U.S. producers	***

Table continued.

Table D-1 Continued
DOTP: Firms' narratives on the impact of the order and the likely impact of revocation

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producers	***
Likely impact of revocation	U.S. producers	***

Table continued.

Table D-1 Continued
DOTP: Firms' narratives on the impact of the order and the likely impact of revocation

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	U.S. producers	***

Table continued.

Table D-1 Continued
DOTP: Firms' narratives on the impact of the order and the likely impact of revocation

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***
Effect of order	Importers	***

Table continued.

Table D-1 Continued
DOTP: Firms' narratives on the impact of the order and the likely impact of revocation

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***

Table continued.

Table D-1 continued
DOTP: Firms' narratives on the impact of the order and the likely impact of revocation

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Likely impact of revocation	Importers	***
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***

Table continued.

Table D-1 Continued
DOTP: Firms' narratives on the impact of the order and the likely impact of revocation

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of the order	Purchasers	***
Effect of the order	Purchasers	***
Likely impact of revocation	Purchasers	***
Likely impact of revocation	Purchasers	***
Likely impact of revocation	Purchasers	***
Likely impact of revocation	Purchasers	***
Likely impact of revocation	Purchasers	***

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