

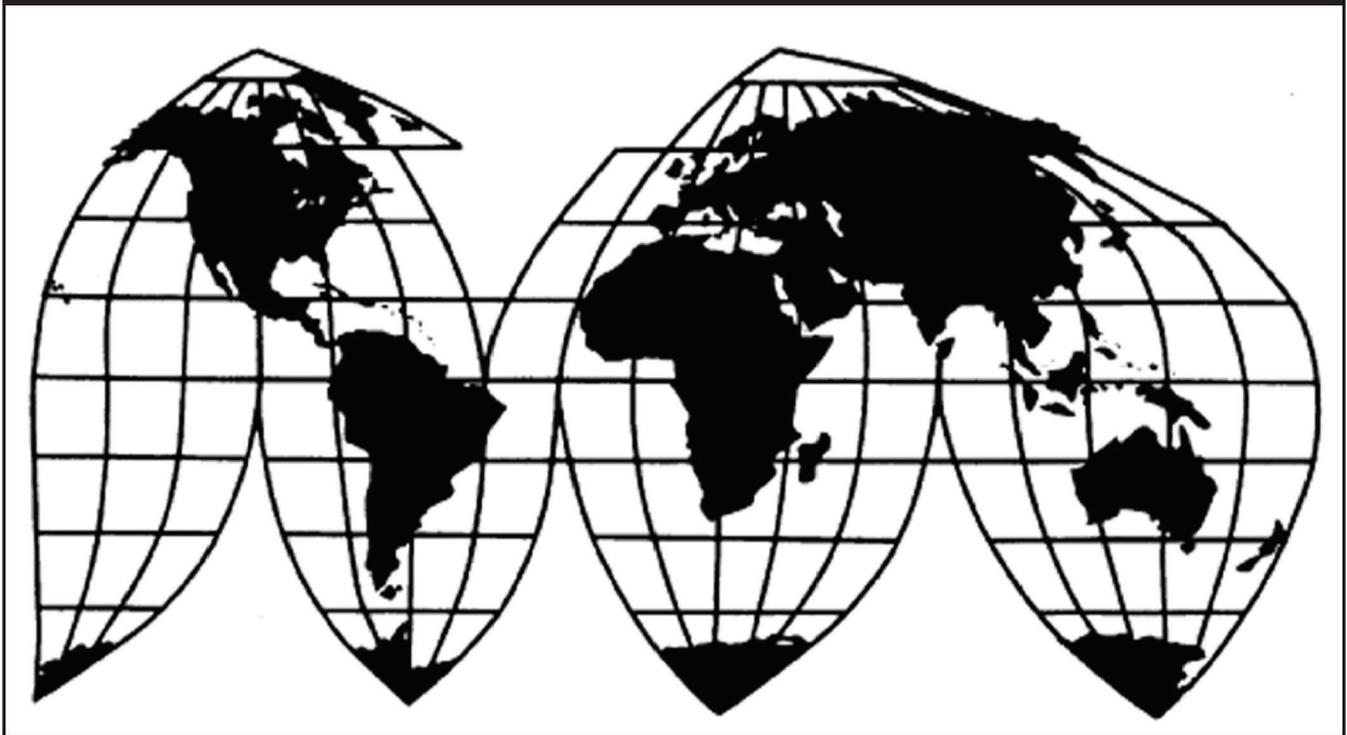
Certain Polyester Staple Fiber from China

Investigation No. 731-TA-1104 (Third Review)

Publication 5456

August 2023

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1104 (Third Review)

Certain Polyester Staple Fiber from China

DETERMINATION

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

BACKGROUND

The Commission instituted this review on March 1, 2023 (88 FR 12987) and determined on June 5, 2023 that it would conduct an expedited review (88 FR 44399, July 12, 2023).

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

Views of the Commission

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

I. Background

Original Investigation. In response to a petition filed by DAK Americas, LLC (“DAK Americas”), Nan Ya Plastics Corporation, America (“Nan Ya America”), and Wellman Inc. (“Wellman”), domestic producers of PSF, the Commission determined in May 2007 that an industry in the United States was materially injured by reason of imports of PSF from China that the U.S. Department of Commerce (“Commerce”) had found were sold in the United States at less than fair value (“LTFV”).^{1 2} On June 1, 2007, Commerce issued an antidumping duty order.³ The Commission’s affirmative injury determination was appealed to the U.S. Court of International Trade (“CIT”), which affirmed the Commission’s findings.⁴

In 2011, Commerce revoked the antidumping duty order with respect to two Chinese producers/exporters, Ningbo Dafa Chemical Fiber Co. Ltd. (“Ningbo Dafa”) and Cixi Santai Chemical Fiber Co. Ltd. (“Cixi Santai”), after determining that these companies had sold subject merchandise in commercial quantities at not LTFV for a period of three consecutive years⁵

¹ *Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-1104 (Final), USITC Pub. 3922 (June 2007) (“*Original Determination*”).

² Commerce calculated a de minimis margin for one Chinese producer/exporter, Cixi Jiangnan Chemical Co., Ltd. (“Cixi Jiangnan”). *Certain Polyester Staple Fiber from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 72 Fed. Reg. 19690 (April 19, 2007). As a result, Cixi Jiangnan was excluded from the order. *Id.*

³ *Certain Polyester Fiber from the People’s Republic of China: Notice of Antidumping Duty Order*, 72 Fed. Reg. 30545 (June 1, 2007).

⁴ *Consolidated Fibers, Inc. v. United States*, 574 F. Supp. 2d 1371 (Ct. Int’l Trade 2008).

⁵ *Certain Polyester Staple Fiber from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, and Revocation of an Order in Part*, 76 Fed. Reg. 69702, 69703 (Nov. 9, 2011).

First Five-Year Review. In May 2012, the Commission instituted its first five-year review of the antidumping duty order on PSF from China.⁶ In September 2012, the Commission reached an affirmative determination after conducting an expedited review.⁷ In October 2012, Commerce issued a continuation of the antidumping duty order covering PSF from China.⁸

Second Five-Year Review. In September 2017, the Commission instituted its second five-year review of the antidumping duty order on PSF from China.⁹ Following an expedited review, the Commission determined that revocation of the antidumping duty order on PSF from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁰ In August 2017, Commerce published its notice of continuation of the antidumping duty order covering PSF from China.¹¹

Current Review. The Commission instituted this review on March 1, 2023.¹² The Commission received a single joint response to its notice of institution from Fiber Industries, Indorama Ventures Holdings LP, and Nan Ya America, domestic producers of PSF (collectively, “domestic interested parties”).¹³ No respondent interested party responded to the notice of institution or participated in this review. On June 5, 2023, the Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response was inadequate.¹⁴ Finding no other circumstances that would warrant conducting a full review, the Commission determined that it would conduct

⁶ *Certain Polyester Staple Fiber from the People’s Republic of China: Institution of a Five-Year Review*, 77 Fed. Reg. 25744 (May 1, 2012).

⁷ *Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-1104 (Review), USITC Pub. 4351 (Sept. 2012) (“*First Five-Year Review Determination*”).

⁸ *Certain Polyester Staple Fiber from the People’s Republic of China: Continuation of Antidumping Duty Order*, 77 Fed. Reg. 62217 (Oct. 12, 2012).

⁹ *Certain Polyester Staple Fiber from China: Institution of a Five-Year Review*, 82 Fed. Reg. 41654 (Sept. 1, 2017).

¹⁰ *Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-1104 (Second Review), USITC Pub. 4767 (Mar. 2018) (“*Second Five-Year Review Determination*”).

¹¹ *Certain Polyester Staple Fiber from the People’s Republic of China: Continuation of Antidumping Duty Order*, 83 Fed. Reg. 14415 (Apr. 4, 2018).

¹² *Certain Polyester Staple Fiber from China; Institution of a Five-Year Review*, 88 Fed. Reg. 12987 (Mar. 1, 2023)

¹³ Domestic Interested Parties’ Response to Notice of Institution, EDIS Doc. 793482 (Mar. 31, 2023) (“*Domestic Interested Parties’ Substantive Response*”).

¹⁴ *Certain Polyester Staple Fiber from China; Scheduling of an Expedited Five-Year Review*, 88 Fed. Reg. 44399 (July 12, 2023). Chairman Johanson voted to conduct a full review of the order. *Id.*

an expedited review of the order.¹⁵ Domestic interested parties submitted final comments pursuant to Commission rule 207.62(d)(1) on August 2, 2023.¹⁶

Data/Response Coverage. U.S. industry data for this review are based on information provided by domestic interested parties, which are estimated to have accounted for *** percent of U.S. PSF production in 2022, in their response to the notice of institution.¹⁷ U.S. import data are based on official Commerce statistics.¹⁸ Foreign industry data and related information are based on information supplied by domestic interested parties in their response to the notice of institution, information from the original investigation and prior five-year reviews, and publicly available information gathered by the Commission.¹⁹

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”²⁰ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”²¹ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original

¹⁵ Explanation of Commission Determination on Adequacy, EDIS Doc. 799230 (June 23, 2023). Chairman Johanson determined that, in light of the time that had transpired since the original investigation without a full review, conducting a full review was warranted.

¹⁶ Domestic Interested Parties’ Final Comments, EDIS Doc. 801448 (Aug. 2, 2023).

¹⁷ Confidential Report, Memorandum INV-VV-043 (May 23, 2023) (“CR”); *Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-1104 (Third Review), USITC Pub. 5456 (August 2023) (“PR”) at Table I-2; Domestic Interested Parties’ Supplemental Response to Notice of Institution Response, EDIS Doc. 794132 (Apr. 11, 2023) at 2.

¹⁸ CR/PR at I-16-17. As noted above, Chinese producers/exporters Cixi Jiangnan, Cixi Santai, and Ningbo Dafa are excluded from the antidumping duty order. Because official Commerce import statistics do not distinguish between subject imports of PSF from China and nonsubject imports from the excluded Chinese producers/exporters, subject import data may be overstated and nonsubject import data may be understated. *Id.*

¹⁹ CR/PR at I-19-21; Domestic Interested Parties’ Substantive Response at 6-11.

²⁰ 19 U.S.C. § 1677(4)(A).

²¹ 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Dep’t of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

investigation and consider whether the record indicates any reason to revisit the prior findings.²²

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

Synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The subject merchandise may be coated, usually with a silicon or other finish, or not coated. PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture.

The following products are excluded from the scope: (1) PSF of less than 3.3 decitex (less than 3 denier) currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 5503.20.0025 and known to the industry as PSF for spinning and generally used in woven and knit applications to produce textile and apparel products; (2) PSF of 10 to 18 denier that are cut to lengths of 6 to 8 inches and that are generally used in the manufacture of carpeting; and (3) low-melt PSF defined as a bi-component fiber with an outer, non-polyester sheath that melts at a significantly lower temperature than its inner polyester core (classified at HTSUS 5503.20.0015).²³

Commerce's scope has remained the same since the original investigation.²⁴

PSF is a man-made fiber that is similar in appearance to cotton or wool fiber when baled. It is principally known in the industry as "fiber for fill," as it is primarily used as polyester

²² See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

²³ *Certain Polyester Staple Fiber from the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 88 Fed. Reg. 37851 (June 9, 2023); *Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order on Certain Polyester Staple Fiber from the People's Republic of China*, EDIS Doc. 798962 (June 5, 2023) at 2 ("Commerce I & D Memo").

²⁴ *Original Determination*, USITC Pub. 3922 at 5; *First Five-Year Review Determination*, USITC Pub. 4351 at 4; *Second Five-Year Review Determination*, USITC Pub. 4351 at 5-6, n.21.

fiberfill.²⁵ PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture.²⁶

Original Investigation and Prior Five-Year Reviews. In the original investigation, the Commission defined a single domestic like product consisting of all PSF, coextensive with Commerce's scope.²⁷ The Commission rejected arguments raised by certain respondent parties that the Commission should find conjugate PSF and PSF qualified for use in certain cured in place pipe applications ("CIPP PSF") as separate domestic like products. The Commission found no clear dividing lines between conjugate PSF, CIPP PSF, and other forms of PSF.²⁸

In the expedited first and second five-year reviews, the Commission continued to define a single domestic like product consisting of all PSF, coextensive with the scope. In each prior five-year review, no party had argued for a different domestic like product definition, and there was no new information obtained during the respective reviews that suggested a reason for departing from the Commission's original definition of the domestic like product.²⁹

Current Review. The record of this review does not contain any new information suggesting that the pertinent product characteristics and uses of PSF have changed since the original investigation so as to warrant revisiting the Commission's domestic like product definition.³⁰ Domestic interested parties agree with the Commission's definition of the domestic like product from the prior proceedings.³¹ Accordingly, we again define the domestic like product as all PSF, coextensive with Commerce's scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."³² In defining the domestic industry, the Commission's general practice has been

²⁵ CR/PR at I-8.

²⁶ CR/PR at I-8.

²⁷ *Original Determination*, USITC Pub. 3922 at 5-9.

²⁸ *Original Determination*, USITC Pub. 3922 at 5-9.

²⁹ *First Five-Year Review Determination*, USITC Pub. 4351 at 5; *Second Five-Year Review Determination*, USITC Pub. 4351 at 7.

³⁰ See generally CR/PR at I-8-11.

³¹ Domestic Interested Parties' Substantive Response at 24.

³² 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.

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 consider 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. 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 or which are themselves importers.³³ Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.³⁴

Original Investigation and Prior Five-Year Reviews. In the original investigation and expedited first and second five-year reviews, the Commission defined the domestic industry as all U.S. producers of PSF.³⁵ No producer was excluded from the domestic industry as a related party.³⁶

³³ 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).

³⁴ 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), *aff'd*, 839 F.3d 1377 (Fed. Cir. 2018); see also *Torrington Co. v. United States*, 790 F. Supp. at 1168.

³⁵ *Original Determination*, USITC Pub. 3922 at 13; *First Five-Year Review Determination*, USITC Pub. 4351 at 6; *Second Five-Year Review Determination*, USITC Pub. 4767 at 7-8.

³⁶ In the original investigation, the Commission noted that one domestic producer, United Synthetics, Inc. ("United Synthetics"), might qualify as a related party given its partial ownership by a firm which was the largest importer of subject merchandise. However, the Commission found that, even if United Synthetics were a related party, appropriate circumstances did not exist to warrant its exclusion from the domestic industry. See *Original Determination*, USITC Pub. 3922 at 12-13.

In the second five-year review, domestic interested parties identified U.S. producer *** as a wholly owned subsidiary of Chinese PSF producer **. However, because exports from *** were not subject to the order, the Commission determined that *** was not a related party. *Second Five-Year Review Determination*, USITC Pub. 4767 at 7, n.32; *Confidential Second Five-Year Review Determination*, EDIS Doc. 795111 at 9, n.32.

Current Review. In the current review, U.S. producer *** may qualify as a related party due to its affiliation with *** which imported subject merchandise during the original POI.³⁷ However, there is no information on the record concerning whether *** imported subject merchandise during the period of review, nor is there other evidence of direct or indirect control, as would be necessary for *** to qualify as a related party. Moreover, even if *** were to qualify for possible exclusion, the firm did not respond to the notice of institution and thus there are no data on its domestic operations on the record that could be excluded from the domestic industry data.

Accordingly, consistent with our definition of the domestic like product, we again define the domestic industry as all U.S. producers of PSF.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³⁸ The Uruguay Round Agreements Act Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining

³⁷ Domestic Interested Parties’ Substantive Response at 20; Original Investigation Staff Report, INV-EE-044 at I-3 (May 1, 2007) (*** leading importer of subject imports in 2006). Domestic interested parties also report that U.S. producer Sun Fiber is a subsidiary of Chinese PSF producer/exporter Cixi Jiangnan. *See id.* As previously noted, Commerce has excluded Cixi Jiangnan from the antidumping duty order. *Certain Polyester Staple Fiber from the People’s Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 88 Fed. Reg. 37851 (June 9, 2023). Thus, because Sun Fiber is not related to an exporter subject to the order, it is not subject to the related parties provision.

³⁸ 19 U.S.C. § 1675a(a).

effects on volumes and prices of imports.”³⁹ Thus, the likelihood standard is prospective in nature.⁴⁰ The CIT has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.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

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

³⁹ SAA, H.R. Rep. No. 103-316, vol. I at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

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.*

⁴⁴ 19 U.S.C. § 1675a(a)(1).

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 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

⁴⁵ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings concerning PSF from China. *Commerce I & D Memo*, EDIS Doc. 798962.

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).

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.

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 orders under review and whether the industry is vulnerable to material injury upon revocation.⁵¹

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

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁵² The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigation and Prior Five-Year Reviews. In the original investigation and prior expedited five-year reviews, the Commission observed that demand for PSF was generally

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).

related to the amount of housing-related activity in the economy and generally tracked overall economic activity.⁵³

In the original investigation, apparent U.S. consumption declined by 5.4 percent over the period of investigation (“POI”), from 1.13 billion pounds in 2004 to 1.07 billion pounds in 2006.⁵⁴ In the first five-year review, the Commission found that apparent U.S. consumption was *** pounds in 2011.⁵⁵ In the second five-year review, apparent U.S. consumption was *** pounds in 2016.⁵⁶

Current Review. There is no new information indicating that the factors influencing demand have changed since the prior proceedings. Domestic interested parties assert that demand for PSF continues to be generally related to the amount of housing-related activity in the economy, and generally tracks overall economic activity.⁵⁷ They also report that demand for PSF fluctuated in the U.S. market and was stable in the global market during the current period of review.⁵⁸

Apparent U.S. consumption of PSF was *** pounds in 2022, which was lower than in 2006 and 2016, but higher than in 2011.⁵⁹

⁵³ *Original Determination*, USITC Pub. 3922 at 14; *First Five-Year Review Determination*, USITC Pub. 4351 at 8; *Second Five-Year Review Determination*, USITC Pub. 4767 at 11.

⁵⁴ *Original Determination*, USITC Pub. 3922 at 14.

⁵⁵ *First Five-Year Review Determination*, USITC Pub. 4351 at 8; *Confidential First Five-Year Review Determination*, EDIS Doc. 795106 at 10.

⁵⁶ *Second Five-Year Determination*, USITC Pub. 4767 at 11; *Confidential Second Five-Year Review Determination*, EDIS Doc. 795111 at 15.

⁵⁷ Domestic Interested Parties’ Substantive Response at 22. Domestic interested parties state that PSF is used for a variety of end-use applications, including furniture, bedding, and insulation and filtration products. *Id.*

⁵⁸ Domestic Interested Parties’ Substantive Response at 22.

⁵⁹ CR/PR at Table I-7. Apparent U.S. consumption in 2022 may be understated relative to apparent U.S. consumption in the original investigation because data coverage of the domestic industry is lower in this review, at an estimated *** percent of domestic production of PSF in 2022, than in the original investigation, in which responding domestic producers accounted for virtually all domestic production of PSF in 2006. *Id.* at I-12-13. Domestic industry data coverage in this review, however, is higher in than in the prior five-year reviews; responding domestic producers accounted for approximately *** percent of domestic production in 2011 and approximately *** percent of domestic production in 2016, respectively. *Id.* Official import statistics used for subject and nonsubject imports may include out of scope merchandise and thus as a result may cause apparent U.S. consumption to be overstated relative to apparent U.S. consumption in the original investigation. CR/PR at I-7, n.20.

2. Supply Conditions

Original Investigation and Prior Five-Year Reviews. In the original investigation, the Commission found that the market was supplied by eight U.S. producers of PSF.⁶⁰ During the period covered by the first five-year review, the Commission found that despite some changes in the composition of the domestic industry, there continued to be eight U.S. producers of PSF.⁶¹ During the period covered by the second five-year review, there were reportedly ten U.S. producers of PSF.⁶² The domestic industry's share of apparent U.S. consumption declined from 60.2 percent in 2004 to 46.9 percent in 2006 during the original POI, and was *** percent in 2011 and *** percent in 2016.⁶³

The U.S. market was also supplied by subject and nonsubject imports of PSF during the original investigation and prior five-year reviews. Subject imports' share of apparent U.S. consumption increased from *** percent in 2004 to *** percent in 2006 during the original POI, and was *** percent in 2011 and *** percent in 2016.⁶⁴ Nonsubject imports' share of apparent U.S. consumption declined from *** percent in 2004 to *** percent in 2006 during the original POI, and was *** percent in 2011 and *** percent in 2016.⁶⁵ Throughout all prior

⁶⁰ *Original Determination*, USITC Pub. 3922 at 12.

⁶¹ *First Five-Year Review Determination*, USITC Pub. 4351 at 8-9

⁶² *Second Five-Year Determination*, USITC Pub. 4767 at 11.

⁶³ CR/PR at Table I-7; *Original Determination*, USITC Pub. 3922 at 21; *First Five-Year Review Determination*, USITC Pub. 4351 at 9; *Confidential First Five-Year Review Determination*, EDIS Doc. 795106 at 11; *Second Five-Year Determination*, USITC Pub. 4767 at 11; *Confidential Second Five-Year Review Determination*, EDIS Doc. 795111 at 16.

⁶⁴ CR/PR at Table I-7; *Original Determination*, USITC Pub. 3922 at 17; *Confidential Original Determination*, EDIS Doc. 795103 at 23; *First Five-Year Review Determination*, USITC Pub. 4351 at 9; *Confidential First Five-Year Review Determination*, EDIS Doc. 795106 at 11; *Second Five-Year Determination*, USITC Pub. 4767 at 12; *Confidential Second Five-Year Review Determination*, EDIS Doc. 795111 at 16.

⁶⁵ CR/PR at Table I-7; *Original Determination*, USITC Pub. 3922 at 17; *Confidential Original Determination*, EDIS Doc. 795103 at 22; *First Five-Year Review Determination*, USITC Pub. 4351 at 9; *Confidential First Five-Year Review Determination*, EDIS Doc. 795106 at 11; *Second Five-Year Determination*, USITC Pub. 4767 at 12; *Confidential Second Five-Year Review Determination*, EDIS Doc. 795111 at 16-17.

In the first five-year review, the Commission noted that imports of PSF from China that were not subject to the order were higher in 2011 than in 2007. *First Five-Year Review Determination*, USITC Pub. 4351 at 9. In the second five-year review, the Commission observed that nonsubject imports of PSF from China constituted a substantial portion of total nonsubject imports in 2016, accounting for *** percent of apparent U.S. consumption that year. *Second Five-Year Determination*, USITC Pub. 4767 at 12; *Confidential Second Five-Year Review Determination*, EDIS Doc. 795111 at 16-17.

proceedings, nonsubject imports of PSF from South Korea and Taiwan were subject to U.S. antidumping duty orders.⁶⁶

Current Review. The domestic industry was the second largest source of supply in the U.S. market in 2022, accounting for *** percent of apparent U.S. consumption. This was lower than the domestic industry's share of apparent U.S. consumption in the original investigation and all prior periods of review.⁶⁷

The information available indicates there were some changes to the domestic industry since the second five-year review. Domestic interested parties report that DAK Americas stopped producing PSF at its Cooper River, South Carolina facility on December 31, 2021; Fiber Industries LLC began producing PSF in December 2020 after purchasing the PSF production assets of Wellman in Darlington, South Carolina; and Sun Fiber began producing PSF at its Richburg, South Carolina facility in July 2018.⁶⁸ On January 13, 2022, Fiber Industries LLC announced plans to expand operations at its Darlington, South Carolina facility, but on November 30, 2022, it suspended production at the facility and announced that it would resume operations once market dynamics enabled it to leverage the scale of its assets.⁶⁹

Subject imports were the smallest source of PSF in the U.S. market in 2022, accounting for *** percent of apparent U.S. consumption that year.⁷⁰ This was higher than their share of apparent U.S. consumption in 2016, which was *** percent.⁷¹ According to domestic interested parties, the Chinese PSF industry has continued to expand.⁷²

⁶⁶ *Original Determination*, USITC Pub. 3922 at 17; *First Five-Year Review Determination*, USITC Pub. 4351 at 9; *Second Five-Year Determination*, USITC Pub. 4767 at 12. These orders were imposed in 2000. *Original Determination*, USITC Pub. 3922 at I-3.

⁶⁷ CR/PR at Table I-7. As noted earlier, data for the domestic industry in this review cover an estimated *** percent of domestic production of PSF in 2022. In the original investigation, domestic industry data accounted for virtually all domestic production of PSF in 2006; in the first five-year review, data coverage was approximately *** percent in 2011, and in the second five-year review, it was approximately *** percent in 2016. Thus, the domestic industry's market share may not be directly comparable to its market shares reported in 2006, 2011, and 2016. *Id.* at I-12-13. The domestic industry's market share may also be understated due, as noted above, to the possible inclusion of out-of-scope merchandise in official import data used for subject and nonsubject imports. CR/PR at I-7, n.20.

⁶⁸ CR/PR at Table I-4; Domestic Interested Parties' Substantive Response at 23.

⁶⁹ CR/PR at Table I-4.

⁷⁰ CR/PR at Table I-7. As previously noted, official Commerce import statistics do not distinguish between imports of PSF from subject and nonsubject sources from China, and therefore subject import data may be overstated and nonsubject import data may be understated.

⁷¹ CR/PR at Table I-7.

⁷² Domestic Interested Parties' Substantive Response at 22.

Nonsubject imports were the largest source of PSF in the U.S. market in 2022, accounting for *** percent of apparent U.S. consumption that year.⁷³ This was lower than the nonsubject import share of apparent U.S. consumption in 2016, at *** percent.⁷⁴ The leading country sources of nonsubject imports in 2022 were South Korea, Vietnam, and Thailand.⁷⁵ PSF from South Korea and Taiwan remain subject to antidumping duty orders.⁷⁶

3. Substitutability and Other Conditions

Original Investigation and Prior Five-Year Reviews. In the original investigation and second five-year review, the Commission found a moderate-to-high degree of substitutability between subject imports and the domestic like product, and that price was an important factor in purchasing decisions.⁷⁷ In the original investigation, the Commission explained that responding purchasers deemed the domestic product and subject imports comparable with respect to most purchasing factors and that most purchasers reported that both the domestic product and subject imports always or usually satisfied minimum quality requirements.⁷⁸ The Commission also observed that most responding purchasers listed price as the first or second most important factor in purchasing decisions and that most purchasers reported sometimes or usually purchasing the lowest-priced product, with most producers and importers reporting that factors other than price were either sometimes or never significant in purchasing decisions.⁷⁹

Current Review. The record contains no new information to indicate that the degree of substitutability between subject imports and domestic like product or the importance of price in purchasing decisions have changed since the original investigation. Domestic interested parties assert that the U.S. market for PSF remains highly price sensitive given the substitutable

⁷³ CR/PR at Table I-7.

⁷⁴ CR/PR at Table I-7.

⁷⁵ CR/PR at Table I-6.

⁷⁶ CR/PR at Table I-3.

⁷⁷ *Original Determination*, USITC Pub. 3922 at 16, 18 (also noting that the prevalence of spot and short-term contract sales in the PSF market indicated that many purchasers could easily switch suppliers on the basis of price or other factors); *Second Five-Year Review Determination*, USITC Pub. 4767 at 13. In the first five-year review, the Commission found that subject imports and the domestic like product were generally substitutable, consistent with what the Commission found in the original investigation. *First Five-Year Review Determination*, USITC Pub. 4351 at 9.

⁷⁸ *Original Determination*, USITC Pub. 3922 at 16.

⁷⁹ *Original Determination*, USITC Pub. 3922 at 15-16.

nature of the product.⁸⁰ Accordingly, we continue to find a moderate-to-high degree of substitutability between subject imports and the domestic like product, and that price remains an important factor in purchasing decisions.

Effective September 24, 2018, PSF originating in China became subject to a 10 percent *ad valorem* duty under section 301 of the Trade Act of 1974.⁸¹ Effective May 10, 2019, the section 301 duty was increased to 25 percent *ad valorem*.⁸²

C. Likely Volume of Subject Imports

Original Investigation. The Commission found that both subject import volume and market share increased significantly over the POI.⁸³ The volume of subject imports increased by *** percent, from *** pounds in 2004 to *** pounds in 2005 and *** pounds in 2006.⁸⁴ Subject import market share increased from *** percent of apparent U.S. consumption in 2004 to *** percent in 2006. The Commission found that the *** percentage points of market share that subject imports captured during the POI came largely at the expense of the domestic industry, which lost 13.3 percentage points of market share.⁸⁵ As subject imports displaced domestically produced PSF from the U.S. market, the ratio of subject imports to domestic production increased significantly, from *** percent in 2004 to *** percent in 2006.⁸⁶ The Commission consequently found that the volume of subject imports was significant, both in absolute terms and relative to consumption and production in the United States, and that the increase in subject import volume also was significant.⁸⁷

First Five-Year Review. The Commission found that the volume of subject imports would likely be significant if the order were revoked. The Commission observed that subject imports continued to maintain a significant presence in the U.S. market and increased their market penetration, despite the presence of the order, demonstrating that subject producers maintained a strong interest in supplying the U.S. market and the ability to increase the amount

⁸⁰ Domestic Interested Parties' Substantive Response at 15.

⁸¹ 19 U.S.C. § 2411; CR/PR at I-7.

⁸² CR/PR at I-7.

⁸³ *Original Determination*, USITC Pub. 3922 at 18.

⁸⁴ *Original Determination*, USITC Pub. 3922 at 17; *Confidential Original Determination*, EDIS Doc. 795103 at 23.

⁸⁵ *Original Determination*, USITC Pub. 3922 at 17; *Confidential Original Determination*, EDIS Doc. 795103 at 23.

⁸⁶ *Original Determination*, USITC Pub. 3922 at 17; *Confidential Original Determination*, EDIS Doc. 795103 at 23.

⁸⁷ *Original Determination*, USITC Pub. 3922 at 18.

they supplied in the event of revocation.⁸⁸ The Commission further found that subject producers remained export-orientated, and that they possessed massive production capacity and considerable excess capacity.⁸⁹ The Commission found that Chinese PSF faced barriers to entry in Pakistan, Turkey, South Africa, and Indonesia, providing additional incentive for exporters from China to focus on the U.S. market in the event of revocation.⁹⁰

Second Five-Year Review. The Commission observed that subject imports maintained an appreciable presence in the U.S. market during the period of review despite the order, indicating that subject producers maintained a strong interest in supplying the U.S. market.⁹¹ The Commission also found that subject producers were heavily export oriented and had the ability and incentive to increase supply to the U.S. market, evidenced by increased production of PSF during the period of review and barriers to entry for imports of PSF from China in several third-country markets, including antidumping measures in Indonesia, South Africa, and Turkey.⁹² In light of the above, the Commission found that the likely volume of subject imports would be significant if the order were revoked.⁹³

Current Review. The record in the review indicates that subject imports maintained a significant presence in the U.S. market during the period of review, even while under the disciplining effect of the order.⁹⁴ Subject import volume increased from 245.5 million pounds in 2017 to 276.1 million pounds in 2018, before decreasing to 212.0 million pounds in 2019, 180.0

⁸⁸ *First Five-Year Review Determination*, USITC Pub. 4351 at 10. The volume of subject imports in the first review period totaled *** pounds in 2007, *** pounds in 2008, *** pounds in 2009, *** pounds in 2010, and *** pounds in 2011. *First Five-Year Review Determination*, USITC Pub. 4351 at 10; *Confidential First Five-Year Review Determination*, EDIS Doc. 795106 at 13.

⁸⁹ *First Five-Year Review Determination*, USITC Pub. 4351 at 11. In particular, available data from the *** indicated that Chinese production of PSF had increased from *** pounds in 2005 to *** pounds in 2010, with projections showing continued increases through 2015. First Review Staff Report, INV-KK-090, at I-24 to I-25 (Aug. 30, 2012). Another source, the ***, reported that overall Chinese capacity for PSF reached *** pounds in 2011, with capacity projected to ***. *Id.* at I-25.

⁹⁰ *First Five-Year Review Determination*, USITC Pub. 4351 at 11.

⁹¹ *Second Five-Year Review Determination*, USITC Pub. 4767 at 14; *Confidential Second Five-Year Review Determination*, EDIS Doc. 795111 at 19. The volume of subject imports in the second review period totaled *** pounds in 2012, *** pounds in 2013, *** pounds in 2014, *** pounds in 2015, and *** pounds in 2016. *Id.*

⁹² *Second Five-Year Review Determination*, USITC Pub. 4767 at 14-15. The Commission explained that the available record reflected that the Chinese industry maintained 150 producers/exporters of PSF and that production accounted for 60 percent, or 21.5 billion pounds, of global PSF production in 2016 based on Global Trade Atlas (“GTA”) data; the Commission noted that the information available included data from excluded producers and out-of-scope merchandise.

⁹³ *Second Five-Year Review Determination*, USITC Pub. 4767 at 14-15.

⁹⁴ CR/PR at Table I-6.

million pounds in 2020, 144.8 million pounds in 2021, and 119.4 million pounds in 2022.⁹⁵ Subject imports comprised *** percent of apparent U.S. consumption in 2022.⁹⁶

The record in this expedited review contains limited information on the subject industry in China.⁹⁷ The information available, however, indicates that subject producers have the means to increase their exports of subject merchandise to the U.S. market to significant levels if the order were revoked. Domestic interested parties provided a list of 210 possible producers/exporters of PSF in China.⁹⁸ Publicly available information indicates that subject producers possess large, and in some cases increasing, capacities for the production of PSF and have the ability to shift production from other PSF products to PSF as a means of increasing exports.⁹⁹ Furthermore, the information indicates that subject producers are export oriented,

⁹⁵ CR/PR at Tables I-6-7. As previously noted, because official Commerce imports statistics do not distinguish between imports of PSF from subject and nonsubject sources from China, subject import data may be overstated.

⁹⁶ CR/PR at Table I-7.

⁹⁷ CR/PR at I-19-22.

⁹⁸ CR/PR at I-19; Domestic Interested Parties' Substantive Response at Exh. 3.

⁹⁹ Domestic Interested Parties' Substantive Response at 7-11, Exhs. 4-5. The information provided by the domestic interested parties, mostly from subject producer webpages, indicates that the following subject producers possess substantial and/or increasing capacity for the production of PSF, among other products: Cixi City Waysun Chemical Fiber (advertises a new polyester lumen staple fiber production assembly line); Far Eastern Industry (Shanghai) Ltd. (annual production capacity of 110,000 tons); Hangzhou Hanbang Chemical Fiber Co., Ltd. (annual production capacity of 60,000 metric tons); Hangzhou Huachuang Co., Ltd. (annual production capacity of 49,000 tons); Hangzhou Sanxin Paper Co., Ltd. (monthly production capacity of 3,000 metric tons); Hangzhou Taifu Textile Fiber Co., Ltd. (annual production capacity of 15,000 tons); HuaHong Fiber USA Inc. (annual production capacity of more than 400,000 metric tons); Huvis Sichuan (annual production capacity of 160,000 tons); Jiangsu Desai (annual production capacity of 800,000 tons); Jiangsu Hengze Composite Materials (annual production capacity of 40,000 tons, with plans for production expansion); Jiangsu Huaxicun Co., Ltd. (produces 400,000 tons annually); Jiangsu Sanfangxianf Group Co., Ltd. (produces 800,000 tons annually); Jiangyin Hailun Chemical Fiber Co., Ltd. (produces 1.05 million tons annually); Jiangyin Huahong Chemical Fiber Co., Ltd. (annual production capacity of 440,000 tons); Jiangyin Junyan Chemical Fiber Co. (annual production capacity of 100,000 tons); Jiani (China) Co., Ltd. (produces 20,000 tons annually); Jiaying Fuda Chemical Fiber Factory (annual output of 110,000 tons); Nantong Luolai Chemical Fiber Co., Ltd. (produces 25,000 tons annually); Nanyang Textile Co., Ltd. (annual output of 60,000 tons); Sichuan Huvis Co., Ltd. (produces 160,000 tons annually); Suzhou Zhengbang Chemical fiber Co. (annual production capacity of 50,000 metric tons); Tianjin GT New Material Technology Co., Ltd. (produces 60,000 metric tons annually); Wanjie Group (annual production capacity of 150,000 tons); Yizheng Chemical Fibre (annual production capacity of 800,000 tons); Yizheng Prosperity Chemical Fiber (annual production capacity of 100,000 tons); Zhejiang Anshun Pettechs Fibre Co., Ltd. (annual production capacity of 60,000 tons); Zhejiang Yuandong (Chemical Fiber Group) (annual production capacity of 800,000 metric tons); and Zhejiang Waysun Chemical Fiber Co., Ltd. (annual production capacity of over 36,500 tons). *Id.*

with several touting exports to the United States.¹⁰⁰ Consistent with this information, GTA data show that China was by far the largest global exporter of PSF under harmonized system (“HS”) subheading 5503.20, a category that includes subject merchandise and out-of-scope products (referred to herein as “PSF (HS)”), throughout the period of review.¹⁰¹ Thus, the subject industry in China remains large and export oriented.

Available information also indicates that the U.S. market remains attractive to subject producers. Subject imports maintained a significant presence in the U.S. market during the period of review, indicating that subject producers continue to retain customers and distribution networks in the United States.¹⁰² The GTA data show that the United States was the fifth largest destination market for Chinese exports of PSF (HS) in 2022.¹⁰³ Moreover, barriers to entry in other third-country markets would provide further incentive for Chinese exporters of PSF to direct exports to the United States if the order were revoked.¹⁰⁴

¹⁰⁰ See generally Domestic Interested Parties’ Substantive Response at 7-11, Exh. 4. Domestic interested parties provided publicly available information, mostly from subject producer webpages, regarding the export orientation of certain subject producers including: Hangzhou Hanbang Chemical Fiber Co., Ltd. (exporting half of its product globally); Hangzhou Sanxin Paper Co., Ltd. (listing North America as one of its main markets); Huvis Sichuan (exporting to over 40 countries, including the United States); Jiangsu Desai (advertising on Alibaba); Jiangsu Sanfangxiang Group Co., Ltd. (considered a top ten import/export enterprise in Jiangsu Province); Jiangyin Hailun Chemical Fiber Co., Ltd. (advertising that it sell products abroad); Jiani (China) Co., Ltd. (North America is among its main markets); Jiaying Chimei Textile Co., Ltd. (advertising that its import and trade has developed leaps and bounds with the continuous development of the export oriented economy in China); Jiaying Fuda Chemical Fiber Factory (selected to complete China’s Foreign Trade Export Leading Index Survey); Nantong Luolai Chemical Fiber Co., Ltd. (has a foreign trade import and export team); Nanyang textile Co., Ltd. (exporting to the United States, among other countries); Shaoyang Textile Machinery Co., Ltd. (exporting to more than 20 countries and regions, including the United States); Sichuan Huvis Co., Ltd. (making inroads into markets in over 40 countries, including the United States); Suzhou Zhengbang Chemical Fiber Co. (eight percent of its revenue comes from sales to North America); Tianjin GT New Material Technology Co., Ltd. (advertising that it caters to customers around the world); Yizheng Prosperity Chemical Fiber (exporting to North America and several other regions); Yuyao Dafa Chemical Fiber Co., Ltd. (produces fiber for global markets); Zhangjiagang City Hongtuo Chemical Co., Ltd. (exporting a large quantity of its products globally); Zhejiang Yuandong (Chemical Fiber Group) (exporting globally, including to the United States); and Zhejiang Waysun Chemical Fiber Co., Ltd. (listing North American as one if its main markets). *Id.*

¹⁰¹ CR/PR at Table I-11. In 2022, China exported 2.2 billion pounds of PSF. *Id.*

¹⁰² CR/PR at Table I-7.

¹⁰³ CR/PR at Table I-9; Domestic Interested Parties’ Substantive Response at 11, Exh. 5. In the other years of the period of review (2017-2021), the United States ranged from the largest to third largest export market for Chinese PSF (HS). CR/PR at Table I-9.

¹⁰⁴ Antidumping duty orders are in effect on imports of PSF from China, including certain in-scope merchandise, in Indonesia, Mexico, Pakistan, and Turkey. Turkey also imposed a global safeguard on imports of PSF from China in September 2021. CR/PR at I-21, Table I-10.

Given the foregoing, including the significant and increasing volume of subject imports during the original investigation, the significant presence of subject imports in the U.S. market during the current period of review and prior review periods, the information available regarding the subject industry's substantial and increasing capacity and export orientation, and the apparent attractiveness of the U.S. market to subject producers, we find that the volume of subject imports would likely be significant if the order were revoked.¹⁰⁵

D. Likely Price Effects

Original Investigation. The Commission found that subject imports and the domestic like product possessed a moderate-to-high degree of substitutability, and that price was an important factor in purchasing decisions.¹⁰⁶ Observing that subject imports undersold the domestic like product in 37 of 54 (or 68.5 percent of) quarterly comparisons, the Commission found subject import underselling to be significant. It further found that this underselling was a key factor in the 13.3 percentage point market share shift from domestic producers to subject imports.¹⁰⁷ In addition, the Commission found that subject imports suppressed domestic prices, preventing price increases that otherwise would have occurred due to escalating raw material costs.¹⁰⁸ The Commission consequently determined that subject imports had significant price effects on the domestic industry.¹⁰⁹

First Five-Year Review. The Commission found that the domestic like product and imports from all sources were generally substitutable, and that price continued to be an important factor in purchasing decisions.¹¹⁰ It concluded that revocation of the antidumping duty order would likely result in subject imports gaining market share by underselling the domestic like product, as found by the Commission in the original investigation. In light of the

¹⁰⁵ While there is currently a section 301 tariff on imports of PSF from China, the United States ranged from the second largest to fifth largest export market for Chinese PSF, a category that includes subject merchandise and out-of-scope products, from 2019 to 2022. CR/PR at Table I-9. Given this, the substantial capacity and export orientation of subject producers, the attractiveness of the U.S. market to subject producers, and the existence of third country barriers, the information available indicates that this tariff would not prevent subject imports from increasing to significant levels if the order were revoked.

The record does not contain data addressing existing inventories of the subject merchandise.

¹⁰⁶ *Original Determination*, USITC Pub. 3922 at 19.

¹⁰⁷ *Original Determination*, USITC Pub. 3922 at 19.

¹⁰⁸ *Original Determination*, USITC Pub. 3922 at 19.

¹⁰⁹ *Original Determination*, USITC Pub. 3922 at 20.

¹¹⁰ *First Five-Year Review Determination*, USITC Pub. 4351 at 13.

substitutability of the domestic like product and subject imports, the importance of price in purchasing decisions, and the likely significant volume of subject imports, the Commission concluded that if the order were revoked subject imports would likely significantly undersell the domestic like product to gain market share and would likely have significant depressing or suppressing effects on prices of the domestic like product, resulting in significant adverse price effects, similar to those found in the original investigation.¹¹¹

Second Five-Year Review. The Commission continued to find a moderate-to-high degree of substitutability between subject imports and the domestic like product, and that price was an important factor in purchasing decisions.¹¹² Given this and in light of its findings that subject import volume would likely increase significantly upon revocation of the order, and that the U.S. market continued to be attractive to subject producers, the Commission found that, absent the order, subject imports would likely significantly undersell the domestic like product to gain market share, consistent with their behavior in the original investigation. This underselling would likely force the domestic industry to either lower prices or lose sales.¹¹³ The Commission therefore concluded that subject imports would likely have a significant depressing or suppressing effect on prices for the domestic like product upon revocation of the order.¹¹⁴

Current Review. As discussed above, we continue to find that subject imports and the domestic like product are moderately-to-highly substitutable, and that price remains an important factor in purchasing decisions for PSF.

The record in this expedited review does not contain new product-specific pricing information.¹¹⁵ Based on the information available, including the underselling and adverse price effects by subject imports in the original investigation, the moderate-to-high degree of substitutability between subject imports and the domestic like product, and the importance of price in purchasing decisions, we find that if the antidumping duty order were revoked, subject imports would likely undersell the domestic like product to a significant degree, as they did during the original investigation. Given this, and the likely significant volume of subject imports in the event of revocation, subject imports would likely force the domestic industry to lower

¹¹¹ *First Five-Year Review Determination*, USITC Pub. 4351 at 13.

¹¹² *Second Five-Year Review Determination*, USITC Pub. 4767 at 16.

¹¹³ *Second Five-Year Review Determination*, USITC Pub. 4767 at 16.

¹¹⁴ *Second Five-Year Review Determination*, USITC Pub. 4767 at 16.

¹¹⁵ Some pricing information was provided by domestic interested parties, which they contend shows that the average unit values (“AUV”) of subject imports declined during the period of review to levels lower than those in the original investigation. Domestic Interested Parties’ Substantive Response at 15-16, Exh. 2.

prices or forgo needed price increases, thereby depressing or suppressing prices of the domestic like product, or to lose sales and market share to subject imports. Consequently, we find that if the order were revoked, subject imports would likely have significant price effects.

E. Likely Impact

Original Investigation. The Commission found that subject imports had a significant impact on the domestic industry, as most indicia of domestic industry performance declined over the POI.¹¹⁶ Specifically, from 2004 to 2006, the domestic industry's share of apparent U.S. consumption declined by 13.3 percentage points, and its net sales quantity declined by 24.0 percent.¹¹⁷ Declines in sales led to capacity reductions and closure of production lines and facilities.¹¹⁸ The domestic industry also suffered a decline in capacity utilization rates, production related workers ("PRWs"), worker productivity, PRW hours worked, and wages paid.¹¹⁹ The Commission found that the domestic industry's financial performance generally reflected its deteriorating operating performance, particularly in 2006, when it was unable to increase its prices sufficiently to compensate for higher raw material costs.¹²⁰ The domestic industry suffered an operating loss of \$5.4 million in 2006.¹²¹

The Commission found that subject imports had a causal connection to the injury experienced by the domestic industry, particularly in 2006.¹²² In this regard, the Commission underscored the price suppression by subject imports in 2006, which coincided with the domestic industry's operating loss that year.¹²³ The Commission further found that subject imports greatly increased their market share at the domestic industry's expense in an environment of declining demand, causing a decline in domestic industry sales, production, and capacity utilization.¹²⁴ Accordingly, the Commission found that subject imports had a significant impact on the domestic industry during the POI.¹²⁵

First Five-Year Review. The Commission did not make a finding on whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the

¹¹⁶ *Original Determination*, USITC Pub. 3922 at 21.

¹¹⁷ *Original Determination*, USITC Pub. 3922 at 21.

¹¹⁸ *Original Determination*, USITC Pub. 3922 at 21-22.

¹¹⁹ *Original Determination*, USITC Pub. 3922 at 21-22.

¹²⁰ *Original Determination*, USITC Pub. 3922 at 22.

¹²¹ *Original Determination*, USITC Pub. 3922 at 23.

¹²² *Original Determination*, USITC Pub. 3922 at 23.

¹²³ *Original Determination*, USITC Pub. 3922 at 23.

¹²⁴ *Original Determination*, USITC Pub. 3922 at 23.

¹²⁵ *Original Determination*, USITC Pub. 3922 at 24.

event of revocation of the order due to the limited information on the record regarding the domestic industry's financial performance.¹²⁶ The Commission found that if the order were revoked, the likely volume and price effects of the subject imports would likely have a significant impact on the production, shipment, sales, market share, and revenues of the domestic industry.¹²⁷

The Commission considered the role of other factors so as not to attribute likely injury from these factors to the subject imports. It acknowledged that demand declined during the period of review, but stated that the subject imports nevertheless increased their volume and market penetration at the expense of the domestic industry, and consequently found that the likely declines in the domestic industry's performance due to subject imports would be distinguishable from those due to changes in demand. The Commission also acknowledged that nonsubject imports were present in the U.S. market in substantial quantities throughout the review period, but found that the continued presence of nonsubject imports in the market would not sever the causal nexus between subject imports and their likely impact.¹²⁸ In sum, the Commission concluded that if the order were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.¹²⁹

Second Five-Year Review. Observing that the information on the domestic industry's condition was limited, the Commission did not make a finding on whether the domestic industry was vulnerable to the continuation or recurrence of material injury absent the order.¹³⁰ The Commission found, as in, the first review, that absent the order the likely significant volume of subject imports and their price effects would likely negatively affect the domestic industry's market share, shipments, sales, revenue, profitability, employment levels, and capital investments.¹³¹

The Commission found that despite nonsubject imports having a higher share of apparent U.S. consumption in 2016 than in 2006 and 2011, the domestic industry had a substantial share of the U.S. market that would likely compete head-to-head with subject imports.¹³² It therefore determined that the likely increase in subject imports would likely take

¹²⁶ *First Five-Year Review Determination*, USITC Pub. 4351 at 15.

¹²⁷ *First Five-Year Review Determination*, USITC Pub. 4351 at 15.

¹²⁸ *First Five-Year Review Determination*, USITC Pub. 4351 at 15.

¹²⁹ *First Five-Year Review Determination*, USITC Pub. 4351 at 15.

¹³⁰ *Second Five-Year Review Determination*, USITC Pub. 4767 at 18.

¹³¹ *Second Five-Year Review Determination*, USITC Pub. 4767 at 18.

¹³² *Second Five-Year Review Determination*, USITC Pub. 4767 at 18-19.

market share from the domestic industry, as well as from nonsubject imports.¹³³ In sum, the Commission concluded that subject imports would likely have a significant impact on the domestic industry if the order were revoked.¹³⁴

Current Review. The record in this expedited review contains limited information concerning the domestic industry's performance since the second five-year review.

The information available indicates that the domestic industry's performance in 2022 was generally worse as compared to its performance in the prior proceedings.¹³⁵ The domestic industry's capacity, at *** pounds, and production, at *** pounds, were both lower in 2022 than in 2006, 2011, and 2016.¹³⁶ Its capacity utilization in 2022, at *** percent, was higher than in 2011, but lower than in 2006 and 2016.¹³⁷

The industry's U.S. shipments of PSF at *** pounds were lower in 2022 than in 2006, 2011, and 2016.¹³⁸ Its net sales value, \$*** in 2022 also was lower than in the prior proceedings.¹³⁹ The industry's cost of goods sold ("COGS") in 2022, while lower than in 2006, was higher than in 2011 and 2016,¹⁴⁰ and its COGS to net sales ratio was higher in 2022 than in 2006, 2011, and 2016.¹⁴¹ Consequently, the domestic industry's gross profit at \$***, operating income at \$***, and operating income to net sales ratio at *** percent were all lower in 2022

¹³³ *Second Five-Year Review Determination*, USITC Pub. 4767 at 19.

¹³⁴ *Second Five-Year Review Determination*, USITC Pub. 4767 at 19.

¹³⁵ CR/PR at Table I-5. Due to differences in data coverage of the domestic industry, some indicia of the domestic industry's performance in this review may be understated compared to the original investigation and some indicia of the domestic industry's performance in the prior five-year reviews may be understated compared to this review. Domestic industry data coverage in this review accounted for an estimated *** percent of domestic production of PSF in 2022, whereas domestic industry data coverage was virtually all domestic production of PSF in 2006, approximately *** percent in 2011, and approximately *** percent in 2016. *Id.* at I-12-13.

¹³⁶ CR/PR at Table I-5. The domestic industry's capacity and production were 774.9 million pounds and 573.1 million pounds, respectively, in 2006, *** pounds and *** pounds, respectively, in 2011, and *** pounds and *** pounds, respectively, in 2016. *Id.*

¹³⁷ CR/PR at Table I-5. The domestic industry's capacity utilization was 73.9 percent in 2006, *** percent in 2011, and *** percent in 2016. *Id.*

¹³⁸ CR/PR at Table I-5. The domestic industry's U.S. shipments totaled 500.2 million pounds in 2006, *** pounds in 2011, and *** pounds in 2016. *Id.* The average unit value of its U.S. shipments, however, was higher in 2022 at \$*** compared to \$0.74 in 2006, \$*** in 2011, and \$*** in 2016. *Id.*

¹³⁹ CR/PR at Table I-5. The domestic industry's net sales were \$404.2 million in 2006, \$*** in 2011, and \$*** in 2016. *Id.*

¹⁴⁰ CR/PR at Table I-5. The domestic industry's COGS were \$397.7 million in 2006, \$*** in 2011, \$*** in 2016, and \$*** in 2022. *Id.*

¹⁴¹ CR/PR at Table I-5. The domestic industry's COGS to net sales ratio was 98.4 percent in 2006, *** percent in 2011, *** percent in 2016, and *** percent in 2022. *Id.*

than in 2006, 2011, and 2016.¹⁴² The limited information in this expedited review is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.¹⁴³

Based on the information available, as discussed above, we find that revocation of the order would likely result in a significant volume of subject imports that would likely undersell the domestic like product, causing the industry to lose sales and market share and/or significantly depressing or suppressing prices for the domestic like product. The likely significant volume of subject imports and their adverse price effects would likely negatively affect the domestic industry's production, capacity utilization, U.S. shipments, employment, total net sales revenues, and market share, which, in turn, would have a direct adverse impact on the industry's profitability. Consequently, 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 throughout the period of review, from 319.8 million pounds in 2017 to 521.8 million pounds in 2022, and accounted for *** percent of apparent U.S. consumption in 2022.¹⁴⁴ Nevertheless, the record provides no indication that the presence of nonsubject imports would prevent subject imports from entering the U.S. market in significant volumes if the order were revoked given the export orientation of the subject industry and the relative attractiveness of the U.S. market to subject producers. In light of the moderate-to-high degree of substitutability between subject imports and the domestic like product, and the importance of price in purchasing decisions, the presence of nonsubject imports would not prevent the likely significant volume of low-priced subject imports after revocation from taking market share from the domestic industry, as well as from nonsubject imports, or from forcing domestic producers to either lower prices or forgo price increases to retain market share. In light of these considerations, we find that any effects of nonsubject imports would be distinct from the likely effects attributable to subject imports.

¹⁴² CR/PR at Table I-5. The domestic industry's gross profit was \$6.5 million in 2006, \$*** in 2011, and \$*** in 2016. Its operating income and operating income to net sales ratio were negative \$5.4 million and negative 1.3 percent, respectively, in 2006; \$*** and *** percent, respectively, in 2011; and \$*** and *** percent, respectively, in 2016. *Id.*

¹⁴³ Based on the information available, particularly the domestic industry's capacity utilization rate, financial performance, and declines in many indicators since the prior proceedings, Commissioners Kearns and Karpel find the domestic industry to be in a vulnerable condition.

¹⁴⁴ CR/PR at Tables I-6-7.

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

IV. Conclusion

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

Information obtained in this review

Background

On March 1, 2023, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of the antidumping duty order on certain polyester staple fiber (“certain PSF”) from China would be likely to lead to continuation or recurrence of material injury.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.³ ⁴ Table I-1 presents information relating to the background and schedule of this proceeding:

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

Effective date	Action
March 1, 2023	Notice of initiation by Commerce (88 FR 12915, March 1, 2023)
March 1, 2023	Notice of institution by Commission (88 FR 12987, March 1, 2023)
June 5, 2023	Commission’s vote on adequacy
June 9, 2023	Commerce’s results of its expedited review (88 FR 37851, June 9, 2023)
August 24, 2023	Commission’s determination and views

¹ 19 U.S.C. 1675(c).

² 88 FR 12987, March 1, 2023. 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. 88 FR 12915, March 1, 2023. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

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

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

Responses to the Commission’s notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of Fiber Industries; Indorama Ventures Holdings LP (“Indorama Ventures”); and Nan Ya Plastics Corp, America (“Nan Ya”), domestic producers of certain PSF (collectively referred to herein as “domestic interested parties”).

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

Table I-2
Certain PSF: Summary of responses to the Commission’s notice of institution

Interested party	Type	Number of firms	Coverage
U.S. producer	Domestic	3	***%

Note: The U.S. producer coverage figure presented is the domestic interested parties’ estimate of their share of total U.S. production of certain PSF during 2022. Domestic interested parties’ supplemental response to the notice of institution, April 11, 2023, p. 2.

Party comments on adequacy

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

⁵ Domestic interested parties’ comments on adequacy, May 11, 2023, pp. 1-2.

The original investigation

The original investigation resulted from a petition filed on June 23, 2006, with Commerce and the Commission by DAK Americas, LLC, Charlotte, North Carolina; Nan Ya, Lake City, South Carolina; and Wellman, Inc., Shrewsbury, New Jersey.⁶ On April 19, 2007, Commerce determined that imports of certain PSF from China were being sold at less than fair value (“LTFV”).⁷ On May 24, 2007, the Commission determined that the domestic industry was materially injured by reason of LTFV imports of certain PSF from China.⁸ On June 1, 2007, Commerce issued its antidumping duty order with the final weighted-average dumping margins ranging from 3.47 to 44.30 percent.⁹

The first five-year review

On August 6, 2012, the Commission determined that it would conduct an expedited review of the antidumping duty order on certain PSF from China.¹⁰ On September 6, 2012, Commerce determined that revocation of the antidumping duty order on certain PSF from China would be likely to lead to continuation or recurrence of dumping.¹¹ On September 28, 2012, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹² Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective October 12, 2012, Commerce issued a continuation of the antidumping duty order on imports of certain PSF from China.¹³

⁶ Certain Polyester Staple Fiber from China, Inv. No. 731-TA-1104 (Final), USITC Publication 3922, June 2007 (“Original publication”), p. I-1.

⁷ 72 FR 19690, April 19, 2007.

⁸ 72 FR 30394, May 31, 2007. The Commission also found that imports subject to Commerce’s affirmative critical circumstances determination were not likely to undermine seriously the remedial effect of the order on China.

⁹ Cixi Jiangnan Chemical Co., Ltd. received a *de minimis* dumping margin and is thus excluded from the antidumping duty order. 72 FR 30545, June 1, 2007.

Additionally, following an administrative review, Commerce revoked the antidumping duty order with respect to certain PSF manufactured and exported by Ningbo Dafa Chemical Fiber Co., Ltd. and Cixi Santai Chemical Fiber Co., Ltd. 76 FR 69702, November 9, 2011.

¹⁰ 77 FR 50530, August 21, 2012.

¹¹ 77 FR 54898, September 6, 2012.

¹² 77 FR 60720, October 4, 2012.

¹³ 77 FR 62217, October 12, 2012.

The second five-year review

On December 5, 2017, the Commission determined that it would conduct an expedited review of the antidumping duty order on certain PSF from China.¹⁴ On February 23, 2018, Commerce determined that revocation of the antidumping duty order on certain PSF from China would be likely to lead to continuation or recurrence of dumping.¹⁵ On March 15, 2018, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁶ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective April 4, 2018, Commerce issued a continuation of the antidumping duty order on imports of certain PSF from China.¹⁷

Previous and related investigations

The Commission has conducted a number of previous import injury investigations on certain PSF or similar merchandise, as presented in table I-3.

¹⁴ 83 FR 394, January 3, 2018.

¹⁵ 83 FR 8052, February 23, 2018.

¹⁶ 83 FR 12406, March 21, 2018.

¹⁷ 83 FR 14415, April 4, 2018.

Table I-3
Certain PSF or similar merchandise: Previous and related Commission proceedings and status of orders

Date	Number	Country	Product	ITC original determination	Current status of order
1999	731-TA-825	South Korea	Certain PSF	Affirmative	Order continued after fourth review, August 19, 2022
1999	731-TA-826	Taiwan	Certain PSF	Affirmative	Order continued after fourth review, August 19, 2022
1999	731-TA-825	South Korea	Low-melt fiber	Negative	---
1999	731-TA-826	Taiwan	Low-melt fiber	Negative	---
2017	701-TA-579	China	Fine denier PSF	Affirmative	Ongoing first full review
2017	701-TA-580	India	Fine denier PSF	Affirmative	Ongoing first full review
2017	731-TA-1369	China	Fine denier PSF	Affirmative	Ongoing first full review
2017	731-TA-1370	India	Fine denier PSF	Affirmative	Ongoing first full review
2017	731-TA-1371	South Korea	Fine denier PSF	Affirmative	Ongoing first full review
2017	731-TA-1372	Taiwan	Fine denier PSF	Affirmative	Ongoing first full review
2017	731-TA-1373	Vietnam	Fine denier PSF	--	Investigation terminated following withdrawal of petition, July 13, 2017
2017	731-TA-1378	South Korea	Low-melt PSF	Affirmative	Order imposed after final investigation, August 16, 2018
2017	731-TA-1379	Taiwan	Low-melt PSF	Affirmative	Order imposed after final investigation, August 16, 2018

Source: U.S. International Trade Commission publications and Federal Register notices.

Note: "Date" refers to the year in which the investigation was instituted by the Commission.

Note: As a matter of consistency, this report uses "South Korea" rather than "Korea" for previous proceedings covering imports from the Republic of Korea.

Note: In investigation numbers 731-TA-825-826 (Final), the Commission determined that there were two domestic like products: (1) low-melt fiber and (2) conventional PSF (*i.e.*, all subject certain PSF). The Commission then determined that an industry in the United States was materially injured by reason of certain PSF from South Korea and Taiwan that Commerce found to be sold in the United States at LTFV and that an industry in the United States was neither materially injured nor threatened with material injury by reason of imports of low-melt fiber from South Korea and Taiwan. Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825-826 (Final), USITC Publication 3300, May 2000, pp. 1 and 4-9.

Commerce's five-year review

Commerce announced that it would conduct an expedited review with respect to the order on imports of certain PSF from China with the intent of issuing the final results of this review based on the facts available not later than June 29, 2023.¹⁸ Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <https://access.trade.gov/public/FRNoticesListLayout.aspx>. Issues and Decision Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty order on imports of certain PSF from China are noted in the sections titled "The original investigation" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

The merchandise subject to the order is synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The subject merchandise may be coated, usually with a silicon or other finish, or not coated. Polyester staple fiber is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture.

The following products are excluded from the scope of the order: (1) Polyester staple fiber of less than 3.3 decitex (less than 3 denier) currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at 5503.20.0025 and known to the industry as polyester staple

¹⁸ Letter from Alex Villanueva, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, April 20, 2023.

fiber for spinning and generally used in woven and knit applications to produce textile and apparel products; (2) polyester staple fiber of 10 to 18 denier that are cut to lengths of 6 to 8 inches and that are generally used in the manufacture of carpeting; and (3) low-melt polyester staple fiber defined as a bi-component fiber with an outer, non-polyester sheath that melts at a significantly lower temperature than its inner polyester core (classified at HTSUS 5503.20.0015).¹⁹

U.S. tariff treatment

Subject certain PSF is currently imported under Harmonized Tariff Schedule of the United States (“HTS”) statistical reporting numbers 5503.20.0045 and 5503.20.0065, which are subject to a general rate of duty of 4.3 percent ad valorem.²⁰ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Effective September 24, 2018, certain PSF originating in China was subject to an additional 10 percent ad valorem duty under section 301 of the Trade Act of 1974. Effective May 10, 2019, the section 301 duty for certain PSF was increased to 25 percent.²¹

¹⁹ 83 FR 14415, April 4, 2018.

²⁰ HTS statistical reporting numbers 5503.20.0045 and 5503.20.0065 may contain other products outside the scope of the review. For example, certain PSF that are generally used in the manufacture of carpeting may be imported under statistical reporting numbers 5503.20.0045 or 5503.20.0065, depending on the fiber decitex, but are outside the scope of this review based on the U.S. Department of Commerce’s product scope. USITC, HTS (2023) HTSA Revision 4, USITC Publication 5424, April 2023, p. 55-5.

²¹ 83 FR 47974, September 21, 2018; 84 FR 20459, May 9, 2019. See also HTS headings 9903.88.03 and 9903.88.04 and U.S. notes 20(e)–20(g) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2023) Revision 4, USITC Publication 5424, April 2023, pp. 99-III-27–99-III-52. Goods exported from China to the United States prior to May 10, 2019, and entering the United States prior to June 1, 2019, were not subject to the escalated 25 percent duty (84 FR 21892, May 15, 2019).

Description and uses²²

Certain PSF is a manmade fiber that is similar in appearance to cotton or wool fiber when baled. Certain PSF is principally known in the industry as “fiber for fill,” as it is primarily used as polyester fiberfill. Certain PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Certain PSF has physical characteristics that distinguish it from other polyester staple fibers (such as carpet fiber and fiber for spinning), including the denier of the fiber, the length of the fiber, and in some cases the finish and “crimp” of the fiber. Most synthetic fiber is sold by quantity based on the denier of the fiber.

Because certain PSF is principally used as fiberfill, it is seldom visible in the end use product. Therefore, the appearance of certain PSF can be less important than its performance²³ to customers. However, the appearance of certain PSF directly affects the look and perceived value of many end-products, such as mattresses, comforters, cushions, pillows, and furniture with less opaque upholstery.

Certain PSF used for fill can be produced in many variations for purposes of quality enhancement. For example, the subject fiber may be crimped or conjugated—i.e., in the first stage of conjugate PSF production, two polymers of differing viscosities are forced through a Y-shaped extruder before being blasted with cold air to make a single fiber. Conjugate PSF has a three-dimensional spiral twist in the fiber made from two types of fiber by either a chemical or mechanical process, designed to provide greater loft or fill capacity to the fiber for stuffing purposes. By contrast, non-conjugate fiber undergoes polymer formation before being extruded through a shower-head like spinneret and solidified with a blast of cold air. Non-conjugate PSF has a two-dimensional saw tooth crimp and provides somewhat less fill capacity. Certain PSF may also be coated with a finish (usually silicone or oil-based), making the fiber smoother to the touch for certain high-end uses.²⁴ The subject fiber may vary in shape and may be hollow or solid, depending on both the preference of the manufacturer and the end use of the fiber.²⁵ Raw materials used to produce certain PSF may also vary. PSF can be made by

²² Unless otherwise noted, this information is based on Certain Polyester Staple Fiber from China, Investigation No. 731-TA-1104 (Second Review), USITC Publication 4767, March 2018 (“Second review publication”), pp. I-8–I-9.

²³ “Performance” refers to the ability of the fiber to fulfill purchasers’ end uses in terms of loft, fill capacity, and durability.

²⁴ A silicone finish is preferred for certain end uses such as pillows. When rubbed, fiber with a silicone finish will slide, giving the product a slightly slick feeling.

²⁵ Solid fiber, considered the leading global polyester staple fiber, is segmented into various colors, as well, including semi-dull white, bright optical white, black dope dyed, and colored dope white.

(continued...)

reacting ethylene glycol with either terephthalic acid or its methyl ester; if so produced, it is termed virgin PSF. Virgin PSF is characterized by the purity of the whiteness of the fiber. PSF may also be made from recycled polyester, using either consumer waste, such as polyethylene terephthalate (“PET”) bottles, or industrial waste, such as polyester chips or spun tow. Fiber made in this way is known as regenerated or recycled fiber and does not contain virgin fiber. Some producers of the subject fiber also manufacture a blend of virgin and recycled/regenerated materials by introducing recycled/regenerated polyester chips into the virgin production line. Finally, certain PSF may be produced in the form of a low-melt fiber. This is a bi-component fiber with an outer sheath that melts at a significantly lower temperature than its inner polyester core, for purposes of thermal bonding, and is not included within the scope of this review.

Manufacturing process²⁶

The manufacturing process for certain PSF may be divided into two discrete stages. The first stage of the process is polymer formation, which can vary depending on whether virgin (unprocessed chemicals) or recycled materials are being used. Polymer formation also varies depending on whether conjugate fiber or low-melt fiber is being produced. The second stage of the process, which is common to all certain PSF, is fiber formation, including stretching, cutting, and baling.

The manufacture of certain PSF from virgin materials begins by reacting ethylene glycol with either terephthalic acid or its methyl ester in the presence of an antimony catalyst. The reaction is carried out at a high temperature and in a vacuum to achieve the high molecular weights needed to form useful fiber. The mix is then sent through an esterification process before it is polymerized. Esterification is the chemical process of combining an acid with an alcohol to form an ester. If a blend of virgin and recycled materials is to be produced, the recycled material (usually in the form of polyester chips) is introduced at the esterification stage. After polymerization, the solid, molten plastic, which has a consistency similar to cold honey, must be heated and liquefied before it can be extruded. The liquid fiber-forming polymers are then extruded through tiny holes of a spinneret, a device similar to a showerhead,

(...continued)

“Polyester Staple Fiber Market Analysis, Business Development, Size, Share, Trends, Future Growth, Forecast to 2030,” Digital Journal, September 22, 2022, <https://www.digitaljournal.com/pr/polyester-staple-fiber-market-analysis-business-development-size-share-trends-future-growth-forecast-to-2030>.

²⁶ Unless otherwise noted, this information is based on second review publication, pp. I-9–I-11.

to form continuous filaments of semi-solid polymer. The denier of the fiber is controlled by the size of the holes on the spinneret. After extrusion, the semi-solid fibers are blasted with cold air to form solid fibers. This process is known as continuous polymerization.

In the first stage of production, unlike non-conjugate PSF, which requires a single spinning process, conjugate PSF is produced using a double spinning process either by direct spinning or batch spinning. Whether direct or batch spinning, conjugate fibers are composed of a bipolymer blend of two different polyester polymers of different viscosities. One of the polymers shrinks more than the other, resulting in spiral-shaped crimps. Conjugate and non-conjugate are typically made on separate manufacturing lines, and one line would not ordinarily be switched from one PSF type to the other. However, the same employees are used to produce conjugate PSF and other types of certain PSF. After the conjugate PSF is extruded, the stretching, cutting, and baling of the conjugate PSF is identical to other types of certain PSF.

The manufacture of regenerated certain PSF begins with the processing of the recycled materials. As reported in the original petition, regenerated certain PSF inputs can consist of a variety of different types of materials including virgin first quality chip, virgin off-spec chip, postindustrial (regenerated) pellet waste, post-industrial (regenerated) film waste, post-consumer bottles, post-consumer bottle flake, and miscellaneous post-industrial (regenerated) waste. Depending on the materials used, the recycled product is cleaned and either chipped or pelletized before being sent to the extruder. The recycled material is then melted to form molten polymers and sent through the spinneret to form continuous filaments of semisolid polymer. As with fiber from virgin materials, the polymer is then blasted with cold air to form solid fiber.

The second stage of production is common to fibers made from either virgin or recycled materials, including conjugate. The solid fiber is coated for the first time with an oil finish, usually only for internal use to facilitate further processing. The spun tow, as it is now known, is collected into a can to be stretched. The spun tow is sent over a creel and a series of “draw wheels” to orient the fiber molecules and strengthen the tow. Next, the tow is sent through a crimping machine, which gives the fiber tow a two-dimensional, saw-tooth shape. The tow is then sent through an oven to heat-set the crimp. A second finish (usually silicone or some type of oil-based finish) may be added during this stage of the process, either before the fiber tow is crimped and heat-set or directly after, depending on the preference of the manufacturer. Finally, the fiber tow is cut to length and baled.

The manufacturing processes for nonsubject PSF are similar to those for certain PSF. Nonsubject PSF includes PSF of less than 3 denier, PSF for carpeting, and low-melt PSF, in addition to other products. These nonsubject forms of PSF may be manufactured on the same

equipment and machinery used in the production of certain PSF. The production of PSF of less than 3 denier, commonly referred to as fine denier PSF, is controlled by the size of the holes on the spinneret. By using a spinneret with smaller holes, a production line can switch from heavier gauge PSF to finer denier; the other steps of the manufacturing process remain generally the same. PSF for carpeting is a higher denier than certain PSF and is produced by using a spinneret with larger holes. To achieve carpet fibers with luster, a slightly different mix of raw materials is used. Finally, low-melt fiber is produced using a very similar process to conjugate fiber. Like conjugate fiber, low-melt fiber can be produced by both a direct spinning system or a batch system. Component polymers are forced through a Y-shaped extruder to form a single fiber. A chemical ingredient is added to make the outer sheath polymer subject to a lower melting point. The fiber is then stretched, cut, and baled.

The industry in the United States

U.S. producers

During the final phase of the original investigation, the Commission received U.S. producer questionnaires from eight firms, which accounted for virtually all production of certain PSF in the United States during 2006.²⁷

During the first five-year review, domestic interested parties provided a list of eight known and operating U.S. producers of certain PSF at that time.²⁸ Four responding firms accounted for approximately *** percent of production of certain PSF in the United States during 2011.²⁹

During the second five-year review, domestic interested parties provided a list of ten known and operating U.S. producers of certain PSF at that time.³⁰ Three responding firms accounted for approximately *** percent of production of certain PSF in the United States during 2016.³¹

In response to the Commission's notice of institution in this current review, domestic interested parties provided a list of eight known and currently operating U.S. producers of certain PSF.³² ³³ Three firms providing U.S. industry data in response to the Commission's notice

²⁷ Original publication, p. III-1.

²⁸ Certain Polyester Staple Fiber from China, Investigation No. 731-TA-1104 (Review), USITC Publication 4351, September 2012 ("First review publication"), p. I-14.

²⁹ Investigation No. 731-TA-1104 (Review): Certain Polyester Staple Fiber from China, Confidential Report, INV-KK-090, August 30, 2012, p. I-19.

³⁰ Second review publication, p. I-14.

³¹ Investigation No. 731-TA-1104 (Second Review): Certain Polyester Staple Fiber from China, Confidential Report, INV-PP-152, November 21, 2017, as revised in INV-QQ-025, February 27, 2018, p. I-3.

³² Domestic interested parties' response to the notice of institution, March 31, 2023, pp. 19-20.

³³ Effective November 30, 2022, Fiber Industries temporarily suspended PSF production as part of a strategic transition to rebrand, advance its approach toward sustainability, and co-locate new enterprise partners to its Darlington, South Carolina facility. Fiber Industries intends to resume operations "once the transition is complete and market dynamics enable the company to leverage the scale of its assets." Fiber Industries, "Fiber Industries Launches Strategic Transition to Achieve Long-Term Growth," November 30, 2022, <https://www.fiberindustries.com/blog/fiber-industries-launches-strategic-transition-to-achieve-long-term-growth>.

of institution accounted for approximately *** percent of production of certain PSF in the United States during 2022.³⁴

Recent developments

Table I-4 presents events in the U.S. industry since the Commission’s last five-year review.³⁵

Table I-4
Certain PSF: Recent developments in the U.S. industry

Item	Firm	Event
Closure	DAK Americas LLC	On December 31, 2020, DAK Americas LLC closed PSF manufacturing operations at its Cooper River, South Carolina plant and is therefore no longer a producer of PSF.
Acquisition and Expansion	Fiber Industries LLC	In 2017, Fiber Industries LLC announced the purchase of a vacant Darlington, South Carolina facility previously owned by Wellman Industries. The new facility required a \$30 million investment and created 135 jobs. The company began producing PSF at that facility in December 2020.
Expansion	Sun Fiber LLC	In July 2018, Sun Fiber LLC began production of PSF at its Richburg, South Carolina facilities.
Expansion	Fiber Industries LLC	On January 13, 2022, Fiber Industries LLC announced plans to expand operations with an investment of more than \$30 million investment in Darlington, South Carolina, creating 50 new jobs, in addition to the 300 workers currently employed.
Production Suspension	Fiber Industries LLC	On November 30, 2022, Fiber Industries LLC suspended PSF production in South Carolina, laying off 250 people. The company announced that it would resume operations once market dynamics enable the company to leverage the scale of its assets.

Source: Domestic interested parties’ response to the notice of institution, March 31, 2023, p. 23; Nonwovens Industry, “DAK to Shut Down Staple Fiber Operations at Cooper River Site,” May 6, 2021, https://www.nonwovens-industry.com/contents/view_breaking-news/2021-05-06/dak-shuts-down-staplefiber-operations-at-cooper-river-site/; Textile World, “Fiber Industries to Restart Former Wellman Plant,” September 21, 2017, <https://www.textileworld.com/textile-world/fiber-world/2017/09/fiber-industries-to-restart-former-wellman-plant/>; South Carolina, Office of the Governor, “Fiber Industries Expanding Operations in Darlington County,” January 13, 2022, <https://governor.sc.gov/news/2022-01/fiber-industries-expanding-operations-darlington-county/>; Fiber Industries, “Fiber Industries Launches Strategic Transition to Achieve Long-Term Growth,” November 30, 2022, <https://www.fiberindustries.com/blog/fiber-industries-launches-strategic-transition-to-achieve-long-term-growth>.

³⁴ Domestic interested parties’ supplemental response to the notice of institution, April 11, 2023, p. 2.

³⁵ For recent developments in tariff treatment, please see “U.S. tariff treatment” section.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year review.³⁶ Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigation and subsequent five-year reviews.

Table I-5
Certain PSF: Trade and financial data submitted by U.S. producers, by period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; ratio in percent

Item	Measure	2006	2011	2016	2022
Capacity	Quantity	774,943	***	***	***
Production	Quantity	573,068	***	***	***
Capacity utilization	Ratio	73.9	***	***	***
U.S. shipments	Quantity	500,161	***	***	***
U.S. shipments	Value	369,142	***	***	***
U.S. shipments	Unit value	0.74	***	***	***
Net sales	Value	404,209	***	***	***
COGS	Value	397,741	***	***	***
COGS to net sales	Ratio	98.4	***	***	***
Gross profit or (loss)	Value	6,468	***	***	***
SG&A expenses	Value	11,912	***	***	***
Operating income or (loss)	Value	(5,444)	***	***	***
Operating income or (loss) to net sales	Ratio	(1.3)	***	***	***

Source: For the years 2006, 2011, and 2016, data are compiled using data submitted in the Commission's original investigation, first five-year review, and second five-year review, respectively. For the year 2022, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, March 31, 2023, exh. 1; domestic interested parties' supplemental response to the notice of institution, April 11, 2023, exh. 1; and email from ***, on behalf of domestic interested parties, May 9, 2023.

Note: U.S. producers' *** during 2022 is primarily driven by ***. Domestic interested parties' response to the notice of institution, March 31, 2023, exh. 1

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

³⁶ Individual company trade and financial data are presented in app. B.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.³⁷

In its original determination and its expedited first and second five-year review determinations, the Commission defined the domestic like product as all certain PSF, coextensive with Commerce’s scope. In its original determination and its expedited first and second five-year review determinations, the Commission defined the domestic industry as all domestic producers of certain PSF.³⁸

U.S. importers

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from 21 firms, which accounted for approximately 81.8 percent of subject imports of certain PSF from China during 2006.³⁹ Import data presented in the original investigation are based on official Commerce statistics, adjusted to reclassify imports from China that were not subject to the investigation.

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested parties provided a list of 53 firms that may have imported certain PSF from China at that time.⁴⁰ Import data presented in the first five-year review are based on official Commerce statistics, adjusted to reclassify imports from China that were not subject to the order.

Although the Commission did not receive responses from any respondent interested parties in its second five-year review, the domestic interested parties provided a list of 77 firms that may have imported certain PSF from China at that time.⁴¹ Import data presented in the

³⁷ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

³⁸ 88 FR 12987, March 1, 2023

³⁹ Original publication, p. IV-1.

⁴⁰ First review publication, p. I-16.

⁴¹ Second review publication, p. I-17.

second five-year review are based on official Commerce statistics, adjusted to reclassify imports from China that were not subject to the order.

Although the Commission did not receive responses from any respondent interested parties in this current five-year review, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 79 potential U.S. importers of certain PSF.⁴²

U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports of certain PSF from China as well as the other top sources of U.S. imports (shown in descending order of 2022 imports by quantity).

⁴² Domestic interested parties' response to the notice of institution, March 31, 2023, exh. 7.

Table I-6
Certain PSF: U.S. imports, by source and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound

U.S. imports from	Measure	2017	2018	2019	2020	2021	2022
China (subject)	Quantity	245,536	276,091	211,978	179,597	144,792	119,374
South Korea	Quantity	131,275	140,372	146,747	118,640	107,585	131,372
Vietnam	Quantity	28,010	66,703	77,119	107,698	147,440	128,287
Thailand	Quantity	35,098	40,661	42,762	69,459	92,126	103,048
All other sources	Quantity	125,369	143,350	153,168	156,751	181,379	159,090
Nonsubject sources	Quantity	319,753	391,086	419,797	452,548	528,529	521,797
All import sources	Quantity	565,289	667,177	631,775	632,145	673,322	641,172
China (subject)	Value	101,538	140,988	98,800	75,442	63,544	57,893
South Korea	Value	69,582	86,215	86,803	57,832	56,504	73,074
Vietnam	Value	13,952	38,065	40,558	48,808	70,602	65,023
Thailand	Value	16,845	23,985	24,356	33,228	49,098	66,032
All other sources	Value	86,625	106,752	102,698	85,984	113,852	122,455
Nonsubject sources	Value	187,003	255,018	254,414	225,852	290,056	326,583
All import sources	Value	288,542	396,006	353,215	301,295	353,600	384,476
China (subject)	Unit value	0.41	0.51	0.47	0.42	0.44	0.48
South Korea	Unit value	0.53	0.61	0.59	0.49	0.53	0.56
Vietnam	Unit value	0.50	0.57	0.53	0.45	0.48	0.51
Thailand	Unit value	0.48	0.59	0.57	0.48	0.53	0.64
All other sources	Unit value	0.69	0.74	0.67	0.55	0.63	0.77
Nonsubject sources	Unit value	0.58	0.65	0.61	0.50	0.55	0.63
All import sources	Unit value	0.51	0.59	0.56	0.48	0.53	0.60

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 5503.20.0045 and 5503.20.0065, accessed April 3, 2023.

Note: As previously mentioned, producers/exporters Cixi Jiangnan Chemical Co., Ltd.; Cixi Santai Chemical Fiber Co., Ltd.; and Ningbo Dafa Chemical Fiber Co., Ltd. are excluded from the antidumping duty order on certain PSF from China. Subject import data as presented in the current five-year review may be overstated as official Commerce import statistics do not distinguish between imports of certain PSF from subject and nonsubject sources in China. Nonsubject import data may be correspondingly understated.

Note: Effective September 24, 2018, certain PSF originating in China was subject to an additional 10 percent ad valorem duty under section 301 of the Trade Act of 1974. 83 FR 47974, September 21, 2018. Effective May 10, 2019, the section 301 duty for certain PSF was increased to 25 percent. 84 FR 20459, May 9, 2019.

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

Apparent U.S. consumption and market shares

Table I-7 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

Table I-7
Certain PSF: Apparent U.S. consumption and market shares, by source and period

Quantity in 1,000 pounds; value in 1,000 dollars; shares in percent

Source	Measure	2006	2011	2016	2022
U.S. producers	Quantity	500,161	***	***	***
China (subject)	Quantity	***	***	***	119,374
China (nonsubject)	Quantity	***	***	***	NA
Nonsubject sources	Quantity	***	***	***	521,797
All import sources	Quantity	566,730	507,269	***	641,172
Apparent U.S. consumption	Quantity	1,066,891	***	***	***
U.S. producers	Value	369,142	***	***	***
China (subject)	Value	***	***	***	57,893
China (nonsubject)	Value	***	***	***	NA
Nonsubject sources	Value	***	***	***	326,583
All import sources	Value	333,096	398,750	***	384,476
Apparent U.S. consumption	Value	702,238	***	***	***
U.S. producers	Share of quantity	46.9	***	***	***
China (subject)	Share of quantity	***	***	***	***
China (nonsubject)	Share of quantity	***	***	***	NA
Nonsubject sources	Share of quantity	***	***	***	***
All import sources	Share of quantity	53.1	***	***	***
U.S. producers	Share of value	52.6	NA	***	***
China (subject)	Share of value	***	NA	***	***
China (nonsubject)	Share of value	***	NA	***	NA
Nonsubject sources	Share of value	***	NA	***	***
All import sources	Share of value	47.4	NA	***	***

Source: For the years 2006, 2011, and 2016, data are compiled using data submitted in the Commission's original investigation, first five-year review, and second five-year review, respectively. For the year 2022, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 5503.20.0045 and 5503.20.0065, accessed April 3, 2023.

Note: As previously mentioned, producers/exporters Cixi Jiangnan Chemical Co., Ltd.; Cixi Santai Chemical Fiber Co., Ltd.; and Ningbo Dafa Chemical Fiber Co., Ltd. are excluded from the antidumping duty order on certain PSF from China. Subject import data as presented in the current five-year review may be overstated as official Commerce import statistics do not distinguish between imports of certain PSF from subject and nonsubject sources in China. Nonsubject import data may be correspondingly understated.

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

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

The industry in China

Producers in China

During the final phase of the original investigation, the Commission received foreign producer/exporter questionnaires from seven firms, which accounted for approximately 11.1 percent of production of certain PSF in China during 2006, and approximately *** percent of exports of certain PSF from China to the United States during 2006.⁴³

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested parties provided a list of 150 possible producers/exporters of certain PSF in China in that proceeding.⁴⁴

Although the Commission did not receive responses from any respondent interested parties in its second five-year review, the domestic interested parties provided a list of 150 possible producers/exporters of certain PSF in China in that proceeding.⁴⁵

Although the Commission did not receive responses from any respondent interested parties in this current five-year review, the domestic interested parties provided a list of 210 possible producers/exporters of certain PSF in China.⁴⁶

Recent developments

Table I-8 presents events in the Chinese industry since the Commission's last five-year review.

⁴³ The three Chinese producers/exporters that are currently excluded from the subject order (Cixi Jiangnan Chemical Co., Ltd.; Cixi Santai Chemical Fiber Co., Ltd.; and Ningbo Dafa Chemical Fiber Co., Ltd.) collectively accounted for approximately *** of reported production of certain PSF in China during 2006 and approximately *** of reported exports of certain PSF from China to the United States during 2006. Investigation No. 731-TA-1104 (Final): Certain Polyester Staple Fiber from China, Confidential Report, INV-EE-044, May 1, 2007, as revised in INV-EE-049, May 14, 2007, pp. VII-4-VII-5 and VII-7.

⁴⁴ First review publication, p. I-20.

⁴⁵ Domestic interested parties' response to the notice of institution, September 28, 2017, exh. 2.

⁴⁶ Domestic interested parties' response to the notice of institution, March 31, 2023, exh. 3.

Table I-8
Certain PSF: Recent developments in the Chinese industry

Item	Firm	Event
Expansion	Zhejiang Anshun Pettechs Fibre Co., Ltd (Anhsun)	On October 19, 2022, Anshun announced the addition of two new bi-component staple fiber lines resulting in an additional annual capacity for staple fiber of 27,000 tons.

Source: Domestic interested parties' response to the notice of institution, March 31, 2023, p. 7; Anshun, "Anshun Bi-component Fiber," October 19, 2022, <https://www.anshunfiber.com/en/article/Company-News/Anshun-Bi-component-Fiber.htm>.

Note: The Department of Commerce's product scope excludes low-melt polyester staple fiber defined as a bi-component fiber with an outer, non-polyester sheath that melts at a significantly lower temperature than its inner polyester core (classified at HTSUS 5503.20.0015). Commission staff were unable to verify whether Anshun's increased capacity for bi-component staple fiber is intended to produce low-melt PSF (which is out of scope) or conjugated fiber (which is in scope). The new bi-component staple fiber lines are advertised to produce fiber intended for use in diapers, adult incontinence pants, feminine care napkins, and in the filtration and packing industries, not as fiberfill. However, both products are manufactured on the same equipment and machinery.

Exports

Table I-9 presents export data for PSF, a category that includes certain PSF and out-of-scope products, from China (by export destination in descending order of quantity for 2022). The largest destination market in 2022 was Vietnam, accounting for 15.0 percent of all Chinese exports of PSF. The top five export destination markets, Vietnam, Pakistan, Indonesia, Bangladesh, and the United States, collectively accounted for 42.7 percent of all PSF exported from China in 2022.

Table I-9
PSF: Quantity of exports from China, by destination and period

Quantity in 1,000 pounds

Destination market	2017	2018	2019	2020	2021	2022
Vietnam	184,996	224,348	260,562	307,820	372,930	329,374
Pakistan	166,026	165,044	147,597	144,364	247,505	221,147
Indonesia	217,230	279,202	231,086	88,032	165,823	153,021
Bangladesh	53,378	68,402	73,409	63,250	126,261	118,683
United States	367,811	358,546	232,729	184,383	179,292	115,166
Brazil	83,787	76,840	76,034	107,974	89,106	114,228
Russia	94,457	84,911	82,807	70,624	70,485	100,743
India	123,716	103,025	167,940	93,663	69,584	85,636
Turkey	56,539	89,672	69,327	33,980	36,559	82,344
Israel	107,199	110,572	106,651	75,564	51,890	76,912
All other markets	756,258	702,782	708,999	584,622	638,944	798,241
All markets	2,211,397	2,263,343	2,157,141	1,754,276	2,048,379	2,195,495

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 5503.20, accessed April 26, 2023. These data may be overstated as HS subheading 5503.20 may contain products outside the scope of this review.

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

Third-country trade actions

According to the domestic interested parties, antidumping duty orders are in effect on imports of PSF from China, including certain PSF within the scope of this review, from Indonesia, Mexico, Pakistan, and Turkey. In addition, Turkey imposed a global safeguard measure on imports of PSF in September 2021.

Table I-10
PSF: Third-country trade actions on imports of PSF from China

Country imposing remedy	Type of remedy	Covered Products	Date of duty imposition/renewal
Indonesia	Antidumping	Polyester staple fiber	December 2022
Mexico	Antidumping	Short-fiber polyester	July 2019
Pakistan	Antidumping	Polyester staple fiber	October 2021
Turkey	Antidumping	Polyester synthetic staple fibers	October 2018
Turkey	Safeguard	Polyester fiber	September 2021

Source: Domestic interested parties' response to the notice of institution, March 31, 2023, pp. 11-12 and exh. 6.

The global market

Table I-11 presents global export data for PSF, a category that includes certain PSF and out-of-scope products (by source in descending order of quantity for 2022). The two largest exporters, China and South Korea, together accounted for almost half (47.9 percent) of global exports of PSF in 2022.

Table I-11
PSF: Quantity of global exports, by country and period

Quantity in 1,000 pounds

Exporting country	2017	2018	2019	2020	2021	2022
China	2,211,397	2,263,343	2,157,141	1,754,276	2,048,379	2,195,495
South Korea	1,687,994	1,763,679	1,613,530	1,556,771	1,612,780	1,376,366
Thailand	608,875	674,832	732,432	830,015	795,617	701,225
India	486,692	554,398	604,670	632,770	829,749	561,133
Taiwan	842,614	777,014	667,416	621,589	608,164	496,612
Indonesia	311,871	396,938	583,637	553,722	543,274	468,291
Turkey	84,315	82,109	99,110	231,448	358,279	347,320
Malaysia	260,238	227,751	287,746	251,548	300,575	295,376
Germany	---	---	---	---	---	166,075
Ireland	190,036	187,775	182,920	169,857	188,827	129,475
All other exporters	1,158,917	1,325,743	1,421,611	1,376,422	1,591,529	624,773
All exporters	7,962,193	8,373,504	8,430,175	8,062,216	8,984,838	7,454,345

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 5503.20. These data may be overstated as HS subheading 5503.20 may contain products outside the scope of this review.

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

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

APPENDIX A
FEDERAL REGISTER NOTICES

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

Citation	Title	Link
88 FR 12915, March 1, 2023	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2023-03-01/pdf/2023-04187.pdf
88 FR 12987, March 1, 2023	<i>Certain Polyester Staple Fiber From China; Institution of a Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2023-03-01/pdf/2023-04078.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

* * * * *

APPENDIX C
SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1
Certain PSF: Summary data concerning the U.S. market, 2004-06

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound;
period changes=percent, except where noted)

Item	Reported data			Period changes		
	2004	2005	2006	2004-06	2004-05	2005-06
U.S. consumption quantity:						
Amount	1,128,375	1,152,674	1,066,891	-5.4	2.2	-7.4
Producers' share (1)	60.2	52.3	46.9	-13.4	-7.9	-5.4
Importers' share (1):						
China (subject)	***	***	***	***	***	***
Korea	18.6	16.0	15.9	-2.7	-2.6	-0.1
Taiwan	6.4	4.7	3.5	-2.9	-1.7	-1.2
Subtotal, Korea & Taiwan	25.0	20.7	19.4	-5.6	-4.3	-1.3
China (nonsubject)	***	***	***	***	***	***
Thailand	3.7	3.8	3.1	-0.6	0.1	-0.7
Indonesia	1.1	2.2	4.1	2.9	1.0	1.9
India	1.4	1.8	2.0	0.5	0.4	0.1
Mexico	1.1	0.8	0.0	-1.0	-0.2	-0.8
All other	1.1	1.5	2.2	1.1	0.3	0.8
Subtotal, nonsubject	***	***	***	***	***	***
Total imports	39.8	47.7	53.1	13.4	7.9	5.4
U.S. consumption value:						
Amount	637,604	770,478	702,238	10.1	20.8	-8.9
Producers' share (1)	62.2	55.5	52.6	-9.7	-6.7	-3.0
Importers' share (1):						
China (subject)	***	***	***	***	***	***
Korea	15.8	14.1	13.3	-2.5	-1.7	-0.8
Taiwan	6.8	4.8	3.5	-3.3	-2.0	-1.3
Subtotal, Korea & Taiwan	22.6	18.9	16.8	-5.8	-3.7	-2.1
China (nonsubject)	***	***	***	***	***	***
Thailand	4.2	4.1	3.3	-0.9	-0.1	-0.8
Indonesia	1.1	2.0	3.9	2.8	0.9	1.9
India	1.2	1.6	1.7	0.5	0.4	0.2
Mexico	1.7	1.2	0.0	-1.7	-0.4	-1.2
All other	1.4	2.2	3.3	1.9	0.8	1.1
Subtotal, nonsubject	***	***	***	***	***	***
Total imports	37.8	44.5	47.4	9.7	6.7	3.0
U.S. imports from:						
China (subject):						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Other--						
Korea:						
Quantity	209,856	184,832	169,865	-19.1	-11.9	-8.1
Value	100,920	108,549	93,297	-7.6	7.6	-14.1
Unit value	0.48	0.59	0.55	14.2	22.1	-6.5
Taiwan:						
Quantity	72,376	54,139	37,471	-48.2	-25.2	-30.8
Value	43,262	36,971	24,549	-43.3	-14.5	-33.6
Unit value	0.60	0.68	0.66	9.6	14.2	-4.1
Subtotal (Korea + Taiwan):						
Quantity	282,232	238,971	207,336	-26.5	-15.3	-13.2
Value	144,181	145,521	117,847	-18.3	0.9	-19.0
Unit value	\$0.51	\$0.61	\$0.57	11.3	19.2	-6.7

Table continued on next page.

Table C-1--continued

Certain PSF: Summary data concerning the U.S. market, 2004-06

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound;
period changes=percent, except where noted)

Item	Reported data			Period changes		
	2004	2005	2006	2004-06	2004-05	2005-06
U.S. imports from:						
China (nonsubject):						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Thailand:						
Quantity	41,848	43,475	33,177	-20.7	3.9	-23.7
Value	26,694	31,598	23,282	-12.8	18.4	-26.3
Unit value	0.64	0.73	0.70	10.0	13.9	-3.4
Indonesia:						
Quantity	12,657	24,830	43,378	242.7	96.2	74.7
Value	6,722	15,438	27,199	304.6	129.7	76.2
Unit value	0.53	0.62	0.63	18.1	17.1	0.8
India:						
Quantity	16,147	21,090	20,914	29.5	30.6	-0.8
Value	7,654	12,205	12,199	59.4	59.5	-0.0
Unit value	0.47	0.58	0.58	23.1	22.1	0.8
Mexico:						
Quantity	11,854	9,702	242	-98.0	-18.2	-97.5
Value	10,644	9,468	125	-98.8	-11.1	-98.7
Unit value	0.90	0.98	0.52	-42.6	8.7	-47.1
All other sources:						
Quantity	12,549	16,743	23,990	91.2	33.4	43.3
Value	8,694	16,753	22,901	163.4	92.7	36.7
Unit value	0.69	1.00	0.95	37.8	44.4	-4.6
Subtotal (nonsubject imports)						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity (2)	***	***	***	***	***	***
All sources:						
Quantity	448,568	549,684	566,730	26.3	22.5	3.1
Value	240,799	342,599	333,096	38.3	42.3	-2.8
Unit value	\$0.54	\$0.62	\$0.59	9.5	16.1	-5.7
Ending inventory quantity	83,501	121,306	89,029	6.6	45.3	-26.6

Table continued on next page.

Table C-1--continued

Certain PSF: Summary data concerning the U.S. market, 2004-06

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound;
period changes=percent, except where noted)

Item	Reported data			Period changes		
	2004	2005	2006	2004-06	2004-05	2005-06
U.S. producers:						
Average capacity quantity	889,565	843,607	774,942	-12.9	-5.2	-8.1
Production quantity	733,677	657,064	573,068	-21.9	-10.4	-12.8
Capacity utilization (1)	82.5	77.9	73.9	-8.5	-4.6	-3.9
U.S. shipments:						
Quantity	679,807	602,990	500,161	-26.4	-11.3	-17.1
Value	396,805	427,879	369,142	-7.0	7.8	-13.7
Unit value	\$0.58	\$0.71	\$0.74	26.4	21.6	4.0
Export shipments:						
Quantity	50,186	54,444	63,830	27.2	8.5	17.2
Value	27,391	37,501	44,616	62.9	36.9	19.0
Unit value	\$0.55	\$0.69	\$0.70	28.1	26.2	1.5
Ending inventory quantity	35,984	36,520	42,901	19.2	1.5	17.5
Inventories/total shipments (1)	4.9	5.6	7.6	2.7	0.6	2.1
Production workers	1,106	1,001	968	-12.5	-9.5	-3.3
Hours worked (1,000s)	2,314	2,185	2,079	-10.1	-5.6	-4.8
Wages paid (\$1,000)	40,035	39,636	37,052	-7.5	-1.0	-6.5
Hourly wages	\$17.30	\$18.14	\$17.82	3.0	4.8	-1.8
Productivity (pounds per hour)	316.6	294.1	268.6	-15.2	-7.1	-8.6
Unit labor costs	\$0.05	\$0.06	\$0.07	21.4	12.9	7.5
Net sales:						
Quantity	727,996	642,785	553,253	-24.0	-11.7	-13.9
Value	422,770	454,139	404,209	-4.4	7.4	-11.0
Unit value	\$0.58	\$0.71	\$0.73	25.8	21.7	3.4
Cost of goods sold (COGS)	426,288	432,193	397,741	-6.7	1.4	-8.0
Gross profit or (loss)	(3,518)	21,946	6,468	(3)	(3)	-70.5
SG&A expenses	11,758	13,342	11,912	1.3	13.5	-10.7
Operating income or (loss)	(15,276)	8,603	(5,444)	64.4	(3)	(3)
Capital expenditures	2,021	1,157	1,466	-27.5	-42.8	26.7
Unit COGS	\$0.59	\$0.67	\$0.72	22.8	14.8	6.9
Unit SG&A expenses	\$0.02	\$0.02	\$0.02	33.3	28.5	3.7
Unit operating income or (loss)	(\$0.02)	\$0.01	(\$0.01)	53.1	(3)	(3)
COGS/sales (1)	100.8	95.2	98.4	-2.4	-5.7	3.2
Operating income or (loss)/ sales (1)	(3.6)	1.9	(1.3)	2.3	5.5	-3.2

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Includes inventories from all sources other than subject China.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of the U.S. Department of Commerce.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and they provided contact information for the following three firms as top purchasers of certain PSF: ***. Purchaser questionnaires were sent to these three firms. No firm submitted a response to the Commission's request for information.

