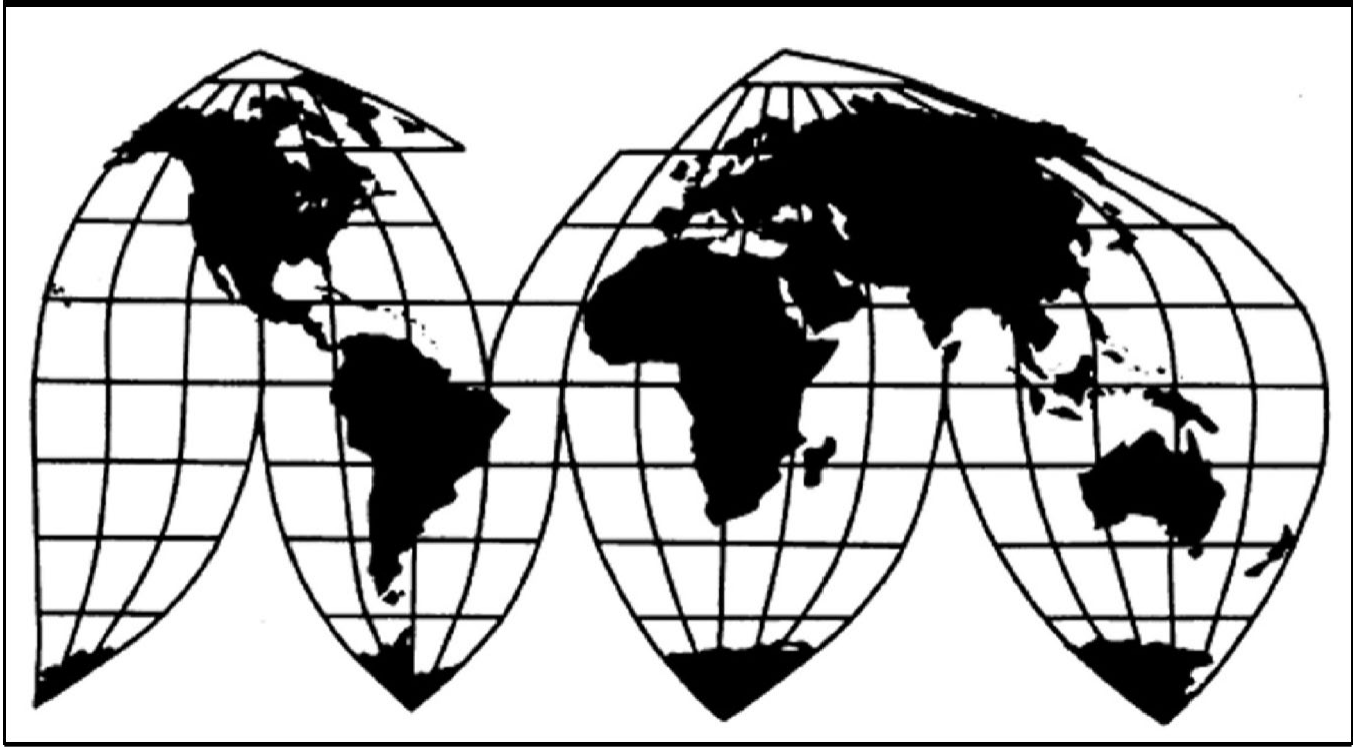
Low Melt Polyester Staple Fiber from South Korea and Taiwan

Investigation Nos. 731-TA-1378-1379 (Review)

Publication 5480 **December 2023**

U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-1378-1379 (Review)

Low Melt Polyester Staple Fiber from South Korea and Taiwan

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the antidumping duty orders on low melt polyester staple fiber from South Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on July 3, 2023 (88 FR 42688) and determined on October 6, 2023 that it would conduct expedited reviews (88 FR 73870, October 27, 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 these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the antidumping duty orders on low melt polyester staple fiber ("PSF") from South Korea and Taiwan 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 Investigations. In response to antidumping duty petitions filed by Nan Ya Plastics Corporation, America ("Nan Ya"), the Commission determined in August 2018 that an industry in the United States was materially injured by reason of imports of low melt PSF from South Korea and Taiwan that were sold at less-than-fair value ("LTFV").[1] On August 16, 2018, Commerce issued antidumping duty orders on low melt PSF from South Korea and Taiwan.[2]

Current Reviews. On July 3, 2023, the Commission instituted these first five-year reviews.[3] The Commission received a joint response to the notice of institution from Huvis Indorama Advanced Materials, LLC ("HIAM") and Nan Ya, (collectively "Domestic Producers"), which are domestic producers of low melt PSF.[4] No respondent interested party responded to the notice of institution or participated in these reviews. On October 6, 2023, the Commission

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[1] *Low Melt Polyester Staple Fiber from Korea and Taiwan*, 731 TA-1378-1379 (Final), USITC Pub. 4808) (Aug. 2018) at 3 ("*Original Determinations*").

[2] *Low Melt Polyester Staple Fiber from the Republic of Korea and Taiwan: Antidumping Duty Orders*, 83 Fed. Reg. 40752 (Aug. 16, 2018).

[3] *Low Melt Polyester Staple Fiber from South Korea and Taiwan; Institution of Five-Year Reviews*, 88 Fed. Reg. 42688 (July 3, 2023) ("*Notice of Institution*").

[4] *See Domestic Industry's Substantive Response to the Notice of Institution*, EDIS Doc. 801468, (Aug. 2, 2023) ("*Confidential Domestic Response*"); *Domestic Industry's Substantive Response to the Notice of Institution*, EDIS Doc. 801450 (Aug. 2, 2023) ("*Domestic Response*").

found that the domestic interested party group response was adequate and that the respondent interested party group response was inadequate.[5] Finding no other circumstances that would warrant conducting full reviews, the Commission determined that it would conduct expedited reviews of the antidumping duty orders.[6] Domestic Producers submitted final comments pursuant to 19 C.F.R. § 207.62(d)(1) regarding the determinations that the Commission should reach.[7]

U.S. industry data in these reviews are based on information in the joint response to the notice of institution provided by Domestic Producers, which are estimated to have collectively accounted for *** percent of U.S. production of low melt PSF in 2022.[8] U.S. import data and related data are based on official Commerce statistics edited to remove nonsubject imports from South Korea.[9] Foreign industry data and related information are based on information from the original investigations, information submitted by Domestic Producers in their response to the notice of institution, and publicly available information compiled by the

[5] *Low Melt Polyester Staple Fiber from South Korea and Taiwan; Scheduling of Expedited Five-Year Reviews*, 88 Fed. Reg. 73870-71 (Oct. 6, 2023).

[6] *Explanation of Commission Determination on Adequacy*, EDIS Doc. 809068 (Nov. 21, 2023).

[7] *Domestic Industry's Final Comments*, EDIS Doc. 809068 (Nov. 21, 2023) ("*Domestic Final Comments*").

[8] *Confidential Staff Report*, INV-VV-080, EDIS Doc. No. 804810 (Sep. 25, 2023) ("CR"), *Low Melt Polyester Staple Fiber from Korea and Taiwan*, Inv. 731-TA-1378-79 (Review), USITC Pub. 5480 (Dec. 2023) ("PR") at Table I-2.

[9] *Revision to Staff Report*, INV-VV-084, EDIS Doc. 804810 (Oct. 4, 2023) at Tables I-6-7. Import data are compiled from official Commerce statistics and proprietary, Census-edited Customs records for HTS statistical reporting number 5503.20.0015, adjusted to exclude nonsubject imports of low melt PSF from Huvis Corporation, a South Korean producer and exporter excluded from the order. *Id*. at Note; *see also Low Melt Polyester Staple Fiber from the Republic of Korea and Taiwan: Antidumping Duty Orders*, 83 Fed. Reg. 40752 (Aug. 6, 2018); *see also* CR/PR at I-3.

Commission.[10] Additionally, one firm identified by Domestic Producers as a U.S. purchaser of low melt PSF, ***, responded to the Commission's adequacy phase purchaser questionnaire.[11]

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."[12] 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."[13] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.[14]

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

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[10] INV-VV-084 at Table I-6 to Table I-9, *see generally Confidential Domestic Response* and Exhibits.

[11] CR/PR at D-3. Purchaser questionnaires were sent to the three largest purchasers of low melt PSF, as identified by Domestic Producers. *Id*.

[12] 19 U.S.C. § 1677(4)(A).

[13] 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).

[14] *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).

> The merchandise subject to the Orders is synthetic staple fibers, not carded or combed, specifically bi-component polyester fibers having a polyester fiber component that melts at a lower temperature than the other polyester fiber component (low melt PSF). The scope includes bi-component polyester staple fibers of any denier or cut length. The subject merchandise may be coated, usually with a finish or dye, or not coated.
>
> Low melt PSF is classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) subheading 5503.20.0015. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of the Orders is dispositive.[15]

Low melt PSF is a manmade staple fiber, not carded, combed or otherwise processed for spinning, made entirely of polyester.[16] Like other types of PSF, low melt PSF is a strong fiber that resists shrinking and stretching.[17] Unlike other types of PSF, low melt PSF has a bi-component structure consisting of two strongly bonded but separate polymers of different chemical and/or physical construction.[18] It is most commonly composed of a pure polyester core and outer sheath, but may also be produced in a side-by-side configuration.[19] The sheath, which melts at a lower temperature than the core, provides a stable structure that allows the fiber to be processed smoothly into another form and acts as an agent for thermal bonding to the core polymer.[20]

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[15] *Low Melt Polyester Staple Fiber from the Republic of Korea and Taiwan: Final Results of the Expedited First Sunset Reviews of Antidumping Duty Orders*, 88 Fed. Reg. 72045 (Oct. 19, 2023) and the accompanying *Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders on Low Melt Polyester Staple Fiber from the Republic of Korea and Taiwan*, EDIS Doc. 806392, at 2 (Oct 10, 2023) ("*Commerce I&D Memo*").

[16] CR/PR at I-5.

[17] CR/PR at I-5.

[18] CR/PR at I-5.

[19] CR/PR at I-5.

[20] CR/PR at I-5-I-6.

In the original investigations, the Commission defined a single like product consisting of all low melt PSF, coextensive with Commerce's scope.[21]

The record does not contain any new information suggesting that the pertinent product characteristics and uses of low melt PSF have changed since the original investigations so as to warrant revisiting the Commission's domestic like product definition. The Domestic Producers agree with the Commission's definition of the domestic like product from the original investigations.[22] Consequently, we again define a single domestic like product consisting of all low melt 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."[23] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

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[21] *Original Determinations*, USITC Pub. 4808 at 6. In the preliminary phase of the original investigations, the Commission determined that black or other low melt PSF was not a separate domestic like product because, other than color, it was similar in physical characteristics, end uses, production facilities and channels of distribution to other low melt PSF. The Commission similarly found that crystalline low melt PSF was not a separate domestic like product because of similarities with other low melt PSF in basic physical characteristics, manufacturing facilities, and channels of distribution. *Id*. at 4-6. Finding no new information on the record of the final phase of the original investigations that would warrant a different result, the Commission defined a single domestic like product consisting of all low melt PSF, coextensive with Commerce's scope. *Id*.

[22] *Domestic Response* at 18.

[23] 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.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. 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.[24] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[25]

In the original investigations, the Commission defined the domestic industry as all domestic producers of low melt PSF. No producer was excluded from the domestic industry as a related party.[26]

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[24] *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).

[25] 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.

[26] *Original Determinations*, USITC Pub. 4808 at 6. The Commission noted that although Nan Ya was owned by a producer of polyester staple fiber products in Taiwan, it did not qualify as a related party because the firm that owned it did not export subject merchandise to the United States during the POI. *Id.* at 6, n.26.

In these reviews, Domestic Producers agree with the Commission's definition of the domestic industry from the original investigations and do not argue for the exclusion of any related party.[27]

Domestic producer Nan Ya may qualify as a related party.[28] Specifically, Nan Ya's parent company is Nan Ya Plastics Corporation, a producer and exporter of low melt PSF in Taiwan.[29] However, there is no information on the record concerning whether Nan Ya Plastics Corporation exported subject merchandise to the United States during the period of review ("POR") as would be necessary for Nan Ya to qualify as a related party.

Even if Nan Ya were to qualify as a related party, we would find that appropriate circumstances do not exist for its exclusion. Nan Ya was the *** largest domestic producer of low melt PSF in 2022, accounting for *** percent of domestic production that year.[30] Nan Ya imported no subject merchandise in 2022 and was not related to any U.S. importers of subject merchandise.[31] In view of this, Nan Ya's principal interest would appear to be in domestic production. Further, there is no information in the record to suggest that Nan Ya's affiliation with Nan Ya Plastics Corporation acts to shield it from the effects of subject imports.

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[27] *Domestic Response* at 18.

[28] Although HIAM is related to Huvis Corporation ("Huvis"), a producer and exporter of low melt PSF in South Korea, Commerce calculated a 0.0 percent dumping margin for Huvis in its final determination and therefore excluded Huvis from the antidumping duty order on low melt PSF from South Korea. *See Low Melt Polyester Staple Fiber from the Republic of Korea and Taiwan: Antidumping Duty Orders*, 83 Fed. Reg. 40752 (Aug. 6, 2018); *see also Commerce I&D Memo*. Thus, as is in the original investigations, exports of low melt PSF produced by Huvis are considered nonsubject, and HIAM would therefore not qualify as a related party by virtue of its affiliation with Huvis. *See* CR/PR at I-17.

[29] CR/PR at I-12 n.21.

[30] CR/PR at Table B-2; *Domestic Response* at 2.

[31] *Domestic Response* at 14.

In sum, consistent with our definition of the domestic like product, we define the domestic industry as all domestic producers of low melt PSF.

III. Cumulation

A. Legal Standard

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

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[32]

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[33] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

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[32] 19 U.S.C. § 1675a(a)(7).

[33] 19 U.S.C. § 1677(7)(G)(i); *see also*, *e.g.*, *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

B. The Original Investigations and Arguments of the Parties

Original Investigations. The Commission cumulated subject imports from South Korea and Taiwan in its analysis of the low melt PSF industry.[34] The Commission found that low melt PSF was at least moderately fungible, regardless of source.[35] The Commission found that subject imports from each subject country and the domestic like product shared the same channels of distribution.[36] It found that domestic producers sold mostly to distributors but also sold a substantial amount of low melt PSF to end users, while importers of subject merchandise from South Korea and Taiwan sold almost entirely to end users.[37] The record indicated that the domestic like product and subject imports from South Korea and Taiwan were sold in all regions of the contiguous United States during the original 2015-17 period of investigation ("POI").[38] The Commission also found that subject imports from South Korea and Taiwan were present in the U.S. market in each month of the POI, as was the domestic like product.[39] Consequently, the Commission determined that there was a reasonable overlap of competition between and among subject imports and the domestic like product and thus analyzed subject imports from South Korea and Taiwan on a cumulated basis.[40]

Current Reviews. The Domestic Producers argue that the Commission should again cumulate subject imports from South Korea and Taiwan. They assert that producers in both countries are likely to export a significant volume of subject imports that would have significant

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[34] *Original Determinations*, USITC Pub. 4808 at 8-9.
[35] *Original Determinations*, USITC Pub. 4808 at 8.
[36] *Original Determinations*, USITC Pub. 4808 at 9.
[37] *Original Determinations*, USITC Pub. 4808 at 9.
[38] *Original Determinations*, USITC Pub. 4808 at 9.
[39] *Original Determinations*, USITC Pub. 4808 at 9.
[40] *Original Determinations*, USITC Pub. 4808 at 9.

adverse effects on prices of the domestic like product if the antidumping duty orders were revoked.[41] They also argue that there has been no change in the factors that led the Commission to cumulate subject imports from South Korea and Taiwan in the original investigations.[42]

C. Analysis

The statutory threshold for cumulation is satisfied in these reviews, because the reviews were initiated on the same day: July 3, 2023.[43]

In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate subject imports: (1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

1. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[44] Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic

[41] *Domestic Response* at 3-4.
[42] *Domestic Response* at 4-5.
[43] *Notice of Institution*.
[44] 19 U.S.C. § 1675a(a)(7).

industry.[45] With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we do not find that imports from South Korea or Taiwan, considered individually, would have no discernible impact on the domestic industry in the event of revocation of the relevant antidumping duty orders.

South Korea. Subject imports from South Korea have been present in the U.S. market from the original investigations through the 2018-22 period of review ("POR"). During the POI, the volume of subject imports from South Korea increased from *** pounds in 2015, to *** pounds in 2016, to *** pounds in 2017.[46] Subject imports from South Korea accounted for *** percent of apparent U.S. consumption in 2017.[47]

In these first five-year reviews, subject imports from South Korea decreased from *** pounds in 2018, to *** pounds in 2019, to *** pounds in 2020, before increasing to *** pounds in 2021, and *** pounds in 2022.[48] Subject

[45] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

[46] *Original Investigations Confidential Staff Report*, Memorandum INV-QQ-080 (July 18, 2018), EDIS Doc. 803361, at Table IV-2.

[47] *Original Investigations Confidential Staff Report*, Memorandum INV-QQ-080 (July 18, 2018), EDIS Doc. 803361, at Table IV-9.

[48] *See* CR/PR at Table I-6. Import data for subject imports from South Korea has been adjusted to exclude merchandise manufactured and/or exported by Huvis in South Korea. *Id.* at Note.

imports from South Korea accounted for *** percent of apparent U.S. consumption of low melt PSF in 2022.[49]

The record contains limited information concerning the low melt PSF industry in South Korea because no producer in South Korea responded to the notice of institution. Domestic Producers provided a list of seven possible producers of low melt PSF in South Korea,[50] and assert that subject producers in South Korea maintain large and available capacity to significantly increase low melt PSF exports to the United States after revocation.[51] The information available also indicates that a new South Korean producer, Solianus, entered the low melt PSF industry during this POR.[52] Furthermore, according to information submitted by Domestic Producers, South Korean producers of low melt PSF have added capacity and invested in their production facilities.[53]

The record also indicates that the low melt PSF industry in South Korea is a large exporter of low melt PSF. According to Global Trade Atlas ("GTA") data, exports from South Korea of polyester staple fiber under HS subheading 5503.20, a category that includes both low melt PSF and out-of-scope products, decreased irregularly during the POR, from a high of 1.8 billion pounds in 2018, to a low of 1.4 billion pounds in 2022.[54] These data also show that South

[49] CR/PR at Table I-7. Import data for subject imports from South Korea has been adjusted to exclude merchandise manufactured and/or exported by Huvis in South Korea. *Id.* at Note.

[50] CR/PR at I-18; *Domestic Response* at Exhibit 3.

[51] Domestic Response at 7-8.

[52] CR/PR at I-18.

[53] *See Domestic Response* at 8-9, Exhibits 4-5. According to the information submitted by Domestic Producers regarding South Korean producers, Taekwang Industrial announced in December 2022 an investment of 8 trillion won into their textile and petrochemical product lines over the next five years. *Id*.

[54] CR/PR at Table I-12.

Korea was the world's second largest exporter of such merchandise throughout the POR, accounting for 18.6 percent of global exports in 2022,[55] and that the United States was the largest export market for polyester staple fiber from South Korea during the POR.[56]

In the original investigations, subject imports from South Korea undersold the domestic like product in 19 of 32 quarterly price comparisons, covering *** pounds of *** pounds of subject imports from South Korea in the pricing data, at underselling margins that averaged 32.5 percent.[57] No product-specific pricing data concerning low melt PSF from South Korea were obtained in these expedited reviews.

In light of the foregoing information available in these reviews, including with respect to the significant and increasing volume of subject imports from South Korea in the original investigations, the continued presence of subject imports from South Korea in the U.S. market while under the disciplining effect of the orders, and the size and exports of the South Korean industry producing low melt PSF, we find that subject imports from South Korea would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

Taiwan. In the original investigations, the volume of subject imports from Taiwan increased from 50.1 million pounds in 2015 to 60.1 million pounds in 2016, before decreasing

[55] CR/PR at Table I-12.

[56] *See* CR/PR at Table I-9.

[57] *Original Determinations*, USITC Pub. 4808 at Table V-15; *Original Determinations Confidential Staff Report*, Memorandum INV-QQ-080 (July 10,2018), EDIS Doc. 803361, at V-35 and Table V-15.

to 53.4 million pounds in 2017.[58] Subject imports from Taiwan accounted for *** percent of apparent U.S. consumption in 2017.[59]

In these reviews, subject imports from Taiwan declined from 1.5 million pounds in 2018, to 62,000 pounds in 2019, to 0 pounds in 2020 and 2021, before increasing to 52,000 pounds in 2022.[60] Subject imports from Taiwan accounted for *** percent of apparent U.S. consumption in 2022.[61]

The record in these reviews contains limited information concerning the low melt PSF industry in Taiwan because no producer in Taiwan responded to the notice of institution. Domestic Producers provided a list of two possible producers of low melt PSF in Taiwan and assert that subject producers in Taiwan maintain large and available capacity to significantly increase low melt PSF exports to the United States after revocation.[62] The information available indicates that both possible producers in Taiwan identified by Domestic Producers, Far Eastern New Century and Nan Ya Plastics Corporation, added production capacity in 2022.[63]

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[58] *Original Investigations Confidential Staff Report*, Memorandum INV-QQ-080 (July 18, 2018), EDIS Doc. 803361, at Table IV-8.

[59] *Original Investigations Confidential Staff Report*, Memorandum INV-QQ-080 (July 18, 2018), EDIS Doc. 803361, at Table IV-9.

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

[61] CR/PR at Table I-7.

[62] *Domestic Response* at 8-9.

[63] CR/PR at Table I-10. Far Eastern New Century increased production capacity of polyester staple fiber from 923.3 million pounds to 952.4 million pounds. Domestic Producers reported that Nan Ya Plastic Corporation in Taiwan increased capacity in 2022, although the data they cite indicate that Nan Ya Plastic Corporation's polyester staple fiber production capacity decreased slightly, from 3.6 billion pounds in 2021 to slightly more than 3.4 billion pounds in 2022. *Id*.

According to the information submitted by Domestic Producers regarding Taiwan producers, Far Eastern New Century Co. maintains a production capacity of 419,000 tons per year across all its Asian PSF production facilities. *Domestic Response* at 9. The information indicates that Nan Ya Plastics Corporation increased its production capacity in 2022 and exports most of its annual sales. *Id.* at 9.

GTA data indicated that exports from Taiwan of polyester staple fiber under HS subheading 5503.20, a category that includes low melt PSF and out-of-scope products, decreased over the period of review, from 777.0 million pounds in 2018, to 496.6 million pounds in 2022.[64] These data also show that Taiwan was the world's fifth largest exporter of such merchandise in 2022,[65] and that the United States was the tenth largest export market for Taiwan, accounting for 3.4 percent of global exports that year.[66]

In the original investigations, subject imports from Taiwan undersold the domestic like product in 25 of 37 quarterly price comparisons, covering *** pounds out of *** pounds of subject imports from Taiwan in the pricing data, at underselling margins that averaged 26.7 percent.[67] No product-specific pricing data concerning low melt PSF from Taiwan were obtained in these expedited reviews.

In light of the foregoing information available in these reviews, including with respect to the significant volume of subject imports from Taiwan in the original investigations, the continued sporadic presence of subject imports from Taiwan in the U.S. market at lower levels reflecting the disciplining effect of the orders, and the size and exports of the industry in Taiwan producing low melt PSF, we find that subject imports from Taiwan would not likely have no

[64] CR/PR at Table I-12.

[65] CR/PR at Table I-12. The GTA data indicate that Taiwan was the world's third largest exporter of polyester staple fiber under HS subheading 5503.20 in 2018, and the world's fourth largest exporter of such products in 2019. *See id*.

[66] CR/PR at Table I-11. These export data may be overstated because HS subheading 5503.20 may contain products outside the scope of these reviews.

[67] *Original Determinations*, USITC Pub. 4808 at Table V-15; *Original Determinations Confidential Staff Report,* Memorandum INV-QQ-080 (July 10,2018), EDIS Doc. 803361, at V-35 and Table V-15.

discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

2. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.[68] Only a "reasonable overlap" of competition is required.[69] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[70]

Fungibility. In the original investigations, the Commission found that subject imports and the domestic like product were at least moderately fungible for purposes of cumulation.[71] The Commission observed that majorities or pluralities of purchasers reported that the domestic like product was comparable to subject imports from South Korea in 15 of 16 factors,

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

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

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

[71] *Original Determinations*, USITC Pub. 4808 at 8.

that the domestic like product was comparable to subject imports from Taiwan in all 16 factors, and that subject imports from South Korea and Taiwan were comparable to each other in all 16 factors.[72] The Commission noted that domestic producers and importers and purchasers provided varying responses on the fungibility among subject and domestic sources, but the vast majority of market participants reported that the product from different sources was at least sometimes interchangeable.[73] Moreover, the Commission found that the substantial shipments of the domestic like product, subject imports from South Korea, and subject imports from Taiwan in two of the four pricing products observed indicated that the product from all sources competed in the U.S. market.[74]

In these five-year reviews, there is no new information in the record to indicate that the degree of fungibility between and among subject imports from South Korea and Taiwan and the domestic like product has changed since the original investigations. Domestic Producers contend that low melt PSF continues to be fungible regardless of source.[75]

Channels of Distribution. In the original investigations, the Commission found that subject imports from each subject country and the domestic like product shared the same general channels of distribution.[76] Domestic producers sold mostly to distributors but a substantial portion of their shipments were to end users, while imports from South Korea and Taiwan sold almost entirely to end users.[77] In these five-year reviews, there is no new

[72] *Original Determinations*, USITC Pub. 4808 at 8.
[73] *Original Determinations*, USITC Pub. 4808 at 8.
[74] *Original Determinations*, USITC Pub. 4808 at 8.
[75] *Domestic Response* at 4.
[76] *Original Determinations*, USITC Pub. 4808 at 9.
[77] *Original Determinations*, USITC Pub. 4808 at 9.

information on the record to indicate that the channels of distribution used by the domestic industry and imports from each subject country have changed since the original investigations.

Geographic Overlap. In the original investigations, the Commission found that subject imports from South Korea and Taiwan were sold in all regions of the contiguous United States.[78] During the POR, subject imports from South Korea entered through northern, southern, eastern, and western borders of entry in all years from 2018 through 2020, and through the southern, eastern, and western borders of entry in 2021 and 2022.[79] Similarly, subject imports from Taiwan entered through northern, eastern, and western borders of entry in 2018, northern and western borders of entry in 2019, and eastern and western borders of entry in 2022.[80] There were no reported imports of low melt PSF from Taiwan during 2020 and 2021.[81]

Simultaneous Presence in Market. In the original investigations, the Commission found that subject imports from each subject country and domestically produced low melt PSF were simultaneously present in the U.S. market throughout the POI.[82] In the current reviews, imports from South Korea were present in all 60 months of the POR, and imports from Taiwan were present in eight of the 60 months between 2018 and 2020.[83] There were no imports of low melt PSF from Taiwan during 2020 and 2021, or in 10 months of 2022.[84]

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[78] *Original Determinations*, USITC Pub. 4808 at 9.

[79] CR/PR at I-15. Information regarding borders of entry is based on official U.S. import statistics for HTS statistical reporting number 5503.20.0015.

[80] CR/PR at I-15.

[81] CR/PR at I-15.

[82] *Original Determinations*, USITC Pub. 4808 at 9.

[83] CR/PR at I-15.

[84] CR/PR at I-15.

Conclusion. The record in these expedited reviews indicates that subject imports from South Korea and Taiwan remain fungible with each other and the domestic like product. The record also indicates that subject imports from South Korea and Taiwan overlapped with each other and the domestic like product in terms of channels of distribution and geographic markets. Although subject imports from Taiwan were present in only eight months of the POR, there is no information on the record indicating that such imports would not be simultaneously present in the U.S. market with subject imports from South Korea and the domestic like product if the orders were revoked, as during the original investigations. In light of the above, and absent any contrary argument, we find that there would likely be a reasonable overlap of competition between subject imports from South Korea and Taiwan and between the domestic like product and subject imports from each source if the orders were revoked.

3. Likely Conditions of Competition

We next consider whether subject imports of low melt PSF from South Korea and Taiwan are likely to compete under different conditions of competition in the U.S. market. In determining whether to exercise our discretion to cumulate the subject imports, we assess whether the subject imports from each group of subject countries for which we have found there is a likely reasonable overlap of competition are likely to compete under similar conditions in the U.S. market in the event of revocation.

The record in these five-year reviews contains limited current information about the low melt PSF industries in South Korea and Taiwan and the U.S. market for low melt PSF. There is no information in the record to suggest that subject imports from South Korea and Taiwan are likely to compete under different conditions of competition if the orders were revoked. Based

on the information available, and in the absence of any argument to the contrary, we find that imports from South Korea and Taiwan are likely to compete under similar conditions of competition in the event of revocation of the orders.

4. Conclusion

In sum, we determine that subject imports from South Korea and Taiwan, considered individually, are not likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find that there would likely be a reasonable overlap of competition between and among subject imports from South Korea and Taiwan and the domestic like product if the orders were revoked. Finally, we do not find any likely significant differences in conditions of competition that would warrant not cumulating subject imports from South Korea and Taiwan. We therefore exercise our discretion to cumulate subject imports South Korea and Taiwan for purposes of our analysis in these five-year reviews.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[85]

[85] 19 U.S.C. § 1675a(a).

The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[86] Thus, the likelihood standard is prospective in nature.[87] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[88]

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."[89] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but

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[86] SAA at 883-84. The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id*. at 883.

[87] 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.

[88] *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'").

[89] 19 U.S.C. § 1675a(a)(5).

normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[90]

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."[91] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[92] 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.[93]

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

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[90] 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*.

[91] 19 U.S.C. § 1675a(a)(1).

[92] 19 U.S.C. § 1675a(a)(1). Commerce has made no duty absorption findings concerning low melt PSF from South Korea and Taiwan. *See Commerce I&D Memo*.

[93] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

or relative to production or consumption in the United States.[94] 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.[95]

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.[96]

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

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[94] 19 U.S.C. § 1675a(a)(2).

[95] 19 U.S.C. § 1675a(a)(2)(A-D).

[96] *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.[97] 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.[98]

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the low melt PSF industry in South Korea and Taiwan. There also is limited information on the low melt PSF market in the United States during the POR. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations, and the limited new information on the record in these first five-year reviews.

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

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[97] 19 U.S.C. § 1675a(a)(4).

[98] 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.

"within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[99] The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. The Commission observed that demand for low melt PSF depends on demand for downstream products in which it is used.[100] The downstream products include antibacterial wipes, air filtration, acoustical and other padding, batting, furniture, nonwoven fabrics, fabric for paint rollers, needlepunch fabric, automotive insulation, floor pads, and the trunk and wheel liners of cars.[101] Apparent U.S. consumption increased overall during the POI; it increased from *** pounds in 2015 to *** pounds in 2016, and then declined slightly to *** pounds in 2017.[102]

Current Reviews. The information available indicates that demand for low melt PSF continues to depend on demand for downstream products.[103] Domestic Producers argue that U.S. demand for low melt has fluctuated since the original investigations, but has shown a declining trend over the POR.[104] Domestic Producers argue that global demand for low melt PSF is relatively stable.[105] Responding purchaser *** expects ***. *** also

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[99] 19 U.S.C. § 1675a(a)(4).

[100] *Original Determinations*, USITC Pub. 4808 at 13.

[101] *Original Determinations*, USTIC Pub. 4808 at 13.

[102] *Original Determinations*, Confidential Version, EDIS Doc. 802307 at 18 (Aug. 2018) ("*Confidential Original Determinations*").

[103] *See Domestic Response* at 16; CR/PR at D-3.

[104] *See Domestic Response* at 16.

[105] *Domestic Response* at 16.

anticipates ***.[106]

Apparent U.S. consumption of low melt PSF was *** pounds in 2022.[107]

2. Supply Conditions

Original Investigations. The domestic industry was the smallest source of supply in the U.S. market during the POI, accounting for *** percent of apparent U.S. consumption in 2017.

Cumulated subject imports were the largest source of supply to the U.S. market in 2017, increasing over each year of the POI and accounting for *** percent of apparent U.S. consumption in 2017.

Nonsubject imports were the second-largest source of supply in 2017, accounting for *** percent of apparent U.S. consumption.[108] The vast majority of nonsubject imports were from Huvis, a South Korean exporter, which Commerce found in its final determination to have a *de minimis* dumping margin.[109]

Current Reviews. The domestic industry was the largest source of supply in the U.S. market in 2022, accounting for *** percent of apparent U.S. consumption by quantity.[110] This

[106] CR/PR at D-4.

[107] CR/PR at Table I-7. Apparent U.S. consumption in 2022 may be understated relative to apparent U.S. consumption in the original investigations due to the lower data coverage of the domestic industry in these reviews, in which responding domestic producers accounted for *** percent of domestic production in 2022, relative to that in the original investigations, in which responding domestic producers accounted for *** percent of domestic production in 2017. *Id.* at I-10.

[108] *Confidential Original Determinations* at 19. Nonsubject imports were the largest source of supply to the U.S. market in 2015 and 2016 and subject imports were the second largest source of supply in those two years. *Id*.

[109] *Confidential Original Determinations* at 20.

[110] INV-VV-084 at Table I-7.

was higher than the domestic industry's share of U.S. consumption in the final year of the original investigations, which was *** percent in 2017.[111]

There has been one change to the domestic industry since the original investigations. In November 2020, HIAM began producing low melt PSF at a new production facility in South Carolina.[112] HIAM is a 50-50 joint venture of Huvis Corporation of South Korea, a nonsubject foreign producer, and Indorama Ventures Limited Company, a U.S. entity.[113]

Cumulated subject imports were the smallest source of supply in 2022, accounting for *** percent of apparent U.S. consumption that year.[114] This market share was lower than in all years of the original POI.[115]

Nonsubject imports were the second largest source of low melt PSF in the U.S market in 2022, accounting for *** percent of apparent U.S. consumption that year.[116] This market share was higher than in the last year of the POI, which was *** percent.[117] ***. China, Pakistan, and Italy were also significant sources of nonsubject

[111] INV-VV-084 at Table I-7. The domestic industry's share of apparent U.S. consumption may be understated due to the lower data coverage of the domestic industry in these reviews relative to that in the original investigations, as discussed in section IV.B.1 above.

[112] CR/PR at Table I-4.

[113] CR/PR at I-12 n.21; *Domestic Response* at 17.

[114] INV-VV-084 at Table I-7. Import data for subject imports from South Korea has been adjusted to exclude merchandise manufactured and/or exported by nonsubject producer Huvis in South Korea. *Id*. at Note.

[115] INV-VV-084 at Table I-7.

[116] INV-VV-084 at Table I-7. Import data for subject imports from South Korea has been adjusted to exclude merchandise manufactured and/or exported by nonsubject producer Huvis in South Korea. *Id*. at Note.

[117] INV-VV-084 at Table I-7.

imports in 2022.[118] Effective September 24, 2018, nonsubject imports from China became subject to a 10 percent *ad valorem* duty under Section 301 of the Trade Act of 1974, which increased to 25 percent effective May 10, 2019.[119]

Responding purchaser *** reported that ***. *** estimates that ***.[120] *** states that ***.[121] *** reports that ***.[122]

3. Substitutability and Other Conditions

Original Investigations. The Commission found that there was a moderate-to-high degree of substitutability between domestically produced low melt PSF and subject imports.[123] The Commission noted that majorities or pluralities of purchasers reported that the domestic like product was comparable to subject imports from South Korea and Taiwan with respect to nearly all product characteristics, and the vast majority of market participants found the subject

[118] INV-VV-084 at Table I-6.

[119] CR/PR at I-5. Polyester staple fiber from China is also subject to an antidumping duty order, which was recently continued on August 29, 2023. CR/PR at Table I-3.

[120] CR/PR at D-3.

[121] CR/PR at D-3.

[122] CR/PR at D-3.

[123] *Original Determinations*, USTIC Pub. 4808 at 14.

imports to be at least sometimes interchangeable with the domestic like product.[124] Although some responding purchasers stated there was a distinction between the product range of subject imports and the domestic like product, citing a lack of domestic production of dyed and crystalline low melt PSF, the Commission found that the large majority of shipments of the domestic like product and subject imports in 2017 were neither dyed nor crystalline.[125] Thus, the Commission found that the domestic industry competed directly with subject imports for the vast majority of the U.S. low melt PSF market.[126]

The Commission also found that price was an important factor in low melt PSF purchasing decisions, as responding purchasers listed price more than any other factor that they considered in purchasing decisions.[127] Price was one of eight factors out of 16 that most purchasers regarded as very important.[128]

The Commission noted that the primary raw materials used to produce low melt PSF are monoethylene glycol ("MEG"), purified terephthalic acid ("PTA"), and purified isophthalic acid ("PIA").[129] It found that although the prices of MEF and PTA fluctuated during the POI, most purchasers indicated that their purchase prices of low melt PSF were not based directly on the published prices of any raw materials, and they did not track prices of the raw materials used to make low melt PSF.[130]

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[124] *Original Determinations*, USITC Pub. 4808 at 14.
[125] *Original Determinations*, USITC Pub. 4808 at 14.
[126] *Original Determinations*, USITC Pub. 4808 at 14-15.
[127] *Original Determinations*, USITC Pub. 4808 at 15.
[128] *Original Determinations*, USITC Pub. 4808 at 15.
[129] *Original Determinations*, USITC Pub. 4808 at 15.
[130] *Original Determinations*, USITC Pub. 4808 at 15.

Current Reviews. The record in these reviews contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports, or the importance of price in purchasing decisions, have changed since the original investigations. Domestic Producers argue that subject imports and the domestic like product remain substitutable and that price remains an important factor in purchasing decisions.[131] Accordingly, we again find a moderate-to-high degree of substitutability between subject imports and the domestic like product, and that price is an important factor in purchasing decisions.

C. Likely Volume of Subject Imports

Original Investigations. The Commission found that the volume of subject imports, and the increase in volume, were significant in both absolute terms and relative to consumption. The volume of cumulated subject imports increased from *** pounds in 2015 to *** pounds in 2016 and decreased *** to *** pounds in 2017, for an overall increase of *** percent from 2015 to 2017.[132] The Commission found that in 2016, when the quantity of subject imports increased ***, their market share rose as well, at the expense of the domestic industry.[133] Cumulated subject imports' share of apparent U.S. consumption increased from *** percent in 2015 to *** percent in 2016, while the domestic industry's market share decreased from *** percent in 2015, to *** percent in 2016.[134]

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[131] *Domestic Response* at 11-12.

[132] *Confidential Original Determinations* at 22.

[133] *Confidential Original Determinations* at 22.

[134] *Confidential Original Determinations* at 22. The Commission noted that from 2016 to 2017, the cumulated subject imports, notwithstanding their decline in quantity, maintained an elevated market share. Cumulated subject imports had a *** percent share of apparent U.S. consumption in (Continued…)

Current Reviews. Cumulated subject imports maintained a significant presence in the U.S. market throughout the POR, even while under the disciplining effect of the orders. The volume of cumulated subject imports declined from *** pounds in 2018 to *** pounds in 2019, to *** pounds in 2020, before increasing to *** pounds in 2021 and *** pounds in 2022.[135] Subject imports accounted for *** percent of apparent U.S. consumption by quantity in 2022, compared to *** percent in 2017.[136]

The record in these five-year reviews contains limited information on the subject industries in South Korea and Taiwan. The information available, however, indicates that subject producers possess substantial and increasing capacity. As previously discussed, Domestic Producers have identified seven possible producers of low melt PSF in South Korea and two possible producers of low melt PSF in Taiwan.[137] According to information submitted by Domestic Producers, Solianus entered the low melt PSF market during the POR as a new South Korean producer, subject producer Taekwang Industrial announced investments of eight trillion won in its textile and petrochemical operations in December 2022, and Toray Chemical Korea Inc. remains focused on "leading the global polyester staple fiber market."[138] With

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2017, which reflected a *** percentage point market share gain during the POI. Available monthly data for subject imports indicate that the volume of subject imports declined in the fourth quarter of 2017. This was attributed to the filing of the petitions and the Commission considered the filing of the petitions and subsequent decline in subject imports in its analysis of cumulated subject import volume trends. *Id.*

[135] INV-VV-084 at Table I-6. Import data for subject imports from South Korea has been adjusted to exclude merchandise manufactured and/or exported by nonsubject producer Huvis in South Korea. *Id.* at Note.

[136] INV-VV-084 at Table I-7.

[137] CR/PR at I-18, I-20.

[138] *Domestic Response* at 8, Exhibit 4.

respect to Taiwan, the information submitted by Domestic Producers indicates that both possible producers in Taiwan identified by Domestic Producers, Far Eastern New Century and Nan Ya Plastics Corporation, added production capacity in 2022.[139] Far Eastern New Century increased its production capacity from 923.3 million pounds to 952.4 million pounds in Taiwan over the POR, and maintains an annual production capacity of 419,000 tons across its Asian production facilities.[140] Domestic Producers report that Nan Ya Plastics Corporation increased its production capacity in Taiwan in 2022.[141] Thus, the information available indicates that the subject industries remain large producers of subject merchandise.

The information available also indicates that the industries in South Korea and Taiwan are large exporters. According to GTA data, South Korea was the world's second-largest exporter of polyester staple fiber under HS subheading 5503.20 by quantity, including low melt PSF and out-of-scope products, throughout the POR, accounting for 18.6 percent of global exports in 2022.[142] Additionally, Taiwan was the world's fifth-largest exporter of such products from 2020 to 2022, accounting for 6.7 percent of global exports in 2022.[143] Domestic Producers report that Nan Ya Plastics Corporation exports most of its annual production.[144]

The record also indicates that the U.S. market remains attractive to subject producers. First, cumulated subject imports maintained a significant presence in the U.S. market

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[139] *See Domestic Response* at 9, Exhibit 5.

[140] CR/PR at Table I-10; *see also Domestic Response* at 9, Exhibit 5.

[141] *Domestic Response* at 9, Exhibit 5.

[142] CR/PR at Table I-12. These data may be overstated, as HS subheading 5503.20 includes low melt PSF and out of scope products.

[143] CR/PR at Table I-12. These data may be overstated, as HS subheading 5503.20 includes low melt PSF and out of scope products.

[144] *Domestic Response* at 9.

throughout the POR, accounting for *** percent of apparent U.S. consumption in 2022,[145] thereby maintaining ready distribution networks and customers in the United States. According to GTA data, in 2022, the United States was the largest destination market, by quantity, for South Korean exports of polyester staple fiber under HS subheading 5503.20, which includes low melt PSF and out-of-scope products, and the tenth largest destination for exports of such merchandise from Taiwan.[146]

Trade measures on low melt PSF from South Korea and Taiwan in third country markets would also make the U.S. market relatively more attractive in the event of revocation. Turkey imposed an antidumping duty order on all forms of polyester staple fiber from South Korea in 2000, which was most recently extended in 2018 at a margin of 6.2 percent *ad valorem*.[147] In 2003, Turkey issued an antidumping duty order on all forms of staple fiber from Taiwan, which was most recently extended in 2019 at margins ranging from 6.4 to 12.0 percent *ad valorem*.[148] In 2021, Turkey suspended the antidumping duty orders on South Korea and Taiwan, but imposed safeguard measures on all forms of polyester staple fiber.[149] In 2010, Indonesia imposed antidumping duty orders on all forms of polyester staple fiber from Taiwan, which was most recently extended in 2022 at a margin of 28.47 percent *ad valorem*.[150] In 2022, Pakistan

[145] INV-VV-084 at Table I-7.
[146] CR/PR at Table I-9.
[147] CR/PR at I-22.
[148] CR/PR at I-22.
[149] CR/PR at I-22. The Turkish safeguard duties were $0.06/kg in the first year, $0.058/kg in the second year, and $0.056/kg in the third year. *Id.*
[150] CR/PR at I-22.

imposed antidumping duties on polyester staple fiber from Taiwan at a margin of 12.47 percent *ad valorem*.[151]

Given the foregoing, including the significant and increasing volume of cumulated subject imports during the original investigations, the continued significant presence of cumulated subject imports in the U.S. market during the POR, the subject industries' substantial capacity and large volume of exports, and the attractiveness of the U.S. market to subject producers, we find that the volume of cumulated subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.

D. Likely Price Effects

1. The Original Investigations

The Commission found that the domestic and imported products were moderately to highly substitutable and that price was an important factor in purchasing decisions. Cumulated subject imports undersold the domestic like product in 44 of 69 quarterly comparisons (63.8 percent of all comparisons) from January 2015 to December 2017 at an average margin of 29.2 percent.[152] The reported sales volume of cumulated subject imports in quarters with underselling (*** pounds, or *** percent of total quantity) was substantially larger than the sales volume involved in quarters with overselling (*** pounds, or *** percent of total quantity). The Commission further found that lost sales data indicated that

[151] CR/PR at I-22.
[152] *Confidential Original Determinations* at 24.

subject import underselling was significant.[153] Six of ten responding purchasers reported that prices for subject imports from South Korea were lower than the domestic like product, and nine of fourteen responding purchasers reported the same for subject imports from Taiwan.[154] A plurality of responding purchasers also indicated that price was the primary reason for purchasing *** pounds of subject imports instead of the domestically produced product.[155] Thus, the Commission found that there had been significant underselling by cumulated subject imports.

The Commission also noted that, while price trends fluctuated during the POI, domestic prices declined overall, and found that there was no evidence in the record that any other factor, other than cumulated subject imports, explained the decline.[156] Apparent U.S. consumption rose overall during the POI and reached its highest point in 2016, when domestic prices were at their lowest.[157] Consequently, the Commission found that cumulated subject imports had depressed domestic prices to a significant degree.[158]

The Commission also found that cumulated subject imports suppressed prices for the domestic like product to a significant degree,[159] with prices and average unit sales values generally declining despite increasing demand and unit COGS.[160]

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[153] *Original Determinations*, USITC Pub. 4808 at 17.
[154] *Original Determinations*, USITC Pub. 4808 at 17.
[155] *Original Determinations*, USITC Pub. 4808 at 17; *Confidential Original Determinations* at 25, n.102.
[156] *Original Determinations*, USITC Pub. 4808 at 18.
[157] *Confidential Original Determinations* at 27.
[158] *Original Determinations*, USITC Pub. 4808 at 18.
[159] *Original Determinations*, USITC Pub. 4808 at 18.
[160] *Confidential Original Determinations* at 27.

Consequently, the Commission found that cumulated subject imports had significant price effects.

Current Reviews. As discussed in section IV.B.3 above, 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.

The record in these expedited five-year reviews does not contain recent product-specific pricing information. Based on 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 the likely significant volume of cumulated subject imports would likely undersell the domestic like product to a significant degree, as during the original investigations, as a means of gaining market share. Absent the discipline of the orders, the likely significant volumes of low-priced cumulated subject imports would force the domestic industry to lower prices or forgo needed price increases, or else lose sales and market share to subject imports. Consequently, we find that if the orders were revoked, cumulated subject imports would likely have significant price effects.

E. Likely Impact[161]

Original Investigations. The Commission found that the domestic industry's trade, employment, and financial indicators generally declined or remained constant from 2015 to

[161] In its expedited reviews, Commerce determined that revocation of the orders would result in the continuation or recurrence of dumping with margins up to 16.27 percent for subject imports from South Korea, and up to 49.93 percent for subject imports from Taiwan. *Low Melt Polyester Staple Fiber from the Republic of Korea and Taiwan: Final Results of the Expedited First Sunset Reviews of Antidumping Duty Orders,* 88 Fed. Reg. 72045 (Oct. 19, 2023).

2016, before slightly improving in 2017. The domestic industry's annual production capacity remained unchanged from 2015 to 2017.[162] Its total production of low melt PSF was nearly unchanged from 2015 to 2016, then increased by *** percent from 2016 to 2017.[163] Similarly, its capacity utilization rate remained unchanged from 2015 to 2016, and then increased by *** percent from 2016 to 2017.[164] The domestic industry's shipments increased overall during the POI, with the majority of the increase occurring from 2016 to 2017.[165] The domestic industry lost market share from 2015 to 2016, before slightly gaining market share in 2017.[166] The Commission found that most of the domestic industry's employment indicators, including production-related workers ("PRWs"), hours worked, total wages paid, hourly wages, and productivity increased overall during the POI.[167] The domestic industry's financial indicators were mixed, but most declined over the POI and the domestic industry experienced *** in 2016 and 2017.[168] Furthermore, *** domestic producers reported negative effects on investment, growth, and development due to the subject imports.[169]

The Commission found that significant and increasing volumes of low-priced subject imports had captured market share from the domestic industry and depressed and suppressed

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[162] *Confidential Original Determinations* at 29.

[163] *Confidential Original Determinations* at 29. The domestic industry's production was *** pounds in 2015 and 2016, and then increased to *** pounds in 2017. *Id*. at 29, n. 118.

[164] *Confidential Original Determinations* at 29. Capacity utilization was *** percent in 2015 and 2016 and increased to *** percent in 2017. *Id.* at 29 n.119.

[165] *Original Determinations*, USITC Pub. 4808 at 20.

[166] *See Original Determinations*, USITC Pub. 4808 at 20; *Confidential Original Determinations* at 29.

[167] *Confidential Original Determinations* at 30.

[168] *Confidential Original Determinations* at 31-32.

[169] *Confidential Original Determinations* at 32.

prices for the domestic like product, causing the industry's output indicia and financial performance to be worse than it would have been otherwise.[170]

The Commission also considered the role of nonsubject imports, finding that nonsubject imports had an appreciable but declining presence in the U.S. market during the POI.[171] The Commission found that the vast majority of nonsubject imports were from South Korean producer/exporter Huvis, which Commerce found to have a de minimis dumping margin. Noting that nonsubject imports produced by Huvis generally sold at higher prices than those of the domestic like product and cumulated subject imports, the Commission found that such imports could not explain the price effects attributed to the cumulated subject imports.[172] Consequently, the Commission found that cumulated subject imports had a significant adverse impact on the domestic industry.[173]

Current Reviews. The record in these five-year reviews contains limited information concerning the domestic industry's performance since the original investigations.

The information available indicates that while the domestic industry's performance generally improved in 2022 compared to its performance in the last year examined in the original investigations, its unused capacity increased and it ***.[174] The domestic industry's capacity and production, at *** pounds and

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[170] *Original Determinations*, USITC Pub. 4808 at 22.
[171] *Original Determinations*, USITC Pub. 4808 at 22.
[172] *Original Determinations*, USITC Pub. 4808 at 22.
[173] *Original Determinations*, USITC Pub. 4808 at 23.
[174] CR/PR at Table I-5. We note that the domestic industry's output indicators in 2022 may be understated relative to those in 2017 due to the lower data coverage of the domestic industry in these reviews relative to the original investigations, as discussed in section IV.B.2 above.

*** pounds, respectively, were higher than in 2017.[175] Capacity utilization, however, was lower in 2022, at *** percent, than in 2017.[176] The industry's U.S. shipments by quantity, of low melt PSF, at *** pounds,[177] and share of apparent U.S. consumption, at *** percent, were higher than in 2017, which were *** pounds and *** percent, respectively.[178] The industry's net sales value (***) and gross profit (***) were higher than in 2017. The industry had an *** of *** in 2022, equivalent to *** but ***, equivalent to ***.[179] The industry's ratio of COGS to net sales of *** percent was lower than in 2015 when it was *** percent.[180] This limited information is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders. Based on the information available on the record, we find that revocation of the orders would likely result in a significant volume of cumulated subject imports that would likely undersell the domestic like product to a significant degree. Given the moderate-to-high degree of substitutability between the domestic like product and subject imports and the importance of price in purchasing decisions, the significant volume of low-priced cumulated subject imports

[175] CR/PR at Table I-5. The domestic industry's capacity was *** pounds and production was *** pounds in 2017. *Id*.

[176] CR/PR at Table I-5. The domestic industry's capacity utilization was *** percent in 2017. *Id*.

[177] CR/PR at Table I-5.

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

[179] CR/PR at Table I-5.

[180] CR/PR at Table I-5. The domestic industry's COGS to net sales in 2017 was *** percent. *Id*.

likely after revocation would likely capture sales and market share from the domestic industry and/or significantly depress or suppress prices for the domestic like product. The likely volume of low-price cumulated subject imports and their adverse price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which in turn, would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We thus conclude that if the orders were revoked, cumulated subject imports from South Korea and Taiwan would be likely to have a significant adverse 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 maintained a substantial presence in the U.S. market during the POR, accounting for *** percent of apparent U.S. consumption by quantity in 2022.[181] Nevertheless, the record provides no indication that the presence of nonsubject imports would prevent the volume of cumulated subject imports from South Korea and Taiwan from being significant after revocation, given the subject industries' large capacity and exports and the relative attractiveness of the U.S. market. In light of the moderate-to-high degree of substitutability between subject imports and the domestic like product and the importance of price to purchasers, the significant volume of low-priced subject imports that we have found likely after revocation would likely take market share from the domestic industry, at

[181] INV-VV-084 at Table I-7. Import data for subject imports from South Korea has been adjusted to exclude merchandise manufactured and/or exported by nonsubject producer Huvis in South Korea, as discussed in section IV.B.3 above.

least in part, as well as from nonsubject imports, and/or force domestic producers to either lower prices or forgo price increases to retain market share. Consequently, we find that any future effects of nonsubject imports would be distinct from the likely effects attributable to subject imports on the domestic industry.

We recognize that apparent U.S. consumption of low melt PSF by quantity was 24.3 percent lower in 2022 than in 2017.[182] Domestic Producers report that U.S. demand for low melt PSF fluctuated during the POR, but generally declined.[183] Responding purchaser *** anticipates that ***.[184] Given the moderate-to-high degree of substitutability between subject imports and the domestic like product and the importance of price to purchasers, any additional declines in demand would not prevent low-priced subject imports from South Korea and Taiwan from significantly increasing their presence in the U.S. market after revocation of the orders, but rather would exacerbate the likely adverse impact of subject imports on the domestic industry in a smaller U.S. market.

V. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping duty orders on low melt PSF from South Korea and Taiwan would be likely to lead to continuation or

[182] INV-VV-084 at Table I-7. Apparent U.S. consumption in 2022 may be understated relative to that in 2017 due to the lower data coverage of the domestic industry in these reviews relative to that in the original investigations, as discussed in section IV.B.1 above.

[183] *Domestic Response* at 16.

[184] CR/PR at D-4.

recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Information obtained in these reviews

Background

On July 3, 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 reviews to determine whether revocation of the antidumping duty orders on low melt polyester staple fiber ("low melt PSF") from South Korea and Taiwan would likely lead to continuation or recurrence of material injury to a domestic industry.[2] All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.[3] [4] Table I-1 presents information relating to the background and schedule of this proceeding:

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

Effective date	Action
July 3, 2023	Notice of initiation by Commerce (88 FR 42688, July 3, 2023)
July 3, 2023	Notice of institution by Commission (88 FR 42748, July 3, 2023)
October 6, 2023	Commission's vote on adequacy
October 19, 2023	Commerce's results of its expedited reviews
December 13, 2023	Commission's determinations and views

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

[2] 88 FR 42748, July 3, 2023. In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping duty orders. 88 FR 42688, July 3, 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 investigations 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 reviews. It was filed on behalf of the following entities: Huvis Indorama Advanced Materials, LLC ("HIAM") and Nan Ya Plastics Corporation, America ("Nan Ya"), domestic producers of low melt 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
Low melt PSF: Summary of responses to the Commission's notice of institution

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

Note: The U.S. producer coverage figure presented is the domestic interested parties' estimate of their share of total U.S. production of low melt PSF during 2022. Domestic interested parties' response to the notice of institution, August 2, 2023, p. 16.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested parties. They request that the Commission conduct expedited reviews of the antidumping duty orders on low melt PSF.[5]

The original investigations

The original investigations resulted from petitions filed on June 27, 2017, with Commerce and the Commission by Nan Ya, Livingston, New Jersey.[6] On June 22, 2018, Commerce determined that imports of low melt PSF from South Korea and Taiwan were being sold at less than fair value ("LTFV").[7] The Commission determined on August 6, 2018, that the

[5] Domestic interested parties' comments on adequacy, September 12, 2023, p. 2.

[6] Low Melt Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-1378-1379 (Final), USITC Publication 4808, August 2018 ("Original publication"), p. I-1.

[7] 83 FR 29094, June 22, 2018; 83 FR 29099, June 22, 2018.

domestic industry was materially injured by reason of LTFV imports of low melt PSF from South Korea and Taiwan.[8] On August 16, 2018, Commerce issued its antidumping duty orders with final weighted-average dumping margins as follows: 0.00 percent for imports of subject merchandise both produced and exported by Huvis Corporation ("Huvis") in South Korea, 16.27 percent for subject imports from all other exporters/producers in South Korea, and 49.93 percent for subject imports from all exporters/producers in Taiwan.[9]

Previous and related investigations

The Commission has conducted previous import relief investigations on certain polyester staple fiber, as presented in table I-3.

Table I-3
Certain polyester staple fiber: Previous and related Commission proceedings and current status

Date	Number (product)	Country	ITC original determination	Current status
1999	731-TA-825 (Certain polyester staple fiber)	South Korea	Affirmative	Order continued after fourth review, August 19, 2022
1999	731-TA-826 (Certain polyester staple fiber)	Taiwan	Affirmative	Order continued after fourth review, August 19, 2022
2006	731-TA-1104 (Polyester staple fiber)	China	Affirmative	Order continued after third review, August 29, 2023
2017	701-TA-579 (Fine denier polyester staple fiber)	China	Affirmative	Ongoing full first five-year review
2017	701-TA-580 (Fine denier polyester staple fiber)	India	Affirmative	Ongoing full first five-year review
2017	731-TA-1369 (Fine denier polyester staple fiber)	China	Affirmative	Ongoing full first five-year review
2017	731-TA-1370 (Fine denier polyester staple fiber)	India	Affirmative	Ongoing full first five-year review
2017	731-TA-1371 (Fine denier polyester staple fiber)	South Korea	Affirmative	Ongoing full first five-year review
2017	731-TA-1372 (Fine denier polyester staple fiber)	Taiwan	Affirmative	Ongoing full first five-year review
2017	731-TA-1373 (Fine denier polyester staple fiber)	Vietnam	Terminated	Petition withdrawn

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.

[8] 83 FR 39461, August 9, 2018. 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 South Korea.

[9] 83 FR 40752, August 16, 2018.

Commerce's five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of low melt PSF from South Korea and Taiwan with the intent of issuing the final results of these reviews based on the facts available not later than October 31, 2023.[10] 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 orders on imports of low melt PSF from South Korea and Taiwan are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

> The merchandise subject to these orders is synthetic staple fibers, not carded or combed, specifically bi-component polyester fibers having a polyester fiber component that melts at a lower temperature than the other polyester fiber component (low melt PSF). The scope includes bi-component polyester staple fibers of any denier or cut length. The subject merchandise may be coated, usually with a finish or dye, or not coated. [11]

[10] Letter from Jill E. Pollack, Senior Director, Office of AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, August 22, 2023.

[11] 83 FR 40752, August 16, 2018.

U.S. tariff treatment

Low melt PSF is currently imported under Harmonized Tariff Schedule of the United States ("HTS") statistical reporting number 5503.20.0015. The general rate of duty for imports of goods entering under HTS subheading 5503.20.00 from countries with normal trade relations, such as South Korea and Taiwan, is 4.3 percent ad valorem.[12] The import duty applicable to eligible goods originating in South Korea under the United States-Korea Free Trade Agreement was eliminated on the effective date of that agreement for shipments with proper importer claim; other products of South Korea receive the general rate.[13] 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, low melt PSF originating in China, a nonsubject country, 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 low melt PSF was increased to 25 percent.[14]

Description and uses[15]

Low melt PSF is a synthetic (manmade) staple fiber, not carded, combed, or otherwise processed for spinning, made entirely of polyester. It looks like cotton or wool fiber after production when it is cut into links by a cutter wheel and baled. Like other types of PSF, low melt PSF is a high tenacity or strong fiber that resists shrinking and stretching. Unlike other types of PSF, low melt PSF has a bi-component structure consisting of two strongly bonded but separate polymers of different chemical and/or physical construction. It is most commonly composed of a pure polyester core and a pure polyester outer sheath, but may also be produced in a side-by-side configuration. ***. The sheath, which melts at a lower temperature (approximate melt points of

[12] USITC, HTS (2023) Basic Revision 10, Publication 5451, July 2023, p. 55-5.

[13] The United States-Korea Free Trade Agreement entered into force on March 15, 2012.

[14] 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 10, USITC Publication 5451, July 2023, pp. 99-III-27–99-III-52, 99-III-301. 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).

[15] Unless otherwise noted, this information is based on Investigation Nos. 731-TA-1378-1379 (Final): Low Melt Polyester Staple Fiber from Korea and Taiwan, Confidential Report, INV-QQ-080, July 10, 2018, as revised in INV-QQ-082, July 16, 2018 ("Original confidential report"), pp. I-13-I-18.

90° C to 220° C) than the core (approximate melt point of 250° C), provides a stable structure that allows the fiber to be processed smoothly into another form, and acts as an agent for thermal-bonding to the core polymer. Thermal bonding eliminates the need for chemical adhesives and therefore is more environmentally friendly than resin bonding—a process previously used to bind the outer sheath with the core. By melting at a lower temperature, the polyester outer sheath becomes sticky and bonds the fibers together which imparts specific properties to the fibers. These include strength, structural integrity, resilience, and durability for nonwoven products such as fiberfill or batting used in bedding – e.g., for comforters, quilting, and padding. Different end uses require different melt points. Low melt PSF can be used in nonwoven products for a broad spectrum of downstream industries—automotive (door trim panels, dash pads, wheel housing, trunk and floor carpet, hood insulation, and as an acoustical barrier), industrial purposes (soundproofing and insulation for construction), water and air filtration (such as air-filtering face masks), and hygienic products (wipes, diapers, sanitary and medical goods such as disposable surgical drapes, etc.).

The variable physical characteristics of low melt PSF include "denier length, finished luster, and crimp," percentage of the low melt PSF compared to the main fiber, whiteness or color (for black or other colors, a dye or pigment is added to the polymer during the fiber extrusion process or an optical brightener may be added instead of a dye or pigment), and crystalline form (the molecules remain in a repeated and structured arrangement rather than an amorphous form throughout the entire production process, and a chemical additive is inserted before extrusion).

Black and crystalline low melt PSF are sold at higher prices than white low melt PSF because of the additional raw materials that are needed during the production process. Both are used for the same downstream industries as regular low melt PSF but are targeted for niche markets within those industries. For example, black low melt PSF replaces "more toxic and heavier molded plastics in automotive applications such as trunk liners and engine insulation liners…," and is used in applications in the automotive industry where the fiber might be visible, or for the exterior of the vehicle for which quality, aesthetics, and engineering specifications are considered important.

Crystalline low melt PSF is ***. It is ***. The chemical structure of crystalline low melt PSF differs from standard low melt PSF in that "the polymer molecules are in a structured and repeated arrangement." Furthermore, "crystalline low melt does not soften until it meets the exact melting point…and can withstand a significantly larger variety of temperatures without changing form," whereas

standard low melt PSF softens as the temperature gets closer to its melt temperature. The additive in the crystalline form of low melt PSF provides more rigidity, which enables it to resist heat more effectively than standard low melt PSF. For this reason, crystalline low melt PSF typically is used in the underbody of the automobile, wheel liners, and components near the engine compartment which have various temperature zones.

All low melt staple fiber is sold cut-to-length in bales to distributors or directly to end users—U.S. manufacturers of bedding, mattresses, filters, automotive components, insulation media, and other general industrial components.

Manufacturing process[16]

Like other forms of polyester staple fiber, the production of bi-component low melt PSF is capital intensive and expensive, requiring producers to maintain high operating rates to maximize efficiencies, and occurs in two distinct stages—1) the formation of the polymers and 2) the formation of fiber including extruding, stretching, cutting, and baling. However, the production of low melt PSF is distinctive because of the fiber's unique bi-component structure, consisting of two polymers that have different melting points. The most common structures of low melt bi-component staple fiber are: 1) core/sheath types (concentric circles) and 2) side-by-side types. Most low melt PSF is produced in the core/sheath type configuration, in which the outer sheath, made of virgin materials, melts at a lower temperature (approximate melt point of 90° C to 220° C) than the core (approximate melt point of 250° C), which can be produced with either virgin or recycled materials. The thermal bonding of the outer sheath with the inner core that occurs when the low-melt PSF is heated, replaces a resin bonding process employed in the past.

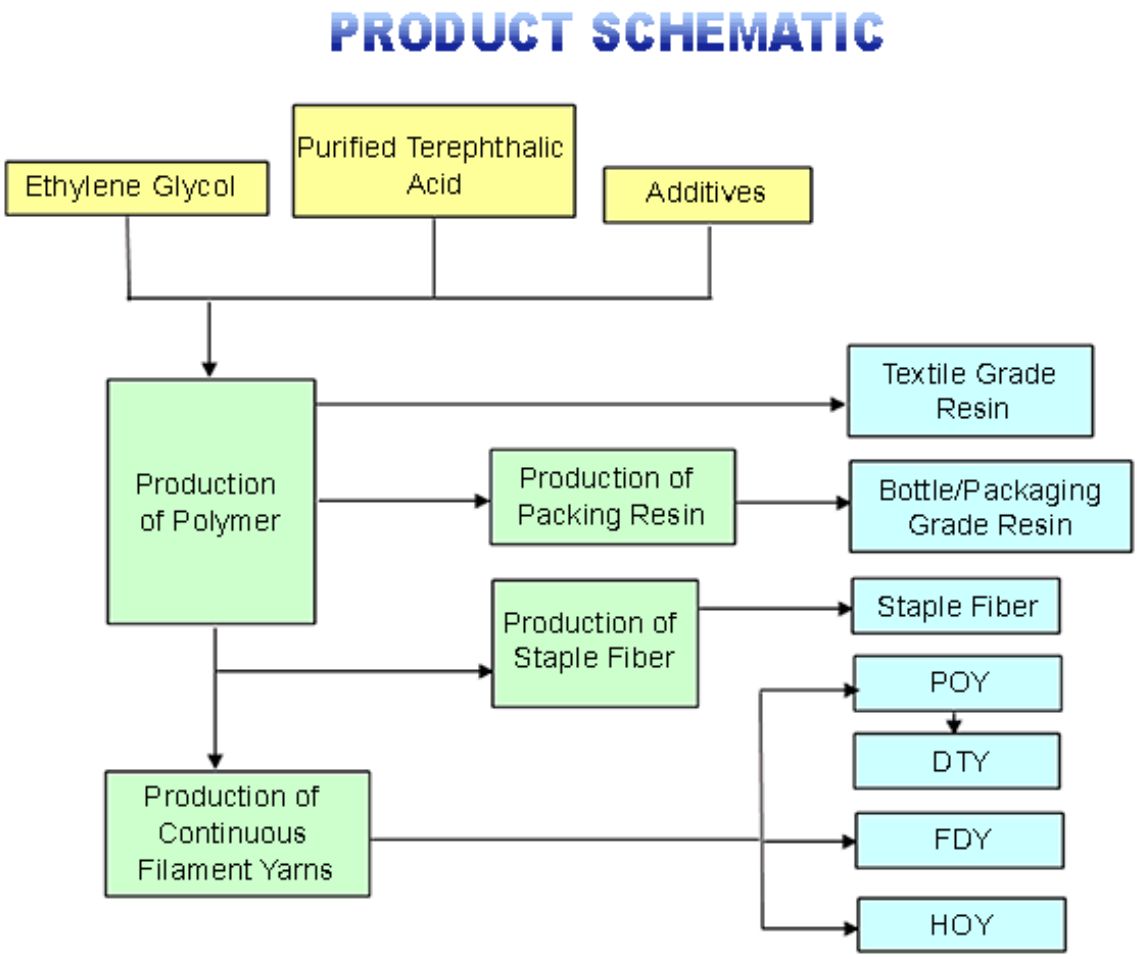
In stage one of the manufacturing process, the polymer is produced by the reaction of the raw materials—monoethylene glycol ("MEG") and purified terephthalate acid ("PTA") or its derivatives. Unlike other forms of PSF, production of low melt PSF requires two reactors, one producing the lower melt temperature product and the second which produces the higher melt temperature product. The MEG and PTA are chemically combined in one reactor that will eventually form the polyester core of low melt. Polyester that will form the outer sheath is formulated in a second reactor, where MEG and PTA are mixed. Often a third input, purified isophthalic acid ("PIA"), is added to achieve a lower melting point and to modify the properties of the polyester. The melt point of the outer sheath can be controlled by the amount of PIA added to the second reactor vessel. The polymerization occurs at a high temperature using a

[16] Unless otherwise noted, this information is based on original confidential report, pp. I-18-I-23.

vacuum by one of two methods: 1) the MEG and PTA react to form a polymer chain, releasing methanol; or 2) the MEG and PTA react directly to form the polymer with water as the byproduct.

Figure I-1 presents Nan Ya's production schematic for low melt PSF as well as nonsubject products.

Figure I-1
Low melt PSF: Nan Ya's production process



Source: Nan Ya webpage, http://www.npcam.com/nj-sc/AAAAA-3.htm, retrieved September 13, 2023.

The second stage of the production process for low melt PSF, common to all PSF, is extrusion and fiber formation that includes stretching, cutting, and baling. 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 in principle to a showerhead, to form continuous filaments of semi-solid polymer. The denier of the fiber is controlled by the size of the holes on the spinneret, as is the configuration (core/sheath or side-by-side, for example) of the bi-component low melt PSF.

***. All low melt PSF (including black low melt PSF and crystalline low melt PSF) is manufactured using the same basic production process on the same equipment and with the same employees. The differences between the manufacturing processes for standard low melt PSF and those for black low melt PSF and crystalline low melt PSF are minor. The principal additional step required to produce black and crystalline low melt PSF is that the dye used to produce black low melt PSF, or the chemical additive used to produce the crystalline low melt PSF, are added to the polymer before the fiber extrusion. Because of the additional materials required to produce black and crystalline low melt PSF, U.S. producers of low melt PSF either use dedicated production lines for these different forms or produce them in alternate small batches. Standard low melt PSF cannot be produced simultaneously with black or crystalline low melt PSF on the same shared equipment.

***. The spun tow ***. The spun tow is sent over a creel and a series of “draw wheels” in order 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 tow is crimped and heat-set or directly after, depending on the manufacturer’s preference. Finally, the fiber tow is cut to a specific length as determined by the cutter wheel setting, baled, and shipped to the end users or customers. For low melt PSF, the bales are compressed less than other staple fibers to avoid damaging the fibers. Therefore, the bales weigh less—about 120 pounds versus as much as 400 pounds for non-low melt PSF.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from two firms (Fiber Innovation Technologies, Inc. ("FIT Fibers") and Nan Ya), which accounted for 100 percent of production of low melt PSF in the United States during 2017.[17] In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of three known and currently operating U.S. producers of low melt PSF: FIT Fibers, HIAM, and Nan Ya. Two firms (HIAM and Nan Ya) providing U.S. industry data in response to the Commission's notice of institution accounted for *** percent of production of low melt PSF in the United States during 2022.[18]

Recent developments

Table I-4 presents events in the U.S. industry since the Commission's original investigations.[19]

Table I-4
Low melt PSF: Developments in the U.S. industry

Item	Firm	Event
Plant opening	Huvis Indorama Advanced Materials	Construction of a new low melt PSF production facility in Spartanburg, South Carolina in 2019 to 2020. Production of low melt PSF began in November 2020. The new plant is a 50-50 joint venture of Huvis Corporation of South Korea and Indorama Ventures.

Source: Domestic interested parties' response to the notice of institution, August 2, 2023, p. 17; Huvis, "Huvis and Indorama Joint Venture in the US," March 17, 2021, (https://www.huvis.com/eng/prCenter/NewsView.asp?news_seq=580&searchKey=&searchVal=low), retrieved August 14, 2023.

[17] Original publication, p. III-1. Nan Ya alone accounted for *** percent of production of low melt PSF in the United States in 2017. Original publication, table III-1. At the time Nan Ya filed the petitions in these proceedings (June 2017), the U.S. producer reported the capacity to produce *** pounds of low melt PSF annually in the United States. By January 2018, Nan Ya *** its annual low melt PSF capacity in the United States to *** pounds. Original publication, p. III-4, fn. 10.

[18] Domestic interested parties' response to the notice of institution, August 2, 2023, pp. 15-16.

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

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.[20] Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and current five-year reviews.

Table I-5
Low melt 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	2015	2016	2017	2022
Capacity	Quantity	***	***	***	***
Production	Quantity	***	***	***	***
Capacity utilization	Ratio	***	***	***	***
U.S. shipments	Quantity	***	***	***	***
U.S. shipments	Value	***	***	***	***
U.S. shipments	Unit value	***	***	***	***
Net sales	Value	***	***	***	***
COGS	Value	***	***	***	***
COGS to net sales	Ratio	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***
SG&A expenses	Value	***	***	***	***
Operating income or (loss)	Value	***	***	***	***
Operating income or (loss) to net sales	Ratio	***	***	***	***

Source: For the years 2015-17, data are compiled using data submitted in the Commission's original investigations. For the year 2022, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, August 2, 2023, exh. 1.

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

[20] 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.[21]

In its original determinations, the Commission defined a single domestic like product consisting of all low melt PSF, coextensive with Commerce's scope, and it defined the domestic industry to include all domestic producers of low melt PSF.[22]

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 19 firms, which accounted for approximately *** percent of total U.S. imports of low melt PSF from South Korea and *** percent of U.S. imports of low melt PSF from Taiwan during 2017 under HTS statistical reporting number 5503.20.0015.[23] Import data presented in the original investigations are based on official Commerce statistics and questionnaire responses.

[21] Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B). The domestic interested parties reported that U.S. producer HIAM is related to Huvis Corporation, a producer and exporter of low melt PSF in South Korea. In 2018, South Korean producer Huvis Corporation entered into a 50-50 joint venture with Indorama Ventures Public Company Limited to create HIAM, a U.S. entity and U.S. producer of the domestic like product. The domestic interested parties also reported that U.S. producer Nan Ya's parent company is Nan Ya Plastics Corporation, a producer and exporter of low melt PSF in Taiwan. Neither U.S. producer HIAM nor Nan Ya is an importer of the subject low melt PSF from South Korea or Taiwan, nor are the domestic interested parties related to such U.S. importers. Domestic interested parties' response to the notice of institution, August 2, 2023, pp. 8, 14, 17; Domestic interested parties' supplemental response to the notice of institution, August 9, 2023, p. 3.

[22] 88 FR 114, January 3, 2023.

[23] Original confidential report, p. IV-1.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 28 potential U.S. importers of low melt PSF from South Korea and Taiwan.[24]

U.S. imports

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

[24] Domestic interested parties' response to the notice of institution, August 2, 2023, exh. 8.

Table I-6
Low melt 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	2018	2019	2020	2021	2022
South Korea (subject)	Quantity	***	***	***	***	***
Taiwan	Quantity	1,489	62	---	---	52
Subject sources	Quantity	***	***	***	***	***
South Korea (nonsubject)	Quantity	***	***	***	***	***
China	Quantity	74,419	28,994	14,970	26,753	10,528
Pakistan	Quantity	---	---	---	331	454
Italy	Quantity	606	520	476	124	213
All other sources	Quantity	887	461	442	136	132
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	168,170	144,661	131,252	147,087	106,169
South Korea (subject)	Value	***	***	***	***	***
Taiwan	Value	1,139	55	---	---	55
Subject sources	Value	***	***	***	***	***
South Korea (nonsubject)	Value	***	***	***	***	***
China	Value	59,839	21,415	9,017	19,971	8,946
Pakistan	Value	---	---	---	276	344
Italy	Value	564	459	405	109	259
All other sources	Value	1,169	440	243	163	131
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	140,903	105,880	82,814	118,971	87,513
South Korea (subject)	Unit value	***	***	***	***	***
Taiwan	Unit value	0.76	0.88	---	---	1.07
Subject sources	Unit value	***	***	***	***	***
South Korea (nonsubject)	Unit value	***	***	***	***	***
China	Unit value	0.80	0.74	0.60	0.75	0.85
Pakistan	Unit value	---	---	---	0.83	0.76
Italy	Unit value	0.93	0.88	0.85	0.88	1.22
All other sources	Unit value	1.32	0.95	0.55	1.20	0.99
Nonsubject sources	Unit value	***	***	***	***	***
All import sources	Unit value	0.84	0.73	0.63	0.81	0.82

Source: Compiled from official Commerce statistics for HTS statistical reporting number 5503.20.0015, accessed August 1, 2023; and compiled from proprietary, Census-edited Customs records, accessed October 2, 2023.

Note: Huvis was assessed a 0.00 weighted-average dumping margin by Commerce in its final antidumping duty determinations regarding subject merchandise both produced and exported by Huvis in South Korea. 83 FR 29094, June 22, 2018; 83 FR 40752, August 16, 2018. The import data for South Korea (subject) presented in this table have been adjusted to exclude merchandise manufactured and/or exported by Huvis in South Korea according to proprietary, Census-edited Customs records. Such imports manufactured and/or exported by Huvis in South Korea are presented as South Korea (nonsubject). In the original final investigations, a majority

(*** percent) of imports from South Korea in 2017 were produced and exported from South Korean producer Huvis. Calculated from original confidential report, table IV-2.

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

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

Cumulation considerations[25]

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.[26]

Imports from South Korea were reported in all 60 months between 2018 and 2022. Imports from South Korea entered through northern, southern, eastern, and western borders of entry in all years from 2018 through 2020, and through southern, eastern, and western borders of entry in both 2021 and 2022.

There were no reported U.S. imports of low melt PSF from Taiwan during 2020 and 2021. Imports from Taiwan were reported in eight of the 60 months between 2018 and 2022. No imports from Taiwan were reported in 10 months of 2022. Imports from Taiwan entered through eastern, northern, and western borders of entry in 2018, northern and western borders of entry in 2019, and eastern and western borders of entry in 2022.

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.

[25] Unless otherwise noted, this information is based on official U.S. import statistics for HTS statistical reporting number 5503.20.0015.

[26] In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

Table I-7
Low melt 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	2015	2016	2017	2022
U.S. producers	Quantity	***	***	***	***
South Korea (subject)	Quantity	***	***	***	***
Taiwan	Quantity	50,115	60,060	53,450	52
Subject sources	Quantity	***	***	***	***
South Korea (nonsubject)	Quantity	***	***	***	***
All other nonsubject	Quantity	5,534	3,589	6,484	***
Nonsubject sources	Quantity	***	***	***	***
All import sources	Quantity	176,352	202,730	183,175	106,169
Apparent U.S. consumption	Quantity	***	***	***	***
U.S. producers	Value	***	***	***	***
South Korea (subject)	Value	***	***	***	***
Taiwan	Value	32,304	30,981	30,923	55
Subject sources	Value	***	***	***	***
South Korea (nonsubject)	Value	***	***	***	***
All other nonsubject	Value	4,245	2,827	5,432	***
Nonsubject sources	Value	***	***	***	***
All import sources	Value	120,256	117,067	117,921	87,513
Apparent U.S. consumption	Value	***	***	***	***
U.S. producers	Share of quantity	***	***	***	***
South Korea (subject)	Share of quantity	***	***	***	***
Taiwan	Share of quantity	***	***	***	***
Subject sources	Share of quantity	***	***	***	***
South Korea (nonsubject)	Share of quantity	***	***	***	***
All other nonsubject	Share of quantity	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***
All import sources	Share of quantity	***	***	***	***
U.S. producers	Share of value	***	***	***	***
South Korea (subject)	Share of value	***	***	***	***
Taiwan	Share of value	***	***	***	***
Subject sources	Share of value	***	***	***	***
South Korea (nonsubject)	Share of value	***	***	***	***
All other nonsubject	Share of value	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***
All import sources	Share of value	***	***	***	***

Table continued.

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

Source: For the years 2015-17, data are compiled using data submitted in the Commission's original investigations. 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 number 5503.20.0015, accessed August 1, 2023; and compiled from proprietary, Census-edited Customs records, accessed October 2, 2023.

Note: Huvis was assessed a 0.00 weighted-average dumping margin by Commerce in its final antidumping duty determinations regarding subject merchandise both produced and exported by Huvis in South Korea. 83 FR 29094, June 22, 2018; 83 FR 40752, August 16, 2018. The import data for South Korea (subject) presented in this table have been adjusted to exclude merchandise manufactured and/or exported by Huvis in South Korea according to proprietary, Census-edited Customs records. Such imports manufactured and/or exported by Huvis in South Korea are presented as South Korea (nonsubject). In the original final investigations, a majority (*** percent) of imports from South Korea in 2017 were produced and exported from South Korean producer Huvis. Calculated from original confidential report, table IV-2.

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: Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent. Zeros, null values, and undefined calculations are suppressed and shown as "---".

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

The industry in South Korea

Producers in South Korea

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from one firm (Toray Chemical), which accounted for approximately *** percent of production of low melt PSF in South Korea during 2017, and approximately *** percent of subject imports of low melt PSF from South Korea to the United States during 2017.[27]

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of seven possible producers of low melt PSF in South Korea.[28]

Recent developments

Table I-8 presents events in the South Korean industry since the Commission's original investigations.

Table I-8
Low melt PSF: Developments in the South Korean industry

Item	Firm	Event
Plant opening	Solianus	New South Korean producer/exporter of low melt PSF. Date of market entry is unclear.

Source: Domestic interested parties' response to the notice of institution, August 2, 2023, p. 8; Solianus website, http://solianus.com/category/staple-fiber/32/, retrieved August 15, 2023.

[27] Original confidential report, p. VII-3.
[28] Domestic interested parties' response to the notice of institution, August, 2, 2023, exh. 3.

Exports

Table I-9 presents export data for "polyester staple fibers, not carded, combed, or otherwise processed for spinning," a category that includes low melt PSF and out-of-scope products, from South Korea (by export destination in descending order of quantity for 2022).

Exports of polyester staple fiber from South Korea to all markets decreased overall between 2018 and 2022, reportedly because of increased competition from other Asian producers, particularly China.[29] In 2022, the United States was the lead destination market for polyester staple fiber from South Korea with 16.3 percent share of exports to all markets by quantity, followed by Italy (6.9 percent), and Poland (6.9 percent). Exports of polyester staple fiber from South Korea to China by quantity declined by 67.8 percent from 2018 to 2022, as Chinese producers increasingly supplied their domestic market.[30]

Table I-9
Polyester staple fiber: Quantity of exports from South Korea, by destination and period

Quantity in 1,000 pounds

Destination market	2018	2019	2020	2021	2022
United States	253,171	258,602	249,065	234,917	224,505
Italy	94,111	97,059	89,846	102,087	94,497
Poland	102,857	96,432	108,292	104,518	94,437
Vietnam	117,637	101,448	101,414	94,253	83,380
Germany	71,036	70,001	67,445	67,497	68,235
Japan	92,951	82,255	67,286	64,172	67,769
China	193,127	166,070	147,679	119,878	62,169
Turkey	49,968	44,525	51,482	51,319	58,032
United Kingdom	79,164	63,670	62,638	58,960	53,932
Spain	45,729	40,846	45,554	50,461	49,230
All other markets	663,928	592,622	566,071	664,717	520,180
All markets	1,763,679	1,613,530	1,556,771	1,612,780	1,376,366

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 5503.20, accessed July 31, 2023. These data may be overstated as HS subheading 5503.20 may contain products outside the scope of these reviews.

[29] Jain and Smith, "Polyester Fibers," May 31, 2022, https://connect.ihsmarkit.com/master-viewer/show/phoenix/124597?connectPath=ChemicalMarketReportsandAnalysis&searchSessionId=471a9fcb-50ff-457c-b0c1-e8e6b4e43b44, retrieved August 28, 2023.

[30] Jain and Smith, "Polyester Fibers," May 31, 2022, https://connect.ihsmarkit.com/master-viewer/show/phoenix/124597?connectPath=ChemicalMarketReportsandAnalysis&searchSessionId=471a9fcb-50ff-457c-b0c1-e8e6b4e43b44, retrieved August 28, 2023.

The industry in Taiwan

Producers in Taiwan

During the final phase of the original investigations, the Commission did not receive a response from any Taiwan firm. However, during the preliminary phase of the original investigations, a usable response to the Commission's questionnaire was received from Far Eastern New Century Corporation ("FENC"). FENC's exports to the United States accounted for *** of U.S. imports of low melt PSF from Taiwan over 2014 to 2016 and its production accounted for approximately *** percent of overall production of low melt PSF in Taiwan in 2016.[31]

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of two possible producers of low melt PSF in Taiwan.[32]

Recent developments

Table I-10 presents events in the industry in Taiwan since the Commission's original investigations.

Table I-10
Low melt PSF: Developments in the industry in Taiwan

Item	Firm	Event
Expansion	Far Eastern New Century	Increased production capacity of polyester staple fiber in 2022 from 923.3 million pounds to 952.4 million pounds.
Expansion	Nan Ya Plastics Corporation	Increased production capacity of low melt PSF in 2022.

Source: Domestic interested parties' response to the notice of institution, August 2, 2023, p. 9 and exh. 5.

Note: Although the domestic interested parties described an increase in the production capacity of Nan Ya Plastic Corporation in Taiwan for low melt PSF in 2022, the data to which they cite show a decrease in polyester staple fiber, filament, and fabric capacity from almost 3.6 billion pounds in 2021 to slightly more than 3.4 billion pounds in 2022. Domestic interested parties' response to the notice of institution, August 2, 2023, p. 9 and exh. 5.

Note: U.S. producer Nan Ya's parent company is Nan Ya Plastics Corporation, a producer and exporter of low melt PSF in Taiwan. Nan Ya reported, however, that it is not a U.S. importer of the subject low melt PSF from South Korea or Taiwan, nor is it related to such U.S. importers. Domestic interested parties' response to the notice of institution, August 2, 2023, p. 14. ***. Original confidential report, p. IV-1, fn. 2. Nan Ya Plastics Corporation ***.

[31] Original confidential report, p. VII-10.

[32] Domestic interested parties' response to the notice of institution, August 2, 2023, exh. 3.

Exports

Table I-11 presents export data for "polyester staple fibers, not carded, combed, or otherwise processed for spinning," a category that includes low melt PSF and out-of-scope products, from Taiwan (by export destination in descending order of quantity for 2022). Exports of polyester staple fiber from Taiwan to all markets decreased by quantity between 2018 and 2022, reportedly due to increased competition from producers in China.[33] In 2022, Vietnam was the lead destination market for polyester staple fiber from Taiwan with 24.9 percent of exports to all markets by quantity, followed by Mexico (9.6 percent), and the United Kingdom (7.2 percent). Exports of polyester staple fiber from Taiwan to Mexico by quantity increased 101.7 percent from 2018 to 2022, likely driven by demand from Mexico's growing automotive and textile industries.[34]

Table I-11
Polyester staple fiber: Quantity of exports from Taiwan, by destination and period

Quantity in 1,000 pounds

Destination market	2018	2019	2020	2021	2022
Vietnam	185,823	168,275	146,724	150,958	123,664
Mexico	23,642	30,324	34,265	37,493	47,687
United Kingdom	43,704	42,136	34,483	38,637	35,753
Thailand	40,432	32,829	26,173	29,619	23,756
Germany	28,391	24,988	20,514	22,554	18,892
Japan	16,982	19,559	19,704	22,307	18,777
Turkey	22,801	18,740	19,946	21,625	18,291
Pakistan	38,367	39,413	58,596	44,238	18,061
China	60,622	21,422	22,462	21,432	17,286
United States	19,571	14,752	29,971	18,858	17,053
All other markets	296,680	254,977	208,751	200,442	157,392
All markets	777,014	667,416	621,589	608,164	496,612

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 5503.20, accessed July 31, 2023. These data may be overstated as HS subheading 5503.20 may contain products outside the scope of these reviews.

[33] Jain and Smith, "Polyester Fibers," May 31, 2022, https://connect.ihsmarkit.com/master-viewer/show/phoenix/124597?connectPath=ChemicalMarketReportsandAnalysis&searchSessionId=471a9fcb-50ff-457c-b0c1-e8e6b4e43b44, retrieved August 28, 2023.

[34] Jain and Smith, "Polyester Fibers," May 31, 2022, https://connect.ihsmarkit.com/master-viewer/show/phoenix/124597?connectPath=ChemicalMarketReportsandAnalysis&searchSessionId=471a9fcb-50ff-457c-b0c1-e8e6b4e43b44, retrieved August 28, 2023.

Third-country trade actions

There have been several unfair trade remedy investigations in third-country markets on polyester staple fiber (without restriction to denier size or fiber structure) from South Korea and Taiwan. Turkey issued an antidumping duty order on all forms of "polyester synthetic staple fiber" from South Korea in 2000, which was extended in 2006, 2012, and 2018 at 6.2 percent ad valorem. In 2003, Turkey issued a similar antidumping duty order on all forms of polyester staple fiber from Taiwan, which was extended in 2009, 2014, and 2019 at a range of 6.4 to 12.0 percent ad valorem. In 2021, Turkey imposed a safeguard measure on all forms of polyester staple fiber, establishing duties of $0.06/kg in the first year, $0.058/kg in the second, and $0.056/kg in the third; antidumping orders on South Korea and Taiwan were suspended while the safeguard measure remains in effect.[35] In 2010, Indonesia enacted antidumping duty orders on all forms of polyester staple fiber from Taiwan, which was extended in 2016, 2019, and 2022 at 28.47 percent ad valorem.[36] Pakistan imposed antidumping duties on polyester staple fiber from Taiwan at 12.47 percent ad valorem in February 2022.[37]

[35] Domestic interested parties' response to the notice of institution, August 2, 2023, p. 9; Global Trade Alert website, "Turkey: Temporary Suspension of Definitive Antidumping Duty," https://www.globaltradealert.org/intervention/18487/anti-dumping/turkey-temporary-suspension-of-definitive-antidumping-duty-on-imports-of-polyester-synthetic-staple-fibres-from-chinese-taipei-india-and-thailand, retrieved August 16, 2023; Global Trade Alert website, "Turkey: Temporary Suspension of Antidumping Duties," https://www.globaltradealert.org/intervention/16520/anti-dumping/turkey-temporary-suspension-of-antidumping-duties-on-imports-of-polyester-synthetic-staple-fibre-from-indonesia-and-south-korea, retrieved August 16, 2023.

[36] Domestic interested parties' response to the notice of institution, August 2, 2023, p. 9; Global Trade Alert website, "Indonesia: Extension of Antidumping Duty," https://www.globaltradealert.org/intervention/20339/anti-dumping/indonesia-extension-of-definitive-antidumping-duty-on-imports-of-polyester-staple-fibre-from-china-chinese-taipei-and-india, retrieved August 16, 2023.

[37] Domestic interested parties' response to the notice of institution, August 2, 2023, p. 9; Global Trade Alert website, "Pakistan: Definitive Antidumping Duty," https://www.globaltradealert.org/intervention/85850/anti-dumping/pakistan-definitive-antidumping-duty-on-imports-of-polyester-staple-fibre-from-chinese-taipei-indonesia-and-thailand, retrieved August 16, 2023.

The global market

Table I-12 presents global export data for "polyester staple fibers, not carded, combed, or otherwise processed for spinning," a category that includes low melt PSF and out-of-scope products (by source in descending order of quantity for 2022). China is the world's top supplier of polyester staple fiber with global exports totaling 2.2 billion pounds in 2022. The top five global suppliers of polyester staple fiber—China, South Korea, Thailand, India, and Taiwan—accounted for 72.2 percent of polyester staple fiber exports by quantity in 2022.

Table I-12
Polyester staple fiber: Quantity of global exports by country and period

Quantity in 1,000 pounds

Exporting country	2018	2019	2020	2021	2022
China	2,263,343	2,157,140	1,754,276	2,048,379	2,195,495
South Korea	1,763,679	1,613,530	1,556,771	1,612,780	1,376,366
Thailand	674,832	732,432	830,015	795,617	701,225
India	554,398	604,670	632,770	829,749	561,133
Taiwan	777,014	667,416	621,589	608,164	496,612
Indonesia	396,938	583,637	553,722	543,273	468,291
Turkey	82,109	99,110	231,448	358,279	347,320
Malaysia	227,751	287,746	251,548	300,575	295,376
Germany	238,794	214,273	201,848	214,833	180,879
Ireland	187,775	182,920	169,857	188,827	129,487
All other exporters	1,325,743	1,421,611	1,376,422	1,591,539	628,006
All exporters	8,492,378	8,564,484	8,180,265	9,092,016	7,380,189

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 5503.20, accessed July 31, 2023, and August 16, 2023. These data may be overstated as HS subheadings 5503.20 may contain products outside the scope of these reviews. Estimates for exports from Germany are based on mirrored import statistics from all destination markets.

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 42748 July 3, 2023	*Low Melt Polyester Staple Fiber From South Korea and Taiwan; Institution of Five-Year Reviews*	https://www.govinfo.gov/app/details/FR-2023-07-03/2023-13858
88 FR 42688 July 23, 2023	*Low Melt Polyester Staple Fiber from South Korea and Taiwan: Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/app/details/FR-2023-07-03/2023-14104

APPENDIX B

COMPANY-SPECIFIC DATA

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APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDING

Table C-1
Low melt PSF: Summary data concerning the U.S. market with Huvis as nonsubject, 2015-17
(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year				Calendar year	
	2015	2016	2017	2015-17	2015-16	2016-17
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***
Importers' share (fn1):						
Korea subject	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***
Korea nonsubject	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***
All import sources	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***
Importers' share (fn1):						
Korea subject	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***
Korea nonsubject	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***
All import sources	***	***	***	***	***	***
U.S. imports from:						
Korea subject:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Taiwan						
Quantity	50,115	60,060	53,450	6.7	19.8	(11.0)
Value	32,304	30,981	30,923	(4.3)	(4.1)	(0.2)
Unit value	$0.64	$0.52	$0.58	(10.2)	(20.0)	12.2
Ending inventory quantity	***	***	***	***	***	***
Subject sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Korea nonsubject:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	5,534	3,589	6,484	17.2	(35.1)	80.7
Value	4,245	2,827	5,432	28.0	(33.4)	92.2
Unit value	$0.77	$0.79	$0.84	9.2	2.7	6.4
Ending inventory quantity	***	***	***	***	***	***
Nonsubject sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All import sources:						
Quantity	176,352	202,730	183,175	3.9	15.0	(9.6)
Value	120,256	117,067	117,921	(1.9)	(2.7)	0.7
Unit value	$0.68	$0.58	$0.64	(5.6)	(15.3)	11.5
Ending inventory quantity	25,639	41,687	38,101	48.6	62.6	(8.6)

Table continued on next page.

Table C-1--Continued
Low melt PSF: Summary data concerning the U.S. market with Huvis as nonsubject, 2015-17
(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year				Calendar year	
	2015	2016	2017	2015-17	2015-16	2016-17
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (fn1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Net income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
Unit net income or (loss)	***	***	***	***	***	***
COGS/sales (fn1)	***	***	***	***	***	***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	***
Net income or (loss)/sales (fn1)	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics and proprietary Customs records using HTS statistical reporting number 5503.20.0015, accessed March 27, 2018.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it provided contact information for the following three firms as top purchasers of low melt PSF: ***. Purchaser questionnaires were sent to these three firms and one firm (***) provided a response, which is presented below.

1. Have there been any significant changes in the supply and demand conditions for low melt PSF that have occurred in the United States or in the market for low melt PSF in South Korea or Taiwan since January 1, 2018?

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

2. Do you anticipate any significant changes in the supply and demand conditions for low melt PSF in the United States or in the market for low melt PSF in South Korea and/or Taiwan within a reasonably foreseeable time?

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