

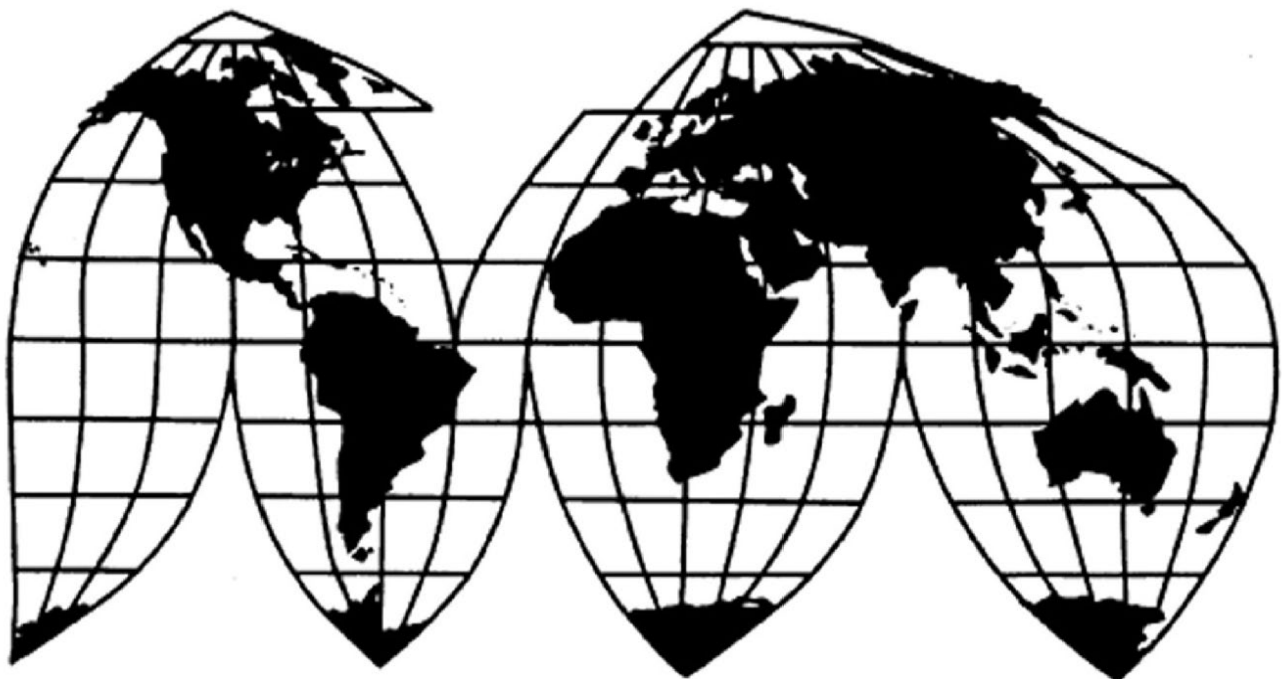
Laminated Woven Sacks from Vietnam

Investigation Nos. 701-TA-601 and 731-TA-1411 (Review)

Publication 5561

November 2024

U.S. International Trade Commission



U.S. International Trade Commission

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Note: Information that would reveal confidential operations of individual concerns may not be published.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-601 and 731-TA-1411 (Review)

Laminated Woven Sacks from Vietnam

DETERMINATIONS

On the basis of the record¹ 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 countervailing duty order and antidumping duty order on laminated woven sacks from Vietnam 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 May 1, 2024 (89 FR 35241) and determined on August 5, 2024, that it would conduct expedited reviews (89 FR 77544, September 23, 2024).

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 and countervailing duty orders on laminated woven sacks (“LW sacks”) from Vietnam 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. On March 7, 2018, the Commission received a petition alleging that an industry in the United States was materially injured and threatened with material injury by reasons of imports of LW sacks from Vietnam that were allegedly being sold in the United States at less than fair value (“LTFV”) and subsidized by the Government of Vietnam.¹ On May 22, 2019, the Commission determined that a domestic industry was materially injured by reason of imports of LW sacks from Vietnam that the U.S. Department of Commerce (“Commerce”) had determined were being sold at LTFV and subsidized by the Government of Vietnam.² Commerce issued antidumping and countervailing duty orders on LW sacks from Vietnam on June 4, 2019.³

Current Reviews. On May 1, 2024, the Commission instituted these first five-year reviews.⁴ The Commission received one response to its notice of institution from a domestic interested party, filed on behalf of the Laminated Woven Sacks Fair Trade Coalition,⁵ a trade association whose members consist of manufacturers, producers, and wholesalers of LW

¹ Confidential Report (“CR”), INV-WW-087 at I-2 to I-3; Public Report (“PR”), *Laminated Woven Sacks from Vietnam*, Inv. Nos. 701-TA-601 & 731-TA-1411 (Review), USITC Pub. 5561 (November 2024) at I-2 to I-3.

² *Laminated Woven Sacks from Vietnam*, 84 Fed. Reg. 25070 (May 30, 2019). See *Laminated Woven Sacks From the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value*, 84 Fed. Reg. 14651 (April 11, 2019); *Laminated Woven Sacks From the Socialist Republic of Vietnam: Final Affirmative Countervailing Duty Determination*, 84 Fed. Reg. 14647 (April 11, 2019).

³ *Laminated Woven Sacks From the Socialist Republic of Vietnam: Antidumping Duty and Countervailing Duty Orders*, 84 Fed. Reg. 25753 (June 4, 2019).

⁴ *Laminated Woven Sacks from Vietnam; Institution of Five-Year Reviews*, 89 Fed. Reg. 35241 (May 1, 2024).

⁵ The trade association consists of: Polytex Fibers Corporation (“Polytex”) and ProAmpac Holdings Inc. (“ProAmpac”). CR/PR at I-2.

sacks.⁶ The Commission did not receive a response from any respondent interested party. On August 5, 2024, the Commission determined that the domestic industry group response was adequate and that the respondent interested party group response was inadequate.⁷ Finding no other circumstances that would warrant conducting full reviews, the Commission determined that it would conduct expedited reviews of the orders.⁸ The domestic interested party submitted final comments regarding the determinations that the Commission should reach.⁹

U.S. industry data in these reviews are based on information in the response to the notice of institution and publicly available information compiled by the Commission.¹⁰ The members of the domestic interested party accounted for an estimated *** percent of U.S. production of LW sacks in 2023.¹¹ U.S. import data are based on official Commerce import statistics.¹² Foreign industry data and related information are based on information from the original investigations, information submitted by the domestic interested party in its response to the notice of institution, and publicly available information compiled by the Commission.¹³ Additionally, two firms identified by the domestic interested party as top U.S. purchasers of LW sacks, ***, responded to the Commission's purchaser questionnaire.¹⁴

⁶ Domestic Interested Party's Response to the Notice of Institution, EDIS Doc. Nos. 822709 (Confidential Version) & 822712 (Public Version) (May 31, 2024) ("Domestic Interested Party's NOI Response").

⁷ Explanation of Commission Determination on Adequacy, EDIS Doc. 829413 (August 13, 2024).

⁸ Explanation of Commission Determination on Adequacy, EDIS Doc. 829413 (August 13, 2024); *Laminated Woven Sacks From Vietnam; Scheduling of Expedited Five-Year Reviews*, 89 Fed. Reg. 77544 (September 23, 2024).

⁹ Domestic Interested Party's Final Comments, EDIS Doc. 835526 (Confidential Version) & 835528 (Public Version) (Oct. 24, 2024).

¹⁰ CR/PR at I-13 to I-15.

¹¹ CR/PR at Table I-2.

¹² CR/PR at I-17 & Table I-6. Official import statistics are for Harmonized Tariff Schedule of the United States ("HTSUS") statistical reporting numbers 6305.33.0040 and 6305.33.0080. The import data for LW sacks may be understated, as LW sacks can be imported under other HTSUS statistical reporting numbers depending on the physical characteristics they possess. *Id.* at Table I-6 Note.

¹³ CR/PR at I-19 to I-21.

¹⁴ CR/PR at D-3.

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.”¹⁵ 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.”¹⁶ 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.¹⁷

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

The merchandise covered by this *Order* is laminated woven sacks. Laminated woven sacks are bags consisting of one or more plies of fabric consisting of woven polypropylene strip and/or woven polyethylene strip, regardless of the width of the strip; with or without an extrusion coating of polypropylene and/or polyethylene on one or both sides of the fabric; laminated by any method either to an exterior ply of plastic film such as biaxially-oriented polypropylene (BOPP), polyester (PET), polyethylene (PE), nylon, or any film suitable for printing, or to an exterior ply of paper; printed; displaying, containing, or comprising three or more visible colors (*e.g.*, laminated woven sacks printed with three different shades of blue would be covered by the scope), not including the color of the woven fabric; regardless of the type of printing process used; with or without lining; with or without handles; with or without special closing features (including, but not limited to, closures that are sewn, glued, easy-open (*e.g.*, tape

¹⁵ 19 U.S.C. § 1677(4)(A).

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

¹⁷ *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).

or thread), reclosable (*e.g.*, slider, hook and loop, zipper), hot-welded, adhesive-welded, or press- to-close; whether finished or unfinished (*e.g.*, whether or not closed on one end and whether or not in roll form, including, but not limited to, sheets, lay-flat, or formed in tubes); not exceeding one kilogram in actual weight. Laminated woven sacks produced in the Socialist Republic of Vietnam are subject to the scope regardless of the country of origin of the fabric used to make the sack.

The scope of this *Order* excludes laminated woven sacks having each of the following physical characteristics: (1) no side greater than 24 inches, (2) weight less than 100 grams, (3) an open top that is neither sealable nor closable, the rim of which is hemmed or sewn around the entire circumference, (4) carry handles sewn on the open end, (5) side gussets, and (6) either a bottom gusset or a square or rectangular bottom. The excluded items with the above-mentioned physical characteristics may be referred to as reusable shopping bags.

Subject laminated woven sacks are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 6305.33.0040 and 6305.33.0080. If entered with plastic coating on both sides of the fabric consisting of woven polypropylene strip and/or woven polyethylene strip, laminated woven sacks may be classifiable under HTSUS subheadings 3923.21.0080, 3923.21.0095, and 3923.29.0000. If entered not closed on one end or in roll form (including, but not limited to, sheets, lay-flat tubing, and sleeves), laminated woven sacks may be classifiable under other HTSUS subheadings, including 3917.39.0050, 3921.90.1100, 3921.90.1500, and 5903.90.2500. If the polypropylene strips and/or polyethylene strips making up the fabric measure more than 5 millimeters in width, laminated woven sacks may be classifiable under other HTSUS subheadings including 4601.99.0500, 4601.99.9000, and 4602.90.0000. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.¹⁸

¹⁸ Laminated Woven Sacks From the Socialist Republic of Vietnam: Final Results of Expedited First Sunset Review of the Antidumping Duty Order, 89 Fed. Reg. 73627 (Sept. 11, 2024) and (Continued...)

The merchandise covered by these investigations consists of LW sacks, which are bags consisting of one or more plies of fabric of woven polypropylene strip and/or polyethylene strip that are laminated¹⁹ or bonded to an exterior ply of plastic film such as biaxially-oriented polypropylene (“BOPP”),²⁰ polyester (“PET”), polyethylene (“PE”), nylon, or any film suitable for printing, or to an exterior ply of paper.²¹ The exterior ply is printed in three or more colors; it is usually aligned and printed at three or more separate print stations, each containing a different color, creating multicolor, high-quality print graphics.²² The printed outer ply serves as the point-of-sale advertising the consumer goods in the LW sacks.²³ LW sacks are commonly referred to as laminated woven polypropylene bags or sacks, laminated woven polyethylene bags or sacks, or laminated woven bags or sacks.²⁴

(...Continued)

accompanying Issues and Decision Memorandum at 2; Laminated Woven Sacks From the Socialist Republic of Vietnam: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order, 89 Fed. Reg. 73633 (Sept. 11, 2024) and accompanying Issues and Decisions Memorandum at 2.

¹⁹ “Laminated fabric” is two or more layers of cloth joined together with rubber, resin, adhesive plastic, etc. to form one ply; or a fabric backed and bonded to a plastic sheet. The subject LW sacks are made from a man-made fiber woven fabric joined by a layer of adhesive plastic to an outer layer of either plastic film, or paper, to form one ply of “laminated fabric.” CR/PR at I-6 n. 15.

²⁰ BOPP is a film material comprised of polypropylene that is created through biaxial stretching, resulting in mechanical performance both vertically and horizontally. The film is usually a multilayer film that relates to three-layer structures: one thick layer of polypropylene sandwiched between two thin layers of polypropylene. Properties include strength and tear resistance, water resistance, high strength, temperature resistance, high gloss, transparency, and printability. BOPP films have become more popular in the world market because of their unusual combination of properties: seals well, twist retention and barrier, transparency, and stiffness. Orientation of the polypropylene increases the strength of the film while improving barrier and optical properties. Source: Chalvo.com, “The Ultimate Guide to Bopp Films,” [The Ultimate Guide to Bopp Films - Chalvo Packaging Film](#), accessed July 10, 2024; Hubei Firsta Material Science and Technology Group Co., Ltd., “BOPP Films,” [BOPP Films \(firstagroup.com\)](#), accessed July 10, 2024. See also CR/PR at I-6 n. 16.

²¹ CR/PR at I-6. Sacks and bags for which the woven fabric of polypropylene and/or polyethylene strip is laminated to an outer ply of paper (in the place of an outer ply of plastics sheeting) would be classified under HTSUS 6305.33.0080. CR/PR at I-6 n. 17.

²² CR/PR at I-6.

²³ CR/PR at I-6.

²⁴ The strength, tear resistance, and light-weight quality of LW sacks combined with the high-quality print graphic potential of the BOPP (or other film) make the product distinct from quad seal bags, which are made from different raw materials than LW sacks (polyethylene terephthalate and polyethylene), are not made from woven fabric, and generally have higher overall manufacturing costs. Petitioners during the original investigations also noted that quad seal bags are generally used for higher-end, niche pet foods. CR/PR at I-7, n. 19.

LW sacks come in assorted sizes but are generally used for products that weigh over 12 pounds.²⁵ They have resistance capabilities that make them suitable for various types and quantities of packaged products.²⁶ Their dimensions, number of plies, size, strength, closure, color, coating, and printing are specified by manufacturers of packaged consumer goods as needed to serve their retail customers.²⁷ LW sacks may be lined or unlined, and may or may not have a thin layer of plastic film over the print medium.²⁸ For sewn-bottom LW sacks, the bottom is either folded over and stitched, or a separate polypropylene strip is folded over one end of the fabric and sewn to create a closure at the bottom.²⁹ For pinch bottom stepped style LW sacks, the bottom is folded over and glued, or heat sealed to provide a more hermetic seal without sew holes.³⁰ LW sacks resist puncture and tearing and are resistant to moisture, grease, and oil.³¹ The subject LW sacks are sold and used primarily as packaging for retail products such as pet food, animal feed, and dry or semi-dry food items.³²

In the original investigations, the Commission defined a single domestic like product to include all laminated woven sacks, coextensive with the scope of these investigations.³³

In the current reviews, the record does not contain any new information suggesting that the pertinent characteristics and uses of LW sacks have changed since the original investigations such that revisiting the Commission's domestic like product definition would be warranted.³⁴ The domestic interested party agrees with the Commission's definition of the domestic like product from the original investigations.³⁵ Consequently, we again define a single domestic like product to include all laminated woven sacks, coextensive with the scope of these reviews.

²⁵ CR/PR at I-6.

²⁶ CR/PR at I-6.

²⁷ CR/PR at I-6.

²⁸ CR/PR at I-6.

²⁹ CR/PR at I-6.

³⁰ CR/PR at I-6 to I-7. Petitioners during the original investigations noted that pinch bottom style LW sacks are often used for products that lay on a store shelf and present the bottom of the bag as a "billboard effect" for product recognition. CR/PR at I-6 to I-7, n. 18.

³¹ CR/PR at I-7.

³² CR/PR at I-7.

³³ *Laminated Woven Sacks from Vietnam*, Inv. Nos. 701-TA-601 and 731-TA-1411 (Final), USITC Publication 4893 (May 2019) ("*Original Determination*") at 7.

³⁴ CR/PR at I-16.

³⁵ Domestic Interested Party's NOI Response at 28.

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.”³⁶ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission defined the domestic industry to consist of all U.S. producers of laminated woven sacks.³⁷

In the current reviews, the domestic interested party agrees with the Commission’s definition of the domestic industry from the prior proceedings.³⁸ There are no known issues regarding the definition of the domestic industry in these reviews.³⁹ Consequently, consistent with our definition of the domestic like product, we again define the domestic industry to consist of all U.S. producers of laminated woven sacks.

III. Revocation of the Antidumping and Countervailing 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.”⁴⁰ 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

³⁶ 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.

³⁷ *Original Determination*, USITC Pub. 4893 at 10.

³⁸ Domestic Interested Party’s NOI Response at 28.

³⁹ Domestic Interested Party’s NOI Response at Exhibit 1.

⁴⁰ 19 U.S.C. § 1675a(a).

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.”⁴¹ Thus, the likelihood standard is prospective in nature.⁴² 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.⁴³

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.”⁴⁴ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁴⁵

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

⁴¹ 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.

⁴² 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.

⁴³ 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’”).

⁴⁴ 19 U.S.C. § 1675a(a)(5).

⁴⁵ 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.*

investigation is terminated.”⁴⁶ 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).⁴⁷ 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.⁴⁸

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁴⁹ 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.⁵⁰

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.⁵¹

⁴⁶ 19 U.S.C. § 1675a(a)(1).

⁴⁷ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings. *See* Decision Memorandum for the Final Results of the First Expedited Sunset Review of the Antidumping Duty Order on Laminated Woven Sacks from the Socialist Republic of Vietnam, EDIS Doc. No. 835487 (October 23, 2024) at 3.

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

⁴⁹ 19 U.S.C. § 1675a(a)(2).

⁵⁰ 19 U.S.C. § 1675a(a)(2)(A-D).

⁵¹ *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 (Continued...)

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁵² 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.⁵³

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the LW sacks industry in Vietnam. Likewise, there is limited information on the LW sacks market in the United States during the period of review (“POR”). Accordingly, for our determinations, 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 “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁵⁴ The following conditions of competition inform our determinations.

(...Continued)

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.

⁵² 19 U.S.C. § 1675a(a)(4).

⁵³ 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.

⁵⁴ 19 U.S.C. § 1675a(a)(4).

1. Demand Conditions

Original Investigations. The Commission observed that U.S. demand for LW sacks is derived from demand for the end-use products packaged in LW sacks, such as pet food, animal feed, or bird seed.⁵⁵ The Commission also noted that the majority of responding U.S. producers, importers, and purchasers reported an increase in U.S. demand for LW sacks in all end-use markets during the period of investigation (“POI”).⁵⁶ Apparent U.S. consumption increased by 12.1 percent from 2015 to 2017.⁵⁷

Current Reviews. There is no information indicating that the factors influencing demand have changed since the original investigations. The record indicates that demand for LW sacks continues to derive from demand for the end-use products packaged in LW sacks, which generally increased during the POR.⁵⁸ The domestic interested party expects this trend to continue in the reasonably foreseeable future.⁵⁹ Purchaser *** expects ***.⁶⁰

In 2023, apparent U.S. consumption of LW sacks was *** sacks, which was higher than in any year during the POI.⁶¹

2. Supply Conditions

Original Investigations. The domestic industry was the largest supplier to the U.S. market during the original POI, accounting for 47.4 percent of apparent U.S. consumption in 2017, which was a decline from the 55.6 percent share held by the domestic industry in 2015.⁶² Subject imports were the second largest source of supply to the U.S. market, accounting for 37.3 percent of apparent U.S. consumption in 2017, which was an increase from the 28.1 percent share held by subject imports in 2015.⁶³ Nonsubject imports maintained a stable share of the U.S. market during the POI, accounting for 15.3 percent of apparent U.S. consumption in

⁵⁵ *Original Determination*, USITC Pub. 4893 at 14.

⁵⁶ *Original Determination*, USITC Pub. 4893 at 14.

⁵⁷ Confidential Determination at 20. Apparent U.S. consumption was 587.1 million sacks in 2015, 653.3 million sacks in 2016, and 658.0 million sacks in 2017; it was 485.6 million sacks in interim 2017 and *** sacks in interim 2018. *Id.*

⁵⁸ CR/PR at I-7. In the original investigations, apparent U.S. consumption was derived from U.S. shipments of imports, rather than U.S. imports. *Id.* at Note.

⁵⁹ Domestic Interested Party’s Response at 10.

⁶⁰ CR/PR at D-3.

⁶¹ CR/PR at Table I-7.

⁶² *Original Determination*, USITC Pub. 4893 at 15.

⁶³ *Original Determination*, USITC Pub. 4893 at 15.

2017, which was a slight decline from the 16.3 percent share held by nonsubject imports in 2015.⁶⁴

Current Reviews. The domestic industry remained the largest supplier of LW sacks to the U.S. market.⁶⁵ Its share of apparent U.S. consumption by quantity was *** percent in 2023, up from 47.4 percent in 2017.⁶⁶ The record indicates that there were eight known producers of LW sacks, including the members of the domestic interested party, currently operating in the United States during the POR.⁶⁷ Several domestic producers invested in their production capacity during the POR, including by acquiring additional facilities and expanding existing production facilities.⁶⁸ Consequently, the domestic industry's production capacity was larger in 2023 (at *** million sacks) than it was at the end of the POI in 2017 (at 541.3 million sacks).⁶⁹

Subject imports were the smallest source of LW sacks in the U.S. market during the POR, accounting for only *** percent of apparent U.S. consumption by quantity in 2023,⁷⁰ which represents a substantial decrease from their 37.3 percent share in 2017.⁷¹

Nonsubject imports' share of apparent U.S. consumption by quantity was *** percent in 2023, up from 15.3 percent in 2017.⁷² The leading sources of nonsubject imports were India, China, and Thailand.⁷³

3. Substitutability

Original Investigations. The Commission found that there was a moderate-to-high degree of substitutability between subject imports and domestically produced LW sacks.⁷⁴ The Commission noted that a majority of U.S. producers, importers, and purchasers reported that domestically produced and subject LW sacks were always or frequently interchangeable.⁷⁵ The Commission also noted that purchasers reported both price and non-price factors (*e.g.*, quality and conditions of sale) were important in purchasing decisions, and domestically produced and

⁶⁴ *Original Determination*, USITC Pub. 4893 at 15. LW sacks imported from China have been subject to antidumping and countervailing duty orders since 2008. CR/PR at Table I-3.

⁶⁵ CR/PR at Table I-7.

⁶⁶ CR/PR at Table I-7.

⁶⁷ CR/PR at I-13.

⁶⁸ CR/PR at Table I-4.

⁶⁹ CR/PR at Table I-5.

⁷⁰ CR/PR at Table I-7.

⁷¹ CR/PR at Table I-7.

⁷² CR/PR at Table I-7.

⁷³ CR/PR at Table I-6.

⁷⁴ *Original Determination*, USITC Pub. 4893 at 16.

⁷⁵ *Original Determination*, USITC Pub. 4893 at 16.

subject imports were usually comparable in all of these factors.⁷⁶ Lastly, the Commission noted that the primary raw material used to produce LW sacks is polypropylene resin, and that the cost of raw materials accounted for *** of the domestic industry's total cost of goods sold.⁷⁷

Current Reviews. The record in these reviews contains no information to indicate that the degree of substitutability between the domestic like product and subject imports, or the importance of price and non-price factors in purchasing decisions, has changed since the original investigations. The domestic interested party notes the Commission's findings in the original investigations on the degree of substitutability between subject imports and the domestic like product and argues that there continues to be a "strong degree" of substitutability between the subject imports and the domestic like product, and price remains a critical factor in purchasing decisions in the LW sacks market.⁷⁸ In the absence of any new information, we again find a moderate-to-high degree of substitutability between subject imports and the domestic like product, and that both price and non-price factors are important in purchasing decisions.

C. Likely Volume of Subject Imports

Original Investigations. The volume of subject imports increased from 165.0 million sacks in 2015 to 245.2 million sacks in 2017.⁷⁹ Subject imports' share of apparent U.S. consumption increased from 28.1 percent in 2015 to 37.3 percent in 2017.⁸⁰ The Commission also found that subject imports captured market share at the direct expense of the domestic industry between 2015 and 2017.⁸¹ While recognizing that subject imports' volume and market share were lower in interim (January to September) 2018 than in interim 2017, the Commission noted that the parties agreed that the decline was a function of the pendency of the investigations.⁸² Therefore, the Commission gave principal weight to the full-year data for 2015 through 2017.⁸³ The Commission concluded that the volume of subject imports and the

⁷⁶ *Original Determination*, USITC Pub. 4893 at 16.

⁷⁷ Confidential Determination at 22-23.

⁷⁸ Domestic Interested Party's Response at 22.

⁷⁹ *Original Determination*, USITC Pub. 4893 at 17.

⁸⁰ *Original Determination*, USITC Pub. 4893 at 17.

⁸¹ *Original Determination*, USITC Pub. 4893 at 17.

⁸² *Original Determination*, USITC Pub. 4893 at 17.

⁸³ *Original Determination*, USITC Pub. 4893 at 17.

increase in that volume were significant, in both absolute terms and relative to apparent U.S. consumption, over the period of investigation.⁸⁴

Current Reviews. The orders appear to have a substantial disciplining effect on subject import volume, which declined from 118.0 million sacks in 2018 to 22.5 million sacks in 2019, and then was 29.8 million sacks in 2020, 24.4 million in 2021, 22.8 million in 2022, and 20.9 million in 2023.⁸⁵ Subject imports accounted for *** percent of apparent U.S. consumption by quantity in 2023, compared to 37.3 percent in 2017.

The record in these five-year reviews contains limited information on the subject industry in Vietnam. The domestic interested party provided a list of six possible producers or exporters of LW sacks from Vietnam, none of whom responded to the Commission's requests for information in these reviews.⁸⁶ The information available, however, indicates that subject producers have the means to export subject merchandise to the U.S. market at significant volumes if the orders were revoked.⁸⁷

The record indicates that the producers of LW sacks in Vietnam possessed substantial capacity during the POR. Published reports indicate that two of the six reported producers—Trung Dong Corporation and Trung Kien Joint Stock Company—alone possess an aggregate production capacity of 581 million sacks, equivalent to *** percent of apparent U.S. consumption in 2023.⁸⁸

The information available also indicates that the subject industry remains a large exporter. Global Trade Atlas ("GTA") data covering polyethylene and polypropylene bags and sacks under Harmonized Schedule ("HS") subheading 6305.33, which includes both LW sacks and out-of-scope merchandise, show that the value of exports from Vietnam increased irregularly from \$182.3 million in 2018 to \$176.5 million in 2019, \$185.2 million in 2020, \$225.7 million in 2021, and \$220.6 million in 2022.

The record also indicates that the U.S. market remains attractive to subject producers, as the market is comparatively large and prices are generally higher than in other markets.⁸⁹

⁸⁴ *Original Determination*, USITC Pub. 4893 at 17.

⁸⁵ CR/PR at Table I-6.

⁸⁶ Domestic Interested Party's Response at Exhibit 1.

⁸⁷ Domestic Interested Party's Response at 18-19.

⁸⁸ Domestic Interested Party's Response at 17-18, *calculated from* CR/PR at Table I-7.

⁸⁹ Domestic Interested Party's Response at 15 and Exhibit 4 (Global Imports of Laminated Woven Sacks from Vietnam: 2023). According to UN COMTRADE data submitted by the Domestic Interested Party, the average unit value of Vietnamese exports to the U.S. under HS subheading 6305.33 in 2023 (Continued...)

While under the disciplining effect of the orders, subject imports maintained a meaningful presence in the U.S. market,⁹⁰ indicating that they have an interest in selling to the United States and possess the distribution networks necessary to do so.

Given these considerations, including the significant volume and market share of subject imports during the original investigations, the continued presence of subject imports in the U.S. market during the POR, the large production capacity and export volume of the industry in Vietnam, and the attractiveness of the U.S. market, we find that the volume of subject imports from Vietnam would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.⁹¹

D. Likely Price Effects

Original Investigations. The Commission found widespread underselling by subject imports.⁹² Specifically, the Commission found that subject imports undersold the domestic like product in all 73 quarterly comparisons, at margins ranging from 4.1 percent to 44.5 percent.⁹³ It found further that, given the substitutability of the domestic like product and the subject imports and the importance of price in purchasing decisions, significant underselling caused the domestic industry to lose market share to subject imports.⁹⁴ The Commission also reviewed lost sales information, noting that 13 of the 18 responding purchasers reported purchasing subject imports instead of the domestic like product during the POI, with 12 of them indicating that subject imports were priced lower than the domestic like product and six of them reporting price as the primary reason for this purchasing decision.⁹⁵ The Commission found that there was significant underselling of the domestic like product by the subject imports, and that given the substitutability of the domestic like product and the subject imports and the importance of price in purchasing decisions, that significant underselling caused the domestic industry to lose market share to subject imports.⁹⁶

(...Continued)

was \$2.55 per kg, which was the third highest-valued export market (after the Philippines and Japan).
Id.

⁹⁰ CR/PR at Table I-6.

⁹¹ The record in these five-year reviews does not contain information concerning product shifting or inventories of subject merchandise. LW sacks from Vietnam are not subject to any known antidumping and countervailing duty measures in third country markets. CR/PR at I-21.

⁹² *Original Determination*, USITC Pub. 4893 at 18.

⁹³ *Original Determination*, USITC Pub. 4893 at 18.

⁹⁴ *Original Determination*, USITC Pub. 4893 at 18-19.

⁹⁵ *Original Determination*, USITC Pub. 4893 at 18-19.

⁹⁶ *Original Determination*, USITC Pub. 4893 at 19.

The Commission found that prices for the domestic product experienced both price increases and decreases.⁹⁷ It observed that price changes generally correlated with changes in raw material costs, leaving it unclear whether price changes were a function of subject imports or raw material cost trends.⁹⁸ Therefore, the Commission did not find that subject imports depressed prices for the domestic like product.⁹⁹

Likewise, the Commission did not find that subject imports prevented price increases for the domestic like product that otherwise would have occurred to a significant degree.¹⁰⁰ It noted that the domestic industry's ratio of cost of goods sold ("COGS") to net sales fluctuated during the POI.¹⁰¹ While the Commission noted Petitioner's argument that the domestic industry suffered a cost-price squeeze and several firms reported that they had to roll back announced price increases, the Commission found that purchaser data in the record did not corroborate the producers' assertions of lost revenues.¹⁰² Moreover, the Commission concluded that the record did not indicate that price increases were likely in light of domestic producers' falling unit COGS.¹⁰³

Current Reviews. As discussed in Section III.B.3 above, we have found that there is a moderate-to-high degree of substitutability between domestically produced LW sacks and subject imports, and that price is an important factor in purchasing decisions for LW sacks, among other important factors.

The record in these five-year reviews does not contain new product-specific pricing information. Based on the available information, including the moderate-to-high substitutability between the domestic like product and subject imports and the continuing importance of price in purchasing decisions, we find that if the orders were revoked, significant volumes of subject imports would likely undersell the domestic like product to a significant degree, as they did during the original investigations. Absent the disciplining effect of the orders, the likely significant volume of low-priced 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 subject imports would likely have significant price effects on the domestic like product if the orders were revoked.

⁹⁷ *Original Determination*, USITC Pub. 4893 at 19-20.

⁹⁸ *Original Determination*, USITC Pub. 4893 at 19-20.

⁹⁹ *Original Determination*, USITC Pub. 4893 at 19-20.

¹⁰⁰ *Original Determination*, USITC Pub. 4893 at 20.

¹⁰¹ *Original Determination*, USITC Pub. 4893 at 20.

¹⁰² *Original Determination*, USITC Pub. 4893 at 20.

¹⁰³ *Original Determination*, USITC Pub. 4893 at 20.

E. Likely Impact

Original Investigations. The Commission noted that the domestic industry's output, employment, and financial indicators generally declined from 2015 to 2017, notwithstanding the increasing apparent U.S. consumption of LW sacks during the same period.¹⁰⁴ Specifically, the Commission observed that the domestic industry's production, capacity utilization, U.S. shipments, and market share all declined from 2015 to 2017.¹⁰⁵ The industry's employment-related indicators—in particular, number of production-related workers, total hours worked, and wages paid—largely declined irregularly from 2015 to 2017.¹⁰⁶ Likewise, the domestic industry's financial indicators—including revenues, gross profits, operating income, operating income ratio, net income, capital expenditures, and research and development expenses—declined throughout the POI.¹⁰⁷ The Commission found that significant underselling by increased volumes of subject merchandise resulted in the domestic industry's production, shipments, and revenue being lower than they would have been otherwise, and that its financial indicators declined throughout the POI.¹⁰⁸ The Commission accordingly found that the subject imports had a significant impact on the domestic industry.¹⁰⁹

In its non-attribution analysis, the Commission found that, as nonsubject imports' market share decreased from 2015 to 2017, they could not explain the domestic industry's loss of market share over the same period.¹¹⁰ The Commission also found that the domestic industry competed in all segments of the LW sacks market and, therefore, rejected arguments that competition was attenuated because subject imports were primarily in the animal feed segment.¹¹¹ Likewise, the Commission dismissed the respondent's argument that non-price factors limited competition between subject imports and the domestic like product, because questionnaire data showed that the two were comparable with respect to almost all factors.¹¹²

¹⁰⁴ *Original Determination*, USITC Pub. 4893 at 21.

¹⁰⁵ *Original Determination*, USITC Pub. 4893 at 21.

¹⁰⁶ *Original Determination*, USITC Pub. 4893 at 22.

¹⁰⁷ *Original Determination*, USITC Pub. 4893 at 22.

¹⁰⁸ *Original Determination*, USITC Pub. 4893 at 22.

¹⁰⁹ *Original Determination*, USITC Pub. 4893 at 22. The Commission noted that the domestic industry's financial performance showed some improvement in interim 2018, but it found that these improvements were related to the pendency of the investigations. *Id.*

¹¹⁰ *Original Determination*, USITC Pub. 4893 at 23.

¹¹¹ *Original Determination*, USITC Pub. 4893 at 23.

¹¹² *Original Determination*, USITC Pub. 4893 at 23.

Lastly, the Commission found that the record did not support respondents' assertion that poor business decisions were responsible for the domestic industry's decline in performance.¹¹³

*Current Reviews.*¹¹⁴ The record in these five-year reviews contains limited information concerning the domestic industry's performance since the original investigations.¹¹⁵

The information available indicates that the domestic industry's production capacity in 2023 (at *** sacks) was higher than that in 2017 (at 541.3 million sacks), its production in 2023 (at *** sacks) was higher than in 2017 (at 317.1 million sacks), and its capacity utilization ratio in 2023 (at *** percent) was higher than in 2017 (at 58.6 percent).¹¹⁶

The average unit value ("AUV") of the domestic industry's U.S. shipments was higher in 2023 (at \$*** per sack) than in 2017 (at \$0.55 per sack).¹¹⁷ The domestic industry's shipments were higher in 2023 than in 2017 by both quantity (at *** sacks, as compared to 312.1 million sacks in 2017) and value (at \$***, as compared to \$172.4 million in 2017).¹¹⁸ The domestic industry's share of apparent U.S. consumption in 2023 (at *** percent) was also higher than in 2017 (at 47.4 percent).¹¹⁹

The domestic industry's net sales value was higher in 2023 (at \$***) than in 2017 (at \$***).¹²⁰ Similarly, the industry's gross profits (\$***), operating income (\$***), and operating income to net sales ratio (*** percent) were all higher in 2023 than in 2017 (at \$***, \$***, and

¹¹³ *Original Determination*, USITC Pub. 4893 at 23.

¹¹⁴ In its expedited review of the antidumping duty order on LW sacks from Vietnam, Commerce determined that revocation of the order would result in the continuation or recurrence of dumping, with margins of up to 292.61 percent. *Laminated Woven Sacks From the Socialist Republic of Vietnam: Final Results of Expedited First Sunset Review of the Antidumping Duty Order*, 89 Fed. Reg. 73627 (Sept. 11, 2024). Likewise, in its expedited review of the countervailing duty order on LW sacks from Vietnam, Commerce determined that revocation of the order would result in the continuation or recurrence of countervailing subsidies. *Laminated Woven Sacks From the Socialist Republic of Vietnam: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 89 Fed. Reg. 73633 (Sept. 11, 2024).

¹¹⁵ In the original investigations, domestic industry data were based on questionnaires from nine domestic producers and covered an estimated *** percent of U.S. production in 2017. See CR/PR at I-13; *Original Determination*, USITC Pub. 4893 at 3. In these reviews, the domestic industry data are from only two domestic producers and cover only an estimated *** percent of domestic production in 2023. See CR/PR at I-2 and Table I-2. Therefore, domestic industry data during the POI and POR may not be comparable.

¹¹⁶ CR/PR at Table I-5.

¹¹⁷ CR/PR at Table I-5.

¹¹⁸ CR/PR at Table I-5.

¹¹⁹ CR/PR at Table I-7.

¹²⁰ CR/PR at Table I-5.

*** percent, respectively), while the COGS to net sales ratio (at *** percent) remained relatively stable (as compared to *** percent).¹²¹ This 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 subject imports that likely would 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, significant volumes of low-priced subject imports would likely capture sales and market share from the domestic industry and/or depress or suppress prices to a significant degree for the domestic like product. The likely significant volume of low-priced 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, subject imports from Vietnam 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. Nonsubject imports have substantially increased their presence in the U.S. market since the original investigations, accounting for *** percent of apparent U.S. consumption in 2023, as compared to 15.3 percent in 2017.¹²² The record provides no indication, however, that the presence of nonsubject imports would prevent subject imports from Vietnam from significantly increasing their presence in the U.S. market after revocation. 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, it is likely that the increase in low-priced subject imports would come at least in part at the expense of the domestic industry and/or depress or suppress prices for the domestic like product. Consequently, we find that any future effects of nonsubject imports would be distinct from the likely effects attributable to subject imports and that nonsubject imports would not prevent subject imports from having a significant impact on the domestic industry.

¹²¹ CR/PR at Table I-5.

¹²² CR/PR at Table I-7.

In summary, we conclude that if the orders were revoked, subject imports of LW sacks from Vietnam would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping and countervailing duty orders on LW sacks from Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Information obtained in these reviews

Background

On May 1, 2024, 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 and countervailing duty orders on laminated woven sacks (“LW sacks”) from Vietnam would be likely to lead to continuation or recurrence of material injury.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.³⁴ Table I-1 presents information relating to the background and schedule of this proceeding:

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

Effective date	Action
May 1, 2024	Notice of initiation by Commerce (89 FR 35073, May 1, 2024)
May 1, 2024	Notice of institution by Commission (89 FR 35241, May 1, 2024)
August 5, 2024	Commission’s vote on adequacy (89 FR 77544, September 23, 2024)
September 11, 2024	Commerce’s results of its expedited reviews (89 FR 73627, September 11, 2024; 89 FR 73633, September 11, 2024)
November 15, 2024	Commission’s determinations and views

¹ 19 U.S.C. 1675(c).

² 89 FR 35241, May 1, 2024. 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 and countervailing duty orders. 89 FR 35073, May 1, 2024. 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 Laminated Woven Sacks Fair Trade Coalition, a trade association consisting of members that manufacture, produce or wholesale LW sacks (collectively referred to herein as “domestic interested party”).⁵

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
LW sacks: Summary of responses to the Commission’s notice of institution

Interested party type	Number	Coverage
U.S. trade association	1	***0%

Note: The U.S. trade association coverage figure presented is the domestic interested party’s estimate of its share of total U.S. production of LW sacks during 2023. Domestic interested party’s response to the notice of institution, May 31, 2024, exh. 1, and supplemental response, June 17, 2024, p. 2.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the Laminated Woven Sacks Fair Trade Coalition. The Laminated Woven Sacks Fair Trade Coalition requests that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on LW sacks.⁶

The original investigations

The original investigations resulted from petitions filed with Commerce and the Commission by Polytex, Houston, Texas, and ProAmpac, Cincinnati, Ohio, combined as

⁵ The trade association consists of: Polytex Fibers Corporation (“Polytex”) and ProAmpac Holdings Inc. (“ProAmpac”).

⁶ Domestic interested party’s comments on adequacy, July 9, 2024, p. 2.

Laminated Woven Sacks Fair Trade Coalition, on March 7, 2018.⁷ On April 11, 2019, Commerce determined that imports of LW sacks from Vietnam were being sold at less than fair value (“LTFV”) and subsidized by the Government of Vietnam.⁸ The Commission determined on May 22, 2019, that the domestic industry was materially injured by reason of LTFV and subsidized imports of LW sacks from Vietnam.⁹ On June 4, 2019, Commerce issued its antidumping and countervailing duty orders with final weighted-average dumping margins ranging from 109.46 to 292.61 percent and net subsidy rates ranging from 3.02 to 198.87 percent.¹⁰

Previous and related investigations

The Commission has conducted two previous import relief investigations on LW sacks, as presented in table I-3.

Table I-3
LW sacks: Previous and related Commission proceedings and current status

Date	Number	Country	ITC original determination	Current status
2008	701-TA-450	China	Affirmative	Order continued after second review, August 28, 2019. The Commission instituted the third review on July 1, 2024, and is ongoing.
2008	731-TA-1122	China	Affirmative	Order continued after second review, August 28, 2019. The Commission instituted the third review on July 1, 2024, and is ongoing.

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.

⁷ Laminated Woven Sacks from Vietnam, Inv. Nos. 701-TA-601 and 731-TA-1411 (Final), USITC Publication 4893, May 2019 (“Original publication”), p. I-1.

⁸ 84 FR 14651, April 11, 2019; 84 FR 14647, April 11, 2019.

⁹ 84 FR 25070, May 30, 2019.

¹⁰ 84 FR 25753, June 4, 2019.

Commerce's five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of LW sacks from Vietnam with the intent of issuing the final results of these reviews based on the facts available not later than August 29, 2024.¹¹ Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <https://access.trade.gov/public/FRNoticesListLayout.aspx> and subsequently on the Commission's Electronic Document Information System ("EDIS"). 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 antircumvention, 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 and countervailing duty orders on imports of LW sacks from Vietnam 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 covered by these orders is laminated woven sacks. Laminated woven sacks are bags consisting of one or more plies of fabric consisting of woven polypropylene strip and/or woven polyethylene strip, regardless of the width of the strip; with or without an extrusion coating of polypropylene and/or polyethylene on one or both sides of the fabric; laminated by any method either to an exterior ply of plastic film such as biaxially-oriented polypropylene (BOPP), polyester (PET), polyethylene (PE), nylon, or any film suitable for printing, or to an exterior ply of paper; printed; displaying, containing, or comprising three or more visible colors (e.g., laminated woven sacks printed with three different shades of blue would be covered by the scope), not including the color of the woven

¹¹ Letter from Eric Greynolds, Office Director, Office IV, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, June 21, 2024.

fabric; regardless of the type of printing process used; with or without lining; with or without handles; with or without special closing features (including, but not limited to, closures that are sewn, glued, easy-open (e.g., tape or thread), re-closable (e.g., slider, hook and loop, zipper), hot-welded, adhesive-welded, or press-to-close); whether finished or unfinished (e.g., whether or not closed on one end and whether or not in roll form, including, but not limited to, sheets, lay-flat, or formed in tubes); not exceeding one kilogram in actual weight. Laminated woven sacks produced in the Socialist Republic of Vietnam are subject to the scope regardless of the country of origin of the fabric used to make the sack.

The scope of these orders excludes laminated woven sacks having each of the following physical characteristics: (1) No side greater than 24 inches, (2) weight less than 100 grams, (3) an open top that is neither sealable nor closable, the rim of which is hemmed or sewn around the entire circumference, (4) carry handles sewn on the open end, (5) side gussets, and (6) either a bottom gusset or a square or rectangular bottom. The excluded items with the above-mentioned physical characteristics may be referred to as reusable shopping bags.

U.S. tariff treatment

LW sacks are currently imported under the Harmonized Tariff Schedule of the United States (“HTS”) statistical reporting numbers 6305.33.0040 and 6305.33.0080.^{12 13} Laminated woven sacks that are produced in Vietnam are assessed a column 1-general duty rate of 8.4 percent ad valorem under subheading 6305.33.00. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

¹² As noted in the scope set forth by Commerce, variations introduced at various steps of the manufacturing process may result in the classification of the LW sacks under other HTS headings (subheadings are noted in the above scope definition): 3719 or 3921, if entered in rolls or tubes; 3923, if the fabric is coated with plastic on both sides prior to lamination to the BOPP or paper; 4601 and 4602, if the fabric is made of polypropylene or polyethylene strips that measure more than 5 mm in width; or 5903, if presented as rolls of coated fabric.

¹³ HTS statistical reporting number 6305.33.0080 is a residual or “basket” category for goods of polyethylene or polypropylene strip or the like that each weigh less than one kilogram.

Description and uses¹⁴

The merchandise covered by these investigations are LW sacks, which are bags consisting of one or more plies of fabric of woven polypropylene strip and/or polyethylene strip that are laminated¹⁵ or bonded to an exterior ply of plastic film such as biaxially-oriented polypropylene (“BOPP”)¹⁶, polyester (PET), polyethylene (PE), nylon, or any film suitable for printing, or to an exterior ply of paper.¹⁷ The exterior ply is printed in three or more colors; it is usually aligned and printed at three or more separate print stations, each containing a different color, creating multicolor, high-quality print graphics. The printed outer ply serves as the point-of-sale advertising for packaged consumer goods. LW sacks are commonly referred to as laminated woven polypropylene bags or sacks, laminated woven polyethylene bags or sacks, or laminated woven bags or sacks.

LW sacks come in assorted sizes but are generally used for products that weigh over 12 pounds. They have resistance capabilities that make them suitable for various types and quantities of packaged products. Their dimensions, number of plies, size, strength, closure, color, coating, and printing are specified by manufacturers of packaged consumer goods as needed to serve their retail customers. LW sacks may be lined or unlined. LW sacks may or may not have a thin layer of plastic film over the print medium. For sewn-bottom LW sacks, the bottom is either folded over and stitched, or a separate polypropylene strip is folded over one end of the fabric and sewn to create a closure at the bottom. For pinch bottom stepped style

¹⁴ Unless otherwise noted, this information is based on the original publication, pp. I-8 to I-9.

¹⁵ “Laminated fabric” is two or more layers of cloth joined together with rubber, resin, adhesive plastic, etc. to form one ply; or a fabric backed and bonded to a plastic sheet. The subject LW sacks are made from a man-made fiber woven fabric joined by a layer of adhesive plastic to an outer layer of either plastic film, or paper, to form one ply of “laminated fabric.”

¹⁶ BOPP is a film material comprised of polypropylene that is created through biaxial stretching, resulting in mechanical performance both vertically and horizontally. The film is usually a multilayer film that relates to three-layer structures: One thick layer of polypropylene sandwiched between two thin layers of polypropylene. Properties include strength and tear resistance, water resistance, high strength, temperature resistance, high gloss, transparency, and printability. BOPP films have become more popular in the world market because of their unusual combination of properties: seals well, twist retention and barrier, transparency, and stiffness. Orientation of the polypropylene increases the strength of the film while improving barrier and optical properties. Source: Chalvo.com, “The Ultimate Guide to Bopp Films,” [The Ultimate Guide to Bopp Films - Chalvo Packaging Film](#), accessed July 10, 2024; Hubei Firsta Material Science and Technology Group Co., Ltd., “BOPP Films,” [BOPP Films \(firstagroup.com\)](#), accessed July 10, 2024.

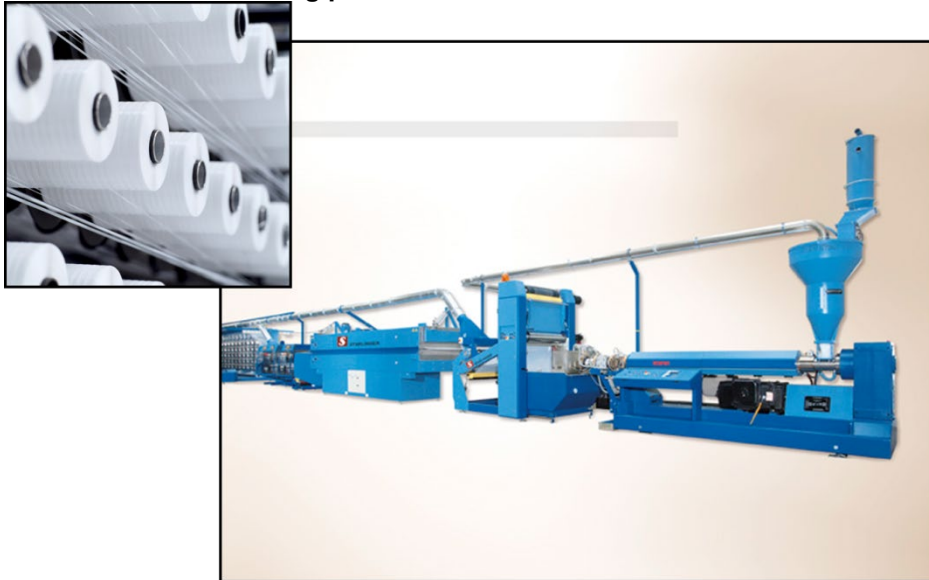
¹⁷ For sacks and bags where the woven fabric of polypropylene and/or polyethylene strip is laminated to an outer ply of paper (in the place of an outer ply of plastics sheeting), then the LW sacks would be classified under HTSUS 6305.33.0080.

LW sacks, the bottom is folded over and glued, or heat sealed to provide a more hermetic seal without sew holes.¹⁸ LW sacks resist puncture and tearing and are resistant to moisture, grease, and oil. The subject LW sacks are sold and used primarily as packaging for retail products such as pet food, animal feed, and dry or semi-dry food items.¹⁹

Manufacturing process²⁰

The production of LW sacks involves several separate staged operations, which allow for a producer to enter into the production scheme at a number of different steps, resulting in a variation of starting materials. For vertically integrated producers the first step is to melt polypropylene pellets and extrude a plastic sheet of a specific thickness (see figure I-1).

Figure I-1
LW sacks: Extrusion and slitting process



Source: Original publication, p. I-10.

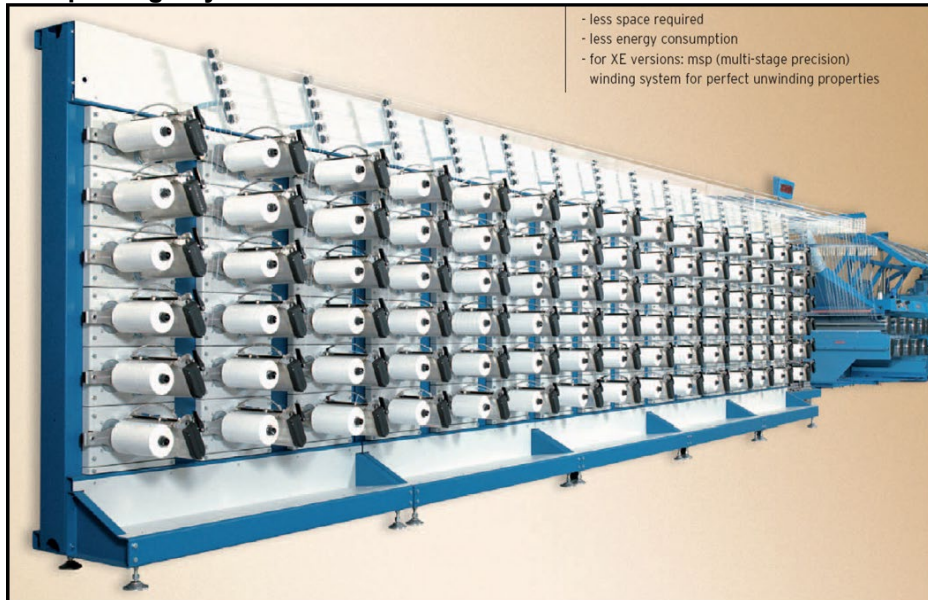
¹⁸ Petitioners during the original investigations noted that pinch bottom style LW sacks are often used for products that lay on a store shelf and present the bottom of the bag as a “billboard effect” for product recognition.

¹⁹ The strength, tear resistance, and light-weight quality of LW sacks combined with the high-quality print graphic potential of the BOPP (or other film) make the product distinct from quad seal bags, which are made from different raw materials than LW sacks—polyethylene terephthalate (PET) and polyethylene (PE) —are not made from woven fabric, and generally have higher overall manufacturing costs. Petitioners during the original investigations also noted that quad seal bags are generally used for higher-end, niche pet food markets.

²⁰ Unless otherwise noted, this information is based on the original publication, pp. I-9 to I-14.

The plastic sheets are then cut into thin flat strips that are spooled onto a bobbin for weaving into fabric (see figures I-2 and I-3).

Figure I-2
LW sacks: Spooling of yarn



Source: Original publication, p. I-10.

Figure I-3
LW sacks: Weaving process



Source: Original publication, p. I-11

Non-integrated producers may purchase or import the fabric used to make LW sacks. Regardless of the origin of the fabric, all LW sacks manufacturers use a printing press²¹ to print graphics onto the outer layer or laminate, whether that is reverse-printing to BOPP film (so that the graphic will be protected once the film and the fabric are bonded together), or to a paper sheet (see figure I-4).

Figure I-4
LW sacks: Printing press

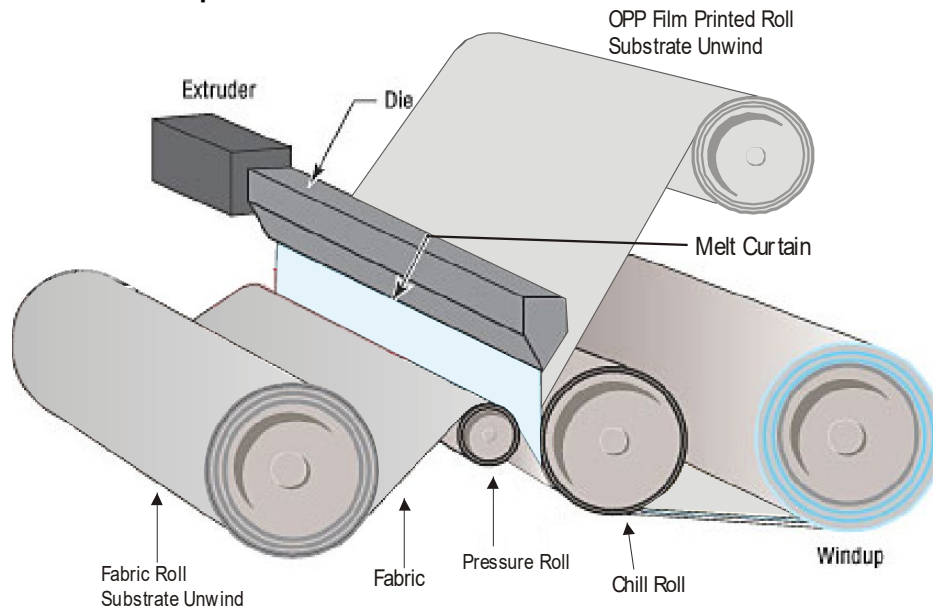


Source: Original publication, p. I-12.

²¹ During the original investigations, participants noted that LW sacks produced in the United States typically use a flexographic printing process, while LW sacks produced in Vietnam typically use a rotogravure printing process. Flexographic printing is a relief printing technique, similar to letterpress, in which ink is transferred from a raised printing plate using fast drying inks that are water-based. Rotogravure printing is an engraved printing process that uses rotary printing and solvent based ink. Each color requires its own plate or cylinder, and the individual colors can be combined to create many more colors through process printing. According to the petitioners during the original investigations, even though LW sacks produced in the United States and those produced in Vietnam use different printing processes, there is no difference in print quality between the two.

Once printed, the roll of film or paper is laminated to the fabric with a layer of liquid polypropylene (see figure I-5).

Figure I-5
LW sacks: Lamination process



Source: Original publication, p. I-12.

The roll of laminated fabric is next sent to a tuber where it is formed into a continuous tube, the longitudinal back seam is closed with a melted resin produced by an extruder, and finally, the tube is cut into individual pieces and finished on bag conversion lines (see figure I-6).²²

Figure I-6
LW sacks: Tubing process



Source: Original publication, p. I-13.

²² Tubing equipment may vary depending on the style of closure, uses and purposes of the bag.

Each sack is finished by either sewing the bottom and applying closure tape and the pull tape for easy opening (see figure I-7), or by using glue or heat to seal the end in a pinch-closure style. LW sacks that are folded over and glued or heat sealed provide a more hermetic seal without sew holes.²³ As with the tubing equipment, the converting equipment (for closing the bottom of the bag) may vary depending on the style of closure, uses and purposes of the bag.

Figure I-7
LW sacks: Sewn end closure



Source: Original publication, p. I-14.

Note: Not all LW sacks have sewn closures.

²³ During the original investigations, one foreign producer commented that closing LW sacks by hot air—rather than hot melt glue—is also an option for producers. This method melts the woven fabric in the pinch bottom style. Petitioners during the original investigations noted that the pinched closure is a more economical way to close LW sacks than sewn closures because it requires less material (the tape and materials used during the sewing process).

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 nine firms, which accounted for approximately *** percent of production of LW sacks in the United States during 2017.²⁴

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of eight known and currently operating U.S. producers of LW sacks. Two firms providing U.S. industry data in response to the Commission's notice of institution accounted for *** percent of production of LW sacks in the United States during 2023.²⁵

Recent developments

Table I-4 presents events in the U.S. industry that have occurred since the Commission's original investigations.

²⁴ Investigation Nos. 701-TA-601 and 731-TA-1411 (Final): Laminated Woven Sacks from Vietnam, Confidential Report, INV-RR-031, April 22, 2019 ("Original confidential report"), p. III-1.

²⁵ Domestic interested party's response to the notice of institution, May 31, 2024, exh. 1, and supplemental response, June 17, 2024, pp. 1 to 2 and exh. 1.

Table I-4
LW sacks: Recent developments in the U.S. industry

Item	Firm	Event
Acquisition	ProAmpac	U.S. producer ProAmpac acquired several foreign companies during 2021: El Dorado Packaging in April, U.K.-based Ultimate Packaging in July, Ireland-based packaging manufacturers Flexible Packaging and Fispak in November, and Canadian packaging company Gelpac.
Acquisition	Graphic Packaging International	Graphic Packaging International, owned by U.S. producer Mondi Group, acquired Bell Inc. (a producer of packaging for confectionary products based in South Dakota and Ohio) in September 2023.
Acquisition	Hood Packaging	In January 2020, former U.S. producer of LW sacks TC Transcontinental sold its paper and woven polypropylene packaging operations to Hood Packaging Corporation (both were U.S. producers during the original investigations), including its woven polypropylene packaging operations at the Transcontinental Spartanburg, South Carolina plant.
Acquisition	Robinette Company	U.S. producer Robinette Company of Bristol, Tennessee, a full-service sustainable packaging company, was acquired by Flex-Pack (also a U.S. producer located in St. Louis, MO), April 18, 2024.
Acquisition	Standard Bag Manufacturing Co.	Standard Bag Manufacturing Co., a U.S. domestic producer of LW sacks, (in business since 1985, with operations in Beaverton, Oregon and Lubbock, Texas) was acquired by Montreal-based Gelpac, May 2023.
Expansion	***	***.

Source: Businesswire.com, "ProAmpac Acquires Ultimate Packaging," July 1, 2021, [ProAmpac Acquires Ultimate Packaging | Business Wire](#), retrieved June 24, 2024; Petfoodindustry.com, "ProAmpac Acquires El Dorado Packaging," April 21, 2021, [ProAmpac acquires El Dorado Packaging | PetfoodIndustry](#), retrieved June 24, 2024; Businesswire.com, "ProAmpac Acquires Irish Flexible Packaging and Fispak." November 4, 2021, [ProAmpac Acquires Irish Flexible Packaging and Fispak | Business Wire](#), retrieved June 24, 2024; packagingdive.com, Proampac.com, Proampac to Acquire Gelpac From an Investor Group Led by Namakor," March 13, 2024; [ProAmpac to Acquire Gelpac From an Investor Group Led by Namakor, and Supported by W Investments](#), Retrieved July 10, 2024; Packagingdive.com, "Graphic Packaging Closes \$262.5M Acquisition of Folding Carton Company Bell." September 11, 2023, [Graphic Packaging closes \\$262.5M acquisition of folding carton company Bell | Packaging Dive](#), retrieved June 24, 2024; tctranscontinental.com, "TC Transcontinental closes sale to Hood Packaging Corporation," January 20, 2020; tctranscontinental.com, "TC Transcontinental Closes Sale to Hood Packaging Corporation," January 20, 2020, [TC Transcontinental closes sale to Hood Packaging Corporation | TC Transcontinental](#), retrieved July 10, 2024; marketscreener.com, "Update on Plex Pack Proposal," May 13, 2024, [JZ Capital Partners Ltd - Update on Flex Pack Proposal - MarketScreener](#), retrieved June 26, 2024; prnewswire.com, "Gelpac Announces the Strategic Acquisition of Standard Multiwall Bag MFG. Co.," May 17, 2023, [GELPAC ANNOUNCES THE STRATEGIC ACQUISITION OF STANDARD MULTIWALL BAG MFG. CO. \(prnewswire.com\)](#), retrieved June 26, 2024; domestic interested party's supplemental response to the notice of institution, June 17, 2024, p. 2

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.²⁶ Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews.

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

Quantity in 1,000 sacks; value in 1,000 dollars; unit value in dollars per sack; ratio in percent

Item	Measure	2015	2016	2017	2023
Capacity	Quantity	477,205	500,098	541,250	***
Production	Quantity	349,894	335,544	317,139	***
Capacity utilization	Ratio	73.3	67.1	58.6	***
U.S. shipments	Quantity	326,467	317,874	312,103	***
U.S. shipments	Value	195,280	181,285	172,449	***
U.S. shipments	Unit value	0.60	0.57	0.55	***
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 2023, data are compiled using data submitted by the domestic interested party. Domestic interested party's response to the notice of institution, May 31, 2024, exh. 1.

Note: ***. The difference between 2023 net sales value and U.S. shipments value is attributable to ***. Domestic interested party's response to the notice of institution, May 31, 2024, exh. 1, and supplemental response, June 17, 2024, p. 2.

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

²⁶ The domestic interested party's 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.²⁷

In its original determinations, the Commission defined a single domestic like product to include all laminated woven sacks, coextensive with Commerce's scope, and defined the domestic industry to consist of all U.S. producers of laminated woven sacks. One Commissioner defined the domestic industry differently.²⁸

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 39 firms, which accounted for virtually all U.S. imports of LW sacks from Vietnam during 2017.²⁹ Import data presented in the original investigations are based on questionnaire responses. 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 party provided a list of nine potential U.S. importers of LW sacks.³⁰

U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports from Vietnam as well as the other top sources of U.S. imports (shown in descending order of 2023 imports by quantity).

²⁷ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

²⁸ 89 FR 35241, May 1, 2024. Commissioner Broadbent found that, on balance, the evidence weighed in favor of excluding both Central Bag and *** as related parties. Confidential Opinion in Laminated Woven Sacks from Vietnam, Inv. Nos. 701-TA-601 and 731-TA-1411 (Final), EDIS Doc. No. 677081, May 24, 2019, p. 13, fn. 49.

²⁹ Original publication, p. IV-1.

³⁰ Domestic interested party's response to the notice of institution, May 31, 2024, exh. 1.

Table I-6
LW sacks: U.S. imports, by source and period

Quantity in 1,000 sacks; value in 1,000 dollars; unit value in dollars per sack

U.S. imports from	Measure	2018	2019	2020	2021	2022	2023
Vietnam	Quantity	117,980	22,447	29,758	24,362	22,751	20,878
India	Quantity	48,633	77,384	80,189	91,770	96,012	100,713
China	Quantity	71,558	79,674	67,381	90,056	65,924	41,729
Thailand	Quantity	7,766	83,870	54,692	22,364	18,059	39,638
All other sources	Quantity	142,257	162,567	177,114	151,168	136,189	139,254
Nonsubject sources	Quantity	270,214	403,496	379,377	355,357	316,184	321,333
All import sources	Quantity	388,194	425,943	409,134	379,720	338,935	342,211
Vietnam	Value	41,353	6,716	9,357	8,230	8,588	5,568
India	Value	14,597	25,126	24,001	31,444	35,222	32,414
China	Value	30,379	30,678	28,251	46,471	34,508	16,033
Thailand	Value	3,714	40,594	25,854	10,386	8,874	18,388
All other sources	Value	57,222	66,937	69,133	71,359	78,004	69,836
Nonsubject sources	Value	105,911	163,335	147,240	159,660	156,608	136,670
All import sources	Value	147,264	170,051	156,596	167,890	165,196	142,239
Vietnam	Unit value	0.35	0.30	0.31	0.34	0.38	0.27
India	Unit value	0.30	0.32	0.30	0.34	0.37	0.32
China	Unit value	0.42	0.39	0.42	0.52	0.52	0.38
Thailand	Unit value	0.48	0.48	0.47	0.46	0.49	0.46
All other sources	Unit value	0.40	0.41	0.39	0.47	0.57	0.50
Nonsubject sources	Unit value	0.39	0.40	0.39	0.45	0.50	0.43
All import sources	Unit value	0.38	0.40	0.38	0.44	0.49	0.42

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 6305.33.0040 and 6305.33.0080, accessed June 18, 2024.

Note: These data were converted from kilograms to individual sacks using a conversion factor of 907 kilograms being equivalent to 8,000 sacks. Import data might be understated as LW sacks can be imported under other HTS statistical reporting numbers depending on physical characteristics they possess, such as being coated on both sides or if they are imported in roll form (see section on “U.S. tariff treatment”).

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

Apparent U.S. consumption and market shares

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

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

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

Source	Measure	2015	2016	2017	2023
U.S. producers	Quantity	326,467	317,874	312,103	***
Vietnam	Quantity	165,049	221,138	245,387	20,878
Nonsubject sources	Quantity	95,556	114,299	100,521	321,333
All import sources	Quantity	260,605	335,437	345,908	342,211
Apparent U.S. consumption	Quantity	587,072	653,311	658,011	***
U.S. producers	Value	195,280	181,285	172,449	***
Vietnam	Value	72,849	94,239	99,876	5,568
Nonsubject sources	Value	41,094	46,979	41,429	136,670
All import sources	Value	113,943	141,218	141,305	142,239
Apparent U.S. consumption	Value	309,223	322,503	313,754	***
U.S. producers	Share of quantity	55.6	48.7	47.4	***
Vietnam	Share of quantity	28.1	33.8	37.3	***
Nonsubject sources	Share of quantity	16.3	17.5	15.3	***
All import sources	Share of quantity	44.4	51.3	52.6	***
U.S. producers	Share of value	63.2	56.2	55.0	***
Vietnam	Share of value	23.6	29.2	31.8	***
Nonsubject sources	Share of value	13.3	14.6	13.2	***
All import sources	Share of value	36.8	43.8	45.0	***

Source: For the years 2015-17, data are compiled using data submitted in the Commission's original investigations. For the year 2023, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 6305.33.0040 and 6305.33.0080, accessed June 17, 2024.

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

Note: For 2015 to 2017, apparent U.S. consumption is derived from U.S. shipments of imports, rather than U.S. imports.

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

The industry in Vietnam

Producers in Vietnam

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from six firms, which accounted for approximately 44 percent of production of LW sacks in Vietnam during 2017, and these firms' exports to the United States accounted for approximately 74 percent of LW sack imports from Vietnam to the United States during 2017.³¹

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested party provided a list of six possible producers or exporters of LW sacks in Vietnam.³²

Recent developments

Table I-8 presents events in the Vietnamese industry since the Commission's final investigation.

Table I-8
LW sacks: Recent developments in the Vietnamese industry

Item	Firm	Event
Began export operations	Tan Hung Co. Manufacturing and Trading Company Limited	Tan Hung is a manufacturer of laminated woven sacks in Vietnam. As of 2022, the company began serving overseas customers.
New Technology	Phu My Plastics	Vietnam's Phu My Plastics, an LW sacks producer, selected technology for a new plant in Ba Ria, Vung Tau Province, Vietnam. The company also gave a contract to Honeywell UOP LLC to provide processing technology for the new facility (2019, date unspecified).

Source: Marketscreener.com, "InkTec Co., Ltd. Agreed to Acquire Haeun Chemtec Co., Ltd." September 6, 2021, [InkTec Co., Ltd. agreed to acquire Haeun Chemtec Co., Ltd. - MarketScreener](#), retrieved June 25, 2024; thcmasterbatch.com, "About Us," 2022, [About Us | Tan Hung Co Masterbatch & Compound | Vietnam \(thcmasterbatch.com\)](#), retrieved June 25, 2024; Commoplast.com, "Update: Vietnam's Phu My Selected Technology for New PP Plant," May 24, 2019, [CommoPlast | Article - UPDATE: Vietnam's Phu My selected technology for new PP plant](#); up.honeywell.com, "Plastics Manufacturer in Vietnam Taps Honeywell Technology to Produce Propylene," March 12, 2019, [Plastics Manufacturer In Vietnam \(honeywell.com\)](#), retrieved June 25, 2024; Packaging-gateway.com, "Phu My Plastics to use Honeywell

³¹ Original publication, pp. VII-2-3.

³² Domestic interested party's response to the notice of institution, May 31, 2024, exh. 1.

Technology at Vietnamese Facility,” March 14, 2019, [Phu My Plastics to use Honeywell technology at Vietnamese facility \(packaging-gateway.com\)](https://www.digitalrefining.com/news/Phu-My-Plastics-to-use-Honeywell-technology-at-Vietnamese-facility-packaging-gateway-com/), retrieved June 25, 2024; digitalrefining.com, “Plastics Manufacturer in Vietnam Select Honeywell Technology to Produce Propylene,” December 3, 2019, [Plastics manufacturer in Vietnam selects Honeywell technology to produce propylene \(digitalrefining.com\)](https://www.digitalrefining.com/news/Plastics-manufacturer-in-Vietnam-selects-Honeywell-technology-to-produce-propylene-digitalrefining-com/), retrieved July 1, 2024

Exports

Table I-9 presents export data for polyethylene and polypropylene bags and sacks, a category that includes LW sacks and out-of-scope products, from Vietnam (by export destination in descending order of value for 2023).³³

Table I-9
Polyethylene and polypropylene bags and sacks: Value of exports from Vietnam, by destination and year

Value in 1,000 dollars

Destination market	2018	2019	2020	2021	2022	2023
Philippines	15,894	13,458	18,707	21,445	23,267	17,549
Cambodia	8,576	15,316	16,364	22,283	21,292	NA
South Korea	13,137	18,964	17,117	18,410	20,250	14,145
United States	41,426	16,384	18,522	20,638	19,336	9,260
Thailand	12,410	14,642	13,204	18,411	17,393	16,834
Myanmar	2,055	4,776	12,245	18,849	16,730	NA
Australia	10,488	7,627	9,386	15,375	16,157	NA
Canada	10,645	9,230	10,041	15,552	14,570	14,569
Malaysia	15,470	11,778	11,329	10,076	10,550	10,550
Russia	6,332	8,107	10,733	11,261	7,381	NA
Japan	5,065	10,478	9,737	6,238	6,754	NA
All other markets	45,890	91,504	37,792	47,154	6,644	NA
All markets	182,322	176,511	185,178	225,694	220,632	NA

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 6305.33 accessed June 26, 2024. For 2023, the data presented are for official imports from Vietnam under HS subheading 6305.33 as reported by various national statistical reporting authorities (constructed export statistics for Vietnam). These data may be overstated as HS subheading 6305.33 may contain products outside the scope of this review.

Note: NA represents missing data from the respective countries who have not yet reported trade data.

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

³³ The category polyethylene and polypropylene bags and sacks includes out-of-scope merchandise such as LW sacks weighing more than one kilogram and LW sacks with less than three colors.

Third-country trade actions

There are no known trade remedy actions on LW sacks in third-country markets.

The global market

Table I-10 presents global export data for polyethylene and polypropylene bags and sacks, a category that includes LW sacks and out-of-scope products (by source in descending order of value for 2023).

Table I-10

Polyethylene and polypropylene bags and sacks: Value of global exports by country and period

Value in 1,000 dollars

Exporting country	2018	2019	2020	2021	2022	2023
China	999,970	887,750	807,763	971,013	1,023,204	965,305
Vietnam	182,322	176,511	185,178	225,694	220,632	NA
Thailand	117,230	158,227	121,132	105,290	102,124	86,632
Turkey	131,543	121,070	128,554	148,350	147,165	121,759
Iran	111,454	74,051	69,106	74,835	NA	NA
Indonesia	50,775	38,294	37,118	42,409	35,985	21,265
Egypt	25,759	33,675	36,894	54,009	63,551	53,839
Mexico	33,483	26,911	26,054	21,495	22,224	18,647
United States	20,645	26,141	29,183	35,203	39,748	30,641
Cote d'Ivoire	23,284	24,245	23,674	27,012	35,081	NA
All other exporters	386,530	435,966	422,574	518,396	481,541	364,874
All exporters	2,082,975	2,002,840	1,887,230	2,223,706	NA	NA

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 6305.33 accessed June 26, 2024. These data may be overstated as HS subheading 6305.33 may contain products outside the scope of this review.

Note: NA represents missing data from the respective countries who have not yet reported trade data.

Note: Because of rounding, figures may not add to totals 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
89 FR 35241 May 1, 2024	<i>Laminated Woven Sacks From Vietnam; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2024-05-01/pdf/2024-09364.pdf
89 FR 35073 May 1, 2024	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2024-05-01/pdf/2024-09424.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

* * * * *

APPENDIX C

SUMMARY DATA

Table C-1

LW Sacks: Summary data concerning the U.S. market, 2015-17, January to September 2017, and January to September 2018

(Quantity=1,000 sacks; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per sacks; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		January to September			Calendar year			Jan-Sep
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
U.S. consumption quantity:									
Amount.....	587,072	653,311	658,011	485,612	475,629	12.1	11.3	0.7	(2.1)
Producers' share (fn1).....	55.6	48.7	47.4	47.9	48.9	(8.2)	(7.0)	(1.2)	1.1
Importers' share (fn1):									
Vietnam (subject).....	28.1	33.8	37.3	37.3	32.7	9.2	5.7	3.4	(4.5)
Cambodia.....	***	***	***	***	***	***	***	***	***
Honduras.....	***	***	***	***	***	***	***	***	***
All other sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	16.3	17.5	15.3	14.9	18.3	(1.0)	1.2	(2.2)	3.5
All import sources.....	44.4	51.3	52.6	52.1	51.1	8.2	7.0	1.2	(1.1)
U.S. consumption value:									
Amount.....	309,223	322,503	313,754	237,985	236,998	1.5	4.3	(2.7)	(0.4)
Producers' share (fn1).....	63.2	56.2	55.0	54.9	57.0	(8.2)	(6.9)	(1.2)	2.1
Importers' share (fn1):									
Vietnam (subject).....	23.6	29.2	31.8	32.5	28.2	8.3	5.7	2.6	(4.3)
Cambodia.....	***	***	***	***	***	***	***	***	***
Honduras.....	***	***	***	***	***	***	***	***	***
All other sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	13.3	14.6	13.2	12.5	14.8	(0.1)	1.3	(1.4)	2.2
All import sources.....	37	44	45	45	43	8.2	6.9	1.2	(2.1)
U.S. shipments of imports from:									
Vietnam (subject):									
Quantity.....	165,049	221,138	245,387	180,987	155,643	48.7	34.0	11.0	(14.0)
Value.....	72,849	94,239	99,876	77,418	66,873	37.1	29.4	6.0	(13.6)
Unit value.....	\$0.44	\$0.43	\$0.41	\$0.43	\$0.43	(7.8)	(3.4)	(4.5)	0.4
Ending inventory quantity.....	48,535	39,364	48,483	39,486	37,268	(0.1)	(18.9)	23.2	(5.6)
Cambodia									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Honduras									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity.....	95,556	114,299	100,521	72,215	87,232	5.2	19.6	(12.1)	20.8
Value.....	41,094	46,979	41,429	29,837	34,972	0.8	14.3	(11.8)	17.2
Unit value.....	\$0.43	\$0.41	\$0.41	\$0.41	\$0.40	(4.2)	(4.4)	0.3	(3.0)
Ending inventory quantity.....	15,730	18,078	16,908	20,888	23,133	7.5	14.9	(6.5)	10.7
All import sources:									
Quantity.....	260,605	335,437	345,908	253,202	242,875	32.7	28.7	3.1	(4.1)
Value.....	113,943	141,218	141,305	107,255	101,845	24.0	23.9	0.1	(5.0)
Unit value.....	\$0.44	\$0.42	\$0.41	\$0.42	\$0.42	(6.6)	(3.7)	(3.0)	(1.0)
Ending inventory quantity.....	64,265	57,442	65,391	60,374	60,401	1.8	(10.6)	13.8	0.0

Table continued on next page

Table C-1--Continued

LW Sacks: Summary data concerning the U.S. market, 2015-17, January to September 2017, and January to September 2018

(Quantity=1,000 sacks; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per sacks; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		2017	January to September		Calendar year		2016-17	Jan-Sep 2017-18
	2015	2016		2017	2018	2015-17	2015-16		
U.S. producers':									
Average capacity quantity.....	477,205	500,098	541,250	406,770	436,562	13.4	4.8	8.2	7.3
Production quantity.....	349,894	335,544	317,139	236,604	256,231	(9.4)	(4.1)	(5.5)	8.3
Capacity utilization (fn1).....	73.3	67.1	58.6	58.2	58.7	(14.7)	(6.2)	(8.5)	0.5
U.S. shipments:									
Quantity.....	326,467	317,874	312,103	232,410	232,754	(4.4)	(2.6)	(1.8)	0.1
Value.....	195,280	181,285	172,449	130,730	135,153	(11.7)	(7.2)	(4.9)	3.4
Unit value.....	\$0.60	\$0.57	\$0.55	\$0.56	\$0.58	(7.6)	(4.7)	(3.1)	3.2
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	35,791	39,640	31,507	33,630	45,501	(12.0)	10.8	(20.5)	35.3
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	762	736	733	729	820	(3.8)	(3.4)	(0.4)	12.5
Hours worked (1,000s).....	2,041	1,660	1,762	1,327	1,537	(13.7)	(18.7)	6.1	15.8
Wages paid (\$1,000).....	27,893	24,948	27,335	20,499	24,002	(2.0)	(10.6)	9.6	17.1
Hourly wages (dollars per hour).....	\$13.67	\$15.03	\$15.51	\$15.45	\$15.62	13.5	10.0	3.2	1.1
Productivity (sacks per hour).....	171.4	202.1	180.0	178.3	166.7	5.0	17.9	(11.0)	(6.5)
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:

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

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.

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 the domestic interested party, and it provided contact information for the following five firms as top purchasers of LW sacks: ***. Purchaser questionnaires were sent to these five firms and two firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for finished LWS that have occurred in the United States or in the market for LWS in Vietnam since January 1, 2019?

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

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

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

