

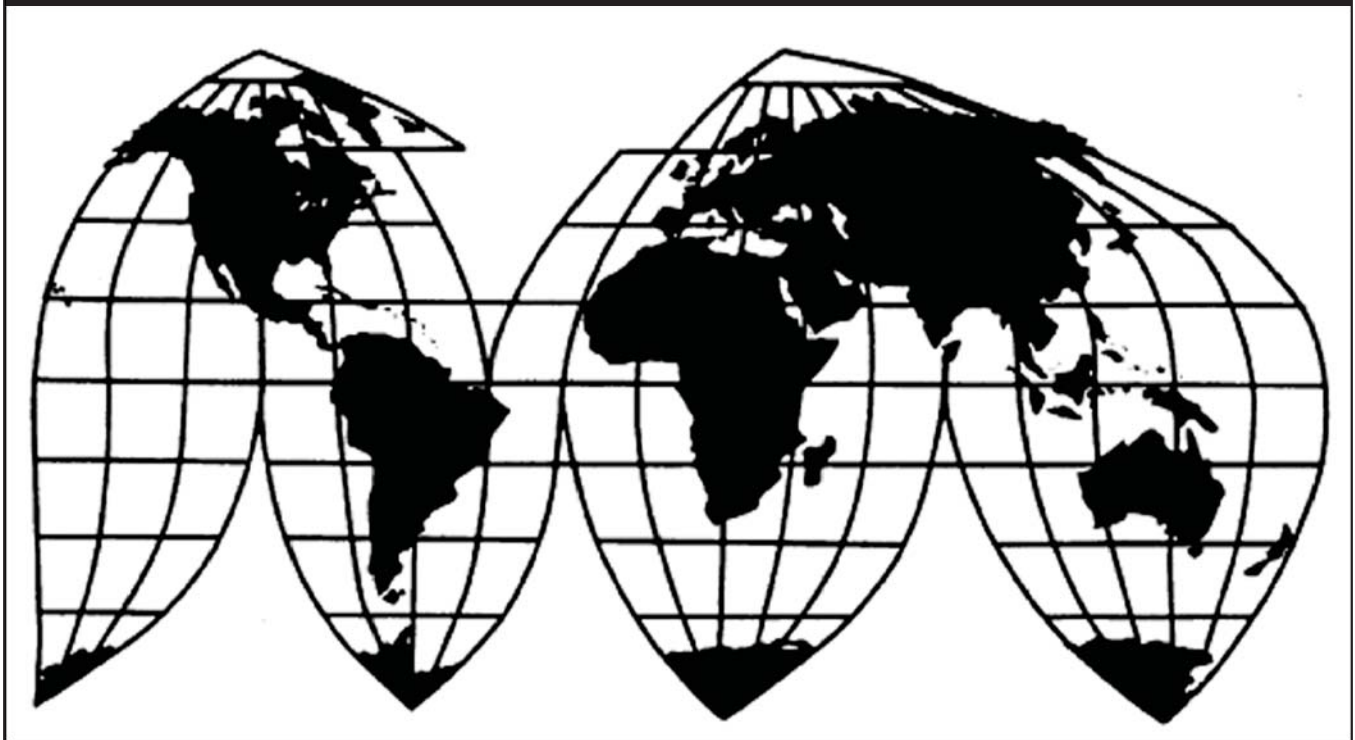
Steel Wire Garment Hangers From China

Investigation No. 731-TA-1123 (Review)

Publication 4453

February 2014

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1123 (Review)

STEEL WIRE GARMENT HANGERS FROM CHINA

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on steel wire garment hangers from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on September 3, 2013 (78 F.R. 54272) and determined on December 20, 2013, that it would conduct an expedited review (79 F.R. 1885, January 10, 1014).

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

Views of the Commission

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

I. Background

Original Investigation: The original investigation of SWG hangers from China was initiated in response to an antidumping duty petition filed on July 31, 2007, by M&B Metal Products Company, Inc. (“M&B”), a domestic producer of SWG hangers.¹ On September 29, 2008, the Commission determined that an industry in the United States was materially injured by reason of imports of SWG hangers from China that the U.S. Department of Commerce (“Commerce”) had determined were sold in the United States at less than fair value (“LTFV”).² Commerce issued an antidumping duty order on imports of SWG hangers from China on October 6, 2008.³

Current Review: The Commission instituted this review on September 3, 2013.⁴ M&B, Innovative Fabrication LLP/Indy Hanger (“Indy Hanger”), and U.S. Hanger Co., LLC (“U.S. Hanger”), domestic producers of SWG hangers (collectively “Domestic Producers”), filed a joint response to the notice of institution.⁵ On December 20, 2013, the Commission found the domestic interested party group response to be adequate. In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant a full review, the Commission determined to conduct an expedited review of the subject order.⁶

II. 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.”⁷ The Tariff Act defines “domestic like

¹ Confidential Report (“CR”) at I-3, Public Report (“PR”) at I-2.

² *Steel Wire Garment Hangers from China*, Inv. No. 731-TA-1123 (Final), USITC Pub. 4034 (Sept. 2008) (“USITC Pub. 4034”).

³ *Antidumping Duty Order: Steel Wire Garment Hangers from the People’s Republic of China*, 73 Fed. Reg. 58111 (Oct. 6, 2008); CR at I-3 & n.7, PR at I-2 n.7.

⁴ 78 Fed. Reg. 54272 (Sept. 3, 2013); CR at I-2, PR at I-2.

⁵ CR at I-2 n.4, PR at I-1 n.4.

⁶ See *Explanation of Commission Determination on Adequacy, SWG Hangers from China*, Inv. No. 731-TA-1123 (Review), EDIS Doc. No. 524784.

⁷ 19 U.S.C. § 1677(4)(A).

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.”⁸ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigations and consider whether the record indicates any reason to revisit the prior findings.⁹

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

Steel wire garment hangers, fabricated from carbon steel wire, whether or not galvanized or painted, whether or not coated with latex or epoxy or similar gripping materials, and/or whether or not fashioned with paper covers or capes (with or without printing) and/or nonslip features such as saddles or tubes. These products may also be referred to by a commercial designation, such as shirt, suit, strut, caped, or latex (industrial) hangers. Specifically excluded from the scope of the order are wooden, plastic, and other garment hangers that are not made of steel wire. Also excluded from the scope of the order are chrome-plated steel wire garment hangers with a diameter of 3.4 mm or greater.^{10 11}

SWG hangers are produced primarily for use by the dry cleaning, industrial laundry, textile, and uniform rental industries. SWG hangers are designed and formed to permit clothing and other textiles to be draped and/or suspended from the product. The four most common types of dry cleaning hangers are caped hangers, shirt hangers, suit hangers, and strut

⁸ 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).

⁹ *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 (Jul. 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

¹⁰ *Steel Wire Garment Hangers from the People’s Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 79 Fed. Reg. 1829 (Jan. 10, 2014); *see also* CR at I-8, PR at I-6.

¹¹ As defined in Commerce’s scope, “[t]he products subject to the order are currently classified under U.S. Harmonized Tariff Schedule (“HTS”) 7326.20.0020, 7323.99.9060, and 7323.99.9080.” *Steel Wire Garment Hangers from the People’s Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 79 Fed. Reg. 1829 (Jan. 10, 2014); *see also* CR at I-9, PR at I-6. HTS 7323.99.9060 was included as a statistical reporting number in the original investigation. However, this HTS number was discontinued in 2011. Subject goods that had been reported under HTS 7323.99.9060 are now covered by HTS 7323.99.9080. CR at I-9 n.18, PR at I-6 n.18.

hangers. Each of these general categories includes a range of hangers in varying sizes and finishes, with common distinguishing features. Caped hangers have a paper cape or cover, normally white and often with commercial or custom printing. Strut hangers have a paper tube that runs along the length of the bottom of the hanger. The wire does not run through the paper tube, but is instead folded in at the ends. This paper tube or strut may be coated with a nonslip material to prevent the garment from falling off the hanger. Hangers for light items, such as basic shirt hangers, are produced using the thinnest wire, while hangers for heavier items are produced from heavier wire. SWG hangers are generally painted or epoxy-coated to prevent rusting.¹²

A. The Original Investigation

In the original investigation, the Commission defined the domestic like product, coextensively with Commerce's scope, as all SWG hangers.¹³ In finding a single domestic like product, the Commission rejected the argument by a respondent that type-2 vinyl-dipped garment hangers ("type-2 VDG hangers") were a separate domestic like product.¹⁴

B. The Current Review

In this review, Domestic Producers agree with the Commission's definition of the domestic like product from the original investigation.¹⁵ The record contains no information suggesting that the characteristics and uses of domestically produced SWG hangers have changed since the original investigation or that the like product definition should be revisited.¹⁶ Therefore, we define the domestic like product as SWG hangers, coextensive with the scope of Commerce's review.

¹² CR at I-8-14, PR at I-6-10.

¹³ USITC Pub. 4034 at 5-7.

¹⁴ USITC Pub. 4034 at 6-7. As the Commission explained, the record in the original investigation indicated that type-2 VDG hangers were not currently produced in the United States and therefore were ineligible to be considered as a separate domestic like product. USITC Pub. 4034 at 7. Under such circumstances, the analysis focused on which product was "most similar in characteristics and uses with the article subject to the investigation." USITC Pub. 4034 at 7 (*quoting* 19 U.S.C. §1677(10)). Based on the record in the original investigation, the Commission found that the product most similar in characteristics and uses to type-2 VDG hangers consisted of all domestically produced SWG hangers. USITC Pub. 4034 at 7.

¹⁵ Domestic Producers' Response to Notice of Institution at 24; Domestic Producers' Comments at 2.

¹⁶ *See generally* CR at I-9-15, PR at I-7-11.

III. 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.”¹⁷ 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. If appropriate circumstances exist, the statute provides the Commission with the authority to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or are themselves importers.¹⁸ Exclusion of such a producer from the domestic industry as a related party is within the Commission’s discretion based upon the facts presented in each investigation.¹⁹

In the original investigation, the Commission found that *** domestic producers qualified as related parties based on their importation of subject merchandise, but concluded that appropriate circumstances existed to exclude only two of these firms from the domestic industry, Laidlaw Company LLC (“Laidlaw”) and United Wire Hangers Corporation (“United Wire”).²⁰

In this five-year review, Domestic Producers reported that they did not import SWG hangers from China during the period of review and that they were not affiliated with any Chinese producers or exporters of SWG hangers.²¹ Accordingly, based on the information available in this expedited five-year review, there are no related party issues. We therefore define the domestic industry as all domestic producers of SWG hangers.

¹⁷ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply 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.

¹⁸ 19 U.S.C. § 1677(4)(B); see *Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int’l Trade 1992), *aff’d mem.*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int’l Trade 1989), *aff’d mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int’l Trade 1987).

¹⁹ See, e.g., *Torrington*, 790 F. Supp. at 1168.

²⁰ USITC Pub. 4034 at 9, 11-13. In finding that appropriate circumstances existed to exclude Laidlaw and United Wire from the domestic industry, the Commission underscored that both firms ceased domestic production of SWG hangers in the latter half of the investigation period and that, by the end of the period, their primary interests had shifted from domestic production to importation. USITC Pub. 4034 at 9, 12-13; *cf. id.* at 9 n.41 (finding of Commissioners Williamson and Pinkert that appropriate circumstances did not exist to exclude Laidlaw and United Wire from the domestic industry).

²¹ Domestic Producers’ Response to Notice of Institution at 13-14.

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

A. Legal Standards

In five-year reviews 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.”²² The Uruguay Round Agreements Act Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”²³ Thus, the likelihood standard is prospective in nature.²⁴ 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.²⁵

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

²² 19 U.S.C. § 1675a(a).

²³ 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.

²⁴ 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.

²⁵ 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 F. App’x 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

time.”²⁶ 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.”²⁷

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”²⁸ 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 orders under review, whether the industry is vulnerable to material injury if the orders are revoked, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).²⁹ 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.³⁰

In evaluating the likely volume of imports of subject merchandise if the order under review were revoked, 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.³¹ 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.³²

In evaluating the likely price effects of subject imports if the order under review were revoked, the Commission is directed to consider whether there is likely to be significant

²⁶ 19 U.S.C. § 1675a(a)(5).

²⁷ 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.*

²⁸ 19 U.S.C. § 1675a(a)(1).

²⁹ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings regarding imports of SWG hangers from China. CR at I-5, PR at I-4; 76 Fed. Reg. 27994 (May 13, 2011), 77 Fed. Reg. 11191 (Mar. 30, 2012), 78 Fed. Reg. 28803 (May 16, 2013), 79 Fed. Reg. 1829 (Jan. 10, 2014).

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

³¹ 19 U.S.C. § 1675a(a)(2).

³² 19 U.S.C. § 1675a(a)(2)(A-D).

underselling by subject imports as compared to the domestic like product and whether 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.³³

In evaluating the likely impact of imports of subject merchandise if the order under review were revoked, 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.³⁴ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.³⁵

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

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”³⁶ The following conditions of competition, several of which also existed during the original investigation, inform our determinations.

³³ See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

³⁴ 19 U.S.C. § 1675a(a)(4).

³⁵ 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.

³⁶ 19 U.S.C. § 1675a(a)(4).

1. Demand Conditions

In the original investigation, the Commission found that SWG hangers were used primarily by the dry cleaning, industrial laundry, textile, and uniform rental industries.³⁷ It also found that apparent U.S. consumption of SWG hangers was moderately higher at the end of the January 2005-March 2008 period of investigation (“POI”) than at the beginning of the period.³⁸

In this review, the available information indicates that SWG hangers continue to be used primarily by the dry cleaning, industrial laundry, textile, and uniform rental industries.³⁹ As measured by apparent U.S. consumption, demand was *** hangers in 2012.⁴⁰ It was 3.3 billion hangers in 2007, the last full year of the original POI.⁴¹

2. Supply Conditions

In the original investigation, the Commission received questionnaire responses from seven U.S. producers of SWG hangers, which accounted for the vast majority of domestic production during the POI.⁴² The Commission found that there were three primary sources of supply of SWG hangers in the U.S. market: subject imports, nonsubject imports from Mexico, and domestic product.⁴³ It found that the market share of subject imports dramatically increased over the POI,⁴⁴ nonsubject imports held a relatively steady share of the market,⁴⁵ and domestic producers’ market share declined.⁴⁶ It also observed that the POI was marked by U.S.

³⁷ USITC Pub. 4034 at 14.

³⁸ Apparent U.S. consumption was 2.9 billion hangers in 2005, 2.8 billion hangers in 2006, and 3.3 billion hangers in 2007; it was 778.8 million hangers in January-March 2007 (“interim 2007”) and *** million hangers in January-March 2008 (“interim 2008”). USITC Pub. 4034 at 14 n.89.

³⁹ CR/PR at I-10; PR at I-7.

⁴⁰ CR/PR at Table I-7.

⁴¹ CR/PR at Table I-7.

⁴² The seven producers were Ganchos N.V., Inc. (“Ganchos”), Laidlaw, M&B, Metro Supply Co. (“Metro Supply”), Merrick, Shanti Industries, and United Wire. CR at I-16, PR at I-11.

⁴³ USITC Pub. 4034 at 15.

⁴⁴ Subject imports increased their share of the U.S. market from 36.0 percent in 2005 to 63.2 percent in 2006 and 80.9 percent in 2007. USITC Pub. 4034 at 15 n.94. Subject imports’ market share was 76.2 percent in interim 2007 and *** percent in interim 2008. USITC Pub. 4034 at 15 n.94.

⁴⁵ Nonsubject imports accounted for 10.9 percent of the U.S. market in 2005, 11.1 percent in 2006 and 10.4 percent in 2007. USITC Pub. 4034 at 15 n.95. Their market share was 12.1 percent in interim 2007 and *** in interim 2008. USITC Pub. 4034 at 15 n.95.

⁴⁶ USITC Pub. 4034 at 15. U.S. producers’ market share dropped from *** percent in 2005 to *** percent in 2006 and *** percent in 2007. U.S. producers’ market share was *** percent in interim 2007 and *** percent in interim 2008. USITC Pub. 4034 at 18 n.120 & 122.

plant closures and the shuttering of much of the domestic industry's capacity as the volume of subject imports increased.⁴⁷

In their response to the notice of institution in this review, Domestic Producers identified six known U.S. producers of SWG hangers: Eagle Hangers, Inc.; Ganchos; M&B; Metro Supply; Indy Hanger; and U.S. Hanger.⁴⁸ The market share of the domestic industry increased from *** percent in 2007 to *** percent in 2012.⁴⁹

China remained the largest source of imports of SWG hangers in 2012,⁵⁰ although subject imports' market share declined from 80.9 percent in 2007 to *** percent in 2012.⁵¹ The market share of nonsubject imports increased from 10.4 percent in 2007 to *** percent in 2012,⁵² with Vietnam and Mexico the largest sources in 2012.⁵³ Domestic Producers assert that the significant decline in the volume of subject imports following issuance of the antidumping duty order on SWG hangers from China in 2008 led to increased domestic production as well as increased imports from nonsubject countries, most notably from Taiwan and Vietnam.⁵⁴ They claim that nonsubject imports from Taiwan and Vietnam declined after 2011, when those imports became subject to U.S. antidumping and countervailing duty investigations and subsequent orders.⁵⁵

⁴⁷ USITC Pub. 4034 at 16.

⁴⁸ CR at I-16, PR at I-11; Domestic Producers' Response to Notice of Institution at 12.

⁴⁹ CR/PR at Table I-7 and Appendix B.

⁵⁰ CR at I-19, PR at I-14.

⁵¹ CR/PR at Table I-7.

⁵² CR/PR at Table I-7.

⁵³ CR at I-19, PR at I-14. Vietnam accounted for 24.4 percent of total SWG hanger imports in 2012 and Mexico accounted for 22.9 percent. *Id.*

⁵⁴ Domestic Producers' Response to Notice of Institution at 15-17. According to the Domestic Producers, in addition to increased production by certain producers, the following five firms entered the U.S. market after the original investigation: Indy Hanger, U.S. Hanger, Platinum Hanger, Great Plains Hanger, and Eagle Hangers. *See e.g.*, Domestic Producers' Response to Notice of Institution at 17. Three of these firms are not included in Domestic Producers' listing of current U.S. SWG hanger producers.

⁵⁵ Domestic Producers' Response to Notice of Institution at 17-18. On December 29, 2011, M&B, Indy Hanger, and U.S. Hanger filed antidumping duty petitions with respect to SWG hangers from Taiwan and Vietnam and a countervailing duty petition with respect to SWG hangers from Vietnam. The Commission reached affirmative determinations. *Steel Wire Garment Hangers from Taiwan*, Inv. No. 731-TA-1197 (Final), USITC Pub. 4363 (Nov. 2012); *Steel Wire Garment Hangers from Vietnam*, Inv. No. 701-TA-487 and 731-TA-1198 (Final), USITC Pub. 4371 (Jan. 2013). Commerce issued the antidumping duty order on SWG hangers from Taiwan in December 2012 and the antidumping and countervailing duty orders on SWG hangers from Vietnam in February 2013. *Certain Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Antidumping Duty Order*, 78 FR 8105 (Feb. 5, 2013); *Certain Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Countervailing Duty Order*, 78 FR 8107 (Feb. 5, 2013); *Steel Wire Garment Hangers from Taiwan: Antidumping Duty Order*, 77 FR 73424 (Dec. 10, 2012).

3. Substitutability

In the original investigation, a majority of responding U.S. producers, importers, and purchasers reported that the U.S. product, the subject imports, and nonsubject imports were frequently or always interchangeable and that price was the largest single factor affecting purchasing decisions.⁵⁶ The Commission, thus, found that there was a high degree of substitutability between domestically produced SWG hangers and the subject merchandise.⁵⁷

There is no indication on the current record that the substitutability between subject imports and domestic SWG hangers has changed since the original investigation. Accordingly, we again find that there is generally a high degree of substitutability between domestic and subject SWG hangers and that price continues to be an important factor in purchasing decisions.

C. Likely Volume of Subject Imports

1. Original Investigation

In its original determination, the Commission found that the volume of subject imports was significant and increased significantly during the POI, both in absolute terms and relative to consumption and production in the United States.⁵⁸ Specifically, the volume of subject imports increased from 1.0 billion hangers in 2005 to 1.8 billion hangers in 2006 and then to 2.7 billion hangers in 2007.⁵⁹

The Commission also found that subject imports made significant gains in market share over the POI.⁶⁰ Subject imports' market share increased from 36.0 percent in 2005 to 63.2 percent in 2006 and 80.9 percent in 2007.⁶¹ At the same time, the domestic industry's market share declined from *** percent in 2005 to *** percent in 2007.⁶² Moreover, nonsubject

⁵⁶ USITC Pub. 4034 at 17. Respondent parties did not dispute the assertion that there was a high degree of substitutability between subject imports and the domestic like product. *Id.*

⁵⁷ USITC Pub. 4034 at 17.

⁵⁸ USITC Pub. 4034 at 17.

⁵⁹ USITC Pub. 4034 at 17. The volume of subject imports was 593.4 million hangers in interim 2007 and 626.4 million hangers in interim 2008. *Id.* at 17 n.113. The ratio of subject imports to U.S. production increased from 69.3 percent in 2005 to 260.7 percent in 2006 and 994.5 percent in 2007. *Id.* at 18.

⁶⁰ USITC Pub. 4034 at 18. Apparent U.S. consumption increased 14.9 percent between 2005 and 2007, while the volume of subject imports increased 158.2 percent and gained 44.9 percentage points of market share over the same period. *Id.* at C-4.

⁶¹ USITC Pub. 4034 at 17.

⁶² As explained above, in the original investigation, the Commission found that appropriate circumstances existed to exclude two firms (Laidlaw and United Wire) from the domestic industry definition under the related parties provision of the statute. These two producers' share of the U.S. (Continued...)

import volume declined during the POI, both in absolute terms and relative to U.S. consumption.⁶³ Based on these data, the Commission found that subject imports gained substantial market share at the direct expense of the domestic industry during the POI.⁶⁴

2. Current Review

In the current review, the available information indicates that the volume and market share of subject imports, although lower in 2012 than in 2007, have remained at substantial levels. Subject imports were 2.7 billion hangers in 2007, declined the next three years to a period low of 220.0 million hangers in 2010, and then increased to 588.9 million hangers in 2011 and 941.7 million hangers in 2012.⁶⁵ Subject imports accounted for *** percent of apparent U.S. consumption in 2012.⁶⁶

The data collected in the original investigation indicated that producers of SWG hangers in China had substantial capacity in 2007 and that their capacity and production increased during the POI.⁶⁷ The record in this review contains no current data specific to subject SWG hanger capacity or production because subject producers in China failed to participate or furnish information. Nonetheless, the data available in the record show that subject producers continue to manufacture SWG hangers and are highly export oriented. The record indicates that total Chinese exports within a broader classification that encompasses the subject merchandise increased substantially from 2008 to 2012.⁶⁸ This increased export volume suggests that the increases in capacity, production, and exports observed during the original POI have continued.⁶⁹ Accordingly, the available data indicate that the Chinese industry has the ability to continue to increase exports of the subject merchandise upon revocation.

The United States remains an attractive market to Chinese producers. Subject imports have remained in the U.S. market in substantial volumes, and available data suggest that the United States is the largest export market for a category of iron and steel wire products from

(...Continued)

market was *** percent in 2005, *** percent in 2006, and *** percent in 2007. USITC Pub. 4034 at 18 n.120.

⁶³ Nonsubject imports' market share declined from 10.9 percent in 2005 to 10.4 percent in 2007. USITC Pub. 4034 at 18 n.124.

⁶⁴ USITC Pub. 4034 at 18.

⁶⁵ CR/PR at Table I-4.

⁶⁶ CR/PR at Table I-7.

⁶⁷ USITC Pub. 4034 at Table VII-2.

⁶⁸ CR/PR at Tables I-8, I-9 (the available data are based on an HTS classification for exports of iron or steel wire not elsewhere specified or identified, which encompasses subject SWG hangers but also nonsubject merchandise).

⁶⁹ The record in the original investigation showed that exports accounted for the overwhelming majority of Chinese producers' total shipments of SWG hangers and that home market shipments were minimal. USITC Pub. 4034 at Table VII-2.

China that includes SWG hangers.⁷⁰ In light of the attractiveness of the U.S. market, we find that if the order were revoked, the industry in China would likely increase exports of subject merchandise to the United States.⁷¹

Based on the significant increase in the volume of subject imports during the original investigation, the continued significant levels of subject imports since then, the capacity and export orientation of the Chinese industry, and the importance of the U.S. market to Chinese producers, we find that Chinese producers would have the incentive and ability to ship significant volumes of additional exports to the United States if the order were revoked. Therefore, we find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the order were revoked.

D. Likely Price Effects

1. Original Investigations

In the original investigation, the Commission found that the domestic like product and the subject imports were largely substitutable and that price was an important factor in purchasing decisions. The Commission observed that there was underselling by the subject merchandise in 94 of 95 quarterly price comparisons, with margins of underselling ranging from 0.1 percent to 57.7 percent and averaging 30.0 percent. Based on these data, the Commission found that there was significant price underselling of the domestic like product by subject imports during the POI.⁷²

Nonetheless, the Commission found that the record evidence did not indicate that subject imports significantly depressed or suppressed domestic prices during the POI. Instead, it found that the domestic industry sacrificed sales volume in order to maintain its prices in the face of underselling by subject imports. On that basis, the Commission found that the significant underselling by the increasing volumes of subject imports had significant adverse effects on the domestic industry during the POI.⁷³

⁷⁰ CR/PR at Tables I-6, I-8.

⁷¹ Due to the failure of any foreign producer, exporter, or importer of subject merchandise from China to participate in this review, the record does not contain current information regarding any existing inventories of subject merchandise or any likely increase in such inventories or whether the subject producers have the ability to shift production from other products to SWG hangers. The record also does not indicate the existence of tariff or non-tariff barriers specific to SWG hangers from China in any third-country markets. CR at I-23, PR at I-17.

⁷² USITC Pub. 4034 at 19.

⁷³ USITC Pub. 4034 at 20.

2. Current Review

The record does not permit pricing comparisons for the review period due to the expedited nature of the review. We continue to find, in the absence of record evidence indicating changes in the conditions of competition, that the domestic like product and the subject imports are largely substitutable and that price is an important factor in purchasing decisions. Consequently, if the order were revoked, subject imports would likely undersell the domestic like product. This in turn would likely cause the domestic producers to lose sales volume, cut prices, or restrain price increases.

For the foregoing reasons, we find that, in the event of revocation, increasing volumes of low-priced subject imports would likely have significant adverse price effects on the domestic industry.

E. Likely Impact⁷⁴

1. Original Investigations

In its original determination, the Commission found that the subject imports had a significant adverse impact on the domestic industry's performance.⁷⁵ Most of the domestic industry's performance indicators declined sharply during the POI.⁷⁶ Although the domestic industry's capacity increased slightly, its production, capacity utilization, shipments, and sales revenue all declined sharply overall from 2005 to 2007 and remained at near period lows during the interim period.⁷⁷ The average number of production-related workers, hours worked, and wages paid each declined during the POI.⁷⁸ The domestic industry's capital expenditures fell during the POI, although worker productivity increased due to the industry's layoffs.⁷⁹

⁷⁴ Under the statute, "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv); *see also* SAA at 887. After conducting an expedited review of the antidumping duty order on SWG hangers from China, Commerce determined that revocation of the order would likely lead to continuation or recurrence of dumping at weighted average margins ranging from 15.83 to 55.31 percent for 17 Chinese subject producers/exporters and 187.25 percent for the PRC-Entity. 79 Fed. Reg. 1829 (Jan. 10, 2014); CR/PR at Table I-1.

⁷⁵ USITC Pub. 4034 at 24.

⁷⁶ USITC Pub. 4034 at 21.

⁷⁷ USITC Pub. 4034 at 21-22.

⁷⁸ USITC Pub. 4034 at 23.

⁷⁹ USITC Pub. 4034 at 23.

The domestic industry's financial indicators – operating income, operating margins, and net sales – declined irregularly during the POI.⁸⁰ In fact, the domestic industry experienced operating losses for most of the POI.⁸¹ The domestic industry's ratio of operating income to net sales followed a similar trend and reflected the industry's general operating losses.⁸²

Based on these data, the Commission found that subject imports had a significant adverse impact on the condition of the domestic industry during the POI. It found that subject import levels had increased significantly, both absolutely and relative to domestic production and consumption, and that subject imports had gained market share at the expense of the domestic industry, undersold the domestic like product, adversely affected the financial performance of the domestic industry, and adversely affected the numbers and wages of domestic workers.⁸³ It also found that significant underselling by subject imports, combined with the sales volumes lost to subject imports, had caused significant declines in the domestic industry's financial performance over the POI.⁸⁴

2. Current Review

Because this is an expedited review, we have only limited information with respect to the domestic industry's financial performance, consisting of data that Domestic Producers provided in response to the notice of institution. The limited record is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.⁸⁵

In 2012, the capacity of the U.S. producers of SWG hangers was *** hangers, production was *** hangers, and capacity utilization was *** percent.⁸⁶ U.S. shipments were *** hangers, and Domestic Producers reported an operating *** of \$*** on sales of \$*** hangers, resulting in an operating *** margin of *** percent.⁸⁷

⁸⁰ USITC Pub. 4034 at 23.

⁸¹ USITC Pub. 4034 at 23.

⁸² USITC Pub. 4034 at 23-24.

⁸³ USITC Pub. 4034 at 24.

⁸⁴ USITC Pub. 4034 at 24. In the original investigation, the Commission conducted a replacement/benefit analysis pursuant to *Bratsk Aluminium Smelter v. United States*, 444 F.3d 1369 (Fed. Cir. 2006), and determined that nonsubject imports would not have replaced subject imports during the POI and prevented the domestic industry from benefitting from the imposition of an order. USITC Pub. 4034 at 29-30.

⁸⁵ Based on the record of this review, Commissioner Pinkert finds that the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the antidumping duty order on SWG hangers from China. Although the domestic industry's performance has improved in many regards since 2007 (the last year of the original POI), the industry in 2012 continued to have a ***. CR/PR at Table I-3.

⁸⁶ CR/PR at Table I-3.

⁸⁷ CR/PR at Table I-3.

Based on the information on the record, we find that, should the order be revoked, the likely significant volume and adverse price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenues of the domestic industry. The likely declines in these factors would, in turn, likely have a direct adverse impact on the domestic industry's profitability.

In our analysis, we typically examine known factors other than subject imports which may cause injury so as not to attribute likely injury caused by these factors to the subject imports. In this review, however, there are no factors other than the subject imports that are known to be a likely cause of material injury.

Accordingly, we conclude that, if the order were revoked, subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

V. Conclusion

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

INFORMATION OBTAINED IN THE REVIEW

INTRODUCTION

Background

Effective September 3, 2013, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of the antidumping duty order on steel wire garment (“SWG”) hangers from China would be likely to lead to the continuation or recurrence of material injury to a domestic industry.^{2 3} On December 20, 2013, the Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response was inadequate. In the absence of respondent interested party responses and any other circumstances that would warrant the conduct of full reviews, the Commission determined to conduct expedited reviews. The Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.⁴

¹ 19 U.S.C. 1675(c).

² *Steel Wire Garment Hangers from China Institution of Five-Year Reviews*, 78 FR 54272, September 3, 2013. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 78 FR 54237, September 3, 2013.

⁴ *Steel Wire Garment Hangers from China; Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Steel Wire Garment Hangers from China*, (79 FR 1885, January 10, 2014), <https://federalregister.gov/a/2014-00209>.

The Commission received one submission in response to its notice of institution in the subject review. The submission was filed on behalf of M&B Metal Products Company, Inc. (“M&B”), Innovative Fabrication LLP / Indy Hanger (“Indy Hanger”), and US Hanger Co., LLC (“US Hanger”), U.S. producers of the domestic like product. The Commission did not receive any responses from producers in China or importers of the subject merchandise from China.

The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
October 6, 2008	Commerce's antidumping duty order on SWG hangers from China (73 FR 58111) https://federalregister.gov/a/E8-23569
September 3, 2013	Commission's institution of the first five-year review (78 FR 54272) https://federalregister.gov/a/2013-21305
September 3, 2013	Commerce's initiation of the first five-year review (78 FR 54237) https://federalregister.gov/a/2013-21386
December 20, 2013	<p>Commission's determination to conduct an expedited five-year review (78 FR 1885, January 10, 2014) https://federalregister.gov/a/2014-00209</p> <p>The press release announcing the Commission's determination concerning adequacy and the conduct of an expedited review can be found at http://usitc.gov/press_room/news_release/2013/er1220111.htm</p> <p>A summary of the Commission's votes concerning the adequacy and the conduct of expedited reviews, and the Commission's explanation of its determination can be found at http://pubapps2.usitc.gov/sunset/caseProf/show/10243</p>
January 10, 2014	Commerce's final results of the expedited five-year review of the antidumping duty order https://federalregister.gov/a/2014-00170
February 6, 2014	Commission's vote
February 18, 2014	Commission's determination

The original investigations

The original investigation resulted from a petition filed on July 31, 2007, by M&B Metal Products Company, Inc. ("M&B"), Leeds, AL, alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of SWG hangers from China. On August 14, 2008, Commerce determined that imports of SWG hangers from China were being sold at LTFV.⁵ On September 29, 2008, the Commission issued its determination that an industry in the United States was materially injured by reason of LTFV imports of SWG hangers from China.⁶ Commerce issued an antidumping duty order of SWG hangers from China on October 6, 2008.⁷

⁵ *Steel Wire Garment Hangers from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73, FR 47587, August 14, 2008. *Steel Wire Garment Hangers from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value*, 73 FR 53188, September 15, 2008.

⁶ *Steel Wire Garment Hangers from China Determination*, 73 FR 57654, October 3, 2008.

⁷ *Steel Wire Garment Hangers from the People's Republic of China: Notice of Antidumping Duty Order*, 73 FR 58111, October 6, 2008.

Commerce's final results of expedited first five-year review

Commerce's results of its expedited sunset review of the subject antidumping duty order were issued on January 10, 2014. Commerce determined that revocation of the antidumping duty order on SWG hangers from China would likely lead to continuation or recurrence of dumping at weighted-average margins of 15.83 to 55.31 percent for individually listed exporters/producers and 187.25 percent for the PRC-Entity rate.⁸

Table I-1 presents Commerce's antidumping duty margins with respect to imports of SWG hangers from China.

Table I-1
SWG hangers: Commerce's original and first five-year review weighted-average dumping margins, by firm

Exporter/producer	Dumping margin (<i>percent</i>)	
	Original investigation	First five-year review
Shanghai Wells Hanger Co., Ltd.	15.83	15.83
Shaoxing Metal Companies: Shaoxing Gangyuan Metal Manufactured Co., Ltd. Shaoxing Andrew Metal Manufactured Co., Ltd. Shaoxing Tongzhou Metal Manufactured Co., Ltd.	94.78	94.78
Jiangyin Hongji Metal Products Co., Ltd.	55.31	55.31
Shaoxing Meideli Metal Hanger Co., Ltd.	55.31	55.31
Shaoxing Dingli Metal Clotheshorse Co., Ltd.	55.31	55.31
Shaoxing Liangbao Metal Manufactured Co., Ltd.	55.31	55.31
Shaoxing Zhongbao Metal Manufactured Co., Ltd.	55.31	55.31
Shangyu Baoxiang Metal Manufactured Co., Ltd.	55.31	55.31
Zhejiang Lucky Cloud Hanger Co., Ltd.	55.31	55.31
Pu Jiang County Command Metal Products Co., Ltd.	55.31	55.31
Shaoxing Shunji Metal Clotheshorse Co., Ltd.	55.31	55.31
Ningbo Dasheng Hanger Ind. Co., Ltd.	55.31	55.31
Jiaxing Boyi Medical Device Co., Ltd.	55.31	55.31
Yiwu Ao-Si Metal Products Co., Ltd.	55.31	55.31
Shaoxing Guochao Metallic Products Co., Ltd.	55.31	55.31
PRC-wide rate	187.25 ¹	187.25

¹ The original investigation's China-wide entity includes Tianjin Hongtong Metal Manufacture Co., Ltd.

Source: *Steel Wire Garment Hangers from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value*, 73 FR 53188, September 15, 2008, and *Steel Wire Garment Hangers from the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 79 FR 1829, January 10, 2014.

⁸ *Steel Wire Garment Hangers from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, January 10, 2014, 79 FR 1829.

Commerce's administrative reviews

Commerce has completed three administrative reviews of the antidumping duty order on SWG hangers from China. The results of the administrative reviews are shown in table I-2.

Table I-2
SWG hangers: Administrative reviews of the antidumping duty order

Date results published	Period of review	Producer or exporter	Weighted-average margin (percent)
May 13, 2011 (76 FR 27994)	3/25/2008 – 11/30/09	Shanghai Wells Hanger Co.Ltd. and/or Hong Kong Wells Limited	0.15
		Shaoxing Dingli Metal Clotheshorse Co., Ltd	1.71
		Shaoxing Gangyuan Metal Manufactured Co. Ltd	1.71
		Shaoxing Andrew Metal Manufactured Co., Ltd	1.71
		Shaoxing Tongzhou Metal Manufactured Co. Ltd	1.71
		Shaoxing Shunji Metal Clotheshorse Co. Ltd	1.71
		Yiwu Ao-Si Metal Products Co., Ltd	1.71
		Shangyu Baoxiang Metal Manufactured Co., Ltd	1.71
		Jiaxing Boyi Medical Device Co., Ltd	1.71
		Pu Jiang County Command Metal Products Co. Ltd	1.71
		Shaoxing Meideli Metal Hanger Co., Ltd	1.71
		Shaoxing Zhongbao Metal Manufactured Co., Ltd	1.71
		Zhejiang Lucky Cloud Hanger Co., Ltd	1.71
		Ningbo Dasheng Hanger Ind. Co., Ltd	1.71
		Shaoxing Guochao Metallic Products Co. Ltd	1.71
		Shanghai Jianhai International Trade Co., Ltd	1.71
		Shaoxing Liangbao Metal Manufactured Co., Ltd	1.71
		PRC-Wide Entity	187.25
March 30, 2012 (77 FR 11191)	10/01/09 – 09/30/10	Shanghai Wells Hanger Co.,Ltd. and/or Hong Kong Wells Limited	0.81
		PRC-Wide Entity	187.25
May 16, 2013 (78 FR 28803)	10/01/10 – 09/30/11	Shanghai Wells Group	0.00
		PRC-Wide Entity	187.25

Source: Cited *Federal Register* notice.

Commerce's circumvention reviews

Commerce has conducted one circumvention review of the antidumping duty order. The review resulted in an affirmative final determination of circumvention of the antidumping duty order regarding Quyky's and Angang's Vietnamese exports of garment hangers produced from PRC-origin.⁹

⁹ *Steel Wire Garment Hangers from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 76 FR 66895, October 28, 2011.

Previous and related title VII investigations

On November 27, 2002, CHC, M&B, and United Wire, producers of steel wire garment hangers, filed a petition pursuant to section 421 of the Trade Act of 1974 alleging that certain steel wire garment hangers from China were being imported into the United States in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic garment hanger industry. On January 27, 2003, the Commission voted unanimously to determine that Chinese imports were causing market disruption. The Commission found that shipments from China had increased by more than 800 percent from 1997 to 2001 and had more than doubled between January-September 2001 (interim 2001) and January-September 2002 (interim 2002). The Commission also found that rapidly increasing imports from China were a significant cause of material injury to the domestic industry. Accordingly, on February 5, 2003, the Commission majority voted to propose to the President a remedy consisting of an additional duty on imports of garment hangers from China for a three-year period, beginning at 25 percent *ad valorem* in the first year, 20 percent *ad valorem* in the second year, and 15 percent *ad valorem* in the third year. On April 25, 2003, the President opted to grant expedited consideration for trade adjustment assistance claims by U.S. workers displaced by foreign competition but not to impose duties, citing “a strong possibility that if additional tariffs on Chinese wire hangers were imposed, production would simply shift to third countries, which could not be subject to section 421’s China-specific restrictions.”¹⁰

On December 29, 2011, M&B Metal Products Company, Inc.; Innovation Fabrication LLC/Indy Hanger; and US Hanger Company, LLC filed an antidumping duty petition against Taiwan, and antidumping and countervailing duty petitions against imports of SWG hangers from Vietnam.¹¹ Following affirmative determinations by Commerce, on November 30, 2012, the Commission found that the domestic industry was materially injured by reason of imports of SWG hangers from Taiwan and Vietnam.¹² Commerce issued antidumping duty orders on Taiwanese and Vietnamese imports of SWG hangers with margins ranging from 69.98 percent to 125.43 percent for Taiwan, and 157.00 percent to 220.68 percent *ad valorem* for Vietnam. Commerce issued countervailing duties on Vietnam, ranging from 31.58 percent to 90.42 percent *ad valorem*.¹³

¹⁰ *Certain Steel Wire Garment Hangers from China*, Inv. No. TA-421-2, USITC Publication 3575, February 2003, pp. 1-3 and I-2; *Presidential Determination on Wire Hanger Imports from the People’s Republic of China*, 68 FR 23019, April 25, 2003; *Steel Wire Garment Hangers from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 47587, August 14, 2008.

¹¹ *Steel Wire Garment Hangers from Taiwan and Vietnam: Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*, 77 Fed. Reg. 806 (January 6, 2012)

¹² *Steel Wire Garment Hangers from Taiwan*, Investigation No. 731-TA-1197 (Final). USITC Publication 4363, November 2012, p. 3, and *Steel Wire Garment Hangers from Vietnam*, Investigation Nos. 701-TA-487 and 731-TA-1198 (Final), USITC Pub. 4371, January 2013, p. 3.

¹³ The antidumping order on steel wire garment hangers from Taiwan was issued in December 2012, and the antidumping and countervailing duty orders on Vietnam were issued in February 2013. *Steel Wire Garment Hangers From Taiwan: Antidumping Duty Order*, 77 FR 73,424 (December 10, 2012); *Steel*

THE PRODUCT

Commerce's scope

Commerce has defined the imported product subject to this investigation as:¹⁴

Steel wire garment hangers, fabricated from carbon steel wire, whether or not galvanized or painted, whether or not coated with latex or epoxy or similar gripping materials, and/or whether or not fashioned with paper covers or capes (with or without printing) and/or nonslip features such as saddles or tubes. These products may also be referred to by a commercial designation, such as shirt, suit, strut, caped, or latex (industrial) hangers. Specifically excluded from the scope of the order are wooden, plastic, and other garment hangers that are not made of steel wire. Also excluded from the scope of the order are chrome-plated steel wire garment hangers with a diameter of 3.4 mm or greater.

On June 29, 2012, Commerce gave notice that Robert H. Ham Associates Ltd.'s retail display hangers are not within the scope of the antidumping duty order.¹⁵ On August 20, 2012, Commerce gave notice that Great American Hanger Company's four wooden hangers, three steel wire, swivel looped-neck hangers, and one vinyl-coated flattened steel hanger are not within the scope of the antidumping duty order.¹⁶ On February 8, 2013, Commerce gave notice that PetEdge Inc.'s steel wire Canine Pet Fashion Hangers, with dog-shaped, rubber tipped hooks, are not within the scope of the antidumping duty order.¹⁷

U.S. tariff treatment

Imports of SWG hangers subject to this review are currently imported under the following Harmonized Tariff Schedule of the United States ("HTSUS") statistical reporting numbers: 7326.20.0020 and 7323.99.9080.¹⁸ The column 1-general (normal trade relations) rate of duty for subheading 7326.20.0020 is 3.9 percent *ad valorem* and the general rate of duty for 7323.99.9080 is 3.4 percent *ad valorem*.

Wire Garment Hangers From the Socialist Republic of Vietnam: Antidumping Duty Order, 78 FR 8,105 (February 5, 2013); *Certain Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Countervailing Duty Order*, 78 FR 8,107 (February 5, 2013).

¹⁴ *Steel Wire Garment Hangers from the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 79 FR 1829, January 10, 2014.

¹⁵ *Notice of Scope Rulings*, 77 FR 38767, June 29, 2012.

¹⁶ *Notice of Scope Rulings*, 77 FR 50084, August 20, 2012.

¹⁷ *Notice of Scope Rulings*, 78 FR 50084, February 8, 2013.

¹⁸ HTS 7323.99.9060 was included as a statistical reporting number in the original investigation. However, this HTS was discontinued in 2011. Subject goods that had been reported under HTS 7323.99.9060 are now covered by HTS 7323.99.9080.

Domestic like product and domestic industry

In the final phase of the original investigation, the Commission found a single domestic like product comprised of all SWG hangers that correspond to the scope of the investigation. The Commission rejected respondents' request to exclude type-2 vinyl-dipped garment hangers. The Commission found that these hangers did not differ substantially from other SWG hangers and concluded that all shared similar physical characteristics and end uses; channels of distribution; manufacturing facilities, production process, and employees; producer and customer perceptions; and price were generally interchangeable.¹⁹ The Commission excluded *** from the domestic industry.²⁰

In its notice of institution for this review, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry. In the domestic interested parties' response to the Commission's notice of institution, they indicated that they agree with the Commission's definition of the domestic like product and domestic industry as defined by the Commission in the original investigation.²¹

Description and uses²²

SWG hangers are produced primarily for use by the dry cleaning, industrial laundry, textile, and uniform rental industries. SWG hangers are designed and formed to permit clothing and other textiles to be draped and/or suspended from the product. The four most common varieties of dry-cleaning hangers are caped hangers, shirt hangers, suit hangers, and strut hangers (figure I-1). Each of these general categories includes a range of hangers in varying sizes and finishes, but with common distinguishing features. Caped hangers have a paper "cape" or cover, normally white and often with commercial or custom printing. Strut hangers have a paper tube that runs along the length of the bottom of the hanger. The wire does not run through the paper tube, but is instead folded in at the edges. This paper tube, or "strut," may be coated with a nonslip material to prevent the garment from falling off of the hanger. Hangers for light items, such as the basic shirt hanger, are produced using the thinnest wire, while hangers for heavier items, such as suit hangers, are produced from heavier wire. SWG hangers are generally painted and sold in a variety of colors. Despite some obvious differences in finishes and paper accessories, all of these hangers share the same basic configuration, characteristics, and end use.

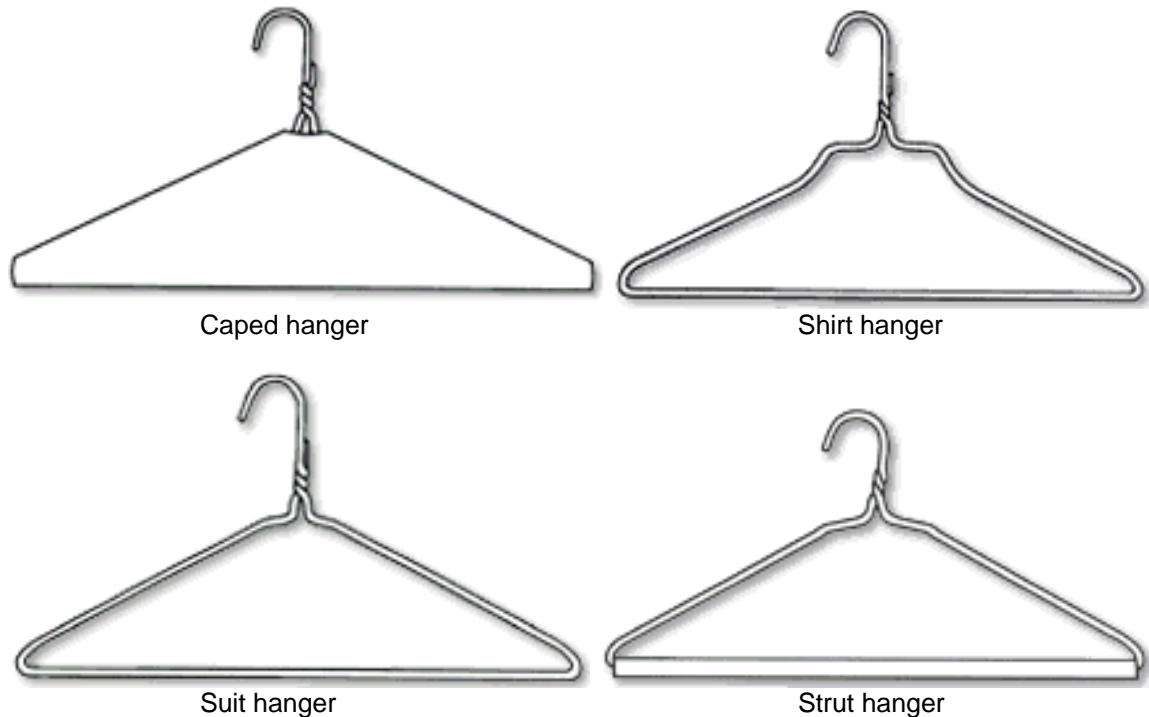
¹⁹ *Steel Wire Garment Hangers from China, Investigation No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, pp. 5-6.

²⁰ *Steel Wire Garment Hangers from China, Investigation No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, pp. 9-13.

²¹ *M&B Metal Products, Innovative Fabrication LLP/Indy Hanger, and US Hanger's Response to the Commission's Notice of Institution*, October 18, 2013, p. 19.

²² Unless otherwise noted, this information is based on the following publication: *Steel Wire Garment Hangers from China, Investigation No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008. No changes in product description or end use were reported. *M&B Metal Products, Innovative Fabrication LLP/Indy Hanger, and US Hanger's Response to the Commission's Notice of Institution*, October 18, 2013.

Figure I-1
SWG hangers: Common varieties



Source: M&B website at <http://www.mbhangers.com/>, retrieved January 8, 2014.

Steel wire hangers produced for use in industrial laundries or the uniform rental market are known as textile or uniform rental hangers or as industrial hangers. These hangers are normally produced using a 13-gauge wire²³ to support the weight of newly washed textiles and uniforms. Industrial laundries and uniform rental companies typically require a more substantial gauge hanger in a consistent shape to fit their high-speed processing equipment. These hangers are sometimes made out of galvanized (zinc-coated) steel wire. The bottom bar of these hangers may be coated with a latex or other coating to prevent pants slippage after laundering.²⁴

²³ The term “gauge” refers to the diameter of wire. A 13-gauge wire has a diameter of 0.0915 inch.

²⁴ *Steel Wire Garment Hangers from Taiwan, Investigation No. 731-TA-1197 (Final)*, USITC Publication 4363, November 2012, p. I-9.

Production process²⁵

There are no substantial differences in the production process or uses for industrial hangers and dry-cleaning hangers. The manufacturing process to produce SWG hangers consists of purchasing low-carbon steel wire in coils, whether or not galvanized, or drawing wire from low-carbon steel wire rod, cutting the wire to length, and fabricating the hangers (figure I-2). After the wire is straightened and cut to length, the hangers are formed and painted. The process may be continuous or require separate stages to straighten, cut, and form the hanger, and painting may take place either before or after the hanger is formed. The manufacturing equipment and process for galvanized wire hangers are similar, but galvanized SWG hangers do not require painting because the zinc coating prevents the steel wire from rusting. In all cases, the forming machines are dedicated to the production of hangers; they are not used and cannot be used to produce other products. Wire forming machines may be made in-house by SWG hanger manufacturers or purchased from a small number of companies in China, Switzerland, and Taiwan that produce these machines.²⁶

After forming and painting, some hangers require the addition of a paper covering or “cape,” which can be plain or printed with custom or stock messages for drycleaner customers. In addition, strut hangers receive a cardboard tube or “strut” along the bottom bar on which drycleaners hang pants. Although referred to by a separate name in the industry, these hangers are produced using the same equipment and workers as the various types of dry-cleaning hangers described above.

The formation of the hanger itself is similar throughout the world. Operations such as the addition of capes and struts and painting the wire may differ in the amount of the processing that is done by machine versus that which is performed manually. Most hangers going to dry cleaners are packed in boxes containing 500 hangers. However, thicker hangers (struts, drapery, and polo knit hangers) are packed 250 in a box. In the United States the quantity to be packed in a box is determined by weight while in China the hangers are counted and packed manually. All of the common types of SWG hangers mentioned above are produced in China.

²⁵ Unless otherwise noted, this information is based on the following publication: *Steel Wire Garment Hangers from China, Investigation No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008. No major changes in production technology or production methods were reported since the original investigation. *M&B Metal Products, Innovative Fabrication LLP/Indy Hanger, and US Hanger’s Response to the Commission’s Notice of Institution*, October 18, 2013.

²⁶ *Steel Wire Garment Hangers from Taiwan, Investigation No. 731-TA-1197 (Final)*, USITC Publication 4363, November 2012, p. I-9.

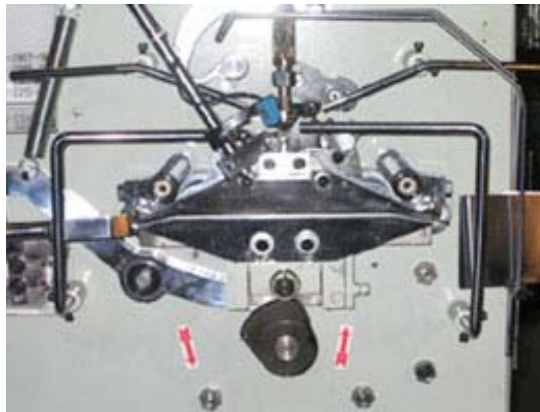
Figure I-2
SWG hangers: Formation process



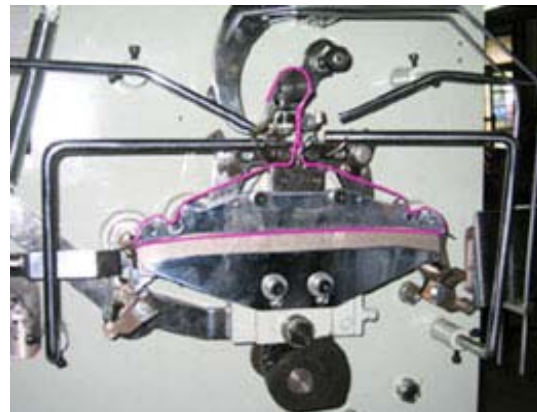
Wire enters machine . . .



. . . is pulled to formation area in machine



Detailed view of wire entering formation process.



Hanger is formed.

Source: Website of Wuxi Anber Machine Com Ltd., found at www.chinanbermachine.com/product17.htm, retrieved January 19, 2011.

Interchangeability and customer and producer perceptions

There are some limitations in interchangeability among various types of SWG hangers, as shirt hangers are used for shirts, suit hangers for suits, and latex and other rental hangers for uniforms. In the original investigation, producers and importers of SWG hangers all viewed SWG hangers as falling within the same basic product category.²⁷

²⁷ *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at p. 6.

Channels of distribution

In the original investigation, all types of SWG hangers were typically sold to distributors, although they were increasingly being sold directly to end users.²⁸ In 2005, a majority of U.S. producers' U.S. shipments was to distributors; thereafter, however, the majority was to end users. Imported product from China was sold primarily through trading companies and distributors but the share sold to end users grew after 2005.²⁹

Pricing and related information

In the original investigations, the Commission collected price data for eight products. Reported pricing data accounted for 28.1 percent of the total quantity of U.S. producers' shipments during January 2005-March 2008 and 55.9 percent of imports from China.³⁰ The Commission found that pricing data showed underselling of domestic hangers by the subject imports in nearly every comparison, and by substantial margins. Subject imports undersold the domestic industry's SWG hangers in 94 of 95 quarterly price comparisons, with margins of underselling ranging from 0.1 percent to 57.7 percent and averaging 30.0 percent. The Commission also noted that price was the most important factor affecting purchasing decisions.³¹

The primary raw material used in the production of SWG hangers in the United States is low-carbon steel wire. During the final investigation, the price of low-carbon steel wire rod had risen by 81.5 percent from January 2005 to July 2008. Between 2005 and 2007, the share of cost of goods sold accounted for by raw materials increased from *** percent to *** percent. By the first quarter of 2008, the share reached *** percent.³²

THE INDUSTRY IN THE UNITED STATES

U.S. producers

In the original investigation, the Commission received questionnaire responses from the following seven U.S. producers of SWG hangers: Ganchos N.V., Inc.; Laidlaw Corp.; M&B; Metro Supply Co.; Merrick International; Shanti Industries, Inc.; and United Wire Hangers Corp, which accounted for *** percent of U.S. production of SWG hangers during 2007 and all

²⁸ *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at p. 6.

²⁹ *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at p. II-1.

³⁰ *Steel Wire Garment Hangers from China, Investigation No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, p. V-3.

³¹ *Steel Wire Garment Hangers from China, Investigation No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, p. 19.

³² *Steel Wire Garment Hangers from China, Investigation No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, p. V-1.

confirmed U.S. production in January-March 2008.³³ In its response to the Commission’s notice of institution, the domestic industry identified six current U.S. producers: Eagle Hangers, Inc., Ganchos N.V., Inc., M&B, Metro Supply Co., Indy Hanger, and US Hanger.³⁴ Since the original investigation, three U.S. producers have ceased production: Great Plains has ceased production of SWG hangers in 2011, Platinum Hanger ceased production of SWG hangers in 2009, and Shanti filed for bankruptcy in January 2010.³⁵

M&B, Indy Hanger, and US Hanger produce the vast majority of SWG hangers made in the United States. Indy Hanger and US Hanger were established following the antidumping investigation of steel wire garment hangers from China.³⁶ Metro Supply Company and Ganchos N.V., Inc. are small regional producers and Eagle Hangers, Inc. appears to be operating only episodically.³⁷

Related party issues

During the original period of investigation, *** domestic producers, M&B, United Wire, Laidlaw, *** imported SWG hangers from China during the period of investigation. Thus, they qualified as “related parties” under 19 U.S.C. § 1677(4)(B). However, the Commission found that “appropriate circumstances” existed only to exclude two U.S. producers, Laidlaw and United Wire, from the domestic industry. Both of these firms ceased domestic production of SWG hangers in the latter half of the investigation period and became *** importers of *** and increasing volumes of subject merchandise, indicating that, by the end of the period, their primary interest had shifted from domestic production to importation. The domestic interested parties reported in their response to the notice of institution in this first five-year review that they do not import SWG hangers from China and that they are not affiliated with any Chinese producers or exporters of SWG hangers.³⁸

U.S. producers’ trade and financial data

The Commission requested domestic interested parties to provide trade and financial data in their response to the notice of institution of the five-year review of the subject order. Table I-3 presents the data reported by responding U.S. producers from both the original investigation (2005-07) and the response to the notice of institution (2012).

³³ *Steel Wire Garment Hangers from China*, Inv. No. 731-TA-1123 (Final), Staff Report to the Commission, Memorandum INV-FF-109, August 27, 2008, p. III-1 and table III-1.

³⁴ Domestic Industry’s Response to the Notice of Institution, October 17, 2013, p. 12.

³⁵ *Steel Wire Garment Hangers from Taiwan*, Investigation No. 731-TA-1197 (Final). USITC Publication 4363, November 2012, p. III-1, fns. 4-6.

³⁶ Domestic Industry’s Response to the Notice of Institution, October 17, 2013, p. 3.

³⁷ Domestic Industry’s Response to the Notice of Institution, October 17, 2013, p. 12.

³⁸ Domestic interested parties’ response to the notice of institution (October 17, 2013), pp. 13-14.

Table I-3
SWG hangers: U.S. producers' trade and financial data, 2005-07 and 2012

Item	2005	2006	2007	2012
Capacity (1,000 hangers)	2,188,508	1,650,619	1,055,570	***
Production (1,000 hangers)	1,508,585	681,843	271,237	***
Capacity utilization (percent)	68.9	41.3	25.7	***
U.S. shipments				
Quantity (1,000 hangers)	1,541,264	721,553	289,409	***
Value (\$1,000)	67,976	30,360	12,362	***
Unit value (per 1,000 hangers)	44.10	42.08	42.71	***
Net sales value (\$1,000)	***	***	***	***
Cost of goods sold (COGS) (\$1,000)	***	***	***	***
Gross profit or (loss) (\$1,000)	***	***	***	***
SG&A (\$1,000)	***	***	***	***
Operating income or (loss) (\$1,000)	***	***	***	***
COGS/sales (percent)	***	***	***	***
Operating income or (loss)/sales (percent)	***	***	***	***

Source: *Steel Wire Garment Hangers from China*, Inv. No. 731-TA-1123 (Final), Staff Report to the Commission, Memorandum INV-FF-109, August 27, 2008, Tables III-3, III-4, and VI-1; and Domestic interested parties' response to the notice of institution (October 17, 2013), exh. 5.

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. imports

In its original investigation, the Commission received questionnaire responses from 27 importers.³⁹ In response to the notice of institution in this five-year review, the domestic interested parties identified 98 importers of SWG hangers.⁴⁰ The domestic interested parties believe that these firms would likely resume importation of SWG hangers if the order were revoked, and states that "the United States remains the largest market in the world for steel wire garment hangers."⁴¹ Table I-4 presents U.S. import data by source, from 2008 to 2012.

³⁹ *Steel Wire Garment Hangers from China*, Investigation No. 731-TA-1123 (Final), USITC Publication 4034, September 2008, p. IV-1.

⁴⁰ Domestic interested parties' response to the notice of institution (October 17, 2013), exh. 2.

⁴¹ Domestic interested parties' response to the notice of institution (October 17, 2013), p. 14.

Table I-4
SWG hangers: U.S. import data, by source, 2008-12

Item	Calendar year				
	2008	2009	2010	2011	2012
Quantity (1,000 hangers)					
China	2,069,185	733,871	220,001	588,917	941,678
All other sources	584,458	1,324,563	1,686,442	1,466,461	1,051,483
Total imports	2,653,643	2,058,434	1,906,443	2,055,378	1,993,161
Value (\$1,000)					
China	82,744	25,878	9,763	23,804	41,446
All other sources	27,829	50,855	62,971	58,483	43,752
Total imports	110,573	76,733	72,734	82,287	85,198
Unit value (dollars per 1,000 hangers)					
China	39.98	35.26	44.37	\$40.41	\$44.01
All other sources	47.61	38.39	37.33	39.88	41.60
Total imports	41.66	37.27	38.15	40.03	42.74
Share of quantity (percent)					
China	78.0	35.7	11.5	28.7	47.2
All other sources	22.0	64.3	88.5	71.3	52.8
Total imports	100.0	100.0	100.0	100.0	100.0
Share of value (percent)					
China	74.8	33.7	13.4	28.9	48.6
All other sources	25.2	66.3	86.6	71.1	51.4
Total imports	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official Commerce statistics, HTS number 7326.20.0020.

According to official Commerce import data, China was the largest source of imported SWG hangers in 2012, representing 47.2 percent of U.S. imports, by quantity. The next largest sources of imports were Vietnam, representing 24.4 percent of U.S. imports, by quantity and Mexico, representing 22.9 percent of U.S. imports, by quantity.

Ratio of imports to U.S. production

The ratios of imports from China and nonsubject countries during 2005-07 and 2012 are shown in table I-5 below.

Table I-5
SWG hangers: Ratio of U.S. imports to U.S. production, 2005-07 and 2012

Item	Calendar year			
	2005	2006	2007	2012
Ratio of imports to U.S. production (percent)				
China	69.3	260.7	994.5	***
All other sources	20.9	45.8	128.2	***
All countries	90.2	306.5	1,122.7	***

Source: *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at IV-13, and compiled from official Commerce statistics, HTS number 7326.20.0020. Domestic interested parties' response to the notice of institution (October 17, 2013).

Apparent U.S. consumption and market shares

Table I-6 shows U.S. shipments of domestic product, U.S. imports and apparent U.S. consumption in 2005-07 and 2012. Table I-7 shows U.S. market shares during 2005-07 and 2012.

Table I-6

SWG hangers: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2005-07 and 2012

Item	2005	2006	2007	2012
Quantity (1,000 hangers)				
U.S. producers' U.S. shipments	1,541,264	721,553	289,409	***
U.S. imports from--				
China	1,044,701	1,777,680	2,697,369	***
All other sources	315,631	312,182	347,824	***
Total imports	1,360,331	2,089,862	3,045,193	***
Apparent U.S. consumption	2,901,595	2,811,415	3,334,602	***
Value (1,000 dollars)				
U.S. producers' U.S. shipments	67,976	30,360	12,362	***
U.S. imports from--				
China	39,445	56,335	83,595	***
All other sources	12,231	10,928	11,802	***
Total imports	51,677	67,263	95,397	***
Apparent U.S. consumption	119,653	97,623	107,759	***

Source: *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, table III-4 and IV-8. *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, Staff Report to the Commission, Memorandum INV-FF-109, August 27, 2008, table III-4. Domestic interested parties' response to the notice of institution (October 17, 2013). Because of rounding, figures may not add to the totals shown.

According to information collected during the original investigation, SWG hangers are used primarily by the dry cleaning, industrial laundry, textile, and uniform rental industries. Purchasers of steel wire garment hangers include national distributors to the dry-cleaning industry as well as industrial laundries which provide uniform rental services.⁴²

⁴² Domestic interested parties' response to the notice of institution (October 17, 2013), p. 13.

Table I-7
SWG hangers: U.S. market shares, 2005-07 and 2012

Item	2005	2006	2007	2012
	Quantity (1,000 hangers)			
Apparent U.S. consumption	2,901,595	2,811,415	3,334,602	***
	Value (1,000 dollars)			
Apparent U.S. consumption	119,653	97,623	107,759	***
	Share of quantity (percent)			
U.S. producers' U.S. shipments	53.1	25.7	8.7	***
U.S. imports from--				
China	36.0	63.2	80.9	***
All other sources	10.9	11.1	10.4	***
Total imports	46.9	74.3	91.3	***
	Share of value (percent)			
U.S. producers' U.S. shipments	56.8	31.1	11.5	***
U.S. imports from—				
China	33.0	57.7	77.6	***
All other sources	10.2	11.2	11.0	***
Total imports	43.2	68.9	88.5	***

Source: *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, table III-4 and IV-9, *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, Staff Report to the Commission, Memorandum INV-FF-109, August 27, 2008, and Domestic interested parties' response to the notice of institution (October 17, 2013). Because of rounding, figures may not add to the totals shown.

THE INDUSTRY IN CHINA

Background

During the original investigation, the petition identified 64 producers of SWG hangers in China.⁴³ The Commission received 14 usable foreign producer questionnaire responses. Between January 2005 and March 2008, more than 90 percent of reported Chinese-produced SWG hangers were exported to the United States.⁴⁴

In their response to the notice of institution in this first five-year review, the domestic interested parties identified 36 firms as producers/exporters of SWG hangers in China.

⁴³ *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at p. VII-2.

⁴⁴ *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at p. VII-5.

Capacity and production

During the original investigation, reported Chinese capacity and production of SWG hangers increased by over 70 percent from 2005 to 2007; capacity utilization fluctuated from 2005 to 2007, but remained above 80 percent. Reported Chinese exports of SWG hangers to the United States rose by 71.9 percent from 2005 to 2007.⁴⁵ Exports to all other markets more than doubled over the period.

Exports

Table I-8 presents data for the top ten markets for Chinese exports of SWG hangers. The United States is the largest market for Chinese product. Total Chinese exports increased from 2008 to 2012, by 46.7 percent, and Chinese exports to the United States increased by 17.6 percent.

Table I-8
SWG hangers: Chinese exports, by country, 2008-12

Country	Value (\$1,000)				
	2008	2009	2010	2011	2012
United States	227,414	158,054	187,435	215,001	267,400
Japan	77,400	62,407	67,898	85,569	87,811
Vietnam	1,484	3,246	6,207	26,133	31,540
United Kingdom	19,804	16,198	20,866	24,225	28,081
Australia	23,908	13,018	15,186	22,142	26,752
Germany	29,352	23,053	21,972	26,162	24,816
Malaysia	6,231	6,391	11,719	12,628	24,346
Indonesia	3,358	4,780	7,152	12,001	22,114
Netherlands	17,173	7,727	12,991	16,264	21,867
Korea South	14,852	10,605	12,859	18,047	21,216
All others	209,706	164,688	261,244	308,381	369,493
World	630,683	470,169	625,530	766,554	925,437

Source: Global Trade Information Service ("Global Trade Atlas"), HS code 732620, articles of iron or steel wire, not elsewhere specified or identified. This HS code is over inclusive and contains wire products beyond steel wire garment hangers. Data exported under HS code 732399 is not included because it primarily contains nonsubject articles of iron and steel.

⁴⁵ *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at p. VII-5.

TARIFF OR NON-TARIFF BARRIERS TO TRADE

There are no outstanding antidumping and/or countervailing duty measures against SWG hangers produced in China in countries other than the United States.

THE GLOBAL MARKET

Table I-9 shows the ten largest exporting countries of SWG hangers. Total world exports decreased by 1.0 percent from 2008 to 2012.

Table I-9
SWG Hangers: Exports by reporting country, 2008-12

Country	Value (\$1,000)				
	2008	2009	2010	2011	2012
China	630,683	470,169	625,530	766,554	925,437
Germany	175,417	149,359	194,316	221,981	198,198
Belgium	210,898	177,869	179,781	182,122	191,982
United States	189,783	132,204	142,909	164,582	152,505
Poland	164,871	95,662	121,550	159,060	135,475
Italy	186,036	144,022	132,913	137,150	115,906
Czech Republic	127,587	82,100	95,994	126,391	110,283
France	89,722	70,788	80,045	98,568	78,794
India	21,752	19,569	27,239	55,765	78,025
Netherlands	142,177	78,855	78,308	81,259	73,409
All others	927,804	691,130	759,961	885,931	779,440
World	2,866,730	2,111,725	2,438,568	2,879,363	2,839,455

Source: Global Trade Information Service ("Global Trade Atlas"), HS code 732620, articles of iron or steel wire, not elsewhere specified or identified. This HS code is over inclusive and contains wire products beyond steel wire garment hangers. Data exported under HS code 732399 is not included because it primarily contains nonsubject articles of iron and steel.

Table I-10 shows the ten largest importers of SWG hangers. Total world imports decreased by 14.0 percent from 2008 to 2012.

Table I-10
SWG hangers: Imports by reporting country, 2008-12

Country	Value (\$1,000)				
	2008	2009	2010	2011	2012
United States	394,242	305,508	342,663	370,541	388,932
Germany	271,003	186,943	191,352	211,024	232,300
France	214,106	172,128	182,335	198,632	153,471
United Kingdom HMRC	166,203	114,758	143,609	168,077	124,909
Japan	78,089	65,665	82,855	104,625	105,989
Canada	70,987	59,233	72,140	86,668	86,965
Belgium	163,652	84,231	77,419	92,831	81,063
Netherlands	94,609	57,207	67,693	79,676	64,322
Mexico	63,521	43,226	60,419	56,409	64,033
Poland	57,264	42,851	38,883	51,029	50,250
All others	1,129,327	737,391	853,495	1,008,939	971,897
World	2,703,002	1,869,148	2,112,863	2,428,453	2,324,132

Source: Global Trade Information Service ("Global Trade Atlas"), HS code 732620, articles of iron or steel wire, not elsewhere specified or identified. This HS code is over inclusive and contains wire products beyond steel wire garment hangers. Data imported under HS code 732399 is not included because it primarily contains nonsubject articles of iron and steel.

APPENDIX A
PURCHASER QUESTIONNAIRE RESPONSES

* * * * *

APPENDIX B
SUMMARY DATA

Table C-4

SWG hangers: Summary data concerning the U.S. market (excluding Laidlaw and United Wire), 2005-07, January-March 2007, and January-March 2008

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

Item	Reported data					Period changes			
	2005	2006	2007	January-March		2005-07	2005-06	2006-07	Jan.-Mar. 2007-08
				2007	2008				
U.S. consumption quantity:									
Amount	2,901,595	2,811,415	3,334,602	778,773	***	14.9	-3.1	18.6	***
Producers' share (1):									
Laidlaw & United Wire	***	***	***	***	***	***	***	***	***
All other producers	***	***	***	***	***	***	***	***	***
Total producers	53.1	25.7	8.7	11.7	***	-44.4	-27.5	-17.0	***
Importers' share (1):									
China	36.0	63.2	80.9	76.2	***	44.9	27.2	17.7	***
Other sources	10.9	11.1	10.4	12.1	***	-0.4	0.2	-0.7	***
Total imports	46.9	74.3	91.3	88.3	***	44.4	27.5	17.0	***
U.S. consumption value:									
Amount	119,653	97,623	107,759	24,199	***	-9.9	-18.4	10.4	***
Producers' share (1):									
Laidlaw & United Wire	***	***	***	***	***	***	***	***	***
All other producers	***	***	***	***	***	***	***	***	***
Total producers	56.8	31.1	11.5	15.3	***	-45.3	-25.7	-19.6	***
Importers' share (1):									
China	33.0	57.7	77.6	71.7	***	44.6	24.7	19.9	***
Other sources	10.2	11.2	11.0	13.0	***	0.7	1.0	-0.2	***
Total imports	43.2	68.9	88.5	84.7	***	45.3	25.7	19.6	***
U.S. imports from--									
China:									
Quantity	1,044,701	1,777,680	2,697,369	593,419	626,354	158.2	70.2	51.7	5.6
Value	39,445	56,335	83,595	17,342	22,682	111.9	42.8	48.4	30.8
Unit value	\$37.76	\$31.69	\$30.99	\$29.22	\$36.21	-17.9	-16.1	-2.2	23.9
Ending inventory quantity	78,475	109,418	249,269	132,506	185,476	217.6	39.4	127.8	40.0
All other sources:									
Quantity	315,631	312,182	347,824	94,469	102,094	10.2	-1.1	11.4	8.1
Value	12,231	10,928	11,802	3,147	3,812	-3.5	-10.7	8.0	21.1
Unit value	\$38.75	\$35.01	\$33.93	\$33.31	\$37.34	-12.4	-9.7	-3.1	12.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	1,360,331	2,089,862	3,045,193	687,888	728,448	123.9	53.6	45.7	5.9
Value	51,677	67,263	95,397	20,489	26,494	84.6	30.2	41.8	29.3
Unit value	\$37.99	\$32.19	\$31.33	\$29.79	\$36.37	-17.5	-15.3	-2.7	22.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers' (2)									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (hangers per hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***
U.S. shipments by Laidlaw/United Wire:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***

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

(2) Excluding Laidlaw and United Wire.

(3) Undefined.

(4) Not applicable.

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

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

