



FACT SHEET

Commerce Finds Dumping of Imports of Steel Propane Cylinders from Thailand and China and Countervailable Subsidization from China

- On June 18, 2019, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of steel propane cylinders from Thailand (AD only), and China.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from foreign governments that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- In the Thailand AD investigation, Commerce assigned a dumping rate of 10.77 percent to mandatory respondent Sahamitr Pressure Container Public Company Limited. Commerce determined a dumping rate of 10.77 percent for all other Thai producers and exporters.
- In the China AD investigation, Commerce assigned a dumping rate of 25.52 percent to mandatory respondent Shandong Huanri Group Co. Ltd. and a dumping rate of 37.41 percent to mandatory respondent Hong Kong GSBF Company Limited. Commerce assigned a dumping rate of 26.28 percent to the one company which demonstrated that it was eligible for a separate rate, Jiaxing Pressure Vessel Factory. Commerce determined a dumping rate of 108.60 percent to the China-wide entity, based entirely on adverse facts available.
- In the China CVD investigation, Commerce assigned a subsidy rate of 37.91 percent for mandatory respondent Shandong Huanri Group Co. Ltd. Commerce determined a subsidy rate of 142.37 percent for mandatory respondent TPA Metals and Machinery (SZ) Co. Ltd, based entirely on adverse facts available. Commerce also determined a subsidy rate of 142.37 percent for Guangzhou Lion Cylinder Co. Ltd, Hubei Daly LPG Cylinder Manufacturer Co. Ltd, Taishan Machinery Factory Ltd., Wuyi Xilinde Machinery Manufacture Co., Ltd, and Zhejiang Jucheng Steel Cylinder Co., Ltd, based entirely on adverse facts available. The subsidy rate for all other Chinese producers and exporters is 37.91 percent.
- Upon publication of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect AD cash deposits equal to the applicable final weighted-average dumping rates. Further, as a result of the affirmative final CVD determinations, if the U.S. International Trade Commission (ITC) makes affirmative injury determinations, Commerce will instruct CBP to resume collection of CVD cash deposits equal to the applicable above-*de minimis* subsidy rates.

- The petitioners are Worthington Industries (Columbus, OH) and Manchester Tank & Equipment Co. (Franklin, TN).
- The merchandise covered by these investigations is steel cylinders for compressed or liquefied propane or other gases (steel propane cylinders) meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation (USDOT) Specifications 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or United Nations pressure receptacle standard ISO 4706 and otherwise meeting the description provided below. The scope includes steel propane cylinders regardless of whether they have been certified to these specifications before importation. Steel propane cylinders range from 2.5 pound nominal gas capacity (approximate 6 pound water capacity and approximate 4-6 pound tare weight) to 42 pound nominal gas capacity (approximate 100 pound water capacity and approximate 28-32 pound tare weight). Steel propane cylinders have two or fewer ports and may be imported assembled or unassembled (i.e., welded or brazed before or after importation), with or without all components (including collars, valves, gauges, tanks, foot rings, and overfill prevention devices), and coated or uncoated. Also included within the scope are drawn cylinder halves, unfinished propane cylinders, collars, and foot rings for steel propane cylinders.

An “unfinished” or “unassembled” propane cylinder includes drawn cylinder halves that have not been welded into a cylinder, cylinders that have not had flanges welded into the port hole(s), cylinders that are otherwise complete but have not had collars or foot rings welded to them, otherwise complete cylinders without a valve assembly attached, and cylinders that are otherwise complete except for testing, certification, and/or marking.

The investigations also cover steel propane cylinders that meet, are produced to meet, or are certified as meeting, other U.S. or Canadian government, international, or industry standards (including, for example, American Society of Mechanical Engineers (ASME), or American National Standard Institute (ANSI)), if they also meet, are produced to meet, or are certified as meeting USDOT Specification 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or a United Nations pressure receptacle standard ISO 4706.

Subject merchandise also includes steel propane cylinders that have been further processed in a third country, including but not limited to, attachment of collars, foot rings, or handles by welding or brazing, heat treatment, painting, testing, certification, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope steel propane cylinders.

Specifically excluded are seamless steel propane cylinders and propane cylinders made from stainless steel (i.e., steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight), aluminum, or composite fiber material. Composite fiber material is material consisting of the mechanical combination of two components: fiber (typically glass, carbon, or aramid (synthetic polymer)) and a matrix material (typically polymer resin, ceramic, or metallic).

The merchandise subject to these investigations is properly classified under statistical reporting numbers 7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

- In 2017, imports of steel propane cylinders from China and Thailand were valued at an estimated \$89.8 million and \$14.1 million, respectively.

- The Final Decision Memoranda, including the memorandum postponing the AD and CVD final determinations of steel propane cylinders from Thailand, are on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case numbers: A-549-839 (AD Thailand), C-570-087 (CVD China), and A-570-086 (AD China).

NEXT STEPS

- The ITC is scheduled to make its final determinations on or about August 1, 2019.
- If the ITC makes affirmative final determinations that imports of steel propane cylinders from China and/or Thailand materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Thailand	Sahamitr Pressure Container Public Company Limited	10.77%
	All Others	10.77%

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES	CASH DEPOSIT RATES**
China	Shandong Huanri Group Co. Ltd.	25.52%	0.0
	Hong Kong GSBF Company Limited/GSBF Tank Inc.	37.41%	3.94
	Jiaxing Pressure Vessel Factory*	26.28%	0.0
	China-Wide Entity	108.60%	75.13

*Separate rate company.

** Rates are adjusted for export subsidies.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Shandong Huanri Group Co. Ltd	37.91%
	TPA Metals and Machinery (SZ) Co. Ltd**	142.37%
	Guangzhou Lion Cylinder Co. Ltd**	142.37%
	Hubei Daly LPG Cylinder Manufacturer Co. Ltd**	142.37%
	Taishan Machinery Factory Ltd.**	142.37%
	Wuyi Xilinde Machinery Manufacture Co., Ltd**	142.37%
	Zhejiang Jucheng Steel Cylinder Co., Ltd**	142.37%
	All Others	37.91%

**Based entirely on adverse facts available.

CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	March 22, 2018	March 22, 2018
DOC Initiation Date	June 11, 2018	June 11, 2018
ITC Preliminary Determinations	July 6, 2018	March 19, 2018
DOC Preliminary Determinations	October 19, 2018	December 18, 2018
DOC Final Determinations	June 17, 2019	June 17, 2019
ITC Final Determinations	August 1, 2019	August 1, 2019
Issuance of Orders*	August 8, 2019	August 8, 2019

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a)(1) of the Tariff Act of 1930, as amended (the Act). For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a) of the Act. These deadlines may be extended under certain circumstances.

*This will take place only in the event of affirmative final determinations from Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2015	2016	2017
Volume (metric tons)	2,223,135	1,613,360	4,006,413
Value (USD)	60,364,689	60,930,318	89,801,633
Thailand	2015	2016	2017
Volume (metric tons)	401,756	667,462	877,767
Value (USD)	7,820,066	12,136,965	14,135,025

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7311.00.0060 and 7311.00.0090.) These HTSUS subheadings are basket categories and cover both subject and non-subject merchandise.