

Commerce Department Announces Affirmative Preliminary Subsidy Determinations on Imports of Aluminum Extrusions from China, Indonesia, Mexico, and Turkey, Wiley Rein LLP Reports

March 5, 2024

Washington, DC – Today, the U.S. Department of Commerce announced its preliminary finding that the governments of China, Indonesia, Mexico, and Turkey unfairly subsidize their aluminum extrusion industries. Commerce calculated affirmative preliminary countervailing duties from each country in the following ranges: imports from China at rates of 15.41% to 169.66%, imports from Indonesia at rates of 6.69% to 43.56%, imports from Mexico at rates of 1.68% to 77.80%, and imports from Turkey at rates of 1.45% to 147.53%. The U.S. Aluminum Extruders Coalition and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union – petitioners in this case – commend Commerce’s decision to impose duties, which are crucial to U.S. producers and workers.

Today’s determinations by Commerce establish the preliminary duty rates in the subsidies portion of the investigations. Following the publication of Commerce’s preliminary determination in the Federal Register in approximately one week, Commerce will instruct U.S. Customs and Border Protection to begin suspending liquidation and collecting preliminary duties (in the form of cash deposits) on entries of aluminum extrusions from China, Indonesia, Mexico, and Turkey.

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These are preliminary determinations only, and subsidy rates may increase before the final determination. The countervailing duty investigations are ongoing, and Commerce has not yet had time to fully investigate all potential subsidies, including new subsidy and creditworthiness allegations on several countries and may lead to higher subsidy rates for the final determination. Commerce's final determination is currently expected in late July 2024 but may be extended to align with the corresponding antidumping investigations.

These duty rates are only for the countervailing duty investigations. They do not yet include the rates from the ongoing antidumping duty investigations of aluminum extrusions from China, Indonesia, Mexico, and Turkey, which will be added to the preliminary subsidy rates. The Commerce Department's preliminary determinations in the antidumping duty cases on these four countries, as well as 10 other countries, are currently scheduled for early May 2024.

"We are encouraged that the Commerce Department has taken preliminary action to remedy the unfair and illegal subsidization of aluminum extrusions from China, Indonesia, Mexico, and Turkey," said Robert E. DeFrancesco, trade counsel to the Petitioners and a partner in the International Trade Practice at Wiley Rein LLP. "The widespread subsidization confirms that foreign governments are willing to provide meaningful and unfair support to boost aluminum extrusion exports, and it is, therefore, critical that Commerce continue to rigorously counter these harms to the U.S. aluminum extrusion industry."

The duties that will be imposed following today's decision are assessed on the importer of record of the merchandise. Duty evasion, absorption, and circumvention are illegal and closely monitored by U.S. Customs and Border Protection, in conjunction with the Commerce Department.

The Wiley team representing the petitioners also includes International Trade Practice co-chair Alan H. Price; partner Laura El-Sabaawi; of counsel Adam M. Teslik; associates John Allen Riggins and Kimberly A. Reynolds; and international trade analyst Alex W. Wood.

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