

Commerce Department Issues Preliminary Subsidy Duties of Up to 245% on Chinese Imports of Wood Mouldings and Millwork Products

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Washington, DC – Today, the U.S. Department of Commerce preliminarily found that the Government of China unfairly subsidizes its wood mouldings and millwork products producers and imposed preliminary countervailing duties on Chinese imports at rates ranging from 13.61% to 245.34%. The Coalition of American Millwork Producers, which filed this trade case, commends the Commerce Department for its hard work on this investigation thus far.

Today's determination by Commerce establishes the preliminary duty margins in the subsidies portion of the investigation. 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 collect preliminary duties (in the form of cash deposits) on entries of wood mouldings and millwork products from China.

This is a preliminary ruling only. The investigations are ongoing, and the Commerce Department last week initiated investigations of additional subsidy programs covering wood adhesives and primer. These additional subsidies have not yet been fully investigated, are not reflected in today's determination, and may lead to higher subsidy rates for the final determination. The final determination is currently expected in early August 2020, but may be extended.

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These duty rates also do not yet include the rates from the ongoing antidumping duty investigation of wood mouldings and millwork products from China, which will be added to the preliminary subsidy rates. The Coalition awaits the Commerce Department's preliminary determination in the antidumping duty case, due in early August 2020. There is also an ongoing antidumping duty case on wood mouldings and millwork products from Brazil, and a preliminary determination is due in that case in August 2020 as well.

"Today's preliminary finding of unfair subsidization is an important step in remedying the harm caused by unfairly traded imports of Chinese wood mouldings and millwork products," said Tim Brightbill, partner in Wiley's International Trade Practice, and trade counsel to the Coalition. "U.S. wood mouldings and millwork products producers look forward to further relief when preliminary antidumping duties on both China and Brazil are announced in about two months."

As a reminder, duties 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 antidumping and countervailing duty cases were filed on behalf of the Coalition of American Millwork Producers, an alliance of large and small wood moulding and millwork producers from across the United States. The Coalition is committed to addressing the unfair trade practices of China and Brazil, including dumping and subsidizing of wood mouldings and millwork products sold into the United States.

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