

U.S. Hardwood Plywood Producers File Request for Scope/Circumvention Ruling Confirming That Products Assembled in Vietnam Are Subject to Trade Duties



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Washington, DC – Today, the Coalition for Fair Trade of Hardwood Plywood (Coalition) filed a request with the U.S. Department of Commerce, asking the agency to issue a scope ruling confirming that certain hardwood plywood products from China that are assembled in Vietnam before being imported into the United States are within the scope of the antidumping (AD) and countervailing (CVD) duty orders on certain hardwood plywood products from China (Orders). In the alternative, the Coalition is asking Commerce to find that these products constitute merchandise completed or assembled in a third country that is circumventing the Orders.

Since the Orders were imposed in January 2018, Chinese producers/exporters of hardwood plywood have engaged in a number of schemes to avoid paying trade duties, including transshipment through Vietnam. As part of its filing, the Coalition has submitted extensive evidence, including trade statistics, declarations, website excerpts, and press reports, indicating that Chinese hardwood plywood is undergoing minor assembly and finishing in Vietnam and entering the United States as Vietnamese-origin plywood for the express purpose of avoiding AD/CVD duties. Specifically, the Coalition has learned that Chinese producers are manufacturing the face, back, and core veneers for plywood in China – and are then shipping the face and back veneers, as well as an assembled core or individual core veneers for layup, to Vietnam for mere assembly. This hardwood plywood is then being imported into the U.S. market duty-free.

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International Trade

The Coalition is asking Commerce to issue a final scope ruling or circumvention determination as expeditiously as possible in order to prevent further harm to the domestic industry. If Commerce concludes that the covered products are in-scope merchandise, they will be subject to the current antidumping and countervailing duties on Chinese hardwood plywood, which exceed 200% combined.

“Before trade orders were even issued in these cases, Chinese producers began to preemptively circumvent the ruling and have continued to engage in schemes to avoid the lawful payment of duties ever since. The Coalition will continue to work aggressively to ensure that the trade orders are properly enforced,” said Timothy C. Brightbill, partner in Wiley Rein LLP’s International Trade Practice. “We are confident that the Commerce Department’s full investigation of the Coalition’s request will result in a finding that the products at issue are in-scope merchandise and are therefore subject to significant duties.”

The underlying trade cases were filed on behalf of the Coalition for Fair Trade of Hardwood Plywood, a group of U.S. producers and manufacturers that are committed to safeguarding the U.S. hardwood plywood industry and its thousands of workers. Wiley Rein LLP represents the Coalition.