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Dumping Rates Increased Significantly on Chinese Multi-layered Wood Flooring

The antidumping rates for Chinese engineered wood flooring imports have increased significantly on nearly all Chinese producers, who were previously paying zero antidumping duties. Now, as a result of the Commerce Department's final determinations, the antidumping duty margins have increased to 85.13% as a countrywide rate for 46 companies and a separate rate of 42.57% for 59 specific companies. These rates were announced by the Commerce Department this week.

The rates become effective immediately after they are published in the Federal Register and transmitted to U.S. Customs and Border Protection. Cash deposits will be required immediately, and the duty rates are also retroactive for these Chinese imports from December 31, 2016, which was the start of the review period.

The countervailing duty rates, which address the Chinese government's subsidies of these multilayered wood flooring products, also increased to between 2.96% and 3.2%. Most companies will pay an additional 3.1%. These rates are also retroactive and require additional cash deposits.

These AD/CVD rates are separate from and in addition to the 25% tariffs which have been recently imposed by the Trump Administration on Chinese imports subject to the U.S. Section 301 investigation of distortive Chinese trade practices such as technology transfer, cyber-hacking, and state-owned enterprises. As such, most Chinese flooring imports are also subject to those tariffs as well.

"This is a significant step in addressing the unfair trading practices of Chinese flooring producers and the Chinese government for these products. The substantial increase and the retroactive date for these rates may catch some importers by surprise," noted Tim Brightbill, lead counsel with Wiley Rein for the Coalition for American Hardwood Parity. "Customs and the domestic industry will closely monitor compliance with these new duty rates."

“The U.S. engineered hardwood flooring manufacturers who provide American jobs from a sustainably managed American hardwood forest welcome a more level playing field,” commented Kip Howlett, President of the Decorative Hardwoods Association, that includes Coalition companies in its membership.

There are several companies that did not export to the U.S. during the period and therefore have no dumping duty. However, should they re-enter the market, their duty rates will be reexamined as well.

Duty absorption and duty evasion/circumvention are illegal and can result in criminal penalties as well as fines and other sanctions. Therefore, importers should be wary of illegal schemes to avoid these new duties.

For copies of the Commerce orders, go to: www.decorativehardwoods.org

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