



Commerce Finds that Hardwood Plywood Made with Chinese Materials and Assembled in Vietnam Is Subject to Substantial Duties on Chinese Hardwood Plywood

In an important ruling affecting importers of hardwood plywood (“HWPW”), the Department of Commerce (“Commerce”) published its preliminary affirmative determination in its circumvention inquiry regarding HWPW made with Chinese core materials and assembled in Vietnam. In its determination, Commerce found that the multiple types of HWPW it examined are properly subject to substantial antidumping (“AD”) and countervailing (“CVD”) duties on HWPW from China, ranging as high as 200 percent, as these products are either covered by the scope language or are circumventing the AD/CVD orders on HWPW from China.

Commerce made this determination on a country-wide basis, meaning that this determination applies to all such HWPW exported from Vietnam.

As a result of this determination, liquidation will be suspended and cash deposits of estimated duties will be required for entries of HWPW retroactive to June 17, 2020. The applicable AD cash deposit rate will be 183.36% and CVD cash deposit rate will be 22.98% unless a company can demonstrate that it has its own company-specific rate.

Specifically, Commerce found that the following types of HWPW were either included in the scope of the AD/CVD orders or circumventing the AD/CVD orders:

- (1) HWPW made from face veneer, back veneer, and assembled core components (e.g., veneer core platforms) manufactured in China and assembled in Vietnam;
- (2) HWPW made from fully assembled veneer core platforms manufactured in China that are combined in Vietnam with face and/or back veneers produced in Vietnam or third countries; and
- (3) HWPW made from multi-ply panels of glued core veneers manufactured in China that are combined in Vietnam to produce veneer core platforms and combined with either a face and/or back veneer produced in China, Vietnam, or a third country.
- (4) HWPW made from face veneer, back veneer, and individual core veneers produced in China and assembled into hardwood plywood in Vietnam; and
- (5) HWPW made from individual core veneers manufactured in China and processed into a veneer core platform in Vietnam and combined with a face and/or back veneer produced in Vietnam or other third country.

Any importer or exporter of HWPW assembled in Vietnam claiming that its HWPW does not fall under any of the identified scenarios must prepare and maintain a certification and supporting documentation attesting to that fact.

Commerce also determined that 36 companies in Vietnam failed to fully cooperate with the agency during the proceeding. Due to this non-cooperation, Commerce determined that these 36 companies produced HWPW under the five identified scenarios and has blocked them from



participating in the certification process. As such, cash deposits will be required for all entries of HWPW from Vietnam exported from these companies. Publicly available data suggests that these companies account for up to 60% of HWPW imported from Vietnam, meaning that a significant volume of Vietnamese imports will likely be subject to duties.

Commerce has stated that it will issue a final determination in this proceeding on October 17, 2022, at which time it can choose whether to modify any aspect of its preliminary determination.

For more information, go to: [*Certain Hardwood Plywood Products from the People's Republic of China: Preliminary Scope Determination and Affirmative Preliminary Determination of Circumvention of the Antidumping and Countervailing Duty Orders*, 87 Fed. Reg. 45,753 \(Dep't Commerce July 29, 2022\)](#), or contact Tim Brightbill and Stephanie Bell of Wiley Rein, counsel to the Coalition for Fair Trade in Hardwood Plywood, at TBrightbill@wiley.law and SBell@wiley.law.