

# New Antidumping and Countervailing Duty Petition on Paper Shopping Bags From Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey and Vietnam

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## Introduction

On May 30, 2023, a domestic producer of paper shopping bags and a union filed a petition with the U.S. Department of Commerce (DOC) and the U.S. International Trade Commission (ITC) seeking the imposition of antidumping (AD) duties on imports of paper shopping bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey and Vietnam and countervailing (CVD) duties on imports from China and India. Novolex Holdings LLC, which has manufacturing facilities in Kentucky, Georgia, Washington, Connecticut and Mexico, filed the petition along with the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (collectively, "Petitioners"). Other members of the domestic industry, who did not join the petition, are American Paper Bag LLC and ProAmpac LLC.

Petitioners allege that imports of paper shopping bags into the United States from the nine subject countries have increased over the past few years by 74%. The petition follows two cases in 2010 that imposed AD duties on imports of polyethylene retail carrier bags from China, Malaysia, Thailand, Indonesia, Taiwan and Vietnam and CVD duties on imports of such products from Vietnam.

Under U.S. law, a domestic industry (including workers in that industry) may petition for the government to initiate an AD investigation into the pricing of an imported product to determine whether it is sold in the U.S. at less than fair value (i.e., "dumped"). A domestic industry may also petition for the initiation of an investigation of alleged countervailable subsidies provided by a foreign government to producers and exporters of the subject merchandise. DOC will impose AD and/or CVD duties on a product if it determines that imports of that product are dumped and/or subsidized, **and** if the ITC also determines that the domestic industry is materially injured or threatened with such injury by reason of imports of that product.

If the ITC and DOC make preliminary affirmative determinations, U.S. importers will be required to post cash deposits in the amount of the AD and/or CVD duties for all entries of the subject merchandise entered on or after the date of publication of DOC's preliminary determinations. The preliminary AD/CVD rates can change in the final DOC determinations, following further factual investigation, verification and briefing.

## Scope

Petitioners have requested the following product scope for the investigations:

Paper shopping bags with handles of any type, regardless of whether there is any printing, regardless of how the top edges are finished (e.g., folded, serrated or otherwise) and regardless of whether the tops can be sealed. Subject paper shopping bags have a width of at least 4.5 inches and depth of at least 2.5 inches.

Excluded from the scope are:

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- Multiwall sacks and bags.
- Paper sacks or bags that are of a 1/6 or 1/7 barrel size (i.e., 11.5-12.5 inches in width, 6.5-7.5 inches in depth and 13.5-17.5 inches in height) with flat paper handles.
- Paper sacks or bags with die-cut handles, a standard basis paper weight of less than 38 pounds and a height of less than 11.5 inches.
- Shopping bags (i) with non-paper handles made wholly of woven ribbon or other similar woven fabric and (ii) that are finished with folded tops or for which tied knots or T-bar aglets (made of wood, metal or plastic) are used to secure the handles to the bags.
- Gift bags marked for retail sale that are physically bundled into the saleable unit prior to importation such that each bundled unit is composed of no less than three individual bags and no more than 30 individual bags.

This merchandise is currently classifiable under HTS item numbers 4819.30.0040 and 4819.40.0040.

### Foreign Producers and Exporters of Subject Merchandise

A list of foreign producers and exporters of paper shopping bags, as identified in the petition, is provided in [Attachment 1](#).

### U.S. Importers of Subject Merchandise

A list of U.S. importers of paper shopping bags, as identified in the petition, is provided in [Attachment 2](#).

### Alleged Margins of Dumping/Subsidization

Petitioners alleged the following dumping margins:

Cambodia: 44.29% - 221.36%

China: 133.80% - 324.24%

Colombia: 65.04%

India: 22.05% - 88.56%

Malaysia: 173.38%

Portugal: 26.71% - 204.54%

Taiwan: 44.76% - 50.13%

Turkey: 12.51% - 45.29%

Vietnam: 63.67% - 128.81%

DOC generally assigns duties at these alleged dumping rates to foreign producers and exporters that fail to cooperate with the investigation.

No specific subsidy rates are included in the petition.

### Potential Trade Impact

According to official U.S. import statistics, imports of the subject merchandise totaled \$750.5 million and 257,980 short tons in 2022, representing approximately two-thirds of all imports of paper shopping bags.

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### Estimated Schedule of Investigations

5/30/2023	Petition filed.
7/14/2023	ITC preliminary injury determination.
8/23/2023	DOC preliminary CVD determination, if not postponed. (Duties upon importation begin when this decision is published in the Federal Register.)
10/27/2023	DOC preliminary CVD determination, if fully postponed.
11/6/2023	DOC preliminary AD determination, if not postponed.
12/26/2023	DOC preliminary AD determination, if fully postponed.
5/16/2024	DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed.
7/7/2024	ITC final injury determination, if DOC's determinations are fully postponed.
7/14/2024	AD/CVD orders published.

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*If you have questions about this client alert, please contact any Akin lawyer or advisor below:*

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