

New Antidumping Duty Petitions On Mattresses from Bosnia, Bulgaria, Burma, India, Italy, Kosovo, Mexico, The Philippines, Poland, Slovenia, Spain, And Taiwan And Countervailing Duty Petition On Mattresses From Indonesia

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Introduction

On July 28, 2023, a coalition of domestic producers and wholesalers of mattresses filed petitions 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 mattresses from Bosnia and Herzegovina, Bulgaria, Burma, India, Italy, Kosovo, Mexico, the Philippines, Poland, Slovenia, Spain, and Taiwan and the imposition of countervailing duties (CVD) on imports of mattresses from Indonesia.

According to Petitioners, imports of the covered merchandise into the United States from the identified countries steadily increased over the past few years, reaching approximately 13.4 million mattresses in 2022. AD and CVD petitions were previously filed on imports of mattresses from several other countries. Currently, there are AD orders on mattresses from China, Cambodia, Indonesia, Malaysia, Serbia, Thailand, Turkey and Vietnam, and a CVD order on mattresses from China.

Petitioners include Brooklyn Bedding LLC, Carpenter Company, Corsicana Mattress Company, FXI, Inc., Kolcraft Enterprises, Inc., Leggett & Platt, Incorporated, Serta Simmons Bedding, Inc., Southerland Inc., Tempur Sealy International, Inc., and two trade unions—The International Brotherhood of Teamsters and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union—which are representatives of companies engaged in the domestic mattress industry. The petitions identify several other domestic producers of mattresses, which have not expressed a public position on the petitions.

Under U.S. law, a domestic industry (including workers in said industry) may petition the government to initiate an AD investigation into the pricing of an imported product to determine whether it is sold in the United States 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 covered merchandise. DOC will impose AD or CVD duties on a product if it determines that imports of that product are dumped 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 rates calculated by DOC for all entries of 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:

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The products covered by these petitions are all types of youth and adult mattresses. The term "mattress" denotes an assembly of materials that at a minimum includes a "core," which provides the main support system of the mattress, and may consist of innersprings, foam, other resilient filling, or a combination of these materials. Mattresses also may contain (1) "upholstery," the material between the core and the top panel of the ticking on a single-sided mattress, or between the core and the top and bottom panel of the ticking on a double-sided mattress; and/or (2) "ticking," the outermost layer of fabric or other material (e.g., vinyl) that encloses the core and any upholstery, also known as a cover.

A full description of the product scope, including exclusions, is provided in Attachment 1.

Foreign Producers and Exporters of Subject Merchandise

A list of foreign producers and exporters of subject mattresses, as identified in the petitions, is provided in Attachment 2.

U.S. Importers of Subject Merchandise

A list of U.S. importers of subject mattresses, as identified in the petitions, is provided in Attachment 3.

Alleged Margins of Dumping

Petitioner alleged the following dumping margins for products from the identified countries:

• Bosnia and Herzegovina: 321%

• Bulgaria: 117%

• Burma: 154%

• India: 61%

• Italy: 200%

Kosovo: 915%

Mexico: 92%

• Philippines: 497%

• Poland: 43%

• Slovenia: 1,094%

• Spain: 66%

• Taiwan: 738%

DOC generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with its investigations.

No specific subsidy rates for Indonesia are included in the petition.

Potential Trade Impact

According to official U.S. import statistics, a total of nearly 13.4 million subject mattresses were imported into the U.S. during 2022, with Indonesia and Mexico representing the two largest shares of subject merchandise. Imports from the identified countries make up nearly 90% of all mattresses imported into the U.S. As a result, the petitions could potentially lead to the imposition of additional duties on the vast majority of U.S. imports of mattresses.

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Estimated Schedule of Investigations

| 7/28/2023 | Petitions filed. |
|------------|--|
| 9/11/2023 | ITC preliminary injury determination. |
| 12/26/2023 | DOC preliminary CVD determination, if fully postponed. |
| 2/23/2024 | DOC preliminary AD determinations, if fully postponed. |
| 7/15/2024 | DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed. |
| 9/5/2024 | ITC final injury determination, if DOC's determinations are fully postponed. |
| 9/12/2024 | AD/CVD orders published. |

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

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