March 27, 2019
Presentation of the Domestic Industry

Vanities from China
Wooden Cabinets and
Introduction

- The domestic industry's financial performance has declined
- Chinese imports consistently undersell domestic products
- Market share at the direct expense of the domestic industry
- U.S. demand is strong and growing, but Chinese imports are taking about 18 million cabinets and $1.4 billion in 2018
- Subject imports increased by 57 percent during the P01, reaching domestic industry
- There is a reasonable indication that imports of wooden cabinets and vanities from China are materially injuring, and threaten, the
Chinese wooden cabinet and vanity industry

The countervailing duty petition identities more than 35 subsidy programs that have benefited the industry.

- More than 75 percent
- The antidumping petition alleges dumping margins of domestic industry
- Petitioners represent a substantial majority of the AD and CVD petitions
- Cabinets and vanities are a single like product
- Full unit and have no other purpose
- Cabinent/vanity components are dedicated for use in a
  with the scope

There is a single domestic like product co-extensive

Domestic Like Product
Subject Imports are Significant and Growing


<table>
<thead>
<tr>
<th>Year</th>
<th>Million USD</th>
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<tbody>
<tr>
<td>2016</td>
<td>$1.800</td>
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<tr>
<td>2017</td>
<td>$1.400</td>
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<tr>
<td>2018</td>
<td>$1.200</td>
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$110 million since 2016

- The loss in the domestic industry's market share has cost it over the U.S. industry
- Chinese producers have taken substantial market share from Chinese imports consistently under sell the domestic product by 20-50% or more
- Chinese import product configurations
- Both Chinese and domestic producers make and sell the same cabinets/vanities market
- There is a single continuum of products in the market with U.S. Product Chinese Imports compete directly
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Chinese producers are targeting the US market.
The harm has intensified in 2018.

- U.S. producers have shuttered facilities, laid off employees, and gone bankrupt.
- Operating and net profits are all down.
- Capacity utilization has fallen.

The financial performance of the industry suffered.

The domestic industry of increased shipments.

Despite strong demand, dumped and subsidized Chinese imports deprived.

Demand for wooden cabinets and vanities has increased by nearly 15%.

Performance Has Declined

The Domestic Industry's Financial
Declining financial performance for the domestic industry

- Underselling and lost sales
- Increased import market share
- Rising import volumes

There is a reasonable indication of material injury in this case:
The questionnaire responses and record information show that

- There is material injury
- Finds that there is a reasonable indication that imports are a cause
- The ITC must make an affirmative preliminary determination of it

The Domestic Industry Is Materially Injured
China's imports are hindered by imports from China, which in new equipment and technology have harmed and discouraged domestic industries. Competition with Chinese imports has significantly increased margins and been underwired to the domestic product consistently and adding capacity and can expand production. The Chinese industry has large amounts of available capacity, and the industry encourages exports. The subsidies received by the Chinese wooden cabinet and vanity domestic industry is vulnerable declining profitability and loss of market share have rendered the industry with injury. The Chinese imports threaten the domestic industry.
Returns on investments were harmed.

Planned expansions were canceled.

U.S. producers went out of business.

U.S. facilities closed and experienced prolonged shutdowns.

Net income dropped.

Operating profit dropped.

Capacity utilization dropped.

While demand increased:

Share from U.S. producers

Chinese imports took at least five percentage points of market.

Determination

The ITC Must Make an Affirmative Preliminary

Primary