

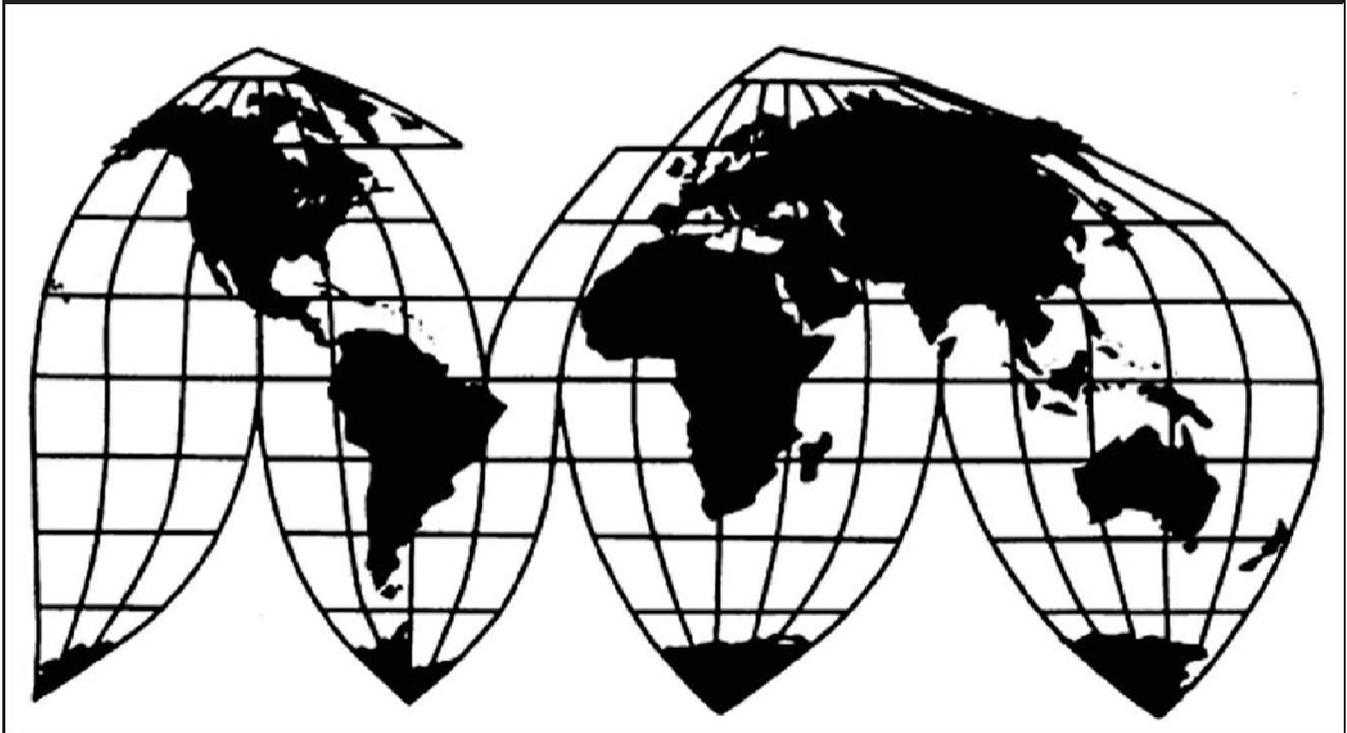
Steel Wire Garment Hangers from Taiwan and Vietnam

Investigation Nos. 701-TA-487 and 731-TA-1197-1198 (Review)

Publication 4784

May 2018

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 701-TA- 487 and 731-TA-1197-1198 (Review)

Steel Wire Garment Hangers from Taiwan and Vietnam

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty orders on steel wire garment hangers from Taiwan and Vietnam and the countervailing duty order on steel wire garment hangers from Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these reviews on November 1, 2017 (82 FR 50686) and determined on February 5, 2018 that it would conduct expedited reviews (83 FR 11563, March 15, 2018).

¹ The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the countervailing duty order on steel wire garment hangers (“SWG hangers” or “hangers”) from Vietnam and the antidumping duty orders on SWG hangers from Taiwan and Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

The original investigations on imports of SWG hangers from Taiwan and Vietnam resulted from antidumping and countervailing duty petitions filed on December 29, 2011, by three U.S. producers of SWG hangers. On October 15, 2012, the Department of Commerce (“Commerce”) determined that imports of SWG hangers from Taiwan were being sold at less than fair value (“LTFV”). The Commission subsequently made an affirmative determination on November 30, 2012, with respect to imports of SWG hangers from Taiwan on the basis of a cumulated analysis of subject imports from both Taiwan and Vietnam.¹ On December 24, 2012, Commerce determined that SWG hanger imports from Vietnam were being subsidized by the government of Vietnam and sold at LTFV, and the Commission subsequently made affirmative determinations on January 28, 2013, with respect to imports of SWG hangers from Vietnam.²

¹ *Steel Wire Garment Hangers from Taiwan: Final Determination of Sales at Less Than Fair Value*, 77 Fed. Reg. 62492 (Oct. 15, 2012); *Steel Wire Garment Hangers from Taiwan*, 77 Fed. Reg. 72884 (Dec. 6, 2012). Although the petitions concerning SWG hangers from Taiwan and Vietnam were filed on the same day, the investigation schedules became “staggered” when Commerce issued its determination for the investigation of SWG hangers from Taiwan earlier than the determinations for the investigations of SWG hangers from Vietnam. *Steel Wire Garment Hangers from Taiwan*, Inv. Nos. 731-TA-1197 (Final), USITC Pub. 4363 (Nov. 2012) (“*Original Determinations*”) at 3 n.2; *Steel Wire Garment Hangers from Vietnam*, Inv. Nos. 701-TA-487 and 731-TA-1198 (Final), USITC Pub. 4371 (Jan. 2013) at 3.

² *Certain Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 77 Fed. Reg. 75972 (Dec. 26, 2012); *Steel Wire Garment Hangers from Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 77 Fed. Reg. 75980 (Dec. 26, 2012); *Steel Wire Garment Hangers from Vietnam; Determinations*, 78 Fed. Reg. 7452 (Feb. 1, 2013). In the determinations with respect to subject imports from Vietnam, the Commission adopted the findings from its determination on subject imports from Taiwan with respect to the issues of domestic like product, domestic industry, cumulation, and material injury by reason of cumulated subject imports. *Steel Wire Garment Hangers from Vietnam*, Inv. Nos. 701-TA-487 and 731-TA-1198 (Final), USITC Pub. 4371 (Jan. 2013) at 3.

The Commission instituted these reviews on November 1, 2017.³ The Commission received a single response to the notice of institution and a single set of comments on the adequacy of responses to the notice of institution, both filed by M&B Metal Products Company, Inc. (“M&B”), a domestic producer of SWG hangers. The Commission did not receive a response to the notice of institution from any respondent interested party. On February 5, 2018, the Commission unanimously determined that the domestic interested party group response was adequate, that the respondent interested party group response was inadequate, and that it would conduct expedited reviews.⁴ M&B filed final comments on April 19, 2018.

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”⁵ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”⁶ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.⁷

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

The merchandise subject to the Order is steel wire garment hangers, fabricated from carbon steel wire, whether or not galvanized or painted, whether or not coated with latex or epoxy or similar gripping materials, and/or whether or not fashioned with paper covers or capes (with or without printing) and/or nonslip features such as saddles or tubes. These products may also be referred to by a commercial designation, such as shirt, suit, strut, caped, or latex (industrial) hangers.

³ 82 Fed. Reg. 50686 (Nov. 1, 2017).

⁴ Commissioners’ Adequacy Votes, EDIS Doc. No. 635777.

⁵ 19 U.S.C. § 1677(4)(A).

⁶ 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

⁷ *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

Specifically excluded from the scope of the Order are (a) wooden, plastic, and other garment hangers that are not made of steel wire; (b) steel wire garment hangers with swivel hooks; (c) steel wire garment hangers with clips permanently affixed; and (d) chrome-plated steel wire garment hangers with a diameter of 3.4 mm or greater.

The products subject to the Order are currently classified under U.S. Harmonized Tariff Schedule (HTSUS) subheadings 7326.20.0020 and 7323.99.9080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.⁸

In the original investigations, the Commission observed that all SWG hangers had the same physical characteristics and makeup and were used by the same end users. The Commission found that domestically produced SWG hangers were sold to distributors for use by dry cleaners and to end users such as industrial laundries and uniform rental and textile firms. It noted that domestic producers reported using similar manufacturing machinery regardless of type of hanger, that all parties considered SWG hangers to be the same product, and that SWG hangers were priced on a continuum depending on the type. The Commission therefore found no clear dividing lines among the various types of hangers and defined a single domestic like product consisting of SWG hangers that was coextensive with the scope.⁹

In these reviews, there is no new information in the record indicating that the characteristics of the product at issue have changed since the original investigations.¹⁰ M&B agrees with the domestic like product definition the Commission adopted in the original investigations.¹¹ Consequently, for the reasons articulated in the original investigations, we define the domestic like product as SWG hangers, coextensive with the scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output

⁸ *Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Final Results of Expedited First Sunset Review of the Countervailing Duty Order*, 83 Fed. Reg. 10660 (Mar. 12, 2018); *Steel Wire Garment Hangers from Taiwan and Vietnam: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders*, 83 Fed. Reg. 10433 (Mar. 9, 2018), Issues and Decision Memorandum for the Expedited First Sunset Review of the Antidumping Duty Orders on Steel Wire Garments Hangers from Taiwan and Vietnam at 2-3.

⁹ *Original Determinations*, USITC Pub. 4363 at 5.

¹⁰ Confidential Report (“CR”), Memorandum INV-QQ-010 (Jan. 24, 2018) at I-6 to I-12; Public Report (“PR”) at I-5 to I-8.

¹¹ M&B’s Response to the Notice of Institution (“M&B’s Response”) at 19.

of a domestic like product constitutes a major proportion of the total domestic production of the product.”¹² In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission defined the domestic industry as all U.S. producers of SWG hangers. There were no related party issues.¹³ Based on the record in these current reviews, no domestic producer is a related party.¹⁴ M&B also agrees with the Commission’s definition of the domestic industry in the original investigations.¹⁵ In light of the foregoing, we define one domestic industry consisting of all U.S. producers of SWG hangers, consistent with the original investigations.

III. Cumulation

A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.¹⁶

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.¹⁷ The Commission may exercise its

¹² 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

¹³ *Original Determinations*, USITC Pub. 4363 at 6.

¹⁴ CR at I-14; PR at I-9 to I-10.

¹⁵ M&B’s Response at 19.

¹⁶ 19 U.S.C. § 1675a(a)(7).

¹⁷ 19 U.S.C. § 1677(7)(G)(i); see also, e.g., *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int’l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int’l Trade 2008).

discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

B. The Original Investigations

In the original investigations, the Commission cumulated subject imports from the two subject countries for its material injury analysis. The Commission found that subject imports from both countries were fungible with both the domestic like product and each other. The Commission also found that the domestic like product and subject imports from each source served overlapping U.S. geographic markets and were simultaneously present in the U.S. market during the period of investigation. While the Commission observed that the imports from the two subject countries had different trends in channels of distribution, it found that the domestic like product and subject imports from each source were sold both to distributors and end users. Accordingly, the Commission found a reasonable overlap of competition among subject imports and between the imports from each subject country and the domestic like product.¹⁸

C. Analysis

In these reviews, the statutory threshold for cumulation is satisfied as all reviews were initiated on the same day: November 1, 2017.¹⁹ In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports:

(1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.²⁰

¹⁸ *Original Determinations*, USITC Pub. 4363 at 7-8.

¹⁹ 82 Fed. Reg. 50686 (Nov. 1, 2017).

²⁰ In its response to the notice of institution, M&B does not specifically address the criteria for cumulation. Nevertheless, M&B's arguments are premised on a cumulated analysis. *See generally* M&B's Response.

1. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.²¹ Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.²² With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders were revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record, we find that imports from Taiwan and Vietnam are not likely to have no discernible adverse impact on the domestic industry in the event of revocation of the antidumping or countervailing duty orders.

Taiwan. In the original investigations, the volume of subject imports from Taiwan was 331.7 million hangers in 2009, 334.1 million hangers in 2010, and 54.9 million hangers in 2011. Their share of apparent U.S. consumption was *** percent in 2009, *** percent in 2010, and *** percent in 2011.²³ During the original investigations, the production, capacity, and volume of exports from the SWG hanger industry in Taiwan were unknown due to lack of responses from Taiwanese respondents.²⁴

In these reviews, the volume of SWG hangers from Taiwan declined from 1.4 million hangers in 2012 to 1.3 million hangers in 2013, 1.2 million hangers in 2014, 628,000 hangers in 2015, and 26,000 hangers in 2016.²⁵ In 2016, subject imports from Taiwan accounted for *** percent of apparent U.S. consumption.²⁶ The record contains no information on current SWG hanger production capacity in Taiwan, but M&B provided a list of 24 firms that it believes currently produce SWG hangers in Taiwan.²⁷ M&B also argues that the United States remains the largest export market for SWG hangers and that the SWG hanger industry in Taiwan has developed significant capacity following the imposition of the U.S. antidumping duty order on SWG hanger imports from China in 2008.²⁸ Global Trade Atlas (“GTA”) data, which may include

²¹ 19 U.S.C. § 1675a(a)(7).

²² SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

²³ CR/PR at Table C-1.

²⁴ *Original Determinations*, USITC Pub. 4363 at VII-1.

²⁵ CR/PR at Table I-3.

²⁶ CR/PR at Table I-5.

²⁷ CR at I-22; M&B’s Response at 12, Exh. 3, PR at I-15.

²⁸ M&B’s Response at 13; M&B’s Final Comments at 9.

out-of-scope products, indicate that from 2012 to 2016 the United States was by far the largest export market for SWG hanger products from Taiwan in terms of value.²⁹

In light of the information provided by M&B, the significant volume of subject imports during the original period of investigation, and the continuing interest in the U.S. market by the subject industry in Taiwan, we find that subject imports from Taiwan would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were to be revoked.

Vietnam. In the original investigations, the volume of subject imports from Vietnam was 426.6 million hangers in 2009, 823.9 million hangers in 2010, and 912.3 million hangers in 2011. Their share of apparent U.S. consumption was *** percent in 2009, *** percent in 2010, and *** percent in 2011.³⁰ Based on available information from responding Vietnamese firms, SWG hanger production capacity in Vietnam was *** hangers in 2009, *** hangers in 2010, and *** hangers in 2011; production was *** hangers in 2009, *** hangers in 2010, and *** hangers in 2011; and exports to the United States accounted for the *** of the responding producers' total shipments throughout the period of investigation.³¹

In these reviews, the volume of SWG hangers from Vietnam declined irregularly. The volume was 487.1 million hangers in 2012, 3.4 million hangers in 2013, 4.4 million hangers in 2014, 17,000 hangers in 2015, and 2.4 million hangers in 2016.³² In 2016, subject imports from Vietnam accounted for *** percent of apparent U.S. consumption.³³ The record contains no information on current SWG hanger production capacity in Vietnam, but M&B provided a list of 42 firms that it believes currently produce SWG hangers in Vietnam.³⁴ As with the subject industry in Taiwan, M&B argues that the SWG hanger industry in Vietnam has developed significant capacity following the 2008 imposition of the U.S. antidumping duty order on SWG hanger imports from China.³⁵ GTA data, which may include out-of-scope products, indicate that from 2012 to 2016 the United States was by far the largest export market for SWG hanger products from Vietnam in terms of value.³⁶

In light of the information provided by M&B, the significant volume of subject imports during the original period of investigation, and the continuing interest in the U.S. market by the

²⁹ Revised Confidential Report, Memorandum INV-QQ-040 (Apr. 9, 2018) at Table I-6, PR at Table I-6.

³⁰ CR/PR at Table C-1.

³¹ Original Determinations Confidential Report, Memorandum INV-KK-108 (Nov. 8, 2012), EDIS Doc. 633221, at VII-6 and Table VII-2. The Vietnamese industry data were based on foreign questionnaire responses from two producers in Vietnam, which accounted for *** percent of U.S. imports of SWG hangers from Vietnam in 2011. *Id.* at VII-5.

³² CR/PR at Table I-3.

³³ CR/PR at Table I-5.

³⁴ CR at I-24; M&B's Response at 12, Exh. 3.

³⁵ M&B's Response at 13; M&B's Final Comments at 9.

³⁶ Revised Confidential Report, Memorandum INV-QQ-040 (Apr. 9, 2018) at Table I-7, PR at Table I-7.

subject industry in Vietnam, we find that subject imports from Vietnam would not likely have no discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders covering these imports were to be revoked.

2. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.³⁷ Only a “reasonable overlap” of competition is required.³⁸ In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.³⁹

Fungibility. In the original investigations, the Commission found a high degree of fungibility among the domestic like product and subject imports from Taiwan and Vietnam. The Commission found similarities in the types of SWG hangers sold in the U.S. market that were produced in the United States, Taiwan, and Vietnam. The Commission also observed that all responding domestic producers and most responding U.S. importers and purchasers reported that SWG hangers produced in the United States, Taiwan, and Vietnam were always interchangeable with each other.⁴⁰ There is no new information in the record in these reviews to indicate that the fungibility among subject imports and the domestic like product has changed or is likely to do so.

³⁷ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

³⁸ *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int’l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

³⁹ *See generally, Cheflin Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

⁴⁰ *Original Determinations*, USITC Pub. 4363 at 7.

Channels of Distribution. In the original investigations, the Commission found that SWG hangers produced in the United States, Taiwan, and Vietnam were sold both to distributors and end users, with some variations by country. Subject imports from Vietnam were sold more to distributors than to end users; subject imports from Taiwan were sold increasingly more to distributors over the period of investigation, while the domestic like product exhibited the opposite trend.⁴¹ There is no new information in the record in these reviews to indicate that the channels of distribution have changed or are likely to do so upon revocation.

Geographic Overlap. In the original investigations, the Commission found that SWG hangers from all sources competed in overlapping geographic markets throughout the United States.⁴² In these reviews, from 2012 to 2016, the top two ports of entry for subject imports from Taiwan and Vietnam were New York, NY, and Los Angeles, CA.⁴³ There is no new information in the record in these reviews to suggest that the geographic overlap condition has changed or is likely to do so upon revocation.

Simultaneous Presence in Market. In the original investigations, the Commission found that the domestic like product and subject imports from Taiwan and Vietnam were simultaneously present in the U.S. market in almost all 42 months of the January 2009 to June 2012 period of investigation.⁴⁴ In these reviews, imports from Taiwan and Vietnam were present in the U.S. market during each year from 2012 to 2016, although these imports were not simultaneously present in every month of the January 2012 to December 2016 period of review.⁴⁵

Conclusion. The record of these expedited reviews contains limited information concerning subject imports in the U.S. market during the period of review. The record contains no information suggesting a change in the considerations that led the Commission in the original investigations to conclude that there was a reasonable overlap of competition among subject imports from Taiwan and Vietnam and the domestic like product. In light of this, and the absence of any contrary argument, we find a likely reasonable overlap of competition among subject imports from Taiwan and Vietnam and between the domestic like product and subject imports from each source.

3. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate subject imports, we assess whether the subject imports from Taiwan and Vietnam are likely to compete under similar or different conditions in the U.S. market after revocation of the orders. The limited information on the record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition among subject imports upon revocation.

⁴¹ *Original Determinations*, USITC Pub. 4363 at 8.

⁴² *Original Determinations*, USITC Pub. 4363 at 8.

⁴³ CR at I-22, PR at I-14.

⁴⁴ *Original Determinations*, USITC Pub. 4363 at 8.

⁴⁵ CR/PR at Table I-3; CR at I-21, PR at I-14

Accordingly, we exercise our discretion to cumulate subject imports from Taiwan and Vietnam.

IV. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁴⁶ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁴⁷ Thus, the likelihood standard is prospective in nature.⁴⁸ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁴⁹

⁴⁶ 19 U.S.C. §§ 1675(d)(2), 1675a(a).

⁴⁷ SAA at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

⁴⁸ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁴⁹ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁵⁰ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁵¹

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁵² It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁵³ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.⁵⁴

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁵⁵ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign

⁵⁰ 19 U.S.C. § 1675a(a)(5).

⁵¹ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁵² 19 U.S.C. § 1675a(a)(1).

⁵³ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the antidumping and countervailing duty orders on U.S. imports of SWG hangers from Taiwan or Vietnam. CR at I-13, PR at I-9.

⁵⁴ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁵⁵ 19 U.S.C. § 1675a(a)(2).

country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁵⁶

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁵⁷

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁵⁸ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.⁵⁹

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the SWG hanger industries in Taiwan and Vietnam. There is also limited information on the SWG hanger market in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and the limited new information on the record in these first five-year reviews.

⁵⁶ 19 U.S.C. § 1675a(a)(2)(A-D).

⁵⁷ See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

⁵⁸ 19 U.S.C. § 1675a(a)(4).

⁵⁹ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁶⁰ The following conditions of competition inform our determinations.

1. Demand Conditions

In the original investigations, the Commission observed that apparent U.S. consumption of SWG hangers experienced modest fluctuations but was relatively stable during the period of investigation. The Commission found that SWG hanger demand was driven by demand from the dry cleaning, industrial laundry, and uniform rental industries. The Commission also noted that all domestic producers and most U.S. importers and purchasers reported that SWG hangers were not subject to business cycles or seasonality. It also stated that market participants’ views on demand trends over the period of investigation were mixed.⁶¹

In these first five-year reviews, apparent U.S. consumption of SWG hangers in 2016 was *** hangers, which is lower than the *** hangers in 2011 at the end of the original period of investigation.⁶² M&B asserts that the United States remains the largest market in the world for SWG hangers and that the largest purchasers of SWG hangers are still the dry cleaning, industrial laundry, and uniform rental industries.⁶³

2. Supply Conditions

In the original investigations, the Commission noted that the domestic industry’s share of the U.S. market increased from *** percent in 2009 to *** percent in 2011; cumulated subject imports’ market share increased irregularly from *** percent in 2009 to *** percent in 2011; and nonsubject imports’ market share declined overall from *** percent in 2009 to *** percent in 2011.⁶⁴ The Commission also observed that China and Mexico were the two leading sources of nonsubject imports. It found that the level of imports from China varied markedly over the period of investigation due to changes in the antidumping duty deposit rate applicable

⁶⁰ 19 U.S.C. § 1675a(a)(4).

⁶¹ *Original Determinations*, USITC Pub. 4363 at 11-12.

⁶² CR/PR at Table I-4.

⁶³ M&B’s Response at 12-13.

⁶⁴ *Original Determinations*, USITC Pub. 4363 at 12; Confidential Original Investigations Commission Views, EDIS Doc. 633225, at 17. The domestic industry’s market share was *** percent in January to June (“interim”) 2011 and *** percent in interim 2012; cumulated subject imports’ market share was *** percent in interim 2011 and *** percent in interim 2012; and nonsubject imports’ market share was *** percent in interim 2011 and *** percent in interim 2012. *Id.*

to SWG hanger imports from China that were subject to antidumping duties.⁶⁵ The Commission also found that the principal source of imports from Mexico was a facility owned by M&B.⁶⁶

In these first five-year reviews, the majority of apparent U.S. consumption is satisfied by nonsubject imports, followed by the domestic industry,⁶⁷ while cumulated subject imports market share has become minimal. Cumulated subject imports accounted for *** percent of apparent U.S. consumption in 2016, which is substantially lower than its share of *** percent in 2011.⁶⁸ With respect to the substantial and growing market share of nonsubject imports, M&B claims that, as subject imports from Taiwan and Vietnam have exited the market since the imposition of the orders, SWG hangers from China have increasingly been transshipped into the United States through third countries in an apparent effort to evade the antidumping duties on SWG hanger imports from China.⁶⁹

3. Substitutability and Other Conditions

In the original investigations, the Commission found that there was a high degree of substitutability between the domestic like product and subject imports. The Commission also found that movements in the channels of distribution for domestic producers and subject imports were in opposite directions; domestic producers shifted sales from distributors to end users for industrial use, while subject imports shifted sales from end users to distributors.⁷⁰

In these first five-year reviews, there is no new information to indicate that the substitutability between domestically produced SWG hangers and subject imports, regardless of source, has changed since the original investigations. Accordingly, we again find that subject imports and the domestic like product are highly substitutable.

⁶⁵ An antidumping duty order was imposed in October 2008 on SWG hanger imports from China. CR at I-5 and I-6, PR at I-4. The order was continued, effective March 11, 2014, after expedited five-year reviews by Commerce and the Commission. *Id.*

⁶⁶ *Original Determinations*, USITC Pub. 4363 at 12.

⁶⁷ CR/PR at Table I-5. Nonsubject imports accounted for *** percent of apparent U.S. consumption in 2016, which is substantially higher than its share of *** percent in 2011. The domestic industry accounted for *** percent of apparent U.S. consumption in 2016, which is lower than its share of *** percent in 2011. *Id.*

⁶⁸ CR/PR at Table I-5.

⁶⁹ Response at 17-19. M&B states that it filed two petitions in 2016 and 2017, respectively, with U.S. Customs and Border Protection (“CBP”) against certain SWG hanger imports from Thailand and Malaysia that were alleged to be Chinese origin SWG hangers. According to M&B, in August 2017, CBP determined that certain Chinese SWG hangers were transshipped through Thailand in an effort to evade duties, and there have been no reported imports of SWG hangers from Thailand since January 2017. *Id.* at 17; CR at I-17, PR at I-11. The allegation with respect to SWG hangers from China being transshipped through Malaysia was pending as of December 1, 2017. Response at 17; CR at I-17, PR at I-11.

⁷⁰ *Original Determinations*, USITC Pub. 4363 at 13.

C. Likely Volume of Subject Imports

In the original investigations, the Commission found that the volume of cumulated subject imports was significant both in absolute terms and relative to apparent U.S. consumption and domestic production. It found that both cumulated subject import volume and market share increased overall from 2009 to 2011, while the ratio of subject imports to U.S. production remained high during this period notwithstanding an overall decline. Although the Commission observed that subject import volume in interim 2012 was lower than interim 2011, it attributed the lower volume to the filing of the petitions in late 2011. Therefore, the Commission discounted post-petition effects in its analysis. Notwithstanding this, the Commission found that the subject import volume remained substantial relative to apparent U.S. consumption in 2012.⁷¹

In these reviews, the record indicates that the orders significantly restrained the volume of cumulated subject imports, which declined significantly overall during the 2012 to 2016 period of review, from 488.5 million hangers in 2012 to 2.4 million hangers in 2016.⁷² Cumulated subject imports' market share was only *** percent in 2016, while it had fluctuated between *** percent and *** percent during the original investigations.⁷³

The record contains only limited data concerning the SWG hanger industries in the subject countries because no producer or exporter of subject merchandise participated in these reviews. The most contemporaneous information available about the subject industries is provided by M&B, which provided a list of firms that it believes currently produce SWG hangers in Taiwan and Vietnam.⁷⁴ M&B also asserts that the subject industries in Taiwan and Vietnam created substantial SWG hanger production capacity in a relatively short period after the imposition of the antidumping duty orders on SWG hangers from China, and their production was rapidly exported to the United States. M&B further asserts that there is no meaningful alternative market other than the United States for subject imports.⁷⁵

The limited volume of subject imports during the review period shows that the order has had a disciplining effect, and the record indicates that subject producers have the ability to substantially increase their exports to the U.S. market as well as an interest in supplying that market. Indeed, the United States remains a key export market for both subject countries for the product category that includes SWG hangers. The data also show that producers in the subject countries can quickly shift exports among different markets.⁷⁶ Given that producers

⁷¹ *Original Determinations*, USITC Pub. 4363 at 13-14.

⁷² CR/PR at Table I-3. Cumulated subject import volume was 488.5 million hangers in 2012, 4.6 million hangers in 2013, 5.6 million hangers in 2014, 645,000 hangers in 2015, and 2.4 million hangers in 2016. *Id.*

⁷³ CR/PR at Table I-5.

⁷⁴ M&B's Response at 12, Exh.3.

⁷⁵ M&B's Response at 13.

⁷⁶ Revised Confidential Report, Memorandum INV-QQ-040 (Apr. 9, 2018) at Tables I-6 and I-7, PR at I-15 – I-16.

and exporters in the subject countries have maintained a presence in the U.S. market throughout the duration of the orders, they would likely be able to use existing relationships to quickly increase shipments to the U.S. in the event of revocation. Thus, the available information supports the conclusion that the volume of subject imports likely would increase and capture significant market share within a reasonably foreseeable time if the orders were revoked.

Based on the above, we find that subject producers would likely increase their exports to the United States if the antidumping and countervailing duty orders were to be revoked. Accordingly, we conclude that the likely volume of cumulated subject imports, both in absolute terms and relative to U.S. consumption, would likely be significant if the orders are revoked.⁷⁷

D. Likely Price Effects

In the original investigations, the Commission reiterated that the domestic like product and subject imports are highly substitutable and observed that price was an important factor to purchasers of SWG hangers. The Commission found that subject imports significantly undersold the domestic industry's prices and depressed prices for the domestic like product.⁷⁸ The Commission observed that subject imports undersold the domestic like product in 70 of 110 quarterly price comparisons with underselling margins that ranged from *** percent to *** percent.⁷⁹ It also noted that domestic prices fluctuated within a narrow range, with prices lower at the end of the period of investigation for four of the five pricing products. The Commission found that the domestic price declines occurred during a timeframe in which the increase in subject imports was most substantial. It further found that confirmed lost sales and lost revenue allegations and evidence of purchasers switching from the domestic like product to subject imports demonstrated that subject imports had significant adverse price effects on domestic prices.⁸⁰

The record in these expedited reviews does not contain recent pricing comparisons. There is no new information indicating that the importance of price in purchasing decisions has changed. Given the high degree of substitutability of SWG hangers from different sources, as noted above, and the importance of price in purchasing decisions, the likely significant volume of subject imports in the event of revocation would likely undersell the domestic like product, as demonstrated by subject imports' pricing behavior prior to the imposition of the orders. As a result, the domestic industry would be forced either to lower sales prices or lose sales and cede

⁷⁷ Because of the expedited nature of these reviews, the record does not contain information about inventories of the subject merchandise or the potential for product shifting. There are no known antidumping or countervailing duty investigations or duties on SWG hangers from Taiwan or Vietnam in any other country. CR at I-26; PR at I-16.

⁷⁸ *Original Determinations*, USITC Pub. 4363 at 14.

⁷⁹ *Original Determinations*, USITC Pub. 4363 at 14; Confidential Original Investigations Commission Views, EDIS Doc. 633225, at 21.

⁸⁰ *Original Determinations*, USITC Pub. 4363 at 15.

market share. In light of these considerations and the record before the Commission in these reviews, we conclude that, absent the disciplining effect of the orders, subject imports from Taiwan and Vietnam would likely have significant depressing or suppressing effects on prices for the domestic like product and/or result in the domestic industry losing market share.

E. Likely Impact

In the original investigations, the Commission observed that some of the domestic industry's performance indicators improved during the period of investigation due, in part, to the imposition of antidumping duties on SWG hanger imports from China. However, the domestic industry's capacity utilization remained low, its financial performance was poor, and several domestic producers ceased production. The Commission found that the significant and increasing volume of subject imports that significantly undersold and depressed domestic prices led to low levels of capacity utilization, reduced employment, and operating losses for the domestic industry throughout the period of investigation.⁸¹

Due to the expedited nature of these reviews, the available information concerning the recent performance of the domestic industry is limited. The information in the current record indicates that in 2016, the domestic industry's capacity was *** hangers, its capacity utilization was *** percent, its production was *** hangers, and its U.S. commercial shipments were *** hangers.⁸² The industry's net sales in 2016 were \$***, it operated at a *** of \$***, and its ratio of operating income to net sales was *** percent.⁸³ This limited information is insufficient for us to make a finding as to whether the domestic industry is vulnerable to continuation or recurrence of material injury in the event of revocation of the orders.

Nevertheless, as previously discussed, revocation of the orders would be likely to lead to a significant volume of subject imports that would undersell the domestic like product and have significant adverse effects on the domestic industry's prices. Consequently, the likely significant volume of cumulated subject imports would place pressure on domestic producers to cut prices or cede market share to subject imports. The likely significant volume of subject imports and their price effects would negatively affect the domestic industry's production capacity, production, capacity utilization, shipments, and market share, directly impacting the domestic industry's profitability and employment.

⁸¹ *Original Determinations*, USITC Pub. 4364 at 15-18.

⁸² CR/PR at Table I-2. The domestic industry's production capacity in 2016 was below its 2011 capacity of *** hangers and its capacity utilization in 2016 was approximately *** percentage points lower than in 2011. Its production in 2016 was lower than in 2011, when it was *** hangers. The domestic industry's U.S. commercial shipments in 2016 were also lower than in 2011, when they were *** hangers. *Id.*

⁸³ CR/PR at Table I-2. While the net sales in 2011 were higher than that of 2016, its operating income and the ratio of operating income to net sales in 2016 were better than in 2011. *Id.*

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to subject imports. The volume of nonsubject imports increased overall from 1.5 billion hangers in 2012 to 1.8 billion hangers in 2016. Nonsubject imports' market share in 2016 was *** percent, higher than their *** percent market share in 2011.⁸⁴ There is no indication that the presence of nonsubject imports would prevent cumulated subject imports from re-entering the U.S. market in significant quantities upon revocation of the orders. Given the substitutability of SWG hangers, regardless of sources, any increase in low-priced cumulated subject imports would likely come at the expense of the domestic industry, which has already seen its market share decline from *** percent in 2011 to *** percent in 2016, as well as nonsubject imports.⁸⁵ In light of these considerations, we find that subject imports of SWG hangers from Taiwan and Vietnam would likely adversely impact the domestic industry, distinct from any effects caused by nonsubject imports, in the event of revocation.

V. Conclusion

For the above reasons, we determine that revocation of the antidumping duty orders on SWG hangers from Taiwan and Vietnam and the countervailing duty order on imports from Vietnam would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

⁸⁴ CR/PR at Tables I-3 and I-5. As previously mentioned, M&B filed petitions with the CBP in 2016 and 2017 against certain Chinese origin SWG hangers that were alleged to be transhipped through Malaysia and Thailand. M&B claims that the resulting CBP actions have reduced the volume of these allegedly transhipped imports and have benefited the domestic industry, which has seen an increase in *** in fiscal year 2018. M&B's Response at 17-18.

⁸⁵ CR/PR at Table I-5.

INFORMATION OBTAINED IN THESE REVIEWS

BACKGROUND

On November 1, 2017, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of antidumping and countervailing duty orders on steel wire garment hangers (“SWG hangers”) from Taiwan and Vietnam would likely lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
November 1, 2017	Notice of initiation and institution by Commerce and the Commission
February 5, 2018	Date for Commission vote on adequacy
March 1, 2018	Date for Commerce results of its expedited reviews
April 2, 2018	Commission statutory deadline to complete expedited reviews
October 29, 2018	Commission statutory deadline to complete full reviews

RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of the following entity:

1. M&B Metal Products Company, Inc. (“M&B”), a domestic producer of SWG hangers (referred to herein as “domestic interested party”)

¹ 19 U.S.C. 1675(c).

² *Steel Wire Garment Hangers From Taiwan and Vietnam; Institution of Five-Year Reviews*, 82 FR 50686, November 2017. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (Sunset) Reviews*, 82 FR 50612, November 1, 2017. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings is presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in the adequacy phase of these reviews.

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in Table I-1.

Table I-1
SWG hangers: Summary of responses to the Commission’s notice of institution

Type of interested party	Completed responses	
	Number	Coverage
Domestic:		
U.S. producer	1	***% ¹

¹ In its response to the notice of institution, the domestic interested party estimates that it accounts for this share of total production and sales of SWG hangers in the United States. *Domestic Interested Party’s Response to the Notice of Institution*, December 1, 2017, p. 13 and exh. 5.

Party comments on adequacy

The Commission received one submission from parties commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews.

The domestic interested party argued that the Commission should find the respondent interested party group response to be inadequate since there was no submission by any respondent interested party. Therefore, because of the inadequate response by the respondent interested parties and the fact that there have been no major changes in the conditions of competition in the market since the Commission’s original investigations, it requests that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on SWG hangers from Taiwan and Vietnam.⁵

⁵ *Domestic Interested Party’s Comments on Adequacy*, January 16, 2018, p. 1.

RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission's original investigations, the following developments have occurred in the SWG hangers industry:

- On November 29, 2017, Swan Hangers, a domestic producer of SWG hangers, announced the sale of its production equipment. The domestic interested party asserts that this is likely an indication of Swan Hangers terminating production.⁶

THE ORIGINAL INVESTIGATIONS

The original investigations resulted from a petition filed on December 29, 2011 with Commerce and the Commission by M&B, Leeds, Alabama; Innovative Fabrication LLC/Indy Hanger ("Indy Hanger"), Indianapolis, Indiana; and US Hanger Company LLC ("US Hanger"), Gardena, California. On October 15, 2012, Commerce determined that imports of SWG hangers from Taiwan were being sold at less than fair value ("LTFV").⁷ The Commission determined on November 30, 2012 that the domestic industry was materially injured by reason of LTFV imports of SWG hangers from Taiwan.⁸ On December 10, 2012, Commerce issued its antidumping duty order on imports of SWG hangers from Taiwan with the final weighted-average dumping margins ranging from 69.98 percent to 125.43 percent.⁹ On December 24, 2012, Commerce determined that imports of SWG hangers from Vietnam were being subsidized and sold at LTFV.¹⁰ The Commission determined on January 28, 2013 that the domestic industry was materially injured by reason of subsidized and LTFV imports of SWG hangers from Vietnam.¹¹ On February 5, 2013, Commerce issued its countervailing and

⁶ "For Sale" Swan Hangers, accessed January 5, 2018. <http://swanhangers.com/>. As cited in *Domestic Interested Party's Response to the Notice of Institution*, December 1, 2017, p. 10-11, Exhibit 1.

⁷ *Steel Wire Garment Hangers From Taiwan: Final Determination of Sales at Less Than Fair Value*, 77 FR 62492, October 15, 2012.

⁸ *Steel Wire Garment Hangers From Taiwan*, 77 FR 72884, December 6, 2012.

⁹ *Steel Wire Garment Hangers From Taiwan: Antidumping Duty Order*, 77 FR 73424, December 10, 2012.

¹⁰ *Certain Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 77 FR 75973, December 26, 2012; and *Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 77 FR 75980, December 26, 2012.

¹¹ *Steel Wire Garment Hangers from Vietnam; Determinations*, 78 FR 7452, February 1, 2013. The Commission was required to issue its determination in the investigation of SWG hangers from Taiwan in November 2012 because Commerce issued its final determination in that investigation earlier than it did in the investigations concerning SWG hangers from Vietnam. *Steel Wire Garment Hangers from Vietnam, Investigation Nos. 701-TA-487 and 731-TA-1198 (Final)*, USITC Publication 4371, January 2013, p. 3.

antidumping duty orders on imports of SWG hangers from Vietnam with the final countervailable subsidy margins ranging from 31.58 percent to 90.42 percent and final weighted-average dumping margins ranging from 157.00 percent to 220.68 percent.¹²

PRIOR RELATED INVESTIGATIONS¹³

On November 27, 2002, CHC Industries, Inc.; M&B; and United Wire Hanger Corporation, producers of steel wire garment hangers, filed a petition pursuant to section 421 of the Trade Act of 1974 alleging that certain SWG hangers from China were being imported into the United States in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic SWG hanger industry. On January 27, 2003, the Commission voted unanimously to determine that Chinese imports were causing market disruption. Accordingly, on February 5, 2003, the Commission majority voted to propose to the President a remedy consisting of an additional duty on imports of SWG hangers from China for a three-year period, beginning at 25 percent ad valorem in the first year, 20 percent ad valorem in the second year, and 15 percent ad valorem in the third year. On April 25, 2003, the President opted to grant expedited consideration for trade adjustment assistance claims by U.S. workers displaced by foreign competition but not to impose duties, citing “a strong possibility that if additional tariffs on Chinese wire hangers were imposed, production would simply shift to third countries, which could not be subject to section 421’s China-specific restrictions.”

On July 31, 2007, M&B filed an antidumping duty petition against imports of SWG hangers from China. Following an affirmative determination by Commerce, the Commission determined on September 11, 2008 that the U.S. SWG hangers industry was materially injured by reason of imports of SWG hangers from China. Commerce issued an antidumping duty order on Chinese imports of SWG hangers in October 2008, with margins ranging from 15.83 percent to 187.25 percent. On December 20, 2013, the Commission determined that it would conduct an expedited review of the antidumping duty order on SWG hangers from China. Following affirmative determinations in the five-year review by Commerce and the Commission, Commerce issued a continuation of the antidumping duty order on imports of SWG hangers from China, effective March 11, 2014.¹⁴

¹² *Certain Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Countervailing Duty Order*, 78 FR 8107, February 5, 2013; and *Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Antidumping Duty Order*, 78 FR 8105, February 5, 2013.

¹³ Unless otherwise noted, this information is based on *Steel Wire Garment Hangers from Taiwan and Vietnam, Inv. No. 731-TA-1197 (Final)*, USITC Publication 4363, November 2012, p. I-4.

¹⁴ *Steel Wire Garment Hangers From China; Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Steel Wire Garment Hangers From China*, 79 FR 1885, January 10, 2014; and *Steel Wire Garment Hangers From the People's Republic of China: Continuation of Antidumping Duty Order*, 79 FR 13613, March 11, 2014.

THE PRODUCT

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:

The merchandise subject to this investigation is steel wire garment hangers, fabricated from carbon steel wire, whether or not galvanized or painted, whether or not coated with latex or epoxy or similar gripping materials, and whether or not fashioned with paper covers or capes (with or without printing) or nonslip features such as saddles or tubes. These products may also be referred to by a commercial designation, such as shirt, suit, strut, caped, or latex (industrial) hangers

Specifically excluded from the scope of the investigation are (a) Wooden, plastic, and other garment hangers that are not made of steel wire; (b) steel wire garment hangers with swivel hooks; (c) steel wire garment hangers with clips permanently affixed; and (d) chrome plated steel wire garment hangers with a diameter of 3.4 millimeters ("mm") or greater.

The products subject to the investigation are currently classified under U.S. Harmonized Tariff Schedule ("HTSUS") subheadings 7326.20.0020 and 7323.99.9080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.¹⁵

Description and uses¹⁶

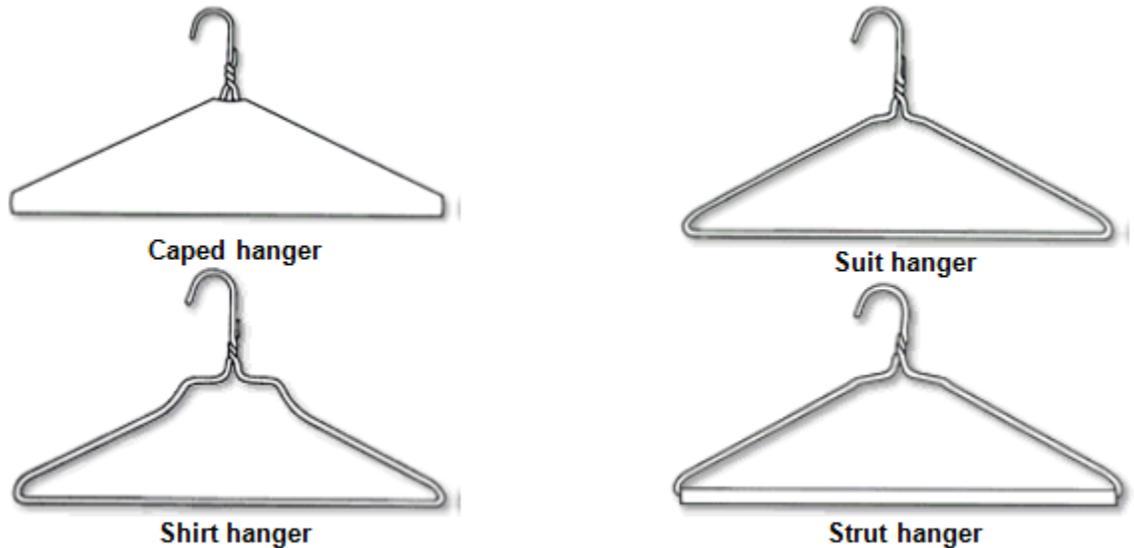
SWG hangers are produced primarily for use by the dry cleaning, industrial laundry, textile, and uniform rental industries. SWG hangers are designed and formed to permit clothing and other textiles to be draped and/or suspended. The four most common types of dry-cleaning SWG hangers are: caped hangers; shirt hangers; suit hangers; and strut hangers (figure I-1). Each of these general categories includes a range of hangers in varying sizes and finishes, but with common distinguishing features. Caped hangers have a paper "cape" or cover, normally white and often with commercial or custom printing. Strut hangers have a paper tube that runs along the length of the bottom of the hanger. The wire does not run through the paper tube, but is instead folded in at the edges. This paper tube, or "strut," may be coated with a nonslip material to prevent the garment from falling off the hanger. Hangers for light items, such as the basic shirt hanger, are produced using the thinnest wire, while hangers for

¹⁵ *Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Antidumping Duty Order*, 78 FR 8105, February 5, 2013.

¹⁶ Unless otherwise noted, this information is based on *Steel Wire Garment Hangers from Taiwan (Final)*, Inv. No. 731-TA-1197, USITC Publication 4363, November 2012, pp. I-8-9.

heavier items are produced from heavier wire. SWG hangers generally are painted and sold in a variety of colors. Despite differences in finishes and paper accessories, all of these hangers share common configurations, characteristics, and end use.

Figure I-1
SWG hangers: Common varieties



Source: *Steel Wire Garment Hangers from Taiwan (Final)*, Inv. No. 731-TA-1197, USITC Publication 4363, November 2012, fig. I-1.

Steel wire hangers produced for use in industrial laundries or in the uniform rental market are known as textile or uniform rental hangers or as industrial hangers. These hangers are normally produced using a 13-gauge wire to support the weight of newly washed textiles and uniforms.¹⁷ Industrial laundries and uniform rental companies typically require a more substantial gauge hanger in a consistent shape to fit their high-speed processing equipment. These hangers are sometimes made out of galvanized (zinc coated) steel wire. The bottom bar of these hangers may be coated with latex or other coating to prevent pants slippage after laundering.

Manufacturing process¹⁸

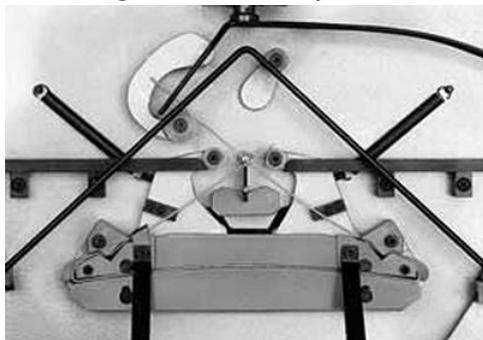
The manufacturing process to produce industrial and dry cleaning SWG hangers consists of purchasing low-carbon steel wire in coils or drawing wire from low-carbon steel wire rod; cutting the wire to length; and fabricating the hangers (figure I-2). After the wire is straightened

¹⁷ The term “gauge” refers to the diameter of the wire. A 13-gauge wire has a diameter of 0.0915 inches.

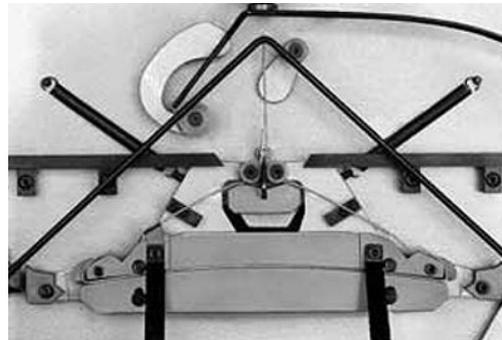
¹⁸ Unless otherwise noted, this information is based on *Steel Wire Garment Hangers from Taiwan (Final)*, Inv. No. 731-TA-1197, USITC Publication 4363, November 2012, pp. I-9-11.

and cut to length, the steel wire hangers are formed and the non-galvanized low-carbon steel wire hangers are painted. The process may be continuous or require separate stages to straighten, cut, and form the hanger, and painting may take place either before or after the hanger is formed. The manufacturing equipment and process for galvanized wire hangers are similar, but galvanized steel wire garment hangers do not require painting because the zinc coating prevents the steel wire from rusting. In all cases, the forming machines are dedicated to the production of hangers; they are not used and cannot be used to produce other steel wire garment hangers. Wire forming machines may be made in-house by steel wire garment hanger manufacturers or purchased from a small number of companies in China, Switzerland, and Taiwan that produce these machines.

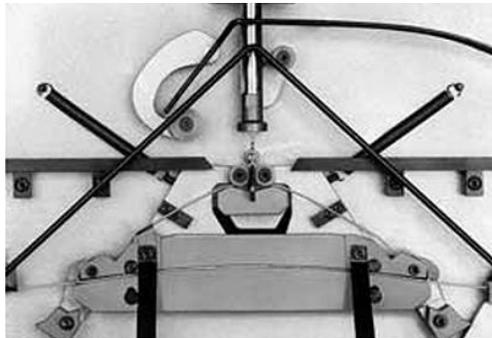
Figure I-2
SWG hangers: Formation process



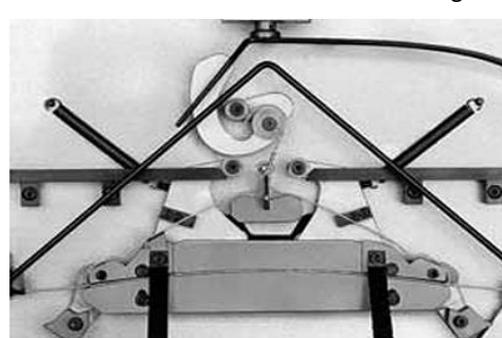
Wire enters the machine and is bent.



Rollers form the base of the hanger.



The base of the hanger is twisted.



The hanger appendage is formed.

Source: "Coat hanger machine," Rudolf Grauer AG, accessed January 5, 2018.
<http://www.grauer.ch/en/index.php?page=kleiderbuegelmaschine&layout=produkte>.

After forming, dry cleaning hangers may require the addition of a paper covering or "cape," which may be plain or printed with custom or stock messages for drycleaner customers. Strut hangers receive a cardboard tube or "strut" along the bottom bar on which drycleaners hang pants. Hangers intended for the industrial laundry market may be dipped in liquid latex or receive another type of coating on the bottom rung to prevent pants slippage. These hangers are produced using the same equipment and workers as the other types of hangers described above.

The formation of the hanger itself is reportedly similar throughout the world. Operations such as the addition of capes and struts and the painting of the wire may differ in the amount of the processing that is done by machine versus that which is performed manually. Respondents in the original investigations also identified that one difference is that the environmental regulations in Vietnam preclude painting of steel wire garment hangers there; therefore, they are powder coated to provide corrosion resistance, apparently with thermosetting epoxy powder. Epoxy powder is typically applied by electrically charging and spraying the powder so that it accumulates on a grounded metal article, after which the article is sent to a curing oven to fuse on the coating.¹⁹ Most hangers are packed in boxes containing 500 hangers to be palletized and shipped. However, thicker hangers (struts, drapery, and polo knit hangers) are packed 250 hangers per box. According to the previous investigations, all of the common types of SWG hangers (shirt, suit, strut, and caped) are produced in Taiwan and Vietnam.²⁰

U.S. tariff treatment

SWG hangers from Taiwan and Vietnam are currently provided for in HTS subheading 7326.20.00 and imported under statistical reporting number 7326.20.0020.²¹ SWG hangers imported from Taiwan and Vietnam enter the U.S. market at a column-1 general duty rate of 3.9 percent ad valorem. Statistical reporting number 7323.99.9080 also is referenced in Commerce's scope language. During the antidumping duty investigation of SWG hangers from China it was discovered that some subject hangers were being imported under HTS statistical reporting number 7323.99.9060. HTS subheading 7323.99.90 has a general rate of duty of 3.4 percent ad valorem. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

The definition of the domestic like product

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. In its original determinations, the Commission defined a single domestic like product consisting of SWG hangers, coextensive with the scope of the investigation.²²

¹⁹ Engineer's Handbook, found at <http://www.engineershandbook.com/MfgMethods/powdercoating.htm>. Retrieved January 5, 2018.

²⁰ *Steel Wire Garment Hangers from Taiwan (Final)*, Inv. No. 731-TA-1197, USITC Publication 4363, November 2012, pp. I-9-10.

²¹ This statistical reporting number was created specifically for steel wire garment hangers at the request of the U.S. industry and has been in place since January 1, 2002.

²² *Steel Wire Garment Hangers from Taiwan, Inv. No. 731-TA-1197 (Final)*, USITC Publication 4363, November 2012, p. 5; *Steel Wire Garment Hangers from Vietnam, Inv. Nos. 701-TA-487 and 731-TA-1198 (Final)*, USITC Publication 4371, November 2012, p. 3.

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definition of the domestic like product. According to its response to the notice of institution, the domestic interested party agreed with the Commission's definition of the domestic like product as stated in its original determinations.²³

ACTIONS AT COMMERCE

Commerce has not conducted any changed circumstances reviews, critical circumstances reviews, or anti-circumvention findings since the completion of the original investigations. In addition, Commerce has not made any duty absorption findings or issued any company revocations or scope rulings since the imposition of the orders.

Current five-year reviews

Commerce is conducting expedited reviews with respect to SWG hangers from Taiwan and Vietnam and intends to issue the final results of these reviews based on the facts available no later than March 1, 2018.²⁴

THE INDUSTRY IN THE UNITED STATES

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from three firms, which accounted for an estimated *** percent of SWG hanger production in the United States in 2011.²⁵

In response to the Commission's notice of institution in these current reviews, the domestic interested party provided a list of three additional known and currently operating U.S. producers of SWG hangers: Indy Hanger, US Hanger, and Ganchos N.V.²⁶

Definition of the domestic industry and related party issues

The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties

²³ *Domestic Interested Party's Response to the Notice of Institution*, December 1, 2017, p. 19.

²⁴ *Letter from James C. Doyle, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Michael G. Anderson*, December 20, 2017.

²⁵ *Investigation Nos. 701-TA-487, and 731-TA-1197-1198 (Final): Steel Wire Garment from Taiwan and Vietnam—Staff Report*, INV-KK-108, November 8, 2012, pp. III-1—III-2

²⁶ *Domestic Interested Party's Response to the Notice of Institution*, December 1, 2017, p. 10.

provision, the Commission may exclude a related party for purposes of its injury determination if “appropriate circumstances” exist.²⁷ In its original determinations, the Commission defined the domestic industry as all U.S. producers of the domestic like product.²⁸

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate definition of the domestic industry and inquired as to whether any related party issues existed. The domestic interested party did not cite any potential related party issues and agreed with the Commission’s prior definition of the domestic industry.²⁹

U.S. producers’ trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year reviews.³⁰ Table I-2 presents a compilation of the data submitted from M&B as well as trade and financial data submitted by U.S. producers in the original investigations.

Table I-2
SWG hangers: Trade and financial data submitted by U.S. producers, 2009-11, and 2016

* * * * *

²⁷ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

²⁸ *Steel Wire Garment Hangers from Taiwan, Inv. No. 731-TA-1197 (Final)*, USITC Publication 4363, November 2012, p. 6; *Steel Wire Garment Hangers from Vietnam, Inv. Nos. 701-TA-487 and 731-TA-1198 (Final)*, USITC Publication 4371, November 2012, p. 3.

²⁹ *Domestic Interested Party’s Response to the Notice of Institution*, December 1, 2017, p. 19.

³⁰ Individual company trade and financial data are presented in app. B.

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 15 firms. These firms accounted for *** percent of imports from Taiwan, *** percent of imports from Vietnam, and *** percent of imports from all other sources, entered under HTS statistical reporting number 7326.20.0020 in 2011. The coverage by the usable questionnaire responses was equivalent to 49.1 percent of all imports of SWG hangers in 2011.³¹

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested party provided a list of 33 potential U.S. importers of SWG hangers.³²

U.S. imports

Table I-3 presents the quantity, value, and unit value for imports from Taiwan and Vietnam as well as the other top sources of U.S. imports (shown in descending order of 2016 imports, by quantity). The quantity of imports from Taiwan and Vietnam decreased by 98 percent and 99.5 percent, respectively, from 2012 to 2016. Imports from China, the largest source of imports of SWG hangers from 2012 to 2014, decreased by 90.6 percent between 2012 and 2016. Imports from all nonsubject sources increased by 17.4 percent from 2012 to 2016. The increase was due in part to imports from Malaysia, which were more than 55 times higher in 2016 compared to 2012. The increase in nonsubject imports was also due in part to imports from Cambodia and India, which began in 2013 and were the third and sixth largest sources of SWG hanger imports in 2016, respectively.

M&B asserts that "as imports from Taiwan and Vietnam disappeared from the market, Chinese hangers transshipped through various third countries appeared in significant volumes." M&B filed two duty evasion allegations with Customs under the Title IV, Section 421 of the *Trade Facilitation and Trade Enforcement Act of 2015* in September 2016 and April 2017 claiming that Chinese-origin hangers, which are currently subject to an antidumping duty order, were being transshipped through Thailand and Malaysia. In August 2017, Customs determined that Eastern Trading engaged in duty evasion by importing Chinese SWG hangers transshipped through Thailand, and the domestic interested party states that there have been no reported imports of SWG hangers from Thailand since January 2017. The other investigation concerning Chinese-origin hangers being transshipped through Malaysia was pending as of December 1, 2017.³³

³¹ *Investigation Nos. 701-TA-487 and 731-TA-1197-1198 (Final): Steel Wire Garment from Taiwan and Vietnam—Staff Report*, INV-KK-108, November 8, 2012, pp. IV-1.

³² *Domestic Interested Party's Response to the Notice of Institution*, December 1, 2017, exh. 2.

³³ *Domestic Interested Party's Response to the Notice of Institution*, December 1, 2017, p. 17.

Table I-3
SWG hangers: U.S. imports, 2012-16

Item	2012	2013	2014	2015	2016
	Quantity (1,000 hangers)				
Taiwan	1,395	1,264	1,204	628	26
Vietnam	487,072	3,365	4,372	17	2,419
Subtotal, subject	488,467	4,629	5,576	645	2,445
Malaysia	8,450	9,258	289,209	431,233	468,476
Mexico	455,818	453,246	439,976	403,409	401,482
Cambodia	-	73,957	206,860	241,223	273,628
Korea	16,114	78,188	97,643	117,648	130,642
China ¹	934,474	1,116,422	637,879	95,508	88,180
India	-	0	1	4	1,934
Italy	4	1	12	180	113
All other imports (nonsubject)	82,631	113,338	190,629	400,188	393,889
Subtotal, nonsubject	1,497,491	1,844,411	1,862,208	1,689,392	1,758,343
Total imports	1,985,958	1,849,040	1,867,785	1,690,037	1,760,788
	Landed, duty-paid value (\$1,000)				
Taiwan	400	351	308	100	39
Vietnam	19,878	172	199	19	96
Subtotal, subject	20,278	523	508	120	135
Malaysia	339	380	11,538	15,666	14,415
Mexico	18,171	16,769	16,745	14,362	14,324
Cambodia	-	2,941	7,743	9,583	11,281
Korea	692	3,195	4,662	5,255	4,998
China ¹	41,136	48,994	27,053	6,580	5,119
India	-	3	11	40	244
Italy	22	23	53	94	54
All other imports (nonsubject)	4,251	6,466	8,648	16,534	15,319
Subtotal, nonsubject	64,610	78,772	76,453	68,114	65,754
Total imports	84,888	79,296	76,961	68,233	65,889
	Unit value (dollars per 1,000 hangers)				
Taiwan	287	278	256	160	1,531
Vietnam	41	51	46	1,158	39
Subtotal, subject	42	113	91	186	55
Malaysia	40	41	40	36	31
Mexico	40	37	38	36	36
Cambodia	0	40	37	40	41
Korea	43	41	48	45	38
China ¹	44	44	42	69	58
India	0	22,412	8,097	10,979	126
Italy	5,747	16,008	4,365	520	477
All other imports (nonsubject)	51	57	45	41	39
Subtotal, nonsubject	43	43	41	40	37
Total imports	43	43	41	40	37

¹ Effective October 6, 2008, imports from China are subject to an antidumping duty order.

Note.--Because of rounding, figure may not add to total shown.

Source: Official statistics of Commerce for HTS statistical reporting number 7326.20.0020.

Apparent U.S. consumption and market shares

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-5 presents data on U.S. market shares of U.S. apparent consumption.

Table I-4

SWG hangers: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2009-11, and 2016

Item	2009	2010	2011	2016
	Quantity (1,000 hangers)			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
Taiwan	331,678	334,145	54,899	26
Vietnam	426,551	823,897	912,346	2,419
Subtotal	758,229	1,158,042	967,245	2,445
Nonsubject sources	1,300,206	748,400	1,088,132	1,758,343
Total imports	2,058,434	1,906,443	2,055,377	1,760,788
Apparent U.S. consumption	***	***	***	***
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
Taiwan	12,102	13,052	2,501	39
Vietnam	18,316	30,194	36,243	96
Subtotal	30,417	43,246	38,744	135
Nonsubject sources	46,316	29,488	43,542	65,754
Total imports	76,733	72,734	82,287	65,889
Apparent U.S. consumption	***	***	***	***

Source: For the years 2009-11, data are compiled using data submitted in the Commission's original investigations. See *app. C*. For the year 2016, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution; U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 7326.20.0020.

Table I-5

SWG hangers: Apparent U.S. consumption and U.S. market shares, 2009-11, and 2016

* * * * *

CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Additional information concerning geographical markets and simultaneous presence in the market is presented below.

Imports of SWG hangers from Taiwan entered the United States in every month in 2012 and 2013. In 2014, imports from Taiwan entered the United States in each month except May. In 2015, imports from Taiwan only entered the United States in January, February, June, July, August, and November. In 2016, imports from Taiwan only entered the United States in January, February, July, September, and December.³⁴

In 2012, imports of SWG hangers from Vietnam did not enter the United States from September through December. In 2013, imports from Vietnam only entered the United States in February, March, May, and December. In 2014, imports from Vietnam only entered the United States in May through July and December. In 2015, imports only entered the United States in March and in 2016, they only entered in February and March.³⁵

According to official U.S. import statistics, the top two ports of entry from 2012 to 2016 for SWG hangers imported from both Taiwan and Vietnam were New York, New York and Los Angeles, California. However, during this period imports of SWG hangers from Taiwan and Vietnam were not concentrated in any particular port.³⁶

³⁴ Official Commerce statistics under HTS statistical reporting number 7326.20.0020.

³⁵ Ibid.

³⁶ Ibid.

THE INDUSTRY IN TAIWAN

During the final phase of the original investigations, the Commission did not receive any foreign producer/exporter questionnaires from firms in Taiwan.³⁷

Although the Commission did not receive responses from any respondent interested parties in these first five-year reviews, the domestic interested party provided a list of 24 firms that it believes currently produce SWG hangers in Taiwan.³⁸

Table I-6 presents exports of articles of iron and steel wire (including SWG hangers) from Taiwan, by destination country, from 2012 to 2016. The largest destination source in 2016 was the United States, followed by Australia, China, Hong Kong, and Japan.

Table I-6
Articles of iron and steel wire (including SWG hangers): Exports from Taiwan by destination country, 2012-16

Destination Country	Calendar year				
	2012	2013	2014	2015	2016
	Value (1,000 dollars)				
United States	8,731	11,213	14,684	17,086	15,391
Australia	10,509	10,231	8,699	8,133	5,463
China	10,913	9,978	6,953	6,171	4,691
Hong Kong	1,862	2,026	1,853	1,071	4,641
Japan	1,820	2,012	3,822	2,586	2,271
Sweden	2,392	1,945	1,836	1,681	1,566
Canada	2,028	2,089	1,898	1,569	1,498
United Kingdom	1,772	1,747	2,314	1,846	1,430
Germany	1,302	1,127	1,310	1,104	1,094
Indonesia	1,419	1,511	2,352	1,241	1,073
All other destination markets	11,571	9,897	9,002	6,908	6,710
Total Taiwan exports	54,319	53,776	54,723	49,396	45,828

Note.—Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7326.20, accessed March 15, 2018.; Taiwan Directorate General of Customs, HTS subheading 7326.20, accessed March 15, 2018.

³⁷ *Steel Wire Garment Hangers from Taiwan (Final)*, Inv. No. 731-TA-1197, USITC Publication 4363, November 2012, pp. VII-1.

³⁸ *Domestic Interested Party's Response to the Notice of Institution*, December 1, 2017, Exh. 3.

THE INDUSTRY IN VIETNAM

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from two firms in Vietnam. Exports to the United States by these firms were equivalent to *** percent of the official U.S. import statistics for SWG hangers from Vietnam during 2011. Responding Vietnamese producers reported that SWG hanger production accounted for between *** and *** percent of their total sales.³⁹

Although the Commission did not receive responses from any respondent interested parties in this first five-year review, the domestic interested parties provided a list of 42 firms that it believes currently produce SWG hangers in Vietnam.⁴⁰

Table I-7 presents exports of articles of iron and steel wire (including SWG hangers) from Vietnam, by destination country, from 2012 to 2016. The largest destination source in 2016 was the United States, followed by Japan, Korea, Australia, and Laos.

Table I-7
Articles of iron and steel wire (including SWG hangers): Exports from Vietnam by destination country, 2012-16

Destination Country	Calendar year				
	2012	2013	2014	2015	2016
	Value (1,000 dollars)				
United States	14,646	4,437	6,022	256	5,445
Japan	628	817	1,341	1,881	876
Korea	7	0	104	184	278
Australia	101	160	110	111	260
Laos	151	190	220	132	226
Germany	351	127	194	279	204
Thailand	108	218	175	273	116
France	53	86	24	84	108
United Arab Emirates	0	127	152	179	93
Belgium	47	31	37	62	79
All other destination markets	2,440	1,526	1,719	1,163	1,088
Total Vietnam exports	18,531	7,720	10,098	4,604	8,774

Note.-- Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7326.20, accessed March 15, 2018; UN Comtrade, HTS subheading 7326.20, accessed March 15, 2018.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Based on available information, SWG hangers from Taiwan and Vietnam have not been subject to other antidumping or countervailing duty investigations outside the United States.

³⁹ *Investigation Nos. 701-TA-487 and 731-TA-1197-1198 (Final): Steel Wire Garment from Taiwan and Vietnam—Staff Report*, INV-KK-108, November 8, 2012, p. VII-5.

⁴⁰ *Domestic Interested Party's Response to the Notice of Institution*, December 1, 2017, Exh. 3.

THE GLOBAL MARKET

Table I-8 shows global exports of articles of iron and steel wire (including SWG hangers) from 2012 to 2016. Total global exports, measured in value, decreased by 6.1 percent from 2012 to 2016, from 2.87 billion in 2012 to 2.70 in 2016. The largest global exporter in 2016 was China, followed by Germany, the Netherlands, Poland, and the United States.

Table I-8
Articles of iron and steel wire (including SWG hangers): Global exports by major sources, 2012-16

Exporter	Calendar year				
	2012	2013	2014	2015	2016
	Value (1,000 dollars)				
United States	152,577	149,687	150,811	166,212	131,035
Taiwan	54,319	53,776	54,723	49,396	45,828
Vietnam	18,531	7,720	10,098	4,604	8,774
All other major reporting exporters--					
China	924,801	965,095	970,849	985,071	870,432
Germany	198,194	208,991	223,642	206,023	209,738
Netherlands	73,409	79,366	128,588	124,739	139,821
Poland	135,475	144,965	144,517	135,339	132,901
Belgium	191,981	193,314	146,506	127,847	124,440
Czech Republic	110,283	123,033	135,523	120,684	122,541
Italy	115,905	120,730	120,435	112,157	107,837
France	78,792	85,375	98,473	82,544	77,133
Canada	40,224	36,628	41,726	47,729	50,800
United Kingdom	43,532	60,214	51,561	74,702	45,814
All other exporters	732,548	743,024	716,250	632,535	629,303
Total global exports	2,870,571	2,971,919	2,993,702	2,869,579	2,696,398

Note.--Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7326.20, accessed March 15, 2018.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
82 FR 50612 November 1, 2017	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.federalregister.gov/documents/2017/11/01/2017-23763/initiation-of-five-year-sunset-reviews
82 FR 50686 November 1, 2017	<i>Steel Wire Garment Hangers from Taiwan and Vietnam Institution of Five-Year Reviews</i>	https://www.federalregister.gov/documents/2017/11/01/2017-23656/steel-wire-garment-hangers-from-taiwan-and-vietnam-institution-of-five-year-reviews

APPENDIX B
COMPANY-SPECIFIC DATA

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APPENDIX C

SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS

Table C-1
SWG hangers: Summary data concerning the U.S. market, 2009-11, January-June 2011, and January-June 2012

Quantity=1,000 hangers, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per 1,000 hangers; period changes=percent, except where noted

Item	Reported data					Period changes			
	2009	2010	2011	January-June		2009-11	2009-10	2010-11	Jan.-Sept. 2011-12
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
Taiwan	***	***	***	***	***	***	***	***	***
Vietnam	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
China (non-subject)	***	***	***	***	***	***	***	***	***
All Other sources	***	***	***	***	***	***	***	***	***
Subtotal (non-subject)	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
Taiwan	***	***	***	***	***	***	***	***	***
Vietnam	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
China (non-subject)	***	***	***	***	***	***	***	***	***
All Other sources	***	***	***	***	***	***	***	***	***
Subtotal (non-subject)	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from:									
Taiwan:									
Quantity	331,678	334,145	54,899	53,212	901	-83.4	0.7	-83.6	-98.3
Value	12,102	13,052	2,501	2,195	153	-79.3	7.9	-80.8	-93.0
Unit value	\$36.49	\$39.06	\$45.56	\$41.25	\$169.63	24.9	7.1	16.6	311.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Vietnam:									
Quantity	426,551	823,897	912,346	504,697	424,392	113.9	93.2	10.7	-15.9
Value	18,316	30,194	36,243	19,973	17,164	97.9	64.9	20.0	-14.1
Unit value	\$42.94	\$36.65	\$39.73	\$39.57	\$40.44	-7.5	-14.7	8.4	2.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	758,229	1,158,042	967,245	557,909	425,293	27.6	52.7	-16.5	-23.8
Value	30,417	43,246	38,744	22,168	17,317	27.4	42.2	-10.4	-21.9
Unit value	\$40.12	\$37.34	\$40.06	\$39.73	\$40.72	-0.1	-6.9	7.3	2.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***
China (non-subject):									
Quantity	733,871	220,001	588,917	132,004	408,835	-19.8	-70.0	167.7	209.7
Value	25,878	9,763	23,804	5,924	17,541	-8.0	-62.3	143.8	196.1
Unit value	\$35.26	\$44.38	\$40.42	\$44.88	\$42.90	14.6	25.8	-8.9	-4.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	566,335	528,400	499,215	261,823	246,240	-11.9	-6.7	-5.5	-6.0
Value	20,438	19,725	19,739	10,080	9,978	-3.4	-3.5	0.1	-1.0
Unit value	\$36.09	\$37.33	\$39.54	\$38.50	\$40.52	9.6	3.4	5.9	5.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal (non-subject):									
Quantity	1,300,206	748,400	1,088,132	393,827	655,075	-16.3	-42.4	45.4	66.3
Value	46,316	29,488	43,542	16,004	27,519	-6.0	-36.3	47.7	71.9
Unit value	\$35.62	\$39.40	\$40.02	\$40.64	\$42.01	12.3	10.6	1.6	3.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	2,058,434	1,906,443	2,055,377	951,737	1,080,369	-0.1	-7.4	7.8	13.5
Value	76,733	72,734	82,287	38,172	44,835	7.2	-5.2	13.1	17.5
Unit value	\$37.28	\$38.15	\$40.03	\$40.11	\$41.50	7.4	2.3	4.9	3.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers:									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers:									
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (hangers/hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (1)	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

Note--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

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