

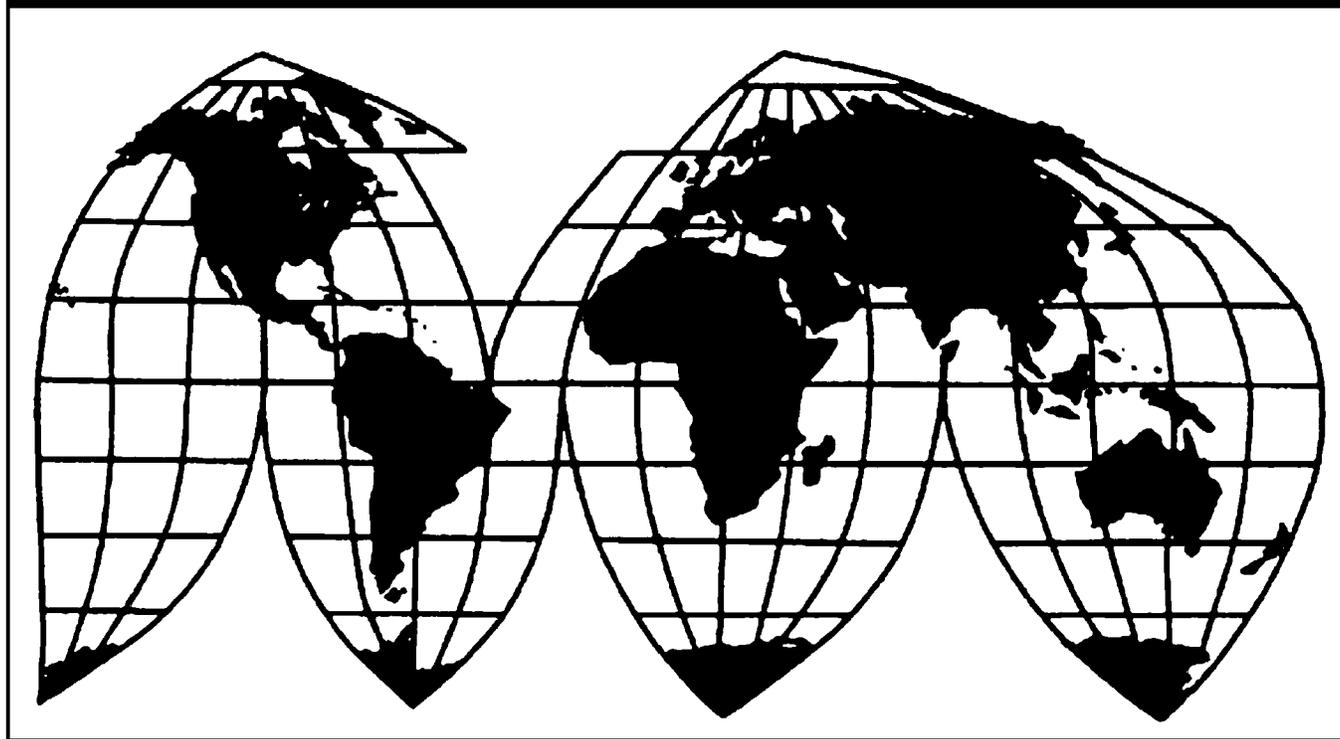
Tetrahydrofurfuryl Alcohol from China

Investigation No. 731-TA-1046 (Third Review)

Publication 5129

October 2020

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1046 (Third Review)

Tetrahydrofurfuryl Alcohol from China

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on tetrahydrofurfuryl alcohol from China 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 instituted this review on March 2, 2020 (85 FR 12337) and determined on June 5, 2020 that it would conduct an expedited review (85 FR 62323, October 2, 2020).

¹ The record is defined in § 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 this third five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on tetrahydrofurfuryl alcohol (“THFA”) from China 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

Original Investigation: The original investigation of THFA from China was instituted on June 23, 2003, based on a petition filed by Penn Specialty Chemicals Inc. (“Penn Specialty”).¹ In July 2004, the Commission determined that an industry in the United States was materially injured by reason of imports of THFA sold at less than fair value (“LTFV”) from China.² The U.S. Department of Commerce (“Commerce”) issued an antidumping duty order on imports of THFA from China on August 6, 2004.³

First five-year review: The Commission instituted its first five-year review concerning the antidumping duty order on THFA from China on July 1, 2009.⁴ Penn A Kem, LLC (“Penn”), the domestic producer accounting for *** domestic production during the first period of review (“POR”), filed the sole response to the Commission’s notice of institution.⁵ The Commission decided to conduct an expedited review and, in November 2009, determined that revocation of the antidumping duty order on THFA from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁶ Commerce issued a continuation of the antidumping duty order covering the subject merchandise on December 16, 2009.⁷

¹ *Tetrahydrofurfuryl Alcohol from China*, Inv. No. 731-TA-1046 (Final), USITC Pub. 3709 (July 2004) (“*Original Determination*”) at I-1.

² *Original Determination*, USITC Pub. 3709, at 3. Three Commissioners found that an industry in the United States was neither materially injured nor threatened with material injury by reason of THFA from China. See Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioners Charlotte R. Lane and Daniel R. Pearson, *Id.* at 13.

³ *Antidumping Duty Order: Tetrahydrofurfuryl Alcohol from the People’s Republic of China*, 69 Fed. Reg. 47911 (Aug. 6, 2004).

⁴ *Tetrahydrofurfuryl Alcohol from China*, 74 Fed. Reg. 31752 (July 2, 2009).

⁵ Penn Specialty was acquired by Minafin SARL (Luxembourg) in July 2008, and its name was changed to Penn A Kem LLC. Letter from David M. Schwartz, Thompson Hine LLP, to The Honorable Lisa R. Barton, *Re: Tetrahydrofurfuryl Alcohol from China (Investigation No. 731-TA-1046 (Third Review)); Domestic Producer’s Response to the Notice of Institution*, EDIS Doc. 706296 (Mar. 27, 2020) (“Penn’s Response”) at 2 n.4.

⁶ *Tetrahydrofurfuryl Alcohol from China*, Inv. No. 731-TA-1046 (Review), USITC Pub. 4118 (Nov. 2009) (“*First Review*”) at 3. Three Commissioners found that material injury was not likely

Second five-year review: The Commission instituted its second five-year review concerning the antidumping duty order on THFA from China on November 3, 2014.⁸ Penn, the domestic producer accounting for approximately *** percent of domestic production in 2013, filed the sole response to the Commission’s notice of institution; the Commission did not receive any response from the other domestic producer of THFA, Nova Molecular Technologies, Inc. (“Nova”), or from any respondent interested party. The Commission decided to conduct an expedited review and, in April 2015, the Commission determined that revocation of the antidumping duty order on THFA from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁹ Commerce issued a continuation of the antidumping duty order covering the subject merchandise on April 16, 2015.¹⁰

Current five-year review: The Commission instituted the current five-year review on March 2, 2020.¹¹ It received only one substantive response to the notice of institution, which was from U.S. producer Penn.¹² Penn is believed to have accounted for approximately *** percent of total U.S. production of THFA in 2019.¹³ The Commission did not receive any responses from the other domestic producer of THFA, Monument Chemical,¹⁴ or from any respondent interested party.

On June 5, 2020, the Commission found the domestic interested party group response to the notice of institution was adequate and the respondent interested party group response was inadequate. The Commission did not find any circumstances that would warrant

to continue or recur within a reasonably foreseeable time if the antidumping duty order on THFA from China were revoked. See Dissenting Views of Vice Chairman Daniel R. Pearson and Commissioners Deanna Tanner Okun and Charlotte R. Lane, *Id.* at 15.

⁷ *Tetrahydrofurfuryl Alcohol from the People's Republic of China: Continuation of the Antidumping Duty Order*, 74 Fed. Reg. 66616 (Dec. 16, 2009).

⁸ *Tetrahydrofurfuryl Alcohol from China; Institution of Five-Year Review*, 79 Fed. Reg. 65241 (Nov. 3, 2014).

⁹ *Tetrahydrofurfuryl Alcohol from China*, Inv. No. 731-TA-1046 (Second Review), USITC Pub. 4524 (Apr. 2015) (“*Second Review*”) at 3. The Commission unanimously found that material injury was likely to continue or recur within a reasonably foreseeable time if the antidumping duty order on THFA from China were revoked.

¹⁰ *Tetrahydrofurfuryl Alcohol from the People's Republic of China: Continuation of the Antidumping Duty Order*, 80 Fed. Reg. 20470 (Apr. 16, 2015).

¹¹ *Tetrahydrofurfuryl Alcohol from China; Institution of a Five-Year Review*, 85 Fed. Reg. 12337 (Mar. 2, 2020).

¹² Confidential Report, Memorandum INV-SS-063 (May 26, 2020) (“CR”)/Public Report (“PR”) at I-2.

¹³ CR/PR at Table I-1.

¹⁴ Nova sold its Bayport, Texas manufacturing facility to Monument Chemical in December 2018. CR/PR at I-7.

conducting a full review.¹⁵ Consequently, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Tariff Act.¹⁶ Penn filed comments on October 2, 2020, pursuant to Commission rule 207.62(d).¹⁷ No respondent interested party has provided any information or argument to the Commission in this review.

Data Coverage: U.S. industry data for this review are based on the information provided by Penn in response to the notice of institution and information from the first and second reviews and original investigation.¹⁸ Penn estimates that it accounted for *** percent of production of THFA in the United States in 2019.¹⁹ No U.S. importer participated in this review. U.S. import data and related information are based on information from the original investigation (in which the Commission obtained data from importer questionnaire responses) and on official import statistics for 2008 (expedited first five-year review), 2013 (expedited second five-year review), and 2014-2019 (current expedited five-year review).²⁰ No foreign producer or exporter of THFA participated in this review. Foreign industry data and related information are based on information provided in the questionnaire response of one producer and exporter of THFA in China (reportedly the primary manufacturer and exporter in China of the subject merchandise) in the original investigation, available information submitted by Penn in the first and second reviews and in response to the notice of institution in this current third review, and publicly available data, such as Global Trade Atlas (“GTA”) data, gathered by Commission staff.²¹

¹⁵ Explanation of Commission Determination on Adequacy, EDIS Doc. 711086 (June 10, 2020). Chairman Johanson determined that, in light of the time that has transpired since the Commission last conducted a full investigation in this matter, conducting a full review was warranted. *Id.* at n.1.

¹⁶ 19 U.S.C. § 1675(c)(3).

¹⁷ See Letter from David M. Schwartz, Thompson Hine LLP, to The Honorable Lisa R. Barton, *Re: Tetrahydrofurfuryl Alcohol from China (Investigation No. 731-TA-1046 (Third Review))*; *Domestic Producer’s Comments Regarding What Determination the Commission Should Reach in The Review*, EDIS Doc. 720948 (Oct. 2, 2020) (“Penn’s Comments”).

¹⁸ See CR/PR at I-8, Table I-2.

¹⁹ CR/PR at I-7, Table I-1. In its response to the notice of institution, Penn indicated that there was one other known and currently operating U.S. producer, Monument Chemical; however, it did not have further information regarding its domestic competitor. *Id.* at I-7.

²⁰ See CR/PR at I-9, Tables I-3 and I-4. It is unclear whether there have been any subject imports of THFA from China since the imposition of the order. The tariff subheading under which THFA enters the United States is a “basket category,” and reported entries could be out-of-scope merchandise. Penn stated that it has no knowledge of any subject imports during the review period; it noted that entries reported under the relevant tariff provision could be other products. Penn’s Response at 11 n.31. An analysis conducted by the Commission’s staff of *** indicates that most imports during 2014 to 2019 are out-of-scope products. CR/PR at Table I-3.

²¹ CR/PR at Tables I-5 and I-6.

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.”²² 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.”²³ 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.²⁴

Commerce has defined the scope of the antidumping duty order in this five-year review as follows:

The product covered by this *Order* is tetrahydrofurfuryl alcohol (THFA) from China; a primary alcohol, THFA is a clear, water white to pale yellow liquid. THFA is a member of the heterocyclic compounds known as furans and is miscible with water and soluble in many common organic solvents. THFA is currently classifiable in the Harmonized Tariff Schedules of the United States (HTSUS) under subheading 2932.13.00.00. Although the HTSUS subheadings are provided for convenience and for customs purposes, Commerce’s written description of the merchandise subject to the *Order* is dispositive.²⁵

THFA is a biodegradable specialty solvent used in agricultural applications and cleaning products.²⁶

²² 19 U.S.C. § 1677(4)(A).

²³ 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).

²⁴ *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).

²⁵ *Tetrahydrofurfuryl Alcohol from the People’s Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 40969 (July 8, 2020).

²⁶ CR/PR at I-5.

In the original investigation and the first and second five-year reviews, the Commission defined a single domestic like product consisting of THFA, which was commensurate with the scope definition.²⁷ In this review, Penn has indicated that it agrees with the Commission's definition of the domestic like product in the original investigation and first and second reviews.²⁸ The record contains no information suggesting any reason to revisit the Commission's domestic like product definition in the prior proceedings.²⁹ Therefore, we define the domestic like product as THFA, a definition that is coextensive with the scope of the order.

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 of a domestic like product constitutes a major proportion of the total domestic production of the product."³⁰ 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 investigation and first and second reviews, the Commission defined the domestic industry to consist of all domestic producers of THFA. In the original investigation, Penn Specialty was the only known U.S. producer.³¹ In the first review, Penn indicated there may be another small domestic producer of THFA (Nova) that began production in 2008, but this producer did not respond to the notice of institution or provide any information to the Commission.³² In the second review, the Commission explained that, in addition to Penn, Nova engaged in domestic production of THFA.³³

In this review, Penn stated that it agrees with the Commission's definition of the domestic industry in the original investigation and first and second reviews.³⁴ Penn indicated that it had only one domestic competitor (Nova) during the period 2015 to 2018 and that Nova sold its THFA production capability to Monument Chemical in 2018.³⁵ Penn estimates that it

²⁷ *Original Determination*, USITC Pub. 3709, at 4-5; *First Review*, USITC Pub. 4118, at 5; *Second Review*, USITC Pub. 4524, at 4-5.

²⁸ Penn's Response at 13.

²⁹ See *generally*, CR/PR at I-5 to I-6.

³⁰ 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.

³¹ *Original Determination*, USITC Pub. 3709, at 5.

³² *First Review*, USITC Pub. 4118, at 5 n.23.

³³ *Second Review*, USITC Pub. 4524, at 6.

³⁴ Penn's Response at 13.

³⁵ See Letter from David M. Schwartz, Thompson Hine LLP, to The Honorable Lisa R. Barton, *Re: Tetrahydrofurfuryl Alcohol from China (Investigation No. 731-TA-1046 (Third*

accounted for approximately *** percent of production of THFA in the United States during 2019, but it did not have any information available on Monument Chemical.³⁶ There are no known related party issues. Accordingly, we define the domestic industry as consisting of all domestic producers of THFA, namely Penn and Monument Chemical.³⁷

III. Revocation of the Antidumping Duty Order 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.”³⁸ 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.”³⁹ Thus, the likelihood standard is prospective in nature.⁴⁰ 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.⁴¹

Review)); *Domestic Producer’s Response to the Commission’s April 7, 2020 Inquiries*, EDIS Doc. 707487 (Apr. 10, 2020) (“Penn’s Supplemental Response”).

³⁶ CR/PR at I-7.

³⁷ As previously stated, the Commission did not receive any response to the notice of institution or data from, or concerning, Monument Chemical.

³⁸ 19 U.S.C. § 1675a(a).

³⁹ 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.

⁴⁰ 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.

⁴¹ 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,

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.”⁴² 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.”⁴³

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.”⁴⁴ 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).⁴⁵ 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.⁴⁶

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.⁴⁷ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely

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’”).

⁴² 19 U.S.C. § 1675a(a)(5).

⁴³ 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.*

⁴⁴ 19 U.S.C. § 1675a(a)(1).

⁴⁵ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the antidumping duty order on THFA from China. *Tetrahydrofurfuryl Alcohol from the People’s Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 40969 (July 8, 2020) and accompanying Issues and Decisions Memorandum at 3.

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

⁴⁷ 19 U.S.C. § 1675a(a)(2).

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 country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴⁸

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.⁴⁹

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.⁵⁰ 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 order under review and whether the industry is vulnerable to material injury upon revocation.⁵¹

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the THFA industry in China. There also is limited information on the THFA market in the United States during the POR. Accordingly, for our determination, we rely as appropriate on the facts available from the

⁴⁸ 19 U.S.C. § 1675a(a)(2)(A-D).

⁴⁹ 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.

⁵⁰ 19 U.S.C. § 1675a(a)(4).

⁵¹ 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.

original investigation and the first and second five-year reviews, and the limited new information on the record in this expedited third five-year review.

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.”⁵² The following conditions of competition inform our determinations.

1. Demand Conditions

In the original investigation, the Commission found that demand for THFA in the United States was derived from the demand for the final products that require THFA, such as agricultural chemicals, coatings, and cleaning solutions. The Commission found that demand, as measured by apparent U.S. consumption, fluctuated during the period of investigation and declined by *** percent between 2001 and 2003.⁵³ It also found that the market for THFA was dominated by a handful of high-volume purchasers, with Penn Specialty’s top five purchasers accounting for approximately *** percent of its shipments in 2003.⁵⁴

In the first review, the Commission found that U.S. demand for THFA had increased since the original investigation. Demand, as measured by apparent U.S. consumption, was *** pounds in 2008. Penn indicated that demand for THFA experienced rapid growth, primarily in agricultural applications, ***.⁵⁵

In the second review, the Commission found that it was unclear whether apparent U.S. consumption data reflected an actual increase in consumption of THFA since the first review. The Commission explained that, on the one hand, apparent U.S. consumption was higher in 2013 (at *** pounds) than in 2008 (at *** pounds).⁵⁶ However, import data for apparent U.S. consumption in 2013 were based on official import statistics for a tariff subheading that included other products such as furfuryl alcohol (“FA”), and thus the 2.7 million pounds of nonsubject imports might be in part or entirely products other than THFA.⁵⁷

⁵² 19 U.S.C. § 1675a(a)(4).

⁵³ *Original Determination*, USITC Pub. 3709, at 6; Confidential Views, EDIS Doc. 706651, at 5-6. During the original investigation, the quantity of apparent U.S. consumption of THFA was *** pounds in 2001 and *** pounds in 2003. In January-March (“interim”) 2004, apparent U.S. consumption was *** percent lower than in interim 2003. *Id.*

⁵⁴ *Original Determination*, USITC Pub. 3709, at 6; Confidential Views, EDIS Doc. 706651, at 6.

⁵⁵ *First Review*, USITC Pub. 4118, at 7-8; Confidential Views, EDIS Doc. 706590, at 9.

⁵⁶ *Second Review*, USITC Pub. 4524, at 9; Confidential Views, EDIS Doc. 706582, at 13.

⁵⁷ *Second Review*, USITC Pub. 4524, at 9.

In this third review, apparent U.S. consumption in 2019 was substantially higher, at *** pounds, than in 2013, at *** pounds.⁵⁸ However, it remains unclear whether this actually reflects an increase in consumption of THFA as import data used in the calculation of apparent U.S. consumption in 2019 continues to be based on official import statistics for a tariff subheading that includes products other than THFA. Apparent U.S. consumption in 2019 includes 17.3 million pounds of nonsubject imports that might be in part or entirely products other than THFA.⁵⁹ As discussed below, there were no known imports of THFA from nonsubject countries in the original investigation or first and second reviews,⁶⁰ nor is there evidence in the record of this review that imports of THFA from nonsubject countries have entered the U.S. since the second review.⁶¹ Domestic producers' U.S. shipments (which only include data for Penn, and not for the other U.S. producer Monument Chemical) were *** lower in 2019 than in 2013.⁶²

2. Supply Conditions

In the original investigation, the Commission stated that Penn Specialty was the only domestic producer of THFA. Although some consumers expressed concern about supply disruptions during Penn Specialty's bankruptcy in the summer of 2001, Penn Specialty continued to produce and deliver THFA on a timely basis.⁶³ The Commission found that subject imports were the only other source of THFA in the U.S. market. Three firms were responsible for all subject imports of THFA during the original investigation, with one of them, Kyzen, accounting for *** percent of all subject imports during that period.⁶⁴ Kyzen imported directly *** of subject merchandise for internal consumption. Notably, Kyzen had consistently divided its purchases between Penn Specialty and Zhucheng, the only Chinese producer of THFA identified in the Commission's investigation.⁶⁵

In the first review, the Commission found that the limited record indicated that subject imports largely exited the U.S. market after the imposition of the antidumping duty order. It

⁵⁸ CR/PR at Table I-4. Penn argues that THFA is a mature product ***. According to Penn, ***. Penn claims that, ***. Penn's Response at 13.

U.S. purchaser of THFA, ***, similarly claims that ***. According to ***, ***. CR/PR at Appendix D.

⁵⁹ CR/PR at Table I-4.

⁶⁰ See *Original Determination*, USITC Pub. 3709, at 7; *First Review*, USITC Pub. 4118, at 8; *Second Review*, USITC Pub. 4524, at 9-10.

⁶¹ See Penn's Response at 11 n.31; CR/PR at Table I-3.

⁶² U.S. producers' U.S. shipments were *** pounds in 2013 and *** pounds in 2019. CR/PR at Table I-2.

⁶³ *Original Determination*, USITC Pub. 3709, at 7.

⁶⁴ *Original Determination*, USITC Pub. 3709, at 7; Confidential Views, EDIS Doc. 706651, at 7.

⁶⁵ *Original Determination*, USITC Pub. 3709, at 7.

noted that there were no known nonsubject imports *** or in the first review period, and that the domestic industry appeared to be able to supply *** U.S. market for THFA.⁶⁶

In the second review, the Commission found that Nova, a second domestic producer of THFA, entered the market, but the Commission had no information on the extent of that firm's production operations. Also, it noted that while official import statistics showed that there was a small volume of subject imports (11,000 pounds) and significant imports from nonsubject sources in 2013, it was unclear whether these imports were of THFA or out-of-scope products classified in the same tariff subheading.⁶⁷

In this third review, Penn continues to supply *** domestically produced THFA.⁶⁸ The other domestic producer is Monument Chemical, which purchased Nova's manufacturing facility in December 2018; there is no information on the record as to the extent of Monument Chemical's production operations.⁶⁹ Furthermore, official import statistics continue to show that there was a small volume of imports from China (41,000 pounds) and significant imports from nonsubject sources in 2019 that entered under the relevant HTS subheading for THFA; however, it remains unclear whether these imports were of THFA or of out-of-scope products classified in the same tariff subheading.⁷⁰ Penn contends that subject imports from China ceased after imposition of the antidumping duty order and that it is not aware of any imports of THFA to the United States during 2015 to 2019.⁷¹ Furthermore, an analysis conducted by the Commission's staff of *** indicates that most imports during 2014 to 2019 are out-of-scope FA.⁷² The U.S. producer's production capacity (which only includes data for Penn, and not for the other U.S. producer, Monument Chemical) was *** in 2019, at ***, as in 2013.⁷³

3. Substitutability and Other Conditions

In the original investigation, the Commission found a high degree of substitutability between subject imports and the domestic like product.⁷⁴ Half of the responding purchasers ranked price as the most important factor in selecting a supplier, and purchasers indicated that price was an important factor more often than any other factor, including quality.⁷⁵

⁶⁶ *First Review*, USITC Pub. 4118, at 8; Confidential Views, EDIS Doc. 706590, at 10.

⁶⁷ *Second Review*, USITC Pub. 4524, at 10; Confidential Views, EDIS Doc. 706582, at 15.

⁶⁸ See CR/PR at Table I-1.

⁶⁹ According to U.S. purchaser of THFA, ***, ***. According to ***, ***. CR/PR at Appendix D.

*** similarly reports that ***. It contends that ***. It also claims that ***. *Id.*

⁷⁰ CR/PR at Table I-3.

⁷¹ Penn's Response at 11 n.31.

⁷² CR/PR at Table I-3.

⁷³ CR/PR at Table I-2.

⁷⁴ *Original Determination*, USITC Pub. 3709, at 7.

⁷⁵ *Original Determination*, USITC Pub. 3709, at 8.

In the first and second reviews, the Commission stated that there was no evidence to suggest that the substitutability conditions had changed significantly since the original investigation.⁷⁶

In this third review, there is no new information on the record to suggest any changes since the prior proceedings regarding substitutability between the domestic like product and subject imports, or the importance of price. Accordingly, we again find that the substitutability conditions have not changed significantly since the original investigation; notably, that there is a high degree of substitutability between subject imports and the domestic like product and that price is an important purchase factor.⁷⁷ Effective May 10, 2019, THFA imported from China became subject to an additional 25 percent *ad valorem* duty under Section 301 of the Trade Act of 1974.⁷⁸

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In the original investigation, the Commission found that shipments of subject imports rose by *** percent between 2001 and 2003, increasing from *** pounds in 2001 to *** pounds in 2003. Subject imports accounted for *** percent of the U.S. market in 2003, on a quantity basis, up from *** percent in 2001. *** of this gain in market share came at the expense of the domestic industry, ***.⁷⁹

The Commission emphasized the unique role that Kyzen played in the U.S. market for THFA, especially the stability and duration of its importing activities as the predominant importer and a significant purchaser of the domestic like product since well before 2001. Kyzen accounted for *** subject imports, which it internally consumed rather than sold. The Commission found that Kyzen's purchasing practices had remained relatively consistent, and therefore the Commission did not conclude that the volume or increase in the volume of subject imports was significant. It observed, however, that the subject imports generally rose over the period, at a time when shipments of the domestic like product and apparent U.S. consumption were both trending downward, and that Kyzen's substantial purchases of subject imports were a factor in Penn Specialty reducing its prices to several large customers in response to low-priced offers of subject imports. The Commission also stated that because

⁷⁶ *First Review*, USITC Pub. 4118, at 8; *Second Review*, USITC Pub. 4524, at 11.

⁷⁷ *** reports that ***. It contends that ***. According to ***, ***. CR/PR at Appendix

D.

⁷⁸ CR/PR at I-5.

⁷⁹ *Original Determination*, USITC Pub. 3709, at 8; Confidential Views, EDIS Doc. 706651, at 9-10.

Commerce's preliminary affirmative finding discouraged all subject imports in 2004, including those by Kyzen, it was according less weight to interim 2004 data.⁸⁰

In the first review, with the antidumping duty order in place, subject import volumes were much smaller than in the original period of investigation. Subject imports declined from *** pounds in 2003, the final full year of the period of investigation, to zero in 2004, and were 38,000 pounds in 2008.⁸¹ Shipments of subject imports as a share of apparent U.S. consumption on a quantity basis declined from *** percent in 2003 to *** percent in 2008.⁸²

The Commission found that nothing in the record of the first review contradicted the evidence on the record of the original investigation that the Chinese industry producing the subject merchandise had substantial excess capacity and that it was export oriented. It stated that the facts available indicated that capacity in China for THFA was approximately 16.5 million pounds, and that actual production capacity could be much higher because Chinese FA producers could invest in THFA technology and shift production from FA to THFA.⁸³

Based on the export orientation of the Chinese THFA industry, the volume and market share that subject imports held prior to exiting the U.S. market after the antidumping duty order was imposed, and the evidence on the record of the Chinese industry's capacity to produce THFA, the Commission found that the Chinese industry would have the incentive and the ability to ship increasing volumes of THFA to the United States if the order were revoked. The Commission therefore found that the likely increase in the volume of subject imports would be significant if the order were revoked.⁸⁴

In the second review, the Commission found that, to the extent that there were any imports of THFA from China in 2013, they were at very low levels.⁸⁵ In addition, the Commission found that the limited evidence on the record indicated that the Chinese industry's production capacity had expanded significantly since the first review. In the second review, the facts available indicated that capacity in China for THFA was approximately 29 million pounds. The Commission found that nothing in the record of the second review contradicted the evidence on the record of the original investigation that the Chinese industry producing THFA had substantial excess capacity and that it was export oriented. Available public data indicated that China was by far the world's largest exporter of THFA during the 2009-13 period.⁸⁶

⁸⁰ *Original Determination*, USITC Pub. 3709, at 8-9; Confidential Views, EDIS Doc. 706651, at 10-11.

⁸¹ As noted above, because THFA is classified in a "basket" tariff category, and because the Commission relied on official import statistics in the first review, the 38,000 pounds of imports noted in 2008 may not have been subject merchandise.

⁸² *First Review*, USITC Pub. 4118, at 9; Confidential Views, EDIS Doc. 706590, at 12; CR/PR at Table I-4.

⁸³ *First Review*, USITC Pub. 4118, at 9-10.

⁸⁴ *First Review*, USITC Pub. 4118, at 10.

⁸⁵ *Second Review*, USITC Pub. 4524, at 12.

⁸⁶ *Second Review*, USITC Pub. 4524, at 12.

Based on the export orientation of the Chinese THFA industry, the volume and market share that subject imports held prior to exiting the U.S. market after the antidumping duty order was imposed, and the evidence on the record of the Chinese industry's capacity to produce THFA, the Commission found that the Chinese industry would have the incentive and the ability to ship increasing volumes of THFA to the United States if the order were revoked. The Commission therefore found that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the order were revoked.⁸⁷

2. The Current Review

In this expedited third review, no Chinese producer reported data to the Commission on its THFA operations for the POR. Thus, the limited data in the record regarding the THFA industry in China are derived from the original investigation, the first and second five-year reviews, and other available industry sources. Penn provided a listing of website addresses that contain information regarding the export orientation and production ability for at least ten THFA manufacturers in China and asserts that, if the order is revoked, the U.S. market will be overwhelmed by subject imports from export-oriented manufacturers included in this listing.⁸⁸

Similar to the prior reviews, to the extent that there were any imports of THFA from China from 2014 to 2019, they were at very low levels.⁸⁹ Penn estimates that Chinese manufacturers have at least as much capacity as that indicated by the Commission in the second review (29 million pounds).⁹⁰ Furthermore, there is nothing in the record of this review that contradicts the evidence on the record of the original investigation that the Chinese industry producing THFA has substantial excess capacity and that it is export oriented. Indeed, available public data indicate that China was by far the world's largest exporter of THFA and out-scope-products classified under the same subheading during the 2014 to 2019 period.⁹¹

Based on the export orientation of the Chinese THFA industry, the volume and market share that subject imports held prior to exiting the U.S. market after the antidumping duty

⁸⁷ *Second Review*, USITC Pub. 4524, at 13.

⁸⁸ CR/PR at I-12; Penn's Response at 6 n.18 & 19, 10; Penn's Comments at 8.

⁸⁹ The volume of imports under the applicable tariff subheading was zero in 2014, 3,000 pounds in 2015, 15,000 pounds in 2016, 53,000 pounds in 2017, 47,000 pounds in 2018, and 41,000 pounds in 2019. CR/PR at Table I-3. Assuming that these imports were subject merchandise – although Penn asserts that subject imports have not entered the U.S. market since imposition of the order – they accounted for *** percent of apparent U.S. consumption in 2019 on a quantity basis. CR/PR at Table I-4.

⁹⁰ Penn's Response at 9-10; Penn's Comments at 5, 8. Penn also asserts that production capacity could readily be increased to much higher levels because Chinese FA producers have the ability to switch production to THFA, a higher value product. Penn's Response at 10 n.28; Penn's Comments at 8 n.29. THFA is produced from raw FA. CR/PR at I-6.

⁹¹ CR/PR at Table I-6.

order was imposed, and the evidence on the record of the Chinese industry's capacity to produce THFA, we find that the Chinese industry would have the incentive and the ability to ship increasing volumes of THFA to the United States if the order were revoked.⁹² We therefore find that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the order were revoked.

D. Likely Price Effects

1. The Prior Proceedings

In the original investigation, the Commission found that the domestic like product and subject imports were substitutable and that price was an important factor in purchasing decisions. The Commission also found that prices for the domestic like product generally declined, and that prices for the domestic like product were higher in interim 2004, when subject imports exited the market, than in either the preceding quarter or the same period in 2003.⁹³

Commercial sales of imported THFA were relatively rare in the U.S. market at the time of the original investigation given the substantial volume of subject imports that were internally consumed by the leading importer, Kyzen. Pricing data showed mostly overselling, which was likely explained by the fact that import prices were based on substantially lower quantities of subject imports as compared to the quantities on which the domestic prices were based.⁹⁴

The Commission also considered purchaser prices, which showed lower subject import prices for most of the period by margins up to and exceeding *** percent. The gap disappeared at the end of the period as Penn Specialty was forced to reduce its prices. Because the market was small and dominated by a handful of large purchasers, these purchasers were able to gain significant price concessions from Penn Specialty by citing lower price quotes from subject imports. The Commission found that these price concessions were a main reason why prices declined in 2002 and 2003, and that subject imports had a significant adverse effect on the prices paid by these customers, and thus the revenue received by Penn Specialty. Consequently, the Commission concluded that there had been significant price underselling by the subject imports and that the effect of subject imports had been to depress prices for the domestic like product to a significant degree.⁹⁵

In the first review, the Commission observed that there was no new product-specific pricing information on the record. Subject imports had essentially exited the U.S. market as a

⁹² The record of the current review does not contain any information about inventories of the subject merchandise. THFA from China does not appear to be subject to antidumping or countervailing duty findings or remedies in any other market. CR/PR at I-13.

⁹³ *Original Determination*, USITC Pub. 3709, at 7-10.

⁹⁴ *Original Determination*, USITC Pub. 3709, at 10.

⁹⁵ *Original Determination*, USITC Pub. 3709, at 10-11; Confidential Views, EDIS Doc. 706651, at 12-14.

result of the antidumping duty order. Penn noted, however, that the Chinese THFA industry *** in that market. The Commission found that there was nothing in the record of the first review to suggest that price did not continue to be an important factor in purchasing decisions, or that purchasing practices had changed since the original investigation. Consequently, it found that subject imports would be likely to undersell the domestic like product in order to gain market share, and that purchasers would be likely to attempt to gain significant price concessions from the domestic industry by citing lower price quotes for subject imports. Therefore, the Commission concluded that, if the order were revoked, subject imports from China likely would increase significantly at prices that likely would undersell the domestic like product and that those imports would likely have a depressing or suppressing effect on prices for the domestic like product.⁹⁶

In the second review, the Commission observed that the record did not contain pricing comparison data due to the lack of respondent participation and the expedited nature of the review. Nevertheless, the Commission continued to find, in the absence of record evidence indicating changes in the conditions of competition, that the domestic like product and subject imports are highly substitutable and that price is an important factor in purchasing decisions. Consequently, if the order were revoked, subject imports would likely undersell the domestic like product to gain market share, as occurred during the original period of investigation. The Commission found that, in the event of revocation, increasing volumes of low-priced subject imports would likely have significant depressing or suppressing effects on prices of the domestic like product. It therefore concluded that the likely significant volume of subject imports upon revocation would likely have significant adverse effects on prices for the domestic like product.⁹⁷

2. The Current Review

In this expedited third review, the record again does not contain current pricing comparison data due to the lack of respondent participation and the expedited nature of the review. Certain information available indicates that prices for the U.S. industry appear to have improved since the imposition of the antidumping duty order on THFA from China in 2004. The U.S. producers' average unit value ("AUV") for shipments of THFA in the U.S. market was higher

⁹⁶ *First Review*, USITC Pub. 4118, at 11, Confidential Views, EDIS Doc. 706590, at 14-15.

⁹⁷ *Second Review*, USITC Pub. 4524, at 14.

and has remained at a higher level.⁹⁸ The U.S. producers' cost of goods sold ("COGS") to net sales ratio was higher in 2008 than in 2003, but was lower in 2013 and 2019.⁹⁹

In support of its argument that subject imports are likely to undersell domestic THFA and depress and suppress U.S. prices, Penn claims that, in the Asian, Brazilian, and European markets where Chinese exporters compete with Penn, Chinese exporter pricing "severely" depresses and suppresses Penn's pricing. Penn states that Chinese exporters are quoting THFA pricing at 20-50 percent lower than the prices for which Penn would sell THFA in those markets. For example, ***.¹⁰⁰

Based on the information available, including the evidence in the original investigation and first and second five-year reviews, we continue to find that imports of THFA from China and the domestic like product are highly substitutable and that price is an important factor in purchasing decisions. Consequently, if the order were revoked, subject imports would be likely to enter the market at prices lower than prices for the domestic product, and purchasers would be likely to attempt to gain significant price concessions from the domestic industry by citing lower price quotes for subject imports, as occurred during the original period of investigation. Therefore, we find that, if the order were revoked, subject imports from China likely would undersell the domestic like product and gain market share at the expense of the domestic industry or have a depressing or suppressing effect on prices for the domestic like product. We therefore conclude that the likely significant volume of subject imports upon revocation would likely have significant adverse effects on prices for the domestic like product.

E. Likely Impact

1. The Prior Proceedings

In the original investigation, the Commission found that the subject imports had a significant adverse impact on the domestic industry's performance. It explained that domestic shipments declined somewhat faster than did overall apparent U.S. consumption, and the domestic industry lost market share. Declines in shipments and revenues were reflected in worsening industry performance in a number of indicators, including declines in the number of employees, hours worked, and total wages. The Commission found that lower prices were a main reason why the industry posted consistently poor operating results over the period, and

⁹⁸ The AUV for U.S. producers' U.S. shipments was \$*** per pound in 2003, before imposition of the antidumping duty order on THFA from China, \$*** per pound in 2008, \$*** per pound in 2013, and \$*** per pound in 2019. CR/PR at Table I-2. We recognize that a comparison of AUV may be affected by product mix issues. However, Penn is not aware of any sources of national or regional pricing data for THFA. Penn's Response at 12.

⁹⁹ U.S. producers' COGS to net sales ratio was *** percent in 2003, before imposition of the antidumping duty order on THFA from China, *** percent in 2008, *** percent in 2013, and *** percent in 2019. CR/PR at Table I-2.

¹⁰⁰ Penn's Response at 7, 10-11; Penn's Comments at 6.

that subject imports depressed prices to a degree that could not be offset by Penn Specialty's improved cost structure after its emergence from bankruptcy. In light of the significant adverse price effects of the subject imports, and the causal linkage between the subject imports and the domestic industry's declines in shipments, market share, employment indicators, and operating performance, the Commission concluded that the subject imports had a significant adverse impact on the domestic THFA industry.¹⁰¹

In the first review, the Commission stated that the limited information on the record showed that the domestic industry's production and shipments were higher in 2008 than in 2003, the last full year of the original period of investigation. This was consistent with the increases in apparent U.S. consumption for THFA during this time period, and the near-total absence of imports from the U.S. market. The AUV of U.S. shipments was also higher in 2008 than in 2003. The domestic industry's net sales in 2008 were *** those in 2003, and its cost of goods sold showed a comparable percentage increase. The domestic industry's operating *** as much in 2008 than in 2003, while operating margins were still *** but somewhat improved in 2008. The Commission found that the limited evidence in that expedited review did not permit it to determine whether the domestic industry producing THFA was vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.¹⁰²

The Commission further found that the intensified subject import competition that would likely occur after revocation of the order would likely have a significant adverse impact on the domestic industry. Specifically, the domestic industry would likely lose market share to subject imports, and experience lower prices due to competition from subject imports, which would adversely impact its production, shipments, sales, and revenue. These reductions would likely have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments. The Commission concluded that if the antidumping duty order on THFA from China were revoked, subject imports from China would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.¹⁰³

In the second review, the Commission stated that the limited information on the record showed that the capacity of Penn was higher in 2013 than in 2008 (the year for which the Commission obtained information in the first review), while its production, capacity utilization, and shipments were lower. Penn's AUV for U.S. shipments was higher in 2013 than in 2003 and 2008. Its net sales in 2013 were higher than in 2008, and its cost of goods sold also rose, ***. Penn had *** in 2013, compared to *** in 2008. The Commission found that the limited evidence in that expedited review did not permit it to determine whether the domestic industry producing THFA was vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.¹⁰⁴

¹⁰¹ *Original Determination*, USITC Pub. 3709, at 11-12.

¹⁰² *First Review*, USITC Pub. 4118, at 12; Confidential Views, EDIS Doc. 706590, at 17.

¹⁰³ *First Review*, USITC Pub. 4118, at 12-13.

¹⁰⁴ *Second Review*, USITC Pub. 4524, at 15-16; Confidential Views, EDIS Doc. 706582, at 23-24.

The Commission found that revocation of the order would likely lead to a significant increase in the volume of subject imports, and that this increased volume of subject imports would likely undersell the domestic like product to a significant degree and significantly depress or suppress U.S. prices for the domestic like product. It found that the intensified subject import competition that would likely occur after revocation of the order would likely have a significant adverse impact on the domestic industry. Specifically, the domestic industry would likely lose market share to subject imports, and experience lower prices due to competition from subject imports, which would adversely impact its production, shipments, sales, and revenue. These reductions would likely have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments.¹⁰⁵

The Commission also considered the role of factors other than the subject imports, including the presence of nonsubject imports, so as not to attribute likely injury from other factors to the subject imports. Official import statistics for 2013 indicated a substantial quantity of imports from other sources, although it was not clear whether these imports were of THFA or out-of-scope products. Even assuming that the imports from nonsubject sources in the official import statistics for 2013 were of THFA, however, the Commission found that their presence in 2013 did not preclude Penn from maintaining production and shipment levels during that year that were higher than those observed during the original investigation or during the first review. Accordingly, the Commission concluded that the likely adverse effects of revocation of the order that it had identified were not attributable to nonsubject imports. The Commission concluded that if the antidumping duty order on THFA from China were revoked, subject imports from China would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.¹⁰⁶

2. The Current Review

Because this is an expedited review, the information available concerning the domestic industry's condition consists of 2019 data that Penn provided in response to the notice of institution. The data show that Penn's production capacity, as the sole responding domestic producer, was the same in 2019 as in 2013 (the year for which the Commission obtained information in the second review), while its production and capacity utilization were higher.¹⁰⁷ Penn's U.S. shipments and the AUV of its U.S. shipments were both *** lower in 2019

¹⁰⁵ *Second Review*, USITC Pub. 4524, at 16.

¹⁰⁶ *Second Review*, USITC Pub. 4524, at 16-17.

¹⁰⁷ Penn's production was *** pounds in 2019 compared to *** pounds in 2013. Its capacity utilization was *** percent in 2019 compared to *** percent in 2013. CR/PR at Table I-2.

compared to 2013.¹⁰⁸ Its net sales in 2019 were higher than in 2013, and its COGS was *** lower.¹⁰⁹ Its gross profits and operating income were higher in 2019 compared to 2013.¹¹⁰ The limited evidence in this expedited review is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury should the order be revoked.¹¹¹

Based on the information available in this review, including information in the record of the original investigation and first and second reviews, we find that revocation of the order would likely lead to a significant volume of subject imports, and that this significant volume of subject imports would likely undersell the domestic like product to a significant degree and gain market share or significantly depress or suppress U.S. prices for the domestic like product.

We therefore find that the intensified subject import competition that would likely occur after revocation of the order would likely have a significant adverse impact on the domestic industry. Specifically, the domestic industry would likely lose market share to subject imports entering at lower prices, or experience lower prices due to competition from subject imports, which would adversely impact its production, shipments, sales, and revenue. These reductions would likely have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments.

We have also considered the role of factors other than the subject imports, including the presence of nonsubject imports, so as not to attribute likely injury from other factors to the subject imports. As previously stated, official import statistics for 2019 indicate a substantial quantity of imports from other sources, although it is not clear whether these imports were of THFA or out-of-scope products. Even assuming that the imports from nonsubject sources in the official import statistics for 2019 were of THFA, however, we find that their presence in 2019 did not preclude Penn from maintaining production and shipment levels that were higher than or comparable to those observed in the second review. Accordingly, we conclude that the likely adverse effects of revocation of the order that we have identified would not likely be attributable to nonsubject imports.

¹⁰⁸ Penn's U.S. shipments, by quantity, were *** pounds in 2019 compared to *** pounds in 2013. CR/PR at Table I-2. The AUV for Penn's U.S. shipments was \$*** per pound in 2019 compared to \$*** per pound in 2013. CR/PR at Table I-2.

¹⁰⁹ Penn's net sales were \$*** in 2019 compared to \$*** in 2013. Its COGS was \$*** in 2019 compared to \$*** in 2013. CR/PR at Table I-2.

¹¹⁰ Penn's gross profit was \$*** in 2019 compared to \$*** in 2013. Its operating income was \$*** in 2019 compared to \$*** in 2013. Its operating income ratio was *** percent in 2019 compared to *** percent in 2013. CR/PR at Table I-2.

¹¹¹ There is no current information in the record of this expedited review pertaining to many of the other indicators, such as productivity, return on investments, cash flow, wages, ability to raise capital, investment capacity, and employment levels, that we customarily consider in assessing whether the domestic industry is in a weakened condition.

We conclude that if the antidumping duty order on THFA from China were revoked, subject imports from China would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping duty order on THFA from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Information obtained in this review

Background

On March 2, 2020, 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 the antidumping duty order on tetrahydrofurfuryl alcohol (“THFA”) from China 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 date	Action
March 1, 2020	Notice of initiation by Commerce (85 FR 12253, March 2, 2020)
March 2, 2020	Notice of institution by Commission (85 FR 12337, March 2, 2020)
June 5, 2020	Commission’s vote on adequacy
July 8, 2020	Commerce’s results of its expedited review
October 27, 2020	Commission’s determination and views

¹ 19 U.S.C. 1675(c).

² 85 FR 12337, March 2, 2020. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order. 85 FR 12253, March 2, 2020. 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 are 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 this proceeding.

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 review. It was filed on behalf of Penn A Kem LLC (“Penn”)⁵, a domestic producer of THFA (referred to herein as “domestic interested party”).

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. The responding firm was given an opportunity to remedy and explain any deficiencies in its response. A summary of the response and an estimate of coverage is shown in table I-1.

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

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

Note: The U.S. producer coverage presented is the domestic interested party’s estimate of its share of total U.S. production of THFA during 2019. Domestic interested party’s response to the notice of institution, March 27, 2020, p. 12.

Party comments on adequacy

The Commission did not receive party comments on the adequacy of responses to the notice of institution or whether the Commission should conduct an expedited or full review from the domestic interested party Penn.

The original investigation and subsequent reviews

The original investigation

The original investigation resulted from a petition filed on June 23, 2003 with Commerce and the Commission by Penn Specialty Chemicals, Inc., Plymouth Meeting, Pennsylvania.⁶ On June 18, 2004, Commerce determined that imports of THFA from China were being sold at less than fair value (“LTFV”).⁷ The Commission determined on July 29, 2004 that the domestic

⁵ Formerly known as Penn Specialty Chemicals, Inc., the petitioner in the original investigation. Domestic interested party’s response to the notice of institution, March 27, 2020, p. 2.

⁶ Tetrahydrofurfuryl Alcohol from China, Investigation No. 731-TA-1046 (Final), USITC Publication 3709, July 2004 (“Original publication”), p. I-1.

⁷ 69 FR 34130, June 18, 2004.

industry was materially injured by reason of LTFV imports of THFA from China.⁸ On August 6, 2004, Commerce issued its antidumping duty order with a final weighted-average dumping margin of 136.86 percent.⁹

The first five-year review

On October 5, 2009, the Commission determined that it would conduct an expedited review of the antidumping duty order on THFA from China.¹⁰ On November 5, 2009, Commerce determined that revocation of the antidumping duty order on THFA from China would be likely to lead to continuation or recurrence of dumping.¹¹ On November 30, 2009, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹² Following affirmative determinations in the five-year review by Commerce and the Commission, effective December 16, 2009, Commerce issued a continuation of the antidumping duty order on imports of THFA from China.¹³

The second five-year review

On February 6, 2015, the Commission determined that it would conduct an expedited review of the antidumping duty order on THFA from China.¹⁴ On March 12, 2015, Commerce determined that revocation of the antidumping duty order on THFA from China would be likely to lead to continuation or recurrence of dumping.¹⁵ On April 6, 2015, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁶ Following affirmative determinations in the five-year review by Commerce and the Commission, effective April 16, 2015, Commerce issued a continuation of the antidumping duty order on imports of THFA from China.¹⁷

⁸ 69 FR 47178, August 4, 2004.

⁹ 69 FR 47911, August 6, 2004.

¹⁰ 74 FR 54067, October 21, 2009.

¹¹ 74 FR 57290, November 5, 2009.

¹² 74 FR 63788, December 3, 2009.

¹³ 74 FR 66616, December 16, 2009.

¹⁴ 80 FR 10162, February 25, 2015.

¹⁵ 80 FR 12981, March 12, 2015.

¹⁶ 80 FR 19092, April 9, 2015.

¹⁷ 80 FR 20470, April 16, 2015.

Previous and related investigations

THFA has not been the subject of any prior related antidumping or countervailing duty investigations in the United States.¹⁸

Commerce's five-year review

Commerce is conducting an expedited review with respect to the order on imports of THFA from China and intends to issue the final results of this review based on the facts available not later than June 30, 2020.¹⁹ Commerce's Issues and Decision Memorandum, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The Issues and Decision Memorandum will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty order on imports of THFA from China are noted in the sections titled "The original investigation" and "U.S. imports," if applicable.

¹⁸ Furfuryl Alcohol ("FA") is the primary precursor chemical for THFA. An antidumping petition on FA from China, Thailand, and South Africa was filed in May 1994. In June 1995, the Commission made affirmative injury determinations for imports from all three countries. Commerce issued antidumping duty orders with margins ranging from 43.54 to 50.43 percent ad valorem for China, and single margins of 7.82 percent and 11.55 percent for Thailand and South Africa, respectively. The antidumping duty order on FA from South Africa was revoked by Commerce in 1999. The antidumping duty order on FA from Thailand was revoked by Commerce in 2007. Tetrahydrofurfuryl Alcohol from China, Investigation No. 731-TA-1046 (Second Review), USITC Publication 4524, April 2015 ("Second review publication"), p. I-7. The antidumping duty order on FA from China was continued by Commerce following a fourth five-year review in 2017. 82 FR 37194, August 9, 2017.

¹⁹ Letter from Alex Villanueva, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, April 22, 2020.

The product

Commerce's scope

Commerce has defined the scope as follows:

The product covered by this order is THFA (C₅H₁₀O₂). THFA, a primary alcohol, is a clear, water white to pale yellow liquid. THFA is a member of the heterocyclic compounds known as furans and is miscible with water and soluble in many common organic solvents.²⁰

U.S. tariff treatment

THFA is currently imported under HTS statistical reporting number 2932.13.0000. In addition to THFA, statistical reporting number 2932.13.0000 also includes furfuryl alcohol. THFA imported from China enters the U.S. market at a column 1-general duty rate of 3.7 percent ad valorem. Effective May 10, 2019, THFA imported from China is subject to an additional 25 percent ad valorem duty under Section 301 of the Trade Act of 1974. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Description and uses²¹

THFA is an environmentally acceptable and biodegradable specialty solvent. It is a member of the heterocyclic compounds known as furans, which contain an unsaturated ring of four carbon atoms and one oxygen atom. THFA has a high flash point, a high boiling point, a low freezing point, chemical and thermal stability, and a high solvency for organic and inorganic materials. There are no ASTM standards for THFA.

The major use of THFA is as a solvent. In agricultural applications, THFA is used as a solvent for biocides, pesticides, and herbicides. It is also widely used as a solvent in a broad variety of cleaning products, from graffiti and floor polish removers to cleaners for printed circuit boards. THFA is also frequently used in the production of UV curables – adhesives, paints, coatings, and inks that bond chemically when exposed to ultraviolet light. Other applications in which THFA is used, though less commonly, include as an ingredient in paint and grime strippers for the automotive industry; as a coalescing agent for paints; as a solvent for

²⁰ 80 FR 20470, April 16, 2015.

²¹ Unless otherwise noted, this information is based on Second review publication, pp. I-5-I-6.

epoxy resins; as a solvent for lacquers, shellac, and enamels; as a solvent in refining lubricating oils; as antifreeze in extremely cold temperatures; and as a chemical reactant in the production of lysine and certain plasticizers and pharmaceuticals.

Manufacturing process²²

THFA is produced by the hydrogenation of furfuryl alcohol (“FA”). The raw materials required for the production of THFA are precursor FA, hydrogen, and a catalyst to facilitate the chemical reaction yielding THFA. There are two possible technologies to produce THFA: vapor phase and liquid phase. The basic process by which THFA is produced is the same for both technologies: raw FA, in liquid or vapor form, is mixed with hydrogen and fed into a reactor; a catalyst is then added to the mixture, converting the FA to THFA; the resulting THFA is then dehydrated and distilled.

The industry in the United States

U.S. producers

During the final phase of the original investigation, the Commission received a U.S. producer questionnaire from one firm (Penn) which accounted for virtually all production of THFA in the United States during 2003.²³ During the first five-year review, domestic interested party Penn provided a list of two known and currently operating U.S. producers of THFA. Penn estimated that its production of THFA accounted for *** percent of U.S. production during 2008. No information was available on Nova Molecular’s production.²⁴ During the second five-year review, domestic interested party Penn provided a list of two known and currently operating U.S. producers of THFA. Penn estimated that its production of THFA accounted for *** percent of U.S. production in 2013 but did not have any information available on Nova Molecular’s production of THFA.²⁵

²² Unless otherwise noted, this information is based on Second review publication, pp. I-5-I-6.

²³ A second firm, Synetex, was identified in the preliminary phase of the original investigation. It was a start-up firm that produced small quantities of THFA in 2000, and then shortly thereafter, went out of business. Original publication, p. III-2.

²⁴ Tetrahydrofurfuryl Alcohol from China, Investigation No. 731-TA-1046 (Review), USITC Publication 4118, November 2009 (“First review publication”), p. I-12; Investigation No. 731-TA-1046 (Review): Tetrahydrofurfuryl Alcohol from China, Confidential Report, INV-GG-102, November 2, 2009 (“First review confidential report”), p. I-17.

²⁵ Investigation No. 731-TA-1046 (Second Review): Tetrahydrofurfuryl Alcohol from China, Confidential Report, INV-NN-004, January 27, 2015 (“Second review confidential report”), pp. I-10-I-11.

In response to the Commission's notice of institution in this current review, the domestic interested party provided a list of two known and currently operating U.S. producers of THFA. The domestic interested party stated it accounted for approximately *** percent of production of THFA in the United States during 2019 but did not have any information available on its one domestic competitor Monument Chemical.²⁶

Recent developments

Since the Commission's last five-year review, U.S. producer Nova Molecular Technologies, Inc., sold its Bayport, Texas, manufacturing facility to Monument Chemical.²⁷

²⁶ Domestic interested party's response to the notice of institution, March 27, 2020, pp. 11-12. Penn indicated that Nova Molecular sold its production capacity to Monument Chemical in 2018. Domestic interested party's response to supplemental questions, April 10, 2020, p. 2.

²⁷ Monument Chemical, "Monument Chemical Expands Capabilities in Custom Manufacturing by Acquiring Nova Molecular Technologies' Bayport, Texas Facility," December 20, 2018, <https://monumentchemical.com/news-events/?id=809988>, retrieved May 8, 2020.

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 in the current five-year review.²⁸ Table I-2 presents a compilation of the data submitted from the responding U.S. producer as well as trade and financial data submitted by the U.S. producer in the original investigation and prior five-year reviews.

Table I-2

THFA: Trade and financial data submitted by the U.S. producer, 2003, 2008, 2013, and 2019

Item	2003	2008	2013	2019
Capacity (1,000 pounds)	***	***	***	***
Production (1,000 pounds)	***	***	***	***
Capacity utilization (percent)	***	***	***	***
U.S. shipments: Quantity (1,000 pounds)	***	***	***	***
Value (\$1,000)	***	***	***	***
Unit value (dollars per pound)	***	***	***	***
Net sales (\$1,000)	***	***	***	***
COGS (\$1,000)	***	***	***	***
COGS/net sales (percent)	***	***	***	***
Gross profit (loss) (\$1,000)	***	***	***	***
SG&A expenses (\$1,000)	***	***	***	***
Operating income (loss) (\$1,000)	***	***	***	***
Operating income (loss)/net sales (percent)	***	***	***	***

Note: For a discussion of data coverage, please see "U.S. producers" section.

Source: For the years 2003, 2008, and 2013 data are compiled using data submitted in the Commission's original investigation and prior five-year reviews. For the year 2019, data are compiled using data submitted by the domestic interested party. Domestic interested party's response to the notice of institution, March 27, 2020, pp.12-13.

Definitions of the domestic like product and domestic industry

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. The domestic industry is defined as the U.S. producers as a whole of the

²⁸ Individual company trade and financial data are presented in app. B.

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 provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.²⁹

In its original determination and its expedited first and second five-year review determinations, the Commission defined a single domestic like product consisting of all domestically produced THFA coextensive with Commerce’s scope and it defined the domestic industry as all U.S. producers of THFA.³⁰

U.S. imports and apparent U.S. consumption

U.S. importers

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from three firms that accounted for *** U.S. imports of THFA from China during 2003.³¹ Import data presented in the original investigation are based on questionnaire responses.

Although, the Commission did not receive responses from any respondent interested parties in its first or second five-year reviews, the domestic interested party provided a list of three firms that had previously imported THFA from China. It also indicated that imports of Chinese THFA essentially ceased after imposition of the antidumping duty order.³² Import data presented in the first and second reviews are based on official Commerce statistics.

In its response to the notice of institution in this current review, the domestic interested party again stated that Chinese shipments of THFA ceased after imposition of the order.³³

²⁹ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

³⁰ 85 FR 12337, March 2, 2020.

³¹ Kyzen Corp. was the largest importer in the United States at the time, accounting for *** percent of total imports of THFA from 2001-03. Investigation No. 731-TA-1046 (Final): Tetrahydrofurfuryl Alcohol from China, Confidential Report, INV-BB-085, July 1, 2004 (“Original confidential report”), p. IV-1.

³² First review publication, p. I-15; Second review publication, p. I-11.

³³ The domestic interested party states that any identified U.S. import quantities under HTS statistical reporting number 2932.13.0000 could be THFA, FA, or misclassified furan resins. Domestic interested party’s response to the notice of institution, March 27, 2020, p. 11.

U.S. imports

Table I-3 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2019 imports by quantity).

Table I-3
THFA, FA, and misclassified furan resins: U.S. imports, 2014-19

Item	2014	2015	2016	2017	2018	2019
Quantity (1,000 pounds)						
China (subject)	--	3	15	53	47	41
Belgium	20,551	11,199	11,146	10,943	18,673	11,951
South Africa	2,975	1,480	3,070	22	2,804	4,554
Thailand	115	1,106	1,114	665	569	835
All other sources	11,989	3,613	0	0	0	0
Subtotal, nonsubject	35,629	17,398	15,330	11,630	22,046	17,340
Total imports	35,629	17,401	15,345	11,683	22,092	17,381
Landed, duty-paid value (\$1,000)						
China (subject)	--	7	44	91	85	61
Belgium	11,093	6,011	6,121	6,065	12,182	11,350
South Africa	2,280	1,132	2,496	56	3,227	2,930
Thailand	128	1,140	910	785	820	877
All other sources	4,861	1,552	7	7	7	5
Subtotal, nonsubject	18,362	9,834	9,533	6,913	16,236	15,163
Total imports	18,362	9,841	9,577	7,005	16,322	15,224
Unit value (dollars per pound)						
China (subject)	--	2.73	2.93	1.71	1.84	1.47
Belgium	0.54	0.54	0.55	0.55	0.65	0.95
South Africa	0.77	0.76	0.81	2.59	1.15	0.64
Thailand	1.12	1.03	0.82	1.18	1.44	1.05
All other sources	0.41	0.43	30.20	29.51	33.97	23.88
Subtotal, nonsubject	0.52	0.57	0.62	0.59	0.74	0.87
Total imports	0.52	0.57	0.62	0.60	0.74	0.88

Note: Because of rounding, figures may not add to totals shown.

Note: Quantities shown as "0" represent values greater than zero, but less than "0.5". Quantities, values, and unit values shown as "--" denote zero.

Note: The domestic interested party stated that there have been no known imports of THFA from China since the order was put in place. Staff analysis *** indicates that most imports under this HTS subheading are FA.

Source: Compiled from official Commerce statistics for HTS statistical reporting number 2932.13.0000, accessed April 1, 2020.

Apparent U.S. consumption and market shares

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

Table I-4

THFA: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares 2003, 2008, 2013, and 2019

Item	2003	2008	2013	2019
	Quantity (1,000 pounds)			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China (subject)	***	38	11	41
All other sources	***	--	2,724	17,340
Total imports	***	38	2,735	17,381
Apparent U.S. consumption	***	***	***	***
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China (subject)	***	51	22	61
All other sources	***	--	14,766	15,163
Total imports	***	51	14,788	15,224
Apparent U.S. consumption	***	***	***	***
	Share of consumption based on quantity (percent)			
U.S. producer's share	***	***	***	***
U.S. imports from.--				
China (subject)	***	***	***	***
All other sources	***	***	***	***
Total imports	***	***	***	***
	Share of consumption based on value (percent)			
U.S. producer's share	***	***	***	***
U.S. imports from.--				
China (subject)	***	***	***	***
All other sources	***	***	***	***
Total imports	***	***	***	***

Notes continued on next page.

Table I-4--Continued

THFA: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares 2003, 2008, 2013, and 2019

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

Source: For 2003, data are compiled using questionnaire data submitted in the Commission's original investigation. For the years 2008 and 2013, U.S. producers' U.S. shipments are compiled from the domestic interested party's responses to the Commission's notice of institution in those reviews and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 2932.13.0000 reported in those five-year reviews. For the year 2019, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution in this review and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 2932.13.0000, accessed April 1, 2020. The import and consumption data presented for 2008, 2013, and 2019 are believed to be overstated as HTS statistical reporting number 2932.13.0000 includes out-of-scope FA.

The industry in China

During the final phase of the original investigation, the Commission received foreign producer/exporter questionnaires from two firms but only one firm, Zhucheng Huaxiang Chemical Co., reported having produced or exported THFA since January 2001. This firm accounted for approximately *** percent of production of THFA in China during 2003, and approximately *** percent of THFA exports from China to the United States during 2003.³⁴

Although the Commission did not receive responses from any respondent interested parties in its first or second five-year reviews, the domestic interested party provided a list of nine possible producers of THFA in China in the first review and four possible producers of THFA in China in the second review.³⁵

The Commission did not receive responses from any respondent interested parties in this five-year review. Although the domestic interested party reported in its response in this review that Chinese exporters have not offered to sell THFA in the U.S. market since the imposition of the order, it provided a listing of website addresses that contain information regarding the export orientation and production ability for at least 10 THFA manufacturers in China. The domestic interested party also stated that the export orientation and overcapacity

³⁴ Original confidential report, pp. VII-1-VII-2.

³⁵ First review publication, p. I-18; Second review publication, p. I-15.

of THFA producers in China, as well as the massive FA overcapacity in China, would allow producers in China to dominate any market in which they compete.³⁶

Table I-5 presents export data for THFA, FA, and misclassified furan resins from China (by descending order of quantity for 2019).

Table I-5

THFA, FA, and misclassified furan resins: Exports from China, by destination, 2014-19

Export destination	Calendar year					
	2014	2015	2016	2017	2018	2019
	Quantity (1,000 pounds)					
Japan	42,804	40,728	40,865	38,274	44,316	39,316
Korea	48,409	42,382	38,327	30,686	30,211	26,258
Taiwan	29,426	26,645	25,048	25,498	27,370	19,282
Canada	11,210	10,231	10,198	11,303	12,353	13,133
Germany	9,008	11,291	9,497	10,087	8,106	10,960
India	10,067	10,716	11,953	5,685	6,938	7,717
Italy	8,183	9,347	8,003	8,243	7,000	6,357
Thailand	5,259	4,213	3,700	4,257	5,160	5,073
Turkey	3,347	4,342	4,427	2,877	3,839	4,240
Belgium	11,953	8,075	174	3,755	6,409	4,107
All other	19,338	18,759	20,284	18,689	22,558	19,811
Total	199,004	186,728	172,476	159,353	174,261	156,253

Note: Because of rounding, figures may not add to totals shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2932.13, accessed May 6, 2020. These data are overstated as HTS subheading 2932.13 contains products outside the scope of this review, such as FA and misclassified furan resins.

Antidumping or countervailing duty orders in third-country markets

Based on available information, THFA from China has not been subject to other antidumping or countervailing duty investigations outside the United States.

³⁶ Domestic interested party's response to the notice of institution, March 27, 2020, pp. 6-7.

The global market

Table I-6 presents global export data for HTS subheading 2932.13, a category that includes THFA and out-of-scope products (by source in descending order of quantity for 2019).

Table I-6
THFA, FA, and misclassified furan resins: Global exports by major sources, 2014-19

Exporter	2014	2015	2016	2017	2018	2019
	Quantity (1,000 pounds)					
China	199,005	186,730	172,478	159,355	174,262	156,254
Belgium	-	-	-	-	85,784	83,427
Netherlands	9,098	8,228	22,935	26,947	30,422	15,091
Thailand	16,017	14,575	14,680	16,570	20,296	12,235
South Africa	15,586	16,222	18,024	9,365	10,369	10,289
United States	7,776	4,221	4,813	7,039	7,104	5,337
Germany	18	22	168	20	192	474
Italy	115	198	159	209	154	168
Japan	93	107	85	2	3	130
Singapore	13	25	46	12	14	23
All other	9,876	2,450	594	536	793	59
Total	257,597	232,777	233,980	220,054	329,393	283,486

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2932.13, accessed May 6, 2020. These data are overstated as HTS subheading 2932.13 contains products outside the scope of this review, such as FA and misclassified furan resins.

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
85 FR 12253 March 2, 2020	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2020-03-02/pdf/2020-04216.pdf
85 FR 12337 March 2, 2020	<i>Tetrahydrofurfuryl Alcohol from China; Institution of a Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2020-03-02/pdf/2020-04077.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCER

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDING

Table C-1

THFA: Summary data concerning the U.S. market, 2001-03, January-March 2003, and January-March 2004

* * * * *

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from the domestic interested party and it named the following three firms as the top purchasers of THFA: ***. Purchaser questionnaires were sent to these three firms and two firms *** provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for THFA that have occurred in the United States or in the market for THFA in China since January 1, 2014?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for THFA in the United States or in the market for THFA in China within a reasonably foreseeable time?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***

