

Polytetrafluoroethylene From
China and India
Inv. 701-TA-588 and 731-TA-1392-1393

Presentation on Behalf of Indian Respondent Gujarat
and GFL America

International Trade
Commission Preliminary
Conference
October 19, 2017
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Andrew Jaxa –Debicki
Arent Fox LLP

Gujarat Fluorochemicals Limited and GFL Americas, LLC

- Gujarat Fluorochemicals is part of the INOX group of companies in India.
<https://www.gfl.co.in/>
- GFL holds market leadership positions in Industrial gases, refrigerants, Chemicals, Cryogenic Engineering, renewable Energy and entertainment.
- GFL's chemical complex commenced operations in the year 2007 at Dahej, Gujarat. It has grown to become a highly integrated and technologically advanced chemical complex which comprises of a Caustic Soda / Chlorine plant, a Chloromethane plant, and combined coal and gas based captive power plant.
- PTFE accounts for approximately 1/3 of total turnover.
- GFL Americas is GFLs US affiliate and operates its own blending facility and warehouse in Texas where it sells PTFE on behalf of GFL and further process PTFE into "filled PTFE" for specific customer applications.
- GFL sells mostly Suspension PTFE (Chemours sells mostly emulsion).

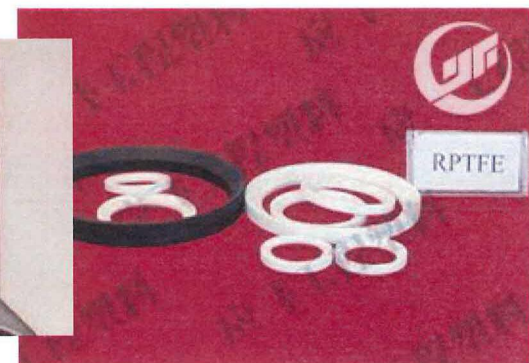
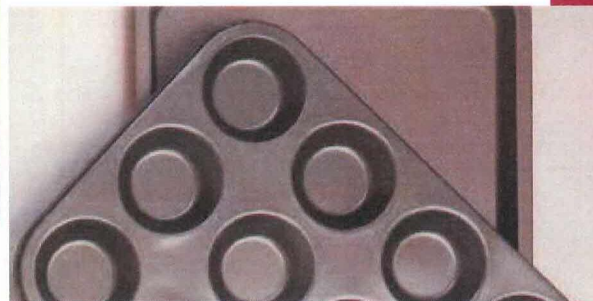
What is Polytetrafluoroethylene Resin?



天塑科技



天塑科技



Teflon Tubing

High Performance Fluoropolymers

Teflon - Fluoropolymer Products

PTFE (polytetrafluoroethylene) is a synthetic fluoropolymer which is used in a wide range of commercial and military applications.

Teflon PTFE Tubing

Fluorinated ethylene propylene (FEP) is a copolymer of hexafluoropropylene and tetrafluoroethylene. It differs from the other fluoropolymers in that it is melt processible using conventional injection molding and screw extrusion techniques.

Teflon FEP Tubing

- Extruded FEP Tubing offers excellent chemical and electrical product protection.
- FEP temperature range: -195° F (-120° C) to 400° F (204° C).
- Teflon FEP Tubing is chemically inert.
- USP Class VI approved & FDA compliant.

Teflon PFA Tubing

Teflon PFA Tubing (Perfluoroalkoxy) is a fluoroplastic with the highest temperature range of all solid engineering plastics. It is melt processible using conventional injection molding and screw extrusion techniques.

- Teflon PFA Tubing has the lowest coefficient of friction of all known solid materials.
- Extruded PFA Tubing offers excellent chemical and electrical product protection.
- PFA temperature range: -54° F (-50° C) to 500° F (260° C).
- Teflon PFA Tubing is chemically inert.
- USP Class VI approved & FDA compliant.

Tef - Cap Industries Inc.
 Lorton, VA 22080-2376

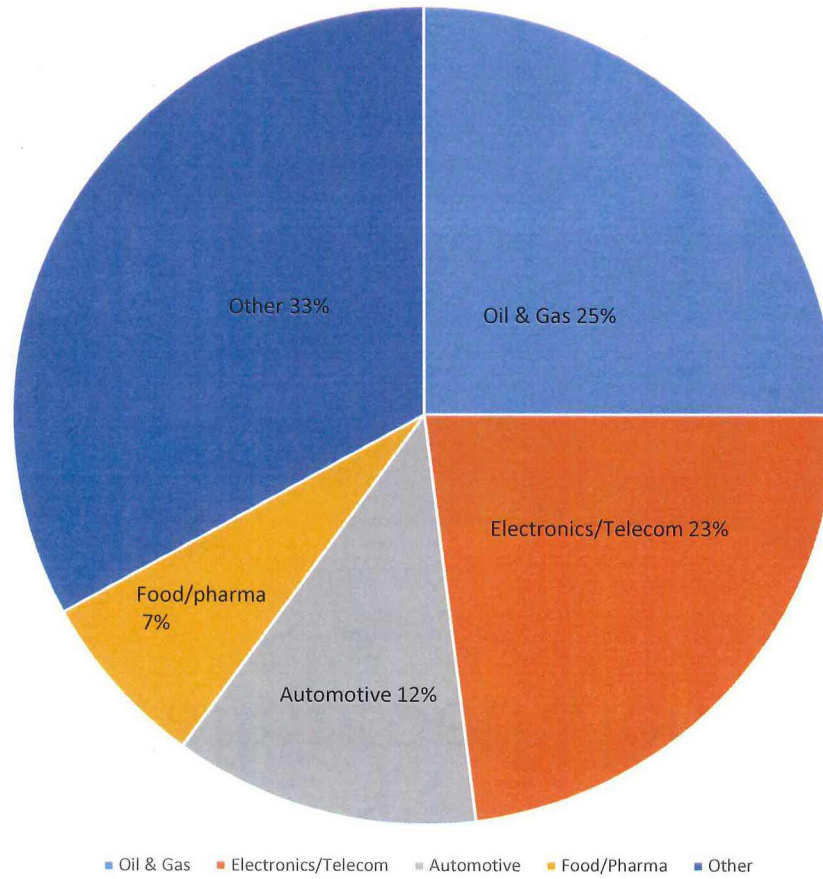
Manufacturers of Best Performance Teflon PTFE, FEP & PFA Products (FEP, PFA, Gaskets, O-Rings, Tubing, and other fluoropolymer products).

<http://www.tefcap.com>

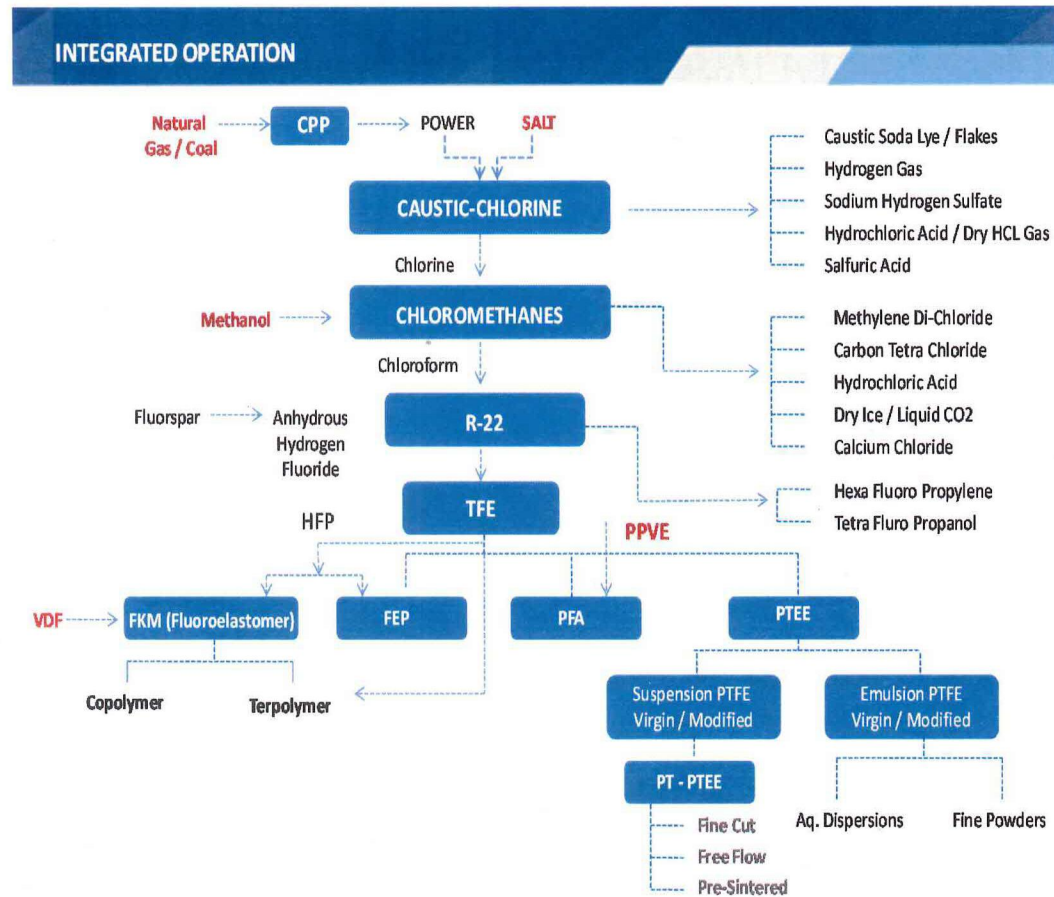
10000 Teflon Drive
 Lorton, VA 22080-2376
 Phone: 703-441-1100
 Fax: 703-441-1101



Market Segments for PTFE



GFL Products



PTFE is a Technology Material With Multiple Types and Specifications within type: It is not ONE Product

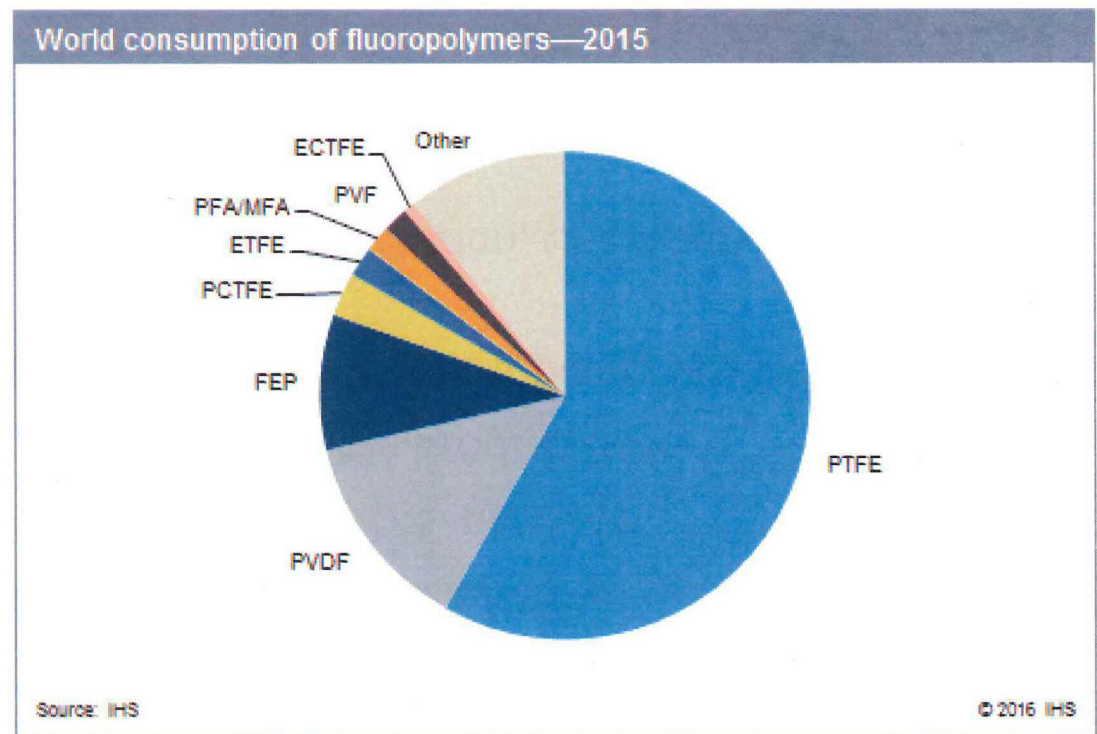
- Emulsion grades
 - Aqueous Dispersion
 - Fine Powder
- Suspension grades
 - Fine cut
 - Pre-sintered free flow
 - Modified PTFE

Some Chemours Products

- Teflon AF
- Teflon FEP
- Teflon FFR
- Teflon PFA
- Teflon PTFE
- Tefzel ETFE
- Zonyl PTFE
- ECCtreme ECA

PTFE and other Products are made from

- Tetrafluoroethylene, also referred to as **TFE**, is a monomer for making PTFE and other fluoropolymers such as PFA, FEP, ETFE etc.
- PTFE Production is dependent on TFE availability and competes with other products. Impacts Utilization.



U.S. Producer Profile

- Chemours: Petitioner, does not represent the whole industry.
- Daikin America: did not join the petition, a major U.S. producer.
- Chemours is a multinational company with multiple product lines.
- Chemours is investing \$230 million on a Texas refrigerant plant, \$600 million on a titanium dioxide plant in Mexico.
- Chemours opened a Chinese Teflon production operation, Chemours (Changsu) Fluoro Technology in 2016, \$15 million.
- Chemours produces a variety of fluoropolymers (Teflon, Viton, Krytoc, Nafion), all based on TFE.
- Washington Works Fluoroproducts Plant opened in 1948. An old plant.

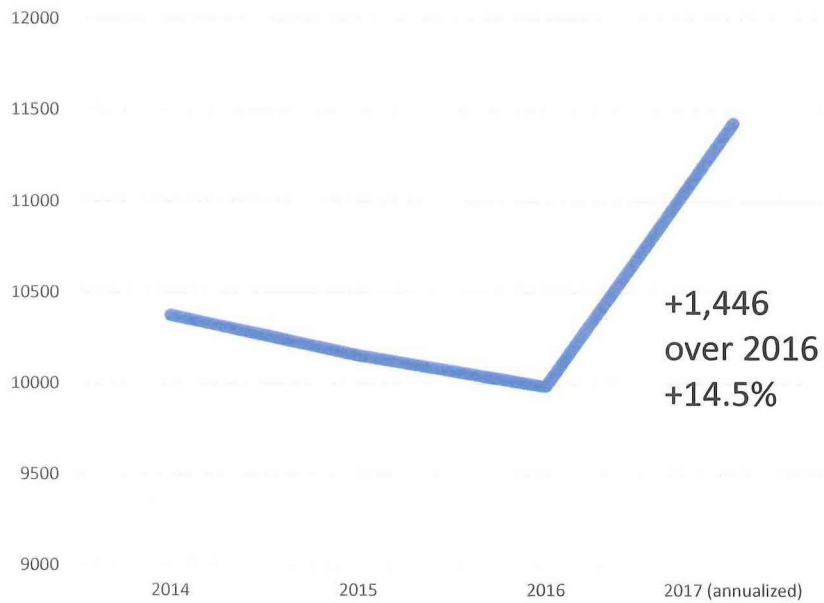
Import Volumes Do Not Support an Injury case

	Imports of PTFE in MT						
	2014	2015	2016	Jan-June 2016	Jan-June 2017	% Change 2014-2016	Qty change interim 2016-2017
Chinese Imports	3,187	3,112	3,057	1,448	1,662	-4.08%	214
Indian Imports	1,777	1,777	1,716	665	1,522	-3.43%	857
total subject	4,964	4,889	4,773	2,113	3,184	-3.85%	1,071
Italy	2,223	2,997	2,536	1,319	770	14.08%	-549
Japan	1,422	1,380	1,359	618	437	-4.43%	-181
Netherlands	1,361	1,042	1,761	877	674	29.39%	-203
Russia	1,655	854	1,162	766	469	-29.79%	-297
Total Non subject imports	10,054	9,746	9,762	5,121	3,761	-2.90%	-1,360
All imports	15,018	14,635	14,535	7,234	6,945	-3.22%	-289

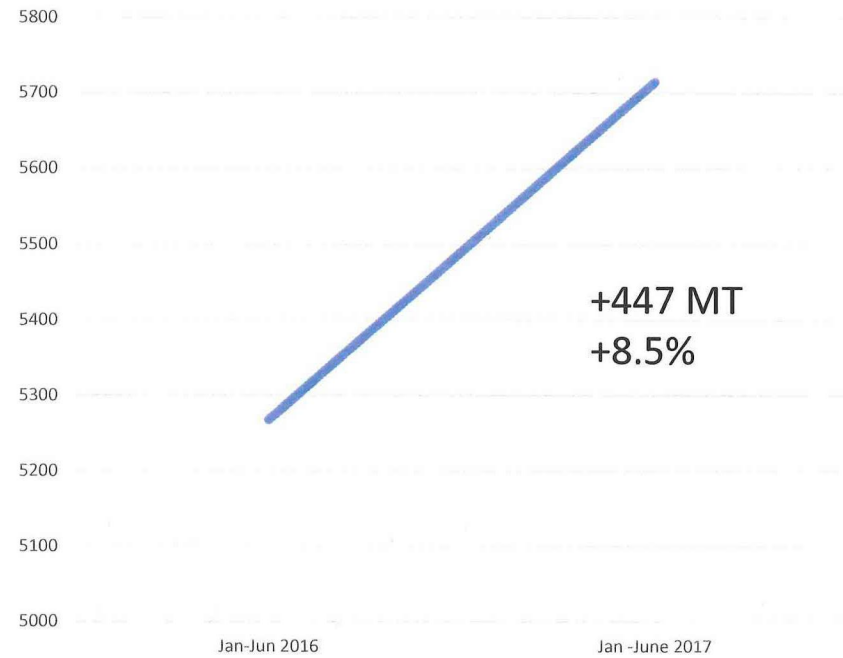
Source:USITC Dataweb

US Exports of PTFE During POI

2014-2017 Annualized



Interim 2016/2017 Exports



Source: USITC DATAWEB

Price Issues

- Petition indicates all subject product pay 5.8% duty rate and based price comparisons on landed costs with duty paid. Correction: China pays the 5.8%, India does not under GSP program which affects landed prices.
- Aggregating data on AUVs masks significant differences between pricing of products: granular, Dispersion , and coagulated dispersion (fine powder) are priced differently.
- No evidence of price suppression based on a close reading of the data.

Some Key issues

- Industry support
- Highly specialized products/applications. Non –substitutable.
- Aged Chemours plant
- Competing Investment priorities
- Chemours main US customers will not purchase imports. Price inelastic.
- No volume effects from subject imports.
- Subject imports compete with/displace non-subject.
- Examine market share impact.
- TFE production bottleneck issue.
- Price effects – India will be somewhat lower, but conditions of competition relevant, further processing in US before sale, extreme delivery lag times.