

## Title VII AD/CVD Orders: Country and Sectoral Breakdowns

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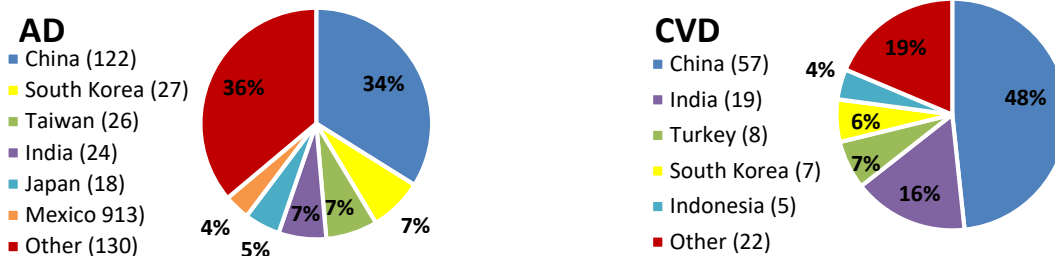
*This EBOT provides an overview of two prominent trade remedy measures—antidumping and countervailing duty, or AD/CVD, investigations—under Title VII of the Tariff Act of 1930. It then notes recent trends in the countries and sectors that have been the focus of these investigations. Most current AD/CVD orders are imposed on imports from China (and to a lesser degree imports from India and South Korea). Further, while the majority of all current AD/CVD orders are on iron and steel imports, orders on imports from China are more diversified across sectors, with over 20 percent of orders on chemical imports. Finally, new AD/CVD orders during 2016–18 are nearly double the average number of orders imposed during 2013–15.*

### Title VII Import Injury Overview

“Title VII” refers to the portions of the Tariff Act of 1930 that permit the U.S. government to impose additional tariffs when it is determined that U.S. industries are injured by imports that either: (1) are sold in the United States at less than fair value (“dumped”) or (2) benefit from subsidies provided through foreign government programs.<sup>1</sup> Under Title VII, both the U.S. International Trade Commission (USITC) and the Department of Commerce (USDOC) conduct antidumping (AD) and countervailing duty (CVD) investigations, typically as a result of petitions by U.S. industries. USITC determines whether the imports in question cause or threaten material injury to the domestic industry by evaluating the volume, price effects, and impact of the imports, while USDOC determines whether the imports are priced below fair value or subsidized by foreign governments. Affirmative determinations by USITC and USDOC typically result in AD/CVD orders imposed as additional duties on the imported merchandise. These orders are subject to five-year sunset reviews at the USITC and USDOC, and the levels of the tariff are subject to annual reviews, if requested, at USDOC.

There are 478 current AD and CVD orders<sup>2</sup> in force on products from 45 countries.<sup>3</sup> About three-quarters of those are AD orders, mainly on products from China, South Korea, Taiwan, and India (figure 1). Countervailing duties, which are often sought in tandem with antidumping duties, comprise the remaining quarter of all AD/CVD orders. As shown in figure 1, nearly half of CVD orders concern imports from China. This is particularly noteworthy since the United States only began investigating imports from China in CVD cases in 2006.

**Figure 1. U.S. Antidumping (AD)/countervailing duty (CVD) orders in force by country, as of December 2018**



Source: USITC, [AD/CVD orders](#) (accessed March 19, 2019); author’s revisions and calculations.

Note: There were 360 antidumping duty orders and 118 countervailing duty orders in 2018.

<sup>1</sup> 19 U.S.C. § 1671-1677. For more information please see *Statutory Provisions Related to Import Relief*, [https://www.usitc.gov/import\\_injury/documents/pub4468\\_2014.pdf](https://www.usitc.gov/import_injury/documents/pub4468_2014.pdf).

<sup>2</sup> Includes seven suspended investigations that resulted in suspension agreements between the U.S. government and producers of subject products.

<sup>3</sup> Data for these orders are from USITC’s AD/CVD orders database, as of December 31, 2018. The earliest order dates back to January 1977.

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The sectors with the most current AD/CVD orders are steel mill and pipe products. Iron and other steel products (e.g., iron construction castings and wind towers) and chemicals (e.g., biodiesel and citric acid) are other product sectors often subject to AD/CVD orders (figure 2). Sector incidence is about the same for both current AD and CVD orders. Figure 3 analyzes AD orders by sector and country. AD orders on Chinese imports are more diversified by product sector than orders on imports from other countries. Over half of AD orders on Chinese imports are on chemical, steel, and iron products. There are similar levels of AD orders in place on steel mill and pipe products from South Korea, Japan, Taiwan, and India.

Figure 2. U.S. AD/CVD orders in force by sector, as of December 2018<sup>3</sup>

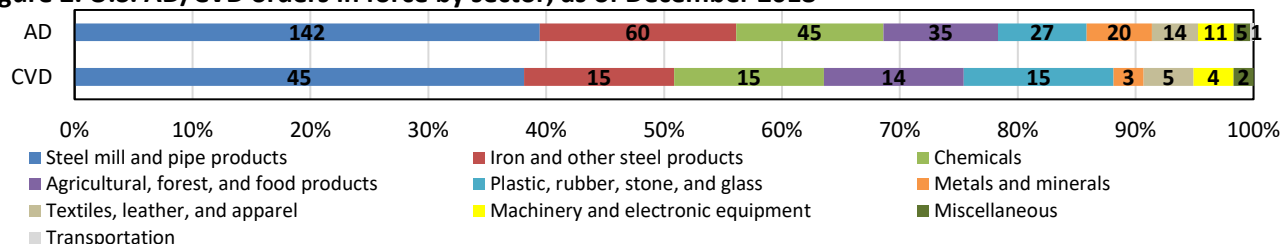
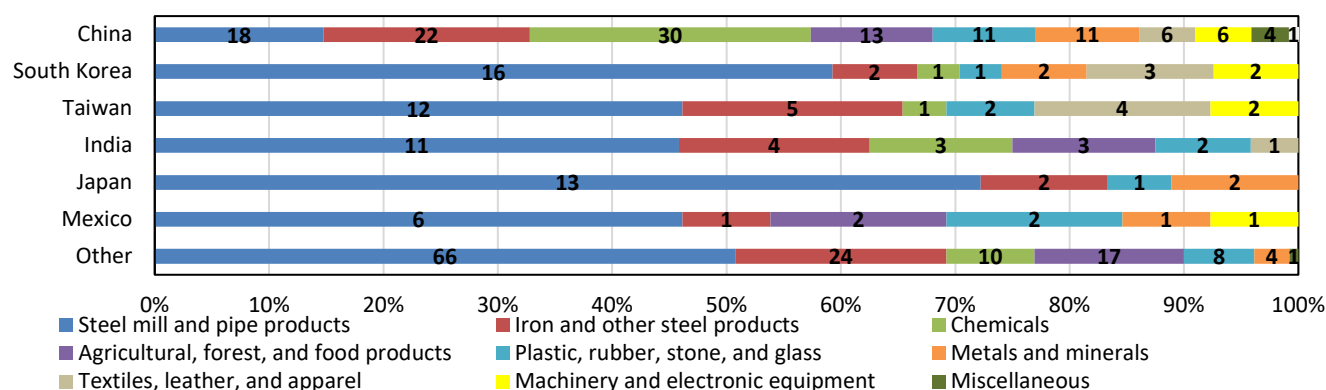


Figure 3. U.S. AD orders in force by sector and country, as of December 2018<sup>3</sup>



Source: USITC, [AD/CVD orders](#), March 19, 2019; and author’s revisions and calculations.

AD/CVD orders—along with other trade remedies—have been on the rise in recent years. The average number of new AD/CVD orders during 2016–18 was about double the average during 2013–15 (table 1). This increase in AD/CVD orders occurred while the U.S. government also imposed added tariffs under authorities other than Title VII. These include national-security duties under section 232 of the Trade Expansion Act of 1962, which imposed tariffs on certain steel and aluminum products of 25 and 10 percent beginning in March 2018. Using the “all other” rates for non-participants in the investigation, the average antidumping duty imposed under new orders in 2018 was 103.9 percent (median 49.4 percent) and the average countervailing duty imposed in the same year was 60.6 percent (median 21.1 percent). Antidumping duties averaged 206.0 percent (median 200.0 percent) in 2018 for imports from China, while antidumping duties for imports from all other countries averaged 71.0 percent (median 30.2 percent).

Table 1. U.S. AD/CVD orders in force, 2013–18

	Average per year, 2013–15			Average new per year, 2016–18		
	Total	China	Non-China	Total	China	Non-China
Antidumping petitions	33.7	6.3	27.3	41.7	11.7	30.0
New antidumping duty orders	13.7	4.0	9.7	35.0	7.3	27.7
Countervailing duty petitions	17.7	5.7	12.0	21.3	10.3	11.0
New countervailing duty orders	7.0	3.3	3.7	16.0	6.7	9.3

Source: Chad P. Bown, 2017, “Steel, Aluminum, Lumber, Solar: Trump’s Stealth Trade Protection”, Peterson Institute for International Economics; and author’s revisions and calculations.

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