

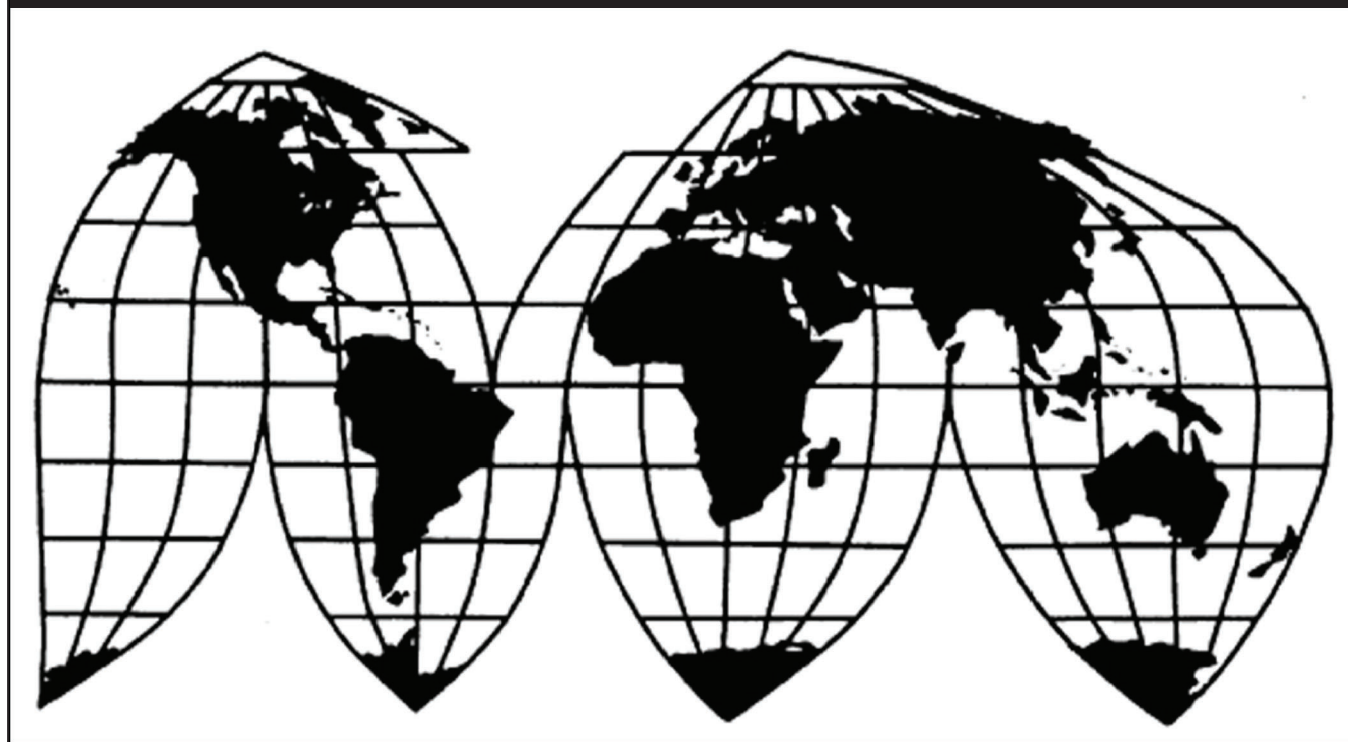
# Steel Wire Garment Hangers from China

Investigation No. 731-TA-1123 (Second Review)

Publication 4945

August 2019

**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-1123 (Second Review)  
Steel Wire Garment Hangers from China

### DETERMINATION

On the basis of the record<sup>1</sup> 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 steel wire garment hangers 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, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted this review on February 1, 2019 (84 FR 2245, February 6, 2019) and determined on May 7, 2019 that it would conduct an expedited review (84 FR 32217, July 5, 2019).

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





## Views of the Commission

Based on the record in this 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 steel wire garment (“SWG”) hangers 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 SWG hangers from China was initiated as a result of an antidumping duty petition filed on July 31, 2007, by M&B Metal Products Company, Inc. (“M&B”), a domestic producer of SWG hangers.<sup>1</sup> The Commission made a final affirmative determination in September 2008.<sup>2</sup> The Department of Commerce (“Commerce”) issued an antidumping duty order on imports of SWG hangers from China on October 6, 2008.<sup>3</sup>

*First Review:* The Commission instituted its first review on September 3, 2013 and determined on December 20, 2013, that it would conduct an expedited review.<sup>4</sup> After conducting an expedited review, the Commission reached an affirmative determination in February 2014.<sup>5</sup> Effective March 11, 2014, Commerce issued a continuation of the antidumping duty order on imports of SWG hangers from China.<sup>6</sup>

*Current Review:* The Commission instituted this second review effective February 1, 2019.<sup>7</sup> M&B filed the sole response to the notice of institution. On May 7, 2019, the Commission determined that the domestic interested party group response to the notice of institution was adequate and the respondent interested party group response to the notice of institution was inadequate. Finding that no other circumstances warranted conducting a full

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<sup>1</sup> *Steel Wire Garment Hangers from China*, Inv. No. 731-TA-1123 (Final), USITC Pub. 4034 at 3 (Sep. 2008) (“Original Determination”).

<sup>2</sup> *Original Determination*, USITC Pub. 4034 at 3 (Sep. 2008); *Steel Wire Garment Hangers From China Determination*, 73 Fed. Reg. 57654 (Oct. 3, 2008).

<sup>3</sup> *Antidumping Duty Order: Steel Wire Garment Hangers from the People’s Republic of China*, 73 Fed. Reg. 58111 (Oct. 6, 2008).

<sup>4</sup> *Steel Wire Garment Hangers from China*, Inv. No. 731-TA-1123 (Review), USITC Pub. 4453 (Feb. 2014) (“*First Review Determination*”); see 78 Fed. Reg. 54272 (Sep. 3, 2013); 79 Fed. Reg. 1885 (Jan. 10, 2014).

<sup>5</sup> *First Review Determination*, USITC Pub. 4453 (Feb. 2014) (“*First Review Determination*”); see 79 Fed. Reg. 11126 (Feb. 27, 2014).

<sup>6</sup> *Steel Wire Garment Hangers From the People’s Republic of China: Continuation of Antidumping Duty Order*, 79 Fed. Reg. 13613 (Mar. 11, 2014).

<sup>7</sup> *Steel Wire Garment Hangers From China; Institution of a Five-Year Review*, 84 Fed. Reg. 2245 (Feb. 6, 2019).

review, the Commission determined to conduct an expedited review.<sup>8</sup> M&B filed comments pursuant to Commission rule 207.62(d)(1) on the determination the Commission should reach.<sup>9</sup>

## II. Domestic Like Product and Domestic 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.”<sup>10</sup> 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.”<sup>11</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigations and consider whether the record indicates any reason to revisit the prior findings.<sup>12</sup>

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

{S}teel wire garment hangers, fabricated from carbon steel wire, whether or not galvanized or painted, whether or not coated with latex or epoxy or similar gripping materials, and/or whether or not fashioned with paper covers or capes (with or without printing) and/or nonslip features such as saddles or tubes. These products may also be referred to by a commercial designation, such as shirt, suit, strut, caped, or latex (industrial) hangers. Specifically excluded from the scope of the *Order* are wooden, plastic, and other garment hangers that are not made of steel wire. Also excluded from the scope of the *Order* are chrome-plated steel wire garment hangers with a diameter of 3.4 mm or greater. The products subject to the *Order* are currently classified under HTSUS subheadings 7326.20.0020, 7323.99.9060, and 7323.99.9080.

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<sup>8</sup> *Explanation of Commission Determination on Adequacy*, EDIS Doc. 675682 (filed May 13, 2019); see *Steel Wire Garment Hangers From China; Scheduling of an Expedited Five-Year Review*, 84 Fed. Reg. 32217 (July 5, 2019).

<sup>9</sup> M&B Comments, EDIS Doc. 682535 (July 22, 2019) (“Final Comments”).

<sup>10</sup> 19 U.S.C. § 1677(4)(A).

<sup>11</sup> 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, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>12</sup> 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 (Jul. 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.<sup>13</sup>

SWG hangers are used by the dry cleaning, industrial laundry, textile, and uniform rental industries. The four most common varieties of dry cleaning hangers are caped hangers, shirt hangers, suit hangers, and strut hangers. Despite some differences in finishes and paper accessories, all of these hangers share the same basic configuration, characteristics, and end use.<sup>14</sup> SWG hangers produced for use in industrial laundries or the uniform rental market are known as textile or uniform rental hangers or as industrial hangers. These hangers are produced from heavier gauge wire in order to support the weight of newly washed textiles and uniforms. Industrial laundries and uniform rental companies typically require hangers of more substantial gauge and consistent shape to fit their high-speed processing equipment.<sup>15</sup>

## 1. The Original Investigation

In the original investigation, the Commission found a single domestic like product consisting of SWG hangers, which was coextensive with the scope of Commerce's investigation.<sup>16</sup> The Commission found that notwithstanding some differences among the various types of SWG hangers, all SWG hangers otherwise shared the same general physical characteristics and uses, were generally sold through the same channels of distribution, and were generally produced using the same production processes and equipment.<sup>17</sup>

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<sup>13</sup> *Issues and Decision Memorandum for the Expedited Second Sunset Review of the Antidumping Duty Order on Steel Wire Garment Hangers from the People's Republic of China ("Issues and Decision Memorandum")* A-570-918 (Sunset Review) (June 5, 2019) at 2; see also *Steel Wire Garment Hangers From the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 84 Fed. Reg. 27091 (June 11, 2019) ("*Final Results*"). The scope is unchanged from that in the first review; the exclusion from the order of chrome-plated steel wire garment hangers with a diameter of 3.4 mm or greater was the result of a changed circumstances review Commerce conducted between issuance of the order and the first review. *Steel Wire Garment Hangers From the People's Republic of China: Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 74 Fed. Reg. 50596 (Oct. 2, 2009). Commerce has issued several scope rulings since the first review. Confidential Report (CR) and Public Report (PR) at Table I-2.

<sup>14</sup> CR at I-10; PR at I-7.

<sup>15</sup> CR at I-11; PR at I-8.

<sup>16</sup> *Original Determination*, USITC Pub. 4034 at 5.

<sup>17</sup> It also found that the limitations in interchangeability among various types of SWG hangers were typical of a range of products. *Original Determination*, USITC Pub. 4034 at 6. The Commission rejected the argument that type-2 vinyl-dipped garment hangers were a separate domestic like product on the basis that these hangers were not domestically produced. It found that the "most similar" product that was produced domestically consisted of SWG hangers. *Id.* at 7.

## 2. First Five-Year Review

In the first review, there was no new information that suggested any reason for the Commission to revisit the domestic like product definition from the original investigation, and the responding domestic parties agreed with that definition. Consequently, the Commission defined the domestic like product in the prior review to be certain SWG hangers, coextensive with Commerce's amended scope definition.<sup>18</sup>

## 3. The Current Review

In this second five-year review, the record contains no information suggesting that the characteristics and uses of domestically produced SWG hangers have changed since the prior proceedings in any manner that would warrant revisiting the definition.<sup>19</sup> M&B agrees with the Commission's definition of the domestic like product from the prior proceedings.<sup>20</sup> We therefore define the domestic like product to be SWG hangers, coextensive with Commerce's scope definition.

### 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."<sup>21</sup> 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 determination, the Commission excluded two domestic producers, Laidlaw and United Wire, from the domestic industry pursuant to the related parties provision.<sup>22</sup> It found that each firm qualified as a related party based on its importation of subject merchandise and determined that appropriate circumstances existed to exclude each firm from the domestic industry on the basis that its primary interests had shifted from

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<sup>18</sup> *First Review Determination*, USITC Pub. 4453 at 5.

<sup>19</sup> *See generally* CR at I-10-13; PR at I-7-9.

<sup>20</sup> Response at 19.

<sup>21</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply 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.

<sup>22</sup> Commissioners Williamson and Pinkert did not join in the Commission majority's analysis regarding Laidlaw and United Wire and included both companies in their definition of the domestic industry. However, they noted that, although the data for the industry they had defined differed from those for the industry as defined by the Commission majority, their material injury analysis was very similar to the majority's and they joined the remainder of the majority's views except where otherwise noted. *Original Determination*, USITC Pub. 4034 at 9 n.41.

domestic production to importation and it had benefitted from its importation of subject merchandise.<sup>23</sup> In the first review, the Commission identified no related party issues, and defined the domestic industry to include all domestic producers of SWG hangers.<sup>24</sup>

In the current review, M&B agrees with the Commission's definition of the domestic industry as stated in the Commission's notice of institution.<sup>25</sup> The record does not indicate that there are any related parties issues in this review.<sup>26</sup> Accordingly, we define the domestic industry to include all domestic producers of SWG hangers.

### **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 five-year reviews 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."<sup>27</sup> The Uruguay Round Agreements Act Statement of Administrative Action ("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."<sup>28</sup> Thus, the likelihood standard is prospective in nature.<sup>29</sup> The U.S. Court of International Trade has found that "likely," as used in the five-year

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<sup>23</sup> *Original Determination*, USITC Pub. 4034 at 8-13. The Commission found that appropriate circumstances did not exist to exclude \*\*\* other parties from the domestic industry as related parties. *Id.* at 9, 13 n.80; Confidential *Original Determination*, EDIS Doc. 672122 at 9, 13 n.80.

<sup>24</sup> *First Review Determination*, USITC Pub. 4453 at 6.

<sup>25</sup> Response at 19.

<sup>26</sup> M&B indicates that it does not import SWG hangers and that it is not affiliated with any exporter of SWG hangers. Response at 15, 19. M&B asserts that two domestic producers that did not respond to the notice of institution import SWG hangers. *Id.* at 15. However, the record does not indicate the country of origin of the SWG hangers that these firms import. *See Id.* at 15.

<sup>27</sup> 19 U.S.C. § 1675a(a).

<sup>28</sup> Uruguay Round Agreements Act Statement of Administrative Action, H.R. Doc. 103-316, vol. I at 883-84 (1994) ("SAA"). 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.

<sup>29</sup> 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

review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>30</sup>

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.”<sup>31</sup> 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.”<sup>32</sup>

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.”<sup>33</sup> 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 orders under review, whether the industry is vulnerable to material injury if the orders are revoked, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>34</sup> The statute further provides that the presence or absence of any factor that the Commission is

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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.

<sup>30</sup> 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 F. App’x 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>31</sup> 19 U.S.C. § 1675a(a)(5).

<sup>32</sup> 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.*

<sup>33</sup> 19 U.S.C. § 1675a(a)(1).

<sup>34</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings regarding imports of SWG hangers from China. See *generally First Review Determination*, USITC Pub. 4453 at 8 n.29; 80 Fed. Reg. 13332 (Mar. 13, 2015), 80 Fed. Reg. 69942 (Nov. 12, 2015), 82 Fed. Reg. 18115 (Apr. 17, 2017), 82 Fed. Reg. 22485 (May 16, 2017).

required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.<sup>35</sup>

In evaluating the likely volume of imports of subject merchandise if the order under review were revoked, 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.<sup>36</sup> In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>37</sup>

In evaluating the likely price effects of subject imports if the order under review were revoked, the Commission is directed to consider whether there is likely to be significant underselling by subject imports as compared to the domestic like product and whether 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.<sup>38</sup>

In evaluating the likely impact of imports of subject merchandise if the order under review were revoked, 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.<sup>39</sup> 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.<sup>40</sup>

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<sup>35</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>36</sup> 19 U.S.C. § 1675a(a)(2).

<sup>37</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>38</sup> 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.

<sup>39</sup> 19 U.S.C. § 1675a(a)(4).

<sup>40</sup> 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

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the SWG hangers industry in China. There also is limited information regarding the SWG hangers market in the United States during the period of review. Accordingly, for our determination, we rely on the facts available from the prior proceedings and the new information on the record in this five-year review, including data submitted in the response to the notice of institution.

## **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.”<sup>41</sup> The following conditions of competition inform our determinations.

### **1. Demand Conditions**

In the original investigation and first five-year review, the Commission found that SWG hangers were used primarily by the dry cleaning, industrial laundry, textile, and uniform rental industries.<sup>42</sup> In the original investigation, apparent U.S. consumption of SWG hangers rose from 2.6 billion hangers in 2005 to 3.3 billion hangers in 2007.<sup>43</sup> In the expedited first review, apparent U.S. consumption in 2012 was \*\*\* hangers.<sup>44</sup>

In the current review, the available information indicates that SWG hangers continue to be used primarily by the dry cleaning, industrial laundry, textile, and uniform rental industries.<sup>45</sup> M&B asserts that the United States is the only market of significance in the world for SWG hangers.<sup>46</sup> Apparent U.S. consumption of SWG hangers was \*\*\* hangers in 2018.<sup>47</sup>

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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.

<sup>41</sup> 19 U.S.C. § 1675a(a)(4).

<sup>42</sup> *Original Determination*, USITC Pub. 4034 at 14; *First Review Determination*, USITC Pub. 4453 at 10.

<sup>43</sup> *Original Determination*, USITC Pub. 4034 at 14 n.89.

<sup>44</sup> *First Review Determination*, USITC Pub. 4453 at 10; see CR/PR at Table I-7.

<sup>45</sup> CR at I-10; PR at I-7.

<sup>46</sup> Response at 14.

<sup>47</sup> CR/PR at Table I-7. The available apparent U.S. consumption figure for 2018 reflects the domestic shipments of the sole domestic producer that responded to the notice of institution, M&B, and consequently is not fully comparable with that in prior periods. See *id.* at note. Because M&B estimates that it accounted for \*\*\* percent of domestic SWG hanger production in 2018, CR/PR at Table I-1, the available apparent U.S. consumption figure for 2018 is understated.



## 2. Supply Conditions

In the original investigation, the Commission found that there were three primary sources of supply of SWG hangers in the U.S. market: subject imports, nonsubject imports from Mexico, and domestic producers.<sup>48</sup> The Commission observed that the period of investigation (“POI”) was marked by U.S. plant closures and the shuttering of much of the domestic industry’s capacity as the volume of subject imports increased.<sup>49</sup>

During the original investigation, the domestic industry’s share of the U.S. market declined steadily, from \*\*\* percent in 2005 to \*\*\* percent in 2007.<sup>50</sup> Subject imports increased their share of the U.S. market from 36.0 percent in 2005 to 80.9 percent in 2007.<sup>51</sup> Nonsubject imports’ share of the U.S. market declined irregularly from 10.9 percent in 2005 to 10.4 percent in 2007.<sup>52</sup>

In the first review, domestic interested parties asserted that five domestic producers had entered the U.S. market after the original investigation.<sup>53</sup> In 2012, the domestic industry’s market share – \*\*\* percent of apparent U.S. consumption – was higher than that in the original investigation.<sup>54</sup> The Commission observed that China remained the largest source of imports of SWG hangers in 2012, and Mexico and Vietnam were the largest sources of nonsubject imports.<sup>55</sup> In 2012, subject imports’ market share was \*\*\* percent share, and nonsubject imports’ was \*\*\* percent.<sup>56</sup> The Commission observed in 2012 that SWG hangers from Taiwan and Vietnam had become subject to antidumping duty orders and that SWG hangers from Vietnam had become subject to a countervailing duty order.<sup>57</sup>

In the current review, M&B has identified three additional currently operating SWG hanger producers in the United States.<sup>58</sup> It asserts that six U.S. producers of SWG hangers have

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<sup>48</sup> *Original Determination*, USITC Pub. 4034 at 15.

<sup>49</sup> *Original Determination*, USITC Pub. 4034 at 16.

<sup>50</sup> *Original Determination*, USITC Pub. 4034 at 18 n.120; *Confidential Original Determination* at 18 n.120. The share of apparent U.S. consumption represented by the two producers excluded from the domestic industry (Laidlaw and United Wire) was \*\*\* percent in 2005, \*\*\* percent in 2006, and \*\*\* percent in 2007. *Original Determination*, USITC Pub. 4034 at 18 n.120; *Confidential Original Determination*, EDIS Doc. 311136 at 18 n.120; Confidential Staff Report, Memorandum INV-FF-109, EDIS Doc. 308772 (Aug. 27, 2008) at Table IV-9 (“Original Confidential Report”).

<sup>51</sup> *Original Determination*, USITC Pub. 4034 at 18.

<sup>52</sup> *Original Determination*, USITC Pub. 4034 at 18 n.124; *Confidential Original Determination* at 18 n.124; Original Confidential Report at Table IV-9.

<sup>53</sup> *First Review Determination*, USITC Pub. 4453 at 11 & n.54.

<sup>54</sup> *First Review Determination*, USITC Pub. 4453 at 11; see CR/PR at Table I-7.

<sup>55</sup> *First Review Determination*, USITC Pub. 4453 at 11.

<sup>56</sup> *First Review Determination*, USITC Pub. 4453 at 11; CR/PR at Table I-7.

<sup>57</sup> *First Review Determination*, USITC Pub. 4453 at 11.

<sup>58</sup> Response at 15.

ceased operations since the previous five-year review.<sup>59</sup> M&B accounted for \*\*\* percent of reported apparent U.S. consumption in 2018.<sup>60</sup> In 2018, subject imports accounted for \*\*\* percent of apparent U.S. consumption, and nonsubject imports, the largest source of supply to the U.S. market, accounted for \*\*\* percent.<sup>61</sup> Mexico has been the largest source of imports since 2016.<sup>62</sup> Other sources of imports since 2014 include Cambodia, Laos, and Malaysia, although annual import quantities from these sources have fluctuated.<sup>63</sup> Additionally, SWG hangers from Taiwan continue to be subject to an antidumping duty order and SWG hangers from Vietnam continue to be subject to antidumping duty and countervailing duty orders.<sup>64</sup>

### 3. Substitutability and Other Conditions

In the original investigation and expedited first review, the Commission found that SWG hangers were largely substitutable regardless of where they were produced and that price was an important factor affecting purchasing decisions.<sup>65</sup>

There is no indication on the current record that the substitutability between imported and domestic SWG hangers has changed since the original investigation. Accordingly, we again find that there is generally a high degree of substitutability between domestic and imported SWG hangers and that price continues to be an important factor in purchasing decisions.

Since 2018, additional tariffs have been levied on subject imports pursuant to Section 301 of the Trade Act of 1974 (“section 301 tariffs”).<sup>66</sup> At the time of the record closing, SWG hangers within the scope definition were subject to section 301 tariffs at an *ad valorem* duty rate of 10 percent, and a scheduled increase to 25 percent had been postponed.<sup>67</sup>

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<sup>59</sup> Response at 14. As previously discussed, M&B estimates that it accounted for \*\*\* percent of domestic production of SWG hangers in 2018. CR/PR at Table I-1. Consequently, the market share represented by all current domestic producers is understated and would be higher than the figure reported by M&B. By the same token, reported 2018 market shares for imports are overstated.

<sup>60</sup> CR/PR at Table I-7.

<sup>61</sup> CR/PR at Table I-7.

<sup>62</sup> CR/PR at Table I-5.

<sup>63</sup> CR/PR at Table I-5. As indicated in section III.C.2., imports designated as having been from Malaysia may actually have been of Chinese origin.

<sup>64</sup> CR at I-5 – 6, PR at I-3-4.

<sup>65</sup> *Original Determination*, USITC Pub. 4034 at 17; *First Review Determination*, USITC Pub. 4453 at 12.

<sup>66</sup> 19 U.S.C. § 2411.

<sup>67</sup> CR at I-9, PR at I-7. In December 2018, the United States Trade Representative had scheduled the increase to take place on March 2, 2019. *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 65198 (Dec. 19, 2018). In March 2019, this action was again modified so that the duty would remain at 10 percent until further notice. *China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 7966 (Mar. 5, 2019) (notice of modification of Section 301 Action). Subsequently, the rate of Section 301 tariffs was increased to 25 percent *ad valorem*. See

## C. Likely Volume of Subject Imports

### 1. Original Investigation and Prior Five-Year Review

In the original investigation, the Commission found that subject imports accounted for an increasing share of apparent U.S. consumption and increased relative to U.S. production during the POI.<sup>68</sup> Subject import volume increased from 2005 to 2007. Subject import market share by quantity increased from 36.0 percent in 2005 to 63.2 percent in 2006 and 80.9 percent in 2007.<sup>69</sup> The Commission found that subject imports gained market share largely at the expense of the domestic industry. As subject imports increased their market share from 2005 to 2007, the domestic industry's market share declined steadily from \*\*\* percent in 2005 to \*\*\* percent in 2007.<sup>70</sup> The Commission found the volume and the increase in volume of subject imports to be significant, both in absolute terms and relative to consumption and production in the United States.<sup>71</sup>

In the expedited first review, the Commission found that the volume of subject imports had declined but remained at substantial levels since the imposition of the order. Although there was no information on the record concerning production capacity in China, available data suggested that subject producers continued to manufacture SWG hangers and were highly export-oriented. The Commission also found that total Chinese exports within a broader classification of iron and steel wire products encompassing the subject merchandise had increased substantially from 2008 to 2012.<sup>72</sup>

The Commission found that the United States remained an attractive market for subject producers. There were substantial volumes of subject imports in the U.S. market during the period of review and the United States had been China's largest export market for iron and steel wire products.<sup>73</sup> In light of these considerations, the Commission found that the subject producers were likely, absent the restraining effects of the order, to direct increasing volumes of SWG hangers to the U.S. market, as they did during the original POI. Accordingly, the Commission 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.<sup>74</sup>

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Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 84 Fed. Reg. 20459 (May 9, 2019).

<sup>68</sup> *Original Determination*, USITC Pub. 4034 at 17.

<sup>69</sup> *Original Determination*, USITC Pub. 4034 at 17. The ratio of subject imports to U.S. production rose from 69.3 percent in 2005 to 260.7 percent in 2006 and 994.5 percent in 2007. *Original Determination*, USITC Pub. 4034 at 18.

<sup>70</sup> *Original Determination*, USITC Pub. 4034 at 18; *Confidential Original Determination*, EDIS Doc. 311136 at 18.

<sup>71</sup> *Original Determination*, USITC Pub. 4034 at 18.

<sup>72</sup> *First Review Determination*, USITC Pub. 4453 at 13.

<sup>73</sup> *First Review Determination*, USITC Pub. 4453 at 13-14.

<sup>74</sup> *First Review Determination*, USITC Pub. 4453 at 14.

## 2. Current Review

The record of the current review indicates that subject imports have remained in the U.S. market at fluctuating annual volumes throughout the POI, declining irregularly from 1.1 billion hangers in 2013 to 25.8 million hangers in 2018.<sup>75</sup> Subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2018, which was lower than their \*\*\* percent share in 2012.<sup>76</sup>

The record contains no current data specific to subject SWG hanger capacity or production because subject producers in China did not participate or furnish information in this review. Nonetheless, the data available in the record show that subject producers continue to manufacture SWG hangers and are highly export-oriented. M&B identified 37 Chinese producers of subject SWG hangers.<sup>77</sup> Available data indicate that throughout the period of review China was the world's largest exporter of articles of iron or steel wire, a product category that includes, but is broader than, the subject merchandise.<sup>78</sup>

The United States remains an attractive market to Chinese producers. As indicated above, subject imports have remained in the U.S. market throughout the period of review, in volumes that were frequently substantial. M&B asserts that, absent an order, Chinese producers likely will seek to export to the United States because these producers have virtually no home market for SWG hangers and no meaningful alternative export markets.<sup>79</sup>

Indeed, Chinese exporters' repeated attempts to evade the antidumping duty order demonstrate the attractiveness of the U.S. market. Since the first five-year review, U.S. Customs and Border Patrol ("CBP") has completed two duty evasion investigations pursuant to the Enforce and Protect Act of 2015<sup>80</sup> ("EAPA") involving transshipment of Chinese-origin SWG hangers through both Thailand and Malaysia to avoid the antidumping duty order.<sup>81</sup> In the EAPA investigation of SWG hangers from Thailand, CBP reported that it was able to link over 80 percent of the U.S. imports from Thailand to shipments coming from multiple companies in China. CBP found that these transshipped SWG hangers were subject to the China-wide dumping rate of 187.25 percent.<sup>82</sup> In the EAPA investigation of SWG hangers from Malaysia, CBP found that no SWG hanger manufacturing existed at any addresses reported by U.S. importers. Accordingly, CBP found that all of the SWG hangers imported from Malaysia actually originated in China, were transshipped through Malaysia, and were subject to the China-wide

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<sup>75</sup> CR/PR at Table I-5.

<sup>76</sup> CR/PR at Table I-7. As previously stated, reported import market penetration data for 2018 is overstated.

<sup>77</sup> Response at Ex. 3.

<sup>78</sup> CR/PR at Table I-10.

<sup>79</sup> Response at 15.

<sup>80</sup> 19 U.S.C. §1517.

<sup>81</sup> Response at 16, Ex. 7, Ex. 9, Ex. 10; Final Comments at 9.

<sup>82</sup> Response at 16, Ex. 6, Ex. 7, Ex. 10; Final Comments at 9.

dumping rate of 187.25 percent.<sup>83</sup> Accordingly, the available data indicate that the Chinese industry has both the ability and the incentive to direct significant quantities of the subject merchandise to the U.S. market upon revocation.<sup>84</sup>

Based on the significant increase in the volume of subject imports during the original investigation, the capacity and export orientation of the Chinese industry, and the importance of the U.S. market to Chinese producers, we find that Chinese producers would be likely to export significant volumes of subject merchandise to the United States if the order were revoked. Therefore, we 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.<sup>85</sup>

## **D. Likely Price Effects**

### **1. Original Investigation and Prior Five-Year Review**

In the original investigation, the Commission found that the domestic like product and the subject imports were largely substitutable and that price was an important factor in purchasing decisions. The Commission observed that there was underselling by the subject merchandise in 94 of 95 quarterly price comparisons, with margins of underselling ranging from 0.1 percent to 57.7 percent and averaging 30.0 percent. Based on these data, the Commission found that there was significant price underselling of the domestic like product by subject imports during the POI.<sup>86</sup>

Nonetheless, the Commission found that the record evidence did not indicate that subject imports significantly depressed or suppressed domestic prices during the POI. Instead, it found that the domestic industry sacrificed sales volume in order to maintain its prices in the face of underselling by subject imports. On that basis, the Commission found that the significant underselling by the increasing volumes of subject imports had significant adverse effects on the domestic industry during the POI.<sup>87</sup>

In the first five-year review, the record did not contain pricing comparisons for the review period due to the expedited nature of the review. The Commission found that that the

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<sup>83</sup> Response at 17, Ex. 8, Ex. 9, Ex. 10; Final Comments at 10.

<sup>84</sup> We acknowledge that imports of SWG hangers from China are currently subject to section 301 tariffs, but note the record does not indicate that exports to the United States likely would be deterred in the event of revocation in light of the size of the U.S. market and the lack of availability of other export markets.

<sup>85</sup> Due to the failure of any foreign producer, exporter, or importer of subject merchandise from China to participate in this review, the record does not contain current information regarding inventories of subject merchandise or whether the subject producers have the ability to shift production from other products to SWG hangers. The record also does not indicate the existence of tariff or non-tariff barriers specific to SWG hangers from China in any other export markets. CR at I-24, PR at I-18.

<sup>86</sup> *Original Determination*, USITC Pub. 4034 at 19.

<sup>87</sup> *Original Determination*, USITC Pub. 4034 at 20.

domestic like product and the subject imports were largely substitutable and that price continued to be an important factor in purchasing decisions. The Commission found that if the order were revoked, subject imports would likely undersell the domestic like product which would, in turn, likely cause the domestic producers to lose sales volume, cut prices, or restrain price increases. Thus, the Commission concluded that, in the event of revocation, increasing volumes of low-priced subject imports would likely have significant price effects on the domestic industry.<sup>88</sup>

## **2. Current Review**

Due to the expedited nature of this review, the record does not contain price data that would allow pricing comparisons for the review period. We continue 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 be priced lower than the domestic like product to gain sales volume, as occurred in the original investigations. We consequently find that if the antidumping duty order were revoked, there is likely to be significant price underselling by imports of the subject merchandise as compared to the domestic like product. This in turn would likely cause the domestic producers to lose sales volume, cut prices, and/or restrain price increases.

For the foregoing reasons, given the likely significant volumes of subject imports, we conclude that significant underselling of the domestic like product by subject imports to gain market share is likely and that these imports would likely have significant adverse effects on the domestic industry.

### **E. Likely Impact of Subject Imports**

#### **1. Original Investigation and Prior Five-Year Review**

In the original investigation, the Commission found that the domestic industry's production, capacity utilization, shipments, and sales revenue declined overall during the POI. Domestic producers' market share declined each year from 2005 to 2007.<sup>89</sup> These producers' U.S. production and U.S. shipments of SWG hangers also declined each year from 2005 to 2007.<sup>90</sup> Although the domestic industry's capacity increased slightly, capacity utilization declined from 2005 to 2007, and net sales revenue followed production and shipment trends, declining steadily throughout the POI.<sup>91</sup> The average number of production-related workers, hours worked, and wages paid also declined from 2005 to 2007. Productivity increased due to

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<sup>88</sup> *First Review Determination*, USITC Pub. 4453 at 15.

<sup>89</sup> *Original Determination*, USITC Pub. 4034 at 22.

<sup>90</sup> *Original Determination*, USITC Pub. 4034 at 22.

<sup>91</sup> *Original Determination*, USITC Pub. 4034 at 21-22, 22 n.149.

the industry's layoffs, but the industry's capital expenditures fell. The domestic industry's financial indicators – operating income, operating margins, and net sales measured by quantity and value – declined irregularly over the POI.<sup>92</sup> The domestic industry experienced operating losses and its ratio of operating income to net sales reflected these losses.<sup>93</sup>

The Commission concluded that subject imports had an adverse impact on the condition of the domestic industry during the POI. It found that subject imports increased significantly, both in absolute terms and relative to domestic production and consumption, and that subject imports had gained market share at the expense of the domestic industry, undersold the domestic like product, adversely affected the performance of the domestic industry, and adversely affected employment levels and wages of domestic workers. The Commission further concluded that the significant underselling by subject imports and reduced sales volumes caused significant declines in the domestic industry's financial performance over the POI.<sup>94</sup>

In the expedited first review, the Commission concluded that the limited record was insufficient for it to make a finding as to whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.<sup>95</sup> However, based on the information on the record, the Commission found that should the order be revoked, the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenues of the domestic industry.<sup>96</sup> The Commission stated that these declines would likely have a direct adverse impact on the domestic industry within a reasonably foreseeable time.<sup>97</sup>

In its non-attribution analysis, the Commission found no factors other than the subject imports that were known to be a likely cause of material injury.<sup>98</sup> Accordingly, the Commission concluded that, if the antidumping duty order were revoked, subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>99</sup>

## 2. Current Review

Because this is an expedited review, we have only limited information with respect to the domestic industry's financial performance, consisting of data that M&B provided in response to the notice of institution. The limited record is insufficient for us to make a finding on whether the domestic industry is vulnerable to the likely continuation or recurrence of material injury in the event of revocation of the order.

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<sup>92</sup> *Original Determination*, USITC Pub. 4034 at 23.

<sup>93</sup> *Original Determination*, USITC Pub. 4034 at 23-24.

<sup>94</sup> *Original Determination*, USITC Pub. 4034 at 24.

<sup>95</sup> *First Review Determination*, USITC Pub. 4453 at 16.

<sup>96</sup> *First Review Determination*, USITC Pub. 4453 at 17.

<sup>97</sup> *First Review Determination*, USITC Pub. 4453 at 17.

<sup>98</sup> *First Review Determination*, USITC Pub. 4453 at 17.

<sup>99</sup> *First Review Determination*, USITC Pub. 4453 at 17.

In 2018, M&B's capacity was \*\*\* hangers, production was \*\*\* hangers, and capacity utilization was \*\*\* percent.<sup>100</sup> M&B's U.S. shipments were \*\*\* hangers, and it reported an operating income of \$\*\*\* on net sales of \$\*\*\* hangers, resulting in an operating income margin of \*\*\* percent.<sup>101</sup>

As discussed above, we have found that, upon revocation of the order, subject import volume would likely be significant and subject imports would likely have significant price effects. Based on the information on the record, we further find that the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share, employment, and revenues of the domestic industry. The likely declines in these factors would, in turn, likely have a direct adverse impact on the domestic industry's profitability.

We also have considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Nonsubject imports have been present in large quantities in the U.S. market during the period of review and accounted for \*\*\* percent of apparent U.S. consumption during 2018.<sup>102</sup> In light of the general substitutability of SWG hangers from all sources, we find that upon revocation the significant volume of subject imports would likely take market share from the domestic industry as well as from nonsubject imports. Consequently, the subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports.

Accordingly, we conclude that, if the order were revoked, subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

#### **IV. Conclusion**

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

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<sup>100</sup> CR/PR at Table I-4.

<sup>101</sup> CR/PR at Table I-4.

<sup>102</sup> CR/PR at Table I-7.



## INFORMATION OBTAINED IN THIS REVIEW

### BACKGROUND

On February 6, 2019, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted a review to determine whether revocation of the antidumping duty order on steel wire garment hangers (“SWG hangers”) from China would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
February 1, 2019	Notice of institution by Commission (84 FR 2245, February 6, 2019); notice of initiation by Commerce (84 FR 1704, February 5, 2019)
May 7, 2019	Commission’s vote on adequacy
June 11, 2019	Commerce’s results of its expedited review
August 16, 2019	Commission’s determination and views

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

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> *Steel Wire Garment Hangers From China; Institution of a Five-Year Review*, 84 FR 2245, February 6, 2019. 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. *Initiation of Five-Year (Sunset) Reviews*, 84 FR 1704, February 5, 2019. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

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

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

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

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

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

<sup>1</sup> In a revision to its notice of institution, the domestic interested party estimated that they account for this share of total U.S. production of SWG hangers during 2018. \*\*\*, correspondence with USITC staff, March 12, 2019.

### Party comments on adequacy

The Commission received one submission from the domestic interested party, which provided comments on the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or a full review.

The domestic interested party argued that the Commission should find the respondent interested party group response to be inadequate since there was no complete submission by any respondent interested party. Therefore, because of the inadequate response by the respondent interested parties and the fact that there have been no major changes in the conditions of competition in the market since the Commission’s last five-year review, the domestic interested party requests that the Commission conduct an expedited review of the antidumping duty order on SWG hangers.<sup>5</sup>

## THE ORIGINAL INVESTIGATION AND SUBSEQUENT REVIEW

### The original investigation

The original investigation resulted from a petition filed on July 31, 2007 with Commerce and the Commission by M&B, Leeds, Alabama. On August 14, 2008, Commerce determined that imports of SWG hangers from China were being sold at less than fair value (“LTFV”).<sup>6</sup> The Commission determined on September 29, 2008 that the domestic industry was materially injured by reason of LTFV imports of SWG hangers from China.<sup>7</sup> On October 6, 2008, Commerce

<sup>5</sup> Domestic interested party’s comments on adequacy, April 16, 2019, p. 2.

<sup>6</sup> *Steel Wire Garment Hangers from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 47587, August 14, 2008; and *Steel Wire Garment Hangers From the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value*, 73 FR 53188, September 15, 2008.

<sup>7</sup> *Steel Wire Garment Hangers From China Determination*, 73 FR 57654, October 3, 2008.

issued its antidumping duty order with the final weighted-average dumping margins ranging from 15.83 percent to 187.25 percent.<sup>8</sup>

### **The first five-year review**

On December 20, 2013, the Commission determined that it would conduct an expedited review of the antidumping duty order on SWG hangers from China.<sup>9</sup> On January 10, 2014, Commerce published its determination that revocation of the antidumping duty order on SWG hangers from China would be likely to lead to continuation or recurrence of dumping.<sup>10</sup> On February 20, 2014, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>11</sup> Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective March 11, 2014, Commerce issued a continuation of the antidumping duty order on imports of SWG hangers from China.<sup>12</sup>

### **PREVIOUS AND RELATED INVESTIGATIONS<sup>13</sup>**

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

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<sup>8</sup> *Notice of Antidumping Duty Order: Steel Wire Garment Hangers from the People’s Republic of China*, 73 FR 58111, October 6, 2008.

<sup>9</sup> *Steel Wire Garment Hangers From China; Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Steel Wire Garment Hangers From China*, 79 FR 1885, January 10, 2014.

<sup>10</sup> *Steel Wire Garment Hangers From the People’s Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 79 FR 1829, January 10, 2014.

<sup>11</sup> *Steel Wire Garment Hangers from China*, 79 FR 11126, February 27, 2014.

<sup>12</sup> *Steel Wire Garment Hangers From the People’s Republic of China: Continuation of Antidumping Duty Order*, 79 FR 13613, March 11, 2014.

<sup>13</sup> Unless otherwise noted, this information is based on *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, p. I-5.

Chinese wire hangers were imposed, production would simply shift to third countries, which could not be subject to section 421's China-specific restrictions."<sup>14</sup>

On December 29, 2011, M&B; Innovation Fabrication LLC/Indy Hanger ("Indy Hanger"); and US Hanger Company, LLC ("US Hanger") filed an antidumping duty petition against imports of SWG hangers from Taiwan, and antidumping and countervailing duty petitions against imports of SWG hangers from Vietnam. Following affirmative determinations by Commerce, on November 30, 2012, the Commission found that the domestic industry was materially injured by reason of imports of SWG hangers from Taiwan and Vietnam. Commerce issued antidumping duty orders on imports of SWG hangers from Taiwan and Vietnam with margins ranging from 69.98 percent to 125.43 percent for Taiwan, and 157.00 percent to 220.68 percent ad valorem for Vietnam. Commerce issued countervailing duties on Vietnam, with margins ranging from 31.58 percent to 90.42 percent ad valorem.

On November 1, 2017, the Commission instituted and Commerce initiated five-year reviews of the antidumping duty orders on SWG hangers from Taiwan and Vietnam and the countervailing duty order on SWG hangers from Vietnam.<sup>15</sup> On February 5, 2018, the Commission determined that it would conduct expedited reviews of the antidumping duty orders on SWG hangers from Taiwan and Vietnam and the countervailing duty order on SWG hangers from Vietnam.<sup>16</sup> On March 9, 2018, Commerce determined that revocation of the antidumping duty orders on SWG hangers from Taiwan and Vietnam would be likely to lead to continuation or recurrence of dumping at a margin of 125.43 percent for Taiwan and 220.68 percent for Vietnam.<sup>17</sup> On March 12, 2018, Commerce determined that revocation of the countervailing duty order on SWG hangers from Vietnam would likely lead to the continuation or recurrence of a countervailable subsidy rate of 31.58 percent to 90.42 percent.<sup>18</sup> On May 16, 2018, the Commission determined that revocation of the antidumping duty orders on SWG hangers from Taiwan and Vietnam and the countervailing duty order on SWG hangers from Vietnam would be likely to lead to continuation or recurrence of material injury.<sup>19</sup> On May 31, 2018, Commerce issued a continuation of the antidumping duty orders on SWG hangers from

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<sup>14</sup> *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, p. I-5.

<sup>15</sup> *Initiation of Five-Year (Sunset) Reviews*, 82 FR 50612, November 1, 2017; and *Steel Wire Garment Hangers From Taiwan and Vietnam; Institution of Five-Year Reviews*, 82 FR 50686, November 1, 2017.

<sup>16</sup> *Steel Wire Garment Hangers From Taiwan and Vietnam; Scheduling of Expedited Five-Year Reviews*, 83 FR 11563, March 15, 2018.

<sup>17</sup> *Steel Wire Garment Hangers From Taiwan and Vietnam: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders*, 83 FR 10433, March 9, 2018.

<sup>18</sup> *Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Final Results of Expedited First Sunset Review of the Countervailing Duty Order*, 83 FR 10660, March 12, 2018.

<sup>19</sup> *Steel Wire Garment Hangers From Taiwan and Vietnam*, 83 FR 23723, May 22, 2018.

Taiwan and Vietnam.<sup>20</sup> On August 11, 2018, Commerce issued a continuation of the countervailing duty order on SWG hangers from Vietnam.<sup>21</sup>

## ACTIONS AT COMMERCE

### Scope Rulings

Table I-2 presents Commerce’s scope rulings since the imposition of the order.

**Table I-2**  
**SWG hangers: Commerce’s scope rulings**

<b>Requestor</b>	<b>Product to be excluded</b>	<b>Commerce ruling</b>	<b>Federal Register cite</b>
Target Corporation	Chrome-plated accessory hangers	Granted	75 FR 79339, December 20, 2010
Robert H. Ham Associates Ltd.	Retail display hangers	Granted	77 FR 38768, June 29, 2012
Great American Hanger Company	Four wooden hangers; three steel wire; swivel looped-neck hangers; and one vinyl-coated flattened steel hanger	Granted	77 FR 50084, August 20, 2012
PetEdge Inc.	Steel wire canine pet fashion hangers, with dog-shaped, rubber tipped hooks, are not within the scope of the antidumping duty order	Granted	78 FR 9370, February 8, 2013
Whitmor Inc.	Space-saving lingerie and accessory hangers	Granted	79 FR 6166 February 3, 2014
Dollar General Corporation	Vinyl-coated hanger	Denied	79 FR 30822 May 29, 2014
Trendsformers, LLC	Hanging jewelry organizers	Granted	79 FR 47093 August 12, 2014

Source: Cited *Federal Register* notices.

### Current five-year review

Commerce is conducting an expedited review with respect to U.S. imports of SWG hangers from China and intends to issue the final results of the review based on the facts available not later than June 5, 2019.<sup>22</sup>

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<sup>20</sup> *Steel Wire Garment Hangers From Taiwan and Vietnam: Continuation of Antidumping Duty Orders*, 83 FR 24972, May 31, 2018.

<sup>21</sup> *Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Continuation of Countervailing Duty Order*, 83 FR 42111, August 11, 2018.

<sup>22</sup> *Letter from Abdelali Elouaradia, Director, Office IV, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, to Nannette Christ*, March 20, 2019.

## THE PRODUCT

### Commerce's scope

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

Steel wire garment hangers, fabricated from carbon steel wire, whether or not galvanized or painted, whether or not coated with latex or epoxy or similar gripping materials, and/or whether or not fashioned with paper covers or capes (with or without printing) and/or nonslip features such as saddles or tubes. These products may also be referred to by a commercial designation, such as shirt, suit, strut, caped, or latex (industrial) hangers. Specifically excluded from the scope of the order are wooden, plastic, and other garment hangers that are not made of steel wire. Also excluded from the scope of the order are chrome-plated steel wire garment hangers with a diameter of 3.4 mm or greater. The products subject to the order are currently classified under U.S. Harmonized Tariff Schedule ("HTSUS") subheadings 7326.20.0020, 7323.99.9060, and 7323.99.9080.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.<sup>23</sup>

### U.S. tariff treatment

Imports of SWG hangers subject to this review are currently imported under the following Harmonized Tariff Schedule of the United States ("HTSUS") statistical reporting numbers: 7326.20.0020<sup>24</sup> and 7323.99.9080.<sup>25</sup> The column 1-general (normal trade relations) rate of duty for subheading 7326.20.00 is 3.9 percent ad valorem and the general rate of duty

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<sup>23</sup> *Steel Wire Garment Hangers From the People's Republic of China: Continuation of Antidumping Duty Order*, 79 FR 13613, March 11, 2014.

<sup>24</sup> This statistical reporting number was created specifically for steel wire garment hangers at the request of the U.S. industry and has been in place since January 1, 2002.

<sup>25</sup> HTS 7323.99.9060 was included as a statistical reporting number in the original investigation. However, this HTS statistical reporting number was discontinued in 2011. Subject merchandise that had been reported under HTS statistical reporting number 7323.99.9060 are now covered by HTS statistical reporting number 7323.99.9080. HTS statistical reporting number 7323.99.9080 includes articles in the other, other category of Table, kitchen or other household articles and parts thereof, of iron or steel; iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel. *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, pp. I-6.

for 7323.99.90 is 3.4 percent ad valorem.<sup>26</sup> However, imports of SWG hangers from China are subject to the section 301 tariffs as discussed below. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

### **Sections 232 and 301 tariff treatment**

Products imported from China under HTS statistical reporting numbers 7326.20.0020 and 7323.99.9080 are subject to additional tariffs under Section 301 of the Trade Act of 1974. Products imported from China under subheading 7323.99.90 are currently subject to an additional duty of 10 percent ad valorem under subheading 9903.88.03.<sup>27</sup> The originally scheduled increase to 25 percent ad valorem has been postponed until further notice.<sup>28</sup> Neither subheading was included in the enumeration of steel mill products that are subject to the additional 25-percent ad valorem Section 232 national-security duties under HTS chapter 99.<sup>29</sup>

### **Description and uses<sup>30</sup>**

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

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<sup>26</sup> *HTSUS (2019) Revision 2*, USITC Publication No. 4886, March 2019, Chapter 73, pp. 73-37 – 73-38, pp. 73-40 – 73-41.

<sup>27</sup> *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 47974, September 21, 2018.

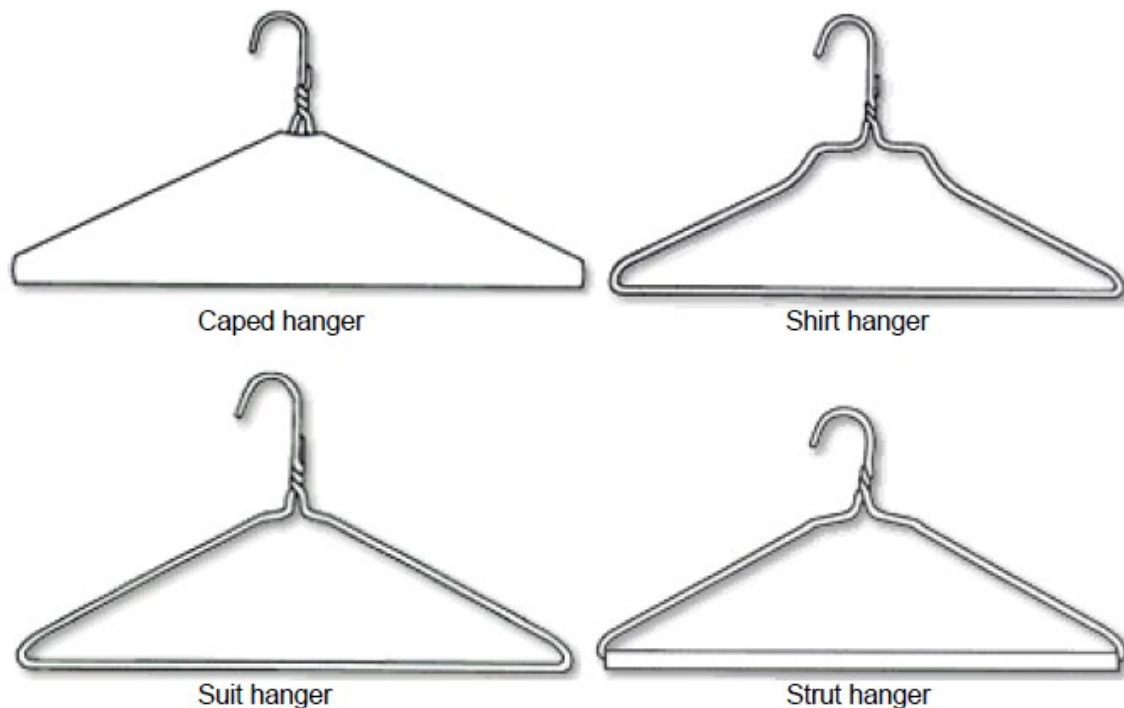
<sup>28</sup> *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 65198, December 19, 2018, *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 7966, March 5, 2019. See U.S. notes 20(e) and 20(f), *HTSUS (2019) Basic edition*, USITC Publication 4862, January 2019, pp. 99-III-21 - 99-III-22, 99-III-40, 99-III-68.

<sup>29</sup> *Imports of Steel Mill Articles (Steel Articles) Under Section 232 of the Trade Expansion Act of 1962, As Amended (19 U.S.C.1862)*, *Presidential Proclamation 9705*, March 8, 2018, 83 FR 11625, March 15, 2018. *HTSUS (2019) Basic edition*, USITC Publication 4862, January 2019, pp. 99-III-5 - 99-III-6.

<sup>30</sup> Unless otherwise noted, this information is based on *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, pp. I-7-I-8 and *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008.

wire, while hangers for heavier items, such as suit hangers, are produced from heavier wire. SWG hangers are generally painted and sold in a variety of colors. Despite some obvious differences in finishes and paper accessories, all of these hangers share the same basic configuration, characteristics, and end uses.

**Figure I-1**  
**SWG hangers: Common varieties**



Source: M&B Hangers at <http://www.mbhangers.com/>, retrieved April 4, 2019.

SWG hangers produced for use in industrial laundries or the uniform rental market are known as textile or uniform rental hangers or as industrial hangers. These hangers are normally produced using a 13-gauge wire<sup>31</sup> to support the weight of newly washed textiles and uniforms. Industrial laundries and uniform rental companies typically require a more substantial gauge hanger in a consistent shape to fit their high-speed processing equipment. These hangers are sometimes made out of galvanized (zinc-coated) steel wire. The bottom bar of these hangers may be coated with a latex or other coating to prevent pants slippage after laundering.<sup>32</sup>

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<sup>31</sup> The term “gauge” refers to the diameter of wire. A 13-gauge wire has a diameter of 0.0915 inch.

<sup>32</sup> *Steel Wire Garment Hangers from Taiwan and Vietnam, Inv. No. 731-TA-1197 and 731-TA-1197-1198 (Review)*, USITC Publication 4784, May 2018, pp. I-7.



### Manufacturing process<sup>33</sup>

There are no substantial differences in the production process or uses for industrial hangers and dry-cleaning hangers. The manufacturing process to produce SWG hangers consists of purchasing low-carbon steel wire in coils, whether or not galvanized, or drawing wire from low-carbon steel wire rod, cutting the wire to length, and fabricating the hangers (figure I-2). After the wire is straightened and cut to length, the hangers are formed and painted. The process may be continuous or require separate stages to straighten, cut, and form the hanger, and painting may take place either before or after the hanger is formed. The manufacturing equipment and process for galvanized wire hangers are similar, but galvanized SWG hangers do not require painting because the zinc coating prevents the steel wire from rusting. In all cases, the forming machines are dedicated to the production of hangers; they are not used and cannot be used to produce other products. Wire forming machines may be made in-house by SWG hanger manufacturers or purchased from a small number of companies in China, Switzerland, and Taiwan that produce these machines.<sup>34</sup>

After forming and painting, some hangers require the addition of a paper covering or “cape,” which can be plain or printed with custom or stock messages for drycleaner customers. In addition, strut hangers receive a cardboard tube or “strut” along the bottom bar on which drycleaners hang pants. Although referred to by a separate name in the industry, these hangers are produced using the same equipment and workers as the various types of dry cleaning hangers described above.

The formation of the hanger itself is similar throughout the world. Operations such as the addition of capes and struts and painting the wire may differ in the amount of the processing that is done by machine versus that which is performed manually. Respondents from the original SWG hangers from Taiwan and Vietnam investigations also identified that one difference is that the environmental regulations in Vietnam preclude painting of SWG hangers; therefore, they are powder coated to provide corrosion resistance, apparently with thermosetting epoxy powder. Epoxy powder is typically applied by electrically charging and spraying the powder so that it accumulates on a grounded metal article, after which the article is sent to a curing oven to fuse-on the coating.<sup>35</sup> Most hangers going to dry cleaners are packed in boxes containing 500 hangers. However, thicker hangers (struts, drapery, and polo knit hangers) are packed in boxes containing 250 hangers. In the United States, the quantity to be packed in a box is determined by weight, while in China the hangers are counted and packed manually. All of the common types of SWG hangers mentioned above are produced in China.

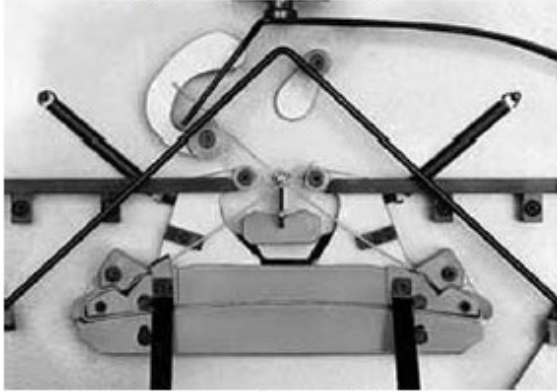
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<sup>33</sup> Unless otherwise noted, this information is based on *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, pp. I-9-I-10 and *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008.

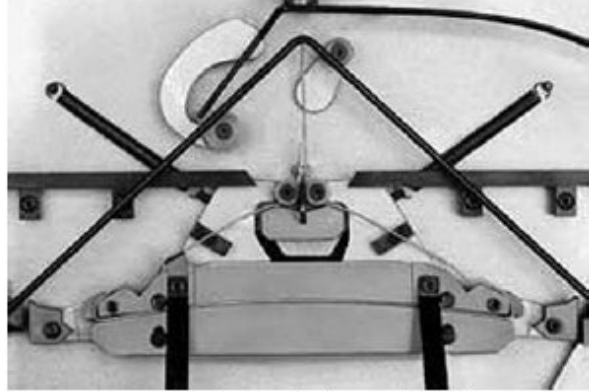
<sup>34</sup> *Steel Wire Garment Hangers from Taiwan and Vietnam, Inv. No. 731-TA-1197 and 731-TA-1197-1198 (Review)*, USITC Publication 4784, May 2018, p. I-7.

<sup>35</sup> *Steel Wire Garment Hangers from Taiwan and Vietnam, Inv. No. 731-TA-1197 and 731-TA-1197-1198 (Review)*, USITC Publication 4784, May 2018, p. I-8.

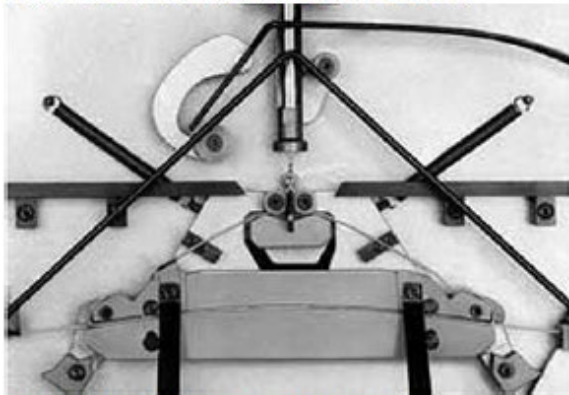
**Figure I-2**  
**SWG hangers: Formation process**



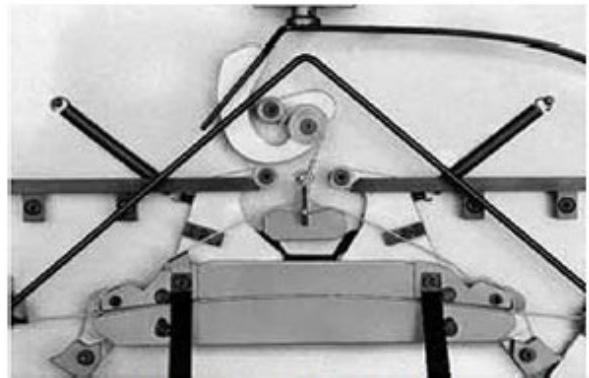
Wire enters the machine and is bent.



Rollers form the base of the hanger.



The base of the hanger is twisted.



The hanger appendage is formed.

Source: "Coat hanger machine," Rudolf Grauer AG, accessed April 8, 2019.  
<http://www.grauer.ch/en/index.php?page=kleiderbuegelmaschine&layout=produkte>.

## THE INDUSTRY IN THE UNITED STATES

### U.S. producers

During the final phase of the original investigation, the Commission received U.S. producer questionnaires from seven firms, which accounted for approximately \*\*\* percent of production of SWG hangers in the United States during 2007.<sup>36</sup> During the first five-year review, the Commission received a joint response to the notice of institution from three firms, M&B, Indy Hanger, and US Hanger, which accounted for the vast majority of U.S. production of SWG

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<sup>36</sup> *Investigation Nos. 731-TA-1123 (Review): Steel Wire Garment Hangers from China—Staff Report*, INV-MM-003, January 17, 2014, p. I-16.

hangers in the United States.<sup>37</sup> In its response to the Commission's notice of institution in this current review, the domestic interested party provided a list of four known and currently operating U.S. producers of SWG hangers.<sup>38</sup>

### Recent developments

The domestic interested party noted that since the Commission's last five-year review, the following domestic SWG hanger producers have ceased operations: (1) Eagle hangers, (2) Great Plains Hanger, (3) Metro Hanger, (4) PGB Hanger, (5) Solution Products, and (6) U.S. Hanger of Ohio.<sup>39</sup> In addition, on November 29, 2017, Swan Hangers listed its domestic hanger production equipment located in Ontario, California for sale.<sup>40</sup>

### U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their responses to the notice of institution of the current five-year review.<sup>41</sup> Table I-4 presents a compilation of the data submitted from the domestic interested party as well as trade and financial data submitted by U.S. producers in the original investigation and the prior five-year review.

In addition to the domestic interested party, there are three other major producers of SWG hangers: Indy Hanger, US Hanger, and Ganchos NV ("Ganchos"). In its response to the notice of institution, the domestic interested party provided production capacity and sales estimates for the three other major U.S. producers of SWG hangers. M&B estimates that in 2018 the combined production capacity of Indy Hanger, US Hanger, and Ganchos was \*\*\* hangers and the quantity of their combined sales was approximately \*\*\* hangers.<sup>42</sup> According to M&B, there are small local producers of SWG hangers in Houston, Texas; Atlanta, Georgia; and Los Angeles, California. M&B estimates that these U.S. producers have a combined annual production capacity of approximately 10 million to 15 million hangers.<sup>43</sup>

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<sup>37</sup> *Steel Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, p. I-12.

<sup>38</sup> Domestic interested party's response to the notice of institution, March 6, 2019, p. 13.

<sup>39</sup> Domestic Interested Party's Response to the Notice of Institution, March 6, 2019, p. 14.

<sup>40</sup> "For Sale", Swan Hangers, accessed April 15, 2019. <http://swanhangers.com/>. As cited in *Steel Wire Garment Hangers from Taiwan and Vietnam, Inv. Nos. 731-TA-1197 and 731-TA-1197-1198 (Review)*, USITC Publication 4784, May 2018, p. I-3.

<sup>41</sup> Individual company trade and financial data are presented in app. B.

<sup>42</sup> Indy Hanger's, US Hanger's, and Ganchos' 2018 production capacity was \*\*\* hangers, \*\*\* hangers, and \*\*\* hangers, respectively. Indy Hanger's, US Hanger's, and Ganchos' 2018 sales were \*\*\* hangers, \*\*\* hangers, and \*\*\* hangers, respectively. Domestic interested party's response to the notice of institution, March 6, 2019, p. 15.

<sup>43</sup> *Ibid.*, p. 13.

**Table I-4**  
**SWG hangers: Trade and financial data submitted by U.S. producers, 2007, 2012, and 2018**

\* \* \* \* \*

### **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 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 related party for purposes of its injury determination if “appropriate circumstances” exist.<sup>44</sup>

In its original determination, the Commission defined the domestic like product as all SWG hangers, co-extensive with the scope, and the domestic industry as all U.S. producers of the domestic like product except Laidlaw Company LLC (“Laidlaw”) and United Wire Hangers Corporation (“United Wire”).<sup>45</sup> <sup>46</sup> The Commission concluded that Laidlaw and United Wire qualified as related parties based on their importation of the subject merchandise and determined that appropriate circumstances existed to exclude them from the domestic industry.<sup>47</sup> In the first five-year review, the Commission continued to define the domestic like product as all SWG hangers, co-extensive with the scope; there were no related party issues and the Commission defined the domestic industry as all domestic producers of SWG hangers.<sup>48</sup>

In its notice of institution for this review, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definitions of the domestic like product and domestic industry and inquired as to whether any related parties issues existed. According to its response to the notice of institution, the domestic interested party agreed with the Commission’s prior definitions of the domestic like product and domestic industry.<sup>49</sup> The domestic interested party reported that it does not import SWG hangers from

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<sup>44</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>45</sup> *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, pp. 6-7, 11-13.

<sup>46</sup> During the original investigation, the Commission rejected the argument by a respondent that type-2 vinyl-dipped garment hangers (type-2 “VDG hangers”) were a separate domestic like product. *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, pp. 5-7.

<sup>47</sup> *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, p. 9, 11-13.

<sup>48</sup> *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, pp. 5-6.

<sup>49</sup> Domestic interested party’s response to the notice of institution, March 6, 2019, p. 19.

China, and is not affiliated with any companies that import SWG hangers from China.<sup>50</sup> In its response to the notice of institution, M&B reported that \*\*\*.<sup>51</sup>

## **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 27 firms, which accounted for approximately \*\*\* percent of total U.S. imports of SWG hangers from China during 2007.<sup>52</sup>

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested parties provided a list of 98 potential U.S. importers of SWG hangers.<sup>53</sup>

Although the Commission did not receive responses from any respondent interested parties in this current review, in its response to the Commission's notice of institution, the domestic interested party provided a list of 74 potential U.S. importers of SWG hangers.<sup>54</sup>

### **U.S. imports**

Table I-5 presents the quantity, value, and unit value for imports from China as well as the other top sources of U.S. imports (shown in descending order of 2018 imports by quantity). There was a wide fluctuation year to year in the quantity of U.S. imports from China during 2013-18, which decreased from 2013 to 2015, then increased from 2015-17 before decreasing to the lowest level of the period in 2018.

In October 2016, under Title IV, Section 421 of the Trade Facilitation and Trade Enforcement Act of 2015, the U.S. Customs and Border Patrol ("CBP"), initiated an investigation in response to M&B's allegation that SWG hangers from China were being transhipped through Thailand to avoid the payment of dumping duties.<sup>55</sup> In August 2017, CBP determined that subject SWG hangers from China were being transhipped through Thailand to the United States in a duty evasion scheme.<sup>56</sup>

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<sup>50</sup> Domestic interested party's response to the notice of institution, March 6, 2019, p. 14.

<sup>51</sup> *Ibid.*, p. 15.

<sup>52</sup> *Investigation No. 731-TA-1123 (Final): Steel Wire Garment Hangers from China—Staff Report*, INV-FF-109, August 27, 2008, p. IV-1.

<sup>53</sup> *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, p. I-13.

<sup>54</sup> Domestic interested party's response to the notice of institution, March 6, 2019, exh. 2.

<sup>55</sup> M&B alleged that Eastern Trading NY Inc. ("Eastern Trading") evaded antidumping duties by importing Chinese-originated SWG hangers through Thailand between August 2015 and July 2016. Domestic interested party's response to the notice of institution, March 6, 2019, exh. 6.

<sup>56</sup> Domestic interested party's response to the notice of institution, March 6, 2019, pp. 16-17 and exh. 7.

**Table I-5  
SWG hangers: U.S. imports, 2013-18**

Item	2013	2014	2015	2016	2017	2018
	<b>Quantity (1,000 hangers)</b>					
China (subject)	1,116,422	637,879	92,906	330,317	335,433	25,856
Mexico	453,246	439,976	403,409	401,482	408,975	412,230
Cambodia	73,957	206,860	241,223	273,628	222,243	402,315
Laos	73,898	113,523	129,358	160,470	162,754	266,347
Malaysia	9,257	289,209	431,233	234,825	29,889	3,435
All other imports	122,259	180,339	389,306	360,056	442,782	337,831
Subtotal, nonsubject	732,618	1,229,906	1,594,528	1,430,460	1,266,642	1,422,159
Total imports	1,849,040	1,867,785	1,687,435	1,760,777	1,602,075	1,448,016
	<b>Landed, duty-paid value (\$1,000)</b>					
China (subject)	48,994	27,053	6,463	12,492	15,086	3,454
Mexico	16,769	16,745	14,362	14,324	15,105	16,401
Cambodia	2,941	7,743	9,583	11,277	9,933	19,008
Laos	4,337	5,016	5,641	6,713	6,856	11,680
Malaysia	380	11,538	15,666	7,274	959	105
All other imports	5,875	8,865	16,401	13,783	17,641	19,499
Subtotal, nonsubject	30,301	49,908	61,653	53,370	50,494	66,693
Total imports	79,296	76,961	68,116	65,863	65,580	70,147
	<b>Unit value (dollars per 1,000 hangers)</b>					
China (subject)	43.88	42.41	69.56	37.82	44.97	133.59
Mexico	37.00	38.06	35.60	35.68	36.93	39.79
Cambodia	39.77	37.43	39.73	41.21	44.69	47.25
Laos	58.69	44.18	43.61	41.83	42.12	43.85
Malaysia	41.05	39.90	36.33	30.98	32.09	30.57
All other imports	48.05	49.16	42.13	38.28	39.84	57.72
Subtotal, nonsubject	41.36	40.58	38.67	37.31	39.86	46.90
Total imports	42.88	41.20	40.37	37.41	40.93	48.44

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

Source: Official Commerce statistics under HTS statistical reporting number 7326.20.0020.

In May 2017, CBP initiated a second Trade Facilitation and Trade Enforcement Act investigation in response to eight separate allegations by M&B that SWG hangers from China were being transshipped through Malaysia to avoid the payment of dumping duties.<sup>57</sup> In March 2018, CBP determined that the imports of SWG hangers that were under investigation originated in China and were transshipped to Malaysia.<sup>58</sup>

The leading nonsubject sources of U.S. imports of SWG hangers in 2018 were Mexico and Cambodia, which accounted for 28.5 percent and 27.8 percent of total U.S. imports, by quantity, respectively. The unit values of U.S. imports from Mexico and Cambodia were lower than the unit value of U.S. imports from China in every year during 2013-18.

### **Apparent U.S. consumption and market shares**

Table I-6 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption while table I-7 presents data on U.S. market shares of apparent U.S. consumption.

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<sup>57</sup> M&B alleged that Brooklyn Knights Trading, Garment Cover Supply, CASA USA, Nice Guy Trading, GL Paper Distribution, Newtown Supply NY, Subcos Percha De Metal Factory, and Masterpiece Supply evaded antidumping duties by importing Chinese-produced SWG hangers through Malaysia between 2014 and 2017. Domestic interested party's response to the notice of institution, March 6, 2019, exh. 8.

<sup>58</sup> Domestic interested party's response to the notice of institution, March 6, 2019, p. 17 and exh. 9.

**Table I-6**  
**SWG hangers: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption,**  
**2007, 2012, and 2018**

Item	2007	2012	2018
	<b>Quantity (1,000 hangers)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from—			
China	2,697,369	***	25,856
All other	347,824	***	1,422,159
Total imports	3,045,193	***	1,448,016
Apparent U.S. consumption	3,334,602 <sup>1</sup>	***	***
	<b>Value (1,000 dollars)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from—			
China	83,595	***	3,454
All other	11,802	***	66,693
Total imports	95,397	***	70,147
Apparent U.S. consumption	107,759 <sup>1</sup>	***	***

<sup>1</sup> Includes 2007 U.S. shipments from Laidlaw and United Wire, which were excluded from the domestic industry in the original investigation.

Note.— U.S. producers' U.S. shipment data for 2007 are based on U.S. producers' questionnaire responses from M&B, Ganchos, Laidlaw, Merrick, Metro, Shanti, and United Wire. U.S. producers' U.S. shipment data for 2012 are based on a joint response to the Commission's notice of institution of the first five-year review from M&B, Ganchos, Indy Hanger, and US Hanger. U.S. producers' U.S. shipment data for 2018 are based on a response to the Commission's notice of institution of the second five-year review from M&B. M&B estimates that the quantity of Indy Hanger's, US Hanger's, and Ganchos' combined sales in 2018 was \*\*\* hangers.

Source: For the years 2007 and 2012, data are compiled using data submitted in the Commission's original investigation and first five-year review. See *app. C*. For the year 2018, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 7326.20.0020.



**Table I-7**

**SWG hangers: Apparent U.S. consumption and U.S. market shares, 2007, 2012, and 2018**

Item	2007	2012	2018
	<b>Quantity (1,000 hangers)</b>		
Apparent U.S. consumption	3,334,602	***	***
	<b>Value (1,000 dollars)</b>		
Apparent U.S. consumption	107,759	***	***
	<b>Share of consumption based on quantity (percent)</b>		
U.S. producer's share:			
Excluded producers <sup>1</sup>	***	N/A	N/A
All other producers	***	N/A	N/A
Total producers	8.7	***	***
U.S. imports from--			
China	80.9	***	***
All other sources	10.4	***	***
Total imports	91.3	***	***
	<b>Share of consumption based on value (percent)</b>		
U.S. producer's share:			
Excluded producers <sup>1</sup>	***	N/A	N/A
All other producers	***	N/A	N/A
Total producers	11.5	***	***
U.S. imports from--			
China	77.6	***	***
All other sources	11.0	***	***
Total imports	88.5	***	***

<sup>1</sup> As mentioned previously, the Commission excluded Laidlaw and United Wire from the domestic industry during the original investigation.

Note.— U.S. producers' U.S. shipment data for 2007 are based on U.S. producers' questionnaire responses from M&B, Ganchos, Laidlaw, Merrick, Metro, Shanti, and United Wire. U.S. producers' U.S. shipment data for 2012 are based on a joint response to the Commission's notice of institution of the first five-year review from M&B, Ganchos, Indy Hanger, and US Hanger. U.S. producers' U.S. shipment data for 2018 are based on a response to the Commission's notice of institution of the second five-year review from M&B. M&B estimates that the quantity of Indy Hanger's, US Hanger's, and Ganchos' combined sales in 2018 was \*\*\* hangers.

Source: For the years 2007 and 2012, data are compiled using data submitted in the Commission's original investigation and first five-year review. See *app. C*. For the year 2018, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 7326.20.0020.

## THE INDUSTRY IN CHINA

During the final phase of the original investigation, the Commission received foreign producer/exporter questionnaires from 14 firms.<sup>59</sup> Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested party provided a list of 36 firms that it believed currently produced SWG hangers in China.<sup>60</sup> In this current review, the domestic interested party provided a list of 37 firms that it believes currently produce SWG hangers in China.<sup>61</sup>

Since the Commission's last five-year review, Swan Hangers listed its raw material equipment located in Xiamen, China for sale.<sup>62</sup> China seems to be facing a labor shortage in its hanger industry due to an aging population (China's one-child policy leaves not enough of the younger population to replace its aging population in the workforce) and wage increase.<sup>63</sup>

Table I-9 presents export data for articles of iron or steel wire, which includes SWG hangers, from China in descending order of quantity for 2018. The leading export markets of articles of iron or steel wire from China, in 2018, are the United States, Vietnam, and Japan, accounting for 29.3 percent, 16.2 percent, and 8.0 percent, respectively.

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<sup>59</sup> *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, p. I-16. These firms did not provide an estimate of the percentage of total Chinese production they accounted for.

<sup>60</sup> *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Review)*, USITC Publication 4453, February 2014, p. I-16.

<sup>61</sup> Domestic interested party's response to the notice of institution, March 6, 2019, exh. 3.

<sup>62</sup> "For Sale" Swan Hangers, accessed April 15, 2019. <http://swanhangers.com/>.

<sup>63</sup> Meyers, Jessica, *Lost Angeles Times*, "A victim of its own industrial success, China's hanger capital is now just hanging on," April 23, 2018, accessed April 15, 2019. <https://www.latimes.com/world/asia/la-fg-china-labor-shortage-20180423-story.html>.

**Table I-9**  
**Articles of iron or steel wire: Exports from China, by destination, 2013-18**

Item	Calendar year					
	2013	2014	2015	2016	2017	2018
<b>Quantity (1,000 pounds)</b>						
United States	282,226	313,765	363,299	395,500	433,730	484,873
Vietnam	81,730	135,999	168,215	191,161	218,771	266,977
Japan	114,530	115,865	109,433	113,860	121,354	131,422
Bangladesh	19,401	25,342	38,544	57,663	66,060	73,298
South Korea	40,033	46,803	53,468	86,922	69,525	68,140
Malaysia	39,017	38,803	44,972	45,895	33,369	41,610
France	24,124	25,389	26,576	28,693	33,215	32,041
United Kingdom	23,997	25,016	27,921	31,483	32,120	32,013
Australia	35,537	23,046	25,727	32,830	29,908	31,017
Canada	20,635	22,904	22,835	23,407	25,398	29,787
All other	408,172	483,462	466,355	450,934	432,637	461,654
Total	1,089,404	1,256,394	1,347,344	1,458,346	1,496,085	1,652,832

Note.--Because of rounding, figures may not add to totals shown. Chinese export quantities have been converted from kilograms to pounds using a conversion rate of 2.20462 pounds per kilogram.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7326.20, accessed April 3, 2019. These data are overstated as HTS subheading 7326.20 contains products outside the scope of this review.

### **ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS**

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

### **THE GLOBAL MARKET**

According to GTA data, the five leading global exporters of articles of iron or steel wire, (HTS subheading 7326.20), which includes SWG hangers, in terms of value were China, followed by Germany, Netherlands, Belgium, and Poland, accounting for 34.8 percent, 7.3 percent, 7.1 percent, 5.0 percent, and 5.0 percent of global exports in 2018, respectively. Table I-10 presents the largest global export sources of SWG hangers during 2014-18. The value of total world exports increased by 11.9 percent from 2013 to 2018.

**Table I-10**  
**Articles of iron or steel wire: Global exports by major sources, 2013-18**

Country	Value (\$1,000)					
	2013	2014	2015	2016	2017	2018
China	965,095	970,849	985,071	870,432	972,436	1,183,144
Germany	208,990	223,642	206,023	209,738	220,976	249,334
Netherlands	79,366	128,588	124,739	171,458	204,562	242,736
Belgium	193,314	146,215	127,598	123,362	133,335	171,462
Poland	144,965	144,517	135,339	135,765	145,149	169,963
Czech Republic	123,033	135,523	120,684	122,541	138,502	150,574
United States	149,687	150,811	166,218	130,075	138,868	128,515
Italy	120,730	120,435	112,157	107,837	110,245	114,633
France	86,587	101,611	83,168	78,521	80,969	86,698
Canada	36,628	41,726	47,729	50,800	48,956	65,196
All other	934,947	846,670	761,539	732,261	790,906	841,952
World	3,043,342	3,010,588	2,870,264	2,732,790	2,984,904	3,404,208

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7326.20, accessed April 3, 2019. These data are overstated as HTS subheading 7326.20 contains products outside the scope of this review.

**APPENDIX A**

***FEDERAL REGISTER NOTICES***



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://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
84 FR 1704 February 5, 2019	<i>Initiation of Five-Year (Sunset) Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2019-02-05/pdf/2019-01269.pdf">https://www.govinfo.gov/content/pkg/FR-2019-02-05/pdf/2019-01269.pdf</a>
84 FR 2245 February 6, 2019	<i>Steel Wire Garment Hangers From China; Institution of a Five-Year Review</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2019-02-06/pdf/2019-01301.pdf">https://www.govinfo.gov/content/pkg/FR-2019-02-06/pdf/2019-01301.pdf</a>





**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



**RESPONSE CHECKLIST FOR U.S. PRODUCERS**

\* \* \* \* \*



**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR FIVE-YEAR REVIEW**



Table C-4

## SWG hangers: Summary data concerning the U.S. market (excluding Laidlaw and United Wire), 2005-07, January-March 2007, and January-March 2008

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

Item	Reported data				Period changes				
	2005	2006	2007	January-March 2007	2008	2005-07	2005-06	2006-07	Jan.-Mar. 2007-08
<b>U.S. consumption quantity:</b>									
Amount	2,901,595	2,811,415	3,334,602	778,773	***	14.9	-3.1	18.6	***
Producers' share (1):					***				***
Laidlaw & United Wire	***	***	***	***	***	***	***	***	***
All other producers	***	***	***	***	***	***	***	***	***
Total producers	53.1	25.7	8.7	11.7	***	-44.4	-27.5	-17.0	***
Importers' share (1):					***				***
China	36.0	63.2	80.9	76.2	***	44.9	27.2	17.7	***
Other sources	10.9	11.1	10.4	12.1	***	-0.4	0.2	-0.7	***
Total imports	46.9	74.3	91.3	88.3	***	44.4	27.5	17.0	***
<b>U.S. consumption value:</b>									
Amount	119,653	97,623	107,759	24,199	***	-9.9	-18.4	10.4	***
Producers' share (1):					***				***
Laidlaw & United Wire	***	***	***	***	***	***	***	***	***
All other producers	***	***	***	***	***	***	***	***	***
Total producers	56.8	31.1	11.5	15.3	***	-45.3	-25.7	-19.6	***
Importers' share (1):					***				***
China	33.0	57.7	77.6	71.7	***	44.6	24.7	19.9	***
Other sources	10.2	11.2	11.0	13.0	***	0.7	1.0	-0.2	***
Total imports	43.2	68.9	88.5	84.7	***	45.3	25.7	19.6	***
<b>U.S. imports from--</b>									
<b>China:</b>									
Quantity	1,044,701	1,777,680	2,697,369	593,419	626,354	158.2	70.2	51.7	5.6
Value	39,445	56,335	83,595	17,342	22,682	111.9	42.8	48.4	30.8
Unit value	\$37.76	\$31.69	\$30.99	\$29.22	\$36.21	-17.9	-16.1	-2.2	23.9
Ending inventory quantity	78,475	109,418	249,269	132,506	185,476	217.6	39.4	127.8	40.0
<b>All other sources:</b>									
Quantity	315,631	312,182	347,824	94,469	102,094	10.2	-1.1	11.4	8.1
Value	12,231	10,928	11,802	3,147	3,812	-3.5	-10.7	8.0	21.1
Unit value	\$38.75	\$35.01	\$33.93	\$33.31	\$37.34	-12.4	-9.7	-3.1	12.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
<b>All sources:</b>									
Quantity	1,360,331	2,089,862	3,045,193	687,888	728,448	123.9	53.6	45.7	5.9
Value	51,677	67,263	95,397	20,489	26,494	84.6	30.2	41.8	29.3
Unit value	\$37.99	\$32.19	\$31.33	\$29.79	\$36.37	-17.5	-15.3	-2.7	22.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
<b>U.S. producers' (2)</b>									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
<b>U.S. shipments:</b>									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
<b>Export shipments:</b>									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (hangers per hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
<b>Net sales:</b>									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***
<b>U.S. shipments by Laidlaw/United Wire:</b>									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***

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

(2) Excluding Laidlaw and United Wire.

(3) Undefined.

(4) Not applicable.

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

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

**Table I-3**  
**SWG hangers: U.S. producers' trade and financial data, 2005-07 and 2012**

Item	2005	2006	2007	2012
Capacity (1,000 hangers)	2,188,508	1,650,619	1,055,570	***
Production (1,000 hangers)	1,508,585	681,843	271,237	***
Capacity utilization (percent)	68.9	41.3	25.7	***
U.S. shipments				
Quantity (1,000 hangers)	1,541,264	721,553	289,409	***
Value (\$1,000)	67,976	30,360	12,362	***
Unit value (per 1,000 hangers)	44.10	42.08	42.71	***
Net sales value (\$1,000)	***	***	***	***
Cost of goods sold (COGS) (\$1,000)	***	***	***	***
Gross profit or (loss) (\$1,000)	***	***	***	***
SG&A (\$1,000)	***	***	***	***
Operating income or (loss) (\$1,000)	***	***	***	***
COGS/sales (percent)	***	***	***	***
Operating income or (loss)/sales (percent)	***	***	***	***

Source: *Steel Wire Garment Hangers from China*, Inv. No. 731-TA-1123 (Final), Staff Report to the Commission, Memorandum INV-FF-109, August 27, 2008, Tables III-3, III-4, and VI-1; and Domestic interested parties' response to the notice of institution (October 17, 2013), exh. 5.

## U.S. IMPORTS AND APPARENT CONSUMPTION

### U.S. imports

In its original investigation, the Commission received questionnaire responses from 27 importers.<sup>39</sup> In response to the notice of institution in this five-year review, the domestic interested parties identified 98 importers of SWG hangers.<sup>40</sup> The domestic interested parties believe that these firms would likely resume importation of SWG hangers if the order were revoked, and states that "the United States remains the largest market in the world for steel wire garment hangers."<sup>41</sup> Table I-4 presents U.S. import data by source, from 2008 to 2012.

<sup>39</sup> *Steel Wire Garment Hangers from China, Investigation No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, p. IV-1.

<sup>40</sup> Domestic interested parties' response to the notice of institution (October 17, 2013), exh. 2.

<sup>41</sup> Domestic interested parties' response to the notice of institution (October 17, 2013), p. 14.



**Table I-4**  
**SWG hangers: U.S. import data, by source, 2008-12**

Item	Calendar year				
	2008	2009	2010	2011	2012
<b>Quantity (1,000 hangers)</b>					
China	2,069,185	733,871	220,001	588,917	941,678
All other sources	584,458	1,324,563	1,686,442	1,466,461	1,051,483
Total imports	2,653,643	2,058,434	1,906,443	2,055,378	1,993,161
<b>Value (\$1,000)</b>					
China	82,744	25,878	9,763	23,804	41,446
All other sources	27,829	50,855	62,971	58,483	43,752
Total imports	110,573	76,733	72,734	82,287	85,198
<b>Unit value (dollars per 1,000 hangers)</b>					
China	39.98	35.26	44.37	\$40.41	\$44.01
All other sources	47.61	38.39	37.33	39.88	41.60
Total imports	41.66	37.27	38.15	40.03	42.74
<b>Share of quantity (percent)</b>					
China	78.0	35.7	11.5	28.7	47.2
All other sources	22.0	64.3	88.5	71.3	52.8
Total imports	100.0	100.0	100.0	100.0	100.0
<b>Share of value (percent)</b>					
China	74.8	33.7	13.4	28.9	48.6
All other sources	25.2	66.3	86.6	71.1	51.4
Total imports	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official Commerce statistics, HTS number 7326.20.0020.

According to official Commerce import data, China was the largest source of imported SWG hangers in 2012, representing 47.2 percent of U.S. imports, by quantity. The next largest sources of imports were Vietnam, representing 24.4 percent of U.S. imports, by quantity and Mexico, representing 22.9 percent of U.S. imports, by quantity.

#### Ratio of imports to U.S. production

The ratios of imports from China and nonsubject countries during 2005-07 and 2012 are shown in table I-5 below.

**Table I-5**  
**SWG hangers: Ratio of U.S. imports to U.S. production, 2005-07 and 2012**

Item	Calendar year			
	2005	2006	2007	2012
<b>Ratio of imports to U.S. production (percent)</b>				
China	69.3	260.7	994.5	***
All other sources	20.9	45.8	128.2	***
All countries	90.2	306.5	1,122.7	***

Source: *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at IV-13, and compiled from official Commerce statistics, HTS number 7326.20.0020. Domestic interested parties' response to the notice of institution (October 17, 2013).

## Apparent U.S. consumption and market shares

Table I-6 shows U.S. shipments of domestic product, U.S. imports and apparent U.S. consumption in 2005-07 and 2012. Table I-7 shows U.S. market shares during 2005-07 and 2012.

**Table I-6**

**SWG hangers: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2005-07 and 2012**

Item	2005	2006	2007	2012
<b>Quantity (1,000 hangers)</b>				
U.S. producers' U.S. shipments	1,541,264	721,553	289,409	***
U.S. imports from--				
China	1,044,701	1,777,680	2,697,369	***
All other sources	315,631	312,182	347,824	***
Total imports	1,360,331	2,089,862	3,045,193	***
Apparent U.S. consumption	2,901,595	2,811,415	3,334,602	***
<b>Value (1,000 dollars)</b>				
U.S. producers' U.S. shipments	67,976	30,360	12,362	***
U.S. imports from--				
China	39,445	56,335	83,595	***
All other sources	12,231	10,928	11,802	***
Total imports	51,677	67,263	95,397	***
Apparent U.S. consumption	119,653	97,623	107,759	***

*Source: Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final), USITC Publication 4034, September 2008, table III-4 and IV-8. Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final), Staff Report to the Commission, Memorandum INV-FF-109, August 27, 2008, table III-4. Domestic interested parties' response to the notice of institution (October 17, 2013). Because of rounding, figures may not add to the totals shown.*

According to information collected during the original investigation, SWG hangers are used primarily by the dry cleaning, industrial laundry, textile, and uniform rental industries. Purchasers of steel wire garment hangers include national distributors to the dry-cleaning industry as well as industrial laundries which provide uniform rental services.<sup>42</sup>

<sup>42</sup> Domestic interested parties' response to the notice of institution (October 17, 2013), p. 13.

**Table I-7**  
**SWG hangers: U.S. market shares, 2005-07 and 2012**

Item	2005	2006	2007	2012
	<b>Quantity (1,000 hangers)</b>			
Apparent U.S. consumption	2,901,595	2,811,415	3,334,602	***
	<b>Value (1,000 dollars)</b>			
Apparent U.S. consumption	119,653	97,623	107,759	***
	<b>Share of quantity (percent)</b>			
U.S. producers' U.S. shipments	53.1	25.7	8.7	***
U.S. imports from--				
China	36.0	63.2	80.9	***
All other sources	10.9	11.1	10.4	***
Total imports	46.9	74.3	91.3	***
	<b>Share of value (percent)</b>			
U.S. producers' U.S. shipments	56.8	31.1	11.5	***
U.S. imports from—				
China	33.0	57.7	77.6	***
All other sources	10.2	11.2	11.0	***
Total imports	43.2	68.9	88.5	***

Source: *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, table III-4 and IV-9, *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, Staff Report to the Commission, Memorandum INV-FF-109, August 27, 2008, and Domestic interested parties' response to the notice of institution (October 17, 2013). Because of rounding, figures may not add to the totals shown.

## THE INDUSTRY IN CHINA

### Background

During the original investigation, the petition identified 64 producers of SWG hangers in China.<sup>43</sup> The Commission received 14 usable foreign producer questionnaire responses. Between January 2005 and March 2008, more than 90 percent of reported Chinese-produced SWG hangers were exported to the United States.<sup>44</sup>

In their response to the notice of institution in this first five-year review, the domestic interested parties identified 36 firms as producers/exporters of SWG hangers in China.

<sup>43</sup> *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at p. VII-2.

<sup>44</sup> *Steel Wire Garment Hangers from China, Inv. No. 731-TA-1123 (Final)*, USITC Publication 4034, September 2008, at p. VII-5.



**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 a domestic interested party and it named the following six firms as the top purchasers of SWG hangers: \*\*\*. Purchaser questionnaires were sent to these six firms and three firms (\*\*\*) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for steel wire garment hangers that have occurred in the United States or in the market for steel wire garment hangers 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 steel wire garment hangers in the United States or in the market for steel wire garment hangers in China within a reasonably foreseeable time?

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