

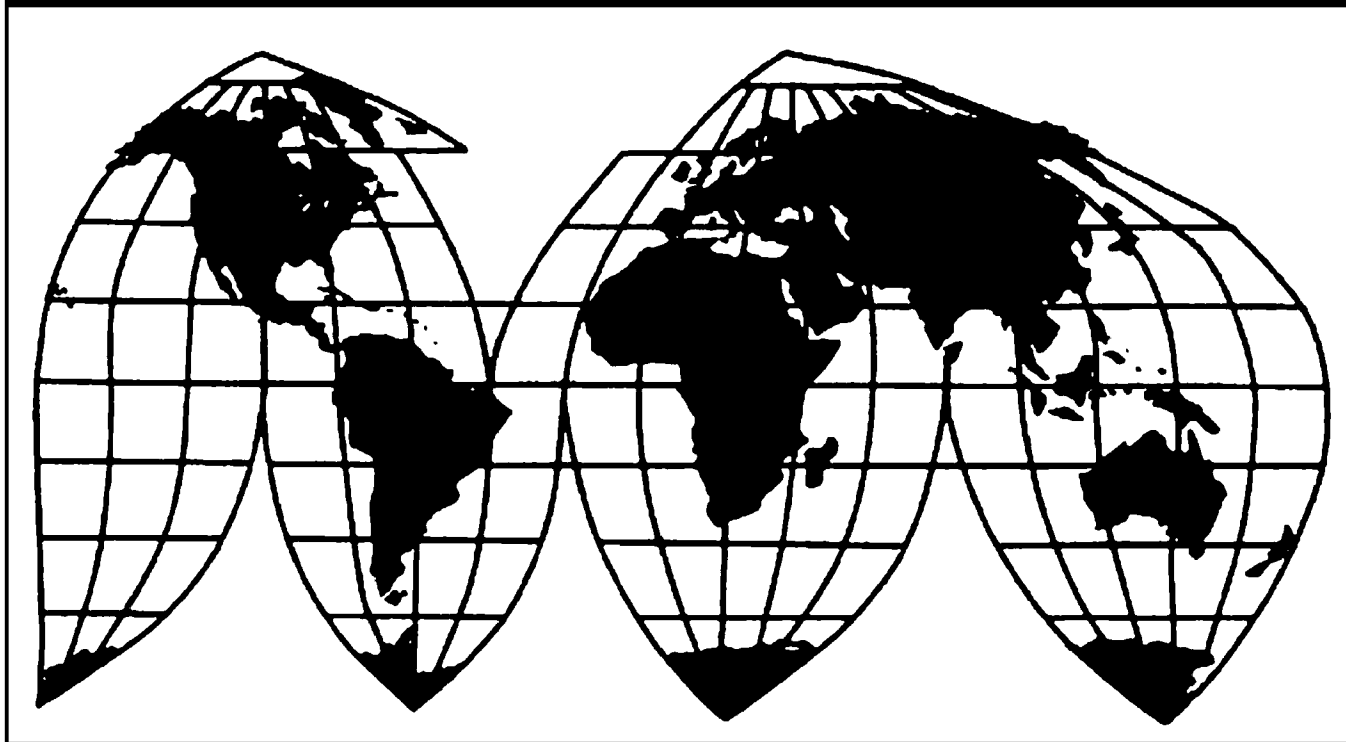
# Commodity Matchbooks from India

Investigation Nos. 701-TA-459 and 731-TA-1155 (Second Review)

Publication 5131

October 2020

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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# **U.S. International Trade Commission**

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Note: Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets or by headings in confidential reports and is deleted and replaced with asterisks in public reports.

# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-459 and 731-TA-1155 (Second Review)

Commodity Matchbooks from India

## DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping and countervailing duty orders on commodity matchbooks from India would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

## BACKGROUND

The Commission instituted these reviews on March 2, 2020 (85 FR 12334) and determined on June 5, 2020 that it would conduct expedited reviews (85 FR 61031, September 29, 2020).

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





## Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping and countervailing duty orders on commodity matchbooks from India 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 Investigations:* On October 29, 2008, D.D. Bean & Sons Co. (“D.D. Bean”) filed antidumping and countervailing duty petitions regarding commodity matchbooks from India.<sup>1</sup> In December 2009, the Commission determined that an industry in the United States was materially injured by reason of imports of commodity matchbooks from India that the U.S. Department of Commerce (“Commerce”) had found had been sold at less than fair value and subsidized by the government of India.<sup>2</sup> Commerce issued antidumping and countervailing duty orders covering the subject merchandise on December 11, 2009.<sup>3</sup>

*First Reviews:* The Commission instituted its first reviews of the orders on November 3, 2014.<sup>4</sup> After conducting expedited reviews, the Commission made affirmative determinations on April 6, 2015.<sup>5</sup> Commerce issued a notice of continuation of the antidumping and countervailing duty orders on April 30, 2015.<sup>6</sup>

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<sup>1</sup> *Commodity Matchbooks from India*, Inv. Nos. 701-TA-459 and 731-TA-1155 (Final), USITC Pub. 4117 (Dec. 2009) (“*Original Determinations*”) at I-1.

<sup>2</sup> *Original Determinations*, USITC Pub. 4117 at 19.

<sup>3</sup> *Notice of Antidumping Duty Order: Commodity Matchbooks from India*, 74 Fed. Reg. 65737 (Dec. 11, 2009); *Notice of Countervailing Duty Order: Commodity Matchbooks from India*, 74 Fed. Reg. 65740 (Dec. 11, 2009).

<sup>4</sup> *Commodity Matchbooks from India: Institution of Five-Year Reviews*, 79 Fed. Reg. 65243 (Nov. 3, 2014).

<sup>5</sup> *Commodity Matchbooks from India*, Inv. No. 701-TA-459 and 731-TA-1155 (Review), USITC Pub. 4525 (Apr. 2015) (“*First Reviews*”); *Commodity Matchbooks From India: Determinations*, 80 Fed. Reg. 21263 (Apr. 17, 2015).

<sup>6</sup> *Commodity Matchbooks From India: Continuation of Antidumping Duty and Countervailing Duty Orders*, 80 Fed. Reg. 24232 (Apr. 30, 2015).

*Current Reviews:* On March 2, 2020, the Commission instituted these second reviews.<sup>7</sup> D.D. Bean filed the only response to the notice of institution.<sup>8</sup> It did not file comments on adequacy or final comments, and no other entity participated in these reviews.<sup>9</sup>

On June 5, 2020, the Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response was inadequate. Finding that no other circumstances warranted conducting full reviews, it determined to expedite these reviews.<sup>10</sup>

In these reviews, U.S. industry data are based on information that D.D. Bean submitted in response to the notice of institution. D.D. Bean indicated that it accounted for all domestic production of commodity matchbooks in 2019.<sup>11</sup> U.S. import data and related information are based on Commerce’s official import statistics.<sup>12</sup> Foreign industry data and related information are based on information from D.D. Bean, questionnaire responses from the original investigations, and publicly available information gathered by staff.<sup>13</sup> One U.S. purchaser of commodity matchbooks responded to the Commission’s adequacy phase questionnaire.<sup>14</sup>

## **II. Domestic Like Product and Industry**

### **A. Domestic Like Product**

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>15</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>16</sup> The Commission’s

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<sup>7</sup> *Commodity Matchbooks From India: Institution of Five-Year Reviews*, 85 Fed. Reg. 12334 (Mar. 2, 2020).

<sup>8</sup> Response to Notice of Institution (Apr. 1, 2020) (“Response”).

<sup>9</sup> No respondents participated in the original investigations or first reviews. *Original Determinations*, USITC Pub. 4117 at 3; *First Reviews*, USITC Pub. 4525 at 3.

<sup>10</sup> Explanation of Commission Determination on Adequacy, EDIS Doc. 720470.

<sup>11</sup> Confidential Report, INV-SS-060 (May 22, 2020) (“CR”) and Public Report (“PR”) at Table I-1.

<sup>12</sup> CR/PR at Table I-3. Import data are based on an HTS category that includes both commodity matchbooks and out-of-scope merchandise and hence are likely overstated. *Id.*

<sup>13</sup> See generally CR/PR at I-15 to I-18.

<sup>14</sup> See CR/PR at D-3.

<sup>15</sup> 19 U.S.C. § 1677(4)(A).

<sup>16</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.*

(continued...)

practice in five-year reviews is to examine the domestic like product definition from the original investigation(s) and consider whether the record indicates any reason to revisit the prior findings.<sup>17</sup>

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

commodity matchbooks, also known as commodity book matches, paper matches or booklet matches.<sup>18</sup> Commodity matchbooks typically, but do not necessarily, consist of twenty match stems which are usually made from paperboard or similar material tipped with a match head composed of any chemical formula. The match stems may be stitched, stapled or otherwise fastened into a matchbook cover of any material, on which a striking strip composed of any chemical formula has been applied to assist in the ignition process.

Commodity matchbooks included in the scope of this order may or may not contain printing. For example, they may have no printing other than the identification of the manufacturer or importer. Commodity matchbooks may also be printed with a generic message such as “Thank You” or a generic image such as the American Flag, with store brands (*e.g.*, Kroger, 7-Eleven, Shurfine or Giant); product brands for national or regional advertisers such as cigarettes or alcoholic beverages; or with corporate brands for national or regional distributors (*e.g.*, Penley Corp. or Diamond Brands). They all enter retail distribution channels. Regardless of the materials used for the stems of the matches and regardless of the way the match stems are fastened to the matchbook cover, all commodity matchbooks are included in the scope of these

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(...continued)

*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>17</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 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

<sup>18</sup> Commerce explained that “[s]uch commodity matchbooks are also referred to as ‘for resale’ because they always enter into retail channels, meaning businesses that sell a general variety of tangible merchandise, *e.g.*, convenience stores, supermarkets, dollar stores, drug stores and mass merchandisers.” *Commodity Matchbooks From India: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 36834, 36834-35 (June 18, 2020); *Commodity Matchbooks From India: Final Results of the Second Expedited Sunset Review of the Countervailing Duty Order*, 85 Fed. Reg. 41558, 41559 (July 10, 2020).

orders. All matchbooks, including commodity matchbooks, typically comply with the United States Consumer Product Safety Commission (CPSC) Safety Standard for Matchbooks, codified at 16 CFR 1202.1 through 1202.7.

The scope of this order excludes promotional matchbooks, often referred to as “not for resale,” or “specialty advertising” matchbooks, as they do not enter into retail channels and are sold to businesses that provide hospitality, dining, drinking or entertainment services to their customers, and are given away by these businesses as promotional items. Such promotional matchbooks are distinguished by the physical characteristic of having the name and/or logo of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbecue or individual establishment printed prominently on the matchbook cover. Promotional matchbook cover printing also typically includes the address and the phone number of the business or establishment being promoted.<sup>19</sup> Also excluded are all other matches that are not fastened into a matchbook cover such as wooden matches, stick matches, box matches, kitchen matches, pocket matches, penny matches, household matches, strike-anywhere matches (aka “SAW” matches), strike-on-box matches (aka “SOB” matches), fireplace matches, barbeque/grill matches, fire starters, and wax matches.

The merchandise subject to this order is properly classified under subheading 3605.00.0060 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 3605.00.0030 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.<sup>20</sup>

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<sup>19</sup> Commerce stated that “{t}he gross distinctions between commodity matchbooks and promotional matchbooks may be summarized as follows: (1) If it has no printing, or is printed with a generic message such as “Thank You” or a generic image such as the American Flag, or printed with national or regional store brands or corporate brands, it is commodity; (2) if it has printing, and the printing includes the name of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbecue, or individual establishment prominently displayed on the matchbook cover, it is promotional.” *Commodity Matchbooks From India: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. at 36834-35; *Commodity Matchbooks From India: Final Results of the Second Expedited Sunset Review of the Countervailing Duty Order*, 85 Fed. Reg. at 41559.

<sup>20</sup> *Commodity Matchbooks From India: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. at 36834-35; *Commodity Matchbooks From India: Final Results of the Second Expedited Sunset Review of the Countervailing Duty Order*, 85 Fed. Reg. at 41559.

This scope definition is unchanged from Commerce’s scope definition in the original investigations.<sup>21</sup>

Commodity matchbooks consist of paper matches fastened into a matchbook cover. The cover of a commodity matchbook is usually plain white paperboard, sometimes printed with a generic message or image, such as “Thank You” or the American flag. The match stem is made from paperboard and the match head is made from a chemical mixture that is usually potassium chlorate, ground glass, gelatin, sulfur, diatomaceous earth, and carboxymethylcellulose. A mixture of red phosphorus, polyvinyl acetate, and ground glass is applied to the cover for use as a striking surface for the match head. Commodity matchbooks contain 20 matches, corresponding to the number of cigarettes in a pack. All commodity matchbooks, whether imported or domestically produced, are required to meet CPSC safety standards.<sup>22</sup>

In the original investigations, the Commission found a single domestic like product consisting of commodity matchbooks, coextensive with Commerce’s scope.<sup>23</sup> The Commission considered whether to include out-of-scope promotional matchbooks in its definition of the domestic like product. It concluded that while commodity and promotional matchbooks share the same physical characteristics and uses, they differed in quality, end use, purchasers’ perceptions, channels of distribution, along with some differences in production processes.<sup>24</sup> Specifically, the Commission found the promotional matchbooks were generally of higher quality, with custom printed covers, were more expensive, and were used primarily as souvenirs rather than an ignition source.<sup>25</sup>

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<sup>21</sup> See *Original Determinations*, USITC Pub. 4117 at 4-5. Commerce indicated that there have been no administrative reviews, changed circumstances determinations, new shipper reviews, scope rulings, or duty absorption findings in connection with the antidumping duty order under review. *Issues and Decision Memorandum for the Expedited Second Sunset Review of the Antidumping Duty Order on Commodity Matchbooks from India*, A-533-848 (June 4, 2020) at 3. With respect to the countervailing duty order, Commerce noted that it has not conducted any administrative reviews, changed circumstances determinations, new shipper reviews, scope rulings, duty absorption findings, anti-circumvention inquiries, section 129 proceedings, or changed circumstance reviews. *Issues and Decision Memorandum for the Second Expedited Sunset Review of the Countervailing Duty Order on Commodity Matchbooks from India*, C-533-849 (June 23, 2020) at 4.

<sup>22</sup> CR/PR at I-7.

<sup>23</sup> *Original Determinations*, USITC Pub. 4117 at 7.

<sup>24</sup> *Original Determinations*, USITC Pub. 4117 at 6-7.

<sup>25</sup> *Original Determinations*, USITC Pub. 4117 at 6-7.

In the first reviews, D.D. Bean stated that it agreed with the definition of the domestic like product that the Commission adopted in the original investigations. The Commission indicated that there was no new information indicating any reason to revisit the domestic like product definition from the original determinations. Accordingly, the Commission again defined the domestic like product as commodity matchbooks, coextensive with Commerce's scope.<sup>26</sup>

In the current reviews, D.D. Bean agrees with the Commission's definition of the domestic like product from the prior proceedings.<sup>27</sup> The record contains no information suggesting that the characteristics and uses of domestically produced commodity matchbooks have changed since the original investigations.<sup>28</sup> Accordingly, we define a single domestic like product consisting of commodity matchbooks, coextensive with the scope of the orders under review.

## **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>29</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 investigations and first reviews, the Commission defined a single domestic industry consisting of all domestic producers of commodity matchbooks.<sup>30</sup> There were no related party or other domestic industry issues in the prior proceedings.<sup>31</sup>

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<sup>26</sup> *First Reviews*, USITC Pub. 4525 at 6.

<sup>27</sup> D.D. Bean Substantive Response to Notice of Institution ("Response"), EDIS No. 709863, May 7, 2020, at 13.

<sup>28</sup> *See generally* CR/PR at I-7 to I-8.

<sup>29</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

<sup>30</sup> *Original Determinations*, USITC Pub. 4117 at 7; *First Reviews*, USITC Pub. 4525 at 7.

<sup>31</sup> *Original Determinations*, USITC Pub. 4117 at 7; *First Reviews*, USITC Pub. 4525 at 7.

In the current reviews, D.D. Bean states that it agrees with the Commission's previous domestic industry definition.<sup>32</sup> There are no related party or other domestic industry issues in these reviews.<sup>33</sup> Consequently, we define the domestic industry to consist of the sole known domestic producer of commodity matchbooks.

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

#### **A. Legal Standards**

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."<sup>34</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>35</sup> Thus, the likelihood standard is prospective in nature.<sup>36</sup> The U.S. Court of International Trade has found that "likely," as used in the five-year

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<sup>32</sup> Response at 13.

<sup>33</sup> D.D. Bean indicates that it does not import the subject merchandise. Response at 11. Moreover, the facts available indicate that no entity in India exported subject merchandise to the United States during the period of review. CR/PR at Table I-3 note 3.

<sup>34</sup> 19 U.S.C. § 1675a(a).

<sup>35</sup> SAA, H.R. Rep. 103-316, vol. I at 883-84 (1994). 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>36</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 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.

review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>37</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>38</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>39</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>40</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 order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>41</sup> The statute further provides

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<sup>37</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 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>38</sup> 19 U.S.C. § 1675a(a)(5).

<sup>39</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>40</sup> 19 U.S.C. § 1675a(a)(1).

<sup>41</sup> 19 U.S.C. § 1675a(a)(1). As noted in section II.A. above, Commerce has not issued any duty absorption findings with respect to the orders on commodity matchbooks from India.



that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.<sup>42</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>43</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>44</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>45</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing

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<sup>42</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>43</sup> 19 U.S.C. § 1675a(a)(2).

<sup>44</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>45</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.

development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>46</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 orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>47</sup>

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the commodity matchbooks industry in India. There also is limited information about the market for commodity matchbooks in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and first reviews and the limited new information on the record in these reviews.

## **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>48</sup> The following conditions of competition inform our determinations.

### **1. Demand Conditions**

*Original Investigations:* In the original investigations, the Commission found that in general, the demand for commodity matchbooks was closely linked to the demand for cigarettes. The Commission observed, however, that demand for commodity matchbooks as measured by apparent U.S. consumption declined at a greater rate over the period of investigation (“POI”) than the demand for cigarettes.<sup>49</sup> It concluded that additional factors,

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<sup>46</sup> 19 U.S.C. § 1675a(a)(4).

<sup>47</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 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>48</sup> 19 U.S.C. § 1675a(a)(4).

<sup>49</sup> *Original Determinations*, USITC Pub. 4117 at 11. The POI was January 1, 2006 to June 30, 2008.

such as the use of lighters instead of matches, reduced demand for commodity matchbooks and that demand was likely to continue declining.<sup>50</sup> Apparent U.S. consumption of commodity matchbooks declined from \*\*\* cases in 2006 to \*\*\* cases in 2007 and \*\*\* cases in 2008.<sup>51</sup>

*First Reviews:* In the first reviews, the Commission found that the available information indicated that the conditions of competition influencing demand for commodity matchbooks had not changed significantly since the original investigations and that demand continued to trend downward at a moderate rate.<sup>52</sup> Apparent U.S. consumption of commodity matchbooks was \*\*\* cases in 2013.<sup>53</sup>

*Current Reviews:* The available information indicates that the conditions of competition that influence demand for commodity matchbooks have not changed significantly since the original investigations.<sup>54</sup> D.D. Bean indicates that demand for commodity matchbooks continues to trend downward at a moderate rate.<sup>55</sup> Available data indicate that apparent U.S. consumption was \$\*\*\* million in 2013 and \$7.7 million in 2019.<sup>56</sup> As in the first reviews, available data likely overstate apparent U.S. consumption because the official import statistics

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<sup>50</sup> *Original Determinations*, USITC Pub. 4117 at 11.

<sup>51</sup> *Original Determinations*, USITC Pub. 4117 at 11; *Confidential Original Determinations*, EDIS Doc. 548606 at 16. Apparent U.S. consumption was \*\*\* cases during January – June (“interim”) 2008 and lower, \*\*\* cases, during interim 2009. *Id.*

<sup>52</sup> *First Reviews*, USITC Pub. 4525 at 10.

<sup>53</sup> *First Reviews*, USITC Pub. 4525 at 10; *Confidential First Review Determinations*, EDIS Doc. 709732 at 14. The Commission explained that U.S. import and apparent U.S. consumption data for 2013 were not directly comparable to the data presented for 2006-08, as 2013 import data were derived from official import statistics, which did not distinguish commodity from promotional matchbooks and other matches, whereas 2006-08 import data were derived from questionnaires and represented only commodity matchbooks. It found that, as a result, apparent U.S. consumption in 2013 was overstated and the domestic industry’s market share was understated. *First Reviews*, USITC Pub. 4525 at 10 n.41.

<sup>54</sup> The purchaser that responded to the Commission’s adequacy phase questionnaire reported that there have been no significant changes in demand or supply conditions since 2014. See CR/PR at D-3.

<sup>55</sup> Response at 11.

<sup>56</sup> CR/PR at Table I-4. The unit of quantity for imports reported under HTSUS subheading 3605.00 was changed during the current period of review, from gross containers to kilograms. Because the official import statistics are not recorded on a consistent quantity basis throughout the period of review, apparent domestic consumption for the current period of review is reported on the basis of value. CR/PR at Table I-4 note.

used in calculating apparent U.S. consumption include out-of-scope merchandise such as promotional matchbooks.<sup>57</sup>

## 2. Supply Conditions

*Original Investigations:* In the original investigations, the Commission found that, including D.D. Bean, there were three domestic producers. The Commission found that the domestic industry's market share, on a quantity basis, increased from \*\*\* percent in 2006 to \*\*\* percent in 2007 and to \*\*\* percent in 2008.<sup>58</sup> The market share of subject imports fell from \*\*\* percent in 2006 to \*\*\* percent in 2008.<sup>59</sup> The Commission found that China and Mexico were nonsubject sources of commodity matchbooks during the POI, and that their share of the U.S. market declined from 2006 to 2007 and was \*\*\* percent in 2008.<sup>60</sup>

*First Reviews:* In the first reviews, the Commission found that two domestic producers had ceased production since the original investigations, leaving D.D. Bean as the sole domestic producer of commodity matchbooks.<sup>61</sup> By quantity, D.D. Bean's share of apparent U.S. consumption was \*\*\* percent in 2013, subject imports were \*\*\* percent, and nonsubject imports were \*\*\* percent.<sup>62</sup>

*Current Reviews:* As previously stated, D.D. Bean indicates that it is the only domestic producer of commodity matchbooks.<sup>63</sup> The data collected in these reviews indicate that it was responsible for 40.6 percent of apparent U.S. consumption of commodity matchbooks in 2019, based on value.<sup>64</sup> For the reason noted above, its actual share was likely appreciably higher.<sup>65</sup> As we already indicated and explain further below, available import data in these reviews are likely overstated. Furthermore, D.D. Bean states that it alone satisfies all demand for

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<sup>57</sup> See CR/PR at Table I-4 & n.2. The data also are not comparable to those from the original investigations because in the original investigations the Commission used questionnaire data limited to commodity matchbooks to calculate the volume of imports and apparent U.S. consumption. *Original Determinations*, USITC Pub. 4117 at IV-1 to IV-2.

<sup>58</sup> *Original Determinations*, USITC Pub. 4117 at 12; *Confidential Original Determinations* at 18.

<sup>59</sup> *Original Determinations*, USITC Pub. 4117 at 12; *Confidential Original Determinations* at 18.

<sup>60</sup> *Original Determinations*, USITC Pub. 4117 at 12; *Confidential Original Determinations* at 18.

<sup>61</sup> *First Reviews*, USITC Pub. 4525 at 11.

<sup>62</sup> *First Reviews*, USITC Pub. 4525 at 11; *Confidential First Review Determinations* at 15.

<sup>63</sup> Response at 11.

<sup>64</sup> CR/PR at Table I-4.

<sup>65</sup> See *supra* n.53.

commodity matchbooks in the U.S. market.<sup>66</sup> In light of this, we find that the record indicates that D.D. Bean is the predominant supplier of commodity matchbooks in the U.S. market. D.D. Bean also reports that there are no new technologies or production methods that would change supply conditions for commodity matchbooks.<sup>67</sup>

Data collected in these reviews indicate that nonsubject sources supplied 43.8 percent of apparent U.S. consumption in 2019, based on value.<sup>68</sup> This figure is overstated because it encompasses imports of both commodity matchbooks and out-of-scope promotional matchbooks.<sup>69</sup> Moreover, a substantial proportion of the value of nonsubject imports in 2019 reported in the available data (including the largest individual source and two of the top four sources) was from sources that are not among the known nonsubject sources of supply of commodity matchbooks.<sup>70</sup>

The record also indicates that during the period of review, imports of matches from India entered under HTSUS statistical reporting number 3605.00.0060, the category under which commodity matchbooks, promotional matchbooks, and other matches are imported.<sup>71</sup> The information available indicates that these imports were not subject merchandise. D.D. Bean asserts that subject merchandise has not been imported since imposition of the orders.<sup>72</sup> Further, \*\*\*.<sup>73</sup>

### 3. Substitutability and Other Conditions

*Original Investigations:* In the original investigations, the Commission found that there was a high degree of substitutability between subject imports and the domestic like product. It also found that while domestic producers' and importers' responses varied regarding the

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<sup>66</sup> Response at 11.

<sup>67</sup> Response at 12. As noted, the purchaser that responded to the Commission's adequacy phase questionnaire reported that there have been no significant changes in demand or supply conditions since 2014. See CR/PR at D-3.

<sup>68</sup> CR/PR at Table I-4.

<sup>69</sup> CR/PR at Table I-4 note.

<sup>70</sup> See CR/PR at Table I-3. Known nonsubject sources of supply include Guatemala and Egypt, which D.D. Bean identified as the only other global markets for commodity matchbooks. Response at 12. China and Mexico were also identified as nonsubject sources of supply in the original investigations. *Original Determinations*, USITC Pub. 4117 at 12. Mexico was also identified as a potential nonsubject source of supply in the first reviews. *First Reviews*, USITC Pub. 4525 at 15 n.74.

<sup>71</sup> CR/PR at Table I-3.

<sup>72</sup> Response at 9.

<sup>73</sup> CR/PR at Table I-4 note 2.

importance of price as a factor in sales, all responding purchasers indicated that price was a very important consideration in purchasing decisions.<sup>74</sup> The Commission found that commodity matchbooks were sold on both a contract and a spot basis and that D.D. Bean sold \*\*\*, while another domestic producer sold \*\*\*.<sup>75</sup> Raw materials accounted for almost \*\*\* the cost of production of commodity matchbooks and D.D. Bean reported that energy, paraffin, match stem, and potassium chlorate costs all increased in 2008.<sup>76</sup>

*First Reviews:* In the first reviews, the Commission found that there was no new information to suggest that the substitutability of commodity matchbooks from domestic and subject sources had changed since the original investigations. It found that the domestic like product and subject merchandise were highly substitutable and that price continued to be an important factor in purchasing decisions.<sup>77</sup>

*Current Reviews:* In these reviews, there again is no new information on the record to suggest that the substitutability of commodity matchbooks from domestic and subject sources has changed since the original investigations. Accordingly, we again find that the domestic like product and subject merchandise are highly substitutable and that price continues to be an important factor in purchasing decisions.

## **C. Likely Volume of Subject Imports**

### **1. Prior Proceedings**

In the original investigations, the Commission found that the volume of subject imports was significant, both in absolute terms and relative to U.S. consumption and production.<sup>78</sup> The Commission found that while the volume of subject imports declined, this was due in large part to the domestic industry's strategy of lowering its prices to meet import competition in 2006 and 2007, as well as to the filing of the petition on October 29, 2008.<sup>79</sup>

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<sup>74</sup> *Original Determinations*, USITC Pub. 4117 at 13.

<sup>75</sup> *Original Determinations*, USITC Pub. 4117 at 13; Confidential Original Determinations at 19.

<sup>76</sup> *Original Determinations*, USITC Pub. 4117 at 13; Confidential Original Determinations at 19.

<sup>77</sup> *First Reviews*, USITC Pub. 4525 at 11.

<sup>78</sup> *Original Determinations*, USITC Pub. 4117 at 13-14. The volume of subject imports declined from \*\*\* cases in 2006 to \*\*\* cases in 2007 and \*\*\* cases in 2008. It was \*\*\* cases in interim 2008 and \*\*\* cases in interim 2009. *Confidential Original Determinations* at 20. The market share of subject imports fell from \*\*\* percent in 2006 to \*\*\* percent in 2008, and it was \*\*\* percent in interim 2008 and \*\*\* percent in interim 2009. *Id.*

<sup>79</sup> *Original Determinations*, USITC Pub. 4117 at 13-14.

In the first reviews, the available information indicated that the orders had a disciplining effect on the volume of subject imports. Official import statistics for the HTSUS subheading that included commodity matchbooks showed that subject imports decreased 92.4 percent between 2009 and 2013.<sup>80</sup> The Commission noted that it had limited current data concerning matchbook producers in India, but the record showed that subject producers continued to be export oriented and that Triveni Safety, the primary exporter of subject merchandise during the original investigations, continued to produce matchbooks.<sup>81</sup> Further, Global Trade Atlas (“GTA”) data indicated that India was the world’s largest exporter of matches, and that it had increased its exports of matches during the period of review.<sup>82</sup> The record also indicated that Egypt and Guatemala, the only other countries besides the United States that consumed commodity matchbooks, maintained steep tariffs on commodity matchbooks.<sup>83</sup> In the Commission’s view, these tariffs made it more likely that the subject producers would direct exports to the U.S. market if the orders were revoked.<sup>84</sup>

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 orders were revoked.<sup>85</sup>

## **2. The Current Reviews**

As discussed above, the information available indicates that subject imports were not present in the U.S. market during the period of review, indicating that the orders continue to have a disciplining effect on the volume of subject imports.

Information in these reviews concerning Indian producers of commodity matchbooks is limited because they declined to participate or furnish information to the Commission. According to D.D. Bean, Triveni Safety, the primary exporter of subject merchandise to the United States during the original investigations, continues to produce out-of-scope matchbooks

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<sup>80</sup> The Commission found that official import statistics concerning imports of commodity matchbooks during the period of review were overstated and not comparable to data in the original investigations. *First Reviews*, USITC Pub. 4525 at 12.

<sup>81</sup> *First Reviews*, USITC Pub. 4525 at 12-13.

<sup>82</sup> *First Reviews*, USITC Pub. 4525 at Table 7.

<sup>83</sup> *First Reviews*, USITC Pub. 4525 at 12-13.

<sup>84</sup> *First Reviews*, USITC Pub. 4525 at 12-13.

<sup>85</sup> *First Reviews*, USITC Pub. 4525 at 13.

in Mumbai, India.<sup>86</sup> Further, another company, Bell Match Private Limited, produces matchbooks for export in Virudunagar, India. According to Bell Match’s website, it is “a key player in the export segment with a footprint in more than 25 countries.”<sup>87</sup>

Information gathered in these reviews confirms that the Indian industry is a major exporter of matches and matchbooks. Global data indicate that India is the world’s largest exporter of matches and matchbooks, directing exports to several markets throughout the world.<sup>88</sup> Exports of matches and matchbooks from India increased irregularly from \$46.7 million in 2014 to \$55.0 million in 2019, and India’s exports accounted for 37.4 percent by value of global exports of matches and matchbooks in 2019.<sup>89</sup>

Subject producers appear to have the capability and incentive to begin or renew production of commodity matchbooks and to increase exports to the U.S. market if the antidumping and countervailing duty orders are revoked. Available data indicate that matchbook producers in India have an interest in supplying the U.S. market, as the value of imports from India of the HTS statistical reporting number that includes both commodity and promotional matchbooks increased sharply from \$358,000 in 2017, the period peak to that point, to \$1.2 million in 2018 and 2019.<sup>90</sup> Further, there are limited export markets for commodity matchbooks. Information on the record shows that Egypt and Guatemala – other countries besides the United States that are believed to be major consumers of commodity matchbooks – maintain steep import tariffs on the product.<sup>91</sup> These tariffs would create a further incentive for the subject producers to direct exports to the U.S. market should the orders under review be revoked.

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<sup>86</sup> CR/PR at I-15 to I-16; *Original Determinations*, USITC Pub. 4117 at 1; *Confidential Original Determinations*, EDIS Doc. 548606 at 1

<sup>87</sup> CR/PR at I-16. The website for Bell Match contains images of promotional matchbooks. See CR/PR at I-16 n.40 (citing <http://www.bellmatch.com>). Given our findings in the original investigations that “{c}ommodity and promotional matchbooks share some physical characteristics and uses” and share some similarities in production processes and machinery, the available evidence in these reviews does not lead us to conclude that Bell Match does not or cannot produce commodity matchbooks. See *Original Determinations*, USITC Pub. 4117, at 6-7.

<sup>88</sup> CR/PR at Tables I-5 and I-6. The export data available from GTA concern matches, other than pyrotechnic articles, a product category that includes both subject commodity matchbooks and out-of-scope merchandise such as promotional matchbooks. *Id.*

<sup>89</sup> See CR Table I-6.

<sup>90</sup> See CR/PR at Table I-3.

<sup>91</sup> CR/PR at I-17. The record indicates that no other country has imposed antidumping or countervailing duties on commodity matchbooks from India. *Id.*



We therefore find that, absent the disciplining effect of the orders, matchbook producers in India are likely to direct significant volumes of subject merchandise to the United States. Accordingly, we find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant if the orders were revoked.<sup>92</sup>

#### **D. Likely Price Effects**

##### **1. Prior Proceedings**

In the original investigations, the Commission found that subject imports undersold the domestic like product in all 14 quarterly price comparisons at margins that averaged 16.4 percent.<sup>93</sup> It found the declines in prices for the domestic like product corresponded with the largest margins of underselling and concluded that subject imports depressed prices for the domestic like product to a significant degree. The Commission also found that the domestic industry's ratio of cost of goods sold to net sales increased over the POI and concluded that subject imports suppressed prices for the domestic like product to a significant degree.<sup>94</sup>

In the first reviews, there was no new product-specific pricing information, and D.D. Bean was the only source of data concerning sales of commodity matchbooks in the United States. It reported that the average case value of its U.S. shipments in 2013 was higher than in any year during the original investigations.<sup>95</sup> In light of the pervasive underselling during the original POI, the Commission found that if the antidumping and countervailing duty orders were revoked, subject imports from India would likely undersell the domestic like product as they did during the original investigations. This in turn would likely cause the domestic producers to cut prices, limit price increases, or lose sales. The Commission therefore concluded that there would likely be significant depressing or suppressing effects on the price of the domestic like product if the antidumping and countervailing duty orders were revoked.<sup>96</sup>

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<sup>92</sup> Due to the expedited nature of these reviews, the record does not contain current information regarding inventories of the subject merchandise or subject producers' ability to shift production to commodity matchbooks from out-of-scope products.

<sup>93</sup> *Original Determinations*, USITC Pub. 4117 at 15.

<sup>94</sup> *Original Determinations*, USITC Pub. 4117 at 15-16.

<sup>95</sup> *First Reviews*, USITC Pub. 4525 at 13-14.

<sup>96</sup> *First Reviews*, USITC Pub. 4525 at 13-14.

## **2. The Current Reviews**

In these reviews, we continue to find, as stated in section III.B.3., that the domestic like product and subject imports are highly substitutable and that price is an important factor in purchasing decisions.

Because these are expedited reviews, the record does not contain new pricing data from questionnaire responses. Data from D.D. Bean indicate that the average unit value (“AUV”) of its U.S. shipments of commodity matchbooks was \*\*\* higher in 2019 than those it reported in the original investigations and first reviews.<sup>97</sup>

We find that upon revocation, subject imports would likely undersell the domestic like product, as they did in the original investigations, to regain a significant presence in the U.S. market. The underselling would likely cause the domestic industry to lower prices or forgo price increases to cover costs, as was the case in the original investigations. Accordingly, we conclude that the likely significant volume of subject imports would undersell the domestic like product to a significant degree to gain market share and would likely have price suppressing or depressing effects if the orders were revoked.

### **E. Likely Impact**

#### **1. Prior Proceedings**

In the original investigations, the Commission found declines in most measures of industry performance from the beginning of the POI until the time the petitions were filed. The domestic industry’s production, capacity utilization, and shipments declined.<sup>98</sup> Its employment and financial indicators also declined over the POI. The Commission considered whether decreased demand contributed to the financial condition of the domestic industry and concluded that while it may have led to deterioration in some aspects of the industry’s financial performance, the decrease in demand was not sufficient to explain the magnitude of these declines.<sup>99</sup> It concluded that subject imports had a significant impact on the domestic industry

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<sup>97</sup> See CR/PR at Table I-2.

<sup>98</sup> *Original Determinations*, USITC Pub. 4117 at 17. The Commission observed that despite these declines, the domestic industry gained market share. *Id.*

<sup>99</sup> *Original Determinations*, USITC Pub. 4117 at 17-18. The Commission also considered the role of nonsubject imports and concluded that they were not the cause of any injury to the domestic industry because they were not always present in the market during the POI and were priced higher than subject imports. *Id.* at 18.

and that the domestic industry was materially injured by reason of subject imports.<sup>100</sup>

In the first reviews, the only information concerning the domestic industry was the limited data that D.D. Bean provided in its response to the notice of institution.<sup>101</sup> That information indicated that the domestic industry's profitability had improved since the original investigations, with its operating income and operating income margin higher in 2013 than at any point in the original investigations.<sup>102</sup> While the domestic industry's reported capacity, production, and quantity of U.S. shipments were lower in 2013 than during the original investigations, in the Commission's view this was not surprising in light of the reported downward trend in U.S. demand.<sup>103</sup>

The Commission therefore found that, should the orders be revoked, the likely significant volume and price effects of subject imports would likely have a significant adverse impact on the industry's employment and trade and financial indicators. It also explained that the likely adverse effects of revocation would not be attributable to nonsubject imports, as an increase in nonsubject imports over the period of review had not prevented the industry's condition from improving during the same period.<sup>104</sup>

## 2. The Current Reviews

In the current reviews, the information available concerning the domestic industry's condition is based on data D.D. Bean provided in its response to the notice of institution.<sup>105</sup> In 2019, D.D. Bean's capacity was 416,250 cases, its production was 78,324 cases, and its capacity

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<sup>100</sup> *Original Determinations*, USITC Pub. 4117 at 19.

<sup>101</sup> The limited record was insufficient for the Commission to make a finding on whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders. *First Reviews*, USITC Pub. 4525 at 14.

<sup>102</sup> *First Reviews*, USITC Pub. 4525 at 14-15. The domestic industry reported an operating income of \$\*\*\* from sales of \$\*\*\*, resulting in an operating margin of \*\*\* percent in 2013. *Id.*; *Confidential First Review Determinations* at 21.

<sup>103</sup> The domestic industry's capacity was \*\*\* cases in 2013 and reported production was \*\*\* cases in 2013. U.S. shipments were \*\*\* cases in 2013. *First Reviews*, USITC Pub. 4525 at 14-15; *Confidential First Review Determinations* at 21.

<sup>104</sup> *First Reviews*, USITC Pub. 4525 at 14-15. The Commission noted that Mexico was the only known nonsubject source of commodity matchbooks. There were no reported imports from Mexico in 2009 and 2010, and fluctuating amounts from 2011 to 2013. *First Reviews*, USITC Pub. 4525 at 15 n.74.

<sup>105</sup> D.D. Bean did not seek proprietary treatment for this data. See Letter from Julia Bartlett, D.D. Bean, to USITC (May 8, 2020), EDIS Doc. 710406.

utilization was 18.8 percent.<sup>106</sup> Its U.S. shipments totaled 79,242 cases in 2019.<sup>107</sup> D.D. Bean's production and shipments were \*\*\* lower during 2019 than in 2013, consistent with the firm's representation that the domestic market for commodity matchbooks continues to decline.<sup>108</sup>

In 2019, D.D. Bean reported an operating income of \$377,000 from net sales of \$3.1 million, resulting in an operating income margin of 12.1 percent.<sup>109</sup> Its sales and operating income were lower than it reported during the previous reviews, although its operating income ratio was higher.<sup>110 111</sup>

As discussed above, we have found that, upon revocation of the orders, 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 adverse effect on the production, shipment, 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.

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked, we have also considered the role of factors other than subject imports, including the presence of nonsubject imports. As discussed above, nonsubject imports of commodity matchbooks appear to have had a more limited presence in the U.S. market during the period of review than official import statistics indicate. Given the substitutability of imported and domestically produced commodity matchbooks, the importance of price in purchasing decisions, and the likely underselling by subject imports in the event of revocation of the orders, as well as the available information indicating that the domestic industry is the predominant supplier of commodity matchbooks in the U.S. market, any likely increase in subject imports would come predominantly at the expense of the domestic industry. Further, notwithstanding what appears to have been a decrease in apparent U.S. consumption during

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<sup>106</sup> CR/PR at Table I-2.

<sup>107</sup> CR/PR at Table I-2.

<sup>108</sup> See CR/PR at Table I-2; Response at 11.

<sup>109</sup> CR/PR at Table I-2.

<sup>110</sup> CR/PR at Table I-2. As previously stated, D.D. Bean's AUV was higher in 2019 than in the prior proceedings. See *Id.*

<sup>111</sup> The limited evidence in these expedited reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury should the orders be revoked.

the period of review, the domestic industry was able to \*\*\*.<sup>112</sup> Consequently, the subject imports would likely have adverse effects distinct from any that may be caused by declining demand or nonsubject imports if the orders were revoked.

#### **IV. Conclusion**

For the reasons discussed above, we determine that revocation of the antidumping and countervailing duty orders on commodity matchbooks from India would be likely to 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>112</sup> See CR/PR at Table I-2.



# Information obtained in these reviews

## Background

On March 2, 2020, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews to determine whether revocation of the countervailing and antidumping duty orders on commodity matchbooks from India would be likely to lead to continuation or recurrence of material injury.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3</sup> <sup>4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

<b>Effective date</b>	<b>Action</b>
March 1, 2020	Notice of initiation by Commerce (85 FR 12253, March 2, 2020)
March 2, 2020	Notice of institution by Commission (85 FR 12334, March 2, 2020)
June 5, 2020	Commission’s vote on adequacy
June 18, 2020	Commerce’s results of its expedited review of the antidumping duty order
July 10, 2020	Commerce’s results of its expedited review of the countervailing duty order
October 28, 2020	Commission’s determinations and views

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

<sup>2</sup> 85 FR 12334, March 2, 2020. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 85 FR 12253, March 2, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](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 are 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 this proceeding.

## Responses to the Commission’s notice of institution

### Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of D.D. Bean & Sons Co. (“D.D. Bean”), a domestic producer of commodity matchbooks (referred to herein as “domestic interested party”).

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

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

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer	1	100%

Note: In its response to the notice of institution, the domestic interested party stated that it is the only known producer of commodity matchbooks in the United States during 2019. Domestic interested party’s response to the notice of institution, April 1, 2020, p. 9 and exh. 1.

### Party comments on adequacy

No party filed comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. However, in its response to the Commission’s notice of institution, D.D. Bean requests that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on commodity matchbooks.<sup>5</sup>

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<sup>5</sup> Domestic interested party’s response to the notice of institution, April 1, 2020, pp. 13-14.



## **The original investigations and subsequent reviews**

### **The original investigations**

The original investigations resulted from petitions filed on October 29, 2008 with Commerce and the Commission by D.D. Bean, Jaffrey, New Hampshire.<sup>6</sup> On October 22, 2009, Commerce determined that imports of commodity matchbooks from India were being sold at less than fair value (“LTFV”) and subsidized by the Government of India.<sup>7</sup> The Commission determined on December 4, 2009 that the domestic industry was materially injured by reason of imports of commodity matchbooks from India.<sup>8</sup> On December 11, 2009, Commerce issued its antidumping and countervailing duty orders with a final weighted-average dumping margin of 66.07 percent and a net subsidy rate of 9.88 percent.<sup>9</sup>

### **The first five-year reviews**

On February 6, 2015, the Commission determined that it would conduct expedited reviews of the antidumping and countervailing duty orders on commodity matchbooks from India.<sup>10</sup> On March 11, 2015, Commerce determined that revocation of the antidumping and countervailing duty orders on commodity matchbooks from India would be likely to lead to continuation or recurrence of dumping and subsidization.<sup>11</sup> On April 6, 2015, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>12</sup> Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective April 30, 2015, Commerce issued a continuation of the antidumping and countervailing duty orders on imports of commodity matchbooks from India.<sup>13</sup>

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<sup>6</sup> Commodity Matchbooks from India, Inv. Nos. 701-TA-459 and 731-TA-1155 (Final), USITC Publication 4117, December 2009 (“Original publication”), p. I-1.

<sup>7</sup> 74 FR 54536 and 74 FR 54547, October 22, 2009.

<sup>8</sup> 74 FR 65549, December 10, 2009.

<sup>9</sup> 74 FR 65737 and 74 FR 65740, December 11, 2009.

<sup>10</sup> 80 FR 9480, February 23, 2015.

<sup>11</sup> 80 FR 12801 and 80 FR 12800, March 11, 2015.

<sup>12</sup> 80 FR 21263, April 17, 2015.

<sup>13</sup> 80 FR 24232, April 30, 2015.

## Previous and related investigations

Commodity matchbooks have not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

## Commerce's five-year reviews

Commerce is conducting expedited reviews with respect to the orders on imports of commodity matchbooks from India and intends to issue the final results of these reviews based on the facts available not later than June 30, 2020.<sup>14</sup> Commerce's Issues and Decision Memoranda, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the orders, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memoranda can be accessed at <http://enforcement.trade.gov/frn/>. The Issues and Decision Memoranda will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping and/or countervailing duty orders on imports of commodity matchbooks from India are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

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<sup>14</sup> Letter from Alex Villanueva, Senior Director, Office 1, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, April 22, 2020.

## The product

### Commerce's scope

Commerce has defined the scope as follows:

*{c}ommodity matchbooks, also known as commodity book matches, paper matches or booklet matches.<sup>15</sup> Commodity matchbooks typically, but do not necessarily, consist of twenty match stems which are usually made from paperboard or similar material tipped with a match head composed of any chemical formula. The match stems may be stitched, stapled or otherwise fastened into a matchbook cover of any material, on which a striking strip composed of any chemical formula has been applied to assist in the ignition process.*

*Commodity matchbooks included in the scope of these orders may or may not contain printing. For example, they may have no printing other than the identification of the manufacturer or importer. Commodity matchbooks may also be printed with a generic message such as "Thank You" or a generic image such as the American Flag, with store brands (e.g., Kroger, 7-Eleven, Shurfine or Giant); product brands for national or regional advertisers such as cigarettes or alcoholic beverages; or with corporate brands for national or regional distributors (e.g., Penley Corp. or Diamond Brands). They all enter retail distribution channels. Regardless of the materials used for the stems of the matches and regardless of the way the match stems are fastened to the matchbook cover, all commodity matchbooks are included in the scope of these orders. All matchbooks, including commodity matchbooks, typically comply with the United States Consumer Product Safety Commission (CPSC) Safety Standard for Matchbooks, codified at 16 CFR 1202.1 et seq.*

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<sup>15</sup> Such commodity matchbooks are also referred to as "for resale" because they always enter into retail channels, meaning businesses that sell a general variety of tangible merchandise, e.g., convenience stores, supermarkets, dollar stores, drug stores and mass merchandisers.

*The scope of these orders excludes promotional matchbooks, often referred to as “not for resale,” or “specialty advertising” matchbooks, as they do not enter into retail channels and are sold to businesses that provide hospitality, dining, drinking or entertainment services to their customers, and are given away by these businesses as promotional items. Such promotional matchbooks are distinguished by the physical characteristic of having the name and/or logo of a bar, restaurant, resort, hotel, club, café/coffee shop, grill, pub, eatery, lounge, casino, barbecue or individual establishment printed prominently on the matchbook cover. Promotional matchbook cover printing also typically includes the address and the phone number of the business or establishment being promoted.<sup>16</sup> Also excluded are all other matches that are not fastened into a matchbook cover such as wooden matches, stick matches, box matches, kitchen matches, pocket matches, penny matches, household matches, strike-anywhere matches (aka “SAW” matches), strike-on-box matches (aka “SOB” matches), fireplace matches, barbeque/grill matches, fire starters, and wax matches.<sup>17</sup>*

## **U.S. tariff treatment**

Commodity matchbooks are currently imported under HTS statistical reporting number 3605.00.0060.<sup>18</sup> Commodity matchbooks imported from India enter the U.S. market at a column 1-general duty rate of “free.” Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

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<sup>16</sup> The gross distinctions between commodity matchbooks and promotional matchbooks may be summarized as follows: (1) If it has no printing, or is printed with a generic message such as “Thank You” or a generic image such as the American Flag, or printed with national or regional store brands or corporate brands, it is commodity; (2) if it has printing, and the printing includes the name of a bar, restaurant, resort, hotel, club, café/coffee shop, grill, pub, eatery, lounge, casino, barbecue, or individual establishment prominently displayed on the matchbook cover, it is promotional.

<sup>17</sup> 80 FR 24232, April 30, 2015.

<sup>18</sup> Promotional matchbooks, and some other pyrotechnic products are also imported under HTS statistical reporting number 3605.00.0060 and are outside of the scope of these reviews.

## **19 Description and uses**

Commodity matchbooks consist of paper match stems fastened into a matchbook cover. The cover is usually made of plain white paperboard, which is sometimes printed with a simple generic message or image, such as "Thank You," the American flag, or a chain store logo. Figure I-1 shows an example of a commodity matchbook cover. A composition of red phosphorus, polyvinyl acetate, and ground glass is applied to the cover for use as a striking surface. The match stem is made from paperboard and is tipped with a match head composed of a chemical mixture (usually potassium chlorate, ground glass, gelatin, sulfur, diatomaceous earth, and carboxymethylcellulose), which ignites as the result of a chemical reaction when struck on the striking surface. Commodity matchbooks contain 20 matches, equaling the quantity of cigarettes in a pack. All commodity matchbooks consumed in the United States, whether imported or made in the United States, are required to meet U.S. consumer product safety standards.

**Figure I-1**  
**Commodity matchbooks: Commodity matchbook cover**



Source: Original publication, p. I-8.

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<sup>19</sup> Unless otherwise noted, this information is based on Commodity Matchbooks from India, Inv. Nos. 701-TA-459 and 731-TA-1155 (Review), USITC Publication 4525, April 2015 ("First review publication"), p. I-5.

## **Manufacturing process<sup>20</sup>**

The production process for commodity matchbooks is an automated process involving dedicated machinery. Match stem stock is purchased in large rolls and continuously fed into a punch press with a die that stamps out strips of 120 individual matches. The match strips are inserted into a carrier chain that passes through a paraffin dip followed by immersion into the match head composition. The carrier chain continues through a drying process and the strips are extracted and conveyed directly to the assembly area. The printing of the match cover may be outsourced to a commercial printer or done internally. High speed roll-to-roll printing is commonly used to produce commodity matchbook covers. A slurry composition containing red phosphorous is applied to either a sheet or roll of printed covers using a variety of application methods and then dried. The tray or caddy that contains the 50 matchbooks is die cut from rolls or sheets of recycled chipboard and folded and glued by machine to form the finished caddy. The caddies are transported to the assembly machines either manually or typically by conveyor belts.

The finished match stems and the sheets or rolls of match covers are simultaneously loaded into an automatic assembly machine. While in the automatic assembly machine, the match strips are cut into sections containing the appropriate number of individual matches (20 match stems per book) at the same time the cover is cut to individual size. The cover is then folded over the match stems and stitched to complete the finished book. The assembled matchbooks are then accumulated and presented for packaging, either manually or automatically, into caddies of 50 matchbooks. After being packed, the caddies are most commonly paper-wrapped but may also be inserted into a folding carton (made of recycled clay-coated carton stock), with or without shrink-wrap. Finished caddies are accumulated and packaged into cases. Fifty caddies per case is the standard size but variations of 40, 30, and 20 caddies per case are not uncommon. Upon completion of this step, finished cases are palletized and are ready for shipment to the customer.

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<sup>20</sup> Unless otherwise noted, this information is based on the original publication, pp. I-7–I-8.

## The industry in the United States

### U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from D.D. Bean and Atlas Match, which accounted for all known production of commodity matchbooks in the United States during 2008.<sup>21</sup> During the first five year reviews, the domestic interested party, D.D. Bean indicated that it was the only known and currently operating U.S. producer of commodity matchbooks.<sup>22</sup>

In response to the Commission's notice of institution in these current reviews, the domestic interested party reported that it is the only known and currently operating U.S. producer of commodity matchbooks and the U.S. industry data provided in response to the Commission's notice of institution accounted for all known production of commodity matchbooks in the United States during 2019.<sup>23</sup>

### Recent developments

Since the Commission's last five-year reviews, the following developments have occurred in the commodity matchbook industry.

In 2016, D.D. Bean acquired Atlas Match, a former producer of commodity matchbooks, becoming the sole match producer in the United States.<sup>24</sup> Atlas Match produced promotional matchbooks and matchboxes. Production of these nonsubject items remained at the original Atlas Match factory in Euless, Texas until 2018, when the company closed its factory in Texas; and machinery was moved to the factory in Jaffrey, New Hampshire. All matchbook and matchbox production is now consolidated under one roof in Jaffrey.<sup>25</sup> According to a news interview with the company's owner, the equipment relocated from the Atlas Match factory is sheet fed instead of roll fed, and the company will soon incorporate some automation into its New Hampshire operation. The company's owner also stated that D.D. Bean has plans to

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<sup>21</sup> Original publication, p. I-3.

<sup>22</sup> First review publication, p. I-10.

<sup>23</sup> Domestic interested party's response to the notice of institution, April 1, 2020, p. 9.

<sup>24</sup> D.D. Bean reported that Atlas Match ceased production of commodity matchbooks in 2009, but continued to produce promotional matchbooks. First review publication, p. I-10.

<sup>25</sup> D.D. Bean & Sons Co. "The Bean Blog." <https://ddbean.com/about-us/bean-blog/>, retrieved April 20, 2020.

expand its factory to create more storage space.<sup>26</sup> According to the domestic interested party's response to the notice of institution, there are no new technologies or production methods in the domestic industry. D.D. Bean's overall workforce has grown from 56 employees in 2009 to 93 employees in 2020.<sup>27</sup>

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

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.<sup>28</sup> Table I-2 presents a compilation of the data submitted from D.D. Bean as well as trade and financial data submitted by U.S. producers in the original investigations and prior five-year reviews.

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<sup>26</sup> Handy, "D.D. Bean & Sons Co. in Jaffrey is Now the Lone Match Manufacturer in North America." Monadnock Ledger Transcript, January 9, 2019. <https://www.ledgertranscript.com/DD-Bean-variance-request-22624839>, retrieved April 20, 2020.

<sup>27</sup> Domestic interested party's response to the notice of institution, April 1, 2020, pp. 8-12.

<sup>28</sup> Individual company trade and financial data are presented in app. B.



**Table I-2**  
**Commodity matchbooks: Trade and financial data submitted by U.S. producers, 2008, 2013, and 2019**

Item	2008	2013	2019
Capacity (cases)	***	***	416,250
Production (cases)	***	***	78,324
Capacity utilization (percent)	***	***	18.8
Total U.S. shipments: Quantity (cases)	***	***	79,242
Value (\$1,000)	***	***	3,143
Unit value (per case)	***	***	39.66
Net sales (\$1,000)	***	***	3,111
COGS (\$1,000)	***	***	2,090
COGS/net sales	***	***	67.2
Gross profit or (loss) (\$1,000)	***	***	1,021
SG&A expenses (loss) (\$1,000)	***	***	644
Operating income (loss) (\$1,000)	***	***	377
Operating income (loss)/net sales (percent)	***	***	12.1

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

Source: For the years 2008 and 2013, data are compiled using data submitted in the Commission’s original investigations and first five-year reviews. For the year 2019, data are compiled using data submitted by the domestic interested party. Domestic interested party’s response to the notice of institution, April 1, 2020, exh. 1.

## 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 U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.<sup>29</sup>

In its original determinations and its expedited first five-year review determinations, the Commission found a single domestic like product comprised of commodity matchbooks

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

coextensive with Commerce's scope and defined the domestic industry as all U.S. producers of commodity matchbooks.<sup>30</sup>

## **U.S. imports and apparent U.S. consumption**

### **U.S. importers**

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from three firms, which accounted for almost all U.S. imports of commodity matchbooks from India from 2006 through 2008.<sup>31</sup> Import data presented in the original investigations are based on official questionnaire responses. Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested party reported that it was not aware of any firms that currently imported commodity matchbooks from India.<sup>32</sup> Import data presented in the first reviews are based on official Commerce statistics.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested party reported that it was not aware of any firms that currently import commodity matchbooks from India.<sup>33</sup>

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

Table I-3 presents the value of U.S. imports from India as well as the other top sources of U.S. imports (shown in descending order of 2019 imports by value).<sup>34</sup>

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<sup>30</sup> 85 FR 12334, March 2, 2020.

<sup>31</sup> Original publication, p. I-1.

<sup>32</sup> First review publication, p. I-11.

<sup>33</sup> Domestic interested party's response to the notice of institution, April 1, 2020, p. 9.

<sup>34</sup> Official import statistics are no longer available in number of cases, thus import quantity data for 2014-19 are not presented in this report.

**Table I-3  
Commodity matchbooks: U.S. imports, 2014-19**

Item	2014	2015	2016	2017	2018	2019
	<b>Landed, duty-paid value (\$1,000)</b>					
India (subject)	83	290	145	358	1,216	1,206
Israel	1,697	0	0	1,152	1,503	2,330
China	138	218	162	218	257	313
Japan	347	187	371	286	188	311
Mexico	49	264	275	184	194	266
All other imports (nonsubject)	1,382	1,134	1,019	1,398	2,386	174
Subtotal, nonsubject	3,614	1,803	1,827	3,238	4,529	3,393
Total imports	3,696	2,093	1,973	3,596	5,745	4,599

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

Note: Official import statistics are no longer available in number of cases, thus import quantity data for 2014-19 are not presented in this report.

Note: Official U.S. import data are likely overstated since subject merchandise enters the United States under HTS 3605.00.0060, a reporting number that contains products outside the scope of the order. The domestic interested party reported that it does not believe there have been any imports of the subject merchandise since the institution of the antidumping and countervailing duty orders. Domestic interested party's response to the notice of institution, p. 9. \*\*\*.

Source: Compiled from official Commerce statistics for HTS statistical reporting number 3605.00.0060. These data may be overstated as HTS statistical reporting number 3605.00.0060 may contain products outside the scope of these reviews.

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

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

**Table I-4**

**Commodity matchbooks: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares, 2008, 2013, and 2019**

Item	2008	2013	2019
	Quantity (cases)		
U.S. producers' U.S. shipments	***	***	79,242
U.S. imports from—			
India	***	10,020	N/A
All other	***	220,589	N/A
Total imports	***	230,609	N/A
Apparent U.S. consumption	***	***	N/A
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	***	***	3,143
U.S. imports from—			
India	***	83	1,206
All other	***	2,762	3,393
Total imports	***	2,845	4,599
Apparent U.S. consumption	***	***	7,742
	Share of consumption based on quantity (percent)		
U.S. producers' share	***	***	N/A
U.S. imports from—			
India	***	***	N/A
All other sources	***	***	N/A
Total imports	***	***	N/A
	Share of consumption based on value (percent)		
U.S. producers' share	***	***	40.6
U.S. imports from—			
India	***	***	15.6
All other sources	***	***	43.8
Total imports	***	***	59.4

Notes continued on next page

Note: For 2008, apparent U.S. consumption is derived from U.S. shipments of imports, rather than U.S. imports.

Note: Official U.S. import data are likely overstated since subject merchandise enters the United States under HTS 3605.00.0060, a reporting number that contains products outside the scope of the order. The domestic interested party reported that it does not believe there have been any imports of the subject merchandise since the institution of the antidumping and countervailing duty orders. Domestic interested party's response to the notice of institution, p. 9. \*\*\*.

Note: Official import statistics are no longer available in number of cases, thus import quantity data for 2014-19 are not presented in this report.

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

Source: For the years 2008 and 2013, data are compiled using data submitted in the Commission's original investigations and first five-year reviews. For the year 2019, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 3605.00.0060.

## The industry in India

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from one firm.<sup>35</sup> Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested party identified two possible producers of commodity matchbooks in India in that proceeding.<sup>36</sup>

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested party identified one possible producer of commodity matchbooks in India.<sup>37</sup>

During the first reviews, the domestic interested party identified two producers of matchbooks in India: Triveni Safety and The Bell Match Private Limited (Bell Match).<sup>38</sup> D.D. Bean indicated then that Triveni Safety no longer appeared to be producing commodity matchbooks. In its response to the notice of institution in these current reviews, D.D. Bean again indicated that Triveni Safety did not appear to be producing commodity matchbooks, but

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<sup>35</sup> Investigation Nos. 701-TA-459 and 731-TA-1155 (Final): Commodity Matchbooks from India, Confidential Report, INV-GG-107, November 5, 2009 ("Original confidential report"), p. VII-1.

<sup>36</sup> First review publication, p. I-17.

<sup>37</sup> Domestic interested party's response to the notice of institution, April 1, 2020, p. 5.

<sup>38</sup> First review publication, p. I-17.

continues to produce other types of nonsubject matchbooks at its factory in Mumbai.<sup>39</sup> According to Bell Match’s website, it continues to produce matchbooks in Virudunagar, India. The company claims to be “a key player in the export segment with a footprint in more than 25 countries.”<sup>40</sup>

Table I-5 presents export data for matches, other than pyrotechnic articles of heading 3604, a category that includes commodity matchbooks and out-of-scope products, from India (by export destination in descending order of value for 2019).

**Table I-5**  
**Matches, other than pyrotechnic articles of heading 3604: Exports from India, by destination, 2014-19**

Item	Calendar year					
	2014	2015	2016	2017	2018	2019
	<b>Value (1,000 dollars)</b>					
Nigeria	10,865	8,571	9,667	11,844	6,877	10,141
Sudan	2,014	3,593	3,878	3,831	3,955	3,668
Ghana	1,871	2,353	1,925	2,783	2,110	3,112
Benin	1,220	1,266	2,270	2,339	2,690	2,990
South Africa	206	317	1,509	3,065	1,731	2,642
United States	1,288	1,974	1,441	2,022	2,036	2,306
Togo	1,484	1,594	1,468	1,689	1,551	1,798
France	1,454	1,480	1,953	1,881	2,007	1,679
Haiti	1,198	1,374	1,645	1,341	1,467	1,588
Niger	402	57	173	353	391	1,352
All other	24,706	21,793	24,497	25,107	24,039	23,676
Total	46,708	44,373	50,426	56,256	48,853	54,952

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 3605.00. These data may be overstated as HTS subheading 3605.00 may contain products outside the scope of these reviews.

<sup>39</sup> Domestic interested party’s response to the notice of institution, April 1, 2020, pp. 5-6.

<sup>40</sup> Bell Match, “Home”, <http://www.bellmatch.com/>, retrieved April 28, 2020.

## **Antidumping or countervailing duty orders in third-country markets**

Based on available information, commodity matchbooks from India have not been subject to other antidumping or countervailing duty investigations outside the United States. However, the domestic interested party notes that both Egypt and Guatemala have “steep” import tariffs in place.<sup>41</sup>

### **The global market**

During the first reviews, only the United States, Egypt, Guatemala, Mexico, and India had known manufacturing capabilities for commodity matchbooks.<sup>42</sup> In these current reviews, the domestic interested party reported that global demand has remained unchanged since 2015, with Egypt and Guatemala still being the only other consumers of commodity matchbooks, while other countries primarily use wooden matches. The domestic interested party also reported that both Egypt and Guatemala continue to have domestic producers of commodity matchbooks.<sup>43</sup>

Table I-6 presents global export data for matches, other than pyrotechnic articles of subheading 3604, a category that includes commodity matchbooks and out-of-scope products, (by source in descending order of value for 2019).

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<sup>41</sup> Domestic interested party’s response to the notice of institution, April 1, 2020, p. 12.

<sup>42</sup> First review publication, p. I-18.

<sup>43</sup> Domestic interested party’s response to the notice of institution, April 1, 2020, p. 12.

**Table I-6**  
**Matches, other than pyrotechnic articles of heading 3604: Global exports by major sources, 2014-19**

Item	Calendar Years					
	2014	2015	2016	2017	2018	2019
	<b>Value (1,000 dollars)</b>					
India	46,708	44,373	50,426	56,256	48,853	54,952
Sweden	36,486	31,032	28,417	26,920	27,727	22,419
Russia	16,247	10,806	10,867	10,582	9,102	8,528
South Africa	15,186	12,975	9,443	12,003	11,950	7,929
Indonesia	14,583	11,450	10,148	9,968	10,312	7,672
Brazil	7,717	6,351	7,288	7,346	6,997	7,038
Guatemala	6,769	6,864	6,038	5,802	5,526	5,284
China	4,803	3,810	3,729	4,552	5,243	5,163
Chile	2,159	2,890	2,024	3,462	5,761	4,219
Germany	6,508	3,876	3,878	4,343	4,039	4,134
All other	66,673	51,173	44,511	44,088	42,558	19,524
<b>Total</b>	<b>223,841</b>	<b>185,599</b>	<b>176,767</b>	<b>185,322</b>	<b>178,067</b>	<b>146,860</b>

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 3605.00. These data may be overstated as HTS subheadings 3605.00 contain products outside the scope of these reviews.



**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
85 FR 12253 March 2, 2020	<i>Initiation of Five-Year (Sunset) Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-03-02/pdf/2020-04216.pdf">https://www.govinfo.gov/content/pkg/FR-2020-03-02/pdf/2020-04216.pdf</a>
85 FR 12334 March 2, 2020	<i>Commodity Matchbooks From India; Institution of Five-Year Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-03-02/pdf/2020-04076.pdf">https://www.govinfo.gov/content/pkg/FR-2020-03-02/pdf/2020-04076.pdf</a>



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



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**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



**Table C-1**  
**COMMODITY MATCHBOOKS: Summary data concerning the U.S. market, 2006-08, January-June 2008, and January-June 2009**

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**Table C-2**  
**PROMOTIONAL MATCHBOOKS: Summary data concerning the U.S. market, 2006-08, January-June 2008, and January-June 2009**

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**Table C-3**  
**COMMODITY & PROMOTIONAL MATCHBOOKS: Summary data concerning the U.S. market, 2006-08, January-June 2008, and January-June 2009**

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**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 domestic interested parties and it named the following three firms as the top purchasers of commodity matchbooks: \*\*\*. Purchaser questionnaires were sent to these three firms and one firm (\*\*\*) provided responses, which are presented below.

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

<b>Purchaser</b>	<b>Yes / No</b>	<b>Changes that have occurred</b>
***	***	***

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

<b>Purchaser</b>	<b>Yes / No</b>	<b>Changes that have occurred</b>
***	***	***

