

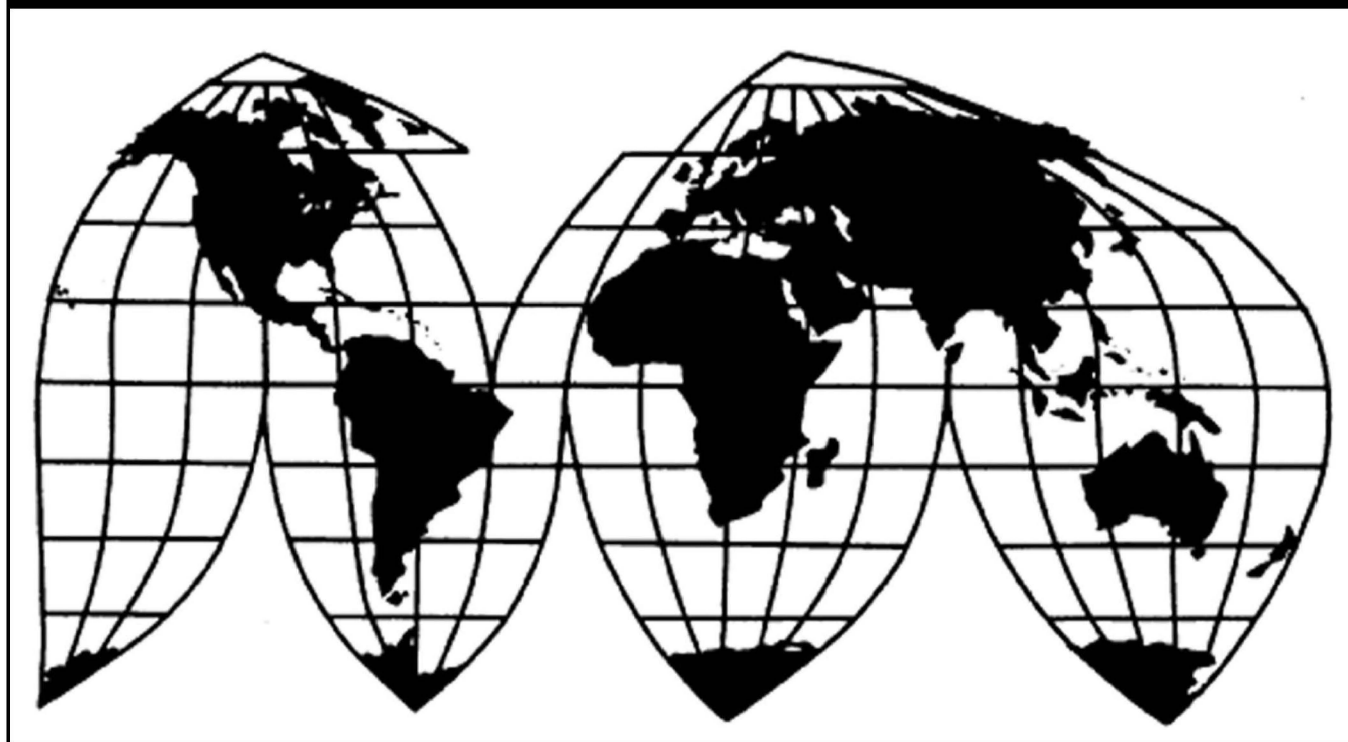
# Wooden Bedroom Furniture from China

Investigation No. 731-TA-1058 (Third Review)

Publication 5348

August 2022

**U.S. International Trade Commission**



Washington, DC 20436

# 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Note: Information that would reveal confidential operations of individual concerns may not be published.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 No. 731-TA-1058 (Third Review)

Wooden Bedroom Furniture from China

## **DETERMINATION**

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

## **BACKGROUND**

The Commission instituted this review on January 3, 2022 (87 FR 121) and determined on April 8, 2022 that it would conduct an expedited review (87 FR 47463, August 3, 2022).

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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 this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on wooden bedroom furniture (“WBF”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

*Original Investigation.* On October 31, 2003, the American Furniture Manufacturers Committee for Legal Trade (“AFMC”), its individual members, and a labor union filed an antidumping duty petition concerning imports of WBF from China.<sup>1</sup> In December 2004, the Commission determined that an industry in the United States was materially injured by reason of imports of WBF from China that Commerce had determined were sold in the United States at less than fair value (“LTFV”).<sup>2</sup> In January 2005, the U.S. Department of Commerce (“Commerce”) issued an antidumping duty order covering imports of WBF from China.<sup>3</sup>

*First Review.* In December 2009, the Commission instituted the first five-year review of the antidumping duty order on WBF from China.<sup>4</sup> It found that the domestic interested party group response to the notice of institution was adequate and the respondent interested party group response was inadequate, but determined to conduct a full review because of changes in the relevant conditions of competition.<sup>5</sup> In November 2010, the Commission determined that revocation of the antidumping duty order on WBF from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a

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<sup>1</sup> *Wooden Bedroom Furniture from China*, Inv. No. 731-TA-1058 (Final), USITC Pub. 3743 at 1 (Dec. 2004) (“*Original Determination*”); *Confidential Original Determination*, EDIS Doc. 763406. The AFMC is a U.S. trade association, which at the time of the filing of the petition, consisted of 27 U.S. producers of WBF. The petition was subsequently amended to include five additional labor unions as petitioners. *Original Determination*, USITC Pub. 3743 at I-1 nn.1&2.

<sup>2</sup> *Original Determination*, USITC Pub. 3743 at 3.

<sup>3</sup> *Wooden Bedroom Furniture from the People’s Republic of China: Determination of Sales at Less than Fair Value and Antidumping Duty Order*, 70 Fed. Reg. 329 (Jan. 4, 2005).

<sup>4</sup> *Wooden Bedroom Furniture from the People’s Republic of China: Institution of a Five-Year Review*, 74 Fed. Reg. 62,817 (Dec. 1, 2009).

<sup>5</sup> *Wooden Bedroom Furniture from China*, Inv. No. 731-TA-1058 (Review), USITC Pub. 4203 at 3 (Dec. 2004) (“*First Review Determination*”); *Confidential First Review Determination*, EDIS Doc. 763407.

reasonably foreseeable time.<sup>6</sup> Commerce subsequently published a notice of continuation of the antidumping duty order on WBF in December 2010.<sup>7</sup>

*Second Review.* In November 2015, the Commission instituted the second five-year review of the antidumping duty order on WBF from China.<sup>8</sup> The Commission found that both the domestic interested party group response and the respondent interested party group response were adequate, and it therefore determined to conduct a full review of the antidumping duty order.<sup>9</sup> In January 2017, the Commission determined that revocation of the antidumping duty order on WBF from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>10</sup> Commerce subsequently published a notice of continuation of the antidumping duty order on WBF in February 2017.<sup>11</sup>

*Current Review.* The Commission instituted this current five-year review on January 3, 2022.<sup>12</sup> The Commission received one response to the notice of institution filed jointly by the AFMC and Vaughan-Bassett Furniture Company, Inc. (“Vaughan-Bassett”), a domestic producer and member of the AFMC (collectively, “Domestic Producers”).<sup>13</sup> <sup>14</sup> The Commission received no respondent interested party responses to the notice of institution. On January 4, 2022, the

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<sup>6</sup> *First Review Determination*, USITC Pub. 4203 at 3.

<sup>7</sup> *Wooden Bedroom Furniture from the People's Republic of China: Continuation of Antidumping Duty Order*, 75 Fed. Reg. 82,373 (Dec. 30, 2010).

<sup>8</sup> *Wooden Bedroom Furniture from the People's Republic of China: Institution of a Five-Year Review*, 80 Fed. Reg. 67,417 (Nov. 2, 2015).

<sup>9</sup> *Wooden Bedroom Furniture from China: Notice of Commission Determination to Conduct a Full Five-Year Review*, 81 Fed. Reg. 8,991 (Feb. 23, 2016).

<sup>10</sup> *Wooden Bedroom Furniture from China*, Inv. No. 731-TA-1058 (Second Review), USITC Pub. 4665 at 4 (Jan. 2017) (“*Second Review Determination*”); *Confidential Second Review Determination*, EDIS Doc. 763408.

<sup>11</sup> *Wooden Bedroom Furniture from the People's Republic of China: Continuation of Antidumping Duty Order*, 82 Fed. Reg. 11,533 (Feb. 24, 2017).

<sup>12</sup> *Wooden Bedroom Furniture from the People's Republic of China: Institution of a Five-Year Review*, 87 Fed. Reg. 121 (Jan. 3, 2022).

<sup>13</sup> Domestic Producers Response to the Notice of Institution, EDIS Doc. 762240 (Feb. 2, 2022) (“*Response*”); see also Domestic Producers Supplemental Response to the Notice of Institution, EDIS Doc. 762397 (Feb. 16, 2022) (“*Supplemental Response*”). The AFMC is currently comprised of the following eight domestic producers: (1) Caperton Furniture Works, LLC dba Gat Creek and Tom Seely Furniture; (2) Carolina Furniture Works, Inc.; (3) Century Furniture, LLC; (4) Johnston-Tombigbee Furniture Mfg. Co.; (5) L & J.G. Stickley, Inc.; (6) Perdues Inc.; (7) T. Copeland & Sons, Inc.; and (8) Vaughan-Bassett. Domestic Producers Response at Exhibit 1.

<sup>14</sup> Domestic Producers also filed adequacy comments. Domestic Producers Comments on Adequacy, EDIS Doc. 765289 (Mar. 14, 2022) (“*Comments on Adequacy*”).

Commission determined that the domestic interested party group response to the notice of institution was adequate, and the respondent interested party group response was inadequate.<sup>15</sup> In the absence of any other circumstances warranting a full review, the Commission determined to conduct an expedited review.<sup>16</sup> On August 4, 2022, Domestic Producers filed final comments pursuant to Commission rule 207.62(d).<sup>17</sup>

U.S. industry data are based on information for ten firms, which are estimated to have accounted for \*\*\* percent of domestic production of WBF in 2021, submitted by Domestic Producers in their response to the notice of institution.<sup>18</sup> U.S. import data are based on Commerce official import statistics.<sup>19</sup> Foreign industry data and related information are based on information submitted by Domestic Producers, information from the prior proceedings, and publicly available information gathered by Commission staff.<sup>20</sup> Additionally, one purchaser responded to the adequacy phase questionnaire.<sup>21</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>22</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>23</sup> The Commission’s

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<sup>15</sup> Explanation of Commission Determination on Adequacy, EDIS Doc. 769180 (Apr. 26, 2022).

<sup>16</sup> See *Wooden Bedroom Furniture from China; Scheduling of Expedited Five-Year Review*, 87 Fed. Reg. 47,463 (Aug. 3, 2022).

<sup>17</sup> Domestic Producers Final Comments, EDIS Doc. 777044 (Aug. 4, 2022) (“Final Comments”).

<sup>18</sup> Confidential Report, Memorandum INV-UU-030 (“CR”)/*Wooden Bedroom Furniture from China*, Inv. No. 731-TA-1058 (Third Review), USITC Pub. 5348 at Table I-2 (August 2022) (“PR”). The Domestic Producers’ response included individual information for each of AFMC’s eight member firms that accounted for an estimated \*\*\* percent of domestic production in 2021. Domestic Producers also provided U.S. industry data for two additional non-member firms, Bassett Furniture Industries, Inc. and \*\*\*, which together accounted for an estimated \*\*\* percent of domestic production of WBF that year. CR/PR at Table I-2 note.

<sup>19</sup> CR/PR at Table I-4 source.

<sup>20</sup> See CR/PR at I-23-25.

<sup>21</sup> CR/PR at D-3-4.

<sup>22</sup> 19 U.S.C. § 1677(4)(A).

<sup>23</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. Dep’t of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v.* (Continued...)

practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>24</sup>

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

Wooden bedroom furniture is generally, but not exclusively, designed, manufactured, and offered for sale in coordinated groups, or bedrooms, in which all of the individual pieces are of approximately the same style and approximately the same material and/or finish. The subject merchandise is made substantially of wood products, including both solid wood and also engineered wood products made from wood particles, fibers, or other wooden materials such as plywood, strand board, particle board, and fiberboard, with or without wood veneers, wood overlays, or laminates, with or without non-wood components or trim such as metal, marble, leather, glass, plastic, or other resins, and whether or not assembled, completed, or finished.

The subject merchandise includes the following items: (1) wooden beds such as loft beds, bunk beds, and other beds; (2) wooden headboards for beds (whether stand-alone or attached to side rails), wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds; (3) night tables, night stands, dressers, commodes, bureaus, mule chests, gentlemen's chests, bachelor's chests, lingerie chests, wardrobes, vanities, chessers, chifforobes, and wardrobe-type cabinets; (4) dressers with framed glass mirrors that are attached to, incorporated in, sit on, or hang over the dresser; (5) chests-on-chests, highboys, lowboys, chests of drawers, chests, door chests, chiffoniers, hutches, and armoires; (6) desks, computer stands, filing cabinets, book cases, or writing tables that are attached to or incorporated in the subject merchandise; and (7) other bedroom furniture consistent with the above list.

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(...Continued)

*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>24</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).

The scope of the *Order* excludes the following items: (1) seats, chairs, benches, couches, sofas, sofa beds, stools, and other seating furniture; (2) mattresses, mattress supports (including box springs), infant cribs, water beds, and futon frames; (3) office furniture, such as desks, stand-up desks, computer cabinets, filing cabinets, credenzas, and bookcases; (4) dining room or kitchen furniture such as dining tables, chairs, servers, sideboards, buffets, corner cabinets, china cabinets, and china hutches; (5) other non-bedroom furniture, such as television cabinets, cocktail tables, end tables, occasional tables, wall systems, book cases, and entertainment systems; (6) bedroom furniture made primarily of wicker, cane, osier, bamboo or rattan; (7) side rails for beds made of metal if sold separately from the headboard and footboard; (8) bedroom furniture in which bentwood parts predominate; (9) jewelry armories; (10) cheval mirrors; (11) certain metal parts; (12) mirrors that do not attach to, incorporate in, sit on, or hang over a dresser if they are not designed and marketed to be sold in conjunction with a dresser as part of a dresser-mirror set; (13) upholstered beds; (14) toyboxes; (15) certain enclosable wall bed units; (16) certain shoe cabinets; and (17) certain bed bases.

Imports of subject merchandise are classified under subheadings 9403.50.9042 and 9403.50.9045 of the Harmonized Tariff Schedule of the United States (HTSUS) as “wooden. . . beds” and under subheading 9403.50.9080 of the HTSUS as “other. . . wooden furniture of a kind used in the bedroom.” In addition, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds may be entered under subheadings 9403.90.7005 or 9403.90.7080 of the HTSUS. Subject merchandise may also be entered under subheadings 9403.50.9041, 9403.60.8081, 9403.20.0018, or 9403.90.8041. Further, framed glass mirrors may be entered under subheading 7009.92.1000 or 7009.92.5000 of the HTSUS as “glass mirrors. . . framed.” The *Order* covers all wooden bedroom furniture meeting the above description, regardless of tariff classification. Although the HTSUS subheadings are provided

for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.<sup>25</sup>

Since the issuance of the antidumping duty order in January 2005, Commerce has issued numerous scope rulings.<sup>26</sup> The scope rulings have been incorporated into the scope language and the HTS numbers have been updated to reflect changes to the HTS.<sup>27</sup>

WBF is wooden furniture designed and manufactured for use in the bedroom. It includes items such as beds, nightstands, chests, armoires, and dressers with or without mirrors.<sup>28</sup> WBF is generally, but not exclusively, designed and manufactured in coordinated groups, commonly called bedroom suites, in which all individual pieces share the same basic design, raw materials, construction, and finish. At a minimum, a suite includes a bed frame, chest of drawers, and a nightstand.<sup>29</sup> However, the specific furniture in a suite can differ in different regions of the United States.<sup>30</sup>

## **1. Prior Proceedings**

In the original investigation, the Commission defined a single domestic like product consisting of all WBF, coextensive with the scope of the investigation. It considered one domestic like product issue, specifically whether “joinery” WBF – constructed entirely of solid wood without the use of any fasteners – was a separate like product than other types of WBF. The record indicated that joinery and non-joinery WBF shared the same basic physical characteristics and end uses, were interchangeable with one another, underwent somewhat similar production processes, and were sold using similar channels of distribution and at comparable price levels. The Commission found that while there may have been some physical and production differences between joinery and non-joinery WBF, they were not so significant as to warrant finding them to be separate domestic like products.<sup>31</sup>

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<sup>25</sup> *Issues and Decision Memorandum for the Expedited Third Sunset Review of the Antidumping Duty Order on Wooden Bedroom Furniture from the People's Republic of China*, EDIS Doc. 776133 at 2-5 (May 2, 2022) (“I&D Memo”). Several footnotes to the scope definition further describing the discrete types of furniture items included in or excluded from the scope have been omitted.

<sup>26</sup> I&D Memo at 6.

<sup>27</sup> I&D Memo at 2-5; *see also Second Review Determination*, USITC Pub. 4665 at 7.

<sup>28</sup> CR/PR at I-12.

<sup>29</sup> CR/PR at I-12.

<sup>30</sup> CR/PR at I-12.

<sup>31</sup> *Original Determination*, USITC Pub. 3743 at 8-9.

In the first and second reviews of the antidumping duty order, the Commission found no new information that warranted revisiting the domestic like product definition from the original determination. In addition, no party in either review argued that the Commission should depart from that definition. The Commission, therefore, continued to define a single domestic like product consisting of all WBF, coextensive with the scope of the order under review.<sup>32</sup>

## **2. Current Review**

In this review, Domestic Producers agree with the domestic like product definition from the prior proceedings.<sup>33</sup> The record contains no new information suggesting that the characteristics and uses of domestically produced WBF have changed since the prior review.<sup>34</sup> Accordingly, we again define a single domestic like product consisting of WBF, coextensive with Commerce's scope.

### **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>35</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 investigation, the Commission defined the domestic industry as all domestic producers of WBF.<sup>36</sup> In the first review, the Commission defined the domestic

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<sup>32</sup> *First Review Determination*, USITC Pub. 4203 at 6; *Second Review Determination*, USITC Pub. 4665 at 8.

<sup>33</sup> Domestic Producers Response at 43; Domestic Producers Final Comments at 5 n.23.

<sup>34</sup> CR/PR at I-6-16.

<sup>35</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>36</sup> In the original investigation, two U.S. producers, \*\*\* and \*\*\*, imported subject merchandise during the period of investigation (“POI”) and qualified for possible exclusion under the related parties provision. The Commission found that appropriate circumstances did not exist for either firm's exclusion because both were among the largest domestic producers of WBF, shipped considerably more domestically produced WBF in the United States than they imported from China, and did not benefit disproportionately from importing the subject merchandise when compared with the rest of the (Continued...)

industry as all domestic producers of WBF, except for \*\*\* firms that the Commission excluded pursuant to the related parties provision.<sup>37</sup> In the second review, the Commission defined the domestic industry as all domestic producers of WBF.<sup>38</sup>

Domestic Producers state that they agree with the domestic industry definition from the prior proceedings.<sup>39</sup> They do not argue for the exclusion of any firm under the related parties provision, and there is no evidence in the record of any related party issues.<sup>40</sup> Consistent with our definition of the domestic like product, and absent any argument to the contrary, we again define the domestic industry as all U.S. producers of WBF.

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industry. In addition, it found that inclusion of the firms' financial and trade data would not have significantly skewed the industry's overall data. *Original Determination*, USITC Pub. 3743 at 11-13; *Confidential Original Determination* at 14-18.

<sup>37</sup> In the first review, 20 U.S. producers imported subject merchandise during the first period of review ("POR") and qualified for possible exclusion from the definition of the domestic industry. The Commission found that the primary interest for \*\*\* of those firms was in domestic production rather than importation, and that appropriate circumstances did not exist for their exclusion from the industry. For the \*\*\* remaining domestic producers, (\*\*\*), the Commission found that each of their subject imports exceeded their domestic production during most years of the review period. It therefore found that the primary interest of those \*\*\* firms was in importation of subject merchandise, and that appropriate circumstances existed to exclude them from the definition of the domestic industry. *First Review Determination*, USITC Pub. 4203 at 7-10; *Confidential First Review Determination* at 10-15.

The Commission also considered whether \*\*\* U.S. producers that had corporate relationships with Chinese exporters or U.S. importers of the subject merchandise should be excluded from the industry as related parties. It found no evidence that any of these producers derived any significant financial benefit by virtue of their relationships with Chinese exporters or U.S. importers, or that there was any other basis for exclusion. Accordingly, the Commission found that appropriate circumstances did not exist to exclude these producers from the domestic industry. *First Review Determination*, USITC Pub. 4203 at 10; *Confidential First Review Determination* at 15.

<sup>38</sup> In the second review, seven U.S. producers, \*\*\*, imported subject merchandise during the second POR and qualified for possible exclusion from the definition of the domestic industry. The Commission found that the primary interest for \*\*\* and \*\*\* was in domestic production rather than importation. It further found that although \*\*\* arguably had a substantial interest in importing subject merchandise, the firms were smaller in size relative to the domestic industry as a whole and their inclusion would have minimal impact on the industry's trade and financial data. Moreover, no party had argued for their exclusion. The Commission therefore found that appropriate circumstances did not exist to exclude any firm from the domestic industry. *Second Review Determination*, USITC Pub. 4665 at 10-12; *Confidential Second Review Determination* at 13-15.

<sup>39</sup> Domestic Producers Response at 43; Domestic Producers Final Comments at 5 n.23.

<sup>40</sup> See Domestic Producers Response at 41.



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

#### A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>41</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>42</sup> Thus, the likelihood standard is prospective in nature.<sup>43</sup> The U.S. Court of International Trade (“CIT”) has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>44</sup>

The statute states that “the Commission shall consider that the effects of revocation or

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<sup>41</sup> 19 U.S.C. § 1675a(a).

<sup>42</sup> SAA at 883–84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>43</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.

<sup>44</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’”).

termination may not be imminent but may manifest themselves only over a longer period of time.”<sup>45</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>46</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>47</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>48</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>49</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>50</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

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<sup>45</sup> 19 U.S.C. § 1675a(a)(5).

<sup>46</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>47</sup> 19 U.S.C. § 1675a(a)(1).

<sup>48</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings since the most recent continuation of the order. I&D Memo at 7.

<sup>49</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>50</sup> 19 U.S.C. § 1675a(a)(2).

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>51</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked, 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>52</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>53</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.<sup>54</sup>

No respondent interested party participated in this expedited review.<sup>55</sup> The record, therefore, contains limited new information with respect to the WBF industry in China. There also is limited information about the WBF market in the United States during the current period of review. Accordingly, for our determination, we rely as appropriate on information available

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<sup>51</sup> 19 U.S.C. § 1675a(a)(2)(A–D).

<sup>52</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>53</sup> 19 U.S.C. § 1675a(a)(4).

<sup>54</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>55</sup> CR/PR at I-2.

from the original investigation and subsequent reviews and the limited new information on the record in this review.

## **B. Conditions of Competition and the Business Cycle**

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>56</sup> The following conditions of competition inform our determination.

### **1. Demand Conditions**

*Prior Proceedings.* In the original investigation, the Commission found that demand for WBF was affected by changes in the housing market, consumer tastes, personal income levels, and demographics. It observed that apparent U.S. consumption during the POI tracked housing starts and new home sales. Apparent U.S. consumption, by value, increased by 13.2 percent over the POI, from \$4.1 billion in 2001 to \$4.7 billion in 2003; it was 12.0 percent higher in interim 2004 at \$2.5 billion than in interim 2003 at \$2.2 billion.<sup>57</sup>

In the first review, the Commission found that demand for WBF continued to be closely tied to conditions in the housing market and was also affected by consumer confidence and consumer access to credit.<sup>58</sup> Apparent U.S. consumption, by value, fell overall during the first POR, from \$4.7 billion in 2004 to \$3.4 billion in 2009.<sup>59</sup> Due to the relatively low level of projected housing starts, the Commission concluded that any improvement in WBF demand in the reasonably foreseeable future would likely be modest.<sup>60</sup>

In the second review, the Commission found that housing starts, which continued to be a key indicator of demand for WBF, remained below levels in the original investigation. Consequently, apparent U.S. consumption, despite being higher than the levels in the first

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<sup>56</sup> 19 U.S.C. § 1675a(a)(4).

<sup>57</sup> *Original Determination*, USITC Pub. 3743 at 14-15. The Commission relied primarily upon value-based indicators in the original investigation due to the unavailability of quantity data. *Original Determination*, USITC Pub. 3743 at 14 n.108.

<sup>58</sup> *First Review Determination*, USITC Pub. 4203 at 14.

<sup>59</sup> The Commission again relied primarily upon value-based indicators in the first review due to the continued unavailability of quantity data. *First Review Determination*, USITC Pub. 4203 at 7-8 n.31.

<sup>60</sup> *First Review Determination*, USITC Pub. 4203 at 14.

review, remained below that in the original investigation. Apparent U.S. consumption, by value, increased by \*\*\* percent over the second POR, rising from \$\*\*\* billion in 2013 to \$\*\*\* billion in 2015.<sup>61</sup> The Commission observed that most market participants anticipated that demand for WBF would continue to recover to some extent.<sup>62</sup>

*Current Review.* In the current review, the information available indicates that the factors influencing demand remain unchanged from the prior proceedings. Demand for WBF continues to be tied primarily to conditions in the housing market.<sup>63</sup> According to Domestic Producers, housing starts and new home sales during the current POR remained below the levels that prevailed during the original investigation. They also claim that consumer demand for WBF in 2020 and 2021 was relatively strong as individuals spent an increased amount of time at home during the COVID-19 pandemic and purchased furniture to improve the look and feel of their bedrooms. They contend, however, that this strong consumer demand for WBF was offset by a significant decline in WBF purchased by the hospitality industry because of the decline in personal and business travel.<sup>64</sup> Available data indicate that apparent U.S. consumption of WBF, by value, was \$\*\*\* in 2021,<sup>65</sup> which is higher than apparent U.S. consumption in the prior reviews and the original investigation.<sup>66</sup>

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<sup>61</sup> *Second Review Determination*, USITC Pub. 4665 at 15; *Confidential Second Review Determination* at 21. Although data were available for some quantity indicators in the second review, the Commission continued to rely on value-based indicators because of the nature of the proceeding, which involved a large grouping of items differing greatly in size, characteristics, and price. In doing so, it recognized the limitations of using value rather than quantity measures, such as the difficulty in determining whether changes in value were caused by changes in product mix or price. The Commission indicated that it would consider quantity data based on pieces where appropriate. *Second Review Determination*, USITC Pub. 4665 at 10 n.35.

<sup>62</sup> *Second Review Determination*, USITC Pub. 4665 at 15; *Confidential Second Review Determination* at 21.

<sup>63</sup> Domestic Producers Response at 10.

<sup>64</sup> Domestic Producers Response at 10-11. Market reports inform that, reflecting the pandemic, overall spending on furniture decreased in 2020. CR/PR at I-17.

<sup>65</sup> CR/PR at Table I-5. We continue to rely primarily on value-based indicators as the best measure for the product under review (*i.e.*, a large grouping of items differing greatly in size, characteristics, and price). Doing so would also be consistent with the Commission's reliance on such data in the original investigation and prior reviews.

<sup>66</sup> CR/PR at Table I-5. We note that apparent U.S. consumption for 2021 may be understated relative to that in prior periods due to the lower coverage of the domestic industry in this review, with domestic industry data accounting for at least \*\*\* percent of domestic production of WBF, relative to coverage of the domestic industry in the original investigation and first and second reviews, in which domestic industry data accounted for between a majority and all domestic production of WBF. *See id.* at I-16.

The single responding U.S. purchaser \*\*\* reported that since 2016, \*\*\*, but that it  
\*\*\*.<sup>67</sup>

## 2. Supply Conditions

*Prior Proceedings.* In the original investigation, there were more than 50 domestic producers of WBF during the POI, with the ten largest firms accounting for approximately 56 percent of U.S. producer shipments in 2003. The Commission found that the domestic WBF industry was a high variable-cost industry (*i.e.*, an industry in which unit raw materials, labor, and other variable costs are high relative to unit fixed costs) and that given its cost structure, the industry would respond to changes in demand for its product by reducing capacity, production, and employment levels.<sup>68</sup> The Commission further found that subject imports from China accounted for the largest source of imported WBF, with the domestic industry being responsible for a substantial and stable percentage (between 33.3 percent and 36.0 percent) of those subject imports during the POI.<sup>69</sup> Nonsubject imports maintained a substantial but stable presence in the U.S. market during the POI.<sup>70</sup>

In the first review, 57 domestic producers provided information on their production during the POR, with the five largest producers accounting for approximately 70 percent of domestic production in 2009. The Commission observed that although there were several openings of new plants, or re-openings of existing plants during the first POR, a much larger number of plants closed, and the domestic industry's capacity generally fell.<sup>71</sup> Subject imports' share of the U.S. market declined irregularly over the first POR while nonsubject imports increased their market share. By the end of the review period, Vietnam had become the most significant nonsubject supplier of WBF to the U.S. market.<sup>72</sup>

In the second review, the Commission observed that despite the exit of several domestic firms from the WBF industry, the domestic industry's capacity had increased over the period. Subject imports continued to decrease their presence in the U.S. market, while

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<sup>67</sup> CR/PR at D-3-4.

<sup>68</sup> *Original Determination*, USITC Pub. 3743 at 16.

<sup>69</sup> *Original Determination*, USITC Pub. 3743 at 17.

<sup>70</sup> *Original Determination*, USITC Pub. 3743 at 17.

<sup>71</sup> *First Review Determination*, USITC Pub. 4203 at 14.

<sup>72</sup> *First Review Determination*, USITC Pub. 4203 at 15.

nonsubject imports remained the largest source of WBF in the U.S. market, with Vietnam continuing to be the largest nonsubject source of WBF during the review period.<sup>73</sup>

*Current Review.* As noted above, domestic industry data in this review are based on information for ten domestic producers. The domestic industry was the second largest supplier to the U.S. market in 2021. It accounted for \*\*\* percent of apparent U.S. consumption by value that year, which is lower than the industry's share of apparent U.S. consumption in the prior reviews and original investigation.<sup>74</sup>

Subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2021, which is higher than their share of apparent U.S. consumption in 2015, the last year of the second review, but lower than that held in the first review and original investigation.<sup>75</sup> Nonsubject imports remained the largest source of supply of WBF to the U.S. market in 2021, accounting for \*\*\* percent of apparent U.S. consumption that year.<sup>76</sup> As in the prior reviews, Vietnam was the largest source of nonsubject imports.<sup>77</sup>

### **3. Substitutability and Other Conditions**

*Prior Proceedings.* In the original investigation, the Commission found a moderate to high degree of substitutability between the domestic like product and subject imports, and price to be an important factor in purchasing decisions.<sup>78</sup> It observed that subject imports were similar in style and design features to the domestic like product, and that the large majority of WBF was sold by producers and importers to furniture retailers in the U.S. market with smaller

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<sup>73</sup> *Second Review Determination*, USITC Pub. 4665 at 16-17.

<sup>74</sup> CR/PR at Table I-5, Appendix C. The domestic industry's share of apparent U.S. consumption was 40.3 percent in 2003, 22.0 percent in 2009, and \*\*\* percent in 2015. *See id.* We recognize that the domestic industry's market share for 2021 may be understated relative to that in prior periods because, as previously noted, coverage of the domestic industry in this review is lower than coverage of the industry in the original investigation and first and second reviews.

<sup>75</sup> CR/PR at Table I-5, Appendix C. Subject imports' share of apparent U.S. consumption was \*\*\* percent in 2003, \*\*\* percent in 2009, and \*\*\* percent in 2015. *See id.* We recognize that subject import market share in 2021 may be overstated because import data for the relevant HTS statistical numbers may contain imports from producers/exporters from China excluded from the order, thus possibly overstating subject WBF imports from China. CR/PR at Table I-5 Note. Indeed, in the first and second reviews, \*\*\* percent and \*\*\* percent of U.S. imports from China by value were from nonsubject sources in 2009 and 2015, respectively. *See id.*

<sup>76</sup> CR/PR at Table I-5.

<sup>77</sup> CR/PR at Table I-4.

<sup>78</sup> *Original Determination*, USITC Pub. 3743 at 15-16.

amounts being sold to hospitality/institutional firms, distributors, and other firms.<sup>79</sup>

In the first review, the Commission found a moderately high degree of substitutability between the domestic like product and imported WBF. It observed that although many of the producing countries manufactured a range of products and qualities, market participants generally reported at least frequent interchangeability between and among WBF from all sources. In addition, it found that subject imports competed with the domestic like product in all price ranges or tiers of the market, and that price was an important consideration in purchasing decisions.<sup>80</sup>

In the second review, the Commission found a moderate to high degree of substitutability between the domestic like product and subject imports. The majority of domestic producers, importers, and purchasers reported that WBF from the United States and China were always or frequently interchangeable. The Commission further determined that price continued to play an important role in purchasing decisions. Responding purchasers cited price most frequently as a top factor in their purchasing decisions.<sup>81</sup>

*Current Review.* The record in this review contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports, or the importance of price in purchasing decisions, has changed since the prior review.<sup>82</sup> Accordingly, we again find a moderate to high degree of substitutability between subject imports and the domestic like product, and that price continues to be an important factor in purchasing decisions in the U.S. market.

Effective September 24, 2018, subject imports from China became subject to an initial 10 percent *ad valorem* duty under Section 301 of the Trade Act of 1974, as amended<sup>83</sup> (“Section 301 tariffs”).<sup>84</sup> Effective May 10, 2019, this additional duty increased from 10 percent

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<sup>79</sup> *Original Determination*, USITC Pub. 3743 at 15.

<sup>80</sup> *First Review Determination*, USITC Pub. 4203 at 15.

<sup>81</sup> *Second Review Determination*, USITC Pub. 4665 at 17.

<sup>82</sup> Domestic Producers state that domestic and subject producers manufacture and sell the same types of WBF that are of similar quality in the U.S. market. Domestic Producers Response at 14; Domestic Producers Final Comments at 14.

<sup>83</sup> 19 U.S.C. § 2411.

<sup>84</sup> CR/PR at I-11 n.37; *Notice of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47,974 (Sep. 21, 2018).



to 25 percent *ad valorem*.<sup>85</sup> Exclusions were subsequently granted for certain WBF imported under HTS numbers 9403.50.9080 and 9403.50.9042.<sup>86</sup>

### C. Likely Volume of Subject Imports

#### 1. Prior Proceedings

In the original investigation, the Commission found that subject import volume, and the increase in that volume, were significant in absolute terms and relative to production and consumption in the United States.<sup>87</sup> The record showed that over the POI, subject imports increased by \*\*\* percent, and their market share grew from \*\*\* percent in 2001 to \*\*\* percent in 2002 and \*\*\* percent in 2003. Subject import market share also rose significantly between the interim periods from \*\*\* percent in interim 2003 to \*\*\* percent in interim 2004. The ratio of subject imports to domestic production increased from \*\*\* percent in 2001 to \*\*\* percent in 2003.<sup>88</sup> The Commission considered, and rejected, respondents' arguments that the domestic industry was itself primarily responsible for the increase in subject imports during the POI or that increases in subject WBF had simply expanded U.S. demand. It found that the bulk of the increase in subject imports was attributable to importers that were not part of the domestic industry, and that as a result of this increase in subject import volume, the domestic industry experienced significant declines in its production, shipments, and sales as it lost substantial market share to subject imports.<sup>89</sup>

In the first review, the Commission identified several factors indicating that revocation of the order would lead to a likely increase in the volume of subject imports, in absolute terms and relative to U.S. production and consumption, from the already significant levels that existed during the POR. It found that despite the imposition of the antidumping duty order, subject

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<sup>85</sup> CR/PR at I-11 n.37; *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 20,459 (May 9, 2019).

<sup>86</sup> CR/PR at I-11 n.37; *Notice of Product Exclusions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 57,803 (Oct. 28, 2019); *Notice of Product Exclusions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 85 Fed. Reg. 9,921 (Feb. 20, 2020).

<sup>87</sup> *Original Determination*, USITC Pub. 3743 at 20.

<sup>88</sup> *Original Determination*, USITC Pub. 3743 at 18; *Confidential Original Determination* at 25. By value, subject imports increased from \$\*\*\* in 2001 to \$\*\*\* in 2002 and \$\*\*\* in 2003; they were higher in interim 2004 at \$\*\*\* than in interim 2003 at \$\*\*\*. *See id.*

<sup>89</sup> *Original Determination*, USITC Pub. 3743 at 18-20.

imports maintained a significant presence in the U.S. market.<sup>90</sup> Their market share ranged between \*\*\* percent and \*\*\* percent during the first POR.<sup>91</sup> The Commission also found that there was significant and growing WBF production capacity in China, and that the subject industry in China was export oriented. In addition, the record indicated that the large subject industry had the ability to expand its exports rapidly.<sup>92</sup> The Commission, noting that subject imports did not abate despite growth in demand in China during the first POR, rejected respondents' argument that such home market growth would lead to a reduction in WBF exports to the United States.<sup>93</sup>

In the second review, the Commission again found that there was substantial and growing production capacity in China, and significant excess capacity that could be directed to the U.S. market. In addition, the Commission found that the subject industry remained export oriented and interested in the U.S. market.<sup>94</sup> The Commission observed that subject imports, while declining, maintained a presence in the U.S. market, accounting for \*\*\* percent of apparent U.S. consumption in 2013, \*\*\* percent in 2014, and \*\*\* percent in 2015. Subject import market share was \*\*\* percent in interim 2015 and \*\*\* percent in interim 2016.<sup>95</sup> The Commission found that subject producers already had purchasers and distributors in place in the U.S. market, which could facilitate the marketing and distribution of increased subject import volumes upon revocation.<sup>96</sup> It also observed that subject producers remained interested in the U.S. market, noting that 60 percent of U.S. imports of non-bedroom furniture were sourced from China and that AFMC had provided evidence of subject producer efforts to evade duties on WBF.<sup>97</sup> Accordingly, based on subject producers' behavior during the original investigation, subject imports' continued presence in the U.S. market, the information available regarding subject producers' substantial and growing production capacity and unused capacity, their export orientation, and the apparent attractiveness of the U.S. market, the Commission

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<sup>90</sup> *First Review Determination*, USITC Pub. 4203 at 18.

<sup>91</sup> *First Review Determination*, USITC Pub. 4203 at 18; *Confidential First Review Determination* at 26. By value, subject imports were \$\*\*\* in 2004, \$\*\*\* in 2005, \$\*\*\* in 2006, \$\*\*\* in 2007, \$\*\*\* in 2008, and \$\*\*\* in 2009. *See id.*

<sup>92</sup> *First Review Determination*, USITC Pub. 4203 at 18-19.

<sup>93</sup> *First Review Determination*, USITC Pub. 4203 at 20.

<sup>94</sup> *Second Review Determination*, USITC Pub. 4203 at 19-20.

<sup>95</sup> *Second Review Determination*, USITC Pub. 4203 at 18; *Confidential Second Review Determination* at 26. By value, subject imports decreased from \$\*\*\* in 2013 to \$\*\*\* in 2014 and \$\*\*\* in 2015; they were \$\*\*\* in interim 2015 and \$\*\*\* in interim 2016. *See id.*

<sup>96</sup> *Second Review Determination*, USITC Pub. 4203 at 20.

<sup>97</sup> *Second Review Determination*, USITC Pub. 4203 at 20.

found that the volume of subject imports, in absolute terms and relative to U.S. production and consumption, would likely be significant in the event of revocation.<sup>98</sup>

## 2. Current Review

In the current review, the available data show that subject imports decreased irregularly from 2016 to 2021. By value, subject imports initially increased from \$350.0 million in 2016 to \$374.2 million in 2017 and to a period high of \$395.1 million in 2018, before decreasing to \$234.2 million in 2019, increasing to \$267.8 million in 2020, and decreasing to \$177.6 million in 2021.<sup>99</sup> The peak value of U.S. shipments of subject imports during the current POR (at \$395.1 million) was far below the value of U.S. shipments of subject imports during each year of the original investigation, indicating that the antidumping duty order has had a disciplining effect on the volume of subject imports.<sup>100</sup> Nevertheless, subject imports maintained a presence in the U.S. market throughout the POR, accounting for \*\*\* percent of apparent U.S. consumption by value in 2021.<sup>101</sup>

Due to the expedited nature of this review, the record contains limited information on the WBF industry in China. The information available, however, indicates that subject producers have the means and incentive to significantly increase their exports of subject merchandise to the U.S. market if the order were revoked. Domestic Producers have identified 215 possible WBF producers in China<sup>102</sup> and contend that the subject industry maintains large and growing production capacity.<sup>103</sup> As support, they provided information indicating that in

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<sup>98</sup> *Second Review Determination*, USITC Pub. 4203 at 20.

<sup>99</sup> CR/PR at Table I-4, Appendix C. As previously noted, subject imports may be overstated because they are based on import data for HTS statistical numbers that may contain imports from producers/exporters from China excluded from the order. CR/PR at Table I-4 Source.

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

<sup>101</sup> CR/PR at Table I-5.

<sup>102</sup> Domestic Producers Response at Exhibit 16.

<sup>103</sup> Domestic Producers Response at 22-23.

2021, China accounted for \*\*\*.<sup>104</sup> They also submitted public announcements by five subject producers regarding their plans to increase capacity during the 2018-2021 period.<sup>105</sup>

The record also indicates that the subject industry in China remains export oriented and interested in the U.S. market. According to Global Trade Atlas data, China was the world's largest exporter of WBF in every year of the 2016-2020 period.<sup>106</sup> Moreover, as discussed above, subject imports maintained a presence in the U.S. market throughout the current POR, reflecting the subject producers' continued interest in serving the U.S. market.<sup>107</sup> With established customer and distribution networks in the United States, the subject industry would have the ability and incentive to use its substantial and growing capacity to increase exports of WBF to the United States upon revocation of the order.

Based on the foregoing considerations, as well as the significant volume and market share of subject imports in the original investigation, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the order were revoked.<sup>108 109</sup>

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<sup>104</sup> Domestic Producers Response at 23 & Exhibit 8. Domestic Producers also assert that, as the Commission found in the prior proceedings, subject producers maintain the ability to shift production from out-of-scope furniture products to WBF. In their view, given that the Chinese furniture industry is \*\*\*, subject producers are likely to shift production to WBF if the order were revoked. *See id.* at 26 & Exhibit 8.

<sup>105</sup> CR/PR at I-23; Domestic Producers Response at 23 & Exhibit 7.

<sup>106</sup> CR/PR at Table I-6; *see also* Domestic Producers Response at 25 & Exhibit 9.

<sup>107</sup> CR/PR at Table I-4. According to Domestic Producers, subject producers and U.S. importers are so intent on selling to the U.S. market that they have engaged in various schemes to evade antidumping duties, as the Commission recognized in the prior reviews. They identify a specific instance during the current POR in which U.S. Customs & Border Protection ("CBP") determined that Aspects Furniture International, Inc., a Chinese exporter, entered subject merchandise into the United States without paying antidumping duties. Domestic Producers Response at 26-27 & Exhibit 11.

<sup>108</sup> There are no known trade remedy investigations or existing antidumping or countervailing duty orders in any other countries with respect to imports of WBF from China. CR/PR at I-24. The record in this expedited review does not contain data concerning existing inventories of subject merchandise.

<sup>109</sup> Although WBF imports from China are currently subject to a 25 percent *ad valorem* duty pursuant to Section 301, neither Domestic Producers nor the responding purchaser reported that these tariffs have affected the supply of, or demand for, subject imports, or that they anticipated such effects in the reasonably foreseeable future. *See* CR/PR at D-3-4.

## D. Likely Price Effects of Subject Imports

### 1. Prior Proceedings

In the original investigation, the Commission found that the quarterly price comparison data showed consistent and substantial underselling by subject imports throughout the POI, and that the margins of underselling were large.<sup>110</sup> The Commission found the underselling by subject imports to be significant and that it resulted in a significant shift in purchases from the domestic like product to subject imports. In addition, the Commission, observing significant price declines for all pricing products that outstripped declines in the industry's costs of goods sold, found that subject imports depressed and suppressed domestic prices to a significant degree.<sup>111</sup>

In the first review, the Commission found that even with the order in place, subject import underselling remained significant as subject imports undersold the domestic like product in the majority of quarterly comparisons during the first POR.<sup>112</sup> In view of its findings that subject import volume would be likely to increase from already significant levels in the event of revocation, the moderately high degree of substitutability between subject imports and the domestic like product, the importance of price in purchasing decisions, and the significance of subject import underselling even with the antidumping duty order in place, the Commission found that subject import underselling would likely intensify after revocation of the order, as subject producers would compete with domestically produced WBF and nonsubject imports in seeking to increase their penetration of the U.S. market. It also found that significant subject import underselling after revocation would likely result in the depression or suppression of domestic prices to a significant degree.<sup>113</sup>

In the second review, the Commission found that the limited price comparisons on the record were consistent with its findings in the original investigation and first review, as well as other evidence in the record, that subject imports were being sold or offered for sale at lower

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<sup>110</sup> *Original Determination*, USITC Pub. 3743 at 21. Subject imports undersold the domestic like product in all 112 quarterly price comparisons. *See id.*

<sup>111</sup> *Original Determination*, USITC Pub. 3743 at 21-22.

<sup>112</sup> *First Review Determination*, USITC Pub. 4203 at 21-22. Subject imports undersold the domestic like product in 497 of 616 quarterly price comparisons. *See id.*

<sup>113</sup> *First Review Determination*, USITC Pub. 4203 at 21-22.

prices than the domestic like product.<sup>114</sup> It observed that despite the antidumping duty order, over 80 percent of the reported subject import volume – on a quantity and value basis – was involved in quarters of underselling.<sup>115</sup> Given its finding regarding the likely significant volume of subject imports, and in light of the continued interchangeability between subject imports and the domestic like product, the importance of price in purchasing decisions, and the history of underselling by subject imports, the Commission found that subject producers would likely significantly undersell the domestic like product to gain market share upon revocation of the order, as they did in the original investigation. The Commission further found that this underselling would likely result in significant price effects, as domestic producers would be forced to cut prices or risk losing sales to subject imports.<sup>116</sup>

## 2. Current Review

As previously discussed in Section III.B.3., we have found a moderate to high degree of substitutability between the domestic like product and subject imports, and that price continues to be an important factor in purchasing decisions.

Due to the expedited nature of this review, the record does not contain any new product-specific pricing information. Based on the available information, including subject import underselling in the original investigation and prior reviews, the substantial degree of substitutability of subject imports and the domestic like product, and the importance of price in purchasing decisions, we find that subject imports would be likely to significantly undersell the domestic like product to gain market share after revocation, as they did during the original investigation. Absent the discipline of the order, the likely significant volume of low-priced subject imports would likely force the domestic industry to lower prices, restrain price increases necessary to cover increasing costs, and/or lose sales and market share to subject imports. Consequently, we find that if the order were revoked, subject imports would likely have significant price effects.

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<sup>114</sup> *Second Review Determination*, USITC Pub. 4665 at 21. Subject imports undersold the domestic like product in 56 of 123 quarterly price comparisons. *See id.*

<sup>115</sup> *Second Review Determination*, USITC Pub. 4665 at 22.

<sup>116</sup> *Second Review Determination*, USITC Pub. 4665 at 22.

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

### **1. Prior Proceedings**

In the original investigation, the Commission found that, as lower-priced subject imports entered the market in increasing volumes during the POI, the domestic industry experienced substantial declines in almost all its trade and financial indicia even during a period of growing apparent U.S. consumption. It found that because of the domestic industry's relatively high variable costs, the industry responded to increased volumes of subject imports primarily by reducing its capacity, production, and employment. In addition, the increased volume of subject imports and their corresponding price effects adversely impacted the industry's sales and shipments. Consequently, as gains in market share by subject imports were matched almost entirely by losses in market share by the domestic industry, the industry experienced significant declines in its capacity, production, capacity utilization, domestic shipments, net sales values and quantities, employment, operating income, operating income margins, and capital investment. The Commission concluded that subject imports had a significant adverse impact on the domestic industry during the POI.<sup>117</sup>

In the first review, the Commission observed that the domestic industry experienced steep declines in almost all its performance indicators during 2007-2009. Moreover, it found that demand was not likely to improve significantly in the reasonably foreseeable future. The Commission therefore determined that the domestic industry was vulnerable to the continuation or recurrence of material injury.<sup>118</sup> It further found that the likely significant increase in the volume of subject imports that would likely undersell the domestic like product, depressing or suppressing domestic like product prices to a significant degree, would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time. It considered other factors that would likely affect the domestic industry, including nonsubject imports, and found that the Chinese industry was far larger than that in Vietnam or any other nonsubject country, produced a greater range and variety of WBF, and had well-established U.S. channels of distribution. It concluded that despite nonsubject imports' increased presence in the U.S. market, subject imports would nevertheless further reduce domestic sales volumes and prices significantly and have a significant adverse impact upon revocation.<sup>119</sup>

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<sup>117</sup> *Original Determination*, USITC Pub. 3743 at 23-26.

<sup>118</sup> *First Review Determination*, USITC Pub. 4203 at 24-25.

<sup>119</sup> *First Review Determination*, USITC Pub. 4203 at 26.

In the second review, the Commission observed that the condition of the domestic industry had improved over the second POR, yet remained weak with several domestic producers having ceased production of WBF. Although the industry increased its production, U.S. shipments, capacity utilization, productivity, and profitability, it reported positive operating income only during 2015 and interim 2016. Given the industry's poor performance over the second POR and record information suggesting only a modest improvement in demand in the reasonably foreseeable future, the Commission again found that the domestic industry was vulnerable to the continuation or recurrence of material injury.<sup>120</sup> Further, the Commission found that the likely significant increase in the volume of subject imports and their significant price effects upon revocation of the antidumping duty order would likely have a significant impact on the domestic industry's production, shipments, sales, market share, and revenue; these reductions, in turn, would have a direct adverse impact on the domestic industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments.<sup>121</sup> The Commission considered the likely role of nonsubject imports in the U.S. market, and found that there was no indication that their presence would prevent subject imports from re-entering the market in significant quantities upon revocation.<sup>122</sup>

## 2. Current Review

Due to the expedited nature of this review, the record contains limited information on the domestic industry's performance since the prior proceedings, consisting of the data provided by Domestic Producers in their response to the notice of institution.

The information on the record indicates that in 2021, the domestic industry's capacity, production, capacity utilization, U.S. shipments, and operating income were lower than in the prior proceedings.<sup>123</sup> In 2021, the domestic industry's production capacity was \*\*\* pieces, its

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<sup>120</sup> *Second Review Determination*, USITC Pub. 4665 at 23-24.

<sup>121</sup> *Second Review Determination*, USITC Pub. 4665 at 24.

<sup>122</sup> *Second Review Determination*, USITC Pub. 4665 at 24-25.

<sup>123</sup> Comparisons of the domestic industry's performance in 2021 with the industry's performance in prior proceedings are complicated by the lower data coverage of the domestic industry in this review. As previously noted, domestic industry data in the current POR are based on ten firms that accounted for only \*\*\* percent of U.S. production of WBF in 2021 while in the prior proceedings industry data were based on firms responding to the Commission's U.S. producer questionnaire that accounted for between the majority and all domestic production of WBF. CR/PR at I-16, Table I-1. (Continued...)



production was \*\*\* pieces, and its capacity utilization rate was \*\*\* percent.<sup>124</sup> U.S. shipments were \*\*\* pieces, valued at \$\*\*\*, with an average unit value (“AUV”) of \$\*\*\* per piece.<sup>125</sup> In 2021, the domestic industry had net sales revenues of \$\*\*\*, cost of goods sold (“COGS”) of \$\*\*\*, a gross profit of \$\*\*\*, and an operating income of \$\*\*\*; its ratio of operating income to net sales was \*\*\* percent.<sup>126</sup> This limited information is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

Based on the information available in this review, we find that revocation of the order would likely lead to a significant volume of subject imports that would likely significantly undersell the domestic like product. Given the moderate to high degree of substitutability between domestically produced WBF and subject imports and the importance of price to purchasers, significant volumes of low-priced subject imports would likely capture market share from the domestic industry and/or force domestic producers to lower their prices or forego needed price increases to defend their sales, thereby depressing or suppressing prices for the domestic like product to a significant degree. Consequently, subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenue of the domestic industry. These declines, in turn, would likely have a direct adverse impact on the domestic industry’s profitability and employment, as well as its ability to raise capital and to make and maintain capital investments.

We have also considered the role of factors other than subject imports, including nonsubject imports, so as not to attribute likely injury from other factors to subject imports. Although nonsubject imports have increased their presence in the U.S. market, and their market share was \*\*\* percent in 2021,<sup>127</sup> the record provides no indication that the presence of nonsubject imports would prevent subject imports from entering the U.S. market in significant quantities in the event of revocation of the order. Given the moderate to high

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(...Continued)

Consequently, data on the record of this review likely understate many measures of the domestic industry’s performance in 2021.

<sup>124</sup> CR/PR at Table I-3. Reported capacity, production, and capacity utilization in 2021 was lower than in 2003, 2009, and 2015. *Id.*

<sup>125</sup> CR/PR at Table I-7. The quantity and value of U.S. shipments in 2021 were lower than in 2003, 2009, and 2015, while the AUV of U.S. shipments in 2021 was higher than in those prior years. *See id.*

<sup>126</sup> CR/PR at Table I-3. The industry’s net sales, COGS, gross profits, and operating income in 2021 were lower than in 2003, 2009, and 2015, while the industry’s operating income ratio in 2021 was higher than in those prior years. *Id.*

<sup>127</sup> CR/PR at Table I-5.

degree of substitutability between subject imports and the domestic like product, the importance of price in purchasing decisions, and the likelihood of significant underselling by subject imports after revocation, we find it likely that any increase in subject imports would come at least in part at the expense of the domestic industry. Consequently, we find that subject imports would likely cause adverse effects on the domestic industry that are distinct from any of those from nonsubject imports in the event of revocation.

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

#### **IV. Conclusion**

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

# Information obtained in this review

## Background

On January 3, 2022, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted a review to determine whether revocation of antidumping duty order on wooden bedroom furniture from China would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3</sup> <sup>4</sup> Table I-1 presents information relating to the background and schedule of this proceeding:

**Table I-1**  
**Wooden bedroom furniture: Information relating to the background and schedule of this proceeding**

Effective date	Action
January 3, 2022	Notice of initiation by Commerce (87 FR 76, January 3, 2022)
January 3, 2022	Notice of institution by Commission (87 FR 121, January 3, 2022)
April 8, 2022	Scheduled date for Commission’s vote on adequacy
May 3, 2022	Scheduled date for Commerce’s results of its expedited review
June 2, 2022	Commission’s statutory deadline to complete expedited review
December 29, 2022	Commission’s statutory deadline to complete full review

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

<sup>2</sup> 87 FR 121, January 3, 2022. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order. 87 FR 76, January 3, 2022. 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 the original investigation and subsequent full reviews 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 domestic like product and the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

# Responses to the Commission’s notice of institution

## Individual responses

The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of the following entities:

1. The American Furniture Manufacturers Committee for Legal Trade and Vaughan-Bassett Furniture Company, Inc. (“Vaughan-Bassett”), domestic producers of wooden bedroom furniture (collectively referred to herein as “domestic interested party” or “the Committee”). The Committee is an ad hoc association of eight U.S. producers of wooden bedroom furniture (including Vaughan-Bassett).<sup>5</sup>

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-2.

**Table I-2**  
**Wooden bedroom furniture: Summary of completed responses to the Commission’s notice of institution**

Interested party	Type	Number of firms	Coverage
U.S. trade association	Domestic	8	***%

Note: The U.S. trade association coverage figure presented is the Committee’s estimate of their share of total U.S. production of wooden bedroom furniture during 2021. Contained in the Committee’s response was U.S. industry data for two additional firms: Bassett Furniture Industries, Inc. (“Bassett”), and \*\*\*, whose estimated combined share of U.S. production of wooden bedroom furniture in 2021 is \*\*\* percent. Bassett and \*\*\* support the continuation of the order and supplied domestic industry data but are not a part of the Committee. Domestic interested party’s response to the staff’s request for additional information, pp. 4-5. U.S. industry data contained in this report include data from the Committee, Bassett, and \*\*\*.

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<sup>5</sup> The eight members of the domestic committee are as follows: Caperton Furniture Works, LLC dba Gat Creek and Tom Seely Furniture; Carolina Furniture Works, Inc.; Century Furniture, LLC; Johnston-Tombigbee Furniture Mfg. Co.; L. & J.G. Stickley, Inc.; Perdues Inc.; T. Copeland & Sons, Inc.; and Vaughan-Bassett. Domestic interested party’s response to the notice of institution, exh. 1.

## **Party comments on adequacy**

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review from the Committee. The Committee requests that the Commission conduct an expedited review of the antidumping duty order on wooden bedroom furniture.<sup>6</sup>

## **The original investigation and subsequent reviews**

### **The original investigation**

The original investigation resulted from a petition filed on October 31, 2003 with Commerce and the Commission by the American Furniture Manufacturers Committee for Legal Trade (“AFMC”).<sup>7</sup> On November 17, 2004, Commerce determined that imports of wooden bedroom furniture from China were being sold at less than fair value (“LTFV”).<sup>8</sup> The Commission determined on December 21, 2004 that the domestic industry was materially injured by reason of LTFV imports of wooden bedroom furniture from China.<sup>9</sup> On January 4, 2005, Commerce issued its antidumping duty order with the final weighted-average dumping margins ranging from 0.83 to 198.08 percent.<sup>10</sup>

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

On March 8, 2010, the Commission determined that it would conduct a full review of the antidumping duty order on wooden bedroom furniture from China.<sup>11</sup> On April 14, 2010, Commerce determined that revocation of the antidumping duty order on wooden bedroom furniture from China would be likely to lead to continuation or recurrence of dumping.<sup>12</sup> On December 15, 2010, the Commission determined that material injury would be likely to

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<sup>6</sup> Domestic interested party’s comments on adequacy, March 14, 2022, p. 2.

<sup>7</sup> Wooden Bedroom Furniture from China, Inv. No. 731-TA-1058 (Final), USITC Publication 3743, December 2004 (“Original publication”), p. I-1.

<sup>8</sup> 69 FR 67313, November 17, 2004.

<sup>9</sup> 69 FR 77779, December 28, 2004.

<sup>10</sup> 70 FR 329, January 4, 2004. Lacquer Craft Mfg. Co. is an excluded company and Markor International Furniture (Tianjin) Manufacturing Company, Ltd. has a de minimis margin. 69 FR 67313, November 17, 2004; and 71 FR 67099, November 20, 2006.

<sup>11</sup> 75 FR 14496, March 25, 2010.

<sup>12</sup> 75 FR 19364, April 14, 2010.

continue or recur within a reasonably foreseeable time.<sup>13</sup> Following affirmative determinations in the five-year review by Commerce and the Commission, effective December 30, 2010, Commerce issued a continuation of the antidumping duty order on imports of wooden bedroom furniture from China.<sup>14</sup>

## **The second five-year review**

On February 5, 2017, the Commission determined that it would conduct a full review of the antidumping duty order on wooden bedroom furniture from China.<sup>15</sup> On March 9, 2016, Commerce determined that revocation of the antidumping duty order on wooden bedroom furniture from China would be likely to lead to continuation or recurrence of dumping.<sup>16</sup> On January 25, 2017, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>17</sup> Following affirmative determinations in the five-year review by Commerce and the Commission, effective February 24, 2017, Commerce issued a continuation of the antidumping duty order on imports of wooden bedroom furniture from China.<sup>18</sup>

## **Previous and related investigations**

Wooden bedroom furniture has not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

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<sup>13</sup> 75 FR 80528, December 22, 2010.

<sup>14</sup> 75 FR 82373, December 30, 2010.

<sup>15</sup> 81 FR 8991, February 23, 2016.

<sup>16</sup> 81 FR 12462, March 9, 2016.

<sup>17</sup> 81 FR 10587, March 14, 2017.

<sup>18</sup> 82 FR 11533, February 24, 2017.

## Commerce's five-year review

Commerce announced that it would conduct an expedited review with respect to the order on imports of wooden bedroom furniture from China with the intent of issuing the final results of this review based on the facts available not later than May 3, 2022.<sup>19</sup> Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <http://enforcement.trade.gov/frn/>. Issues and Decision Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty order on imports of wooden bedroom furniture from China are noted in the sections titled "The original investigation" and "U.S. imports," if applicable.

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<sup>19</sup> Letter from Melissa Skinner, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, February 22, 2022.

## The product

### Commerce's scope

Commerce has defined the scope as follows:

*Wooden bedroom furniture is generally, but not exclusively, designed, manufactured, and offered for sale in coordinated groups, or bedrooms, in which all of the individual pieces are of approximately the same style and approximately the same material and/or finish. The subject merchandise is made substantially of wood products, including both solid wood and also engineered wood products made from wood particles, fibers, or other wooden materials such as plywood, strand board, particle board, and fiberboard, with or without wood veneers, wood overlays, or laminates, with or without non-wood components or trim such as metal, marble, leather, glass, plastic, or other resins, and whether or not assembled, completed, or finished.*

*The subject merchandise includes the following items: (1) wooden beds such as loft beds, bunk beds, and other beds; (2) wooden headboards for beds (whether stand-alone or attached to side rails), wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds; (3) night tables, night stands, dressers, commodes, bureaus, mule chests, gentlemen's chests, bachelor's chests, lingerie chests, wardrobes, vanities, chessers, chifforobes, and wardrobe-type cabinets; (4) dressers with framed glass mirrors that are attached to, incorporated in, sit on, or hang over the dresser; (5) chests-on-chests,<sup>20</sup>*

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<sup>20</sup> A chest-on-chest is typically a tall chest-of-drawers in two or more sections (or appearing to be in two or more sections), with one or two sections mounted (or appearing to be mounted) on a slightly larger chest; also known as a tallboy.



*highboys,<sup>21</sup> lowboys,<sup>22</sup> chests of drawers,<sup>23</sup> chests,<sup>24</sup> door chests,<sup>25</sup> chiffoniers,<sup>26</sup> hutches,<sup>27</sup> and armoires;<sup>28</sup> (6) desks, computer stands, filing cabinets, book cases, or writing tables that are attached to or incorporated in the subject merchandise; and (7) other bedroom furniture consistent with the above list.*

*The scope of the order excludes the following items: (1) seats, chairs, benches, couches, sofas, sofa beds, stools, and other seating furniture; (2) mattresses, mattress supports (including box springs), infant cribs, water beds, and futon frames; (3) office furniture, such as desks, stand-up desks, computer cabinets, filing cabinets, credenzas, and bookcases; (4) dining room or kitchen furniture such as dining tables, chairs, servers, sideboards, buffets, corner cabinets, china cabinets, and china hutches; (5) other non-bedroom furniture, such as television cabinets, cocktail tables, end tables, occasional tables, wall systems, book cases, and entertainment systems; (6) bedroom furniture made primarily of wicker, cane, osier, bamboo or rattan; (7) side rails for beds made of metal if sold separately from the headboard and footboard; (8) bedroom furniture in which*

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<sup>21</sup> A highboy is typically a tall chest of drawers usually composed of a base and a top section with drawers, and supported on four legs or a small chest (often 15 inches or more in height).

<sup>22</sup> A lowboy is typically a short chest of drawers, not more than four feet high, normally set on short legs.

<sup>23</sup> A chest of drawers is typically a case containing drawers for storing clothing.

<sup>24</sup> A chest is typically a case piece taller than it is wide featuring a series of drawers and with or without one or more doors for storing clothing. The piece can either include drawers or be designed as a large box incorporating a lid.

<sup>25</sup> A door chest is typically a chest with hinged doors to store clothing, whether or not containing drawers. The piece may also include shelves for televisions and other entertainment electronics.

<sup>26</sup> A chiffonier is typically a tall and narrow chest of drawers normally used for storing undergarments and lingerie, often with mirror(s) attached.

<sup>27</sup> A hutch is typically an open case of furniture with shelves that typically sits on another piece of furniture and provides storage for clothes.

<sup>28</sup> An armoire is typically a tall cabinet or wardrobe (typically 50 inches or taller), with doors, and with one or more drawers (either exterior below or above the doors or interior behind the doors), shelves, and/or garment rods or other apparatus for storing clothes. Bedroom armoires may also be used to hold television receivers and/or other audio-visual entertainment systems.

*bentwood parts predominate;*<sup>29</sup> (9) *jewelry armories;*<sup>30</sup> (10) *cheval mirrors;*<sup>31</sup> (11) *certain metal parts;*<sup>32</sup> (12) *mirrors that do not attach to, incorporate in, sit on, or hang over a dresser if they are not designed and marketed to be sold in conjunction with a dresser as part of a dresser-mirror set; (13) upholstered beds;*<sup>33</sup> and (14) *toy boxes.*<sup>34</sup> Also excluded from the scope are certain enclosable

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<sup>29</sup> As used herein, bentwood means solid wood made pliable. Bentwood is wood that is brought to a curved shape by bending it while made pliable with moist heat or other agency and then set by cooling or drying. See CBP's Headquarters Ruling Letter 043859, dated May 17, 1976.

<sup>30</sup> Any armoire, cabinet or other accent item for the purpose of storing jewelry, not to exceed 24 inches in width, 18 inches in depth, and 49 inches in height, including a minimum of 5 lined drawers lined with felt or felt-like material, at least one side door or one front door (whether or not the door is lined with felt or felt-like material), with necklace hangers, and a flip-top lid with inset mirror. See Issues and Decision Memorandum from Laurel LaCivita to Laurie Parkhill, Office Director, concerning "Jewelry Armoires and Cheval Mirrors in the Antidumping Duty Investigation of Wooden Bedroom Furniture from the People's Republic of China," dated August 31, 2004. See also *Wooden Bedroom Furniture From the People's Republic of China: Final Changed Circumstances Review, and Determination To Revoke Order in Part*, 71 FR 38621 (July 7, 2006).

<sup>31</sup> Cheval mirrors are any framed, tiltable mirror with a height in excess of 50 inches that is mounted on a floor-standing, hinged base. Additionally, the scope of the order excludes combination cheval mirror/jewelry cabinets. The excluded merchandise is an integrated piece consisting of a cheval mirror, *i.e.*, a framed tiltable mirror with a height in excess of 50 inches, mounted on a floor-standing, hinged base, the cheval mirror serving as a door to a cabinet back that is integral to the structure of the mirror and which constitutes a jewelry cabinet line with fabric, having necklace and bracelet hooks, mountings for rings and shelves, with or without a working lock and key to secure the contents of the jewelry cabinet back to the cheval mirror, and no drawers anywhere on the integrated piece. The fully assembled piece must be at least 50 inches in height, 14.5 inches in width, and 3 inches in depth. See *Wooden Bedroom Furniture From the People's Republic of China: Final Changed Circumstances Review and Determination To Revoke Order in Part*, 72 FR 948 (January 9, 2007).

<sup>32</sup> Metal furniture parts and unfinished furniture parts made of wood products (as defined above) that are not otherwise specifically named in this scope (*i.e.*, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds) and that do not possess the essential character of wooden bedroom furniture in an unassembled, incomplete, or unfinished form. Such parts are usually classified under HTSUS subheadings 9403.90.7005, 9403.90.7010, or 9403.90.7080.

<sup>33</sup> Upholstered beds that are completely upholstered, *i.e.*, containing filling material and completely covered in sewn genuine leather, synthetic leather, or natural or synthetic decorative fabric. To be excluded, the entire bed (headboards, footboards, and side rails) must be upholstered except for bed feet, which may be of wood, metal, or any other material and which are no more than nine inches in height from the floor. See *Wooden Bedroom Furniture from the People's Republic of China: Final Results of Changed Circumstances Review and Determination to Revoke Order in Part*, 72 FR 7013 (February 14, 2007).

<sup>34</sup> To be excluded the toy box must: (1) Be wider than it is tall; (2) have dimensions within 16 inches to 27 inches in height, 15 inches to 18 inches in depth, and 21 inches to 30 inches in width; (3) have a hinged lid that encompasses the entire top of the box; (4) not incorporate any doors or drawers; (5) have slow-closing safety hinges; (6) have air vents; (7) have no locking mechanism; and (8) comply with

(continued...)

*wall bed units, also referred to as murphy beds, which are composed of the following three major sections: (1) A metal wall frame, which attaches to the wall and uses coils or pistons to support the metal mattress frame; (2) a metal frame, which has euro slats for supporting a mattress and two legs that pivot; and (3) wood panels, which attach to the metal wall frame and/or the metal mattress frame to form a cabinet to enclose the wall bed when not in use. Excluded enclosable wall bed units are imported in ready-to-assemble format with all parts necessary for assembly. Enclosable wall bed units do not include a mattress. Wood panels of enclosable wall bed units, when imported separately, remain subject to the order.*

*Also excluded from the scope are certain shoe cabinets 31.5-33.5 inches wide by 15.5-17.5 inches deep by 34.5-36.5 inches high. They are designed strictly to store shoes, which are intended to be aligned in rows perpendicular to the wall along which the cabinet is positioned. Shoe cabinets do not have drawers, rods, or other indicia for the storage of clothing other than shoes. The cabinets are not designed, manufactured, or offered for sale in coordinated groups or sets and are made substantially of wood, have two to four shelves inside them, and are covered by doors. The doors often have blinds that are designed to allow air circulation and release of bad odors. The doors themselves may be made of wood or glass. The depth of the shelves does not exceed 14 inches. Each shoe cabinet has doors, adjustable shelving, and ventilation holes.*

*Also excluded from the scope are certain bed bases consisting of: (1) A wooden box frame, (2) three wooden cross beams and one perpendicular center wooden support beam, and (3) wooden slats over the beams. These bed bases are constructed without inner springs and/or coils and do not include a headboard, footboard, side rails, or mattress. The bed bases are imported unassembled.*

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*(...continued)*

American Society for Testing and Materials (“ASTM”) standard F963-03. Toy boxes are boxes generally designed for the purpose of storing children's items such as toys, books, and playthings. *See Wooden Bedroom Furniture from the People's Republic of China: Final Results of Changed Circumstances Review and Determination to Revoke Order in Part*, 74 FR 8506 (February 25, 2009). Further, as determined in the scope ruling memorandum “Wooden Bedroom Furniture from the People's Republic of China: Scope Ruling on a White Toy Box,” dated July 6, 2009, the dimensional ranges used to identify the toy boxes that are excluded from the wooden bedroom furniture order apply to the box itself rather than the lid.

*Imports of subject merchandise are classified under subheadings 9403.50.9042 and 9403.50.9045 of the HTSUS as “wooden . . . beds” and under subheading 9403.50.9080 of the HTSUS as “other . . . wooden furniture of a kind used in the bedroom.” In addition, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds may also be entered under subheading 9403.50.9042 or 9403.50.9045 of the HTSUS as “parts of wood.” Subject merchandise may also be entered under subheadings 9403.50.9041, 9403.60.8081, 9403.20.0018, or 9403.90.8041. Further, framed glass mirrors may be entered under subheading 7009.92.1000 or 7009.92.5000 of the HTSUS as “glass mirrors . . . framed.” The order covers all wooden bedroom furniture meeting the above description, regardless of tariff classification. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.<sup>35</sup>*

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<sup>35</sup> Issues and Decision Memorandum for the Expedited Second Sunset Review of the Antidumping Duty Order on Wooden Bedroom Furniture from the People's Republic of China, May 2, 2016.

## U.S. tariff treatment

Wooden bedroom furniture is currently imported under HTS statistical reporting numbers 9403.50.9042 (wooden toddler beds, bassinets, and cradles), 9403.50.9045 (other wooden beds), and 9403.50.9080 (other wooden furniture of a kind used in the bedroom).<sup>36</sup> Wooden bedroom furniture imported from China enters 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.

Effective September 24, 2018, WBF products originating in China under these HTS subheadings are subject to an additional 25 percent ad valorem duty under Section 301 of the Trade Act of 1974, as amended.<sup>37</sup>

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<sup>36</sup> Wooden bedroom furniture may also enter under HTS statistical reporting numbers 9403.20.0050, 9403.50.9041, 9403.60.8081, 9403.91.0005, 7009.92.1000 or 7009.92.5000. However, these provisions may contain products other than wooden bedroom furniture.

<sup>37</sup> Effective September 24, 2018, HTS subheading 9403.50 was included in USTR’s third enumeration (“List 3”) of products originating in China that became subject to an initial 10 percent additional ad valorem duty (83 FR 47974, September 21, 2018) that was subsequently raised to 25 percent ad valorem as of May 10, 2019 (84 FR 20459, May 9, 2019). Exclusions were subsequently granted for reporting numbers 9403.50.9080 (84 FR 57803, October 28, 2019) and 9403.50.9042 (85 FR 9921, February 20, 2020).

See also HTS heading 9903.88.03 and U.S. note 20(f) subchapter III of chapter 99, heading 9903.88.04 and U.S. notes 20(II) and 20(ss) to subchapter III of chapter 99, and related tariff provisions for this duty treatment. USITC, HTSUS (2022) Basic Revision 2, Publication 5293, February 2022, pp. 99-III-26, 99-III-123, 99-III-126, 99-III-49, 99-III-144, and 99-III-147.

## Description and uses<sup>38</sup>

Wooden bedroom furniture consists of furniture made of wood products and having physical characteristics applicable for intended use in a bedroom. The furniture consists of different individual articles (e.g., beds, nightstands, chests, armoires, and dressers with or without mirrors) and is primarily used in residences, although they are also used in lodging and care facilities. Figure I-1 presents examples of selected wooden bedroom furniture pieces. Wooden bedroom furniture is generally, but not exclusively, designed, manufactured, and offered for sale in coordinated groups, commonly called bedroom suites, in which all the individual pieces share the same basic design, raw materials, construction, and finish. At a minimum, a suite includes a bed frame, chest of drawers, and a nightstand such as that presented in figure I-2. However, the bedroom furniture contained in a suite is somewhat fluid and even differs across regions.<sup>39</sup> The majority of customers buy entire bedroom suites, although individual items are also sold separately. Wooden bedroom furniture suites are generally sold in retail furniture stores from reserved “slots” (allocated space in a certain area of the store) next to other non-bedroom furniture.

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<sup>38</sup> Unless otherwise noted, this information is based on *Wooden Bedroom Furniture from China, Inv. No. 731-TA-1058 (Second Review)*, USITC Publication 4665, January 2017, pp. I-15 through I-18.

<sup>39</sup> For instance, in the New York market, a suite typically consists of a dresser, mirror, armoire, bed, and two nightstands. However, in California, a suite typically excludes an armoire and a suite in the southeastern United States excludes both an armoire and two nightstands but includes a chest. While there are different ways of defining a suite across the country, retailers within a geographic region usually quote a suite in the same way. Conference transcript, pp. 116-117 (Bassett).

**Figure I-1**  
**Examples of selected wooden bedroom furniture**



Bed



Dresser



Tall chest



Armoire



Night stand



Mirror

**pieces**

Source: Ethan Allen ([www.ethanallen.com](http://www.ethanallen.com)).

**Figure I-2**  
**Example of a wooden bedroom furniture suite**



Source: Kincaid Furniture ([www.kincaidfurniture.com](http://www.kincaidfurniture.com)).

Multiple price and quality points exist for wooden bedroom furniture, including low, middle, and high. The quality of the wood, the method of furniture construction, and the material finish are all major factors in determining these points.<sup>40</sup> Materials generally found in the lower categories of wooden bedroom furniture tend to consist of particleboard interior structures; glued paper covering the base of interior drawers or shelves; a certain amount of stapled construction; plastic components; and particleboard in hidden locations with wood veneer<sup>41</sup> for visible fronts. Mid-priced wooden bedroom furniture usually includes solid wood on the top of chests or dressers, wood veneer over particle board on other visible portions, and a plywood interior structure. High-priced wooden bedroom furniture normally uses solid wood for the entire construction of the piece and may include more detailed stylings or designs. Domestically produced and imported furniture can be very similar in appearance.

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<sup>40</sup> These materials include in descending order of quality and price point: (1) solid wood; (2) solid wood veneer on plywood; (3) solid wood veneer on particle board; and (4) paper glued on composite board.

<sup>41</sup> Wood veneer is defined as a thin slice of solid wood, typically less than 1/8 inch thick and as thin as 1/42<sup>nd</sup> of an inch. Papers, vinyl, composite panels, and non-wood material are not wood veneers.



## Manufacturing process<sup>42</sup>

The basic steps of manufacturing wooden bedroom furniture are similar in all producing countries although some firms are more, or less, vertically integrated. Lumber, veneers, plywood, and particle board are first sawed into the appropriate shapes. Then, the furniture parts are prepared for assembly by routing, drilling, and sanding. After the parts are ready, the item is constructed using joinery, nails, or glue. Lastly, the finishing stage can include sanding, painting, staining, and lacquering.

The manufacturing process involved in the production of wooden bedroom furniture has become increasingly automated, particularly in North America and Europe. Computer-numerically-controlled (“CNC”) equipment, which allows operators to input complex, sequential demands instructing production machinery on how to cut, rout, and/or carve different furniture parts, has improved productivity. Although the use of labor-saving technology is less common in China, the difference in manufacturing processes between the United States and China is narrowing as producers in China have increased the use of automated materials handling and computer-controlled solid wood carving machines.

Wood furniture manufacturers are generally located near wood sawmills, the source of their key raw material. In typical bedroom furniture manufacturing operations, green (moist) lumber received from the sawmill is stacked with spacers to allow air flow throughout prior to transfer to a kiln for drying. The drying process can take 7-35 days depending on the wetness and species of the wood. After drying, the lumber is cooled, and then allowed to readjust to the ambient atmosphere. Rough edges are sawed from the dried lumber, revealing knots, grains, surface coloring, and defects. In automated furniture manufacturing, a scanner matches each of these features, as well as the dimensions of the lumber, against a computer program containing the number and size of specific furniture parts needed to complete the batch of wood furniture to be produced. Conveyors deliver pieces sawed to specific dimensions to their proper locations for assembly, while the remaining pieces of random cuts may be glued together to form a solid block of wood. These blocks may then be veneered or used for a surface not visible to the consumer.

The assembly of case goods, such as dressers and nightstands, is set up separately from the processing layout for beds, which consists of headboards, footboards, and railings. Both types of furniture then have several manual processes. Case goods may be glued or nailed together manually, and dresser drawers are typically assembled and inserted into runners by

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<sup>42</sup> Unless otherwise noted, this information is based on *Wooden Bedroom Furniture from China*, Inv. No. 731-TA-1058 (Second Review), USITC Publication 4665, January 2017, pp. I-18 through I-19.

hand. Bedposts are usually lathed<sup>43</sup> and inserted into the headboard and footboard of the bed manually. In the finishing operation, surfaces are sanded by hand, lacquer or paint is sprayed on manually, and stains are rubbed in manually. Finally, case goods are shipped fully assembled while bed components are shipped in four unassembled parts.

## The industry in the United States

### U.S. producers

During the final phase of the original investigation, the Commission received U.S. producer questionnaires from 49 firms, which accounted for approximately 88 percent of production of wooden bedroom furniture in the United States during 2003.<sup>44</sup> During the first five-year review, the Commission received U.S. producer questionnaires from 50 firms, which accounted for all known large producers of wooden bedroom furniture in the United States during 2009.<sup>45</sup> During the second five-year review, the Commission received U.S. producer questionnaires from 21 firms, which accounted for the majority of wooden bedroom furniture production in the United States during 2015.<sup>46</sup>

In response to the Commission's notice of institution in this current review, the domestic interested party provided a list of 111 known and currently operating U.S. producers of wooden bedroom furniture. Ten firms<sup>47</sup> providing U.S. industry data in response to the Commission's notice of institution accounted for at least \*\*\* percent of production of wooden bedroom furniture in the United States during 2021.<sup>48</sup>

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<sup>43</sup> Some wooden bedroom furniture producers contract out lathwork (also called "turning") to specialty companies.

<sup>44</sup> Original publication, p. III-1.

<sup>45</sup> Wooden Bedroom Furniture from China, Inv. No. 731-TA-1058 (Review), USITC Publication 4203, December 2010 ("First review publication"), p. III-1.

<sup>46</sup> Wooden Bedroom Furniture from China, Inv. No. 731-TA-1058 (Second Review), USITC Publication 4665, January 2017 ("Second review publication"), p. I-5.

<sup>47</sup> Of the firms that provided U.S. industry data, eight are part of the Committee whose estimated combined share of U.S. production of wooden bedroom furniture in 2021 is \*\*\* percent and two additional firms support the continuation of the order whose estimated combined share of U.S. production of wooden bedroom furniture in 2021 is \*\*\* percent.

<sup>48</sup> Domestic interested party's response to the notice of institution, February 2, 2022, exh. 1, exh. 2, and exh. 3; and Domestic interested party's response to additional staff questions, February 16, 2022, pp. 3-4.

## Recent developments

The domestic interested party states that U.S. supply and demand conditions for wooden bedroom furniture have weakened since 2015, as the housing market and hospitality sector (i.e., hotels, etc.), the main sources of demand, are reportedly below the levels that existed during the previous 5-year review. They also note that the onset of the pandemic has increased consumer demand for certain household wooden bedroom furniture in 2020 and 2021. Work from home starting in March 2020, during the COVID-19 pandemic, has increased the importance of home comforts and encouraged people to perform home and furnishing upgrades. However, this rising demand was offset by a decrease in demand by the hospitality industry, as individuals took fewer trips.<sup>49</sup> Market reports confirm that, reflecting the pandemic, overall spending on furniture decreased in 2020.<sup>50</sup>

As is the case with other industries during the pandemic, the U.S. domestic furniture industry has been dealing with labor and supply chain issues.<sup>51</sup> Labor issues reflect the design and craftsmanship involved in wooden bedroom furniture production (particularly the availability of workers with woodworking skills), COVID-19 safety measures, and delivery issues from a wide-spread shortage of truck drivers. Supply constraints and price volatility of basic inputs such as lumber and plywood have heavily affected wooden bedroom furniture manufacturers.<sup>52</sup>

No information was identified on U.S. industry mergers and acquisition activity, shutdowns, capacity expansions or curtailments.

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<sup>49</sup> Domestic interested party's response to the Notice of Institution, February 2, 2022, p. 11 and p. 39.

<sup>50</sup> Longhihi, Derek. "Household Furniture Manufacturing in the US," *IBISWorld*, Industry Report 33712, July 2021. p. 11.

<sup>51</sup> Dalheim, Robert. "Furniture at the top of manufacturing again in January, but supply constraints mount," *Furniture Today*, February 15, 2022.

<sup>52</sup> Longhihi, Derek. "Household Furniture Manufacturing in the US," *IBISWorld*, Industry Report 33712, July 2021. p. 16. Russell, Thomas. "Wood vendors passing along rising costs," *Furniture Today*, February 15, 2021.

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

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year review.<sup>53</sup> Table I-3 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigation and subsequent five-year reviews.

**Table I-3**  
**Wooden bedroom furniture: Trade and financial data submitted by U.S. producers, by period**

Quantity in pieces; value in 1,000 dollars; unit value in dollars per piece; ratio is in percent

Item	Measure	2003	2009	2015	2021
Capacity	Quantity	17,316,172	11,079,849	9,822,922	***
Production	Quantity	12,712,592	6,467,592	7,701,495	***
Capacity utilization	Ratio	72.7	58.4	78.4	***
U.S. shipments	Quantity	12,641,093	6,342,624	7,354,210	***
U.S. shipments	Value	1,878,740	747,785	648,453	***
U.S. shipments	Unit value	\$148.62	\$117.90	\$88.17	***
Net sales	Value	1,899,142	774,626	677,164	***
COGS	Value	1,546,745	665,675	541,363	***
COGS to net sales	Ratio	81.4	85.9	79.9	***
Gross profit or (loss)	Value	352,397	108,951	135,801	***
SG&A expenses	Value	304,928	132,605	135,634	***
Operating income or (loss)	Value	47,469	(23,654)	167	***
Operating income or (loss) to net sales	Ratio	2.5	(3.1)	0.0	***

Source: For the years 2003, 2009, and 2015, data are compiled using data submitted in the Commission's original investigation, first five-year review, and second five-year review. For the year 2021, data are compiled using data submitted by domestic interested party. Domestic interested party's response to additional staff questions, February 16, 2022, attachment 1.

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

<sup>53</sup> Individual company trade and financial data are presented in app. B.

## 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>54</sup>

In its original determination and its full first and second five-year review determinations, the Commission found one domestic like product consisting of all wooden bedroom furniture, including both joinery and non-joinery forms, coextensive with Commerce’s scope.

In its original determination, the Commission defined the domestic industry as all domestic producers of wooden bedroom furniture. In its full first five-year review determination, the Commission defined the Domestic Industry as all producers of the domestic like product, except those for which appropriate circumstances were found to exist to exclude them from the domestic industry under the related parties provision. Certain Commissioners defined the domestic industry differently in the full first five-year review, finding that the appropriate circumstances did not exist to exclude certain related parties from the domestic industry. In its full second five-year review determination, the Commission found that appropriate circumstances did not exist to exclude any related parties from the domestic industry, and it defined a single domestic industry as all producers of the domestic like product.

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<sup>54</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

## **U.S. imports**

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

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from 123 firms, which accounted for approximately 80 percent of total U.S. imports of wooden bedroom furniture from China during January 2001 through June 2004.<sup>55</sup> During the first five-year review, the Commission received U.S. importer questionnaires from 104 firms, which accounted for approximately \*\*\* percent of total U.S. imports of wooden bedroom furniture from China during 2009.<sup>56</sup> During the second five-year review, the Commission received U.S. importer questionnaires from 37 firms, which accounted for approximately \*\*\* percent of subject U.S. imports of wooden bedroom furniture from China during 2015.<sup>57</sup> Import data presented in the original investigation, first review, and second review are based on official Commerce statistics.

Although the Commission did not receive responses from any respondent interested parties in this current review, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 352 potential U.S. importers of wooden bedroom furniture.<sup>58</sup>

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

Table I-4 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2021 imports by quantity).

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<sup>55</sup> Original publication, p. IV-1.

<sup>56</sup> Investigation No. 731-TA-1058 (Review): Wooden Bedroom furniture from China, Confidential Report, INV-HH-105, November 3, 2010, as revised/supplemented in INV-HH-109, November 18, 2010, ("First review confidential report"), p. IV-1.

<sup>57</sup> Investigation No. 731-TA-1058 (Second Review): Wooden Bedroom furniture from China, Confidential Report, INV-OO-118, December 15, 2016, ("Second review confidential report"), p. I-6.

<sup>58</sup> Domestic interested party's response to the notice of institution, February 2, 2022, exh. 15.

**Table I-4**  
**Wooden bedroom furniture: U.S. imports, by source and period**

Quantity in pieces; value in 1,000 dollars; unit value in dollars per piece

U.S. imports from	Measure	2016	2017	2018	2019	2020	2021
China	Quantity	1,007,202	1,370,689	1,376,436	1,029,157	3,474,821	2,363,087
Vietnam	Quantity	4,144,212	4,517,674	4,743,787	5,384,731	15,879,226	16,446,218
Malaysia	Quantity	2,189,003	2,382,332	2,699,030	3,003,353	8,313,673	7,591,272
Italy	Quantity	229,499	60,408	88,674	106,526	2,151,308	3,018,331
All other sources	Quantity	2,646,404	2,715,927	2,746,889	2,835,166	11,937,587	14,617,195
Nonsubject sources	Quantity	9,209,118	9,676,341	10,278,380	11,329,776	38,281,794	41,673,016
All import sources	Quantity	10,216,320	11,047,030	11,654,816	12,358,933	41,756,615	44,036,103
China	Value	350,013	374,181	395,124	234,177	267,788	177,600
Vietnam	Value	1,682,817	1,860,064	1,890,038	2,063,679	2,092,218	2,391,795
Malaysia	Value	440,239	499,558	540,378	582,505	602,771	636,567
Italy	Value	120,520	106,261	127,943	125,221	136,450	232,790
All other sources	Value	918,198	962,629	993,645	984,105	997,069	1,395,772
Nonsubject sources	Value	3,161,775	3,428,512	3,552,004	3,755,510	3,828,507	4,656,925
All import sources	Value	3,511,788	3,802,693	3,947,128	3,989,687	4,096,295	4,834,525
China	Unit value	347.51	272.99	287.06	227.54	77.07	75.16
Vietnam	Unit value	406.06	411.73	398.42	383.25	131.76	145.43
Malaysia	Unit value	201.11	209.69	200.21	193.95	72.50	83.86
Italy	Unit value	525.14	1,759.06	1,442.84	1,175.50	63.43	77.13
All other sources	Unit value	346.96	354.44	361.73	347.11	83.52	95.49
Nonsubject sources	Unit value	343.33	354.32	345.58	331.47	100.01	111.75
All import sources	Unit value	343.74	344.23	338.67	322.82	98.10	109.79

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 9403.50.9042, 9403.50.9045, and 9403.50.9080, accessed March 2, 2022. These data may be overstated as HTS statistical reporting numbers 9403.50.9042, 9403.50.9045, and 9403.50.9080 may contain imports from producers/exporters in China excluded from the order. Imports from China do not distinguish between subject and nonsubject sources. During the first review and second review, \*\*\* percent and \*\*\* percent of U.S. imports from China by value were from nonsubject sources in 2009 and 2015, respectively. Additionally, HTS statistical reporting number 9403.50.9080 began reporting quantity by pieces in 2020. First/second review confidential report, table C-1.

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

## Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

**Table I-5**  
**Wooden bedroom furniture: Apparent U.S. consumption and market shares, by source and period**

Value in 1,000 dollars; share of value is the share of apparent U.S. consumption by value in percent

Source	Measure	2003	2009	2015	2021
U.S. producers' U.S. shipments	Value	1,878,740	747,785	648,453	***
China, subject	Value	***	***	***	177,600
Nonsubject sources	Value	***	***	***	4,656,925
All import sources	Value	2,787,927	2,655,854	***	4,834,525
Apparent U.S. consumption	Value	4,666,667	3,403,639	***	***
U.S. producers' U.S. shipments	Share of value	40.3	22.0	***	***
China, subject	Share of value	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***
All import sources	Share of value	59.7	78.0	***	***

Source: For the years 2003, 2009, and 2015, data are compiled using data submitted in the Commission's original investigation, first five-year review, and second five-year review. For the year 2021, 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 numbers 9403.50.9042, 9403.50.9045, and 9403.50.9080, accessed March 2, 2022.

Note: Import data for 2021 may be overstated as HTS statistical reporting numbers 9403.50.9042, 9403.50.9045, and 9403.50.9080 may contain imports from producers/exporters in China excluded from the order. Imports from China do not distinguish between subject and nonsubject sources. During the first review and second review, \*\*\* percent and \*\*\* percent of U.S. imports from China by value were from nonsubject sources in 2009 and 2015, respectively.

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



## The industry in China

During the final phase of the original investigation, the Commission received foreign producer/exporter questionnaires from 153 firms, which accounted for approximately 62 percent of production of wooden bedroom furniture in China during 2003.<sup>59</sup> During the first five-year review, the Commission received foreign producer/exporter questionnaires from \*\*\* firms, which accounted for \*\*\* percent of production of wooden bedroom furniture in China during 2009.<sup>60</sup> During the second five-year review, the Commission received foreign producer/exporter questionnaires from 10 firms, which accounted for \*\*\* percent of Chinese exports, by value, of wooden bedroom furniture to the United States in 2015.<sup>61</sup>

Although the Commission did not receive responses from any respondent interested parties in this five-year review, the domestic interested party provided a list of 215 possible producers and/or exporters of wooden bedroom furniture in China.<sup>62</sup>

The domestic interested party reported that the Chinese capacity to produce wooden bedroom furniture continues to increase and noted that Qingdao Jinguan Wooden Products Co., Ltd, Qingdao Yimei Wood Work Co., Ltd., Jiangxi MadaNi Technology Co., Ltd., Shouguang Huaxu Wood Co., Ltd., and Jiangmen Changke Houseware Co., Ltd. reported planning the increase production capacity during 2018-21.<sup>63</sup>

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<sup>59</sup> Original publication, p. VII-1.

<sup>60</sup> First review confidential report, p. IV-6.

<sup>61</sup> Second review confidential report, p. IV-7.

<sup>62</sup> Domestic interested party's response to the notice of institution, February 2, 2022, exh. 16.

<sup>63</sup> Domestic interested party's response to the notice of institution, February 2, 2022, p. 23.

## Third-country trade actions

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

## The global market

Table I-6 presents the largest global export sources of wooden bedroom furniture during 2016-20.

Global wooden bedroom furniture exports declined by 2.8 percent from 2016 to 2020. This decline was more than accounted for by a decline in exports from China. China was the largest global exporter of wooden bedroom furniture in every year, during 2016-20. However, China's share experienced a noteworthy decline—from 40.8 percent in 2016 to 23.9 percent in 2020—of total global export value. Chinese exports lost share to the next largest global exporters, Vietnam and Poland. China's exports decreased from a value that was 419.1 percent larger than the exports from Vietnam in 2016 to 190.6 percent in 2020, as Vietnam's exports grew to account for 12.6 percent of global exports. China's exports also decreased from 730.9 percent larger than the value of the exports from Poland in 2016 to 541.1 percent in 2020, as Poland's exports grew to account for 8.9 percent of global exports.

**Table I-6**  
**Wooden bedroom furniture: Global exports by major sources, and period**

Value in 1,000 dollars

Exporting country	2016	2017	2018	2019	2020
China	4,560,726	4,061,422	3,123,200	2,696,021	2,599,374
Vietnam	1,088,113	1,186,412	1,219,627	1,325,972	1,363,822
Poland	623,956	750,642	857,179	907,443	963,693
Malaysia	659,040	720,340	719,601	784,865	836,543
Turkey	483,637	501,605	559,546	671,238	646,228
Germany	567,404	567,287	596,007	581,849	617,958
Italy	421,617	450,665	477,457	485,846	567,889
Brazil	241,157	262,653	301,740	304,617	299,498
Denmark	263,601	236,956	191,959	238,180	252,721
United States	183,624	207,649	233,377	229,430	231,235
All other exporters	2,084,671	2,266,710	2,475,372	2,435,506	2,481,623
All exporters	11,177,546	11,212,341	10,755,065	10,660,966	10,860,585

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 9403.50, Wooden Furniture (Except Seats) Of A Kind Used In The Bedroom, accessed February 17, 2022.

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

Vietnam was the second largest global exporter of wooden bedroom furniture in every year. Additionally, its total value of global exports has increased significantly over the past five years.<sup>64</sup> Industry publications note that Vietnam’s growing wood furniture industry began as a reaction to U.S. wooden bedroom furniture antidumping duties imposed on China starting in 2004 and intensified more recently as the U.S. levied additional Section 301 tariffs on Chinese wooden bedroom furniture starting in 2018.<sup>65</sup> Vietnam’s export gains have been tempered by the pandemic, due to a lack of container availability and other supply disruptions.<sup>66</sup> However, some wooden bedroom furniture manufacturing firms have continued to expand their footprint in Vietnam, even during the pandemic.<sup>67</sup>

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<sup>64</sup> The United States represented the destination for more than half of all Vietnamese exports of wood bedroom furniture, growing annually from 64.7 percent in 2016 to 74.3 percent in 2020. Global Trade Atlas, “Vietnamese Exports,” HS subheading 9403.50 (accessed February 21, 2022).

<sup>65</sup> USTR, “\$200 Billion Trade Action (List 3),” <https://ustr.gov/issue-areas/enforcement/section-301-investigations/section-301-china/200-billion-trade-action> (accessed February 23, 2022).

<sup>66</sup> Russell, Thomas, “Vietnam overtakes China as largest exporter to U.S.,” *Furniture Today*, May 5, 2021. Jennings, Ralph, “Vietnam Economy Benefits from US-China Trade War Spillover,” *VOA News*, September 9, 2019.

<sup>67</sup> Dalheim, Robert, “Maxwood Furniture doubles the size of its Vietnam production facilities,” *Furniture Today*, February 1, 2022.



**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
87 FR 76, January 3, 2022	<i>Initiation of Five-Year (Sunset) Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2022-01-03/pdf/2021-28405.pdf">https://www.govinfo.gov/content/pkg/FR-2022-01-03/pdf/2021-28405.pdf</a>
87 FR 121, January 3, 2022	<i>Wooden Bedroom Furniture From China; Institution of a Five-Year Review</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2022-01-03/pdf/2021-28354.pdf">https://www.govinfo.gov/content/pkg/FR-2022-01-03/pdf/2021-28354.pdf</a>





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



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**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



Table C-1

Wooden bedroom furniture: Summary data concerning the U.S. market, 2001-03, January-June 2003, and January-June 2004

Quantity=pieces; value=\$1,000; unit labor costs are per piece; period changes=percent, except where noted

Item	Reported data					Period changes			
	Calendar year		January-June			Calendar year			Jan.-June
	2001	2002	2003	2003	2004	2001-03	2001-02	2002-03	2003-04
U.S. consumption value:									
Amount	4,123,585.0	4,461,603	4,666,667	2,248,362	2,517,646	13.2	8.2	4.6	12.0
Producers' share <sup>1</sup>	55.6	48.2	40.3	42.7	35.7	-15.4	-7.4	-7.9	-7.0
Importers' share: <sup>1</sup>									
China (subject)	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
China	***	***	***	***	***	***	***	***	***
Brazil	1.8	2.2	2.4	2.2	2.5	0.6	0.4	0.2	0.4
Indonesia		3.4	3.2	3.2	3.5	0.0	0.2	-0.2	0.3
Malaysia	1.1	1.5	2.5	2.2	3.0	1.4	0.4	0.9	0.7
Mexico	3.5	2.9	2.1	2.2	1.8	-1.4	-0.7	-0.8	-0.4
Vietnam	0.0	0.2	1.0	0.7	1.9	1.0	0.2	0.7	1.2
All other sources	21.1	20.1	18.6	19.0	17.0	-2.5	-1.0	-1.5	-2.0
Subtotal, nonsubject	***	***	***	***	***	***	***	***	***
Total, all imports	44.4	51.8	59.7	57.3	64.3	15.4	7.4	7.9	7.0
Value of U.S. imports:									
China (subject)	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
China	***	***	***	***	***	***	***	***	***
Brazil	73,216	98,903	110,647	48,479	63,671	51.1	35.1	11.9	31.3
Indonesia	130,165	151,394	149,487	72,406	87,398	14.8	16.3	-1.3	20.7
Malaysia	44,897	67,979	114,588	50,301	74,802	155.2	51.4	68.6	48.7
Mexico	145,171	127,553	98,227	49,222	44,499	-32.3	-12.1	-23.0	-9.6
Vietnam	860	10,871	45,454	15,924	48,300	5,183.5	1,163.7	318.1	203.3
All other sources	869,420	896,807	867,626	426,596	427,926	-0.2	3.2	-3.3	0.3
Subtotal, nonsubject	***	***	***	***	***	***	***	***	***
Total, all imports	1,829,281	2,311,456	2,787,927	1,287,529	1,618,423	52.4	26.4	20.6	25.7
U.S. producers: <sup>1</sup>									
Average capacity quantity	17,833,664	17,884,974	17,316,172	8,774,426	8,620,708	-2.9	0.3	-3.2	-1.8
Production quantity	13,987,146	13,872,218	12,712,592	6,727,891	6,555,543	-9.1	-0.8	-8.4	-2.6
Capacity utilization <sup>1</sup> (percent)	77.2	76.8	72.7	76.1	74.6	-4.5	-0.4	-4.1	-1.5
U.S. shipments (pieces):									
Quantity	14,022,078	13,699,797	12,641,093	6,565,378	6,390,617	-9.8	-2.3	-7.7	-2.7
Value	2,294,304	2,150,147	1,878,740	960,833	899,223	-18.1	-6.3	-12.6	-6.4
Unit value	\$163.62	\$156.95	\$148.62	\$146.35	\$140.71	-9.2	-4.1	-5.3	-3.9
Export shipments (pieces):									
Quantity	206,088	225,349	249,187	109,568	123,000	20.9	9.3	10.6	12.3
Value	34,856	35,279	34,928	17,423	16,548	0.2	1.2	-1.0	-5.0
Unit value	\$169.13	\$156.55	\$140.17	\$159.02	\$134.54	-17.1	-7.4	-10.5	-15.4
Ending inventory quantity	1,825,553	1,867,947	1,810,686	1,926,629	1,976,361	-0.8	2.3	-3.1	2.6
Inventories/total shipments <sup>1</sup>	12.8	13.4	14.0	14.4	15.2	1.2	0.6	0.6	0.7
Production workers	32,680	30,107	26,181	27,516	24,352	-19.9	-7.9	-13.0	-11.5
Hours worked (1,000)	61,640	57,838	49,053	27,298	24,823	-20.4	-6.2	-15.2	-9.1
Wages paid (\$1,000)	740,273	713,611	624,685	325,169	312,808	-15.6	-3.6	-12.5	-3.8
Hourly wages	\$12.01	\$12.34	\$12.73	\$11.91	\$12.60	6.0	2.7	3.2	5.8
Productivity (pieces/1,000 hours)	223.4	237.5	256.6	244.8	259.3	14.9	6.3	8.0	5.9
Unit labor costs per piece	\$53.76	\$51.94	\$49.63	\$48.66	\$48.60	-7.7	-3.4	-4.5	-0.1
Net sales:									
Quantity	13,903,209	13,475,643	12,522,006	6,614,185	6,274,110	-9.9	-3.1	-7.1	-5.1
Value	2,325,701	2,166,170	1,899,142	991,846	912,937	-18.3	-6.9	-12.3	-8.0
Unit value	\$167.28	\$160.75	\$151.66	\$149.96	\$145.51	-9.3	-3.9	-5.7	-3.0
Cost of goods sold (COGS)	1,854,882	1,735,307	1,546,745	803,081	732,103	-16.6	-6.4	-10.9	-8.8
Gross profit or (loss)	470,819	430,863	352,397	188,765	180,834	-25.2	-8.5	-18.2	-4.2
SG&A expenses	361,066	330,203	304,928	158,093	151,665	-15.5	-8.5	-7.7	-4.1
Operating income or (loss)	109,753	100,660	47,469	30,672	29,169	-56.7	-8.3	-52.8	-4.9
Capital expenditures	57,355	38,540	30,382	16,327	11,512	-47.0	-32.8	-21.2	-29.5
Unit COGS	\$133.41	\$128.77	\$123.52	\$121.42	\$116.69	-7.4	-3.5	-4.1	-3.9
Unit SG&A expenses	\$25.97	\$24.50	\$24.35	\$23.90	\$24.17	-6.2	-5.6	-0.6	1.1
Unit operating income or (loss)	\$7.89	\$7.47	\$3.79	\$4.64	\$4.65	-52.0	-5.4	-49.3	0.3
COGS/sales <sup>1</sup>	79.8	80.1	81.4	81.0	80.2	1.7	0.4	1.3	-0.8
Operating income or (loss)/sales <sup>1</sup>	4.7	4.6	2.5	3.1	3.2	-2.2	-0.1	-2.1	0.1

<sup>1</sup> Reported data are in percent and period changes are in percentage points.

Note: Financial data are reported on a fiscal-year basis and may not necessarily be comparable to data reported on a calendar-year basis. Because of rounding, figures may not add to the totals shown. Shares are calculated from the unrounded figures. Quantity of imports is not available in official trade statistics for all HTS numbers, so only value is reported here for imports.

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

**Table C-1**  
**Wooden bedroom furniture: Summary data concerning the U.S. market, 2004-09**

Item	Reported data						Period changes					
	2004	2005	2006	2007	2008	2009	2004-09	2004-05	2005-06	2006-07	2007-08	2008-09
U.S. consumption value:												
Amount	4,676,283	5,180,403	5,039,035	4,663,962	4,093,725	3,403,639	-27.2	10.8	-2.7	-7.4	-12.2	-16.9
Producers' share (1)	31.9	27.3	24.7	22.5	21.9	22.0	-9.9	-4.6	-2.6	-2.2	-0.6	0.0
Importers' share (1):												
China (subject)							*****					
China (nonsubject)							*****					
Vietnam	4.1	8.9	11.7	17.5	23.3	24.7	20.6	4.9	2.7	5.8	5.8	1.4
All other sources	31.8	30.7	27.6	25.9	26.7	31.2	-0.6	-1.1	-3.1	-1.7	0.8	4.5
Subtotal, nonsubject							*****					
Total imports	68.1	72.7	75.3	77.5	78.1	78.0	9.9	4.6	2.6	2.2	0.6	0.0
U.S. imports from:												
China (subject):												
Value							*****					
Ending inventory quantity	1,341,429	1,529,915	1,675,197	1,474,293	1,323,861	1,100,214	-18.0	14.1	9.5	-12.0	-10.2	-16.9
China (nonsubject):												
Value							*****					
Ending inventory quantity							*****					
Vietnam:												
Value	190,393	462,805	587,387	813,931	952,537	839,136	340.7	143.1	26.9	38.6	17.0	-11.9
Ending inventory quantity	247,868	378,427	676,594	848,123	1,037,252	1,004,780	305.4	52.7	78.8	25.4	22.3	-3.1
All other sources:												
Value	1,489,002	1,592,766	1,391,358	1,208,461	1,094,591	1,062,414	-28.6	7.0	-12.6	-13.1	-9.4	-2.9
Ending inventory quantity	382,596	499,680	567,622	649,936	649,613	599,360	56.7	30.6	13.6	14.5	0.0	-7.7
Subtotal, nonsubject:												
Value							*****					
Ending inventory quantity							*****					
All sources:												
Value	3,185,475	3,764,811	3,794,948	3,613,016	3,196,269	2,655,854	-16.6	18.2	0.8	-4.8	-11.5	-16.9
Ending inventory quantity	2,128,540	2,589,899	3,165,785	3,159,227	3,181,817	2,845,065	33.7	21.7	22.2	-0.2	0.7	-10.6
U.S. producers':												
Average capacity quantity	14,018,999	14,050,004	13,640,803	12,918,768	11,894,272	11,079,849	-21.0	0.2	-2.9	-5.3	-7.9	-6.8
Production quantity	10,248,027	10,100,968	9,746,303	8,417,946	7,491,611	6,467,592	-36.9	-1.4	-3.5	-13.6	-11.0	-13.7
Capacity utilization (1)	73.1	71.9	71.4	65.2	63.0	58.4	-14.7	-1.2	-0.4	-6.3	-2.2	-4.6
U.S. shipments:												
Quantity	10,058,985	9,954,129	9,530,197	8,260,411	7,236,525	6,342,624	-36.9	-1.0	-4.3	-13.3	-12.4	-12.4
Value	1,490,808	1,415,592	1,244,087	1,050,946	897,456	747,785	-49.8	-5.0	-12.1	-15.5	-14.6	-16.7
Unit value	\$148.21	\$142.21	\$130.54	\$127.23	\$124.02	\$117.90	-20.5	-4.0	-8.2	-2.5	-2.5	-4.9
Export shipments:												
Quantity	195,765	193,452	248,418	268,402	306,634	244,217	24.8	-1.2	28.4	8.0	14.2	-20.4
Value	24,636	26,898	28,361	33,507	36,109	27,076	9.9	9.2	5.4	18.1	7.8	-25.0
Unit value	\$125.84	\$139.04	\$114.17	\$124.84	\$117.76	\$110.87	-11.9	10.5	-17.9	9.3	-5.7	-5.9
Ending inventory quantity	1,522,078	1,474,669	1,607,029	1,494,364	1,498,950	1,387,600	-8.8	-3.1	9.0	-7.0	0.3	-7.4
Inventories/total shipments (1)	14.8	14.5	16.4	17.5	19.9	21.1	6.2	-0.3	1.9	1.1	2.4	1.2
Production workers	20,155	18,741	15,669	13,342	11,062	9,063	-55.0	-7.0	-16.4	-14.9	-17.1	-18.1
Hours worked (1,000s)	39,882	36,015	30,565	26,624	22,684	18,617	-53.3	-9.7	-15.1	-12.9	-14.8	-17.9
Wages paid (\$1,000s)	486,788	442,471	384,867	342,588	299,002	235,871	-51.5	-9.1	-13.0	-11.0	-12.7	-21.1
Hourly wages	\$12.21	\$12.29	\$12.59	\$12.87	\$13.18	\$12.67	3.8	0.7	2.5	2.2	2.4	-3.9
Productivity (pieces/1,000 hour)	257.0	280.5	318.9	316.0	330.3	347.4	35.2	9.1	13.7	-0.9	4.5	5.2
Unit labor costs	\$47.50	\$43.80	\$39.47	\$40.72	\$39.91	\$36.47	-23.2	-7.8	-9.9	3.2	-2.0	-8.6
Net sales:												
Quantity	10,342,272	10,229,348	9,786,782	8,560,684	7,507,918	6,498,395	-37.2	-1.1	-4.3	-12.5	-12.3	-13.4
Value	1,526,945	1,455,871	1,274,309	1,097,469	940,985	774,626	-49.3	-4.7	-12.5	-13.9	-14.3	-17.7
Unit value	\$147.64	\$142.32	\$130.21	\$128.20	\$125.33	\$119.20	-19.3	-3.6	-8.5	-1.5	-2.2	-4.9
Cost of goods sold (COGS)	1,224,373	1,150,836	1,030,197	922,101	799,947	665,675	-45.6	-6.0	-10.5	-10.5	-13.2	-16.8
Gross profit or (loss)	302,572	305,035	244,112	175,368	141,038	108,951	-64.0	0.8	-20.0	-28.2	-19.6	-22.8
SG&A expenses	238,645	220,142	198,507	199,865	157,187	132,605	-44.4	-7.8	-9.8	0.7	-21.4	-15.6
Operating income or (loss)	63,927	84,893	45,605	-24,497	-16,149	-23,654	(2)	32.8	-46.3	(2)	34.1	-46.5
Capital expenditures	23,045	22,538	34,251	18,462	15,579	9,581	-58.4	-2.2	52.0	-46.1	-15.6	-38.5
Unit COGS	\$118.39	\$112.50	\$105.26	\$107.71	\$106.55	\$102.44	-13.5	-5.0	-6.4	2.3	-1.1	-3.9
Unit SG&A expenses	\$23.07	\$21.52	\$20.28	\$23.35	\$20.94	\$20.41	-11.6	-6.7	-5.8	15.1	-10.3	-2.5
Unit operating income or (loss)	\$6.18	\$8.30	\$4.66	-\$2.86	-\$2.15	-\$3.64	(2)	34.3	-43.9	(2)	24.8	-69.2
COGS/sales (1)	80.2	79.0	80.8	84.0	85.0	85.9	5.8	-1.1	1.8	3.2	1.0	0.9
Operating income or (loss)/ sales (1)	4.2	5.8	3.6	-2.2	-1.7	-3.1	-7.2	1.6	-2.3	-5.8	0.5	-1.3

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

(2) Undefined.

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

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of the U.S. Department of Commerce.



Table C-1

WBF: Summary data concerning the U.S. market, 2013-15, January to June 2015, and January to June 2016

Quantity=piece; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per piece; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		2015	January to June		Calendar year			Jan to Jun
	2013	2014		2015	2016	2013-15	2013-14	2014-15	2015-16
U.S. consumption value:									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China, subject.....	***	***	***	***	***	***	***	***	***
China, nonsubject.....	***	***	***	***	***	***	***	***	***
Vietnam.....	***	***	***	***	***	***	***	***	***
All other sources.....	***	***	***	***	***	***	***	***	***
Nonsubject.....	***	***	***	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***	***	***	***
U.S. importers' U.S. imports from:									
China, subject:									
Value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
China, nonsubject:									
Value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Vietnam:									
Value.....	1,386,855	1,499,586	1,715,156	798,948	821,426	23.7	8.1	14.4	2.8
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All other sources:									
Value.....	1,337,180	1,450,830	1,520,460	770,621	737,544	13.7	8.5	4.8	(4.3)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject:									
Value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Total imports:									
Value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity.....	8,922,555	9,667,434	9,822,922	4,918,282	5,186,967	10.1	8.3	1.6	5.5
Production quantity.....	6,300,485	6,967,585	7,701,495	3,959,564	3,777,827	22.2	10.6	10.5	(4.6)
Capacity utilization (fn1).....	70.6	72.1	78.4	80.5	72.8	7.8	1.5	6.3	(7.7)
U.S. shipments:									
Quantity.....	6,176,525	6,424,854	7,354,210	3,941,304	3,711,541	19.1	4.0	14.5	(5.8)
Value.....	589,716	591,864	648,453	338,861	338,827	10.0	0.4	9.6	(0.0)
Unit value.....	\$95.48	\$92.12	\$88.17	\$85.98	\$91.29	(7.6)	(3.5)	(4.3)	6.2
Export shipments:									
Quantity.....	331,704	361,952	336,688	171,104	125,426	1.5	9.1	(7.0)	(26.7)
Value.....	28,246	28,954	26,543	13,298	10,038	(6.0)	2.5	(8.3)	(24.5)
Unit value.....	\$85.15	\$79.99	\$78.84	\$77.72	\$80.03	(7.4)	(6.1)	(1.4)	3.0
Ending inventory quantity.....	753,889	934,668	945,265	781,824	886,125	25.4	24.0	1.1	13.3
Inventories/total shipments (fn1).....	11.6	13.8	12.3	9.5	11.5	0.7	2.2	(1.5)	2.0
Production workers.....	4,811	4,976	4,817	4,843	4,763	0.1	3.4	(3.2)	(1.7)
Hours worked (1,000s).....	10,341	10,164	9,946	5,462	5,359	(3.8)	(1.7)	(2.1)	(1.9)
Wages paid (\$1,000).....	151,072	152,126	158,046	77,940	78,903	4.6	0.7	3.9	1.2
Hourly wages.....	\$14.61	\$14.97	\$15.89	\$14.72	\$14.72	8.8	2.5	6.2	3.2
Productivity (piece per 1,000 hours).....	609.3	685.5	774.3	724.9	704.9	27.1	12.5	13.0	(2.8)
Unit labor costs.....	\$23.98	\$21.83	\$20.52	\$19.68	\$20.89	(14.4)	(8.9)	(6.0)	6.1
Net Sales:									
Quantity.....	6,512,287	6,786,621	7,709,792	4,116,226	3,849,236	18.4	4.2	13.6	(6.5)
Value.....	621,172	617,673	677,164	351,349	350,208	9.0	(0.6)	9.6	(0.3)
Unit value.....	\$95.38	\$91.01	\$87.83	\$85.36	\$90.98	(7.9)	(4.6)	(3.5)	6.6
Cost of goods sold (COGS).....	509,145	519,276	541,363	284,844	273,232	6.3	2.0	4.3	(4.1)
Gross profit of (loss).....	112,027	98,397	135,801	66,505	76,976	21.2	(12.2)	38.0	15.7
SG&A expenses.....	121,491	126,652	135,634	68,926	72,077	11.6	4.2	7.1	4.6
Operating income or (loss).....	(9,465)	(28,255)	167	(2,421)	4,899	fn2	198.5	fn2	fn2
Capital expenditures.....	8,447	13,462	10,696	3,826	3,639	26.6	59.4	(20.5)	(4.9)
Unit COGS.....	\$78.18	\$76.51	\$70.22	\$69.20	\$70.98	(10.2)	(2.1)	(8.2)	2.6
Unit SG&A expenses.....	\$18.66	\$18.66	\$17.59	\$16.74	\$18.73	(5.7)	0.0	(5.7)	11.8
Unit operating income or (loss).....	(\$1.45)	(\$4.16)	\$0.02	(\$0.59)	\$1.27	fn2	186.5	fn2	fn2
COGS/sales (fn1).....	82.0	84.1	79.9	81.1	78.0	(2.0)	2.1	(4.1)	(3.1)
Operating income or (loss)/sales (fn1).....	(1.5)	(4.6)	0.0	(0.7)	1.4	fn2	(3.1)	4.6	fn2

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics under HTS 9403.50.9042, 9403.50.9045, and 9403.50.9080.



**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 four firms as top purchasers of stainless steel plate: \*\*\*. Purchaser questionnaires were sent to these four firms and one firm (\*\*\*) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for wooden bedroom furniture that have occurred in the United States or in the market for wooden bedroom furniture in China since January 1, 2016?

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

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

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