

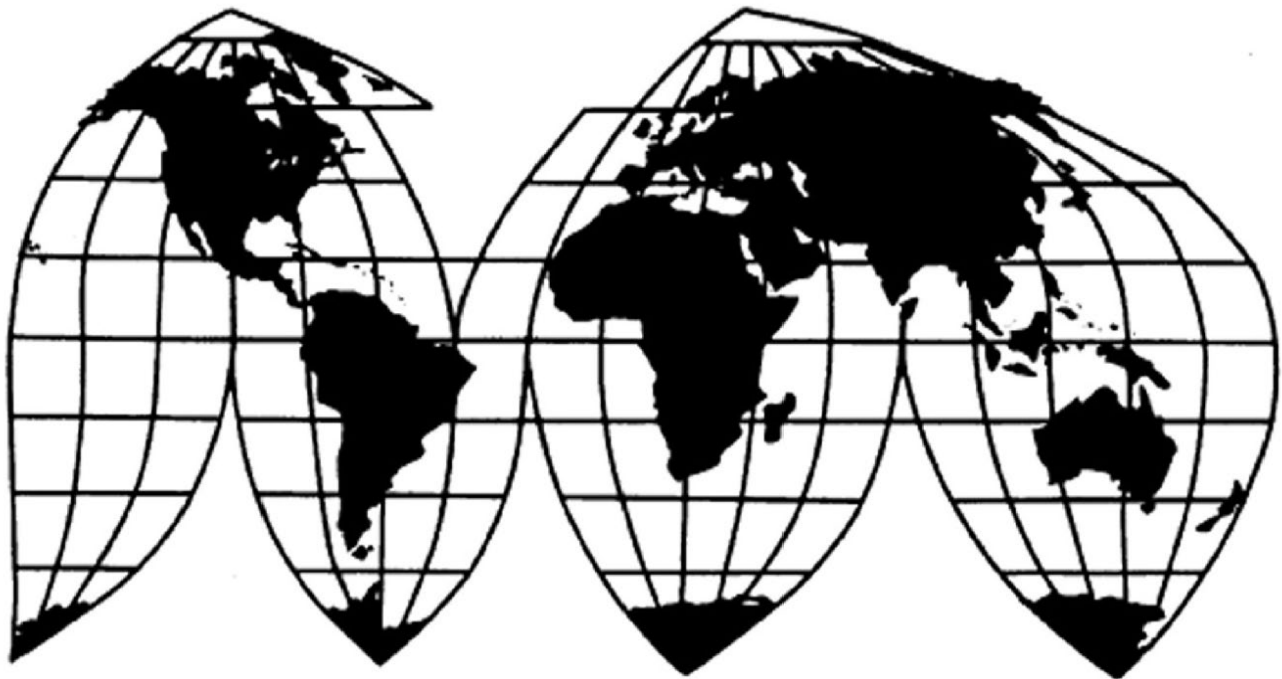
Raw Flexible Magnets from China and Taiwan

Investigation Nos. 701-TA-452 and 731-TA-1129-1130 (Third Review)

Publication 5574

December 2024

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-452 and 731-TA-1129-1130 (Third Review)

Raw Flexible Magnets from China and Taiwan

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing duty order on raw flexible magnets from China and revocation of the antidumping duty orders on raw flexible magnets from China and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted these reviews on June 3, 2024 (89 FR 47607) and determined on September 6, 2024, that it would conduct expedited reviews (89 FR 81938, October 9, 2024).

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

² Commissioner Jason E. Kearns did not participate.

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty orders on raw flexible magnets from China and Taiwan and the countervailing duty order on raw flexible magnets 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.¹

I. Background

Original Investigations. In September 2007, Magnum Magnetics Corp. (“Magnum”) filed antidumping duty petitions covering imports of raw flexible magnets from China and Taiwan and a countervailing duty petition covering imports of raw flexible magnets from China.² In August 2008, the Commission issued its final determinations finding that the domestic industry producing raw flexible magnets was threatened with material injury by reason of subject imports from China and Taiwan.³ Subsequently, the Department of Commerce (“Commerce”) issued antidumping and countervailing duty orders on subject imports.⁴

First Reviews. In August 2013, the Commission instituted its first five-year reviews of the antidumping and countervailing duty orders.⁵ In January 2014, after conducting expedited reviews, the Commission determined that revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry producing raw flexible magnets within a reasonably foreseeable time.⁶ In February 2014, Commerce published its

¹ Commissioner Jason E. Kearns did not participate in these five-year reviews.

² *Raw Flexible Magnets from China and Taiwan*, Inv. Nos. 701-TA-452 and 731-TA-1129-1130 (Final), USITC Pub. 4030 at 3 (Aug. 2008) (“Original Determinations”).

³ Original Determinations, USITC Pub. 4030 at 3. Commissioner Charlotte R. Lane found that the domestic industry was materially injured by reason of cumulated imports of raw flexible magnets from China and Taiwan. *See id.* at 31-37 (Separate Views). Vice Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun found that the domestic industry was neither materially injured nor threatened with material injury by reason of subject imports from Taiwan. *See id.* at 41-43 (Separate and Dissenting Views).

⁴ *Raw Flexible Magnets from China*, 73 Fed. Reg. 53847 (Sept. 17, 2008) (notice of antidumping duty order); *Raw Flexible Magnets from Taiwan*, 73 Fed. Reg. 53848 (Sept. 17, 2008) (notice of antidumping duty order); *Raw Flexible Magnets from China*, 73 Fed. Reg. 53849 (Sept. 17, 2008) (notice of countervailing duty order).

⁵ *Raw Flexible Magnets from China and Taiwan*, 78 Fed. Reg. 46604 (Aug. 1, 2013) (institution of the first five-year reviews).

⁶ *Raw Flexible Magnets from China and Taiwan*, Inv. Nos. 701-TA-452 and 731-TA-1129-1130 (First Review), USITC Pub. 4449 at 3 (Aug. 2008) (“First Five-Year Reviews”).

notice of continuation of the antidumping duty orders on imports of raw flexible magnets from China and Taiwan and the countervailing duty order covering imports of raw flexible magnets from China.⁷

Second Reviews. In January 2019, the Commission instituted its second five-year reviews of the antidumping and countervailing duty orders.⁸ On July 12, 2019, after conducting expedited reviews, the Commission determined that revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry producing raw flexible magnets within a reasonably foreseeable time.⁹ On July 23, 2019, Commerce published its notice of continuation of the antidumping duty orders on raw flexible magnets from China and Taiwan and the countervailing duty order on raw flexible magnets from China.¹⁰

Current Reviews. On June 3, 2024, the Commission instituted these third five-year reviews.¹¹ The Commission received one response to the notice of institution, filed on behalf of Magnum, a domestic producer of raw flexible magnets.¹² The Commission did not receive a response from any respondent interested party. On September 6, 2024, the Commission determined that the domestic interested party group response was adequate and that the respondent interested party group response was inadequate.¹³ Finding no other circumstances that would warrant conducting full reviews, the Commission determined that it would conduct expedited reviews of the orders.¹⁴ The domestic interested party submitted final comments

⁷ *Raw Flexible Magnets from China and Taiwan*, 79 Fed. Reg. 6886 (Feb. 5, 2014) (continuation of antidumping and countervailing duty orders).

⁸ *Raw Flexible Magnets from China and Taiwan*, 84 Fed. Reg. 8 (Jan. 2, 2019) (institution of the second five-year reviews).

⁹ *Raw Flexible Magnets from China and Taiwan*, Inv. Nos. 701-TA-452 and 731-TA-1129-1130 (Second Review), USITC Pub. 4921 at 4 (Aug. 2008) (“Second Five-Year Reviews”).

¹⁰ *Raw Flexible Magnets from China and Taiwan*, 84 Fed. Reg. 35369 (July 23, 2019) (continuation of antidumping and countervailing duty orders).

¹¹ *Raw Flexible Magnets from China and Taiwan; Institution of Five-Year Reviews*, 89 Fed. Reg. 47607 (June 3, 2024).

¹² Confidential Report (“CR”), INV-WW-101 at I-2; Public Report (“PR”), *Raw Flexible Magnets from China and Taiwan*, Inv. Nos. 701-TA-452 and 731-TA-1129-1130 (Third Review), USITC Pub. 5574 (Dec. 2024) at I-2; Domestic Interested Party’s Response to the Notice of Institution, EDIS Doc. Nos. 825015 (Confidential Version) & 825016 (Public Version) (July 3, 2024) (“Domestic Interested Party’s NOI Response”).

¹³ Explanation of Commission Determination on Adequacy, EDIS Doc. 832146 (Sept. 12, 2024).

¹⁴ Explanation of Commission Determination on Adequacy, EDIS Doc. 832146 (Sept. 12, 2024); *Raw Flexible Magnets From China and Taiwan; Scheduling of Expedited Five-Year Reviews*, 89 Fed. Reg. 81938 (Sept. 6, 2024).

pursuant to 19 C.F.R. § 207.62(d) regarding the determinations that the Commission should reach.¹⁵

U.S. industry data in these reviews are based on information submitted by Magnum in response to the notice of institution and publicly available information compiled by the Commission.¹⁶ The domestic interested party accounted for an estimated *** percent of U.S. production of raw flexible magnets in 2023.¹⁷ U.S. import data are not available for the current reviews.¹⁸ Foreign industry data and related information are based on information from the original investigations and subsequent five-year reviews, information submitted by the domestic interested party in its response to the notice of institution, and publicly available information compiled by the Commission.¹⁹

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.”²⁰ 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.”²¹ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original

¹⁵ Domestic Interested Party’s Final Comments, EDIS Doc. Nos. 838259 (Confidential Version) & 838260 (Public Version) (Nov. 29, 2024) (“Domestic Interested Party’s Final Comments”).

¹⁶ CR/PR at I-11 to I-13.

¹⁷ CR/PR at I-12 and Table I-2.

¹⁸ CR/PR at I-15 n. 49. Official import statistics cannot be relied upon to disclose amounts of or trends in subject imports because (1) the relevant HTSUS subheadings include substantial imports of out-of-scope merchandise and (2) the unit of quantity specified in the HTSUS for reporting subject merchandise under these subheadings is “number” whereas the Commission relied upon quantity measured in 1,000 pounds in the original investigations. *Id.*

¹⁹ CR/PR at I-16 to I-20. Although the Commission sent purchaser questionnaires to two firms identified by the domestic interested party as top U.S. purchasers of raw flexible magnets, neither responded to the questionnaire. *Id.* at D-3.

²⁰ 19 U.S.C. § 1677(4)(A).

²¹ 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

investigation and consider whether the record indicates any reason to revisit the prior findings.²²

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

The products covered by these orders are certain flexible magnets regardless of shape,²³ color, or packaging.²⁴ Subject flexible magnets are bonded magnets composed (not necessarily exclusively) of (i) any one or combination of various flexible binders (such as polymers or co-polymers, or rubber) and (ii) a magnetic element, which may consist of a ferrite permanent magnet material (commonly, strontium or barium ferrite, or a combination of the two), a metal alloy (such as NdFeB or Alnico), any combination of the foregoing with each other or any other material, or any other material capable of being permanently magnetized.

Subject flexible magnets may be in either magnetized or unmagnetized (including demagnetized) condition, and may or may not be fully or partially laminated or fully or partially bonded with paper, plastic, or other material, of any composition and/or color. Subject flexible magnets may be uncoated or may be coated with an adhesive or any other coating or combination of coatings.

Specifically excluded from the scope of these orders are printed flexible magnets, defined as flexible magnets (including individual magnets) that are laminated or bonded with paper, plastic, or other material if such paper, plastic, or other material bears printed text and/or images, including but not limited to business cards, calendars, poetry, sports event schedules, business promotions, decorative motifs, and the like. This exclusion does not apply to such printed flexible magnets if the printing concerned consists of only the following: a trade mark or trade name; country of origin; border, stripes, or lines; any printing that is removed in the course of cutting and/or printing magnets for retail sale or

²² 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).

²³ The term “shape” includes, but is not limited to profiles, which are flexible magnets with a non-rectangular cross-section.

²⁴ Packaging includes retail or specialty packaging such as digital printer cartridges.

other disposition from the flexible magnet; manufacturing or use instructions (e.g., “print this side up,” “this side up,” “lamine here”); printing on adhesive backing (that is, material to be removed in order to expose adhesive for use such as application of laminate) or on any other covering that is removed from the flexible magnet prior or subsequent to final printing and before use; non-permanent printing (that is, printing in a medium that facilitates easy removal, permitting the flexible magnet to be re-printed); printing on the back (magnetic) side; or any combination of the above.

All products meeting the physical description of subject merchandise that are not specifically excluded are within the scope of these orders. The products subject to the orders are currently classifiable principally under subheadings 8505.19.10 and 8505.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided only for convenience and customs purposes; the written description of the scope of the orders is dispositive.²⁵

Raw flexible magnets are magnets that can be twisted, bent, slit, punched, coiled, and otherwise molded into any shape without loss of magnetic properties.²⁶ Key physical characteristics of raw flexible magnets include magnetism, thinness, flexibility, lightness of weight, and ease of cutting.²⁷ They are used in a range of applications, such as refrigerator door gaskets, magnetic car and safety signs, direct mail promotional items, magnetic business cards, advertising signs, calendars, nameplates, and toys and games.²⁸

In the original investigations and prior five-year reviews, the Commission defined the domestic like product as raw flexible magnets, coextensive with the scope.²⁹

²⁵ *Raw Flexible Magnets from the People’s Republic of China and Taiwan: Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders*, 89 Fed. Reg. 79242 (Sept. 27, 2024) and accompanying Issues and Decisions Memorandum, EDIS Doc. No. 836312, at 2-3; *Raw Flexible Magnets from the People’s Republic of China: Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order*, 89 Fed. Reg. 82565 (Oct. 11, 2024) and accompanying Issues and Decisions Memorandum, EDIS Doc. No. 836312, at 2-3.

²⁶ CR/PR at I-7.

²⁷ CR/PR at I-7 to I-8.

²⁸ CR/PR at I-8 to I-9.

²⁹ *Original Determinations*, USITC Pub. 4030 at 6-7; *First Five-Year Reviews*, USITC Pub. 4449 at 5-6; *Second Five-Year Reviews*, USITC Pub. 4921 at 6.

In the current reviews, the record does not contain any information suggesting that the pertinent characteristics and uses of raw flexible magnets have changed since the last reviews so as to warrant revisiting the Commission's domestic like product definition.³⁰ The domestic interested party agrees with the Commission's definition of the domestic like product from the prior proceedings.³¹ Consequently, we again define the domestic like product as raw flexible magnets, coextensive with the scope of the orders under review.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."³² 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 its original investigations and prior five-year reviews, the Commission defined the domestic industry as all U.S. producers of raw flexible magnets.³³

³⁰ CR/PR at I-13 to I-14.

³¹ Domestic Interested Party's NOI Response at 8.

³² 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.

³³ *Original Determinations*, USITC Pub. 4030 at 7-9; *First Five-Year Reviews*, USITC Pub. 4449 at 6; *Second Five-Year Reviews*, USITC Pub. 4921 at 9. In the original investigations, the Commission addressed whether fabricators of raw flexible magnets engaged in sufficient production-related activities to be considered part of the domestic industry. *Original Determinations*, USITC Pub. 4030 at 7-9. It applied the six factors that it generally considers for this analysis and found that the evidence on the record regarding the value added by fabrication operations, degree of technical expertise necessary to conduct fabrication operations, and quantity of parts sourced in the United States were mixed or reflected ambiguous data. It further found that evidence on the remaining factors supported a conclusion that fabrication should not be included as domestic production. Specifically, it found that the fabricators' capital investment and employment were small on an absolute basis and were smaller on a relative basis than the comparable figures for domestic producers. The Commission concluded that, on balance and absent contrary argument by the parties, fabricators did not engage in sufficient production-related activities and therefore, did not include such firms in the domestic industry. *Original Determinations*, USITC Pub. 4030 at 7-9. The Commission did not revisit its domestic industry definition in the subsequent expedited five-year reviews. *First Five-Year Reviews*, USITC Pub. 4449 at 6; *Second Five-Year Reviews*, USITC Pub. 4921 at 7. No new facts or party arguments have been presented in these current reviews to warrant an approach different from that followed by the Commission in the original investigations.

In the current reviews, the domestic interested party agrees with the Commission's definition of the domestic industry from the prior proceedings.³⁴ There are no related parties or other domestic industry issues in these reviews.³⁵ Consequently, consistent with our definition of the domestic like product, we again define the domestic industry as consisting of all U.S. producers of raw flexible magnets.

III. Cumulation

A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.³⁶

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.³⁷ The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the

³⁴ Domestic Interested Party's NOI Response at 9.

³⁵ See Domestic Interested Party's NOI Response at 27. The domestic interested party does not believe that there have been any subject imports in the U.S. market since 2012 and did not indicate that Magnum or the other two domestic producers, Flexmag Industries, Inc. ("Flexmag") and ILPEA Industries, Inc. ("ILPEA"), are related to any exporter of subject merchandise. *Id.*

³⁶ 19 U.S.C. § 1675a(a)(7).

³⁷ 19 U.S.C. § 1677(7)(G)(i); see also, e.g., *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

B. Prior Proceedings and Party Arguments

In the original investigations, the Commission cumulated subject imports from China and Taiwan for its material injury and threat of material injury analyses.³⁸ For purposes of its material injury analysis, it found a reasonable overlap of competition among subject imports from China and Taiwan and between the imports from each subject country and the domestic like product.³⁹ For purposes of its threat of material injury analysis, it further found that subject imports from China and Taiwan were likely to compete under similar conditions of competition in the U.S. market in the imminent future.⁴⁰

In the expedited first and second five-year reviews, the Commission found that imports from China and Taiwan would not be likely to have no discernible adverse impact on the domestic industry in the event of revocation.⁴¹ It further found a likely reasonable overlap of competition among imports from both subject countries and between subject imports and the domestic like product.⁴² It did not find any likely differences in the conditions of competition between the two subject sources of raw flexible magnets.⁴³ On that basis, the Commission cumulated subject imports from China and Taiwan.⁴⁴

In the current reviews, the domestic interested party argues that the Commission should again cumulate subject imports from China and Taiwan.⁴⁵ It maintains that each factor

³⁸ *Original Determinations*, USITC Pub. 4030 at 12.

³⁹ *Original Determinations*, USITC Pub. 4030 at 9-12.

⁴⁰ *Original Determinations*, USITC Pub. 4030 at 12. The Commission found that imports from both subject countries were present in the U.S. market throughout the original period of investigation and were likely to continue to be present in the market in the imminent future, the subject industries in China and Taiwan were export-oriented, and subject imports were generally good substitutes. *See id.*

⁴¹ *First Five-Year Reviews*, USITC Pub. 4449 at 8-9; *Second Five-Year Reviews*, USITC Pub. 4921 at 9.

⁴² *First Five-Year Reviews*, USITC Pub. 4449 at 9-11; *Second Five-Year Reviews*, USITC Pub. 4921 at 14.

⁴³ *First Five-Year Reviews*, USITC Pub. 4449 at 11; *Second Five-Year Reviews*, USITC Pub. 4921 at 14.

⁴⁴ *First Five-Year Reviews*, USITC Pub. 4449 at 11; *Second Five-Year Reviews*, USITC Pub. 4921 at 15.

⁴⁵ Domestic Interested Party's NOI Response at 9-11.

the Commission previously identified as supporting cumulation continues to be present.⁴⁶ It asserts that, because of the volumes of subject imports observed during the original investigations and the excess capacity and export orientation of each of the industries concerned, subject imports from each subject country would not likely have no discernable adverse impact on the domestic industry if the orders were revoked.⁴⁷ Likewise, because the raw flexible magnet market in the United States continues to be an unsegmented national market, there is no basis to assume that imports from either subject country would have materially different characteristics, distribution patterns, or geographic presence if the orders were revoked.⁴⁸ The domestic interested party also argues that the likely conditions of competition pertaining to subject imports from China and Taiwan remain similar, as the Commission found in analyzing cumulation for purposes of its threat determinations in the original determinations.⁴⁹

C. Analysis

The statutory threshold for cumulation is satisfied in these five-year reviews because the reviews were initiated on the same day: June 3, 2024.⁵⁰

In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

1. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.⁵¹ Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in

⁴⁶ Domestic Interested Party’s NOI Response at 10-11.

⁴⁷ Domestic Interested Party’s NOI Response at 11.

⁴⁸ Domestic Interested Party’s NOI Response at 11.

⁴⁹ Domestic Interested Party’s Final Comments at 6-7.

⁵⁰ CR/PR at I-1; *Raw Flexible Magnets from China and Taiwan; Institution of Five-Year Reviews*, 89 Fed. Reg. 47607 (June 3, 2024).

⁵¹ 19 U.S.C. § 1675a(a)(7).

determining that imports “are likely to have no discernible adverse impact” on the domestic industry.⁵² With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we find that imports from China and Taiwan are not likely to have no discernible adverse impact on the domestic industry in the event of revocation, for the reasons detailed below.

China. In the original investigations, the volume of subject imports from China increased from *** pounds in 2005 to *** pounds in 2006 and *** pounds in 2007.⁵³ Shipments of imports from China as a share of apparent U.S. consumption increased from *** percent in 2005 to *** percent in 2006 and *** percent in 2007.⁵⁴ Data from the responding Chinese producers showed that their capacity was *** pounds in 2005, *** pounds in 2006, and *** pounds in 2007.⁵⁵ Their capacity utilization was *** percent in 2005, *** percent in 2006, and *** percent in 2007.⁵⁶ Exports accounted for *** percent of the responding Chinese producers’ total shipments in 2005, *** percent in 2006, and *** percent in 2007.⁵⁷

In the expedited first five-year reviews, the Commission observed that the record contained no empirical data regarding the characteristics of subject imports or their volume over the review period.⁵⁸ The relevant HTSUS subheadings that covered raw flexible magnets also included substantial out-of-scope imports, no respondents responded to the notice of institution, and there were no meaningful public data concerning worldwide trade in raw flexible magnets.⁵⁹ The Commission determined that, based on the rapid increase in the volume of subject imports from China during the original investigations, as well as the Chinese industry’s excess capacity and export orientation in those investigations, subject imports from China were not likely to have no discernible adverse impact if the orders were revoked.⁶⁰

⁵² SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

⁵³ Memorandum INV-FF-088 (“Original CR”), EDIS Doc. 668315 at Table IV-2.

⁵⁴ Original CR at Table IV-8.

⁵⁵ Original CR at Table VII-2.

⁵⁶ Original CR at Table VII-2.

⁵⁷ Original CR at Table VII-2.

⁵⁸ *First Five-Year Reviews*, USITC Pub. 4449 at 8-9.

⁵⁹ *First Five-Year Reviews*, USITC Pub. 4449 at 8.

⁶⁰ *First Five-Year Reviews*, USITC Pub. 4449 at 8.

In the expedited second five-year reviews, the Commission noted that the record did not include data pertaining to imports of raw flexible magnets.⁶¹ The domestic interested party explained that there were few, if any, imports of raw flexible magnets since the imposition of the orders, though it argued the raw flexible magnet industry in China maintained substantial capacity and had expanded its capacity since the prior reviews.⁶² It also argued that the subject producers in China remained export oriented and continued to show interest in the U.S. market by soliciting U.S. customers.⁶³ Thus, the Commission found that subject imports from China would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order and/or countervailing duty order covering these imports were revoked.⁶⁴

As in the prior expedited reviews, the record in the current reviews contains limited information concerning raw flexible magnets in China because no respondents responded to the notice of institution. Additionally, data pertaining to imports of raw flexible magnets are not available in the current reviews because the relevant HTSUS subheadings covering raw flexible magnets include substantial amounts of out-of-scope imports.⁶⁵ The information available indicates that there were no subject imports from China during the period of review.⁶⁶ The domestic interested party identified ten possible producers of raw flexible magnets in China,⁶⁷ and asserts that subject producers in China maintain large and available capacity, which they would likely use to significantly increase exports to the United States if the orders were revoked.⁶⁸ The information available also indicates that, since the last five-year reviews, the raw flexible magnet industry in China has expanded its production capacity, with the opening of new production lines by one producer and multiple new production facilities by other producers.⁶⁹

⁶¹ *Second Five-Year Reviews*, USITC Pub. 4921 at 10.

⁶² *Second Five-Year Reviews*, USITC Pub. 4921 at 10.

⁶³ *Second Five-Year Reviews*, USITC Pub. 4921 at 10.

⁶⁴ *Second Five-Year Reviews*, USITC Pub. 4921 at 10-11.

⁶⁵ CR/PR at I-15 n. 49.

⁶⁶ CR/PR at I-15; Domestic Interested Party NOI Response at Exhibit 9.

⁶⁷ Domestic Interested Party NOI Response at Exhibit 12.

⁶⁸ Domestic Interested Party NOI Response at 11, 22.

⁶⁹ CR/PR at I-17 to I-18. Xiamen One Magnet Electronic Co, Ltd. (“Xiamen”), a raw flexible magnet producer in China, opened six new production lines of ferret magnets from 2021 to May 2024 and entered into a new public-private partnership in July 2023. *Id.* Another producer, Beijing Zhong Ke San Huan High-Tech Co., Ltd, opened a new production facility in February 2022. *Id.* Likewise, Guangzhou Newlife Magnet Electricity Co., Ltd. (“Guangzhou”) opened a new facility in 2019 and (Continued...)

During the original investigations, subject imports from China undersold the domestic like product in 24 of 37 (or 73.0 percent of) quarterly comparisons.⁷⁰ No pricing data for subject imports from China were obtained in the first, second, or current reviews.

The information available also indicates that the U.S. market remains attractive for subject producers in China.⁷¹ According to the domestic interested party, the United States remains a large market for raw flexible magnets.⁷² The domestic interested party also indicates that ***.⁷³ Further, the domestic interested party submitted copies of e-mail correspondence from subject producers in China soliciting new business from U.S. purchasers during the period of review, indicating that subject producers remain highly interested in serving the U.S. raw flexible magnet market.⁷⁴ Other information submitted by the domestic interested party indicates that subject producers, including one that was a major exporter of raw flexible magnets to the U.S. market during the original investigations, maintain offices or affiliates in the United States that would enable them to rapidly gain sales in the U.S. market if the orders were revoked.⁷⁵

In light of the foregoing, including the significant and increasing volume and market share of subject import from China in the original investigations, the large and expanding capacity of the subject industry, the significant underselling by subject imports from China in the original investigations, and the continued attractiveness of the U.S. market, we find that subject imports from China are not likely to have no discernible adverse impact on the domestic industry if the orders covering these imports were revoked.

Taiwan. In the original investigations, the volume of subject imports from Taiwan was *** pounds in 2005, *** pounds in 2006, and *** pounds in 2007.⁷⁶ Shipments of imports from Taiwan accounted for *** percent of apparent U.S. consumption in 2005, *** percent in 2006, and *** percent in 2007.⁷⁷ Responding producers in Taiwan reported *** pounds of capacity in each full year from 2005 to 2007 and capacity utilization rates of *** percent in 2005, ***

entered into a new public-private partnership in 2021. *Id.* Yantai Zhenghai Magnetic Material Co., Ltd. (“Yantai”) also opened one new production facility in August 2020 and two more in June 2023, including one facility that acts a public-private partnership. *Id.*

⁷⁰ *Original Determinations*, USITC Pub. 4030 at 40 n. 7.

⁷¹ Domestic Interested Party’s NOI Response at 21-23.

⁷² Domestic Interested Party’s NOI Response at 23.

⁷³ Domestic Interested Party’s NOI Response at 23.

⁷⁴ Domestic Interested Party’s NOI Response at 4, 21-22, Exhibit 5.

⁷⁵ Domestic Interested Party’s NOI Response at 21-22, Exhibits 10-11.

⁷⁶ Original CR at Table IV-2.

⁷⁷ Original CR at Table IV-8.

percent in 2006, and *** percent in 2007.⁷⁸ The Taiwanese producers exported *** percent of their total shipments in 2005, *** percent in 2006, and *** percent in 2007.⁷⁹

In the expedited first five-year reviews, the Commission again observed that the record contained no empirical data pertaining to subject import volume or the subject industries for the period of review.⁸⁰ Based on the volume of subject imports from Taiwan during the original investigations, as well as the excess capacity and export orientation of the industry in Taiwan in those investigations, the Commission determined that subject imports from Taiwan were not likely to have no discernible adverse impact if the order were revoked.⁸¹

In the expedited second five-year reviews, the Commission noted that the record did not include data pertaining to imports of raw flexible magnets.⁸² The domestic interested party argued that, although imports from Taiwan effectively ceased following the imposition of the orders, the raw flexible magnet industry in Taiwan maintained substantial capacity and remained export oriented.⁸³ Further, the subject producers in Taiwan continued to show interest in the U.S. market, marketing their products to U.S. purchasers.⁸⁴ Thus, the Commission found that subject imports from Taiwan would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering those imports were revoked.⁸⁵

As in the prior expedited reviews, the record in the current reviews contains limited information concerning the raw flexible magnet industry in Taiwan because no producer in Taiwan responded to the notice of institution. Additionally, as explained above, data pertaining to imports of raw flexible magnets are not available in the current reviews. The information available indicates that there were no subject imports from Taiwan during the period of review.⁸⁶ The domestic interested party identified seven possible producers of raw flexible magnets in Taiwan,⁸⁷ and asserts that subject producers in Taiwan maintain large and available capacity, which they would likely use to significantly increase exports to the United States if the

⁷⁸ Original CR at Table VII-4, as modified by Memorandum INV-FF-088, EDIS Doc. 668317.

⁷⁹ Original CR at Table VII-4, as modified by Memorandum INV-FF-088, EDIS Doc. 668317.

⁸⁰ *First Five-Year Reviews*, USITC Pub. 4449 at 9.

⁸¹ *First Five-Year Reviews*, USITC Pub. 4449 at 9.

⁸² *Second Five-Year Reviews*, USITC Pub. 4921 at 11.

⁸³ *Second Five-Year Reviews*, USITC Pub. 4921 at 11.

⁸⁴ *Second Five-Year Reviews*, USITC Pub. 4921 at 11.

⁸⁵ *Second Five-Year Reviews*, USITC Pub. 4921 at 11-12.

⁸⁶ CR/PR at I-15; Domestic Interested Party NOI Response at Exhibit 9.

⁸⁷ Domestic Interested Party NOI Response at Exhibit 13.

order were revoked.⁸⁸ The information available also indicates that, since the last five-year reviews, subject producers in Taiwan continued to invest in their raw flexible magnet operations.⁸⁹

During the original investigations, subject imports from Taiwan undersold the domestic like product in 48 of 64 (or 75.0 percent of) quarterly comparisons.⁹⁰ No pricing data for subject imports from Taiwan were obtained in the first, second, or current reviews.

The information available also indicates that the U.S. market remains attractive for subject producers in Taiwan.⁹¹ As explained above, available information indicates the United States remains a large market for raw flexible magnets.⁹² The domestic interested party indicates that ***.⁹³ Further, the domestic interested party submitted copies of e-mail correspondence from subject producers in Taiwan soliciting new business from U.S. purchasers during the period of review, indicating that subject producers remain highly interested in serving the U.S. raw flexible magnet market.⁹⁴ Other information submitted by the domestic interested party indicates that at least one subject producer, which was a major exporter of raw flexible magnets to the U.S. market during the original investigations, maintains an office in the United States that would enable it to rapidly gain sales in the U.S. market if the orders were revoked.⁹⁵

In light of the foregoing, including the significant volume of subject imports from Taiwan during the original investigations, the large size of the subject industry, the significant underselling by subject imports from Taiwan during the original investigations, and the continued attractiveness of the U.S. market, we find that subject imports from Taiwan are not likely to have no discernible adverse impact on the domestic industry if the order covering these imports were revoked.

⁸⁸ Domestic Interested Party NOI Response at 11, 22.

⁸⁹ CR/PR at I-19. One Taiwanese producer, Ferroxcube, signed a partnership agreement with Frenetic, a web platform to design a prototype magnetic component. *Id.* Another producer, Georg Chi Development Co., Ltd., entered into a new public-private partnership in 2019. *Id.*

⁹⁰ *Original Determinations*, USITC Pub. 4030 at 40 n. 7.

⁹¹ Domestic Interested Party's NOI Response at 21-23.

⁹² Domestic Interested Party's NOI Response at 23.

⁹³ Domestic Interested Party's NOI Response at 23.

⁹⁴ Domestic Interested Party's NOI Response at 4, 21-22, Exhibit 5.

⁹⁵ Domestic Interested Party's NOI Response at 21-22, Exhibits 10-11.

2. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.⁹⁶ Only a “reasonable overlap” of competition is required.⁹⁷ In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.⁹⁸

Fungibility. In the original investigations, the Commission found that imports from the subject countries were fungible with both the domestic like product and with each other.⁹⁹ The Commission found similarities in the types of raw flexible magnets produced in the United States, China, and Taiwan and sold in the U.S. market.¹⁰⁰ The Commission also observed that most market participants reported that raw flexible magnets from both domestic and subject sources were at least sometimes interchangeable.¹⁰¹ In the expedited first and second five-year reviews, the Commission found that there was no information on the record to warrant a different finding.¹⁰²

⁹⁶ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

⁹⁷ *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int’l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

⁹⁸ *See generally, Cheflin Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

⁹⁹ *Original Determinations*, USITC Pub. 4030 at 10-11.

¹⁰⁰ *Original Determinations*, USITC Pub. 4030 at 10-11.

¹⁰¹ *Original Determinations*, USITC Pub. 4030 at 10-11.

¹⁰² *First Five-Year Reviews*, USITC Pub. 4449 at 10; *Second Five-Year Reviews*, USITC Pub. 4921 at

In the current reviews, the domestic interested party claims the domestic like product and the subject imports remain generally substitutable.¹⁰³ There is no new information to indicate that the degree of fungibility between and among subject imports from China and Taiwan and the domestic like product has changed since the original investigations.

Channels of Distribution. In the original investigations, the Commission found that although some differences in channels of distribution existed between the subject imports and the domestic like product, a substantial proportion of shipments of domestically produced raw flexible magnets and imports from each subject source was to the same type of customer, printers.¹⁰⁴ Specifically, the largest share of U.S. producers' shipments was to original equipment manufacturers ("OEMs"), and the second largest share was to printers.¹⁰⁵ A majority of shipments of subject imports from China was to printers and the second largest share was to OEMs, while a majority of shipments of subject imports from Taiwan was to printers.¹⁰⁶

In the expedited first and second five-year reviews, the Commission found that there was no new information on the record suggesting that subject imports and the domestic like product would not participate in overlapping channels of distribution, as they did during the original investigations, if the orders were revoked.¹⁰⁷ Similarly, there is no new information in the record in these reviews to indicate that the channels of distribution that the domestic like product and subject imports from China and Taiwan would likely utilize after revocation would differ from those in the original investigations.

Geographic Overlap. In the original investigations, the Commission found that all domestic producers and most U.S. importers sold their products on a nationwide basis.¹⁰⁸ The Commission concluded that subject imports and the domestic like product competed in the same geographic markets.¹⁰⁹ In the expedited first and second five-year reviews, the Commission found nothing on the record indicating that the Commission's findings from the original investigations concerning geographic overlap would likely change upon revocation.¹¹⁰

¹⁰³ Domestic Interested Party's NOI Response at 24.

¹⁰⁴ *Original Determination*, USITC Pub. 4030 at 11.

¹⁰⁵ *Original Determination*, USITC Pub. 4030 at 11.

¹⁰⁶ *Original Determination*, USITC Pub. 4030 at 11.

¹⁰⁷ *First Five-Year Reviews*, USITC Pub. 4449 at 10; *Second Five-Year Reviews*, USITC Pub. 4921 at

13.

¹⁰⁸ *Original Determinations*, USITC Pub. 4030 at 11.

¹⁰⁹ *Original Determinations*, USITC Pub. 4030 at 11.

¹¹⁰ *First Five-Year Reviews*, USITC Pub. 4449 at 10; *Second Five-Year Reviews*, USITC Pub. 4921 at

13.

Similarly, there is no new information in these reviews to indicate that the geographic markets that would be served by the domestic like product and subject imports from China and Taiwan after revocation would differ from those served during the original investigations.

Simultaneous Presence in Market. In the original investigations, the Commission found that imports from each subject country and the domestic like product were simultaneously present in the U.S. market throughout the period of investigation.¹¹¹ In the expedited first and second five-year reviews, the Commission observed that domestic producers reported participating in the U.S. market throughout the period of review and found no evidence suggesting that subject imports would not have a simultaneous market presence, as they did during the original investigations, if the orders were revoked.¹¹² Similarly, there is no new information in these reviews to indicate that subject imports from China and Taiwan would not be simultaneously present in the U.S. market with each other and the domestic like product, as they were during the original investigations, if the orders were revoked.

Conclusion. The record in these expedited reviews contains limited information concerning subject imports in the U.S. market during the period of review. The record, however, contains no information suggesting a change in the considerations that led the Commission in the original investigations and prior reviews to conclude that there likely would be a reasonable overlap of competition between and among imports from different subject sources and the domestic like product if the orders were revoked. In light of this, and in the absence of any contrary argument, we find that there would likely be a reasonable overlap of competition between and among subject imports from China and Taiwan and the domestic like product if the orders were revoked.

3. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we consider whether subject imports from China and Taiwan likely would compete under similar or different conditions in the U.S. market if the orders were revoked.

¹¹¹ *Original Determination*, USITC Pub. 4030 at 11.

¹¹² *First Five-Year Reviews*, USTIC Pub. 4449 at 11; *Second Five-Year Reviews*, USITC Pub. 4921 at

In the first and second five-year reviews, the Commission found that the record did not indicate that there would likely be any significant differences in the conditions of competition between subject imports from China and Taiwan if the orders were revoked.¹¹³

In these third five-year reviews, the record contains limited current information about the U.S. market for raw flexible magnets and the raw flexible magnet industries in China and Taiwan. Based on the information available, and in the absence of any argument to the contrary, we find that imports from China and Taiwan are likely to compete under similar conditions of competition in the event of revocation of the orders.

D. Conclusion

In sum, we find that subject imports from China and Taiwan, considered individually, are not likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find that there would likely be a reasonable overlap of competition between and among subject imports from China and Taiwan and the domestic like product if the orders were revoked. Finally, we find that imports from each subject country would be likely to compete under similar conditions of competition if the orders were revoked. We therefore exercise our discretion to cumulate the subject imports of China and Taiwan for the purposes of our analysis in these reviews.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”¹¹⁴ 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

¹¹³ *First Five-Year Reviews*, USITC Pub. 4449 at 11; *Second Five-Year Reviews*, USITC Pub. 4921 at 14.

¹¹⁴ 19 U.S.C. § 1675a(a).

elimination of its restraining effects on volumes and prices of imports.”¹¹⁵ Thus, the likelihood standard is prospective in nature.¹¹⁶ The U.S. Court of International Trade 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.¹¹⁷

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”¹¹⁸ 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.”¹¹⁹

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.”¹²⁰ It directs the Commission to take into account its prior injury

¹¹⁵ 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.

¹¹⁶ 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.

¹¹⁷ 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’”).

¹¹⁸ 19 U.S.C. § 1675a(a)(5).

¹¹⁹ 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.*

¹²⁰ 19 U.S.C. § 1675a(a)(1).

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).¹²¹ 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.¹²²

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹²³ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹²⁴

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.¹²⁵

¹²¹ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders under review. *See, generally, Raw Flexible Magnets from the People's Republic of China and Taiwan: Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders*, 89 Fed. Reg. 79242 (Sept. 27, 2024) and accompanying Issues and Decisions Memorandum.

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

¹²³ 19 U.S.C. § 1675a(a)(2).

¹²⁴ 19 U.S.C. § 1675a(a)(2)(A-D).

¹²⁵ *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.

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.¹²⁶ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.¹²⁷

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the raw flexible magnet industries in China and Taiwan. There also is limited information on the raw flexible magnet market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and subsequent reviews, and the limited new information on the record in these third five-year reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹²⁸ The following conditions of competition inform our determinations.

¹²⁶ 19 U.S.C. § 1675a(a)(4).

¹²⁷ 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.

¹²⁸ 19 U.S.C. § 1675a(a)(4).

1. Demand Conditions

Original Investigations and Prior Reviews. In the original investigations, the Commission found that U.S. demand for raw flexible magnets, which had declined from 2005 to 2007, was closely linked to the level of demand for end-use products such as promotional materials, magnetic signs, and refrigerator gaskets.¹²⁹ It also found that demand for raw flexible magnets tended to track changes in the U.S. economy, particularly the real estate market.¹³⁰

In the expedited first five-year reviews, the Commission found that the limited information on the record indicated that the conditions of competition pertaining to demand had not changed significantly since the original investigations.¹³¹ The domestic producers reported that U.S. demand for raw flexible magnets continued to be driven largely by demand for end-use products and the real estate market.¹³² They further reported that U.S. demand had not fully recovered from the effects of the recession that occurred in late 2008 and 2009 and that during the period of review, it remained lower than demand levels that had existed at the beginning of the original period of investigation.¹³³

In the expedited second five-year reviews, the Commission again found that the limited information on the record indicated that the conditions of competition pertaining to demand had not changed significantly since the original investigations.¹³⁴ The domestic interested party again reported that U.S. demand for raw flexible magnets continued to be driven largely by demand for end-use products and the real estate market.¹³⁵ It also reported that, although the market had recovered from the 2008-2009 recession, demand had grown little over the preceding five years and was unlikely to increase in the foreseeable future.¹³⁶

Current Reviews. There is no new information indicating that the factors influencing demand have changed since the original investigations. The record indicates that demand for raw flexible magnets continues to be derived from demand in the printing and residential housing markets.¹³⁷ The domestic interested party reported that printers accounted for around

¹²⁹ *Original Determinations*, USITC Pub. 4030 at 15.

¹³⁰ *Original Determinations*, USITC Pub. 4030 at 15-16.

¹³¹ *First Five-Year Reviews*, USITC Pub. 4449 at 15.

¹³² *First Five-Year Reviews*, USITC Pub. 4449 at 15.

¹³³ *First Five-Year Reviews*, USITC Pub. 4449 at 15.

¹³⁴ *Second Five-Year Reviews*, USITC Pub. 4921 at 18-19.

¹³⁵ *Second Five-Year Reviews*, USITC Pub. 4921 at 18.

¹³⁶ *Second Five-Year Reviews*, USITC Pub. 4921 at 18.

¹³⁷ CR/PR at I-7 to I-9; Domestic Interested Party's NOI Response at 13-14.

*** of its shipments to end users.¹³⁸ According to the domestic interested party, demand for raw flexible magnets continues to follow trends in the overall U.S. economy, as well as the U.S. real estate market, but has lagged growth in the economy in recent years, possibly due to softness in the real estate market.¹³⁹ It claims that ***.¹⁴⁰ It also asserts that it is unlikely demand will increase substantially in the foreseeable future because U.S. residential housing activity and economic growth are expected to remain subdued, as the economy continues to recover from the increase in inflation following the COVID-19 pandemic.¹⁴¹

Apparent U.S. consumption data are unavailable in these reviews due to the absence of reliable import data, as it was unavailable in the previous five-year reviews.¹⁴²

2. Supply Conditions

Original Investigations and Prior Reviews. In the original investigations, the Commission observed that the domestic industry was the dominant supplier of raw flexible magnets in the U.S. market, but that its market share declined over the period of investigation.¹⁴³ Subject imports, which supplied virtually all of the remainder of the U.S. market, gained an increasing share of apparent U.S. consumption during the period of investigation, while nonsubject imports supplied only minimal amounts of raw flexible magnets.¹⁴⁴

In the expedited first five-year reviews, the Commission found that imposition of the orders resulted in subject imports declining to very low levels in the U.S. market.¹⁴⁵ Although the Commission observed that nonsubject imports were present in the U.S. market, it was unable to determine nonsubject imports' absolute volume or market share because the record did not contain usable import data.¹⁴⁶

In the expedited second five-year reviews, the Commission found that the record did not suggest that there were any significant developments affecting domestic supply conditions

¹³⁸ Domestic Interested Party's NOI Response at 13.

¹³⁹ Domestic Interested Party's NOI Response at 14; Domestic Interested Party's Final Comments at 8.

¹⁴⁰ Domestic Interested Party's NOI Response at 30, Exhibit 3. According to data covering all three domestic producers submitted by the domestic interested party, the domestic industry's U.S. shipments *** from *** pounds in 2022 to *** pounds in 2023 and *** pounds in 2024. *Id.* at Exhibit 3.

¹⁴¹ Domestic Interested Party's NOI Response at 14, Exhibit 6.

¹⁴² CR/PR at I-15 to I-16.

¹⁴³ *Original Determinations*, USITC Pub. 4030 at 17.

¹⁴⁴ *Original Determinations*, USITC Pub. 4030 at 17.

¹⁴⁵ *First Five-Year Reviews*, USITC Pub. 4449 at 15.

¹⁴⁶ *First Five-Year Reviews*, USITC Pub. 4449 at 15.

during the POR.¹⁴⁷ The domestic industry, consisting of five producers, continued to be the principal supplier to the U.S. market.¹⁴⁸ The Commission also noted that there were no subject imports during the POR, as subject imports from China and Taiwan had effectively ceased following the issuance of the orders.¹⁴⁹

Current Reviews. There is no new information on the record of the reviews indicating that the supply conditions have changed significantly since the second five-year reviews. As during the prior reviews, the record does not include data on imports or apparent U.S. consumption during the period of review.¹⁵⁰ The domestic interested party notes that it is “virtual certain” that imports of raw flexible magnets from China and Taiwan effectively ceased following imposition of the orders, and does not believe that there were any such imports during the past five years.¹⁵¹ It also claims that the three major domestic producers of raw flexible magnets during the original investigation remained the three largest domestic producers during the period of review, including Magnum, Flexmag, and Holm (now ILPEA).¹⁵²

3. Substitutability

Original Investigations and Prior Reviews. In the original investigations and prior five-year reviews, the Commission found that the domestic like product and subject imports were generally substitutable.¹⁵³ In each of the prior proceedings, the Commission also found that price was an important factor in purchasing decisions.¹⁵⁴

Current Reviews. The record in these expedited reviews contains no new information indicating that the degree of substitutability between the domestic like product and subject imports, or the importance of price, has changed since the original investigations. The domestic interested party argues that the domestic like product and subject imports continue to be generally substitutable, and that price remains an important factor in purchasing

¹⁴⁷ *Second Five-Year Reviews, USITC Pub. 4921* at 19.

¹⁴⁸ CR/PR at I-12; Domestic Interested Party’s NOI Response at 15-16; Domestic Interested Party’s Final Comments at 8.

¹⁴⁹ *Second Five-Year Reviews, USITC Pub. 4921* at 19.

¹⁵⁰ CR/PR at I-15 to I-16.

¹⁵¹ Domestic Interested Party’s NOI Response at 16.

¹⁵² Domestic Interested Party’s NOI Response at 27.

¹⁵³ *Original Determinations, USITC Pub. 4030* at 17; *First Five-Year Reviews, USITC Pub. 4449* at 16; *Second Five-Year Reviews, USITC Pub. 4921* at 19.

¹⁵⁴ *Original Determinations, USITC Pub. 4030* at 17; *First Five-Year Reviews, USITC Pub. 4449* at 16; *Second Five-Year Reviews, USITC Pub. 4921* at 19.

decisions.¹⁵⁵ Accordingly, we again find that domestic like product and subject imports are generally substitutable and that price is an important factor in purchasing decisions.

Effective July 6, 2018, raw flexible magnets imported from China became subject to an additional 25 percent *ad valorem* duty under Section 301 of the Trade Act of 1974.¹⁵⁶

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In the original investigations, in which the Commission had determined that an industry in the United States was threatened with material injury by reason of subject imports, the Commission found that the volume of cumulated subject imports was significant during the period of investigation and was likely to increase substantially in the imminent future.¹⁵⁷ The Commission found that the subject producers had substantial unused capacity and had the ability to increase shipments to the United States in excess of the significant levels observed during the period of investigation.¹⁵⁸ The Commission further found that the subject producers were highly export oriented, with exports to the United States growing at a *** rate from 2005 to 2007 than their exports to other markets or shipments to home markets, and that U.S. importers had increased their inventories of subject imports over the period of investigation.¹⁵⁹

In the expedited first five-year reviews, the Commission found that as a result of imposition of the orders, the volume of cumulated subject imports declined to low levels in the U.S. market.¹⁶⁰ Notwithstanding this, the Commission observed that available information, such as solicitations to potential U.S. customers, indicated that subject producers had a

¹⁵⁵ Domestic Interested Party's NOI Response at 17-18; Domestic Interested Party's Final Comments at 8.

¹⁵⁶ CR/PR at I-7.

¹⁵⁷ *Original Determinations*, USITC Pub. 4030 at 20-21. The Commission observed that the volume of cumulated subject imports increased from *** pounds in 2005 to *** pounds in 2006 and *** pounds in 2007 while apparent U.S. consumption declined. See Confidential Original Determinations, EDIS Doc. 668319 at 31. Cumulated subject imports also rapidly increased their market share. *Original Determinations*, USITC Pub. 4030 at 20. Specifically, in the merchant market, cumulated subject imports' market share increased from *** percent in 2005 to *** percent in 2006 and to *** percent in 2007, and in the total market, cumulated subject imports' market share increased from *** percent in 2005 to *** percent in 2006 and to *** percent in 2007. See Confidential Original Determinations, EDIS Doc. 668319 at 31-32.

¹⁵⁸ *Original Determinations*, USITC Pub. 4030 at 20.

¹⁵⁹ *Original Determinations*, USITC Pub. 4030 at 21.

¹⁶⁰ *First Five-Year Reviews*, USITC Pub. 4449 at 17.

continued interest in exporting product to the United States.¹⁶¹ The Commission further observed that there was no indication in the record that the capacity and production of the subject industry in China or Taiwan declined appreciably since the original investigations.¹⁶² The Commission found that in light of their historically large production and capacity and high degree of export orientation, the subject industries in China and Taiwan had the ability to increase exports of subject merchandise to the United States upon revocation of the orders.¹⁶³ Additionally, it found that the subject industries had an incentive to increase exports to the United States significantly upon revocation as evidenced by their prior interest in supplying the U.S. market.¹⁶⁴ Consequently, the Commission concluded that revocation of the orders would likely result in a significant increase in cumulated subject imports, both in absolute terms and relative to consumption in the United States.¹⁶⁵

In the second expedited five-year reviews, although the record did not contain import data specific to raw flexible magnets, the available information suggested that raw flexible magnet imports from China and Taiwan effectively ceased following the imposition of the orders, and there were no imports during the POR.¹⁶⁶ Nevertheless, based on the available information, the Commission concluded that subject imports were well-positioned to capture additional market share within a reasonably foreseeable time if the orders were revoked. As the Commission explained, several subject producers had established or expanded production facilities, and an August 2018 market report indicated that China accounted for a substantial majority of global magnet production.¹⁶⁷ Subject producers were also reportedly export oriented, with the websites of several subject producers touting their global sales and distribution networks, including offices in the United States.¹⁶⁸ The Commission also found that the U.S. market remained attractive to subject producers, given the relatively higher prices available there and the subject producers' solicitations to potential U.S. customers during the period of review.¹⁶⁹ Thus, the Commission again concluded that revocation of the orders would

¹⁶¹ *First Five-Year Reviews*, USITC Pub. 4449 at 17.

¹⁶² *First Five-Year Reviews*, USITC Pub. 4449 at 17.

¹⁶³ *First Five-Year Reviews*, USITC Pub. 4449 at 17.

¹⁶⁴ *First Five-Year Reviews*, USITC Pub. 4449 at 17.

¹⁶⁵ *First Five-Year Reviews*, USITC Pub. 4449 at 17.

¹⁶⁶ *Second Five-Year Reviews*, USITC Pub. 4921 at 21.

¹⁶⁷ *Second Five-Year Reviews*, USITC Pub. 4921 at 21.

¹⁶⁸ *Second Five-Year Reviews*, USITC Pub. 4921 at 21-22.

¹⁶⁹ *Second Five-Year Reviews*, USITC Pub. 4921 at 22.

likely result in a significant increase in cumulated subject imports, both in absolute terms and relative to consumption in the United States.¹⁷⁰

2. The Current Reviews

The information available indicates that the orders have had a disciplining effect on cumulated subject imports. According to the domestic interested party, there were no subject imports from China and Taiwan in the U.S. market during the period of review.¹⁷¹

The record in these expedited reviews contains limited information on the subject industries in China and Taiwan. The information available, however, indicates that subject producers have the ability and incentive to export subject merchandise to the U.S. market at significant volumes if the orders were revoked.¹⁷²

The information available indicates that the raw flexible magnet industries in both China and Taiwan continue to have substantial capacity, including unused capacity.¹⁷³ The domestic interested party identified 10 possible producers of raw flexible magnets in China,¹⁷⁴ and seven possible producers of raw flexible magnets in Taiwan.¹⁷⁵ According to the domestic interested party, there is no indication that there has been any reduction in unused capacity on the part of the Chinese or Taiwanese industries since the last reviews.¹⁷⁶ Moreover, as discussed in section III.C.1 above, several producers in China and Taiwan have established or expanded production facilities during the period of review.¹⁷⁷

The information available also indicates that subject producers in China and Taiwan remain export oriented. According to information from company websites, numerous subject producers in China and Taiwan promote their global reach and export performance.¹⁷⁸ Further,

¹⁷⁰ *Second Five-Year Reviews*, USITC Pub. 4921 at 21-23.

¹⁷¹ Domestic Interested Party's NOI Response at 16, 27.

¹⁷² Domestic Interested Party's NOI Response at 20-23.

¹⁷³ Domestic Interested Party's NOI Response at 22.

¹⁷⁴ Domestic Interested Party's NOI Response at Exhibit 12.

¹⁷⁵ Domestic Interested Party's NOI Response at Exhibit 13.

¹⁷⁶ Domestic Interested Party's NOI Response at 22.

¹⁷⁷ CR/PR at Tables I-5 to I-6; Domestic Interested Party's NOI Response at 22, Exhibits 12 & 13; Domestic Interested Party's Final Comments at 10.

¹⁷⁸ See Domestic Interested Party's NOI Response at Exhibits 10-11. For example, with respect to China, the website of Guangzhou Xinlife New Materials Co., Ltd. indicates that the firm "has distributors in more than 60 countries around the world." *Id.* at Exhibit 10. According to the website of Donugguan Mafhard Flexible Magnet Co Ltd., the firm's products are "greatly appreciated {in a} variety of different markets throughout the world." *Id.* The Maghold LLC website touts the firm as "an
(Continued...)

according to Global Trade Atlas data concerning exports of raw flexible magnets under Harmonized System (“HS”) subheading 8505.19, including subject merchandise and out-of-scope products, China was the leading global exporter of such merchandise in 2023, accounting for 37.9 percent of global exports by value.¹⁷⁹

The information available also indicates that the U.S. market remains attractive for subject producers in China and Taiwan.¹⁸⁰ According to the domestic interested party, the United States is a large market for raw flexible magnets.¹⁸¹ As noted above, the domestic interested party also indicates that ***.¹⁸² Further, the domestic interested party submitted copies of e-mail correspondence from numerous subject producers in China and Taiwan soliciting new business from U.S. purchasers during the period of review, indicating that subject producers remain highly interested in serving the U.S. raw flexible magnet market.¹⁸³ Other information in the record indicates that several subject producers, including two that were major exporters of raw flexible magnets to the U.S. market during the original investigations, maintain offices or affiliates in the United States that would enable them to rapidly gain sales in the U.S. market if the orders were revoked.¹⁸⁴

Given the foregoing, including the significant and increasing volume of cumulated subject imports in the original investigations, the subject industries’ large size and focus on global markets, and the attractiveness of the U.S. market to subject producers, we find that the

international supplier of magnetic products,” including to “the North American market.” *Id.* The website of Cixi City Magnetic Materials Co., Ltd. indicates that “about 80%” of the firm’s “product{s are} export{ed} to America, Europe, and the regions of Southeast Asia.” *Id.* The website of Kingfine Magnetics Ltd. indicates that the firm is seeking “long-term business relationships with customers from at home and abroad.” *Id.* According to the website of Yantai Zhenshai Magnetic Material Co., Ltd., the firm has “subsidiaries in Germany, Japan, Korea, and the U.S.A. to build {a} global footprint.” *Id.* With respect to Taiwan, the website of JASDI Magnet Co. Ltd. touts the firm’s products as being “sold across 5 continents.” *Id.* at Exhibit 11. Similarly, JLP Co.’s website indicates that its “products are sold worldwide across 5 continents.” *Id.* The website of Magmate Taiwan Ltd. claims that the firm is “the top leading exporter and manufacturer in Taiwan in the field of flexible magnets material” with “major buyers from U.S.A., Japan, Australia, Southeast Asian countries, and also . . . from European market.” *Id.*

¹⁷⁹ CR/PR at I-20.

¹⁸⁰ Domestic Interested Party’s NOI Response at 21-23.

¹⁸¹ Domestic Interested Party’s NOI Response at 23.

¹⁸² Domestic Interested Party’s NOI Response at 23.

¹⁸³ Domestic Interested Party’s NOI Response at 4, 21-22, Exhibit 5.

¹⁸⁴ Domestic Interested Party’s NOI Response at 21-22, Exhibits 10-11.

volume of cumulated subject imports would likely be significant, both in absolute terms and relative to U.S. consumption, if the orders were to be revoked.¹⁸⁵

D. Likely Price Effects

1. The Prior Proceedings

In the original investigations, the Commission reiterated that the domestic like product and subject imports were generally substitutable and that price was an important factor to purchasers of raw flexible magnets.¹⁸⁶ The Commission found that subject imports significantly undersold the domestic like product during the period of investigation and that this significant and pervasive underselling would likely continue in the imminent future.¹⁸⁷ It also found that subject imports would likely have significant price suppressing effects, which, together with likely underselling, would likely increase demand for further imports.¹⁸⁸ In particular, the Commission observed that the industry's unit raw material costs, which had been relatively stable, increased during the latter portion of the period of investigation.¹⁸⁹ The Commission found that given the increasing volumes of low-priced subject imports, the importance of price in purchasing decisions, and declines in apparent U.S. consumption, that the domestic industry would likely not be able to raise prices commensurately with the cost increases in the imminent future.¹⁹⁰

In the expedited first five-year reviews, the Commission again found that raw flexible magnets from all sources were substitutable, and that price continued to be an important factor in purchasing decisions.¹⁹¹ It relied on its prior findings of significant underselling to

¹⁸⁵ There is no evidence on the record that the additional duty under Section 301 imposed on imports from China would prevent subject imports from China from increasing to significant levels if the orders were revoked, particularly in light of the Chinese industry's large size, the attractiveness of the U.S. market, and evidence showing that Chinese suppliers remain interested in supplying U.S. customers. See Domestic Interested Party's Final Comments at 10 n. 32.

The record in these five-year reviews does not contain information concerning product shifting or inventories of subject merchandise. Raw flexible magnets from China and Taiwan are not subject to any known antidumping and countervailing duty measures in third country markets. CR/PR at I-20.

¹⁸⁶ *Original Determinations*, USITC Pub. 4030 at 22.

¹⁸⁷ *Original Determinations*, USITC Pub. 4030 at 14-24. The Commission observed that subject imports undersold the domestic like product in 72 out of 101 quarterly price comparisons at high margins. See *id.* at 22.

¹⁸⁸ *Original Determinations*, USITC Pub. 4030 at 24.

¹⁸⁹ *Original Determinations*, USITC Pub. 4030 at 23.

¹⁹⁰ *Original Determinations*, USITC Pub. 4030 at 24.

¹⁹¹ *First Five-Year Reviews*, USITC Pub. 4449 at 18.

determine that subject imports from China and Taiwan would likely undersell the domestic like product at high margins in the event of revocation of the orders.¹⁹² It further found that this likely underselling to gain market share, in turn, would likely cause the domestic producers to cut prices or restrain price increases to avoid losing sales, thereby depressing or suppressing prices of the domestic like product to a significant degree upon revocation of the orders.¹⁹³

In the expedited second five-year reviews, the Commission again found that raw flexible magnets from all sources were generally substitutable, and that price continued to be an important factor in purchasing decisions.¹⁹⁴ It found that the likely significant increase in subject import volumes would likely significantly undersell the domestic like product, as during the original investigations.¹⁹⁵ Based on the general substitutability of domestic and subject raw flexible magnets and the importance of price, the Commission found that significant volumes of low-priced subject imports would likely force the domestic industry to lower prices, forego price increases, or risk losing market share.¹⁹⁶ Therefore, the Commission concluded that subject imports would likely have significant adverse price effects upon revocation of the orders.¹⁹⁷

2. The Current Reviews

As discussed in Section III.B.3 above, we have found that the domestic like product and subject imports are generally substitutable, and that price is an important factor in purchasing decisions for raw flexible magnets.

The record in these expedited five-year reviews does not contain new product-specific pricing information. Based on the available information, including the general substitutability between the domestic like product and subject imports and the continuing importance of price in purchasing decisions, we find that if the orders were revoked, significant volumes of cumulated subject imports would likely undersell the domestic like product to a significant degree, as during the original investigations. Absent the discipline of the order, the likely significant volume of low-priced cumulated subject imports would force the domestic industry to lower prices or forego needed price increases, or else lose sales and market share to

¹⁹² *First Five-Year Reviews*, USITC Pub. 4449 at 18.

¹⁹³ *First Five-Year Reviews*, USITC Pub. 4449 at 18.

¹⁹⁴ *Second Five-Year Reviews*, USITC Pub. 4921 at 24.

¹⁹⁵ *Second Five-Year Reviews*, USITC Pub. 4921 at 24.

¹⁹⁶ *Second Five-Year Reviews*, USITC Pub. 4921 at 24.

¹⁹⁷ *Second Five-Year Reviews*, USITC Pub. 4921 at 24.

cumulated subject imports. Consequently, we find that cumulated subject imports would likely have significant price effects on the domestic industry if the order were revoked.

E. Likely Impact¹⁹⁸

1. The Prior Proceedings

In the original investigations, the Commission observed that the domestic industry's capacity increased during the period of investigation, but that its output declined.¹⁹⁹ Specifically, the domestic industry's production initially increased, before declining towards the end of the period of investigation, and its capacity utilization, commercial shipments, and inventories steadily declined.²⁰⁰ The Commission further found that the industry's employment-related indicators were mixed and that its financial performance fluctuated during the period of investigation.²⁰¹ The Commission found that the likely imminent increase in the volume of subject imports that would likely undersell the domestic like product and suppress domestic prices to a significant degree would accelerate the adverse trends the domestic industry experienced in the latter portion of the period of investigation and would impair the industry's ability to maintain operating margins.²⁰² The Commission further found that, in light of its finding that the domestic industry likely would not be able to recover the increased costs predicted in the imminent future, the domestic industry's overall financial performance would likely deteriorate.²⁰³ In light of these considerations, the Commission concluded that the domestic industry was threatened with material injury by reason of cumulated subject imports from China and Taiwan.²⁰⁴

¹⁹⁸ In its expedited third reviews of the antidumping duty orders, Commerce determined that revocation of the antidumping duty orders would likely result in the continuation or recurrence of dumping with margins of up to 185.28 percent for China and up to 38.03 percent for Taiwan. *Raw Flexible Magnets from the People's Republic of China and Taiwan: Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders*, 89 Fed. Reg. 79242 (Sept. 27, 2024). In its expedited third review of the countervailing duty order on China, Commerce determined that revocation of the order would result in the continuation or recurrence of countervailable subsidies at rates of up to 109.95 percent. *Raw Flexible Magnets from the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order*, 89 Fed. Reg. 82565 (Oct. 11, 2024).

¹⁹⁹ *Original Determinations*, USITC Pub. 4030 at 25.

²⁰⁰ *Original Determinations*, USITC Pub. 4030 at 25.

²⁰¹ *Original Determinations*, USITC Pub. 4030 at 25-26.

²⁰² *Original Determinations*, USITC Pub. 4030 at 27.

²⁰³ *Original Determinations*, USITC Pub. 4030 at 27.

²⁰⁴ *Original Determinations*, USITC Pub. 4030 at 27.

In the expedited first five-year reviews, the Commission found that revocation of the orders would likely lead to a significant increase in the volume of subject imports and that the subject imports would likely undersell the domestic like product and depress and/or suppress domestic prices to a significant degree.²⁰⁵ It found that the likely significant volume of low-priced subject imports, when combined with the likely adverse price effects of those imports, would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry.²⁰⁶ The Commission found that these declines would likely have a direct adverse impact on the industry's profitability.²⁰⁷ Accordingly, the Commission concluded that, based on the limited record, subject imports from China and Taiwan would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time if the orders were revoked.²⁰⁸

In the expedited second five-year reviews, the Commission found that revocation of the orders would likely lead to a significant volume of subject imports and that would likely undersell the domestic like product to a significant degree, capturing market share from the domestic industry and/or depressing or suppressing prices for the domestic like product to a significant degree.²⁰⁹ Through these effects, the Commission concluded that cumulated subject import would likely have a significant impact on the domestic industry if the orders were revoked.²¹⁰ For purposes of non-attribution, the Commission found that there were no factors other than subject imports that were known to be a likely cause of injury.²¹¹

2. The Current Reviews

The record in these five-year reviews contains limited information concerning the domestic industry's performance since the prior reviews.

The information available indicates that the domestic industry's operating performance in 2023 was mixed relative to its performance in the last years examined in the original

²⁰⁵ *First Five-Year Reviews*, USITC Pub. 4449 at 20.

²⁰⁶ *First Five-Year Reviews*, USITC Pub. 4449 at 20.

²⁰⁷ *First Five-Year Reviews*, USITC Pub. 4449 at 20.

²⁰⁸ *First Five-Year Reviews*, USITC Pub. 4449 at 20. Due to the limited evidence on the record of the expedited first five-year reviews, the Commission did not make a determination as to whether the domestic industry was vulnerable. *See id.*

²⁰⁹ *Second Five-Year Reviews*, USITC Pub. 4921 at 25-26.

²¹⁰ *Second Five-Year Reviews*, USITC Pub. 4921 at 25-26. Due to the limited evidence on the record of the expedited second five-year reviews, the Commission did not make a determination as to whether the domestic industry was vulnerable. *See id.*

²¹¹ *Second Five-Year Reviews*, USITC Pub. 4921 at 26.

investigations and prior reviews, but its financial performance was generally stronger.²¹² In 2023, the domestic industry's capacity was *** pounds,²¹³ which was lower than in 2007 but higher than in 2012 and 2018, while its production (at *** pounds)²¹⁴ and capacity utilization (at *** percent)²¹⁵ were lower than in the prior proceedings. The average unit value ("AUV") of the domestic industry's U.S. shipments was higher in 2023 (at \$*** per pound) than in the prior proceedings.²¹⁶ The domestic industry's U.S. shipments in 2023 were lower (at *** pounds) than in 2007 and 2018, though higher than in 2012,²¹⁷ while the value of U.S. shipments (at \$***) was equal to that in 2007 and higher than in 2012 and 2018.²¹⁸ The domestic industry's net sales value (at \$***) was higher in 2023 than in 2012 and 2018, though lower than in 2007,²¹⁹ while its gross profits (at \$***),²²⁰ operating income (at \$***), and ratio of operating income to net sales (at *** percent) were all higher in 2023 than in the prior proceedings.²²¹ This information is insufficient for us to make a finding as to whether the domestic industry is

²¹² Although Magnum was the only domestic interested party that responded to the notice of institution, it submitted data concerning its own performance as well as the performance of the other major domestic producers, Flexmag and ILPEA, during the 2019-2023 period, as well as partial year data for 2024. See Domestic Interested Party's Response to the NOI at Exhibit 3. It believes that ***. *Id.* at 3 n.7.

²¹³ Revision Memo INV-WW-152 at Table I-4. The domestic industry's capacity was 154.7 million pounds in 2007, *** pounds in 2012, and *** pounds in 2018. *Id.*

²¹⁴ Revision Memo INV-WW-152 at Table I-4. U.S. production was 75.0 million pounds in 2007, *** pounds in 2012, and *** pounds in 2018. *Id.*

²¹⁵ Revision Memo INV-WW-152 at Table I-4. Capacity utilization was 48.5 percent in 2007, *** percent in 2012, and *** percent in 2018. *Id.*

²¹⁶ Revision Memo INV-WW-152 at Table I-4. The AUV of the domestic industry's U.S. shipments was \$1.13 in 2007, \$*** in 2012, and \$*** in 2018. *Id.*

²¹⁷ Revision Memo INV-WW-152 at Table I-4. The volume of the domestic industry's shipments was 70.4 million pounds in 2007, *** pounds in 2012, and *** pounds in 2018. *Id.*

²¹⁸ Revision Memo INV-WW-152 at Table I-4. The value of the domestic industry's shipments was \$79.2 million in 2007, \$*** in 2012, and \$*** in 2018. *Id.*

²¹⁹ Revision Memo INV-WW-152 at Table I-4. The industry's net sales value was \$85.8 million in 2007, \$*** in 2012, and \$*** in 2018. *Id.*

²²⁰ Revision Memo INV-WW-152 at Table I-4. The gross profits were \$17.8 million in 2007, \$*** in 2012, and \$*** in 2018. *Id.*

²²¹ Revision Memo INV-WW-152 at Table I-4. The operating income was \$4.5 million in 2007, \$*** in 2012, and \$*** in 2018. *Id.* The operating income to net sales ratio was 5.2 percent in 2007, *** percent in 2012, and *** percent in 2018. *Id.*

Data concerning the domestic industry's performance during the 2019-2023 period submitted by the domestic interested party indicates that, while the industry's production, capacity utilization rate, and U.S. shipments all declined irregularly during the period, the industry's net sales value, gross profit, and operating income increased irregularly and its operating income to net sales ratio increased throughout the period. See Domestic Interested Party's Response to the NOI at Exhibit 3.

vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.

Based on the information available on the record, we find that revocation of the orders would likely result in a significant volume of cumulated subject imports that likely would undersell the domestic like product to a significant degree. Given the general substitutability between the domestic like product and subject imports and the importance of price in purchasing decisions, significant volumes of low-priced cumulated subject imports would likely undersell the domestic like product and capture sales and market share from the domestic industry and/or depress or suppress prices for the domestic like product to a significant degree. The likely significant volume of low-priced cumulated subject imports and their adverse price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We thus conclude that, if the orders were revoked, subject imports from China and Taiwan would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than subject imports. Nonsubject imports had a minimal presence in the U.S. market during the original investigations, accounting for *** percent of apparent U.S. consumption in 2007, and there is no information on the record of these reviews indicating that nonsubject imports have increased their presence in the U.S. market since that time or would prevent subject imports from increasing to significant levels if the orders were revoked.²²²

As discussed in section IV.B.1 above, the domestic interested party claims that *** and is unlikely to increase significantly within a reasonably foreseeable time.²²³ To the extent that demand remains weak or declines, the significant volume of low-priced cumulated subject imports that is likely after revocation would exacerbate the effects of weak or declining demand on the domestic industry.

V. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping duty orders on raw flexible magnets from China and Taiwan and the countervailing duty order on

²²² CR/PR at I-16. As discussed in section I, data on imports of raw flexible magnets, including nonsubject imports, is unavailable in these reviews, as in the prior reviews. *Id.*

²²³ Domestic Interested Party's NOI Response at 30, Exhibit 3.

raw flexible magnets 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 these reviews

Background

On June 3, 2024, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on raw flexible magnets from China and Taiwan would be likely to lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} Table I-1 presents information relating to the background and schedule of this proceeding.

Table I-1
Raw flexible magnets: Information relating to the background and schedule of this proceeding

Effective date	Action
June 3, 2024	Notice of initiation by Commerce (89 FR 47525, June 3, 2024)
June 3, 2024	Notice of institution by Commission (89 FR 47607, June 3, 2024)
September 6, 2024	Commission’s vote on adequacy
September 27, 2024	Commerce’s results of its expedited antidumping reviews (89 FR 79242, September 27, 2024)
October 11, 2024	Commerce’s results of its expedited countervailing duty review (89 FR 82565, October 11, 2024)
December 20, 2024	Commission’s determinations and views

¹ 19 U.S.C. 1675(c).

² 89 FR 47607, June 3, 2024. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 89 FR 47525, June 3, 2024. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ 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 investigations are presented in app. C.

⁴ 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 reviews. It was filed on behalf of Magnum Magnetics Corporation (“Magnum”), a domestic producer of raw flexible magnets (referred to herein as “domestic interested party”).⁵

A complete response to the Commission’s notice of institution requires that the responding interested parties submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy or explain deficiencies in their responses and to provide clarifying details where appropriate. A summary of the number of responses and estimates of coverage for each is shown in table I-2.

Table I-2

Raw flexible magnets: Summary of responses to the Commission’s notice of institution

Interested party type	Number	Coverage
U.S. producer	1	***

Note: The U.S. producer coverage figure presented is the domestic interested party’s estimate of its share of total U.S. production of raw flexible magnets during 2023. Domestic interested party’s supplemental response to the notice of institution, August 23, 2024, p. 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 expedited or full reviews from the domestic interested party. The domestic interested party requested that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on raw flexible magnets.⁶

⁵ In its response to the notice of institution, Magnum also provided certain trade and financial data for ***, which support the continuation of the orders on raw flexible magnets. Domestic interested party’s response to the notice of institution, July 2, 2024, p. 1 and exhs. 3 and 4.

⁶ Domestic interested party’s comments on adequacy, August 8, 2024, p. 2.

The original investigations

The original investigations resulted from petitions filed on September 21, 2007 with Commerce and the Commission by Magnum, Marietta, Ohio.⁷ On July 10, 2008, Commerce determined that imports of raw flexible magnets from China and Taiwan were being sold at less than fair value (“LTFV”) and subsidized by the Government of China.⁸ The Commission determined on August 25, 2008 that the domestic industry was threatened with material injury by reason of LTFV imports of raw flexible magnets from China and Taiwan and subsidized raw flexible magnets from China.⁹ On September 17, 2008, Commerce issued its countervailing duty order on raw flexible magnets from China with a net subsidy rate of 109.95 percent ad valorem.¹⁰ On September 17, 2008, Commerce issued its antidumping duty orders on raw flexible magnets from China and Taiwan with the final weighted-average dumping margins ranging from 105.0 to 185.3 percent with respect to China and 31.2 to 38.0 percent with respect to Taiwan.¹¹

The first five-year reviews

On November 20, 2013, the Commission determined that it would conduct expedited reviews of the antidumping and countervailing duty orders on raw flexible magnets from China and Taiwan.¹² On December 23, 2013, Commerce determined that revocation of the antidumping and countervailing duty orders on raw flexible magnets from China and Taiwan would be likely to lead to continuation or recurrence of dumping and subsidization.¹³ On January 15, 2014, the Commission determined that material injury would be likely to continue

⁷ Raw Flexible Magnets from China and Taiwan, Inv. Nos. 701-TA-452 and 731-TA-1129-1130 (Final), USITC Publication 4030, August 2008 (“Original publication”), p. I-1.

⁸ 73 FR 39669, July 10, 2008; 73 FR 39673, July 10, 2008; 73 FR 39667, July 10, 2008.

⁹ 73 FR 51317, September 2, 2008. Chairman Shara L. Aranoff, Commissioner Dean A. Pinkert, and Commissioner Irving A. Williamson found that the domestic industry was threatened with material injury by reason of imports of raw flexible magnets from China and Taiwan sold at LTFV and subsidized by the government of China. Commissioner Charlotte R. Lane found that the domestic industry was materially injured by reason of cumulated imports of raw flexible magnets from China and Taiwan. Vice Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun found that the domestic industry was neither materially injured nor threatened with material injury by reason of subject imports from Taiwan.

¹⁰ 73 FR 53849, September 17, 2008; 73 FR 55043, September 24, 2008.

¹¹ 73 FR 53847, September 17, 2008; 73 FR 53848, September 17, 2008.

¹² 78 FR 73561, December 6, 2013.

¹³ 78 FR 77423, December 23, 2013; 78 FR 77425, December 23, 2013.

or recur within a reasonably foreseeable time.¹⁴ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective February 5, 2014, Commerce issued a continuation of the antidumping and countervailing duty orders on imports of raw flexible magnets from China and Taiwan.¹⁵

The second five-year reviews

On April 12, 2019, the Commission determined that it would conduct expedited reviews of the antidumping and countervailing duty orders on raw flexible magnets from China and Taiwan.¹⁶ On June 6, 2019, Commerce determined that revocation of the antidumping and countervailing duty orders on raw flexible magnets from China and Taiwan would be likely to lead to continuation or recurrence of dumping and subsidization.¹⁷ On July 12, 2019, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁸ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective July 23, 2019, Commerce issued a continuation of the antidumping and countervailing duty orders on imports of raw flexible magnets from China and Taiwan.¹⁹

Previous and related investigations

Raw flexible magnets have not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

Commerce's five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of raw flexible magnets from China and Taiwan with the intent of issuing the final results of these reviews based on the facts available not later than October 1, 2024.²⁰

¹⁴ 79 FR 3623, January 22, 2014.

¹⁵ 79 FR 6886, February 5, 2014.

¹⁶ 84 FR 26156, June 5, 2019.

¹⁷ 84 FR 26400, June 6, 2019; 84 FR 26403, June 6, 2019.

¹⁸ 84 FR 34199, July 17, 2019.

¹⁹ 84 FR 35369, July 23, 2019.

²⁰ Letter from Alex Villanueva, Senior Director, Office I, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, U.S. International Trade Commission, July 23, 2024.

Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <https://access.trade.gov/public/FRNoticesListLayout.aspx> and subsequently on the Commission's Electronic Document Information System ("EDIS"). 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 and countervailing duty orders on imports of raw flexible magnets from China and Taiwan are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

The products covered by the orders are certain flexible magnets regardless of shape,²¹ color, or packaging.²² Subject flexible magnets are bonded magnets composed (not necessarily exclusively) of (i) any one or combination of various flexible binders (such as polymers or co-polymers, or rubber) and (ii) a magnetic element, which may consist of a ferrite permanent magnet material (commonly, strontium or barium ferrite, or a combination of the two), a metal alloy (such as NdFeB or Alnico), any combination of the foregoing with each other or any other material, or any other material capable of being permanently magnetized. Subject flexible magnets may be in either magnetized or unmagnetized (including demagnetized) condition, and may or may not be fully or partially laminated or fully or partially bonded with paper, plastic, or other material, of any composition and/or color. Subject flexible magnets may be uncoated or may be coated with an adhesive or any other coating or combination of coatings.

²¹ The term "shape" includes, but is not limited to profiles, which are flexible magnets with a nonrectangular cross-section.

²² Packaging includes retail or specialty packaging such as digital printer cartridges.

Specifically excluded from the scope of the orders are printed flexible magnets, defined as flexible magnets (including individual magnets) that are laminated or bonded with paper, plastic, or other material if such paper, plastic, or other material bears printed text and/or images, including but not limited to business cards, calendars, poetry, sports event schedules, business promotions, decorative motifs, and the like. This exclusion does not apply to such printed flexible magnets if the printing concerned consists of only the following: A trade mark or trade name; country of origin; border, stripes, or lines; any printing that is removed in the course of cutting and/or printing magnets for retail sale or other disposition from the flexible magnet; manufacturing or use instructions (e.g., “print this side up,” “this side up,” “lamine here”); printing on adhesive backing (that is, material to be removed in order to expose adhesive for use such as application of laminate) or on any other covering that is removed from the flexible magnet prior or subsequent to final printing and before use; non-permanent printing (that is, printing in a medium that facilitates easy removal, permitting the flexible magnet to be re-printed); printing on the back (magnetic) side; or any combination of the above.²³

²³ 84 FR 35369, July 23, 2019.

U.S. tariff treatment

Raw flexible magnets are currently provided for in the Harmonized Tariff Schedule of the United States (“HTS”) 8505.19.10 (flexible magnets) and 8505.19.20 (goods containing flexible magnets). Raw flexible magnets imported from China and Taiwan enter the U.S. market at a column 1-general duty rate of 4.9 percent ad valorem. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection (“CBP”).

Effective July 6, 2018, flexible magnets imported under HTS subheading 8505.19.10 and goods containing flexible magnets imported under HTS subheading 8505.19.20 originating in China are subject to an additional 25 percent ad valorem duty under Section 301 of the Trade Act of 1974.²⁴

Description and uses²⁵

Flexible magnets are permanent magnets that can be twisted, bent, slit, punched, coiled, and otherwise molded into any shape without loss of magnetic properties. Raw flexible magnets consist of sheet (or sheeting), strip, and thermoplastic profile shapes, typically of uniform thickness and surface finish. Figure I-1 presents a depiction of various types of sheet, strip, and profile shape flexible magnets produced by Magnum.

²⁴ Goods of HTS subheading 8505.19.10 are subject to additional duty under heading 9903.88.01, and those of HTS subheading 8505.19.20 are assessed additional duty under heading 9903.88.03. *Notice of Action and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 28710, June 20, 2018; *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 47974, September 21, 2018.

²⁵ Unless otherwise noted, this information is based on Raw Flexible Magnets from China and Taiwan, Inv. Nos. 701 TA- 452 and 731-TA-1129-1130 (Second Review), USITC Publication 4921, July 2019 (“Second review publication”), pp. I-9–I-10.

Figure I-1
Raw flexible magnets: Product types



Source: Huge Paper, <https://www.hugepaper.com/brands/magnum-magnetics/>, retrieved July 24, 2024.

Magnetic sheet is characterized as sheets of “material that are highly flexible and have permanent magnetic properties.” Sheet, which is generally (but not exclusively) produced by the calendaring process described below, is the widest form of raw flexible magnet, typically available in widths up to approximately 24 inches. Flexible magnetic strips are dimensionally narrower than sheet. Strips may be produced by cutting sheets into much narrower products, or they may be made by extruding the materials to its final dimension. Finally, profile shapes are flexible magnets that are not square or rectangular in cross section. Thermoplastic profile shapes are manufactured exclusively by the extrusion method.

In general, flexible magnets are used in a number of applications such as refrigerator door gaskets; magnetic car and safety signs; direct mail promotional items; magnetic business cards; advertising signs; calendars; nameplates; and toys and games. The key physical characteristics and similarities among all flexible magnets include magnetism, thinness, flexibility, lightness of weight, and ease of cutting. Raw flexible magnet profile shapes are used in the production of commercial products such as refrigerator doors, shower doors, and merchandise exhibits. Magnetic sheeting has an adhesive side that is used to stick sheeting on to non-magnetic surfaces; it is used in activities like crafting, decorating, woodworking, and

organization.²⁶ Raw flexible magnetic sheets and strips are typically used to produce refrigerator magnets, magnetic photo pockets, magnetic business cards such as those used by real-estate agents in promotional applications, and label holders for metal shelving.

Manufacturing process²⁷

Raw flexible magnets are manufactured by consolidating a mixture (in either granular or slurry form) of magnetic ferrite powders such as strontium or barium²⁸ with a flexible resin binder (polymer), then transferring the mixture to one of several varieties of forming processes (namely calendaring, coating, or extrusion). The product - in sheet form, narrower strip form, or as a profile shape - is finished and prepared for shipment, typically in rolls or coils.

In the calendaring process, the magnetic particulate (a mixture of ferrite metals and resins) is fed through a calendar, where it is pressed between two large rotating steel rolls to create magnetic sheets or strip of uniform thickness and surface finish.²⁹ During the extrusion process, the magnetic particulate is forced through a shaped die to create rectangular or square sheets, strips, or other profile shapes. In the coating process, the magnetic material is coated onto a carrier material such as paper, using a slot die or similar coating method. The magnet and carrier materials are then cut,³⁰ scored,³¹ slit,³² or die-cut³³ into many different sizes. Some types of flexible magnet sheeting are laminated³⁴ with paper or plastic (typically white, but can be any color), or are coated with an adhesive (in most cases a pre-printed or decorated

²⁶ Magnum Magnetics, <https://magnummagnetics.com/blog/creative-uses-for-magnetic-sheeting/>, retrieved July 24, 2024.

²⁷ Unless otherwise noted, this information is based on the second review publication, pp. I-10–I-13.

²⁸ In the original investigations, U.S. production of flexible magnets consisted chiefly of strontium ferrites due to the low-cost and toxicity associated with barium ferrites. Other magnetic material can be substituted for the strontium and barium ferrites if significantly higher energy is required.

²⁹ A calendar is a machine consisting of metal rolls in a stack that are used for applying pressure to smooth paper and other materials.

³⁰ Cutting typically involves large sheets or rolls and is customarily performed on a punch press.

³¹ Scoring a magnet takes place when a cut is not made through the entire magnet, enabling it to remain in a larger piece or roll for packaging and ease of process for the customer. This process typically takes place via a punch press and is considered a value-added service.

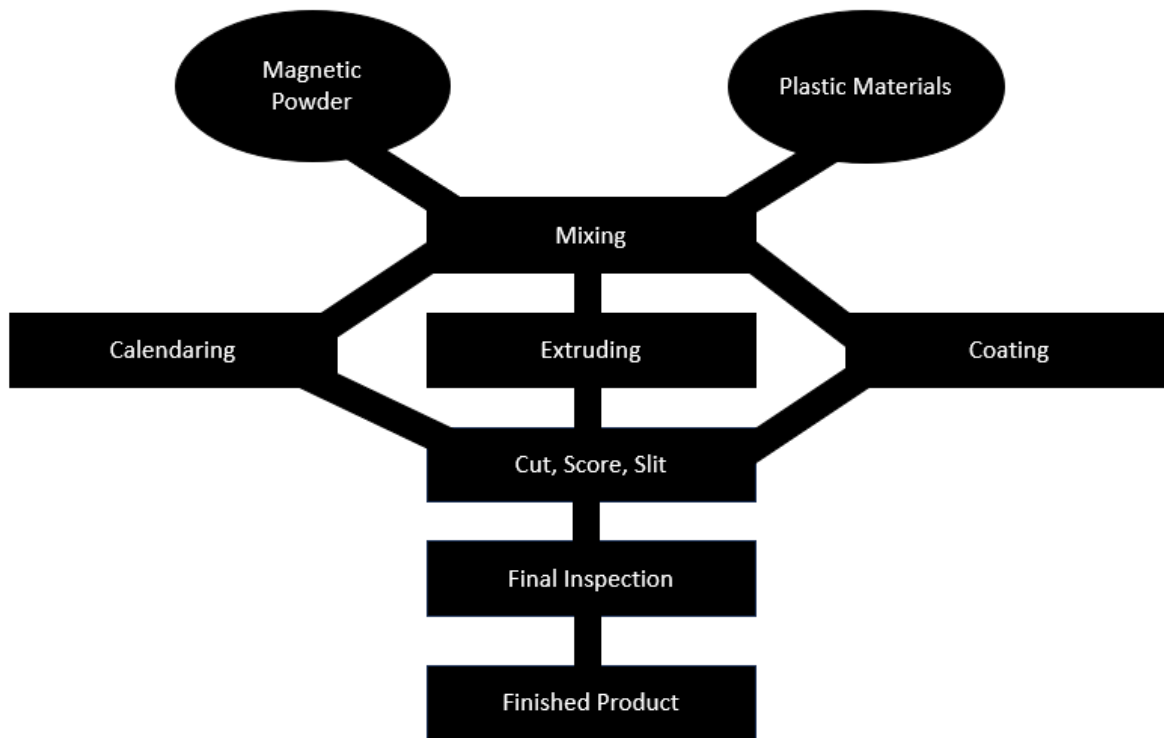
³² Slitting refers to slicing the magnet along the length of the roll. Slitting is not always considered a value-added service by the manufacturer.

³³ Die-cutting typically is performed on a punch press with a steel rule die. A die-cut is employed in individual magnet pieces cut into precise dimensions. Die-cutting can also create “score” lines within the die cut piece to permit easy removal of separate magnet pieces after further processing by the customer. The use of die-cutting is a value-added service employed by the producer.

³⁴ Laminating typically is completed by the magnet producer or by a printer and refers to the process for adhering any flat film, paper, or adhesive to the magnet.

laminate) or other material.³⁵ A minority of flexible magnets is shipped in rolls or coils, but the manufacturer cuts most magnetic sheeting into various sized (widths and lengths) sheets to be shipped in stacks to the customer or distributor (figure I-2).

Figure I-2
Raw flexible magnets: Manufacturing process



Source: Derived from second review publication, p. I-11 and figure I-2.

For extrusions and small pieces of sheeting, cutting is done on a punch press to add value to the product. Likewise, scoring can add value if the score is down the length of the web, as with slitting, or it can add value if the score must be done across the width of the magnet with a punch press (as with cutting), depending on the distance between “scores.” Die cutting may add value, depending on the method used and the size of the piece: a punch press with a steel rule die or by creating “score” lines within a die cut piece. According to Magnum, in some cases, one or more of the steps can be combined for a single product, resulting in cumulated

³⁵ Flexible magnets may be “back coated” with a smooth substance in order to cause sheets of the material to pass more readily over each other when being fed into printing equipment and also to prevent blocking or “bricking” of stacks of raw flexible magnetic sheets in the printing process. Although back coating is relatively inexpensive compared with the cost of laminating or applying an adhesive, some customers may prefer delivery of the raw flexible magnets without a back coating because back coating may not be compatible with the adhesive or laminate preferred by the customer.

added values from each step. Slitting, cutting, and scoring, for example, can be combined resulting in cumulated added values. Further value can be added by processing the raw flexible magnets into photo pockets.³⁶ Die-cutting, meanwhile, is typically not combined with any other type of converting.

According to Magnum, in describing its value-added operations, most laminating is done by the flexible magnet manufacturer or printer, not by a converter. A converter's laminating operations would generally be limited to 60-mil 3-inch-wide extrusions, and most commonly would involve adding an adhesive backing to the magnet.³⁷ Laminating is only performed on a small range of products by converters but is performed by Magnum on its products.

Raw flexible magnets can be magnetized by either the producer at various stages of the manufacturing process or by the customer, depending on the particular customer's material handling needs. There are no particular handling precautions that have to be taken with flexible magnets since they are relatively weak magnetically, are not brittle, and can be used at high temperatures.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from *** firms, which accounted for 95 percent of U.S. production of raw flexible magnets during 2007.³⁸ During the first five-year reviews, the Commission received one joint response to the notice of institution from *** firms, which accounted for *** percent of production of raw flexible magnets in the United States during 2012.³⁹ During the second five-year reviews, the Commission received one joint response to the notice of

³⁶ Magnetic photo pockets are formed by combining two different pieces of plastic material to the flexible magnet to form a pocket into which a photograph may be inserted.

³⁷ A "mil" is one-thousandth of an inch.

³⁸ Investigation Nos. 701-TA-452 and 731-TA-1129-1130 (Final): Raw Flexible Magnets from China and Taiwan, Confidential Report, INV-FF-087, July 30, 2008, as revised in INV-FF-088, July 31, 2008, INV-FF-090, July 31, 2008, INV-FF-092, August 1, 2008, INV-FF-099, August 7, 2008, and corrected by memorandum on August 15, 2008 ("Original confidential report"), pp. I-4 and III-1.

³⁹ Investigation Nos. 701-TA-452 and 731-TA-1129-1130 (Review): Raw Flexible Magnets from China and Taiwan, Confidential Report, INV-LL-116, December 18, 2013 ("First review confidential report"), pp. I-1 fn. 4 and I-17.

institution from *** firms, which accounted for *** percent of production of raw flexible magnets in the United States during 2018.⁴⁰

In response to the Commission’s notice of institution in these current reviews, the domestic interested party provided a list of five known and currently operating U.S. producers of raw flexible magnets. The one firm providing U.S. industry data in response to the Commission’s notice of institution accounted for approximately *** percent of production of raw flexible magnets in the United States during 2023.⁴¹

Recent developments

Table I-3 presents events in the U.S. industry since the Commission’s last five-year reviews.

Table I-3
Raw flexible magnets: Developments in the U.S. industry since 2019

Item	Firm	Event
Plant Opening	Flexmag Industries, Division of Arnold Magnetic Technologies	In 2019, Arnold Magnetic Technologies opened a new R&D location in Wisconsin that conducts research and innovation.
Shifts in Demand and Supply	Industry wide	According to the domestic interested party, there is a predicted weakening of activity in the residential housing market that may lead to a downward trend in demand. They indicate market is moving towards a thinner product and digital media has displaced demand for kinds of advertising magnets. Production and sales volume in pounds of product for the domestic industry has declined due to shifts in demand.

Source: Arnold Magnetic Technologies, "New R&D location open in Wisconsin", accessed July 25, 2024, <https://www.arnoldmagnetics.com/blog/rapid-prototyping-now-offered/>; Domestic interested party’s response to the notice of institution, July 2, 2024, exh. 6.

⁴⁰ Investigation Nos. 701-TA-452 and 731-TA-1129-1130 (Second Review): Raw Flexible Magnets from China and Taiwan, Confidential Report, INV-RR-016, March 26, 2019 (“Second review confidential report”), p. I-2.

⁴¹ In addition to itself, Magnum listed the additional four U.S. raw flexible magnets producers as: Flexmag Industries, Inc.; ILPEA Industries, Inc.; The Electrodyne Company; and Magnet Technology. Mangum noted that it and *** accounted for approximately *** percent of U.S. production of raw flexible magnets in 2023. Domestic interested party’s response to the notice of institution, July 2, 2024, pp. 1, 27, and exh. 14; Domestic interested party’s supplemental response to the notice of institution, revised August 23, 2024, p. 1.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.⁴² Table I-4 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews.

Table I-4
Raw flexible magnets: Trade and financial data submitted by U.S. producers, by period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; ratio in percent

Item	Measure	2007	2012	2018	2023
Capacity	Quantity	154,696	***	***	***
Production	Quantity	75,007	***	***	***
Capacity utilization	Ratio	48.5	***	***	***
U.S. shipments	Quantity	70,401	***	***	***
U.S. shipments	Value	79,217	***	***	***
U.S. shipments	Unit value	1.13	***	***	***
Net sales	Value	85,819	***	***	***
COGS	Value	67,995	***	***	***
COGS to net sales	Ratio	79.2	***	***	***
Gross profit or (loss)	Value	17,823	***	***	***
SG&A expenses	Value	13,354	***	***	***
Operating income or (loss)	Value	4,470	***	***	***
Operating income or (loss) to net sales	Ratio	5.2	***	***	***

Source: For the years 2007-18, data are compiled using data submitted in the Commission's original investigations and five-year reviews. For the year 2023, data are compiled using data submitted by domestic interested party ***. Domestic interested party's response to the notice of institution, July 2, 2024, exh. 4.

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

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

⁴² Individual company trade and financial data are presented in app. B.

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 party provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.⁴³

In its original determinations and expedited first and second five-year review determinations, the Commission found a single domestic like product consisting of raw flexible magnets coextensive with Commerce’s scope. In its original determinations and its expedited first and second five-year review determinations, the Commission defined a single domestic industry consisting of all U.S. producers of raw flexible magnets.⁴⁴

U.S. importers

During the final phase of the original investigations, the Commission received useable U.S. importer questionnaires from 42 firms, which accounted for over 95 percent of U.S. imports of raw flexible magnets during the period of investigation.⁴⁵ Import data presented in the original investigations were based on questionnaire responses.

Although the Commission did not receive responses from any respondent interested party in its expedited first five-year reviews, the domestic interested party provided a list of two firms that may have imported raw flexible magnets from China and Taiwan.⁴⁶

Although the Commission did not receive responses from any respondent interested party in its expedited second five-year reviews, the domestic interested party provided a list of two firms that may have imported raw flexible magnets from China and Taiwan.⁴⁷

Although the Commission did not receive responses from any respondent interested party in these current reviews, in its response to the Commission’s notice of institution, the domestic interested party provided a list of three firms that may import raw flexible magnets from China and Taiwan.⁴⁸

⁴³ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

⁴⁴ 89 FR 47608, June 3, 2024.

⁴⁵ Original publication, pp. 3 fn. 5, I-3, and IV-1.

⁴⁶ Raw Flexible Magnets from China and Taiwan, Inv. Nos. 701-TA-452 and 731-TA-1129-1130 (Review), USITC Publication 4449, January 2014 (“First review publication”), pp. I-13 and I-14.

⁴⁷ Second review publication, p. I-17.

⁴⁸ Domestic interested party’s response to the notice of institution, July 2, 2024, pp. 27-28.

U.S. imports⁴⁹

According to the domestic interested party, “Sources in the flexible magnet trade in U.S. have not brought to Magnum’s attention any confirmed instances of imports of subject merchandise since 2012.”⁵⁰

Cumulation considerations

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.⁵¹

Since the imposition of the orders, imports of raw flexible magnets from China and Taiwan have declined substantially. The domestic interested party noted that raw flexible magnet producers in China and Taiwan are export orientated and have continued to show interest in the U.S. market.⁵² The domestic interested party reported that the raw flexible magnet market in the U.S. continues to be an unsegmented national market.⁵³

Apparent U.S. consumption and market shares

During the original investigations, apparent U.S. consumption of raw flexible magnets totaled approximately 78.4 million pounds (\$86.7 million) in 2007. U.S. producers’ U.S. shipments of raw flexible magnets totaled 70.4 million pounds (\$79.2 million) in 2007 and

⁴⁹ Import data are not available for the current reviews. In the original investigations, U. S. import data were based on questionnaire responses, which collected quantity data in 1,000 pounds. Official import statistics cannot be relied upon to disclose amounts of or trends in subject imports because (1) the relevant HTS subheadings include substantial nonsubject imports within their scope and (2) the unit of quantity specified in the HTS for reporting subject merchandise under these subheadings is “number” whereas the Commission relied upon quantity measured in 1,000 pounds in the original investigations.

⁵⁰ Domestic interested party’s response to the notice of institution, July 2, 2024, p. 27. Domestic interest party reported that it cannot confirm that any subject imports entered the United States since 2012. However, it noted that it is likely one or more firms have imported at least samples of products for which scope requests were filed with Commerce, prior to becoming aware that such merchandise was subject to the antidumping and countervailing duty orders.

⁵¹ In addition, available information concerning subject country producers and the global market is presented in the next sections of this report.

⁵² Domestic interested party’s response to the notice of institution, July 2, 2024, p. 11.

⁵³ Domestic interested party’s response to the notice of institution, July 2, 2024, p. 11.

accounted for 89.8 percent of apparent U.S. consumption by quantity and 91.4 percent by value. U.S. importers' U.S. shipments of imports from subject sources totaled *** pounds (\$***) in 2007 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. importers' U.S. shipments of imports from nonsubject sources totaled *** pounds (\$***) in 2007 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.⁵⁴

Apparent U.S. consumption was not presented in previous five-years reviews and, due to limited import data, it is also not presented in these current reviews.⁵⁵

The industry in China

Producers in China

During the original investigations, the Commission received foreign producer/exporter questionnaires from three firms, which accounted for approximately *** percent of production of raw flexible magnets from China during 2007, and most exports from China to the United States during 2007.⁵⁶

Although the Commission did not receive responses from any respondent interested party in its first five-year reviews, the domestic interested party provided a list of 30 possible producers/exporters of raw flexible magnets in China in that proceeding.⁵⁷

Although the Commission did not receive responses from any respondent interested party in its second five-year reviews, the domestic interested party provided a list of 13 possible producers/exporters of raw flexible magnets in China in that proceeding.⁵⁸

Although the Commission did not receive any responses from any respondent interested party in the current five-year reviews, the domestic interested party provided a list of 10 possible producers/exporters of raw flexible magnets in China.⁵⁹

⁵⁴ Original confidential report, table C-1.

⁵⁵ See the "U.S. imports" section of this report for more information.

⁵⁶ Original confidential staff report, pp. VII-1-VII-2.

⁵⁷ First review publication, p. I-16.

⁵⁸ Second review publication, p. I-20.

⁵⁹ Domestic interested party's response to the notice of institution, July 2, 2024, exh. 12.

Recent developments

Table I-5 presents industry events in China since the Commission’s last five-year reviews.

Table I-5
Raw flexible magnets: Developments in the Chinese industry since 2019

Item	Firm	Event
Expansion	Xiamen One Magnet Electronic Co., Ltd.	In 2021, One Magnet opened its third, fourth, and fifth production lines of ferret magnets. In February 2023, One Magnet opened a sixth production line. In January and May 2024, One Magnet opened its seventh and eight production lines, respectively.
Plant Opening	Beijing Zhong Ke San Huan High-Tech Co., Ltd.	In February 2022, Zhong Ke San Huan started trial productions at a new production plant in Ganzhou city, Jiangxi province. The new plant has the capacity to produce 5,000 tons of NdFeB magnets per year.
Plant Opening	Guangzhou Newlife Magnet Electricity Co., Ltd.	In 2019, Newlife opened a production facility in Zengcheng, Guangzhou.
Plant Opening	Yantai Zhenghai Magnetic Material Co., Ltd.	In August 2020, Zhenghai opened a new plant in the Shandong province.
Plant Opening	Yantai Zhenghai Magnetic Material Co., Ltd.	In June 2023, Zhenghai opened a new production facility in Nantong.
Plant Opening, Public-Private Partnership	Yantai Zhenghai Magnetic Material Co., Ltd.	In June 2023, Zhenghai unveiled the State Key Laboratory of Advanced Metal Materials Nantong Zhenghai R&D Center.
Public-Private Partnership	Guangzhou Newlife Magnet Electricity Co., Ltd.	In 2021, Guangzhou Newlife Magnet Electricity Co., Ltd. was recognized as a “Little Giants” SME by the PRC government, making it eligible for government support and financing.

Table continued.

Table I-5 Continued
Raw flexible magnets: Developments in the Chinese industry since 2019

Item	Firm	Event
Public-Private Partnership	Xiamen One Magnet Electronic Co., Ltd.	In July 2023, One Magnet was classified as a “Little Giants” SMEs by the PRC Central Government, making it eligible for government support and financing.

Source: Domestic interested party’s response to the notice of institution, July 2, 2024, exh. 12; Onemag Electronics Co., Ltd., “History,” accessed July 26, 2024, <http://en.one-magnet.com/intro/5.html>; Zhong Ke San Huan, “Zhongke Sanhuan (Ganzhou) New Materials Co., Ltd.’s 5,000 tons/year high-performance sintered NdFeB plant goes into production,” March 2, 2023, <http://www.san-huan.com.cn/News/Content/1024>; Newlife Magnet Electricity Co., Ltd., “Company Profile,” accessed July 25, 2024, <https://www.kingmagnet.com/CompanyProfile/index.aspx>; Yantai Zhenghai Magnetic Material Co., Ltd., “MILESTONES”, accessed July 26, 2024, <http://zhmag.com/about/history.html>; Brown, Chimits, Sebastian, “Accelerator state: How China fosters ‘Little Giant’ companies,” August 3, 2023, <https://meric.org/en/report/accelerator-state-how-china-fosters-little-giant-companies>.

Exports

HS subheading 8505.19 (permanent magnets and articles intended to become permanent magnets after magnetization, made of materials other than metal) is a basket category containing products outside the scope of these reviews. Since no Chinese producers responded to the notice of institution, no further data are available specific to the production or capacity of subject raw flexible magnets from China.

The industry in Taiwan

Producers in Taiwan

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from two firms, which accounted for approximately *** percent of production of raw flexible magnets in Taiwan during 2007.⁶⁰

Although the Commission did not receive responses from any respondent interested party in its first five-year reviews, the domestic interested party provided a list of 11 possible producers/exporters of raw flexible magnets in Taiwan in that proceeding.⁶¹

⁶⁰ Original confidential report, p. VII-9.

⁶¹ First review publication, p. I-16.

Although the Commission did not receive responses from any respondent interested party in its second five-year reviews, the domestic interested party provided a list of seven possible producers/exporters of raw flexible magnets in Taiwan in that proceeding.⁶²

Although the Commission did not receive responses from any respondent interested party in these five-year reviews, the domestic interested party provided a list of seven possible producers/exporters of raw flexible magnets in Taiwan.⁶³

Recent developments

Table I-6 presents industry events in Taiwan since the Commission’s last five-year reviews.

Table I-6
Raw flexible magnets: Developments in the Taiwanese industry since 2019

Item	Firm	Event
Expansion	Ferroxcube	Ferroxcube signed a partnership agreement with Frenetic, a web platform to design and prototype magnetic component. Date unknown. Ferroxcube also has operations in the PRC.
Public-Private Partnership	Geor Chi Development Co., Ltd.	In 2019 Geor Chi was recognized as a “Research and Development Center of Municipal Hi-tech Enterprises” by the Jiaxing City government, allowing Geor Chi to receive public support for infrastructure, research, and other technical and IP assistance. Geor Chi Development Co., Ltd. also has operations in the PRC.

Source: Ferroxcube, "Corporate News," accessed July 26, 2024, <https://www.ferroxcube.com/en-global/news/index>; Geor Chi Electronics Co, Ltd., "About Us," accessed July 26, 2024, <http://en.georchicom/a/guanyuwomen/>; Jiaxing City Science and Technology Bureau, “Notice on Issuing the “Administrative Measures for the Recognition of Jiaxing High-tech Research and Development Centers’ (Effective Immediately),” August 26, 2019, https://kjj.jiaxing.gov.cn/art/2019/8/26/art_1229562370_1766774.html.

Exports

HS subheading 8505.19 (permanent magnets and articles intended to become permanent magnets after magnetization, made of materials other than metal) is a basket category containing products outside the scope of these reviews. Since no Taiwanese producers responded to the notice of institution, no further data are available specific to the production or capacity of subject raw flexible magnets from Taiwan.

⁶² Second review publication, p. I-21.

⁶³ Domestic interested party’s response to the notice of institution, July 2, 2024, exh. 13.

Third-country trade actions

Based on available information, raw flexible magnets from China and Taiwan have not been subject to other antidumping or countervailing duty investigations outside the United States.

The global market

The global raw flexible magnet market (based on HS subheading 8505.19 which includes out-of-scope products) increased from \$1.4 billion in 2019 to \$1.5 billion in 2022, then declined to \$1.3 billion in 2023.⁶⁴ China was the leading global raw flexible magnet exporter at \$492.4 million in 2023, accounting for 37.9 percent of global exports, followed by Germany (\$103.9 million), South Korea (\$77.4 million), and Japan (\$71.6 million).⁶⁵

⁶⁴ These data may be overstated as HS subheading 8505.19 may contain products outside the scope of these reviews.

⁶⁵ Global Trade Information Services, Inc., Global Trade Atlas, data under HS subheading 8505.19.

APPENDIX A
FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, 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
89 FR 47525, June 3, 2024	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2024-06-03/pdf/2024-12097.pdf
89 FR 47607, June 3, 2024	<i>Raw Flexible Magnets from China and Taiwan; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2024-06-03/pdf/2024-12056.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

* * * * *

APPENDIX C
SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1

Raw flexible magnets: Summary data concerning the U.S. market, 2005-07, January-March 2007, and January-March 2008

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

Item	Reported data					Period changes			
	2005	2006	2007	January-March		2005-07	2005-06	2006-07	Jan.-Mar.
				2007	2008				2007-08
U.S. consumption quantity:									
Amount	85,571	89,110	78,399	19,152	17,213	-8.4	4.1	-12.0	-10.1
Producers' share (1)	95.6	93.9	89.8	92.6	93.0	-5.8	-1.7	-4.1	0.4
Importers' share (1):									
China	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	4.4	6.1	10.2	7.4	7.0	5.8	1.7	4.1	-0.4
U.S. consumption value:									
Amount	91,869	95,465	86,699	20,156	18,298	-5.6	3.9	-9.2	-9.2
Producers' share (1)	95.1	93.5	91.4	91.3	93.6	-3.7	-1.6	-2.1	2.3
Importers' share (1):									
China	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	4.9	6.5	8.6	8.7	6.4	3.7	1.6	2.1	-2.3
U.S. shipments of imports from:									
China:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Taiwan:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	3,806	5,473	7,997	1,413	1,196	110.2	43.8	46.1	-15.3
Value	4,518	6,230	7,482	1,751	1,165	65.6	37.9	20.1	-33.4
Unit value	\$1.19	\$1.14	\$0.94	\$1.24	\$0.97	-21.2	-4.1	-17.8	-21.4
Ending inventory quantity	969	1,153	2,041	1,130	1,122	110.7	19.0	77.0	-0.7
U.S. producers':									
Average capacity quantity	131,003	153,196	154,696	38,292	38,672	18.1	16.9	1.0	1.0
Production quantity	87,527	88,385	75,007	18,859	16,626	-14.3	1.0	-15.1	-11.8
Capacity utilization (1)	66.8	57.7	48.5	49.3	43.0	-18.3	-9.1	-9.2	-6.3
U.S. shipments:									
Quantity	81,765	83,637	70,401	17,739	16,017	-13.9	2.3	-15.8	-9.7
Value	87,351	89,235	79,217	18,405	17,133	-9.3	2.2	-11.2	-6.9
Unit value	\$1.07	\$1.07	\$1.13	\$1.04	\$1.07	5.3	-0.1	5.5	3.1
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	386	388	329	326	289	-14.9	0.5	-15.3	-11.3
Hours worked (1,000s)	828	750	674	184	165	-18.6	-9.4	-10.1	-10.6
Wages paid (\$1,000s)	11,370	11,546	10,479	2,679	2,553	-7.8	1.5	-9.2	-4.7
Hourly wages	\$13.73	\$15.39	\$15.54	\$14.56	\$15.52	13.2	12.1	1.0	6.6
Productivity (pounds per hour)	103.1	113.7	107.4	100.1	96.8	4.2	10.3	-5.6	-3.3
Unit labor costs	\$0.13	\$0.14	\$0.14	\$0.15	\$0.16	8.7	1.6	6.9	10.3
Net sales:									
Quantity	86,609	89,077	75,118	***	***	-13.3	2.8	-15.7	***
Value	93,670	96,738	85,819	***	***	-8.4	3.3	-11.3	***
Unit value	\$1.08	\$1.09	\$1.14	***	***	5.6	0.4	5.2	***
Cost of goods sold (COGS)	76,522	78,008	67,995	***	***	-11.1	1.9	-12.8	***
Gross profit or (loss)	17,148	18,730	17,823	***	***	3.9	9.2	-4.8	***
SG&A expenses	16,629	15,111	13,354	***	***	-19.7	-9.1	-11.6	***
Operating income or (loss)	519	3,619	4,470	***	***	762.0	598.1	23.5	***
Capital expenditures	13,879	7,026	1,856	***	***	-86.6	-49.4	-73.6	***
Unit COGS	\$0.88	\$0.88	\$0.91	***	***	2.4	-0.9	3.4	***
Unit SG&A expenses	\$0.19	\$0.17	\$0.18	***	***	-7.4	-11.6	4.8	***
Unit operating income or (loss)	\$0.01	\$0.04	\$0.06	***	***	893.9	578.7	46.4	***
COGS/sales (1)	81.7	80.6	79.2	***	***	-2.5	-1.1	-1.4	***
Operating income or (loss)/ sales (1)	0.6	3.7	5.2	***	***	4.7	3.2	1.5	***

(1) "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. Unit values and shares are calculated from the unrounded figures.

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

Table C-2

Raw flexible magnets: Summary data concerning the U.S. merchant market, 2005-07, January-March 2007, and January-March 2008

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

Item	Reported data					Period changes			
	2005	2006	2007	January-March		2005-07	2005-06	2006-07	Jan.-Mar. 2007-08
				2007	2008				
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):	***	***	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):	***	***	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. shipments of imports from:									
China:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Taiwan:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	3,806	5,473	7,997	1,413	1,196	110.2	43.8	46.1	-15.3
Value	4,518	6,230	7,482	1,751	1,165	65.6	37.9	20.1	-33.4
Unit value	\$1.19	\$1.14	\$0.94	\$1.24	\$0.97	-21.2	-4.1	-17.8	-21.4
Ending inventory quantity	969	1,153	2,041	1,130	1,122	110.7	19.0	77.0	-0.7
U.S. producers':									
U.S. merchant market shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***

(1) "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. Unit values and shares are calculated from the unrounded figures.

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

Table C-3
Raw flexible magnets: Summary data concerning the U.S. captive market, 2005-07, January-March 2007, and January-March 2008

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APPENDIX D
PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. Magnum's response to the notice of institution included a list of four leading purchasers in the U.S. market for raw flexible magnets. Magnum provided usable contact information for the following two of the firms: ***. Purchaser questionnaires were sent to these two firms and no firms submitted a response to the Commission's request for information.

