
Hughes Hubbard & Reed

New Antidumping Petition on Ultra-High Molecular Weight Polyethylene from South Korea

Client Advisories

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March 4, 2020 – On March 3, 2020, Celanese Corporation filed a petition with the U.S. Department of Commerce (“DOC”) and the U.S. International Trade Commission (“ITC”), seeking antidumping (“AD”) duties on imports of Ultra-High Molecular Weight Polyethylene from South Korea. According to the petition, this product is used in a wide array of applications in multiple industries, including construction, agriculture, material handling, transportation, textile, pulp and paper, food and beverage, mining, marine, plastics, oil and gas, high performance fibers, battery separators, and waste water treatment.

Under U.S. law, a domestic industry can petition the government to initiate an AD investigation into the pricing of an imported product to determine whether it is sold in the United States at less than fair value (i.e., “dumped”). Additional duties can be imposed if DOC determines that imported goods are “dumped” and the ITC determines that the domestic industry is materially injured or threatened with such injury by reason of subject imports.

If the ITC and DOC make preliminary affirmative determinations, U.S. importers will be required to post cash deposits in the amount of the AD duties for all entries on or after the date DOC’s preliminary determination is published in the Federal Register. The preliminary AD rates can change in DOC’s final determination, especially if foreign producers participate fully in the investigation.

Scope

The merchandise covered by the proposed scope is Ultra High Molecular Weight Polyethylene (“UHMWPE”). UHMWPE is a linear polyethylene, in granular or powder form. It is defined by its melt mass-flow rate of <0.1 g/10 min, measured at 190° C and 21.6 kg load, based on the methods and calculations set forth in the International Organization for Standardization (“ISO”) standards 21304-1 and 21304-2. UHMWPE generally has a Chemical Abstract Service (“CAS”) registration number of 9002-88-4.

The scope includes all UHMWPE in granular or powder forms meeting the above specifications regardless of additives introduced in the manufacturing process. UHMWPE blended with other products is included in the scope of this investigation where UHMWPE is the predominant material within the blend.

Excluded from the scope of the investigation is medical-grade UHMWPE. Medical-grade UHMWPE has a minimum viscosity of 2000 ml/g at a concentration of 0.02% at 135° C (275° F) in decahydronaphthalene and an elongational stress of 0.2 MPa or greater. Medical-grade UHMWPE is further defined by its ash and trace element content, which shall not exceed the following maximum quantities as set forth in ISO-5834-1: ash (125 mg/kg), titanium (40 mg/kg), calcium (5 mg/kg), chlorine (30 mg/kg), and aluminum (20 mg/kg). ISO 5834-1 further defines medical-grade UHMWPE by its particulate matter content, which requires that there shall be no more than three particles of contaminant per 300 ± 20 g tested. Each of the above criteria is calculated based on the standards and methods used in ISO 5834-1.

UHMWPE is classifiable under the HTS US subheadings 3901.10.10.00 and 3901.20.10.00.

Foreign Producers and Exporters of Subject Merchandise

According to the petition, Korea Petrochemical Industry Co., Ltd. in Seoul, South Korea, is the only known foreign producer of the subject merchandise.

U.S. Importers of Subject Merchandise

A list of U.S. importers of the subject merchandise, as identified by the petitioners, is provided in [Attachment 1](#).

Alleged Margins of Dumping/Subsidization

Petitioner alleges dumping margins of 15.74 to 81.88 percent.

DOC generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with the investigation.

Estimated Schedule of Investigations

3/3/2020 – Petition filed
3/24/2020 – ITC staff conference
4/17/2020 – ITC preliminary injury determination
7/21/2020 – DOC preliminary AD determination, if not postponed
9/9/2020 – DOC preliminary AD determination, if fully postponed
1/29/2021 – DOC final AD determination, if both preliminary and final determinations are fully postponed
3/22/2021 – ITC final injury determination, if DOC's determinations are fully postponed
3/29/2021 – AD order published

If you have any questions about the petition, please contact the experienced attorneys in HHR's international trade group.

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