

January 23, 2020

New Antidumping Petition on Difluoromethane from China

By Douglas J. Heffner and Richard P. Ferrin

Arkema Inc. (“petitioner”), on January 23, 2020, filed an antidumping (AD) petition on imports of difluoromethane (or “R-32”) from China.

The U.S. AD law imposes special tariffs to counteract imports that are sold in the United States at less than “normal value.” For AD duties to be imposed, the U.S. government must determine not only that dumping is occurring, but also that there is “material injury” (or threat thereof) by reason of the dumped imports. Importers are liable for any potential AD duties imposed. In addition, these investigations could impact purchasers by increasing prices and/or decreasing supply of difluoromethane.

Scope

The merchandise covered by this investigation is difluoromethane (“R-32”), or its chemical equivalent, regardless of form, type or purity level. R-32 has the Chemical Abstracts Service (“CAS”) registry number of 75-10-5 and the chemical formula CH₂F₂. R-32 is also referred to as difluoromethane, HFC-32, FC-32, Freon-32, methylene difluoride, methylene fluoride, carbon fluoride hydride, halocarbon R32, fluorocarbon R32, and UN 3252. Subject merchandise also includes R-32 and unpurified R-32 that are processed in a third country or the United States, including, but not limited to, purifying or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope R-32. R-32 that has been blended with products other than pentafluoroethane (R-125) is included within this scope if such blends contain 85% or more by volume on an actual percentage basis of R-32. In addition, R-32 that has been blended with any amount of R-125 is included within this scope if such blends contain more than 52% by volume on an actual percentage basis of R-32. Whether R-32 is blended with R-125 or other products, only the R-32 component of the mixture is covered by the scope of these orders. The scope also includes R-32 that is commingled with R-32 from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of this order.

Excluded from the current scope is merchandise covered by the scope of the antidumping order on Hydrofluorocarbon Blends from the People’s Republic of China. See Hydrofluorocarbon Blends from the People’s Republic of China, 81 Fed. Reg. 55436 (Aug. 19, 2016) (the “Blends Order”).

R-32 is classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2903.39.2035. Other merchandise subject to the current scope,

including the abovementioned blends that are outside the scope of the Blends Order, may be classified under 2903.39.2045 and 3824.78.0020. The HTSUS subheadings and CAS registry number are provided for convenience and customs purposes. The written description of the scope of the petition is dispositive.

Alleged Dumping Margins

The petitioners allege a dumping margin of 87.98 percent.

Estimated Schedule of Investigations

- January 23, 2020 – Petition is filed
- February 12, 2020 – DOC initiates investigation
- February 13, 2020 – ITC staff conference
- March 9, 2020 – Deadline for ITC preliminary injury determinations
- July 1, 2020 – Deadline for DOC preliminary AD determination, if not postponed
- August 20, 2020 – Deadline for DOC preliminary AD determination, if fully postponed
- January 4, 2021 – Deadline for DOC final AD determinations, if both preliminary and final determinations are fully postponed
- February 18, 2021 – Deadline for ITC final injury determinations, assuming fully postponed DOC deadlines

For further information, contact Douglas J. Heffner, Richard P. Ferrin, or any other member of the Customs and International Trade Team.

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