



**ML**  
STRATEGIES

**Neal Martin**  
**David Leiter**  
[rnmartin@mlstrategies.com](mailto:rnmartin@mlstrategies.com)  
[djleiter@mlstrategies.com](mailto:djleiter@mlstrategies.com)

**ML Strategies, LLC**  
701 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004 USA  
202 434 7300  
202 434 7400 fax  
[www.mlstrategies.com](http://www.mlstrategies.com)

## **CHINA UPDATE**

March 20, 2012

### **Notable Quotes**

*“We must continue to monitor and take action to combat China’s trade-distorting industrial policies, whether that be with respect to China’s policy of indigenous innovation, or the plethora of five-year plans now being issued by China’s economic planners. And, of course, our efforts regarding China’s export restraints are well-known and have been quite successful thus far, which we hope and expect will continue into the future.”* – Deputy USTR Michael Punke, in remarks to the U.S. Chamber of Commerce-BusinessEurope joint conference on March 19

*“We commend the Department of Commerce for its preliminary decision today, which is the first step in a process that will roll out over the next several months. If fair international trade can be re-established, the solar-pioneering U.S. industry will once again compete on legitimate market factors such as product performance, production efficiency and unsubsidized pricing. We need both the domestic manufacturing and installation businesses to participate in fair competition to advance our solar industry’s reach for greater national energy, economic and environmental security.”* – Gordon Brinser, president of SolarWorld Industries America Inc., the lead petitioner in the Coalition for American Solar Manufacturing (CASM) solar trade case against China, on March 20

*“Today’s preliminary determination by the Department of Commerce imposing low tariffs on imported solar cells and modules is a relatively positive outcome for the U.S. solar industry and its 100,000 employees. However, tariffs large or small will hurt American jobs and prolong our world’s reliance on fossil fuels. Fortunately, this decision will not significantly raise solar prices in the United States as SolarWorld has sought. This decision clearly demonstrates that the Commerce Department did not find the Chinese government engaged in massive subsidization, as SolarWorld and CASM claim.”* – Jigar Shah, president of the Coalition for Affordable Solar Energy, on March 20

### **China Solar Trade Case Update**

The Department of Commerce, in its preliminary determination issued today, has set preliminary countervailing duties of up to 4.73% on solar imports from China. Two Chinese companies were singled out for their own tariffs of 4.73% and 2.9%, while all other solar imports from China will incur a tariff of 3.61%. Included in the announcement was a clarification of the scope of the antidumping and countervailing duty investigations, making clear that the scope covers imports of solar cells produced in China and solar modules/panels produced in China from Chinese-made solar cells, as well as solar modules/panels produced outside of China from solar cells produced in China, but does not cover imports of modules/panels

produced in China from solar cells produced in a third country. As a result of this preliminary determination, Commerce will instruct Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates, applicable to all entries of Chinese solar cells made up to 90 days prior to the preliminary determination. The Department of Commerce is scheduled to issue its preliminary determination on antidumping duties on May 17.

### **USITC Upholds Anti-Dumping Order on Silicon Metal from China**

Today, the United States International Trade Commission **determined** that “revoking the existing antidumping duty order on silicon metal from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.” The review was conducted in accordance with the Uruguay Round Agreements Act which requires that antidumping or countervailing orders be revoked after five years unless it is determined that doing so would lead to the continuation or recurrence of such activities.

### **ITC Delays Preliminary Decision on Dumped Wind Towers from China and Vietnam**

As reported in the **February 13 China Update** from ML Strategies, the International Trade Commission, on February 10, voted 5-0 finding a reasonable indication that the US wind industry, represented by the Wind Tower Trade Coalition, is being adversely affected by dumped wind towers from China and Vietnam. The ITC has now, noting that the investigation is “extraordinarily complicated,” postponed its preliminary decision from March 23 to May 29.

### **Commerce Makes Final Determination on Steel Wheels from China**

On March 19, the International Trade Administration announced affirmative final determinations in antidumping and countervailing duty investigations of certain steel wheels imported from China. The International Trade Commission will now schedule its final injury determinations no later than April 20. Should ITC make an affirmative injury determination – showing that the domestic steel wheel industry is materially injured by the import of Chinese products – then Commerce will issue AD/CV orders. Should the ITC determination be negative, the investigation will be terminated.

### **Members of Congress Urge Administration Support for Auto Parts Industry**

Last Friday, March 16, a **letter** was sent to President Obama signed by 188 members of Congress expressing their concerns about unfair trade practices by China in the auto parts sector. The letter asks the president “to use all existing authority under the law to preserve and protect” U.S. producers and workers in the auto parts sector from China's unfair trade practices. Referencing the newly created Interagency Trade Enforcement Center, the letter says that “Addressing Chinese predatory policies in auto parts should be one of the Enforcement Center's first and highest priorities.”

### **Port of Houston Announces Direct All Water Shipping Service to China**

Last week, the Port of Houston announced that on April 29 COSCO Container Lines Americas, Inc. will begin all-water shipping from Shanghai to the port via the Panama Canal. This will be the first such route to the port in nearly a decade.

### **Upcoming Events**

- On Thursday, March 22, the U.S. Chamber of Commerce and the National Chamber Foundation will host a **discussion and launch** of a report titled “Corporate Social Responsibility trends in China: Implications for U.S. Companies.”
- On Wednesday, March 28, the House Foreign Affairs Committee will hold a hearing titled “The Price of Public Diplomacy with China.” Witnesses include: Steven Mosher, President, Population Research Institute; Kai Chen, Chinese freedom activist; and Greg Autry, co-author of “Death by China.”