For Immediate Release

Contact: Paul Rosenthal, Kelley Drye & Warren LLP, (202) 342-8400

U.S. Producers of Fine Denier Polyester Staple Fiber
File Trade Petitions Against Five Countries

(Washington, D.C.) (May 31, 2017) – Today, three major U.S. synthetic fiber producers – DAK Americas LLC (“DAK”), Nan Ya Plastics Corporation, America (“Nan Ya”), and Auriga Polymers Inc. (“Auriga”) – filed petitions alleging that dumped imports of fine denier polyester staple fiber (“fine denier PSF”) from China, India, Korea, Taiwan, and Vietnam, and subsidized imports of fine denier PSF from China and India, are causing material injury to the domestic industry. The three petitioning domestic producers asked the U.S. government to investigate the dumping, subsidies, and injury and to impose antidumping and countervailing duties on the imports of fine denier PSF from the subject countries.

The petitions allege that producers in each of the five countries are dumping fine denier PSF in the U.S. market at sizeable margins:

<table>
<thead>
<tr>
<th>Country</th>
<th>Dumping Margins Alleged</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>88.07-103.06 percent</td>
</tr>
<tr>
<td>India</td>
<td>21.31-29.70 percent</td>
</tr>
<tr>
<td>Korea</td>
<td>27.16-45.23 percent</td>
</tr>
<tr>
<td>Taiwan</td>
<td>29.32-53.81 percent</td>
</tr>
<tr>
<td>Vietnam</td>
<td>64.73 percent</td>
</tr>
</tbody>
</table>

The petitions also allege that the Chinese fine denier PSF industry benefits from 20 different Chinese government subsidies, and that the Indian fine denier PSF industry benefits from 33 Indian government subsidies. The allegations identify a number of significant national and regional programs, including preferential export financing; preferential income tax treatment; tax exemptions, rebates, and credits on imports of inputs and capital goods used in the production of fine denier PSF; and grants for fine denier PSF producers to assist in the development of export market and to protect against commercial risk.

The petitions were filed concurrently with the United States Department of Commerce (“Commerce Department”) and the United States International Trade Commission (“USITC”). The filing is in response to surging volumes of aggressively-priced fine denier PSF imports from China, India, Korea, Taiwan, and Vietnam. Subject import volume increased from 150.3 million pounds in 2014 to 252.5 million pounds in 2016, or by nearly 68 percent over that three-year
period. The subject imports undersold the domestic industry, taking sales from and exerting
considerable downward pricing pressure on U.S. producers.

As a result of increasing volumes of low-priced imports, the condition of the domestic industry
has suffered. U.S. producers have experienced declining production and shipment volumes and
deteriorating financial performance as a result of the lost sales and price depression caused by
the subject imports. Foreign producers of fine denier PSF also continue to threaten the
domestic industry with additional injury due to their massive and growing production capacity
and extensive unused capacity that will be used to export large volumes of unfairly low-priced
and subsidized product to the United States. The injury to the domestic fine denier PSF
industry is likely to continue if duties are not imposed to offset these unfair trading practices.

“The substantial increase in unfairly-traded fine denier polyester staple fiber from the five
subject countries has harmed U.S. manufacturers and their workers,” according to Paul
Rosenthal of Kelley Drye & Warren LLP, counsel for the petitioning companies. “Trade relief is
essential to ensuring that the domestic industry can recover from its injured and vulnerable
state, thrive, and fairly compete.”

FACT SHEET

**Antidumping and countervailing duties:** Antidumping duties are intended to offset the
amount by which a product is sold at less than fair value, or “dumped,” in the United States.
The margin of dumping is calculated by the Commerce Department. Estimated duties in the
amount of the dumping are collected from importers at the time of importation.
Countervailing duties are intended to offset unfair subsidies that are provided by foreign
governments and benefit the production of a particular good. The USITC, an independent
agency, will determine whether the domestic industry is materially injured or threatened with
material injury by reason of the unfairly traded imports.

**Next steps:** The Commerce Department will determine whether to initiate the antidumping
and countervailing duty investigations within 20 days of today’s filing of the petitions and the
USITC will reach a preliminary determination of material injury or threat of material injury
within 45 days of today’s filing. The entire investigative process will take approximately one
year, with final determinations of dumping, subsidization, and injury likely occurring by the
middle of 2018.

**Product description:** The product covered by the petition is fine denier polyester staple fiber,
which is a synthetic staple fiber of polyesters measuring less than 3.3 decitex (3 denier) in
diameter. Fine denier PSF is generally cut in lengths of less than five inches (127 mm). Fine
denier PSF is similar in appearance to cotton or wool. It is typically converted either to yarn for
weaving or knitting into fabric or to a non-woven textile prior to the end-use application.
Woven applications include the production of textiles such as clothing and bedding linen, for
example. Non-woven applications include the production of household and hygiene products such as baby wipes, diapers, and coffee filters.

**Petitioning companies:** The petitioning companies are DAK Americas LLC, Nan Ya Plastics Corporation, America, and Auriga Polymers Inc., represented by Kelley Drye & Warren LLP.