

Commerce Sets Preliminary Duties On Korean Polymers

By **Nicole Rosenthal**

Law360 (June 2, 2022, 8:06 PM EDT) -- The U.S. Department of Commerce set preliminary duties on imports of certain Korean superabsorbent polymers after finding that the products are being sold at unfairly cheap prices in the U.S.

Commerce set preliminary anti-dumping duties Wednesday on superabsorbent polymers, or SAP, which are used in the production of diapers and sanitary napkins, issuing early levies of 28.74% on named exporter LG Chem Ltd. and all other Korean shippers, the department said in a notice.

U.S. Customs and Border Protection is also set to suspend liquidation of entries of the products or withdraw from warehouses, as well as require a cash deposit equal to the preliminary levies.

Commerce launched the investigation in November after the Ad Hoc Coalition of American SAP Producers filed an anti-dumping duty petition concerning the Korean imports in November 2021, alleging dumping margins between 27.2% to 48.2%. The Commerce investigation began later that month, with the probe period spanning Oct. 1, 2020, to Sept. 30, 2021.

Sumitomo, the other Korean SAP producer mentioned in the coalition's petition, was not named in Commerce's preliminary report.

SAP, which is also used in the food packaging industry, storage, agriculture and civil engineering, can absorb up to 60 times its own weight in body fluids and up to 1,000 times its weight in water.

Domestic SAP producers say imports of the powder have skyrocketed in recent years, with Korea's share of the total imports into the U.S. swelling from 55% in 2018 to 70% by August 2021. In the same time period, its total market share leaped from 7.25% to 15%.

But while Korean SAP exports have been thriving — LG Chem opened a new facility in 2019, expanding its capacity by 25% — American producers claim strife.

"Korean producers have been very aggressive in this market, requiring the domestic industry to meet much lower prices or lose sales volumes," the ad hoc coalition said. "Where U.S. producers have not lowered prices, they have not been able to obtain or expand business."

The American producers who comprise the ad hoc coalition are BASF Corp. of Florham Park, New Jersey; Evonik Superabsorber LLC of Greensboro, North Carolina; and Nippon Shokubai America Industries Inc. of Pasadena, Texas.

A final determination from Commerce was previously scheduled for June 27, but has since been postponed due to the postponement of the preliminary measures. According to the notice, the department is set to make the final determination within 135 days.

Requests for comment from counsel representing LG Chem and the Ad Hoc Coalition of American SAP Producers were not immediately returned Thursday.

LG Chem is represented by Jaehong David Park, Anne Soh, Archana Vasa, Christine Choi, Daniel R. Wilson, Gina Marie Colarusso, Henry Almond, Henry Bowman Morris, Kang Woo Lee, Lynn Fischer Fox, Eric Johnson and Phyllis Derrick of Arnold & Porter Kaye Scholer LLP.

The Ad Hoc Coalition of American SAP Producers is represented by Stephen J. Orava, Jamieson L. Greer, Daniel L. Schneiderman, Neal J. Reynolds, Stephen P. Vaughn, Bonnie B. Byers, Pamela Marcus, Richard Lutz and Edmond A. O'Neill of King & Spalding LLP.

The case is In the Matter of Certain Superabsorbent Polymers From Korea, investigation number A-580-914, at the U.S. International Trade Commission.

--Additional reporting by Grace Dixon. Editing by Stephen Berg.