

hard(wood) times ahead?: US producers of hardwood plywood allege dumping from China

Move over softwood lumber, here comes hardwood plywood...from China.

US producers of this forestry product have petitioned the US Department of Commerce (DoC) to commence an anti-dumping and anti-subsidy investigation against imports of hardwood plywood from China. DoC announced the investigation on Thursday October 18, 2012. The Petitioners are requesting antidumping and countervailing duties of up to 310% on the Chinese imports.

Chinese imports into the US are reported to be over half a billion dollars (specifically \$616 million) in 2011 and almost \$1.8 billion in 2009-2011.

The type of imported goods being investigated are panels made of thin slices of wood ("veneers") bonded to a core. The veneers can be made of hardwood, softwood or bamboo, and the core can be composed of a wide variety usually lower grade materials, such as particle board or MDF. These products are usually manufactured as large panels, with 4'x6', 4'x8' or 4'x10' sizes being the most common, but all sizes are included in this investigation. The subject goods, hardwood and decorative plywood, are distinguished from structural plywood (also known as "industrial

plywood" or "industrial panels"), which must meet particular performance requirements.

The complaint which started this process was filed on September 27, 2012. The preliminary determination regarding whether the imports appear to have caused injury to the US industry is expected early to mid-November. The preliminary determination as to whether the China goods are subsidized (and thus subject to countervailing duties) is expected in late December, and the preliminary determination as to whether the goods are being dumped, i.e. being sold at less than fair market value, should be rendered in early March 2013. Antidumping and countervailing duties start being imposed after an affirmative finding at the respective preliminary determinations. The final decisions are expected in late April 2013 for countervailing duties and mid July for antidumping duties.

It is expected that this will be an important case for the US forestry sector which is very concerned with competition from imports. No doubt Canadian producers will be watching the proceedings very carefully, whether it be for its impact on the US market or as a possible way to deal with any import-competition issues in the Canadian market.

by Jonathan O'Hara

For more information on this topic, please contact:

Ottawa [Jonathan O'Hara](#) 613.232.7171 ext.176 jonathan.ohara@mcmillan.ca

cautionary note

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