

Parts or Shapes Made of Extruded Aluminum from China May Be Subject to Antidumping and Countervailing Duties

If your company imports parts or shapes manufactured from aluminum extruded in China, your company may be liable for significant antidumping and countervailing duties.

On May 26, 2011, the U.S. Department of Commerce (DOC) imposed antidumping (AD) and countervailing duty (CVD) orders on aluminum extrusions from China. AD and CVD duties are imposed as a special tariff on imported merchandise to counteract alleged unfair pricing of imported merchandise and unfair subsidization of imported merchandise by foreign governments. In this case, the DOC has estimated AD margins as high as 33.28 percent, and CVD margins as high as 374.15 percent, depending on the identity of the Chinese exporter. Any imported product covered by the AD/CVD orders must be accompanied by cash deposits equal to the *combined* applicable estimated AD and CVD margins. Furthermore, any such imports are subject to potential review at a later date, and the ultimate antidumping duty owed could be either higher or lower than the cash deposit rate.

These orders pose significant risks for companies that import aluminum parts and shapes from China, because the scope of the orders are extraordinarily broad and may include significantly machined and fabricated parts that may be imported under tariff classification codes other than aluminum. Although the primary target of the orders is aluminum that is extruded into basic shapes — for example, extrusions for use in window frames or shower doors — the orders expressly state that they cover extrusions that are “fabricated, *i.e.*, prepared for assembly. Such operations would include, but are not limited to, extrusions that are cut-to-length, machined, drilled, punched, notched, bent, stretched, knurled, swedged, mitered, chamfered, threaded, and spin. The subject merchandise includes aluminum extrusions that are finished (coated, painted, etc.), fabricated, or any combination thereof.” The AD/CVD orders specifically state that subject products “may be described at the time of importation as parts for final finished products that are assembled after importation, including, but not limited to, window frames, door frames, solar panels, curtain walls, or furniture. Such parts that otherwise meet the definition of aluminum extrusions are included in the scope.” The orders also cover “aluminum extrusion components that are attached (*e.g.*, by welding or fasteners) to form subassemblies.”

U.S. Customs and Border Protection (CBP) administers the AD/CVD orders at the border. *CBP is actively looking at imported parts of aluminum to see if they are extruded. If so, CBP will require AD/CVD deposits.* As noted above, even though a part is classified under a chapter of the Harmonized Tariff Schedule for a part of a finished product, rather than as an aluminum shape or extrusion, the AD/CVD orders may still apply and CBP may still require AD/CVD deposits.

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