KARADENİZ İHRACATÇI BİRLİKLERİ
GENEL SEKRETERLİĞİ

Sayı : 35649853-TİM.KİB.GSK.UYG.2024/301-1598 Giresun, 14/05/2024

Konu : ABD Kağıt Torbalar Damping Soruşturması-Nihai Karar

E-POSTA

KARADENİZ İHRACATÇI BİRLİKLERİ ÜYELERİNE SİRKÜLER
2024 /301

İlgi : 04/01/2024 tarih 008 sayılı sirkülerimiz.

Sayın üyemiz,

Amerika Birleşik Devletleri (ABD) yerli üreticileri tarafından Kamboçya, Çin, Kolombiya, Hindistan, Malezya, Portekiz, Tayvan, Vietnam'ın yanısıra ülkemiz menşeli kağıt alışveriş torbalarının ve çantalarının ithalatına yönelik damping soruşturmasının açıldığı, 28 Aralık 2023 tarihinde ABD Ticaret Departmanı Online Belge Portalı olan ACCESS'te ülkemiz menşeli olan kağıt torbalar için ön bulgu kararının yayımlandığı ve ayrıca 3 Ocak 2023 tarihli ABD Resmi Gazetesi olan Federal Register'da ön bulgulara ilişkin bir bildirim yayınlandığı, söz konusu bildirime https://www.govinfo.gov/app/details/FR-2024-01-03/2023-28944 adresinden erişim sağlanabildiği, anılan bildirimin incelenmesinden, ihracatçı firmalarımız için %26-32-% 47,56 oranlarında geçici damping marjları belirlendiği anlaşılmakta olup, ABD makamlarının 75 gün içerisinde damping soruşturmasına dair nihai kararını yayınlamasının beklendiği ilgide kayıtlı sirkülerimiz ile duyurulmuştu.

Bu defa; T.C. Ticaret Bakanlığı İthalat Genel Müdürlüğünden alınan 13/05/2024 tarih 96727073 sayılı yazıda;

Amerika Birleşik Devletleri (ABD) tarafından Kamboçya, Çin, Kolombiya, Hindistan, Malezya, Portekiz, Tayvan, Vietnam'ın yanı sıra ülkemiz menşeli kağıt alışveriş torbalarının ve çantalarının ithalatına yönelik damping soruşturmasının yürütüldüğü, soruşturma kapsamında ABD Ticaret Bakanlığı Uluslararası Ticaret İdaresi (ITA) nihai kararını 18 Mart 2024 tarihli ABD Resmî Gazetesinde (https://www.govinfo.gov/content/pkg/FR-2024-03-18/pdf/2024-05675.pdf) yayımlandığı, 3 Ocak 2024 tarihli ön kararda ihracatçılarımız için belirlenen %26,32-%47,56 oranlarında damping marjlarında herhangi bir değişiklik yapılmadığı, öte yandan, ABD Uluslararası Ticaret Komisyonunun (ITC), 14 Mart 2024 tarihinde bir dinleme toplantısı düzenleyeceğini ilan ettiği ve toplantı ile ilgili hususların firmalara duyurulduğu, bununla birlikte, söz konusu dinleme toplantısına Bakanlıklarınca katılım sağlanarak ülkemiz görüşlerinin dile getirildiği, bununla birlikte 3 Mayıs 2024 tarihli

Şahin KURUL tarafından 5070 sayılı kanun gereğince güvenli elektronik imza ile imzalanmıştır.

Karadeniz İhracatçı Birlikleri Genel Sekreterliği
Atatürk Bulvarı No:19/E PK.51 28200 GİRESUN
Telefon: 0.454.2162426 (PBX)
Faks: 0.454.2164842-2168890
e-posta: kib@kib.org.tr Kep: kib@hs01.kep.tr
Web : www.kib.org.tr

Ayrıntılı bilgi için: Şahin KURUL – Şube Müdürü

KARADENİZ İHRACATÇI BİRLİKLERİ
GENEL SEKRETERLİĞİ

Sayı **:** 35649853-TİM.KİB.GSK.UYG.2024/301-1598 Giresun, 14/05/2024

Konu **:** ABD Kağıt Torbalar Damping Soruşturması-Nihai Karar

ABD Resmî Gazetesinde yayımlanan bildirime göre (https://www.govinfo.gov/content/pkg/FR-2024-05-03/pdf/2024-09620.pdf) ihracatçı firmalarımızdan bir firmamızın damping marjının 18 Mart 2024 tarihinden itibaren geçerli olmak üzere %26,32 olarak düzeltildiği, Ek-1'de yer alan ITC'nin nihai kararı 3 Mayıs 2024 tarihinde ACCESS portalında yayınlandığı, ilgili ekte sunulan nihai karara göre ABD yerli endüstrisinin Türkiye'den yapılan dampingli ithalattan dolayı zarar gördüğüne hükmedildiği, maddi zarara ilişkin 9 Mayıs 2024 tarihli ABD Resmi Gazetesi'nde de yayımlanan karara https://www.govinfo.gov/content/pkg/FR-2024-05-09/pdf/2024-10253.pdf linkinden erişilmekte olup, ihracatçı firmalarımız için belirlenen %26,32-%47,56 oranlarında dampinge karşı önlemlerin 9 Mayıs 2024 tarihinde kesinleştiği ifade edilmektedir.

Bilgilerinize sunarız.

e-imzalıdır
Şahin KURUL
Genel Sekreter a.
Şube Müdürü

EKLER:
EkI: ITC Nihai Kararı (2 sayfa)
EkII: Consolidated Reports and Views (452 sayfa)

Karadeniz İhracatçı Birlikleri Genel Sekreterliği
Atatürk Bulvarı No:19/E PK.51 28200 GİRESUN
Telefon: 0.454.2162426 (PBX)
Faks: 0.454.2164842-2168890
e-posta: kib@kib.org.tr Kep: kib@hs01.kep.tr
Web : www.kib.org.tr
Ayrıntılı bilgi için: Şahin KURUL – Şube Müdürü

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. 731-TA-1626 (Final)

Paper Shopping Bags from Turkey

DETERMINATION

On the basis of the record[1] developed in the subject investigation, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that an industry in the United States is materially injured by reason of imports of paper shopping bags from Turkey, provided for in subheadings 4819.30.00 and 4819.40.00 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV").[2]

BACKGROUND

The Commission instituted this investigation effective May 31, 2023, following receipt of a petition filed with the Commission and Commerce by the Coalition for Fair Trade in Shopping Bags, a coalition whose members include Novolex Holdings, LLC, Charlotte, North Carolina, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Pittsburgh, Pennsylvania. The Commission scheduled the final phase of the investigation following notification of a preliminary determination by Commerce that imports of paper shopping bags from Turkey were being sold at LTFV within the meaning of § 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of January 18, 2024 (89 FR 3424). The Commission conducted its hearing on March 14, 2024.

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[1] The record is defined in § 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

[2] 89 FR 19295 (March 18, 2024).

The Commission made this determination pursuant to § 735(b) of the Act (19 U.S.C. 1673d(b)). It completed and filed its determination in this investigation on May 2, 2024. The views of the Commission are contained in USITC Publication 5504 (May 2024), entitled *Paper Shopping Bags from Turkey: Inv. No. 731-TA-1626 (Final)*.

By order of the Commission.

Lisa R. Barton
Secretary to the Commission

Issued: May 2, 2024

Paper Shopping Bags from Turkey

Investigation No. 731-TA-1626 (Final)

Publication 5504 **May 2024**

U.S. International Trade Commission

Washington, DC 20436

U.S. International Trade Commission

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Zachary Coughlin, Statistician
John Henderson, Attorney
Frank Morgan, Attorney
Mary Beth Jones, Supervisory Investigator

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Paper Shopping Bags from Turkey

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Publication 5504 **May 2024**

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Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (***) in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1626 (Final)

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[1] The record is defined in § 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

[2] 89 FR 19295 (March 18, 2024).

Views of the Commission

Based on the record in the final phase of this investigation, we determine that an industry in the United States is materially injured by reason of imports of paper shopping bags from Turkey found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value.

I. Background

The Coalition for Fair Trade in Shopping Bags, an *ad hoc* coalition whose members include Novolex Holdings, LLC ("Novolex"), a domestic producer of paper shopping bags, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (the "USW"), a union representing workers at paper shopping bag production facilities, filed the petitions in these investigations on May 31, 2023. Although the antidumping duty petitions for paper shopping bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam and the countervailing duty petitions for paper shopping bags from China and India were all filed on the same day, May 31, 2023, the investigation schedules became staggered when Commerce postponed its final determinations for its antidumping duty investigations regarding all of the subject countries except Turkey,[1] and aligned the final determinations for its countervailing duty investigations regarding China and India with those of its corresponding antidumping duty investigations,[2] but did not postpone the final determination for its antidumping duty investigation regarding Turkey.[3] This necessitates an earlier Commission determination in the final phase antidumping duty investigation on paper shopping bags from Turkey than in the trailing investigations.[4]

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[1] *See, e.g., Certain Paper Shopping Bags from Cambodia: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination, and Extension of Provisional Measures*, 89 Fed. Reg. 325 (Jan. 3, 2024).

[2] *Certain Paper Shopping Bags From the People's Republic of China: Preliminary Affirmative Determination of Countervailable Subsidies, Preliminary Affirmative Determination of Critical Circumstances, and Alignment of Final Determination With Final Antidumping Duty Determination; Correction,* 88 Fed. Reg. 80273 (Nov. 17, 2023).

[3] *Certain Paper Shopping Bags from the Republic of Turkey: Preliminary Affirmative Determination of Sales at Less Than Fair Value,* 89 Fed. Reg. 339 (Jan. 3, 2024).

[4] Commerce is currently scheduled to issue its final antidumping duty determinations in the trailing investigations regarding Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, and Vietnam, and final countervailing duty determination in the trailing investigations regarding China and India, no later than 135 days from January 3, 2024, or by May 17, 2024. *See, e.g., Certain Paper Shopping Bags From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part,* (Continued...)

Pursuant to the statutory cumulation provision on staggered investigations, the record for each of these investigations will be the same except that, prior to the Commission's determinations in the antidumping duty investigations regarding Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, and Vietnam and the countervailing duty investigations regarding China and India, the Commission shall include the final Commerce antidumping and countervailing duty determinations, and the parties' final comments concerning Commerce's later determinations, in the record.[5]

Representatives of Novolex and the USW appeared at the hearing, accompanied by counsel, and petitioner submitted prehearing and posthearing briefs and final comments. Several respondent entities participated in these investigations. The American Alliance for Responsible Trade in Paper Bags (the "Alliance Respondents"), an *ad hoc* group of U.S. firms that import subject paper shopping bags and purchase U.S.-made paper shopping bags for distribution, submitted prehearing and posthearing briefs. Representatives of five members of the Alliance -- AnnJoy Imports LLC, Commonwealth Packaging Company, Infinity Global, Inc., Prime Line Packaging, Inc., and S. Walter Packaging, all U.S. importers of subject merchandise -- appeared at the hearing accompanied by counsel. In addition, Bunzl Distribution USA, LLC ("Bunzl"), a U.S. importer of subject merchandise, submitted prehearing and posthearing briefs and final comments, and a representative of Bunzl appeared at the hearing accompanied by counsel. Direct Source Packaging Co., LLC ("Direct Source"), a U.S. importer of subject merchandise, submitted prehearing and posthearing briefs and final comments, and a representative of Direct Source appeared at the hearing accompanied by counsel. Following submission of a prehearing letter, representatives of Bag Makers, Inc. ("Bag Makers"), Better Earth LLC, Meristem Packaging Company, LLC, and SupplyCaddy, all U.S. importers of subject merchandise, appeared at the hearing accompanied by counsel, and Bag Makers submitted a posthearing brief. A representative of the Ministry of Economy of the Government of Turkey appeared at the hearing.

Several other respondent parties submitted prehearing briefs but did not appear at the hearing or submit posthearing briefs or final comments. Target General Merchandise and Store Supply Warehouse, both U.S. importers of subject merchandise, each submitted prehearing briefs. In addition, Family Dollar Services, LLC, Greenbrier International Inc., Metropak LLC, and The Lindy Bowman Company, U.S. importers of subject merchandise, jointly submitted a prehearing brief.[6]

Postponement of Final Determination, and Extension of Provisional Measures, 89 Fed. Reg. 344, 346-347 (Jan. 3, 2024).

The Commission's final determinations in those trailing investigations must be made within 45 days after Commerce's affirmative final determinations, or no later than July 1, 2024. 19 U.S.C. §§ 1671d(b)(2)(B), 1673d(b)(2)(B).

[5] *See* 19 U.S.C. § 1677(7)(G)(iii).

[6] A nonparty, Ms. Sophia Tidler, filed a prehearing brief.

Data Coverage. U.S. industry data are based on questionnaire responses from four domestic producers that accounted for the vast majority of domestic production of paper shopping bags in 2023.[7] U.S. import data are based on official Commerce import statistics and the questionnaire responses of 48 U.S. importers, accounting for 33.0 percent of U.S. imports from subject sources and 18.7 percent of U.S. imports from nonsubject sources in 2023.[8] The Commission received responses to its questionnaire from 24 foreign producers of subject merchandise: one producer/exporter in Cambodia, which estimated that it accounted for approximately *** percent of production of subject merchandise in Cambodia in 2023, and whose exports to the United States accounted for approximately *** percent of U.S. imports of paper shopping bags from Cambodia in 2023; five producers/exporters in China, which estimated that they accounted for approximately *** percent of production of subject merchandise in China in 2023, and whose exports to the United States accounted for approximately *** percent of U.S. imports of paper shopping bags from China in 2023; two producers/exporters in Colombia, which estimated that they accounted for approximately *** percent of production of subject merchandise in Colombia in 2023, and whose exports to the United States accounted for approximately *** percent of U.S. imports of paper shopping bags

[7] Confidential Report, Memoranda INV-WW-026 (April 3, 2024), INV-WW-027 (April 9, 2024) ("CR") at I-4, III-1; Public Report, *Paper Shopping Bags from Turkey,* Inv. No. 731-TA-1626 (Final), USITC Pub. 5504 ("PR") at I-4, III-1 (April 2024).

[8] CR/PR at IV-1. Official U.S. import statistics were adjusted (1) to remove out-of-scope imports imported under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040 as reported by U.S. importers in response to Commission questionnaires, (2) to remove merchandise certified as out-of-scope by virtue of a "No" questionnaire response to Commission questionnaires using proprietary, Census-edited Customs import records, and (3) to identify the portion of official U.S. import statistics from Taiwan that are nonsubject imports based on Commerce's preliminary antidumping duty determination using data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series and import value data are based on landed-duty paid values. CR/PR at I-4 n.7.

Alliance Respondents argue that the Commission should have made additional adjustments to further address the possible inclusion of out-of-scope merchandise in the official import statistics, which would have reduced the volume and market share of subject imports in the Commission's dataset. Alliance Respondents' Prehearing Brief at 59-63. While the Commission's adjustments were based on specific information regarding out-of-scope merchandise received by the Commission, Alliance Respondents' proposed approach urges the Commission to apply ratios derived from comparisons of aggregate data showing reported U.S. shipments of in-scope merchandise and out-of-scope merchandise. The Alliance Respondents' approach then applies ratios from the Commission's importer questionnaire data to official import statistics, which have significantly broader coverage, and thus the ratio(s) that they propose that the Commission employ in its analysis are based on assumptions that the Commission is unable to confirm. Moreover, Alliance Respondents' approach would apparently adjust import data only for subject imports, while leaving import data for nonsubject imports unadjusted. Thus, we find that the approach adopted in the Commission's report is the most reliable method available to adjust official import statistics to remove imports of out-of-scope merchandise, and we decline to utilize the speculative and far less reliable method proposed by Alliance Respondents.

from Colombia in 2023; seven producers/exporters in India, which estimated that they accounted for approximately *** percent of production of subject merchandise in India in 2023,and whose exports to the United States accounted for approximately *** percent of U.S. imports of paper shopping bags from India in 2023; one producer/exporter in Malaysia, which estimated that it accounted for approximately *** percent of production of subject merchandise in Malaysia in 2023, and whose exports to the United States accounted for approximately *** percent of U.S. imports of paper shopping bags from Malaysia in 2023; one producer/exporter in Portugal, which estimated that it accounted for approximately *** percent of production of subject merchandise in Portugal in 2023, and whose exports to the United States accounted for approximately *** percent of U.S. imports of paper shopping bags from Portugal in 2023; one producer/exporter in Taiwan, which estimated that it accounted for approximately *** percent of production of subject merchandise in Taiwan in 2023, and whose exports to the United States accounted for approximately *** percent of U.S. imports of paper shopping bags from Taiwan in 2023; three producers/exporters in Turkey, which estimated that they accounted for *** percent of production of subject merchandise in Turkey in 2023, and whose exports to the United States accounted for approximately *** percent of U.S. imports of paper shopping bags from Turkey; and three producers/exporters in Vietnam, which estimated that they accounted for *** percent of production of subject merchandise in Vietnam in 2023, and whose exports to the United States accounted for approximately *** percent of U.S. imports of paper shopping bags from Vietnam in 2023.[9]

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the "domestic like product" and the "industry."[10] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[11] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[12]

[9] CR/PR at VII-3 through VII-5.
[10] 19 U.S.C. § 1677(4)(A).
[11] 19 U.S.C. § 1677(4)(A).
[12] 19 U.S.C. § 1677(10).

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by Commerce.[13] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[14] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[15] The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[16] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[17] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[18]

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[13] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g*., *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[14] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States,* Case No. 19-1289, slip op. at 8-9 (Fed. Circ. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[15] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–52 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[16] *See, e.g., Cleo Inc. v. United States,* 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), *aff'd,* 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors, including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[17] *See*, *e.g.*, S. Rep. No. 96-249 at 90-91 (1979).

[18] *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; *see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

B. Product Description

Commerce defined the scope of the imported merchandise under investigation as follows:

> The products within the scope of this investigation are paper shopping bags with handles of any type, regardless of whether there is any printing, regardless of how the top edges are finished (*e.g.,* folded, serrated, or otherwise finished), regardless of color, and regardless of whether the top edges contain adhesive or other material for sealing closed. Subject paper shopping bags have a width of at least 4.5 inches and depth of at least 2.5 inches.
>
> Paper shopping bags typically are made of kraft paper but can be made from any type of cellulose fiber, paperboard, or pressboard with a basis weight less than 300 grams per square meter (GSM).
>
> A non-exhaustive illustrative list of the types of handles on shopping bags covered by the scope include handles made from any materials such as twisted paper, flat paper, yarn, ribbon, rope, string, or plastic, as well as die-cut handles (whether the punchout is fully removed or partially attached as a flap).
>
> Excluded from the scope are:
>
> • paper sacks or bags that are of a 1⁄6 or 1⁄7 barrel size (*i.e.,* 11.5–12.5 inches in width, 6.5–7.5 inches in depth, and 13.5–17.5 inches in height) with flat paper handles or die-cut handles;
>
> • paper sacks or bags with die-cut handles, a grams per square meter paper weight of less than 86 GSM, and a height of less than 11.5 inches; and
>
> • paper sacks or bags (i) with non-paper handles made wholly of woven ribbon or other similar woven fabric {Footnote here reads: "*Paper sacks or bags with handles made of braided or twisted materials, such as rope or cord, do not qualify for this exclusion*"} and (ii) that are finished with folded tops or for which tied knots or t-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags.
>
> The above-referenced dimensions are provided for paper bags in the opened position. The height of the bag is the distance from the bottom fold edge

to the top edge (*i.e.,* excluding the height of handles that extend above the top edge). The depth of the bag is the distance from the front of the bag edge to the back of the bag edge (typically measured at the bottom of the bag). The width of the bag is measured from the left to the right edges of the front and back panels (upon which the handles typically are located).

This merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 4819.30.0040 and 4819.40.0040. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope is dispositive.[19]

Paper shopping bags are bags that are made from paper and have handles. They are commonly used by commercial establishments as shopping carrier bags (to carry retail purchases) and by restaurants as delivery bags or take-away bags.[20] Paper shopping bags are typically made from kraft paper but can be made from any paper that has been processed from cellulose fiber.[21] The paper used in paper shopping bags can come in various basis weights that typically range from 50 pounds to 80 pounds, and the scope requires a weight of less than 300 grams per square meter (GSM).[22] Typically, the kraft paper is brown or white and the bags can be brown, white, or colored. Paper shopping bags can either be unprinted or printed with a design.[23]

Other types of paper bags that are outside the scope of these investigations include grocery bags, self-opening sacks (commonly referred to as "SOS" bags), merchandise bags, and industrial bags.[24]

C. Arguments of the Parties

Petitioner's Arguments. Petitioner argues that the Commission should define a single domestic like product coextensive with the scope consisting of paper shopping bags, as it did in the preliminary determinations, and that the Commission should reject domestic like product arguments raised by respondents for the following reasons.[25]

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[19] *Certain Paper Shopping Bags from the Republic of Turkey: Final Affirmative Determination of Sales at Less Than Fair Value*, 89 Fed. Reg. 19295, 19297 and n.8 (Mar. 18, 2024).

[20] CR/PR at I-13.

[21] CR/PR at I-13.

[22] CR/PR at I-20.

[23] CR/PR at I-13.

[24] CR/PR at I-13.

[25] Petitioner's Prehearing Brief at 8-24; Petitioner's Posthearing Brief, Exh. 1, Response to Commission Questions, at 1-24.

Paper Shopping Bags vs. All Paper Bags. Petitioner argues that the Commission should not expand the definition of the domestic like product to include other, out-of-scope types of paper bags, as Alliance Respondents advocate. It contends that there is a clear dividing line between paper shopping bags and out-of-scope paper bags, in that paper shopping bags are a high-end product with unique physical characteristics and uses, requiring unique manufacturing facilities with variable sizing capacity, which are perceived by producers and customers to be a distinct product line, are not interchangeable with out-of-scope paper bags, and command a significant price premium.[26]

Sheet-Fed vs. Web-Fed Paper Shopping Bags. Petitioner argues that sheet-fed paper shopping bags and web-fed paper shopping bags should be treated as a single domestic like product, arguing that there is no clear dividing line between the two types of in-scope paper shopping bags. It contends that the manufacturing process for both types of paper shopping bags is nearly identical, and that the physical characteristics of a paper shopping bag are not dependent on the type of input used.[27] Petitioner asserts that all paper shopping bags, whether web-fed or sheet-fed, are made from paper, have handles, are rectangular in shape, have flat bottoms, and are commonly used by commercial establishments as shopping carrier bags and by restaurants as delivery bags or take-away bags.[28] Petitioner asserts that most purchasers do not know whether the paper shopping bags they purchase are produced from web-fed or sheet-fed machines.[29] It further contends that there are overlaps between web-fed paper shopping bags and sheet-fed paper shopping bags in channels of distribution, producer and customer perceptions, and price.[30]

Respondents' Arguments. *Alliance Respondents – Paper Shopping Bags vs. All Paper Bags.* Alliance Respondents argue that the Commission should define a single domestic like product to include all types of paper bags produced by the domestic industry, both in-scope and out-of-scope. They contend that in-scope paper shopping bags and out-of-scope paper bags produced by the domestic industry represent a continuum of products of various sizes and dimensions, with no clear dividing line between them.[31] Alliance Respondents contend that all paper bags share common physical characteristics and uses, in that they are all made from kraft

[26] Petitioner's Prehearing Brief at 16-17; Petitioner's Posthearing Brief, Exh. 1, Response to Commission Questions, at 4-15.

[27] Petitioner's Posthearing Brief, Exh. 1, Response to Commission Questions, at 15; Petitioner's Prehearing Brief at 22; Petitioner's Final Comments at 12-14.

[28] Petitioner's Posthearing Brief, Exh. 1, Response to Commission Questions, at 15-16; Petitioner's Prehearing Brief at 17.

[29] Petitioner's Posthearing Brief, Exh. 1, Response to Commission Questions, at 20-21; Petitioner's Prehearing Brief at 20-21.

[30] Petitioner's Posthearing Brief, Exh. 1, Response to Commission Questions, at 21-23; Petitioner's Prehearing Brief at 21-23.

[31] Alliance Respondents' Prehearing Brief at 4-5.

(brown) or white paper, have (with few exceptions) four sides and a flat bottom, and are primarily used by consumers to carry items.[32] Alliance Respondents argue that out-of-scope paper bags can be and are produced on the same machinery that domestic producers use to produce in-scope paper shopping bags.[33] They argue that in-scope paper shopping bags and out-of-scope paper bags are both sold primarily to distributors, but also to retailers/end users.[34] They also contend that there is a high degree of interchangeability between in-scope paper shopping bags and out-of-scope paper bags, including grocery bags with handles, as well as SOS bags used for holding food purchases at restaurants or takeout establishments.[35] Alliance Respondents contend that in-scope paper shopping bags and out-of-scope paper bags are comparable with respect to producer and customer perceptions.[36] Finally, they maintain that price does not establish a clear dividing line between in-scope paper shopping bags and out-of-scope paper bags, asserting that prices for all types of paper bags exist on a continuum.[37]

Direct Source -- Sheet-Fed vs. Web-Fed Paper Shopping Bags. Direct Source argues that the Commission should define two separate domestic like products, consisting of sheet-fed paper shopping bags and web-fed paper shopping bags. It contends that there are a number of differences between web-fed and sheet-fed paper shopping bags establishing a clear dividing line between them, contending that a web-fed paper shopping bag is produced from large rolls of paper, while a sheet-fed paper shopping bag is produced from sheeted paper; a web-fed paper shopping bag is produced from lightweight paper, while a sheet-fed paper shopping bag is produced from heavier paper; a web-fed paper shopping bag has simple graphics printed by flexography, while a sheet-fed paper shopping bag has high quality graphics printed by offset lithography; unlike a web-fed paper shopping bag, a sheet-fed paper shopping bag has additional finishing as well as a wide range of handles; and a web-fed paper shopping bag is produced by a fully automated production process, while a sheet-fed paper shopping bags has significant hand labor for most finishing processes. Direct Source further argues that web-fed bags generally have serrated tops, while sheet-fed bags generally have turned tops.[38]

Direct Source contends that web-fed paper shopping bags cannot be substituted for sheet-fed paper shopping bags in most instances.[39] Direct Source asserts that web-fed paper shopping bags and sheet-fed paper shopping bags are sold through different channels of

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[32] Alliance Respondents' Prehearing Brief at 5-6.

[33] Alliance Respondents' Prehearing Brief at 11-13.

[34] Alliance Respondents' Prehearing Brief at 14.

[35] Alliance Respondents' Prehearing Brief at 14-16.

[36] Alliance Respondents' Prehearing Brief at 16-17.

[37] Alliance Respondents' Prehearing Brief at 18.

[38] Direct Source's Posthearing Brief at 4-5; Direct Source's Prehearing Brief at 3-4; Hearing Transcript ("Hearing Tr.") at 190 (McLaughlin).

[39] Direct Source's Prehearing Brief at 7-8; Direct Source's Final Comments at 4-5.

distribution to different kinds of customers, while acknowledging that both web-fed and sheet-fed bags are sold both to distributors and to end users.[40] It argues that customers and producers perceive web-fed bags paper shopping bags to be a lower quality product, while sheet-fed paper shopping bags are perceived to be a higher quality product used for smaller orders that require upscale printing and finishing.[41] Direct Source contends that web-fed and sheet-fed paper shopping bags are not produced using common manufacturing facilities, production processes or production employees, as demonstrated by the differences in the production processes in the sheet-fed and web-fed machines in the two video presentations that it supplied to the Commission.[42] It argues that the prices of web-fed and sheet-fed paper shopping bags differ sharply, contending that sheet-fed bags are priced higher to meet the quality requirements of luxury brands.[43]

D. Domestic Like Product Analysis

Based on the record, we define a single domestic like product consisting of paper shopping bags coextensive with the scope, as we did in the preliminary determinations.

In the preliminary determinations, the Commission found that, on balance, there were more differences than similarities between paper shopping bags and out-of-scope types of paper bags. Based on the preponderance of differences between paper shopping bags and out-of-scope paper bags, the Commission defined a single domestic like product consisting of all paper shopping bags, coextensive with the scope, which did not include out-of-scope paper bags.[44]

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[40] Direct Source's Prehearing Brief at 10-11; Hearing Tr. at 192 (McLaughlin).

[41] Direct Source's Prehearing Brief at 11-14; Direct Source's Final Comments at 5-6; Hearing Tr. at 193-194 (McLaughlin).

[42] Hearing Tr. at 193 (McLaughlin). Direct Source does not indicate the paper shopping bag production facilities at which either of the videos were taken. Petitioner asserts that the video of the sheet-fed process was taken in Cambodia, which Direct Source did not dispute in its Final Comments. Petitioner's Posthearing Brief, Exh. 13, Declaration of Jeremy Heil, at paragraph 25; Direct Source's Final Comments.

[43] Direct Source's Prehearing Brief at 17-19; Direct Source's Final Comments at 6-11; Hearing Tr. at 193-194 (McLaughlin).

[44] *Preliminary Determinations,* USITC Pub. 5448 at 18-19.

Whether to define the domestic like product to include out-of-scope paper bags.

We first address whether the Commission should define a single domestic like product broader than the scope and consisting of both paper shopping bags that correspond to the scope of the investigation ("paper shopping bags") and all other out-of-scope paper bags produced domestically, as advocated by Alliance Respondents.

Physical Characteristics and Uses. As the Commission found in the preliminary determinations, there are similarities and differences between paper shopping bags and out-of-scope paper bags in terms of physical characteristics and uses. Paper shopping bags and out-of-scope paper bags are similar in that they are all made of paper and generally have four sides and a flat bottom.[45]

The record also indicates that there are differences in physical characteristics between paper shopping bags and the principal types of out-of-scope paper bags, including SOS bags, grocery bags, and industrial bags. Unlike paper shopping bags, SOS bags generally do not have handles, and are typically made from lighter paper, and often have a semicircular notch at the top for ease of opening.[46] Grocery bags differ from paper shopping bags in that they generally come in standard sizes of 1/6 and 1/7 BBL, and often lack handles. When grocery bags do have handles, they are typically attached to the outside of the bag, while handles for paper shopping bags are typically attached with glue to the inside of the bag.[47] Industrial bags do not have paper handles, are typically multi-wall (made from two or more plies of paper), and are typically larger than paper shopping bags, grocery bags, and SOS bags.[48]

There are also similarities and differences between paper shopping bags and out-of-scope bags in terms of end uses. All paper bags are generally used to hold items, such as retail purchases or food for transport and, with the exception of some industrial bags, are generally used by consumers. Yet beyond these general uses, there are differences in specific end uses for paper shopping bags and out-of-scope bags. While paper shopping bags are used as shopping carrier bags to carry retail purchases or as delivery bags or take-away bags by restaurants, out-of-scope grocery bags are used to carry groceries, out-of-scope SOS bags are used by retailers to package lighter-weight items, and out-of-scope industrial bags are generally used to store and transport heavy items, including pet food, cement, fertilizer, chemicals, building materials, and yard waste.[49]

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[45] *Preliminary Determinations,* USITC Pub. 5448 at 13; *see* CR/PR at I-13 to I-14.

[46] CR/PR at I-13 n.20, I-20; Conference Transcript ("Conference Tr.") at 46-47 (Veder).

[47] CR/PR at I-20; Conference Tr. at 50-51 (Veder). Grocery bags have a seam that runs down the middle of the back of the bag, while paper shopping bags have the seam on the side of the bag, given that customers of paper shopping bags generally do not want to print their logo over a seam in the middle of the bag. Hearing Tr. at 75 (Byers).

[48] CR/PR at I-13 n.21, I-21.

[49] CR/PR at I-13 nn.20-21.

Out of 31 responding U.S. purchasers, a majority (17) reported that out-of-scope paper bags are "never" comparable with paper shopping bags with respect to physical characteristics and uses, while an additional seven purchasers reported that they are only "somewhat" comparable.[50] Similarly, 34 of 43 responding U.S. importers and all four responding U.S. producers reported that out-of-scope paper bags are "never" or only "somewhat" comparable with paper shopping bags with respect to physical characteristics and uses.[51]

Manufacturing Facilities, Production Processes and Employees. One (***) of four responding U.S. producers reported producing out-of-scope paper bags using the same machinery used to produce paper shopping bags, but for *** percent of domestic production on that equipment.[52] The two *** producers, ***, reported producing paper shopping bags and out-of-scope paper bags on different machinery, while a fourth producer, ***, reported producing only paper shopping bags.[53] Novolex reported that it produces paper shopping bags using equipment and employees specifically trained for and dedicated to the production of paper shopping bags, while it produces out-of-scope grocery bags on entirely different machines that run only standard sizes of such bags.[54] While the record indicates it would be physically possible for machines dedicated to the production of paper shopping bags to be adjusted to produce grocery bags and SOS bags, doing so would entail running the machines at lower speeds, which *** indicate would likely be inefficient and uneconomical.[55]

Eleven of 18 responding U.S. purchasers, 27 of 36 responding U.S. importers, and all four responding U.S. producers reported that out-of-scope paper bags are "never" or only "somewhat" comparable with paper shopping bags with respect to manufacturing facilities, production processes, and employees.[56]

Channels of Distribution. During the January 2021-December 2023 period of investigation ("POI"), both domestically produced paper shopping bags and domestically produced out-of-scope paper bags were sold to distributors and end users/retailers. Paper shopping bags were primarily sold to distributors, which accounted for *** percent to *** percent of the domestic industry's U.S. shipments during the POI, with a smaller portion being sold to end users/retailers, which accounted for *** percent to *** percent of such shipments.[57] A majority of the domestic industry's U.S. shipments of out-of-scope paper bags

[50] CR/PR at Table I-13.
[51] CR/PR at Table I-13.
[52] Tables I-16, III-8.
[53] CR/PR at Table I-16.
[54] Conference Tr. at 30, 47, 52 (Veder); Hearing Tr. at 51 (Veder); 88 (Frantz).
[55] CR/PR at III-9; *see also* *** U.S. Producer Questionnaire II-4(b) (EDIS Document No. ***).
[56] CR/PR at Table I-13.
[57] CR/PR at I-24, Tables I-14, II-2.

during the POI, between *** percent and *** percent, were sold to end users/retailers, while the balance, between *** percent and *** percent, were sold to distributors.[58]

Responding U.S. purchasers and importers were somewhat divided on the question of channels of distribution, with small majorities of purchasers (13 of 25) and importers (22 of 41) reporting that out-of-scope paper bags are "fully" or "mostly" comparable with paper shopping bags with respect to channels of distribution, while three of four responding U.S. producers reported that out-of-scope paper bags are "never" or only "somewhat" comparable with paper shopping bags with respect to this factor.[59]

Interchangeability. While different kinds of paper bags might have some degree of interchangeability for certain end uses, including carrying food products, the record indicates that retailers and restaurants will generally aim to use the appropriate type of paper bag with the specific desired characteristics for their intended end use, and thus will not substitute an out-of-scope paper bag with inappropriate characteristics in place of a paper shopping bag.[60] For example, SOS bags are too light to carry many of the items carried in paper shopping bags, and industrial bags are designed to carry heavier and bulkier items than those carried in paper shopping bags.[61]

Out of 31 responding U.S. purchasers, a majority (17) reported that out-of-scope paper bags are "never" comparable with paper shopping bags with respect to interchangeability, while an additional seven purchasers reported that they are only "somewhat" comparable. Similarly, 33 of 43 responding U.S. importers and all four responding U.S. producers reported that out-of-scope paper bags are "never" or only "somewhat" comparable with paper shopping bags with respect to interchangeability.[62]

Producer and Customer Perceptions. Novolex states that it views the paper shopping bags, grocery bags, and SOS bags that it produces as different not only in how it produces them, but also in how it markets them, with different sales organizations and different customers for each type of bag.[63] Twenty of 25 responding U.S. purchasers, 36 of 42 responding U.S. importers, and all four responding U.S. producers reported that out-of-scope paper bags are "never" or only "somewhat" comparable with paper shopping bags with respect to producer and customer perceptions.[64]

Price. During the POI, the average unit values ("AUVs") of domestic producers' U.S. shipments of paper shopping bags, ranging from $*** per pound to $*** per pound, were

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[58] CR/PR at I-24, Table I-14.

[59] CR/PR at Table I-13.

[60] *See Preliminary Determinations,* USITC Pub. 5448 at 15; Hearing Tr. at 36 (Shah); Conference Tr. at 53 (Burnett).

[61] CR/PR at I-21; Hearing Tr. at 36 (Shah).

[62] CR/PR at Table I-13.

[63] Hearing Tr. at 36 (Shah), 85-86 (Frantz); Conference Tr. at 53 (Burnett).

[64] CR/PR at Table I-13.

higher each year than the AUVs of their U.S. shipments of out-of-scope paper bags, ranging from $*** per pound to $*** per pound.[65] Twenty-two of 26 responding U.S. purchasers, 35 of 42 responding U.S. importers, and all four responding U.S. producers reported that out-of-scope paper bags are "never" or only "somewhat" comparable with paper shopping bags with respect to price.[66]

Conclusion. Based on the record in the final phase of the investigations, there are more differences than similarities between paper shopping bags and out-of-scope types of paper bags. Although paper shopping bags and out-of-scope paper bags share general physical characteristics and uses, there are physical differences between paper shopping bags and out-of-scope bags that often correspond to the different types of items they are intended to hold (*e.g.,* groceries versus other types of retail or restaurant purchases) and that limit their interchangeability for particular end uses. As noted above, majorities of responding U.S. purchasers reported that paper shopping bags and out-of-scope paper bags are "never" comparable with respect to physical characteristics and uses and "never" comparable with respect to interchangeability.

The record indicates some similarity between paper shopping bags and out-of-scope paper bags with respect to channels of distribution, in that both are sold to distributors and end users/retailers. However, the questionnaire responses of U.S. purchasers, importers, and U.S. producers indicate that producers and customers generally perceive paper shopping bags to be a distinct product from out-of-scope paper bags. That Novolex uses different sales organizations to sell paper shopping bags, grocery bags, and SOS bags suggests that producers and customers perceive them as distinct product categories.

The record also indicates that domestic producers comprising *** of U.S. production of paper shopping bags produce paper shopping bags using different equipment and employees than out-of-scope paper bags. Notwithstanding the theoretical possibility that these producers could adapt their paper shopping bag machines to produce out-of-scope paper bags, the record indicates that they did not do so during the POI and doing so would be costly, inefficient, and economically impractical.

Based on the preponderance of differences between paper shopping bags and out-of-scope paper bags, we do not define the domestic like product to include out-of-scope paper bags.

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[65] CR/PR at Table I-15. While AUVs allow the Commission to compare the overall product groupings of paper shopping bags and out-of-scope paper bags for purposes of this domestic like product analysis, AUVs for paper shopping bags are affected by differences in product mix. We rely on AUVs as the best information available on the record to compare prices of paper shopping bags and out-of-scope paper bags.

[66] CR/PR at Table I-13.

Whether to define sheet-fed paper shopping bags and web-fed paper shopping bags as separate domestic like products.

We turn to whether the Commission should define sheet-fed and web-fed paper shopping bags as separate domestic like products, as advocated by Direct Source. Direct Source bases its argument on a comparison of domestically produced web-fed paper shopping bags with subject imports of sheet-fed paper shopping bags.[67] However, the Commission' s domestic like product analysis focuses on whether there is a clear dividing line between domestically produced products.[68]

Novolex is the *** domestic producer that reported production of sheet-fed paper shopping bags.[69] Thus, the relevant question is whether there is a clear dividing line between domestically produced sheet-fed paper shopping bags, as produced by ***, and domestically produced web-fed paper shopping bags, as produced by ***.

As an initial matter, we note that a very limited number of responding purchasers were capable of commenting on the similarities and differences between domestically produced sheet-fed and web-fed paper shopping bags. The Commission's questionnaires asked purchasers of paper shopping bags if they purchased or imported web-fed and sheet-fed paper shopping bags, and a majority of responding purchasers (26 of 43) either reported that all of their purchases/imports were of unknown production method or did not report a production method.[70] Seven purchasers reported purchasing or importing sheet-fed paper shopping bags (accounting for 2.9 percent of all reported purchases), 18 purchasers reported purchasing or importing web-fed paper shopping bags (accounting for 45.2 percent of all reported purchases),

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[67] For example, Direct Source argues that "*Domestic web-printed bags* are restricted to automated production even if the printed paper is sheeted prior to converting. *Imported sheet-fed bags* are produced using a segmented process that allows many variations that are applied by hand labor finishing. *These are two different products* produced by two different means of production." Direct Source's Posthearing Brief at 6 (emphasis added). It further argues that the "objective evidence demonstrates that *imports* of sheet-fed PSBs {paper shopping bags} are vastly different products than *domestic* web-fed PSBs." *Id.*, Answers to Commission Questions at 18 (emphasis added). As noted, Direct Source submitted videos to the Commission to show methods of production of paper shopping bags on web-fed and sheet-fed equipment, but makes no assertion that these videos show domestic production of paper shopping bags. The petitioner asserts that the video showing production of paper shopping bags on sheet-fed equipment was actually filmed at a plant in Cambodia, which Direct Source did not dispute in its Final Comments. *See* Petitioner's Posthearing Brief, Exh. 13, Declaration of Jeremy Heil, at paragraph 25; Direct Source's Final Comments.

[68] *See Torrington Co. v. United States*, 747 F. Supp. 744, 749 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991).

[69] CR/PR at III-11; Hearing Tr. at 51, 54-55 (Veder). A Novolex witness testified that its acquisition of Flexo Converters ("Flexo") in 2021 included some sheet-fed production machines. Hearing Tr. at 45-46 (Burnett).

[70] CR/PR at II-31.

and 28 purchasers reported purchasing or importing paper shopping bags with an unknown method of production (accounting for 52.0 percent of all reported purchases).[71]

Moreover, although U.S. producer Novolex produces paper shopping bags using both sheet-fed and web-fed equipment,[72] a number of responding purchasers reported that sheet-fed paper shopping bags were not available from domestic producers.[73] Thus, of the seven to nine responding purchasers generally familiar with sheet-fed paper shopping bags, it is not clear to what extent any of them were familiar with domestically produced sheet-fed paper shopping bags.[74]

Physical Characteristics and Uses. All sheet-fed paper shopping bags and web-fed paper shopping bags are in-scope products, sharing general physical characteristics and end uses. Both types of paper shopping bags are made from paper, have handles, typically are rectangular with flat bottoms, and are commonly used by commercial establishments as shopping carrier bags and by restaurants as delivery bags or take-away bags.[75]

As noted, Direct Source argues that, unlike web-fed paper shopping bags, sheet-fed paper shopping bags generally have turn tops, are made with thicker paper, and have more printed colors and superior graphics through the use of lithographic offset printers.[76] However, the record indicates that there is substantial overlap between domestically produced web-fed and sheet-fed paper shopping bags with respect to these features. For example, domestic producer American Paper Bag uses web-fed machines to produce paper shopping bags that all have turn tops.[77] Furthermore, domestic producers American Paper Bag and Tulsack, Inc., a unit of ProAmpac, both report that their web-fed machines can produce paper shopping bags with high-resolution multi-color printing and high-quality graphics on flexographic equipment that can now achieve the same results as lithographic printers.[78] Moreover, a witness from

[71] CR/PR at II-31. Thus, given the small number of purchasers that reported purchasing sheet-fed paper shopping bags, the number of responding purchasers reporting on the distinctions between web-fed and sheet-fed paper shopping bags with respect to the Commission's six domestic like product factors was much smaller (7 to 9 purchasers) than the number of responding purchasers reporting on the distinctions between paper shopping bags and out-of-scope paper bags (18 to 31 purchasers). *Compare* CR/PR at Table I-17 *with* Table I-13.

[72] Hearing Tr. at 51 (Veder).

[73] CR/PR at II-31.

[74] *See* CR/PR at Table D-6. Given the small number of purchasers familiar with sheet-fed production of paper shopping bags in general, and the apparently even smaller number familiar with domestic sheet-fed production, we accord limited weight to the questionnaire responses of purchasers comparing sheet-fed paper shopping bags and web-fed paper shopping bags.

[75] CR/PR at I-13.

[76] Hearing Tr. at 188-190 (McLaughlin)

[77] Hearing Tr. at 57 (Hollis, read by Byers); *see* Testimony of Ryan Hollis, Petitioner's Posthearing Brief, Exh. 2 at 2.

[78] Declaration of Ryan Hollis, Petitioner's Posthearing Brief, Exh. 11 at paragraphs 2-5; Declaration of Jarrod Dyess, *id.,* Exh. 14 at paragraphs 1-2.

domestic producer Novolex testified that both its web-fed and sheet-fed machines are capable of producing high-quality graphics, and that it can use heavy weight paper on its web-fed machines.[79]

Manufacturing Facilities, Production Processes and Employees. Direct Source argues that the video presentations it submitted to the Commission show that the production processes for sheet-fed paper and web-fed paper shopping bags are different,[80] but it has presented no specific information regarding the production process for sheet-fed paper shopping bags in the United States. However, a witness from domestic producer Novolex testified in detail that when it makes a sheet-fed bag, the overall manufacturing process is "virtually identical" to the process it uses for web-fed paper shopping bags, except that the process for sheet-fed bags begins with a stack of single paper sheets rather than the roll of paper used to produce web-fed paper shopping bags.[81] Novolex reported that ***.[82] Thus, the record indicates that web-fed and sheet-fed paper shopping bags are domestically produced *** using *** similar production processes.[83]

Channels of Distribution. Petitioner and Direct Source agree that both web-fed paper shopping bags and sheet-fed paper shopping bags are sold to both distributors and end users, as with paper shopping bags in general, although Direct Source contends that they go to different ultimate customers.[84]

Interchangeability. Direct Source argues that although technically sheet-fed paper shopping bags can be used in place of web-fed paper shopping bags, a web-fed bag cannot be used in place of a sheet-fed bag because sheet fed-bags are produced for high-end retailers with custom features that cannot be duplicated on a web-fed machine.[85] As discussed above, however, the record indicates that domestically produced sheet-fed and web-fed paper

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[79] Hearing Tr. at 54-55, 143 (Veder). Five of eight responding U.S. purchasers and 13 of 19 responding U.S. importers reported that web-fed and sheet-fed paper shopping bags are "never" or "somewhat" comparable with respect to physical characteristics and uses, while all three responding U.S. producers reported that they are "fully" comparable. CR/PR at Table I-17.

[80] Hearing Tr. at 193 (McLaughlin).

[81] Hearing Tr. at 51-55 (Veder).

[82] CR/PR at Table D-4.

[83] Six of seven responding U.S. purchasers and 17 of 19 responding U.S. importers reported that web-fed and sheet-fed paper shopping bags are "never" or "somewhat" comparable with respect to manufacturing facilities, production processes, and employees, while two of three responding U.S. producers reported that they are "fully" comparable. CR/PR at Table I-17.

[84] Petitioner's Posthearing Brief, Exh. 1, Response to Commission Questions, at 21-22; Direct Source's Prehearing Brief at 10-11; CR/PR at Table II-2. Six of nine responding U.S. purchasers reported that web-fed and sheet-fed paper shopping bags are "never" or "somewhat" comparable with respect to channels of distribution, while 12 of 19 responding U.S. importers that they are "fully" or "mostly" comparable and all three responding U.S. producers reported that they are "fully" comparable. CR/PR at Table I-17.

[85] Direct Source's Prehearing Brief at 7-10; Hearing Tr. at 191-192 (McLaughlin).

shopping bags have at least some degree of overlap in terms of many of the features that Direct Source contends are characteristic of sheet-fed bags, including turn tops, high-quality graphics, and heavier-weight paper.[86]

Producer and Customer Perceptions. Novolex, the *** domestic producer of both sheet-fed paper shopping bags and web-fed paper shopping bags, reports that it perceives there to be very little difference between sheet-fed paper shopping bags and web-fed paper shopping bags, as did the other two responding domestic producers of web-fed paper shopping bags.[87] While Direct Source argues that customers perceive sheet-fed bags to be a higher quality product and web-fed bags to be a lower quality product,[88] a majority of responding purchasers reported being unaware of whether the paper shopping bags they purchased were made from web-fed or sheet-fed machines, suggesting that many customers do not distinguish between the two types of paper shopping bags.[89] In addition, the vast majority of purchasers and their customers reported never making purchasing decisions for paper shopping bags based on the production method.[90]

Price. The AUVs for domestically produced web-fed and sheet-fed paper shopping bags were *** during 2021 and 2022, and were *** in 2023, when the AUV for U.S. producers' U.S. shipments of sheet-fed paper shopping bags was $*** per pound while the AUV for U.S. producers' U.S. shipments of web-fed paper shopping bags was $*** per pound.[91] While the

[86] CR/PR at II-31. Responding U.S. purchasers were evenly divided, with four reporting that web-fed and sheet-fed paper shopping bags are "never" or "somewhat" comparable with respect to interchangeability, and four reporting that they are "fully" or "mostly" comparable. Responding U.S. importers were also divided, with ten reporting that web-fed and sheet-fed paper shopping bags are "never" or "somewhat" comparable with respect to interchangeability, and nine reporting that they are "fully" or "mostly" comparable. All three responding U.S. purchasers reported that they are "fully" comparable with respect to interchangeability. CR/PR at Table I-17.

[87] Hearing Tr. at 55 (Veder); CR/PR at Tables I-17, D-4.

[88] Hearing Tr. at 193 (McLaughlin).

[89] CR/PR at II-31; Hearing Tr. at 54-55 (Veder). Five of eight responding U.S. purchasers and 13 of 18 responding U.S. importers reported that web-fed and sheet-fed paper shopping bags are "never" or "somewhat" comparable with respect to producer and customer perceptions, while all three responding U.S. producers reported that they are "fully" comparable. CR/PR at Table I-17.

[90] CR/PR at Table II-8.

[91] CR/PR at Table III-10. Direct Source questions the reliability of these AUV questionnaire data given, *inter alia,* the small quantity of U.S. producers' U.S. shipments of sheet-fed PSBs. Direct Source's Prehearing Brief at 17 n.64; Direct Source's Final Comments at 7-8. Nonetheless, even while AUVs for paper shopping bags are affected by differences in product type, they are the best information available in the record with respect to the relevant comparison of the prices of domestically produced sheet-fed paper shopping bags and domestically produced web-fed paper shopping bags. Both petitioner and Direct Source cite other AUV data comparing subject import prices of sheet-fed paper shopping bags with prices for subject or domestically produced web-fed paper shopping bags, but comparisons with subject import prices are not the relevant comparisons for the Commission's analysis of similarities or (Continued...)

record indicates that the prices of domestically produced web-fed and sheet-fed paper shopping bags have some comparability, we give less weight to this factor in our domestic like product analysis.[92]

Conclusion. The record indicates that domestically produced sheet-fed paper shopping bags and domestically produced web-fed paper shopping bags share the same general physical characteristics and uses. Although certain differences between the sheet-fed and web-fed manufacturing processes may lead to differences in physical characteristics that limit their interchangeability for particular end uses, the record indicates that the two types of paper shopping bags generally overlap in many of the features that allegedly distinguish sheet-fed paper shopping bags, including turn tops, multi-color printing, high-quality graphics, and the use of heavier paper.

The record also indicates that web-fed and sheet-fed paper shopping bags share similar channels of distribution and are produced by Novolex *** using *** similar production processes. All domestic producers and many customers, judging from the majority of responding purchasers unaware of the process used to make their paper shopping bags, view web-fed and sheet-fed paper shopping bags as a single product category. Finally, the information available indicates that the prices of the domestic industry's U.S. shipments of web-fed and sheet-fed paper shopping bags have some comparability. Based on the preponderance of similarities between domestically produced web-fed and sheet-fed paper shopping bags, we find that there is no clear dividing line between domestically produced web-fed and sheet-fed shopping bags, and therefore include both in a single domestic like product.

In sum, we define a single domestic like product consisting of all paper shopping bags, coextensive with the scope.

III. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[93] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

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differences between two domestically produced products. Petitioner's Prehearing Brief at 19; Direct Source's Prehearing Brief at 17-18.

[92] Six of eight responding U.S. purchasers and 15 of 16 responding U.S. importers reported that web-fed and sheet-fed paper shopping bags are "never" or "somewhat" comparable with respect to price, while all three responding U.S. producers reported that they are "fully" or "mostly" comparable. CR/PR at Table I-17.

[93] 19 U.S.C. § 1677(4)(A).

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[94] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[95]

One U.S. producer, ***, is subject to possible exclusion under the related parties provision because it imported subject merchandise during the POI.[96] No party has argued that it should be excluded from the domestic industry under the related parties provision.[97] We consider below whether appropriate circumstances exist to exclude *** from the domestic industry.

*** accounted for *** percent of U.S. production of paper shopping bags in 2023, and was the *** of the four reporting U.S. producers that year in terms of U.S. production volume.[98] It is ***.[99] The ratio of its subject imports to production was *** percent in 2021, *** percent in 2022, and *** percent in 2023.[100] *** indicates that "***."[101]

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[94] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem*., 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[95] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015), *aff'd,* 879 F.3d 1377 (Fed. Cir. 2018); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[96] CR/PR at III-13. *** imported subject merchandise from *** during the POI. CR/PR at Table III-12.

[97] Petitioner argues that the Commission should define a single domestic industry consisting of all U.S. producers of paper shopping bags, and that *** should not be excluded from the domestic industry under the related parties provision. Petitioner's Prehearing Brief at 24-25.

[98] CR/PR at Table III-1.

[99] CR/PR at Table III-1.

[100] CR/PR at Table III-12.

[101] CR/PR at Table III-13.

In view of the fact that *** is *** with a *** ratio of subject imports to domestic production, we find that *** primary interest is in domestic production. The evidence on record also does not indicate that *** domestic production operations benefited from its importation of subject merchandise to an extent that its inclusion in the domestic industry would skew industry data. We therefore find that appropriate circumstances do not exist to exclude *** from the domestic industry pursuant to the related parties provision.

Accordingly, consistent with our definition of the domestic like product, we define the domestic industry to include all domestic producers of paper shopping bags.

IV. Negligibility

Section 771(24) of the Tariff Act, which defines "negligibility," provides that imports from a subject country that are less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or self-initiation, as the case may be, shall be deemed negligible.[102] The statute further provides that subject imports from a single country which comprise less than 3 percent of total such imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such merchandise imported into the United States.[103] In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.[104]

Petitioner argues that the Commission should not terminate any of the antidumping or countervailing duty investigations at issue on the grounds of negligibility.[105] No respondent party argues that the Commission should find that imports from any of the subject countries are negligible.

Analysis. Based on adjusted official import statistics,[106] during the most recent 12-month period for which data are available preceding the filing of the petition on May 31, 2023

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[102] 19 U.S.C. § 1677(24)(A)(i).

[103] 19 U.S.C. § 1677(24)(A)(ii).

[104] 19 U.S.C. § 1677(24)(B). Neither China nor India, the two sources of imports subject to these countervailing duty investigations, are on USTR's list of developing countries for purposes of applicability of the 4 percent and 9 percent negligibility limits. *See Designations of Developing Countries and Least Developed Countries Under the Countervailing Duty Law,* 85 Fed. Reg. 7613 (USTR Feb. 10, 2020).

[105] Petitioner's Prehearing Brief at 26-27.

[106] Commission staff compiled the data in Table IV-6 of the staff report from official U.S. import statistics using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, adjusted to remove out-of-scope imports under the HTS statistical reporting numbers reported in Commission (Continued...)

(May 2022 through April 2023), with respect to the antidumping duty investigations, subject imports from China accounted for *** percent of total imports, subject imports from India accounted for *** percent of total imports, and subject imports from Vietnam accounted for *** percent of total imports.[107] With respect to the countervailing duty investigations, subject imports from China accounted for *** percent of subject imports and subject imports from India accounted for *** percent.[108] Because subject imports from China, India, and Vietnam exceed the three percent negligibility threshold for all investigations, we find that imports from China, India, and Vietnam subject to the antidumping duty investigations are not negligible and that imports from China and India subject to the countervailing duty investigations are not negligible.

Imports from six of the countries subject to antidumping duty investigations individually accounted for less than 3 percent of total imports during the applicable 12-month period. Specifically, subject imports from Cambodia accounted for *** percent of total imports, subject imports from Colombia accounted for *** percent of total imports, subject imports from Malaysia accounted for *** percent of total imports, subject imports from Portugal accounted for *** percent of total imports, subject imports from Taiwan accounted for *** percent of total imports, and subject imports from Turkey accounted for *** percent of total imports.[109] While the imports from these six countries are individually negligible, the aggregate volume of imports of subject merchandise from these six countries accounted for *** percent of total imports during the applicable 12-month period,[110] exceeding the 7 percent threshold in the

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questionnaires and from certified "No" importers using proprietary Customs records. Commission staff used Commission questionnaire data to calculate imports from Taiwan that are nonsubject, and to adjust the reported data for the negligibility analysis for subject imports from India in the antidumping duty investigation to remove imports from a firm (Aero Plast Packaging Solutions Private Limited ("Aero Plast")) as to which Commerce preliminarily estimated a *de minimis* dumping margin. CR/PR at Table IV-6 Source and Note.

[107] CR/PR at Table IV-6.

[108] CR/PR at Table IV-6. Subject import volumes from China are the same with respect to the antidumping and countervailing duty investigations. However, the volume of subject imports from India is lower in the antidumping investigation than in the countervailing duty investigation because Commerce estimated a *de minimis* dumping margin for India producer Aero Plast in its preliminary antidumping duty determination for India, while it estimated an above *de minimis* subsidy rate for this firm in its preliminary countervailing duty determination for India. *See Certain Paper Shopping Bags From India: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Negative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures,* 89 Fed. Reg. 336, 337 (Jan. 3, 2024); *Certain Paper Shopping Bags From India: Preliminary Affirmative Determination of Countervailable Subsidies, Preliminary Affirmative Determination of Critical Circumstances in Part, and Alignment of Final Determination With the Final Antidumping Duty Determination.* 89 Fed. Reg. 336, 337 (Jan. 3, 2024).

[109] CR/PR at Table IV-6.

[110] CR/PR at Table IV-6.

statute.[111] Thus, we also find that imports from Cambodia, Colombia, Malaysia, Portugal, Taiwan, and Turkey subject to the antidumping duty investigations are not negligible.

V. Cumulation

For purposes of evaluating the volume and effects for a determination of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

(1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
(4) whether the subject imports are simultaneously present in the market.[112]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[113] Only a "reasonable overlap" of competition is required.[114]

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[111] 19 U.S.C. § 1677(24)(A)(ii).

[112] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[113] *See*, *e.g.*, *Wieland Werke, AG v. United State*s, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[114] The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy, S.A. v. United States*, 678 F. Supp. at 902; *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

Petitioner argues that the Commission should cumulate subject imports from all sources for its analysis of present material injury by reason of subject imports. It contends that subject imports from all sources are fungible with each other and with domestically produced paper shopping bags, that subject imports from all sources and domestically produced paper shopping bags compete in the same geographic markets and in the same channels of distribution, and that subject imports and domestically produced paper shopping bags were simultaneously present in the U.S. market.[115] No respondent party has contested that the Commission should cumulate subject imports from all subject countries for the Commission's present material injury analysis.[116]

The statutory threshold for cumulation is satisfied in these investigations because petitioner filed the antidumping and countervailing duty petitions with respect to all nine subject countries on the same day, May 31, 2023.[117]

Fungibility. All responding U.S. producers reported that paper shopping bags from all domestic and subject sources were "always" interchangeable.[118] Majorities of responding U.S.

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[115] Petitioner's Prehearing Brief at 28-34.

[116] Hearing Tr. at 195 (Kessler, Heffner).

[117] Because Commerce's preliminary antidumping duty determination with respect to Taiwan determined a *de minimis* preliminary weighted-average dumping margin of 0.00 percent for Taiwan producer Haurtyi Paper Bag Co., the statute prohibits imports from this firm from being cumulated with imports from other sources for purposes of this determination. 19 U.S.C. § 1677(7)(G)(ii) (I); *see Certain Paper Shopping Bags From Taiwan: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures,* 89 Fed. Reg. 331, 332 (Jan. 3, 2024).

We observe that Commerce's preliminary antidumping duty determination with respect to India estimated a *de minimis* preliminary weighted-average dumping margin of 0.00 percent for India producer Aero Plast, while Commerce's preliminary countervailing duty determination with respect to India estimated an above *de minimis* estimated subsidy rate for this firm. *See Certain Paper Shopping Bags From India: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Negative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures,* 89 Fed. Reg. 336, 337 (Jan. 3, 2024); *Certain Paper Shopping Bags From India: Preliminary Affirmative Determination of Countervailable Subsidies, Preliminary Affirmative Determination of Critical Circumstances in Part, and Alignment of Final Determination With the Final Antidumping Duty Determination.* 89 Fed. Reg. 336, 337 (Jan. 3, 2024). Thus, cumulating imports from this firm in these investigations for purposes of this determination involves "cross-cumulating" imports from this firm that have been preliminarily found to be subsidized with dumped imports. We have previously explained why we are continuing our longstanding practice of cross-cumulating. *See Polyethylene Terephthalate (PET) Resin from Canada, China, India, and Oman,* Inv. Nos. 701-TA-531-532 and 731-TA-1270-1273 (Final), USITC Pub. 4604 at 9-11 (April 2016); *Circular Welded Carbon-Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam*, Inv. Nos. 701-TA-482 to 484 (Final), USITC Pub. 4362 at 12 n.59 (Dec. 2012); *Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Final), USITC Pub. 3509 at 29-31 (May 2009); *Bingham & Taylor v. United States*, 815 F.2d 982 (Fed. Cir. 1987).

[118] CR/PR at II-38.

importers reported that the domestic like product was either "always" or "frequently" interchangeable with subject imports from each of the subject countries.[119] Most responding U.S. importers also reported that product from subject sources was either "always" or "frequently" interchangeable with product from other subject sources, with some exceptions.[120] Similarly, most responding U.S. purchasers reported that the domestic like product was either "always" or "frequently" interchangeable with subject imports from each of the subject countries, with several exceptions.[121] Most responding U.S. purchasers reported that product from subject sources was either "always" or "frequently" interchangeable with product from other subject sources, with some exceptions.[122]

Moreover, responding purchasers reported shifting their purchases from the domestic industry to subject imports from all nine subject countries during the POI, again indicating head-to-head competition between the domestic like product and subject imports from all subject countries.[123]

Furthermore, the record indicates that subject imports from each subject country for which data are available overlapped with the domestic like product in terms of certain product

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[119] CR/PR at Table II-15.

[120] CR/PR at Table II-15. For three subject country comparisons (China/Colombia, Colombia/Portugal, and Malaysia/Turkey) responding importers were equally divided between reporting imports from the two countries "always" or "frequently" interchangeable and "sometimes" interchangeable, for one subject country comparison (China/Malaysia) responding importers were equally divided between reporting imports from the two countries "always" or "frequently" interchangeable and "sometimes" or "never" interchangeable, for four other subject country comparisons (China/Portugal, Portugal/Taiwan, Portugal/Turkey, and Portugal/Vietnam) a majority of responding importers reported imports from the two countries "sometimes" interchangeable, while in one subject country comparison (Malaysia/Taiwan), a majority of responding importers reported imports from the two countries "never" or "sometimes" interchangeable. *Id.*

[121] CR/PR at Table II-16. The two responding purchasers were equally divided between reporting that the domestic like product and subject imports from Cambodia were "frequently" interchangeable and "sometimes" interchangeable. The two responding purchasers were equally divided between reporting that the domestic like product and subject imports from Taiwan were "always" interchangeable and "never" interchangeable, while the only responding purchaser reported that the domestic like product and subject imports from Turkey were "sometimes" interchangeable. *Id.*

[122] CR/PR at Table II-16. The four responding purchasers were equally divided between reporting that subject imports from China and subject imports from India were "always" interchangeable and "sometimes" interchangeable. In several comparisons of imports from two subject countries, there was only one responding purchaser. In several country comparisons the only responding purchaser reported that imports from the two subject countries were "sometimes" comparable (China/Malaysia, China/Portugal, China/Turkey, Colombia/Turkey, India/Turkey, Taiwan/Turkey, Turkey/Vietnam), while the only responding purchaser for the Portugal/Taiwan country comparison reported that imports from the two subject countries were "never" comparable. There were no responding purchasers reporting with respect to four subject country comparisons (Colombia/Portugal, Malaysia/Taiwan, Malaysia/Turkey, and Portugal/Turkey). *Id.*

[123] CR/PR at Table V-18.

characteristics. A *** of U.S. shipments in 2023 by U.S. producers and importers of subject merchandise from most subject countries (excepting ***) were of paper shopping bags with twisted paper handles.[124] In addition, a *** of U.S. shipments in 2023 by U.S. producers and importers of subject merchandise from most subject countries (excepting ***) were of a basis weight of 101-200 GSM.[125] Similarly, *** percentages (over *** percent) of U.S. shipments in 2023 by U.S. producers and importers of subject merchandise from all nine subject countries were of paper shopping bags made of kraft brown paper.[126] Finally, *** percentages (over *** percent) of U.S. shipments in 2023 by U.S. producers and importers of subject merchandise from almost all subject countries (excepting ***) were of paper shopping bags that were 1-2 color print bags.[127]

Channels of Distribution. The domestic like product was primarily sold to distributors, which accounted for *** to *** percent of the domestic industry's U.S. shipments during the POI, with the balance, *** to *** percent, sold to end users.[128] Subject imports from Colombia,

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[124] CR/PR at Table IV-18. Paper shopping bags with twisted paper handles accounted for *** percent of U.S. shipments by U.S. producers in 2023. *Id.* The share of U.S. shipments in 2023 accounted for by paper shopping bags with twisted paper handles was *** percent for subject imports from Cambodia, *** percent for subject imports from China, *** percent for subject imports from Colombia, *** percent for subject imports from India, *** percent for subject imports from Malaysia, *** percent for subject imports from Portugal, *** percent for subject imports from Taiwan, *** percent for subject imports from Turkey, and *** percent for subject imports from Vietnam. *Id.*

[125] CR/PR at Table IV-20. Paper shopping bags with a basis weight of 101-200 GSM accounted for *** percent of U.S. shipments by U.S. producers in 2023. *Id.* The share of U.S. shipments in 2023 accounted for by paper shopping bags with a basis weight of 101-200 GSM was *** percent for subject imports from Cambodia, *** percent for subject imports from China, *** percent for subject imports from Colombia, *** percent for subject imports from India, *** percent for subject imports from Malaysia, *** percent for subject imports from Portugal, *** percent for subject imports from Taiwan, *** percent for subject imports from Turkey, and *** percent for subject imports from Vietnam. *Id.*

[126] CR/PR at Table IV-21. Paper shopping bags made of kraft brown paper accounted for *** percent of U.S. shipments by U.S. producers in 2023. *Id.* The share of U.S. shipments in 2023 accounted for by paper shopping bags made of kraft brown paper was *** percent for subject imports from Cambodia, *** percent for subject imports from China, *** percent for subject imports from Colombia, *** percent for subject imports from India, *** percent for subject imports from Malaysia, *** percent for subject imports from Portugal, *** percent for subject imports from Taiwan, *** percent for subject imports from Turkey, and *** percent for subject imports from Vietnam. *Id.*

[127] CR/PR at Table IV-19. Paper shopping bags that were 1-2 color print bags accounted for *** percent of U.S. shipments by U.S. producers in 2023. *Id.* The share of U.S. shipments in 2023 accounted for by paper shopping bags that were 1-2 color print bags was *** percent for subject imports from Cambodia, *** percent for subject imports from China, *** percent for subject imports from Colombia, *** percent for subject imports from India, *** percent for subject imports from Malaysia, *** percent for subject imports from Portugal, *** percent for subject imports from Taiwan, *** percent for subject imports from Turkey, and *** percent for subject imports from Vietnam. *Id.*

[128] CR/PR at Table II-2.

India, and Taiwan were sold mainly to distributors, but also to end users.[129] Subject imports from Cambodia and Turkey were sold mainly to distributors in 2021 and 2022, but mainly to end users in 2023.[130] Subject imports from Malaysia and Portugal were sold mainly *** to end users,[131] while subject imports from China and Vietnam were also sold mainly to end users, but with *** sales to distributors.[132]

Geographic Overlap. The domestic like product and imports from all nine subject countries were sold in all regions of the contiguous United States.[133]

Simultaneous Presence in Market. Subject imports from each of the nine subject countries were present in the U.S. market in all 36 months of the POI.[134] The domestic like product was also present in the U.S. market throughout the POI.[135]

Conclusion. The record indicates that subject imports from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam are fungible with the domestic like product and each other. The record also indicates that imports from each of the subject countries and the domestic like product were sold in overlapping channels of distribution and geographic markets and were simultaneously present in the U.S. market during the POI. Because we find that there is a reasonable overlap of competition between and among subject

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[129] For subject imports from Colombia, the percentage sold to distributors ranged from *** percent to *** percent during the POI, while the percentage the percentage sold to end users ranged from *** percent to *** percent. For subject imports from India, the percentage sold to distributors ranged from *** percent to *** percent during the POI, while the percentage sold to end users ranged from *** percent to *** percent. For subject imports from Taiwan, the percentage sold to distributors ranged from *** percent to *** percent during the POI, while the percentage sold to end users ranged from *** percent to *** percent. CR/PR at II-2, Table II-2.

[130] For subject imports from Cambodia, the percentage sold to distributors ranged from *** percent to *** percent during the POI, while the percentage sold to end users ranged from *** percent to *** percent during the POI. For subject imports from Turkey, the percentage sold to distributors ranged from *** percent to *** percent during the POI, while the percentage sold to end users ranged from *** percent to *** percent. CR/PR at II-2, Table II-2.

[131] For subject imports from Malaysia, the percentage sold to end users was *** percent throughout the POI. For subject imports from Portugal, the percentage sold to end users ranged from *** percent to *** percent during the POI, while the percentage sold to distributors ranged from *** percent to *** percent. CR/PR at II-2, Table II-2.

[132] For subject imports from China, the percentage sold to end users ranged from *** percent to *** percent during the POI, while the percentage sold to distributors ranged from *** percent to *** percent. For subject imports from Vietnam, the percentage sold to end users ranged from *** percent to *** percent, while the percentage sold to distributors ranged from *** percent and *** percent. CR/PR at II-2, Table II-2.

Thus, the domestic like product and subject imports from all sources were shipped to end users during the POI, and the domestic like product and subject imports from all sources *** were shipped to distributors during the POI. CR/PR at Table II-2.

[133] CR/PR at II-5 and Table II-3.

[134] CR/PR at Table IV-24.

[135] CR/PR at Tables V-4 through V-10.

imports from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam and the domestic like product, we cumulate subject imports from these sources for our analysis of whether there is material injury by reason of subject imports.

VI. Material Injury by Reason of Subject Imports

Based on the record in the final phase of this investigation, we find that an industry in the United States is materially injured by reason of imports of paper shopping bags from Turkey that Commerce has found to be sold in the United States at less than fair value.

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[136] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[137] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[138] In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[139] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[140]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[141] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[142] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the

[136] 19 U.S.C. §§ 1671d(b), 1673d(b).

[137] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[138] 19 U.S.C. § 1677(7)(A).

[139] 19 U.S.C. § 1677(7)(C)(iii).

[140] 19 U.S.C. § 1677(7)(C)(iii).

[141] 19 U.S.C. §§ 1671d(b), 1673d(b).

[142] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[143]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[144] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[145] Nor does

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[143] The Federal Circuit, in addressing the causation standard of the statute, observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement*." Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

[144] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[145] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood*
(Continued...)

the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[146] It is clear that the existence of injury caused by other factors does not compel a negative determination.[147]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[148] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [149] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[150]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial

Lumber from Canada, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e.*, it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[146] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[147] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

[148] *Mittal Steel*, 542 F.3d at 876 &78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[149] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

[150] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

evidence standard.[151] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[152]

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is material injury by reason of subject imports.

1. Demand Considerations

U.S. demand for paper shopping bags depends on the demand for them by retailers, restaurants and food service establishments, and other firms. Paper shopping bags are traditionally provided to customers of these firms free of charge and represent a small share of the cost of most sales.[153]

One development leading to increased demand for paper shopping bags is the effort by states and municipalities to ban or tax the use of single-use plastic bags, which has caused an increase in demand for paper bags, including paper shopping bags.[154] The COVID-19 pandemic beginning in early 2020 affected demand for paper shopping bags during the POI, as many in-person retail and restaurant establishments shut down, but the increase in demand for paper shopping bags for online delivery and carry-out from restaurants was greater than the decrease in demand in the retail sector during the pandemic.[155]

Most responding U.S. producers, importers, and purchasers reported that U.S. demand for paper shopping bags increased during the POI.[156] The parties have presented differing views on demand during the POI. Petitioner contends that demand was strong throughout the POI, and far above the pre-POI demand level in 2020, regardless of fluctuations in apparent U.S.

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[151] We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

[152] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp*., 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

[153] CR/PR at II-20. Recently, some jurisdictions have required that a fee be collected for the provision of all single-use bags, including paper shopping bags. *Id.* at II-20 n.33.

[154] CR/PR at II-1, II-17, II-21, II-22; Hearing Tr. at 30, 128 (Frantz), 41 (Heil), 171 (Summerfield).

[155] CR/PR at II-16, II-21, II-22, II-23; Hearing Tr. at 30-31 (Frantz), 45 (Burnett); 171 (Summerfield).

[156] CR/PR at II-21, Table II-7. All four responding U.S. producers, *** of *** responding U.S. importers, and 20 of 39 responding U.S. purchasers reported that U.S. demand increased either steadily or with fluctuations during the POI. CR/PR at Table II-7.

consumption over the POI.[157] Alliance Respondents assert that demand was strong in the first half of the POI, when the COVID-19 pandemic and shifts in consumer behavior spurred demand for paper bags, but contend that demand "rebalanced" and dropped to pre-COVID levels in the second half of the POI.[158] Respondent Bunzl contends that demand for paper bags has increased over the past few years, given the growing number of state and local regulations regarding plastic bags, although it states that restaurants and retailers faced problems as the pandemic ended in 2022, adversely affecting demand for paper shopping bags.[159]

A number of firms reported that the U.S. market for paper shopping bags is subject to business cycles, including seasonality in demand for paper shopping bags, with U.S. demand tending to increase in the second half or fourth quarter of the year because of back-to-school shopping and winter holiday shopping.[160]

Commission data indicate that apparent U.S. consumption of paper shopping bags declined by *** percent from 2021 to 2023, falling from *** pounds in 2021 to *** pounds in 2022 and *** pounds in 2023.[161]

2. Supply Considerations

During the POI, cumulated subject imports were the largest supplier to the U.S. market. The share of apparent U.S. consumption accounted for by cumulated subject imports increased from *** percent in 2021 to *** percent in 2022, and then declined to *** percent in 2023.[162]

The domestic industry was the second-largest supplier to the U.S. market during the POI. The share of apparent U.S. consumption accounted for by the domestic industry

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[157] Petitioner's Prehearing Brief at 36-37; Petitioner's Posthearing Brief, Exh. 1, Response to Commission Questions, at 29-30. A Novolex witness testified that there was a softening in demand for paper shopping bags in 2023, but demand was still higher than it had been in the years before the POI. Hearing Tr. at 111-112 (Frantz).

[158] Alliance Respondents' Prehearing Brief at 19-21, 24-25; *see* Bag Makers' Posthearing Brief at 5.

[159] Bunzl's Final Comments at 2; Bunzl's Prehearing Brief at 13-15.

[160] CR/PR at II-20.

[161] CR/PR at IV-49, Tables IV-25, C-1. In the preliminary determinations, the Commission found that apparent U.S. consumption increased by *** percent between 2020 and 2022, increasing from *** pounds in 2020 to *** pounds in 2021, before declining to *** pounds in 2022. Confidential Preliminary Determinations at 38 (EDIS Document No. 800828).

[162] CR/PR at Tables IV-25, C-1. In the preliminary determinations, the Commission found that the market share of cumulated subject imports was *** percent in 2020, *** percent in 2021, and *** percent in 2022. Confidential Preliminary Determinations at 38 (EDIS Document No. 800828).

decreased from *** percent in 2021 to *** percent in 2022, and then increased to *** percent in 2023.[163]

The domestic industry has two major producers, Novolex and ProAmpac, which accounted for *** percent and *** percent, respectively, of U.S. production of paper shopping bags in 2023. Two newer and smaller producers that responded to the Commission's questionnaire, American Paper Bag and Fischer Paper Products, Inc. ("Fischer"), accounted for *** percent and *** percent, respectively, of U.S. production of paper shopping bags in 2023.[164] American Paper Bag began production in 2018 and manufactures paper shopping bags in a variety of custom sizes and shapes.[165] Fischer, which had previously produced other types of paper packaging products, opened a manufacturing facility in Antioch, Illinois in 2021 with new equipment to produce paper shopping bags.[166]

Novolex acquired *** additional paper shopping bag machines that started production in 2021 and 2022, but reported curtailing production equipment and labor hours beginning in 2022.[167] In July 2021, Novolex acquired Flexo, a manufacturer of paper shopping bags that had two facilities with *** paper shopping bag machines.[168] In April 2021, ProAmpac acquired El Dorado Packaging ("El Dorado"), a manufacturer of paper packaging products, including paper shopping bags, but it closed the El Dorado facility in May 2023.[169] In July 2021, ProAmpac acquired APC Paper Group, a manufacturer of recycled paper products.[170] Since American Paper Bag began production in 2018, it has ***.[171] As noted, Fischer built a new facility for its paper shopping bag business that opened in 2021, and has had ***.[172]

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[163] CR/PR at Tables IV-25, C-1. In the preliminary determinations, the Commission found that the market share of the domestic industry was *** percent in 2020, *** percent in 2021, and *** percent in 2022. Confidential Preliminary Determinations at 38-39 (EDIS Document No. 800828).

[164] CR/PR at Table III-1. Two U.S. producers that did not respond to the Commission's questionnaire have also begun producing paper shopping bags in the United States. Shamrock Corporation, which previously produced gift wrap paper, began producing paper shopping bags during the COVID-19 pandemic. Papier-Mettler, a firm headquartered in Morbach, Germany, acquired an industrial building in Moorefield, West Virginia in 2022, and, after a $48 million investment, reportedly began producing paper shopping bags at that facility in 2023. CR/PR at VI-1 n.4, Table III-3.

[165] Petitioner's Posthearing Brief, Exh. 11, Declaration of Ryan Hollis, at paragraphs 2-3.

[166] Testimony of William C. Fischer, Petitioner's Posthearing Brief, Exh. 2; Hearing Tr. at 58-60 (Fischer, read by Byers).

[167] CR/PR at Table III-4; Conference Tr. at 22 (Heil), 26-27, 28-29 (Burnett).

[168] Hearing Tr. at 33 (Shah); CR/PR at Table III-4. As noted, Novolex's acquisition of Flexo included some sheet-fed production machines. Hearing Tr. at 45-46 (Burnett).

[169] CR/PR at Table III-3.

[170] CR/PR at Table II-3.

[171] CR/PR at Table III-4, VI-1 n.3.

[172] CR/PR at Table III-4; VI-1 n.3.

U.S. producers reported that production of paper shopping bags is capital intensive, making it important for them to maintain high capacity utilization.[173] Production of paper shopping bags generally requires specialized equipment that can make multiple sizes of bags and can attach handles to the inside of bags, as well as employees that are trained to use this equipment.[174] However, it can take substantial time to reset a machine to make paper shopping bags of different sizes, and a paper shopping bag producer can increase the number of bags it produces overall by reducing the number of different types of bags being produced, thus reducing changeover times and the costs associated with them.[175]

The domestic industry reported various acquisitions and expansion over the POI.[176] However, the domestic industry's reported practical capacity declined irregularly by *** percent during the POI, falling from *** pounds in 2021 to *** pounds in 2022, and then increasing to *** pounds in 2023.[177] The industry's reported capacity utilization declined from *** percent in 2021 to *** percent in 2022, and then increased to *** percent in 2023.[178] The parties disagree as to whether the domestic industry had excess capacity throughout the POI.[179] As discussed below, the domestic industry had capacity constraints during the POI,

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[173] CR/PR at II-1; Testimony of William C. Fischer, Petitioner's Posthearing Brief, Exh. 2 at 3; Hearing Tr. at 60 (Fischer, read by Byers).

[174] Conference Tr. at 30-32, 52 (Veder); Hearing Tr. at 51 (Veder)

[175] CR/PR at II-8 n.8; Hearing Tr. at 50 (Burnett). According to Novolex witnesses, it can take eight to sixteen hours to change bag sizes on a machine, while print changes generally take three to four hours. Conference Tr. at 81 (Burnett), 104-105 (Veder, Burnett); 107 (Burnett). In 2022 Novolex completed *** bag size changeovers, averaging *** each, and *** print changeovers, averaging *** each. CR/PR at I-17 n.32; Petitioner's Posthearing Brief, Exhibit 1, Response to Commission Questions, at 76.

Some responding purchasers reported that the capital-intensive production methods of U.S. paper shopping bag producers have disadvantages of lower print quality, limited sizes available, and fewer choices in paper thickness, paper coatings, and handles. CR/PR at II-38.

[176] CR/PR at Tables III-3, III-4.

[177] CR/PR at Tables III-5, C-1. Novolex's practical capacity increased from *** pounds in 2021 to *** pounds in 2022 and 2023, while ProAmpac's practical capacity declined from *** pounds in 2021 to *** in 2022 and 2023. *Id.* at Table III-7.

[178] CR/PR at Tables III-5, C-1.

[179] Petitioner contends that Novolex's reported capacity utilization rate was accurate, and that the industry had excess capacity as a result of losing sales to subject imports beginning in the second half of 2021 and throughout the rest of the POI. Petitioner's Posthearing Brief, Exhibit 1, Response to Commission Questions, at 40, 74-75. By contrast, Alliance Respondents contend that Novolex's reported capacity utilization rate for 2021 was substantially understated, and that the domestic industry did not have excess capacity during the first half of the POI, contending that it produced as much as it physically could but was unable to supply increased demand in the U.S. market because of its supply constraints. Alliance Respondents' Posthearing Brief at 13-14.

particularly in 2021, when most responding purchasers reported capacity constraints for domestically produced paper shopping bags.[180]

Nonsubject imports were the third largest supplier to the U.S. market during the POI. The share of apparent U.S. consumption accounted for by nonsubject imports declined from *** percent in 2021 to *** percent in 2022 and *** percent in 2023.[181] The largest sources of nonsubject imports during the POI were Mexico, Canada, Indonesia, and Germany.[182] Taiwan producer Haurtyi Paper Bag Co is a nonsubject producer for purposes of this determination in light of the *de minimis* preliminary dumping margin for this firm in Commerce's preliminary antidumping duty determination for paper shopping bags from Taiwan.[183]

Most U.S. purchasers reported either frequent or occasional supply constraints for the domestic industry in both the first half and second half of 2021, and purchasers reported continued, but steadily declining, supply constraints after 2021, including occasional supply constraints continuing even in the second half of 2023. U.S. producers *** reported some supply constraints in 2021, but no U.S. producer reported any supply constraints after 2021.[184] Purchasers reported that U.S. producers' supply constraints resulted in increased lead times, customers being placed on allocation, customer programs being ended, orders being turned down and customers turned away, reduced availability to distributors, increases in minimum order quantities, reduced types of paper shopping bags being offered, and domestic producers' refusal to print more complex designs or hand-craft related products.[185] A number of purchasers reported that Novolex and ProAmpac had refused to provide them with a product that those producers had previously supplied to them, in most cases not offering an alternative product.[186]

Novolex's witnesses testified that it took a number of steps during the pandemic to address its supply problems and maximize overall production of paper shopping bags, including temporarily cutting back its number of stock keeping units (SKUs),[187] reducing the number of sizes and colors of bags produced, decreasing the number of prints produced, de-prioritizing small print or small size runs, increasing lead times, and imposing higher minimum order

[180] CR/PR at II-15, Figure II-1

[181] CR/PR at Tables IV-25, C-1.

[182] CR/PR at II-9.

[183] CR/PR at Table I-10. Nonsubject imports from Taiwan accounted for *** percent of apparent U.S. consumption in 2021, *** percent in 2022, and *** percent in 2023. CR/PR at Table IV-25.

[184] CR/PR at II-15, Figures II-1.

[185] CR/PR at II-16 to II-17.

[186] CR/PR at II-19, Table II-6. Purchasers reported that supply constraints for subject or nonsubject import sources were generally less severe than those for the domestic industry, and were mainly logistical problems. CR/PR at II-16, II-17, Figures II-2, II-3.

[187] CR/PR at II-8 n.8; Hearing Tr. at 99 (Frantz). The domestic industry reduced its unique average SKUs sold from *** in 2021 to *** in 2023. CR/PR at VI-14 n.14.

quantities for standard bags with custom printing.[188] Novolex's witnesses further testified that its production operations returned to normal in mid-2021.[189]

U.S. producers, particularly large U.S. producers, generally reported much higher minimum order quantity requirements ("MOQs") than did importers of subject merchandise for orders for paper shopping bags in custom sizes. U.S. producers' MOQs for customized bags with custom printing ranged from 50,000 to 500,000 paper shopping bags in 2023, while importers' MOQs ranged from 1,000 to 500,000 paper shopping bags for such orders.[190] By contrast, U.S. producers reported lower average MOQs than did importers of subject merchandise for orders for paper shopping bags in standard sizes without custom printing, the type of bags that typically have the lowest MOQs.[191] While most responding purchasers reported that MOQs had not prevented them from placing an order with domestic paper shopping bag producers, some respondent witnesses contended that smaller purchasers with smaller orders, such as for small to medium-sized restaurants, cannot afford to purchase and provide storage for the quantity of bags required by domestic producers' MOQs for orders for custom paper shopping bags.[192]

3. Substitutability and Other Conditions

The record indicates a moderate-to-high degree of substitutability between cumulated subject imports and the domestic like product.[193] Differences between the domestic like product and subject imports that may limit substitutability are mostly based on a lack of availability or limited availability of certain types of paper shopping bags from domestic sources, particularly bags that require more handwork.[194]

All responding U.S. producers reported that paper shopping bags from all domestic and subject sources were "always" interchangeable.[195] Majorities of responding U.S. importers reported that the domestic like product was either "always" or "frequently" interchangeable

[188] CR/PR at II-8, II-16; Hearing Tr. at 95 (Burnett); 99-100 (Frantz); Conference Tr. at 79 (Shah); 79-80 (Frantz); 80-81, 88, 120-121 (Burnett). Novolex reported that it can take substantial time to reset a machine to make paper shopping bags of different sizes, and a paper shopping bag producer can increase the number of bags it produces overall by reducing the number of different types of bags being produced, thus reducing changeover times and the costs associated with them. CR/PR at II-8 n.8; Hearing Tr. at 50 (Burnett); Conference Tr. at 81 (Burnett), 104-105 (Veder, Burnett); 107 (Burnett); *see* CR/PR at I-17 n.32; Petitioner's Posthearing Brief, Exhibit 1, Response to Commission Questions, at 76.

[189] CR/PR at II-16; Hearing Tr. at 95 (Burnett); Conference Tr. at 79 (Shah); 88 (Burnett).

[190] CR/PR at II-10 to II-11. The *** that reported an MOQ of 500,000 bags for custom-sized paper shopping bags with custom printing was ***. CR/PR at II-11.

[191] CR/PR at II-10; CR/PR at Table II-5.

[192] CR/PR at II-13.

[193] CR/PR at II-24.

[194] CR/PR at II-24.

[195] CR/PR at II-38.

with subject imports from each of the subject countries.[196] Similarly, most responding U.S. purchasers reported that the domestic like product was either "always" or "frequently" interchangeable with subject imports from most of the subject countries.[197]

Majorities or pluralities of responding purchasers reported that subject imports from Cambodia and the domestic like product are comparable on 16 of 16 nonprice factors; subject imports from China and the domestic like product are comparable on 15 of 16 nonprice factors; subject imports from Colombia and the domestic like product are comparable on 12 of 16 nonprice factors; subject imports from India and the domestic like product are comparable on 15 of 16 nonprice factors; subject imports from Malaysia and the domestic like product are comparable on 16 of 16 nonprice factors; subject imports from Portugal and the domestic like product are comparable on 8 of 16 nonprice factors; subject imports from Taiwan and the domestic like product are comparable on 16 of 16 nonprice factors; subject imports from Turkey and the domestic like product are comparable on 6 of 16 nonprice factors; and subject imports from Vietnam and the domestic like product are comparable on 15 of 16 nonprice factors.[198]

Majorities or pluralities of responding U.S. importers reported that non-price differences were "always" or "frequently" significant in comparisons of the domestic like product and subject imports from all nine subject countries.[199] Majorities of responding purchasers reported that non-price differences were "always" or "frequently" significant in comparisons of the domestic like product and subject imports from China, India, Turkey, and Vietnam, while non-price differences were "never" or "sometimes" significant in comparisons of the domestic like product and subject imports from Cambodia and Malaysia.[200]

The record shows that price is an important factor in purchasing decisions for paper shopping bags, along with other factors. In purchasers' ranking of their top-three purchasing factors, price was listed by more purchasers (40) than any other factor, followed by quality (32)

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[196] CR/PR at Table II-15.

[197] CR/PR at Table II-16. Majorities of responding purchasers reported that the domestic like product was "always" or frequently" interchangeable with subject imports from China (11 of 20), Colombia (2 0f 2), India (8 of 12), Malaysia (3 of 3), Portugal (2 of 2), and Vietnam (7 of 10). *Id.* The two purchasers that reported on interchangeability between the domestic like product and subject imports from Cambodia were divided between characterizing them as "frequently" interchangeable versus "sometimes" interchangeable. The two purchasers that reported on interchangeability between the domestic like product and subject imports from Taiwan were equally divided between characterizing them as "always" interchangeable versus "never" interchangeable. The only purchaser that reported on interchangeability between the domestic like product and subject imports from Turkey characterized them as "sometimes" interchangeable. *Id.*

[198] CR/PR at Table II-14.

[199] CR/PR at Table II-17.

[200] CR/PR at Table II-18. Responding purchasers were divided with respect to comparisons of the domestic like product and subject imports from Colombia, Portugal, and Taiwan. *Id.*

and availability/supply assurance/reliability of supply/fill rate (24). Quality was most often listed (18 purchasers) as the first-most important factor, followed by price (14).[201] When purchasers were asked to rate the importance of 17 factors in their purchasing decisions, the factors characterized as "very important" by more than half of the responding purchasers were availability, product consistency, reliability of supply (42 purchasers each), quality meets industry standards (38), price, print quality (36 each), delivery time (34), customization (25), and delivery terms (24).[202]

Both U.S. producers and importers of subject merchandise reported that the largest share of their sales of paper shopping bags went to the spot market. In 2023, U.S. producers reported selling 38.9 percent of their paper shopping bags on the spot market, 29.5 percent under long-term contracts, 21.6 percent under annual contracts, and 9.9 percent under short-term contracts. Responding U.S. importers reported selling 49.6 percent of subject paper shopping bags in 2023 on the spot market, 26.2 percent under long-term contracts, 13.8 percent under short-term contracts, and 10.3 percent under annual contracts.[203]

Both U.S. producers and importers of subject merchandise reported that the largest share of their sales of paper shopping bags was produced to order. U.S. producers reported that *** percent of their sales in 2023 were produced to order and *** percent were from U.S. inventories. Responding U.S. importers reported that *** percent of their sales of subject merchandise in 2023 were produced to order, *** percent were from U.S. inventories, and *** percent were from foreign inventories.[204]

U.S. producers' average lead times for paper shopping bags produced to order declined over the POI by more than a month, from *** days in 2021 to *** days in 2022 and *** days in 2023. Subject importers' average lead times for paper shopping bags produced to order were higher than those for U.S. producers, increasing from *** days in 2021 to *** days in 2022 and then declining to *** days in 2023.[205] Average lead times for paper shopping bags from U.S. inventories were much lower for both domestic producers and importers of subject merchandise, with average lead times for U.S. producers declining from *** days in 2021 to *** days in 2023, and average lead times for importers of subject merchandise declining from *** days in 2021 to *** days in 2023.[206] Some purchasers reported high lead times for domestic suppliers, particularly Novolex, during the POI.[207] A Novolex witness testified that it increased

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[201] CR/PR at Table II-9.

[202] CR/PR at Table II-10.

[203] CR/PR at Table V-3.

[204] CR/PR at Table II-11.

[205] CR/PR at II-27, Table II-11.

[206] CR/PR at II-27, Table II-11. Average lead times for subject imports of paper shopping bags from foreign inventories declined from *** days in 2021 to *** days in 2023. *Id.* at Table II-11.

[207] CR/PR at II-16, II-17, II-30.

lead times during the pandemic, but stated that its lead times returned back to normal in mid-2021.[208]

Raw material costs accounted for a majority of the domestic industry's cost of goods sold ("COGS") throughout the POI, increasing from *** percent in 2021 to *** percent in 2022, and then falling to *** percent in 2023.[209] All four U.S. producers and *** of *** importers reported that raw material prices either steadily increased or fluctuated upward during the POI.[210] The price of 50-lb. kraft paper increased by *** percent overall from January 2021 to December 2023, increasing from January 2021 to March 2022 and then declining from November 2022 to July 2023, while remaining above January 2021 levels.[211]

Paper is the major raw material for the production of paper shopping bags. The weight of the paper used to produce paper shopping bags varies based on the specifications of the bag being produced, with higher-end paper shopping bags typically using a higher-weight paper.[212] Brown uncoated paper with 40 percent or more recycled content accounted for the majority (*** percent) of U.S. producers' raw material costs in 2023, while all paper inputs accounted for *** percent of U.S. producers' raw material costs.[213] Other raw materials used in the production of paper shopping bags, including handles, adhesives, and ink/printing, accounted for *** percent of U.S. producers' raw material costs in 2023.[214]

Products described in HTS subheading 4819.30 and 4819.40 (the two subheadings under which imports of paper shopping bags enter) imported from China were subject to an additional 25 percent *ad valorem* duty under Section 301 of the Trade Act of 1974 throughout the POI.[215]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[216]

Cumulated subject imports, by volume, increased from *** pounds in 2021 to *** pounds in 2022, and then fell to *** pounds in 2023.[217] Cumulated subject imports' market

[208] Conference Tr. at 88 (Burnett).
[209] CR/PR at VI-14, Table VI-1.
[210] CR/PR a Table II-7.
[211] CR/PR at V-1, Figure V-1, Table V-1.
[212] CR/PR at V-1.
[213] CR/PR at VI-15, Table VI-4.
[214] CR/PR at I-15, VI-15, Table VI-4.
[215] CR/PR at I-12.
[216] 19 U.S.C. § 1677(7)(C)(i).
[217] CR/PR at Tables IV-2, C-1.

share increased from *** percent of apparent U.S. consumption in 2021 to *** percent in 2021, and then declined to *** percent in 2023.[218]

Cumulated subject imports as a ratio to domestic industry production increased from *** percent in 2021 to *** percent in 2022, and then fell to *** percent in 2023.[219]

We find that the volume of cumulated subject imports is significant in absolute terms and relative to production and consumption in the United States.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[220]

As discussed in section VII.B.3 above, we find that there is a moderate-to-high degree of substitutability between cumulated subject imports and the domestic like product, and that price is an important factor in purchasing decisions for paper shopping bags, along with other factors.

The Commission collected quarterly f.o.b. pricing data on sales of seven paper shopping bag products shipped to unrelated U.S. customers during the POI.[221] Three U.S. producers and

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[218] CR/PR at Tables IV-25, C-1.

[219] CR/PR at Table IV-2.

[220] 19 U.S.C. § 1677(7)(C)(ii).

[221] CR/PR at V-6. The seven pricing products are:

Product 1.-- Plain kraft (brown) bag, unprinted, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer's name, location, recycled content, or similar information.

Product 2.-- Plain kraft (brown) bag, unprinted, 60-70# basis weight, with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer's name, location, recycled content, or similar information.

Product 3.-- Plain kraft (brown) bag, unprinted, 65-80# basis weight, with a serrated top that has a 16-inch wide face, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined (Continued...)

19 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing data for all products for all quarters.[222] The pricing data reported by these firms accounted for approximately 9.3 percent of U.S. producers' commercial shipments in 2023.[223] With respect to subject imports, the reported U.S. shipments of these pricing products as a share of reported U.S. commercial shipments of subject imports in 2023 was 4.5 percent with respect to subject imports from Cambodia, 7.7 percent with respect to subject imports from China, 2.6 percent with respect to subject imports from Colombia, 16.6 percent with respect to subject imports from India, 0.0 percent with respect to subject imports from Portugal, 4.0 percent with respect to subject imports from Taiwan, 5.7 percent with respect to

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measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer's name, location, recycled content, or similar information.

***Product 4*.--** Kraft (brown) bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

***Product 5*.--** White bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

***Product 6*.--** White bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has a 13-inch wide face, with a 7-inch gusset, and that is 17 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

***Product 7*.--** Kraft (brown) bag, printed with 2 colors, with heavy ink coverage, that has a 16-inch wide face, 65-80# basis weight, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. *Id.* at V-6 to V-7.

[222] CR/PR at V-7. Alliance Respondents contend that the questionnaire data provided by one importer, ***, were "highly anomalous," which they suggest casts doubt on the Commission's underselling data. Alliance Respondents' Posthearing Brief, Response to Commission Questions, at 8-9. However, in response to errors noted with respect to this importer's initial questionnaire response, the importer provided corrected data, which were carefully reviewed before being accepted in the Commission's dataset. CR/PR at V-7 n.6. Moreover, Alliance Respondents' criticism of this firm's revised questionnaire response -- that the firm purportedly reported *** -- does not accurately characterize the pricing data submitted by this firm. *See* Revised U.S. Importer Questionnaire Response of *** at 3-2j (EDIS Document No. ***). Thus, we find no basis for disregarding the corrected questionnaire data submitted by this firm in our underselling analysis.

[223] CR/PR at V-7.

subject imports from Turkey, and 27.9 percent with respect to subject imports from Vietnam.[224] No pricing data were reported for subject imports from Malaysia.[225]

Subject imports undersold the domestic like product in 151 of 290 quarterly comparisons with underselling margins ranging between 0.0 percent and 70.8 percent, and averaging 30.1 percent.[226] Subject imports oversold the domestic like product in the remaining 139 quarterly comparisons, with overselling margins ranging between 1.0 percent and 289.6 percent and averaging 67.6 percent.[227] There were 22.4 million pounds of subject merchandise in the quarters with underselling and 6.8 million pounds of subject merchandise in the quarters with overselling,[228] with quarterly comparisons in which there was underselling by subject imports accounting for 76.6 percent of the reported sales volume of subject imports in the Commission's pricing data in total.[229] Thus, the pricing data reflect predominant underselling.

The record further indicates that both the quarterly comparisons with underselling and the volume of subject imports that undersold the domestic like product reached their peaks during the POI in 2022. Subject imports undersold the domestic like product in 59.8 percent of quarterly comparisons in 2022, versus 46.7 percent of quarterly comparison in 2021 and 48.4 percent of quarterly comparisons in 2023.[230] The quantity of subject imports in quarterly comparisons that undersold the domestic like product increased from *** pounds in 2021 to *** pounds in 2022, before declining to *** pounds in 2023.[231] On a percentage basis, *** percent of the volume of subject imports in quarterly price comparisons in 2021 undersold the domestic like product, *** percent of the volume of subject imports undersold in 2022, and *** percent of the volume of subject imports undersold in 2023.[232] This underselling occurred as the domestic industry lost *** percentage points of market share to cumulated subject imports in 2022.[233] [234]

The Commission also requested import purchase cost data for two pricing products from firms that directly imported these products for their own internal use or retail sale. The Commission received usable purchase cost data from one importer with respect to its imports of product 4 from Vietnam; the purchase cost data reported by this firm accounted for ***

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224 CR/PR at V-7.
225 CR/PR at V-7.
226 CR/PR at Table V-12.
227 CR/PR at Table V-12.
228 CR/PR at Table V-9.
229 Derived from CR/PR at Table V-9.
230 Derived from CR/PR at Table V-14.
231 CR/PR at Table V-14.
232 Derived from CR/PR at Table V-14.
233 CR/PR at Table C-1.
234 Commissioner Schmidtlein finds that, not only did a loss of market share of *** percentage points occur at the same time as this significant underselling, but that the significant underselling actually led to this loss of market share to cumulated subject imports in 2022.

pounds, or *** percent of U.S. imports of paper shopping bags from Vietnam in 2023.[235] The purchase cost data indicated that the landed duty-paid costs for product 4 imported from Vietnam by this firm were below the sales prices of U.S. producers for this product in all 10 available quarters of comparisons, with price-cost differentials ranging from *** percent to *** percent and averaging *** percent.[236]

We recognize that the import purchase cost data may not reflect the total cost of importing and therefore requested that importers provide additional information regarding the costs and benefits of directly importing paper shopping bags. The one firm providing usable purchase cost data reported that it incurred additional costs of *** percent compared to the landed duty-paid value, reporting costs for logistics and customs, supply chain management, and customs compliance.[237] The firm further reported that its experience is that the paper shopping bags it directly imports are priced lower than such paper shopping bags purchased from domestic sources or from U.S. importers, even including its additional costs from directly importing, but it could not quantify the savings.[238]

We have also considered lost sales data. Of the 42 responding purchasers, 35 purchasers reported that, since 2021, they had purchased subject paper shopping bags instead of domestically produced paper shopping bags, and 25 of these purchasers reported that the price of subject imports was lower than the price of the domestically produced product.[239] Moreover, sixteen of those purchasers also reported that price was a primary reason for their decision to purchase paper shopping bags from the subject countries rather than the domestic like product, and 15 estimated that the quantity of paper shopping bags that they purchased from subject sources instead of domestic sources was 34.8 million pounds.[240] The quantity of subject imports involved in these confirmed lost sales was equivalent to 14.3 percent of total reported purchases of subject imports.[241]

Based on the foregoing, including the moderate-to-high degree of substitutability between cumulated subject imports and the domestic like product, the importance of price in

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[235] CR/PR at V-32.

[236] CR/PR at V-32, Table V-15.

[237] CR/PR at V-34.

[238] CR/PR at V-34.

[239] CR/PR at V-37. In comparing paper shopping bags produced in the United States with those in subject countries, five purchasers indicated that U.S.-produced bags were superior to subject imports regarding price, 28 that they were comparable on price, and 26 that U.S.-produced bags were inferior to subject imports on price. CR/PR at Table II-14.

[240] CR/PR at V-37, Tables V-17, V-18.

[241] Derived from CR/PR at Tables V-16, V-18. The quantity of subject imports involved in these confirmed lost sales was equivalent to *** percent of apparent U.S. consumption during the POI. Derived from CR/PR at tables V-18, C-1.

purchasing decisions, and the evidence of underselling and lost sales, we find that cumulated subject imports undersold the domestic like product to a significant degree.[242]

We have examined price trends during the POI. U.S. producers' prices for all seven pricing products increased during the POI by amounts ranging from *** percent to *** percent.[243] [244] Price trends were mixed for subject imports. Out of the 63 possible country/pricing product combinations, subject import prices increased for 8 products and declined for 11 products, with price increases ranging from *** percent to *** percent, and price declines ranging from *** percent to *** percent.[245]

We have also considered whether cumulated subject imports prevented price increases for domestically produced paper shopping bags which otherwise would have occurred to a significant degree. The domestic industry's ratio of COGS to net sales rose *** percentage points during the POI, increasing from *** percent in 2021 to *** percent in 2022 and *** percent in 2023. During the POI, the industry reported increases in all components of its COGS on an absolute and per-unit basis.[246] Over the POI, the domestic industry's total COGS increased on a per-unit basis by $*** per pound.[247] This increase included increases during the POI in raw material costs of $*** per pound,[248] direct labor costs of $*** per pound[249] and

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[242] Alliance Respondents and Bunzl contend that the Commission should not rely on its pricing data for its price underselling analysis, but rather should focus on a comparison of AUVs, asserting that AUVs for U.S. shipments of subject imports were higher than those than for the domestic like product throughout the POI, which they contend indicates that subject imports were priced higher than the domestic like product. Alliance Respondents' Prehearing Brief at 68; Bunzl's Posthearing Brief at 11-12. *see* CR/PR at Table C-1. However, consistent with their arguments that there are substantial differences in quality between the paper shopping bags produced by subject suppliers and those by the domestic industry, Alliance Respondents acknowledge that these AUVs are likely affected by a difference in product mix between subject imports and the domestic like product. Hearing Tr. at 200-201 (Kessler), 207 (Hartmann). Accordingly, we continue to rely for our analysis of price underselling by subject imports on our pricing data, which compare quarterly f.o.b. pricing data for specifically defined products, and not on comparisons of AUV data affected by product mix differences.

[243] CR/PR at V-27, Table V-11.

[244] Commissioner Schmidtlein finds that domestic producers' prices fluctuated during the POI. More specifically, starting in the fourth quarter of 2022, U.S. producers reduced their prices and continued to reduce their prices across most pricing products through the third quarter of 2023, in an attempt to maintain sales volumes and recapture market share lost in 2022. *See* Hearing Tr. at 34-35 (Shah); CR/PR at Tables V-4 through V-10.

[245] CR/PR at V-27, Table V-11.

[246] CR/PR at Table VI-1.

[247] CR/PR at Table VI-1. The domestic industry's per-unit raw material costs rose from $*** per pound in 2021 to $*** per pound in 2022, and then fell to $*** per pound in 2023. *Id.*

[248] CR/PR at Table VI-1. The domestic industry's per-unit raw material costs rose from $*** per pound in 2021 to $*** per pound in 2022, and then fell to $*** per pound in 2023. *Id.*

[249] CR/PR at Table VI-1. The domestic industry's per-unit direct labor costs rose from $*** per pound in 2021 to $*** per pound in 2022 and 2023. *Id.*

other factory costs by *** per pound.[250] At the same time the domestic industry's net sales AUV increased by only $*** per pound,[251] which did not keep pace with the industry's increasing costs.

Alliance Respondents contend that the domestic industry was able to raise prices sufficiently to cover its increasing variable raw material and direct labor costs, and was only unable to cover increases in its other factory costs.[252] However, this contention is contradicted by the record, which shows that the domestic industry's combined per unit raw materials and direct labor costs increased from $*** per pound in 2021 to $*** per pound in 2023, a per unit increase of $*** per pound.[253] By contrast, the industry's net sales AUV increased by only $*** per pound, from $*** per pound in 2021 to $*** per pound in 2023.[254] Thus, contrary to Alliance Respondents' argument, the record shows that domestic industry was not able to raise prices sufficiently to cover its increasing variable raw material and direct labor costs.

While Alliance Respondents also question whether the domestic industry should have reasonably expected to raise its prices to cover its increasing costs during a period when apparent U.S. consumption was declining, we note that majorities of responding U.S. producers, importers, and purchasers reported that U.S. demand for paper shopping bags increased over the POI,[255] and regardless of fluctuations during the POI, apparent U.S. consumption throughout the POI remained elevated well above the level for 2020 that the Commission found in the preliminary determinations.[256]

Two purchasers reported that U.S. producers reduced prices to compete with lower-priced imports from subject sources. One purchaser reported that a domestic producer reduced its prices by *** percent in response to competition from subject imports from China; a second purchaser reported that a domestic producer reduced its prices by *** percent in response to competition from subject imports from Vietnam.[257]

Moreover, petitioner has also presented information from Novolex regarding requests by its customers that it reduce its prices to meet the lower prices of subject suppliers, including

[250] CR/PR at Table VI-1. The domestic industry's per-unit other factory costs rose from $*** per pound in 2021 to $*** per pound in 2022, and then fell to $*** per pound in 2023. *Id.* at Table VI-1.

[251] CR/PR at Tables VI-1, VI-2. The domestic industry's net sales AUV increased from $*** per pound in 2021 to $*** per pound in 2022 and $*** per pound in 2023. *Id.* at Table VI-1.

[252] Alliance Respondents' Posthearing Brief at 8-9 and Response to Commission Questions at 16.

[253] Derived from CR/PR at Table VI-1.

[254] Derived from CR/PR at Table VI-1.

[255] CR/PR at Table II-7.

[256] Apparent U.S. consumption of paper shopping bags was *** pounds in 2021, *** pounds in 2022, and *** pounds in 2023. CR/PR at Tables IV-25, C-1. In the preliminary determinations, the Commission found that apparent U.S. consumption was *** pounds in 2020. Confidential Preliminary Determinations at 38 (EDIS Document No. 800828).

[257] CR/PR at V-42.

requests by customers ***,[258] ***,[259] Abercrombie & Fitch,[260] ***,[261] ***,[262] ***,[263] and ***.[264] As these examples indicate, in many cases Novolex still lost the sales after reducing its prices. Moreover, after lowering its prices to one ***, Novolex ***.[265] Thus, the record indicates that U.S. producers reduced prices to compete with lower-priced subject imports, and were unable to raise prices sufficiently to cover their increasing costs.

Accordingly, we find that cumulated subject imports suppressed prices for the domestic like product to a significant degree.[266]

In sum, we find that cumulated subject imports undersold the domestic like product to a significant degree and prevented price increases, which otherwise would have occurred, to a significant degree.[267] Thus, we find that cumulated subject imports had significant price effects.

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[258] Petitioner's Posthearing Brief, Exh. 13, Declaration of Jeremy Heil ("Heil Declaration"), at paragraph 16 and Attachment E.

[259] Heil Declaration at paragraph 24 and Attachment H.

[260] Heil Declaration at paragraph 25 and Attachment I.

[261] Heil Declaration at paragraph 26.

[262] Heil Declaration at paragraph 26.

[263] Heil Declaration at paragraph 26 and Attachment N.

[264] Heil Declaration at paragraph 26 and Attachment R.

[265] Heil Declaration at paragraph 3, 27 and Attachments T, V.

[266] As noted, underselling by subject imports was highest in 2022, with *** pounds of subject imports underselling in quarterly comparisons and *** percent underselling by volume. CR/PR at V-14. As subject import underselling reached its peak, the domestic industry's COGS to net sales ratio increased by *** percentage points, from *** percent in 2021 to *** percent in 2022, subject import market share increased by *** percentage points, from *** percent of apparent U.S. consumption in 2021 to *** percent in 2022, and the domestic industry's market share fell by *** percentage points, from *** percent in 2021 to *** percent in 2022. *Id.* at Tables IV-25, VI-1, C-1.

[267] Commissioner Schmidtlein also finds that the significant underselling by cumulated subject imports led to a loss in the domestic industry's market share of *** percentage points in 2022, and depressed prices for the domestic like product to a significant degree in 2023. As noted above, domestic producers lowered prices across almost all pricing products in 2023, specifically during the period of the fourth quarter of 2022 through the third quarter of 2023, in an effort to maintain sales volumes and regain market share lost in 2022 to low-priced subject imports. These price reductions are shown in the Commission's pricing product data. *See* CR/PR at Tables V-4 through V-10. In addition, this claim is supported by the two examples of confirmed lost revenues cited above by purchaser *** regarding subject imports from China, and by purchaser *** regarding subject imports from Vietnam; and the various instances of lowered prices and lost sales cited above from the Declaration of Jeremy Heil, Vice President of Sales at Novolex. Petitioner's Posthearing Brief at Exh. 13.

E. Impact of the Subject Imports[268]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[269] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating

[268] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at less value with respect to paper shopping bags from Turkey, Commerce found dumping margins of 47.56 percent for imports from 18 Turkish producers/exporters, and 26.32 percent for imports from all other Turkish producers/exporters. *Certain Paper Shopping Bags from the Republic of Turkey: Final Affirmative Determination of Sales at Less Than Fair Value,* 89 Fed. Reg. 19295, 19296 (Mar. 18, 2024); CR/PR at Table I-11.

In its preliminary antidumping duty determination with respect to paper shopping bags from Cambodia, Commerce preliminarily found dumping margins ranging from 10.05 percent to 248.81 percent, and an all others rate of 10.05 percent. CR/PR at Table I-4. In its preliminary antidumping duty determination with respect to paper shopping bags from China, Commerce preliminarily found dumping margins ranging from 24.15 percent to 59.41 percent, and a China-wide entity rate of 146.32 percent. CR/PR at Table I-5. In its preliminary antidumping duty determination with respect to paper shopping bags from Colombia, Commerce preliminarily found dumping margins ranging from 9.48 percent to 56.14 percent, and an all others rate of 9.48 percent. CR/PR at Table I-6. In its preliminary antidumping duty determination with respect to paper shopping bags from India, Commerce preliminarily found a *de minimis* dumping margin of 0.00 percent for Aero Plast, and dumping margins for other firms ranging from 10.64 percent to 57.87 percent, and an all others rate of 10.64 percent. CR/PR at Table I-7. In its preliminary antidumping duty determination with respect to paper shopping bags from Malaysia, Commerce preliminarily found dumping margins ranging from 3.10 percent to 112.22 percent, and an all others rate of 35.52 percent. CR/PR at Table I-8. In its preliminary antidumping duty determination with respect to paper shopping bags from Portugal, Commerce preliminarily found a dumping margin for one firm of 11.33 percent and an all others rate of 11.33 percent. CR/PR at Table I-9. In its preliminary antidumping duty determination with respect to paper shopping bags from Taiwan, Commerce preliminarily found a *de minimis* dumping margin of 0.00 percent for Haurtyi Paper Bag Co., a dumping margin of 60.26 percent for another firm, and an all others rate of 30.13 percent. CR/PR at Table I-10. In its preliminary antidumping duty determination with respect to paper shopping bags from Vietnam, Commerce preliminarily found dumping margins of 51.25 percent for four firms, and a Vietnam-wide entity rate of 92.34 percent. CR/PR at Table I-12.

We take into account in our analysis the fact that Commerce has made final or preliminary findings that one or more subject producers in all subject countries are selling subject imports in the United States at less than fair value. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling and price effects of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

[269] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[270]

During the POI, the domestic industry's production, capacity utilization, and U.S. shipments declined, its inventories increased, and its employment indicators were mixed. The industry's financial indicators, including its gross profit, operating income, net income, and operating margin all sharply declined over the POI.

The domestic industry's practical capacity declined by *** percent during the POI. Practical capacity declined from *** pounds in 2021 to *** in 2022 pounds, and then increased to *** pounds[271]. The domestic industry's production quantity declined by *** percent during the POI, falling from *** pounds in 2021 to *** pounds in 2022, and then increasing to *** pounds in 2023.[272] The industry's capacity utilization declined by *** percentage points during the POI, falling from *** percent in 2021 to *** percent in 2022, and then increasing to *** percent in 2023.[273]

The domestic industry's employment indicators were mixed. The industry's number of production and related workers ("PRWs") increased by *** percent during the POI, decreasing from *** PRWs in 2021 to *** PRWs in 2022, and then increasing to *** PRWs in 2023.[274] Hours worked declined by *** percent during the POI, falling from *** hours in 2021 to *** hours in 2022, and then increasing to *** hours in 2023.[275] Wages paid increased by *** percent during the POI, rising from $*** in 2021 to $*** in 2022 and then falling to $*** in 2023.[276] Productivity declined by *** percent during the POI, decreasing from *** pounds per hour in 2021 to *** pounds per hour in 2022, and then increasing to *** pounds per hour in 2023.[277]

End-of-period inventories increased by *** percent during the POI, decreasing from *** pounds in 2021 to *** pounds in 2022, and then increasing to *** pounds in 2023.[278]

The domestic industry's U.S. shipments fell by *** percent during the POI, declining from *** pounds in 2021 to *** pounds in 2022, and then rising to *** pounds in 2023.[279] The

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[270] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[271] CR/PR at Tables III-5, C-1.

[272] CR/PR at Tables III-5, C-1.

[273] CR/PR at Tables III-5, C-1.

[274] CR/PR at Tables III-14, C-1.

[275] CR/PR at Tables III-14, C-1.

[276] CR/PR at Tables III-14, C-1.

[277] CR/PR at Tables III-14, C-1.

[278] CR/PR at Tables III-11, C-1.

[279] CR/PR at Tables III-9, C-1.

domestic industry's market share declined from *** percent in 2021 to *** percent in 2022, and then increased to *** percent in 2023.[280]

The industry's net sales value increased by *** percent during the POI, rising from $*** in 2021 to $*** in 2022 and $*** in 2023.[281] The industry's gross profit declined by *** percent during the POI, falling from $*** in 2021 to $*** in 2022, and then increasing to $*** in 2023.[282] The industry's operating income decreased by *** percent during the POI, declining from $*** in 2021 to $*** in 2022, and then increasing to $*** in 2023.[283] The industry's ratio of operating income to net sales fell by *** percentage points during the POI, decreasing from *** percent in 2021 to *** percent in 2022, and then increasing to *** percent in 2023.[284] The industry's net income declined from $*** in 2021 to $*** in 2022 to $*** in 2023.[285] The industry's net income margin declined from *** percent in 2021 to *** percent in 2022 and *** percent in 2023.[286] The industry's net assets increased by *** percent during the POI, rising from $*** in 2021 to $*** in 2022 and $*** in 2023.[287] The industry's return on assets declined from *** percent in 2021 to *** percent in 2022, and then increased to *** percent in 2023.[288]

The domestic industry's capital expenditures declined by *** percent during the POI, falling from $*** in 2021 to $*** in 2022 and $*** in 2023.[289] No responding U.S. producers reported research and development expenses during the POI.[290]

We find that cumulated subject imports led to the domestic industry's declining financial performance during the POI. The significant volume of cumulated subject imports that undersold the domestic like product to a significant degree during the POI took market share

[280] CR/PR at Tables IV-5, C-1.

[281] CR/PR at Tables VI-1, C-1.

[282] CR/PR at Tables VI-1, C-1.

[283] CR/PR at Tables VI-1, C-1.

[284] CR/PR at Tables VI-1, C-1.

[285] CR/PR at Tables VI-1, C-1.

[286] CR/PR at Tables VI-1, C-1.

[287] CR/PR at Tables VI-7, C-1.

[288] CR/PR at Table VI-8. Alliance Respondents allege that the domestic industry ***. Alliance Respondents' Prehearing Brief at 77-79. However, the questionnaire data submitted by the four responding domestic producers with respect to production of paper shopping bags and out-of-scope paper bags were carefully reviewed, and we find that each of these firms had reported their financial data on the basis of generally accepted accounting principles. CR/PR at VI-1 to V-2, VI-3, VI-14 n.15. Moreover, domestic producer Novolex was verified to ***. The verification report concluded that ***. Commission Verification Report, April 2, 2024 (EDIS Document No. 817967). Thus, we have found no support for Alliance Respondents' allegations and thus no basis to revise the domestic industry's financial data.

[289] CR/PR at Tables VI-6, C-1. The *** capital expenditures reported in 2021 reflect ***. *Id.* at VI-19, Table VI-6.

[290] CR/PR at VI-19.

from the domestic industry in 2022, and suppressed prices for the domestic like product during the POI to a significant degree.[291] Thus, the domestic industry was unable to increase its prices sufficiently to cover its increasing costs, including its raw material costs and its direct labor costs, leading to declines in its financial indicators, including a *** percent decline in its gross profit, a *** percent decline in its operating income, and a *** percentage point decline in its operating ratio, as well as a decline in its net income from $*** in 2021 to $*** in 2023.[292] [293] Moreover, all four producers in the domestic industry identified specific negative effects from subject imports on their investments and growth and development efforts.[294]

Alliance Respondents argue that any injury to the domestic industry was not caused by subject imports, contending that there is attenuated competition between the domestic industry and cumulated subject imports. They contend that the questionnaire data that the Commission collected about different product characteristics of paper shopping bags support their argument of attenuated competition.[295] Moreover, a number of Alliance witnesses (and other respondent witnesses) testified at the hearing that the products that they import are higher-value custom products, which are not produced by or not available from the domestic industry.[296]

However, the data collected by the Commission regarding specific product characteristics show substantial overlap and similarity between cumulated subject imports and the domestic industry with respect to these characteristics, indicating that the domestic like product and subject imports compete head-to-head for sales in the U.S. market. Majorities of U.S. shipments of paper shopping bags in 2023 by both the domestic industry (*** percent) and

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[291] As noted above, Commissioner Schmidtlein finds that the significant underselling by cumulated subject imports also depressed prices for the domestic like product in 2023.

[292] CR/PR at Tables VI-1, C-1. Between 2022 and 2023, many of the domestic industry's financial indicators improved, and the domestic industry also gained market share as cumulated subject imports lost market share. Nonetheless, these financial indicators remained lower in 2023 than in 2021. *Id.* Further, the market share of nonsubject imports declined more (*** percentage points) than the share of cumulated subject imports (*** percentage points) in 2023, indicating that most of the domestic industry's market share gains were at the expense of nonsubject imports. *Id.*

[293] Commissioner Kearns finds that cumulated subject imports' market share remained elevated throughout the 2021-2023 POI, even when considering the decrease in their market share between 2022 and 2023. Cumulated subject imports accounted for the largest source of paper shopping bags in the U.S. market each year between 2021 and 2023. CR/PR at Table C-1. The Commission's preliminary determinations provide further context that these shares represent elevated levels, as the Commission found that cumulated subject imports' market share increased from *** percent in 2020 to *** percent in 2021. Confidential Preliminary Determinations at 38 (EDIS Document No. 800828).

[294] CR/PR at Tables VI-11, VI-12.

[295] Hearing Tr. at 216-217 (Hartmann).

[296] *See, e.g.,* Hearing Tr. at 158 (Straitman), 164 (Hirt), 173-174 (Summerfield), 175-176 (Weinstein).

cumulated subject imports (*** percent) were bags with twisted paper handles.[297] Similarly, substantial percentages of U.S. shipments of paper shopping bags in 2023 by both the domestic industry (*** percent) and cumulated subject imports (*** percent) were bags with 1-2 colors.[298] Additionally, substantial majorities of U.S. shipments of paper shopping bags in 2023 by both the domestic industry (*** percent) and cumulated subject imports (*** percent) were bags with a basis weight of 101-200 GSM.[299] Furthermore, although a higher portion of U.S. shipments of paper shopping bags in 2023 by the domestic industry (*** percent) were bags with kraft/brown paper, a substantial portion of U.S. shipments of cumulated subject imports (*** percent) were also bags with kraft/brown paper.[300] Similarly, majorities of U.S. shipments of paper shopping bags in 2023 by both the domestic industry (*** percent) and cumulated subject imports (*** percent) were bags with recycled content of 40 percent or more.[301]

Alliance Respondents nevertheless argue that attenuated competition is shown by particular custom features of some subject paper shopping bags that they contend the domestic industry cannot produce, including handles other than paper-twist handles, heavy weights of paper, complex printing, and recycled content.[302] They cite as examples paper shopping bags with four-knot handles and J-slit handles that they characterize as high-end products offered by subject imports but not by the domestic industry.[303] However, the record indicates that paper shopping bags with these kinds of handles account for a very small part of the U.S. market, with four-knot handles accounting for *** percent of U.S. shipments of paper shopping bags in 2023, and J-slit handles accounting for *** percent.[304] Similarly, while Alliance Respondents contend that subject imports offer heavier basis weights of over 200 GSM that the domestic industry ***,[305] the record indicates that the share of the U.S. market accounted for paper shopping bags with a basis weight over 200 GSM was only *** percent.[306] Furthermore, while Alliance Respondents contend that the domestic industry is generally unwilling to run more than 1 or 2 color printing,[307] the record shows that a substantial share (*** percent) of U.S. shipments of the domestic like product in 2023 was of 3-4 color bags, and that the domestic industry accounted for a larger share (*** percent) of 3-4 color bags in 2023 in the U.S. market than did cumulated subject imports (*** percent).[308] Similarly, with respect to 5-8

[297] CR/PR at Table IV-18.
[298] CR/PR at Table IV-19.
[299] CR/PR at Table IV-20.
[300] CR/PR at Table IV-21.
[301] CR/PR at Table IV-22.
[302] Alliance Respondents' Prehearing Brief at 29-36.
[303] Alliance Respondents' Prehearing Brief at 30-31.
[304] CR/PR at Table IV-18.
[305] Alliance Respondents' Prehearing Brief at 32-33.
[306] CR/PR at Table IV-20.
[307] Alliance Respondents' Prehearing Brief at 34.
[308] CR/PR at Table IV-19.

color print bags, the domestic industry accounted for a much larger share (*** percent) of such bags in the U.S. market in 2023 than did cumulated subject imports (*** percent).[309] Finally, while Alliance Respondents fault the domestic industry with respect to production of paper shopping bags with recycled content, the record indicates that a much larger percentage (*** percent) of U.S. shipments of the domestic like product in 2023 consisted of bags with recycled content of 40 percent or more, than that of U.S. shipments by cumulated subject imports (*** percent).[310] Thus, the specific examples presented by Alliance Respondents are either products accounting for very small shares of the U.S. market,[311] or products with features unquestionably provided by the domestic industry and sold in head-to-head competition with cumulated subject imports.

Alliance Respondents seek to support their arguments regarding limited competitive overlap by contending that the percentage of U.S. shipments of cumulated subject imports in 2023 produced on sheet-fed machines provides a good estimate, even if inexact, of the percentage of cumulated subject imports that are custom products not produced by the domestic industry.[312] However, the record is far from clear to what extent the subject paper shopping bags produced on sheet-fed machinery are in fact custom products that are different from products produced by the domestic industry, and Alliance Respondents acknowledge that "lower-end" bags can be produced on sheet-fed machinery.[313] Accordingly, we decline to use the percentage of subject imports produced on sheet-fed machinery as an estimate of the percentage of cumulated subject imports that are custom products that do not compete with the domestic like product.

Furthermore, Alliance Respondents' contention that subject imports are predominantly custom products of much higher value than domestically produced paper shopping bags is inconsistent with the substantial underselling of the domestic like product by cumulated subject imports that we have found in section VI.D above. Under those circumstances described by Alliance Respondents, we would normally have expected to see subject imports representing the higher-end of items meeting the pricing product definitions and therefore

[309] CR/PR at Table IV-19.

[310] CR/PR at Table IV-22.

[311] Petitioner contends that the witnesses for all respondents that testified at the hearing collectively account for *** percent of the volume of subject imports during the POI, and that the AUV of their U.S. shipments was *** than the average for all other importers. Petitioner's Posthearing Brief at 12 and Exh. 3.

[312] Hearing Tr. at 217, 219 (Hartmann); Alliance Respondents' Prehearing Brief at 14; Alliance Respondents' Posthearing Brief, Response to Commission Questions, at 15. The percentage of U.S. shipments of cumulated subject imports from sheet-fed machines increased over the POI from *** percent in 2021 to *** percent in 2023. CR/PR at Table IV-4. By contrast, the percentage of U.S. shipments of the domestic like product produced on sheet-fed machines was *** percent. *Id.* at Table II-8.

[313] Alliance Respondents' Posthearing Brief, Response to Commission Questions, at 15.

selling at a premium and overselling the supposedly lower-valued domestic like product, but, as noted, we have found that the underselling of the domestic like product by cumulated subject imports by volume was 76.6 percent during the POI.[314]

Moreover, the responses of purchasers do not support the argument that all or most subject imports are high-end custom products that are superior to domestically produced paper shopping bags in customization, product quality, print quality, product range, and product consistency. To the contrary, majorities of responding purchasers reported that the domestic like product was "comparable" or "superior" in "customization" and "quality exceeds industry standards" to subject imports from all nine subject countries, and was "comparable" or "superior" in "product range," "print quality," "quality meets industry standards," and "product consistency" to subject imports from eight of the nine subject countries.[315]

The record, including respondent witnesses' testimony at the hearing, shows that some imported paper shopping bags have certain custom features largely unavailable from the domestic industry. However, we find that products with such features do not account for a substantial share of the U.S. market. Rather, the record shows that the majority of cumulated subject imports are products that compete directly with the domestic like product for sales in the U.S. market. Accordingly, we find that subject imports of high-end custom paper shopping bags do not attenuate competition between cumulated subject imports and the domestic like product in the U.S. market.

We have also considered other factors to ensure that we are not attributing injury from such factors to cumulated subject imports. Alliance Respondents argue that any injury to the domestic industry was caused by the industry's supply constraints during the first half of the POI, which allegedly prevented it from supplying the increased demand in the U.S. market,[316] and by declining demand in the second half of the POI.[317] We acknowledge that the domestic industry had supply constraints during the POI, particularly in 2021, and at times was unable to supply customers with product.[318] Although purchasers reported more supply constraints on the part of the domestic industry than of subject imports, it is unquestionable that subject

[314] CR/PR at Table V-14.

[315] CR/PR at Table II-14. The 20 purchasers that reported on the comparability of the domestic like product and subject imports from China were equally divided between characterizing paper shopping bags from both sources to be "comparable" with respect to "product range" and characterizing the domestic like product as "inferior" to subject imports from China with respect to these factors. The two purchasers that reported on the comparability of the domestic like product and subject imports from Portugal were equally divided between characterizing paper shopping bags from both sources to be "comparable" with respect to "print quality," "quality meets industry standards," and "product consistency," and characterizing the domestic like product as "inferior" to subject imports from Portugal with respect to these factors. *Id.*

[316] Alliance Respondents' Posthearing Brief at 4-5, 12.

[317] Alliance Respondents' Posthearing Brief at 12-13.

[318] CR/PR at II-15 to II-16, Table II-6.

producers of paper shopping bags also experienced supply constraints during the POI.[319] As previously noted in section VI.B.2 above, Novolex has described in detail the temporary limitations it imposed during the pandemic in order to maximize its overall production of paper shopping bags, which nevertheless made certain products less available to its customers for a short period of time.[320] However, the record indicates that purchasers reported that the domestic industry's supply constraints steadily declined after 2021.[321] Similarly, the domestic industry's reported lead times for produced to order bags declined significantly between 2021 and 2023, from an average of *** days in 2021 to *** days in 2022 and *** days in 2023, and these lead times remained below those of subject importers throughout the POI.[322] Moreover, the domestic industry's MOQs also declined after 2021; its MOQs (on a weighted average basis) for standard sized bags with custom printing declined from *** bags in 2021 to *** bags in 2022, and then increased to *** bags in 2023.[323]

We further find that the domestic industry's supply constraints, most of which were in 2021, do not explain the large volumes of low-priced cumulated subject imports throughout the POI that significantly undersold the domestic like product and suppressed the domestic industry's prices, preventing it from raising its prices to fully cover its increasing costs. The significant underselling by subject imports is inconsistent with Alliance Respondents' contention that subject imports entered the market in such quantities only because of domestic industry supply problems, which normally would have been expected to lead to higher prices by subject imports and overselling at a time of supply shortages. Furthermore, the domestic industry achieved its highest level of production and U.S. shipments during the POI in 2021, during a year in which the industry experienced some supply constraints, but its production, capacity utilization, and U.S. shipments were all lower in 2022 and 2023 than in 2021 despite the reduction in supply constraints, indicating that those supply constraints cannot explain the deterioration in the industry's performance in 2022 and 2023. Moreover, any domestic industry supply constraints substantially declined in 2022, but subject import volume and market share increased to reach their POI peaks in 2022, and subject import underselling likewise reached its peak in 2022.[324]

Moreover, purchasers' responses to the Commission's questionnaire do not support respondents' contentions that purchasers turned to subject imports because of problems with

[319] CR/PR at II-16, II-17, Figure II-2.

[320] CR/PR at II-8 n.8, II-16; Hearing Tr. at 95 (Burnett); 99-100 (Frantz); Conference Tr. at 79 (Shah); 79-80 (Frantz); 80-81, 88, 120-121 (Burnett).

[321] CR/PR at II-15, II-16; Hearing Tr. at 95 (Burnett); Conference Tr. at 79 (Shah); 88 (Burnett).

[322] CR/PR at Table II-11. Subject importers reported lead times for produced to order bags were *** days in 2021, *** days in 2022, and *** days in 2023. Id.

[323] CR/PR at Table II-5. On a simple average basis, the domestic industry's MOQs for standard sized bags with custom printing declined from *** bags in 2021 to *** bags in 2022 and 2023. *Id.*

[324] CR/PR at Tables V-14, C-1.

product availability or reliability of supply from the domestic industry, or high domestic industry MOQs or lead times. To the contrary, majorities of responding purchasers reported that the domestic like product was "comparable" or "superior" in "availability" and "lead times" to subject imports from all nine subject countries, and was "comparable" or "superior" in "reliability of supply" and "minimum quantity requirements" to subject imports from eight of the nine subject countries.[325] Accordingly, we find that domestic industry supply constraints do not explain the injury that we have found to the domestic industry caused by significant volumes of low-priced imports that significantly undersold the domestic like product and suppressed the domestic industry's prices to a significant degree.

We are also unpersuaded by Alliance Respondents' argument that a decline in U.S. demand in the second half of the POI explains the extent of injury to the domestic industry in that period. As previously noted, majorities of responding U.S. producers, importers, and purchasers reported that U.S. demand increased over the POI.[326] Moreover, while apparent U.S. consumption declined over the POI, this decline was minimal between 2021 and 2022 (*** percentage points), which is when subject import underselling peaked, the domestic industry's COGS to net sales ratio increased by *** percentage points, and subject import market share increased by *** percentage points.[327] Further, apparent U.S. consumption remained substantially higher in each year of the POI than it had been in 2020 just before the POI.[328] Further, while the domestic industry's production and U.S. shipments declined over the POI along with apparent U.S. consumption, the decline in apparent U.S. consumption does not explain the domestic industry's deteriorating financial performance caused by its failure to raise prices sufficiently to cover its rising costs in the face of lower priced subject imports, as discussed in section VI.D above. Thus, we do not find that demand conditions provide an alternative explanation for the injury suffered by the domestic industry during the POI.

We have also considered the role of nonsubject imports, which had a substantial but declining presence in the U.S. market during the POI. The market share of nonsubject import

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[325] CR/PR at Table II-14. With respect to "reliability of supply," and "minimum quantity requirements," the two purchasers providing comparisons between the domestic like product and subject imports from Portugal were divided as to whether the domestic like product was "comparable" or "inferior" to subject imports from Portugal with respect to these factors. *Id.*

[326] CR/PR at Table II-7.

[327] CR/PR at Table C-1. This increase in cumulated subject imports' market share between 2021 and 2022 was also at the expense of the domestic industry, which lost *** percentage points of market share over this period. *Id.*

[328] Apparent U.S. consumption of paper shopping bags was *** pounds in 2021, *** pounds in 2022, and *** pounds in 2023. CR/PR at Tables IV-25, C-1. In the preliminary determinations, the Commission found that apparent U.S. consumption was *** pounds in 2020. Confidential Preliminary Determinations at 38 (EDIS Document No. 800828).

declined from *** percent in 2021 to *** percent in 2022 and *** percent in 2023.[329] Thus, the declining volume and market share of nonsubject imports do not explain the injury to the domestic industry that we have attributed to cumulated subject imports, including the adverse effects on domestic prices.

VII. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of subject imports of paper shopping bags from Turkey that are sold in the United States at less than fair value.

[329] CR/PR at Tables IV-25, C-1. Nonsubject imports declined in volume by *** percent over the POI. *Id*. at Table C-1.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by the Coalition for Fair Trade in Shopping Bags, a coalition whose members include Novolex Holdings, LLC ("Novolex"), Charlotte, North Carolina, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("United Steelworkers"), Pittsburgh, Pennsylvania on May 31, 2023, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of paper shopping bags ("PSBs")[1] from China and India, and less-than-fair-value ("LTFV") imports of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam.[2] [3]

Table I-1
PSBs: Information relating to the background and schedule of this proceeding

Effective date	Action
May 31, 2023	Petitions filed with Commerce and the Commission; institution of the Commission investigations (88 FR 37097, June 6, 2023)
June 20, 2023	Commerce's CVD notice of initiation (88 FR 41380, June 26, 2023); Commerce's AD notice of initiation (88 FR 41589, June 27, 2023)
July 17, 2023	Commission's preliminary determinations (88 FR 46809, July 20, 2023)
November 6, 2023	Commerce's preliminary CVD determinations (88 FR 76180 and 88 FR 76185, November 6, 2023)
January 3, 2024	Commerce's preliminary AD determinations (89 FR 319, 89 FR 321, 89 FR 325, 89 FR 331, 89 FR 333, 89 FR 336, 89 FR 339, 89 FR 341, and 89 FR 344, January 3, 2024); scheduling of final phase of Commission investigations (89 FR 3424, January 3, 2024)
March 14, 2024	Commission's hearing
March 18, 2024	Commerce's final AD determination regarding Turkey (89 FR 19295, March 18, 2024)
April 16, 2024	Commission's vote (Turkey AD)
May 2, 2024	Commission's views (Turkey AD)

[1] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding.
[2] Pertinent Federal Register notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).
[3] Appendix B presents the witnesses who appeared at the Commission's hearing.

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.*

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

> *In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.*

[4] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part I of this report presents information on the subject merchandise, subsidy/dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

The leading U.S. producers of PSBs are Novolex and ProAmpac LLC ("ProAmpac"), while leading producers of PSBs outside the United States include Finieco - Indústria e Comércio de Embalagem SA ("Finieco") of Portugal, UUPAK Company Limited ("UUPAK (China)") of China, and Oztas Ambalaj San. ve Tic. A.S. ("Oztas Ambalaj") of Turkey. The leading U.S. importers of PSBs from subject sources are Pan Pacific Plastics Manufacturing, Inc. ("Pan Pacific"), Dollar Tree Stores, Inc. ("Dollar Tree", and Walmart, Inc. ("Walmart"). Leading importers of PSBs from nonsubject sources include Novolex, Target Corporation ("Target"), and Vivabox Solutions LLC ("Vivabox"). U.S. purchasers of PSBs include distributors, retailers, and restaurant end users; leading purchasers include ***, ***, and ***.

[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

Apparent U.S. consumption of PSBs totaled approximately *** pounds ($***) in 2023. U.S. producers' U.S. shipments of PSBs totaled *** pounds ($***) in 2023, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from subject sources totaled *** pounds ($***) in 2023 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled *** pounds ($***) in 2023 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of four firms that accounted for the vast majority of U.S. production of PSBs during 2023.[6] U.S. imports are based on official import statistics and the questionnaire responses of 48 firms.[7]

Previous and related investigations

PSBs have not been the subject of any prior countervailing or antidumping duty investigations in the United States.

[6] Hearing transcript, p. 157 (Straitman). Petition, Volume I, pp. 4 and 15-16.

[7] Official U.S. import statistics were adjusted (1) to remove out-of-scope imports imported under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040 as reported by U.S. importers in response to Commission questionnaires, (2) to remove merchandise certified as out-of-scope by virtue of a "No" questionnaire response to Commission questionnaires using proprietary, Census-edited Customs import records, and (3) to identify the portion of official U.S. import statistics from Taiwan that are nonsubject imports based on Commerce's preliminary antidumping duty determination using data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series and import value data are based on landed-duty paid values.

Nature and extent of subsidies and sales at LTFV

Subsidies

On November 6, 2023, Commerce published notices in the Federal Register of its preliminary determinations of countervailable subsidies for producers and exporters of PSBs from China and India.[8] Table I-2 and table I-3 present Commerce's preliminary findings of subsidization of PSBs from China and India.

Table I-2
PSBs: Commerce's preliminary countervailing duty determination with respect to imports from China[9]

Entity	Preliminary countervailable subsidy rate (percent)
Dongzheng Paperbag (DaLian) Factory	12.43
Fujian Nanwang Environment Protection Scien-Tech Co., Ltd.	13.96
Non-responsive companies	144.03
All others	13.84

Source: 88 FR 76180, November 6, 2023.

Note: For further information on programs preliminarily determined to be countervailable, see Commerce's associated Issues and Decision Memorandum.

Table I-3
PSBs: Commerce's preliminary countervailing duty determination with respect to imports from India

Entity	Preliminary countervailable subsidy rate (percent)
Aero Plast Packaging Solutions Private Limited	5.00
Velvin Paper Products	2.37
All others	3.47

Source: 88 FR 76185, November 6, 2023.

Note: For further information on programs preliminarily determined to be countervailable, see Commerce's associated Issues and Decision Memorandum.

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[8] 88 FR 76180 and 88 FR 76185, November 6, 2023.

[9] The non-responsive companies are: (1) Bagitan Packaging; (2) Changzhou Anjucheng; (3) Courage Packaging; (4) Evertrust Packaging; (5) Geotegrity EcoPack; (6) GrandIntelligent; (7) Li & Fung; (8) Qindao Chenyu Packaging Co., Ltd.; (9) Shanghai Macolink Supply Chain Management Co., Ltd.; (10) Shanghai Sanxi Paper Co., Ltd.; (11) Xiamen C&D Pulp & Paper Co., Ltd.; (12) Xiamen Champion FMCG; (13) Xiamen New Idea Packaging Co., Ltd.; and (14) Xiamen Wonderful Bag Import and Export Co., Ltd. 88 FR 76185, November 6, 2023.

Sales at LTFV

On January 3, 2024, Commerce published notices in the Federal Register of its preliminary determinations of sales at LTFV with respect to imports from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam.[10] Tables I-4 through I-10, and table I-12 present Commerce's preliminary dumping margins with respect to imports of product from each source except Turkey. On March 18, 2024, Commerce published a notice in the Federal Register of its final determination of sales at LTFV with respect to imports from Turkey. Table I-11 presents Commerce's final dumping margins with respect to imports of PSBs from Turkey.

Table I-4
PSBs: Commerce's preliminary weighted-average LTFV margins with respect to imports from Cambodia

Exporter	Producer	Preliminary dumping margin (percent)
Nice Packaging (Cambodia) Co., Ltd.	Nice Packaging (Cambodia) Co., Ltd.	10.05
UUPak Company Limited	UUPak Company Limited	10.05
Pan Pacific Plastics Manufacturing, Inc.	Pan Pacific Plastics Manufacturing, Inc.	248.81
All others		10.05

Source: 89 FR 325, January 3, 2024.

[10] 89 FR 319, 89 FR 321, 89 FR 325, 89 FR 331, 89 FR 333, 89 FR 336, 89 FR 339, 89 FR 341, and 89 FR 344, January 3, 2024.

Table I-5
PSBs: Commerce's preliminary weighted-average LTFV margins with respect to imports from China[11]

Exporter	Producer	Preliminary dumping margin (percent)
Dongzheng Paperbag (DaLian) Factory	Dongzheng Paperbag (DaLian) Factory	59.41
UUPAK Co., Ltd	Tianjin Haishun Printing & Packing Co., Ltd	24.15
Separate-rate companies		40.55
China-wide Entity		146.32

Source: 89 FR 344, January 3, 2024.

Table I-6
PSBs: Commerce's preliminary weighted-average LTFV margins with respect to imports from Colombia

Exporter	Producer	Preliminary dumping margin (percent)
Ditar, S.A	Ditar, S.A	9.48
Industria Colombiana de Papeles	Industria Colombiana de Papeles	56.14
Fábrica de Bolsas de Papel	Fábrica de Bolsas de Papel	56.14
All others		9.48

Source: 89 FR 319, January 3, 2024.

[11] Separate-rate companies include: Fujian Eco Packaging Co., Ltd.; Fujian Nanwang Environment Protection Scien-tech Co., Ltd. (Fujian Nanwang); Grand Intelligent Limited; Max Fortune Industrial Ltd.; Ningbo Beiheng Import & Export Company Limited; Shanghai Miho Package & Product Co., Ltd.; Union Packaging Group Limited; Wuxi Hualite Metal Plastic Products Co., Ltd.; Xiamen Bag Imp. & Exp. Co., Ltd.; Xiamen Huide Xiesheng Packaging Co., Ltd.; Xiamen Jihong Technology Co., Ltd.; Xiamen Joy Supply Chain Co., Ltd.; and Xiamen Nice Packaging Products Co., Ltd. 89 FR 344, January 3, 2024. See Commerce's Preliminary Issues and Decision Memo for China.

Table I-7
PSBs: Commerce's preliminary weighted-average LTFV margins with respect to imports from India[12]

Exporter	Producer	Preliminary dumping margin (percent)
Aero Plast Packaging Solutions Private Limited; Aeroplast Limited; Aero Business Solutions Private Limited	Aero Plast Packaging Solutions Private Limited; Aeroplast Limited; Aero Business Solutions Private Limited	0.00
Apex Paper and Plastic and Film	Apex Paper and Plastic and Film	57.87
Asha Overseas	Asha Overseas	57.87
Godhani Exports	Godhani Exports	57.87
Pack Easy Paper Products	Pack Easy Paper Products	57.87
Other individually examined companies		10.64
All others		10.64

Source: 89 FR 336, January 3, 2024.

Table I-8
PSBs: Commerce's preliminary weighted-average LTFV margins with respect to imports from Malaysia

Exporter	Producer	Preliminary dumping margin (percent)
Hexachase Packaging Sdn. Bhd	Hexachase Packaging Sdn. Bhd	3.10
Nanwang Pack (M) Sdn. Bhd	Nanwang Pack (M) Sdn. Bhd	67.94
Kooka Paper Manufacturing Sdn. Bhd	Kooka Paper Manufacturing Sdn. Bhd	112.22
All others		35.52

Source: 89 FR 333, January 3, 2024.

[12] Other individually examined companies include: Kuloday Plastomers Pvt Ltd, Adeera Packaging Pvt. Ltd, Amate Products Pvt Ltd, Archies Limited, Carrywell Packaging Pvt Ltd, Colorbox, Dynaflex Private Limited, Pack Planet Pvt Ltd, Poonam, Shriniwas Enterprises, Tejaswi Plastic Pvt Ltd, The Velvin Group (DBA Velvin Packaging Solutions Pvt. Ltd. and Velvin Paper Products), and Vama Packaging. 89 FR 336, January 3, 2024.

Table I-9
PSBs: Commerce's preliminary weighted-average LTFV margins with respect to imports from Portugal

Exporter	Producer	Preliminary dumping margin (percent)
Finieco Indústria e Comércio de Embalagens, SA	Finieco Indústria e Comércio de Embalagens, SA	11.33
All others		11.33

Source: 89 FR 341, January 3, 2024.

Table I-10
PSBs: Commerce's preliminary weighted-average LTFV margins with respect to imports from Taiwan

Exporter	Producer	Preliminary dumping margin (percent)
Haurtyi Paper Bag Co	Haurtyi Paper Bag Co	0.00
Juang Jia Guoo Co., Ltd	Juang Jia Guoo Co., Ltd	60.26
All others		30.13

Source: 89 FR 331, January 3, 2024.

Table I-11
PSBs: Commerce's final weighted-average LTFV margins with respect to imports from Turkey[13]

Exporter or Producer	Final dumping margin (percent)
Individually examined companies	47.56
All others	26.32

Source: 89 FR 19295, March 18, 2024.

[13] Individually examined companies include: Artpack Kagit Ambalaj Anonim Sirketi, Oztas Ambalaj Sanayi ve Ticaret A.S, Babet Kagitsilik, Bati Kraft Torba Ambalaj, BFT Packaging, Cicupack Ambalaj, Ekopack Kagit Ambalaj, Elhadefler A.S, Esda Pack Ambalaj, Haypack Ambalaj, Jefira Global Dis, Kahramanmaraş Kağıt Sanayi ve Ticaret Anonim Şirketi, Multi Kraft Ambalaj, Rad Tekstil, Suleyman Tabak Kagitcilik, Sunvision Tekstil, Umur Basim, and Yildez Paper Bag Ambalaj Pazarlama. 89 FR 19295, March 18, 2024.

Table I-12
PSBs: Commerce's preliminary weighted-average LTFV margins with respect to imports from Vietnam

Exporter	Producer	Preliminary dumping margin (percent)
Goldsun Packaging and Printing Joint Stock Company	Goldsun Packaging and Printing Joint Stock Company	51.25
Dong Sung Vina Printing Co., Ltd	Dong Sung Printing Co., Ltd	51.25
Khang Thanh Manufacturing Company Limited	Khang Thanh Manufacturing Company Limited	51.25
Vietnam Red Star Industry Company Limited	Vietnam Red Star Industry Company Limited	51.25
Vietnam-Wide Entity		92.34

Source: 89 FR 321, January 3, 2024.

The subject merchandise

Commerce’s scope

In the current proceeding, Commerce has defined the scope as follows:[14]

> *The products within the scope of these investigations are paper shopping bags with handles of any type, regardless of whether there is any printing, regardless of how the top edges are finished (e.g., folded, serrated, or otherwise finished), regardless of color, and regardless of whether the top edges contain adhesive or other material for sealing closed. Subject paper shopping bags have a width of at least 4.5 inches and depth of at least 2.5 inches.*
>
> *Paper shopping bags typically are made of kraft paper but can be made from any type of cellulose fiber, paperboard, or pressboard with a basis weight less than 300 grams per square meter (GSM).*
>
> *A non-exhaustive illustrative list of the types of handles on shopping bags covered by the scope include handles made from any materials such as twisted paper, flat paper, yarn, ribbon, rope, string, or plastic, as well as die-cut handles (whether the punchout is fully removed or partially attached as a flap).*
>
> *Excluded from the scope are:*
>
> *• Paper sacks or bags that are of a 1⁄6 or 1⁄7 barrel size (i.e., 11.5-12.5 inches in width, 6.5-7.5 inches in depth, and 13.5-17.5 inches in height) with flat paper handles or die-cut handles;*
>
> *• Paper sacks or bags with die-cut handles, a grams per square meter paper weight of less than 86 GSM, and a height of less than 11.5 inches; and*
>
> *• Paper sacks or bags (i) with non-paper handles made wholly of woven ribbon or other similar woven fabric[15] and (ii) that are finished with folded tops or for which tied knots or t-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags.*
>
> *The above-referenced dimensions are provided for paper bags in the opened position. The height of the bag is the distance from the bottom fold edge to the top edge (i.e., excluding the height of handles that extend above the top edge). The depth of the bag is the distance from the front*

[14] Commerce did not make any changes to the scope of the investigation from the scope published in its Preliminary Determination. 89 FR 19295, March 18, 2024.

[15] Paper sacks or bags with handles made of braided or twisted materials, such as rope or cord, do not qualify for this exclusion. 89 FR 19295, March 18, 2024.

of the bag edge to the back of the bag edge (typically measured at the bottom of the bag). The width of the bag is measured from the left to the right edges of the front and back panels (upon which the handles typically are located).

Tariff treatment

Harmonized Tariff Schedule of the United States ("HTS") subheading 4819.30.00 covers paper sacks and bags, having a base of a width of 40 cm or more and subheading 4819.40.00 covers other paper sacks and bags, including cones. PSBs, specifically, are currently imported under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040.[16] The general rate of duty is "free" for subheadings 4819.30.00 and 4819.40.00.[17] Products described in HTS subheadings 4819.30.00 and 4819.40.00 (including statistical reporting numbers 4819.30.0040 and 4819.40.0040), originating in China are subject to an additional 25 percent ad valorem duty under Section 301 of the Trade Act of 1974.[18] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

[16] These subheadings each include products that are outside the scope of these investigations.

[17] See HTS (2023) Revision 9, Publication 5445, June 2023, p. 48-23.

[18] The U.S. Trade Representative imposed the tariffs under Section 301 of the Trade Act of 1974 after determining that certain acts, policies, and practices of China are unreasonable or discriminatory and burden or restrict U.S. commerce. 82 FR 40213, August 24, 2017, and 83 FR 14906, April 6, 2018. The products included in the third enumeration ("Tranche 3") of goods produced in China are subject to additional Section 301 duties. Tranche 3 tariffs with a duty rate of 10 percent were put in place September 24, 2018 (83 FR 47974, September 21, 2018). On May 10, 2019, tranche 3 tariffs were increased to 25 percent ad valorem (84 FR 20459, May 9, 2019). If a Tranche 3 good was exported from China to the United States prior to May 10, 2019, and entered the United States prior to June 1, 2019, it was not subject to the escalated 25 percent duty (84 FR 21892, May 15, 2019). See HTS heading 9903.88.03 and U.S. notes 20 (e) and (f) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2023) Revision 9, Publication 5445, June 2023, pp. 99-III-27, 99-III-28, 99-III-41.

The product[19]

Description and applications

PSBs are bags made from paper with handles of any type. They are commonly used by commercial establishments as shopping carrier bags (to carry retail purchases) and delivery bags or take-away bags by restaurants. Other types of paper bags can include grocery bags, self-opening sacks (commonly referred to as "SOS" bags), merchandise bags,[20] and industrial bags.[21]

PSBs are typically made from kraft paper[22] but can be made from any paper that has been processed from cellulose fiber.[23] The paper can be made with virgin fiber, recycled fiber, or some combination of the two, to meet customers' requirements. Typically, the kraft paper is brown or white and the PSBs can be brown, white, or colored. It can either be unprinted or printed with a design.

PSBs are typically rectangular in shape and have a flat bottom. As reflected in the scope, PSBs have several dimensions. The height of the bag is the distance from the bottom fold edge to the top edge (i.e., excluding the height of handles that extend above the top edge). The depth of the bag is the distance from the front of the bag edge to the back of the bag edge (typically measured at the bottom of the bag). The width of the bag is measured from the left to

[19] Unless otherwise noted, the information in this section is based on Petition, Vol. I, pp. 7-8 and 11-14, Response of Petitioner to Volume I Supplemental Questionnaire, pp. 2-6, and Exhibit I-S5, Petitioner postconference brief, pp. 7-27 and Exhibit 1, p. 19 and Exhibit 8, pp. 1-24, and 89 FR 3424, January 18, 2024. The universe of PSBs is extensive and the discussion provided is not exhaustive.

[20] SOS and merchandise bags are typically made with lighter paper than PSBs. SOS bags are typically used by retailers to package lighter-weight merchandise or food purchases. Merchandise bags are typically used for items such as liquor or bread.

[21] Industrial bags are typically multi-wall (made from two or more plies of paper) in design to increase strength and resistance to tears. Some industrial paper bags also have a barrier coating made with plastic. They are typically larger than PSBs, grocery bags, and SOS bags. Industrial bags do not have paper handles and are generally used to store and transport heavy, bulk items like cement, pet food, fertilizer, chemicals, building materials, and yard waste.

[22] Kraft paper and paperboard mean paper and paperboard of which not less than 80 percent by weight of the total fiber content consists of fibers obtained by the chemical sulfate or soda processes. USITC, HTSUS Revision 8, Publication 5442, June 2023, p. 48-2.

Kraft paper is made with a particular wood pulp manufacturing process to ensure durability. PaperIndex Academy, (n.d.), "Kraft Paper Primer," https://www.paperindex.com/academy/paper-grades/kraft-paper-primer, accessed June 12, 2023.

[23] Novolex ***, but it also uses ***, and sometimes uses *** to produce PSBs.

the right edges of the front and back panels (upon which the handles typically are located). PSBs typically have gussets, which are indented folds on the left and right sides or bottom of the bag to allow it to ship flat and expand to full capacity when opened.[24]

Figure I-1
Kraft paper shopping bag

Source: Uline, https://www.uline.com/Product/Detail/S-7260/Paper-Shopping-Bags/Kraft-Paper-Shopping-Bags-10-x-5-x-13-Debbie, retrieved February 8, 2024.

The top edge of a PSB can be serrated, folded down to make a smooth edge, or otherwise finished. PSBs that can be sealed typically include adhesive strips along the top edge. They can also have fold-over options.

The type of PSB handle varies based on the application and customer preference.[25] A non-exhaustive illustrative list of the types of handles on PSBs covered by the scope include handles made from any materials such as twisted paper, flat paper, yarn, ribbon, rope, string, or plastic, as well as die-cut handles (whether the punchout is fully removed or partially attached as a flap).[26] The handles are commonly attached to the bag with a patch that is glued to the inside of the bag, but handles can be affixed using different means.

Twisted paper handles are made from strips of paper (generally kraft) that are twisted together to become rigid and strong (figure I-2). These handles are generally fixed internally to the bag with a glued paper strip. The twisted paper bends in an arch and makes it easy to grip and affix to the bag with glue using a kraft paper patch.

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[24] The flat bottom permits the bag to stand up for ease of loading.

[25] There are many types of paper bag handles, including those used for PSBs and other types of paper bags. The discussion provided here is not exhaustive.

[26] The scope specifically excludes bags with non-paper handles made wholly of woven ribbon or other similar woven fabric and that are finished with folded tops, or for which tied knots or T-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags.

Figure I-2
Twisted paper bag handles

Source: Novolex DURO® Product Catalog, p. 20, https://novolex.com/duro-product-catalog/, retrieved June 13, 2023.

Flat paper handles are a length of paper folded at the ends and attached (inside and/or outside) to the bag (figure I-3). They are typically used by supermarkets and restaurants. PSBs, however, do not include paper sacks or bags that are of a 1/6 or 1/7 barrel size (i.e., 11.5-12.5 inches in width, 6.5-7.5 inches in depth, and 13.5-17.5 inches in height) with flat paper handles.

Figure I-3
Flat paper handles[27]

Source: Fischer Paper Products Product Catalog, p. 1. https://fischerpaperproducts.com/wp-content/uploads/2023/03/Fischer-Paper-Products-Catalog-2023-3.9.23.pdf; Novolex DURO® Bag Product Catalog, p. 2, http://novolex.com/assets/content/D_CA_0031_1116_DuroProductCatalog_Web.pdf, retrieved June 13, 2023.

Rope and ribbon handles are typically associated with a more elegant aesthetic. They are commonly used for medium to heavyweight bags. Rope used for these handles is usually made of nylon, however some bags are made with handles that are a fabric cord with a paper core. The ribbon handles are typically grosgrain[28] and can be made from cotton, satin, or polyester; however, some ribbon handles are made from paper (figure I-4).

[27] Grocery bags typically have the handles on the outside.
[28] Grosgrain is a firm, close-woven, fine-corded fabric.

Figure I-4
Paper bag with paper ribbon handle

Source: AnnJoy, "Sustainability," https://annjoy.com/sustainability, retrieved June 26, 2023.

A "die-cut" handle is cut into the body of the bag (and is typically patch reinforced), as opposed to being a separate handle attached to the top of the bag (figure I-5).[29] The die-cut punchout may be fully removed or partially attached as a flap.

[29] The scope specifically excludes paper sacks or bags that are of a 1/6 or 1/7 barrel size (*i.e.*, 11.5-12.5 inches in width, 6.5-7.5 inches in depth, and 13.5-17.5 inches in height) with flat paper handles or die-cut handles. The scope also excludes paper sacks or bags with die-cut handles, a grams per square meter paper weight of less than 86 GSM, and a height of less than 11.5 inches.

Figure I-5
Bag with die-cut handle

Source: Novolex DURO® ¾ Die Cut Handle Bags, http://novolex.com/assets/content/D_BR_0212_0417_Duro_3_4_DieCutHandleBags_Brochure.pdf, retrieved June 13, 2023.

Manufacturing processes[30]

As many bags are manufactured based on customer specifications, the manufacturing process may differ somewhat from one type of PSB to another.[31] The machines that make PSBs are variable in that they can be reset to make different size PSBs, but they are generally not used by U.S. producers to manufacture other products.[32]

The manufacturing process for PSB products typically begins either with large diameter paper rolls ("web-fed") or stacks of paper sheets ("sheet-fed"). Reportedly, domestic producers of PSBs primarily use the web-fed process while foreign producers in subject countries primarily use the sheet-fed process.[33]

[30] Unless otherwise noted, the information in this section is based on Petition, Vol. I, pp. 7-8 and 11-1, Response of Petitioner to Volume I Supplemental Questionnaire, pp. 2-6, and Exhibit I-S5, Preliminary Conference Transcripts, pp. 22, 30-33, 47-52, 58, 60, 81, 92, 94, 105-113, 214, Petitioner postconference brief, pp. 7-27 and Exhibit 1, p. 19, Respondent Direct Source Packaging correspondence of October 6, 2023, and 89 FR 3424, January 18, 2024.

[31] The universe of PSBs is extensive, and the discussion provided here is general and not exhaustive.

[32] When bag sizes or printing are changed, the machines are shut down for change-over adjustments. In 2022, Novolex completed ***.

[33] Respondent Direct Source Packaging correspondence of October 6, 2023.

Web-fed PSBs

For web-fed PSBs, a roll of paper, also called a “web,” is fed into the shopping bag making machine. The paper may or may not be preprinted. The paper is guided over a series of rollers where glue is applied to what will be the inside of the bag by two rectangular pads where the handle patches will be affixed. Approximately one-inch perforations are made at the places where the handles will be attached, which will later align with where the bag is cut from the paper roll.

Simultaneously, handles and patches are being made. A serpentine shape of the purchased twisted paper string[34] is made that is sandwiched between layers of the kraft paper patch to be glued to the web.

The long length is separated down the middle to make the left and right handles. These handles are fed into the process on a handle tower on top of the bag machine. The handles and patches are then placed directly over the rectangular areas where the glue has been applied on the web and pressure is applied.

After the handles have been attached, the paper web begins to be formed into a rectangular tube—creating the front of the bag, and the left-side and right-side panels (the gussets). The backside edge is then sealed, completing the rectangular tube.

At this point, there are several feet of formed and connected rectangular tubes that will then be cut to produce individual bags. The top of one bag will be the bottom of another, and while still part of the uncut tube, approximately three inches of paper covers the handles that are still inside the preceding bag tube.[35] A serrated cutting knife aligns with where the perforations were made earlier (where the handles were attached). The separation of the bags is aided by an incorporated speed differential on the cut-off mechanism, which allows clearance for the handles.[36] This process separates the bags similar to how paper towels are pulled apart. After the tube is separated into individual bags, the bag bottom is formed. Glue is applied at the opening of the bottom flaps, they are then folded, and then sealed.

An automatic counter identifies each group of 25 bags (referred to as a "hand"). Any post printing needed is processed at this stage. Each hand is then visually inspected and packed in a carton with each hand alternating in direction to even the thickness. For most bag sizes, there are usually 250 bags (of the same size) per box, but for larger bags that number is usually 200.

[34] Typically, a reel of paper is twisted mechanically to make a string/cord onto a spool.

[35] The specified bag size will indicate where the cut occurs.

[36] Some of machines produce folded top, where the top of the bag is folded over and glued to make a smooth edge.

Sheet-fed PSBs[37]

Sheet-fed PSBs are printed and converted from cut sheets of paper. The minimum order quantities ("MOQs") that sheet-fed paper shopping bag manufacturers require is typically 2,500 shopping bags. Sheet-fed PSBs are printed and converted by a slower production process, which is conducive for low minimum order requirements.

Sheet-fed PSBs generally have turned tops with handles that are glued in or secured by knots or aglets, with a chipboard insert beneath the turned top. Sheet-fed PSBs are made from a range of types of paper, which tend to be thicker and heavier grades, from 140 grams per square meter ("gsm") to 200 gsm. Sheet-fed PSBs are usually printed by sheet-fed offset lithography (i.e., metal plates using transfer blankets and water to apply ink to the sheet, known as the offset principle).

Sheet-fed PSBs can be more highly decorated because of the exactness of their registration (i.e., the alignment of one process to another), which is important in several ways. Registration describes the alignment of the printed design (e.g., logo) to the fold lines of the finished paper shopping bag after the bag is converted (i.e., mechanical position). Registration also describes the ability to align different printed colors to each other within the printed artwork (both dots and solid areas). Finally, registration describes the alignment of foil hot stamping, silkscreen coating, and embossing to the printed artwork and for each process to the other. For example, a sheet-fed PSB could have a 6-color printed design, with a foil hot stamp and raised round embossing registered to both the foil and the printing.

Domestic like product issues

In the preliminary phase of these investigations, the Commission defined a single domestic like product, coextensive with the scope. In their comments on draft questionnaires, the respondent American Alliance for Responsible Trade in Paper Bags ("Alliance Respondent") argued that the Commission should define the domestic like product more broadly than the scope and requested that the Commission collect data on all types of paper bags, while Direct Source Packaging Co. ("Direct Source"), a U.S. importer of PSBs, proposed that the Commission should find two separate domestic like products in these investigations: (1) sheet-fed paper shopping bags; and (2) web-fed paper shopping bags.

[37] Unless otherwise noted, this sub-section is based on Respondent Direct Source Packaging correspondence of October 6, 2023.

The Commission's decision regarding the appropriate domestic product(s) that are "like" the subject imported product is based on a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes, and production employees; (5) customer and producer perceptions; and (6) price. Information regarding these factors is discussed below.

In-scope PSBs and other paper bags[38]

Physical characteristics and uses

Petitioner claims that the paper used in PSBs can come in various basis weights typically ranging from 50 pounds to 80 pounds.[39]

PSBs compared to grocery bags:[40] Petitioner claims that PSBs are not made to industry standard sizes, but in the United States, grocery bags come in industry standard sizes of 1/6 and 1/7 BBL and typically do not have handles while PSBs do. When grocery bags do have handles, they are attached to the outside of the bag while the handles for in-scope PSBs are typically attached with glue to the inside of the bag. Grocery bags may have a squared fold on the bottom of the bag, while PSBs are more typically made with an envelope fold.

PSBs compared to SOS bags:[41] Petitioner claims that PSBs have handles, while SOS bags generally do not. SOS bags are typically made with lighter paper than PSBs, with basis weights typically ranging from 30 pounds to 50 pounds. SOS bags often have a semicircular notch, known as a thumb notch, on the top for ease of opening. PSBs do not have such a notch. SOS bags are generally made to industry standard sizes ranging from ½ pound to 25 pounds, while PSBs are not.

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[38] Appendix H and Appendix J present trade and financial data on the expanded like product.

[39] Basis weight is the weight of a sheet of paper based on a standard size and typically is equivalent to the weight in pounds of a ream (500 sheets) of paper for a particular grade of paper. Petition, Volume 1, p. 11.

[40] Petitioner's postconference brief, pp. 9-10. Petitioner's prehearing brief, p. 12.

[41] Petitioner's postconference brief, p. 10. Petitioner's prehearing brief, pp. 12-13.

PSBs compared to industrial bags:[42] Petitioner claims industrial paper bags are typically multi-wall in design, that is they are made from two or more plies of paper to increase strength and tear resistance. Some industrial paper bags also can have a barrier coating made with plastic. Industrial bags do not have paper handles. In all these ways, industrial bags differ from PSBs. Industrial bags are also generally made to larger sizes than PSBs.

Alliance respondent claims that all paper bags share common physical characteristics and uses. They are all made from kraft (brown) or white paper, ranging in basis weight from 30 GSM to 80 GSM. With few exceptions, all paper bags have four sides and a flat bottom. All types of paper bags are primarily used for carrying items purchased by a consumer. This includes both food items purchased at restaurants/take-out establishments or at supermarkets/grocery stores and non-food items purchased at other retail establishments.[43]

Interchangeability

Petitioner claims that PSBs covered by the scope of these investigations are generally interchangeable because they are generally used for similar applications. Individual retailers and restaurants may choose the size and type of paper shopping bag they prefer but will not substitute another type of bag for PSBs. Grocery bags are used almost exclusively by grocery stores, SOS bags are too light to carry the type of items carried in PSBs, and industrial bags are used to carry items much heavier and bulkier than the type of items customers carry in paper shopping bags.[44]

Alliance respondent claims paper grocery bags may or may not have handles, and paper bags used in grocery stores often have flat paper handles. Thus, to a supermarket or other grocery retailer, a grocery bag with handles is interchangeable with PSBs. There is also a high degree of interchangeability between SOS bags and PSBs – both can be used for holding food purchases at restaurant or take-out establishments.[45]

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[42] Petitioner's postconference brief, p. 10. Petitioner's prehearing brief, p. 13.
[43] Alliance respondent's postconference brief, Responses to Staff Questions, p. 2. Alliance respondent's prehearing brief, pp. 5-11.
[44] Petitioner's postconference brief, pp. 11-12. Petitioner's prehearing brief, p. 13.
[45] Alliance respondent's postconference brief, Responses to Staff Questions, pp. 3-4. Alliance respondent's prehearing brief, pp. 14-16.

Channels of distribution

Petitioner claims that PSBs are generally sold through the same channels of distribution. Customers that buy large volumes of PSBs – such as major retailers or restaurant chains – negotiate the purchase of those bags directly from a producer or importer. Customers that buy smaller volumes will generally purchase from distributors. But there is no clear distinction between which types of paper shopping bags go into which channels of distribution.[46]

Alliance respondent claims there is substantial overlap in the channels of distribution for all PSBs. Shopping bags, grocery bags, and SOS bags are all sold primarily to distributors, but can also be sold directly to retailers or, for shopping bags and SOS bags, restaurant/take-out establishments.[47]

Customer and producer perceptions

Petitioner claims that customers and producers generally perceive PSBs as a unique product category that is distinct from other types of paper bags. Novolex makes PSBs on unique equipment that is not used to make any other type of bags. Petitioner also claims retailers and restaurants do not offer their customers grocery bags or industrial bags to carry the type of items carried in PSBs. Nor do they offer SOS bags for such applications, because SOS bags do not have handles and typically have lighter paper weight.[48]

Alliance respondent claims that customer and producer perceptions as PSBs being more convenient or user-friendly due to having handles can also be applied to other types of paper bags, specifically grocery bags, because they can also have handles. Respondent also claims that restaurants, retailers, supermarkets and grocery stores all use printing to convey their brand image.[49]

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[46] Petitioner's postconference brief, p. 12. Petitioner's prehearing brief, p. 14.

[47] Alliance respondent's postconference brief, Responses to Staff Questions, p. 4. Alliance respondent's prehearing brief, p. 14.

[48] Petitioner's postconference brief, p. 12. Petitioner's prehearing brief, pp. 14-15.

[49] Alliance respondent's postconference brief, Responses to Staff Questions, pp. 4-5. Alliance respondent's prehearing brief, pp. 16-17.

Manufacturing facilities and production employees

Petitioner claims all PSBs are made in common manufacturing facilities, using common production processes, and with common production employees. PSBs are made on equipment that can be adjusted to make bags of multiple sizes. By contrast, machinery used to make other paper bags – such as grocery bags or SOS bags – is designed to mass produce specific bags to standard sizes.[50]

Respondent claims PSBs can come in the same standard sizes and dimensions as other types of paper bags. Thus, PSBs and grocery bags or SOS bags could be produced on the same fixed single size machines if they are the same size. Conversely, although making grocery bags and SOS bags on fixed single size machines may be more efficient, a variable size machine could be used to produce these types of bags if it is programmed correctly.[51]

Price

Petitioner claims the PSBs covered by these investigations are generally sold on a continuum of prices, with no clear dividing line. Based on Novolex's experience, the price per pound of PSBs on average range between 60 percent to 110 percent higher than the price of grocery bags, SOS bags, and industrial bags, depending on the size of the bag and the bag print complexity.[52]

Alliance respondent claims prices for plain, unprinted or "stock" PSBs are largely driven by size and paper weight. Respondent also claims there is substantial overlap between paper shopping bags and grocery and SOS bags in terms of size and paper weight, therefore the prices of these types of paper bags also overlap. Customized paper bags are typically higher priced due to more expensive features such as special handles, complex printing, bottom boards, etc.[53]

[50] Petitioner's postconference brief, p. 13. Petitioner's prehearing brief, p. 15.
[51] Alliance respondent's postconference brief, Responses to Staff Questions, p. 5. Alliance respondent's prehearing brief, pp. 11-14.
[52] Petitioner's postconference brief, pp. 5-6. Petitioner's prehearing brief, p. 16.
[53] Alliance respondent's postconference brief, Responses to Staff Questions, pp. 5-6.

U.S. producers, importers, and purchasers were asked to rank the comparability of in-scope PSBs and other paper bags (OPBs) for each of the six-factors and provide a narrative explanation for their ranking. Counts of the firms' responses are presented in table I-13 while narrative responses are shown in Appendix D.

Table I-13
PSBs: Count of firms' responses regarding the domestic like product factors comparing in-scope PSBs to out-of-scope other paper bags (OPBs)

Count in number of firms reporting

Factor	Firm type	Fully	Mostly	Somewhat	Never
Physical characteristics	U.S. producers	0	0	1	3
Physical characteristics	Importers	1	8	16	18
Physical characteristics	Purchasers	3	4	7	17
Interchangeability	U.S. producers	0	0	1	3
Interchangeability	Importers	2	8	16	17
Interchangeability	Purchasers	2	5	7	17
Channels	U.S. producers	0	1	2	1
Channels	Importers	12	10	12	7
Channels	Purchasers	8	5	7	5
Manufacturing	U.S. producers	0	0	1	3
Manufacturing	Importers	3	6	13	14
Manufacturing	Purchasers	2	5	3	8
Perceptions	U.S. producers	0	0	0	4
Perceptions	Importers	1	5	17	19
Perceptions	Purchasers	2	3	9	11
Price	U.S. producers	0	0	0	4
Price	Importers	2	5	13	22
Price	Purchasers	2	2	11	11

Source: Compiled from data submitted in response to Commission questionnaires.

Tables I-14 through I-16 present data on in-scope PSBs and other paper bags reported by U.S. producers. Out of four responding U.S. producers, one producer reported producing only in-scope PSBs, a separate producer reported producing in-scope PSBs and out-of-scope PSBs on the same machinery, and the two remaining producers reported producing in-scope PSBs and other paper bags using different machinery. During 2021 through 2023, the majority of U.S. producers' U.S. shipments of in-scope PSBs went to distributors during each calendar year while the majority of their U.S. shipments of other paper bags went to end users and/or retailers during the same time period. During 2021 through 2023, the average unit values of U.S. producers' U.S. shipments of in-scope PSBs were higher than the average unit value of other paper bags during each calendar year.

Table I-14
PSBs: U.S. producer's channel of distribution by product type and year

Shares in percent

Channel	Product	2021	2022	2023
Distributors	In-scope PSBs	***	***	***
End users / retailers	In-scope PSBs	***	***	***
All channels	In-scope PSBs	100.0	100.0	100.0
Distributors	Out-of-scope OPBs	***	***	***
End users / retailers	Out-of-scope OPBs	***	***	***
All channels	Out-of-scope OPBs	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Table I-15
PSBs: U.S. producers' U.S. shipment average unit values, by product type and year

Unit values in dollars per pound

Product	2021	2022	2023
In-scope PSBs	***	***	***
Out-of-scope OPBs	***	***	***
Range of AUVs for out-of-scope OPBs by product type	*** to ***	*** to ***	*** to ***

Source: Compiled from data submitted in response to Commission questionnaires.

Table I-16
PSBs: U.S. producers' manufacturing facilities

Count in number of firms reporting

Item	Number of firms	Firm name(s)
Only produced in-scope PSBs	***	***
Only produced out-of-scope OPBs	***	***
Produce in-scope PSBs and out-of-scope OPBs: same machinery	***	***
Produce in-scope PSBs and out-of-scope OPBs: different machinery	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Web-fed and Sheet-fed[54]

Physical characteristics and uses[55]

In its comments on the draft questionnaires, Direct Source states that web-fed PSBs generally have serrated tops with handles that are glued in between two layers of patch paper on the interior of the bag. It also claims that web-fed bags can have turned tops, but that the turning process is generally done after the bags have been converted, using hand labor. Web-fed PSBs are generally made from kraft paper (natural brown and bleached white), which tend to be thinner and lighter grades, from 82 GSM to 130 GSM. Web-fed PSBs generally do not have foil hot stamping, silkscreen coating, or embossing, and generally have fewer printed colors, with minimal registration between the colors.

Direct Source states that sheet-fed paper shopping bags generally have turned tops with handles that are glued in or secured by knots or aglets, with a chipboard insert beneath the turned top. It also states that sheet-fed paper shopping bags are made from a range of types of paper, which tend to be thicker and heavier grades, from 140 GSM to 200 GSM.

Interchangeability[56]

Direct Source claims that web-fed PSBs and sheet-fed PSBs are generally not interchangeable, and that retailers use web-fed bags and sheet-fed bags for different marketing purposes. It claims that web-fed PSBs utilize simple specifications including a serrated cut top, simple printed graphics and twisted paper handles, while sheet-fed PSBs have more upscale specifications including a turned top, intricate printed graphics, additional design features like foil, embossing and spot UV coating, and a range of upscale handle materials with either a knotted attachment or a glued in construction. Direct Source also claims that while technically a sheet-fed PSB can be used in place of a web-fed PSB, this is usually not an option as a practical matter because the sheet-fed process is significantly more expensive.

[54] Appendix G presents consumption and market share data for sheet-fed and web-fed PSBs.
[55] Direct Source's comments on the draft questionnaire, pp. 3-4. Written testimony on behalf of Direct Source Packaging, pp. 1-2.
[56] Written testimony on behalf of Direct Source Packaging, p. 3.

Channels of distribution[57]

According to Direct Source, web-fed PSBs and sheet-fed PSBs utilize different channels of distribution. It claims that web-fed PSBs are often used as stock bags and as a result are primarily sold by distributors and wholesalers to small main street retailers, stores, bakeries, and restaurants who lack the volume or budget for custom printed packaging. Direct Source claims most sheet-fed PSBs are custom-made for specific customers' own use in their stores.

Customer and producer perceptions[58]

According to Direct Source, experienced customers and producers recognize a web-fed manufacturer as a preferred source for long-run orders that prize utility and simplicity and sheet-fed manufacturers as ideal for smaller order quantities that require upscale printing and finishing. Web-fed bags are perceived to be a lower quality product and sheet-fed bags are perceived to be a higher quality product.

Manufacturing facilities and production employees[59]

Direct Source states that the serrated blade, which pierces the web and tears the paper, is what allows for high-speed web converting. Web-fed paper shopping bags are usually printed by web-fed flexographic printing (i.e., rubber or photopolymer plates, which apply ink directly to the web of paper). The high speed of web-fed printing and converting yields efficiency at the expense of registration.

Sheet-fed paper shopping bags are usually printed by sheet-fed offset lithography (i.e., metal plates using transfer blankets and water to apply ink to the sheet, known as the offset principle). For decorating purposes, sheet-fed paper shopping bags are recognized for their exactness of registration. In addition, Direct Source claims that the use of hand labor and the segmented nature of production for most sheet-fed PSBs has resulted in a small level of U.S. production for those bags.

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[57] Written testimony on behalf of Direct Source Packaging, p. 4.
[58] Written testimony on behalf of Direct Source Packaging, p. 4.
[59] Direct Source's comments on the draft questionnaire, pp. 3-4. Written testimony on behalf of Direct Source Packaging, pp. 4-5.

Price[60]

According to Direct Source, web-fed PSBs and sheet-fed PSBs are never comparable in price. It claims web-fed bags are typically priced low as end-users only require them to meet the basic function of a shopping bag, whereas sheet-fed bags sell for higher prices due to needing higher quality materials to compete on style and substance to support brand image.

U.S. producers, importers, and purchasers were asked to rank the comparability of web-fed PSBs and sheet-fed PSBs, for each of the six-factors and provide a narrative explanation for their ranking. Counts of the firms' responses are presented in table I-17 while narrative responses are shown in Appendix D.

Table I-17
PSBs: Count of firms' responses regarding the domestic like product factors comparing in-scope web-fed PSBs to in-scope sheet-fed PSBs

Count in number of firms reporting

Factor	Firm type	Fully	Mostly	Somewhat	Never
Physical characteristics	U.S. producers	3	0	0	0
Physical characteristics	Importers	2	4	5	8
Physical characteristics	Purchasers	3	0	2	3
Interchangeability	U.S. producers	3	0	0	0
Interchangeability	Importers	4	5	5	5
Interchangeability	Purchasers	3	1	1	3
Channels	U.S. producers	3	0	0	0
Channels	Importers	7	5	4	3
Channels	Purchasers	3	0	5	1
Manufacturing	U.S. producers	2	0	1	0
Manufacturing	Importers	1	1	6	11
Manufacturing	Purchasers	1	0	2	4
Perceptions	U.S. producers	3	0	0	0
Perceptions	Importers	2	3	6	7
Perceptions	Purchasers	3	0	2	3
Price	U.S. producers	2	1	0	0
Price	Importers	1	0	6	9
Price	Purchasers	2	0	1	5

Source: Compiled from data submitted in response to Commission questionnaires.

[60] Written testimony on behalf of Direct Source Packaging, p. 5.

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

PSBs are bags with handles that are commonly used by retail and commercial establishments as shopping carrier bags or as take-away bags or delivery bags at restaurants. PSBs can be customized in a number of ways: size dimensions; paper color (brown, white, or other colors); paper weight/thickness; bag construction (bottom or top fold types); exterior and interior printing, coating, embossing/debossing, foil, etc.; type of edge (serrated, folded, etc.); usage of a bottom board (type of board and whether it is printed); type of handles[1] (twisted paper, flat paper, woven paper, yarn, ribbon, rope, string, plastic, or die-cut); and how the handles are affixed to the bag (glued, tied knots, etc.). PSBs are typically made from kraft paper made with virgin and/or recycled fiber. They can be sold unprinted or printed with a design or logo.

Three of 4 U.S. producers, *** of *** importers, and 10 of 41 purchasers indicated that the market was subject to distinctive conditions of competition.

1) One of the most commonly cited distinctive conditions of competition identified by the firms was the changes in state or local environmental regulations. These include: plastic bag bans in some jurisdictions, which may increase demand for PSBs; requirements that PSBs used in California have at least 40 percent post-consumer-recycled content led some PSBs purchasers to require this recycled content in their bag purchases; and requirements that some retailers charge customers for paper and plastic bags, which can reduce demand for both paper and plastic bags. ***, an importer, reported that the increased demand for PSBs, caused by these legal changes has led the German manufacture Papier-Mettler to invest $48 million in a new production facility in West Virginia.

[1] Bags with woven ribbon handles have been excluded from the scope of these investigations.

2) Another distinctive condition of competition identified by firms is caused by the U.S. producers' limited product range which does not always match purchaser and distributor needs. Issues noted include: domestic production is concentrated in a few large firms; domestic producers focus on large orders leading mid-sized and smaller orders to purchase off-shore; domestic producers focus on simpler bags while more complex ones tend to be imported; and U.S. producers are not willing/able to produce gift bags with features such as fold tops and embellishments that differentiate these bags from utilitarian bags. Product variation was noted to be important to luxury brand customers that want PSBs that are used to "enhance brand communication" and to meet customers' growing interest in eco-friendly bags.
3) Firms reported that bags from different sources compete on many elements including: quality (typed of printing available, print quality, paper quality, and fabrication quality); availability (use of multiple sources to ensuring availability, short lead times, and timely delivery); and supplier flexibility (MOQs, customization, and customer service).
4) U.S. producers reported that manufacture of PSBs is capital intensive, requiring operations at high rates of capacity utilization.

The quantity (by weight) of apparent U.S. PSBs consumption decreased during 2021 to 2023. Overall, apparent U.S. consumption in 2023 was *** percent lower than in 2021.

U.S. purchasers

The Commission received 44 usable questionnaire responses from firms that had purchased PSBs during 2021 to 2023.[2] [3] [4] Nineteen responding purchasers are retail end users, 18 are distributors, 5 are restaurant end users, and 2 are other (***). Large purchasers of PSBs include ***, all of which are distributors. These largest purchasers' purchases and imports represented over half of all the imports and purchases (by weight) reported by the purchasers.[5]

[2] The following firms provided purchaser questionnaire responses: ***.

[3] Of the 44 responding purchasers, 27 purchased domestic PSBs, 3 purchased/imported imports of the subject merchandise from Cambodia, 27 from China, 3 from Colombia, 14 from India, 2 from Malaysia, 2 from Portugal, 3 from Taiwan (subject), 5 from Turkey, and 13 from Vietnam, (37 purchased/imported from at least one subject source), 14 purchased/imported imports of PSBs from other sources, and 11 reported purchasing from unknown sources.

[4] Thirty-two of 40 responding purchasers indicated they had marketing/pricing knowledge of domestic product. For PSBs from other sources, 5 purchasers reported marketing/pricing knowledge of PSBs from Cambodia, 25 from China, 4 from Colombia, 15 from India, 3 from Malaysia, 4 from Portugal, 4 from Taiwan (subject), 1 from Taiwan (nonsubject), 4 from Turkey, 11 from Vietnam, and 11 from nonsubject countries including Canada, Germany, Indonesia, Italy, Mexico, Poland, Singapore, and Spain.

[5] One purchaser *** reported it did not know the weight of the PSBs it purchases. It reported purchasing ***. It reported that carton size varied between different brands. The weight of Novelex's cases of shopping bags ranged from 12.32 pounds to 45.25 pounds depending on the size of the bags purchased. Novolex Duro Product Catalog, p. 20. https://novolex.com/wp-content/uploads/D_CA_0031_0823_Duro-Product-Catalog_EN_WEB.pdf, (accessed February 22, 2024.)

Impact of section 301 tariffs

U.S. producers, importers, and purchasers were asked to report the impact of section 301 tariffs on the market (table II-1). One of two U.S. producers, *** of *** importers, and 10 of 15 purchasers reported that the section 301 tariffs had an impact. They cited increased prices (gift bags and types of bags not available from other sources); supply disruptions; reduced use of Chinese sources (shifting production to other countries); and that U.S. producers increased prices, MOQs, and placed customers on allocations.

Table II-1
PSBs: Count of firms reporting if the section 301 tariffs on Chinese origin products had an impact

Firm type	Yes	No	Do not know
U.S. producers	1	1	2
Importers	***	***	***
Purchasers	10	5	28

Source: Compiled from data submitted in response to Commission questionnaires.

Channels of distribution

U.S. producers and importers from Colombia, India, and Taiwan (subject) sold mainly to distributors. Importers from China, Malaysia, Portugal, and Vietnam sold mainly to end users, as shown in table II-2. Imports from Cambodia and Turkey shifted from selling mainly to distributors in 2021 and 2022 to selling mainly to end users in 2023.

Table II-2
PSBs: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

Source	Channel	2021	2022	2023
United States	Distributor	***	***	***
United States	End user	***	***	***
Cambodia	Distributor	***	***	***
Cambodia	End user	***	***	***
China	Distributor	***	***	***
China	End user	***	***	***
Colombia	Distributor	***	***	***
Colombia	End user	***	***	***
India	Distributor	***	***	***
India	End user	***	***	***
Malaysia	Distributor	***	***	***
Malaysia	End user	***	***	***
Portugal	Distributor	***	***	***
Portugal	End user	***	***	***
Taiwan (subject)	Distributor	***	***	***
Taiwan (subject)	End user	***	***	***
Turkey	Distributor	***	***	***
Turkey	End user	***	***	***
Vietnam	Distributor	***	***	***
Vietnam	End user	***	***	***
Subject sources	Distributor	***	***	***
Subject sources	End user	***	***	***
Nonsubject sources	Distributor	***	***	***
Nonsubject sources	End user	***	***	***
All import sources	Distributor	***	***	***
All import sources	End user	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Geographic distribution

U.S. producers and importers from each of the subject countries reported selling PSBs to all regions in the contiguous United States (table II-3). For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold 33.5 percent within 100 miles of their U.S. point of shipment, 57.6 percent between 101 and 1,000 miles, and 8.9 percent over 1,000 miles.

Table II-3
PSBs: Count of U.S. producers' and U.S. importers' geographic markets

Region	U.S. producers	Cambodia	China	Colombia	India	Malaysia
Northeast	4	***	***	***	***	***
Midwest	4	***	***	***	***	***
Southeast	4	***	***	***	***	***
Central Southwest	4	***	***	***	***	***
Mountains	4	***	***	***	***	***
Pacific Coast	4	***	***	***	***	***
Other	2	***	***	***	***	***
All regions (except Other)	4	***	***	***	***	***
Reporting firms	4	***	***	***	***	***

Table continued

Table II-3--Continued
PSBs: Count of U.S. producers' and U.S. importers' geographic markets

Region	Portugal	Taiwan	Turkey	Vietnam	Subject sources
Northeast	***	***	***	***	***
Midwest	***	***	***	***	***
Southeast	***	***	***	***	***
Central Southwest	***	***	***	***	***
Mountains	***	***	***	***	***
Pacific Coast	***	***	***	***	***
Other	***	***	***	***	***
All regions (except Other)	***	***	***	***	***
Reporting firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other U.S. markets include AK, HI, PR, and VI.

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding PSBs from U.S. producers and from subject countries. Production capacity for PSBs is measured in weight in these investigations. [6]

[6] Novolex reported that ***. Petitioner's posthearing brief, responses to Commissioner questions, p. 76.

Table II-4
PSBs: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in 1,000 pounds; ratio and share in percent

Source	Capacity 2021 (quantity)	Capacity 2023 (quantity)	Capacity utilization 2021 (ratio)	Capacity utilization 2023 (ratio)
United States	***	***	***	***
Cambodia	***	***	***	***
China	***	***	***	***
Colombia	***	***	***	***
India	***	***	***	***
Malaysia	***	***	***	***
Portugal	***	***	***	***
Taiwan (subject)	***	***	***	***
Turkey	***	***	***	***
Vietnam	***	***	***	***
Subject suppliers	***	***	***	***

Table continued

Table II-4--Continued
PSBs: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Ratio and share in percent; Count in number of firms reporting

Source	Inventories as a ratio to total shipments 2021	Inventories as a ratio to total shipments 2023	Home market shipments (percent of total shipments) 2021	Exports to non-U.S. markets (percent of total shipments) 2023	Able to shift to alternative products (number of firms)
United States	***	***	***	***	***
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan (subject)	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
Subject suppliers	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Responding U.S. producers accounted for virtually all U.S. production of PSBs in 2023. Responding foreign producer/exporter firms accounted for virtually all imports from Colombia, more than 75 percent of U.S. imports of PSBs from Portugal, less than half of U.S. imports of PSBs from India, less than 25 percent of U.S. imports of PSBs from Cambodia, China, Malaysia, Taiwan, Turkey, and Vietnam during 2023. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, “Summary Data and Data Sources.”

Domestic production

Based on available information, U.S. producers of PSBs have the ability to respond to changes in demand with small to moderate changes in the quantity of shipments of U.S.-produced PSBs to the U.S. market. [7] The main contributing factor increasing responsiveness of supply is the reported availability of unused capacity.[8] Factors limiting responsiveness of supply include limited inventories, limited ability to shift shipments from alternate markets, and limited ability to shift production to or from alternate products.

Reported practical capacity declined between 2021 and 2023 but production declined more than capacity did, resulting in decreased capacity utilization by *** percentage points. Export markets are relatively small (*** percent of 2023 total shipments) and include Canada and Mexico. U.S. producers' inventory ratio to total shipments increased by less than 1 percentage point, and purchaser-specific printing on some held PSBs may limit the ability for domestic producers to sell pre-produced bags to other potential customers. Other products that producers reportedly can produce on the same equipment as PSBs are other types of paper bags.[9] U.S. producers report that their ability to shift production to grocery bags, self-

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[7] Petitioner ***. Petitioner's prehearing brief, p. 43, footnote 220.

[8] The U.S. producers' reported capacity utilization decreased from *** "Novolex de-prioritized small print- or small-size runs, which allowed Novolex to prioritize larger-run products in order to minimize down times and to produce more bags." Petitioner's postconference brief, exh. 1 at pp. 16-17. *** At the hearing, Novolex also reported that it reduced the number of SKUs it produced to increase production (hearing transcript, p. 99 (Frantz). Most purchasers reported capacity constraints for domestically produced PSBs in 2021. *** Twelve purchasers also reported supply constraints for ProAmpac since January 2021. ***.

[9] Paper bags other than PSBs made up *** percent of U.S. producers' overall production using the equipment also used to produce PSBs in 2023.

opening sacks, and *** was limited because they typically were priced lower than PSBs. Despite the noted capacity utilization data, a number of purchasers reported supply constraints for PSBs from domestic producers particularly in 2021.[10]

Subject imports from subject countries

Based on available information, producers of PSBs from subject countries generally have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of PSBs to the U.S. market. Factors influencing this include an increased capacity and decreased capacity utilization (***), relatively low capacity utilizations in 2023 (***), substantial third-country exports (***), increasing or relatively high inventories (***), and 12 of 24 foreign producers' ability to shift production to or from other products.[11]

Foreign producers from all nine subject countries responded to the Commission's questionnaire. Producers in seven of the nine subject sources (all except ***) reported increased capacity to manufacture PSBs between 2021 and 2023. *** reported that their capacity utilization rates were below *** percent in 2023. Producers in *** their reported capacity. Producers in *** reported capacity increases of over *** pounds.

Imports from nonsubject sources

Nonsubject imports associated with HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040 (which also include out-of-scope product) accounted for 30.0 percent by weight (42.6 percent by value) of total U.S. imports in these classifications in 2023. The largest sources of nonsubject imports during 2021-23 were Mexico, Canada, Indonesia, and Germany. Combined, these countries accounted for 52.1 percent (by value) of imports from nonsubject sources in 2023 for these HTS statistical reporting numbers.

[10] Supply constraints are discussed in the "Supply constraints" paragraph later in this section.

[11] In In addition, petitioner contends that the scale of the foreign industry is understated because 25 foreign producers provided the Commission exporter/foreign producer questionnaires, while it asserts that 62 foreign producers provided Commerce information on PSBs. Hearing transcript, p. 23 (Vaughn).

Minimum order quantities

Producers and importers were asked about their MOQ (by number of bags) for standard and custom-sized bags with and without custom printing in each year, 2021 to 2023. Table II-5 presents the weighted and simple averages of the responses. Firm-by-firm MOQs are presented in Appendix E, tables E-1 and E-2. The differences between the weighted and simple averages demonstrate that large producers tend to require higher MOQs for customized PSBs than smaller firms. While different bag types frequently had different MOQs, most responding U.S. producers (3 of 4)[12] and importers (31 of 39)[13] reported the same MOQs for the same type of PSBs in all three years. Standard sized bags without custom printing consistently had the lowest MOQs since these bags were not limited to a specific purchaser's order.

Table II-5
PSBs: Average (weighted and simple) MOQs reported by U.S. producers and importers by year, size, and printing

Simple average quantity in number of bags

Year	Firm type	Simple or weighted average	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing
2021	U.S. producers	Weighted	***	***	***	***
2022	U.S. producers	Weighted	***	***	***	***
2023	U.S. producers	Weighted	***	***	***	***
2021	U.S. producers	Simple	26,250	2,350	350,000	500,000
2022	U.S. producers	Simple	20,000	2,350	350,000	500,000
2023	U.S. producers	Simple	20,000	2,350	350,000	500,000
2021	Importers	Weighted	***	***	***	***
2022	Importers	Weighted	***	***	***	***
2023	Importers	Weighted	***	***	***	***
2021	Importers	Simple	15,146	22,666	38,052	61,208
2022	Importers	Simple	11,685	22,085	35,203	57,042
2023	Importers	Simple	10,760	22,086	39,129	55,375

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Only responding firms with a non-zero input are included in the averages above.

[12] ***. Novolex reported that demand spiked during the COVID-19 pandemic. Hearing transcript pp. 30-31 (Frantz).

[13] ***.

U.S. producers' MOQs for standard sized PSBs with custom printing in 2023 (the year with relatively few reported supply constraints) ranged from ***. [14] In 2023, importers reported a wide range of MOQs for standard-sized PSBs with custom printing ranging from 12 to 50,000 PSBs with 15 of the 22 responding importers reporting MOQs of fewer than 8,000 bags in 2023.[15] [16]

U.S. producers' MOQs for custom sized bags with custom printing ranged from 50,000 (***) to 500,000 (***) PSBs during 2021-23. Importers' MOQs for custom-sized PSBs with custom printing ranged from 1,000 PSBs to 500,000 PSBs ***, with 22 of the 32 responding importers reporting MOQs of 10,000 or fewer for custom-sized bags with custom printing PSBs in 2023.[17]

[14] The petitioner was asked to report any instances in which it had sold less than the MOQ between 2021 and 2023. It stated "Novolex ***." Petitioner's posthearing brief, answers to Commissioner questions, pp. 73-74. Alliance respondents claim that its members asked Novolex for a price quote and were told by Novolex that it was unwilling or unable to supply quantities smaller than its stated MOQs. In addition, Alliance Respondents claim that, contrary to what Novolex reported to the Commission, "Novolex ***." Alliance Respondents stated that "Novolex also has an *** be allowed to purchase custom bags. Alliance Respondents claim that, during the POI, Novolex refused to sell to ***. Alliance Respondents' posthearing brief, answers to Commissioner questions pp. 2-3.

[15] Of the 36 importers that gave MOQs for all three years under investigation, 31 reported MOQs did not change, 3 had MOQs that were lower in 2023 than they had been in 2021, and 2 had higher MOQs in 2021 than 2023.

[16] Respondents were asked to report any instance in which members had sold less than the MOQ between 2021 and 2023. They responded that "most Alliance members have very low MOQs (i.e., in the range of *** for custom orders and as few as *** for non-custom orders). For that reason, it would be unusual for a customer to need to purchase fewer bags than the typical MOQ." Alliance posthearing brief, responses to Commission questions p. 1. Respondent Bagmakers reported that it does not have any "stated minimum order size policy." Bagmakers posthearing brief, responses to Commission questions, p. 9.

[17] In 2021, importers reported MOQs for custom-sized bags with custom printing ranging from 250 to 500,000 PSBs, with 23 of 32 importers reporting MOQs 10,000 PSBs or fewer.

Firms were also asked to report other restrictions for MOQs such as minimum total pallets, orders with multiple sizes/types/prints minima, truckload quantities, etc. Importers reported MOQs ranging from relatively small (one case, one carton, or one pallet), to large (one 40-foot container, one truckload, or 42 pallets). A number of these firms noted that the number of bags per order would vary by type of bag, but few of these responding importers reported that the MOQs differed across years. One producer, ***

Purchasers were asked if, since 2021, they had been unable to place an order from any source due to MOQs. Most purchasers (36 of 44) reported that they had not been unable to place an order with U.S. producers because of MOQs and all 39 responding purchasers reported they had not been unable to place an order with importers because of MOQs. Six of the seven purchasers that reported not being able to place an order reported that Novolex was not able to supply the requested orders and three reported that ProAmpac was not able to supply the requested orders. Purchasers were also asked about the MOQs in each year during 2021-23 for bags of standard and custom sizes having either standard or custom printing. Purchasers' responses varied widely, even for the purchases made with the same producer, and there is no clear pattern of the MOQ sizes changing from 2021 to 2023.

Novolex explains that the reason for relatively high MOQs is that "there are significant costs associated with stopping production and changing sizes, and a certain volume is necessary to cover those costs."[18] Petitioner's counsel noted that custom sizes also have additional costs including stopping the machines and this has "an effect not only on your runs for that one day but on runs for other days."[19]

[18] Hearing transcript p. 53 (Burnett).
[19] Hearing transcript pp. 139-140 (Vaughn).

Respondents state that smaller PSB purchasers cannot afford to purchase and store the MOQs domestic producers require for customized PSBs.[20] For example, respondents assert the typical PSB purchase for a small- to medium-sized restaurant would be 5,000 to 10,000 PSBs, but the Novolex and ProAmpac MOQs for custom bags were 50,000 PSBs.[21] Respondents state that in 2023 Novolex turned down orders from Bag Makers for approximately six million bags because they did not meet Novolex's MOQs.[22] Respondents also report that "Novolex refused to sell to ***.[23]

Supply constraints

Producers, importers, and purchasers were asked how frequently they experienced supply constraints in the PSBs market for domestically produced, imports from subject countries, and imports from nonsubject countries during each half year period from 2021 to 2023.[24] Figures II-1 through II-3 show the frequency of supply constraints by firm type and source market.

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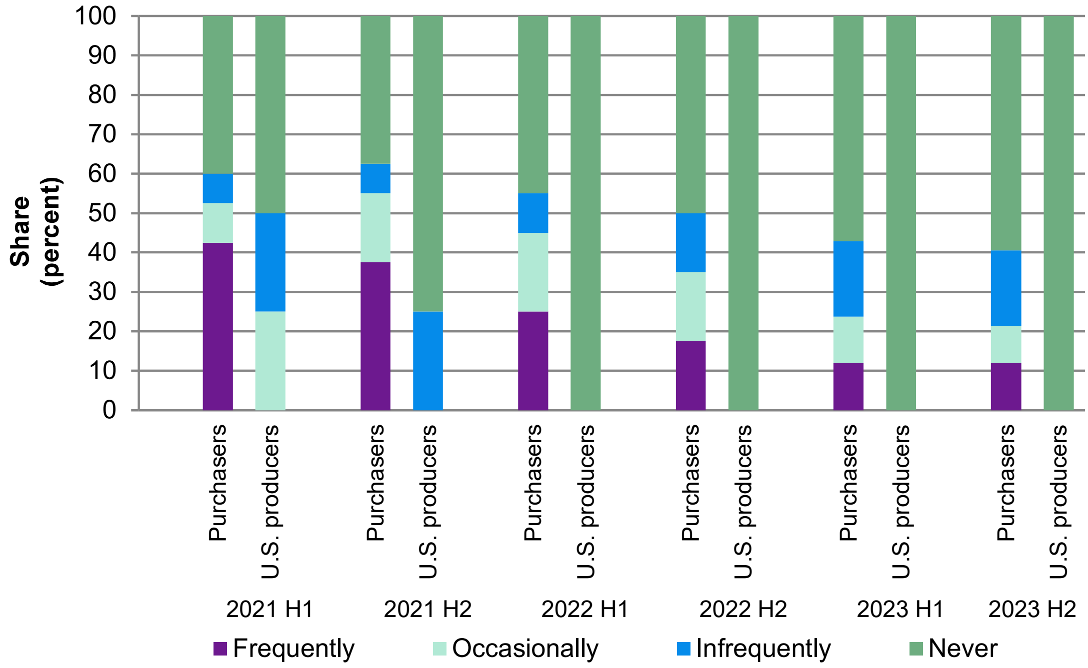
[20] Hearing transcript p. 167 (Bastone).
[21] Hearing transcript p. 157 (Straitman).
[22] Hearing transcript pp. 286-287 (Rodriguez).
[23] Alliance Respondents Posthearing brief, responses to Commissioner questions, pp. 2-3
[24] Producers were asked about domestic supply constraints, importers about subject and nonsubject supply constraints, and purchasers about all three.

Figure II-1
PSBs: Firms' views on domestic supply constraints, by firm type



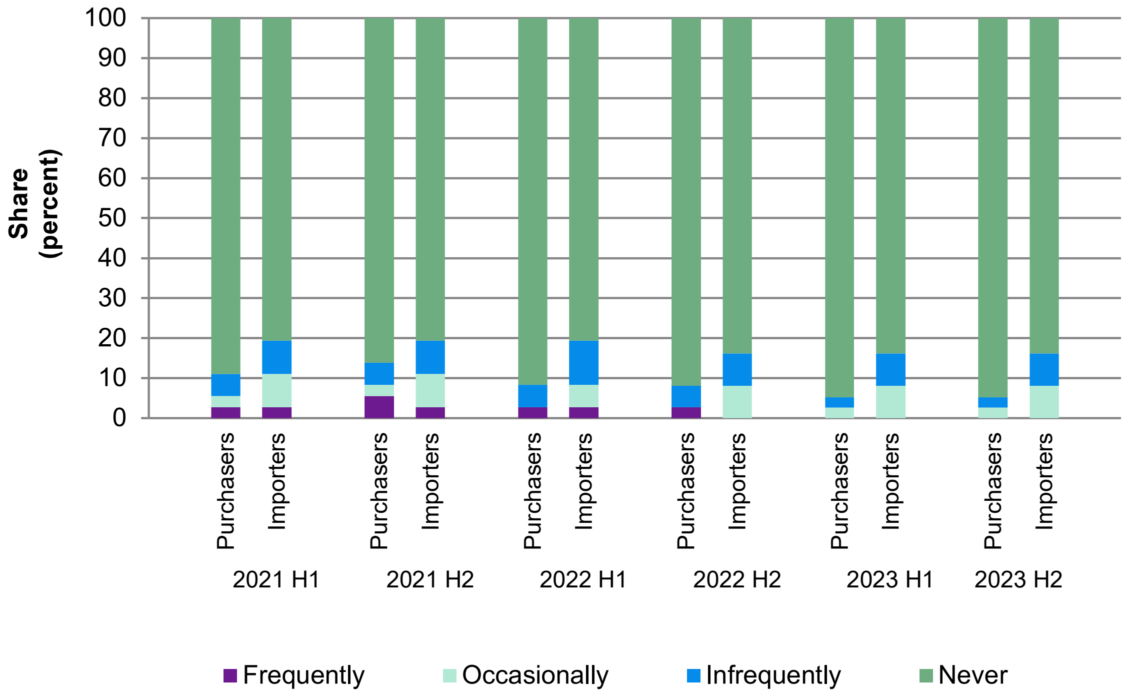
Source: Compiled from data submitted in response to Commission questionnaires.

Figure II-2
PSBs: Firms' views on subject import supply constraints, by firm type

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Figure II-3
PSBs: Firms’ views on nonsubject import supply constraints, by firm type



Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers and U.S. producers were asked about the frequency of supply constraints for U.S.-produced PSBs. Most U.S. purchasers reported either frequent or occasional supply constraints for U.S.-produced PSBs in both halves of 2021. In the second half of 2022, this fell to half the purchasers reporting at least infrequent supply constraints, but still only 49 percent of purchasers reporting that there were never supply constraints. Purchasers reported continued, but steadily declining, supply constraints after 2021. However, even in the last half of 2023, 40 percent of purchasers were still reporting at least occasional supply constraints. Overall, a smaller share of U.S. producers reported less severe supply constraints than the purchasers. In the first half of 2021, *** U.S. producers reported some supply constraints, *** reported infrequent and *** reported occasional supply constraints. *** reported supply constraints in the second half of 2021. U.S. producers reported no supply constraints after 2021.[25]

[25] Respondents Alliance state that “quoting lead times that are three times longer than normal is inconsistent with a producer operating at *** percent capacity utilization.” Posthearing brief pp. 13-14.

Novolex stated that “by the middle of 2021 we saw a normal operating environment and when we were able to supply our customers with all the bags that they needed.”[26] It explained that in 2021 it reduced the number of SKUs it offered and decreased the number of prints in order to be able to increase the overall number of bags it produced.[27]

Purchasers reported that supply constraints for U.S.-produced PSBs were more severe than those for PSBs from subject or nonsubject sources. For example, purchasers reported frequent or occasional supply constraints for subject imports, at most, slightly more than 10 percent of the time (during both halves of 2021). A larger share of the importers reported at least infrequent supply constraints for subject PSBs than did purchasers; the shares were approximately 10 to 20 percent in each period.

Firms were also asked to describe the constraints. Firms’ responses are contained in Appendix E (tables E-6 to E-11). Firms cited various reasons for the supply constraints on domestic production.

1) U.S. producer *** reported an increase in demand for PSBs from restaurants into the middle of 2021 caused by the COVID-19 pandemic.
2) Purchasers noted constraints on U.S. producers’ supply causing increased lead times, being placed on allocation, orders being turned down, customers being turned away, having customer programs ended, reduced availability to distributors, increases in MOQs, reduced choice of PSB types, and the refusal to print more complex designs or hand-craft related products.
3) Other difficulties reported for U.S.-produced PSBs were a raw material shortage and that no U.S. producer makes the product that purchaser *** uses.
4) In addition, purchaser *** reported that it had received late and partial orders going back to 2019 and that U.S. producers communicated poorly, often not announcing their supply constraints.

Although no producers reported any supply constraints after 2021, five purchasers reported frequent supply constraints for U.S.-produced PSBs throughout 2021-23. These purchasers reported that the supply constraints were the result of U.S. producers requiring high MOQs, rejecting new customers, refusing new custom print orders, an inability to supply handcrafted PSBs/the type of PSBs *** sells, lacking available capacity, and reducing the

[26] Hearing transcript, p. 95 (Burnett).
[27] Hearing transcript, p. 99 (Frantz).

variety of PSBs they produce. Twelve purchasers reported at least occasional supply constraints for U.S. produced PSBs into the second half of 2023.[28]

Supply constraints reported for PSBs from subject and nonsubject countries were mainly reported to be logistical problems (although one purchaser reported COVID-19 related production problems for PSBs from some subject countries).

A witness for respondents testified that traditionally U.S. producers had shorter lead times than imports, with U.S. producers' lead times traditionally being 6 to 8 weeks and import lead times being 14 to 16 weeks. Respondents stated that demand was particularly high in 2021 and 2022. In 2021 demand was high in response to the COVID-19 pandemic and some outlawing plastic bags, and in 2022 because of the reopening of retail establishments as the effects of the pandemic waned. This resulted in Novolex's lead time rising to 18 to 20 weeks and its MOQs increasing.[29] According to respondents, this indicates that Novolex did not have capacity to increase production during 2021 and 2022.[30]

Impact of the COVID-19 pandemic on supply

Producers and importers were asked if the COVID-19 pandemic had led to changes in their supply chain arrangements, importation, employment, shipments, and MOQs. Two of 4 responding producers and *** of *** responding importers reported that it had. In addition, purchasers were asked if the COVID-19 pandemic had affected the market for PSBs in the United States and to report the timing and magnitude of these effects on their firms' operations. Most responding purchasers (32 of 42) reported that the COVID-19 pandemic had affected the PSB market. Twenty-two of these purchasers reported supply limitations or reduced supply.[31] Supply limitations reported by these firms included:

1) ***.
2) ***.

[28] The only problems that purchasers clearly reported into 2023 was Novolex's refusal to make custom products.

[29] Hearing transcript pp. 170-171 (Summerfield).

[30] Hearing transcript p. 172 (Summerfield).

[31] Purchaser responses regarding demand are discussed later in this section. Purchasers' firm-specific answers are provided in Appendix E table E-12.

3) A number of firms reported that there were supply chain difficulties, and limitations in the availability of U.S.-produced PSBs, leading to increasing imports and sales of imported PSBs.
4) A number of firms reported that changes caused by the COVID-19 pandemic led U.S. producers to increase the size of their MOQs.
5) Firms reported that suppliers could no longer keep up with demand.
6) One importer reported that the sudden increase in the demand for boxes for shipping merchandise increased the price of the paper used in PSBs.
7) One importer reported that U.S. production was limited because of lockdowns and safety measures.
8) One importer reported that purchasers canceled orders due to reduced retail demand and one purchaser (***) reported limited demand for PSBs during the pandemic because of reduced retail store sales.

Availability of certain types by source

Fifteen of 41 responding purchasers reported that specific types of PSBs were available only from specific sources. A number of these reported the types of PSBs with limited availability from U.S. producers including: sheet-fed PSBs; PSBs with handles not made of paper; hand finished PSBs; 40 percent recycled white Kraft PSBs; retail PSBs with widths below 3 inches; hand formed 4 knot hand tied PSBs; PSBs with customized details including paper colors, graphics, and print colors; and some PSBs with specific sizes suited for restaurant take out that fit the takeout containers. In addition, firms reported other issues: a limited availability of tamper-proof PSBs; higher print quality of Chinese PSBs; the type of PSBs available depends on the producers' machinery; that PSB types must be consistently available to have meaningful availability; and that certain types of PSBs were not available from all markets until mid-2023.

Refusal to offer types of PSBs previously supplied

Purchasers were asked if specific U.S. producers or importers had been unable to supply them with the types of PSBs they had previously supplied, and if so, whether or not the supplier had offered an alternative PSBs (table II-6). Twenty-one purchasers reported that Novolex had refused to provide them previously available product; 12 of these reported that no alternative was offered, and 8 reported alternative product was offered. Twelve purchasers reported that ProAmpac had refused to provide them previously available product, 6 were not offered alternatives, while 5 were offered alternatives.[32] Only one purchaser (***) reported any subject country source (China and Vietnam) had refused to offer specific PSBs products requested, in both cases, no alternative product was offered.

Table II-6
PSBs: Count of U.S. purchasers reporting specific producers/country sources refused to offer specific types of PSBs and if these producers/country sources did or did not offer alternative types of PSBs since 2021

Supplier	Source country	No product offers refused	Product offers refused or could not supply	No alternative product offered	Alternative product offered
American Paper Bag	United States	8	1	0	0
Fischer	United States	7	2	0	1
Novolex	United States	6	21	12	8
ProAmpac	United States	10	12	6	5
Various	United States	14	1	0	1
Various	Cambodia	2	0	0	0
Various	China	12	1	1	0
Various	Colombia	4	0	0	0
Various	India	8	0	0	0
Various	Malaysia	3	0	0	0
Various	Portugal	3	0	0	0
Various	Taiwan, subject	5	0	0	0
Various	Turkey	4	0	0	0
Various	Vietnam	7	1	1	0
Haurtyi	Taiwan, nonsubject	3	0	0	0
Various	All other sources	4	0	0	0

Source: Compiled from data submitted in response to Commission questionnaires. The questions about if alternative product was offered is only shown if the purchaser reported that product offers were refused or product could not be supplied.

Note: Other sources reported for U.S. sourced material include Barnes Paper, Bunzl, Infinity Global, Roopac, and Tag Worldwide. A number of purchasers responded but did not specify a supplier.

[32] The other purchaser did not answer this part of the question.

New suppliers

Nine of 43 responding purchasers indicated that new suppliers had entered the U.S. market since January 1, 2021. Purchasers cited new suppliers including Maesindo (Indonesia), Red Star (Vietnam), Sipac (importer from ***), Creative Retail Packaging, Laser Master International, Mettler Packaging, Packaging Solutions, Prime Time Packaging, Shamrock, and Worth Industries.

U.S. demand

Based on available information, the overall demand for PSBs is likely to experience small to moderate changes in response to changes in price. The main contributing factors are the somewhat limited range of substitute products, with the primary substitute (single-use plastic bags) becoming increasingly restricted in certain jurisdictions, and that in the United States, PSBs are typically seen as an item that is a necessary cost of doing business so patrons can carry out their purchases, although some PSBs are gift bags that are sold by retailers.

End uses and cost share

U.S. demand for PSBs depends mainly on retailers, restaurant/food service, and other firms' demand for PSBs. PSBs are traditionally provided to the customers of these firms free of charge[33] and represent a small share of the cost of most sales. Some PSBs that fall into the definition of the scope are gift bags that are sold at retail by stores like Dollar Tree, Hobby Lobby, Target, and Walmart. In either case, PSBs are an end-use good and not generally used as part of any other good.

Business cycles

Two of 4 U.S. producers, *** of *** importers, and 19 of 41 purchasers indicated that the market was subject to business cycles. Specifically, a number of firms reportedly cyclicality in demand, with demand increasing in the second half or the fourth quarter of the year because of back-to-school and winter holiday shopping. In addition, some firms noted that demand increases when the economy is doing well and falls during recessions and that increased use of e-commerce has reduced demand for PSBs.

[33] Recently, some jurisdictions have required that a fee be collected for the provision of all single use bags, including PSBs.

Demand trends

Most firms reported that U.S. demand for PSBs increased either steadily or with fluctuations in since January 1, 2021 (table II-7). Many of these firms reporting increased demand reported that this was the result of plastic bag legislation. Other reported changes that increased demand include changes in eating and shopping patterns, increases in deliveries, store growth, and the effects of the COVID-19 pandemic. Firms reporting that demand decreased reported that this was due to the increased use of re-usable bags (due to laws charging for paper and plastic bags), growth in E-commerce/reduction of in-person shopping, reduced sales, increased in-person dining (reducing take-out), and demand declining from its COVID-19 peak.

Respondent Bunzl reports that restaurant delivery sales declined 7 percent between the first quarter of 2021 and the first quarter of 2022 and that this would reduce demand for PSBs used for these sales.[34] In addition, restaurant visits may also lead to take-away in PSBs and respondents report that restaurant visits declined 2 percent in the quarter ending in June 2022.[35]

Table II-7
PSBs: Count of firms' responses regarding overall domestic and foreign demand and raw material prices, by firm type

Market	Firm type	Steady increase	Fluctuated higher	No change	Fluctuated lower	Steady decrease
Domestic demand	U.S. producers	1	3	0	0	0
Domestic demand	Importers	***	***	***	***	***
Domestic demand	Purchasers	11	9	11	7	1
Foreign demand	U.S. producers	0	3	0	0	0
Foreign demand	Importers	***	***	***	***	***
Foreign demand	Purchasers	4	1	16	3	0
Raw material prices	U.S. producers	3	1	0	0	0
Raw material prices	Importers	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Influence of the COVID-19 pandemic on demand

Purchasers were asked whether the COVID-19 pandemic had influenced the U.S. market for PSBs. Thirty-two of 42 purchasers indicated that there has been an impact on the market; of

[34] Respondent Bunzl prehearing brief pp. 14-15.
[35] A number of ***. ***.

these, 22 reported an impact on demand.[36] Changes in demand included: that orders were canceled due to COVID-19 related shutdown and quarantine actions; an increasing preference for U.S.-produced PSBs; plastic bag bans that went into effect in Maine, New York, Oregon, and Vermont close to the time of the COVID-19 pandemic shutdown resulting in additional changes in demand that were difficult for U.S. producers to keep up with; the increased use of take-out, increasing demand by restaurants; and increased demand for single use bags because of sanitation concerns. Firm-specific answers provided by the purchasers are provided in Appendix E table E-12.

Regulations on retailers' use of plastic and paper bags

A number of cities/counties/states had banned or taxed some or all single-use plastic retail bags; some of these regulations also place a tax on single-use paper bags.[37] Firms were asked if taxes or recycling regulations had influenced demand since 2021. Three of 4 responding producers, *** of *** importers, and 18 of 40 purchasers reported that they had. Individual purchaser responses are presented in Appendix E table E-13. Firms report that bans on single-use plastic bags have caused some retailers to shift to using PSBs and that fees for single use bags have caused some consumers to increase their use of reusable bags.

These regulations can also influence the types of PSBs that can be sold in some locations. *** reported that California's legislation requires a minimum of 40 percent post-consumer recycled material in PSBs, and this can cause large retailers to try to use this standard nationwide since otherwise the retailers would need to keep two sets of PSB inventories. *** reported that certain markets cannot take its PSBs because they do not have the required recycled content or because the information on recycled content is not printed on the bags.

[36] Purchaser responses reporting changes in supply that were caused by the COVID-19 pandemic are reported above in the section on the impact of the COVID-19 pandemic on supply.

[37] Information on regulations either banning, taxing, or regulating single use plastic bags is available from a number of sources including: https://www.cawrecycles.org/list-of-national-bans/, https://en.wikipedia.org/wiki/Plastic_bag_bans_in_the_United_States, and Bill Text - SB-270 Solid waste: single-use carryout bags.

Environmental perceptions and demand

Firms were asked if environmental perceptions had an impact on demand since 2021. Three of 4 responding producers, *** of *** importers, and 17 of 38 purchasers reported that they had. Many of these reported that PSBs are seen as better for the environment than plastic bags; some firms reported an increased interest in recycled content of the PSBs.

Retail on-line and in-person activity and demand

Firms were asked if consumers' in-person vs on-line retail activities had an impact on demand since 2021. Two of 4 responding producers, *** of *** importers, and 17 of 36 purchasers reported that they had. Changes included that demand declined with the closing of some brick-and-mortar stores, demand was unchanged as increased deliveries offset reduced in-person sales, and demand increased as restaurant takeout grew.

Substitute products

Relatively few U.S. producers (1 of 4), most importers (*** of ***), and slightly less than half of the responding purchasers (21 of 44) reported that there were substitutes for paper shopping bags. Firms were specifically asked if paper grocery bags and plastic bags were substitutes for PSBs. One producer, *** importers, and 16 purchasers reported paper grocery bags were substitutes for PSBs. One producer, *** importers, and 20 purchaser reported plastic bags were substitutes for PSBs. Other substitutes were reported by 1 producer, *** importers, and 6 purchasers including reusable bags (nonwoven bags and fabric bags), gift wrap (for gift bags), and boxes.

Other types of bags

Twenty-three purchasers reporting purchasing or importing bags other than PSBs in 2023, these other types of bags had a total weight of at least 227.3 million pounds.[38] Most of these purchases were self-opening sacks (144.8 million pounds). Reasons for purchasing other types of bags included: a distributor sells the range of product its customers demand, price, legislation, and lack of domestic supply.

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[38] Three of the 23 purchasers reported purchasing these products but did not report the quantity. This question did not specify the time period for this response, as a result, some purchaser responses may be only for their purchases and imports in 2023.

Substitutability issues

This section assesses the degree to which U.S.-produced PSBs and imports of PSBs from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of PSBs from domestic and imported sources based on those factors. Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced PSBs and PSBs imported from subject sources.[39] Factors contributing to this level of substitutability include similar quality, availability, and lead times; little preference for the particular country of origin or producers; and similarities between domestically produced PSBs and PSBs imported from subject countries for certain types of PSBs. There are some reported differences in paper weight, quality, and print quality, but these factors would not tend to prevent substitutability altogether. Differences limiting substitutability are mostly based on the lack of availability or extremely limited availability of certain types of PSBs, particularly sheet-fed PSBs and bags that require more handwork from domestic producers.

Factors affecting purchasing decisions

Purchaser decisions based on source

As shown in table II-8, most purchasers and their customers sometimes or never make purchasing decisions based on the producer, country of origin, or production method.[40] Of the 10 purchasers that reported that they always make decisions based on the manufacturer, firms cited vendor partnerships with price and supply agreements; value and supply; quality, materials, print capability, MOQs, and packing configurations; timing and price; use a single U.S. source; U.S. producers do not make handmade sheet-fed PSBs; and U.S. producers have very high MOQs.

[39] The degree of substitution between domestic and imported PSBs depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced PSBs to the PSBs imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

[40] Most purchasers (25 of 44) did not know the method of production for all the PSBs they purchased (this includes purchasers who did not answer this question and those that reported no purchases by all of the production methods).

Table II-8
PSBs: Count of purchasers' responses regarding frequency of purchasing decisions based on producer and country of origin

Firm making decision	Decision based on	Always	Usually	Sometimes	Never
Purchaser	Producer	10	5	13	15
Customer	Producer	1	2	7	22
Purchaser	Country	3	3	15	22
Customer	Country	0	1	8	23
Purchaser	Production method	4	1	3	34
Customer	Production method	1	0	1	29

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers were asked if certain types of PSBs were only available from one source. Fifteen of 41 responding purchasers reported that they were. A number of these firms reported that U.S. producers do not provide high levels of customization that some purchasers prefer. Types of customizations noted by the purchasers included: some bag sizes; high quality print (colors and graphics); hand-finished bags (bottom inserts and folded tops); bag handles (ribbon, rope, 4 knot, and woven paper); tamper-proof bags; and some paper choices.[41]

Fifteen purchasers reported that some (or all for 6 firms) of the imported PSBs they purchased/imported were not available from U.S. producers in 2023. These PSBs that were not available from the U.S. producers totaled over 30 million pounds in 2023, or 32.2 percent of reported purchases and imports in 2023 reported by the responding purchasers.

Importance of purchasing domestic product

Almost all responding purchasers (36 of 39) reported that all of their purchases did not require purchasing U.S.-produced product. One purchaser reported that it sold PSBs to some government contactors that require U.S.-produced PSBs, these sales accounted for 2 percent of its sales. Two purchasers reported other preferences for domestic product; both stated that some of their purchasers prefer purchasing domestic product for 25 and 5 percent of their sales.

[41] *** reported that suppliers may produce certain types of bags and have these in their catalogs, but noted that these bag types may not be available in the quantity required, orders may not be honored, and products may be discontinued.

Most important purchase factors

The most often cited top three factors that firms consider in their purchasing decisions for PSBs were price (40 firms), quality (32 firms), and availability (24 firms), as shown in table II-9. Quality was the most frequently cited first-most important factor (cited by 18 firms), followed by price (14 firms); availability was the most frequently reported second-most important factor (12 firms); and price was the most frequently reported third-most important factor (16 firms).

Table II-9
PSBs: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Factor	First	Second	Third	Total
Quality	18	9	5	32
Price	14	10	16	40
Availability/supply assurance/reliability of supplier/fill rate	7	12	5	24
Service/relationship/custom sizing/ custom printing	4	4	4	11
Capacity/reliability/global supply commitments	1	5	0	6
Delivery	0	2	5	7
Recycled materials	0	0	2	2
All other factors	0	1	3	4

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other factors include: ease of purchasing, discounts, increased demand for PSBs, and open terms. Some purchasers included more than one factor within each rank. Some noted other factors beyond the top-three most important, including: production capacity, logistics/freight cost, durability, retail packages with barcodes, U.S. warehouses, range of product offering/product line, and contracts.

The majority of purchasers (33 of 44) reported that they either usually (15) or sometimes (18) purchase the lowest-priced product.[42]

Importance of specified purchase factors

Purchasers were asked to rate the importance of 17 factors in their purchasing decisions (table II-10). The factors rated as very important by more than half of responding purchasers were availability, product consistency, and reliability of supply (42 each); quality meets industry standards (38); price and print quality (36 each); delivery time (34); customization (25); and delivery terms (24).

[42] Three purchasers reported that they always the purchase the lowest priced product and eight that they never purchase the lowest priced product.

Table II-10
PSBs: Count of purchasers' responses regarding importance of purchase factors, by factor

Factor	Very important	Somewhat important	Not important
Availability	42	0	1
Customization	25	17	2
Delivery terms	24	17	2
Delivery time	34	7	1
Discounts offered	8	24	10
Minimum quantity requirements	15	19	9
Packaging	10	25	7
Payment terms	14	20	9
Price	36	8	0
Print quality	36	6	2
Product consistency	42	2	0
Product range	12	21	9
Quality meets industry standards	38	4	1
Quality exceeds industry standards	19	21	4
Reliability of supply	42	2	0
Technical support/service	13	22	7
U.S. transportation costs	15	19	9

Source: Compiled from data submitted in response to Commission questionnaires.

Lead times

U.S. producers and importers reported that most of their commercial shipments were produced-to-order (table II-11). The share of U.S.-produced PSBs that were produced to order changed relatively little during 2021-23, but the U.S. producers' average lead time declined by over a month between 2021 and 2023. The lead times for produced-to-order PSBs reported by importers were consistently longer than those reported by U.S. producers. Unlike the U.S.-produced PSBs, the average lead time for produced to order PSBs reported by the importers increased by 6 days between 2021 and 2023. U.S. producers reported lead times from U.S. inventories that were much lower than those for their produced-to-order product, but also higher than lead times from U.S. inventories reported by the importers. Both U.S. producers' and importers' lead times from inventories fell between 2021 and 2023.

Table II-11
PSBs: Lead time and share of sales by produced-to-order or sold from inventory, by year

	Type of sale	Firm type	2021	2022	2023
Lead time	Produced to order	U.S. producers	***	***	***
Lead time	Produced to order	Subject importers	***	***	***
Lead time	From U.S. inventories	U.S. producers	***	***	***
Lead time	From U.S. inventories	Subject importers	***	***	***
Lead time	From foreign inventories	U.S. producers	NA	NA	NA
Lead time	From foreign inventories	Subject importers	***	***	***
Share of sales	Produced to order	U.S. producers	***	***	***
Share of sales	Produced to order	Subject importers	***	***	***
Share of sales	From U.S. inventories	U.S. producers	***	***	***
Share of sales	From U.S. inventories	Subject importers	***	***	***
Share of sales	From foreign inventories	U.S. producers	NA	NA	NA
Share of sales	From foreign inventories	Subject importers	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Supplier certification

Most purchasers (26 of 44) reported that they did not require certification. The remaining 18 purchasers require their suppliers to become certified or qualified to sell PSBs to their firm. Factors considered most frequently in the qualification process included: Forest Stewardship certification; quality; reliability of supply; and financial or ethical requirements for the supplier. Purchasers reported that the time to qualify a new supplier ranged from 14 to 180 days. Three purchasers reported that domestic or foreign suppliers had failed in their attempts to qualify PSBs or had lost approved status since 2021. *** reported that U.S. producers ProAmpac and Novolex have reduced the raw material choices available, do not offer small retail packs with barcodes, eliminated certain sizes, and as a result they no longer meet printing specifications for complex design printing. *** reported suppliers were disqualified because they did not have the capacity required for its needs. ***, which imported from Vietnam, had lost qualification because of quality and unreliable supply.

Minimum quality specifications

As can be seen from table II-12, most responding purchasers reported that domestically produced PSBs and most PSBs produced in Cambodia, China, Colombia, India, Portugal, Taiwan (subject), and Vietnam always or usually met minimum quality specifications.

Table II-12
PSBs: Count of purchasers' responses regarding suppliers' ability to meet minimum quality specifications, by source

Source of purchases	Always	Usually	Sometimes	Rarely or never	Don't Know
United States	13	13	3	3	6
Cambodia	1	2	0	0	26
China	18	5	0	1	12
Colombia	1	2	0	1	25
India	7	4	2	0	20
Malaysia	0	0	0	0	26
Portugal	0	2	0	0	24
Taiwan (subject)	2	0	0	0	25
Turkey	0	1	1	0	25
Vietnam	7	2	1	1	19
Taiwan (nonsubject)	1	0	0	1	25
Other sources	5	1	0	0	14

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Purchasers were asked how often domestically produced or imported PSBs meets minimum quality specifications for their own or their customers' uses.

Forty-two purchasers reported factors that determined quality. The most frequently cited factor was durability/strength (weight capacity, paper weight, tear resistance, and burst strength). Other factors cited include: meeting specifications (appropriate size for the food containers); handles (construction, strength, and consistent application); print quality (color, clarity, and customization); construction (material consistency, glue bottom, clean cut edge, glue adhesion, and uniformity); and being made from 100 percent recycled paper.

Changes in purchasing patterns

Most purchasers (26 of 44) reported that they had changed suppliers since January 1, 2021. Reasons firms dropped or reduced purchases from U.S. producers include: the U.S. producer could not produce multiple SKUs the purchaser used; the purchaser shifted to another U.S. producer; and U.S. producer's lack of production capacity, high cost, unreliable timing, and limited availability. Firms added or increased purchases from U.S. producers because domestic allocation ended. Purchases from import sources increased because U.S.-produced bags were not available; diversity/security of supply; packaging format (purchaser preferred cases rather than bundles available from the U.S. producers); lower price; and a stocking agreement. Purchases from import sources decreased because of inconsistent pricing; poor customer service; supply chain problems; lack of a stocking agreement; and because imports were a stopgap when domestic product was unavailable.

Purchasers were also asked about changes in their purchasing patterns from different countries since January 1, 2021 (table II-13). Purchaser response patterns varied considerably; reasons they noted for changes in their pattern are listed below.

1) Purchasers reported increased purchases of U.S.-produced product because of store growth, increased use of takeout, plastic bag bans, and domestic producers added capacity.
2) Purchasers reported decreased purchases of U.S.-produced product because bags were not available, switched to Chinese vendor, demand for bags reflects sales trends, price, other options available, domestic refusal to supply, changed vendor to one providing imports, and service issues with domestic manufacturer.
3) Purchasers reported increased purchases of product from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and/or Vietnam because of availability, better branding at better prices, launched private label, increased demand, imports filled the supply gap, changed to a supplier of imports, shipping delays, consolidated with a vendor, end of the COVID lockdown, and demand driven by U.S. capacity constraints (causing long lead times and allocations).
4) Purchasers reported decreased purchases of product from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and/or Vietnam because of price, supply assurance, changed supplier, decreased sales, earlier orders were emergency orders for a stop gap supply, moved to other import source, and changing demand for quality and design.

Table II-13
PSBs: Count of purchasers' responses regarding changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Steadily Increase	Fluctuate Up	No change	Fluctuate Down	Steadily Decrease	Did not purchase
United States	5	10	2	5	7	9
Cambodia	1	1	2	0	1	23
China	3	5	7	5	6	8
Colombia	1	0	1	0	0	24
India	5	3	2	2	1	17
Malaysia	1	0	1	0	1	23
Portugal	0	0	2	0	1	22
Taiwan, subject	1	1	2	0	0	22
Turkey	2	1	0	1	0	23
Vietnam	5	2	1	2	1	17
Taiwan, nonsubject	0	0	1	0	2	24
All other sources	4	2	1	1	3	15
Sources unknown	4	0	0	2	3	18

Source: Compiled from data submitted in response to Commission questionnaires.

Sheet-fed vs web-fed PSBs

Almost all (over 99 percent) of U.S. production of PSBs was of web-fed PSBs. In contrast, most PSBs imported from subject countries were produced on sheet-fed equipment. Purchasers were asked if they purchased/imported sheet-fed or web-fed PSBs. Twenty-six of 43 responding purchasers either reported that 100 percent of their purchases/imports were of unknown production method or did not report the method of production for any of their PSBs purchases. Seven purchasers reported purchasing/importing sheet-fed PSBs (2.9 percent of all purchases), 18 reported purchasing/importing web-fed PSBs (45.2 percent of all purchases), and 28 reported purchasing/importing PSBs with an unknown method of production (52.0 percent of all purchases).[43] Reasons given for purchasing/importing sheet-fed PSBs include, more complex print designs, use of gloss paper, and print with metallic inks. A number of firms reported that sheet-fed PSBs were not available from domestic producers. The only reason given for purchasing/importing web-fed PSBs was that web-fed PSBs were available from their suppliers.[44]

Petitioner claims that sheet-fed and web-fed PSBs are not separate like products while respondent Direct Packaging claims that they are.[45] Petitioner states that web-fed technology can produce very high-quality graphics and use heavy basis weight paper.[46] APB reported producing turn-top bags using its web-fed technology[47] but Novolex makes turn-top PSBs only on its sheet-fed equipment.[48] Petitioner states that web-fed and sheet-fed PSBs compete with each other.[49] Direct Source Packaging claims that sheet-fed and web-fed PSBs are separate like products. Its reasons includes: Most web-fed and sheet-fed PSBs have different tops, handles, handle application, paper used, and print quality. [50] Sheet-fed PSBs are normally used for high-end retailers because of all the features on the bag that cannot be produced on web-fed equipment, indicating different channels of distribution. [51] Perceived differences are reflected in the responses of virtually all of the responding U.S. importers and most purchasers that were familiar with both web-fed and sheet-fed PSBs identifying significant differences between

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[43] Six purchasers reported purchasing or importing both sheet-fed and web-fed PSBs.

[44] Three purchasers of these products reported that they purchase web-fed PSBs because that is what is available from domestic sources. Others reported that the type of production was based on their vendors' type of machinery.

[45] Petitioner's prehearing brief, pp. 17-23 and Respondent Direct Source's prehearing brief, pp. 1-19.

[46] Hearing transcript, pp. 54-55 (Verder).

[47] Hearing transcript, p. 57 (Hollis).

[48] Hearing transcript, pp. 126 (Heil).

[49] Hearing transcript, pp. 123-124 (Heil, Taylor).

[50] Respondent Direct Source Packaging prehearing brief, pp. 2-7.

[51] Respondent Direct Source Packaging prehearing brief, pp. 7-8.

them.[52] Web-fed and sheet-fed do not share manufacturing facilities, production process, or production employees.[53] AUVs of imports reflect the different prices of sheet-fed and web-fed PSBS.[54]

Purchase factor comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing PSBs produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 17 factors (table II-14) for which they were asked to rate the importance. Most purchasers reported that U.S. PSBs were comparable with Cambodian and Malaysian PSBs for all 17 factors. Most purchasers reported that U.S. and Chinese PSBs were comparable for all factors except customization (10 comparable, 9 U.S. inferior, and 1 U.S. superior), delivery time (10 comparable, 7 U.S. superior, and 4 U.S. inferior), price (10 comparable, 9 U.S. inferior, and 2 U.S. superior), and product range (10 comparable and 10 U.S. inferior). Most purchasers reported that U.S. and Indian PSBs were comparable for all factors expect delivery time (7 U.S. superior, 5 comparable, and 1 U.S. inferior) and price (8 U.S. inferior, 4 comparable, and 2 U.S. superior).[55] Two purchasers compared PSBs produced in the United States with those from Portugal and Turkey, and at least one reported they were comparable for each factor. Two purchasers compared PSBs produced in the United States with those from Taiwan and Colombia; at least one of these reported they were comparable for all factors except price, for which both reported U.S. PSBs were inferior. Most purchasers reported that U.S. and Vietnamese PSBs were comparable for all factors expect delivery time (4 U.S. superior, 4 comparable, and 2 U.S. inferior), reliability of supply (5 comparable, 4 U.S. inferior, and 1 U.S. superior), and U.S. transportation costs (5 comparable, 3 U.S. superior, and 2 U.S. inferior).

Most purchasers reported that U.S. and nonsubject PSBs were comparable on most factors.

[52] Respondent Direct Source Packaging prehearing brief, pp. 4-6.
[53] Respondent Direct Source Packaging prehearing brief, pp. 14-17.
[54] Respondent Direct Source Packaging prehearing brief, pp. 17-19.
[55] Only one purchaser responded for U.S. and Colombian PSBs.

Table II-14
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. Cambodia	0	3	0
Customization	U.S. vs. Cambodia	0	2	1
Delivery terms	U.S. vs. Cambodia	1	2	0
Delivery time	U.S. vs. Cambodia	1	2	0
Discounts offered	U.S. vs. Cambodia	0	2	0
Minimum quantity requirements	U.S. vs. Cambodia	0	2	1
Packaging	U.S. vs. Cambodia	0	3	0
Payment terms	U.S. vs. Cambodia	0	2	0
Price	U.S. vs. Cambodia	0	2	0
Print quality	U.S. vs. Cambodia	0	3	0
Product consistency	U.S. vs. Cambodia	0	2	1
Product range	U.S. vs. Cambodia	0	2	1
Quality meets industry standards	U.S. vs. Cambodia	0	2	1
Quality exceeds industry standards	U.S. vs. Cambodia	0	3	0
Reliability of supply	U.S. vs. Cambodia	0	2	1
Technical support/service	U.S. vs. Cambodia	1	2	0
U.S. transportation costs	U.S. vs. Cambodia	0	3	0

Table continued.

Table II-14 Continued
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. China	0	14	8
Customization	U.S. vs. China	1	10	9
Delivery terms	U.S. vs. China	6	13	2
Delivery time	U.S. vs. China	7	10	4
Discounts offered	U.S. vs. China	2	12	3
Minimum quantity requirements	U.S. vs. China	3	11	6
Packaging	U.S. vs. China	2	16	3
Payment terms	U.S. vs. China	2	16	2
Price	U.S. vs. China	2	10	9
Print quality	U.S. vs. China	1	16	4
Product consistency	U.S. vs. China	1	16	3
Product range	U.S. vs. China	0	10	10
Quality meets industry standards	U.S. vs. China	1	15	5
Quality exceeds industry standards	U.S. vs. China	0	14	6
Reliability of supply	U.S. vs. China	1	14	6
Technical support/service	U.S. vs. China	3	14	2
U.S. transportation costs	U.S. vs. China	6	12	1

Table continued.

Table II-14 Continued
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. Colombia	0	2	0
Customization	U.S. vs. Colombia	0	2	0
Delivery terms	U.S. vs. Colombia	1	1	0
Delivery time	U.S. vs. Colombia	1	1	0
Discounts offered	U.S. vs. Colombia	1	1	0
Minimum quantity requirements	U.S. vs. Colombia	0	2	0
Packaging	U.S. vs. Colombia	0	2	0
Payment terms	U.S. vs. Colombia	0	1	1
Price	U.S. vs. Colombia	0	0	2
Print quality	U.S. vs. Colombia	0	2	0
Product consistency	U.S. vs. Colombia	0	2	0
Product range	U.S. vs. Colombia	0	2	0
Quality meets industry standards	U.S. vs. Colombia	0	2	0
Quality exceeds industry standards	U.S. vs. Colombia	0	2	0
Reliability of supply	U.S. vs. Colombia	0	2	0
Technical support/service	U.S. vs. Colombia	0	2	0
U.S. transportation costs	U.S. vs. Colombia	0	2	1

Table continued.

Table II-14 Continued
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. India	0	9	4
Customization	U.S. vs. India	0	10	3
Delivery terms	U.S. vs. India	2	9	2
Delivery time	U.S. vs. India	7	5	1
Discounts offered	U.S. vs. India	0	11	1
Minimum quantity requirements	U.S. vs. India	1	8	4
Packaging	U.S. vs. India	0	11	2
Payment terms	U.S. vs. India	1	11	1
Price	U.S. vs. India	2	4	8
Print quality	U.S. vs. India	1	11	1
Product consistency	U.S. vs. India	3	10	0
Product range	U.S. vs. India	0	11	2
Quality meets industry standards	U.S. vs. India	1	10	2
Quality exceeds industry standards	U.S. vs. India	2	10	1
Reliability of supply	U.S. vs. India	0	7	6
Technical support/service	U.S. vs. India	3	9	1
U.S. transportation costs	U.S. vs. India	1	9	2

Table continued.

Table II-14 Continued
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. Malaysia	0	3	0
Customization	U.S. vs. Malaysia	0	2	1
Delivery terms	U.S. vs. Malaysia	0	2	1
Delivery time	U.S. vs. Malaysia	0	2	1
Discounts offered	U.S. vs. Malaysia	0	2	0
Minimum quantity requirements	U.S. vs. Malaysia	0	2	1
Packaging	U.S. vs. Malaysia	0	3	0
Payment terms	U.S. vs. Malaysia	0	3	0
Price	U.S. vs. Malaysia	0	3	0
Print quality	U.S. vs. Malaysia	0	2	1
Product consistency	U.S. vs. Malaysia	0	2	1
Product range	U.S. vs. Malaysia	0	2	1
Quality meets industry standards	U.S. vs. Malaysia	0	2	1
Quality exceeds industry standards	U.S. vs. Malaysia	0	3	0
Reliability of supply	U.S. vs. Malaysia	0	3	0
Technical support/service	U.S. vs. Malaysia	1	2	0
U.S. transportation costs	U.S. vs. Malaysia	0	2	1

Table continued.

Table II-14 Continued
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. Portugal	0	2	0
Customization	U.S. vs. Portugal	0	2	0
Delivery terms	U.S. vs. Portugal	0	1	1
Delivery time	U.S. vs. Portugal	0	2	1
Discounts offered	U.S. vs. Portugal	0	1	0
Minimum quantity requirements	U.S. vs. Portugal	0	1	1
Packaging	U.S. vs. Portugal	0	2	0
Payment terms	U.S. vs. Portugal	0	2	0
Price	U.S. vs. Portugal	0	2	1
Print quality	U.S. vs. Portugal	0	1	1
Product consistency	U.S. vs. Portugal	0	1	1
Product range	U.S. vs. Portugal	0	2	0
Quality meets industry standards	U.S. vs. Portugal	0	1	1
Quality exceeds industry standards	U.S. vs. Portugal	0	2	0
Reliability of supply	U.S. vs. Portugal	0	1	1
Technical support/service	U.S. vs. Portugal	1	1	0
U.S. transportation costs	U.S. vs. Portugal	0	1	1

Table continued.

Table II-14 Continued
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. Taiwan	0	2	1
Customization	U.S. vs. Taiwan	0	1	0
Delivery terms	U.S. vs. Taiwan	0	2	0
Delivery time	U.S. vs. Taiwan	0	2	0
Discounts offered	U.S. vs. Taiwan	0	2	0
Minimum quantity requirements	U.S. vs. Taiwan	0	2	0
Packaging	U.S. vs. Taiwan	0	1	0
Payment terms	U.S. vs. Taiwan	0	1	0
Price	U.S. vs. Taiwan	0	0	2
Print quality	U.S. vs. Taiwan	0	2	0
Product consistency	U.S. vs. Taiwan	0	1	0
Product range	U.S. vs. Taiwan	0	1	0
Quality meets industry standards	U.S. vs. Taiwan	0	1	0
Quality exceeds industry standards	U.S. vs. Taiwan	0	1	0
Reliability of supply	U.S. vs. Taiwan	0	2	0
Technical support/service	U.S. vs. Taiwan	0	1	0
U.S. transportation costs	U.S. vs. Taiwan	0	2	0

Table continued.

Table II-14 Continued
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. Turkey	0	2	0
Customization	U.S. vs. Turkey	0	2	0
Delivery terms	U.S. vs. Turkey	1	1	0
Delivery time	U.S. vs. Turkey	1	1	0
Discounts offered	U.S. vs. Turkey	1	1	0
Minimum quantity requirements	U.S. vs. Turkey	0	2	0
Packaging	U.S. vs. Turkey	1	1	0
Payment terms	U.S. vs. Turkey	1	1	0
Price	U.S. vs. Turkey	0	1	1
Print quality	U.S. vs. Turkey	0	2	0
Product consistency	U.S. vs. Turkey	1	1	0
Product range	U.S. vs. Turkey	0	2	0
Quality meets industry standards	U.S. vs. Turkey	1	1	0
Quality exceeds industry standards	U.S. vs. Turkey	1	1	0
Reliability of supply	U.S. vs. Turkey	1	1	0
Technical support/service	U.S. vs. Turkey	1	1	0
U.S. transportation costs	U.S. vs. Turkey	0	2	0

Table continued.

Table II-14 Continued
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. Vietnam	1	6	4
Customization	U.S. vs. Vietnam	1	6	3
Delivery terms	U.S. vs. Vietnam	2	7	1
Delivery time	U.S. vs. Vietnam	4	4	2
Discounts offered	U.S. vs. Vietnam	1	7	1
Minimum quantity requirements	U.S. vs. Vietnam	1	7	2
Packaging	U.S. vs. Vietnam	1	7	2
Payment terms	U.S. vs. Vietnam	1	8	1
Price	U.S. vs. Vietnam	1	6	3
Print quality	U.S. vs. Vietnam	0	8	2
Product consistency	U.S. vs. Vietnam	1	8	1
Product range	U.S. vs. Vietnam	0	7	3
Quality meets industry standards	U.S. vs. Vietnam	0	9	1
Quality exceeds industry standards	U.S. vs. Vietnam	1	8	1
Reliability of supply	U.S. vs. Vietnam	1	5	4
Technical support/service	U.S. vs. Vietnam	1	7	2
U.S. transportation costs	U.S. vs. Vietnam	3	5	2

Table continued.

Table II-14 Continued
PSBs: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	U.S. vs. Nonsubject	1	10	5
Customization	U.S. vs. Nonsubject	1	11	1
Delivery terms	U.S. vs. Nonsubject	2	12	0
Delivery time	U.S. vs. Nonsubject	6	7	1
Discounts offered	U.S. vs. Nonsubject	1	10	1
Minimum quantity requirements	U.S. vs. Nonsubject	1	10	3
Packaging	U.S. vs. Nonsubject	0	13	1
Payment terms	U.S. vs. Nonsubject	1	12	1
Price	U.S. vs. Nonsubject	0	9	5
Print quality	U.S. vs. Nonsubject	0	12	1
Product consistency	U.S. vs. Nonsubject	0	11	2
Product range	U.S. vs. Nonsubject	0	10	3
Quality meets industry standards	U.S. vs. Nonsubject	0	11	2
Quality exceeds industry standards	U.S. vs. Nonsubject	0	11	2
Reliability of supply	U.S. vs. Nonsubject	0	10	4
Technical support/service	U.S. vs. Nonsubject	0	12	1
U.S. transportation costs	U.S. vs. Nonsubject	2	10	1

Source: Compiled from data submitted in response to Commission questionnaires.

Note: A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Comparison of U.S.-produced and imported PSBs

In order to determine whether U.S.-produced PSBs can generally be used in the same applications as imports from subject countries, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. All responding U.S. producers reported that product from all sources was always interchangeable. As shown in tables II-16 to II-17, most importers and most purchasers reported that PSBs from the United States and all other countries were always or usually interchangeable. Most importers reported that PSBs from most other countries were always or usually interchangeable.[56] Purchasers were less able to respond for many of the country pairs. For example, only 1 or 2 purchasers were able to compare U.S. PSBs with PSBs from Cambodia, Colombia, Taiwan, and Turkey. Nonetheless, half or more of the purchasers reported that U.S. and subject PSBs were always or frequently interchangeable for all pairs except when comparing the U.S. and Turkey PSBs, for which one purchaser responded that they were sometimes interchangeable. Relatively few purchasers compared PSBs from most subject country pairs. Each pairing had two or fewer responding purchasers except China vs India, and China vs Vietnam, for which half or more of the responses were that they were always or frequently interchangeable for both country pairs. For purchasers comparing PSBs from nonsubject countries with those from the United States and subject countries, equal numbers of purchasers indicated that product from both the U.S. and Taiwan was either frequently, sometimes, or never interchangeable with those from nonsubject sources, and a majority of responding purchasers indicated that product from China and India were sometimes interchangeable with those from nonsubject sources.

Firms reported factors that limited interchangeability between U.S. PSBs and imported PSBs, including:

1) high labor costs cause U.S. manufacturers to use capital intensive production methods (web-fed) which are most profitable when there are large print runs, but web-fed product has the disadvantages of lower print quality (only flexographic print), limited sizes available, fewer choices in paper thicknesses and paper coatings, only serrated tops, and only twisted or flat paper handles;

[56] Half the responding importers reported PSBs were always or usually interchangeable in comparisons between China vs Colombia, Colombia vs Portugal, Portugal vs other, Taiwan vs other, and Turkey vs other. Most of the responding importers reported PSBs were sometimes or never interchangeable in comparisons between Malaysia vs Taiwan, Portugal vs Taiwan, Portugal vs Turkey, and Portugal vs Taiwan.

2) imported sheet-fed PSBs can provide better print quality and allows for foil hot stamping, embossing, spot UV silk screen coatings, knotted handles, and folded tops, as a result sheet-fed PSBs have a “high end finished look”;
3) Cambodia, China, India, Malaysia, and Vietnam supply PSBs with woven or braided handles with knotted ends which can carry more weight that flat or twisted handles;
4) the range of manufacturers in China and Taiwan allows for more choice on bag types and sizes;
5) U.S. producers have been unreliable, and for complex printing jobs can produced inferior quality PSBs;
6) U.S. producers’ MOQs for special products are larger than the amount the average customer wants or needs;
7) U.S. producers face a paper pulp shortage;
8) U.S. producers do not produce gift bags that meet desired specifications, and are unable or unwilling to build additional capacity for gift bags; and
9) Chinese producers are more adept at producing innovations (woven handles and 40 percent post-consumer recycled material) than U.S. producers.

Table II-15
PSBs: Count of importers reporting the degree of interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. Cambodia	***	***	***	***
U.S. vs. China	***	***	***	***
U.S. vs. Colombia	***	***	***	***
U.S. vs. India	***	***	***	***
U.S. vs. Malaysia	***	***	***	***
U.S. vs. Portugal	***	***	***	***
U.S. vs. Taiwan	***	***	***	***
U.S. vs. Turkey	***	***	***	***
U.S. vs. Vietnam	***	***	***	***
Cambodia vs. China	***	***	***	***
Cambodia vs. Colombia	***	***	***	***
Cambodia vs. India	***	***	***	***
Cambodia vs. Malaysia	***	***	***	***
Cambodia vs. Portugal	***	***	***	***
Cambodia vs. Taiwan	***	***	***	***
Cambodia vs. Turkey	***	***	***	***
Cambodia vs. Vietnam	***	***	***	***
China vs. Colombia	***	***	***	***
China vs. India	***	***	***	***
China vs. Malaysia	***	***	***	***
China vs. Portugal	***	***	***	***
China vs. Taiwan	***	***	***	***
China vs. Turkey	***	***	***	***
China vs. Vietnam	***	***	***	***
Colombia vs. India	***	***	***	***
Colombia vs. Malaysia	***	***	***	***
Colombia vs. Portugal	***	***	***	***
Colombia vs. Taiwan	***	***	***	***
Colombia vs. Turkey	***	***	***	***
Colombia vs. Vietnam	***	***	***	***
India vs. Malaysia	***	***	***	***
India vs. Portugal	***	***	***	***
India vs. Taiwan	***	***	***	***
India vs. Turkey	***	***	***	***
India vs. Vietnam	***	***	***	***

Table continued.

Table II-15 Continued
PSBs: Count of importers reporting the degree of interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
Malaysia vs. Portugal	***	***	***	***
Malaysia vs. Taiwan	***	***	***	***
Malaysia vs. Turkey	***	***	***	***
Malaysia vs. Vietnam	***	***	***	***
Portugal vs. Taiwan	***	***	***	***
Portugal vs. Turkey	***	***	***	***
Portugal vs. Vietnam	***	***	***	***
Taiwan vs. Turkey	***	***	***	***
Taiwan vs. Vietnam	***	***	***	***
Turkey vs. Vietnam	***	***	***	***
U.S. vs. other	***	***	***	***
Cambodia vs. other	***	***	***	***
China vs. other	***	***	***	***
Colombia vs. other	***	***	***	***
India vs. other	***	***	***	***
Malaysia vs. other	***	***	***	***
Portugal vs. other	***	***	***	***
Taiwan vs. other	***	***	***	***
Turkey vs. other	***	***	***	***
Vietnam vs. other	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-16
PSBs: Count of purchasers reporting the degree of interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. Cambodia	0	1	1	0
U.S. vs. China	5	6	6	3
U.S. vs. Colombia	0	2	0	0
U.S. vs. India	5	3	3	1
U.S. vs. Malaysia	2	1	0	0
U.S. vs. Portugal	0	2	0	0
U.S. vs. Taiwan	1	0	0	1
U.S. vs. Turkey	0	0	1	0
U.S. vs. Vietnam	5	2	3	0
Cambodia vs. China	0	0	1	0
Cambodia vs. Colombia	0	0	0	0
Cambodia vs. India	0	1	0	0
Cambodia vs. Malaysia	1	1	0	0
Cambodia vs. Portugal	0	1	0	0
Cambodia vs. Taiwan	0	0	0	0
Cambodia vs. Turkey	0	0	0	0
Cambodia vs. Vietnam	0	1	0	0
China vs. Colombia	0	1	0	0
China vs. India	2	0	2	0
China vs. Malaysia	0	0	1	0
China vs. Portugal	0	0	1	0
China vs. Taiwan	1	1	0	0
China vs. Turkey	0	0	1	0
China vs. Vietnam	2	1	2	0
Colombia vs. India	0	1	0	0
Colombia vs. Malaysia	1	0	0	0
Colombia vs. Portugal	0	0	0	0
Colombia vs. Taiwan	1	0	0	0
Colombia vs. Turkey	0	0	1	0
Colombia vs. Vietnam	0	1	0	0
India vs. Malaysia	1	1	0	0
India vs. Portugal	0	1	0	0
India vs. Taiwan	0	1	0	0
India vs. Turkey	0	0	1	0
India vs. Vietnam	0	2	0	0

Table continued.

Table II-16 Continued
PSBs: Count of purchasers reporting the degree of interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
Malaysia vs. Portugal	0	1	0	0
Malaysia vs. Taiwan	0	0	0	0
Malaysia vs. Turkey	0	0	0	0
Malaysia vs. Vietnam	0	1	0	0
Portugal vs. Taiwan	0	0	0	1
Portugal vs. Turkey	0	0	0	0
Portugal vs. Vietnam	0	1	0	0
Taiwan vs. Turkey	0	0	1	0
Taiwan vs. Vietnam	1	0	0	0
Turkey vs. Vietnam	0	0	1	0
U.S. vs. other	0	2	2	2
Cambodia vs. other	0	1	0	0
China vs. other	0	1	4	0
Colombia vs. other	0	0	1	0
India vs. other	0	1	2	0
Malaysia vs. other	0	1	0	0
Portugal vs. other	0	1	0	0
Taiwan vs. other	0	1	1	1
Turkey vs. other	0	0	1	0
Vietnam vs. other	0	1	1	0

Source: Compiled from data submitted in response to Commission questionnaires.

In addition, U.S. producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of PSBs from the United States, subject, or nonsubject countries. U.S. producers reported that there were never differences other than price for all but one country pair; one producer reported that there were sometimes differences other than price between U.S. and Indian produced PSBs, but the other three U.S. producers reported that there were never differences other than price for this country pair. As seen in tables II-17 to II-18, most responding importers reported that there were always or frequently differences other than price between U.S. product and product from all subject countries, other than Malaysia, for which half the responding importers (2 of 4) reported there were always differences other than price (the other two importers responded sometimes and never). Half or more of the importers reported that there were either always or frequently differences other than price for all country pairs except Cambodia vs. Malaysia, China vs. Malaysia, China vs. Taiwan, Colombia vs. India, Colombia vs. Malaysia, Colombia vs. Vietnam, India vs. Malaysia, Malaysia vs. Portugal, Malaysia vs. Taiwan, Malaysia vs. Turkey, Malaysia vs. Vietnam, Colombia vs. other, Malaysia vs. other, Portugal vs. other, and Vietnam vs. other.

Three or more purchasers responded on differences other than price for only 8 country pairs. Most responding purchasers reported that PSBs either always or frequently had differences other than price in comparisons of product from U.S. vs. China, U.S. vs. India, U.S. vs. Vietnam, and U.S. vs. other. For China vs. India, China vs. Vietnam, China vs. other, and India vs. other, most responding purchasers reported there were sometimes or never differences other than price. Many of the factors discussed in interchangeability were also reported as differences other than price; additional differences include: availability (which was reported by 12 of the 24 importers and 7 of 13 purchasers that reported a specific difference other than price); lead times; and U.S. warehouses. Importer *** noted that the demand for PSBs *** is too small for U.S. manufacturers, which caused it to purchase from Cambodia. A number of firms also reported that imported PSBs offered specialized PSBs not available from U.S. producers.

Table II-17
PSBs: Count of U.S. Importers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. Cambodia	***	***	***	***
U.S. vs. China	***	***	***	***
U.S. vs. Colombia	***	***	***	***
U.S. vs. India	***	***	***	***
U.S. vs. Malaysia	***	***	***	***
U.S. vs. Portugal	***	***	***	***
U.S. vs. Taiwan	***	***	***	***
U.S. vs. Turkey	***	***	***	***
U.S. vs. Vietnam	***	***	***	***
Cambodia vs China	***	***	***	***
Cambodia vs Colombia	***	***	***	***
Cambodia vs India	***	***	***	***
Cambodia vs Malaysia	***	***	***	***
Cambodia vs Portugal	***	***	***	***
Cambodia vs Taiwan	***	***	***	***
Cambodia vs Turkey	***	***	***	***
Cambodia vs Vietnam	***	***	***	***
China vs. Colombia	***	***	***	***
China vs. India	***	***	***	***
China vs. Malaysia	***	***	***	***
China vs. Portugal	***	***	***	***
China vs. Taiwan	***	***	***	***
China vs. Turkey	***	***	***	***
China vs. Vietnam	***	***	***	***
Colombia vs. India	***	***	***	***
Colombia vs. Malaysia	***	***	***	***
Colombia vs. Portugal	***	***	***	***
Colombia vs. Taiwan	***	***	***	***
Colombia vs. Turkey	***	***	***	***
Colombia vs. Vietnam	***	***	***	***
India vs. Malaysia	***	***	***	***
India vs. Portugal	***	***	***	***
India vs. Taiwan	***	***	***	***
India vs. Turkey	***	***	***	***
India vs. Vietnam	***	***	***	***

Table continued.

Table II-17--Continued
PSBs: Count of U.S. Importers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
Malaysia vs. Portugal	***	***	***	***
Malaysia vs. Taiwan	***	***	***	***
Malaysia vs. Turkey	***	***	***	***
Malaysia vs. Vietnam	***	***	***	***
Portugal vs. Taiwan	***	***	***	***
Portugal vs. Turkey	***	***	***	***
Portugal vs. Vietnam	***	***	***	***
Taiwan vs. Turkey	***	***	***	***
Taiwan vs. Vietnam	***	***	***	***
Turkey vs. Vietnam	***	***	***	***
United States vs. Other	***	***	***	***
Cambodia vs. Other	***	***	***	***
China vs. Other	***	***	***	***
Colombia vs. Other	***	***	***	***
India vs. Other	***	***	***	***
Malaysia vs. Other	***	***	***	***
Portugal vs. Other	***	***	***	***
Taiwan vs. Other	***	***	***	***
Turkey vs. Other	***	***	***	***
Vietnam vs. Other	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-18
PSBs: Count of purchasers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. Cambodia	0	0	1	1
U.S. vs. China	8	6	6	0
U.S. vs. Colombia	1	0	1	0
U.S. vs. India	3	5	4	0
U.S. vs. Malaysia	0	0	1	1
U.S. vs. Portugal	0	1	1	0
U.S. vs. Taiwan	0	1	1	0
U.S. vs. Turkey	0	1	0	0
U.S. vs. Vietnam	2	4	4	0
Cambodia vs. China	0	1	0	0
Cambodia vs. Colombia	0	0	0	0
Cambodia vs. India	0	0	1	0
Cambodia vs. Malaysia	0	1	0	0
Cambodia vs. Portugal	0	0	1	0
Cambodia vs. Taiwan	0	0	0	0
Cambodia vs. Turkey	0	0	0	0
Cambodia vs. Vietnam	0	0	1	0
China vs. Colombia	0	0	1	0
China vs. India	0	1	1	2
China vs. Malaysia	0	2	0	0
China vs. Portugal	0	1	0	0
China vs. Taiwan	0	0	1	1
China vs. Turkey	0	1	0	0
China vs. Vietnam	0	2	2	2
Colombia vs. India	0	0	1	0
Colombia vs. Malaysia	0	0	0	0
Colombia vs. Portugal	0	0	0	0
Colombia vs. Taiwan	0	0	1	0
Colombia vs. Turkey	0	1	0	0
Colombia vs. Vietnam	0	0	1	0
India vs. Malaysia	0	0	1	0
India vs. Portugal	0	0	1	0
India vs. Taiwan	0	0	0	1
India vs. Turkey	0	1	0	0
India vs. Vietnam	0	0	1	1

Table continued.

Table II-18 Continued
PSBs: Count of purchasers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
Malaysia vs. Portugal	0	0	1	0
Malaysia vs. Taiwan	0	0	0	0
Malaysia vs. Turkey	0	0	0	0
Malaysia vs. Vietnam	0	0	1	1
Portugal vs. Taiwan	0	0	0	0
Portugal vs. Turkey	0	0	0	0
Portugal vs. Vietnam	0	1	0	0
Taiwan vs. Turkey	0	1	0	0
Taiwan vs. Vietnam	0	0	0	1
Turkey vs. Vietnam	0	1	0	0
U.S. vs. other	3	0	2	0
Cambodia vs. other	0	0	1	0
China vs. other	0	1	3	0
Colombia vs. other	0	0	1	0
India vs. other	0	0	3	0
Malaysia vs. other	0	0	1	0
Portugal vs. other	0	0	1	0
Taiwan vs. other	0	0	2	0
Turkey vs. other	0	0	1	0
Vietnam vs. other	0	0	2	0

Source: Compiled from data submitted in response to Commission questionnaires.

Elasticity estimates

This section discusses elasticity estimates.

U.S. supply elasticity

The domestic supply elasticity for PSBs measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of PSBs. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced PSBs. Analysis of these factors above indicates that the U.S. industry has the ability to slightly to moderately increase or decrease shipments to the U.S. market; an estimate in the range of 2 to 4 is suggested.

Parties were encouraged to comment on elasticity estimates as an attachment to their prehearing briefs. Petitioner disagreed with staff's characterization of U.S. producers' ability to respond to changes in demand with small to moderate changes in the quantity of shipments of U.S.-produced PSBs to the U.S. market, citing the domestic industry's quantity of available practical capacity and capacity utilization.[57] The Commission requested that the petitioner explain how it estimated practical capacity to better understand domestic producers' practical capacity. Petitioner stated, "***."[58]

It also argues that "{t}he Commission should note that the domestic industry produced ***. At an absolute minimum, the domestic industry was capable of producing paper shopping bag volumes at *** throughout the POI, but it did not have the opportunity to do so in 2022 or 2023 due to the injurious effects of the subject imports," and that "{t}he economy-wide supply

[57] Petitioner prehearing brief, p. 43, footnote 220.
[58] Petitioner posthearing brief, Responses to Commissioner questions, pp. 39 and 40.

issues in 2020 did not reduce the ability of Novolex to increase output and sales of paper shopping bags to the U.S. market during 2021-to-2023."[59]

However, Novolex did institute some changes in 2021 that potentially increased its capacity between 2021 and 2023. "{In} June 2021 Novolex bought Flexo. Novolex believed that it would be able to increase the capacity utilization of the Flexo facilities and could thereby make more paper shopping bags. Novolex began increasing production at the Flexo facilities in the second half of 2021." In addition it stated that, "***." [60] Any increase in Flexo's capacity utilization caused by its acquisition by Novolex did not occur until the second half of 2021 because its purchase did not occur until July 2021,[61] thus the increase in capacity utilization for Novolex from the purchase of Flexo would only be partially reflected in its 2021 capacity utilization.[62] In addition, ***. Novolex's *** but the overall industry's ***.

Staff's estimate of U.S. producers' supply elasticity notes that the U.S. industry has the ability to slightly to moderately increase or decrease shipments to the U.S. market. This reflects that during 2021 the overall industry capacity utilization was only *** percent but Novolex, one of the largest U.S. producers of PSBs, reported taking measures to reduce changeover downtimes in order to increase the production of PSBs to get sufficient quantities of bags to market.[63] It increased its MOQs, decreased the number of available bag sizes, and reduced the

[59] Petitioner posthearing brief, Responses to Commissioner questions, p. 40.

[60] Petitioner posthearing brief, Responses to Commissioner questions, p. 75.

[61] Hearing transcript p. 33 (Shah).

[62] Flexo's purchase was completed in July 2021. "Within six months of acquiring the Flexo facilities, we added shifts that allowed us to move production at those facilities to around the clock, 24/7 operation. This action required hiring and training additional employees to staff the added shifts. Our capacity expansions put us in an excellent position to benefit from expanding demand for paper shopping bags." Hearing transcript, pp. 33-34 (Shah).

[63] "{W}e wanted to make sure that we were in a place to be able to get the most amount of bags possible to our customers, and so for a time period we did increase those minimum order quantities, and that lasted about a year." Conference transcript, p. 121 (Burnett). Unfortunately, no other U.S. producer provided responses to Commissioner questions. It is, therefore, difficult to evaluate the capacity utilization rates provided in their questionnaires by the other U.S. PSBs producers. They reported capacity utilization rates of *** in 2021, a year in which most purchasers reported facing supply constraints on PSBs from U.S. producers.

number of prints that used in manufacturing.[64] In addition, most purchasers reported supply constraints during 2021. The need for these adjustments to production patterns in 2021 indicate that (in spite of the U.S. producers' relatively low reported capacity utilization) it may be difficult for U.S. producers to increase production more than slightly to moderately beyond 2021 levels. Petitioner provided no explanation why U.S. producers did not increase production closer to their estimated full capacity utilization, given the unmet demand in 2021.[65] Therefore, since the U.S. producers' capacity utilization in 2023 was *** lower than in 2021 and in spite of *** lower capacity to produce PSBs, staff considers the original estimate that the U.S. industry has the ability to slightly to moderately increase or decrease shipments to the U.S. market an appropriate one.

U.S. demand elasticity

The U.S. demand elasticity for PSBs measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of PSBs. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the PSBs in the production of any downstream products. Based on the available information, the aggregate demand for PSBs is likely to be highly inelastic; a range of -0.25 to -0.5 is suggested.

[64] Conference transcript, p. 81 (Burnett). Witnesses for petitioner described some of these measures during the preliminary staff conference. One noted, "So there would be some shocks created by result of those events, but by and large, we added more shifts whenever we could. We increased production to some extent by asking some our customers to standardize some sizes, go from a custom printed bag to a stock bag. Because what that allowed us to do is kind of make more bags. So we could sell bags to "Mr. Thomsen's BBQ" and we could sell bags to "Mrs. Right's Bakery" because she would rather have plain bags than not have bags at all. So we did some of those things where we kind of worked with customers to say you're buying 10 different sizes. Can you make eight? Consolidate your sizes, consolidate your prints." Conference transcript, p. 79 (Shah).

[65] Petitioner states "At an absolute minimum, the domestic industry was capable of producing paper shopping bag volumes at *** throughout the POI, but it did not have the opportunity to do so in 2022 or 2023 due to the injurious effects of the subject imports." Petitioner's posthearing brief, answers to Commission questions, p. 31. "Novolex did everything it possibly could to increase capacity and production to serve its U.S. customers." Petitioner's posthearing brief, answers to Commission questions, p. 75. Also see Novolex's explanation of the way in which it estimated its practical capacity. Petitioner's posthearing brief, answers to Commission questions, p. 76.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[66] Product differentiation, in turn, depends upon such factors as quality (e.g., strength, appearance, etc.) and conditions of sale (e.g., availability, sales terms, delivery time, etc.). Based on available information, the elasticity of substitution between U.S.-produced PSBs and imported PSBs is likely to be in the range of 2.5 to 4. The elasticity of substitution is moderate because there is little U.S. production of sheet-fed PSBs while nearly half of imported subject PSBs are sheet-fed PSBs; substitution between imported sheet-fed PSBs with most domestic PSBs would be relatively low. However, both U.S. producers and foreign producers manufacture web-fed PSBs, for which substitution would be relatively high.

[66] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in Part I of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part IV and Part V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of four firms that accounted for the vast majority of U.S. production of PSBs in 2023.[1]

U.S. producers

The Commission issued a U.S. producer questionnaire to eight firms based on information provided by petitioner and through staff research. Four firms provided usable data on their operations. Staff believes that these responses represent the vast majority of U.S. production of PSBs in 2023.

Table III-1 lists U.S. producers of PSBs, their production locations, positions on the petition, and shares of total production.

[1] Hearing transcript, p. 157 (Straitman). Petition, Volume I, pp. 15-16.

Table III-1
PSBs: U.S. producers, their position on the petition, location of production, and share of reported production, 2023

Shares in percent

Firm	Position on petition	Production location(s)	Share of production
American Paper Bag	***	Sugar Notch, PA	***
Fischer	***	Antioch, IL	***
Novolex	Member of the petitioning coalition	Walton, KY Florence, KY Monroe, GA Meriden, CT Vancouver, WA	***
ProAmpac	***	Tulsa, OK Mobile, AL Walden, NY	***
All firms	Various	Various	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms.

Table III-2
PSBs: U.S. producers' ownership, related and/or affiliated firms

Reporting firm	Relationship type and related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in table III-2, one U.S. producer is related to a nonsubject foreign producer of PSBs. In addition, as discussed in greater detail below, one U.S. producer directly imported the subject merchandise.

Table III-3 presents events in the U.S. industry since January 1, 2021.

Table III-3
PSBs: Important industry events since 2021

Item	Firm	Event
Acquisition	ProAmpac Holdings	In April 2021, ProAmpac Holdings acquired El Dorado Packaging of El Dorado, Arkansas, a manufacturer of paper packaging products including paper bags.
Acquisition	ProAmpac Holdings	In July 2021, ProAmpac Holdings acquired APC Paper Group of Claremont, New Hampshire, a manufacturer of recycled paper products.
Acquisition	Novolex	In July 2021, Novolex acquired Flexo Converters of Meriden Connecticut, a manufacturer of stock, custom and recycled paper bags, and sacks.
Acquisition	Apollo Funds	In April 2022, Apollo Funds, a private equity company headquartered in New York, New York, completed its acquisition of a majority stake in Novolex.
Plant opening	Papier-Mettler	In May 2022, Papier-Mettler, a German packaging manufacturer, acquired an industrial building in Moorefield, West Virginia with plans to establish operations for packaging manufacturing.
Closure	El Dorado Packaging	In May 2023, ProAmpac Holdings announced it would close El Dorado Packaging, of El Dorado, Arkansas, which it had acquired in 2021.

Source: ProAmpac, “ProAmpac Acquires El Dorado Packaging, Strengthening its Consumer and Industrial Paper Packaging Offer,” April 19, 2021, https://www.proampac.com/en-us/media-center/436/proampac-acquires-el-dorado-packaging-strengthening-its-consumer-and-industrial-paper-packaging-offering/, retrieved February 12, 2024; ProAmpac, “ProAmpac Acquires APC Paper Group,” July 20, 2021, https://www.proampac.com/en-us/media-center/429/proampac-acquires-apc-paper-group/, retrieved February 14, 2024; Novolex, “Novolex Closes on Acquisition of Flexo Converters USA, Inc,” July 1, 2021, https://novolex.com/news/novolex-closes-on-acquisition-of-flexo-converters-usa-inc/, retrieved February 12, 2024;Area Development News Desk, “Germany-Based Papier-Mettler Plans Moorefield, West Virginia, Operations,” June 22, 2022, https://www.areadevelopment.com/newsitems/6-29-2022/papier-mettler-moorefield-west-virginia.shtml, retrieved June 28, 2023; El Dorado News-Times, “El Dorado Paper Bag Manufacturing Co. to Close,” May 26, 2023, https://www.eldoradonews.com/news/2023/may/26/el-dorado-paper-bag-manufacturing-co-to-close/, retrieved February 12, 2024; Novolex, “Apollo Funds Complete Acquisition of Majority Stake in Novolex,” April 13, 2022, https://novolex.com/news/apollo-funds-complete-acquisition-of-majority-stake-in-novolex/, March 1, 2024; El Dorado News-Times, “El Dorado Paper Bag Manufacturing Co. to Close,” May 26, 2023, https://www.eldoradonews.com/news/2023/may/26/el-dorado-paper-bag-manufacturing-co-to-close/, retrieved February 12, 2024.

Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of PSBs since 2021. All four producers indicated in their questionnaire responses that they had experienced such changes. Table III-4 presents the changes identified by these producers.

Table III-4
PSBs: U.S. producers' reported changes in operations, since January 1, 2021

Item	Firm name and narrative response on changes in operations
Production curtailments	***
Expansions	***
Expansions	***
Expansions	***
Acquisitions	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. production, capacity, and capacity utilization

Table III-5 presents U.S. producers' installed overall capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment. Production capacity is dedicated almost entirely to the production of PSBs. One firm, ***, reported producing *** pounds of out-of-scope merchandise on the same equipment used to produce PSBs.[2] Installed overall and practical overall capacity increased by *** percent and *** percent, respectively, during 2021 to 2023.

Table III-5
PSBs: U.S. producers' installed and practical capacity and production on the same equipment as in-scope production, by period

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2021	2022	2023
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical PSBs	Capacity	***	***	***
Practical PSBs	Production	***	***	***
Practical PSBs	Utilization	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Installed overall production capacity is the level of production that a firm's establishment(s) could have attained, assuming the firm's optimal product mix, and based solely on existing capital investments, i.e., machinery and equipment that is in place and ready to operate. This capacity measure does not account for other constraints to production such as existing workforce constraints, availability of raw materials, or downtime for maintenance, repair, and clean-up. This capacity measure is sometimes referred to as "nameplate" or "theoretical" capacity in some industries.

Note: Practical overall production capacity is the level of production that a firm's establishment(s) could reasonably have expected to attain, accounting for the firm's actual product mix over the period for which data were collected. This capacity measure is based on not only existing capital investments, i.e., machinery and equipment that is in place and ready to operate but also non-capital investment constraints, such as (1) normal operating conditions, including normal downtime for maintenance, repair, and cleanup; (2) the firm's existing in-place and readily available labor force; (3) availability of material inputs; and (4) any other constraints that may have limited the firm's ability to produce the reported products. Importantly, this capacity measure is the maximum "practical" production a firm could have achieved without hiring new personnel or expanding the number of shifts operated in the period.

[2] *** utilizes machinery capable of producing both PSBs and paper mailers with the same equipment. *** producer questionnaire response, section II-2a.

Table III-6 presents U.S. producers' reported narratives regarding practical capacity constraints.

Table III-6
PSBs: U.S. producers' reported capacity constraints since January 1, 2021

Item	Firm name and narrative response on constraints to practical overall capacity
Existing labor force	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-7 and figure III-1 present U.S. producers' practical production capacity, production, capacity utilization, and individual shares of reported production. Responding U.S. producers' practical capacity fluctuated during 2021 to 2023 with an overall decrease of *** percent. All responding U.S. producers, other than ***, reported overall increases in practical capacity during 2021 to 2023.[3]

During 2021 to 2023, responding U.S. producers' production fluctuated, with an overall decrease of *** percent, decreasing by *** percent during 2021 to 2022 and then increasing by *** percent during 2022 to 2023.

Responding U.S. producers' average capacity utilization rate fluctuated during 2021 to 2023, first decreasing by *** percentage points during 2021 to 2022 before increasing by *** percentage points during 2022 to 2023, for an overall decrease of *** percentage points during 2021 to 2023. During 2021 to 2023, *** and *** capacity utilization rates increased by *** percentage points and *** percentage points respectively, while *** and *** capacity utilization rates decreased by *** percentage points and *** percentage points respectively.

[3] As noted in table III-4, in 2021 and 2022 *** brought online *** recently acquired machines capable of producing PSBs. In addition, it acquired an additional *** machines through its acquisition of ***.

Table III-7
PSBs: U.S. producers' output: Practical capacity, by firm and period

Practical capacity

Capacity in 1,000 pounds

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table III-7 Continued
PSBs: U.S. producers' output: Production, by firm and period

Production

Production in 1,000 pounds

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table III-7 Continued
PSBs: U.S. producers' output: Capacity utilization, by firm and period

Capacity utilization

Capacity utilization in percent

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Note: Capacity utilization ratio represents the ratio of the U.S. producer's production to its production capacity.

Table continued.

Table III-7 Continued
PSBs: U.S. producers' output: Share of production, by firm and period

Share of production

Share in percent

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-1
PSBs: U.S. producers' output, by period

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

As shown in table III-8, *** of the product produced on the equipment used to produce PSBs during 2021 to 2023 by U.S. producers was PSBs. One firm, ***, reported producing out-of-scope paper bags using the same machinery. One U.S. producer, ***, reported the ability to shift production to alternative products, ***.[4] Additionally, *** reported it is possible to remove the handle units from its own shopping bag machines to produce bags similar to grocery and SOS bags, but noted that this adjustment would run at a lower speed, preventing it from being cost competitive. *** also reported that its operators require time and training to run other types of bag machines.[5]

Table III-8
PSBs: U.S. producers' overall production on the same equipment as in-scope production, by period

Quantity in 1,000 pounds; ratio and share in percent

Product type	Measure	2021	2022	2023
PSBs	Quantity	***	***	***
Other paper bags	Quantity	***	***	***
Other products	Quantity	***	***	***
All out-of-scope products	Quantity	***	***	***
All products	Quantity	***	***	***
PSBs	Share	***	***	***
Other paper bags	Share	***	***	***
Other products	Share	***	***	***
All out-of-scope products	Share	***	***	***
All products	Share	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

[4] *** preliminary producer questionnaire response, section II-4a.
[5] *** preliminary producer questionnaire response, section II-4a.

U.S. producers’ U.S. shipments and exports

Table III-9 presents U.S. producers’ U.S. shipments, export shipments, and total shipments. The vast majority of U.S. producers' U.S. shipments were commercial U.S. shipments, accounting for at least *** percent of U.S. producers’ total shipments during 2021 to 2023. U.S. shipments by quantity decreased by *** pounds (*** percent) during 2021 to 2022, then increased by *** pounds (*** percent) during 2022 to 2023, for an overall decline of *** percent and *** pounds. The average unit value of U.S. producers’ U.S. shipments fluctuated during 2021 to 2023, with an overall increase of *** percent.

Export shipments declined during 2021 to 2023, with an overall decrease of *** percent. Only *** and *** reported export shipments during 2021 to 2023. During 2021 to 2023, *** reported export shipments fluctuated with an overall decrease from *** pounds to *** pounds (*** percent), while *** reported export shipments had an overall increase from *** pounds to *** pounds (*** percent).

Table III-9
PSBs: U.S. producers’ total shipments, by destination and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; shares in percent

Item	Measure	2021	2022	2023
U.S. shipments	Quantity	***	***	***
Export shipments	Quantity	***	***	***
Total shipments	Quantity	***	***	***
U.S. shipments	Value	***	***	***
Export shipments	Value	***	***	***
Total shipments	Value	***	***	***
U.S. shipments	Unit value	***	***	***
Export shipments	Unit value	***	***	***
Total shipments	Unit value	***	***	***
U.S. shipments	Share of quantity	***	***	***
Export shipments	Share of quantity	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***
Export shipments	Share of value	***	***	***
Total shipments	Share of value	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-10 presents U.S. producers’ U.S. shipments by production method. *** reported U.S. shipments were web-fed PSBs during 2021 to 2023, and *** reporting producing sheet-fed PSBs during the same time period.

Table III-10
PSBs: U.S. producers' U.S. shipments, by production method and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; shares in percent

Production method	Measure	2021	2022	2023
Sheet-fed	Quantity	***	***	***
Web-fed	Quantity	***	***	***
All production methods	Quantity	***	***	***
Sheet-fed	Value	***	***	***
Web-fed	Value	***	***	***
All production methods	Value	***	***	***
Sheet-fed	Unit value	***	***	***
Web-fed	Unit value	***	***	***
All production methods	Unit value	***	***	***
Sheet-fed	Share of quantity	***	***	***
Web-fed	Share of quantity	***	***	***
All production methods	Share of quantity	100.0	100.0	100.0
Sheet-fed	Share of value	***	***	***
Web-fed	Share of value	***	***	***
All production methods	Share of value	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers’ inventories

Table III-11 presents U.S. producers’ end-of-period inventories and the ratio of these inventories to U.S. producers’ production, U.S. shipments, and total shipments**.** During 2021 to 2023, U.S. producers’ inventories fluctuated, with an overall increase of *** pounds (*** percent). Most reported inventories were held by *** whose share of U.S. producers’ reported inventories ranged from *** percent to *** percent during 2021 to 2023. During 2021 to 2023, *** inventories increased by *** pounds (*** percent) while *** inventories decreased by *** pounds (*** percent) during the same time period.

The ratio of responding U.S. producers’ inventories to their U.S. production ranged from *** percent to *** percent during 2021 to 2023. The ratio of responding U.S. producers’ inventories to their U.S. shipments ranged from *** percent to *** percent during 2021 to 2023.

Table III-11
PSBs: U.S. producers’ inventories and their ratio to select items, by period

Quantity in 1,000 pounds; ratio in percent

Item	2021	2022	2023
End-of-period inventory quantity	***	***	***
Inventory ratio to U.S. production	***	***	***
Inventory ratio to U.S. shipments	***	***	***
Inventory ratio to total shipments	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers’ imports from subject sources

*** was the only U.S. producer to report imports from subject sources. *** imports of PSBs are presented in table III-12, while its reasons for importing are noted in table III-13.[6]

Table III-12
PSBs: *'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in 1,000 pounds; ratio in percent

Item	Measure	2021	2022	2023
U.S. production	Quantity	***	***	***
Imports from China	Quantity	***	***	***
Imports from India	Quantity	***	***	***
Imports from subject sources	Quantity	***	***	***
Imports from China to U.S. production	Ratio	***	***	***
Imports from India to U.S. production	Ratio	***	***	***
Imports from subject sources to U.S. production	Ratio	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Table III-13
PSBs: U.S. producers’ reasons for importing

Item	Narrative response on reasons for importing
***'s reason for importing	***

Source: Compiled from data submitted in response to *** preliminary phase importer questionnaire.

U.S. producers' purchases of imports from subject sources

No responding U.S. producer reported purchases of PSBs during 2021 to 2023.

[6] *** imports from nonsubject sources, the majority of which are from ***, ranged from *** pounds to *** pounds during 2021 to 2023. *** importer questionnaire response, section II-15a.

U.S. employment, wages, and productivity

Table III-14 shows U.S. producers' employment-related data. U.S. producers' reported number of PRWs decreased by *** PRWs (*** percent) during 2021 to 2022 and then increased by *** PRWs (*** percent) during 2022 to 2023.[7] Total hours decreased by *** hours (*** percent) during 2021 to 2022, and then increased by *** hours (*** percent) during 2022 to 2023. Total wages paid fluctuated during 2021 to 2023 for an overall increase of *** percent. Hourly wages fluctuated during 2021 to 2023 for an overall increase of *** percent.[8] Productivity fluctuated during 2021 to 2023, decreasing overall by *** percent. During 2021 to 2023, unit labor costs fluctuated, increasing overall by *** percent.

Table III-14
PSBs: U.S. producers' employment related information, by period

Item	2021	2022	2023
Production and related workers (PRWs) (number)	***	***	***
Total hours worked (1,000 hours)	***	***	***
Hours worked per PRW (hours)	***	***	***
Wages paid ($1,000)	***	***	***
Hourly wages (dollars per hour)	***	***	***
Productivity (pounds per hour)	***	***	***
Unit labor costs (dollars per pound)	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

[7] *** hired additional workers in 2023 as a result of improved demand projections for 2024. *** producer questionnaire response, section II-15.

[8] *** reported that its average hourly wages paid have increased significantly during the time period due to higher wage inflation impacting the wider economy. *** producer questionnaire response, section II-15.

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 113 firms believed to be importers of subject PSBs, as well as to all U.S. producers of PSBs.[1] Usable questionnaire responses were received from 48 companies, representing 33.0 percent of U.S. imports from subject sources and 18.7 percent of U.S. imports from nonsubject sources in 2023 under HTS subheadings 4819.30.0040 and 4819.40.0040, “basket” categories.[2] [3]Table IV-1 lists all responding U.S. importers of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam and other sources, their locations, and their shares of U.S. imports, in 2023.

Table IV-1
PSBs: U.S. importers, their headquarters, and share of total imports within a given source by firm, 2023

Share in percent

Firm	Headquarters	Cambodia	China	Colombia	India	Malaysia	Portugal	Taiwan, subject
Alef	Philadelphia, PA	***	***	***	***	***	***	***
American Retail	Puyallup, WA	***	***	***	***	***	***	***
Annjoy	Delray Beach, FL	***	***	***	***	***	***	***
Bag Makers	Union, IL	***	***	***	***	***	***	***
Baggs	Edison, NJ	***	***	***	***	***	***	***
Better Earth	Clarkston, GA	***	***	***	***	***	***	***
BradyPlus	Las Vegas, NV	***	***	***	***	***	***	***
Brand Art	Busto Artizio, IT	***	***	***	***	***	***	***
Broadway	Monroe Township, NJ	***	***	***	***	***	***	***
Bunzl	Creve Coeur, MO	***	***	***	***	***	***	***
Chenco	North Brunswick, NJ	***	***	***	***	***	***	***

Table continued.

[1] The Commission issued questionnaires to those firms identified in the petition; staff research; and proprietary, Census-edited Customs’ import records.

[2] Official import statistics adjusted to remove out of scope imports under HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040 as reported in Commission questionnaires.

[3] *** reported it does not track product by country of origin after it has been imported; therefore, it could only report aggregated shipment and inventory data. For this reason, shipment and inventory data reported by *** are not included in the data set. During 2021 to 2023, *** U.S. shipments of imported PSBs ranged between *** pounds and *** pounds while its end-of-period inventories ranged between *** pounds and *** pounds. *** importer questionnaire response, sections II-6a and II-18.

Table IV-1 Continued
PSBs: U.S. importers, their headquarters, and share of total imports within a given source by firm, 2023

Share in percent

Firm	Headquarters	Cambodia	China	Colombia	India	Malaysia	Portugal	Taiwan, subject
Commonwealth	Harrisburg, PA	***	***	***	***	***	***	***
Direct Source	Stamford, CT	***	***	***	***	***	***	***
Dollar General	Goodletssville, TN	***	***	***	***	***	***	***
Dollar Tree	Chesapeake, VA	***	***	***	***	***	***	***
Fleet	South Orange, NJ	***	***	***	***	***	***	***
Global Importers	Wallingford, CT	***	***	***	***	***	***	***
Greater Pacific	Issaquah, WA	***	***	***	***	***	***	***
Guess	Los Angeles, CA	***	***	***	***	***	***	***
Infinity Global	Danville, VA	***	***	***	***	***	***	***
Island Plastic	Aiea, HI	***	***	***	***	***	***	***
Jet	Wayne, NJ	***	***	***	***	***	***	***
JRD Unico	Whitestone, NY	***	***	***	***	***	***	***
Meristem	Roswell, GA	***	***	***	***	***	***	***
Metropak	Richardson, TX	***	***	***	***	***	***	***
Mettler	Raynham, MA	***	***	***	***	***	***	***
New York Packaging	New Hyde Park, NY	***	***	***	***	***	***	***
Novolex	Hartsville, SC	***	***	***	***	***	***	***
Pacific Western	Brea, CA	***	***	***	***	***	***	***
Pack America	New York, NY	***	***	***	***	***	***	***
Pan Pacific	Hayward, CA	***	***	***	***	***	***	***
Prime Line	South Plainfield, NJ	***	***	***	***	***	***	***
S. Freedman	Landover, MD	***	***	***	***	***	***	***
S. Walter	Trevose, PA	***	***	***	***	***	***	***
SIPAC	Sunrise, FL	***	***	***	***	***	***	***
Solupac	North Miami, FL	***	***	***	***	***	***	***
Star Trade	Commack, NY	***	***	***	***	***	***	***
Starbucks	Seattle, WA	***	***	***	***	***	***	***
Store Supply	Bridgeton, MO	***	***	***	***	***	***	***
SupplyCaddy	Miami, FL	***	***	***	***	***	***	***
Target	Minneapolis, MN	***	***	***	***	***	***	***
Uline	Pleasant Prairie, WI	***	***	***	***	***	***	***
Verizon	Basking Ridge, NJ	***	***	***	***	***	***	***
Victoria's Secret	Reynoldsburg, OH	***	***	***	***	***	***	***
Vivabox	Rockville, MD	***	***	***	***	***	***	***
Walmart	Bentonville, AR	***	***	***	***	***	***	***
WSCS	Basingstoke,	***	***	***	***	***	***	***
ZT Packaging	Fresh Meadows, NY	***	***	***	***	***	***	***
All firms	Various	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table continued.

Table IV-1 Continued
PSBs: U.S. importers, their headquarters, and share of total imports within a given source by firm, 2023

Share in percent

Firm	Headquarters	Turkey	Vietnam	Subject sources	Taiwan, nonsubject	All other sources	Nonsubject sources	All import sources
Alef	Philadelphia, PA	***	***	***	***	***	***	***
American Retail	Puyallup, WA	***	***	***	***	***	***	***
Annjoy	Delray Beach, FL	***	***	***	***	***	***	***
Bag Makers	Union, IL	***	***	***	***	***	***	***
Baggs	Edison, NJ	***	***	***	***	***	***	***
Better Earth	Clarkston, GA	***	***	***	***	***	***	***
BradyPlus	Las Vegas, NV	***	***	***	***	***	***	***
Brand Art	Busto Artizio, IT	***	***	***	***	***	***	***
Broadway	Monroe Township, NJ	***	***	***	***	***	***	***
Bunzl	Creve Coeur, MO	***	***	***	***	***	***	***
Chenco	North Brunswick, NJ	***	***	***	***	***	***	***
Commonwealth	Harrisburg, PA	***	***	***	***	***	***	***
Direct Source	Stamford, CT	***	***	***	***	***	***	***
Dollar General	Goodletssville, TN	***	***	***	***	***	***	***
Dollar Tree	Chesapeake, VA	***	***	***	***	***	***	***
Fleet	South Orange, NJ	***	***	***	***	***	***	***
Global Importers	Wallingford, CT	***	***	***	***	***	***	***
Greater Pacific	Issaquah, WA	***	***	***	***	***	***	***
Guess	Los Angeles, CA	***	***	***	***	***	***	***
Infinity Global	Danville, VA	***	***	***	***	***	***	***
Island Plastic	Aiea, HI	***	***	***	***	***	***	***
Jet	Wayne, NJ	***	***	***	***	***	***	***
JRD Unico	Whitestone, NY	***	***	***	***	***	***	***
Meristem	Roswell, GA	***	***	***	***	***	***	***
Metropak	Richardson, TX	***	***	***	***	***	***	***
Mettler	Raynham, MA	***	***	***	***	***	***	***
New York Packaging	New Hyde Park, NY	***	***	***	***	***	***	***
Novolex	Hartsville, SC	***	***	***	***	***	***	***
Pacific Western	Brea, CA	***	***	***	***	***	***	***
Pack America	New York, NY	***	***	***	***	***	***	***
Pan Pacific	Hayward, CA	***	***	***	***	***	***	***
Prime Line	South Plainfield, NJ	***	***	***	***	***	***	***

Table continued.

Table IV-1 Continued
PSBs: U.S. importers, their headquarters, and share of total imports within a given source by firm, 2023

Share in percent

Firm	Headquarters	Turkey	Vietnam	Subject sources	Taiwan, nonsubject	All other sources	Nonsubject sources	All import sources
S. Freedman	Landover, MD	***	***	***	***	***	***	***
S. Walter	Trevose, PA	***	***	***	***	***	***	***
SIPAC	Sunrise, FL	***	***	***	***	***	***	***
Solupac	North Miami, FL	***	***	***	***	***	***	***
Star Trade	Commack, NY	***	***	***	***	***	***	***
Starbucks	Seattle, WA	***	***	***	***	***	***	***
Store Supply	Bridgeton, MO	***	***	***	***	***	***	***
SupplyCaddy	Miami, FL	***	***	***	***	***	***	***
Target	Minneapolis, MN	***	***	***	***	***	***	***
Uline	Pleasant Prairie, WI	***	***	***	***	***	***	***
Verizon	Basking Ridge, NJ	***	***	***	***	***	***	***
Victoria's Secret	Reynoldsburg, OH	***	***	***	***	***	***	***
Vivabox	Rockville, MD	***	***	***	***	***	***	***
Walmart	Bentonville, AR	***	***	***	***	***	***	***
WSCS	Basingstoke,	***	***	***	***	***	***	***
ZT Packaging	Fresh Meadows, NY	***	***	***	***	***	***	***
All firms	Various	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam and all other sources. Imports from subject sources, by quantity, fluctuated during 2021 to 2023, increasing by *** percent during 2021 to 2022, and then decreasing by *** percent during 2022 to 2023, for an overall decrease of *** percent. Imports from nonsubject sources, by quantity, declined steadily, by *** percent, during 2021 to 2023.[4] [5]

During 2021 to 2023, imports from Cambodia, India, and Vietnam increased overall, while imports from China, Colombia, Malaysia, Portugal, Taiwan (subject) and Turkey declined. Unit values for imports from combined subject sources were higher than unit values for imports from nonsubject sources in 2021 and 2022, but were $*** per pound lower in 2023. Imports from Malaysia maintained the lowest average unit values among subject sources during 2021 to 2023, ranging from $*** to $*** per pound, while the subject sources with the highest unit values were China in 2021 ($*** per pound), Colombia in 2022 ($*** per pound), and China in 2023 ($*** per pound). The ratios of subject and nonsubject imports to U.S. production increased by *** percentage points and *** percentage points, respectively, during 2021 to 2022, then declined by *** percentage points and *** percentage points during 2022 to 2023, for an overall decline of *** percentage points and *** percentage points during 2021 to 2023.

[4] The largest sources of imports from nonsubject sources by quantity, in 2023, include Mexico (73.5 million pounds), Canada (36.3 million pounds), Germany (22.3 million pounds), and Indonesia (17.7 million pounds). Based on unadjusted official import statistics.

[5] *** imports of PSBs from nonsubject sources, the majority of which are from ***, ranged from *** pounds to *** pounds during 2021 to 2023. *** importer questionnaire response, section II-15a.

Table IV-2
PSBs: U.S. imports, by source and period

Quantity in 1,000 pounds; value in 1,000 dollars

Source	Measure	2021	2022	2023
Cambodia	Quantity	***	***	***
China	Quantity	***	***	***
Colombia	Quantity	***	***	***
India	Quantity	***	***	***
Malaysia	Quantity	***	***	***
Portugal	Quantity	***	***	***
Taiwan, subject	Quantity	***	***	***
Turkey	Quantity	***	***	***
Vietnam	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Taiwan, nonsubject	Quantity	***	***	***
All other sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
Cambodia	Value	***	***	***
China	Value	***	***	***
Colombia	Value	***	***	***
India	Value	***	***	***
Malaysia	Value	***	***	***
Portugal	Value	***	***	***
Taiwan, subject	Value	***	***	***
Turkey	Value	***	***	***
Vietnam	Value	***	***	***
Subject sources	Value	***	***	***
Taiwan, nonsubject	Value	***	***	***
All other sources	Value	***	***	***
Nonsubject sources	Value	***	***	***
All import sources	Value	***	***	***

Table continued.

Table IV-2 Continued
PSBs: U.S. imports, by source and period

Unit value in dollars per pound; Share in percent

Source	Measure	2021	2022	2023
Cambodia	Unit value	***	***	***
China	Unit value	***	***	***
Colombia	Unit value	***	***	***
India	Unit value	***	***	***
Malaysia	Unit value	***	***	***
Portugal	Unit value	***	***	***
Taiwan, subject	Unit value	***	***	***
Turkey	Unit value	***	***	***
Vietnam	Unit value	***	***	***
Subject sources	Unit value	***	***	***
Taiwan, nonsubject	Unit value	***	***	***
All other sources	Unit value	***	***	***
Nonsubject sources	Unit value	***	***	***
All import sources	Unit value	***	***	***
Cambodia	Share of quantity	***	***	***
China	Share of quantity	***	***	***
Colombia	Share of quantity	***	***	***
India	Share of quantity	***	***	***
Malaysia	Share of quantity	***	***	***
Portugal	Share of quantity	***	***	***
Taiwan, subject	Share of quantity	***	***	***
Turkey	Share of quantity	***	***	***
Vietnam	Share of quantity	***	***	***
Subject sources	Share of quantity	***	***	***
Taiwan, nonsubject	Share of quantity	***	***	***
All other sources	Share of quantity	***	***	***
Nonsubject sources	Share of quantity	***	***	***
All import sources	Share of quantity	100.0	100.0	100.0

Table continued on next page.

Table IV-2 Continued
PSBs: U.S. imports, by source and period

Shares and ratios in percent; Ratios represent the ratio to U.S. production

Source	Measure	2021	2022	2023
Cambodia	Share of value	***	***	***
China	Share of value	***	***	***
Colombia	Share of value	***	***	***
India	Share of value	***	***	***
Malaysia	Share of value	***	***	***
Portugal	Share of value	***	***	***
Taiwan, subject	Share of value	***	***	***
Turkey	Share of value	***	***	***
Vietnam	Share of value	***	***	***
Subject sources	Share of value	***	***	***
Taiwan, nonsubject	Share of value	***	***	***
All other sources	Share of value	***	***	***
Nonsubject sources	Share of value	***	***	***
All import sources	Share of value	100.0	100.0	100.0
Cambodia	Ratio	***	***	***
China	Ratio	***	***	***
Colombia	Ratio	***	***	***
India	Ratio	***	***	***
Malaysia	Ratio	***	***	***
Portugal	Ratio	***	***	***
Taiwan, subject	Ratio	***	***	***
Turkey	Ratio	***	***	***
Vietnam	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Taiwan, nonsubject	Ratio	***	***	***
All other sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted to remove out-of-scope imports under the HTS statistical reporting numbers reported in Commission questionnaires and from certified "No" importers using proprietary, Census-edited Customs records as well as using Commission questionnaires to report for Taiwan, nonsubject. Imports are based on the imports for consumption data series. Value data are based on landed-duty paid value.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-1
PSBs: U.S. import quantities and average unit values, by source and period

* * * * * * *

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted to remove out-of-scope imports under the HTS statistical reporting numbers reported in Commission questionnaires and from certified "No" importers using proprietary, Census-edited Customs records as well as using Commission questionnaires to report for Taiwan, nonsubject. Imports are based on the imports for consumption data series. Value data are based on landed-duty paid value.

Imports by U.S. producers

*** was the only responding U.S. producer to report imports of PSBs during 2021 to 2023. Table IV-3 presents *** imports by source. *** reported imports from China and India during 2021 to 2023; however, the vast majority of its imports of PSBs were from nonsubject sources. The majority of *** imports of PSBs from nonsubject sources were from ***.[6]

Table IV-3
PSBs: U.S. imports by U.S. producer *, by source and period**

Quantity in 1,000 pounds; Share in percent

Source	Measure	2021	2022	2023
Cambodia	Quantity	***	***	***
China	Quantity	***	***	***
Colombia	Quantity	***	***	***
India	Quantity	***	***	***
Malaysia	Quantity	***	***	***
Portugal	Quantity	***	***	***
Taiwan, subject	Quantity	***	***	***
Turkey	Quantity	***	***	***
Vietnam	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Taiwan, nonsubject	Quantity	***	***	***
All other sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
Cambodia	Share	***	***	***
China	Share	***	***	***
Colombia	Share	***	***	***
India	Share	***	***	***
Malaysia	Share	***	***	***
Portugal	Share	***	***	***
Taiwan, subject	Share	***	***	***
Turkey	Share	***	***	***
Vietnam	Share	***	***	***
Subject sources	Share	***	***	***
Taiwan, nonsubject	Share	***	***	***
All other sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	100.0	100.0	100.0

Table continued.

[6] *** preliminary importer questionnaire response, section II-14a.

Table IV-3 Continued
PSBs: U.S. imports by U.S. producer *, by source and period**

Ratios in percent

Source	Measure	2021	2022	2023
Cambodia	Ratio	***	***	***
China	Ratio	***	***	***
Colombia	Ratio	***	***	***
India	Ratio	***	***	***
Malaysia	Ratio	***	***	***
Portugal	Ratio	***	***	***
Taiwan, subject	Ratio	***	***	***
Turkey	Ratio	***	***	***
Vietnam	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Taiwan, nonsubject	Ratio	***	***	***
All other sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and information shown in table IV-2.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. The ratios represent the portion of adjusted official U.S. import statistics within the specified source that was imported by U.S. producers and/or their affiliates. These ratios are calculated off of data shown in this table (numerators) and in table IV-2 (denominators).

Imports by production method

Table IV-4 and table IV-5 present U.S. shipments of imports by production method from subject sources and nonsubject sources respectively.[7] During 2021 to 2023, the majority of reported U.S. shipments, by quantity, of imports from subject sources were of web-fed PSBs; however, sheet-fed PSBs represented the majority of U.S. shipments, by value, of imports from subject sources in 2022 and 2023. U.S. shipments of both sheet-fed and web-fed imports fluctuated during 2021 to 2023, increasing overall by *** percent and *** percent respectively. Unit values of U.S. shipments of sheet-fed PSBs were consistently higher than those of web-fed PSBs during 2021 to 2023, increasing overall by 23.8 percent during the time period while unit values for web-fed PSBs had an overall increase of 2.3 percent.

Table IV-4
PSBs: U.S. importers' U.S. shipments of imports from subject sources, by production method and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Share in percent

Production method	Measure	2021	2022	2023
Sheet-fed	Quantity	40,769	50,725	47,800
Web-fed	Quantity	54,354	60,196	54,604
All production methods	Quantity	95,123	110,921	102,404
Sheet-fed	Value	77,815	126,464	112,929
Web-fed	Value	82,893	95,876	85,200
All production methods	Value	160,708	222,340	198,129
Sheet-fed	Unit value	1.91	2.49	2.36
Web-fed	Unit value	1.53	1.59	1.56
All production methods	Unit value	1.69	2.00	1.93
Sheet-fed	Share of quantity	42.9	45.7	46.7
Web-fed	Share of quantity	57.1	54.3	53.3
All production methods	Share of quantity	100.0	100.0	100.0
Sheet-fed	Share of value	48.4	56.9	57.0
Web-fed	Share of value	51.6	43.1	43.0
All production methods	Share of value	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: For more detail on U.S. shipments of imports by production method for each individual subject source, see appendix F.

[7] The following firms reported they could not confirm the production method used for some or all of their imported PSBs: ***, ***, ***, ***, and ***. See U.S. importer questionnaire, section II-18.

Table IV-5
PSBs: U.S. importers' U.S. shipments of imports from nonsubject sources, by production method and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Share in percent

Production method	Measure	2021	2022	2023
Sheet-fed	Quantity	***	***	***
Web-fed	Quantity	***	***	***
All production methods	Quantity	***	***	***
Sheet-fed	Value	***	***	***
Web-fed	Value	***	***	***
All production methods	Value	***	***	***
Sheet-fed	Unit value	***	***	***
Web-fed	Unit value	***	***	***
All production methods	Unit value	***	***	***
Sheet-fed	Share of quantity	***	***	***
Web-fed	Share of quantity	***	***	***
All production methods	Share of quantity	100.0	100.0	100.0
Sheet-fed	Share of value	***	***	***
Web-fed	Share of value	***	***	***
All production methods	Share of value	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: For more detail on U.S. shipments of imports by production method for each individual nonsubject source, see appendix F.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[8] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[9] Country-specific shares for

[8] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).
[9] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

imports from Cambodia, Colombia, Malaysia, Portugal, Taiwan, and Turkey ranged from *** to *** percent, collectively *** percent, of total imports of PSBs during May 2022 through April 2023. Country-specific shares for imports from China, India, and Vietnam ranged from *** to *** percent of total imports of PSBs during May 2022 through April 2023.

Table IV-6
PSBs: U.S. imports in the twelve month period preceding the filing of the petition, May 2022 through April 2023

Quantity in 1,000 pounds; share in percent

Source of imports	Quantity	Share of quantity	Share of individually negligible sources
Cambodia	***	***	***
China	***	***	***
Colombia	***	***	***
India CVD	***	***	***
India AD	***	***	***
Malaysia	***	***	***
Portugal	***	***	***
Taiwan, subject	***	***	***
Turkey	***	***	***
Vietnam	***	***	***
Subject sources	***	***	***
Taiwan, nonsubject	***	***	NA
All other sources	***	***	NA
Nonsubject sources	***	***	NA
All import sources	***	100.0	NA

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted to remove out-of-scope imports under the HTS statistical reporting numbers reported in Commission questionnaires and from certified "No" importers using proprietary, Census-edited Customs records as well as using Commission questionnaires to report for Taiwan, nonsubject. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. ***.

Critical circumstances

On November 6, 2023 and January 3, 2024, Commerce issued its preliminary determinations that "critical circumstances" exist with regard to certain imports of PSBs from Cambodia, China, India, Taiwan, and Vietnam.[10] In this investigation, if both Commerce and the Commission make affirmative final critical circumstances determinations, certain subject imports may be subject to countervailing duties retroactive by 90 days from November 6, 2023, the effective date of Commerce's preliminary affirmative CVD determination, and or antidumping duties retroactive by 90 days from January 3, 2024, the effective date of Commerce's preliminary affirmative LTFV determination.

Cambodia

Table IV-7, figure IV-2, and table IV-8 present data on imports of PSBs from Cambodia subject to Commerce's preliminary affirmative critical circumstances determination.

Table IV-7
PSBs: U.S. imports from Cambodia subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
December 2022	Before	***
January 2023	Before	***
February 2023	Before	***
March 2023	Before	***
April 2023	Before	***
May 2023	Before	***
June 2023	After	***
July 2023	After	***
August 2023	After	***
September 2023	After	***
October 2023	After	***
November 2023	After	***

Table continued

[10] 88 FR 76185, November 6, 2023; 89 FR 325, 89 FR 344, 89 FR 331, and 89 FR 321 January 3, 2024

Table IV-7 Continued
PSBs: U.S. imports from Cambodia subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by differing number of months before and after the filing of the petition

Quantity in 1,000 pounds

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The Commerce preliminary affirmative AD critical circumstances determination for Cambodia applies to Pan Pacific. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-2
PSBs: U.S. imports from Cambodia subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by month

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-8
PSBs: U.S. importers' U.S. inventories of imports from Cambodia for analysis in relation to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by date

Quantity in 1,000 pounds; Index in percent

Date	Quantity	Index
May 31, 2023	***	***
June 30, 2023	***	***
July 31, 2023	***	***
August 31, 2023	***	***
September 30, 2023	***	***
October 31, 2023	***	***
November 30, 2023	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Index based on end of period inventories on May 31, 2023, equal to 100.0 percent. The Commerce preliminary affirmative AD critical circumstances determination for Cambodia applies to Pan Pacific.

China

Table IV-9, figure IV-3, and table IV-10 present data on imports of PSBs from China subject to Commerce's preliminary affirmative critical circumstances determination in the CVD investigation.

Table IV-9
PSBs: U.S. imports from China subject to preliminary affirmative Commerce critical circumstances determination in the CVD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
December 2022	Before	***
January 2023	Before	***
February 2023	Before	***
March 2023	Before	***
April 2023	Before	***
May 2023	Before	***
June 2023	After	***
July 2023	After	***
August 2023	After	***
September 2023	After	***
October 2023	After	***
November 2023	After	***

Table continued.

Table IV-9 Continued
PSBs: U.S. imports from China subject to preliminary affirmative Commerce critical circumstances determination in the CVD investigation, by differing number of months before and after the filing of the petition

Quantity in 1,000 pounds

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The Commerce preliminary affirmative critical circumstances determination applies to all producers from China.

Figure IV-3
PSBs: U.S. imports from China subject to preliminary affirmative Commerce critical circumstances determination in the CVD investigation, by month

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-10
PSBs: U.S. importers' U.S. inventories of imports from China for analysis in relation to preliminary affirmative Commerce critical circumstances determination in the CVD investigation, by date

Quantity in 1,000 pounds; Index in percent

Date	Quantity	Index
May 31, 2023	***	***
June 30, 2023	***	***
July 31, 2023	***	***
August 31, 2023	***	***
September 30, 2023	***	***
October 31, 2023	***	***
November 30, 2023	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Index based on end of period inventories on May 31, 2023, equal to 100.0 percent.

Table IV-11, figure IV-4, and table IV-12 present data on imports of PSBs from China subject to Commerce's preliminary affirmative critical circumstances determination in the AD investigation.

Table IV-11
PSBs: U.S. imports from China subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
December 2022	Before	***
January 2023	Before	***
February 2023	Before	***
March 2023	Before	***
April 2023	Before	***
May 2023	Before	***
June 2023	After	***
July 2023	After	***
August 2023	After	***
September 2023	After	***
October 2023	After	***
November 2023	After	***

Table continued.

Table IV-11 Continued
PSBs: U.S. imports from China subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The Commerce preliminary affirmative critical circumstances AD determination is for all producers from China except UUPAK.

Figure IV-4
PSBs: U.S. imports from China subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by month

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-12
PSBs: U.S. importers' U.S. inventories of imports from China for analysis in relation to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by date

Quantity in 1,000 pounds; Index in percent

Date	Quantity	Index
May 31, 2023	***	***
June 30, 2023	***	***
July 31, 2023	***	***
August 31, 2023	***	***
September 30, 2023	***	***
October 31, 2023	***	***
November 30, 2023	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Index based on end of period inventories on May 31, 2023, equal to 100.0 percent.

India

Table IV-13 and figure IV-5 present data on imports of PSBs from India subject to Commerce's preliminary affirmative critical circumstances determination.

Table IV-13
PSBs: U.S. imports from India subject to preliminary affirmative Commerce critical circumstances determination in the CVD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
December 2022	Before	***
January 2023	Before	***
February 2023	Before	***
March 2023	Before	***
April 2023	Before	***
May 2023	Before	***
June 2023	After	***
July 2023	After	***
August 2023	After	***
September 2023	After	***
October 2023	After	***
November 2023	After	***

Table continued.

Table IV-13 Continued
PSBs: U.S. imports from India subject to preliminary affirmative Commerce critical circumstances determination in the CVD investigation, by month

Quantity in 1,000 pounds

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from proprietary, Census-edited Customs records using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 21, 2023.

Note: The Commerce preliminary affirmative CVD critical circumstances determination for India applies to Velvin Paper Products. Since data were only available from proprietary, Census-edited Customs records these data may include out-of-scope products.

Figure IV-5
PSBs: U.S. imports from India subject to preliminary affirmative Commerce critical circumstances determination in the CVD investigation, by month

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Taiwan

Table IV-14, figure IV-6, and table IV-15 present data on imports of PSBs from Taiwan subject to Commerce's preliminary affirmative critical circumstances determination.

Table IV-14
PSBs: U.S. imports from Taiwan subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
December 2022	Before	***
January 2023	Before	***
February 2023	Before	***
March 2023	Before	***
April 2023	Before	***
May 2023	Before	***
June 2023	After	***
July 2023	After	***
August 2023	After	***
September 2023	After	***
October 2023	After	***
November 2023	After	***

Table continued.

Table IV-14 Continued
PSBs: U.S. imports from Taiwan subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by differing number of months before and after the filing of the petition

Quantity in 1,000 pounds

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The Commerce preliminary affirmative AD critical circumstances determination for Taiwan applies to all producers. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-6
PSBs: U.S. imports from Taiwan subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by month

*   *   *   *   *   *   *

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-15
PSBs: U.S. importers' U.S. inventories of imports from Taiwan for analysis in relation to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by date

Quantity in 1,000 pounds; Index in percent

Date	Quantity	Index
May 31, 2023	***	***
June 30, 2023	***	***
July 31, 2023	***	***
August 31, 2023	***	***
September 30, 2023	***	***
October 31, 2023	***	***
November 30, 2023	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Index based on end of period inventories on May 31, 2023, equal to 100.0 percent. The Commerce preliminary affirmative AD critical circumstances determination for Taiwan applies to all producers.

Vietnam

Table IV-16, figure IV-7, and table IV-17 present data on imports of PSBs from Vietnam subject to Commerce's preliminary affirmative critical circumstances determination.

Table IV-16
PSBs: U.S. imports from Vietnam subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
December 2022	Before	***
January 2023	Before	***
February 2023	Before	***
March 2023	Before	***
April 2023	Before	***
May 2023	Before	***
June 2023	After	***
July 2023	After	***
August 2023	After	***
September 2023	After	***
October 2023	After	***
November 2023	After	***

Table continued.

Table IV-16 Continued
PSBs: U.S. imports from Vietnam subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by differing number of months before and after the filing of the petition

Quantity in 1,000 pounds

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The Commerce preliminary affirmative AD critical circumstances determination for Vietnam applies to all producers.

Figure IV-7
PSBs: U.S. imports from Vietnam subject to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by month

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-17
PSBs: U.S. importers' U.S. inventories of imports from Vietnam for analysis in relation to preliminary affirmative Commerce critical circumstances determination in the AD investigation, by date

Quantity in 1,000 pounds; Index in percent

Date	Quantity	Index
May 31, 2023	***	***
June 30, 2023	***	***
July 31, 2023	***	***
August 31, 2023	***	***
September 30, 2023	***	***
October 31, 2023	***	***
November 30, 2023	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Index based on end of period inventories on May 31, 2023, equal to 100.0 percent. The Commerce preliminary affirmative AD critical circumstances determination for Vietnam applies to all producers.

Cumulation considerations

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appears in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Handle type

Table IV-18 and figure IV-8 present data on U.S. producers' and U.S. importers' U.S. shipments by handle type. Twisted paper handle PSBs represented over *** percent of U.S. producers' U.S. shipments and U.S. shipments of imports from all subject sources except China, Taiwan, and Vietnam. The large majority of U.S. shipments of imports from China were either *** or ***. The majority of U.S. shipments of imports from Taiwan were *** and ***. U.S. shipments of imports from Vietnam were primarily ***, ***[11], ***, or ***.

U.S. producers accounted for the largest share of U.S. shipments of *** and ***. U.S. shipments of die-cut handle PSBs were primarily from *** or imported PSBs from ***. Imports from China and Vietnam accounted for a large majority of U.S. shipments for 4-knot handle PSBs, J-slit handle PSBs, and other product PSBs.

[11] The large majority of U.S. shipments for "other product" PSBs from Vietnam were imported by *** and ***. Both firms reported these bags were sold to retail customers, not used to carry out goods.

Table IV-18
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and handle type, 2023

Quantity in 1,000 pounds

Source	Twisted paper handles	Flat paper handles	Die cut handles	4-knot handles	J-slit handles	Other products	All handle types
U.S. producers	***	***	***	***	***	***	***
Cambodia	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Colombia	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Malaysia	***	***	***	***	***	***	***
Portugal	***	***	***	***	***	***	***
Taiwan, subject	***	***	***	***	***	***	***
Turkey	***	***	***	***	***	***	***
Vietnam	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***
Taiwan, nonsubject	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***
All sources	***	***	***	***	***	***	***

Table continued.

Table IV-18 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and handle type, 2023

Share across in percent

Source	Twisted paper handles	Flat paper handles	Die cut handles	4-knot handles	J-slit handles	Other products	All handle types
U.S. producers	***	***	***	***	***	***	100.0
Cambodia	***	***	***	***	***	***	100.0
China	***	***	***	***	***	***	100.0
Colombia	***	***	***	***	***	***	100.0
India	***	***	***	***	***	***	100.0
Malaysia	***	***	***	***	***	***	100.0
Portugal	***	***	***	***	***	***	100.0
Taiwan, subject	***	***	***	***	***	***	100.0
Turkey	***	***	***	***	***	***	100.0
Vietnam	***	***	***	***	***	***	100.0
Subject sources	***	***	***	***	***	***	100.0
Taiwan, nonsubject	***	***	***	***	***	***	100.0
All other sources	***	***	***	***	***	***	100.0
Nonsubject sources	***	***	***	***	***	***	100.0
All import sources	***	***	***	***	***	***	100.0
All sources	***	***	***	***	***	***	100.0]

Table continued.

Table IV-18 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and handle type, 2023

Share down in percent

Source	Twisted paper handles	Flat paper handles	Die cut handles	4-knot handles	J-slit handles	Other products	All handle types
U.S. producers	***	***	***	***	***	***	***
Cambodia	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Colombia	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Malaysia	***	***	***	***	***	***	***
Portugal	***	***	***	***	***	***	***
Taiwan, subject	***	***	***	***	***	***	***
Turkey	***	***	***	***	***	***	***
Vietnam	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***
Taiwan, nonsubject	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***
All sources	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-8
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and handle type, 2023

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Printing type

Table IV-19 and figure IV-9 present data on U.S. producers’ and U.S. importers’ U.S. shipments by printing type. The large majority of PSBs were either *** or ***. For U.S. producers and imports from each individual subject source, except China and Taiwan, *** accounted for the largest share of U.S. shipments. U.S. producers accounted for the majority of U.S. shipments for ***, ***, and ***. U.S. producers made up a larger share of U.S. shipments for *** than subject sources, while subject sources held a larger share of U.S. shipments for *** compared to U.S. producers.

Table IV-19
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and printing type, 2023

Quantity in 1,000 pounds

Source	Stock bags	1-2 color print bags	3-4 color print bags	5-8 color print bags	All other print bags	All printing types
U.S. producers	***	***	***	***	***	***
Cambodia	***	***	***	***	***	***
China	***	***	***	***	***	***
Colombia	***	***	***	***	***	***
India	***	***	***	***	***	***
Malaysia	***	***	***	***	***	***
Portugal	***	***	***	***	***	***
Taiwan, subject	***	***	***	***	***	***
Turkey	***	***	***	***	***	***
Vietnam	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***
Taiwan, nonsubject	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***
All import sources	***	***	***	***	***	***
All sources	***	***	***	***	***	***

Table continued.

Table IV-19 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and printing type, 2023

Share across in percent

Source	Stock bags	1-2 color print bags	3-4 color print bags	5-8 color print bags	All other print bags	All printing types
U.S. producers	***	***	***	***	***	100.0
Cambodia	***	***	***	***	***	100.0
China	***	***	***	***	***	100.0
Colombia	***	***	***	***	***	100.0
India	***	***	***	***	***	100.0
Malaysia	***	***	***	***	***	100.0
Portugal	***	***	***	***	***	100.0
Taiwan, subject	***	***	***	***	***	100.0
Turkey	***	***	***	***	***	100.0
Vietnam	***	***	***	***	***	100.0
Subject sources	***	***	***	***	***	100.0
Taiwan, nonsubject	***	***	***	***	***	100.0
All other sources	***	***	***	***	***	100.0
Nonsubject sources	***	***	***	***	***	100.0
All import sources	***	***	***	***	***	100.0
All sources	***	***	***	***	***	100.0

Table continued.

Table IV-19 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and printing type, 2023

Share down in percent

Source	Stock bags	1-2 color print bags	3-4 color print bags	5-8 color print bags	All other print bags	All printing types
U.S. producers	***	***	***	***	***	***
Cambodia	***	***	***	***	***	***
China	***	***	***	***	***	***
Colombia	***	***	***	***	***	***
India	***	***	***	***	***	***
Malaysia	***	***	***	***	***	***
Portugal	***	***	***	***	***	***
Taiwan, subject	***	***	***	***	***	***
Turkey	***	***	***	***	***	***
Vietnam	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***
Taiwan, nonsubject	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***
All import sources	***	***	***	***	***	***
All sources	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-9
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and printing type, 2023

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Basis weight

Table IV-20 presents data on U.S. producers’ and U.S. importers’ U.S. shipments by basis weight. Nearly all U.S. shipments of PSBs were of bags of either 51-100 GSM or 101-200 GSM. Bags of 51-100 GSM accounted for the largest share of U.S. shipments of imports from Taiwan and Turkey, while bags of 101-200 GSM accounted for the largest share of U.S. shipments by U.S. producers and all other subject sources. Bags of 201-299 GSM only represented *** percent of U.S. importers’ U.S. shipments from subject sources.

Table IV-20
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and basis weight, 2023

Quantity in 1,000 pounds

Source	≤ 50 GSM	51-100 GSM	101-200 GSM	201-299 GSM	All weights
U.S. producers	***	***	***	***	***
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan, subject	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
Subject sources	***	***	***	***	***
Taiwan, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

Table continued.

Table IV-20 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and basis weight, 2023

Share across in percent

Source	≤ 50 GSM	51-100 GSM	101-200 GSM	201-299 GSM	All weights
U.S. producers	***	***	***	***	100.0
Cambodia	***	***	***	***	100.0
China	***	***	***	***	100.0
Colombia	***	***	***	***	100.0
India	***	***	***	***	100.0
Malaysia	***	***	***	***	100.0
Portugal	***	***	***	***	100.0
Taiwan, subject	***	***	***	***	100.0
Turkey	***	***	***	***	100.0
Vietnam	***	***	***	***	100.0
Subject sources	***	***	***	***	100.0
Taiwan, nonsubject	***	***	***	***	100.0
All other sources	***	***	***	***	100.0
Nonsubject sources	***	***	***	***	100.0
All import sources	***	***	***	***	100.0
All sources	***	***	***	***	100.0

Table continued.

Table IV-20 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and basis weight, 2023

Share down in percent

Source	≤ 50 GSM	51-100 GSM	101-200 GSM	201-299 GSM	All weights
U.S. producers	***	***	***	***	***
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan, subject	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
Subject sources	***	***	***	***	***
Taiwan, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Figure IV-10
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and basis weight, 2023

*   *   *   *   *   *   *

Source: Compiled from data submitted in response to Commission questionnaires.

Paper type

Table IV-21 presents data on U.S. producers’ and U.S. importers’ U.S. shipments by paper type. The vast majority of U.S. producers’ reported shipments, and nearly half of U.S. importers’ reported U.S. shipments were of PSBs made of kraft brown paper. The other half of U.S. importers’ reported U.S. shipments was almost evenly split between PSBs made from white paper (*** percent) and PSBs made with other colors (*** percent).

Table IV-21
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and paper type, 2023

Quantity in 1,000 pounds

Source	Kraft / Brown	White	Other colors	All colors
U.S. producers	***	***	***	***
Cambodia	***	***	***	***
China	***	***	***	***
Colombia	***	***	***	***
India	***	***	***	***
Malaysia	***	***	***	***
Portugal	***	***	***	***
Taiwan, subject	***	***	***	***
Turkey	***	***	***	***
Vietnam	***	***	***	***
Subject sources	***	***	***	***
Taiwan, nonsubject	***	***	***	***
All other sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	***	***	***	***

Table continued.

Table IV-21 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and paper type, 2023

Share across in percent

Source	Kraft / Brown	White	Other colors	All colors
U.S. producers	***	***	***	100.0
Cambodia	***	***	***	100.0
China	***	***	***	100.0
Colombia	***	***	***	100.0
India	***	***	***	100.0
Malaysia	***	***	***	100.0
Portugal	***	***	***	100.0
Taiwan, subject	***	***	***	100.0
Turkey	***	***	***	100.0
Vietnam	***	***	***	100.0
Subject sources	***	***	***	100.0
Taiwan, nonsubject	***	***	***	100.0
All other sources	***	***	***	100.0
Nonsubject sources	***	***	***	100.0
All import sources	***	***	***	100.0
All sources	***	***	***	100.0

Table continued.

Table IV-21 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and basis weight, 2023

Share down in percent

Source	Kraft / Brown	White	Other colors	All colors
U.S. producers	***	***	***	***
Cambodia	***	***	***	***
China	***	***	***	***
Colombia	***	***	***	***
India	***	***	***	***
Malaysia	***	***	***	***
Portugal	***	***	***	***
Taiwan, subject	***	***	***	***
Turkey	***	***	***	***
Vietnam	***	***	***	***
Subject sources	***	***	***	***
Taiwan, nonsubject	***	***	***	***
All other sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-11
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and paper type, 2023

*   *   *   *   *   *   *

Source: Compiled from data submitted in response to Commission questionnaires.

Recycled content

Table IV-22 presents data on U.S. producers’ and U.S. importers’ U.S. shipments by recycled content. A large majority of reported U.S. shipments were of PSBs made with at least 40 percent recycled content, the majority of which were shipments from U.S. producers. PSBs made with at least 40 percent recycled content accounted for the largest share of reported U.S. shipments of imports from ***, ***, ***, ***, and ***. Nearly all reported U.S. shipments of subject imports from ***, ***, and *** were of other PSBs (i.e. made with less than 40 percent or no recycled content).

Table IV-22
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and recycled content, 2023

Quantity in 1,000 pounds

Source	Recycled ≥ 40%	Other	All U.S. shipments
U.S. producers	***	***	***
Cambodia	***	***	***
China	***	***	***
Colombia	***	***	***
India	***	***	***
Malaysia	***	***	***
Portugal	***	***	***
Taiwan, subject	***	***	***
Turkey	***	***	***
Vietnam	***	***	***
Subject sources	***	***	***
Taiwan, nonsubject	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

Table IV-22 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and basis weight, 2023

Share across in percent

Source	Recycled ≥40%	Other	All U.S. shipments
U.S. producers	***	***	100.0
Cambodia	***	***	100.0
China	***	***	100.0
Colombia	***	***	100.0
India	***	***	100.0
Malaysia	***	***	100.0
Portugal	***	***	100.0
Taiwan, subject	***	***	100.0
Turkey	***	***	100.0
Vietnam	***	***	100.0
Subject sources	***	***	100.0
Taiwan, nonsubject	***	***	100.0
All other sources	***	***	100.0
Nonsubject sources	***	***	100.0
All import sources	***	***	100.0
All sources	***	***	100.0

Table continued.

Table IV-22 Continued
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and basis weight, 2023

Share down in percent

Source	Recycled ≥40%	Other	All U.S. shipments
U.S. producers	***	***	***
Cambodia	***	***	***
China	***	***	***
Colombia	***	***	***
India	***	***	***
Malaysia	***	***	***
Portugal	***	***	***
Taiwan, subject	***	***	***
Turkey	***	***	***
Vietnam	***	***	***
Subject sources	***	***	***
Taiwan, nonsubject	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-12
PSBs: U.S. producers' and U.S. importers' U.S. shipments, by source and recycled content, 2023

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Geographical markets

Table IV-23 presents data on U.S. imports of PSBs by border of entry in 2023. According to official import statistics, imports from each subject source entered the United States through ports in every region, while the large majority of subject source imports combined entered through ports in the East and West. The majority of U.S. imports from India and Turkey entered the United States in 2023 through ports located in the East, while the majority of U.S. imports from Portugal entered through ports located in the East and North, and the majority of U.S. imports from Colombia entered through ports located in the South and East. The large majority of subject imports from Taiwan entered through ports located in the West, while the majority of U.S. imports from Cambodia, China, Malaysia, and Vietnam entered through ports located in the East and West.

Table IV-23
PSBs: U.S. imports, by source and by border of entry, 2023

Quantity in 1,000 pounds

Source	East	North	South	West	All borders
Cambodia	4,330	1,229	386	6,422	12,367
China	***	***	***	***	***
Colombia	5,646	1,171	4,724	1,686	13,228
India	52,003	4,049	4,360	6,850	67,261
Malaysia	8,873	592	779	5,449	15,694
Portugal	3,461	4,417	604	886	9,368
Taiwan, subject	***	***	***	***	***
Turkey	6,271	977	715	49	8,012
Vietnam	37,209	16,927	9,058	27,764	90,958
Subject sources	***	***	***	***	***
Taiwan, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	245,587	76,753	131,243	160,995	614,578

Table continued.

Table IV-23 Continued
PSBs: U.S. imports, by source and by border of entry, 2023

Share across in percent

Source	East	North	South	West	All borders
Cambodia	35.0	9.9	3.1	51.9	100.0
China	***	***	***	***	100.0
Colombia	42.7	8.9	35.7	12.7	100.0
India	77.3	6.0	6.5	10.2	100.0
Malaysia	56.5	3.8	5.0	34.7	100.0
Portugal	36.9	47.1	6.5	9.5	100.0
Taiwan, subject	***	***	***	***	100.0
Turkey	78.3	12.2	8.9	0.6	100.0
Vietnam	40.9	18.6	10.0	30.5	100.0
Subject sources	***	***	***	***	100.0
Taiwan, nonsubject	***	***	***	***	100.0
All other sources	***	***	***	***	100.0
Nonsubject sources	***	***	***	***	100.0
All import sources	40.0	12.5	21.4	26.2	100.0

Table continued.

Table IV-23 Continued
PSBs: U.S. imports, by source and by border of entry, 2023

Share down in percent

Source	East	North	South	West	All borders
Cambodia	1.8	1.6	0.3	4.0	2.0
China	***	***	***	***	32.1
Colombia	2.3	1.5	3.6	1.0	2.2
India	21.2	5.3	3.3	4.3	10.9
Malaysia	3.6	0.8	0.6	3.4	2.6
Portugal	1.4	5.8	0.5	0.6	1.5
Taiwan, subject	***	***	***	***	***
Turkey	2.6	1.3	0.5	0.0	1.3
Vietnam	15.2	22.1	6.9	17.2	14.8
Subject sources	***	***	***	***	***
Taiwan, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	30.1
Nonsubject sources	***	***	***	***	***
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted using proprietary, Census-edited Customs records to report for Taiwan, nonsubject and to remove out-of-scope imports under the HTS statistical reporting numbers from certified "No" importers. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Presence in the market

Table IV-24, figure IV-13, and figure IV-14 present monthly data for subject and nonsubject imports of PSBs from 2021 through 2023. U.S. imports of PSBs from each subject source were present in every month from 2021 through 2023. The months with the highest reported U.S. imports from subject sources for each calendar year were September (2021 and 2022), and October (2023).

Table IV-24
PSBs: U.S. imports, by month and source

Quantity in 1,000 pounds

Year	Month	Cambodia	China	Colombia	India	Malaysia	Portugal	Taiwan, subject
2021	January	232	***	847	2,394	1,023	1,024	***
2021	February	199	***	1,163	1,821	1,009	1,147	***
2021	March	257	***	1,652	2,580	1,351	1,620	***
2021	April	215	***	1,457	2,664	757	1,458	***
2021	May	259	***	1,379	2,820	2,617	1,239	***
2021	June	235	***	1,208	2,425	1,309	1,376	***
2021	July	217	***	1,092	3,152	944	1,460	***
2021	August	503	***	1,036	3,318	2,503	1,279	***
2021	September	572	***	898	4,688	493	850	***
2021	October	663	***	1,391	5,714	1,188	1,188	***
2021	November	1,170	***	960	5,326	1,510	1,410	***
2021	December	431	***	1,471	5,734	1,372	1,307	***
2022	January	601	***	1,315	6,280	1,150	1,072	***
2022	February	872	***	1,652	5,175	657	1,002	***
2022	March	1,308	***	1,572	7,512	1,273	1,137	***
2022	April	1,005	***	1,181	8,559	1,125	1,044	***
2022	May	936	***	1,606	7,442	1,626	1,070	***
2022	June	1,465	***	1,193	5,923	648	839	***
2022	July	864	***	1,451	5,622	1,274	455	***
2022	August	795	***	1,757	4,937	1,404	1,374	***
2022	September	1,360	***	1,391	6,868	1,286	2,265	***
2022	October	1,243	***	1,916	4,371	2,824	1,629	***
2022	November	1,143	***	1,194	7,562	1,445	1,395	***
2022	December	490	***	1,183	3,715	1,019	713	***
2023	January	379	***	722	5,373	966	263	***
2023	February	449	***	931	3,839	1,444	517	***
2023	March	823	***	1,264	4,232	1,048	491	***
2023	April	631	***	795	4,255	1,984	261	***
2023	May	675	***	1,569	4,284	1,242	317	***
2023	June	765	***	1,000	5,421	1,221	431	***
2023	July	955	***	928	6,013	1,424	918	***
2023	August	1,149	***	1,075	6,526	1,585	1,765	***
2023	September	1,955	***	1,372	7,671	1,169	1,035	***
2023	October	1,890	***	1,406	6,451	1,513	925	***
2023	November	1,250	***	1,210	6,705	1,328	1,170	***
2023	December	1,445	***	956	6,492	769	1,276	***

Table continued.

Table IV-24 Continued
PSBs: U.S. imports, by month and source

Quantity in 1,000 pounds

Year	Month	Turkey	Vietnam	Subject sources	Taiwan, nonsubject	All other sources	Nonsubject sources	All import sources
2021	January	2,012	3,740	***	***	***	***	41,929
2021	February	2,134	4,599	***	***	***	***	41,940
2021	March	2,657	5,532	***	***	***	***	52,628
2021	April	4,140	5,586	***	***	***	***	51,247
2021	May	3,288	5,898	***	***	***	***	52,020
2021	June	3,415	7,251	***	***	***	***	58,233
2021	July	2,310	8,112	***	***	***	***	60,892
2021	August	1,280	9,675	***	***	***	***	65,618
2021	September	1,868	9,183	***	***	***	***	73,088
2021	October	1,626	9,835	***	***	***	***	73,465
2021	November	2,185	9,418	***	***	***	***	75,007
2021	December	2,215	11,108	***	***	***	***	70,886
2022	January	1,159	8,111	***	***	***	***	60,934
2022	February	1,924	7,376	***	***	***	***	55,543
2022	March	2,082	10,585	***	***	***	***	68,789
2022	April	1,516	7,976	***	***	***	***	60,190
2022	May	2,198	6,798	***	***	***	***	63,505
2022	June	1,627	7,471	***	***	***	***	57,565
2022	July	1,920	6,873	***	***	***	***	58,585
2022	August	1,061	11,240	***	***	***	***	73,038
2022	September	1,425	10,971	***	***	***	***	75,439
2022	October	1,290	10,663	***	***	***	***	67,688
2022	November	925	6,420	***	***	***	***	58,243
2022	December	1,278	5,464	***	***	***	***	45,831

Table continued.

Table IV-24 Continued
PSBs: U.S. imports, by month and source

Quantity in 1,000 pounds

Year	Month	Turkey	Vietnam	Subject sources	Taiwan, nonsubject	All other sources	Nonsubject sources	All import sources
2023	January	447	5,305	***	***	***	***	45,209
2023	February	842	6,117	***	***	***	***	39,405
2023	March	504	4,280	***	***	***	***	38,920
2023	April	599	5,437	***	***	***	***	41,630
2023	May	748	6,198	***	***	***	***	46,105
2023	June	510	6,975	***	***	***	***	46,330
2023	July	720	7,767	***	***	***	***	54,596
2023	August	806	9,822	***	***	***	***	63,370
2023	September	523	10,523	***	***	***	***	65,024
2023	October	732	13,102	***	***	***	***	71,218
2023	November	856	9,280	***	***	***	***	56,434
2023	December	726	6,150	***	***	***	***	46,337

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted using proprietary, Census-edited Customs records to report for Taiwan, nonsubject and to remove out-of-scope imports under the HTS statistical reporting numbers from certified "No" importers. Imports are based on the imports for consumption data series.

Figure IV-13
PSBs: U.S. imports from individual subject sources, by source and by month

* * * * * * *

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted using proprietary, Census-edited Customs records to report for Taiwan, nonsubject and to remove out-of-scope imports under the HTS statistical reporting numbers from certified "No" importers. Imports are based on the imports for consumption data series.

Figure IV-14
PSBs: U.S. imports from aggregated subject and nonsubject sources, by month

* * * * * * *

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted using proprietary, Census-edited Customs records to report for Taiwan, nonsubject and to remove out-of-scope imports under the HTS statistical reporting numbers from certified "No" importers. Imports are based on the imports for consumption data series.

Apparent U.S. consumption and market shares

Quantity

Table IV-25 presents data on apparent U.S. consumption and U.S. market shares by quantity for PSBs. Apparent U.S. consumption, by quantity, declined by *** percent during 2021 to 2023, with the largest decline occurring during 2022 to 2023 (*** percent). The individual sources with the largest market shares were U.S. producers, which ranged from *** percent to *** percent, and imports from China, which ranged from *** percent to *** percent. The market shares for imports from combined subject sources ranged from *** percent to *** percent, while the market shares for imports from nonsubject sources ranged from *** percent to *** percent.

Table IV-25
PSBs: Apparent U.S. consumption and market shares based on quantity data, by source and period

Quantity in 1,000 pounds; shares in percent

Source	Measure	2021	2022	2023
U.S. producers	Quantity	***	***	***
Cambodia	Quantity	***	***	***
China	Quantity	***	***	***
Colombia	Quantity	***	***	***
India	Quantity	***	***	***
Malaysia	Quantity	***	***	***
Portugal	Quantity	***	***	***
Taiwan, subject	Quantity	***	***	***
Turkey	Quantity	***	***	***
Vietnam	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Taiwan, nonsubject	Quantity	***	***	***
All other sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers	Share	***	***	***
Cambodia	Share	***	***	***
China	Share	***	***	***
Colombia	Share	***	***	***
India	Share	***	***	***
Malaysia	Share	***	***	***
Portugal	Share	***	***	***
Taiwan, subject	Share	***	***	***
Turkey	Share	***	***	***
Vietnam	Share	***	***	***
Subject sources	Share	***	***	***
Taiwan, nonsubject	Share	***	***	***
All other sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted to remove out-of-scope imports under the HTS statistical reporting numbers reported in Commission questionnaires and from certified "No" importers using proprietary, Census-edited Customs records as well as using Commission questionnaires to report for Taiwan, nonsubject. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-15
PSBs: Apparent U.S. consumption based on quantity, by source and period

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted to remove out-of-scope imports under the HTS statistical reporting numbers reported in Commission questionnaires and from certified "No" importers using proprietary, Census-edited Customs records as well as using Commission questionnaires to report for Taiwan, nonsubject. Imports are based on the imports for consumption data series.

Value

Table IV-26 presents data on apparent U.S. consumption and U.S. market shares by value for PSBs. Apparent U.S. consumption, by value, fluctuated during 2021 to 2023, first increasing by *** percent during 2021 to 2022, then declining by *** percent during 2022 to 2023, for an overall decline of *** percent during the period of investigation. The individual sources with the largest market shares were U.S. producers, which ranged from *** percent to *** percent, and imports from China, which ranged from *** percent to *** percent. The market shares for imports from combined subject sources ranged from *** percent to *** percent, while the market shares for imports from nonsubject sources ranged from *** percent to *** percent.

Table IV-26
PSBs: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars

Source	Measure	2021	2022	2023
U.S. producers	Value	***	***	***
Cambodia	Value	***	***	***
China	Value	***	***	***
Colombia	Value	***	***	***
India	Value	***	***	***
Malaysia	Value	***	***	***
Portugal	Value	***	***	***
Taiwan, subject	Value	***	***	***
Turkey	Value	***	***	***
Vietnam	Value	***	***	***
Subject sources	Value	***	***	***
Taiwan, nonsubject	Value	***	***	***
All other sources	Value	***	***	***
Nonsubject sources	Value	***	***	***
All import sources	Value	***	***	***
All sources	Value	***	***	***

Table continued.

Table IV-26 Continued
PSBs: Apparent U.S. consumption and market shares based on value, by source and period

Shares in percent

Source	Measure	2021	2022	2023
U.S. producers	Share	***	***	***
Cambodia	Share	***	***	***
China	Share	***	***	***
Colombia	Share	***	***	***
India	Share	***	***	***
Malaysia	Share	***	***	***
Portugal	Share	***	***	***
Taiwan, subject	Share	***	***	***
Turkey	Share	***	***	***
Vietnam	Share	***	***	***
Subject sources	Share	***	***	***
Taiwan, nonsubject	Share	***	***	***
All other sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted to remove out-of-scope imports under the HTS statistical reporting numbers reported in Commission questionnaires and from certified "No" importers using proprietary, Census-edited Customs records as well as using Commission questionnaires to report for Taiwan, nonsubject. Imports are based on the imports for consumption data series. Value data are based on landed-duty paid value.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-16
PSBs: Apparent U.S. consumption based on value, by source and period

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted to remove out-of-scope imports under the HTS statistical reporting numbers reported in Commission questionnaires and from certified "No" importers using proprietary, Census-edited Customs records as well as using Commission questionnaires to report for Taiwan, nonsubject. Imports are based on the imports for consumption data series. Value data are based on landed-duty paid value.

Part V: Pricing data

Factors affecting prices

Raw material costs

The major raw material in the production of PSBs is the paper used in their construction. The weight of the paper used to produce PSBs varies based on the specification of the bag being produced. Higher-end shopping bags typically use a higher weight paper.[1] The price of 50-lb. Kraft paper increased by *** percent from January 2021 to December 2023 (figure V-1 and table V-1). Kraft paper prices increased in a series of steps from January 2021 to April 2022 and declined from December 2022 to July 2023, but were still higher than during January 2021. Other ancillary raw materials used in the production of PSBs include items like glue and non-paper handles. All four U.S. producers and *** importers indicated that the price of raw materials either steadily increased or fluctuated upward. Twenty-one of 44 purchasers were familiar with PSB raw material costs and 18 purchasers indicated that PSB raw material costs affected their contracts.

Figure V-1
Raw materials: Average monthly price of unbleached Kraft natural multiwall sack paper, 50 lb., January 2021 to December 2023

* * * * * * *

Source: ***, accessed June 23, 2023 and January 17, 2024.

Note: Average of monthly high and low prices.

[1] Conference transcript, p. 185 (Straitman).

Table V-1
Raw materials: Average monthly price of unbleached Kraft natural multiwall sack paper, 50 lb., January 2021 to December 2023

Price in dollars per short ton

Month	2021	2022	2023
January	***	***	***
February	***	***	***
March	***	***	***
April	***	***	***
May	***	***	***
June	***	***	***
July	***	***	***
August	***	***	***
September	***	***	***
October	***	***	***
November	***	***	***
December	***	***	***

Source: ***, accessed June 23, 2023 and January 17, 2024.

Note: Presented prices are the average of the reported monthly high and low prices.

Transportation costs to the U.S. market

Transportation costs for PSBs shipped from subject sources to the United States averaged 10.6 percent for Cambodia, 9.0 percent for China, 5.1 percent for Colombia, 9.9 percent for India, 11.1 percent for Malaysia, 14.9 percent for Portugal, 7.9 percent for Taiwan, 10.8 percent for Turkey, and 6.8 percent for Vietnam during 2023.[2] Transportation costs to the U.S. market for all subject sources were lower in 2023 than in 2021 and 2022 for each source with the exception of Portugal and Turkey in 2021. On average, transportation costs for subject sources were 13.1 percent in 2021, 14.3 percent in 2022, and 8.8 percent in 2023. These estimates were derived from official import data and represent the transportation and other charges on imports in two HTS statistical reporting numbers that include other out-of-scope product.[3]

[2] Transportation costs to the U.S. market for all subject sources were lower in 2023 than in 2022.
[3] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2023 and then dividing by the customs value based on the HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040.

U.S. inland transportation costs

All 4 responding U.S. producers and *** responding importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 2 to 6 percent[4] while most importers reported costs of 1 to 10 percent (averaging *** percent).[5]

Pricing practices

Pricing methods

U.S. producers and importers reported setting prices using transaction-by-transaction negotiations, contracts, and price lists (table V-2). The five importers that reported using other methods are retailers; two sell gift bags and three did not sell PSBs – they are used for customers to carry purchases. A majority of responding purchasers (***) reported that their purchases involve negotiations.

Table V-2
PSBs: Count of U.S. producers' and importers' reported price setting methods

Method	U.S. producers	Importers
Transaction-by-transaction	4	28
Contract	4	20
Set price list	3	16
Other	0	5
Responding firms	4	43

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.
Note: ***.

U.S. producers reported selling the largest share (though less than half) of their PSBs in the spot market, followed by sales via long-term contracts (table V-3). Shares were stable for U.S. producers but varied from year to year for the importers. Importers also sold most frequently on the spot market, but the share sold this way decreased from 58.9 percent in 2021 to 42.4 percent in 2022 before increasing to 49.6 percent in 2023.

[4] ***.

[5] Transportation cost data from importers reporting 0 percent, "less than 0.1 percent," 50 percent, and 100 percent were not used in calculating the average.

Table V-3
PSBs: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2021 to 2023

Share in percent

Type of sale	Year	U.S. producers	Subject importers
Long-term contracts	2021	29.6	7.5
Annual contract	2021	21.2	10.4
Short-term contracts	2021	10.6	23.2
Spot sales	2021	38.7	58.9
Long-term contracts	2022	29.4	13.9
Annual contract	2022	21.8	14.9
Short-term contracts	2022	10.7	28.8
Spot sales	2022	38.0	42.4
Long-term contracts	2023	29.5	26.2
Annual contract	2023	21.6	10.3
Short-term contracts	2023	9.9	13.8
Spot sales	2023	38.9	49.6

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The sum of responses may not add to 100 percent because of rounding.

Most U.S. producers reported that their short-term contracts fixed prices (***), did not allow for price renegotiations, and did not index to raw materials. In contrast, most U.S. producers reported that their annual and long-term contracts did allow for price renegotiation and were indexed to raw materials. Most responding importers reported that short-term and annual contracts fixed both price and quantity, did not allow for price renegotiations, and were not indexed to raw material costs. Regarding their long-term contracts, most responding importers reported they fixed at least price but allowed price renegotiation during the contract, but other contract provisions tended to vary from importer to importer.

Four purchasers reported that they purchase product daily, 11 purchase weekly, 6 purchase monthly, 10 purchase quarterly, 2 purchase annually, 8 on an as-needed basis, and 4 at some other frequency. Thirty-six of 44 responding purchasers reported that their purchasing frequency had not changed since 2021. Nearly half of responding purchasers (18 of 37) reported contacting as few as one supplier before making a purchase, and four reported contacting at most one supplier. One purchaser typically contacts up to 15 suppliers and three contact 10. On average, purchasers reported contacting between 2 and 5 suppliers.

Sales terms and discounts

All responding U.S. producers typically quote prices on a delivered basis, although one firm also reported selling on an f.o.b. basis. Most (***) importers typically quote prices on an f.o.b. basis, with slightly fewer (***) selling on a delivered basis. Half of U.S. producers reported they offer discounts; ***, and ***. Most importers (***) reported they have no discount policy, *** reported offering quantity discounts, *** reported offering total volume discounts, and *** reported offering other discounts (“occasional discount for early payment”).

Price leadership

Among the 21 purchasers reporting that there were price leaders in the PSBs market, 16 reported that Novolex was a price leader, 5 reported ProAmpac was a price leader, and 6 reported that at least one other firm was a price leader. The other firms listed as price leaders by purchasers included Broadway, Flexocraft, Mettler, PackAmerica, PanPacific, Store Supply Warehouse, Transco, and Vivabox, though none of these firms were mentioned more than once. Purchasers reported Novolex’s size in the industry and its announcements of price changes as reasons for its leadership. Four also noted that changes in raw material prices affect PSB price leaders’ price changes.

Price data

Price and purchase cost data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following PSBs products shipped to unrelated U.S. customers during 2021 to 2023. Firms that imported these products from subject countries for their own use or retail sale were requested to provide import purchase cost data for products 4 and 7.

***Product 1*.--** Plain kraft (brown) bag, unprinted, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer's name, location, recycled content, or similar information.

***Product 2*.--** Plain kraft (brown) bag, unprinted, 60-70# basis weight, with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer's name, location, recycled content, or similar information.

***Product 3*.--** Plain kraft (brown) bag, unprinted, 65-80# basis weight, with a serrated top that has a 16-inch wide face, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer's name, location, recycled content, or similar information.

***Product 4*.--** Kraft (brown) bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

***Product 5*.--** White bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

***Product 6*.--** White bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has a 13-inch wide face, with a 7-inch gusset, and that is 17 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

***Product 7*.--** Kraft (brown) bag, printed with 2 colors, with heavy ink coverage, that has a 16-inch wide face, 65-80# basis weight, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

Three U.S. producers and 19 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[6] Pricing data reported by these firms accounted for approximately 9.3 percent of U.S. producers' commercial U.S. shipments of PSBs. Among import sources, no quarterly pricing data were received for imports from Malaysia. Quarterly pricing data were received for 4.5 percent of U.S. commercial shipments of imports of PSBs from Cambodia, 7.7 percent from China, 2.6 percent from Colombia, 16.6 percent from India, 0.0 percent from Portugal, 4.0 percent from subject Taiwan sources, 5.7 percent from Turkey, and 27.9 percent from Vietnam in 2023.[7] No quarterly pricing data were received for imports of PSBs from nonsubject Taiwan sources.

Price data for products 1-7 are presented in tables V-4 to V-11 and figures V-2 to V-8.

[6] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates. Pricing data for imports from ***. Pricing data for imports from ***.

[7] Pricing coverage is based on U.S. commercial shipments reported in questionnaires. No quarterly pricing data were received for imports of PSBs from Portugal in 2023, but some were received for 2022.

Table V-4
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Cambodia price	Cambodia quantity	Cambodia margin	China price	China quantity	China margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Colombia price	Colombia quantity	Colombia margin	India price	India quantity	India margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	--	0	--	***	***	***
2021 Q4	***	***	--	0	--	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	--	0	--	***	***	***
2023 Q3	***	***	--	0	--	***	***	***
2023 Q4	***	***	--	0	--	***	***	***

Table continued.

Table V-4 Continued
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Vietnam price	Vietnam quantity	Vietnam margin
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Plain kraft (brown) bag, unprinted, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer’s name, location, recycled content, or similar information.

Table V-5
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Cambodia price	Cambodia quantity	Cambodia margin	Colombia price	Colombia quantity	Colombia margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	--	0	--
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	--	0	--
2023 Q2	***	***	***	***	***	--	0	--
2023 Q3	***	***	***	***	***	--	0	--
2023 Q4	***	***	***	***	***	--	0	--

Period	U.S. price	U.S. quantity	India price	India quantity	India margin	Vietnam price	Vietnam quantity	Vietnam margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	--	0	--
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: Plain kraft (brown) bag, unprinted, 60-70# basis weight, with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer’s name, location, recycled content, or similar information.

Table V-6
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China margin	Colombia price	Colombia quantity	Colombia margin
2021 Q1	***	***	***	***	***	--	0	--
2021 Q2	***	***	***	***	***	--	0	--
2021 Q3	***	***	***	***	***	--	0	--
2021 Q4	***	***	***	***	***	--	0	--
2022 Q1	***	***	***	***	***	--	0	--
2022 Q2	***	***	***	***	***	--	0	--
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	--	0	--
2023 Q2	***	***	***	***	***	--	0	--
2023 Q3	***	***	***	***	***	--	0	--
2023 Q4	***	***	***	***	***	--	0	--

Period	U.S. price	U.S. quantity	India price	India quantity	India margin	Vietnam price	Vietnam quantity	Vietnam margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Plain kraft (brown) bag, unprinted, 65-80# basis weight, with a serrated top that has a 16-inch wide face, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer’s name, location, recycled content, or similar information.

Table V-7
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Cambodia price	Cambodia quantity	Cambodia margin	China price	China quantity	China margin
2021 Q1	***	***	--	0	--	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	--	0	--	***	***	***
2022 Q1	***	***	--	0	--	***	***	***
2022 Q2	***	***	--	0	--	***	***	***
2022 Q3	***	***	--	0	--	***	***	***
2022 Q4	***	***	--	0	--	***	***	***
2023 Q1	***	***	--	0	--	***	***	***
2023 Q2	***	***	--	0	--	***	***	***
2023 Q3	***	***	--	0	--	***	***	***
2023 Q4	***	***	--	0	--	***	***	***

Period	U.S. price	U.S. quantity	Colombia price	Colombia quantity	Colombia margin	India price	India quantity	India margin
2021 Q1	***	***	--	0	--	***	***	***
2021 Q2	***	***	--	0	--	***	***	***
2021 Q3	***	***	--	0	--	***	***	***
2021 Q4	***	***	--	0	--	***	***	***
2022 Q1	***	***	--	0	--	***	***	***
2022 Q2	***	***	--	0	--	***	***	***
2022 Q3	***	***	--	0	--	***	***	***
2022 Q4	***	***	--	0	--	***	***	***
2023 Q1	***	***	--	0	--	***	***	***
2023 Q2	***	***	--	0	--	***	***	***
2023 Q3	***	***	--	0	--	***	***	***
2023 Q4	***	***	***	***	***	***	***	***

Table continued.

Table V-7 Continued
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Vietnam price	Vietnam quantity	Vietnam margin
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Kraft (brown) bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

Table V-8
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Cambodia price	Cambodia quantity	Cambodia margin	China price	China quantity	China margin
2021 Q1	***	***	--	0	--	***	***	***
2021 Q2	***	***	--	0	--	***	***	***
2021 Q3	***	***	--	0	--	***	***	***
2021 Q4	***	***	--	0	--	***	***	***
2022 Q1	***	***	--	0	--	***	***	***
2022 Q2	***	***	--	0	--	***	***	***
2022 Q3	***	***	--	0	--	***	***	***
2022 Q4	***	***	--	0	--	***	***	***
2023 Q1	***	***	--	0	--	***	***	***
2023 Q2	***	***	--	0	--	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	--	0	--	***	***	***

Period	U.S. price	U.S. quantity	Colombia price	Colombia quantity	Colombia margin	India price	India quantity	India margin
2021 Q1	***	***	--	0	--	--	0	--
2021 Q2	***	***	--	0	--	--	0	--
2021 Q3	***	***	--	0	--	***	***	***
2021 Q4	***	***	--	0	--	***	***	***
2022 Q1	***	***	--	0	--	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	--	0	--	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	--	0	--	***	***	***
2023 Q2	***	***	--	0	--	***	***	***
2023 Q3	***	***	--	0	--	***	***	***
2023 Q4	***	***	***	***	***	***	***	***

Table continued.

Table V-8 Continued
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Taiwan price	Taiwan quantity	Taiwan margin	Turkey price	Turkey quantity	Turkey margin
2021 Q1	***	***	***	***	***	--	0	--
2021 Q2	***	***	--	0	--	***	***	***
2021 Q3	***	***	--	0	--	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	--	0	--	***	***	***
2022 Q2	***	***	--	0	--	--	0	--
2022 Q3	***	***	--	0	--	--	0	--
2022 Q4	***	***	***	***	***	--	0	--
2023 Q1	***	***	--	0	--	--	0	--
2023 Q2	***	***	--	0	--	--	0	--
2023 Q3	***	***	--	0	--	--	0	--
2023 Q4	***	***	***	***	***	--	0	--

Period	U.S. price	U.S. quantity	Vietnam price	Vietnam quantity	Vietnam margin
2021 Q1	***	***	--	0	--
2021 Q2	***	***	--	0	--
2021 Q3	***	***	***	***	***
2021 Q4	***	***	--	0	--
2022 Q1	***	***	--	0	--
2022 Q2	***	***	***	***	***
2022 Q3	***	***	--	0	--
2022 Q4	***	***	--	0	--
2023 Q1	***	***	--	0	--
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 5: White bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

Table V-9
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China margin	Colombia price	Colombia quantity	Colombia margin
2021 Q1	***	***	***	***	***	--	0	--
2021 Q2	***	***	***	***	***	--	0	--
2021 Q3	***	***	--	0	--	--	0	--
2021 Q4	***	***	--	0	--	--	0	--
2022 Q1	***	***	***	***	***	--	0	--
2022 Q2	***	***	***	***	***	--	0	--
2022 Q3	***	***	***	***	***	--	0	--
2022 Q4	***	***	***	***	***	--	0	--
2023 Q1	***	***	***	***	***	--	0	--
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	--	0	--
2023 Q4	***	***	***	***	***	--	0	--

Period	U.S. price	U.S. quantity	India price	India quantity	India margin	Portugal price	Portugal quantity	Portugal margin
2021 Q1	***	***	--	0	--	--	0	--
2021 Q2	***	***	--	0	--	--	0	--
2021 Q3	***	***	--	0	--	--	0	--
2021 Q4	***	***	***	***	***	--	0	--
2022 Q1	***	***	***	***	***	--	0	--
2022 Q2	***	***	***	***	***	--	0	--
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	--	0	--
2023 Q2	***	***	***	***	***	--	0	--
2023 Q3	***	***	***	***	***	--	0	--
2023 Q4	***	***	***	***	***	--	0	--

Table continued.

Table V-9 Continued
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Taiwan price	Taiwan quantity	Taiwan margin	Turkey price	Turkey quantity	Turkey margin
2021 Q1	***	***	--	0	--	--	0	--
2021 Q2	***	***	--	0	--	--	0	--
2021 Q3	***	***	***	***	***	--	0	--
2021 Q4	***	***	--	0	--	--	0	--
2022 Q1	***	***	--	0	--	--	0	--
2022 Q2	***	***	--	0	--	--	0	--
2022 Q3	***	***	--	0	--	***	***	***
2022 Q4	***	***	--	0	--	***	***	***
2023 Q1	***	***	--	0	--	--	0	--
2023 Q2	***	***	--	0	--	--	0	--
2023 Q3	***	***	--	0	--	--	0	--
2023 Q4	***	***	--	0	--	--	0	--

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 6: White bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has a 13-inch wide face, with a 7-inch gusset, and that is 17 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

Table V-10
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 7 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Cambodia price	Cambodia quantity	Cambodia margin	China price	China quantity	China margin
2021 Q1	***	***	--	0	--	***	***	***
2021 Q2	***	***	--	0	--	***	***	***
2021 Q3	***	***	--	0	--	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	--	0	--	***	***	***
2023 Q1	***	***	--	0	--	***	***	***
2023 Q2	***	***	--	0	--	***	***	***
2023 Q3	***	***	***	***	***	***	***	***
2023 Q4	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Colombia price	Colombia quantity	Colombia margin	India price	India quantity	India margin
2021 Q1	***	***	--	0	--	***	***	***
2021 Q2	***	***	--	0	--	***	***	***
2021 Q3	***	***	--	0	--	***	***	***
2021 Q4	***	***	--	0	--	***	***	***
2022 Q1	***	***	--	0	--	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	--	0	--	***	***	***
2023 Q1	***	***	--	0	--	***	***	***
2023 Q2	***	***	--	0	--	***	***	***
2023 Q3	***	***	--	0	--	***	***	***
2023 Q4	***	***	--	0	--	***	***	***

Table continued.

Table V-10
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 7 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Turkey price	Turkey quantity	Turkey margin	Vietnam price	Vietnam quantity	Vietnam margin
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	--	0	--	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	--	0	--	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	--	0	--
2023 Q4	***	***	--	0	--	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 7: Kraft (brown) bag, printed with 2 colors, with heavy ink coverage, that has a 16-inch wide face, 65-80# basis weight, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

Figure V-2
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter

Price of product 1

*   *   *   *   *   *   *

Volume of product 1

*   *   *   *   *   *   *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Plain kraft (brown) bag, unprinted, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer’s name, location, recycled content, or similar information.

Figure V-3
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter

Price of product 2

*   *   *   *   *   *   *

Volume of product 2

*   *   *   *   *   *   *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: Plain kraft (brown) bag, unprinted, 60-70# basis weight, with a serrated top that has a 10-inch wide face, with a 6.75-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer's name, location, recycled content, or similar information.

Figure V-4
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter

Price of product 3

* * * * * * *

Volume of product 3

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Plain kraft (brown) bag, unprinted, 65-80# basis weight, with a serrated top that has a 16-inch wide face, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. Plain/stock bags may have printing on the bottom indicating the manufacturer's name, location, recycled content, or similar information.

Figure V-5
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by source and quarter

Price of product 4

* * * * * * *

Volume of product 4

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Kraft (brown) bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

Figure V-6
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 5, by source and quarter

Price of product 5

*   *   *   *   *   *   *

Volume of product 5

*   *   *   *   *   *   *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 5: White bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

Figure V-7
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 6, by source and quarter

Price of product 6

* * * * * * *

Volume of product 6

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 6: White bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has a 13-inch wide face, with a 7-inch gusset, and that is 17 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

Figure V-8
PSBs: Weighted-average f.o.b. prices and quantities of domestic and imported product 7, by source and quarter

Price of product 7

* * * * * * *

Volume of product 7

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 7: Kraft (brown) bag, printed with 2 colors, with heavy ink coverage, that has a 16-inch wide face, 65-80# basis weight, with a 6-inch gusset, and that is 12 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category.

Price trends

In general, prices of domestically produced PSBs increased during 2021 to 2023, but subject import price changes were more varied. Table V-11 summarizes the price trends, by source and product. As shown in the table, U.S. prices for all seven products increased – by between *** and *** percent. Import prices increased for 8 products and decreased for 11 products across the 63 possible country-product combinations. Increases ranged from *** to *** percent while decreases ranged from *** to *** percent.[8] Vietnam was the only source for which prices decreased across all relevant products.

Table V-11
PSBs: Summary of price data, by product and source, 2021 to 2023

Quantity in pounds, price in dollars per pound, change in percent

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Change in price over period
Product 1	United States	***	***	***	***	***	***	***
Product 1	Cambodia	***	***	***	***	***	***	***
Product 1	China	***	***	***	***	***	***	***
Product 1	Colombia	***	***	***	***	***	***	***
Product 1	India	***	***	***	***	***	***	***
Product 1	Malaysia	***	***	***	***	***	***	***
Product 1	Portugal	***	***	***	***	***	***	***
Product 1	Taiwan, subject	***	***	***	***	***	***	***
Product 1	Turkey	***	***	***	***	***	***	***
Product 1	Vietnam	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	Cambodia	***	***	***	***	***	***	***
Product 2	China	***	***	***	***	***	***	***
Product 2	Colombia	***	***	***	***	***	***	***

Table continued.

[8] Due to the highly variable nature of paper shopping bags – custom sizes, stock vs. custom printing, order sizes, etc. – pricing for each pricing product can also be highly variable, even for one firm. For example, importer ***. Email from ***. Quantities also were highly variable for some firms, fluctuating between large, small, and zero volumes. As a result, fewer whole-period trends are available for analysis.

Table V-11 Continued
PSBs: Summary of price data, by product and source, 2021 to 2023

Quantity in pounds, price in dollars per pound, change in percent

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Change in price over period
Product 2	India	***	***	***	***	***	***	***
Product 2	Malaysia	***	***	***	***	***	***	***
Product 2	Portugal	***	***	***	***	***	***	***
Product 2	Taiwan, subject	***	***	***	***	***	***	***
Product 2	Turkey	***	***	***	***	***	***	***
Product 2	Vietnam	***	***	***	***	***	***	***
Product 3	United States	***	***	***	***	***	***	***
Product 3	Cambodia	***	***	***	***	***	***	***
Product 3	China	***	***	***	***	***	***	***
Product 3	Colombia	***	***	***	***	***	***	***
Product 3	India	***	***	***	***	***	***	***
Product 3	Malaysia	***	***	***	***	***	***	***
Product 3	Portugal	***	***	***	***	***	***	***
Product 3	Taiwan, subject	***	***	***	***	***	***	***
Product 3	Turkey	***	***	***	***	***	***	***
Product 3	Vietnam	***	***	***	***	***	***	***
Product 4	United States	***	***	***	***	***	***	***
Product 4	Cambodia	***	***	***	***	***	***	***
Product 4	China	***	***	***	***	***	***	***
Product 4	Colombia	***	***	***	***	***	***	***
Product 4	India	***	***	***	***	***	***	***
Product 4	Malaysia	***	***	***	***	***	***	***
Product 4	Portugal	***	***	***	***	***	***	***
Product 4	Taiwan, subject	***	***	***	***	***	***	***
Product 4	Turkey	***	***	***	***	***	***	***
Product 4	Vietnam	***	***	***	***	***	***	***
Product 5	United States	***	***	***	***	***	***	***
Product 5	Cambodia	***	***	***	***	***	***	***
Product 5	China	***	***	***	***	***	***	***
Product 5	Colombia	***	***	***	***	***	***	***
Product 5	India	***	***	***	***	***	***	***
Product 5	Malaysia	***	***	***	***	***	***	***
Product 5	Portugal	***	***	***	***	***	***	***
Product 5	Taiwan, subject	***	***	***	***	***	***	***

Table continued.

Table V-11 Continued
PSBs: Summary of price and cost data, by product and source, 2021 to 2023

Quantity in pounds, price in dollars per pound, change in percent

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Change in price over period
Product 5	Turkey	***	***	***	***	***	***	***
Product 5	Vietnam	***	***	***	***	***	***	***
Product 6	United States	***	***	***	***	***	***	***
Product 6	Cambodia	***	***	***	***	***	***	***
Product 6	China	***	***	***	***	***	***	***
Product 6	Colombia	***	***	***	***	***	***	***
Product 6	India	***	***	***	***	***	***	***
Product 6	Malaysia	***	***	***	***	***	***	***
Product 6	Portugal	***	***	***	***	***	***	***
Product 6	Taiwan, subject	***	***	***	***	***	***	***
Product 6	Turkey	***	***	***	***	***	***	***
Product 6	Vietnam	***	***	***	***	***	***	***
Product 7	United States	***	***	***	***	***	***	***
Product 7	Cambodia	***	***	***	***	***	***	***
Product 7	China	***	***	***	***	***	***	***
Product 7	Colombia	***	***	***	***	***	***	***
Product 7	India	***	***	***	***	***	***	***
Product 7	Malaysia	***	***	***	***	***	***	***
Product 7	Portugal	***	***	***	***	***	***	***
Product 7	Taiwan, subject	***	***	***	***	***	***	***
Product 7	Turkey	***	***	***	***	***	***	***
Product 7	Vietnam	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Percent change column is percentage change from the first quarter 2021 to the fourth quarter 2023.

Price comparisons

Price comparisons

As shown in table V-12, prices for products imported from subject countries were below those for U.S.-produced product in 151 of 290 instances (22.4 million pounds); margins of underselling ranged from 0.0 to 70.8 percent. In the remaining 139 instances (6.8 million pounds), prices for product from subject countries were between 1.0 and 289.6 percent above prices for the domestic product. As shown in table V-13, more quarters of underselling than overselling were found for product imported from Cambodia (22 of 31 comparisons), Colombia (22 of 23 comparisons), and Vietnam (all 63 comparisons). There was more underselling during 2022 than during either 2021 or 2023 in terms of the number of quarters as well as the quantities of imported product (table V-14).

Table V-12
PSBs: Instances of underselling and overselling and the range and average of margins, by product

Quantity in pounds, margin in percent

Products	Type	Number of quarters	Quantity	Average margin	Minimum margin	Maximum margin
Product 1	Underselling	31	***	***	***	***
Product 2	Underselling	34	***	***	***	***
Product 3	Underselling	18	***	***	***	***
Product 4	Underselling	17	***	***	***	***
Product 5	Underselling	19	***	***	***	***
Product 6	Underselling	8	***	***	***	***
Product 7	Underselling	24	***	***	***	***
All products	Underselling	151	22,362,146	30.1	0.0	70.8
Product 1	Overselling	24	***	***	***	***
Product 2	Overselling	8	***	***	***	***
Product 3	Overselling	20	***	***	***	***
Product 4	Overselling	22	***	***	***	***
Product 5	Overselling	20	***	***	***	***
Product 6	Overselling	17	***	***	***	***
Product 7	Overselling	28	***	***	***	***
All products	Overselling	139	6,826,176	(67.6)	(1.0)	(289.6)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Table V-13
PSBs: Instances of underselling and overselling and the range and average of margins, by source

Quantity in pounds; margin in percent

Source	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Cambodia	Underselling	24	***	***	***	***
China	Underselling	9	***	***	***	***
Colombia	Underselling	22	***	***	***	***
India	Underselling	28	***	***	***	***
Malaysia	Underselling	0	0	---	---	---
Portugal	Underselling	0	0	---	---	---
Taiwan (subject)	Underselling	0	0	---	---	---
Turkey	Underselling	5	***	***	***	***
Vietnam	Underselling	63	***	***	***	***
Total, all subject sources	Underselling	151	22,362,146	30.1	0.0	70.8
Cambodia	Overselling	9	***	***	***	***
China	Overselling	61	***	***	***	***
Colombia	Overselling	1	***	***	***	***
India	Overselling	51	***	***	***	***
Malaysia	Overselling	0	0	---	---	---
Portugal	Overselling	2	***	***	***	***
Taiwan (subject)	Overselling	5	***	***	***	***
Turkey	Overselling	10	***	***	***	***
Vietnam	Overselling	0	0	---	---	---
Total, all subject sources	Overselling	139	6,826,176	(67.6)	(1.0)	(289.6)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Table V-14
PSBs: Instances of underselling and overselling, and the range and average of margins, by year

Quantity in pounds; margin in percent

Year	Type	Number of quarters	Quantity	Average margin	Minimum margin	Maximum margin
2021	Underselling	42	***	***	***	***
2022	Underselling	64	***	***	***	***
2023	Underselling	45	***	***	***	***
Total	Underselling	151	22,362,146	30.1	0.0	70.8
2021	Overselling	48	***	***	***	***
2022	Overselling	43	***	***	***	***
2023	Overselling	48	***	***	***	***
Total	Overselling	139	6,826,176	(67.6)	(1.0)	(289.6)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Import purchase cost data

Purchase cost data were requested for two pricing products: products 4 and 7. One importer (***) provided usable purchase cost data from one country for one product: it listed data for what it considered as competitive with product 4 from Vietnam.[9] Purchase cost data reported by this firm accounted for *** percent of U.S. imports of paper shopping bags imported from Vietnam in 2023. Landed duty-paid purchase cost data for imports from Vietnam are presented in table V-15, along with U.S. producers' sales prices.[10] Costs reported by the importer were steady through the period. They were *** percent below the sales prices of U.S. producers across all 10 available quarters of comparison, averaging *** percent, and these imports totaled *** pounds.

[9] ***.

[10] LDP import value does not include any potential additional costs that a purchaser may incur by importing rather than purchasing from another importer or U.S. producer. Price-cost differences are based on LDP import values, whereas margins of underselling/overselling are based on importer sales prices.

Table V-15
PSBs: Import landed duty-paid purchase costs and domestic prices, quantities of product 4, and price-cost differentials, by quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Vietnam price	Vietnam quantity	Vietnam price-cost differential
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Kraft (brown) bag, printed with 1-4 colors, with less than 20 percent ink coverage on the outside of the bag, 60-70# basis weight, with a serrated top that has an 8-inch wide face, with a 4.5-inch gusset, and that is 10.5 inches tall (without measuring the handles), with paper twisted handles affixed to the bag by patches. Bags that are within +/- 0.5 inches of any defined measurement should be included in this category. The product listed by *** does not match this definition, but reported data for a product it considers competitive with this product. Zeroes, null values, and undefined calculations are suppressed and shown as “--“.

Importers reporting import purchase cost data were asked to provide additional information regarding the costs and benefits of directly importing PSBs.

Importer *** reported that it incurred additional costs beyond landed duty-paid costs by importing PSBs directly rather than purchasing from a U.S. producer or U.S. importer of *** percent compared to the landed-duty paid value. These costs were reported to be for logistics and customs ("freight and logistics (attempted delivery, chassis surcharge, demurrage, detention, diversion charge, freight, duel, port charges, storage, waiting)") and supply chain management and customs compliance ("management of sourcing, monitoring of international logistics, customs delays, delivery status, review of customs entries").

When asked to describe how these additional costs incurred by importing PSBs directly compare with additional costs incurred when purchasing from a U.S. producer or U.S. importer, *** stated that its "***.

When asked to identify benefits from importing PSBs directly instead of purchasing from U.S. producers or importers, *** stated, "***." It noted that its experience is that the PSBs it imported are priced lower than they would be if it purchased domestic or previously imported PSBs, even if the additional costs it identified were included, but it could not quantify the savings.

Lost sales and lost revenue

In the preliminary phase of the investigations, the Commission requested that U.S. producers of PSBs report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of PSBs from subject countries during January 2020 to March 2023. Two U.S. producers submitted lost sales and lost revenue allegations. The two responding U.S. producers identified 32 firms with which they lost sales or revenue (1 consisting of a lost sales allegation, 7 consisting of lost revenue allegations, and 24 consisting of both types of allegations). Most allegations did not report the country of origin and eight allegations were against multiple countries. There were no allegations made with respect to subject imports from Cambodia, Malaysia, or Taiwan, nine allegations with respect to China, one with respect to Colombia, seven with respect to India, one with respect to Portugal, two with respect to Turkey, and eight with respect to Vietnam.

In the final phase of these investigations, all four responding U.S. producers reported that they had to reduce prices and two had to roll back announced price increases; all four reported that they had lost sales.

Staff contacted 125 purchasers and received responses from 44 purchasers.[11] Responding purchasers reported purchasing/importing 648.6 million pounds of PSBs during 2021 to 2023 (table V-16).

[11] Five purchasers submitted lost sales/lost revenue survey responses in the preliminary phase, but did not submit purchaser questionnaire responses in the final phase. Staff was unable to contact one of these purchasers.

Table V-16
PSBs: Purchasers' reported purchases and imports, by firm and source

Quantity in pounds, share in percent

Purchaser	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject country share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table V-16 Continued
PSBs: Purchasers' reported purchases and imports, by firm and source

Quantity in pounds, share in percent

Purchaser	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject country share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	346,991,898	243,159,252	58,439,077	4.3	(2.7)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years. Purchaser *** could not provide data in pounds, just number of bags. Its purchases totaled ***.

Of the 42 responding purchasers, 35 reported that, since 2021, they had purchased imported PSBs from subject countries instead of U.S.-produced PSBs (table V-17); 24 from China, 13 from India, 12 from Vietnam, 4 from Turkey, 3 from Cambodia and Colombia, and 2 each from Malaysia, Portugal, and subject sources in Taiwan (table V-18). Twenty-five of these purchasers reported that subject import prices were lower than U.S.-produced product, and 16 of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. China, India, and Vietnam were the sources most frequently indicated by purchasers to have had lower prices and for purchasers to have purchased based on price. Fifteen purchasers estimated the quantity of PSBs from subject countries purchased instead of domestic product totaling 34.8 million pounds; quantities ranged from *** pounds to *** pounds (table V-17). The most frequent non-price reason purchasers identified for purchasing imported rather than U.S.-produced product was lack of domestic available capacity or a desire for a type of bag not produced domestically, such as bags that require handwork or elaborate finishing, a different type of paper or ink, or are of a size not produced domestically.

Table V-17
PSBs: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in pounds

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table V-17 Continued
PSBs: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in pounds

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table V-17 Continued
PSBs: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in pounds

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued.

Table V-17 Continued
PSBs: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in pounds

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes--35; No--7	Yes--25; No--8	Yes--16; No--20	34,770,029	NA

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-18
PSBs: Purchasers' responses to purchasing subject imports instead of domestic product, by source

Quantity in pounds

Source	Count of purchasers reporting subject instead of domestic	Count of purchasers reported that imports were priced lower	Count of purchasers reporting that price was a primary reason for shift	Quantity
Cambodia	3	3	2	***
China	24	16	7	***
Colombia	3	2	2	***
India	13	7	5	***
Malaysia	2	1	1	***
Portugal	2	2	1	***
Taiwan (subject)	2	2	2	***
Turkey	4	2	0	***
Vietnam	12	7	3	***
Any subject source	35	25	16	34,770,029

Source: Compiled from data submitted in response to Commission questionnaires.

Of the 25 responding purchasers, two reported that U.S. producers had reduced prices in order to compete with lower-priced imports from subject sources.[12] Specifically, *** noted that a domestic producer reduced prices by *** percent due to competition with China ("***."). Purchaser *** noted that a domestic producer reduced prices by *** percent due to competition with Vietnam ("***.").

[12] Fourteen purchasers either did not respond or responded that they did not know.

Part VI: Financial experience of U.S. producers

Background[1]

Four U.S. producers (American Paper Bag, Fischer, Novolex, and ProAmpac) provided usable financial results on their paper shopping bag ("PSB") operations. The PSB industry experienced a consolidation and change in ownership as well as new entrants from 2021 to 2023.[2] [3] [4] All U.S. producers reported financial data on a calendar year basis and on the basis of

[1] The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), return on assets ("ROA"), and January 2021 to December 2023 ("period examined").

[2] Novolex manufactures PSBs as part of Novolex Holdings LLC's Food and Delivery business unit. Hearing transcript, p. 28 (Frantz). Staff conducted a verification of the financial section of Novolex's U.S. producer questionnaire. ***. Staff verification report, Novolex, April 2, 2024.

In July 2021, Novolex's parent, Flex Acquisition Holdings, Inc. ("Flex Holdings") with Carlyle Partners VI Holdings, L.P. ("Carlyle Partners") as the ultimate parent, completed its acquisition of Flexo Converters USA ("Flexo") ***. Flexo was a manufacturer of in-scope PSBs and *** with facilities in Meriden, Connecticut and Monroe, Georgia. *** U.S. producer questionnaire response. Novolex webpage, https://novolex.com/news/novolex-agrees-to-acquire-flexo-converters-usa-inc/, retrieved June 22, 2023; hearing transcript, pp. 45-46 (Burnett); and, Novolex's U.S. producer questionnaire, I-2a.

On April 13, 2022, ***. ***. Novolex's U.S. producer questionnaire, I-5 and staff verification report, Novolex, April 2, 2024. ***, making Apollo Novolex's ultimate parent. Hearing transcript, p. 175 (Weinstein).

[3] Two responding U.S. producers entered the PSB market recently but prior to 2021: American Paper Bag (started production in 2018 and manufactures customized and not stock or plain PSBs) and Fischer (***). Response from *** to staff questions, June 27, 2023 and, hearing transcript, pp. 55 and 59 (Byers).

[4] Two non-responding U.S. producers have also entered the PSB market in the United States: Papier-Mettler (production began in 2023) and Shamrock Corporation (previously made gift wrap paper, started making PSBs during the COVID 19 pandemic). The newest known U.S. producer, Papier-Mettler (headquartered in Morbach, Germany) invested $48 million in May 2022 at a facility in Moorefield, West Virginia to start production of PSBs. According to Papier-Mettler personnel ***. ***. West Virginia webpage, https://westvirginia.gov/gov-justice-wvded-announce-german-packaging-manufacturer-papier-mettler-acquires-industrial-building-in-moorefield/, retrieved on February 23, 2024; staff telephone interviews with ***; and, ***, March 12 and 13, 2024.

GAAP. Two U.S. producers (***) accounted for over *** percent of net sales (quantity and value) as well as over *** percent of total expenses (COGS, SG&A, and other expenses) from 2021 to 2023.

Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2023. Net sales consisted primarily of commercial sales, with *** U.S. producer (***) reporting small amounts of transfers to related firms from 2021 to 2023.[5] Non-commercial sales are included but not presented separately in this section of the report.

Figure VI-1
PSBs: U.S. producers' share of net sales quantity in 2023, by firm

*   *   *   *   *   *   *

Source: Compiled from data submitted in response to Commission questionnaires.

[5] From 2021 to 2023, *** reported transfers to related firms which accounted for *** percent or less of its total net sales quantity and value.

Operations on PSBs

Table VI-1 presents aggregated data on U.S. producers' operations in relation to PSBs, while table VI-2 presents corresponding changes in AUVs. Table VI-3 presents selected company-specific financial data. Appendix J presents aggregated financial data on U.S. producers' operations of PSBs and other paper bags ("OPBs").[6] [7]

[6] The Commission requested responding U.S. producers to provide data on OPBs, defining these bags as "certain other handled paper bags expressly excluded from the scope…as well as other bags made from the same kraft paper or cellulose fiber as 'paper shopping bags' but without handles, including but not limited to other grocery bags, self-opening sacks (SOS), other types of paper bag not otherwise expressly covered by the term PSBs."

[7] Data in appendix J reflect the combined financial data for PSBs and OPBs reported by responding U.S. producers (American Paper Bag, Fischer, Novolex, and ProAmpac), with *** accounting for *** percent of combined net sales data from 2021 to 2023. Financial data for OPBs may be understated, given that ***. U.S. producer questionnaires, V-6.

Table VI-1
PSBs: U.S. producers' results of operations, by item and period

Quantity in 1,000 pounds; value in 1,000 dollars; ratios in percent

Item	Measure	2021	2022	2023
Total net sales	Quantity	***	***	***
Total net sales	Value	***	***	***
COGS: Raw materials	Value	***	***	***
COGS: Direct labor	Value	***	***	***
COGS: Other factory	Value	***	***	***
COGS: Total	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Interest expense	Value	***	***	***
All other expenses	Value	***	***	***
All other income	Value	***	***	***
Net income or (loss)	Value	***	***	***
Depreciation/amortization	Value	***	***	***
Cash flow	Value	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***
COGS: Other factory	Ratio to NS	***	***	***
COGS: Total	Ratio to NS	***	***	***
Gross profit	Ratio to NS	***	***	***
SG&A expense	Ratio to NS	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***
Net income or (loss)	Ratio to NS	***	***	***

Table continued.

Table VI-1 Continued
PSBs: U.S. producers' results of operations, by item and period

Shares in percent; unit values in dollars per pound; count in number of firms reporting

Item	Measure	2021	2022	2023
COGS: Raw materials	Share	***	***	***
COGS: Direct labor	Share	***	***	***
COGS: Other factory	Share	***	***	***
COGS: Total	Share	***	***	***
Total net sales	Unit value	***	***	***
COGS: Raw materials	Unit value	***	***	***
COGS: Direct labor	Unit value	***	***	***
COGS: Other factory	Unit value	***	***	***
COGS: Total	Unit value	***	***	***
Gross profit or (loss)	Unit value	***	***	***
SG&A expenses	Unit value	***	***	***
Operating income or (loss)	Unit value	***	***	***
Net income or (loss)	Unit value	***	***	***
Operating losses	Count	***	***	***
Net losses	Count	***	***	***
Data	Count	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares represent the share of COGS. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Table VI-2
PSBs: Changes in AUVs between comparison periods

Changes in percent

Item	2021-23	2021-22	2022-23
Total net sales	▲***	▲***	▼***
COGS: Raw materials	▲***	▲***	▼***
COGS: Direct labor	▲***	▲***	▼***
COGS: Other factory	▲***	▲***	▼***
COGS: Total	▲***	▲***	▼***

Table continued.

Table VI-2 Continued
PSBs: Changes in AUVs between comparison periods

Changes in dollars per pound

Item	2021-23	2021-22	2022-23
Total net sales	▲***	▲***	▼***
COGS: Raw materials	▲***	▲***	▼***
COGS: Direct labor	▲***	▲***	▼***
COGS: Other factory	▲***	▲***	▼***
COGS: Total	▲***	▲***	▼***
Gross profit or (loss)	▼***	▼***	▲***
SG&A expense	▼***	▲***	▼***
Operating income or (loss)	▼***	▼***	▲***
Net income or (loss)	▼***	▼***	▼***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Percentages and unit values shown as "0.0" or "0.00" represent values greater than zero, but less than "0.05" or "0.005," respectively. Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

Table VI-3
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales quantity

Quantity in 1,000 pounds

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales value

Value in 1,000 dollars

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS

Value in 1,000 dollars

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss)

Value in 1,000 dollars

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses

Value in 1,000 dollars

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss)

Value in 1,000 dollars

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss)

Value in 1,000 dollars

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS to net sales ratio

Ratios in percent

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss) to net sales ratio

Ratios in percent

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses to net sales ratio

Ratios in percent

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss) to net sales ratio

Ratios in percent

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss) to net sales ratio

Ratios in percent

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net sales value

Unit values in dollars per pound

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit raw material costs

Unit values in dollars per pound

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit direct labor costs

Unit values in dollars per pound

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit other factory costs

Unit values in dollars per pound

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit COGS

Unit values in dollars per pound

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit gross profit or (loss)

Unit values in dollars per pound

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit SG&A expenses

Unit values in dollars per pound

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit operating income or (loss)

Unit values in dollars per pound

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued
PSBs: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net income or (loss)

Unit values in dollars per pound

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares represent the share of COGS. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Net sales

As presented in table VI-1, total net sales quantity irregularly declined while total net sales value increased each year from 2021 to 2023.[8] Table VI-3 shows how individual U.S. producers' net sales quantity and value trends differed. From 2021 to 2023, the *** U.S. producers' net sales quantities decreased (irregularly for *** and consistently for ***) while net sales value trends diverged (irregularly increasing for *** while irregular decreasing for ***).[9] [10] *** U.S. producers (***) reported different sales trends; *** consistently increased net sales quantity and value while *** reported the opposite net sales trends from 2021 to 2023.[11] Differences in net sales quantity and value between *** U.S. producers are largely attributable to differences in product mix as well as the impact of the COVID-19 pandemic on demand for PSBs that continued into 2021.[12]

[8] *** accounted for *** percent or more of net sales quantity and value over the period examined, driving changes in net sales as well as other financial results of the aggregated U.S. PSB industry.

[9] Novolex ***. Novolex's U.S. producer questionnaire, II-2b.

[10] ProAmpac ***. ProAmpac's U.S. producer questionnaire, III-9a.

[11] *** net sales quantity and value ranging from *** percent of total net sales quantity and value from 2021 to 2023.

[12] For additional information on the effects of the COVID-19 pandemic on financials, see table VI-10.

As presented in table VI-3, net sales AUVs irregularly increased from 2021 to 2023, tracking closely with the net sales AUVs of the largest U.S. producers (***).[13] In general, U.S. producers *** attributed the increase in net sales AUVs to increases in raw materials, direct labor, and other factory costs during the period examined.[14]

Cost of goods sold and gross profit or loss[15]

As presented in table VI-1, raw material costs represented the majority of total COGS, irregularly increasing in absolute value, on a per-unit basis, and as a share of net sales from

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[13] The peak of net sales AUVs in 2022 was primarily caused by raw material AUVs being at their highest level that year during the 2021 to 2023 period.

[14] Differences in product mix contributed to fluctuations in net sales AUVs among individual U.S. producers over the period examined. U.S. producers reduced their unique average stock keeping units ("SKUs") sold from *** in 2021 to *** in 2023. From 2021 to 2023, (***); *** U.S. producers reported much smaller numbers of SKUs during the period of investigation (***). U.S. producer questionnaires, III-8d.

Although *** noted that the reduction in SKUs improved operational efficiency, these product mix reductions did not materially impact their operations. *** U.S. producers (***) reported the largest fluctuations in averages sales values, with one (***) expanding its product offering and ramping up production of PSBs, while *** reported losing customer orders for certain PSBs. U.S. producer questionnaires, III-8d.

[15] As previously stated, all four responding U.S. producers' financial results are reported in accordance with GAAP. Within GAAP, multiple costing methodologies are acceptable. Costing methodologies for inventories of raw materials and finished goods include: first-in first-out (FIFO), average, and last-in first-out (LIFO), and "standard costs" (definition below) as long as these are adjusted at "reasonable intervals to reflect current conditions so that at the balance-sheet date standard costs reasonably approximate costs computed under one of the recognized bases" (***). Financial Accounting Standards Board ("FASB"): Accounting Standards Codification (ASC) webpage, https://asc.fasb.org/1943274/2147482954 (FASB ASC 330-10-30-12), retrieved March 19, 2024. FASB is an independent organization that establishes financial accounting and reporting standard for public and private companies and not-for-profit organizations that follow GAAP; FASB is recognized as authoritative by the U.S. Securities and Exchange Commission, state Boards of Accountancy, and the American Institute of CPAs.

Standard costing is a method of estimating the expected costs of production. It involves setting a predetermined cost for materials, labor, and overhead. These costs are then compared to the actual costs at "reasonable intervals" (typically quarterly or annually), with variances adjusted accordingly to increase or decrease COGS in order to reflect current market costs. For additional clarification and guidance on inventoriable costing methodologies, see FASB ASC 330-10-20 (valuation using lower of cost or market); FASB ASC 330-10-35-8 (allows lower of cost or market to be applied to each inventory item or to totals); ASU 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory (replaces the rule of lower of cost or market with the rule of lower of cost or net realizable value ruling out the judgmental calculations of current replacement costs and normal profit margin, applicable only to inventories for which cost is determined by methods other than LIFO, effective after December 15, 2016). FASB webpage, https://fasb.org/page/ShowPdf?path=ASU%202015-

(*continued*...)

2021 to 2023.[16] Table VI-3 presents company-specific raw material cost AUVs, with variations partially attributable to the large range of product mix and volume of sales.[17] Table VI-4 presents raw material cost data, by type. Brown uncoated paper with 40 percent or more recycled content accounted for the majority of raw material costs, with other raw material inputs such as handles, adhesives, and ink/printing being the second largest share of total raw material costs in 2023.

11.pdf&title=UPDATE%202015-11%E2%80%94INVENTORY%20(TOPIC%20330) and PWC webpage, https://viewpoint.pwc.com/dt/us/en/fasb_financial_accou/asus_fulltext/2015/asu_201511inventory_/asu_201511inventory__US/asu_201511inventory__US.html, retrieved March 19, 2024.

[16] U.S. producers reported increasing raw material costs resulting from inflation but that they were unable to fully offset input cost increases by raising their selling prices. ***. In addition, U.S. producers reported using paper inputs that have ***. *** U.S. producer cited these factors as having a material impact on paper input costs. Responses from *** to staff questions, June 29, 2023; response from *** to staff questions, June 27, 2023.

U.S. producers were asked to report packaging costs as part of SG&A and not within raw materials; ***. Staff verification report, Novolex, April 2, 2024.

[17] One U.S. producer (***) reported purchasing inputs (***) from related firms equal to *** percent of total COGS in 2023, valued using negotiated transfer price to approximate FMV. *** U.S. producer questionnaire, III-6 and III-7a.

Table VI-4
PSBs: U.S. producers' raw material costs in 2023

Value in 1,000 dollars; unit values in dollars per pound; share of value in percent

Item	Value	Share of value
Uncoated paper: White, <40% recycled content	***	***
Uncoated paper: White, >=40% recycled content	***	***
Uncoated paper: Brown, <40% recycled content	***	***
Uncoated paper: Brown, >=40% recycled content	***	***
Coated paper: <40% recycled content	***	***
Subtotal, paper inputs	***	***
Other raw material inputs	***	***
All raw materials	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Other factory costs accounted for the second largest share of total COGS, irregularly increasing in total value, as a share of net sales, and also in per-unit value (primarily in fixed costs) from 2021 to 2023.[18] Direct labor costs, which accounted for the smallest share of total COGS, increased in total value from 2021 to 2023; on a per-unit basis, direct labor increased from 2021 to 2022 but stayed the same from 2022 to 2023. When measured as a ratio to total net sales, direct labor consistently increased from 2021 to 2023.[19]

As presented in table VI-1, total COGS and the ratio of COGS to net sales irregularly increased from 2021 to 2023, primarily the result of raw material costs increasing more than net sales values. The AUVs of total COGS also irregularly increased from 2021 to 2023, reflecting the previously discussed irregular increases in per-unit raw materials, direct labor, and other factory costs.

[18] *** U.S. producers reported increases in total other factory costs from 2021 to 2023, with *** reporting the largest actual increase and ***. ***. *** other factory costs per unit and as a share of revenue increased from 2021 to 2023 (***). For *** U.S. producers (***), other factory cost per unit also reflects *** sales volumes (i.e., lower sales volume resulted in other factory costs per unit being higher) as well as changes in production (***) over the period examined. U.S. producer questionnaires, III-15 and III-16; response from *** to staff questions, June 29, 2023; and, response from *** to staff questions, June 27, 2023.

[19] Inflation was a factor cited by multiple U.S. producers for the increases in direct labor and other factory costs, as well as fixed costs that cannot be reduced when production quantities decline. U.S. producer questionnaires, III-9a, II-15, III-15, and III-16.

As shown in table VI-1, all presented measures of gross profit irregularly decreased from 2021 to 2023. The decline in gross profits reported by the U.S. industry mirrors the directional fluctuations in total COGS and total net sales quantity despite the increase in total net sales value from 2021 to 2023 (i.e., U.S. producers sold fewer PSBs at higher prices, but prices were not high enough to offset increases in COGS).

SG&A expenses and operating income or loss

As presented in table VI-1, U.S. producers' total SG&A expenses decreased from 2021 to 2023.[20] The AUVs of SG&A expenses fluctuated within a narrow band (from *** per pound) from 2021 to 2023. The SG&A expense ratios (i.e., total SG&A expenses divided by net sales) decreased from 2021 to 2023. The *** U.S. producers (***) reported higher-than-industry average SG&A expense ratios and SG&A expenses per unit (resulting from being new to the industry for both; and declines in sales volume for ***).[21]

Table VI-1 shows that U.S. producers' operating income irregularly declined from 2021 to 2023. Operating performance of U.S. producers declined for the same reasons as gross profit from 2021 to 2023 (i.e., sales volume irregularly declined, and sales AUVs irregularly increased less than total COGS).

[20] Packaging costs for shipping PSBs to customers have been reported as part of SG&A expenses. U.S. producer questionnaire responses, III-9c and response from *** to staff questions, June 29, 2023.

[21] *** U.S. producer questionnaires, II-2a, II-20, III-8d, III-15, III-16, and IV-25.

All other expenses and net income or loss

Classified below the operating income level are interest expenses, other expenses, and other income.[22] Table VI-1 shows that interest expenses accounted for the vast majority of all other expenses, increasing from 2021 to 2023.[23]

Net income had a somewhat similar pattern as operating income: the industry reported declining net income from 2021 to 2023 (with a negative net income in 2023). The absolute difference between operating and net profits narrowed and widened in conjunction with changes in total interest expenses and all other income and expenses.[24]

[22] One U.S. producer (***) reported nonrecurring expenses of $*** of *** in 2021.

[23] Interest expenses ranged from (*** percent) of net all other expenses and income from 2021 to 2023, increasing dramatically from 2021 to 2022 and continuing to increase from 2022 to 2023. U.S. producers cited interest rate increases as the primary reason for their increased interest expenses. ***. Response from *** to staff questions, June 29, 2023.

[24] A variance analysis is not shown mostly due to the large variety of product mixes and different cost structures among the reporting firms.

Capital expenditures and R&D expenses

Table VI-5 presents capital expenditures, by firm, and table VI-6 presents the firms' narrative explanations of the nature, focus, and significance of their capital expenditures. The *** capital expenditures in 2021 reflect ***.[25] No responding U.S. producers reported R&D expenses during the period examined.

Table VI-5
PSBs: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-6
PSBs: U.S. producers' narrative descriptions of their capital expenditures, by firm

Firm	Narrative on capital expenditures
American Paper Bag	***
Fischer	***
Novolex	***
ProAmpac	***

Source: Compiled from data submitted in response to Commission questionnaires.

[25] ***. Response from *** U.S. producer questionnaire, III-13b.

Assets and return on assets

Table VI-7 presents data on the U.S. producers' total assets while table VI-8 presents their operating ROA.[26] Table VI-9 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time. U.S. producers reported increases in net assets each year, while ROA irregularly declined from 2021 to 2023.

Table VI-7
PSBs: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires (***).

Table VI-8
PSBs: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2021	2022	2023
American Paper Bag	***	***	***
Fischer	***	***	***
Novolex	***	***	***
ProAmpac	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

[26] The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value on a product-specific basis.

Table VI-9
PSBs: U.S. producers’ narrative descriptions of their total net assets, by firm

Firm	Narrative on changes in firm assets
American Paper Bag	***
Fischer	***
Novolex	***
ProAmpac	***

Source: Compiled from data submitted in response to Commission questionnaires.

COVID-19 and financial performance

Table VI-10 presents the U.S. producers’ narrative responses regarding the effects of COVID-19 on their financial performance.

Table VI-10
PSBs: Narrative responses relating to the COVID-19 pandemic effects on U.S. producers’ financial performance, since January 1, 2021

Firm	Narrative response on the effects of the COVID-19 pandemic
American Paper Bag	***
Fischer	***
Novolex	***
ProAmpac	***

Source: Compiled from data submitted in response to Commission questionnaires.

Capital and investment

The Commission requested that U.S. producers of PSBs describe any actual or potential negative effects of imports of PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and/or Vietnam on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-11 presents the number of firms reporting an impact in each category and table VI-12 provides the U.S. producers' narrative responses.

Table VI-11
PSBs: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2021, by effect

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	2
Denial or rejection of investment proposal	Investment	0
Reduction in the size of capital investments	Investment	1
Return on specific investments negatively impacted	Investment	4
Other investment effects	Investment	0
Any negative effects on investment	Investment	4
Rejection of bank loans	Growth	1
Lowering of credit rating	Growth	1
Problem related to the issue of stocks or bonds	Growth	1
Ability to service debt	Growth	2
Other growth and development effects	Growth	4
Any negative effects on growth and development	Growth	4
Anticipated negative effects of imports	Future	4

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-12
PSBs: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2021, by firm and effect

Item	Firm name and narrative on impact of imports
Cancellation, postponement, or rejection of expansion projects	***
Cancellation, postponement, or rejection of expansion projects	***
Reduction in the size of capital investments	***
Return on specific investments negatively impacted	***
Return on specific investments negatively impacted	***
Return on specific investments negatively impacted	***
Return on specific investments negatively impacted	***
Ability to service debt	***

Table continued.

Table VI-12 Continued
PSBs: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2021, by firm and effect

Item	Firm name and narrative on impact of imports
Other effects on growth and development	***
Other effects on growth and development	***
Other effects on growth and development	***
Other effects on growth and development	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***

Source: Compiled from data submitted in response to Commission questionnaires.

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors[1]*--*

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VI) *the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,*

(VII) *in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),*

(VIII) *the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and*

(IX) *any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).*[2]

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

Subject countries

The Commission issued foreign producer/exporter questionnaires to 150 firms for which valid contact information was obtained that are believed to produce and/or export PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam.[3] Usable responses to the Commission's questionnaire were received from 24 firms in total: [4]

- one firms in Cambodia;
- five firms in China;
- two firms in Colombia;
- seven firms in India;
- one firm in Malaysia;
- one firm in Portugal;
- one firm in Taiwan;
- three firms in Turkey; and
- three firms in Vietnam.

[3] These firms were identified through a review of information submitted in the petitions and presented in third-party sources.

[4] Three questionnaires from *** were not used due to data not being usable.

These firms' exports to the United States accounted for the following shares of U.S. imports of PSBs by source in 2023:[5]

- Cambodia, *** percent;
- China, *** percent;
- Colombia, *** percent;
- India, *** percent;
- Malaysia, *** percent;
- Portugal, *** percent;
- Taiwan, *** percent;
- Turkey, *** percent; and
- Vietnam, *** percent.

[5] These shares reflect a comparison of export data reported by firms in response to the Commission's foreign producer/exporter questionnaire with official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024, adjusted to remove out-of-scope imports under the HTS statistical reporting numbers reported in Commission questionnaires and from certified "No" importers using proprietary, Census-edited Customs records as well as using Commission questionnaires to report for Taiwan, nonsubject. Imports are based on the imports for consumption data series.

According to estimates requested of the responding subject producers, the production of PSBs reported in questionnaire responses accounted for the following shares of overall production of PSBs by individual subject country in 2023:[6]

- Cambodia, *** percent;
- China, *** percent;
- Colombia, *** percent;
- India, *** percent;
- Malaysia, *** percent;
- Portugal, *** percent;
- Taiwan, *** percent;
- Turkey, *** percent; and
- Vietnam, *** percent.

[6] Firms were asked in the Commission's foreign producer/exporter questionnaire to estimate the share of their country's production of PSBs that their firm accounted for. Since not all firms have perfect knowledge of the industry in their home market, different firms might use different denominators in estimating their firm's share of the total requested.

Table VII-1 presents information on the PSBs operations of the responding subject producers/exporters and table VII-2 presents summary data for resellers of PSBs.

Table VII-1
PSBs: Summary data for subject producers, 2023

Firm and (subject foreign industry)	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Uupak Cambodia (Cambodia)	***	***	***	***	***	***
All reporting foreign producers from Cambodia	***	***	***	***	***	***
Huide (China)	***	***	***	***	***	***
Lianyi (China)	***	***	***	***	***	***
Rongyu (China)	***	***	***	***	***	***
Shanghai Custom (China)	***	***	***	***	***	***
Uupak China (China)	***	***	***	***	***	***
All reporting foreign producers from China	***	***	***	***	***	***
Ditar (Colombia)	***	***	***	***	***	***
Unibol (Colombia)	***	***	***	***	***	***
All reporting foreign producers from Colombia	***	***	***	***	***	***
Aero Plast (India)	***	***	***	***	***	***
Amate (India)	***	***	***	***	***	***
Carrywell (India)	***	***	***	***	***	***
Kuloday (India)	***	***	***	***	***	***
Max Packaging (India)	***	***	***	***	***	***
Pack Planet (India)	***	***	***	***	***	***
Tejaswi (India)	***	***	***	***	***	***
All reporting foreign producers from India	***	***	***	***	***	***
Hexachase (Malaysia)	***	***	***	***	***	***
All reporting foreign producers from Malaysia	***	***	***	***	***	***
Finieco (Portugal)	***	***	***	***	***	***
All reporting foreign producers from Portugal	***	***	***	***	***	***
JJG (Taiwan)	***	***	***	***	***	***
All reporting foreign producers from Taiwan	***	***	***	***	***	***

Firm and (subject foreign industry)	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Babet Kagitcilik (Turkey)	***	***	***	***	***	***
Oztas Ambalaj (Turkey)	***	***	***	***	***	***
All reporting foreign producers from Turkey	***	***	***	***	***	***
Coepto (Vietnam)	***	***	***	***	***	***
Detpak (Vietnam)	***	***	***	***	***	***
Dongsung (Vietnam)	***	***	***	***	***	***
All reporting foreign producers from Vietnam	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. *** began production in July 2023.

Table VII-2
PSBs: Summary data for subject resellers, 2023

Firm and (subject foreign industry)	Resales exported to the United States (1,000 pounds)	Share of resales exported to the United States (percent)
Jefira (Turkey)	***	***
Lianyi (China)	***	***
All firms	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. Foreign producer *** also had small amounts of resales exported to the U.S. reported in 2021 only.

Changes in operations

Subject producers were asked to report any change in the character of their operations or organization relating to the production of PSBs since January 1, 2021. Fourteen of 24 responding subject producers indicated in their questionnaires that they had experienced such changes. The most commonly reported changes were expansions (reported by 7 firms), production curtailments (reported by 5 firms), and plant openings (reported by 4 firms). Tables VII-3 and VII-4 present the changes identified by these subject producers.

Table VII-3
PSBs: Count of reported changes in operations since January 1, 2021, by subject foreign producing country and type of change in operation

Count in number of firms reporting

Item	Cambodia	China	Colombia	India	Malaysia
Plant openings	0	0	0	3	1
Plant closings	0	0	0	0	0
Prolonged shutdowns	0	1	0	1	0
Production curtailments	0	0	1	1	1
Relocations	0	1	0	0	0
Expansions	0	0	1	4	1
Acquisitions	0	0	1	0	0
Consolidations	0	0	0	0	0
Weather-related or force majeure events	0	1	0	0	0
Other	0	1	0	1	1
Any change	0	2	2	6	1

Table continued.

Table VII-3 Continued
PSBs: Count of reported changes in operations since January 1, 2021, by subject foreign producing country and type of change in operation

Count in number of firms reporting

Item	Portugal	Taiwan	Turkey	Vietnam	Subject producers
Plant openings	0	0	0	0	4
Plant closings	0	0	0	0	0
Prolonged shutdowns	0	0	0	1	3
Production curtailments	1	0	0	1	5
Relocations	0	0	0	0	1
Expansions	1	0	0	0	7
Acquisitions	0	0	0	0	1
Consolidations	0	0	0	0	0
Weather-related or force majeure events	0	0	0	0	1
Other	0	0	0	0	3
Any change	1	0	0	2	14

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-4
PSBs: Subject producers' reported changes in operations since January 1, 2021, by firm

Item	Firm name, (subject foreign industry), and accompanying narrative response on changes in operations
Plant openings	***
Plant openings	***
Plant openings	***
Plant openings	***
Plant openings	***
Plant openings	***
Plant closings	***
Plant closings	***
Prolonged shutdowns	***

Item	Firm name, (subject foreign industry), and accompanying narrative response on changes in operations
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Relocations	***
Relocations	***
Relocations	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***

Item	Firm name, (subject foreign industry), and accompanying narrative response on changes in operations
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Consolidations	***
Consolidations	***
Weather-related or force majeure events	***
Weather-related or force majeure events	***
Weather-related or force majeure events	***
Other	***
Other	***
Other	***
Other	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on PSBs

Table VII-5 presents data on subject producers' installed capacity, practical overall capacity, and practical PSBs capacity and production on the same equipment. Between 2021 and 2023, seven firms reported no change in installed overall capacity, while 12 firms reported an increase. During 2021-23, 19 firms reported an increase in practical overall capacity, three firms reported no change, and two firms reported a decrease. Installed overall capacity increased by *** percent during 2021-23. Installed overall capacity utilization decreased by *** percentage points from 2021 to 2023. Following a similar trend, practical overall capacity increased by *** percent during 2021-23 and practical overall production increased by *** percent. Practical overall capacity utilization decreased by *** percentage points from 2021 to 2023.

Table VII-5
PSBs: Subject producers' installed and practical capacity and production on the same equipment as in-scope production, by period

Capacity and production in 1,000 pounds; Utilization in percent

Item	Measure	2021	2022	2023
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical PSBs	Capacity	***	***	***
Practical PSBs	Production	***	***	***
Practical PSBs	Utilization	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-6 presents subject producers' reported capacity constraints since January 1, 2021. The most commonly reported capacity constraints were existing labor force (reported by 13 firms) and production bottlenecks (reported by 9 firms).

Table VII-6
PSB: Subject producers' reported capacity constraints since January 1, 2021

Item	Firm name, (subject foreign industry), and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Existing labor force	***
Existing labor force	***

Item	Firm name, (subject foreign industry), and narrative response on constraints to practical overall capacity
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***

Item	Firm name, (subject foreign industry), and narrative response on constraints to practical overall capacity
Supply of material inputs	***
Supply of material inputs	***
Fuel or energy	***
Fuel or energy	***
Fuel or energy	***
Fuel or energy	***
Fuel or energy	***
Storage capacity	***
Storage capacity	***
Storage capacity	***
Storage capacity	***
Storage capacity	***
Storage capacity	***
Storage capacity	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***

Item	Firm name, (subject foreign industry), and narrative response on constraints to practical overall capacity
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-7 presents information on the PSBs operations of the responding subject producers/exporters. Between 2021 and 2023, five firms reported no change in practical PSBs capacity, *** firms reported an increase, and *** firms reported a decrease. Subject producers' capacity increased overall by *** percent during 2021-23. Subject producers' production decreased overall by *** percent during 2021-23. Subject producers' capacity utilization decreased by *** percentage points during 2021-22, then decreased by *** percentage points during 2022-23, decreasing overall by *** percentage points during 2021-23. Relative to 2023 levels, subject producers' capacity and production are projected to be higher in 2024 and 2025.

Subject producers' exports to the United States decreased overall by *** percent during 2021-23. The leading exporters of PSBs to the United States were ***. Subject producers' internal consumption decreased overall by *** percent during 2021-23.[7]

[7] *** were the only subject producers to report an increase in internal consumption from 2021-23. *** accounted for over *** of percent subject producers' reported internal consumption between 2021 and 2023.

Commercial home market shipments increased irregularly by *** percent between 2021 and 2023, decreasing by *** percent during 2021-22 then increasing by *** percent during 2022-23. Exports to all other markets decreased overall by *** percent during 2021-23. Relative to 2023 levels, internal consumption, commercial home market shipments, and exports to all other markets are projected to be higher in 2024 and 2025, while exports to the United States are projected to be lower in 2024 and higher in 2025.

Commercial home market shipments as a share of subject producers' total shipments decreased from *** percent in 2021 to *** percent in 2022 and then increased to *** percent in 2023. Internal consumption as a share of total shipments decreased from *** percent in 2021 to *** percent in 2022 and to *** percent in 2023. Exports to the United States as a share of subject producers' total shipments increased from *** percent in 2021 to *** percent in 2022, then decreased to *** percent in 2023. Exports to all other markets as a share of total shipments increased from *** percent in 2021 to *** percent in 2021, and then decreased to *** percent in 2023.

Table VII-7
PSBs: Data on subject industries, by period

Quantity in 1,000 pounds

Item	2021	2022	2023	Projection 2024	Projection 2025
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Home market shipments	***	***	***	***	***
Exports to the United States	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***
Adjusted total exports to the United States	***	***	***	***	***

Table continued.

Table VII-7 Continued
PSBs: Data on subject industries, by period

Share and ratio in percent

Item	2021	2022	2023	Projection 2024	Projection 2025
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption share	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***
Home market shipments share	***	***	***	***	***
Exports to the United States share	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***
Export shipments share	***	***	***	***	***
Total shipments share	100.0	100.0	100.0	100.0	100.0
Total exports to the United States exported by producers	***	***	***	***	***
Total exports to the United States exported by resellers	***	***	***	***	***
Adjusted share of total shipments exported to the United States	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. Adjusted share of total shipments accounts for exports to the U.S. exported by resellers in total shipments.

Table VII-8 presents information on the PSBs operations of the responding subject producers/exporters by production method. Sheet-fed bags accounted for a majority of foreign producers’ production throughout 2021-2023 and for both projected years, though the share of production declined throughout the period and over both projected years. One country, ***, accounted for a majority of sheet-fed bag production throughout the period.

Table VII-8
PSBs: Subject foreign producers' production, by method and period

Production in 1,000 pounds; share in percent

Foreign industry	Production method	Measure	2021	2022	2023	Projection 2024	Projection 2025
Cambodia	Sheet-fed	Quantity	***	***	***	***	***
Cambodia	Web-fed	Quantity	***	***	***	***	***
Cambodia	All production	Quantity	***	***	***	***	***
Cambodia	Sheet-fed	Share	***	***	***	***	***
Cambodia	Web-fed	Share	***	***	***	***	***
Cambodia	All production	Share	***	***	***	***	***
China	Sheet-fed	Quantity	***	***	***	***	***
China	Web-fed	Quantity	***	***	***	***	***
China	All production	Quantity	***	***	***	***	***
China	Sheet-fed	Share	***	***	***	***	***
China	Web-fed	Share	***	***	***	***	***
China	All production	Share	***	***	***	***	***
Colombia	Sheet-fed	Quantity	***	***	***	***	***
Colombia	Web-fed	Quantity	***	***	***	***	***
Colombia	All production	Quantity	***	***	***	***	***
Colombia	Sheet-fed	Share	***	***	***	***	***
Colombia	Web-fed	Share	***	***	***	***	***
Colombia	All production	Share	***	***	***	***	***
India	Sheet-fed	Quantity	***	***	***	***	***
India	Web-fed	Quantity	***	***	***	***	***
India	All production	Quantity	***	***	***	***	***
India	Sheet-fed	Share	***	***	***	***	***
India	Web-fed	Share	***	***	***	***	***
India	All production	Share	***	***	***	***	***
Malaysia	Sheet-fed	Quantity	***	***	***	***	***
Malaysia	Web-fed	Quantity	***	***	***	***	***
Malaysia	All production	Quantity	***	***	***	***	***
Malaysia	Sheet-fed	Share	***	***	***	***	***
Malaysia	Web-fed	Share	***	***	***	***	***
Malaysia	All production	Share	***	***	***	***	***

Table continued.

Table VII-8 Continued
PSBs: Subject foreign producers’ production, by method and period

Production in 1,000 pounds; share in percent

Foreign industry	Production method	Measure	2021	2022	2023	Projection 2024	Projection 2025
Portugal	Sheet-fed	Quantity	***	***	***	***	***
Portugal	Web-fed	Quantity	***	***	***	***	***
Portugal	All production	Quantity	***	***	***	***	***
Portugal	Sheet-fed	Share	***	***	***	***	***
Portugal	Web-fed	Share	***	***	***	***	***
Portugal	All production	Share	***	***	***	***	***
Taiwan	Sheet-fed	Quantity	***	***	***	***	***
Taiwan	Web-fed	Quantity	***	***	***	***	***
Taiwan	All production	Quantity	***	***	***	***	***
Taiwan	Sheet-fed	Share	***	***	***	***	***
Taiwan	Web-fed	Share	***	***	***	***	***
Taiwan	All production	Share	***	***	***	***	***
Turkey	Sheet-fed	Quantity	***	***	***	***	***
Turkey	Web-fed	Quantity	***	***	***	***	***
Turkey	All production	Quantity	***	***	***	***	***
Turkey	Sheet-fed	Share	***	***	***	***	***
Turkey	Web-fed	Share	***	***	***	***	***
Turkey	All production	Share	***	***	***	***	***
Vietnam	Sheet-fed	Quantity	***	***	***	***	***
Vietnam	Web-fed	Quantity	***	***	***	***	***
Vietnam	All production	Quantity	***	***	***	***	***
Vietnam	Sheet-fed	Share	***	***	***	***	***
Vietnam	Web-fed	Share	***	***	***	***	***
Vietnam	All production	Share	***	***	***	***	***
All reporting subject foreign producers	Sheet-fed	Quantity	***	***	***	***	***
All reporting subject foreign producers	Web-fed	Quantity	***	***	***	***	***
All reporting subject foreign producers	All production	Quantity	***	***	***	***	***
All reporting subject foreign producers	Sheet-fed	Share	***	***	***	***	***
All reporting subject foreign producers	Web-fed	Share	***	***	***	***	***
All reporting subject foreign producers	All production	Share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Table VII-9 presents information on the PSBs operations of the responding producers/exporters by subject country. The leading subject countries by reported practical capacity to produce PSBs include China, India, and Portugal.

Cambodian producers' capacity increased overall by *** percent during 2021-23, while production decreased overall by *** percent from 2021 to 2023. Capacity utilization decreased by *** percentage points during 2021-23. Cambodian producers' capacity and production are projected to be higher in 2024 and 2025 than 2023 levels.

From 2021 to 2023, Chinese producers' capacity increased overall by *** percent during 2021-23, while production decreased overall by *** percent from 2021 to 2023. Capacity utilization decreased by *** percentage points during 2021-23. Chinese producers' capacity is projected to be higher in 2024 and 2025 than 2023 levels, while Chinese producers' production is projected to be lower in 2024 and 2025 than 2023 levels.

The Colombian producer's capacity and production increased overall by *** percent and *** percent. Capacity utilization increased by *** percentage points during 2021-23. The Colombian producer's capacity is projected to remain constant in 2023 and 2024, while production is projected to be higher than 2023 levels in 2024 and 2025.

From 2021 to 2023, Indian producers' capacity and production increased overall by *** percent and *** percent, respectively. Capacity utilization decreased by *** percentage points during 2021-23. Indian producers' capacity and production are projected to be higher in 2024 and 2025 than 2023 levels.

The Malaysian producer's capacity increased overall by *** percent from 2021 to 2023. Production decreased overall by *** percent during 2021-23. Capacity utilization decreased by *** percentage points during 2021-23. The Malaysian producer's capacity is projected to be unchanged from 2023 and production is projected to be higher in 2024 and 2025 than 2023 levels.

The Portuguese producer's capacity decreased by *** percent during 2021-22, then increased by *** percent during 2022-23, increasing overall by *** percent from 2021 to 2023. Production decreased overall by *** percent during 2021-23. Capacity utilization decreased by *** percentage points during 2021-23. The Portuguese producer's capacity and production are projected to be higher in 2024 and 2025 than 2023 levels.

The Taiwanese producer's capacity and production decreased by *** percent during 2021-22, then increased by *** percent during 2022-23, decreasing overall by *** percent from 2021 to 2023. Capacity utilization remained constant during 2021-23. The Taiwanese producer's capacity and production are projected to be lower in 2024 and 2025 than 2023 levels.

Turkish producers' capacity and production decreased overall by *** percent and *** percent, respectively. Turkish producers' capacity utilization decreased by *** percentage points during 2021-23. Turkish producers' capacity and production are projected to be higher in 2023 and 2024 compared to 2022 levels.

From 2021 to 2023, Vietnamese producers' capacity and production increased overall by *** percent and *** percent, respectively. Capacity utilization increased by *** percentage points during 2021-23. Vietnamese producers' capacity and production are projected to be higher in 2024 and 2025 than 2023 levels.

Table VII-9
PSB: Subject producers' output: Practical capacity, by source and period

Capacity in 1,000 pounds

Foreign industry	2021	2022	2023	Projection 2024	Projection 2025
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
All reporting subject producers	***	***	***	***	***

Table continued.

Table VII-9 Continued
PSBs: Subject producers' output: Production, by source and period

Production in 1,000 pounds

Foreign industry	2021	2022	2023	Projection 2024	Projection 2025
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
All reporting subject producers	***	***	***	***	***

Table continued.

Table VII-9 Continued
PSBs: Subject producers' output: Practical capacity utilization, by source and period

Capacity utilization ratio in percent

Foreign industry	2021	2022	2023	Projection 2024	Projection 2025
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
All reporting subject producers	***	***	***	***	***

Table continued.

Table VII-9 Continued
PSBs: Subject producers' output: Share of production, by source and period

Share of production in percent

Foreign industry	2021	2022	2023	Projection 2024	Projection 2025
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
All reporting subject producers	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-10 presents export data of the responding producers/exporters. Exports to the United States from nine subject countries decreased overall by *** percent between 2021 and 2023. During this period, exports to the United States increased by the following magnitudes (by source): India, *** percent; Colombia, ***; and Taiwan, *** percent. During this same period exports to the United States decreased by the following magnitudes (by source): Cambodia, *** percent; China, *** percent; Portugal, *** percent; Turkey, *** percent; and Vietnam, *** percent.

Overall, the subject countries were export oriented, producers' and resellers' exports accounting for *** of total shipments in 2023. Several subject countries are particularly export oriented; total exports accounted for the following shares of total shipments in 2023 by source: Cambodia, *** percent; India *** percent; and Portugal, *** percent.

Table VII-10
PSBs: Subject producers' and resellers' exports: Quantity of exports to the United States, by source and period

Quantity in 1,000 pounds

Foreign industry	2021	2022	2023	Projection 2024	Projection 2025
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
All reporting subject producers	***	***	***	***	***

Table continued.

Table VII-10 Continued
PSBs: Subject producers' and resellers' exports: Share of exports to the United States out of total shipments, by source and period

Share of total shipments in percent

Foreign industry	2021	2022	2023	Projection 2024	Projection 2025
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
All reporting subject producers	***	***	***	***	***

Table continued.

Table VII-10 Continued
PSBs: Subject producers’ resellers’ exports: Quantity of total exports, by source and period

Quantity in 1,000 pounds

Foreign industry	2021	2022	2023	Projection 2024	Projection 2025
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
All reporting subject producers	***	***	***	***	***

Table continued.

Table VII-10 Continued
PSBs: Subject producers’ and resellers’ exports: Share of total exports out of total shipments, by source and period

Share of total shipments in percent

Foreign industry	2021	2022	2023	Projection 2024	Projection 2025
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
All reporting subject producers	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Alternative products

Table VII-11 presents subject producers’ overall production on the same equipment and machinery used to produce PSBs. PSBs accounted for the majority (*** to *** percent) of subject producers’ overall production but the share declined during 2021-23. Thirteen of 24 firms reported the production of other products such as paper bags without handles, SOS bags, diecut paper bags, ribbon handle bags, non-paper handle bags, and shopping bags.

Table VII-11
PSBs: Subject producers’ overall production on the same equipment as in-scope production, by period

Quantity in 1,000 pounds; share in percent

Product type	Measure	2021	2022	2023
PSBs	Quantity	***	***	***
Other paper bags	Quantity	***	***	***
Other products	Quantity	***	***	***
All out-of-scope products	Quantity	***	***	***
All products	Quantity	***	***	***
PSBs	Share	***	***	***
Other paper bags	Share	***	***	***
Other products	Share	***	***	***
All out-of-scope products	Share	***	***	***
All products	Share	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Exports

Table VII-12 presents Global Trade Atlas ("GTA") data for exports of paper sacks and bags from subject countries to the United States and to all destination markets. The United States accounted for between 27.0 percent and 32.4 percent of total exports from the nine subject countries between 2020 and 2022. By quantity, the exports of paper sacks and bags from subject countries rose by 59.7 percent between 2020 and 2022, with the largest increases coming from China, India, and Vietnam. The United States was the primary destination for exports of PSBs from several subject countries, including Cambodia, Vietnam, India, and Colombia.

In terms of value, exports from each subject country to the United States were higher in 2023 than in 2021. Collectively, exports from combined subject countries to the United States increased by 80.2 percent over this period. The largest increases during 2020-22 were from Cambodia, India, and Colombia, whose exports of PSB to the United States by value increased by 407.1 percent, 345.3 percent, and 301.1 percent, respectively.

China, Turkey, and Vietnam are the leading exporters of paper sacks and bags to all destination markets; combined they accounted for close to 90 percent of total exports from subject countries by value in 2022. China alone accounted for 73.5 percent of total exports by value in 2022.

Table VII-12
Paper sacks and bags: Exports from subject countries, by exporting country, destination market, and period

Quantity in 1,000 pounds; shares in percent

Exporting country	Measure	Destination market	2020	2021	2022
Cambodia	Quantity	United States	2,922	7,744	12,756
China	Quantity	United States	202,040	292,864	275,332
Colombia	Quantity	United States	8,188	19,269	22,627
India	Quantity	United States	13,115	48,862	65,761
Malaysia	Quantity	United States	5,512	16,811	12,447
Portugal	Quantity	United States	9,762	14,606	11,362
Taiwan	Quantity	United States	13,538	24,435	23,761
Turkey	Quantity	United States	23,758	32,312	22,291
Vietnam	Quantity	United States	48,466	83,826	76,303
Subject exporters	Quantity	United States	327,301	540,728	522,639
Cambodia	Quantity	All destination markets	4,014	8,776	14,085
China	Quantity	All destination markets	803,055	1,041,682	1,178,225
Colombia	Quantity	All destination markets	13,961	29,064	36,016
India	Quantity	All destination markets	26,108	82,230	102,711

Exporting country	Measure	Destination market	2020	2021	2022
Malaysia	Quantity	All destination markets	46,115	66,641	65,436
Portugal	Quantity	All destination markets	73,069	101,364	110,609
Taiwan	Quantity	All destination markets	28,510	38,630	34,549
Turkey	Quantity	All destination markets	134,021	180,104	205,314
Vietnam	Quantity	All destination markets	83,351	120,070	117,311
Subject exporters	Quantity	All destination markets	1,212,204	1,668,563	1,864,256
Cambodia	Share of quantity	United States	0.9	1.4	2.4
China	Share of quantity	United States	61.7	54.2	52.7
Colombia	Share of quantity	United States	2.5	3.6	4.3
India	Share of quantity	United States	4.0	9.0	12.6
Malaysia	Share of quantity	United States	1.7	3.1	2.4
Portugal	Share of quantity	United States	3.0	2.7	2.2
Taiwan	Share of quantity	United States	4.1	4.5	4.5
Turkey	Share of quantity	United States	7.3	6.0	4.3
Vietnam	Share of quantity	United States	14.8	15.5	14.6
Subject exporters	Share of quantity	United States	100.0	100.0	100.0

Table continued.

Table VII-12 Continued
Paper sacks and bags: Exports from subject countries, by exporting country, destination market, and period

Value in 1,000 dollars; share in percent

Exporting country	Measure	Destination market	2020	2021	2022
Cambodia	Value	United States	3,222	11,840	16,339
China	Value	United States	282,528	426,646	458,960
Colombia	Value	United States	4,895	13,466	19,635
India	Value	United States	12,275	38,460	54,669
Malaysia	Value	United States	4,302	11,546	10,468
Portugal	Value	United States	9,530	15,845	17,604
Taiwan	Value	United States	18,745	30,457	30,354
Turkey	Value	United States	17,336	28,053	25,494
Vietnam	Value	United States	63,270	115,706	116,167
Subject exporters	Value	United States	416,103	692,019	749,690
Cambodia	Value	All destination markets	5,588	14,172	19,424
China	Value	All destination markets	1,308,261	1,774,327	2,135,100
Colombia	Value	All destination markets	10,105	20,839	30,526
India	Value	All destination markets	24,847	66,697	87,762
Malaysia	Value	All destination markets	40,057	56,509	64,554
Portugal	Value	All destination markets	74,610	105,925	130,514
Taiwan	Value	All destination markets	36,418	48,094	44,369
Turkey	Value	All destination markets	105,672	168,075	217,315
Vietnam	Value	All destination markets	106,732	162,505	175,485
Subject exporters	Value	All destination markets	1,712,291	2,417,142	2,905,049
Cambodia	Share of value	United States	0.8	1.7	2.2
China	Share of value	United States	67.9	61.7	61.2
Colombia	Share of value	United States	1.2	1.9	2.6
India	Share of value	United States	3.0	5.6	7.3
Malaysia	Share of value	United States	1.0	1.7	1.4
Portugal	Share of value	United States	2.3	2.3	2.3
Taiwan	Share of value	United States	4.5	4.4	4.0
Turkey	Share of value	United States	4.2	4.1	3.4
Vietnam	Share of value	United States	15.2	16.7	15.5
Subject exporters	Share of value	United States	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 4819.30 and 4819.40 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed February 19, 2023.

Note: Shares represent the shares of value exported to the United States out of all destination markets. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. These data are overstated as the HS subheading contains products outside the scope of this investigation. Data presented only through 2022 due to incomplete 2023 annual data at this point in the following calendar year. All exports from Taiwan are classified as subject.

U.S. inventories of imported merchandise

Table VII-13 presents data on U.S. importers' reported inventories of PSBs. U.S. importers' inventories of imports from subject sources decreased by *** percent during 2021-22, then increased by *** percent during 2022-23, increasing overall by *** percent from 2021 to 2023.[8] U.S. importers' inventories of imports from nonsubject sources decreased by *** percent during 2021-23. Inventories of subject imports from China accounted for *** percent of total inventories of subject imports in 2023, and *** percent of U.S. shipments of subject imports in 2023.

[8] ***.

Table VII-13
PSBs: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 pounds; ratio in percent

Measure	Source	2021	2022	2023
Inventories quantity	Cambodia	***	***	***
Ratio to imports	Cambodia	***	***	***
Ratio to U.S. shipments of imports	Cambodia	***	***	***
Ratio to total shipments of imports	Cambodia	***	***	***
Inventories quantity	China	***	***	***
Ratio to imports	China	***	***	***
Ratio to U.S. shipments of imports	China	***	***	***
Ratio to total shipments of imports	China	***	***	***
Inventories quantity	Colombia	***	***	***
Ratio to imports	Colombia	***	***	***
Ratio to U.S. shipments of imports	Colombia	***	***	***
Ratio to total shipments of imports	Colombia	***	***	***
Inventories quantity	India	***	***	***
Ratio to imports	India	***	***	***
Ratio to U.S. shipments of imports	India	***	***	***
Ratio to total shipments of imports	India	***	***	***
Inventories quantity	Malaysia	***	***	***
Ratio to imports	Malaysia	***	***	***
Ratio to U.S. shipments of imports	Malaysia	***	***	***
Ratio to total shipments of imports	Malaysia	***	***	***
Inventories quantity	Portugal	***	***	***
Ratio to imports	Portugal	***	***	***
Ratio to U.S. shipments of imports	Portugal	***	***	***
Ratio to total shipments of imports	Portugal	***	***	***
Inventories quantity	Taiwan, subject	***	***	***
Ratio to imports	Taiwan, subject	***	***	***
Ratio to U.S. shipments of imports	Taiwan, subject	***	***	***
Ratio to total shipments of imports	Taiwan, subject	***	***	***

Table continued.

Table VII-13 Continued
PSBs: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 pounds; ratio in percent

Measure	Source	2021	2022	2023
Inventories quantity	Turkey	***	***	***
Ratio to imports	Turkey	***	***	***
Ratio to U.S. shipments of imports	Turkey	***	***	***
Ratio to total shipments of imports	Turkey	***	***	***
Inventories quantity	Vietnam	***	***	***
Ratio to imports	Vietnam	***	***	***
Ratio to U.S. shipments of imports	Vietnam	***	***	***
Ratio to total shipments of imports	Vietnam	***	***	***
Inventories quantity	Subject sources	***	***	***
Ratio to imports	Subject sources	***	***	***
Ratio to U.S. shipments of imports	Subject sources	***	***	***
Ratio to total shipments of imports	Subject sources	***	***	***
Inventories quantity	Taiwan, nonsubject	***	***	***
Ratio to imports	Taiwan, nonsubject	***	***	***
Ratio to U.S. shipments of imports	Taiwan, nonsubject	***	***	***
Ratio to total shipments of imports	Taiwan, nonsubject	***	***	***
Inventories quantity	All other sources	***	***	***
Ratio to imports	All other sources	***	***	***
Ratio to U.S. shipments of imports	All other sources	***	***	***
Ratio to total shipments of imports	All other sources	***	***	***
Inventories quantity	Nonsubject sources	***	***	***
Ratio to imports	Nonsubject sources	***	***	***
Ratio to U.S. shipments of imports	Nonsubject sources	***	***	***
Ratio to total shipments of imports	Nonsubject sources	***	***	***
Inventories quantity	All import sources	***	***	***
Ratio to imports	All import sources	***	***	***
Ratio to U.S. shipments of imports	All import sources	***	***	***
Ratio to total shipments of imports	All import sources	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. importers’ outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of PSBs after December 31, 2023. Their reported data is presented in table VII-14. Subject sources accounted for *** percent of U.S. importers’ arranged imports of PSBs. The leading individual sources of U.S. importers’ total arranged imports were China, India, and Vietnam, collectively accounting for *** percent of arranged subject imports and *** percent of all arranged imports.

Table VII-14
PSBs: U.S. importers’ arranged imports, by source and period

Quantity in 1,000 of pounds

Source	Jan-Mar 2024	Apr-Jun 2024	Jul-Sept 2024	Oct-Dec 2024	Total
Cambodia	***	***	***	***	***
China	***	***	***	***	***
Colombia	***	***	***	***	***
India	***	***	***	***	***
Malaysia	***	***	***	***	***
Portugal	***	***	***	***	***
Taiwan, subject	***	***	***	***	***
Turkey	***	***	***	***	***
Vietnam	***	***	***	***	***
Subject sources	***	***	***	***	***
Taiwan, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Third-country trade actions

Based on available information, PSBs from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam have not been subject to other antidumping or countervailing duty investigations outside the United States.

Information on nonsubject countries

Table VII-15 presents global export value data for paper sacks and bags, a category that includes PSBs and out-of-scope products, by subject and nonsubject exporters in descending order of value in 2022. Global export value in these products increased by 26.1 percent from 2021 to 2022 and by 14.9 percent from 2020 to 2022, for an overall increase in value of 45.0 percent.

The two largest non-subject global exporters, Italy and Germany, held relatively large shares of global exports, by value. Italy accounted for 9.9 percent of global export value in 2020 and declined to 9.2 percent in 2022; however, Italy's exports increased by 35.4 percent from 2020. Similarly, Germany accounted for 8.5 percent of global export value in 2020 and declined to 7.2 percent in 2022; Germany's exports increased by 22.3 percent from 2020.

The United States accounted for 2.8 percent of global export value in 2022, down from 3.1 percent in 2020. Similar to the top two non-subject countries (Italy and Germany), exports from the United States increased by 31.0 percent from 2020.

Global demand for shopping bags has risen over recent years and continued growth is projected for the future.[9] The COVID-19 global pandemic shifted PSBs demand: while shops and restaurants were closed, food delivery increased. Industry anticipates that there may be an increase in demand as people return to shopping in stores and eating out at restaurants.[10]

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[9] Skyquest Technology Consulting Pvt. Ltd., "Global shopping bag market revenue to reach $17.66 billion by 2028," December 13, 2022, GlobeNewswire, https://www.globenewswire.com/news-release/2022/12/13/2572716/0/en/global-shopping-bag-market-revenue-to-reach-17-66-billion-by-2028-consumers-and-retailers-are-shifting-from-single-use-to-reusable-and-personalized-bags.html, accessed June 28, 2023.

[10] Ahuja, Kabir, Vishwa Chandra, Victoria Lord, and Curtis Peens, "Ordering in: The rapid evolution of food delivery," McKinsey & Company, September 22, 2021, https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/ordering-in-the-rapid-evolution-of-food-delivery, accessed June 28, 2023; FoodDive, "Inflation and recession threats have rattled retail to its core," October 31, 2022, https://www.fooddive.com/spons/inflation-and-recession-threats-have-rattled-retail-to-its-core/634617/, accessed June 28, 2023; Wile, Rob, "Food-delivery apps lose steam as people return to in-person dining," NBC News, April 23, 2022, https://www.nbcnews.com/business/consumer/uber-eats-doordash-decline-in-person-dining-rcna25249, accessed June 28, 2023.

Simultaneously, the supply chain was plagued with significant delays and disruptions for materials, workers, and transportation.[11] These delays and disruptions have been linked to increased prices.

Table VII-15
Paper sacks and bags: Global exports by exporter and period

Value in 1,000 dollars; share in percent

Exporting country	Measure	2020	2021	2022
United States	Value	158,133	182,616	207,106
Cambodia	Value	5,588	14,172	19,424
China	Value	1,308,261	1,774,327	2,135,100
Colombia	Value	10,105	20,839	30,526
India	Value	24,847	66,697	87,762
Malaysia	Value	40,057	56,509	64,554
Portugal	Value	74,610	105,925	130,514
Taiwan	Value	36,418	48,094	44,369
Turkey	Value	105,672	168,075	217,315
Vietnam	Value	106,732	162,505	175,485
Subject exporters	Value	1,712,291	2,417,142	2,905,049
Italy	Value	501,142	582,002	678,302
Germany	Value	429,551	481,058	525,482
Poland	Value	195,034	230,104	271,479
Canada	Value	177,770	195,104	236,997
Spain	Value	142,618	182,771	227,351
All other exporters	Value	1,746,551	2,114,250	2,287,803
All reporting exporters	Value	5,063,089	6,385,047	7,339,569
United States	Share	3.1	2.9	2.8
Cambodia	Share	0.1	0.2	0.3
China	Share	25.8	27.8	29.1
Colombia	Share	0.2	0.3	0.4
India	Share	0.5	1.0	1.2
Malaysia	Share	0.8	0.9	0.9
Portugal	Share	1.5	1.7	1.8
Taiwan	Share	0.7	0.8	0.6
Turkey	Share	2.1	2.6	3.0
Vietnam	Share	2.1	2.5	2.4
Subject exporters	Share	33.8	37.9	39.6
Italy	Share	9.9	9.1	9.2
Germany	Share	8.5	7.5	7.2

[11] World Economic Forum, "5 ways the COVID-19 pandemic has changed the supply chain," January 14, 2022, https://www.weforum.org/agenda/2022/01/5-ways-the-covid-19-pandemic-has-changed-the-supply-chain/, accessed June 28, 2023.

Exporting country	Measure	2020	2021	2022
Poland	Share	3.9	3.6	3.7
Canada	Share	3.5	3.1	3.2
Spain	Share	2.8	2.9	3.1
All other exporters	Share	34.5	33.1	31.2
All reporting exporters	Share	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 4819.30 and 4819.40 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed February 19, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2022 data. These data are overstated as the HS subheading contains products outside the scope of this investigation. Data presented only through 2022 due to incomplete 2023 annual data at this point in the following calendar year. All exports from Taiwan are classified as subject.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
88 FR 37097, June 6, 2023	*Paper Shopping Bags From Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam; Institution of Anti-Dumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2023-06-06/pdf/2023-11994.pdf
88 FR 41380, June 26, 2023	*Certain Paper Shopping Bags From India and the People's Republic of China: Initiation of Countervailing Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2023-06-26/pdf/2023-13521.pdf
88 FR 41589, June 27, 2023	*Certain Paper Shopping Bags From Cambodia, the People's Republic of China, Colombia, India, Malaysia, Portugal, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*	https://www.govinfo.gov/content/pkg/FR-2023-06-27/pdf/2023-13576.pdf
88 FR 46809, July 20, 2023	*Paper Shopping Bags From Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam; Determinations*	https://www.govinfo.gov/content/pkg/FR-2023-07-20/pdf/2023-15440.pdf
88 FR 76180, November 6, 2023	*Certain Paper Shopping Bags From the People's Republic of China: Preliminary Affirmative Determination of Countervailable Subsidies, Preliminary Affirmative Determination of Critical Circumstances, and Alignment of Final Determination With Final Antidumping Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2023-11-06/pdf/2023-24473.pdf
88 FR 76185, November 6, 2023	*Certain Paper Shopping Bags From India: Preliminary Affirmative Determination of Countervailable Subsidies, Preliminary Affirmative Determination of Critical Circumstances*	https://www.govinfo.gov/content/pkg/FR-2023-11-06/pdf/2023-24472.pdf

Citation	Title	Link
	in Part, and Alignment of Final Determination With the Final Antidumping Duty Determination	
89 FR 325, January 3, 2024	*Certain Paper Shopping Bags From Cambodia: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination, and Extension of Provisional Measures*	https://www.govinfo.gov/content/pkg/FR-2024-01-03/pdf/2023-28937.pdf
89 FR 344, January 3, 2024	*Certain Paper Shopping Bags From the People's Republic of China: Preliminary Affirmative Determinations of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*	https://www.govinfo.gov/content/pkg/FR-2024-01-03/pdf/2023-28938.pdf
89 FR 319, January 3, 2024	*Certain Paper Shopping Bags From Colombia: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*	https://www.govinfo.gov/content/pkg/FR-2024-01-03/pdf/2023-28939.pdf
89 FR 336, January 3, 2024	*Certain Paper Shopping Bags From India: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Negative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*	https://www.govinfo.gov/content/pkg/FR-2024-01-03/pdf/2023-28940.pdf
89 FR 333, January 3, 2024	*Certain Paper Shopping Bags From Malaysia: Preliminary Affirmative Determination of Sales at Less-Than-Fair-Value*	https://www.govinfo.gov/content/pkg/FR-2024-01-03/pdf/2023-28941.pdf
89 FR 341, January 3, 2024	*Certain Paper Shopping Bags From Portugal: Preliminary Affirmative Determination of Sales at Less Than Fair*	https://www.govinfo.gov/content/pkg/FR-2024-01-03/pdf/2023-28942.pdf

Citation	Title	Link
	Value, Preliminary Negative Determination of Critical Circumstances, and Postponement of Final Determination, and Extension of Provisional Measures	
89 FR 331, January 3, 2024	*Certain Paper Shopping Bags From Taiwan: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*	https://www.govinfo.gov/content/pkg/FR-2024-01-03/pdf/2023-28943.pdf
89 FR 339, January 3, 2024	*Certain Paper Shopping Bags From the Republic of Turkey: Preliminary Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2024-01-03/pdf/2023-28944.pdf
89 FR 321, January 3, 2024	*Certain Paper Shopping Bags From the Socialist Republic of Vietnam: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Critical Circumstances Determination, Postponement of Final Determination, and Extension of Provisional Measures*	https://www.govinfo.gov/content/pkg/FR-2024-01-03/pdf/2023-28945.pdf
89 FR 5493, January 3, 2024	*Certain Paper Shopping Bags From Malaysia: Postponement of Final Determination of Sales at Less Than Fair Value Investigation*	https://www.govinfo.gov/content/pkg/FR-2024-01-29/pdf/2024-01702.pdf
89 FR 19295, March 18, 2024	*Certain Paper Shopping Bags From the Republic of Turkey: Final Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2024-03-18/pdf/2024-05675.pdf

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared in the United States International Trade Commission's hearing:

Subject: Paper Shopping Bags from Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam

Inv. Nos.: 701-TA-690-691 and 731-TA-1619-1627 (Final)

Date and Time: March 14, 2024 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

FOREIGN GOVERNMENT APPEARANCE:

Ministry of Economy of the Government of Türkiye
Washington, DC

Burak GURESCI, Deputy Director General. Directorate General lor Imports

OPENING REMARKS:

In Support of Imposition (**J. Michael Taylor**, King & Spalding LLP
In Opposition to Imposition (**Jeffrey Kessler**, Wilmer Cutler Pickering Hale and Dorr LLP)

In Support of the Imposition of the
Antidumping and Countervailing Duty Orders:

King & Spalding LLP
Washington, DC
on behalf of

Coalition for Fair Trade in Shopping Bags

Paul Frantz, President – Food & Delivery, Novolex Holdings, LLC

Sachin Shah, Sr. Vice President & General Manager,
Waddington North America – Food & Delivery Segment,
Novolex Holdings, LLC

Kevin Burnett, Vice President of Finance, Novolex Holdings, LLC

Jeremy Heil, Vice President of Sales, Specialty Retail, Novolex Holdings, LLC

In Support of the Imposition of the
<u>Antidumping and Countervailing Duty Orders (continued):</u>

Avijit Varma, Vice President of Commercial Strategy & Pricing,
Novolex Holdings, LLC

John Veder, Director of Innovation – Paper Products, Novolex Holdings, LLC

Roy Houseman, Legislative Director United Steelworkers ("USW")

Andrew Szamosszegi, Principal, Capital Trade, Inc.

Travis Pope, Principal, Capital Trade, Inc.

Bonnie B. Byers, Consultant, King & Spalding LLP (presenting testimony of
Ryan Hollis, Chief Executive Officer and Chairman, American Paper Bag and
William C. Fisher, Fischer Paper Products,
Director of Business Development)

J. Michael Taylor)
Stephen P. Vaughn) – OF COUNSEL
Nicholas K. Paster)

In Opposition to the Imposition of the
<u>Antidumping and Countervailing Duty Orders:</u>

Faegre Drinker Biddle & Reath LLP
Washington, DC
<u>on behalf of</u>

Direct Source Packaging Co., LLC

Mark McLaughlin, President, Direct Source Packaging Co., LLC

Douglas J. Heffner)
) – OF COUNSEL
Richard P. Ferrin)

In Opposition to the Imposition of the
<u>Antidumping and Countervailing Duty Orders (continued):</u>

Thompson Hine LLP
Washington, DC
<u>on behalf of</u>

Bag Makers, Inc.
Better Earth LLC
Meristem Packaging Company, LLC
SupplyCaddy

Louis Herrera, President and Owner of Meristem Packaging Company, LLC and Partner/Director of Better Earth LLC

Maribeth Sandford, Chief Executive Officer of Bag Makers, Inc.

Scott McFadden, Chief Financial Officer of Bag Makers, Inc.

Melanie Rodriguez, Director of Warehouse Operations of Bag Makers, Inc.

Christi Knapps, Global Operations Manager of Bag Makers, Inc.

Bradley Saveth (remote Witness), Co-Founder, President and Chief Operating Officer, SupplyCaddy

Zachary "Zack" Stein (remote witness), Co-Founder and Chief Executive Officer, SupplyCaddy

David M. Schwartz)
) – OF COUNSEL
Kerem Bilge)

Wilmer Cutler Pickering Hale and Dorr LLP
Washington, DC
<u>on behalf of</u>

American Alliance for Responsible Trade in Paper Bags

Howard Weinstein, Managing Partner, AnnJoy Imports, LLC

Terri Ethridge, Partner, AnnJoy Imports, LLC

Michael Jobes, Director, Sales, AnnJoy Imports, LLC

Andrew Straitman, Chief Executive Officer, Commonwealth Packaging

Steven Maisel, President, Commonwealth Packaging

In Opposition to the Imposition of the
<u>Antidumping and Countervailing Duty Orders (continued):</u>

Richard Hirt, Executive Vice-President and Account Executive, Infinity Global, Inc.

Delos Boyer, Senior Director, Purchasing, Infinity Global, Inc.

Sandy Bastone, Senior Director of Sales, Prime Line Packaging, Inc.

Laura Levine, Director of Sales and Design at Prime Line Packaging, Inc.

Gordon Summerfield, Senior Vice President of Sales and Marketing, S.Walter Packaging

Jeffrey I. Kessler)
Stephanie E. Hartmann) – OF COUNSEL
Sydney J. Warren)

Thompson Coburn LLP
Washington, DC
<u>on behalf of</u>

Bunzl Distribution USA, LLC ("Bunzl")

Jack Kabic, General Manager, CTC-Keenpac North America

Robert Shapiro)
) – OF COUNSEL
Evelyn Clark)

<u>REBUTTAL/CLOSING REMARKS:</u>

In Support of Imposition (**Stephen P. Vaughn**, King & Spalding LLP)

In Opposition to Imposition
(**Stephanie E. Hartmann**, Wilmer Cutler Pickering Hale and Dorr LLP and **Richard P. Ferrin**, Faegre Drinker Biddle & Reath LLP)

APPENDIX C

SUMMARY DATA

Co-extensive

Table C-1
PSBs: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data Calendar year 2021	 2022	 2023	Period changes Comparison years 2021-23	 2021-22	 2022-23
U.S. consumption quantity:						
Amount	***	***	***	▼***	▼***	▼***
Producers' share (fn1)	***	***	***	▲***	▼***	▲***
Importers' share (fn1):						
Cambodia	***	***	***	▲***	▲***	▲***
China	***	***	***	▼***	▼***	▼***
Colombia	***	***	***	▼***	▲***	▼***
India	***	***	***	▲***	▲***	▲***
Malaysia	***	***	***	▼***	▼***	▲***
Portugal	***	***	***	▼***	▲***	▼***
Taiwan, subject	***	***	***	▲***	▲***	▼***
Turkey	***	***	***	▼***	▼***	▼***
Vietnam	***	***	***	▲***	▲***	▲***
Subject sources	***	***	***	▲***	▲***	▼***
Taiwan, nonsubject	***	***	***	▼***	▲***	▼***
All other sources	***	***	***	▼***	▼***	▼***
Nonsubject sources	***	***	***	▼***	▼***	▼***
All import sources	***	***	***	▼***	▲***	▼***
U.S. consumption value:						
Amount	***	***	***	▼***	▲***	▼***
Producers' share (fn1)	***	***	***	▲***	▼***	▲***
Importers' share (fn1):						
Cambodia	***	***	***	▲***	▲***	▲***
China	***	***	***	▼***	▼***	▼***
Colombia	***	***	***	▲***	▲***	▼***
India	***	***	***	▲***	▲***	▼***
Malaysia	***	***	***	▼***	▼***	▼***
Portugal	***	***	***	▼***	▲***	▼***
Taiwan, subject	***	***	***	▲***	▲***	▲***
Turkey	***	***	***	▼***	▼***	▼***
Vietnam	***	***	***	▲***	▲***	▼***
Subject sources	***	***	***	▲***	▲***	▼***
Taiwan, nonsubject	***	***	***	▼***	▲***	▼***
All other sources	***	***	***	▼***	▼***	▼***
Nonsubject sources	***	***	***	▼***	▼***	▼***
All import sources	***	***	***	▼***	▲***	▼***

Table continued.

Table C-1 Continued
PSBs: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2021	2022	2023	2021-23	2021-22	2022-23
U.S. imports from:						
Cambodia:						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▼***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
China:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▼***	▲***
Colombia:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
India:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▼***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▼***
Malaysia:						
Quantity	***	***	***	▼***	▼***	▲***
Value	***	***	***	▼***	▼***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	***	***	***
Portugal:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
Taiwan, subject:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▲***	▲***	▲***

Table continued.

Table C-1 Continued
PSBs: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2021	2022	2023	2021-23	2021-22	2022-23
U.S. imports from: Continued						
Turkey:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▼***	▼***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Vietnam:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Subject sources:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▼***	▲***
Taiwan, nonsubject:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▼***	▲***	▼***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
All other sources:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
Nonsubject sources:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
All import sources:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▼***	▲***

Table continued.

Table C-1 Continued
PSBs: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2021	2022	2023	2021-23	2021-22	2022-23
U.S. producers':						
Practical capacity quantity	***	***	***	▼***	▼***	▲***
Production quantity	***	***	***	▼***	▼***	▲***
Capacity utilization (fn1)	***	***	***	▼***	▼***	▲***
U.S. shipments:						
Quantity	***	***	***	▼***	▼***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▲***	▲***	▼***
Export shipments:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▲***	▼***	▲***
Inventories/total shipments (fn1)	***	***	***	▲***	▲***	▲***
Production workers	***	***	***	▲***	▼***	▲***
Hours worked (1,000s)	***	***	***	▼***	▼***	▲***
Wages paid ($1,000)	***	***	***	▲***	▲***	▼***
Hourly wages (dollars per hour)	***	***	***	▲***	▲***	▼***
Productivity (pounds per hour)	***	***	***	▼***	▼***	▲***
Unit labor costs	***	***	***	▲***	▲***	▼***

Table continued.

Table C-1 Continued
PSBs: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2021	2022	2023	2021-23	2021-22	2022-23
U.S. producers': Continued						
Net sales:						
Quantity	***	***	***	▼***	▼***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▲***	▲***	▼***
Cost of goods sold (COGS)	***	***	***	▲***	▲***	▼***
Gross profit or (loss) (fn2)	***	***	***	▼***	▼***	▲***
SG&A expenses	***	***	***	▼***	▼***	▼***
Operating income or (loss) (fn2)	***	***	***	▼***	▼***	▲***
Net income or (loss) (fn2)	***	***	***	▼***	▼***	▼***
Unit COGS	***	***	***	▲***	▲***	▼***
Unit SG&A expenses	***	***	***	▼***	▲***	▼***
Unit operating income or (loss) (fn2)	***	***	***	▼***	▼***	▲***
Unit net income or (loss) (fn2)	***	***	***	▼***	▼***	▼***
COGS/sales (fn1)	***	***	***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	▼***	▼***	▲***
Net income or (loss)/sales (fn1)	***	***	***	▼***	▼***	▼***
Capital expenditures	***	***	***	▼***	▼***	▼***
Research and development expenses	***	***	***	***	***	***
Total assets	***	***	***	▲***	▲***	▲***

Source: Compiled from data submitted in response to Commission questionnaires and from adjusted official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024. Official U.S. import statistics were adjusted (1) to remove out-of-scope imports imported under the above referenced statistical reporting numbers as reported by U.S. importers in response to Commission questionnaires, (2) to remove merchandise certified as out-of-scope by virtue of a "No" questionnaire response to Commission questionnaires using proprietary, Census-edited Customs import records, and (3) to identify the portion of official U.S. import statistics from Taiwan that are nonsubject based on Commerce's preliminary dumping margins using data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series and import value data are based on landed-duty paid values. 508-compliant tables containing these data are contained in parts III, IV, VI, and VII of this report.

Note.--Shares and ratios shown as “0.0” percent represent non-zero values less than “0.05” percent (if positive) and greater than “(0.05)” percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as “---“. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Expanded like product

Table C-2
PSBs and other paper bags (OPBs): Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2021	2022	2023	2021-23	2021-22	2022-23
U.S. consumption quantity:						
Amount	***	***	***	▼***	▼***	▼***
Producers' share (fn1)	***	***	***	▲***	▼***	▲***
Importers' share (fn1):						
PSBs: Cambodia	***	***	***	▲***	▲***	▲***
PSBs: China	***	***	***	▼***	▲***	▼***
PSBs: Colombia	***	***	***	▼***	▲***	▼***
PSBs: India	***	***	***	▲***	▲***	▲***
PSBs: Malaysia	***	***	***	▼***	▼***	▲***
PSBs: Portugal	***	***	***	▼***	▲***	▼***
PSBs: Taiwan, subject	***	***	***	▲***	▲***	▼***
PSBs: Turkey	***	***	***	▼***	▼***	▼***
PSBs: Vietnam	***	***	***	▲***	▲***	▲***
PSBs: Subject sources	***	***	***	▲***	▲***	▼***
PSBs:Taiwan, nonsubject	***	***	***	▼***	▲***	▼***
PSBs: All other sources	***	***	***	▼***	▲***	▼***
PSBs: Nonsubject sources	***	***	***	▼***	▲***	▼***
PSBs: All import sources	***	***	***	▼***	▲***	▼***
OPBs: All import sources	***	***	***	▼***	▲***	▼***
Combined: All import sources	***	***	***	▼***	▲***	▼***
U.S. consumption value:						
Amount	***	***	***	▼***	▲***	▼***
Producers' share (fn1)	***	***	***	▲***	▼***	▲***
Importers' share (fn1):						
PSBs: Cambodia	***	***	***	▲***	▲***	▲***
PSBs: China	***	***	***	▼***	▼***	▼***
PSBs: Colombia	***	***	***	▲***	▲***	▼***
PSBs: India	***	***	***	▲***	▲***	▼***
PSBs: Malaysia	***	***	***	▼***	▼***	▼***
PSBs: Portugal	***	***	***	▼***	▲***	▼***
PSBs: Taiwan, subject	***	***	***	▲***	▲***	▲***
PSBs: Turkey	***	***	***	▼***	▼***	▼***
PSBs: Vietnam	***	***	***	▲***	▲***	▼***
PSBs: Subject sources	***	***	***	▼***	▲***	▼***
PSBs:Taiwan, nonsubject	***	***	***	▼***	▲***	▼***
PSBs: All other sources	***	***	***	▼***	▲***	▼***
PSBs: Nonsubject sources	***	***	***	▼***	▲***	▼***
PSBs: All import sources	***	***	***	▼***	▲***	▼***
OPBs: All import sources	***	***	***	▼***	▼***	▼***
Combined: All import sources	***	***	***	▼***	▲***	▼***

Table continued.

Table C-2 Continued
PSBs and other paper bags (OPBs): Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2021	2022	2023	2021-23	2021-22	2022-23
U.S. imports from:						
PSBs: Cambodia:						
Quantity	***	***	***	▲ ***	▲ ***	▲ ***
Value	***	***	***	▲ ***	▲ ***	▼ ***
Unit value	***	***	***	▼ ***	▲ ***	▼ ***
Ending inventory quantity	***	***	***	▲ ***	▲ ***	▲ ***
PSBs: China:						
Quantity	***	***	***	▼ ***	▼ ***	▼ ***
Value	***	***	***	▼ ***	▲ ***	▼ ***
Unit value	***	***	***	▲ ***	▲ ***	▼ ***
Ending inventory quantity	***	***	***	▲ ***	▼ ***	▲ ***
PSBs: Colombia:						
Quantity	***	***	***	▼ ***	▲ ***	▼ ***
Value	***	***	***	▲ ***	▲ ***	▼ ***
Unit value	***	***	***	▲ ***	▲ ***	▼ ***
Ending inventory quantity	***	***	***	▼ ***	▼ ***	▼ ***
PSBs: India:						
Quantity	***	***	***	▲ ***	▲ ***	▼ ***
Value	***	***	***	▲ ***	▲ ***	▼ ***
Unit value	***	***	***	▼ ***	▲ ***	▼ ***
Ending inventory quantity	***	***	***	▲ ***	▲ ***	▼ ***
PSBs: Malaysia:						
Quantity	***	***	***	▼ ***	▼ ***	▲ ***
Value	***	***	***	▼ ***	▼ ***	▼ ***
Unit value	***	***	***	▲ ***	▲ ***	▼ ***
Ending inventory quantity	***	***	***	***	***	***
PSBs: Portugal:						
Quantity	***	***	***	▼ ***	▲ ***	▼ ***
Value	***	***	***	▼ ***	▲ ***	▼ ***
Unit value	***	***	***	▲ ***	▲ ***	▼ ***
Ending inventory quantity	***	***	***	▼ ***	▼ ***	▼ ***
PSBs: Taiwan, subject:						
Quantity	***	***	***	▼ ***	▲ ***	▼ ***
Value	***	***	***	▲ ***	▲ ***	▼ ***
Unit value	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity	***	***	***	▲ ***	▲ ***	▲ ***
PSBs: Turkey:						
Quantity	***	***	***	▼ ***	▼ ***	▼ ***
Value	***	***	***	▼ ***	▼ ***	▼ ***
Unit value	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity	***	***	***	▲ ***	▲ ***	▲ ***

Table continued.

Table C-2 Continued
PSBs and other paper bags (OPBs): Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data Calendar year 2021	 2022	 2023	Period changes Comparison years 2021-23	 2021-22	 2022-23
U.S. imports from: Continued						
PSBs: Vietnam:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
PSBs: Subject sources:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▼***	▲***
PSBs: Taiwan, nonsubject:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▼***	▲***	▼***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
PSBs: All other sources:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
PSBs: Nonsubject sources:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
PSBs: All import sources:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▼***	▲***
OPBs: All import sources:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
Combined (PSBs and OPBs):						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▼***	▲***

Table continued.

Table C-2 Continued
PSBs and other paper bags (OPBs): Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data: Calendar year 2021	2022	2023	Period changes: Comparison years 2021-23	2021-22	2022-23
U.S. producers':						
Practical capacity quantity	***	***	***	▲***	▲***	▲***
Production quantity	***	***	***	▼***	▼***	▼***
Capacity utilization (fn1)	***	***	***	▼***	▼***	▼***
U.S. shipments:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Export shipments:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▼***	▼***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▼***	▼***	▲***
Inventories/total shipments (fn1)	***	***	***	▲***	▼***	▲***
Production workers	***	***	***	▲***	▲***	▲***
Hours worked (1,000s)	***	***	***	▼***	▼***	▼***
Wages paid ($1,000)	***	***	***	▲***	▲***	▲***
Hourly wages (dollars per hour)	***	***	***	▲***	▲***	▲***
Productivity (pounds per hour)	***	***	***	▼***	▼***	▼***
Unit labor costs	***	***	***	▲***	▲***	▲***

Table continued.

Table C-2 Continued
PSBs and other paper bags (OPBs): Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data Calendar year 2021	2022	2023	Period changes Comparison years 2021-23	2021-22	2022-23
U.S. producers': Continued.						
Net sales:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Cost of goods sold (COGS)	***	***	***	▲***	▲***	▼***
Gross profit or (loss) (fn2)	***	***	***	▼***	▼***	▼***
SG&A expenses	***	***	***	▼***	▲***	▼***
Operating income or (loss) (fn2)	***	***	***	▼***	▼***	▲***
Net income or (loss) (fn2)	***	***	***	▼***	▼***	▼***
Unit COGS	***	***	***	▲***	▲***	▲***
Unit SG&A expenses	***	***	***	▲***	▲***	▼***
Unit operating income or (loss) (fn2)	***	***	***	▼***	▼***	▲***
Unit net income or (loss) (fn2)	***	***	***	▼***	▼***	▼***
COGS/sales (fn1)	***	***	***	▲***	▲***	▲***
Operating income or (loss)/sales (fn1)	***	***	***	▼***	▼***	▲***
Net income or (loss)/sales (fn1)	***	***	***	▼***	▼***	▼***
Capital expenditures	***	***	***	▼***	▼***	▼***
Research and development expenses	***	***	***	***	***	***
Total assets	***	***	***	▲***	▲***	▲***

Source: Compiled from data submitted in response to Commission questionnaires and from adjusted official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024. Official U.S. import statistics were adjusted (1) to remove out-of-scope imports imported under the above referenced statistical reporting numbers as reported by U.S. importers in response to Commission questionnaires, (2) to remove merchandise certified as out-of-scope by virtue of a "No" questionnaire response to Commission questionnaires using proprietary, Census-edited Customs import records, (3) to identify the portion of official U.S. import statistics from Taiwan that are nonsubject based on Commerce's preliminary dumping margins using data submitted in response to Commission questionnaires. and (4) to report expansion merchandise for other paper bags (OPBs) based using data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series and import value data are based on landed-duty paid values. 508-compliant tables containing these data are contained in appendix G and H of this report.

Note.--Shares and ratios shown as “0.0” percent represent non-zero values less than “0.05” percent (if positive) and greater than “(0.05)” percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as “---“. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

APPENDIX D

NARRATIVE RESPONSES REGARDING THE DOMESTIC LIKE PRODUCT FACTORS

In-scope PSBs and other paper bags

Tables D-1, D-2, and D-3 present U.S. producers’, U.S. importers’, and purchasers’ narrative responses regarding the domestic like product factors comparing in-scope PSBs to other paper bags.

Table D-1
PSBs: U.S. producers' narratives regarding the domestic like product factors comparing in-scope PSBs to out-of-scope other paper bags (OPBs)

Factor	Producer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***

Factor	Producer name and narrative on the domestic like product factors
Channels	***
Channels	***
Channels	***
Channels	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Price	***

Factor	Producer name and narrative on the domestic like product factors
Price	***
Price	***
Price	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-2
PSBs: U.S. importers' narratives regarding the domestic like product factors comparing in-scope PSBs to out-of-scope other paper bags (OPBs)

Factor	Importer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***

Factor	Importer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***

Factor	Importer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***

Factor	Importer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***

Factor	Importer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***

Factor	Importer name and narrative on the domestic like product factors
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***

Factor	Importer name and narrative on the domestic like product factors
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***

Factor	Importer name and narrative on the domestic like product factors
Interchangeability	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***

Factor	Importer name and narrative on the domestic like product factors
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***

Factor	Importer name and narrative on the domestic like product factors
Channels	***
Channels	***
Channels	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***

Factor	Importer name and narrative on the domestic like product factors
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***

Factor	Importer name and narrative on the domestic like product factors
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***

Factor	Importer name and narrative on the domestic like product factors
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Perceptions	***
Perceptions	***
Perceptions	***

Factor	Importer name and narrative on the domestic like product factors
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***

Factor	Importer name and narrative on the domestic like product factors
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***

Factor	Importer name and narrative on the domestic like product factors
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Price	***
Price	***
Price	***
Price	***
Price	***

Factor	Importer name and narrative on the domestic like product factors
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***

Factor	Importer name and narrative on the domestic like product factors
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***

Factor	Importer name and narrative on the domestic like product factors
Price	***
Price	***
Price	***
Price	***
Price	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-3
PSBs: U.S. purchasers' narratives regarding the domestic like product factors comparing in-scope PSBs to out-of-scope other paper bags (OPBs)

Factor	Purchaser name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***

Factor	Purchaser name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***

Factor	Purchaser name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***

Factor	Purchaser name and narrative on the domestic like product factors
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***

Factor	Purchaser name and narrative on the domestic like product factors
Interchangeability	***
Interchangeability	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***

Factor	Purchaser name and narrative on the domestic like product factors
Channels	***
Channels	***
Channels	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***

Factor	Purchaser name and narrative on the domestic like product factors
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Perceptions	***
Perceptions	***

Factor	Purchaser name and narrative on the domestic like product factors
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***

Factor	Purchaser name and narrative on the domestic like product factors
Perceptions	***
Perceptions	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***

Factor	Purchaser name and narrative on the domestic like product factors
Price	***
Price	***
Price	***
Price	***

Source: Compiled from data submitted in response to Commission questionnaires.

Web-fed and sheet-fed

Tables D-4, D-5, and D-6 present U.S. producers', U.S. importers', and purchasers' narrative responses regarding the domestic like factors comparing sheet-fed to web-fed PSBs.

Table D-4
PSBs: U.S. producers' narratives regarding regarding the domestic like factors comparing in-scope web-fed PSBs to in-scope sheet-fed PSBs

Factor	Producer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Channels	***
Channels	***
Channels	***
Channels	***
Manufacturing	***
Manufacturing	***
Manufacturing	***

Factor	Producer name and narrative on the domestic like product factors
Manufacturing	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Price	***
Price	***
Price	***
Price	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-5
PSBs: U.S. importers' narratives regarding regarding the domestic like factors comparing in-scope web-fed PSBs to in-scope sheet-fed PSBs

Factor	Importer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***

Factor	Importer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***

Factor	Importer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***

Factor	Importer name and narrative on the domestic like product factors
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Channels	***
Channels	***
Channels	***

Factor	Importer name and narrative on the domestic like product factors
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Manufacturing	***
Manufacturing	***

Factor	Importer name and narrative on the domestic like product factors
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***

Factor	Importer name and narrative on the domestic like product factors
Manufacturing	***
Manufacturing	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***

Factor	Importer name and narrative on the domestic like product factors
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***

Factor	Importer name and narrative on the domestic like product factors
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-6
PSBs: U.S. purchasers' narratives regarding regarding the domestic like factors comparing in-scope web-fed PSBs to in-scope sheet-fed PSBs

Factor	Purchaser name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***

Factor	Purchaser name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***

Factor	Purchaser name and narrative on the domestic like product factors
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Manufacturing	***
Manufacturing	***

Factor	Purchaser name and narrative on the domestic like product factors
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***

Factor	Purchaser name and narrative on the domestic like product factors
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***

Factor	Purchaser name and narrative on the domestic like product factors
Price	***
Price	***

Source: Compiled from data submitted in response to Commission questionnaires.

APPENDIX E

TABLES FOR PART II

Table E-1
PSBs: Responses of U.S. producers reporting the firms' MOQ and details of the MOQ by year

Quantities in number of bags (no amount was given if the firm reported zero or did not respond)

Year	Firm	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing	Other restrictions on minimum order size
2021	American Paper Bag	***	***	***	***	***
2022	American Paper Bag	***	***	***	***	***
2023	American Paper Bag	***	***	***	***	***
2021	Fischer	***	***	***	***	***
2022	Fischer	***	***	***	***	***
2023	Fischer	***	***	***	***	***
2021	Novolex	***	***	***	***	***
2022	Novolex	***	***	***	***	***
2023	Novolex	***	***	***	***	***
2021	ProAmpac	***	***	***	***	***
2022	ProAmpac	***	***	***	***	***
2023	ProAmpac	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table E-2
PSBs: Responses of importers reporting the firms' MOQ and details of the MOQ by year

Quantities in number of bags (if firms report the same other restrictions in each year, it is reported for 2021 and "same" is reported in other years)

Year	Firm	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing	Other restrictions on minimum order size
2021	Alef	***	***	***	***	***
2022	Alef	***	***	***	***	***
2023	Alef	***	***	***	***	***
2021	American Retail	***	***	***	***	***
2022	American Retail	***	***	***	***	***
2023	American Retail	***	***	***	***	***
2021	Annjoy	***	***	***	***	***
2022	Annjoy	***	***	***	***	***
2023	Annjoy	***	***	***	***	***
2021	Bag Makers	***	***	***	***	***
2022	Bag Makers	***	***	***	***	***
2023	Bag Makers	***	***	***	***	***
2021	Baggs	***	***	***	***	***
2022	Baggs	***	***	***	***	***
2023	Baggs	***	***	***	***	***

Year	Firm	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing	Other restrictions on minimum order size
2021	Better Earth	***	***	***	***	***
2022	Better Earth	***	***	***	***	***
2023	Better Earth	***	***	***	***	***
2021	BradyPlus	***	***	***	***	***
2022	BradyPlus	***	***	***	***	***
2023	BradyPlus	***	***	***	***	***
2021	Brand Art	***	***	***	***	***
2022	Brand Art	***	***	***	***	***
2023	Brand Art	***	***	***	***	***
2021	Broadway	***	***	***	***	***
2022	Broadway	***	***	***	***	***
2023	Broadway	***	***	***	***	***
2021	Bunzl	***	***	***	***	***
2022	Bunzl	***	***	***	***	***
2023	Bunzl	***	***	***	***	***
2021	Chenco	***	***	***	***	***
2022	Chenco	***	***	***	***	***
2023	Chenco	***	***	***	***	***
2021	Commonwealth	***	***	***	***	***
2022	Commonwealth	***	***	***	***	***
2023	Commonwealth	***	***	***	***	***
2021	Direct Source	***	***	***	***	***
2022	Direct Source	***	***	***	***	***
2023	Direct Source	***	***	***	***	***
2021	Dollar General	***	***	***	***	***
2022	Dollar General	***	***	***	***	***
2023	Dollar General	***	***	***	***	***

Year	Firm	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing	Other restrictions on minimum order size
2021	Dollar Tree	***	***	***	***	***
2022	Dollar Tree	***	***	***	***	***
2023	Dollar Tree	***	***	***	***	***
2021	Fleet	***	***	***	***	***
2022	Fleet	***	***	***	***	***
2023	Fleet	***	***	***	***	***
2021	Global Importers	***	***	***	***	***
2022	Global Importers	***	***	***	***	***
2023	Global Importers	***	***	***	***	***
2021	Greater Pacific	***	***	***	***	***
2022	Greater Pacific	***	***	***	***	***
2023	Greater Pacific	***	***	***	***	***
2021	Guess	***	***	***	***	***
2022	Guess	***	***	***	***	***
2023	Guess	***	***	***	***	***
2021	Infinity Global	***	***	***	***	***
2022	Infinity Global	***	***	***	***	***
2023	Infinity Global	***	***	***	***	***
2021	Island Plastic	***	***	***	***	***
2022	Island Plastic	***	***	***	***	***
2023	Island Plastic	***	***	***	***	***
2021	Jet	***	***	***	***	***
2022	Jet	***	***	***	***	***
2023	Jet	***	***	***	***	***
2021	JRD Unico	***	***	***	***	***
2022	JRD Unico	***	***	***	***	***
2023	JRD Unico	***	***	***	***	***

Year	Firm	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing	Other restrictions on minimum order size
2021	Meristem	***	***	***	***	***
2022	Meristem	***	***	***	***	***
2023	Meristem	***	***	***	***	***
2021	Metropak	***	***	***	***	***
2022	Metropak	***	***	***	***	***
2023	Metropak	***	***	***	***	***
2021	Mettler	***	***	***	***	***
2022	Mettler	***	***	***	***	***
2023	Mettler	***	***	***	***	***
2021	New York Packaging	***	***	***	***	***
2022	New York Packaging	***	***	***	***	***
2023	New York Packaging	***	***	***	***	***

Year	Firm	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing	Other restrictions on minimum order size
2021	Novolex	***	***	***	***	***
2022	Novolex	***	***	***	***	***
2023	Novolex	***	***	***	***	***
2021	Pacific Western	***	***	***	***	***
2022	Pacific Western	***	***	***	***	***
2023	Pacific Western	***	***	***	***	***
2021	Pack America	***	***	***	***	***
2022	Pack America	***	***	***	***	***
2023	Pack America	***	***	***	***	***
2021	Pan Pacific	***	***	***	***	***
2022	Pan Pacific	***	***	***	***	***
2023	Pan Pacific	***	***	***	***	***

Year	Firm	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing	Other restrictions on minimum order size
2021	Prime Line	***	***	***	***	***
2022	Prime Line	***	***	***	***	***
2023	Prime Line	***	***	***	***	***
2021	S. Freedman	***	***	***	***	***
2022	S. Freedman	***	***	***	***	***
2023	S. Freedman	***	***	***	***	***
2021	S. Walter	***	***	***	***	***
2022	S. Walter	***	***	***	***	***
2023	S. Walter	***	***	***	***	***
2021	SIPAC	***	***	***	***	***
2022	SIPAC	***	***	***	***	***
2023	SIPAC	***	***	***	***	***
2021	Solupac	***	***	***	***	***
2022	Solupac	***	***	***	***	***
2023	Solupac	***	***	***	***	***
2021	Star Trade	***	***	***	***	***
2022	Star Trade	***	***	***	***	***
2023	Star Trade	***	***	***	***	***
2021	Starbucks	***	***	***	***	***
2022	Starbucks	***	***	***	***	***
2023	Starbucks	***	***	***	***	***

Year	Firm	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing	Other restrictions on minimum order size
2021	Store Supply	***	***	***	***	***
2022	Store Supply	***	***	***	***	***
2023	Store Supply	***	***	***	***	***
2021	Supply-Caddy	***	***	***	***	***
2022	Supply-Caddy	***	***	***	***	***
2023	Supply-Caddy	***	***	***	***	***
2021	Target	***	***	***	***	***
2022	Target	***	***	***	***	***
2023	Target	***	***	***	***	***
2021	Uline	***	***	***	***	***
2022	Uline	***	***	***	***	***
2023	Uline	***	***	***	***	***
2021	Verizon	***	***	***	***	***
2022	Verizon	***	***	***	***	***
2023	Verizon	***	***	***	***	***
2021	Victoria's Secret	***	***	***	***	***
2022	Victoria's Secret	***	***	***	***	***
2023	Victoria's Secret	***	***	***	***	***
2021	Vivabox	***	***	***	***	***
2022	Vivabox	***	***	***	***	***
2023	Vivabox	***	***	***	***	***
2021	Walmart	***	***	***	***	***
2022	Walmart	***	***	***	***	***
2023	Walmart	***	***	***	***	***

Year	Firm	Standard size with custom printing	Standard size without custom printing	Custom size with custom printing	Custom size without custom printing	Other restrictions on minimum order size
2021	WSCS	***	***	***	***	***
2022	WSCS	***	***	***	***	***
2023	WSCS	***	***	***	***	***
2021	ZT Packaging	***	***	***	***	***
2022	ZT Packaging	***	***	***	***	***
2023	ZT Packaging	***	***	***	***	***
2021	Walmart	***	***	***	***	***
2022	Walmart	***	***	***	***	***
2023	Walmart	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: ***

Table E-3
PSBs: Count of U.S. producers and purchasers experiencing domestic supply constraints, by period and firm type

Period	Firm type	Frequently	Occasionally	Infrequently	Never	Total
2021 H1	U.S. producers	0	1	1	2	4
2021 H2	U.S. producers	0	0	1	3	4
2022 H1	U.S. producers	0	0	0	4	4
2022 H2	U.S. producers	0	0	0	4	4
2023 H1	U.S. producers	0	0	0	4	4
2023 H2	U.S. producers	0	0	0	4	4
2021 H1	Purchasers	18	4	3	16	41
2021 H2	Purchasers	16	7	3	15	41
2022 H1	Purchasers	10	9	4	18	41
2022 H2	Purchasers	7	7	7	20	41
2023 H1	Purchasers	5	5	8	25	43
2023 H2	Purchasers	5	4	8	26	43

Source: Compiled from data submitted in response to Commission questionnaires.

Note: H1 = first half of the calendar year. H2 = second half of the calendar year.

Table E-4
PSBs: Count of U.S. importers and purchasers experiencing supply constraints from subject sources, by period and firm type

Period	Firm type	Frequently	Occasionally	Infrequently	Never	Total
2021 H1	Importers	***	***	***	***	42
2021 H2	Importers	***	***	***	***	42
2022 H1	Importers	***	***	***	***	41
2022 H2	Importers	***	***	***	***	41
2023 H1	Importers	***	***	***	***	41
2023 H2	Importers	***	***	***	***	41
2021 H1	Purchasers	2	2	3	31	38
2021 H2	Purchasers	1	3	3	31	38
2022 H1	Purchasers	1	1	2	34	38
2022 H2	Purchasers	1	1	1	37	40
2023 H1	Purchasers	0	1	2	38	41
2023 H2	Purchasers	0	1	2	37	40

Source: Compiled from data submitted in response to Commission questionnaires.

Note: H1 = first half of the calendar year. H2 = second half of the calendar year.

Table E-5
PSBs: Count of U.S. importers and purchasers experiencing supply constraints from nonsubject sources, by period and firm type

Period	Firm type	Frequently	Occasionally	Infrequently	Never	Total
2021 H1	Importers	1	3	3	29	36
2021 H2	Importers	1	3	3	29	36
2022 H1	Importers	1	2	4	29	36
2022 H2	Importers	0	3	3	31	37
2023 H1	Importers	0	3	3	31	37
2023 H2	Importers	0	3	3	31	37
2021 H1	Purchasers	1	1	2	32	36
2021 H2	Purchasers	2	1	2	31	36
2022 H1	Purchasers	1	0	2	33	36
2022 H2	Purchasers	1	0	2	34	37
2023 H1	Purchasers	0	1	1	36	38
2023 H2	Purchasers	0	1	1	36	38

Source: Compiled from data submitted in response to Commission questionnaires.

Note: H1 = first half of the calendar year. H2 = second half of the calendar year.

Table E-6
PSBs: Responses of purchasers that reported supply constraints of U.S. produced PSBs

Purchaser	Supply constraints of U.S. produced PSBs
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Purchaser	Supply constraints of U.S. produced PSBs
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Only firms reporting supply constraints from U.S. sources are included in this table.

Table E-7
PSBs: Responses of purchasers that reported supply constraints from subject sources

Purchaser	Narrative on the supply constraints from subject sources
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Only firms reporting supply constraints from subject sources are included in this table.

Table E-8
PSBs: Responses of purchasers that reported supply constraints from nonsubject sources

Purchaser	Narrative on the supply constraints from nonsubject sources
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Only firms reporting supply constraints from nonsubject sources are included in this table.

Table E-9
PSBs: Responses of importers reporting details of PSBs supply constraints from subject sources

Importer	Narrative on the supply constraints from subject sources
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Only firms reporting supply constraints from subject sources are included in this table.

Table E-10
PSBs: Responses of importers reporting details of PSBs constraints from nonsubject sources

Importer	Narrative on the supply constraints from nonsubject sources
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Only firms reporting supply constraints from nonsubject sources are included in this table.

Table E-11
PSBs: Responses of U.S. producers reporting details of PSBs supply constraints

Producer	Narrative on the supply constraints of U.S. produced PSBs
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Only firms reporting supply constraints for U.S. produced PSBs are included in this table.

Table E-12
PSBs: Responses of purchasers that reported COVID-19 had an impact on the market for PSBs

Purchaser	Narrative on the effect of COVID-19
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Purchaser	Narrative on the effect of COVID-19
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Purchaser	Narrative on the effect of COVID-19
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Only firms reporting COVID-19 had an effect are included in this table.

Table E-13
PSBs: Responses of purchasers that reported plastic/single use bag regulations had an impact on the market for PSBs

Purchaser	Narrative on the effect plastic/single use bag regulation
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Purchaser	Narrative on the effect plastic/single use bag regulation
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Only firms reporting effects caused by changes in the laws are included in this table.

APPENDIX F

U.S. SHIPMENT DATA FOR WEB-FED AND SHEET-FED BY IMPORT SOURCE

Table F-1 presents responding U.S. importers' U.S. shipments of PSBs by production method.[1]

Table F-1
PSBs: U.S. importers' U.S. shipments, by production method and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Share in percent

Source	Production method	Measure	2021	2022	2023
Cambodia	Sheet-fed	Quantity	***	***	***
Cambodia	Web-fed	Quantity	***	***	***
Cambodia	All production methods	Quantity	***	***	***
Cambodia	Sheet-fed	Value	***	***	***
Cambodia	Web-fed	Value	***	***	***
Cambodia	All production methods	Value	***	***	***
Cambodia	Sheet-fed	Unit value	***	***	***
Cambodia	Web-fed	Unit value	***	***	***
Cambodia	All production methods	Unit value	***	***	***
Cambodia	Sheet-fed	Share of quantity	***	***	***
Cambodia	Web-fed	Share of quantity	***	***	***
Cambodia	All production methods	Share of quantity	100.0	100.0	100.0
Cambodia	Sheet-fed	Share of value	***	***	***
Cambodia	Web-fed	Share of value	***	***	***
Cambodia	All production methods	Share of value	100.0	100.0	100.0
China	Sheet-fed	Quantity	***	***	***
China	Web-fed	Quantity	***	***	***
China	All production methods	Quantity	***	***	***
China	Sheet-fed	Value	***	***	***
China	Web-fed	Value	***	***	***
China	All production methods	Value	***	***	***
China	Sheet-fed	Unit value	***	***	***
China	Web-fed	Unit value	***	***	***
China	All production methods	Unit value	***	***	***
China	Sheet-fed	Share of quantity	***	***	***
China	Web-fed	Share of quantity	***	***	***
China	All production methods	Share of quantity	100.0	100.0	100.0
China	Sheet-fed	Share of value	***	***	***
China	Web-fed	Share of value	***	***	***
China	All production methods	Share of value	100.0	100.0	100.0

Table continued.

[1] The following firms reported they could not confirm the production method used for some or all of their imported PSBs: ***, ***, ***, ***, and ***. See U.S. importer questionnaire, section II-18.

Table F-1 Continued
PSBs: U.S. importers' U.S. shipments, by production method and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Share in percent

Source	Production method	Measure	2021	2022	2023
Colombia	Sheet-fed	Quantity	***	***	***
Colombia	Web-fed	Quantity	***	***	***
Colombia	All production methods	Quantity	***	***	***
Colombia	Sheet-fed	Value	***	***	***
Colombia	Web-fed	Value	***	***	***
Colombia	All production methods	Value	***	***	***
Colombia	Sheet-fed	Unit value	***	***	***
Colombia	Web-fed	Unit value	***	***	***
Colombia	All production methods	Unit value	***	***	***
Colombia	Sheet-fed	Share of quantity	***	***	***
Colombia	Web-fed	Share of quantity	***	***	***
Colombia	All production methods	Share of quantity	100.0	100.0	100.0
Colombia	Sheet-fed	Share of value	***	***	***
Colombia	Web-fed	Share of value	***	***	***
Colombia	All production methods	Share of value	100.0	100.0	100.0
India	Sheet-fed	Quantity	***	***	***
India	Web-fed	Quantity	***	***	***
India	All production methods	Quantity	***	***	***
India	Sheet-fed	Value	***	***	***
India	Web-fed	Value	***	***	***
India	All production methods	Value	***	***	***
India	Sheet-fed	Unit value	***	***	***
India	Web-fed	Unit value	***	***	***
India	All production methods	Unit value	***	***	***
India	Sheet-fed	Share of quantity	***	***	***
India	Web-fed	Share of quantity	***	***	***
India	All production methods	Share of quantity	100.0	100.0	100.0
India	Sheet-fed	Share of value	***	***	***
India	Web-fed	Share of value	***	***	***
India	All production methods	Share of value	100.0	100.0	100.0

Table continued.

Table F-1 Continued
PSBs: U.S. importers' U.S. shipments, by production method and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Share in percent

Source	Production method	Measure	2021	2022	2023
Malaysia	Sheet-fed	Quantity	***	***	***
Malaysia	Web-fed	Quantity	***	***	***
Malaysia	All production methods	Quantity	***	***	***
Malaysia	Sheet-fed	Value	***	***	***
Malaysia	Web-fed	Value	***	***	***
Malaysia	All production methods	Value	***	***	***
Malaysia	Sheet-fed	Unit value	***	***	***
Malaysia	Web-fed	Unit value	***	***	***
Malaysia	All production methods	Unit value	***	***	***
Malaysia	Sheet-fed	Share of quantity	***	***	***
Malaysia	Web-fed	Share of quantity	***	***	***
Malaysia	All production methods	Share of quantity	100.0	100.0	100.0
Malaysia	Sheet-fed	Share of value	***	***	***
Malaysia	Web-fed	Share of value	***	***	***
Malaysia	All production methods	Share of value	100.0	100.0	100.0
Portugal	Sheet-fed	Quantity	***	***	***
Portugal	Web-fed	Quantity	***	***	***
Portugal	All production methods	Quantity	***	***	***
Portugal	Sheet-fed	Value	***	***	***
Portugal	Web-fed	Value	***	***	***
Portugal	All production methods	Value	***	***	***
Portugal	Sheet-fed	Unit value	***	***	***
Portugal	Web-fed	Unit value	***	***	***
Portugal	All production methods	Unit value	***	***	***
Portugal	Sheet-fed	Share of quantity	***	***	***
Portugal	Web-fed	Share of quantity	***	***	***
Portugal	All production methods	Share of quantity	100.0	100.0	100.0
Portugal	Sheet-fed	Share of value	***	***	***
Portugal	Web-fed	Share of value	***	***	***
Portugal	All production methods	Share of value	100.0	100.0	100.0

Table continued.

Table F-1 Continued
PSBs: U.S. importers' U.S. shipments, by production method and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Share in percent

Source	Production method	Measure	2021	2022	2023
Taiwan, subject	Sheet-fed	Quantity	***	***	***
Taiwan, subject	Web-fed	Quantity	***	***	***
Taiwan, subject	All production methods	Quantity	***	***	***
Taiwan, subject	Sheet-fed	Value	***	***	***
Taiwan, subject	Web-fed	Value	***	***	***
Taiwan, subject	All production methods	Value	***	***	***
Taiwan, subject	Sheet-fed	Unit value	***	***	***
Taiwan, subject	Web-fed	Unit value	***	***	***
Taiwan, subject	All production methods	Unit value	***	***	***
Taiwan, subject	Sheet-fed	Share of quantity	***	***	***
Taiwan, subject	Web-fed	Share of quantity	***	***	***
Taiwan, subject	All production methods	Share of quantity	100.0	100.0	100.0
Taiwan, subject	Sheet-fed	Share of value	***	***	***
Taiwan, subject	Web-fed	Share of value	***	***	***
Taiwan, subject	All production methods	Share of value	100.0	100.0	100.0
Turkey	Sheet-fed	Quantity	***	***	***
Turkey	Web-fed	Quantity	***	***	***
Turkey	All production methods	Quantity	***	***	***
Turkey	Sheet-fed	Value	***	***	***
Turkey	Web-fed	Value	***	***	***
Turkey	All production methods	Value	***	***	***
Turkey	Sheet-fed	Unit value	***	***	***
Turkey	Web-fed	Unit value	***	***	***
Turkey	All production methods	Unit value	***	***	***
Turkey	Sheet-fed	Share of quantity	***	***	***
Turkey	Web-fed	Share of quantity	***	***	***
Turkey	All production methods	Share of quantity	100.0	100.0	100.0
Turkey	Sheet-fed	Share of value	***	***	***
Turkey	Web-fed	Share of value	***	***	***
Turkey	All production methods	Share of value	100.0	100.0	100.0

Table continued.

Table F-1 Continued
PSBs: U.S. importers' U.S. shipments, by production method and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Share in percent

Source	Production method	Measure	2021	2022	2023
Vietnam	Sheet-fed	Quantity	***	***	***
Vietnam	Web-fed	Quantity	***	***	***
Vietnam	All production methods	Quantity	***	***	***
Vietnam	Sheet-fed	Value	***	***	***
Vietnam	Web-fed	Value	***	***	***
Vietnam	All production methods	Value	***	***	***
Vietnam	Sheet-fed	Unit value	***	***	***
Vietnam	Web-fed	Unit value	***	***	***
Vietnam	All production methods	Unit value	***	***	***
Vietnam	Sheet-fed	Share of quantity	***	***	***
Vietnam	Web-fed	Share of quantity	***	***	***
Vietnam	All production methods	Share of quantity	100.0	100.0	100.0
Vietnam	Sheet-fed	Share of value	***	***	***
Vietnam	Web-fed	Share of value	***	***	***
Vietnam	All production methods	Share of value	100.0	100.0	100.0
Subject sources	Sheet-fed	Quantity	***	***	***
Subject sources	Web-fed	Quantity	***	***	***
Subject sources	All production methods	Quantity	***	***	***
Subject sources	Sheet-fed	Value	***	***	***
Subject sources	Web-fed	Value	***	***	***
Subject sources	All production methods	Value	***	***	***
Subject sources	Sheet-fed	Unit value	***	***	***
Subject sources	Web-fed	Unit value	***	***	***
Subject sources	All production methods	Unit value	***	***	***
Subject sources	Sheet-fed	Share of quantity	***	***	***
Subject sources	Web-fed	Share of quantity	***	***	***
Subject sources	All production methods	Share of quantity	100.0	100.0	100.0
Subject sources	Sheet-fed	Share of value	***	***	***
Subject sources	Web-fed	Share of value	***	***	***
Subject sources	All production methods	Share of value	100.0	100.0	100.0

Table continued.

Table F-1 Continued
PSBs: U.S. importers' U.S. shipments, by production method and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Share in percent

Source	Production method	Measure	2021	2022	2023
Taiwan, nonsubject	Sheet-fed	Quantity	***	***	***
Taiwan, nonsubject	Web-fed	Quantity	***	***	***
Taiwan, nonsubject	All production methods	Quantity	***	***	***
Taiwan, nonsubject	Sheet-fed	Value	***	***	***
Taiwan, nonsubject	Web-fed	Value	***	***	***
Taiwan, nonsubject	All production methods	Value	***	***	***
Taiwan, nonsubject	Sheet-fed	Unit value	***	***	***
Taiwan, nonsubject	Web-fed	Unit value	***	***	***
Taiwan, nonsubject	All production methods	Unit value	***	***	***
Taiwan, nonsubject	Sheet-fed	Share of quantity	***	***	***
Taiwan, nonsubject	Web-fed	Share of quantity	***	***	***
Taiwan, nonsubject	All production methods	Share of quantity	100.0	100.0	100.0
Taiwan, nonsubject	Sheet-fed	Share of value	***	***	***
Taiwan, nonsubject	Web-fed	Share of value	***	***	***
Taiwan, nonsubject	All production methods	Share of value	100.0	100.0	100.0
All other sources	Sheet-fed	Quantity	***	***	***
All other sources	Web-fed	Quantity	***	***	***
All other sources	All production methods	Quantity	***	***	***
All other sources	Sheet-fed	Value	***	***	***
All other sources	Web-fed	Value	***	***	***
All other sources	All production methods	Value	***	***	***
All other sources	Sheet-fed	Unit value	***	***	***
All other sources	Web-fed	Unit value	***	***	***
All other sources	All production methods	Unit value	***	***	***
All other sources	Sheet-fed	Share of quantity	***	***	***
All other sources	Web-fed	Share of quantity	***	***	***
All other sources	All production methods	Share of quantity	100.0	100.0	100.0
All other sources	Sheet-fed	Share of value	***	***	***
All other sources	Web-fed	Share of value	***	***	***
All other sources	All production methods	Share of value	100.0	100.0	100.0

Table continued.

Table F-1 Continued
PSBs: U.S. importers' U.S. shipments, by production method and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Share in percent

Source	Production method	Measure	2021	2022	2023
Nonsubject sources	Sheet-fed	Quantity	***	***	***
Nonsubject sources	Web-fed	Quantity	***	***	***
Nonsubject sources	All production methods	Quantity	***	***	***
Nonsubject sources	Sheet-fed	Value	***	***	***
Nonsubject sources	Web-fed	Value	***	***	***
Nonsubject sources	All production methods	Value	***	***	***
Nonsubject sources	Sheet-fed	Unit value	***	***	***
Nonsubject sources	Web-fed	Unit value	***	***	***
Nonsubject sources	All production methods	Unit value	***	***	***
Nonsubject sources	Sheet-fed	Share of quantity	***	***	***
Nonsubject sources	Web-fed	Share of quantity	***	***	***
Nonsubject sources	All production methods	Share of quantity	100.0	100.0	100.0
Nonsubject sources	Sheet-fed	Share of value	***	***	***
Nonsubject sources	Web-fed	Share of value	***	***	***
Nonsubject sources	All production methods	Share of value	100.0	100.0	100.0
All import sources	Sheet-fed	Quantity	***	***	***
All import sources	Web-fed	Quantity	***	***	***
All import sources	All production methods	Quantity	***	***	***
All import sources	Sheet-fed	Value	***	***	***
All import sources	Web-fed	Value	***	***	***
All import sources	All production methods	Value	***	***	***
All import sources	Sheet-fed	Unit value	***	***	***
All import sources	Web-fed	Unit value	***	***	***
All import sources	All production methods	Unit value	***	***	***
All import sources	Sheet-fed	Share of quantity	***	***	***
All import sources	Web-fed	Share of quantity	***	***	***
All import sources	All production methods	Share of quantity	100.0	100.0	100.0
All import sources	Sheet-fed	Share of value	***	***	***
All import sources	Web-fed	Share of value	***	***	***
All import sources	All production methods	Share of value	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and information shown in table IV-2.

Note: Ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

APPENDIX G

CONSUMPTION AND MARKET SHARE DATA FOR SHEET-FED AND WEB-FED

Tables G-1 through G-3 present apparent U.S. consumption and market share data for sheet-fed and web-fed PSBs using data submitted in response to the Commission's questionnaires.

Table G-1
PSBs: Apparent U.S. consumption and market shares based on questionnaire quantity data, by source and period

Quantity in 1,000 pounds; Shares in percent

Source	Measure	2021	2022	2023
U.S. producers	Quantity	***	***	***
Cambodia	Quantity	***	***	***
China	Quantity	***	***	***
Colombia	Quantity	***	***	***
India	Quantity	***	***	***
Malaysia	Quantity	***	***	***
Portugal	Quantity	***	***	***
Taiwan, subject	Quantity	***	***	***
Turkey	Quantity	***	***	***
Vietnam	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Taiwan, nonsubject	Quantity	***	***	***
All other sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers	Share	***	***	***
Cambodia	Share	***	***	***
China	Share	***	***	***
Colombia	Share	***	***	***
India	Share	***	***	***
Malaysia	Share	***	***	***
Portugal	Share	***	***	***
Taiwan, subject	Share	***	***	***
Turkey	Share	***	***	***
Vietnam	Share	***	***	***
Subject sources	Share	***	***	***
Taiwan, nonsubject	Share	***	***	***
All other sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table G-2
PSBs: Market for PSBs made from sheet-fed inputs, by source and period

Quantity in 1,000 pounds; Shares in percent

Source	Measure	2021	2022	2023
U.S. producers	Quantity	***	***	***
Cambodia	Quantity	***	***	***
China	Quantity	***	***	***
Colombia	Quantity	***	***	***
India	Quantity	***	***	***
Malaysia	Quantity	***	***	***
Portugal	Quantity	***	***	***
Taiwan, subject	Quantity	***	***	***
Turkey	Quantity	***	***	***
Vietnam	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Taiwan, nonsubject	Quantity	***	***	***
All other sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers	Share	***	***	***
Cambodia	Share	***	***	***
China	Share	***	***	***
Colombia	Share	***	***	***
India	Share	***	***	***
Malaysia	Share	***	***	***
Portugal	Share	***	***	***
Taiwan, subject	Share	***	***	***
Turkey	Share	***	***	***
Vietnam	Share	***	***	***
Subject sources	Share	***	***	***
Taiwan, nonsubject	Share	***	***	***
All other sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	100.0	100.0	100.0

Table continued.

Table G-2 Continued
PSBs: Market for PSBs made from sheet-fed inputs, by source and period

Ratios in percent; Ratio 1 is to all sources consumption quantity presented in Table G-1 and Ratio 2 is to all sources consumption quantity presented in Part 4 of this report

Source	Measure	2021	2022	2023
U.S. producers	Ratio 1	***	***	***
Cambodia	Ratio 1	***	***	***
China	Ratio 1	***	***	***
Colombia	Ratio 1	***	***	***
India	Ratio 1	***	***	***
Malaysia	Ratio 1	***	***	***
Portugal	Ratio 1	***	***	***
Taiwan, subject	Ratio 1	***	***	***
Turkey	Ratio 1	***	***	***
Vietnam	Ratio 1	***	***	***
Subject sources	Ratio 1	***	***	***
Taiwan, nonsubject	Ratio 1	***	***	***
All other sources	Ratio 1	***	***	***
Nonsubject sources	Ratio 1	***	***	***
All import sources	Ratio 1	***	***	***
All sources	Ratio 1	***	***	***
U.S. producers	Ratio 2	***	***	***
Cambodia	Ratio 2	***	***	***
China	Ratio 2	***	***	***
Colombia	Ratio 2	***	***	***
India	Ratio 2	***	***	***
Malaysia	Ratio 2	***	***	***
Portugal	Ratio 2	***	***	***
Taiwan, subject	Ratio 2	***	***	***
Turkey	Ratio 2	***	***	***
Vietnam	Ratio 2	***	***	***
Subject sources	Ratio 2	***	***	***
Taiwan, nonsubject	Ratio 2	***	***	***
All other sources	Ratio 2	***	***	***
Nonsubject sources	Ratio 2	***	***	***
All import sources	Ratio 2	***	***	***
All sources	Ratio 2	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Table G-3
PSBs: Market for PSBs made from web-fed inputs, by source and period

Quantity in 1,000 pounds; Shares in percent

Source	Measure	2021	2022	2023
U.S. producers	Quantity	***	***	***
Cambodia	Quantity	***	***	***
China	Quantity	***	***	***
Colombia	Quantity	***	***	***
India	Quantity	***	***	***
Malaysia	Quantity	***	***	***
Portugal	Quantity	***	***	***
Taiwan, subject	Quantity	***	***	***
Turkey	Quantity	***	***	***
Vietnam	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Taiwan, nonsubject	Quantity	***	***	***
All other sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers	Share	***	***	***
Cambodia	Share	***	***	***
China	Share	***	***	***
Colombia	Share	***	***	***
India	Share	***	***	***
Malaysia	Share	***	***	***
Portugal	Share	***	***	***
Taiwan, subject	Share	***	***	***
Turkey	Share	***	***	***
Vietnam	Share	***	***	***
Subject sources	Share	***	***	***
Taiwan, nonsubject	Share	***	***	***
All other sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***

Table continued.

Table G-3 Continued
PSBs: Market for PSBs made from web-fed inputs, by source and period

Ratios in percent; Ratio 1 is to all sources consumption quantity presented in Table G-1 and Ratio 2 is to all sources consumption quantity presented in Part 4 of this report.

Source	Measure	2021	2022	2023
U.S. producers	Ratio 1	***	***	***
Cambodia	Ratio 1	***	***	***
China	Ratio 1	***	***	***
Colombia	Ratio 1	***	***	***
India	Ratio 1	***	***	***
Malaysia	Ratio 1	***	***	***
Portugal	Ratio 1	***	***	***
Taiwan, subject	Ratio 1	***	***	***
Turkey	Ratio 1	***	***	***
Vietnam	Ratio 1	***	***	***
Subject sources	Ratio 1	***	***	***
Taiwan, nonsubject	Ratio 1	***	***	***
All other sources	Ratio 1	***	***	***
Nonsubject sources	Ratio 1	***	***	***
All import sources	Ratio 1	***	***	***
All sources	Ratio 1	***	***	***
U.S. producers	Ratio 2	***	***	***
Cambodia	Ratio 2	***	***	***
China	Ratio 2	***	***	***
Colombia	Ratio 2	***	***	***
India	Ratio 2	***	***	***
Malaysia	Ratio 2	***	***	***
Portugal	Ratio 2	***	***	***
Taiwan, subject	Ratio 2	***	***	***
Turkey	Ratio 2	***	***	***
Vietnam	Ratio 2	***	***	***
Subject sources	Ratio 2	***	***	***
Taiwan, nonsubject	Ratio 2	***	***	***
All other sources	Ratio 2	***	***	***
Nonsubject sources	Ratio 2	***	***	***
All import sources	Ratio 2	***	***	***
All sources	Ratio 2	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

APPENDIX H

DATA ON THE EXPANDED LIKE PRODUCT

(IN-SCOPE PSBs AND OTHER PAPER BAGS)

Tables H-1 through H-4 present data reported by U.S. producers for both in-scope PSBs and other paper bags ("OPBs") combined. Tables H-5 and H-6 present U.S. shipment data for OPBs reported by U.S. producers and U.S. importers respectively. Tables H-7 and H-8 present apparent U.S. consumption and market share data for both in-scope PSBs and OPBs combined, by quantity and value respectively.

Table H-1
PSBs + OPBs: U.S. producers' capacity, production and capacity utilization

Quantity in 1,000 pounds; Utilization ratio in percent

Item	Measure	2021	2022	2023
Capacity	Quantity	***	***	***
Production	Quantity	***	***	***
Capacity utilization	Ratio	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table H-2
PSBs + OPBs: U.S. producers' total shipments, by destination and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Shares in percent

Item	Measure	2021	2022	2023
U.S. shipments	Quantity	***	***	***
Export shipments	Quantity	***	***	***
Total shipments	Quantity	***	***	***
U.S. shipments	Value	***	***	***
Export shipments	Value	***	***	***
Total shipments	Value	***	***	***
U.S. shipments	Unit value	***	***	***
Export shipments	Unit value	***	***	***
Total shipments	Unit value	***	***	***
U.S. shipments	Share of quantity	***	***	***
Export shipments	Share of quantity	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***
Export shipments	Share of value	***	***	***
Total shipments	Share of value	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table H-3
PSBs + OPBs: U.S. producers' inventories and their ratio to select items, by period

Quantity in 1,000 pounds; inventory Ratios in percent

Item	2021	2022	2023
End-of-period inventory quantity	***	***	***
Inventory ratio to U.S. production	***	***	***
Inventory ratio to U.S. shipments	***	***	***
Inventory ratio to total shipments	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table H-4
PSBs + OPBs: U.S. producers' employment related information, by item and period

Item	2021	2022	2023
Production and related workers (PRWs) (number)	***	***	***
Total hours worked (1,000 hours)	***	***	***
Hours worked per PRW (hours)	***	***	***
Wages paid ($1,000)	***	***	***
Hourly wages (dollars per hour)	***	***	***
Productivity (pounds per hour)	***	***	***
Unit labor costs (dollars per pound)	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table H-5
OPBs: U.S. producers' OPBs U.S. shipments, by bag type and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Shares in percent

Bag type	Measure	2021	2022	2023
Grocery bags with handles	Quantity	***	***	***
Scope exclusion 2	Quantity	***	***	***
Scope exclusion 3	Quantity	***	***	***
Other grocery bags	Quantity	***	***	***
SOS	Quantity	***	***	***
All other	Quantity	***	***	***
All bag types	Quantity	***	***	***
Grocery bags with handles	Value	***	***	***
Scope exclusion 2	Value	***	***	***
Scope exclusion 3	Value	***	***	***
Other grocery bags	Value	***	***	***
SOS	Value	***	***	***
All other	Value	***	***	***
All bag types	Value	***	***	***
Grocery bags with handles	Unit value	***	***	***
Scope exclusion 2	Unit value	***	***	***
Scope exclusion 3	Unit value	***	***	***
Other grocery bags	Unit value	***	***	***
SOS	Unit value	***	***	***
All other	Unit value	***	***	***
All bag types	Unit value	***	***	***
Grocery bags with handles	Share of quantity	***	***	***
Scope exclusion 2	Share of quantity	***	***	***
Scope exclusion 3	Share of quantity	***	***	***
Other grocery bags	Share of quantity	***	***	***
SOS	Share of quantity	***	***	***
All other	Share of quantity	***	***	***
All bag types	Share of quantity	***	***	***
Grocery bags with handles	Share of value	***	***	***
Scope exclusion 2	Share of value	***	***	***
Scope exclusion 3	Share of value	***	***	***
Other grocery bags	Share of value	***	***	***
SOS	Share of value	***	***	***
All other	Share of value	***	***	***
All bag types	Share of value	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Table H-6
OPBs: U.S. imports' OPBs U.S. shipments for all import sources, by bag type and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Shares in percent

Bag type	Measure	2021	2022	2023
Grocery bags with handles	Quantity	***	***	***
Scope exclusion 2	Quantity	***	***	***
Scope exclusion 3	Quantity	***	***	***
Other grocery bags	Quantity	***	***	***
SOS	Quantity	***	***	***
All other	Quantity	***	***	***
All bag types	Quantity	***	***	***
Grocery bags with handles	Value	***	***	***
Scope exclusion 2	Value	***	***	***
Scope exclusion 3	Value	***	***	***
Other grocery bags	Value	***	***	***
SOS	Value	***	***	***
All other	Value	***	***	***
All bag types	Value	***	***	***
Grocery bags with handles	Unit value	***	***	***
Scope exclusion 2	Unit value	***	***	***
Scope exclusion 3	Unit value	***	***	***
Other grocery bags	Unit value	***	***	***
SOS	Unit value	***	***	***
All other	Unit value	***	***	***
All bag types	Unit value	***	***	***
Grocery bags with handles	Share of quantity	***	***	***
Scope exclusion 2	Share of quantity	***	***	***
Scope exclusion 3	Share of quantity	***	***	***
Other grocery bags	Share of quantity	***	***	***
SOS	Share of quantity	***	***	***
All other	Share of quantity	***	***	***
All bag types	Share of quantity	***	***	***
Grocery bags with handles	Share of value	***	***	***
Scope exclusion 2	Share of value	***	***	***
Scope exclusion 3	Share of value	***	***	***
Other grocery bags	Share of value	***	***	***
SOS	Share of value	***	***	***
All other	Share of value	***	***	***
All bag types	Share of value	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Table H-7
PSBs + OPBs: Apparent U.S. consumption and market shares based on quantity data, by source and period

Quantity in 1,000 pounds; Shares in percent

Source	Measure	2021	2022	2023
U.S. producers	Quantity	***	***	***
PSBs: Cambodia	Quantity	***	***	***
PSBs: China	Quantity	***	***	***
PSBs: Colombia	Quantity	***	***	***
PSBs: India	Quantity	***	***	***
PSBs: Malaysia	Quantity	***	***	***
PSBs: Portugal	Quantity	***	***	***
PSBs: Taiwan, subject	Quantity	***	***	***
PSBs: Turkey	Quantity	***	***	***
PSBs: Vietnam	Quantity	***	***	***
PSBs: Subject sources	Quantity	***	***	***
PSBs: Taiwan, nonsubject	Quantity	***	***	***
PSBs: All other sources	Quantity	***	***	***
PSBs: Nonsubject sources	Quantity	***	***	***
PSBs: All import sources	Quantity	***	***	***
OPBs: All import sources	Quantity	***	***	***
PSBs + OPBs combined: All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers	Share	***	***	***
PSBs: Cambodia	Share	***	***	***
PSBs: China	Share	***	***	***
PSBs: Colombia	Share	***	***	***
PSBs: India	Share	***	***	***
PSBs: Malaysia	Share	***	***	***
PSBs: Portugal	Share	***	***	***
PSBs: Taiwan, subject	Share	***	***	***
PSBs: Turkey	Share	***	***	***
PSBs: Vietnam	Share	***	***	***
PSBs: Subject sources	Share	***	***	***
PSBs: Taiwan, nonsubject	Share	***	***	***
PSBs: All other sources	Share	***	***	***
PSBs: Nonsubject sources	Share	***	***	***
PSBs: All import sources	Share	***	***	***
OPBs: All import sources	Share	***	***	***
PSBs + OPBs combined: All import sources	Share	***	***	***
All sources	Share	100.0	100.0	100.0

Table continued.

Table H-7 Continued
PSBs + OPBs: Apparent U.S. consumption and market shares based on quantity data, by source and period
Source: Compiled from adjusted official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024. Official U.S. import statistics were adjusted (1) to remove out-of-scope imports imported under the above referenced statistical reporting numbers as reported by U.S. importers in response to Commission questionnaires, (2) to remove merchandise certified as out-of-scope by virtue of a "No" questionnaire response to Commission questionnaires using proprietary, Census-edited Customs import records, (3) to identify the portion of official U.S. import statistics from Taiwan that are nonsubject based on Commerce's preliminary dumping margins using data submitted in response to Commission questionnaires. and (4) to report expansion merchandise for other paper bags (OPBs) based using data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series.

Figure H-1
PSBs + OPBs: Apparent U.S. consumption based on quantity data, by source and period

* * * * * * *

Source: Compiled from adjusted official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024. Official U.S. import statistics were adjusted (1) to remove out-of-scope imports imported under the above referenced statistical reporting numbers as reported by U.S. importers in response to Commission questionnaires, (2) to remove merchandise certified as out-of-scope by virtue of a "No" questionnaire response to Commission questionnaires using proprietary, Census-edited Customs import records, (3) to identify the portion of official U.S. import statistics from Taiwan that are nonsubject based on Commerce's preliminary dumping margins using data submitted in response to Commission questionnaires. and (4) to report expansion merchandise for other paper bags (OPBs) based using data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series.

Table H-8
PSBs + OPBs: Apparent U.S. consumption and market shares based on value data, by source and period

Value in 1,000 dollars; Shares in percent

Source	Measure	2021	2022	2023
U.S. producers	Value	***	***	***
PSBs: Cambodia	Value	***	***	***
PSBs: China	Value	***	***	***
PSBs: Colombia	Value	***	***	***
PSBs: India	Value	***	***	***
PSBs: Malaysia	Value	***	***	***
PSBs: Portugal	Value	***	***	***
PSBs: Taiwan, subject	Value	***	***	***
PSBs: Turkey	Value	***	***	***
PSBs: Vietnam	Value	***	***	***
PSBs: Subject sources	Value	***	***	***
PSBs: Taiwan, nonsubject	Value	***	***	***
PSBs: All other sources	Value	***	***	***
PSBs: Nonsubject sources	Value	***	***	***
PSBs: All import sources	Value	***	***	***
OPBs: All import sources	Value	***	***	***
PSBs + OPBs combined: All import sources	Value	***	***	***
All sources	Value	***	***	***
U.S. producers	Share	***	***	***
PSBs: Cambodia	Share	***	***	***
PSBs: China	Share	***	***	***
PSBs: Colombia	Share	***	***	***
PSBs: India	Share	***	***	***
PSBs: Malaysia	Share	***	***	***
PSBs: Portugal	Share	***	***	***
PSBs: Taiwan, subject	Share	***	***	***
PSBs: Turkey	Share	***	***	***
PSBs: Vietnam	Share	***	***	***
PSBs: Subject sources	Share	***	***	***
PSBs: Taiwan, nonsubject	Share	***	***	***
PSBs: All other sources	Share	***	***	***
PSBs: Nonsubject sources	Share	***	***	***
PSBs: All import sources	Share	***	***	***
OPBs: All import sources	Share	***	***	***
PSBs + OPBs combined: All import sources	Share	***	***	***
All sources	Share	100.0	100.0	100.0

Table continued.

Table H-8 Continued
PSBs + OPBs: Apparent U.S. consumption and market shares based on value data, by source and period

Source: Compiled from adjusted official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024. Official U.S. import statistics were adjusted (1) to remove out-of-scope imports imported under the above referenced statistical reporting numbers as reported by U.S. importers in response to Commission questionnaires, (2) to remove merchandise certified as out-of-scope by virtue of a "No" questionnaire response to Commission questionnaires using proprietary, Census-edited Customs import records, (3) to identify the portion of official U.S. import statistics from Taiwan that are nonsubject based on Commerce's preliminary dumping margins using data submitted in response to Commission questionnaires. and (4) to report expansion merchandise for other paper bags (OPBs) based using data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series and import value data are based on landed-duty paid values.

Figure H-2
PSBs + OPBs: Apparent U.S. consumption based on value data, by source and period

* * * * * * *

Source: Compiled from adjusted official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4819.30.0040 and 4819.40.0040, accessed February 14, 2024. Official U.S. import statistics were adjusted (1) to remove out-of-scope imports imported under the above referenced statistical reporting numbers as reported by U.S. importers in response to Commission questionnaires, (2) to remove merchandise certified as out-of-scope by virtue of a "No" questionnaire response to Commission questionnaires using proprietary, Census-edited Customs import records, (3) to identify the portion of official U.S. import statistics from Taiwan that are nonsubject based on Commerce's preliminary dumping margins using data submitted in response to Commission questionnaires. and (4) to report expansion merchandise for other paper bags (OPBs) based using data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series and import value data are based on landed-duty paid values.

APPENDIX J

COMBINED FINANCIAL RESULTS OF U.S. PRODUCERS’ OPERATIONS OF PAPER SHOPPING BAGS (“PSBs”) AND OTHER PAPER BAGS (“OPBs”)

Table J-1
PSBs + OPBs: U.S. producers' results of operations, by item and period

Quantity in 1,000 pounds; value in 1,000 dollars; ratios in percent

Item	Measure	2021	2022	2023
Total net sales	Quantity	***	***	***
Total net sales	Value	***	***	***
COGS: Raw materials	Value	***	***	***
COGS: Direct labor	Value	***	***	***
COGS: Other factory	Value	***	***	***
COGS: Total	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Interest expense	Value	***	***	***
All other expenses	Value	***	***	***
All other income	Value	***	***	***
Net income or (loss)	Value	***	***	***
Depreciation/amortization	Value	***	***	***
Cash flow	Value	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***
COGS: Other factory	Ratio to NS	***	***	***
COGS: Total	Ratio to NS	***	***	***
Gross profit	Ratio to NS	***	***	***
SG&A expense	Ratio to NS	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***
Net income or (loss)	Ratio to NS	***	***	***

Table continued.

Table J-1 Continued
PSBs + OPBs: U.S. producers' results of operations, by item and period

Shares in percent; unit values in dollars per pound; count in number of firms reporting

Item	Measure	2021	2022	2023
COGS: Raw materials	Share	***	***	***
COGS: Direct labor	Share	***	***	***
COGS: Other factory	Share	***	***	***
COGS: Total	Share	***	***	***
Total net sales	Unit value	***	***	***
COGS: Raw materials	Unit value	***	***	***
COGS: Direct labor	Unit value	***	***	***
COGS: Other factory	Unit value	***	***	***
COGS: Total	Unit value	***	***	***
Gross profit or (loss)	Unit value	***	***	***
SG&A expenses	Unit value	***	***	***
Operating income or (loss)	Unit value	***	***	***
Net income or (loss)	Unit value	***	***	***
Operating losses	Count	***	***	***
Net losses	Count	***	***	***
Data	Count	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares represent the share of COGS. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Table J-2
PSBs + OPBs: Changes in AUVs between comparison periods

Changes in percent

Item	2021-23	2021-22	2022-23
Total net sales	▲***	▲***	▲***
COGS: Raw materials	▲***	▲***	▼***
COGS: Direct labor	▲***	▲***	▲***
COGS: Other factory	▲***	▲***	▲***
COGS: Total	▲***	▲***	▲***

Table continued.

Table J-2 Continued
PSBs + OPBs: Changes in AUVs between comparison periods

Changes in dollars per pound

Item	2021-23	2021-22	2022-23
Total net sales	▲***	▲***	▲***
COGS: Raw materials	▲***	▲***	▼***
COGS: Direct labor	▲***	▲***	▲***
COGS: Other factory	▲***	▲***	▲***
COGS: Total	▲***	▲***	▲***
Gross profit or (loss)	▼***	▼***	▲***
SG&A expense	▲***	▲***	▼***
Operating income or (loss)	▼***	▼***	▲***
Net income or (loss)	▼***	▼***	▼***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Percentages and unit values shown as "0.0" or "0.00" represent values greater than zero, but less than "0.05" or "0.005," respectively. Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

Table J-3
PSBs + OPBs: U.S. producers' capital expenditures, total assets, and return on assets, by item and period

Quantity in 1,000 pounds; value in 1,000 dollars; ratios in percent

Item	Measure	2021	2022	2023
Capital expenditures	Value	***	***	***
R&D expenses	Value	***	***	***
Total assets	Value	***	***	***
ROA	Ratio	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.