



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-985]

Xanthan Gum from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review, Partial Rescission of the Antidumping Duty Administrative Review, and Preliminary Determination of No Shipments; 2021-2022

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that the exporters subject to this antidumping duty (AD) administrative review made sales of subject merchandise at less than normal value, and that two companies (Beijing Rodia Auto Sport Ltd. and Zamp Inc. dba Z Sports) had no shipments of subject merchandise during the period of review (POR) July 1, 2021, through June 30, 2022. In addition, we are rescinding this review with respect to Shandong Hiking International Commerce Group Co., Ltd. (Shandong Hiking). Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Reginald Anadio, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3166.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2022, Commerce published in the *Federal Register* a notice of opportunity to request an administrative review of the AD order on xanthan gum from the People's Republic of

China (China).¹ Commerce published the *Initiation Notice* of this administrative review on September 6, 2022.² For details regarding the events that occurred subsequent to the initiation of the review, *see* the Preliminary Decision Memorandum.³ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>. A list of topics discussed in the Preliminary Decision Memorandum is included in the appendix to this notice.

On March 3, 2023, Commerce extended the deadline for these preliminary results to July 28, 2023.⁴

Scope of the Order

The product covered by the *Order* includes dry xanthan gum, whether or not coated or blended with other products. Xanthan gum is included in this *Order* regardless of physical form, including, but not limited to, solutions, slurries, dry powders of any particle size, or unground fiber. Merchandise covered by the scope of the *Order* is classified in the Harmonized Tariff Schedule of the United States at subheading 3913.90.20. This tariff classification is provided for convenience and customs purposes; however, the written description of the scope is dispositive. A full description of the scope of the *Order* is contained in the Preliminary Decision Memorandum.

Preliminary Determination of No Shipments

¹ *See Xanthan Gum from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 78 FR 43143 (July 19, 2013) (*Order*); and *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review and Join Annual Inquiry List*, 87 FR 39461 (July 1, 2022).

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 54463 (September 6, 2022) (*Initiation Notice*).

³ *See* Memorandum, “Decision Memorandum for the Preliminary Results of the Ninth Antidumping Duty Administrative Review of Xanthan Gum from the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See* Memorandum, “Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated March 3, 2023.

On September 22, 2022, Beijing Rodia Auto Sport Ltd. (Beijing Rodia) and Zamp Inc. dba Z Sports (Z Sports), on September 23, 2022, Shanghai Smart Chemicals Co. Ltd. (Shanghai Smart), and on October 6, 2022, Deosen Biochemical Ltd. and Deosen USA, Inc. (Deosen Biochemical), respectively, filed timely certifications that they had no exports, shipments, sales, or entries of subject merchandise to the United States during the POR.⁵ Based on information obtained from U.S. Customs and Border Protection (CBP) and on Beijing Rodia's, Z Sports', and Shanghai Smart's no shipment certifications, Commerce preliminarily determines that Beijing Rodia, Z Sports, and Shanghai Smart had no shipments of subject merchandise during the POR.⁶

However, Commerce preliminarily determines that Deosen Biochemical had reviewable transactions during the POR.⁷ For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

Consistent with Commerce's practice in non-market economy (NME) cases, we are not rescinding this administrative review with respect to Beijing Rodia, Z Sports, and Shanghai Smart, but intend to complete the review and issue appropriate instructions to CBP based on the final results of the review.⁸

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if all parties that requested a review withdraw their requests within 90 days of

⁵ *See* Beijing Rodia's Letter, "Beijing Rodia Auto Sport Ltd. Notice of No Sales," dated September 22, 2022; Z Sports' Letter, "Zamp Inc. dba Z Sports Notice of No Sales," dated September 22, 2022; Shanghai Smart's Letter, "No Shipment Certification," dated September 23, 2022; and Deosen Biochemical's Letter, "No Shipment Certifications of Deosen Biochemical Ltd. and Deosen USA, Inc.," dated October 6, 2022.

⁶ *See* Memorandum, "Xanthan Gum from the People's Republic of China (A-570-985, A-122-985)," dated April 4, 2023 (Zamp Inc. dba Z Sports); *see also* Memorandum, "Xanthan Gum from the People's Republic of China (A-570-985, A-122-985)," dated April 4, 2023 (Beijing Rodia Auto Sport Ltd.) and Memorandum, "No Shipment Inquiry for Shanghai Smart Chemicals Co. Ltd. during the period 07/01/2021 through 06/30/2022," dated June 7, 2023.

⁷ *Id.*; *see also* *Xanthan Gum from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review, and Preliminary Determination of No Shipments; 2017-2018*, 84 FR 26813 (June 10, 2019), and accompanying Preliminary Decision Memorandum (PDM) at 6 (citing Memorandum, "Deosen Biochemical Ltd. and Deosen Biochemical (Ordos) Ltd. Affiliation and Single Entity Status," dated June 4, 2019, unchanged in *Xanthan Gum from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2017-2018*, 84 FR 64831 (November 25, 2019)).

⁸ *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011); and the "Assessment Rates" section, *infra*.

the publication date of the notice of initiation of the requested review in the *Federal Register*. On September 22, 2022, Gum Products International, Inc. (Gum Products) timely withdrew its request for administrative review of Shandong Hiking International Commerce Group Co., Ltd. (Shandong Hiking).⁹ Because no other party requested a review of Shandong Hiking, consistent with 19 CFR 351.213(d)(1), Commerce is rescinding this review, in part, with respect to Shandong Hiking.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). We calculated export price and constructed export price in accordance with section 772 of the Act. Because China is an NME country within the meaning of section 771(18) of the Act, we calculated normal value in accordance with section 773(c) of the Act. For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum.

Separate Rates

Commerce preliminarily determines that three non-individually examined companies are eligible for separate rates in this administrative review.¹⁰ The Act and Commerce's regulations do not address the establishment of a separate rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for separate-rate respondents which Commerce did not examine individually in an administrative review. Section 735(c)(5)(A) of the Act states that the all-others rate should be calculated by averaging the weighted-average dumping margins

⁹ *See* Gum Products' Letter, "Xanthan Gum from the People's Republic of China, A-570-985: Withdrawal of Request for Administrative Review," dated September 22, 2022.

¹⁰ *See* Preliminary Decision Memorandum at the "Separate Rate Determination" section for more details.

calculated for individually-examined respondents, excluding dumping margins that are zero, *de minimis*, or based entirely on facts available. For the preliminary results of this review, Commerce determined the estimated dumping margins for Fufeng and Meihua to be 2.91 percent and 36.92 percent, respectively. As explained in the Preliminary Decision Memorandum, we are preliminarily assigning a rate of 4.76 percent to the three non-examined respondents: Jianlong Biotechnology Co., Ltd. (formerly, Inner Mongolia Jianlong Biochemical Co., Ltd); Deosen Biochemical (Ordos) Ltd./Deosen Biochemical Ltd.; and CP Kelco (Shandong) Biological Company Limited, which qualify for a separate rate in this review, consistent with Commerce's practice and section 735(c)(5)(A) of the Act.

China-Wide Entity

Under Commerce's policy regarding the conditional review of the China-wide entity,¹¹ the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity in this review, the entity is not under review, and the entity's rate (*i.e.*, 154.07 percent) is not subject to change.¹²

Aside from Beijing Rodia, Z Sports, and Shanghai Smart, for which we preliminarily find no shipments, and Shandong Hiking, for which this review is being rescinded, Commerce considers all other companies for which a review was requested and did not demonstrate separate rate eligibility to be part of the China-wide entity.¹³ For these preliminary results, we consider A.H.A. International Co., Ltd., East Chemsources Ltd., Foodchem Biotech Co., Ltd., Greenhealth International Co., Ltd. (Hong Kong), Guangzhou Zio Chemical Co., Ltd., Hangzhou Yuanjia Chemical Co., Ltd., Hebei Xinhe Biochemical Co., Ltd., H&H International Forwarders

¹¹ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

¹² See *Order*, 78 FR at 43144.

¹³ See *Initiation Notice*, 87 FR at 54464 ("All firms listed below that wish to qualify for separate rate status in the administrative reviews involving NME countries must complete, as appropriate, either a separate rate application or certification, as described below.").

Co., Nanotech Solutions SDN BHD, Powertrans Freight Systems, Inc., Qingdao Yalai Chemical Co., Ltd., Shanghai Tianjia Biochemical Co., Ltd., Shanxi Reliance Chemicals Co., Ltd., The TNN Development Ltd., The TNN Development USA Inc., Unionchem Corp. Ltd., Wanping Bio Chem Co., Ltd., and Weifang Hongyuan Chemical Co., Ltd. to be part of the China-wide entity because they did not file separate rate applications or certifications. For additional information, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margins exist for the POR July 1, 2021, through June 30, 2022:

Exporter	Weighted-Average Dumping Margin (Percent)
Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.)/Shandong Fufeng Fermentation Co., Ltd./Xinjiang Fufeng Biotechnologies Co., Ltd.	2.91
Meihua Group International Trading (Hong Kong) Limited/ Langfang Meihua Biotechnology Co., Ltd., /Xinjiang Meihua Amino Acid Co., Ltd.	36.92
Jianlong Biotechnology Co., Ltd. (formerly, Inner Mongolia Jianlong Biochemical Co., Ltd)	4.76
Deosen Biochemical (Ordos) Ltd./Deosen Biochemical Ltd.	4.76
CP Kelco (Shandong) Biological Company Limited	4.76

Disclosure and Public Comment

Commerce intends to disclose to parties to the proceeding the calculations performed for these preliminary results of review within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs to Commerce no later than 30 days after the date of publication.¹⁴ Rebuttal briefs, limited to issues raised in the case briefs, may be filed with Commerce no later than seven days after the date for filing case briefs.¹⁵ Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument: (1) a statement of the issue, (2) a brief summary of

¹⁴ See 19 CFR 351.309(c)(1)(ii).

¹⁵ See 19 CFR 351.309(d).

the argument, and (3) a table of authorities.¹⁶ Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice in the *Federal Register*. Requests for a hearing should contain: (1) the requesting party's name, address, and telephone number; (2) the number of individuals associated with the requesting party that will attend the hearing and whether any of those individuals is a foreign national; and (3) a list of the issues the party intends to discuss at the hearing. If a request for a hearing is made, Commerce will announce the date and time of the hearing. Parties should confirm by telephone the date and time of the hearing two days before the scheduled hearing date.

All submissions, with limited exceptions, must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time (ET) on the due date.¹⁷ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹⁸ Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results of review, Commerce will determine, and CBP shall assess, ADs on all appropriate entries covered by this review.¹⁹ Commerce intends to issue

¹⁶ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁷ See 19 CFR 351.303 (for general filing requirements).

¹⁸ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

¹⁹ See 19 CFR 351.212(b)(1).

appropriate assessment instructions to CBP 35 days after the publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

We will calculate importer/customer-specific assessment rates equal to the ratio of the total amount of dumping calculated for examined sales to a particular importer/customer to the total entered value of those sales, in accordance with 19 CFR 351.212(b)(1).²⁰ Where the respondent reported reliable entered values, Commerce intends to calculate importer/customer-specific *ad valorem* assessment rates by dividing the total amount of dumping calculated for all reviewed U.S. sales to the importer/customer by the total entered value of the merchandise sold to the importer/customer.²¹ Where the respondent did not report entered values, Commerce will calculate importer/customer-specific assessment rates by dividing the total amount of dumping calculated for all reviewed U.S. sales to the importer/customer by the total quantity of those sales. Commerce will calculate an estimated *ad valorem* importer/customer-specific assessment rate to determine whether the per-unit assessment rate is *de minimis*; however, Commerce will use the per-unit assessment rate where entered values were not reported.²² Where an importer/customer-specific *ad valorem* assessment rate is not zero or *de minimis*, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's *ad valorem* weighted-average dumping margin is zero or *de minimis*, or an importer/customer-specific *ad valorem* assessment rate is zero or *de minimis*,²³ Commerce will instruct CBP to liquidate the appropriate entries without regard to ADs.

²⁰ We applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

²¹ See 19 CFR 351.212(b)(1).

²² *Id.*

²³ See 19 CFR 351.106(c)(2).

For respondents not individually examined in this administrative review that qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin assigned to the respondent in the final results of this review.²⁴

Pursuant to Commerce's refinement to its practice, for sales that were not reported in the U.S. sales database submitted by a respondent individually examined during this review, Commerce will instruct CBP to liquidate the entry of such merchandise at the dumping margin assigned to the China-wide entity.²⁵ Additionally, where Commerce determines that an exporter under review had no shipments of subject merchandise to the United States during the POR, any suspended entries of subject merchandise that entered under that exporter's CBP case number during the POR will be liquidated at the dumping margin assigned to the China-wide entity.

In accordance with section 751(a)(2)(C) of the Act, the final results of this review shall be the basis for the assessment of ADs on entries of merchandise covered by the final results of this review and for future deposits of estimated ADs, where applicable.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of xanthan gum from China entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the final results of this administrative review in the *Federal Register*, as provided for by section 751(a)(2)(C) of the Act: (1) for companies granted a separate rate in the final results of this review, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review for the company (except, if the rate is zero or *de minimis*, then a cash deposit rate of zero will be required); (2) for previously investigated or reviewed China and non-China exporters not listed above that received a separate

²⁴ See *Drawn Stainless Steel Sinks from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review and Preliminary Determination of No Shipments: 2014-2015*, 81 FR 29528 (May 12, 2016), and accompanying PDM, at 10-11, unchanged in *Drawn Stainless Steel Sinks from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; Final Determination of No Shipments; 2014-2015*, 81 FR 54042 (August 15, 2016).

²⁵ For a full discussion of this practice, see *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all China exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity, which is 154.07 percent; and (4) for all non-China exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to China exporter(s) that supplied that non-China exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double ADs.

Notification to Interested Parties

Commerce is issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(d)(4) and 351.221(b)(4).

Dated: July 28, 2023.

Lisa W. Wang,

Assistant Secretary

for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Partial Rescission of Administrative Review
- V. Preliminary Determination of No Shipments
- VI. Single Entity Treatment
- VII. Discussion of Methodology
- VIII. Currency Conversion
- IX. Recommendation

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