



DEPARTMENT OF COMMERCE

**International Trade Administration**

[A-557-825]

**Certain Paper Shopping Bags from Malaysia: Final Affirmative Determination of Sales at Less Than Fair Value**

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) determines that certain paper shopping bags (paper bags) from Malaysia are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is April 1, 2022, through March 31, 2023.

**DATES:** Applicable [Insert date of publication in the *Federal Register*].

**FOR FURTHER INFORMATION CONTACT:** Daniel Alexander, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4313.

**SUPPLEMENTARY INFORMATION:**

Background

On January 3, 2024, Commerce published its *Preliminary Determination* of sales of paper bags from Malaysia at LTFV.<sup>1</sup> For a complete description of the events that followed the *Preliminary Determination*, see the Issues and Decision Memorandum.<sup>2</sup> All issues raised by parties for this final determination are addressed in the Issues and Decision Memorandum, which

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<sup>1</sup> See *Certain Paper Shopping Bags from Malaysia: Preliminary Affirmative Determination of Sales at Less-Than-Fair-Value*, 89 FR 333 (January 3, 2024) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

<sup>2</sup> See Memorandum, “Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Certain Paper Shopping Bags from Malaysia,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

is hereby adopted by this notice. The Issues and 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 <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### Scope of the Investigation

The products covered by this investigation are paper bags from Malaysia. For a complete description of the scope of this investigation, *see* Appendix I.

### Scope Comments

During the course of this investigation, Commerce received scope comments from parties. Commerce issued a Preliminary Scope Decision Memorandum to address these comments and set aside a period of time for parties to address scope issues in scope-specific case and rebuttal briefs.<sup>3</sup> We received comments from parties on the Preliminary Scope Decision Memorandum, which we address in the Final Scope Decision Memorandum.<sup>4</sup> We made no changes to the scope of the investigation from the scope published in the *Preliminary Determination*, as noted in Appendix I to this notice.

### Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), we conducted verifications of the sales and cost information submitted by Hexachase Packaging Sdn. Bhd. (Hexachase) for use in our final determination. We used standard verification

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<sup>3</sup> See Memorandum, "Less-Than-Fair-Value and Countervailing Duty Investigations of 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: Preliminary Scope Decision Memorandum," dated December 27, 2023.

<sup>4</sup> See Memorandum, "Less-Than-Fair Value and Countervailing Duty Investigations of 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: Final Scope Decision Memorandum," dated March 11, 2024.

procedures, including an examination of relevant sales and accounting records, and original source documents provided by Hexachase.<sup>5</sup>

#### Analysis of Comments Received

All issues raised in the case briefs submitted by interested parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is attached as Appendix II to this notice.

#### Changes Since the *Preliminary Determination*

We have made certain changes to the dumping margin calculations for Hexachase and Nanwang Pack (M) Sdn. Bhd (Nanwang) since the *Preliminary Determination*. For a discussion of these changes, *see* the Issues and Decision Memorandum.

#### Use of Facts Available with Adverse Inferences

For this final determination, we find that pursuant to sections 776(a)-(b) of the Act, the use of facts available with adverse inferences (AFA) is warranted in determining the final dumping margin for mandatory respondent, Nanwang.<sup>6</sup>

#### All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated weighted-average dumping margin for all other producers and exporters not individually investigated shall be equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding rates that are zero, *de minimis*, or determined entirely under section 776 of the Act.

Pursuant to section 735(c)(5)(B) of the Act, if the estimated weighted-average dumping margins established for all exporters and producers individually examined are zero, *de minimis*, or determined based entirely on facts otherwise available, Commerce may use any reasonable

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<sup>5</sup> *See* Memorandum, “Verification of the Sales Responses of Hexachase Packaging Sdn. Bhd. in the Antidumping Duty Investigation of Certain Paper Shopping Bags from Malaysia,” dated March 27, 2024; *see also* Memorandum, “Verification of the Cost Response of Hexachase Packaging Sdn Bhd. the Antidumping Duty Investigation of Certain Paper Shopping Bags from Malaysia,” dated April 22, 2024.

<sup>6</sup> For a further discussion, *see* the Issues and Decision Memorandum.

method to establish the estimated weighted-average dumping margin for all other producers or exporters. Commerce has determined the estimated weighted-average dumping margin for the individually examined respondent under section 776 of the Act.

Commerce calculated an individual estimated weighted-average dumping margin for Hexachase that is not zero, *de minimis*, or based entirely on facts otherwise available. Moreover, as discussed above, we have assigned a rate based entirely on AFA to the other mandatory respondent, Nanwang. Consequently, the rate calculated for Hexachase is also assigned as the rate for all other producers and exporters, pursuant to section 735(c)(5)(A) of the Act.

### Final Determination

The final estimated weighted-average dumping margins are as follows:

<b>Exporter/Producer</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Hexachase Packaging Sdn. Bhd.	3.18
Nanwang Pack (M) Sdn. Bhd	112.22*
Kooka Paper Manufacturing Sdn. Bhd.	112.22*
All Others	3.18

\* Based on AFA

### Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b).

### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of paper bags from Malaysia, as described in Appendix I of this notice, which were entered or withdrawn from warehouse for consumption on or after January 3, 2024, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*.

Pursuant to section 735(c)(1)(B)(ii) of the Act, upon the publication of this notice, Commerce will instruct CBP to require a cash deposit equal to the weighted-average amount by which the normal value exceeds U.S. price as follows: (1) the cash deposit rate for the respondents listed above will be equal to the company-specific estimated weighted-average dumping margins determined in this preliminary determination; (2) if the exporter is not a respondent identified above, but the producer is, then the cash deposit rate will be equal to the company-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin listed in the table above. These suspension of liquidation instructions will remain in effect until further notice.

#### U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of our final affirmative determination of sales at LTFV. Because the final determination in this investigation is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of subject merchandise from Indonesia no later than 45 days after our final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated, and all cash deposits posted will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

#### Administrative Protective Order

This notice serves as a final reminder to the parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary

information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

This final determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Dated: May 17, 2024.

**Ryan Majerus,**  
*Deputy Assistant Secretary  
for Policy and Negotiations,  
performing the non-exclusive functions and duties  
of the Assistant Secretary for Enforcement and Compliance.*

## Appendix I

### Scope of the Investigation

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<sup>7</sup> 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.

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<sup>7</sup> Paper sacks or bags with handles made of braided or twisted materials, such as rope or cord, do not qualify for this exclusion.

## Appendix II

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Changes Since the *Preliminary Determination*
- IV. Application of Facts Available and Use of Adverse Inferences
- V. Discussion of the Issues
  - Comment 1: Whether to Base the Final Dumping Margin for Nanwang on Total Adverse Facts Available
  - Comment 2: Whether to Assign Hexachase's Rate as the All Others Rate in the Final Determination
  - Comment 3: Whether to Utilize the Most Recent Data Files Submitted by Hexachase
  - Comment 4: Whether Commerce Should Correct Programming Language in the Comparison Market Program
- VI. Recommendation

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