



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-173]

#### **Vanillin from the People's Republic of China: Final Affirmative Countervailing Duty Determination**

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of vanillin from the People's Republic of China (China). This investigation covers one mandatory respondent, Jiaxing Guihua Imp. & Exp. Co., Ltd. (Guihua), and the period of investigation is January 1, 2023, through December 31, 2023.

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

**FOR FURTHER INFORMATION CONTACT:** Thomas Martin, 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) 482-3936.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

On November 18, 2024, Commerce published in the *Federal Register* its *Preliminary Determination* in the countervailing duty (CVD) investigation of vanillin from China.<sup>1</sup> Because Commerce aligned the deadline for this final determination with the deadline for the final

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<sup>1</sup> See *Vanillin from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 89 FR 90671 (November 18, 2024) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum, as corrected in *Vanillin from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination; Correction*, 90 FR 8267 (January 28, 2025).

determination in the less-than-fair-value investigation of vanillin from China, the deadline for the final determination is now June 2, 2025.<sup>2</sup>

For a complete description of the events that occurred since the *Preliminary Determination*, see the Issues and Decision Memorandum.<sup>3</sup> The Issues and Decision Memorandum is a public document that 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 Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### Scope of the Investigation

The product covered by this investigation is vanillin from China. For a complete description of the scope of the investigation, see Appendix I.

### Scope Comments

We received no comments from interested parties on the scope of the investigation as it appeared in the *Preliminary Determination*.<sup>4</sup> Therefore, we made no changes to the scope of the investigation from that published in the *Preliminary Determination* for the final determination.

### Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in December 2024, Commerce verified the information reported by Guihua using its standard verification procedures, including an examination of relevant documents provided at verification.

### Analysis of Subsidy Programs and Comments Received

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<sup>2</sup> See *Preliminary Determination*, 89 FR at 90672; see also *Vanillin from the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 89 FR 65845 (August 13, 2024).

<sup>3</sup> See Memorandum, "Issues and Decisions Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Vanillin from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>4</sup> See *Preliminary Determination*, 89 FR at 59055 and Appendix I.

We have discussed the subsidy programs under investigation, and addressed the issues raised in interested parties' case and rebuttal briefs, in the Issues and Decision Memorandum. For a list of the issues addressed in the Issues and Decision Memorandum, *see* Appendix II.

### Methodology

Commerce conducted this investigation in accordance with section 701 of the Act. For each of the subsidy programs that Commerce found countervailable, it determined that the program provided a subsidy, *i.e.*, determined there is a financial contribution by an "authority," the financial contribution provided a benefit to the recipient, and the subsidy is specific.<sup>5</sup> For a full description of the methodology underlying this final determination, *see* the Issues and Decision Memorandum.

### Changes Since the Preliminary Determination

Based on our review of the information on the record and comments received from interested parties, we modified our calculations of the benchmarks used for the Provision of Caustic Soda for less than adequate remuneration (LTAR), Provision of Sulfuric Acid for LTAR, and Provision of Hydrogen Peroxide for LTAR programs. For a discussion of these changes, *see* the Issues and Decision Memorandum.

### All-Others Rate

Section 705(c)(5)(A)(i) of the Act provides that in a final determination, Commerce shall determine an estimated all-others rate for companies not individually examined that is equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any rates that are zero, *de minimis*, or based entirely under section 776 of the Act. Because we individually examined only one company in this investigation, Guihua, and its subsidy rate is not zero, *de minimis*, or based entirely on facts otherwise available, we

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<sup>5</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

assigned Guihua’s subsidy rate to all other producers and exporters of vanillin in China, pursuant to section 705(c)(5)(A)(i) of the Act.

### Final Determination

Commerce determines that the following estimated net countervailable subsidy rates exist for the period January 1, 2023, through December 31, 2023:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Jiaxing Guihua Imp. & Exp. Co., Ltd.	42.10
All Others	42.10

### Disclosure

Commerce intends to disclose its calculations and analysis performed in this final determination to parties to the proceeding within five days of public announcement of the determination 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 351.244(b).

### Continuation of Suspension of Liquidation

As a result of the *Preliminary Determination*, and pursuant to section 703(d)(1)(B) and (d)(2) of the Act, Commerce instructed U.S. Customs and Border Protection (CBP) to collect cash deposits and suspend liquidation of entries of subject merchandise as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after November 18, 2024, the date of publication of the *Preliminary Determination* in the *Federal Register*.<sup>6</sup> In accordance with section 703(d) of the Act, on March 18, 2025, Commerce instructed CBP to discontinue the suspension of liquidation of all entries of subject merchandise entered or withdrawn from warehouse, on or after March 18, 2025, but to continue the suspension of liquidation of all entries of subject merchandise on or before March 17, 2025.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, Commerce will issue a CVD order, reinstate the suspension of liquidation under

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<sup>6</sup> See *Preliminary Determination*.

section 706(a) of the Act, and require a cash deposit of estimated countervailing duties for entries of subject merchandise in the amounts indicated in the table above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated countervailing duties deposited, or securities posted as a result of the suspension of liquidation will be refunded or cancelled.

#### ITC Notification

In accordance with section 705(d) of the Act, Commerce will notify the ITC of its final affirmative determination that countervailable subsidies are being provided to producers and exporters of vanillin from China. Because Commerce's final determination is affirmative, in accordance with section 705(b) of the Act, the ITC will determine, within 45 days of this final determination, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of U.S. imports of vanillin from China. Commerce is making available to the ITC all non-privileged and non-proprietary information related to this investigation. Commerce will allow the ITC access to all privileged and business proprietary information in its files, provided the ITC confirms that it will not disclose such information, either publicly or under administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated, and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a CVD order directing CBP to assess, upon further instruction by Commerce, countervailing 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

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO, in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act, and 19 CFR 351.210(c).

Dated: June 2, 2025.

**Christopher Abbott,**

*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 merchandise covered by the investigation is vanillin, with the molecular formula  $C_8H_8O_3$  or  $C_9H_{10}O_3$ . For purposes of this investigation, vanillin consists of natural vanillin, synthetic vanillin, bio-sourced synthetic vanillin (biovanillin) (each also known as 4-Hydroxy-3-methoxybenzaldehyde), and ethylvanillin (also known as 3-Ethoxy-4-hydroxybenzaldehyde). Vanillin covered by this investigation is a chemical compound with the Chemical Abstracts Service (CAS) number 121-33-5 or 121-32-4. Vanillin is covered by the investigation regardless of whether it is in a crystalline powder or crystal form. Vanillin is covered by the scope of the investigation, irrespective of purity, particle size, or physical form.

Merchandise subject to the investigation is specified within the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 2912.41.0000 and 2912.42.0000. The HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes only. The written description of the merchandise covered by the investigation is dispositive.

## Appendix II

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

- I. Summary
  - II. Background
  - III. Scope of the Investigation
  - IV. Subsidies Valuation
  - V. Changes Since the *Preliminary Determination*
  - VI. Analysis of the Programs
  - VII. Discussion of the Issues
    - Comment 1: Whether Commerce Used Appropriate Shipping Rates to Calculate Benchmarks for Material Inputs
    - Comment 2: Whether Commerce Should Countervail the Export Buyer's Credit and Export Seller's Credit Programs
    - Comment 3: Whether Commerce Inappropriately Applied Adverse Facts Available (AFA) in Finding Specificity for the Electricity for Less Than Adequate Remuneration (LTAR) Program
    - Comment 4: Whether Certain Individually-Owned Input Suppliers are Government Authorities
  - VIII. Recommendation
- [FR Doc. 2025-10351 Filed: 6/5/2025 8:45 am; Publication Date: 6/6/2025]