UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

C-552-846
Investigation
Public Version
E&C/OIV: TEM

August 22, 2025

MEMORANDUM TO:	The File
THROUGH:	Robert Bolling Program Manager AD/CVD Operations, Office IV
FROM:	Thomas Martin International Trade Compliance Analyst AD/CVD Operations, Office IV Enforcement and Compliance
SUBJECT:	Countervailing Duty Investigation of Thermoformed Molded Fiber Products from the Socialist Republic of Vietnam
RE:	Preliminary Determination Analysis Memorandum for Vietnam Yuzhan Packaging Technology Co. Ltd. (Yuzhan)

The U.S. Department of Commerce (Commerce) is examining subsidies provided to Vietnam Yuzhan Packaging Technology Co. Ltd. (Yuzhan), in this countervailing duty investigation of thermoformed molded fiber products from the Socialist Republic of Vietnam. Commerce conducted a post-preliminary analysis of the new subsidy allegations.[1] In addition to the total subsidy rate calculated in the preliminary determination of this investigation,[2] we additionally calculated subsidy benefits for programs alleged in the petitioner's[3] new subsidy allegation (NSA).[4] The period of investigation (POI) is January 1, 2023, through December 31, 2023. For the POI, we preliminarily calculate, using Yuzhan's data the following *ad valorem* rate:

Prelim Subsidy Rate:	3.39% *ad valorem*
Post Prelim Subsidy Rate:	1.25% *ad valorem*
Total Subsidy Rate:	4.64% *ad valorem*
Total Export Subsidy Rate:	3.10% *ad valorem*

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[1] *See* Memorandum, "Post-Preliminary Decision Memorandum," dated August 22, 2025 (Post-Prelim Memorandum).

[2] *See Thermoformed Molded Fiber Products from the Socialist Republic of Vietnam: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Determination with Final Antidumping Duty Determination,* 90 FR 12126 (March 14, 2025) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

[3] The petitioner is the American Molded Fiber Coalition.

[4] *See* Petitioner's Letter, "Petitioner's New Subsidy Allegations," dated February 3, 2025 (Petitioners' NSA).

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The following is a brief explanation of the calculation methodologies. A summary of the countervailable subsidies can be found in Attachment I and Attachment II contains the calculations.

I.   GENERAL

A.   Exchange Rates

Unchanged from the *Preliminary Determination*, for currency conversions from Vietnamese Dong (VND) to U.S. dollars (USD), we used the exchange rates as certified by the Federal Reserve Bank available on the Enforcement and Compliance website at https://access.trade.gov/resources/exchange/Vietnam.txt..

B.   Allocation Period

Unchanged from the *Preliminary Determination*, Commerce finds the average useful life (AUL) in this proceeding to be 10 years, pursuant to 19 CFR 351.524(d)(2) and the U.S. Internal Revenue Service's Depreciation Range System for productive assets employed in the manufacture of the subject merchandise.

C.   Denominators and Attribution

As in the *Preliminary Determination*, we will attribute subsidies received by Yuzhan to its own sales. Yuzhan reported free-on-board (FOB) total sales and export sales figures for the POI and AUL periods.[5]

D.   Loan Benchmarks and Interest Rates

We continue to use an external, market based benchmark interest rate, as described the Preliminary Decision Memorandum.[6]

E.   Pulp Benchmarks

During the POI, Yuzhan reported actual import transactions from both Chinese and non-Chinese pulp producers.[7] The petitioner and Yuzhan also submitted UN Comtrade world market price benchmarks, pursuant to 19 CFR 351.511(a)(2)(ii), to measure the adequacy of remuneration for the GOC's provision of pulp during the POI.[8] As explained in the Post-Prelim Memorandum, because Yuzhan's imports from China are different pulps from those imported from other

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[5] S*ee* Yuzhan's Letter, "Yuzhan's First Supplemental Questionnaire Response," dated February 25 at Exhibits Q1.1 and Q1.2

[6] *See* Preliminary Decision Memorandum at 19-22.

[7] *See See* Yuzhan's Letter, "New Subsidy Allegations Questionnaire Response," dated June 10, 2025 (Yuzhan's NSAQR) at 11.

[8] *See* Yuzhan's Letter, "Yuzhan's Benchmark Submission," dated June 13, 2025 (Yuzhan Benchmark Submission) at Exhibits 1 and 2; *see also* Petitioners' Letter, "Petitioners' Submission of Benchmarks Regarding the GOC's Cross-Border Provision of Chinese Pulp for LTAR," dated June 13, 2025 (Petitioner Benchmark Submission)at Exhibit 1.

countries (*i.e.*, [

]), we have not used Yuzhan's own purchases as tier one benchmarks. Instead, we have isolated imports into Vietnam from the price data submitted by the petitioner and Yuzhan as tier one benchmarks with respect to these pulps.[9] In instances where a month had no datapoint, we applied the Consumer Price Index for Vietnam published in the International Monetary Fund's International Financial Statistics to the reported prior month's data. For bamboo pulp, the only usable benchmarks on the record are tier two benchmarks reflecting world market prices (*i.e.*, the complete data submitted by the petitioners and Yuzhan, with China prices removed).

Pursuant to 19 CFR 351.511(a)(2)(iv), we also require benchmarks for delivery charges. The petitioner and Yuzhan submitted Drewry Maritime Research (Drewry Maritime) and Xeneta International Monthly (Xeneta) ocean freight data, respectively, in U.S. dollars (USD) per kilogram from the POI for many world ports exported to Vietnam.[10] Therefore, we preliminarily determine to use the monthly average of Drewry Maritime and Xeneta ocean freight data submitted by the petitioner and Yuzhan, respectively, for a tier-two benchmark.

Regarding inland freight, the petitioner submitted "World Bank's Doing Business 2020 – Economy Profile of Vietnam." inland freight expenses.[11] Because these are the only inland freight data on the record, we preliminarily determine to use this data for inland freight as the benchmark for purchases of Chinese pulp.

II. CALCULATION OF *AD VALOREM* RATES FOR COUNTERVAILABLE PROGRAMS

A. Loan Programs

Yuzhan reported that it received benefits from the Bank of China (Hong Kong), which we find to be countervailable.[12] To calculate the benefit, we determined the benchmark interest rate, as discussed above. We then calculated the benchmark interest payment by multiplying the principal balance to which each interest payment applied by the benchmark interest rate and then multiplied this amount by the number of days each interest payment covers divided by 360 days in a year. Next, we subtracted the interest payment that Yuzhan paid from the benchmark interest payment and summed the benefits. We divided the total benefit by Yuhan's total sales in the POI. On this basis, we preliminarily determine that the net countervailable subsidy rate for this program is less than 0.005 percent *ad valorem*, which is not measurable.

B. LTAR Programs

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[9] *Id.*

[10] *See* Yuzhan Benchmark Submission at Exhibits 6(a), 6(b) and 6(c); *see also* Petitioner Benchmark Submission at Exhibit 3.

[11] *See* Petitioner Benchmark Submission at Exhibit 4.

[12] *See* Yuzhan's Letter, "New Subsidy Allegations Questionnaire Response Regarding the Policy Lending from Chinese Banks For Belt And Road Initiative (BRI) Capacity Cooperation Projects," dated June 13, 2025

As explained in the accompanying decision memorandum,, we preliminarily find that at least 70 percent of this purchased pulp by quantity was produced and supplied by GOC authorities. Therefore, for Yuzhan's purchases from pulp producers for which no record information is available, we have preliminarily calculated the benefit by applying this ratio (*i.e.*, 0.7) to the benefit calculation to determine the portion of the benefit attributable to GOC authorities .[13] Additionally, we have excluded affiliated party transactions from our benefit calculation, because prices between affiliated parties may be affected by the affiliation rather than countervailable factors (*i.e.*, subsidization)..

We compared the benchmark prices to Yuzhan's reported individual purchase prices for pulp produced by the GOC authorities, including delivery charges. As noted above, we included no import duties or taxes because Yuzhan does not pay duties and taxes, pursuant to another countervailable program in this investigation.[14] For purchases where the benchmark price was greater than Yuzhan's purchase price, we added the benefit calculated for each individual purchase to calculate Yuzhan's total benefit. Next, we divided the overall benefit by Yuzhan's total POI sales pursuant to 19 CFR 351.525(b)(2) and 351.525(b)(6)(ii) and (iv), as discussed in the "Subsidies Valuation Information" section of the *Preliminary Determination* PDM.[15] On this basis, we preliminarily find a net countervailable subsidy rate of 1.25 percent *ad valorem* for Yuzhan during the POI.[16]

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[13] Under this methodology, we are treating 70 percent of Yuzhan's purchase quantity as a financial contribution provided by the GOC pursuant to section 771(5)(D)(iii) of the Act (*i.e.*, the provision of a good) for these specific purchases.

[14] *See* Petitioners' NSA at Exhibit 31 – Catherine Tai, "China's Private Sector is Under Siege: Will China Continue to Have a Viable Market Economy with Socialist Characteristics?" THE DIPLOMAT (December 22, 2018) (noting that "the {Chinese} government has begun a new push to set up Party cells in private companies" and that "{b}y 2016, the ratio of the nonstate enterprises that had Party cells had risen to almost 70 percent")

[15] *See Preliminary Determination* PDM at 18-21.

[16] *See* Attachment II

Attachment List

Attachment I: Summary of Preliminary Subsidy Rates
Attachment II: Subsidy Program Calculations (Business Proprietary in its Entirety: Not Susceptible to Public Summary)

Attachment I

Thermoformed Molded Fiber Products from Vietnam (C-552-846)   Public
Post Preliminary Determination of Countervailing Duty Investigation
Vietnam Yuzhan Packaging Technology Co. Ltd.

Chinese Pulp for LTAR	1.25%
Policy Loans from China- Belt and Road Plan	0.00%
Total Subsidy	**1.25%**
Total Export Subsidy	**0.00%**

Attachment II

Subsidy Program Calculations
(Business Proprietary in its Entirety: Not Susceptible to Public Summary)

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