

From: Eric Astrachan <EAstrachan@tileusa.com>
Subject: Trade Remedy Petition on Tiles from China
Date: May 11, 2020 at 9:03:45 PM PDT
To: Eric Astrachan <EAstrachan@tileusa.com>

Dear TCNA Members and Colleagues

I am writing to share and discuss the recent news regarding the Coalition for Fair Trade in Ceramic Tile (FTCT) trade remedy case. As you may have heard, the United States International Trade Commission (USITC) ruled on April 30th that the ceramic tile industry “is materially injured by reason of imports of ceramic tile from China that the U.S. Department of Commerce (Commerce) has determined are subsidized and sold in the United States at less than fair value.”¹

The antidumping tariffs determined by Commerce ranged from 203.71% to 330.69%. These tariffs will be added to the 358.81% anti-subsidy tariff Commerce calculated. In total, tiles imported from China will have tariffs ranging from 562.52% to 689.5%.²

The size of these tariffs, levied as a result of Commerce’s investigation into dumping by certain Chinese tile companies, and levied to offset subsidies provided by the government of China, underscore and explain how tile imported from China has gone from a small amount in 2001 to nearly 32% of all imports in 2018. This is in addition to the false labelling of porcelain tiles about which we have regularly testified before various government agencies, and the theft of intellectual property (proprietary designs) about which so many art studio companies and others have rightfully complained and about which we testified in the Section 301 hearings in 2018.

We are pleased to report the tariffs are already working. When comparing imports from China in the first quarter of 2020 to the first quarter of 2019, imports are down 98%!

Additionally, these tariffs apply to all ceramic tiles regardless of water absorption (i.e. porcelain and non-porcelain tiles) with no exceptions for decorative tiles, mosaics, nor large slabs. I have attached a fact sheet from Commerce which explains this in detail. In total over 90,000 pages were filed in this action over the last year.

We thank all of the supporters of this initiative, including the many distributors and contractors that communicated their support. We ask now that you let us know if you become aware of, or suspect, circumvention, where tiles made in China are imported as if coming from another country. That is of course illegal, but not unheard of, and why we ask that you let us know if you suspect it.

To our members that imported tiles from China, we regret the challenges this has caused you individually. As we wrote in June 2019 (below), the support this petition received from the

industry overall, and the board's supermajority position in favor of the trade remedy, guided our role.

Lastly, to all our art studio members present and past, this trade remedy is perhaps the best example yet of the synergy we hoped to achieve when three art studio companies joined TCNA in 1994. We remember well the renaissance of decorative tiles that started in the 1990's, when art studio companies helped drive the excitement and sizzle of previously utilitarian installations. We know though that many of those same companies have struggled mightily (or closed up entirely) as more and more decorative tiles came in from China.

Thanks to the efforts of the eight companies that brought this action, and their many supporters, members small and large will benefit. We hope the imposition of the duties we described will help our tile-manufacturing members flourish. We wish you and all our members great success and health.

Best regards and please stay safe,

Eric Astrachan
Executive Director
Tile Council of North America

References:

1. https://www.usitc.gov/press_room/news_release/2020/er043011537.htm
2. <https://enforcement.trade.gov/download/factsheets/factsheet-prc-ceramic-tile-ad-cvd-final-033120.pdf>