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BEFORE THE
INTERNATIONAL TRADE ADMINISTRATION
UNITED STATES DEPARTMENT OF COMMERCE
AND THE
UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of	)	**PETITIONS FOR THE IMPOSITION OF ANTIDUMPING DUTIES**
POLYTETRAMETHYLENE ETHER GLYCOL FROM CHINA, SOUTH KOREA, TAIWAN, AND VIETNAM	)	
	)	**VOLUME V: VIETNAM ANTIDUMPING DUTIES**

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I. ALLEGATION OF SALES AT LESS THAN FAIR VALUE

This petition filed by BASF Corporation ("BASF" or "Petitioner") seeks the imposition of antidumping duties on imports of Polytetramethylene Ether Glycol ("subject merchandise" or "PTMEG") from Vietnam. As discussed below, the only known Vietnamese producer and exporter of PTMEG has sold, or offered for sale, subject merchandise in the United States for less than fair value during the presumptive period of investigation ("POI"), *i.e.*, October 2025 – March 2026. Information showing dumping by the Vietnamese producer is provided in this volume, *i.e.*, Volume V. The general information required by Section 351.202 of the Department of Commerce's ("Commerce") regulations is provided in Volume I of these petitions.

II. VIETNAMESE PRODUCERS AND EXPORTERS OF PTMEG

A. Description Of The Vietnamese Industry

Petitioner has identified one Vietnamese producer believed to have sold, or offered for sale, PTMEG in the United States for less than fair value, Hyosung Dong Nai Co., Ltd. ("Hyosung"). Hyosung's contact information is listed in Volume I: General Issues And Injury at **Exhibit I-14**. This list was generated using [

] and ship manifest data published by the U.S. Customs & Border Protection ("CBP") that could be used to identify exporters. According to these sources, Hyosung is the only producer/exporter of subject merchandise in Vietnam.[1]

[1] *See* [

], provided as **Exhibit V-1**; *see also* List of Foreign Producers and Exporters, provided as **Exhibit I-14**.

B. Production Processes Of The Vietnamese Producer

A detailed description of the production process used to produce the subject merchandise is contained in Volume I to these petitions. The PTMEG production process in Vietnam is comparable to that of the Petitioner. Hyosung produces or purchases 1,4-butanediol ("BDO"), which is used to produce tetrahydrofuran ("THF").[2] THF is then captively consumed to produce PTMEG via the polymerization of THF with the use of a catalyst.[3] Finally, PTMEG is typically blended with a stabilizer and packaged.[4]

C. Known Importers Of Vietnamese PTMEG

A complete list of known U.S. importers of PTMEG, including importers of PTMEG from Vietnam, is contained in Volume I: General Issues And Injury in **Exhibit I-15**. This list was generated using ship manifest data.

III. VIETNAM IS A NON-MARKET ECONOMY

Commerce has a long-standing policy of treating Vietnam as a non-market economy ("NME") country for antidumping purposes. Because NME countries do not operate on market principles of cost or pricing structures, the prices and costs in NME countries do not reflect the fair value of the merchandise.[5] "Therefore, Commerce is required to use prices and costs of factors of production in one or more market economy countries to calculate {antidumping} duties."[6]

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[2] *See* [ ], provided as **Exhibit V-2**.
[3] *See* Volume I at **Section II.C**.
[4] *See* Volume I at **Section II.C**.
[5] *See* 19 U.S.C. 1677(18); *see also* Department of Commerce Surrogate Country Memo at 1, provided as **Exhibit V-3**.
[6] Department of Commerce Surrogate Country Memo at 1, provided as **Exhibit V-3**.

The statute requires Commerce to use the prices or costs of factors of production in one or more market economy countries that are (1) at a level of economic development comparable to that of the NME country, and (2) a significant producer of comparable merchandise.[7] The most recent Office of Policy memorandum's "List of Surrogate Countries" identifies the following countries as economically comparable to Vietnam based on their 2024 per-capita GDP: Algeria, El Salvador, Indonesia, Jordan, Sri Lanka, and Tunisia. There are no known producers of PTMEG in any of these countries. However, Indonesia has a significant petrochemical industry and at least one significant manufacturer of comparable merchandise. Specifically, PT Pertamina (Persero) ("Pertamina") produces comparable merchandise because it manufactures petrochemical products, including paraxylene, propylene, and polytam.[8]

Moreover, usable public information to value all factors of production ("FOP") is available for Indonesia, including audited financial statements for Pertamina that can be used to calculate the necessary surrogate financial ratios.[9] Petitioner also presents normal value based on El Salvador and Jordan as surrogate countries. However, Petitioner was unable to identify usable publicly available financial statements for producers of comparable merchandise in these countries. Accordingly, for the normal values based on El Salvador and Jordan as surrogate countries, Petitioner used Pertamina's financial ratios to calculate factory overhead, selling, general and administrative expenses, and profit.

Below, Petitioner presents the dumping calculations based on data from all three surrogate countries, noting any relevant methodological differences.[10]

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[7] *See* 19 U.S.C. 1677b(c)(4).
[8] Pertamina is a producer of comparable merchandise in Indonesia. *See* Product Information, provided as **Exhibit V-4**.
[9] *See* Annual Report, provided as **Exhibit V-16**.
[10] Petitioner reserves the right to indicate the most appropriate surrogate country after initiation.

IV. CALCULATION OF EXPORT PRICE

The HTSUS subheading covering imports of PTMEG – *i.e.*, 3907.29.00, HTSUS – is inappropriate for determining the export price because it is a basket category that also covers products outside the proposed scope. Petitioner ascertained the export price by matching an individual shipment of goods identified in the CBP Automated Manifest System ("AMS") to the U.S. Census data. CBP's AMS data contain detailed information regarding goods that arrive at U.S. ports. These data can sometimes be aligned with the Official U.S. Customs Import Data by matching port specific shipment quantities for specific shipments and certain months. Using this method, Petitioner was able to positively link five shipments of PTMEG by Hyosung to specific consignees in the United States. In other words, Petitioner obtained entry-specific prices for Hyosung shipments by directly correlating monthly U.S. port-specific import statistics to a specific bill of lading reflected in the AMS ship manifest data.

Exhibit V-5 contains Official U.S. Customs Import Data (obtained through Datamyne) for PTMEG, as well as data from the AMS database (also obtained through Datamyne) identifying a PTMEG shipment from Vietnam to the United States entered during the same month and at the same port of entry. Petitioner compared the data and matched two shipments to official U.S. Customs Import Data. By doing so, Petitioner was able to determine the price paid by a U.S. consignee to Hyosung for a specific shipment of PTMEG.

The data from the AMS database are based on Customs Value, *i.e.*, equivalent to a Free On Board ("FOB") foreign port price. Because the Customs Value includes freight and handling to port of exportation, these charges must be deducted to arrive at an ex-factory price. Petitioner deducted inland freight and brokerage and handling charges incurred in the relevant surrogate

country based on data contained in the World Bank's *Doing Business 2020* series.[11] Foreign inland freight and brokerage and handling charges are calculated at **Exhibit V-6**. The calculation of export price is contained in **Exhibit V-7**.[12] The resulting export prices were compared to normal value to determine dumping margins.

V. CALCULATION OF NORMAL VALUE

A. Introduction

Consistent with Commerce's treatment of Vietnam as an NME country, Petitioner calculated normal value using the NME methodology prescribed by the applicable statute and regulations. Petitioner provided the FOPs used in the manufacture of PTMEG and valued these FOPs based on three market economy countries selected as surrogate countries.

B. Normal Value Based On The FOP Methodology

The PTMEG production process is described in detail in Volume I of these petitions. To the best of Petitioner's knowledge, no publicly available information exists with respect to the Vietnamese producer's input usage rates. To estimate input usage in Vietnam, Petitioner relies on its own production experience in the United States, adjusting for known differences for costs in Vietnam. In particular, Petitioner began with its input usage rates for the various material, labor, and energy ("MLE") requirements. **Exhibit V-8** contains a cost model and a declaration from the individual who supervised the input factor usage rates. Petitioner is an appropriate producer to use for such estimates because it has a comparable production process to Hyosung. Both companies use BDO to produce THF, which is then captively consumed to produce

[11] *See* Foreign inland freight and Brokerage and handling charges and excerpts from the World Bank report provided in **Exhibit V-6A** (Indonesia); **V-6B** (El Salvador); **V-6C** (Jordan); **V-6D** (General).
[12] *See* Export Price Calculation, provided in **Exhibit V-7A** (Indonesia); **V-7B** (El Salvador); **V-7C** (Jordan).

PTMEG. Additionally, both producers employ similar processes (*i.e.*, polymerization of THF using a catalyst) to make PTMEG.

In each of the three normal value calculations, Petitioner generally valued materials and energy inputs using surrogate value information from Indonesia, El Salvador, and Jordan, respectively. In each calculation, factory overhead, including selling, general, and administrative ("SG&A") expenses, interest expense, and profit, are based on the latest available annual financial results of Pertamina, given the lack of suitable financial statements with respect to El Salvador and Jordan.

1. Materials, labor, and energy

Petitioner developed a cost model based on the actual usage rates for MLE used to manufacture PTMEG.[13] The actual usage rates, based on the Petitioner's experience, are presented in **Exhibit V-9A** (Indonesia); **V-9B** (El Salvador); **V-9C** (Jordan) at Column A.[14] The factor costs in Vietnam are shown in Column B of the same exhibits.[15] The usage rates are multiplied by the surrogate country factor costs to determine the total cost of each input used to produce the subject merchandise.

Unit input costs for materials were generally calculated from surrogate countries' import statistics, excluding (per Commerce's practice) imports from non-market economy countries and countries known to have export subsidies.[16] Labor costs were determined using statistics from

[13] *See* Declaration Regarding Calculation of Cost Of Production and Constructed Value, provided as **Exhibit V-8**.
[14] *See* Constructed Value, provided in **Exhibit V-9A** (Indonesia); **V-9B** (El Salvador); **V-9C** (Jordan).
[15] *See* Constructed Value, provided in **Exhibit V-9A** (Indonesia); **V-9B** (El Salvador); **V-9C** (Jordan). Each exhibit contains a constructed value for PTMEG grade 1000 and another constructed value for PTMEG grade 2000.
[16] *See* Material Cost Input, provided as **Exhibit V-10A** (Indonesia); **V-10B** (El Salvador) (because there was no information available for the cost of N-Methyl-2-pyrrolidone ("NMP"), methyl alcohol, and hydrogen in El Salvador, Petitioner conservatively used the cost of these

the International Labor Organization.[17] Indonesia's prices for natural gas were obtained from IDN Financials; El Salvador's prices for natural gas were based on export prices of natural gas from the United States to El Salvador; and Jordan's prices for natural gas were based on import prices of natural gas into Jordan.[18] Surrogate countries' electricity rates for large industrial consumers were obtained from globalpetrolprices.com.[19] All unit costs based on foreign currency were converted to U.S. dollars using Commerce's exchange rates (supplemented by exchange rates from the Federal Reserve to the extent that Commerce's rates did not cover the entire period of investigation).[20] Finally, packing costs were calculated based on the import price of packing costs in the surrogate country.[21]

The model begins with the processes used to produce acetylene.[22] These costs feed into the production process steps that follow, *i.e.*, production of BDO, which is consumed to produce THF, followed by the polymerization of THF to produce PTMEG. The total input costs at each stage are totaled to calculate the total MLE costs to produce the subject merchandise.

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material inputs in Indonesia, which was the lowest cost for this material input among the surrogate countries); **V-10C** (Jordan) (because there was no information available for the cost of acetic anhydride, methyl alcohol, and steel drums in Jordan, Petitioner conservatively used the cost of these material inputs in Indonesia, which was the lowest cost for this material input among the surrogate countries).

[17] *See* ILO Labor Rates, provided as **Exhibit V-11A** (Indonesia); **V-11B** (El Salvador); **V-11C** (Jordan) (because labor wage rates are available for 2023, Petitioner applied an index inflator rate).

[18] *See* Natural Gas Prices, provided as **Exhibit V-12A** (Indonesia); **V-12B** (El Salvador); **V-12C** (Jordan); Steam Prices, provided as **Exhibit V-13A** (Indonesia); **V-13B** (El Salvador); **V-13C** (Jordan).

[19] *See* Electricity Prices, provided as **Exhibit V-14A** (Indonesia); **V-14B** (El Salvador); **V-14C** (Jordan).

[20] *See* Exchange Rates, provided as **Exhibit V-15A** (Indonesia); **V-15C** (Jordan). No currency conversion was necessary for El Salvador.

[21] *See* Material Cost Input, provided as **Exhibit V-10A** (Indonesia); **V-10B** (El Salvador); V**-10C** (Jordan); **Exhibit V-10D** (General).

[22] Petitioner's own production process is the best information reasonably available. Because the production process is fully integrated, Petitioner submits its entire production process.

2. Factory Overhead, SG&A, And Profit

Depreciation, SG&A, and profit rates are based upon companies producing comparable merchandise in the surrogate countries.[23] The interest expense ratio was based upon their respective latest available consolidated audited financial statements.[24] As discussed above, Petitioner used the Indonesian company Pertamina's financial ratios to calculate factory overhead, selling, general and administrative expenses, and profit for El Salvador and Jordan because Petitioner was unable to identify publicly available financial statements for producers of comparable merchandise in these countries.

VI. CALCULATION OF DUMPING MARGINS

Dumping margins based on U.S. price-to-constructed value comparisons range from 78.72 percent to 295.36 percent.[25]

VII. MATERIAL INJURY AND THREAT OF MATERIAL INJURY TO THE DOMESTIC INDUSTRY

Petitioner alleges that imports of PTMEG from Vietnam sold at less than fair value materially injure the domestic industry and threaten to cause further material injury to the domestic industry. The factual information in support of these allegations is provided in Volume I of these petitions.

VIII. CONCLUSION AND REQUEST FOR INVESTIGATION

As demonstrated above, Hyosung, the only known Vietnamese producer and exporter of subject merchandise is selling this merchandise for less than fair value in the United States.

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[23] *See* Annual Report, provided as **Exhibit V-16**.
[24] *See* Financial Ratios, provided as **Exhibit V-17** (Petitioner used the financial ratios of Pertamina to determine depreciation, SG&A, and profit for all three surrogate countries).
[25] *See* Dumping Margin Calculations, provided as **Exhibit V-18A** (Indonesia); **V-18B** (El Salvador); **V-18C** (Jordan); *see also* Summary Dumping Margins, **Exhibit V-19**.

Accordingly, Petitioner requests that Commerce initiate an antidumping duty investigation of PTMEG from Vietnam.

Respectfully submitted,

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