
New Trade Case on Imports of Cigarettes from the Republic of Korea

By Courtney G. Taylor / Dec 19, 2019

A new U.S. antidumping (“AD”) investigation was filed on Dec. 18, 2019 by the Coalition Against Korean Cigarettes (collectively, “Petitioner” or “CAKC”) against imports of 4th Tier cigarettes from the Republic of Korea.

The merchandise covered by this investigation is certain tobacco cigarettes, commonly referred to as “4th Tier cigarettes.” The subject cigarettes are composed of tobacco rolled in paper, have a nominal minimum total length of 7.0 cm but do not exceed 12.0 cm in total nominal length, and have a nominal diameter of less than 1.3 cm. These sizes of cigarettes are frequently referred to as “Kings” and “100’s,” but subject merchandise that meets the physical description of the scope is included regardless of the marketing description of the size of the cigarettes. Subject merchandise typically has a tobacco blend that consists of 10% to 40% tobacco stems. The full scope of the merchandise covered is set forth below.

The petition includes an AD (less than fair value) allegation against the Republic of Korea. The Department of Commerce (“DOC”) and the International Trade Commission (“ITC”) will conduct the investigation. Within the next 45 days, the ITC will determine if the imports are injuring the U.S. industry. If the ITC finds injury, then the case will move to the DOC which will calculate the preliminary AD duty margin. The DOC’s preliminary determination is currently scheduled for May 26, 2020 (AD), which is the date when importers will be required to deposit the calculated duties upon the products’ entry in the U.S. market.

There is a strict statutory deadline associated with this proceeding and affected companies are advised to prepare as soon as possible. If this product is of interest to you, please let us know so that we can provide you with additional information as it becomes available.

The following are key facts about this trade case:

Petitioner: Coalition Against Korean Cigarettes (collectively, “Petitioner” or “CAKC”)

Foreign Producers/Exporters and US Importers: Please contact us for a listing of individual companies named in the petition.

Alleged AD and CVD margins: Petitioner has alleged the following AD margin:

- Republic of Korea – 91.72% to 113.06% with an average margin of 103.02%.

Merchandise covered by the scope of the case:

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The subject merchandise is typically sold in packs of 20 cigarettes per pack which generally includes the marking “20 Class A Cigarettes” but are included regardless of packaging. 4th Tier cigarette packages are typically sold in boxes without a rounded internal corner and without embossed aluminum foil inside the pack.

Both menthol and non-menthol cigarettes and cigarettes with or without a filter attached are covered by the scope of this investigation.

Excluded from the scope of this investigation are cigarettes that legally bear the valid and enforceable brand and/or trademark of a company that is a participating member of the Master Settlement Agreement (“MSA”) of November 1998.

Merchandise covered by this investigation is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under subheading 2402.20.8000. This HTSUS subheading is provided for convenience and customs purposes; the written description of the scope of the investigation is dispositive.

If you have any questions regarding the content of this alert, please contact Mark Ludwikowski (mludwikowski@clarkhill.com; 202-640-6680), Kevin Williams (kwilliams@clarkhill.com; 312-985-5907); William Sjoberg (wsjoberg@clarkhill.com; 202-772-0924), Courtney Gayle Taylor (cgtaylor@clarkhill.com; 202-552-2350); or another member of Clark Hill’s International Trade business unit.