

# New Trade Case on Imports of Difluoromethane (R-32) from China

By Courtney G. Taylor, William C. Sjoberg, R. Kevin Williams, Mark R. Ludwikowski / Jan 23, 2020

A new U.S. antidumping (“AD”) petition was filed on January 22, 2020 by Arkema Inc. against imports of Difluoromethane (R-32) from China.

This petition covers difluoromethane, more commonly referred to as R-32. R-32 is an HFC, a class of man-made chemicals that contains fluorine, carbon, and hydrogen atoms. R-32 is either internally consumed to produce HFC blends or sold to third party blenders as a component used to produce HFC blends, which are refrigerants for various applications.

This case follows the 2015 action on Hydrofluorocarbon Blends and Components from China which resulted in an AD on hydrofluorocarbon blends but excluded components such as difluoromethane (R-32). In June 2019, the Department of Commerce (“DOC”) also initiated an anti-circumvention inquiry of Components of Hydrofluorocarbon Blends, including difluoromethane (R-32).

The petition includes an AD (less than fair value) allegation against China. The 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 margins. The DOC’s preliminary determination is currently scheduled for **June 30, 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 are strict statutory deadlines 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:** Arkema Inc.

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

**Alleged AD margins:** Petitioner has alleged the following AD margin:

- Calculated AD margin of 87.98%

**Merchandise covered by the scope of the case:**

The merchandise covered by this investigation is difluoromethane (“R-32”), or its chemical equivalent, regardless of form, type or purity level. R-32 has the Chemical Abstracts Service (“CAS”) registry number of 75-10-5 and the chemical formula CH<sub>2</sub>F<sub>2</sub>. R-32 is also referred to as difluoromethane, HFC-32, FC-32, Freon-32, methylene difluoride, methylene fluoride, carbon fluoride hydride, halocarbon R32, fluorocarbon R32, and UN 3252. Subject merchandise also includes R-32 and unpurified R-32 that are processed in a third country or the United States, including, but not limited to, purifying or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope R-32. R-32 that has been blended with products other than pentafluoroethane (R-125) is included within this scope if such blends contain 85% or more by volume on an actual percentage basis of R-32. In addition, R-32 that has been blended with any amount of R-125 is included within this scope if such blends contain more than 52% by volume on an actual percentage basis of R-32. Whether R-32 is blended with R-125 or other products, only the R-32 component of the mixture is covered by the scope of these orders. The scope also includes R-32 that is commingled with R-32 from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of this order.

Excluded from the current scope is merchandise covered by the scope of the antidumping order on *Hydrofluorocarbon Blends from the People’s Republic of China*. See *Hydrofluorocarbon Blends from the People’s Republic of China*, 81 Fed. Reg. 55,436 (Aug. 19, 2016) (“Blends Order”).

R-32 is classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2903.39.2035. Other merchandise subject to the current scope, including the above- mentioned blends that are outside the scope of the Blends Order, may be classified under 2903.39.2045 and 3824.78.0020. The HTSUS subheadings and CAS registry number are provided for convenience and customs purposes. The written description of the scope of the petition is dispositive.

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