

Part II – Narrative Questionnaire
Petroleum Wax Candles from China - Fifth Sunset Review

Narrative questions for the fourth sunset review:

Company Name:	
Address:	
World Wide Website Address:	
Name of Certifying Official:	
Phone # of Certifying Official:	
Fax # of Certifying Official:	
Email of Certifying Official:	

Introduction/Executive Summary

1. Please provide a statement on the likely effects of the revocation of the antidumping and countervailing duty orders on the Domestic Industry in general and/or your firm/entity specifically. In your response, please discuss the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

Market Data

2. A list of known sources of information on national or regional prices for the Domestic Like Product or the Subject Merchandise in the U.S. or other markets.
3. A list of 3-5 leading purchasers in the U.S. market for the Domestic Like Product and the Subject Merchandise (including street address, World Wide Web address, and the name, telephone number, fax number, and E-mail address of a responsible official at each firm).
4. Do you have access to any market reports covering the period of 2019-2020? In particular, do you have either the: (1) China Candle Market Analysis: Reports from China (2020), or (2) the “2020 Market Research Report on Global Candle Industry,” QY Research Candle Research Center (2020)? If so, please provide.

Market Supply Conditions:

Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad).

5. Since the last sunset review in 2016, have there been any changes in U.S. supply of candles? In the prior sunset review, the Commission found (a) China was a prominent supplier of paraffin wax to the U.S., and (b) China was a predominant exporter of candles worldwide. The Commission also found non-subject imports (*i.e.*, meaning imports of candles from countries other than China) increased, particularly from Vietnam. When the Commission examines “supply conditions”, the Commission looks at manufacturing technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including import barriers in foreign markets or changes in market demand abroad).
 - a. Are you aware of any U.S. producers that have entered or exited the market since 2016?
 - b. Have any U.S. producers expanded or shuttered production facilities over the past five years? If so, please identify the company, as well as the amount that U.S. production capacity changed?
 - c. Has the industry experienced any notable changes to the “supply conditions” noted above since 2016 (*e.g.*, has manufacturing technology changed in any notable way?; have production methods changed in any notable way?; has the industry experienced any changes in the cost, use, or availability of any major inputs?)
 - d. Have there been significant changes in import supply?
6. Since the completion of the 4th review of this order, the administration has imposed additional tariffs on a wide variety of products from China (*e.g.*, Section 301 tariffs), including paraffin wax and candles. Have these additional tariffs affected your company’s

supply of paraffin wax or other inputs into candle production or the price at which these products are available? Please describe.

7. Have the tariffs affected the availability or price of petroleum wax candles from China in the U.S. market? Please describe.
8. Regarding worldwide supply, do you have any market intelligence about the supply of candles from Chinese producers (*e.g.*, added capacity, expansion of facilities, new alliances with U.S. manufacturers or retailers) over the past five years (2016-20)?
 - a. Did any Chinese supply conditions change in the past five years and are they expected to change in the next five years?
 - b. What incentives are provided to the Chinese producers by the U.S. market (*e.g.*, higher prices, larger profits, or others)?
9. Do you have any information regarding projected trends for U.S. supply and global supply of candles for the next 2-3 years (2021-2024)? Does your company have corporate strategies or marketing plans that outline such projections?
10. In particular, the U.S. import statistics show extremely low import average unit values (“AUVs”, which are based on the value of imports divided by the quantity of imports) for 2019. Imports from Mexico and Dominican Republic had an average AUV of less than \$1.60 per kilogram in 2019, while AUVs for imports from India were around \$2.15 per kilogram. AUVs from China, on the other hand, were \$4.33 per kilogram in 2019. Likewise, imports from Vietnam have increased by nearly 70 percent from 2016 to 2019, while the AUV of imports from Vietnam has fallen during that time. Overall, non-subject imports accounted for the vast majority of imports, averaging around 95% of all imports from 2016 to 2019, with imports from Vietnam, Canada, Mexico, and India leading with the largest quantity of imports in 2018 and 2019. Do you have any information on who the producers in these countries are and what they are shipping to the United States?
11. In the prior sunset review, the Commission noted that the price of paraffin wax, the primary raw material input in the production of subject candles, had increased since 2010, along with other increasing costs of raw materials.

- a. Please explain the cost trends during the past five years of paraffin wax and other costs of raw material inputs.
- b. Have labor expenses increased in the past five years?

Market Demand Conditions

Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Country, and such merchandise from other countries.

12. Since the last sunset review in 2016, have there been any changes in demand for candles? In the prior sunset review, U.S. demand had declined significantly after the 2008 recession and had not yet recovered. Demand conditions noted by the Commission in the third sunset review include end uses and applications; the existence and availability of substitute products (“substitutable products” are products used in place of the candles that are covered by the China unfair trade tariffs), and the level of competition among U.S.-produced candles, candles produced in China, and candles produced in other countries. If so, please explain what factors or situations influenced any demand changes.
 - a. Has U.S. market demand for your company’s candles recovered to pre-2004 levels?
 - b. Are you aware of any secondary sources (trade journals and publications, studies, etc.) that may comment upon demand trends since 2016?
 - c. From 2016 to 2020, how would you describe U.S. demand? In other words, what trend (increasing, decreasing, or unchanged) would best describe U.S. market demand over the review period?
 - d. Please provide any thoughts or comments on the Commission factors noted above. For example, since 2016, have we seen the emergence of, or a decline in, the use of certain substitutable products? Since 2016, has the industry witnessed the emergence of new end uses or applications for candles, or a decline in formerly common end uses and applications?

13. What are the projected trends for U.S. demand and worldwide demand for candles over the next 2-3 years (2021-2024)? Does your company have corporate strategies or marketing plans that outline such projections?
14. Who are your top three-five U.S. customers in terms of volume of sales during the past five years?
 - a. Please provide the name, address, website, contact person, telephone, and email address of the U.S. customers.
 - b. What type of category are the purchasers (*i.e.*, mass merchandisers, department store, craft store, discount retailer, specialty stores, card and gift shops, door-to-door sales, local sales, sales to individual organizations, warehouse clubs, other (explain))?
15. Have you seen any other new products introduced into the U.S. market in the last five years? If so, please explain.
16. Are there any public pricing publications or sources or websites for candles? If so, please identify and provide a website or contact information.
17. Do you know of any publications that provide industry or market (US or worldwide) assessments for candles? If so, please identify and provide a website or contact information.

COVID-19 pandemic on supply from China, U.S. Supply and U.S. Demand

18. In 2020, many markets have been impacted by the COVID 19 pandemic. Has this affected the supply of petroleum wax candles from China? Please describe.
19. Has it affected your U.S. production of petroleum wax candles? Please describe.
20. Has it affected U.S. demand for petroleum wax candles. Please describe.

Product Interchangeability

21. Is there still a high degree of interchangeability with domestic candles and Chinese candles?
 - a. Has anything changed over the past five years with regard to the substitutability of Chinese candles with domestically produced candles?

22. Does price remain a very important factor in purchasing decisions by your primary customers; particularly are high volume customers likely to switch suppliers based on price differences?
 - a. What other factors are important to your customers (*i.e.*, quality, origin, other)?

Chinese Candle Industry

23. For a sunset review, it is critical that we obtain as much information as possible regarding the Chinese candle industry. Chinese industries typically cannot be counted on to supply this information voluntarily. Virtually any information that can be obtained about the Chinese candle industry, its prices, its relationships with U.S. producers, and its markets will be extremely valuable. Please provide the names of all known candle producers and exporters in China.
 - a. If known, please provide a list identifying their names, address, and website.

 - b. If known, please provide an estimated production capacity for each known Chinese producer or any other relevant information (*i.e.*, size of production facilities or acceptable volume of sales).

 - c. If known, please provide an estimated annual production for each known Chinese producer?

24. Please provide any other information from which we might be able to estimate the amount of current and projected excess production capacity in the Chinese candle industry.

25. What information is available regarding candle prices in China, from 2016-2020? Please identify any sources of domestic candle sales data in China.

26. How long does it take to build or add candle production capacity in the U.S. or in China?

27. Please provide data regarding Chinese candle prices in other export markets for Chinese producers (other than the U.S.).