

EFFECTIVE DATE: October 10, 2003.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

Case History

On January 8, 2002, we published in the **Federal Register** the antidumping duty order on folding gift boxes from the People's Republic of China (PRC). See *Antidumping Duty Order: Certain Folding Gift Boxes from the People's Republic of China*, 67 FR 864 (Jan. 8, 2002).

On January 2, 2003, we published a notice of opportunity to request an antidumping duty administrative review on folding gift boxes from the PRC. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 68 FR 80 (Jan. 2, 2003). On January 30, 2003, pursuant to 19 CFR 351.213(b)(2), Red Point Paper Products Co., Ltd. (Red Point), a producer covered by the antidumping duty order, requested that the Department conduct an administrative review of the company. On January 31, 2003, pursuant to 19 CFR 351.213(b)(1), U.S. folding gift box producers Harvard Folding Box Company, Inc., and Field Container Company L.P. requested that the Department conduct an administrative review of Yun Choy Ltd. (Yun Choy), a Chinese producer and/or exporter of the subject merchandise. On February 21, 2003, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.221(c)(1)(i), we issued a notice of initiation of an antidumping duty administrative review of this order and named Red Point and Yun Choy as respondents of this review. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 68 FR 9048 (Feb. 27, 2003).

On April 14, 2003, Red Point submitted its Section A response, on April 21, 2003, its Sections C and D responses, and on June 11, 2003, its supplemental responses. Yun Choy received the original questionnaire but did not respond. See "The PRC-Wide Rate and Use of Facts Otherwise Available" section below.

Scope of Order

The products covered by this antidumping duty order are certain folding gift boxes. Certain folding gift boxes are a type of folding or knock-down carton manufactured from paper or paperboard. Certain folding gift boxes are produced from a variety of recycled and virgin paper or paperboard materials, including, but not limited to, clay-coated paper or paperboard and kraft (bleached or unbleached) paper or paperboard. The scope of the order excludes gift boxes manufactured from paper or paperboard of a thickness of more than 0.8 millimeters, corrugated paperboard, or paper mache. The scope of the order also excludes those gift boxes for which no side of the box, when assembled, is at least nine inches in length.

Certain folding gift boxes are typically decorated with a holiday motif using various processes, including printing, embossing, debossing, and foil stamping, but may also be plain white or printed with a single color. The subject merchandise includes certain folding gift boxes, with or without handles, whether finished or unfinished, and whether in one-piece or multi-piece configuration. One-piece gift boxes are die-cut or otherwise formed so that the top, bottom, and sides form a single, contiguous unit. Two-piece gift boxes are those with a folded bottom and a folded top as separate pieces. Certain folding gift boxes are generally packaged in shrink-wrap, cellophane, or other packaging materials, in single or multi-box packs for sale to the retail customer. The scope of the order excludes folding gift boxes that have a retailer's name, logo, trademark or similar company information printed prominently on the box's top exterior (such folding gift boxes are often known as "not-for-resale" gift boxes or "give-away" gift boxes and may be provided by department and specialty stores at no charge to their retail customers). The scope of the order also excludes folding gift boxes where both the outside of the box is a single color and the box is not packaged in shrink-wrap, cellophane, other resin-based packaging films, or paperboard.

Imports of the subject merchandise are classified under *Harmonized Tariff Schedules of the United States* (HTSUS) subheadings 4819.20.00.40 and 4819.50.40.60. These subheadings also cover products that are outside the scope of the order. Furthermore, although the HTSUS subheadings are provided for convenience and customs

purposes, our written description of the scope of the order is dispositive.

Non-Market-Economy Country Status

The Department has treated the PRC as a non-market-economy (NME) country in all past antidumping duty administrative reviews. See, e.g., *Final Results of Antidumping Duty Administrative Review: Synthetic Indigo from the People's Republic of China*, 68 FR 53711, 53712 (Sep. 12, 2003), and *Preliminary Results and Preliminary Partial Rescission of the Antidumping Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 68 FR 53109, 53114 (Sep. 9, 2003). A designation as an NME remains in effect until it is revoked by the Department. See section 771(18)(C) of the Act.

No party in this review has requested a revocation of the PRC's NME status. Therefore, we have preliminarily determined to continue to treat the PRC as an NME. When we review imports from an NME, section 773(c)(1) of the Act directs us to base the normal value (NV) on the NME producer's factors of production, valued in a market economy at a comparable level of economic development and that is a significant producer of comparable merchandise. The sources used to value individual factors are discussed in the "Factor Valuations" section, below.

Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single antidumping duty rate. In this case, Red Point has requested a separate company-specific rate. Red Point is a Hong Kong company wholly owned by non-PRC nationals. Hong Kong companies are treated as market-economy companies because it is considered as a separate customs territory within the PRC, as it was under British rule. See *Application of U.S. Antidumping and Countervailing Duty Laws to Hong Kong*, 62 FR 42965 (Aug. 11, 1997). Therefore, we determine that it is appropriate to calculate a separate rate for Red Point. Yun Choy did not submit any type of response to the Department's antidumping duty questionnaire. We preliminarily determine that Yun Choy did not establish its entitlement to a separate rate in this review and is therefore presumed to be part of the PRC NME entity and, as such, is subject to the PRC country-wide rate. See "The PRC-Wide Rate and Use of Facts Otherwise Available" section below.