

**CUSTOMS DUTY ON CANDLES FROM CHINA
SET AT 108.3% IN DUMPING DECISION**

Affects All Chinese Exporters of Petroleum Wax Candles

WASHINGTON, D.C., June, 2004 - To counteract U.S. candle industry losses from the unfair “dumping” of inexpensive candle imports from China, the Department of Commerce has ordered a 108.3 percent duty margin on petroleum wax candles entering the U.S. from China.

The new 108.3 percent anti-dumping duty affects all Chinese exporters and covers scented and unscented dinner candles (tapers, spirals and straight-sided), rounds, columns, votives, wax-filled containers, and pillars. Birthday and novelty candles are not covered by the order.

The Commerce Department action came as the result of its administrative review of an anti-dumping duty order covering candle imports from China for the period of 2001 - 2002. The National Candle Association (NCA) petitioned for the administrative review. The new duty was first set at 95.95 percent, effective March 15, 2004. The rate was then recalculated to 108.3 percent, effective April 19, following the discovery of ministerial errors in calculating the duty rate.

“The dumping of candles from the People’s Republic of China has seriously injured the U.S. candle industry, resulting not only in lost sales, but job layoffs and plant closures,” noted NCA Executive Vice President Valerie Cooper.

“From 1997 to 2002, the price of candle imports from China fell from \$1.52 per pound to 92 cents per pound, allowing the Chinese to nearly quadruple their sales volume in the U.S.,” added Cooper. “This wasn’t a case of lower prices through fair competition, but a violation of trade laws that distorted the marketplace and materially injured the U.S. candle industry.”

In 1985, when the U.S. candle industry first experienced a flood of inexpensive imports from the People’s Republic of China, the NCA filed an antidumping petition with the U.S. Department of Commerce and the International Trade Commission. The action resulted a year later in a 54.21% antidumping duty on Chinese petroleum wax candles, which had remained in effect until now. Dumping is the practice of selling goods at prices below their market value.

The National Candle Association is the major trade association representing U.S. candle manufacturers and their suppliers. It serves as the voice of the industry in promoting appropriate manufacturing practices, encouraging the safe and proper use of candles, providing technical expertise, and fostering a fair and responsible marketplace.