Whirlpool Advances In Fight Over Imports

The Associated Press

BENTON HARBOR, Mich. (AP) — Whirlpool Corp. advanced in its battle over foreign imports Wednesday after the Commerce Department reached a preliminary determination against South Korea for subsidies paid to appliance makers based there.

Whirlpool, based in Benton Harbor, Mich., filed a complaint in December that claims South Korea subsidized appliance companies that sell products in the U.S. Whirlpool said the subsidies violate U.S. and international trade laws.

It is one of several petitions that Whirlpool filed with federal regulators recently in an attempt to curb foreign imports that undercut the prices of products sold by U.S. companies.

The Department of Commerce said the South Korean companies included LG Electronics Inc., Samsung Electronics and Daewoo Electronics Corp., whose subsidy rate was 70.58 percent.

The federal regulatory agency noted that Daewoo's rate is based only on the information immediately available as the company did not work with the department on its investigation.

As a result of the decision, all the companies except LG will have to make a payment to U.S. Customs and Border Protection based on their subsidy rates.

In a statement, LG said, "LG Electronics respects the rules of international trade, and the company is gratified with the Commerce Department's preliminary determination in the investigation of Large Residential Washers."

Samsung said in its statement, "Samsung respects the trade rules in the U.S. market, and is confident that once the full investigation is concluded, the U.S. Department of Commerce will confirm that Samsung is in compliance with U.S. trade laws. We will continue to meet the demand from U.S. consumers for our superior washing machines."

Federal regulators will now try to determine if the imports threaten the U.S. appliance industry.

The Commerce Department expects to make a final determination in August. The U.S. International Trade Commission already made its preliminary decision in favor of U.S. manufacturers in February and is expected to make a final determination in September.

"We look forward to participating fully in the thorough investigation by the U.S.

Department of Commerce, and we are optimistic that the final determination will further validate that these subsidies undermine competition and cause material harm to the U.S. appliance industry," Whirlpool spokeswoman Kristine Vernier said in a statement.

Whirlpool makes appliances under its namesake brand as well as Maytag and KitchenAid. The company's shares rose 30 cents to close at $63.13 amid a broad sell-off in the rest of the market.

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