U.S. Imposes Duties On Samsung, LG Washers

Christopher S. Rugaber, AP Economics Writer

WASHINGTON (AP) — The U.S. Commerce Department has granted a request from Whirlpool Inc. to impose tariffs on washing machines imported from South Korea and Mexico.

The department said Monday that Samsung Electronics Co. and LG Electronics Inc. imported machines from Korea and Mexico at prices below fair market value, a practice known as dumping. Dumping is illegal under U.S. trade law and companies can seek duties to counteract it.

The department also says it will impose duties on washing machines from South Korea made by Daewoo Electronics Corp. and from Mexico by Electrolux, which is based in Sweden.

The tariffs range from 9.6 percent to 72.4 percent.

The decision is preliminary and won't become final until late January, after further investigation by Commerce and the U.S. International Trade Commission, an independent agency.

The companies targeted by the measure all said they would fight the decision. Spokespersons for Samsung and Electrolux said that some of the methods used by the Commerce Department to calculate the tariffs violate the World Trade Organization's rules.

Caryn Klebba, a spokeswoman for Electrolux, said that the company has one-tenth of the market share that Whirlpool has. "We don't believe we're injuring them," she said.

A Samsung spokesperson said that the company "strongly disagrees with this finding, and ... is confident that once the final phase of the investigation is completed, the Department of Commerce will determine that Samsung has not engaged in dumping and is in compliance with U.S. trade laws."

LG Electronics said it would "aggressively contest" the department's conclusions before a final decision is reached.

The tariffs will be imposed on about $434 million of imports from Mexico and $569 million from South Korea, based on 2011 data, the department said.

Whirlpool, based in Benton Harbor, Mich., is the world's biggest appliance maker. It has filed several complaints against imports from Korea and Mexico, after recently locating more of its own production in the U.S. In April, it lost a case that accused Samsung and LG of dumping refrigerators.

In the washing machine case, the department said that it has also imposed tariffs on Whirlpool's imports from Mexico.

Whirlpool said in a statement that it no longer imports washers from Mexico. The company instead makes clothes washers at a plant in Clyde, Ohio, where it says it has made "significant investments" and employs 3,500 workers.

"Whirlpool is committed to building products in the regions where they are sold and investing in our U.S. manufacturing presence," said Kristine Vernier, a Whirlpool spokesperson.

The company says that nearly all the washers it sells in the United States will be made domestically by 2013.

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