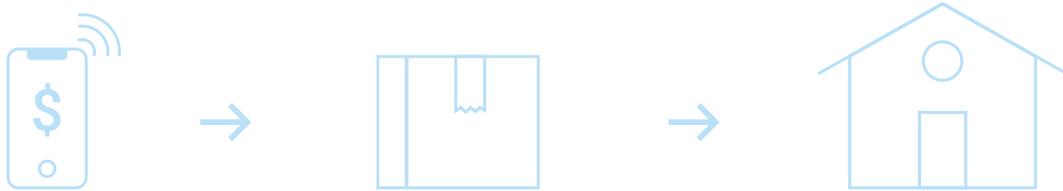


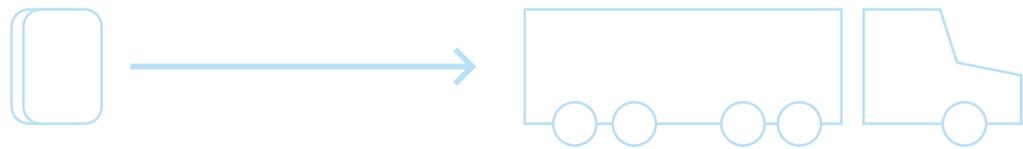


# Antidumping Fact Checker

*Both sides of the antidumping petition are using facts and figures to support their arguments. We're diving into the numbers to get to the heart of the issues.*



12,000 vs 63



# 1 Increase in Imports

## AMA Position

Aggregate imports from the eight countries included in the official petition (Cambodia, China, Indonesia, Malaysia, Serbia, Thailand, Turkey, and Vietnam) grew by 2.5% from 2018 to 2019.

## Petitioners' Position

Aggregate imports from Cambodia, China, Indonesia, Malaysia, Serbia, Thailand, Turkey and Vietnam grew collectively by 32% between 2017 and 2019. Imports from seven countries, excluding China, grew by 86,577%.



## SUMMARY

From 2017 to 2018, the eight countries saw 36% growth, and 2.5% growth from 2018 to 2019, for a total of 32% growth. This stems from a shift in consumer shopping preference to mattress-in-a-box brands in an online marketplace.

## The Difference

From 2017 to 2018, the eight countries saw 36% growth. This is attributed to the growing popularity of mattress-in-a-box brands and the shift of consumer shopping preference.

From 2018 to 2019, the eight countries saw 2.5% growth. Online sales continued to climb, reflecting continued demand.

Then, in 2019, China was hit with massive antidumping duties and essentially knocked out of the U.S. market. But there was still unmet demand in the U.S., so the other countries increased their production.

Data alone can tell many stories. In the recent antidumping petition, both the petitioners' and defendants' numbers are correct—depending on how those numbers are presented. The percentages can look imposing, depending on which parameters are included. An examination of actual units shows a normal increase for a growing market—which does not indicate dumping.

If we look at the aggregate imports by unit, we see that in 2017, 4.6 million units in total were imported from all eight countries. In 2018, that number increased to 5.94 million. And finally, in 2019, the total reached 6.09 million imports. Compared to the ISPA-reported 23.63 million mattresses produced in the U.S. by domestic manufacturers, imports are still the vast minority.



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## 2 Number of Jobs Lost

### AMA Position

An estimated 12,000 jobs rely directly on the American businesses that import mattresses. A further 256,000 American retail jobs in the home furnishings and mattress industries would be negatively impacted should this move forward.

### Petitioners' Position

More than 40 U.S. Mattress Manufacturers were forced to close, resulting in thousands of lost jobs because of unfair trade practices and huge increases of dumped and subsidized imports from 2017 to 2019..

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12,000 vs 63

### SUMMARY

The petitioners' mergers and acquisitions led to 1,278 job losses (nearly identical to the petitioners' claimed injury by importers) but created 1,215 new jobs, for a total net loss of 63 jobs, based on an analysis of press releases.

### The Difference

If you examine the mergers and acquisitions of the petitioners and domestic manufacturers, a different story begins to emerge. In the past few years, several large companies in the domestic industry have merged, which explains many of the factory closures and job losses—they're simply consolidations.

In the 2019 case against China, the petitioners cited 1,300 job losses as proof of injury. They're re-using those same numbers (an issue in itself) in the current case to prove injury due to dumping, but according to domestic manufacturer press releases, these losses can be contributed to something else.

Not a single press release or media article from the petitioners in either case blamed "dumped mattresses" or foreign bad actors for their alleged job loss, but rather noted prestigious acquisitions and restructuring. A careful analysis of press releases shows total job losses from these mergers as 1,278 (nearly identical to the petitioners claimed injury), but new jobs created at 1,215.

A comparable analysis of the 40 factory closures reaches similar conclusions, with mergers, consolidations, and upgrades as the culprit—never importers.

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*Sources available on page 06.*



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# 3 Barring Imports

## AMA Position

The petition aims to immediately bar American businesses from ordering imported mattresses due to the risk of paying back-tariffs up to 989%.

## Petitioners' Position

The petition is a request for the U.S. Government to investigate alleged unfair trade. The Government determines if or when duties are warranted. Importers can still source from wherever they choose; however, if importers rely on dumped product, they may eventually have to pay a duty.

## The Difference

True, the petition does not legally bar imports. But, it certainly stops them.

To import with duties at nearly 1,000%, or ten times higher prices, means a mattress that cost \$500 would skyrocket to over \$5,000. If retailers can't afford the product, the petitioners are essentially preventing imports and fair competition. After China was hit with duties in 2019, imports to date in 2020 dropped to 6,836 mattresses, or just 0.34% of all imports.

Plus, the petitioners don't account for "critical circumstances." Critical circumstances retroactively add duties to mattress imports that occur during the trial. If companies continue to import, they could face tens of millions in duties when the case concludes.

Importers incur huge risks and potential bankruptcy if they continue to import and critical circumstances are enacted. International manufacturing operations across the world stall, close their doors, or shift to new markets, unable to support themselves or their workforce through six months of inaction.



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## SUMMARY

The petition does not legally bar imports, but it effectively ends them by making an imported mattress up to 10 times more expensive.



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# 4 COVID-19 Pandemic

## AMA Position

That same risk, due to critical circumstances, makes it dangerous for American businesses to order more imported mattresses as they continue to supply hospitals and emergency centers across the country in the fight against COVID-19.

## Petitioners' Position

There is no shortage of mattresses in the U.S. Thousands of mattresses have already been donated and U.S. manufacturers have capacity to produce 400,000+ mattresses a week during the COVID-19 crisis.



## SUMMARY

**The petitioners may have the capacity to help in the COVID-19 fight, but their production models are not well suited for a crisis. Importers have ready-to-ship inventory stocked across the country and believe everyone should help as they can.**

## The Difference

Capacity and reality are very different things—it all comes down to timing. The time required by the made-to-order models of domestic manufacturers is misaligned with the unpredictable orders and rapid-fire timelines the medical community needs. An article by a former Leggett & Platt director, who now owns his own mattress manufacturing facility, explains the process step-by-step.

Many of the companies targeted by petitioners have ready-to-ship mattresses and strategic distribution centers designed to satisfy quick timelines, which is essential to meet the needs of medical facilities frantically ordering product. AMA members have business models that rely on speed, deep inventories, and ultra-fast shipping.

For example, an AMA member received a call from a pop-up hospital on Tuesday afternoon for 900 beds, bed frames, and mattress protectors that were needed on-site within 44 hours. They met that need.

So, while domestic manufacturers may have the capacity to help, we do not believe their production models support an adequate response to the COVID-19 pandemic.

It is essential to remember that petitioners chose the timing of this fight, not importers. The AMA does not want to limit any company's ability to provide relief to the healthcare community and those suffering. We just ask that both importers and domestic manufacturers can help, without endangering American jobs.



# 5 Injured by “Dumped” Imports

## AMA Position

The AMA denies any dumping. Our members operate within the laws governing free and fair trade. The petitioners cite dumping as the reason for injury, but their lack of knowledge and slow transition into ecommerce sales combined with a reliance on a singular marketplace caused a loss in market share.

## Petitioners’ Position

American mattress manufacturers have been injured by very low-priced imports of mattresses.



## SUMMARY

If there has been any injury, it is not a result of imports. It is the result of the petitioners’ dismissal of ecommerce sales, reliance on a singular marketplace, and their own priorities.

## The Difference

The American Mattress Alliance asserts no dumping is occurring. Domestic manufacturers can produce mattresses at prices lower than imports. For example, Corsicana, one of the petitioners, can wholesale a 12-inch Queen mattress for less than importers’ landed cost.

If the petitioners assume most imports are 12-inch queen mattresses, average prices of imports would look low. But, the majority of imports are not 12-inch Queen mattresses. For example, in one of the targeted countries, 73% of imported mattresses are smaller than a Queen size.

And, if petitioners are looking at online pricing and expecting the margin structure of a retail environment, prices would also appear to be low. However, online channels are comfortable with leaner margins as they try to win market share with much lower overhead. The petitioners’ lack of expertise in this area could lead to incorrect assumptions.

Most domestic manufacturers are just now adapting to an online marketplace, which explains why their growth has not matched the growth of online mattress sales. In an article detailing the recent merger of Tuft & Needle (a major online retailer) with Serta Simmons Bedding, the co-founder of Tuft & Needle J.T. Marino references that a direct-to-consumer approach is still not a priority:

*Since the merger, Marino has been working to educate SSB on the importance of the direct channel and why the company, which has been reliant on big mattress retailers, needs a direct line with its consumers. Still, getting the company to make that a priority has been difficult.*

[The full article is available here.](#)



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