



Customs Act 1901 – Part XVB

ANTI-DUMPING NOTICE NO. 2021/074

Precision pipe and tube steel

**Exported to Australia from the People’s Republic of
China, the Republic of Korea, Taiwan and the
Socialist Republic of Vietnam**

**Investigation No. 550 into Alleged Dumping and
Subsidisation**

**Preliminary Affirmative Determination No. 550
(PAD 550) and imposition of securities**

Public notice under section 269TD of the Customs Act 1901¹

On 31 March 2020, Dale Seymour, the then Commissioner of the Anti-Dumping Commission, initiated an investigation into the alleged dumping and subsidisation of precision pipe and tube (the goods) exported to Australia from the People’s Republic of China (China), the Republic of Korea (Korea), Taiwan and the Socialist Republic of Vietnam (Vietnam), following an application lodged by Orrcon Manufacturing Pty Ltd (Orrcon).

A full description of the goods is at **Appendix 1**.

As specified in the *Statement of Essential Facts No. 550* (SEF 550) and pursuant to section 269TD(1) of the *Customs Act 1901*², I am satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice and a countervailing duty notice in respect of the goods exported to Australia from China and that there appears to be sufficient grounds for the publication of a dumping duty notice in respect of the goods exported to Australia from Korea. As a result, I have made a preliminary affirmative determination (PAD) to that effect.

¹ This is a public notice under section 269TD(4)(a) of the *Customs Act 1901* (Cth) of the Commissioner’s preliminary affirmative determination and a public notice under section 269TD(5) of the *Customs Act 1901* (Cth) of the Commonwealth’s decision to require and take securities.

² All references in this notice to “the Act” are references to the *Customs Act 1901* (Cth), unless specified otherwise.

In making this PAD, having regard to the requirements of the Act and the findings in SEF 550, I am satisfied that dumped and subsidised goods exported from China and dumped goods exported from Korea appear to have caused material injury to the Australian industry producing like goods.

Under section 269TD(4)(b) of the Act, I am satisfied that it is necessary for the Commonwealth to require and take securities under section 42 in respect of any interim dumping and countervailing duty that may become payable on goods exported from China and Korea, in order to prevent material injury to the Australian industry occurring while the investigation continues.

However, as set out in SEF 550, I am not satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice in respect of goods exported from Taiwan or a dumping duty notice and a countervailing duty notice in respect of goods exported from Vietnam. This is because, having regard to the requirements of the Act and the findings in SEF 550, I am not satisfied that dumped or subsidised goods have been exported to Australia from Taiwan or Vietnam. As such, I am not satisfied it is necessary for the Commonwealth to require and take securities on goods exported from Taiwan or Vietnam.

The preliminary analysis of dumping and subsidy margins is tabulated below.

Exporter (Country)	Dumping Margin	Subsidy Margin
Dalian Steelforce (China)	2.9%	9.0%
Uncooperative exporters (China)	2.9%	51.6%
Uncooperative exporters (Korea)	6.2%	N/A
Ta Fong (Taiwan)	- 9.0%	N/A
Uncooperative exporters (Taiwan)	- 8.6%	N/A
CDI (Vietnam)	- 12.2%	0.0%
Vina One (Vietnam)	- 12.0%	0.0%
Residual exporters (Vietnam)	- 6.5%	0.0%
Uncooperative exporters (Vietnam)	- 6.5%	0.01%

The Commonwealth will require and take securities under section 42 of the Act in respect of interim dumping and countervailing duty that may become payable in respect of the goods exported from China and Korea, and entered for home consumption on, or after, **2 June 2021**.

The security that has been determined is an amount worked out in accordance with the *ad valorem* duty method, as detailed in the table below.

These securities will be imposed at the rate specified in the below table.

Exporter	Duty method	Effective rate of dumping and countervailing securities (%) ³
Dalian Steelforce	<i>Ad valorem</i>	9.0%
All other Chinese exporters	<i>Ad valorem</i>	51.6%
All other Korean exporters	<i>Ad valorem</i>	6.2%

The actual security liability may be higher than the effective rate of security due to a number of factors. Affected parties should contact **business.gov.au** on 13 28 46 or +61 2 6213 6000 (outside Australia) for further information regarding the actual security liability calculation in their particular circumstance.

I must report to the Minister for Industry, Science and Technology (the Minister) with final recommendations in relation to this investigation on, or before, 23 July 2021. The Minister will then decide whether to publish a dumping duty and countervailing duty notice and, if relevant, the level of measures to be imposed.

Further, if dumped or subsidised goods give rise to retrospective notices being imposed on the goods under section 269TN of the Act, the dumping duty and countervailing duty notice will also include the duties to be imposed retrospectively.

Enquiries about this notice may be directed to the case manager on telephone number +613 8539 2527 or via email at: investigations3@adcommission.gov.au

Dr Bradley Armstrong PSM
Commissioner
Anti-Dumping Commission
1 June 2021

³ As exporters from China are subject to both a dumping and countervailing duty, it is necessary to calculate the effective rate by 'backing out' or deducting any subsidy margin attributed to cost inputs used in determining the dumping margin in order to avoid double counting. See SEF 550 for more information.

Appendix 1 – Goods description

The goods are:

Certain electric resistance welded pipe and tube made of carbon steel, whether or not including alloys, comprising circular, rectangular and square hollow sections in metallic coated and non-metallic coated finishes. Metallic finish types for the goods include galvanised and aluminised. Non-metallic finishes include hot-rolled and cold-rolled.

Sizes of the goods are, for circular products, those equal to or less than 21 millimetres (“mm”) in outside diameter. Also included are air heater tubes to Australian Standard (AS) 2556, up to and including 101.6 mm outside diameter. For rectangular and square products, those with a nominal thickness of less than 1.6 mm (being a perimeter up to and including 260 mm).

Included within the goods are end-configurations such as plain, square-faced and other (e.g. threaded, swaged and shouldered).

The goods include all electric resistance welded pipe and tube made of steel meeting the above description of the goods (and inclusions), including whether the pipe or tube meets a specific structural standard or is used in structural applications.

Oval and other shaped hollow sections which are not circular, rectangular or square, are excluded from the goods.

Tariff Classifications

The goods are generally, but not exclusively, classified to the following tariff classification in Schedule 3 to the *Customs Tariff Act 1995* (Cth):

Tariff Subheading	Statistical Code	Description
7306	OTHER TUBES, PIPES AND HOLLOW PROFILES (FOR EXAMPLE, OPEN SEAM OR WELDED, RIVETED OR SIMILARLY CLOSED), OF IRON OR STEEL:	
7306.30.00	Other, welded, of circular cross-section, of iron or non-alloy steel:	
	30	Not exceeding 21 mm external diameter
7306.50.00		
	45	<i>Other, welded, of circular cross-section, of other alloy steel</i>
7306.6	Other, welded, of non-circular cross-section	
7306.61.00	<i>Of square or rectangular cross-section, of iron or non-alloy steel, not exceeding 279.4 mm perimeter:</i>	
	21	Wall thickness not exceeding 2 mm
7306.69.00	10	Of other non-circular cross-section

This tariff classification and statistical code may include goods that are both subject and not subject to this investigation. The listing of this tariff classification and statistical code is for convenience or reference only and does not form part of the goods description above. Please refer to this description for authoritative detail regarding the goods, the subject of this investigation.