



ANTI-DUMPING NOTICE NO. 2020/030

Public notice under section 269TC(4) of the *Customs Act 1901*

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**

Initiation of Investigation No. 550 into alleged dumping and subsidisation

Customs Act 1901 – Part XVB¹

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission, have initiated an investigation following an application lodged by Orrcon Manufacturing Pty Ltd (Orrcon), a manufacturer of precision pipe and tube steel (the goods) in Australia.

The application seeks the publication of a dumping duty notice in respect of 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). The application also seeks the publication of a countervailing duty notice in respect of the goods exported to Australia from China and Vietnam.

The application alleges that the goods have been exported from China, Korea, Taiwan and Vietnam to Australia at prices less than their normal value, that the goods exported from China and Vietnam were in receipt of countervailable subsidies and that the dumping and subsidisation has caused material injury to the Australian industry producing like goods through:

- price suppression;
- loss of profits; and
- reduced profitability.

The non-confidential version of the application, which contains the basis of the alleged dumping, subsidisation and resulting injury, is available on the public record on the Commission's website.

¹ Unless stated otherwise, all legislative references in this notice are to the *Customs Act 1901*.

Particulars of the reasons for the decision to initiate this investigation are in *Anti-Dumping Commission Consideration Report No. 550*, which is available on the public record.

The date of initiation of this investigation is the date of publication of this notice.

The Goods

The goods the subject of the application (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 millimetre ("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 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 classifications in Schedule 3 to the *Customs Tariff Act 1995*:

- 7306.30.00 (statistical code 30);
- 7306.50.00 (statistical code 45); and
- 7306.61.00 (statistical code 21).

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods described above. Please refer to this description for authoritative detail regarding goods, the subject of this investigation.

Investigation Process

The investigation period is 1 January 2019 to 31 December 2019. I will examine exports to Australia of the goods during this period to determine whether dumping and subsidisation has occurred. I will examine details of the Australian market from 1 January 2016 for the purposes of injury analysis.

Where the Minister for Industry, Science and Technology (the Minister) is satisfied, as to goods of any kind, that:²

- (a) the amount of the export price of the goods that have already been exported to Australia is less than the normal value of those goods, and the amount of the export price of like goods that may be exported to Australia in the future may be less than the normal value of the goods; and
- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened, or the establishment of an Australian industry producing like goods has been or may be materially hindered;

the Minister may, by public notice, impose interim dumping duties.

Where the Minister is satisfied, as to goods of any kind, that:

- (a) a countervailable subsidy has been received in respect of the goods that have been exported to Australia, and may be received in respect of like goods that may be exported to Australia in the future; and
- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened, or the establishment of an Australian industry producing like goods has been or may be materially hindered;

the Minister may, by public notice, impose interim countervailing duties.³

Where there are grounds for the Minister to publish a dumping and countervailing duty notice in respect of the goods, I will examine whether the trade in the dumped or subsidised goods give rise to retrospective notices being published pursuant to section 269TN, and make recommendations to the Minister accordingly.⁴

Proposed model control code structure

On 9 August 2018, the Commission advised in Anti-Dumping Notice (ADN) No. 2018/128 that a model control code (MCC) structure would be implemented in new

² In accordance with section 269TG.

³ In accordance with section 269TJ.

⁴ In accordance with sections 269TG(1) and TJ(1).

investigations, reviews of exporters generally or continuations for cases initiated after this date, as required.⁵

As noted in that ADN, in developing the MCC structure, the Commission will have regard to differences in physical characteristics that give rise to distinguishable and material differences in price. The Commission's proposed MCC structure is at **Appendix 1**.

The Commission welcomes submissions with respect to the proposed MCC structure. Submissions should be raised as soon as is practicable, but no later than **Thursday 7 May 2020**, being the day submissions concerning this investigation are due.

Interested parties are also encouraged to make submissions on whether the proposed MCC structure should be accepted by the Commission in their particular circumstances. All submissions with respect to the proposed MCC structure will be considered by the Commission and reported in verification reports or in the Statement of Essential Facts (SEF).

Public Record

I must maintain a public record of each investigation. Documents included in the public record are available at: www.adcommission.gov.au

The public record will contain, among other things, a copy of the application, *Anti-Dumping Commission Consideration Report No. 550* and copies of all non-confidential submissions from interested parties. Letters and electronic mail are generally regarded as submissions, if they contain information relevant to the investigation.

Lodgement of Submissions

Interested parties, as defined by section 269T(1), are invited to lodge submissions concerning the publication of the dumping/countervailing duty notice sought in the application, no later than the close of business on **Thursday 7 May 2020**, addressed to:

The Director
Investigations 3
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601
Australia

or by email to: investigations3@adcommission.gov.au

⁵ Full guidance regarding the Commission's application of an MCC structure is provided in ADN No. 2018/128 on the Commission website at: www.adcommission.gov.au

Interested parties wishing to participate in the investigation must ensure that submissions are lodged by the due date. Interested parties should note that I am not obliged to have regard to a submission received after the date above, if to do so would, in my opinion, prevent the timely placement of the SEF on the public record.

Interested parties should also note that I am directed to consider the matters set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* in certain circumstances.⁶ This is available at: www.legislation.gov.au

Interested parties may reply to matters raised by other parties during the course of the investigation and in response to the SEF.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "FOR OFFICIAL USE ONLY".

Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

Lodgement of Exporter Questionnaires

Exporters of the goods to Australia are invited to participate in this investigation by completing the exporter questionnaire and the associated spreadsheets by **Thursday 7 May 2020**.

The exporter questionnaire and the associated spreadsheets are available under the case information for ADC 550 (which can be found under 'current cases and their electronic public record') on the Commission website, www.adcommission.gov.au Alternatively, exporters can email investigations3@adcommission.gov.au upon receipt of this letter and the Commission will forward the exporter questionnaire and spreadsheets for completion.

⁶ Certain powers and functions under the *Customs (Extensions of Time and Non-cooperation) Direction 2015* have been delegated to the Anti-Dumping Commission's General Managers (Anti-Dumping Notice No. 2017/10, available at www.adcommission.gov.au refers).

Provisional Measures

Pursuant to section 269TD, I will make a preliminary affirmative determination (PAD) provided I am satisfied that there appears to be sufficient grounds for the publication of a dumping and countervailing duty notice or for the publication of a dumping and countervailing duty notice subsequent to the importation of the goods into Australia. This can occur no earlier than day 60 of an investigation.

In accordance with section 269TD, the Commonwealth may apply provisional measures, including the taking of securities under section 42, in respect of interim dumping and countervailing duty that may become payable on the goods, where: a PAD has been made; and the Commissioner is satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigation continues.

Where a PAD is not made 60 days after initiation of the investigation, the *Customs (Preliminary Affirmative Determinations) Direction 2015* (the PAD Direction) directs me to publish a status report providing reasons why a PAD was not made. The PAD Direction is available on the Federal Register of Legislation website at: www.legislation.gov.au

Statement of Essential Facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. In accordance with section 269TDAA, a SEF will be placed on the public record by **Monday 20 July 2020**⁷, or by such later date as allowed in accordance with section 269ZHI.⁸ The SEF will set out the essential facts on which I propose to base my recommendations to the Minister. Interested parties are invited to lodge submissions in response to the SEF within 20 days of it being placed on the public record.

Submissions received in response to the SEF within 20 days of that statement being placed on the public record will be taken into account in completing the report and recommendation to the Minister.

Report to the Minister

A recommendation to the Minister will be made in a report on or before **Wednesday 2 September 2020** (or such later date as allowed under section 269ZHI), on the basis of the examination of exportations of the goods to Australia during the investigation period, unless I terminate the investigation.

The Minister must make a declaration within 30 days after receiving the report, or such longer period as the Minister considers appropriate.

⁷ Day 110 falls on a Sunday, therefore the effective due date is the next working day.

⁸ On 14 January 2017, certain powers and functions of the Minister under section 269ZHI were delegated to the Commissioner of the Anti-Dumping Commission. Refer to ADN No. 2017/10 for further information.

Anti-Dumping Review Panel

Certain persons will have the right to seek review with the Anti-Dumping Review Panel in accordance with Division 9 of Part XVB, in relation to a decision by me to terminate the investigation, or a decision of the Minister to publish, or not to publish, a dumping duty notice and countervailing duty notice, after considering my report.

Interested Party List

Throughout the investigation, the Commission will maintain an internal list of interested parties. Updates on the investigation will be sent to parties on this list. If you would like to be added to the interested party list, please email:

investigations3@adcommission.gov.au

Anti-Dumping Commission Contact

Enquiries about this notice may be directed to the Case Manager at:

investigations3@adcommission.gov.au

A handwritten signature in black ink, appearing to read "Dale Seymour". The signature is written in a cursive, flowing style.

Dale Seymour
Commissioner
Anti-Dumping Commission

25 March 2020

Appendix 1

Proposed model control code (MCC) structure

	Category	Sub-Category	Identifier	Sales Data	Cost Data
1	Prime	Prime	P	Mandatory	Not applicable
		Non-Prime	N		
2	Steel Base/Type * Batch Hot Dipped Galvanised abbreviated as 'Batch HDG'; Electro Galvanised abbreviated as 'EG'; Continuously Galvanised abbreviated as 'CG'; Mild Steel Galvabond as 'MSGB'.	Hot Roll	H	Mandatory	Mandatory
		Cold roll (Semi Bright)	C		
		Galvanised (Batch HDG,EG,CG or MSGB)	G		
		Other (e.g. alloy steel)	A		
3	Steel Grade	C200	1	Mandatory	Mandatory
		C250	2		
		C350	3		
		C450	4		
		Other	5		
4	Surface Protection	Oiled	O	Mandatory	Mandatory
		Clear or painted	P		
		No oil or paint	N		
5	Coating Mass	<20 g/m ² (including none)	1	Mandatory	Mandatory
		≥20 g/m ² to <100 g/m ²	2		
		≥100 g/m ² to <275 g/m ²	3		
		≥275 g/m ²	4		
6	Shape	Circular	C	Mandatory	Mandatory
		Rectangular or Square	R		
7	Circular size * outside diameter ** Circular products with an outside diameter between >21 mm to ≤101.6 mm which are not air heater tubes are not the goods.	Not circular	N	Mandatory	Mandatory
		≤16 mm	1		
		>16 mm to ≤21 mm	2		
		>21 mm to ≤101.6 mm (Air Heater Tubes)	3		
8	Rectangular/Square/ Oval/Other size * outside perimeter	Not rectangular/square	N	Mandatory	Mandatory
		≤40 mm	1		
		>40 mm to ≤80 mm	2		
		>80 mm to ≤260 mm	3		
9	Thickness	<1.6 mm	A	Mandatory	Mandatory
		≥1.6 mm to <3.2 mm	B		
		≥3.2 mm	C		
10	Length	≤4 m	1	Mandatory	Optional
		>4m to ≤8 m	2		
		>8 m to ≤12.0 m	3		
		>12.0 m	4		
11	End configuration	Plain end	P	Optional	Optional
		Threaded/flanged/swaged	T		
		Other (e.g. square faced)	O		