



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

Customs Act 1901 – Part XVB

Anti-Dumping Notice No. 2017/95

Certain Hollow Structural Sections

**Exported to Australia from the People's Republic of
China, the Republic of Korea, Malaysia and Taiwan**

Initiation of a Review of Anti-Dumping Measures

Notice under subsection 269ZC(4) of the *Customs Act 1901*

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission have initiated a review of the anti-dumping measures applying to certain hollow structural sections (HSS or the goods) exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea), Malaysia and Taiwan. The anti-dumping measures are in the form of a countervailing duty notice in respect of China and a dumping duty notice in respect of China, Korea, Malaysia and Taiwan.

The review will examine whether the variable factors (export price, normal value, non-injurious price and, in relation to China, the amount of countervailable subsidy received) relevant to the taking of the anti-dumping measures as they affect exporters of the goods from China, Korea, Malaysia and Taiwan generally, have changed.

The Goods

The goods subject to the anti-dumping measures and therefore this review are:

certain electric resistance welded pipe and tube made of carbon steel, comprising circular and non-circular hollow sections in galvanised and non-galvanised finishes. The goods are normally referred to as either CHS (circular hollow sections) or RHS (rectangular or square hollow sections). The goods are collectively referred to as HSS (hollow structural sections). Finish types for the goods include in-line galvanised (ILG), pre-galvanised or hot-dipped galvanised (HDG) and non-galvanised HSS.

Sizes of the goods are, for circular products, those –exceeding 21 mm up to and including 165.1 mm in outside diameter and, for oval, square and rectangular products those with a perimeter up to and including 1277.3 mm. Categories of HSS excluded from the goods are conveyor tube; precision RHS with a nominal thickness of less than 1.6 mm; and air heater tubes to Australian Standard (AS) 2556.

Tariff classification of the goods

The goods are currently classified to the following tariff subheadings and statistical codes in Schedule 3 to the *Customs Tariff Act 1995*:

- 7306.30.00 (statistical codes 31, 32, 33, 34, 35, 36 and 37)
- 7306.61.00 (statistical codes 21, 22 and 25)
- 7306.61.00 (statistical code 90)¹
- 7306.69.00 (statistical code 10)
- 7306.50.00 (statistical code 45)²

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

Background to the anti-dumping measures

The anti-dumping measures were initially imposed by public notice on 3 July 2012 by the then Minister for Home Affairs following consideration of *International Trade Remedies Branch Report No. 177* (REP 177). The measures currently apply as follows:

- the dumping duty notice applies to all exporters of HSS from China, Korea, Malaysia and Taiwan; and
- the countervailing duty notice applies to all exporters of HSS from China except Dalian Steelforce Hi-Tech Co Ltd, Huludao City Steel Pipe Industrial Co Ltd and Qingdao Xianxing Steel Pipe Co Ltd.

The anti-dumping measures on HSS exported to Australia from the nominated countries were due to expire on 2 July 2017. Following consideration of *Anti-Dumping Commission Report No. 379*, the Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (Parliamentary Secretary)³ on 21 June 2017 determined that the dumping duty notice and countervailing duty notice would continue in force after 2 July 2017 and that, after that date, the notices would have effect as if different variable factors had been fixed relevant to the determination of duty.

The current review

On 23 June 2017, an application was lodged by Austube Mills Pty Ltd (ATM) under subsection 269ZA(1) of the *Customs Act 1901* (the Act)⁴ requesting a review of the variable factors relevant to the taking of the anti-dumping measures relating to exports of the goods to Australia from China, Korea, Malaysia and Taiwan as they relate to exporters of the goods

¹ These tariff subheadings only apply to: Dalian Steelforce Hi-Tech Co. Ltd. (China); Tianjin Friend Steel Pipe Co. Ltd. (China); Tianjin Ruitong Iron and Steel Co. Ltd. (China); Roswell S A R Limited (China); and Alpine Pipe Manufacturing SDN BHD (Malaysia).

² Ibid.

³ On 19 July 2016, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Industry, Innovation and Science. For the purposes of this review the Minister is the Parliamentary Secretary to the Minister for Industry, Innovation and Science.

⁴ All legislative references are to the *Customs Act 1901* unless otherwise stated.

generally.

Following consideration of the application, I decided not to reject it and to undertake this review. Particulars of the reasons for the decision to undertake this review are shown in *Anti-Dumping Commission Consideration Report No. 419* which has been placed on the public record on the Commission's website at www.adcommission.gov.au.

The review period is 1 July 2016 to 30 June 2017 and covers all exports of the goods to Australia from China, Korea, Malaysia and Taiwan. The review will examine whether the variable factors relevant to the taking of the anti-dumping measures have changed as they affect exporters of the goods generally.

After concluding the review, I will recommend to the Parliamentary Secretary that the dumping duty notice and countervailing duty notice:

- i. remain unaltered; or
- ii. have effect as if different variable factors had been ascertained.

If an affected party considers that it can provide evidence that may satisfy me that there are reasonable grounds for determining that the anti-dumping measures are no longer warranted, that party may lodge an application⁵ no later than 21 August 2017⁶, to request that I consider that evidence to extend the review of the anti-dumping measures to include revocation.

Public record

A public record must be maintained for this review. The public record must contain, among other things, a copy of all submissions from interested parties.

Documents included in the public record may be examined at the Commission's office by contacting the case manager on the details provided below. Alternatively, the public record is available at www.adcommission.gov.au.

Lodgement of submissions

Interested parties, as defined in subsection 269T(1), are invited to lodge written submissions concerning this review, no later than the close of business on 21 August 2017, being 37 days after the publication of this notice.

The Commission's preference is to receive submissions via *email* to: investigations4@adcommission.gov.au

If an email submission is not possible, the following alternatives are available:

- *mail*: The Director Investigations 4
Anti-Dumping Commission
GPO Box 2013
CANBERRA ACT 2601
- *fax*: +61 3 8539 2499

Interested parties wishing to participate in the review must ensure that submissions are lodged promptly. Where an interested party claims that information contained in their

⁵ In accordance with section 269ZCA.

⁶ In accordance with section 269ZCB(1)(a). The legislated due date is 20 August 2017, however because this is a Sunday, the effective due date is the next business day, Monday 21 August 2017.

submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, an interested party must:

- a. 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
- b. 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 for the public record in accordance with the requirement above (clearly marked "PUBLIC RECORD").

Interested parties should note that I am not obliged to have regard to a submission received after the date indicated above if to do so would, in my opinion, prevent the timely placement of the statement of essential facts (SEF) on the public record.⁷

Sampling of exporters

For China and Taiwan, I propose to make findings on the basis of the information obtained from an examination of a selected number of exporters as outlined at [Attachment A](#).

Statement of Essential Facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Parliamentary Secretary within the legislative timeframe. The SEF will be placed on the public record by 1 November 2017, or by such later date as allowed in accordance with subsection 269ZHI(3). The SEF will set out the essential facts on which I propose to base a recommendation to the Parliamentary Secretary in relation to this review. Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF 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 my report and recommendation to the Parliamentary Secretary.⁸

Report to the Parliamentary Secretary

A recommendation to the Parliamentary Secretary will be made in a report on or before 18 December 2017⁹ (or such later date as allowed in accordance with subsection 269ZHI(3)).

The Parliamentary Secretary must make a declaration under subsection 269ZDB(1) within 30 days after receiving my report, or if the Parliamentary Secretary considers there are special circumstances, such longer period, as the Parliamentary Secretary considers appropriate.

⁷ Subsection 269ZD(3).

⁸ Subsection 269ZDA(3)(iv).

⁹ The legislated due date is 16 December 2017. As this is a Saturday, the effective due date is the next business day, 18 December 2017.

Future reviews

Under subsection 269ZA(2), an application for a review must not be made earlier than 12 months after the publication of the notice implementing the original measures or the notice declaring the outcome of the last review. Once a notice declaring the outcome of this review is published (regardless of the outcome), an application for a review of measures in relation to the dumping duty notice and countervailing duty notice that are the subject of this review cannot be made for a period of 12 months.

Commission contact

Enquiries about this notice may be directed to the Case Manager on telephone number + 61 2 6213 6965 or email at investigations4@adcommission.gov.au.

Dale Seymour
Commissioner
Anti-Dumping Commission

14 July 2017

Application of sampling provisions for China and Taiwan

Subsection 269TACAA(1) states that where the number of exporters from a particular country of export in relation to an investigation, review or inquiry is so large that it is not practicable to examine the exports of all of those exporters, then the investigation, review or inquiry may be carried out, and findings may be made, on the basis of information obtained from an examination of a selected number of those exporters who:

- (c) constitute a statistically valid sample of those exporters; or
- (d) are responsible for the largest volume of exports to Australia that can reasonably be examined.

I note that there are many suppliers of the goods from China and Taiwan listed in the Australian Border Force (ABF) import database during the review period. Given the large number of exporters, it is not practicable to examine the exports of all of those exporters. Accordingly, I will, for China and Taiwan only, carry out this review on the basis of information obtained from an examination of a selected number of exporters who are responsible for the largest volume of exports to Australia that can reasonably be examined. All exporters from Korea and Malaysia are encouraged to participate in the review process.

Selected exporters

I intend to limit the review to an examination of exports by:

China

- Dalian Steelforce Hi-Tech Co. Ltd;
- Huludao City Steel Pipe Industrial Co. Ltd;
- Tianjin Youfa Steel Pipe Group Co. Ltd.

Taiwan

- Far East Machinery Co. Ltd;
- Shin Yang Steel Co. Ltd;
- Ursine Steel Co. Ltd.

According to data obtained from the ABF import database, the selected exporters represent over 95 per cent of the volume of the goods (measured by statistical quantity reported in kilograms) exported to Australia from China and Taiwan during the review period.

The Commission will contact the selected exporters directly and invite them to complete an exporter questionnaire with respect to the review period. Certain importers may also be contacted directly and invited to complete an importer questionnaire.

If an exporter other than a selected exporter wishes to complete an exporter questionnaire, the exporter questionnaire has also been placed on the Commission's website at www.adcommission.gov.au.

If information is submitted by an exporter that is not named above as a selected exporter, the review must extend to that exporter unless to do so would prevent the timely

completion of the review.

Responses to the exporter questionnaire are due by **21 August 2017**.

Residual exporters, information requests and associated spreadsheets for China and Taiwan

Exporters of the goods from China and Taiwan, other than the selected exporters named above, are requested to make themselves known to the Commission and provide a basic level of information, via an information request and associated spreadsheets. This information will assist in the review and may assist me to determine which additional exporters to include as selected exporters, if necessary, for example in the event that selected exporters named above do not cooperate with the review.

The information request and associated spreadsheets are available on the Commission's website at www.adcommission.gov.au.

By completing the information request and associated spreadsheets, for the purposes of this review, exporters of the goods will be regarded as 'residual exporters' if their exports are not examined as part of the review and they are not an uncooperative exporter in relation to the review.

In making assessments in relation to the variable factors for residual exporters, the Commission will not calculate:

- export prices that are less than the weighted average of export prices for cooperative exporters; and
- normal values that exceed the weighted average of normal values for cooperative exporters.⁴

The Commission will determine subsidy margins for the residual Chinese exporters having regard to the amount of countervailable subsidies received by the selected exporters.

Responses to the information request and associated spreadsheets are due by **21 August 2017**.

Uncooperative exporters and non-cooperative entities for China and Taiwan

For the purposes of this review, any exporter who does not cooperate with the review by providing a completed exporter questionnaire response or by providing a response to the information request and associated spreadsheets, may be considered as an uncooperative exporter and/or a non-cooperative entity.

Assessments in relation to the variable factors for uncooperative exporters and non-cooperative entities, will be based on all relevant information.