

31 August 2017

The Commissioner of the Anti-Dumping Commission
GPO Box 1632
Melbourne
VIC 3001

Public/Non-confidential

Dear Sir

Application for Exemption for Hollow Bar imported from China – Exemption 1

We would like to seek an exemption from anti-dumping and countervailing duties which have been imposed on hollow steel structures supplied by a company in China.

Please find details and further information below to support our claim for exemption:

Details of Applicant:

Ronih Enterprises Pty Ltd T/A SureGuide Australia
2/12 Edina Road, Ferntree Gully, VIC 3156
PO Box 21, Ferntree Gully, VIC 3156

Details of Contact Person:

Nicolette Hupertz
Administration Director
Tel: 03 9753 5505

Applicant's Interest as an Affected Party:

SureGuide Australia is a small business in Ferntree Gully, Victoria employing 3 staff. Our head office is in South Africa. We manufacture unique conveyor belt tracking units for use in heavy duty applications, such as mines, quarries, mills, etc. All our parts are machined and assembled to conform to the SureGuide South Africa's product line. Our product has 3 specific sizes: 30-series (152mm x 4mm (wall) tube), 40-series (193mm x 4.5mm (wall) tube) and 50-series (219mm x 4.5mm (wall) tube).

This application for exemption is specific to the 152mm tube. We have been unsuccessful in sourcing the 152 diameter locally as it is not of the standard product offerings of the steel mills.

Details of Other Parties Likely to Have an Interest in this Exemption Application:

There are no other known companies in Australia that would make use of this tube size - the subject of this exemption application.

Grounds on which Exemption is being sought - Exemption 1

Under subsection 8(7) it states "that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions, having regard to the custom and usage of trade".

Evidence that All Known Australian Producers have Been Contacted

- Please see attached product brochure and email correspondence from Orrcon confirming they do not manufacture the size being sought in this exemption application. Also note, they are not willing to supply imported goods this size in the small quantities we require.
- Please see attached product brochure from Austube Mills that shows that the subject goods are not offered as a standard product offering.

These companies do not locally manufacture the specific sizes we require. The local manufacturers could import the sizes in this exemption application however are not willing to process an order to import the smaller quantities we are seeking. Their minimum order quantity to import this size is from 20 tons up. We typically order quantities to a maximum of 1.7 tons. This amounts to 20 x 6m length tubes. 20 tons would equate to approx. 228 x 6m lengths. We do not have the storage capacity for such quantities in our factory.

Details of Anti-Dumping And Countervailing Measures Applying:

The Goods Subject To Measure Are:

Certain electric resistance welded pipe and tube made of carbon steel, comprising circular and non-circular hollow sections. Normally referred to as either CHS (circular or oval hollow sections) or RHS (rectangular or square hollow sections) collectively referred to as hollow structural sections (HSS).

Finish Types

- Galvanised (including in-line galvanised (ILG), pre-galvanised or hot-dipped galvanised (HDG)); or
- Non-galvanised (including, but not restricted to, painted, black, lacquered or oiled finishes).

Sizes

- Circular products – outside diameter exceeding 21 mm up to and including 165.1 mm; or
- Oval, square and rectangular products – perimeter up to and including 1277.3 mm; that may also be categorised according to minimum yield strength, the most common classifications being 250 and 350 mega Pascals (MPa).

The following descriptions are excluded from measures, exemption type "GOODS" applies:

- Conveyor tube made for high speed idler rolls on conveyor systems with inner and outer fin protrusions removed by scarfing;
- (not exceeding 0.1 mm on outer surface and 0.25 mm on inner surface), and out of round standards (i.e. ovality) which do not exceed 0.6 mm in order to maintain vibration free rotation and minimum wind noise during operation;
- Precision RHS with a nominal thickness of less than 1.6 mm; and
- Air heater tubes to AS 2556.

The goods are classified to the following subheadings in Schedule 3 to the Customs Tariff:

Tariff Item	Statistical codes
7306.30.00	31,32,33,34,35,36 and 37
7306.61.00	21, 22 and 25
7306.69.00	10

The countries subject to measures are China, Korea, Malaysia and Taiwan.

Detailed Statement Setting out Reasons for seeking an Exemption

- The goods for which the exemption is being sought is 6 meter length API 5L B PSL1 ERW pipe 152mm OD 4.0mm thickness. API 5L B PSL1 ERW is an Electric Resistant Welded round B-Grade carbon pipe product mild steel pipe.
- The application for exemption is on the grounds that no Australian steel mill currently manufacture the size we are seeking and are not willing to supply imported tube (pipe) in such small quantities.
- There is already an exemption in place for conveyor tube, so this could potentially be classified in the same category based on its end-use. The reasons are as follows:
 - The end product is used as tracking rollers on conveyor belts only.
 - The tube is used as a pod cover for our SureGuide 30-series conveyor belt tracking units. Inner and outer fin protrusions are removed as any sharp edges will cut/ damage the conveyor belt. Once we receive the tube, we cut it to size and cover with a rubber lagging.
 - The SureGuides can be custom made and used on high speed conveyor belts.
 - All parts for use in the SureGuide units are machined and moulded to exact specifications to fit into the tube. These specifications are an international specification based on the South African head office. Other tube sizes would not be viable as this would require a complete rework of all parts.
- Possible reasons for this exemption not applying to SureGuide is:
 - The tube being imported is not described as conveyor tube on the supplier invoice.
 - The tube is one component of the SureGuide tracker and not a completed product being imported.
 - The tube is not classified as precision RHS (rectangular box) with a thickness of less than 1.6mm.

SureGuide Australia hope that this application and supporting evidence is sufficient to show that the tube in question will be eligible for exemption from the anti-dumping and countervailing duties that currently apply.

Kindest Regards



Mrs Nicolette (Nicky) Hupertz
Administration Director