



Australian Government
**Australian Customs and
Border Protection Service**

CUSTOMS ACT 1901 - PART XVB

**INTERNATIONAL TRADE REMEDIES BRANCH
TERMINATION REPORT**

**ACCELERATED REVIEW OF
ANTI-DUMPING AND COUNTERVAILING
MEASURES**

**CERTAIN HOLLOW STRUCTURAL SECTIONS
EXPORTED FROM THE PEOPLE'S REPUBLIC OF
CHINA BY**

**JINAN IRON AND STEEL GROUP CO., LTD. COLD
ROLL-FORMING STEEL CO.**

TERMINATION REPORT NO. 206

13 MAY 2013

TABLE OF CONTENTS

1.	SUMMARY AND RECOMMENDATIONS	3
1.1	Applicable law	3
1.2	Recommendation	4
1.3	Findings and conclusions	4
2.	INTRODUCTION.....	5
2.1	Accelerated review process	5
2.2	Existing measures.....	5
2.3	Notification and participation	6
2.4	Goods under review	6
3.	TERMINATION GROUNDS	7
3.1	Findings.....	7
4.	EFFECT OF THE TERMINATION	8
5.	RECOMMENDATIONS.....	9

1. SUMMARY AND RECOMMENDATIONS

This accelerated review is in response to an application received in writing and lodged in accordance with section 269ZF of the Act¹ on behalf of Jinan Iron and Steel Group Co., Ltd. Cold Roll-forming Steel Co. (Jinan Iron and Steel) seeking an accelerated review of the dumping duty notice and countervailing duty notice applying to certain hollow structural sections (HSS) exported to Australia from the People's Republic of China (China).

The application made by Jinan Iron and Steel was considered to determine if it was valid as required by sections 269ZE, 269ZF of the Act and the definitions provided in section 269T of the Act.

The application was considered valid as required by sections 269ZF of the Act. There were no grounds to reject the application under sub-section 269ZE(2) and the exporter did not export during the new exporter period.

As the circumstances in which an accelerated review can be sought were satisfied, being that the applicant was a new exporter as defined in section 296T, the applicant was eligible to apply for an accelerated review, and thus a review was commenced.

This report sets out the aspects of the review that Jinan Iron and Steel has refused to cooperate with, leading to the recommendation that the accelerated review be terminated.

1.1 Applicable law

Division 6 of Part XVB of the Act enables eligible parties to apply for an accelerated review of measures. The Division, among other matters:

- sets out the procedures to be followed by the Chief Executive Officer of Customs and Border Protection (CEO) in dealing with applications or requests and preparing reports for the Minister; and
- empowers the Minister, after consideration of such reports, to leave the measures unaltered or to modify them as appropriate.

The CEO's powers under this Division have been delegated to certain officers of Customs and Border Protection (the delegate).

The CEO may terminate an accelerated review if satisfied that:

- the exporter is refusing to co-operate with any aspect of the review; or
- the exporter is related to an exporter who was a selected exporter in relation to the application for publication of that notice².

¹ A reference in this report to a provision of legislation, unless otherwise specified, is a reference to the Customs Act 1901.

² Ss 269ZE(3)

1.2 Recommendation

It is recommended that the delegate be satisfied that Jinan Iron and Steel is refusing to co-operate with an aspect of the accelerated review, and therefore terminate the review in accordance with paragraph 269ZE(3)(a) of the Act.

1.3 Findings and conclusions

Jinan Iron and Steel has not provided a response to the exporter questionnaire by the due date, 2 May 2013. The refusal to furnish a response to the exporter questionnaire amounts to a refusal to co-operate with an aspect of the review, and it is recommended that the delegate of the CEO terminate the review on this basis.

2. INTRODUCTION

2.1 Accelerated review process

Division 6 of Part XVB of the Act deals with accelerated reviews of anti-dumping measures.

If anti-dumping measures have been taken in respect of certain goods, a new exporter, who has not exported the goods to Australia during the period specified in section 269T may request an accelerated review of those measures as they affect that particular exporter, if they consider the measures are not appropriate to that exporter.

If an application for a review of anti-dumping measures is received and not rejected, Customs and Border Protection has up to 100 days to inquire and report to the Minister on the accelerated review of the measures.

In making recommendations in its final report to the Minister, Customs and Border Protection must consider the application for an accelerated review and make such inquiries as considered appropriate.

The CEO may terminate an accelerated review if satisfied that the exporter is refusing to co-operate with any aspect of the review or the exporter is related to an exporter who was a selected exporter in relation to the application for publication of that notice³.

2.2 Existing measures

On 19 September 2011, Customs and Border Protection initiated an investigation into the alleged dumping and subsidisation of HSS exported to Australia from China, the Republic of Korea (Korea), Malaysia, Taiwan and Thailand.

On 6 June 2012, Customs and Border Protection terminated the countervailing investigation insofar as it related to the Chinese exporters Huludao City Steel Pipe Co., Ltd and Qingdao Xiangxing Steel Pipe Co., Ltd, and terminated the dumping investigation into Thailand.

The Minister for Home Affairs accepted Customs and Border Protection's recommendations in relation to the alleged dumping of the goods from China, Korea, Malaysia and Taiwan and subsidisation of the goods exported to Australia from China contained in REP 177.

A dumping duty notice in respect of goods exported from China, Korea, Malaysia and Taiwan and a countervailing duty notice in respect of goods exported from China was published on 3 July 2012.

³ Ss 269ZE(3)

2.3 Notification and participation

On 8 January 2013, Qingdao Lightstar International Trade Co., Ltd (Qingdao Lightstar) lodged an application for an accelerated review of anti-dumping measures applying to exports of HSS from China to Australia in so far as it affects Qingdao Lightstar.

On 6 February 2013, Customs and Border Protection advised Qingdao Lightstar that its application for an accelerated review had been rejected, due to Qingdao Lightstar not being eligible to apply for an accelerated review, as Qingdao Lightstar is a trading company and is not a manufacturer of the goods, and is not considered to be an exporter.⁴ Customs and Border Protection further advised that regardless of which party is ultimately considered to be the exporter, the manufacturer from whom Qingdao Lightstar purchases HSS needed to complete a detailed exporter questionnaire and agree to a verification visit from Customs and Border Protection.

On 26 February 2013, Customs and Border Protection received an application for an accelerated review from Qingdao Lightstar's manufacturer, Jinan Iron and Steel. Securities were imposed by the delegate from 26 February 2013 on exports by Jinan Iron and Steel while the accelerated review proceeded.

2.4 Goods under review

The goods the subject of the measures (the goods) 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, hot-dipped galvanised (HDG) and non-galvanised HSS.

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

The goods are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995* (the Tariff Act):

- 7306.30.00 (statistical codes 31, 32, 33, 34, 35, 36 and 37);
- 7306.61.00 (statistical codes 21, 22 and 25); and
- 7306.69.00 (statistical code 10).

⁴ Further information on Customs and Border Protection's assessment of Qingdao Lightstar's application for an accelerated review can be found in REP 206.

3. TERMINATION GROUNDS

3.1 Findings

On 26 March 2013 Jinan Iron and Steel was sent an exporter questionnaire and given a due date of 2 May 2013 to submit its response to Customs and Border Protection.

Customs and Border Protection advised Jinan Iron and Steel:

- of the requirements for an accelerated review including the requirement to return a completed exporter questionnaire by the due date; and
- that Customs and Border Protection had taken securities in respect of interim dumping duty and countervailing dumping duty that may be payable on its exports of HSS.

Customs and Border Protection also requested Jinan Iron and Steel to provide a non-confidential copy of their application for publication on the public record. Jinan Iron and Steel refused to provide a non-confidential copy of their application for an accelerated review.

On 8 April 2013 Customs and Border Protection emailed Jinan Iron and Steel regarding their commitment to completing their exporter questionnaire by the due date but no response to this request was received.

No response to the exporter questionnaire was received by Jinan Iron and Steel, by 2 May 2013.

Customs and Border Protection considers the lack of a response to the exporter questionnaire a refusal to co-operate with an aspect of the review and therefore provides grounds to terminate the review in accordance with paragraph 269ZE(3)(a).

4. EFFECT OF THE TERMINATION

As a result of this termination, Jinan Iron and Steel's exports of HSS will remain subject to the 'selected non-cooperating exporters' anti-dumping duty and countervailing duty rates for China in accordance with the dumping and countervailing duty notice published on 3 July 2012.

In accordance with section 269ZH of the Act, if Jinan Iron and Steel has exports of HSS that were subject to securities (i.e. HSS exported by Jinan Iron and Steel that were imported and entered for home consumption in Australia between 26 February 2013 and 13 May 2013) these securities will now be converted to interim dumping duty and interim countervailing duty at the rate applicable to 'selected non-cooperating exporters' from China. Future exports of HSS will also be subject to this level of duty.

This termination does not affect Jinan Iron and Steel's right to apply for another accelerated review in accordance with section 269ZF of the Act.

5. RECOMMENDATIONS

It is recommended that the delegate of the CEO be satisfied that Jinan Iron and Steel is refusing to co-operate with an aspect of the review, and therefore in accordance with sub-section 269ZE(3) of the Act, terminate the review.