



ANTI-DUMPING NOTICE NO. 2015/58

Initiation of an anti-circumvention inquiry into the slight modification of goods exported to Australia

Hollow Structural Sections

Exported from the People's Republic of China, the Republic of Korea and Malaysia

Customs Act 1901 – Part XVB

I, Dale Seymour, Commissioner of the Anti-Dumping Commission have initiated an anti-circumvention inquiry into the slight modification of goods exported to Australia. The alleged circumvention goods are alloyed hollow structural sections (HSS) exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea) and Malaysia.

This follows an application made under subsection 269ZDBC(1) of the *Customs Act 1901* (the Act) by Austube Mills Pty Ltd (ATM), a manufacturer of HSS in Australia. ATM claims that circumvention activity in the form of the slight modification of goods exported to Australia has occurred.

Pursuant to section 269ZDBE of the Act, I have examined the application for the conduct of an anti-circumvention inquiry and have not rejected the application so far as it relates to exports from China, Korea and Malaysia.

The alleged circumvention goods

The alleged circumvention goods the subject of the inquiry are:

*Certain electric resistance welded pipe and tube made of **alloy 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 pre-galvanised, hot-dipped galvanised (HDG), and non-galvanised.*

The alleged circumvention goods are described as **alloyed HSS**.

The application alleges that a circumvention activity is occurring in the form of the slight modification of goods exported to Australia from China, Korea, Malaysia and Taiwan in order to avoid the anti-dumping measures. ATM claims that Chinese, Korean, Malaysian and Taiwanese exporters are slightly modifying their goods (i.e. HSS made from **carbon steel** that would have been subject to anti-dumping

measures) by adding minute amounts chemical alloys (e.g. boron) in order to avoid existing anti-dumping measures.

As I was not satisfied that reasonable grounds had been demonstrated to establish that a circumvention activity had occurred in relation to goods exported from Taiwan, I have decided to reject the application in so far as it related to Taiwan.

The anti-dumping measures

On 3 July 2012, anti-dumping measures, in the form of a dumping duty notice (the original dumping duty notice) and a countervailing duty notice (the original countervailing duty notice), were initially imposed by the then Minister for Home Affairs in relation to HSS (made from carbon steel) exported from China, Korea, Malaysia and Taiwan (the original countervailing duty notice only related to goods exported from China).

All exporters were subject to the original dumping duty notice, but the following Chinese exporters were exempt from the original countervailing duty notice:

- Huludao City Steel Pipe Industrial Co., Ltd (Huludao); and
- Qingdao Xiangxing Steel Pipe Co., Ltd. (Qingdao Xiangxing).

The anti-circumvention inquiry

A notice advising the initiation of this anti-circumvention inquiry was published in *The Australian* on 11 May 2015.

Consideration Report No. 291 (CON 291) contains the background to this inquiry, details of the application and the Commission's assessment of the application in accordance with the legislation. It is available on the Commission's website at www.adcommission.gov.au.

The anti-circumvention inquiry will examine whether any exporters of HSS from China, Korea or Malaysia have engaged in circumvention activity where there is a slight modification of goods exported to Australia, as outlined in subsection 48(2) of the *Customs (International Obligations) Regulation 2015*.

The alleged circumvention goods exported to Australia during the period 1 July 2010 to 31 March 2015 will be examined to determine whether the circumvention activity has occurred.

Unless the inquiry is terminated earlier, after concluding the inquiry, I will recommend to the Parliamentary Secretary to the Minister for Industry and Science (the Parliamentary Secretary) that pursuant to subsection 269ZDBG(1) of the Act, the original dumping duty notice in respect of HSS:

- remain unaltered; or
- be altered following a finding that circumvention activity in relation to the original notice/s has occurred; and
- the alterations to be made.

Lodgment of submissions

Interested parties, as defined by subsection 269T(1) of the Act, are invited to lodge written submissions concerning this inquiry no later than the close of business on 22 June 2015, addressed to

The Director
Operations 2 - Anti-Dumping Commission
Department of Industry and Science
GPO Box 9839
Canberra, ACT 2601

or by email at operations2@adcommission.gov.au.

Interested parties wishing to participate in the inquiry must ensure that submissions are lodged promptly. Interested parties should note that under subsection 269ZDBF(3) of the Act, I am not obliged to have regard to a submission received by the Commission after the date mentioned above if to do so would, in my opinion, prevent the timely placement of the statement of essential facts (SEF) on the public record.

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:

- 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
- 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").

Public Record

It is a legislative requirement to maintain a public record which may be examined at the Commission's office by contacting the case manager on contact details provided below. Alternatively, the public record is accessible at www.adcommission.gov.au.

The public record will contain, among other things, a copy of the non-confidential version of the application, CON 291 and a copy of all submissions from interested parties.

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. A SEF will be placed on the public record by 31 August 2015, or by such later date as the Parliamentary Secretary may allow in accordance with subsection 269ZH(3) of the Act. The SEF will set out the essential facts on which I propose to base a recommendation to the Parliamentary Secretary. That SEF will invite interested parties to respond to the issues raised within 20 days of the statement being placed on the public record.

Submissions received in response to the SEF will be taken into account in completing the report and recommendation to the Parliamentary Secretary.

Report to the Parliamentary Secretary

A recommendation to the Parliamentary Secretary will be made in a report on or before 13 October 2015 (or such later date as the Parliamentary Secretary may allow).

The Parliamentary Secretary must make a declaration within 30 days after receiving the report, or due to special circumstances, such longer period as the Parliamentary Secretary considers appropriate.

The Commission contact

Enquiries about this notice may be directed to the case manager on telephone number +61 2 6276 1437 or email at operations2@adcommission.gov.au.

Dale Seymour
Commissioner
Anti-Dumping Commission

11 May 2015