


13 March 2020

  
Anti-Dumping Commission  
Level 35  
55 Collins Street  
Melbourne Victoria 3000

**Public File**

Dear ,

**Re: Investigation 532 – Continuation of measures - Hollow Structural Sections exported from the Kingdom of Thailand**

I. Background

As you are aware, Orrcon Manufacturing Pty Ltd (“Orrcon”) made application for the continuation of anti-dumping measures in respect of hollow structural sections (“HSS”) exported from the Kingdom of Thailand (“Thailand”).

Anti-Dumping Notice 2019/141 dated 15 November 2019 notified the commencement of an investigation into the continuation of anti-dumping measures applicable to all exporters of HSS from Thailand.

Orrcon notes that Austube Mills Pty Ltd – the other major Australian manufacturer of HSS – has also made an application for the continuation of measures.<sup>1</sup>

Orrcon has recently assisted the Anti-Dumping Commission (“the Commission”) during the industry verification visit.

Orrcon considers it appropriate to further address the likelihood of a recurrence of material injury should the measures on HSS exported from Thailand be allowed to expire.

II. Thailand exports the subject of measures in other jurisdictions

Orrcon’s application for the continuation of anti-dumping measures on HSS exported from Thailand identified measures imposed by other jurisdictions on like goods, namely:

- In the United States (“U.S.”) measures apply to welded carbon steel pipe and tube exported from Thailand. The measures were continued for a further five years from 7 February 2018 and remain current on all exporters;<sup>2</sup> and
- In Canada anti-dumping measures apply to certain carbon steel welded pipe exported from Thailand (and other countries including Taiwan, India, Oman, Korea, and UAE). These measures were continued for a further five-year period from 7 May 2018.<sup>3</sup>

There are also broader measures applied in the U.S. and European Union (“EU”) that impact a broader category of steel products (including carbon welded steel pipe and tube, which includes HSS). The U.S. imposed Section 232 measures on steel products (with effect from 20 May 2018) imported into the

<sup>1</sup> Refer EPR Document No. 02, Case 532.

<sup>2</sup> Refer Confidential Attachment 1: Orrcon Internal Research; Welded Carbon Steel Pipe & Tube from Thailand – Anti-Dumping Margins and Injury Assessments.

<sup>3</sup> <https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/menu-eng.html>

U.S., with coverage extending to exports of carbon welded steel pipe and tube exported from Thailand. The U.S. was Thailand's largest export market for carbon welded pipe and tube.

In response to the U.S. Section 232 measures, the EU imposed provisional safeguard measures on 28 categories of goods with effect from 17 July 2018. The EU measures are in place for three years from 17 July 2018 and impact HSS products also.

The Canadian, EU and U.S. measures applicable to certain carbon welded steel pipe and tube impacts all exporters of these goods in Thailand. HSS is a sub-category of carbon steel welded pipe and tube, and hence the trade restrictions in place materially alter Thailand HSS exporter intentions.

### III. Likelihood of recurrence of material injury

Orrcon detailed in its application for the continuation of measures that it considered it likely there would be a recurrence of material injury if the measures were allowed to expire. Orrcon submits that the recurrence of material injury in the absence of measures is foreseeable and imminent as:

- Thailand exporters of HSS have maintained distribution links into the Australian market, and continue to supply Australian customers;
- Thailand exporters of HSS are the subject of anti-dumping measures in Canada and the U.S., Section 232 measures in the U.S., and safeguard measures in Europe – hence, Thailand exporters will actively seek-out new export opportunities;
- Thailand exporters of HSS cannot access the largest traditional export market of the U.S. due to the above-noted anti-dumping and Section 232 measures in place;
- Review Investigation No. 445 confirmed that Thailand exporters *Pacific Pipe Public Co., Ltd* ("Pacific Pipe") and *Sahathai Steel Pipe Public Company Limited* ("SahaThai") exported at dumped prices above negligible levels, despite measures operating to address dumping;
- Orrcon's Australian sales of HSS continue to be impacted by exports of HSS to Australia, including from Thailand;
- An overcapacity in the global steel industry, including significant excess capacity in China (the world's largest steel products producing country), means that all domestic markets are under pressure from Chinese exports – including the Thailand HSS market. This compels Thailand domestic HSS manufacturers to seek out export opportunities, including to Australian where the current level of measures is relatively low; and
- In the event the measures are allowed to expire, there exists a very high and probable likelihood that Thailand HSS exporters will increase export volumes to Australia at prices that undercut exporters from other countries (with and without measures).

The foregoing highlights that Thailand HSS exporters are presently significantly constrained for exports to traditional export markets due to anti-dumping and safeguard measures in the key export destinations of the U.S., Canada and the EU.

#### IV. Likelihood of dumping and recurrence of material injury

Sub-section 269ZHF(2) of the Customs Act requires that:

*“The Commissioner must not recommend that the Minister take steps to secure the continuation of the anti-dumping measures unless the Commissioner is satisfied that the expiration of the measures will lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping or subsidisation and the material injury that the anti-dumping measure is intended to prevent.”*

Orrcon has demonstrated that Thailand HSS exporters are hampered by anti-dumping and safeguard measures in traditionally significant export markets. Thailand HSS manufacturers retain significant excess capacity – due to constraints on export markets where measures apply – such that export volumes to Australia can be increased sharply. In the most recent review of measures investigation, SahaThai and Pacific Pipe were confirmed as having exported at dumped prices even though anti-dumping measures were in operation.

Due to the continued presence of Thailand's HSS exports to Australia, the Australian market remains an attractive destination. It is therefore considered likely – i.e. more probable than not – that should the anti-dumping measures be allowed to expire, Thailand HSS exporters would increase HSS export volumes to Australia at dumped and injurious prices that would result in a recurrence of material injury that the anti-dumping measures are intended to prevent.

#### V. Conclusion

Orrcon submits that the anti-dumping measures applicable to all exporters of HSS from Thailand to Australia should not be allowed to expire. Thailand HSS exporters have an incentive to increase export volumes to Australia due to reduced exports to traditional markets as a consequence of anti-dumping and safeguard measures. It is therefore likely that should the measures be allowed to expire in Australia on 19 August 2020, Thailand exporters would increase HSS exports to Australia at prices that would undercut all other suppliers – Australian industry and exporters from other countries – resulting in a recurrence of the material injury that the anti-dumping measures are intended to prevent.

Orrcon therefore requests the Commission to recommend to the Minister that the measures applicable to HSS exported to Australia not be allowed to expire on 19 August 2020.

If you have any questions concerning this submission, please do not hesitate to contact me on [REDACTED].

Yours sincerely,

[REDACTED]  
Manager – Trade Measures