



大连斯瑞特高新技术有限公司

Dalian Steelforce Hi-Tech CO., LTD

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The Director – Investigations 3
Anti-Dumping Commission
GPO Box 2013
CANBERRA ACT 2601

BY EMAIL: investigations3@adcommission.gov.au

Dear Director,

Investigation No. 550 concerning the alleged dumping of Precision Pipe and Tube Steel exported to Australia from The People's Republic of China (China), the Republic of Korea (Korea), Taiwan and the Socialist Republic of Vietnam (Vietnam) and the alleged subsidisation relating to exports of Precision Pipe and Tube Steel from China and Vietnam

Exporter Submission – Goods under Consideration (the goods)

Dalian Steelforce Hi-Tech Co., Ltd (**Dalian Steelforce**), seeks clarification from the Anti-Dumping Commission (the **Commission**) on the scope of the goods the subject of *Investigation No. 550 (INV550)*. The element of the description of the goods that requires clarification concerns rectangular and square products as noted below.

For rectangular and square products, those with a thickness of less than 1.6 mm [emphasis added]

This description formed part of the description of the goods in the application¹, the consideration report², the initiation notice³ and the exporter questionnaire⁴ for INV550.

Dalian Steelforce alerts the Commission's attention to the fact that the above description captures goods that are already subject to anti-dumping and countervailing measures, specifically those applicable to Hollow Structural Sections (**HSS**) exported from China, Korea, Taiwan, Malaysia and Thailand.

Further, the measures applying to HSS are currently subject to a review of anti-dumping measures (**REV529**) with three of the countries (China, Korea and Taiwan), subject to this investigation (INV550).

¹ INV550, EPR/001, page 9.

² INV550, EPR/002, p.5-6.

³ INV550, EPR/003, p.2

⁴ INV550, Exporter Questionnaire China, p.9

The description of the goods excluded from the existing measures applying to HSS includes the following language:

precision RHS⁵ with a nominal thickness of less than 1.6 mm [emphasis added]

The above description forms part of the description of the goods in the consideration report⁶, the initiation notice⁷ and the exporter questionnaire⁸ for REV529.

Dalian Steelforce notes that RHS with a **nominal** thickness of 1.6mm or greater and a perimeter up to and including 1277.3 mm is considered part of the goods for REV529 for exports from China and that anti-dumping measures have applied to such goods since measures were imposed on 3 July 2012.

Dalian Steelforce also notes that the “nominal thickness” referred to in the goods description for REV529 does not refer to the actual thickness of the RHS. As noted in REV529 HSS is generally produced to either the British Standard BS 1387 or the Australian Standard AS 1163 or international equivalent standards⁹.

Australian Standard AS 1163 allows for a thickness tolerance of +/- 10% and RHS with a nominal thickness of 1.6mm can have an actual thickness range from 1.44mm to 1.76mm. This means that measures may already technically apply to goods with an actual thickness of 1.44mm and above. It is Dalian Steelforce’s understanding two or more measures from separate investigations cannot apply to the same goods.

Orrcon Manufacturing Pty Ltd (**Orrcon**) states in its application that:

Specific to non-circular precision pipe & tube, Orrcon’s 1.6mm thick product range competes with [confidential competitive market dynamics].¹⁰

The Commission noted Orrcon’s claim in Consideration Report 550 that:

For non-circular precision pipe, the locally produced 1.6 mm thick product range competes with imported equivalents, primarily of thickness slightly less than 1.6 mm (typically 1.5 mm), which are directly comparable and substitutable.¹¹ (emphasis added)

The Commission assessed Orrcon’s claim and considered that:

The Commission reviewed the confidential attachments provided with the application and found that there appears to be direct price competition in the Australian market for precision pipe and tube steel between the imported and Australian industry produced goods. The Commission is therefore satisfied that the locally produced and imported precision pipe and tube steel are commercially alike¹².

Dalian Steelforce notes that the description of the goods does not appear to limit the goods to precision pipe only and includes the following:

⁵ RHS refers to rectangular and square hollow structural sections

⁶ REV529, EPR/002, p.7.

⁷ REV529, EPR/003, p.1.

⁸ REV529, Exporter Questionnaire China, p.9

⁹ REV529, EPR/001, p.8

¹⁰ INV550, EPR/001, p.9.

¹¹ INV550, EPR/002, p.11

¹² INV550, EPR/002, p11.

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The goods include all electric resistance welded pipe and tube made of steel meeting the above description of the goods (and inclusions), including whether the pipe or tube meets a specific structural standard or is used in structural applications¹³.

The above description of the goods and the Commission's consideration of Orrcon's claims on 1.6mm non-circular precision pipe strongly indicates that RHS and SHS already subject to the measures, as noted above, likely competes with the goods described in INV550 and could be considered like goods.

Dalian Steelforce notes that all of the Australian industry members manufacturing HSS, Orrcon¹⁴, Austube Mills Pty Ltd ¹⁵and Australian Pipe and Tube Pty Ltd¹⁶, state on their websites that they manufacture RHS and SHS to dimensions and thicknesses that would meet the description of like goods. That is RHS and SHS with a nominal thickness of 1.6mm and a perimeter up to an including 260mm.

This potentially raises questions as to the constitution of the Australian industry, the goods and like goods, conditions of competition and injury and causal link assessments that are better resolved at the beginning of the investigation rather than towards the end.

For and on behalf of Dalian Steelforce Hi-Tech Co Ltd.

¹³ INV550, EPR/002, p.2

¹⁴ <https://www.orrconsteel.com.au/products/tube-pipe/structural/rectangular-hollow-section>

¹⁵ <https://www.austubemills.com.au/getattachment/017f2c77-abeb-4291-9c92-2061b6869601/ATM-Prod-Avail-Guide-February-2020.pdf> , pages 7,8,10 and 11.

¹⁶ <http://auspipetube.com.au/wp-content/uploads/2018/09/MassBundling-Data-Ptd-September-2018.pdf>