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

**Dumping investigation into precision pipe and tube steel exported from China, Korea,
Taiwan and Vietnam**

Dear Director

This submission is made on behalf of Hoa Phat Steel Pipe Co., Ltd and its branch (Hoa Phat Steel Pipe Co., Ltd – Hung Yen branch) and its subsidiaries (Hoa Phat Binh Duong Steel Pipe Co., Ltd, Hoa Phat Long An Steel Pipe Co., Ltd, and Hoa Phat Da Nang Steel Pipe Co., Ltd) (HP) in response to the issues paper published by the Anti-Dumping Commission (the Commission) on 17 July 2020.

Issue 1: Whether you use nominal or actual thickness when selling, supplying, declaring or reporting on RHS (sold either in Australia or other markets which may include reference to the relevant standards in your domestic country) and any reasons for this.

As noted in its earlier submission to the investigation, HP does not record the actual thickness for domestic or exported subject goods, either on the sales invoice, shipping documents, or in its production/accounting system. All export documents, sales records and production records identify the nominal thickness of relevant products to ensure compliance with relevant standards.

The reasons for only recording nominal thickness are:

- i) HP's exported only steel products complying to [REDACTED], which are general structural products equivalent to the Australia structural standard AS1163. As these standards refer to nominal dimensions and specify a thickness tolerance, customers specify the nominal dimensions of the product being ordered. As such, HP's sales and production records need only confirm and demonstrate compliance to these nominal dimensions;
- ii) identification of actual thickness requires recording actual thickness of feed coil purchased and consumed against each and every production lot. As the feed coil is

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subject to its own tolerances, it becomes extremely difficult to properly account for and record the actual thickness of each production lot;

- iii) as orders are filled from multiple production lots, sales invoices would need to individually record the actual thickness for each production lot, despite the customer ordering a single nominal thickness.

Accordingly, HP has not implemented systems that allow for tracking or identification of actual thickness, as this information provides no meaningful benefit HP or its customers.

Issue 2: Whether the thickness referred to in the description of the goods under consideration are read as nominal or actual.

In its submission of 20 May 2020, HP queried the thickness criteria with the Commission as it originally understood the thickness parameters to be relevant to nominal thickness. That is, the goods subject to investigation were limited to precision RHS with a nominal thickness less than 1.6mm. This was the original interpretation as it is general practice within the steel industry for customers to specify and order pipe and tubing products according to the nominal dimensions relevant to the standards in their jurisdiction.

Given that the applicant is also a major member of the Australian industry producing hollow structural sections, it is expected that they would have known that nominating RHS with an actual thickness less than 1.6mm would have captured general structural tubing products complying to AS1163 and other comparable standards such as [REDACTED], which were only exported by HP. These general structural products exported by HP are not precision pipe and tube, and therefore are understood to be outside the scope of the investigation.

If the applicant does intend for structural and general RHS products to form part of the goods description then the Commission must consider and make the following determinations in conducting the investigation:

- whether the applicant has provided all cost and sales information relating to the production and sale of structural and general tubing products with actual thickness less than 1.6mm, irrespective of whether they were produced to AS1163 or comparable standards;
- whether other local manufacturers also engaged in production of structural and general tubing products with actual thickness less than 1.6mm, irrespective of whether they were produced to AS1163 or comparable standards;
- if the Australian industry does produce structural and general tubing products with actual thickness less than 1.6mm that comply with AS1163, what is the thickness which would define like goods? If structural and general RHS complying to AS1163 in 1.6mm nominal thickness (ie less than 1.6mm actual thickness) falls within the goods description, it stands to reason that the applicants production of RHS complying with AS1163 in other thickness would be considered like goods, as they each possess the same essential characteristics. For example, a 30mmx30mmx1.6mm RHS product complying to AS1163 is virtually identical to 30mmx30mmx2.0mm RHS product complying to

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AS1163. They both possess the same physical, functional, commercial and production similarities, and therefore must be considered like goods to each other; and

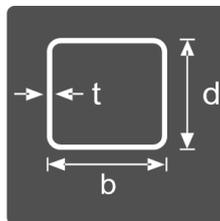
- if structural and general RHS products complying to AS1163 and [REDACTED] are included in the subject goods, the material injury/causal link assessment must properly isolate and distinguish the different market segments given the very clear different end-uses for precision RHS and structural/general RHS.

Issue 3: Whether there is a lack of clarity in classifying RHS of certain thicknesses

HP agrees that classifying or defining the parameters of RHS precision tube products by an arbitrary thickness, lacks clarity without further detailed characteristics that properly distinguish between precision tube and general structural tube products.

For example, the applicant’s product catalogues for precision and structural tube products show that there are common dimensions between the Australian standards AS1450 (precision) and AS1163 (structural). This is demonstrated using the search function on the applicant’s website and selecting precision products with nominal thickness of 1.6mm.

The screenshots below highlight a selection of common sizes that exist for square hollow sections produced and sold to AS1450 and AS1163. Without any further information or characteristic that properly distinguishes between these common products, the thickness alone does not provide a meaningful understanding of the goods subject to investigation. This is particularly concerning given that products complying to AS1163 are clearly structural sections and not precision tube products.

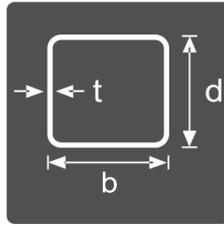


Show entries

Search

Size dxb (mm)	NB (mm)	OD (mm)	Nom. Thick (mm)	Length (mm)	Class AS1074	Grade CL250L0	Grade CL350L0	PTD*	ALLGAL*	MAXI - TUBE*	Nom. Linear Mass (Kg/m)	Nom. m/Tonne	Lengths /Pack	Lengths /MiniPak
20 x 20			1.60	6500				✓	✓	✓	0.87	1146	100	49
25 x 25			1.60	6500				✓	✓	✓	1.12	890	100	49
30 x 30			1.60	8000				✓	✓	✓	1.38	727	100	49
35 x 35			1.60	8000				✓	✓	✓	1.63	615	100	49
40 x 40			1.60	8000				✓	✓	✓	1.88	533	81	36
50 x 50			1.60	8000				✓	✓	✓	2.38	420	64	30
65 x 65			1.60	8000					✓	✓	3.13	319	49	25

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Search

Size dxb (mm)	Gauge (mm)	Lengths (mm)	SEMB	MSGB	MSBR	ACMS	MSBL	Nom. Linear Mass (Kg/m)	Lengths Per Pack
12.7 x 12.7	1.60	6100	✓	✓			✓	0.51	400
16 x 16	1.60	6100	✓	✓	✓	✓	✓	0.67	256
19 x 19	1.60	6100	✓	✓			✓	0.82	169
20 x 20	1.60	6100	✓	✓	✓	✓	✓	0.87	144
22.2 x 22.2	1.60	6100	✓	✓	✓	✓	✓	0.98	121
25.4 x 25.4	1.60	6100	✓	✓	✓	✓	✓	1.14	100
25 x 25	1.60	6100	✓	✓	✓	✓	✓	1.12	100
30 x 30	1.60	6100	✓	✓	✓	✓	✓	1.38	64
31.8 x 31.8	1.60	6100	✓	✓	✓	✓	✓	1.47	64
35 x 35	1.60	6100	✓	✓	✓	✓	✓	1.63	49
38 x 38	1.60	6100	✓	✓	✓	✓	✓	1.78	49
40 x 40	1.60	6100	✓	✓	✓	✓	✓	1.88	32
45 x 45	1.60	6100	✓	✓	✓	✓	✓	2.13	36
50 x 50	1.60	6100	✓	✓	✓	✓	✓	2.38	25
60 x 60	1.60	6100	✓	✓	✓	✓	✓	2.88	12
65 x 65	1.60	6100	✓	✓	✓	✓	✓	3.13	16

Given that it is the applicant’s responsibility for defining the scope of the investigation, and Orrcon has defined the goods as precision pipe and tube steel, the onus is on them to ensure that the parameters of the goods are clear to ensure that steel products that are not precision pipe and tube are not inadvertently included within scope. The importance of properly and clearly defining the scope of goods impacts on the determination of the Australian industry and the local producers that form part of that industry, and the related assessment of material injury and causation.

As the Commission noted in its issues paper, the current goods description does not adequately define the parameters of the precision pipe and tube products that Orrcon is claiming to be causing material injury. Whether intended or inadvertent, the current description is sufficiently vague that it potentially captures hollow structural steel sections which are not precision steel products, are already the subject of the measures for certain countries, and potentially includes an expanded Australian industry.

In that circumstance, the applicant has failed to properly and accurately define the scope of goods, the scope of like goods and isolate the effects of imported general structural steel products

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from the claimed injury to its precision steel products. HP reiterates our earlier view that the application is undoubtedly defective. The Commission in these circumstances must remedy these failings by promptly reconsidering the composition and scope of the Australian industry, and terminate the investigation promptly on the grounds that it cannot establish the facts as they relate to material injury of the Australian industry producing like goods.