

30 April 2021

Mr Corey Hawke
Case Manager, Investigations 3
Anti-Dumping Commission
Level 6
215 Spring Street
Melbourne Victoria 3000

Public File

Dear Mr Hawke,

Anti-Dumping/Subsidisation Investigation No. 550 – Precision Pipe & Tube Steel exported from China, Korea, Taiwan, and Vietnam

I. Introduction

Orrcon Manufacturing Pty Ltd (“Orrcon”) is the manufacturer of the subject goods Precision pipe & tube steel in Australia. Orrcon was the applicant company that requested the Anti-Dumping and Subsidisation investigation applicable to Precision pipe and tube exported from the People’s Republic of China (“China”), the Republic of Korea, Taiwan, and the Socialist Republic of Vietnam (“Vietnam”) – refer ADN No. 2020/030.

In advance of the Anti-Dumping Commission’s (“the Commission”) Statement of Essential Facts (“SEF”), Orrcon makes the following comments and representations regarding material injury and causal link.

II. Injury to Orrcon and Causal Link

In its application for Anti-Dumping and Countervailing duty measures on subject goods imports from the named countries, Orrcon claimed that it encountered price suppression [REDACTED]. This impacted Orrcon’s profit and profitability in [REDACTED].¹ Orrcon also demonstrated that it experienced material injury in the form of deteriorated return on investment, productivity reductions, and a decline in employment levels.²

In addition to the Appendix data and financial metrics provided, Orrcon supported its causal link injury claim with several price-undercutting examples during the period of investigation, the pertinent aspects of which are summarised as follows:

A-9 Application Example	Key Injury Metrics/Comments
1 – [REDACTED]	[REDACTED] ³
2 – [REDACTED]	[REDACTED]

¹ Australian Industry Application, EPR Folio No. 1, p. 32.

² Ibid, p. 33.

³ Ibid, p. 25-26.



	<p>[REDACTED] .4</p>
<p>3 – [REDACTED]</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] .5</p>
<p>4 – [REDACTED]</p>	<p>[REDACTED] .6</p>
<p>5 – [REDACTED]</p>	<p>[REDACTED] .7</p>
<p>6 – [REDACTED]</p>	<p>[REDACTED] .8</p>

III. The Commission’s Preliminary Assessment

In Consideration Report 550 (“CON 550”), the Commission addressed the economic condition of the Australian industry and provided an assessment as to whether there exist reasonable grounds to support a claim that the Australian industry has suffered material injury.

Price, profit and profitability effects

Orrcon claimed in its application that:

“The injury experienced by Orrcon in [REDACTED] is considered ‘material’ to Orrcon’s business as the business has seen profit deteriorate from [REDACTED]

Orrcon’s turnover [REDACTED]

⁴ Ibid, p. 26-27.
⁵ Ibid, p. 27-28.
⁶ Ibid, p. 29-30.
⁷ Ibid, p. 30-31.
⁸ Ibid, p. 32-33.



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At section 5.6.2 of CON 550, the Commission concluded that there was evidence of price suppression, with Orrcon maintaining its price for like goods while costs increased.¹⁰ At section 5.7 of CON 550, the Commission identified the clear downward trend in both profit and profitability, and concluded that there was reasonable grounds to support the claim that Orrcon suffered injury across these two fronts.¹¹ Specific to the above-noted price undercutting examples, the Commission noted:

"...the examples of price undercutting provided by Orrcon in its application support Orrcon's claims that it has reduced its prices in response to import price offers in order to maintain sales volume. The examples also indicate that Orrcon has lost sales to lower priced imports. Orrcon's profit and profitability has declined over each of the four years to YE September 2019, which has coincided with Orrcon's claimed experience of increased pricing pressure from the subject countries.

The Commission considers that there appear to be reasonable grounds to support Orrcon's claim that the dumped and/or subsidised goods have caused injury to the Australian industry in the form of reduced profit and profitability."¹²

Orrcon agrees with the Commission's CON 550 conclusions in this regard. Orrcon welcomes a finding by the Commission in the forthcoming SEF that the price, profit, and profitability injury experienced by Orrcon during the investigation period was material.

Orrcon will also seek to provide, in due course, data evidencing ongoing material injury. Given the period of time that has elapsed post the investigation period, Orrcon can demonstrate that in the absence of effective preliminary measures at the SEF stage, the Australian industry will continue to suffer material injury in the form of reduced prices, profit, and profitability.

By way of contemporary example, Confidential Attachment 1 highlights the recent ongoing impact of low-priced imports on Orrcon's [REDACTED]. What is clearly evidenced is that [REDACTED].

Other injury factors

At the time of CON 550, the Commission considered that it had insufficient data to assess Orrcon's other injury factor claims (specifically, reduced return on investment, reduced productivity, and reduced employment). Orrcon submits that the Commission now has sufficient data and information to make these determinations, as gathered during the industry verification.

At this stage in the inquiry, Orrcon has validated the financial metrics that form the basis of the other injury factor claims. This is hence a validation of the existence of such material injury (with the causal link established above). Orrcon would welcome a finding in this regard in the forthcoming SEF.

⁹ Australian Industry Application, EPR Folio No. 1, p. 33.

¹⁰ CON 550, p. 28.

¹¹ Ibid, p. 28.

¹² Ibid, p. 33.

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

Kind regards,

[REDACTED]

