



Customs Act 1901 – Part XVB

Precision pipe and tube steel

Exported to Australia from the People’s Republic of China and the Socialist Republic of Vietnam

Findings in Relation to a Subsidisation Investigation

Public notice under section 269TJ(1) and (2) of the Customs Act 1901¹

Anti-Dumping Notice (ADN) No. 2021/110

The Commissioner of the Anti-Dumping Commission (the Commissioner) has completed the investigation into the alleged subsidisation of precision pipe and tube steel exported to Australia from the People’s Republic of China (China) and the Socialist Republic of Vietnam (Vietnam).

Precision pipe and tube steel, the subject of the investigation (the goods) is described as follows:

Certain electric resistance welded pipe and tube made of carbon steel, whether or not including alloys, comprising circular, rectangular and square hollow sections in metallic coated and non-metallic coated finishes. Metallic finish types for the goods include galvanised and aluminised. Non-metallic finishes include hot-rolled and cold-rolled.

Sizes of the goods are, for circular products, those equal to or less than 21 millimetres (“mm”) in outside diameter. Also included are air heater tubes to Australian Standard (AS) 2556, up to and including 101.6 mm outside diameter. For rectangular and square products, those with a nominal thickness of less than 1.6 mm (being a perimeter up to and including 260 mm).

Included within the goods are end-configurations such as plain, square-faced and other (e.g. threaded, swaged and shouldered).

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 applications.

Oval and other shaped hollow sections which are not circular, rectangular or square, are excluded from the goods.

¹ All legislative references are to the *Customs Act 1901* (the Act), unless otherwise specified.

The goods are generally, but not exclusively, classified to the following tariff classifications in Schedule 3 of the *Customs Tariff Act 1995*:

Tariff Subheading	Statistical Code	Description
7306		OTHER TUBES, PIPES AND HOLLOW PROFILES (FOR EXAMPLE, OPEN SEAM OR WELDED, RIVETED OR SIMILARLY CLOSED), OF IRON OR STEEL:
7306.30.00		Other, welded, of circular cross-section, of iron or non-alloy steel:
	30	Not exceeding 21 mm external diameter
7306.50.00		
	45	<i>Other, welded, of circular cross-section, of other alloy steel</i>
7306.6		Other, welded, of non-circular cross-section
7306.61.00		<i>Of square or rectangular cross-section, of iron or non-alloy steel, not exceeding 279.4 mm perimeter:</i>
	21	Wall thickness not exceeding 2 mm

Table 1 Summary of tariff subheadings

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description.

The Commissioner reported his findings and recommendations to me in *Anti-Dumping Commission Report No. 550* (REP 550). In REP 550, the Commissioner sets out the investigation findings and recommends the publication of a countervailing duty notice in respect of the goods. I have considered REP 550 and accepted the Commissioner's recommendations and reasons, including all material findings of fact and law on which the recommendations were based and particulars of the evidence relied on to support the findings. The report is available at: www.adcommission.gov.au

On 11 August 2021, the Commissioner terminated the subsidy investigation into the goods exported from Vietnam.² *Termination Report No. 550* (TER 550) sets out the reasons for this termination. This report is also available at: www.adcommission.gov.au

On 27 August 2021, the Commissioner terminated the subsidy investigation into the goods exported from China by Dalian Steelforce Hi-Tech Co., Ltd and Yantai Aoxin International Trade Co., Ltd. REP 550 sets out the reasons for these terminations.

Particulars of the subsidy programs and level of subsidisation established are set out in Table 2.

Country	Exporter	Countervailable subsidy program*	Subsidy Margin (%)
China	Non-cooperative entities	550-2, 1, 2, 5-8, 10, 14-19, 21, 29, 32, 35-39, 41, 42, 44, 45, 48-52	42.7%

Table 2 Summary of countervailable subsidies and subsidy margins

* The names and details of each of the above countervailable subsidy programs are contained within REP 550.

² ADN No. 2021/100.

I, ANGUS TAYLOR, the Acting Minister for Industry, Science and Technology have considered and accepted the Commissioner's recommendations in REP 550. I have considered the reasons for the recommendations, the material findings of fact on which the recommendations are based, and the evidence relied on to support those findings in REP 550.

I am satisfied, as to the goods that have been exported to Australia, that countervailable subsidies have been received in respect of the goods. Consequently, I am satisfied that material injury to the Australian industry producing like goods might have been caused, if security had not been taken. Therefore, under section 269TJ(1) of the *Customs Act 1901* (the Act), I DECLARE that section 10 of the *Customs Tariff (Anti-Dumping) Act 1975* (the Dumping Duty Act) applies to:

- (i) the goods, and
- (ii) like goods that were exported to Australia from China and entered for home consumption on, or after, 2 June 2021.³

I am also satisfied that a countervailable subsidy has been received in respect of the goods that have already been exported to Australia, and that a countervailable subsidy may be received in respect of like goods that may be exported to Australia in the future. Consequently, I am satisfied that material injury to the Australian industry producing like goods has been caused or is being caused. Therefore, under section 269TJ(2) of the Act, I DECLARE that section 10 of the Dumping Duty Act applies to like goods that are exported to Australia after the date of publication of this notice.

This declaration applies in relation to all exports of the goods and like goods from China, excluding exports by Dalian Steelforce Hi-Tech Co., Ltd and Yantai Aoxin International Trade Co., Ltd.

The considerations relevant to my determination of material injury to the Australian industry caused by subsidisation are the economic indicators of the Australian industry set out below:

- reduced sales volume
- price depression
- price suppression
- reduced profit
- reduced profitability
- reduced revenue
- reduced employment numbers
- reduced return on investment, and
- reduced inventory turnover.

³ The Commonwealth took securities following the Commissioner's Preliminary Affirmative Determination published on 1 June 2021. Section 45 and section 269TN(2) of the Act enable securities to be taken for goods entered for home consumption prior to the publication of this notice.

I have also had regard for the size of the subsidy margins, the volumes and prices of exports from China, the importance of price in the industry, and evidence of import prices impacting upon pricing negotiations in the market.

In making my determination, I have considered whether any injury to the Australian industry is being caused or threatened by a factor other than the exportation of subsidised goods, and have not attributed injury caused by other factors to the exportation of those subsidised goods.

Interested parties may seek a review of this decision by lodging an application with the Anti-Dumping Review Panel. This can be done in accordance with the requirements in Division 9 of Part XVB of the Act, within 30 days of the publication of this notice.

Particulars of the non-injurious prices of the goods (as ascertained in the confidential tables to this notice) will not be published, as they may reveal confidential information.

Clarification about how measures and securities are applied to 'goods on the water' is available in ACDN 2012/34, published at: www.adcommission.gov.au

REP 550 and other documents included in the public record may be examined at the Commission office by contacting the case manager on the details provided below. Alternatively, the public record is available at: www.adcommission.gov.au

Enquiries about this notice may be directed to the case manager on telephone number +61 3 8539 2527 or by email at: investigations3@adcommission.gov.au

Dated this twenty-seventh day of September, 2021

A handwritten signature in black ink that reads "Angus Taylor". The signature is written in a cursive, flowing style.

ANGUS TAYLOR
Acting Minister for Industry, Science and Technology