



Investigation No. 557

Certain copper tube exported to Australia from the People's Republic of China and the Republic of Korea

File Note - Preliminary Information Requests & Proposed Model Control Codes

On 13 July 2020, the Anti-Dumping Commission (the Commission) notified exporters of the initiation of the investigation into certain copper tube exported to Australia from People's Republic of China (China) and the Republic of Korea (Korea) and invited exporters to complete a Preliminary Information Request (PIR).

ADN 2020/071 notified interested parties that the Commission would use responses to the PIR to assist in the development of the proposed MCC structure, and to determine whether sampling was required due to the large number of exporters of the goods.

Extension Requests for PIR and PIR responses received

Exporters were requested to provide completed PIRs by 3 August 2020. The Commission received requests for extensions of time to this due date from certain exporters within the legislated period.

Due consideration was given to the extension requests by a General Manager of the Commission, having regard to the exporters' individual circumstances and the *Customs (Extensions of Time and Non-cooperation) Direction 2015*.¹

The following table summarises the extensions of time given in relation to individual entities and provides a summary of the revised due dates.

Entity	Extension days (calendar)	Revised due date
Daejin Copper Pipe & Tube Manufacturing Co., Ltd	14	17 August 2020
Zhejiang Naile Copper Co. Ltd	14	17 August 2020

¹ From 19 December 2016 the Commissioner of the Anti-Dumping Commission delegated his powers to consider and decide requests for an extension of time. This delegation was made under Delegation Instrument No. 2 of 2016.

The following entities have submitted a PIR.

Export Country	Entity
China	Chuo Bussan Co., Ltd (Trader)
	Foshan Huahong Copper Tube Co., Ltd
	Golden Dragon Precise Copper Tube (Xinxiang) Co., Ltd
	Guangdong Longfeng Precise Copper Tube Co., Ltd
	Longsui Corporation (Trader)
	Ningbo FTZ ICOOL Prime International Trade Co., Ltd (Trader) SC Ningbo International Ltd
	Ningbo Jintian Copper Tube Co., Ltd
	Shanghai Hailiang Copper Co., Ltd
	Zhejiang Hailiang Co., Ltd
	Zhejiang Naile Copper Co., Ltd
Korea	Boo Kwang Metal Co., Ltd
	Daejin Copper Pipe & Tube Manufacturing Co., Ltd
	Eulle Corporation (Trader)
	IT Metal Co., Ltd (Trader)
	Nungwon Metal Ind. Co., Ltd
	Skope Industries Limited

Application of sampling provisions

Subsection 269TACAA(1) of the *Customs Act 1901* states that where there are many exporters from a particular country of export in relation to an investigation, review or inquiry that it is not practicable to examine the exports of all of those exporters, then the investigation, review or inquiry may be carried out, and findings may be made, on the basis of information obtained from an examination of a selected number of those exporters who:

- (c) constitute a statistically valid sample of those exporters; or
- (d) are responsible for the largest volume of exports to Australia that can reasonably be examined.

If information is submitted by an exporter that is not named as a selected exporter, the investigation must extend to that exporter unless to do so would prevent the timely completion of the investigation.

The Commission notes that there are many suppliers of the goods from China and Korea who provided a response to the PIR within the required timeframe or within an approved extended timeframe. Given the number of responses from China and Korea respectively it is not practicable to examine the exports of all of those exporters. Accordingly, the Commission will conduct this investigation on the basis of information obtained from an examination of a selected number of exporters who are responsible for the largest volume of exports to Australia that can reasonably be examined.

Selected exporters

The Commission intends to limit the investigation to an examination of exports of certain copper tube from China to:

- Foshan Huahong Copper Tube Co., Ltd;
- Zhejiang Hailiang Co., Ltd; and
- Zhejiang Naile Copper Co., Ltd.

According to information submitted in the PIRs, these selected Chinese exporters reflect approximately 89% of exports from China during the investigation period from exporters completing PIRs.

The Commission intends to limit the investigation to an examination of exports of certain copper tube from Korea to:

- Daejin Copper Pipe & Tube Manufacturing Co., Ltd; and
- Nungwon Metal Ind. Co., Ltd.

According to information submitted in the PIRs, these selected Korean exporters reflect approximately 99% of exports from Korea during the investigation period from exporters completing PIRs.

These exporters have been contacted and notified of their selection. If a selected exporter does not cooperate with the investigation or on consideration of further information, I may consider whether to include any additional exporter(s) as selected exporters.

If an exporter other than a selected exporter wishes to complete an exporter questionnaire, the exporter questionnaire can be found on the Commission's website. If information is submitted by an exporter that is not a selected exporter, the investigation must extend to that exporter unless to do so would prevent the timely completion of the investigation.

In assessing whether extending the investigation to that exporter will prevent the timely completion of the investigation, I may consider the following:

- the level of cooperation from the selected exporters;
- the number of other exporters seeking individual examination; and
- the available resources within the Commission to undertake remote verification, and the remaining time available to enable a timely completion of the investigation.

Exporter questionnaire responses are due by **12 October 2020**.

Residual exporters

For the purposes of this investigation, the exporters of the goods who have submitted a response to the PIR within the required timeframe or within an approved extended timeframe, will be regarded as 'residual exporters' if their exports are not examined as part of the investigation and they are not an uncooperative exporter in relation to the investigation.

In making assessments in relation to the variable factors for residual exporters, the Commission will not calculate:

- export prices that are less than the weighted average of export prices for cooperative exporters; and
- normal values that exceed the weighted average of normal values for cooperative exporters.

Uncooperative and/or non-cooperative exporters

For the purposes of this investigation, any exporter who does not cooperate with the inquiry by providing a completed PIR (or a completed exporter questionnaire response in the case of a selected exporter) may be considered to be an uncooperative and/or a non-cooperative exporter. Assessments in relation to the variable factors for uncooperative and non-cooperative exporters will be based on all relevant information.

Proposed Model Control Codes

Based on information provided by MM Kembla in its application, responses to the PIR and further discussions with MM Kembla after reviewing the PIR responses, the Commission has established the following proposed Model Control Code (MCC) structure.

Item	Category	Sub category	Identifier	Sales Data	Cost data
1	Standard	Copper tubes used for plumbing, gas fitting, drainage and/or medical gas applications (e.g. copper tube manufactured to AS1432)	P	Mandatory	Mandatory
		Copper tubes used for refrigeration and air conditioning applications (e.g. copper tube manufactured to AS/NZ1571)	R		
		Copper tubes used for engineering purposes (e.g. copper tube manufactured to AS1572)	E		
2	Temper	'Hard' <i>Hardness (HV/5): 100 minimum</i>	H	Mandatory	Mandatory
		'Bendable' or 'Half Hard' <i>Hardness (HV/5): ~71-99</i>	B		
		'Soft' or 'annealed' <i>Hardness (HV/5): 70 maximum</i>	S		
3	Lagging	Lagged	L	Mandatory	Mandatory
		Unlagged	U		
4	Capping	Capped	C	Mandatory	Mandatory
		Uncapped	U		
5	Form	Straight	S	Mandatory	Mandatory
		Coiled	C		
6	Finned or internally grooved	Finned	F	Mandatory	Mandatory
		Internally grooved	G		
		Plain (not finned or grooved)	P		

The MCCs will be used to model match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade test by comparing domestic selling prices to the corresponding cost to make and sell. The MCC structure may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

At this stage, the Commission has not included categories relating to outside diameter, wall thickness or length. At the time of issuing the questionnaires, the Commission had not been able to determine appropriate subcategories for these categories. Exporters have been

requested to provide information relating to the outside diameter, wall thickness and length of the goods exported to Australia and sold on their domestic market.

Consequently, the Commission invites submissions from interested parties on the appropriate subcategories, if any, that should apply to:

- outside diameter;
- wall thickness; and/or
- length of the goods.

These submissions will be considered in determining the final MCC structure, which may include these categories.

Submissions in relation to the Commission's proposed MCC structure should be provided by **12 October 2020**.