



Case no. 557

Certain Copper Tube

Exported from People’s Republic of China and Republic of Korea

File note

Conference with MM Kembla

3 September 2020, 9.00 am

Participants:

Metal Manufactures Pty Ltd trading as MM Kembla (MM Kembla)	John O’Connor – Consultant [REDACTED] – Executive General Manager [REDACTED] – Marketing Manager [REDACTED] – National Sales Manager [REDACTED] – Finance
Anti-Dumping Commission	Justin Wickes - Case Director Tim King - Case Manager Reuben McGovern – Case Manager

The Commission met with representatives from MM Kembla on 3 September 2020 to discuss the goods under consideration and MM Kembla’s proposed structure of the Model Control Codes (MCC) which was included in their application. The following is a summary of the matters discussed.

The Commission noted that various parties subsequent to the initiation of the investigation had raised queries regarding the nature of the goods included in the goods description. The Commission advised that these queries related to finned or internally grooved copper tube and copper tube that may have been further worked or modified prior to importation. The Commission provided the following examples of what the further work or modifications could include:

- cut to a specified short length;
- bent into a specified shape to fit a particular end use;
- drilled to make one or more holes in the pipe surface;
- subject to a process by which the ends of the pipe are altered; and/or
- copper tube which has had additional items attached to the pipe, including washers, connectors, filter mesh, caps or nuts. These additional items may or may not be brazed onto the copper tube.

PUBLIC RECORD

MM Kembla advised that finned and internally grooved copper tube sold in straight lengths that met the parameters of the goods description would be like goods. MM Kembla confirmed that they did not manufacture either finned or internally grooved copper tube.

In regard to the modification examples raised by the Commission, MM Kembla indicated that each of these modifications, when considered singularly or in their own right, were minor modifications and consequently would be like goods.

The Commission further discussed temper grades and annealed copper tube. MM Kembla advised that annealed copper tube was predominately sold in coils, but could also be sold in straight lengths. MM Kembla considered that straight lengths of annealed copper tube would be like goods. MM Kembla advised that in the Australian market the differing temper grades were generally, Hard drawn, Bendable (Half hard) or Annealed (Soft). MM Kembla indicated that hardness fitness tests could be used to measure temper with tempers falling within the following categories:

- o 100 or more: Hard;
- o 80 -100: Half hard or bendable; and
- o Up to 70 Annealed or soft

MM Kembla confirmed that coils were not included in the goods description with annealed coils, layer wound packs and level wound coils being specifically excluded goods. The Commission queried with MM Kembla whether copper tube could be manufactured into coils which were neither of the three types excluded in the goods description. MM Kembla indicated that this would be unlikely, but in some rare circumstances hard drawn coil could be sold in a layer wound pack or level wound coil form rather than in straights. MM Kembla indicated that an example of this would be where an original equipment manufacturer (OEM) had a requirement for hard drawn copper tube to be provided in this form.

The Commission also discussed the nature of the Australian/NZ standards specified in the goods description, the nature of standards that may apply in Korea or China and the difference between alloyed and non-alloyed copper tube. MM Kembla also confirmed that the terms 'pipe' and 'tube' were used interchangeably and there was no difference between 'copper pipe' and 'copper tube'.

The Commission also discussed the proposed MCC categories in MM Kembla's application and other potential MCC categories the Commission was considering after receiving responses to the preliminary information requests (PIRs). This discussion included MCC categories relating to:

- End uses of copper tube and the Australian Standards specified in the goods description;
- Outside Diameter;
- Wall Thickness;
- Temper grades;
- Capping;
- Lagging; and
- Form.

PUBLIC RECORD

MM Kembla advised that it considered that outside diameter and wall thickness should be included as MCC categories and that, given that the goods under consideration were straight tube, the form category was not required.¹ The Commission advised that it was not satisfied that the proposed MM subcategories proposed by the MM Kembla for wall thickness and outside diameter in its application would necessarily be relevant to the exporters' domestic and export sales.

In response to a query from MM Kembla on whether the Commission was examining the market distortions in China, the Commission confirmed that it was investigating the particular market situation allegations made by MM Kembla in its application. The Commission also advised that mapping of the PCN codes provided in its sales data would be required and that this would be requested pending the verification of the data provided in its application.

¹ In response to a query from MM Kembla after the publication of the file note on 7 September 2019 (see EPR record 6), the Commission confirmed with MM Kembla that it had not initially included wall thickness and outside diameter as MCC categories. However, the Commission had requested exporters to report the outside diameter, wall thickness and length of every domestic and Australian export sale that fell within the goods description (GUC). The Commission had also asked exporters and interested parties to make submissions on what MCC sub categories should be applied to wall thickness, outside diameter and length. The Commission advised MM Kembla that this information would be used to establish the final MCC structure in the investigation. The Commission also confirmed that it had included form as a MCC category as a number of exporters had reported export sales which were in a coil form in their PIR responses. By including this category, the Commission would readily be able to identify coil sales and would assess whether they were GUC.