

14 May 2020

Mr Dale Seymour
Commissioner
Anti-dumping Commission
GPO Box 1632
Melbourne VIC 3001
BY EMAIL: clientsupport@adcommission.gov.au

Dear Commissioner,

RE: Application seeking Ministerial exemption from anti-dumping and countervailing measures

InfraBuild Trading Pty Ltd hereby seeks an exemption from anti-dumping and countervailing measures that apply to certain Hollow Structural Steel Sections exported from China, Korea, Malaysia, Taiwan and Thailand. Our details are as follows:

Applicant:

InfraBuild Trading Pty Ltd (trading as **InfraBuild Steel Centre**)
Level 28, 88 Phillip Street
Sydney NSW 2000

Contact person:

[Redacted]
[Redacted]
[Redacted]
Telephone: [Redacted]
E-mail: [Redacted]

The exemption goods:

Electrical Resistance Welded Hot-dip Galvanised Shouldered Pipe produced in accordance with American Petroleum Institute Standard Specification 5L. The steel grade for the pipe and the shoulder rings that are welded to both ends of the pipe is API 5L Grade B PSL1. A full penetration fillet weld secures the rings to the ends of the pipe. Following welding, the full length of shouldered pipe is hot-dip galvanised to a minimum zinc coating thickness of 300 g/m².

Dimensions:

- Pipe:
 - Outer diameter (mm): 165.1
 - ends tolerance -0.4, +1.6 mm;
 - Wall thickness (mm): 2.5 ± 0.32;

- Ring and shoulder:
 - Nominal ring thickness (mm): 4.8 ± 0.15
 - Shoulder outside diameter (mm): 174.5 ± 0.8
 - Ring length (mm): 17.5 ± 0.4
 - Maximum out of square (mm): 1.0

Length not less than 6,000mm and not greater than 6,500mm with a tolerance of -50mm, +20mm.

The exemption goods are generally classified to the following tariff classifications and statistical codes:

7306.30.00 "Other, welded, of circular cross-section, of iron or non-alloy steel"

Applicant's interest as an affected party:

InfraBuild Steel Centre is an importer of Galvanised Shouldered Pipe and supplies the exemption goods to mining customers who require this pipe for use in underground air and water reticulation systems. The shoulder rings are designed to allow secure connection joints to be made without the need for hazardous welding in underground mining operations. InfraBuild Steel Centre is required to import this pipe because it is not manufactured domestically.

Details of other parties likely to have an interest in this exemption application and their interests in this application:

- Orrcon Steel – a producer of pipe and tube products and possible importer of the exemption goods
- Austube Mills – a producer of pipe and tube products
- Australian Pipe and Tube – a producer of pipe and tube products
- AC Whalan & Co – a possible importer of the exemption goods
- Pipe & Engineering Supply Co – a possible importer of the exemption goods
- BDL Project Supply – a possible importer of the exemption goods
- MRC Global Australia – a possible importer of the exemption goods
- Dixon Valve Australia – a possible importer of the exemption goods
- Mastermyne – a possible importer of the exemption goods

Grounds on which we are seeking the exemption:

Ground One – Like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

Evidence that all known Australian producers have been contacted in writing and asked whether, or not, they can manufacture and supply goods, the terms of supply:

Austube Mills (**ATM**) has indicated that it does not currently have the capability to manufacture the exemption goods. Orrcon Steel (**Orrcon**) and Australian Pipe and Tube (**APT**), were also contacted in writing but as at the date of this application have not responded to confirm whether or not they are able to manufacture and supply the exemption goods as described above. Refer CONFIDENTIAL ATTACHMENTS 1.1-1.3 for evidence of correspondence.

Details of the anti-dumping and countervailing measures applying to the goods:

The goods subject to measures are:

Certain electric resistance welded pipe and tube made of carbon steel, comprising circular and non-circular hollow sections. Normally referred to as either CHS (circular or oval hollow sections) or RHS (rectangular or square hollow sections) collectively referred to as hollow structural sections (HSS), including CHS with other than plain ends, such as threaded, swaged and shouldered.

Finish Types

- Galvanised (including in-line galvanised (ILG), pre-galvanised or hot-dipped galvanised (HDG)); or
- Non-galvanised (including, but not restricted to, painted, black, lacquered or oiled finishes).

Sizes (applicable to China, Korea, Malaysia and Taiwan)

- Circular products – outside diameter exceeding 21 mm up to and including 165.1 mm; or
 - Oval, square and rectangular products – perimeter up to and including 1277.3 mm;
- that may also be categorised according to minimum yield strength, the most common classifications being 250 and 350 mega Pascals (MPa).

Sizes (applicable to Thailand)

- Circular products – outside diameter exceeding 21 mm up to and including 165.1 mm;
- Oval, square and rectangular products – perimeter up to and including 950.0 mm;

The following descriptions are excluded from measures, exemption type “GOODS” applies:

- Conveyor tube made for high speed idler rolls on conveyor systems with inner and outer fin protrusions removed by scarfing; (not exceeding 0.1 mm on outer surface and 0.25 mm on inner surface), and out of round standards (i.e. ovality) which do not exceed 0.6 mm in order to maintain vibration free rotation and minimum wind noise during operation;
- Precision RHS with a nominal thickness of less than 1.6 mm; and
- Air heater tubes to AS 2556.

The countries subject to measures are China, Korea, Malaysia, Taiwan and Thailand.

The goods to which anti-dumping duties currently apply are classified to the following tariff classifications and statistical codes:

7306.30.00

7306.61.00

7306.69.00

7306.50.00 (Thailand only)

7306.90.00 (Thailand only)

Detailed statement setting out reasons for seeking an exemption:

The *Customs Tariff (Anti-Dumping) Act 1975* permits, pursuant to subsection 8(7)(a), that the Minister may, by notice in writing, exempt goods from interim dumping duty and dumping duty, and pursuant to subsection 10(8)(a), exempt goods from interim countervailing duty or countervailing duty, if he or she is satisfied that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

The Anti-Dumping Commission's *Dumping and Subsidy Manual* outlines the characteristics to be considered in an assessment of like goods, namely physical, commercial, functional and production likeness.

1. Physical likeness

1.1 Shouldered pipe - there is currently no Australian pipe and tube manufacturer producing shouldered pipe.

Based on physical properties of the imported goods, most notably the shoulder ring requirements, like or directly competitive goods cannot be considered available for purchase in the Australian market. As such, InfraBuild Steel Centre is required to import these goods.

2. Commercial likeness

Domestically produced galvanized HSS that is not produced as a shouldered pipe, is not considered suitable for the underground application to which the imported product is applied. The imported shouldered pipes are purchased at a price reflective of the additional costs of manufacture (full penetration welding of shoulder rings followed by non-destructive testing and hot-dip galvanizing) and the benefit provided to the mining customers that purchase them i.e. ease of joining and connecting in restricted underground locations with a high confidence in the pipe integrity under pressure given the API Standard testing requirements.

Based on these commercial considerations, the imported galvanized shouldered pipe cannot be considered commercially alike and competitive to any product that is manufactured for purchase domestically.

3. Functional likeness

The domestically produced galvanized HSS is not able to be used in the same way that the imported galvanized shouldered pipe is used. The absence of shoulder rings does not allow for lengths of the domestic product to be joined underground using couplings (eg. victaulic couplings) but would instead require welding thereby damaging the integrity of the galvanized coating at the welded connection point.

The imported galvanized shouldered pipe cannot be considered functionally alike to any HSS product that is manufactured domestically.

4. Production likeness

The InfraBuild Steel Centre document 'Detailed Shouldered Pipe Specification' to which the imported goods are produced to is available as CONFIDENTIAL ATTACHMENT 2 to this Exemption Application. The stringent testing procedures required by the API 5L Standard and in particular the procedures required to ensure an interference fit that is hydrostatically tested in relation to the shoulder ring to pipe weld as outlined in this document do not apply to HSS that is produced domestically.

Based on production methods and testing required at all stages of production of the imported pipe, it cannot be considered to be produced in the same way as domestic HSS.

In the absence of the exemption goods being offered domestically for purchase, InfraBuild Steel Centre has no option but to continue to import the galvanized shouldered pipe to maintain sustainable supply to its mining customers.

InfraBuild Steel Centre hereby submits that the goods the subject of this application for Ministerial exemption should not be subject to dumping duty (or countervailing duty where applicable) as like or directly competitive goods are indeed not currently offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

FOR AND ON BEHALF OF THE IMPORTER

INFRABUILD STEEL CENTRE