



# ADRP Conference Summary

## 2018/88 Certain Hollow Structural Sections exported from the People's Republic of China, the Republic of Korea, Malaysia and Taiwan

Panel Member	Paul O'Connor
Review type	Review of Minister's Decision - Certain Hollow Structural Sections exported from the People's Republic of China, the Republic of Korea, Malaysia and Taiwan
Date	28 February 2019
Participants	Mr Howard and Mr Waincymer
Time opened	4:00pm AEDT
Time closed	4:30pm AEDT

### Purpose

The purpose of this conference was to obtain further information in relation to the review before the Anti-Dumping Review Panel (Review Panel) in relation to Hollow Structural Sections exported from the People's Republic of China, the Republic of Korea, Malaysia and Taiwan.

The conference was held pursuant to s 269ZZHA of the *Customs Act 1901* (Act).

In the course of the conference, I may have asked parties to clarify an argument, claim or specific detail contained in the party's application or submission. The conference was not a formal hearing of the review, and was not an opportunity for parties to argue their case before me.

I have only had regard to information provided at this conference as it relates to relevant information (within the meaning of section 269ZZK(6) of the *Customs Act 1901*). Any conclusions reached at this conference are based on that relevant information. Information that relates to some new argument not previously put in an application or submission is not something that the Review Panel has regard to, and is therefore not reflected in this conference summary.



## Discussion

1. In this conference the Review Panel sought comment from Tianjin Youfa Steel Pipe Group Co., Ltd (the Applicant) on revised spreadsheet calculations and accompanying narrative recently supplied by the Anti-Dumping Commission (the Commission).
2. The largest volume of product exported by the Applicant during the Review Period was Circular Hollow Sections (CHS) made from non-structural grade narrow strip. Due to a particular market situation in China, the Commission had substituted for the Applicant's costs of narrow strip, a benchmark price based upon prices paid by Korean and Taiwanese exporters for structural grade Hot Rolled Coil (HRC). The issue to be determined by the Review Panel was the appropriate adjustment to be made to the benchmark reflecting what was said to be the apparent differences in the prices paid for structural grade HRC and the nonstructural grade narrow strip.
3. The Applicant takes issue with the Commission's decision to aggregate the Applicant's costs of structural HRC and narrow strip purchases and then to compare the aggregated costs with the benchmark to determine an appropriate adjustment.
4. The Applicant maintained that it had provided the Commission with a weighted average costs of both the narrow strip and HRC and that the commission ought to have determined a separate adjustment for each grade or type of raw material input.
5. The Applicant is also critical of the Commission's reference, in the narrative, to the costs associated with splitting the HRC into particular widths. The Applicant claims that this reflects the Commission's misunderstanding of the nature of each of the raw material inputs, as narrow strip is delivered in specific widths which do not need to undergo further splitting into narrower widths.
6. The Applicant had been emphasising to the Commission that structural HRC and nonstructural narrow strip are two different products. As the vast majority of the goods exported to Australia, by volume, were nonstructural grade CHS made exclusively from narrow strip, it was therefore apparent that what the Commission needed to do was compare the uplift for the HRC structural grade with the cost of



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narrow strip to make a downward adjustment to establish a benchmark for the cost of narrow strip.

7. The Applicant maintains there is an inherent price difference between HRC and narrow strip, a fact acknowledged by the Commission in REP 419 where it referred to an “inherent price difference”, and yet in the Commission’s recent narrative, it asserted that difference was not “significant”.
8. The Applicant maintained the Commission had been provided with weighted average costs of narrow strip, and whatever the differences between narrow strip and HRC, the Commission ought to have accepted the weighted average costs of the narrow strip.
9. The Applicant also challenged the Commission’s ability to now adopt a method for the adjustment to the benchmark which did not form part of the reviewable decision.
10. It was noted the Review Panel would hold a further conference with the Commission on the following day to further explore the issue of the appropriate benchmark adjustment.

Paul O’Connor  
Panel Member  
Anti-Dumping Review Panel  
19 March 2019