



AUSTRALIAN CUSTOMS DUMPING NOTICE NO. 2006/53

CERTAIN HOLLOW STRUCTURAL SECTIONS EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

Preliminary affirmative determination & imposition of securities

Section 269TD of the *Customs Act 1901*

The Australian Customs Service (Customs) commenced an investigation on 8 June 2006 into the alleged dumping of certain hollow structural sections (HSS) exported to Australia from the People's Republic of China (China), the Republic of Korea, Malaysia, Taiwan and Thailand.

The goods subject of the investigation are electric resistance welded pipes made of carbon steel, comprising circular and non-circular hollow sections, normally referred to as either circular hollow sections (CHS) or rectangular or square hollow sections (RHS), and collectively known as HSS.

Finish types for HSS include in-line galvanised, pre-galvanised, hot-dipped galvanised and non-galvanised HSS. Sizes of HSS subject of the investigation are, for circular products, those exceeding 21 mm up to and including 165.1 mm in outside diameter and, for square and rectangular products, those up to and including 1,277.3 mm in perimeter. CHS with other than plain ends (e.g. threaded, swaged and shouldered) is also subject of the investigation. Further details of the goods and certain exclusions are contained in Australian Customs Dumping Notice 2006/25, available on the Customs website.

The tariff classifications of the goods are tariff subheadings 7306.30.00 (CHS) and 7306.60.00 (RHS) in Schedule 3 of the *Customs Tariff Act 1995*.

The applicants for dumping duty notices are Smorgon Steel Tube Mills Pty Ltd, OneSteel Trading Pty Ltd and Orrcon Operations Pty Ltd on behalf of the Australian industry.

In accordance with s. 269TD of the *Customs Act 1901* (the Act), the delegate of the Chief Executive Officer of Customs has now determined that there appears to be sufficient grounds for the publication of a dumping duty notice so far as it relates to certain exporters of HSS from China.

The determination applies to all exporters of the goods from China excluding:

- Hengshui Jinghua Steel Pipe Co., Ltd
- Huludao City Steel Pipe Industrial Co., Ltd
- Qingdao Xiangxing Steel Pipe Co., Ltd
- Shandong Fubo Group Co
- Zhejiang Kingland Pipeline and Technologies Co., Ltd
- Tianjin Aprometal Co., Ltd

Goods that are exported by the exporters above and supplied by intermediaries are also exempt from anti-dumping measures.

The delegate of the Chief Executive Officer of Customs is satisfied that in order to prevent material injury occurring to the Australian industry while the investigation continues, securities under s. 42 of

the Act will be required and taken in respect of any interim dumping duty that may become payable in respect of the goods exported by certain exporters from China entered for home consumption on and after 24 November 2006.

Particulars of the dumping margins established, the method used to establish those margins are set out in the following table:

Exporter	Dumping margins	Method to establish margin
All exporters except <ul style="list-style-type: none"> - Hengshui Jinghua Steel Pipe Co., Ltd - Huludao City Steel Pipe Industrial Co., Ltd - Qingdao Xiangxing Steel Pipe Co., Ltd - Shandong Fubo Group Co - Zhejiang Kingland Pipeline and Technologies Co., Ltd - Tianjin Aprometal Co., Ltd 	From 2.5% to 14.6%	comparing quarterly weighted average export prices with the corresponding quarterly weighted average normal values

In making this preliminary affirmative determination, Customs found HSS exported to Australia from China at dumped prices caused material injury to the Australian industry producing like goods in the form of:

- price suppression;
- loss of sales volume;
- loss of market share;
- reduced profits and profitability;
- reduced return on investment;
- reduced production capacity utilisation; and
- reduced attractiveness for re-investment.

A statement of essential facts (SEF) was placed on the public record on 7 November 2006. The statement contained material findings of fact on which Customs proposes to base its final recommendation to the Minister for Justice and Customs (Minister). Interested parties have an opportunity to respond to the SEF. Submissions in response to the SEF should be made to Customs by 27 November 2006.

Customs is due to report to the Minister on 22 December 2006. The Minister will then decide whether measures are to be imposed and if so, the level of the measures. Depending on the Minister's decision, provisional measures may be converted to interim dumping duty or refunded.

Enquiries concerning this notice may be directed to the case manager on telephone number 02 6275 6729 or fax number 02 6275 6990.

Andrew Rice
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 Trade Measures Branch
 CANBERRA ACT

24 November 2006