



Australian Government
Anti-Dumping Commission

ENTITIES TO COMPLETE QUESTIONNAIRE:

The Commissioner of the Anti-Dumping Commission (the Commissioner) identified several importers who may have been involved with the import of the circumvention goods, being “alloyed HSS” and contact has been made with these importers requesting them to complete the attached Importer Questionnaire.

Although there is no requirement for any additional importers to complete the Importer Questionnaire, the Commissioner welcomes any responses to this questionnaire from importers who may have been involved with the import of the circumvention goods and/or the goods subject to the current anti-dumping measures, being “non-alloyed HSS”, which may assist with our inquiry.

All responses to the Importer Questionnaire are due to be submitted to the Commission on or by 16 July 2015.

ANTI-CIRCUMVENTION INQUIRIES

NUMBER 291

EXPORTS OF SLIGHTLY MODIFIED GOODS TO AUSTRALIA

HOLLOW STRUCTURAL SECTIONS EXPORTED FROM THE PEOPLE'S
REPUBLIC OF CHINA, THE REPUBLIC OF KOREA AND MALAYSIA

IMPORTER QUESTIONNAIRE

Periods of inquiry: 1 JULY 2010 TO 31 MARCH 2015

Response due by: **16 July 2015**

CASE CONTACT

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Anti-Dumping
Commission website: www.adcommission.gov.au

RETURN OF QUESTIONNAIRE

By email: operations2@adcommission.gov.au

By mail
(on CD-ROM or USB):
Attn: Director, Operations 2
Anti-Dumping Commission
Department of Industry and Science
GPO BOX 9839
CANBERRA CITY ACT 2601

1. BACKGROUND

1.1. Original investigation and measures

On 3 July 2012, following consideration of *Anti-Dumping Commission Report No. 177*, the then Attorney-General published a dumping duty notice and a countervailing duty notice imposing anti-dumping measures in the form of interim dumping duty (IDD) on hollow

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structural sections (HSS) **made from carbon steel** exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea), Malaysia and Taiwan and interim countervailing duty (ICD) on HSS exported to Australia from China.

The dumping duty notice covers all exporters of HSS from China, Korea, Malaysia and Taiwan.

The countervailing duty notice covers all exporters of HSS from China except for Huludao City Steel Pipe Industrial Co., Ltd and Qingdao Xiangxing Steel Pipe Co., Ltd.

1.2. Background to anti-circumvention inquiry

1.2.1. Application and initiation

On 7 April 2015, Austube Mills Pty Ltd (ATM), a member of the Australian industry producing like goods, lodged an application under s.269ZDBC(1) of the *Customs Act 1901* (the Act)¹ for an anti-circumvention inquiry in relation to HSS exported from China, Korea, Malaysia and Taiwan.

In its application, ATM alleged that the applicable anti-dumping measures in respect of HSS from China, Korea, Malaysia and Taiwan were being circumvented by importers and exporters of the goods through the slight modification of those goods. Specifically, ATM alleged that HSS that would otherwise be subject to the anti-dumping measures, was being slightly modified through the addition of alloys to those goods, which allows for those goods to no longer be considered HSS made from carbon steel HSS, but rather **alloyed** HSS.

In its application, ATM highlighted that it considers HSS including the alloying element of boron has been imported and circumvented the anti-dumping measures. ATM identified that other alloys (such as chromium) may also have been used in such a modification.

Following consideration of this application, the Commissioner of the Anti-Dumping Commission (the Commissioner) decided to not reject the application in so far as it related to HSS exported from China, Korea and Malaysia, and an anti-circumvention inquiry was initiated into the slight modification of those goods. This anti-circumvention inquiry was initiated on 11 May 2015.

Following consideration of ATM's application, the Commissioner decided to reject the application in so far as it related to HSS exported from Taiwan.

Details of the Commissioner's consideration of ATM's application are in *Consideration Report 291*.

1.2.2. Inquiry process

The anti-circumvention inquiry will examine whether any exporters of HSS from China, Korea or Malaysia have engaged in circumvention activity where there is a slight modification of goods exported to Australia, as outlined in subsection 48(2) of the *Customs (International Obligations) Regulation 2015*.

¹ All legislative references in this document refer to provisions of the Act unless specifically stated otherwise.

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The alleged circumvention goods exported to Australia during the period 1 July 2010 to 31 March 2015 will be examined to determine whether the circumvention activity has occurred.

Unless the inquiry is terminated earlier, after concluding the inquiry, the Commissioner will provide a report and recommendations to the Parliamentary Secretary to the Minister for Industry and Science (the Parliamentary Secretary).

This report will recommend to the Parliamentary Secretary that, pursuant to subsection 269ZDBG(1) of the Act, the original dumping duty notice in respect of HSS:

- remain unaltered; or
- be altered following a finding that circumvention activity in relation to the original notice/s has occurred; and
- the alterations to be made.

After considering the report and any other information that the Parliamentary Secretary considers relevant, the Parliamentary Secretary may leave the original notice unaltered or alter the original notice, specifying different goods that are subject to the notice, and altering variable factors in respect of certain exporters subject to the notice.

The Commission inquiry will be carried out under the provisions of the Part XVB of the Act.

2. THE GOODS AND THE CIRCUMVENTION GOODS

2.1. The goods subject to anti-dumping measures (the goods)

The goods subject to the dumping duty notice and the countervailing duty notice (the goods) are described as:

Certain electric resistance welded pipe and tube made of carbon steel, comprising circular and non-circular hollow sections in galvanised and non-galvanised finishes.

For the purposes of this questionnaire, the goods will be referred to as ‘**non-alloy HSS**’ or as ‘**the goods**’.

2.1.1. Additional product information

Further to the above description of the goods, the following additional information may assist in identifying the goods:

The goods are normally referred to as either CHS (circular hollow sections) or RHS (rectangular or square hollow sections). The goods are collectively referred to as HSS (hollow structural sections). Finish types for the goods include inline galvanised (ILG), pre-galvanised, hot-dipped galvanised (HDG) and non-galvanised HSS.

Sizes of the goods are, for circular products, those exceeding 21mm up to and including 165.1mm in outside diameter and, for oval, square and rectangular products those with a perimeter up to and including 1277.3mm.

Categories of HSS excluded from the goods are conveyor tube; precision RHS with a nominal thickness of less than 1.6mm and air heater tubes to Australian Standard (AS) 2556.

2.1.2. Tariff classifications of the goods

The goods are classified to tariff subheadings:

- 7306.30.00 (statistical codes 31, 32, 33, 34, 35, 36 and 37);
- 7306.61.00 (statistical codes 21, 22 and 25); and
- 7306.69.00 (statistical code 10)

of Schedule 3 to the *Customs Tariff Act 1995* (Tariff Act).

The general rate of duty is 5% for goods imported under these tariff subheadings.

The goods exported to Australia:

- from Korea are subject to a 3% rate of duty; and
- from China and Malaysia are subject to a 4% rate of duty.

2.2. The goods subject to the inquiries (the circumvention goods)

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The goods subject to the anti-circumvention inquiries (the circumvention goods) are described as:

certain electric resistance pipe and tube made of alloy steel

For the purposes of this questionnaire, the circumvention goods are referred to as ‘**alloyed HSS**’ or as ‘**the circumvention goods**’.

IMPORTANT: the circumvention goods are HSS that includes any alloy(s) and not only HSS that contains boron. Please answer questions in this questionnaire in relation to the circumvention goods regarding any type of alloyed HSS imported and/or sold by your company.

2.2.1. Tariff classifications of the circumvention goods

The circumvention goods are classified to tariff subheadings:

- 7306.50.00 (statistical code 45); and
- 7306.61.00 (statistical code 90)

of Schedule 3 to the Tariff Act.

The general rate of duty is 5% for goods imported under these tariff subheadings.

The circumvention goods exported to Australia:

- from Korea are subject to a 3% rate of duty; and
- from China and Malaysia are subject to a 4% rate of duty.

3. INSTRUCTIONS

3.1. Why have you been asked to fill out this questionnaire?

The Commission is responsible for conducting the inquiries into alleged circumvention activities to determine whether those activities have occurred.

The Commission has identified your company as a possible exporter of the circumvention goods, and will examine your exports during the inquiry periods to determine whether circumvention of the measures has occurred.

3.2. What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information if deemed necessary, the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry) to assess if circumvention of the measures has occurred.

It is in your interest, therefore, to provide a complete and accurate submission, capable of verification.

3.3. Due date for response

You are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page. There is a statutory time limit imposed for the inquiries. The Commission may not be able to consider submissions received after the due date.

If you cannot lodge your submission by the due date please advise the inquiries' case manager as soon as possible.

3.4. Confidential and non-confidential submissions

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your response by the due date.

Please ensure that each page of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record.

Please note, Australia's anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

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The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party's understanding of information contained in a document.

As provided for in Australia's anti-dumping and countervailing legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the inquiries' case manager.

Further advice on providing non-confidential information to the Commission can be found in Australian Customs Dumping Notice (ACDN) 2012/42, available on the Commission's website.

3.5.Importer's declaration

Chapter 5 requires you to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not import the circumvention goods during the period of inquiry, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

3.6.Verification of the information that you supply

The Commission may seek to verify the information provided in your submission.

This verification may take the form of written requests for additional information or an in-person verification visit with your company at its premises.

The purpose of verification is to authenticate the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

If an in-person visit is considered necessary, during that visit we will want to examine in detail your company's records in respect of the goods and the circumvention goods and will ask for copies of documents relating to the manufacture and sale of those goods. We will need to consult with your staff, particularly your import purchase people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit. We will provide you with a draft of the report and then respond to any questions you have. We will ask you to prepare a non-confidential copy of the report for the public record.

3.7.If you do not manufacture the circumvention goods

You may supply but not produce or manufacture the circumvention goods (for example, you are a trading company, broker, or vendor dealing in the circumvention goods).

In such cases it is important that you forward a copy of this questionnaire to the relevant manufacturers of the circumvention goods **immediately**. You should also inform the inquiries' case officer of the contact details for these manufacturers.

You should also **complete those sections of the questionnaire that you are reasonably able to complete**. If, for example, you are unable to supply details of production costs, you should clearly explain why the section does not apply to your company.

3.8.Some general instructions for preparing your response

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Where applicable, clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

3.9.Provision of electronic data

- It is important that information is submitted in electronic format where directed.
- Electronic data should be emailed, or submitted on a CD-ROM or USB.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file). Excel files must be compatible to the USA version.

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- An Excel workbook, *Importer Questionnaire – HSS AC* accompanies this questionnaire and forms a template for your response to the data requested. The workbook is referred to throughout this questionnaire as appropriate. This workbook should be completed and used to provide the requested data where possible.
- If you cannot present electronic data in the requested format contact the investigation case officer as soon as possible.

3.10. Further information

Before you respond to the questionnaire you should read the key documents available on the Commission's website and public record in relation to these inquiries (www.adcommission.gov.au) including:

- ATM's applications for the inquiries;
- Consideration Report 291; and
- the Anti-Dumping notices notifying of the inquiries.

If you require further assistance, or you are having difficulties completing your submission, please contact the inquiries' case manager.

4. QUESTIONS FOR COMPLETION

4.1. Identity and communication

4.1.1. Company contact

Please nominate a person within your company who can be contacted for the purposes of this inquiry:

Name:
Position in the company:
Address:
Telephone:
Facsimile number:
E-mail address of contact person:

4.1.2. Representative of the company for the purpose of inquiry

If you wish to appoint a representative to assist you in this inquiry, provide the following details:

Name:
Address:
Telephone:
Facsimile/Telex number:
E-mail address of contact person:

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this inquiry may be freely released to, or discussed with, that representative.

4.1.3. Company information

- a) What is the legal name of your business? What kind of entity is it (e.g. company, partnership, sole trader)? Please provide details of any other business names that you use to import goods.
- b) Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.
- c) Describe the nature of your company's business. For example, state if you are a distributor, wholesaler, retailer, end user).

4.2. Imports to Australia

4.2.1. Description

Fully describe all non-alloy HSS and alloyed HSS you have imported from China, Korea and Malaysia during the inquiry period.

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Include details of all models of the goods and the circumvention goods imported.

Include specification details, details of alloys and their levels (for alloyed HSS), and include any technical and illustrative material that may be helpful in identifying, or classifying, the imported products.

4.2.2. Exporter identity

For each exporter in China, Korea and Malaysia from whom you imported the non-alloy HSS and alloyed HSS in the inquiry period list:

- name;
- address;
- contact name and phone/fax number where known;
- nature of business (for example: producer, manufacturer, distributor, trading company, etc.);
- whether they have supplied you non-alloy HSS, alloyed HSS, or both products.

4.3. Importation questions

4.3.1. Import data

Fill in the spreadsheet titled 'Imports' in the attached Excel workbook ***Importer Questionnaire – HSS AC*** in relation to your imports of non-alloyed HSS and alloyed HSS during the applicable inquiry period of imports from the applicable inquiry countries.

See the cover of this questionnaire for the inquiry period and countries applicable to your imports.

4.3.2. Import documents

From the 'Imports' spreadsheet completed in response to Question 4.3.1, select:

- two shipments of the alloyed HSS; and
- two shipments of non-alloy HSS

in different quarters of the inquiry period.

If your company only imported alloyed HSS during the inquiry period, please select four shipments of those goods.

Provide the following documentation related to those sales:

- any correspondence negotiating terms of the sales, price, products, etc. that you have on record;

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- purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- packing list; and
- mill test certificate.

The Commission may select additional shipments for verification or provision of documentation at a later date.

4.3.3. Ordering process

- a) Fully describe the ordering and purchase process from your overseas suppliers of alloyed HSS from market offer through to invoicing, delivery and payment.

In your response, indicate the time period for each of the sales process steps.

- b) Does the process described above differ in any way from the ordering and purchase process of non-alloy HSS? Provide details.
- c) Are the models of alloyed HSS that you imported to Australia during the inquiry period part of your suppliers' standard product offering to Australia, or are they only available under special circumstances (e.g. through special order)? Provide details.
- d) Do you specifically request/order the goods to include alloys that result in it being considered alloyed HSS? Provide details.
- e) What is the minimum order quantity from your supplier of:
- non-alloy HSS;
 - alloyed HSS.

4.3.4. Purchase price

- a) Is there a difference in purchase price from your suppliers between non-alloy HSS and alloyed HSS, assuming all other factors of the sale were the same (e.g. order quantity, product characteristics such as steel grade, coating mass, thickness, credit terms). Provide details.

I.e. are alloyed HSS generally a different purchase price to the goods based solely on the fact that they are an alloyed product?

- b) If the answer to the above is yes, quantify the price difference for each year of the inquiry period. Provide any documents that support this price difference (e.g. price lists, comparable invoices, etc).

4.3.5. 'Shift' of imports

If your company 'shifted' from importing non-alloy HSS to alloyed HSS during the assessment period, answer the following questions:

- a) What was the rationale for this shift in imports?
- b) What was this shift in response to?
- c) What alterations to your ordering processes were needed?
- d) When did you first commence importing alloyed HSS to Australia?

4.3.6. Forward orders

Fill in the spreadsheet titled 'Forward orders' in the attached Excel workbook **Importer Questionnaire – HSS AC** in relation to your future imports of non-alloyed HSS and alloyed HSS.

4.4. Australian sales

4.4.1. End use

- a) After importing alloyed HSS, explain the subsequent sales channel/use of the product. For example, do you on-sell the products to other Australian entities for their use (or further on-sale), or do you consume the goods in the manufacture of products by your company?
- b) In general, are there any specific purpose(s) and/or end use(s) that alloyed HSS you import is suitable for that non-alloy HSS is not suitable for? Provide specific product details and supporting evidence where possible.
- c) Are there any purpose(s) and/or end use(s) that non-alloy HSS and alloyed HSS can be used interchangeably for?
- d) What Standards/specifications are your non-alloy and alloyed HSS manufactured/supplied to when importing into Australia?
- e) If you are doing so, why are you importing a mix of alloyed HSS and non-alloy HSS to Australia?
- f) If you use alloyed HSS for the production of other goods by your company:
 - i. explain the use(s) of this alloyed HSS;
 - ii. is non-alloy HSS able to be used for this same use(s) (if not, please explain why).
- g) If your company on-sells alloyed HSS to other parties:
 - i. describe the ultimate end use(s) of this alloyed HSS;

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- ii. Is non-alloy HSS able to be used for the same end use(s) as those described above (if not, please explain why).

4.4.2. Selling price

If you on-sell the non-alloy HSS and alloyed HSS you import (i.e. do not consume in your own manufactured products), answer the following questions.

- a) Is there a difference in selling price to your Australian customers between non-alloy HSS and alloyed HSS, assuming all other factors of the sale were the same (e.g. order quantity, product characteristics such as steel grade, coating mass, thickness, credit terms). Provide details.

I.e. are alloyed HSS generally a different selling price to non-alloy HSS due to the fact that it is an alloyed product?

- b) If the answer to the above is yes, quantify the price difference for each year of the inquiry period. Provide any documents that support this price difference (e.g. price lists, comparable invoices, etc).

4.4.3. General sales questions

If you on-sell the non-alloy HSS and alloyed HSS you import (i.e. do not consume in your own manufactured products), answer the following questions.

- a) When on-selling alloyed HSS, are your customer(s) aware of the fact that it contains alloys? Could your customer(s) reasonably be under the impression that they are purchasing non-alloy HSS?
- b) If your immediate Australian customer is not the end user of the alloyed HSS you import, is it likely that the end user of those products is aware of the fact that it contains alloys? Could the end user reasonably be under the impression that they are purchasing non-alloy HSS?
- c) Is the alloyed HSS that you supply to your Australian customers described as 'alloyed' on any of the commercial or other documentation associated with that sale, including your offer for sale to your Australian customers? If so, please provide documentary evidence of this (invoice, purchase order, offer for sale, etc).
- d) Do your customers of alloyed HSS specifically request that the products you sell them contain alloys? Describe how and at what stage of the order process this occurs.
- e) Is there a minimum order quantity to your customer(s) for:
 - i. non-alloy HSS;
 - ii. alloyed HSS?

If so, please specify what this quantity is.

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- f) Are the models of alloyed HSS that you imported and on-sold in Australia during the inquiry period part of your company's standard product offering to Australia, or are they only available under special circumstances (e.g. through special order)? Provide details.

4.5. Open comments

If your company wishes to make any general comments about whether a circumvention activity has occurred (for the purposes as outlined in Regulation 48(2) of the *Customs (International Obligations) Regulation 2015*), it may take the opportunity to do so in response to this questionnaire.

Alternatively, separate submissions to the investigation may be made directly to the Commission at the following address:

The Director
Operations 2 - Anti-Dumping Commission
Department of Industry and Science
GPO Box 9839
Canberra, ACT 2601

or by email at operations2@adcommission.gov.au.

Interested parties wishing to participate in the inquiry must ensure that submissions are lodged promptly as legislative timeframes and restrictions apply to the receipt and consideration of submissions.

Refer to Australian Dumping Notice 2015/58 for further information on these restrictions.

5. IMPORTER'S DECLARATION

I hereby declare that.....(company)
have completed the attached questionnaire and, having made due inquiry, certify
that the information contained in this submission is complete and correct to the
best of my knowledge and belief.

I hereby declare that.....(company)
did not, during the period of inquiry, import the circumvention goods and therefore
have not completed the attached questionnaire.

Name :.....

Signature :.....

Position in

Company :.....

Date :.....