



FILE NOTE

Investigation into alleged dumping and subsidisation
of Hollow Structural Sections (HSS) exported to
Australia from China, Korea, Malaysia, Taiwan and
Thailand

**Dumping margin calculations for entities that provided
responses to the exporter questionnaires but have not been
visited by Customs and Border Protection for verification**

1. Introduction

Customs and Border Protection received 22 responses to the exporter questionnaires issued in relation to the dumping and subsidy investigation on HSS. Customs and Border Protection undertook verification visits to the following nine exporters (which collectively accounted for more than an estimated 70% of exports of HSS to Australia from the five nominated countries in the investigation period):

China

- Dalian Steelforce Hi-tech Co., Ltd
- Huludao City Steel Pipe Industrial Co., Ltd
- Hengshui Jinghua Steel Pipe Co., Ltd
- Zhejiang Kingland Pipeline and Technologies Co., Ltd

Korea

- Kukje Steel Co., Ltd

Malaysia

- Alpine Pipe Manufacturing Sdn Bhd

Taiwan

- Shin Yang Steel Co., Ltd

Thailand

- Pacific Pipe Public Co. Ltd

- Saha Thai Steel Pipe Public Co., Ltd

Customs and Border Protection has not undertaken a sampling exercise in terms of section 269TACB(8) of the *Customs Act 1901*. Rather, Customs and Border Protection sought to determine exporter-specific dumping and countervailing¹ margin calculations for all those exporters that fully cooperated with the investigation, whether or not the data was verified.

Preliminary dumping margin calculations for the exporters above have all been determined after on-site verification visits to the respective production facilities of the exporters listed.

Customs and Border Protection will complete an exporter visit report, including a measure of the preliminary dumping margin, in relation to each of these exporters. In the cases of China and Thailand, the preliminary exporter dumping margin calculations are prior to an assessment of the market situation allegations, which, when completed, could affect the dumping margin calculations. Interested parties seeking information about the preliminary dumping margins and the verification exercises pertaining to the exporters visited should refer to the public record (non-confidential) versions of the exporter visit reports.

The primary purpose of this note for file is to advise interested parties how Customs and Border Protection has calculated preliminary dumping margins in relation to those other thirteen entities that also provided responses to the exporter questionnaires, but were not visited for verification.

In the case of Chinese exporters, the assessment of preliminary countervailing margins is ongoing, and will be subject to separate notification. This paper does not relate to Customs and Border Protection's treatment or assessment of exporters in relation to the countervailing investigation.

2. Entities that responded to exporter questionnaire but have not been visited

The 13 entities that responded to exporter questionnaire but have not been visited are:

China

- Jiedong Economic Development Testing Zone Tai Feng Qiao Metal Products Co., Ltd (TFQ)
- Qingdao Xiangxing Steel Pipe Co Ltd (Qingdao Xiangxing)
- Shandong Fubo Group Co (Shandong Fubo)
- Tianjin Jinshengde Steel Tube Product Co., Ltd (Tianjin Jinshengde)
- Zibo Fubo Steel Pipes Factory (Zibo Fubo)
- Zibo Litong Steel Pipe Co., Ltd (Zibo Litong)

¹ In the case of Chinese exporters.

Korea

- Dae Myung Steel Co., Ltd (Dae Myung)
- Jinbang Steel Korea Co., Ltd (Jinbang)
- Steelpia Co., Ltd (Steelpia)
- Yulchon Co., Ltd (Yulchon)

Malaysia

- Southern Steel Pipe Sdn Bhd (Southern Steel)

Taiwan

- Ta Fong Steel Co., Ltd (Ta Fong)

Thailand

- Samchai Steel Industries Public Company Limited (Samchai)

3. Deficient responses to exporter questionnaires

Customs and Border Protection examined the responses to exporter questionnaires from the thirteen entities listed above and determined that some were deficient in a material degree. In each of the cases of deficiency, Customs and Border Protection provided an opportunity for the entity concerned to address those deficiencies.

Having regard to the original responses to the exporter questionnaires, and to subsequent attempts to address deficiencies, Customs and Border Protection finds the responses to exporter questionnaires from the following entities remained deficient, and could not be relied upon for calculating preliminary dumping margins:

- Shandong Fubo
- Tianjin Jinshengde
- Zibo Fubo
- Zibo Litong
- Dae Myung
- Jinbang
- Steelpia
- Yulchon
- Southern Steel

Customs and Border Protection considers that the failure to supply a substantially complete response to the exporter questionnaire, absent of material deficiency, amounts to less than full cooperation. The information provided by these entities was assessed as being materially deficient, not sufficient to warrant verification; and it is considered to be unreliable.

It is therefore considered that these entities have not fully cooperated with the investigation. Consequently, the export prices and normal values for these and other exporters considered to be non-co-operators will be determined after having regard to all relevant information. This situation could lead to a result which is less favourable to the entity than if the entity did cooperate. The dumping margin assessments for the non-co-operators will be reported in the statement of essential facts.

4. Adequate responses to the exporter questionnaires

The responses to the exporter questionnaires submitted by the following exporters, in terms of information supplied for the purposes of calculating dumping margins, were assessed as being without material deficiency, and each contained verifiable data:

- Qingdao Xiangxing
- TFQ
- Ta Fong
- Samchai

Verification visits have not been undertaken in relation to these entities. Rather, Customs and Border Protection has calculated dumping margins after analysing the data submitted by these entities. The analysis included some tests of the data for completeness, relevance and accuracy, and some benchmarking to verified data of a similar nature.

The following discussion of each exporter outlines the approach taken for establishing export price, normal value and dumping margin, including an assessment of each preliminary dumping margin.

It should be noted that in the cases of Chinese exporters and the one Thai exporter, the preliminary assessments are prior to any assessment of the market situation allegations (as is the case for Chinese and Thai exporters that were visited by Customs and Border Protection for verification).

Qingdao Xiangxing (China)

Export prices were established in accordance with s.269TAB(1)(a) of the Act, using Qingdao Xiangxing's quarterly weighted average export invoice prices, by model, excluding any part of that price that relates to post-exportation charges.

Normal values were established in accordance with s.269TAC(1) of the Act using Qingdao Xiangxing's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade. Certain adjustments to domestic selling prices were made to ensure normal values were fairly compared with export prices. Specifically, adjustments were made in relation to differences between export and domestic prices due to differences in packing; inland transport; handling and other expenses; and residual export VAT expense (8%).

The dumping margin for Qingdao Xiangxing was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Qingdao Xiangxing is negative 3.3%.

The primary reason for this dumping margin calculation departing so significantly from the one reported in the preliminary affirmative determination (PAD) report is that the treatment of Chinese VAT was clarified and amended.

TFQ (China)

Export prices were established in accordance with s.269TAB(1)(a) of the Act, using TFQ's quarterly weighted average export invoice prices, by model, excluding any part of that price that relates to post-exportation charges.

Normal values were established in accordance with s.269TAC(1) of the Act using TFQ's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade. Certain adjustments to domestic selling prices were made to ensure normal values were fairly compared with export prices. Specifically, adjustments were made in relation to differences between export and domestic prices due to differences in inland freight; commissions; terminal handling charges and other export clearance fees; and residual export VAT expense (8%).

The dumping margin for TFQ was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for TFQ is 6.9%.

Ta Fong (Taiwan)

Export prices were established in accordance with s.269TAB(1)(a) of the Act, using Ta Fong's quarterly weighted average export invoice prices, by model, excluding any part of that price that relates to post-exportation charges.

Normal values were established in accordance with s.269TAC(1) of the Act using Ta Fong's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade. Certain adjustments to domestic selling prices were made to ensure normal values were fairly compared with export prices. Specifically, adjustments were made in relation to differences between export and domestic prices due to differences in credit terms; inland freight; handling expenses; and commissions.

The dumping margin for Ta Fong was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of

corresponding normal values over the whole of that period. The preliminary dumping margin for Ta Fong is 3.4%.

Samchai (Thailand)

Export prices were established in accordance with s.269TAB(1)(a) of the Act, using Samchai's quarterly weighted average export invoice prices, by model, excluding any part of that price that relates to post-exportation charges.

Normal values were established in accordance with s.269TAC(1) of the Act using Samchai's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade. Certain adjustments to domestic selling prices were made to ensure normal values were fairly compared with export prices. Specifically, adjustments were made in relation to differences between export and domestic prices due to differences in inland freight and packing.

The dumping margin for Samchai was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Samchai is 13.1%.