



## FACT SHEET

### **Commerce Finds Dumping of Imports of Circular Welded Carbon-Quality Steel Pipe from Pakistan, Oman, the United Arab Emirates, and Vietnam, and Countervailable Subsidization of Imports of Circular Welded Carbon-Quality Steel Pipe from Pakistan**

- On October 24, 2016, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of circular welded carbon-quality steel pipe from Oman, Pakistan, the United Arab Emirates, and Vietnam, and countervailing duty (CVD) investigation of imports of circular welded carbon-quality steel pipe from Pakistan.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, and internationally-accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells an imported product in the United States at less than its fair value. For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits a foreign company that sells an imported product in the United States and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- In the Pakistan AD investigation, mandatory respondent International Industries Limited provided incomplete responses to the questionnaires issued by Commerce; thus, Commerce found that dumping has occurred and assigned the company the petition rate of 11.80 percent, based on adverse facts available. As there were no calculated dumping margins, Commerce followed standard practice and also assigned the petition rate of 11.80 percent to all other producers/exporters in Pakistan.
- In the Oman investigation, Commerce found dumping by the mandatory respondent, Al Jazeera Steel Products Co. SAOG, at a margin of 7.24 percent. Commerce also calculated a final dumping margin of 7.24 percent for all other producers/exporters in Oman.
- In the United Arab Emirates investigation, Commerce found dumping by mandatory respondents Ajmal Steel Tubes & Pipes Ind. L.L.C. (Ajmal Steel) and Universal Tube and Plastic Industries, LLC – Jebel Ali Branch, Universal Tube and Pipe Industries, KHK Scaffolding and Framework LLC (collectively, Universal), at margins of 6.43 percent and 5.58 percent, respectively. Commerce also calculated a final dumping margin of 5.95 percent for all other producers/exporters in the United Arab Emirates.
- In the Vietnam investigation, Commerce found dumping by mandatory respondent Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd., at a margin of 6.27 percent. Commerce determined that Hoa Phat Steel Pipe Co. qualified for a separate rate, at a dumping margin of 6.27 percent. In addition, Commerce found that mandatory respondent SeAH Steel VINA Corporation had not sold circular welded carbon-quality steel pipe at less than fair value. All other

producers/exporters in Vietnam received the Vietnam-wide entity rate of 113.18 percent, based on adverse facts available.

- In the Pakistan CVD investigation, Commerce calculated a final subsidy rate of 64.81 percent for the mandatory respondent, International Industries Limited. The final subsidy rate is based on facts available and adverse inferences following Commerce’s final determination that the mandatory respondent and the Government of Pakistan had not fully cooperated in the investigation. All other exporters/producers in Pakistan have also been assigned a final subsidy rate of 64.81 percent.
- As a result of the affirmative final AD determinations, Commerce will instruct U.S. Customs and Border Protection to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, if the U.S. International Trade Commission (ITC) issues affirmative an final injury determination, Commerce will order the resumption of the suspension of liquidation and will require cash deposits for CVD duties equal to the final subsidy rates established during the investigation, except where these rates are zero or *de minimis*. Commerce will also adjust the AD cash deposit rates by the amount of the CVD export subsidies, where appropriate. If the ITC issues negative final injury determinations, the investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all previously collected cash deposits will be refunded.
- The petitioners for these investigations are Bull Moose Tube Company (Chesterfield, MO), EXLTUBE (N. Kansas City, MO), Wheatland Tube Company (Chicago, IL), and Western Tube & Conduit (Long Beach, CA).
- These investigations cover welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter (O.D.) not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., American Society for Testing and Materials International (ASTM), proprietary, or other), generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term “carbon quality” includes products in which:
  - (a) iron predominates, by weight, over each of the other contained elements;
  - (b) the carbon content is 2 percent or less, by weight; and
  - (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
    - (i) 1.80 percent of manganese;
    - (ii) 2.25 percent of silicon;
    - (iii) 1.00 percent of copper;
    - (iv) 0.50 percent of aluminum;
    - (v) 1.25 percent of chromium;
    - (vi) 0.30 percent of cobalt;
    - (vii) 0.40 percent of lead;
    - (viii) 1.25 percent of nickel;
    - (ix) 0.30 percent of tungsten;
    - (x) 0.15 percent of molybdenum;
    - (xi) 0.10 percent of niobium;

- (xii) 0.41 percent of titanium;
- (xiii) 0.15 percent of vanadium; or
- (xiv) 0.15 percent of zirconium.

Covered products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (API) API-5L specification, may also be covered by the scope of these investigations. In particular, such multi-stenciled merchandise is covered when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50mm) in outside diameter; has a galvanized and/or painted (e.g., polyester coated) surface finish; or has a threaded and/or coupled end finish.

Standard pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications.

Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications.

Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Products that meet the physical description set forth above but are made to the following nominal outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, are included despite being certified to ASTM mechanical tubing specifications:

O.D. in inches (nominal)	Wall thickness in inches (nominal)	Gauge
1.315	0.035	20
1.315	0.047	18
1.315	0.055	17
1.315	0.065	16
1.315	0.072	15
1.315	0.083	14
1.315	0.095	13
1.660	0.055	17
1.660	0.065	16
1.660	0.083	14
1.660	0.095	13
1.660	0.109	12
1.900	0.047	18
1.900	0.055	17
1.900	0.065	16
1.900	0.072	15
1.900	0.095	13
1.900	0.109	12
2.375	0.047	18

2.375	0.055	17
2.375	0.065	16
2.375	0.072	15
2.375	0.095	13
2.375	0.109	12
2.375	0.120	11
2.875	0.109	12
2.875	0.165	8
3.500	0.109	12
3.500	0.165	8
4.000	0.148	9
4.000	0.165	8
4.500	0.203	7

The scope of these investigations does not include:

- (a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn, which are defined by standards such as ASTM A178 or ASTM A192;
- (b) finished electrical conduit, i.e., Electrical Rigid Steel Conduit (aka Electrical Rigid Metal Conduit and Electrical Rigid Metal Steel Conduit), Finished Electrical Metallic Tubing, and Electrical Intermediate Metal Conduit, which are defined by specifications such as American National Standard (ANSI) C80.1-2005, ANSI C80.3-2005, or ANSI C80.6-2005, and Underwriters Laboratories Inc. (UL) UL-6, UL-797, or UL-1242;
- (c) finished scaffolding, i.e., component parts of final, finished scaffolding that enter the United States unassembled as a “kit.” A kit is understood to mean a packaged combination of component parts that contains, at the time of importation, all of the necessary component parts to fully assemble final, finished scaffolding;
- (d) tube and pipe hollows for redrawing;
- (e) oil country tubular goods produced to API specifications;
- (f) line pipe produced to only API specifications, such as API 5L, and not multi-stenciled; and
- (g) mechanical tubing, whether or not cold-drawn, other than what is included in the above paragraphs.

The products subject to these investigations are currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. However, the product description, and not the HTSUS classification, is dispositive of whether the merchandise imported into the United States falls within the scope.

- In 2014, imports of circular welded carbon-quality steel pipe from Pakistan, Oman, the United Arab Emirates and Vietnam were valued at an estimated \$17 million, \$33.1 million, \$59.4 million, and \$60.6 million, respectively.

## NEXT STEPS

- The ITC is scheduled to make its final injury determinations in the investigations of circular welded carbon-quality steel pipe from Pakistan, Oman, the United Arab Emirates and Vietnam on December 5, 2016.
- If the ITC makes affirmative final determinations that imports of circular welded carbon-quality steel pipe from Pakistan, Oman, the United Arab Emirates and/or Vietnam materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

## FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Pakistan	International Industries Ltd.	11.80%
	All Others	11.80%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Oman	Al Jazeera Steel Products Co. SAOG	7.24%
	All Others	7.24%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
United Arab Emirates	Ajmal Steel Tubes & Pipes Ind. L.L.C.	6.43%
	Universal Tube and Plastic Industries, LLC – Jebel Ali Branch/Universal Tube and Pipe Industries, Ltd./KHK Scaffolding and Framework LLC	5.58%
	All Others	5.95%

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGINS</b>
<b>Vietnam</b>	<b>SeAH Steel VINA Corporation</b>	<b>0.00%</b>
	<b>Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd.</b>	<b>6.27%</b>
	<b>Hoa Phat Steel Pipe Co.</b>	<b>6.27%</b>
	<b>Vietnam-Wide Rate</b>	<b>113.18%</b>

**FINAL SUBSIDY RATES:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATES</b>
<b>Pakistan</b>	<b>International Industries Limited</b>	<b>64.81%</b>
	<b>All Others</b>	<b>64.81%</b>

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries

## CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATIONS
<b>Petition Filed</b>	<b>October 28, 2015</b>	<b>October 28, 2015</b>
<b>DOC Initiation Date</b>	<b>November 17, 2015</b>	<b>November 17, 2015</b>
<b>ITC Preliminary Determinations</b>	<b>December 14, 2015<sup>†</sup></b>	<b>January 31, 2016<sup>†</sup></b>
<b>DOC Preliminary Determinations</b>	<b>April 1, 2016</b>	<b>May 31, 2016</b>
<b>DOC Final Determinations</b>	<b>October 21, 2016</b>	<b>October 21, 2016</b>
<b>ITC Final Determinations</b>	<b>December 5, 2016</b>	<b>December 5, 2016</b>
<b>Issuance of Orders**</b>	<b>December 12, 2016</b>	<b>December 12, 2016</b>

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

<sup>†</sup>Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

\*\*This will take place only in the event of final affirmative determinations by Commerce and the ITC.

## IMPORT STATISTICS:

<b>OMAN</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Volume (metric tons)	43,800	35,300	42,800
Value (USD)	39,411,000	30,037,000	33,134,000
<b>PAKISTAN</b>			
<b>PAKISTAN</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Volume (metric tons)	23,600	11,500	21,600
Value (USD)	23,793,000	9,789,000	17,046,000
<b>UNITED ARAB EMIRATES</b>			
<b>UNITED ARAB EMIRATES</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Volume (metric tons)	37,000	41,100	69,900
Value (USD)	35,990,000	36,988,000	59,430,000
<b>VIEINAM</b>			
<b>VIEINAM</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Volume (metric tons)	46,200	78,400	78,000
Value (USD)	42,081,000	64,542,000	60,598,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.50.5030, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070.)

The above HTSUS subheadings may cover both subject and non-subject merchandise.