



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of Large Diameter Welded Pipe from China and India

- On November 7, 2018, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of large diameter welded pipe from China and India.
- 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 subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from foreign governments that benefits the production of goods from foreign companies 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 China AD investigation, Commerce assigned a dumping rate of 132.63 percent to the China-wide entity, based on adverse facts available. No companies demonstrated that they were eligible for a separate rate.
- In the India AD investigation, Commerce assigned a dumping rate of 50.55 percent to the mandatory respondents, Bhushan Steel and Welspun Trading Limited, based on adverse facts available. Commerce assigned a dumping rate of 50.55 percent to all other producers and exporters of large diameter welded pipe from India.
- In the China CVD investigation, Commerce has calculated a subsidy rate of 198.49 percent for the mandatory respondents, Hefei Zijin Steel Tube Manufacturing Co., Hefei Ziking Steel Pipe, Panyu Chu Kong Steel Pipe Co. Ltd. and all other Chinese producers and exporters, based on the application of adverse facts available.
- In the India CVD investigation, Commerce has calculated a subsidy rate of 541.15 percent for the mandatory respondents, Bhushan Steel and Welspun Trading Limited, based on the application of adverse facts available. Commerce calculated a rate of 541.15 percent for all other Indian producers and exporters.
- Upon publication of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect AD cash deposits equal to the applicable final weighted-average dumping rates. Further, as a result of the affirmative final CVD determinations, if the U.S. International Trade Commission (ITC) makes affirmative injury determinations, Commerce will instruct CBP to resume collection of CVD cash deposits equal to the applicable subsidy rates.

- The petitioners are American Cast Iron Pipe Company (Birmingham, AL), Berg Steel Pipe Corp. (Panama City, FL), Berg Spiral Pipe Corp., Dura-Bond Industries (Steelton, PA), Skyline Steel (Parsippany, NJ), and Stupp Corporation (Baton Rouge, LA).
- The merchandise covered by the investigations is welded carbon and alloy steel pipe (including stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded pipe used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All pipe meeting the physical description set forth above is covered by the scope of these investigations, whether or not produced according to a particular standard.

Subject merchandise also includes large diameter welded pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope large diameter welded pipe.

The large diameter welded pipe that is subject to these investigations is currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000 and 7305.39.5000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

- In 2017, imports of large diameter welded pipe from China and India were valued at an estimated \$29.2 million and \$294.7 million, respectively.
- The Final Decision Memoranda are on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case numbers A-570-077 for AD China, A-533-881 for AD India, C-570-078 for CVD China, and C-533-882 for CVD India.

NEXT STEPS

- The ITC is scheduled to make its final determinations on or about December 20, 2018.
- If the ITC makes affirmative final determinations that imports of large diameter welded pipe from China and/or India 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 RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
China	China-Wide	132.63%

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES	CASH DEPOSIT
India	Bhushan Steel	50.55%	16.85%
	Welspun Trading Limited	50.55%	16.85%
	All Others	50.55%	16.85%

*Rates are adjusted for export subsidies.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Hefei Zijin Steel Tube Manufacturing Co.	198.49%
	Hefei Ziking Steel Pipe	198.49%
	Panyu Chu Kong Steel Pipe Co. Ltd.	198.49%
	All Others	198.49%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
India	Bhushan Steel	541.15%
	Welspun Trading Limited	541.15%
	All Others	541.15%

CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	January 17, 2018	January 17, 2018
DOC Initiation Date	February 9, 2018	February 9, 2018
ITC Preliminary Determinations	March 6, 2018	March 6, 2018
DOC Preliminary Determinations	June 29, 2018	August 27, 2018
DOC Final Determinations	November 5, 2018	November 5, 2018
ITC Final Determinations	December 20, 2018	December 20, 2018
Issuance of Orders*	December 27, 2018	December 27, 2018

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

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

IMPORT STATISTICS

CHINA	2015	2016	2017
Volume (metric tons)	47,447	19,011	32,059
Value (USD)	37,877,396	12,952,478	29,182,870
INDIA			
	2015	2016	2017
Volume (metric tons)	46,349	29,682	355,740
Value (USD)	44,863,573	25,994,228	294,738,474

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000.)