



FACT SHEET

Commerce Finds Unfair Dumping and Subsidization of Light-Walled Rectangular Pipe and Tube from the People's Republic of China, the Republic of Korea, and Mexico

- On June 16, the Department of Commerce announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations on imports of light-walled rectangular pipe and tube (rectangular pipe) from Mexico (AD), the People's Republic of China (China) (AD/CVD), and the Republic of Korea (AD). Rectangular pipe is commonly used for fencing, window guards, and railing for the construction industry.
- Dumping is when a foreign company sells a product in the United States at less than normal value. Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce determined that Chinese, Korean, and Mexican producers/exporters have sold rectangular pipe in the United States at 249.12 to 264.64 percent, 1.30 (*de minimis*) to 30.66 percent, and 2.92 to 11.50 percent less than normal value, respectively.
- Commerce also determined that Chinese producers/exporters received net countervailable subsidies ranging from 2.17 to 200.58 percent.
- As a result of these final AD determinations, Commerce will instruct U.S. Customs and Border Protection to continue to collect a cash deposit or bond based on the final rates, except when *de minimis*, where no cash deposit or bond will be required. Suspension of liquidation will only resume for purposes of countervailing duties if the U.S. International Trade Commission (ITC) issues an affirmative injury finding and Commerce issues a CVD order.
- The final dumping margin for Kukje Steel Co. Ltd., a mandatory respondent in the Korea investigation, is based on adverse facts available as this company did not cooperate to the best of its ability in this investigation. Further, five companies in the Mexico investigation and eight additional companies in the Korea investigation received rates of 11.50 and 30.66 percent, respectively, based on total adverse facts available because they failed to respond to our requests for quantity and value information. The final AD margin for the Chinese exporter/producer Zhangjiagang Zhongyuan Pipe-Making Co., Ltd., and the final CVD rate for Chinese exporter/producer Qingdao Xiangxing Steel Pipe Co., Ltd., are also based on adverse facts available because these companies did not cooperate to the best of their ability in these investigations.
- Additionally, in the China AD investigation, Commerce determined that critical circumstances exist solely for the China-wide entity.
- The petitioners for these investigations are Allied Tube & Conduit Corp. (IL); Atlas Tube (MI); Bull Moose Tube Company (MO); California Steel and Tube (CA); EXLTUBE (MO); Hannibal Industries (CA); Leavitt Tube Company LLC (IL); Maruichi American Corp. (CA); Searing Industries (CA); Southland Tube (AL); Vest, Inc. (CA); Welded Tube (Canada); and Western Tube and Conduit (CA).
- The merchandise covered by these investigations is certain welded carbon-quality light-walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4mm. Carbon-quality steel includes both carbon steel and alloy steel which contains only small amounts of alloying elements.

- Rectangular pipe is currently classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) under the subheadings 7306.61.50.00 and 7306.61.70.60. While HTSUS subheadings are provided for convenience and customs purposes, Commerce’s written description of the scope of these investigations is final and conclusive.
- In 2007, imports of rectangular pipe from China were valued at an estimated \$38 million; imports from Korea were valued at an estimated \$10 million; and imports from Mexico were valued at an estimated \$83 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its final injury determination on or about July 28.
- If the ITC makes affirmative determinations, Commerce will issue AD and CVD orders. If the ITC makes a negative injury determination, the investigations will be terminated.

FINAL COUNTERAVAILABLE SUBSIDY RATE:

PRODUCER/EXPORTER	SUBSIDY RATE
Zhangjiagang Zhongyuan Pipe-Making Co., Ltd.	15.28%
Qingdao Xiangxing Steel Pipe Co., Ltd.	200.58%
Kunshan Lets Win Steel Machinery Co., Ltd.	2.17%
All Others	15.28%

FINAL DUMPING MARGINS:

COUNTRY	PRODUCER/EXPORTER	MARGIN
CHINA	Kunshan Lets Win Steel Machinery Co., Ltd.	249.12%
	Zhangjiagang Zhongyuan Pipe-Making Co., Ltd.	264.64%
	Wuxi Baishun Steel Pipe Co., Ltd.	249.12%
	Guangdong Walsall Steel Pipe Industrial Co, Ltd.	249.12%
	Wuxi Worldunion Trading Co., Ltd.	249.12%
	Weifang East Steel Pipe Co., Ltd.	249.12%
	Jiangyin Jianye Metal Products Co., Ltd.	249.12%
	China-Wide Entity	264.64%
KOREA	Nexteel Co., Ltd.	1.30% (<i>de minimis</i>)
	Kukje Steel Co., Ltd.	30.66%
	Dong-A Steel Pipe Co. Ltd.	30.66%
	HiSteel Co. Ltd.	30.66%

	Jinbang Steel Co. Ltd.	30.66%
	Joong Won	30.66%
	Miju Steel Mfg. Co., Ltd.	30.66%
	Yujin Steel Industry Co.	30.66%
	Ahshin Pipe & Tube	30.66%
	Han Gyu Rae Steel Co., Ltd.	30.66%
	All Others	15.98%
MEXICO	Maquilacero S.A. de C.V.	2.92%
	Productos Laminados S.A. de C.V. (PROLAMSA)	5.73%
	Industrias Monterrey S.A. de C.V.	11.50%
	Nacional de Acero S.A. de C.V.	11.50%
	PEASA-Productos Especializados de Acero	11.50%
	Tuberias Aspe	11.50%
	Tuberias y Derivados S.A. de C. V.	11.50%
	All Others	4.33%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petitions Filed	June 27, 2007	June 27, 2007
DOC Initiation Date	July 17, 2007	July 17, 2007
ITC Preliminary Determination	August 13, 2007	August 13, 2007
DOC Preliminary Determinations	November 26, 2007	January 23, 2008
DOC Final Determinations	June 13, 2008	June 13, 2008
ITC Final Determination	July 28, 2008	July 28, 2008
Issuance of Orders*	August 4, 2008	August 4, 2008

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

IMPORT STATISTICS:

CHINA	2005	2006	2007
Volume (kg)	37,014,106	75,532,234	64,577,142
Value (\$US)	25,054,036	44,105,142	37,592,256
KOREA			
KOREA	2005	2006	2007
Volume (kg)	20,623,190	28,274,863	13,080,476
Value (\$US)	14,218,764	18,108,685	10,127,179
MEXICO			
MEXICO	2005	2006	2007
Volume (kg)	141,759,527	131,473,783	105,860,249
Value (\$US)	117,748,069	109,887,477	83,306,999

Source: U.S. International Trade Commission, Dataweb (HTSUS 7306.60.50.00, 7306.61.50.00, and 7306.61.70.60)