



## FACT SHEET

### **Commerce Preliminarily Finds Countervailable Subsidization of Imports of Circular Welded Carbon-Quality Steel Pipe from India and the Socialist Republic of Vietnam, and No Subsidization of Imports of Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman and the United Arab Emirates**

- On March 27, 2012, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the countervailing duty (CVD) investigations of imports of circular welded carbon-quality steel pipe (certain steel pipe) from India and the Socialist Republic of Vietnam (Vietnam), and its negative preliminary determinations in the CVD investigations of imports of certain steel pipe from the Sultanate of Oman (Oman) and the United Arab Emirates (UAE).
- For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce preliminarily determined that Indian and Vietnamese producers/exporters have received countervailable subsidies of 285.95 percent, and 0.04 to 8.06 percent, respectively.
- In the India investigation, mandatory respondents Zenith Birla (India) Ltd. and Lloyds Metals and Engineers Ltd. both received preliminary net subsidy rates of 285.95 percent, based on the application of adverse facts available. All other Indian producers/exporters also received a preliminary net subsidy rate of 285.95 percent.
- In the Oman investigation, mandatory respondent Al Jazeera Tube Mills Company SAOG received a preliminary net subsidy rate of 0.12 percent, which is *de minimis*. This results in a preliminary negative determination for Oman.
- In the UAE investigation, Commerce found that mandatory respondents Universal Tube and Plastic Industries, Ltd. and Abu Dhabi Metal Pipes and Profiles Industries Complex LLC did not benefit from countervailable subsidies. This results in a preliminary negative determination for the UAE.
- In the Vietnam investigation, mandatory respondents SeAH Steel Vina Corp. and Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd. received preliminary net subsidy rates of 0.04 percent, and 8.06 percent, respectively. All other Vietnamese producers/exporters received a preliminary net subsidy rate of 8.06 percent.
- As a result of the preliminary affirmative determinations for India and Vietnam, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect a cash deposit or bond based on these preliminary rates. Because of the negative preliminary determinations, no cash deposit or bond will be required for imports from Oman and the UAE.
- The petitioners for these investigations are Allied Tube and Conduit (IL), JMC Steel Group (IL), Wheatland Tube (PA), and United States Steel Corporation (PA).

- The merchandise covered by these investigations is welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter not more than 16 inches, regardless of wall thickness or surface finish, or industry specification. The petitions indicate subject pipe is generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although the subject product may also be referred to as mechanical tubing if it is made to standard sizes for subject standard pipe; *see below*).
- The scope of the investigations does not include: (a) boiler tubing; (b) finished electrical conduit; (c) 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; and (g) certain mechanical tubing.
- The pipe subject to this investigation is 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, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under the investigation is dispositive.

In 2011, imports of certain steel pipe from India, Oman, the UAE and Vietnam were valued at an estimated \$64.5 million, \$28.1 million, \$53.9 million and \$50.1 million, respectively.

#### **NEXT STEPS**

- Commerce has aligned the CVD investigations with the concurrent antidumping duty investigations, and is currently scheduled to make its final determinations in August 2012.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of certain steel pipe from India, Oman, the UAE and/or Vietnam materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce or the ITC’s final determinations are negative, no CVD order(s) will be issued. The ITC is scheduled to make its final injury determinations in July 2012.

## Preliminary Subsidy Rates:

COUNTRY	EXPORTER/PRODUCER	RATE
INDIA	Zenith Birla (India) Ltd.	285.95%
	Lloyds Metals and Engineers Ltd.	285.95%
	All Others	285.95%
	<b>EXPORTER/PRODUCER</b>	
OMAN	Al Jazeera Tube Mills Company SAOG	0.12% ( <i>de minimis</i> )
	All Others	0.12% ( <i>de minimis</i> )

	EXPORTER/PRODUCER	
UAE	Abu Dhabi Metal Pipes & Profiles Industries Complex LLC	0.00%
	Universal Tube and Plastic Industries, Ltd.	0.00%
	All Others	0.00%
	<b>EXPORTER/PRODUCER</b>	
VIETNAM	SeAH Steel VINA Corp.	0.04% ( <i>de minimis</i> )
	Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd.	8.06%
	All Others	8.06%

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

## CASE CALENDAR<sup>1</sup>:

<b>EVENT</b>	<b>CVD INVESTIGATION</b>
<b>Petition Filed</b>	<b>October 26, 2011</b>
<b>DOC Initiation Date</b>	<b>November 15, 2011</b>
<b>ITC Preliminary Determination</b>	<b>December 12, 2011</b>
<b>DOC Preliminary Determination</b>	<b>March 26, 2012</b>
<b>DOC Final Determination*</b>	<b>August 6, 2012</b>
<b>ITC Final Determination**</b>	<b>September 20, 2012</b>
<b>Issuance of Order***</b>	<b>September 27, 2012</b>

\*These deadlines may be extended under the governing statute.

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

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<sup>1</sup> For a CVD investigation, the deadline is set forth in section 705(a)(1) of the Tariff Act of 1930, as amended.

**IMPORT STATISTICS:**

<b>India</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Volume (in metric tons)</b>	<b>60,000</b>	<b>74,000</b>	<b>65,000</b>
<b>Value (USD)</b>	<b>57,949,000</b>	<b>64,872,000</b>	<b>64,572,000</b>
<b>Oman</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Volume (in metric tons)</b>	<b>17,000</b>	<b>31,000</b>	<b>32,000</b>
<b>Value (USD)</b>	<b>14,148,000</b>	<b>24,199,000</b>	<b>28,082,000</b>
<b>UAE</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Volume (in metric tons)</b>	<b>16,000</b>	<b>32,000</b>	<b>60,000</b>
<b>Value (USD)</b>	<b>13,561,000</b>	<b>26,273,000</b>	<b>53,929,000</b>
<b>Vietnam</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Volume (in metric tons)</b>	<b>20,000</b>	<b>32,000</b>	<b>55,000</b>
<b>Value (USD)</b>	<b>16,250,000</b>	<b>27,496,000</b>	<b>50,117,000</b>

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.