



## FACT SHEET

### **Commerce Finds Dumping and Subsidization of Imports of Circular Welded Carbon-Quality Steel Pipe from India**

- On October 16, 2012, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping (AD) and countervailing duty (CVD) investigations of imports of circular welded carbon-quality steel pipe (circular welded pipe) from India.
- The AD and CVD laws provide U.S. businesses, workers, and farmers with a transparent and internationally approved mechanism to seek relief from the market distorting effects caused by injurious dumping and subsidization of imports into the United States, and thus to have an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. 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 determined that producers/exporters from India have sold circular welded pipe in the United States at a dumping margin of 48.43 percent. Commerce also determined that producers/exporters from India have received countervailable subsidies of 285.95 percent.
- In the AD investigation, mandatory respondent Zenith Birla (India) Limited (previously known as Zenith Steel Pipes and Industries Ltd.) (Zenith) was determined to have a final dumping margin of 48.43 percent, based on the application of adverse facts available because the company did not respond to our request for information in a timely manner, withheld information the Department requested, and significantly impeded the proceeding. There is an existing AD order on circular welded pipe from India. Therefore, this investigation covers only merchandise manufactured and/or exported by Zenith Birla (India) Limited (previously known as Zenith Steel Pipes and Industries Ltd.), which is excluded from the 1986 order.
- In the CVD investigation, mandatory respondents Zenith and Lloyds Metals and Engineers Ltd. (Lloyd's) were both determined to have a final net subsidy rate of 285.95 percent, based on the application of adverse facts available. Although Zenith filed several responses to Commerce's questionnaires, Zenith did not provide information Commerce requested that is necessary to determine a CVD rate in this investigation. Lloyd's did not respond to Commerce's original questionnaire. Unlike the AD investigation, there is no existing CVD order on circular welded pipe from India; thus, this CVD investigation applies to all exports of subject merchandise from India.
- All other producers/exporters from India also received a final net subsidy rate of 285.95 percent.

- As a result of the final AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits or bonds equal to the applicable weighted-average dumping margins. As a result of the affirmative final CVD determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit equal to the final net subsidy rates if the U.S. International Trade Commission (ITC) issues a final affirmative injury determination.
- In the CVD investigation, Commerce concluded that all producers and exporters benefited from an export subsidy. Commerce, in accordance with the statute, is required to adjust AD rates to account for such export subsidies. In keeping with Commerce's practice in investigations, Commerce will require cash deposits in the AD proceeding equal to the calculated dumping margins reduced by 178.67 percent, the export subsidy rate.
- 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 these 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 these investigations 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 investigation is dispositive.
- In 2011, imports of circular welded pipe from India were valued at an estimated \$64.5 million.

#### **NEXT STEPS**

- The ITC is scheduled to make its final determination on or before November 29, 2012.
- If the ITC makes an affirmative final determination that imports of circular welded pipe from India materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes a negative determination of injury, the investigations will be terminated.

**FINAL DUMPING MARGINS:**

<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGIN</b>	<b>CASH DEPOSIT RATE*</b>
<b>Zenith Birla (India) Limited (previously known as Zenith Steel Pipes and Industries Ltd.)</b>	<b>48.43%</b>	<b>0.00%</b>

\* The cash deposit rates take into account the applicable export subsidy rate of 178.67 percent.

**FINAL SUBSIDY RATES:**

<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATE</b>
<b>Zenith Birla (India) Ltd.</b>	<b>285.95%</b>
<b>Lloyds Metals and Engineers Ltd.</b>	<b>285.95%</b>
<b>All Others</b>	<b>285.95%</b>

**CASE CALENDAR:**

<b>EVENT</b>	<b>CVD INVESTIGATION</b>	<b>AD INVESTIGATION</b>
<b>Petition Filed</b>	<b>October 26, 2011</b>	<b>October 26, 2011</b>
<b>DOC Initiation Date</b>	<b>November 15, 2011</b>	<b>November 15, 2011</b>
<b>ITC Preliminary Determination</b>	<b>December 12, 2011</b>	<b>December 12, 2011</b>
<b>DOC Preliminary Determination</b>	<b>March 26, 2012</b>	<b>May 23, 2012</b>
<b>DOC Final Determination</b>	<b>October 15, 2012</b>	<b>October 15, 2012</b>
<b>ITC Final Determination</b>	<b>November 29, 2012</b>	<b>November 29, 2012</b>
<b>Issuance of Order*</b>	<b>December 6, 2012</b>	<b>December 6, 2012</b>

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

\*This will take place only in the event of a final affirmative injury determination from the ITC.

**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>

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.