

EXECUTIVE SUMMARY OF THE ANTI-DUMPING COMPLAINT CONCERNING IMPORTS OF CERTAIN WELDED STEEL TUBES (“HOLLOW SECTIONS”), ORIGINATING IN FORMER YUGOSLAV REPUBLIC OF MACEDONIA, RUSSIA, AND TURKEY

1. PRODUCT CONCERNED

The product subject to this complaint is welded tubes, pipes and hollow profiles of square or rectangular cross-section, of iron other than cast iron or steel other than stainless but excluding line pipe of a kind used for oil or gas pipelines and casing and tubing of a kind used in drilling for oil or gas. The products are currently classifiable within CN codes 7306 61 92 and 7306 61 99. This product is also commonly referred as to “hollow sections”.

Hollow sections are mostly used for structural and load bearing purposes by the construction industry, as well as for structural members in ships, cranes, handling equipment, trailers, trucks, tool-machines, automotive industry, agricultural machinery, farm equipment and other similar uses. They may also be used as parts of metal furniture, sport, toys and leisure equipment, metal doors and windows, shelving, storage and bundling, and others.

2. CASE SUMMARY

a. Standing

The complaint was lodged by the Defence Committee of the EU welded steel tubes industry on behalf of nine EU producers based in seven EU member states manufacturing the product concerned, and representing approximately half of EU production.

b. Dumping

In its complaint, the complainant provided detailed evidence showing that imports from the three countries are being sold in the EU at dumped prices. The margins of dumping calculated in the complaint are significant, and in some cases approach 30%.

c. Imports

Imports from the three countries in the EU surged as Union producers’ situation deteriorated and they started suffering losses. In the period 2015 - IP, imports from the three countries concerned into the EU increased by 54%; import volumes increased by 21% in 2016, and by an additional 24% in 2017 compared to the previous year.

d. Undercutting and underselling

Surging volumes from the three countries were sold on the EU market at low prices and high undercutting levels. The underselling margins were even higher than the undercutting ones, fluctuating around 20-22% during the period considered. Low-priced imports from the three countries caused injury to Union producers and drove the industry into losses.

Injury

In the face of rapidly increasing imports at low prices, EU producers’ situation deteriorated. In the context of improving demand in the hollow sections sector and general economic upturn, the Union industry should have continued its recovery and ultimately reached

sustainable levels of profitability. Surging dumped imports sold at undercutting prices however caused the Union industry to lose a substantial part of the market and drove it into losses.

e. Union interest

Imposition of anti-dumping measures on imports of hollow section products from the three countries is clearly in the Union interest. First, anti-dumping measures will help restore fair competition in the EU and will also ensure that end users have a long-term and reliable source of supply. Second, measures would not result in shortage of supplies, because the imports in question could continue to enter the EU (on a fairly traded basis), plus there is more than sufficient local capacity in the EU and in third countries to cover any unlikely shortage in supply. Lastly, the complainant has demonstrated that the imposition of anti-dumping measures will have little or no effect on end users due to the minor part that the input material represents in the cost of the downstream project.

If no anti-dumping measures are imposed on the other hand, the present difficult situation will continue for the Union industry, which will ultimately be forced to curtail production, limit investments, and lay off workers due to the continued surge of the dumped imports.

3. INTERESTED PARTIES

a. Complainant

The complainant is the Defence Committee of the EU welded steel tubes industry on behalf of the following nine EU producers: ArcelorMittal Tubular Products Karviná a.s, Alessio Tubi S.p.A., Arvedi Tubi Acciaio, Hus Ltd., Marcegaglia Carbon Steel – Gazoldo, Marcegaglia Poland Praszka, Tata Steel Nederland Tubes BV, Tata Steel UK Limited, and ArcelorMittal Tubular Products Iasi.

b. Exporting producers

The complaint has identified the following exporting producers in the three countries:

Turkey: Anadolu Boru Profil Nak. San. Tic. Ltd, Ayata Metal Industry Inc, Borusan-Mannesmann Boru, Can Boru Profil Metal Paz.Ltd.Sti., Sanayi Ve Ticaret A.S., Erciyas Boru Sanayii Ve Ticaret A.S., Göktas Yassi Hadde Mamulleri San,ve.tic., MMZ Onur Bori Profil üretim San.ve.Tic, Noksel Celik Boru Sanayi A.S., ÖZBORSAN BORU SANAYİ A.Ş., Sanayi Ve Ticaret A.S., Toscelik profile and sheet industry co, and Ve Profil Endüstrisi A.S.

Former Yugoslav Republic of Macedonia: IGM Trade Profile and Pipe factory and FZC 11 Oktomvri A.D.

Russia: OAO Almetyevsk Pipe Plant, BORSKIY PIPE PLANT, OAO, Engels Trubny zavod – ETZ, JSC Filit Moscow Tube Works, KTZ, JSC Novosibirsk Metallurgy Plant "Kuzmin" – NMZ, NTZ TEM-PO CJSC, Severstal-TPZ Sheksna, and OMZ Uraltrubprom.