

GENERAL AGREEMENT ON

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TARIFFS AND TRADE

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Committee on Anti-Dumping Practices

Original: Spanish

STEEL TUBING

Questions from Mexico to the United States Delegation

The following communication, dated 27 April 1993, has been received from the Permanent Mission of Mexico.

1. It is known that other countries not included in the investigation (Canada and Japan) had a larger share of the United States market than that of the countries under investigation. Was consideration given to the possibility that for the purposes of analysis of injury these countries, even on the basis of fair competition (without dumping), were responsible for the deterioration in the position of the petitioner firms?
2. Considering the petitioners' arguments that the recession in the United States construction industry is one of the main causes of the alleged injury, how could the International Trade Commission prove the causal relationship with dumping? How was it able to evaluate the specific rôle of the alleged dumping in the determination of injury?
3. As a result of the determination to impose a countervailing duty on standard pipes, HYLSA (a Mexican firm) stopped exporting them and began to export other products, such as line pipe.

On 24 March the United States customs in Laredo, Texas, stated that all Mexican galvanized pipe should be considered standard pipe, and therefore subject to the countervailing duty of 32.26 per cent.

Line pipe is a different product from standard pipe, both owing to its steel composition and because of the different tests to which it is subjected. It is also known as API, because it has to be certified by the American Petroleum Institute in order to be able to make it.

In the anti-dumping investigation on standard pipe, line pipe was explicitly excluded from the investigation. Furthermore, the former enters the United States under tariff headings 7306.30**.***, while the latter enters under headings 7306.10**.***. What is the legal basis for broadening the coverage of products subject to the anti-dumping measure? Did the domestic producer make a request to this effect, or was it an ex officio action? Is this a measure taken independently by the United States Customs? We should be grateful for a detailed reply in the next few days.

4. With regard to the existence of quantitative restrictions during the investigation period (VER), as in the case of steel wire, we continue to be concerned that, even though dumping may have been found to exist, it cannot definitely have been the cause of the injury or threat of injury to the domestic industry which has restrictions of this type, precisely because the importer controls the trade volumes. How does the United States delegation explain this circumstance? Is there a basis in law authorizing it to act as it did?