

POST-HEARING MEMO,

*subsequent to the hearing on March 3, 2022, by the EC-investigating teams
(EC teams “injury”, “dumping-China” and “dumping-Taiwan”)
of 10 importers, including one producer; all company-members of EURANIMI*

NON-CONFIDENTIAL VERSION

Subject: R758: Expiry review proceeding concerning the anti-dumping measures applicable to imports of certain stainless steel tube and pipe butt-welding fittings originating in the People's Republic of China and Taiwan

Attendance: EC-Teams

➔ CONFIDENTIAL

Representatives of EU-producer / importing companies / EURANIMI

➔ CONFIDENTIAL

EN vs. ANSI

The market of stainless steel tube and pipe butt-welding fittings (SSBWF) is naturally divided into two specific and almost non-overlapping segments: European and Asian materials. Butt-welding fittings are produced and sized according to the American ANSI-standards and the European EN-standards and metric sizes. See technical table in the ADDENDUM at the end of this document.

ANSI SSBWF are manufactured by both EU and non-EU manufacturers; EN types are manufactured mostly, but not exclusively, by EU manufacturers

The origin of the materials to be supplied is generally stated on the customer's enquiries. It is not the supplier who decides which one to offer, but mostly the application and the geographic end-destination of the products.

For more severe processes and conditions of use, such as chemical plants, fertilisers, off-shore platforms, etc., end-users will usually demand European materials. On the other side, Asian materials are used for environments with limited corrosion, reduced temperature and/or pressure of exercise. This does however not imply that ANSI fittings are necessarily of better quality than EN fittings, or the other way round. ANSI fittings can however be more easily sourced in Asia in lower grades and at cheaper prices.

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In the USA, the deciding factor to select the source of a SSBWF is “approved or non-approved manufacturer”. In Europe it is: “European or non-European material”.

This is the reason why the members of EURANIMI participating in this hearing hold a double stock of butt-welding fittings. Our members usually import non-European ANSI-fittings (as well as EN-fittings in limited volumes) from reputable Asian manufacturers, whereas they can buy European ANSI and EN material from EU-manufacturers, acting as distributing stockholders for both origins, and sometimes, both types of materials .

The two origins – Asian and European - are treated separately. Coding system avoid any mix-up and the customers always get the materials with the correct origin: ANSI or EN.

Although both types, ANSI and EN, are totally distinct from the market’s point of view, they are nevertheless treated “on paper” as if they were identical: both are designated with the same name “butt-welding fittings” and despite their clear difference, both types receive identical customs codes.

Hence, their treatment in the current anti-dumping investigation is – perhaps regretfully, but certainly inevitably - indissociable.

European competitiveness

Many European downstream manufacturing companies are involved in the prefabrication of parts of plants or machines destined to international projects outside the EU. Their competitiveness on non-EU markets is severely challenged. Not only they are penalised against their non-EU competitors by higher wages, energy, taxes, social legislation, etc., but the prices of the Asian ANSI-fittings imported to integrate their own manufacturing, are higher than the prices paid by their non-EU competitors. This is partly due to the current extremely high shipping costs affecting Europe and partly due to the anti-dumping protection prevailing in the EU.

In the current economic post-covid context, where soaring prices of energy and raw materials (nickel, stainless steel, ...) as well as the consequences of the invasion of Ukraine by Russia that is impacting Europe much more than other continents, EURANIMI believes that maintaining excessive anti-dumping rates on the imports of Chinese SSBWF would undermine the international competitiveness of the European downstream manufacturing industry that uses such products.

This would result in shrinking companies’ activities, loss of workforce and less and less revenues to be collected by the national tax offices. As you know, many EU-manufacturers are relocating their activity to cheaper countries for all the above reasons.

Risk of contamination

The whole European supply chain needs stability, clear rules, certainty of operations and equality of treatment by customs authorities and the judicial system.

Excessive anti-dumping rates inevitably lead to suspicion of circumvention. In the same niche-market of SSBWF, the very same EU-importers have painfully experienced where such situation could lead to, whereby a thoroughly made on-the-spot investigation of DG Trade that served as a guideline to importers, is later totally denied by their EC-colleagues of OLAF, who are adopting - and de facto imposing - a squarely opposite view, with a five-year retroactive effect.

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The European importers of SSBWF cannot afford - again - retroactive investigations from OLAF, while these importers are just doing their job with all the due care and while scrupulously respecting the rules and the laws of the EU. The Kafkaesque situation that has ever since 2019, totally been disrupting the imports from Asia of seamless stainless steel tubes, is not to be repeated in the market of SSBWF!

Conclusion

EURANIMI represents the interests of one EU manufacturer as well as of a dozen importers of SSBWF. As (very) important actors in the European supply chain of this niche-product, these members of EURANIMI plead for the implementation of more reasonable anti-dumping duties applicable on imports of butt-welding fittings from China.

The current imports of SSBWF from China have come to a practical stand-still due to the excessive anti-dumping rates. A more moderate AD-rate would re-open the possibility of imports of ANSI-types SSBWF from reputable, qualitative, sources while still avoiding an excessive instream of Chinese material. Re-opening, but still restricting the imports of SSBWF from China with lower duties than those prevailing today, could avoid that suspicion of circumvention contaminates the whole Asian market, the main EU-source of ANSI-SSBWF. It would create a more stable, predictable, and clear situation that would not be prejudicial to either upstream or downstream.

The EU-manufacturers of SSBWF are supplying the lion's share of our members' consumption. It is therefore very important to EURANIMI's members that the EU-manufacturers of SSBWF remain healthy, competitive, and unthreatened by unfair competition.

From EURANIMI's point of view, there should be no unbridgeable opposition between the interests of EU-manufacturers and that of the EU-importers: basically, both sides without distinction favour a flourishing activity of the downstream EU-manufacturing. This explains the reason why EURANIMI adopts ONE SINGLE POSITION for all its members: manufacturers of SSBWF or not.

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ADDENDUM

	EN fittings	ASTM or ANSI fittings
Generic dimensions	ISO and metric	ASTM
Thicknesses	As per ISO pipes: 1.6/2/2.6/3/... mm	As per ASTM pipes: SCH10S / SCH40S / SCH80S / SCH160S
Dimensional norm	EN10253-3 / EN10253-4	ASME B16.9
Main material grades	1.4307/1.4404	304L/316L
Manufacturing processes	bending from welded or seamless pipes Stamping from sheets	bending from welded or seamless pipes + bevelling
Primary market	Europe	Global
Main manufacturers	main product range of OSTP / Rorhbogen / Proform / Berinox / ... Few producers in Asia	secondary product range of OSTP / Rorhbogen / Proform / ... China South-East Asia