U.S. Weighs Trade Fight Over Steel

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The U.S. Commerce Department launched an investigation Wednesday into whether to impose antidumping and countervailing duties on imports of certain seamless steel pipes from China.

The move comes at a time of rising trade tensions between the two nations. The U.S. last month imposed preliminary duties on $2.7 billion worth of tubular and steel pipe from China used in oil drilling. That case, filed in April, was one of the biggest to date filed by the U.S. against China. Also last month, President Barack Obama agreed to slap hefty duties on imports of Chinese tires.

Such trade disputes are increasing as the global economy faces a deep recession and producers search for markets to sell excess goods. (Please see related story on page A9.)

The latest case involves carbon and alloy steel pipes used for industrial operations such as moving natural gas, water, steam and other liquids. The Commerce Department said imports of this type of pipe tripled in volume from 2006 to 2008, reaching a value of $382 million last year.

A petition was filed last month by U.S. Steel Corp., V&M Star LP, TMK IPSCO and the United Steelworkers. The Commerce Department must make a determination as to whether the pipes are being sold at less than normal value or are being subsidized by the Chinese government.

Before the investigation can proceed, the U.S. International Trade Commission must first determine whether U.S. producers are being harmed by the imports. The panel is scheduled to vote around Nov. 2, with Commerce planning to make its preliminary determination on countervailing duties in December and on antidumping duties in February.

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