

**BEFORE THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION**

In The Matter Of :

Certain Seamless Carbon and Alloy Steel  
Standard, Line, Pressure Pipe From The  
People's Republic of China

Investigation Nos.  
701-TA-469 and 731-TA-1168 (Final)

**Testimony of Binghua Qin**

Good afternoon. My name is Binghua Qin. I am the sales manager for tubular goods for Baosteel America, which is a wholly-owned subsidiary of Baoshan Iron and Steel Corporation Limited. I am in charge of selling all tubular products to the North American and the South American markets. I have worked in this position for the past 4 years. I have worked at Baosteel for 10 years, starting as a mechanical engineer for Baosteel's specialty steel division. About 5 years ago, I started working in sales in Baosteel's Shanghai sales office and then moved to Baosteel America's Houston office.

Baosteel has been selling pipe, including SLP, to the U.S. market for many years, going back at least about 15 years. Baosteel sells almost exclusively to distributors, who, in turn, sell to the end users. To my knowledge, these end users are generally oil companies for which our pipe products match their specifications and requirements. Over the years Baosteel has established a stable group of customers to whom it sells pipe almost exclusively. Baosteel has been selling stable quantities to these customers every year.

We usually negotiate orders on a quarterly basis. This is because our customers purchase stable volumes from month to month. Because we produce to order, there is an average of 3 to 5

months between the receipt of the order and delivery at the U.S. port. For example, orders placed this month would not be delivered until December at the earliest, and then January and February of next year.

Our sales have generally followed demand trends of the U.S. market. Starting late 2007, I remember getting a lot of phone calls asking for more pipe. People just wanted more pipe because of the high demand in the U.S. Because we could not satisfy every order, we made the decision to supply our existing customers first. We sold our pipe to the same customers as we had in the past and did not supply new customers. We could not supply all these new customers because we were operating at full capacity and no more pipe to supply to the U.S. market because of our customers in China and other countries.

Although we have been selling to the U.S. for many years, the Chinese market is the most important market for Baosteel. Over 80% of Baosteel production is for the Chinese market. Like the U.S. market, Baosteel's customers in China are stable and include large oil companies like CNPC, SinoPec and CNOOC.

Baosteel produces and sells both OCTG and SLP pipe. We do not switch our production or sales from one product to the other. Usually, OCTG and SLP demands peak at the same time, because new oil or gas projects require both. We must supply both products to our customers. When we stopped exporting OCTG to the U.S. after April 2009, we did not increase our sales of SLP. The majority of OCTG sales to the large Chinese oil companies are based on long-term contracts or long-term framework agreements for specific projects that last about 1-2 years.

During the period of investigation, Baosteel's overall capacity for SLP pipe did not change. The Chinese economy has been growing every year and there is a big demand in China for SLP pipe. These sales will continue to grow in the future because the Chinese economy is

still growing very quickly and the needs of Chinese industry for SLP pipe are growing as well.

There are many new projects that will require more SLP pipe.

I do not believe that our long-established and stable presence in the U.S. market has harmed the U.S. producers because we were just meeting our existing customers' needs. We do not plan to change our business and do not believe that we will cause any harm in the future.

Thank you.