

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

Circular Welded Carbon-Quality Steel Pipe from India, Oman, United Arab Emirates, and Vietnam)	Inv. Nos. 701-TA-482-485 and 731-TA-1191-1194 (Final)
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**Testimony of Mervyn D’Cunha,
Financial Controller, KHK Scaffolding**

1. Good afternoon. My name is Mervyn D’Cunha. I am the Financial Controller of the Universal group, which includes Universal Tube, Universal Pipe, and KHK Scaffolding. Only Universal Tube exported standard pipe to the United States. The other two mills produced exclusively for internal consumption and for the home market and third country export markets. Our foreign producers’ questionnaire, however, provided information on the pipe and tube operations of all three companies.

2. Regardless of the outcome of this investigation, the United States will remain a limited market for Universal. Our primary focus remains the UAE and the countries of the Gulf Cooperation Council (“GCC”), which we regard as a second home market, and where we enjoy a natural competitive advantage over other suppliers. Demand within the UAE is improving as construction projects that were put on hold during the

recession have been resuming. In addition demand in the GCC countries is also strong and increasing, particularly in Saudi Arabia and Qatar. The increase in oil prices has boosted the economy and the government is spending heavily on new projects, including hotels, commercial and residential apartments, shopping malls, schools, universities, *etc.* These projects all will require, standard pipe for plumbing applications, fire fighting systems, chilled water systems, and structural applications. In addition, with its vast oil and gas production, the GCC countries are among the largest consumers of line pipe in the world. Universal Pipe obtained its certification in May of this year to produce line pipe, and we are focusing our efforts on exploiting that product sector.

3. With respect to export markets, Universal is currently in the process of expanding our sales to third country markets around the world. We have been expanding our portfolio of certifications for our pipe which makes us more competitive in world markets. We are currently expanding our sales to Europe, particularly Germany, Sweden, and Norway, where we are expanding our sales of sprinkler pipe and other customized products. We have also established sales offices and are expanding sales to the United Kingdom, Australia and even Africa.

4. Although the Universal Group has increased its capacity, the new capacity is at Universal Pipe, which, as noted, had no exports of standard pipe to the United States during the period of investigation. The new capacity at Universal Pipe is directed at producing line pipe and large diameter rectangular and square tubes for the GCC market, where relatively few mills in the region manufacture these products.

5. As my colleague Peter Shrumpf has explained, Universal entered this market in significant quantities in 2008, when the withdrawal of Chinese standard pipe from the market allowed us to compete. We hold only a limited share of the market and sell to only a few customers. For this reason, I am confident that our exports of standard pipe from the UAE are not injuring and do not threaten the U.S. industry.

Thank you.