

KLE PTY LTD

www.kle.com.au

ACN 077 911 481 ABN 51 077 911 481

METAL TUBE FORMING & FINISHING MANUFACTURERS

12th December, 2012

**Director, Operations 2,
International Trade Remedies Branch,
Australian Customs & Border Protection Service,
Customs House,
5 Constitution Avenue,
Canberra, ACT, 2601.**

Received
12 Dec 2012

'Public Record'

Dear Sirs,

Investigation No: 193A.

KLE Pty Ltd wishes to make a further submission on this investigation as KLE Pty Ltd is a manufacturer of steel galvanised products.

The introduction of dumping duty(Investigation 190A) and countervailing duty(Investigation 193A) will have an adverse impact on KLE Pty Ltd viability, profitability and result in unemployed Australians.

KLE Pty Ltd who manufactures galvanised tube products will be unable to pass on any extra duty due to competitors being able to import from China and other countries plain galvanised tube and finished galvanised tube products duty free of any dumping and countervailing duty. KLE Pty Ltd believes being penalised with duties on the products it makes for Australian consumption is unfair and unjust, when importers are not penalised and do not employ Australian manufacturing people, plus they do not make capital investment in Australia that creates other jobs for Australians.

KLE Pty Ltd can report that the imported price paid(landed prices attachment 1) does exceed the prices sold in its own market(refer attachment 1A).

KLE Pty Ltd submits a statement from its supplier outlining its pricing policy dealing with countries outside China(refer attachment 2).

Additionally, KLE Pty Ltd submits(refer attachment 3) prices from an Indian steel manufacturer for galvanised coils which is less than attachment 1A.

Generally and fundamentally, the price make-up of a tonne of steel consists of two major categories being the material component and the processing/administrative/profit component with the material component being the majority of the total tonne cost/price.

The main material component make-up is iron ore and coal with other minor inputs including zinc for galvanising and these commodities are valued and generally sold in US Dollars(\$) to most Processing Mills around the world; so all countries buy at similar US\$ commodity prices, hence most countries like Japan, Germany, United States, China and India have similar sales prices for the various grades of steel, including galvanised.

In China's case and in some other countries their Processing Mills use a percentage of scrap steel in their process which does reduce the overall material processing cost, thus making China more price competitive than most other countries This competitive edge by Chinese Mills should be taken into account as World's Best Practice rather than it being used as a mechanism to impose more duty.

As for the differential price component for processing, administrative and profit component of the price of a tonne of steel. KLE Pty Ltd believes this will vary from country to country and only depends on that countries cost structures, plus the processing companies cost inputs of labour, expense and profit expectation; and therefore, no duty should be added, because of the differing cost structures between countries and companies.

Yours Faithfully,



Ron Beadle

KLE PTY LTD

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