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22 September 2014

Mr Geoff Gleeson
Director Operations 1
Anti-Dumping Commission
1010 La Trobe Street
DOCKLANDS VICTORIA 3008

Dear Mr Gleeson

Public File

Re: Galvanised Zinc Steel exported from India and Vietnam – Submission by Australian Steel Association Inc

I refer to the submission by the Australian Steel Association ("ASA") Inc. of 5 September 2014 concerning the Anti-Dumping Commission's ("the Commission") investigation into galvanised zinc steel exported from India and Vietnam.

The submission includes a number of matters that necessitate comment by BlueScope Steel Limited ("BlueScope").

(i) Incomplete data

It is suggested by the ASA that BlueScope's application included incomplete data. BlueScope's application included financial data for complete twelve-month intervals across an injury period. The application was commenced by the Commission post 30 June 2014 with the Commission (not BlueScope) nominating a twelve-month investigation period ending 30 June 2014.

Due to the Commission's decision to nominate an investigation period ending 30 June 2014, BlueScope was required to provide updated financial data for the April to June 2014 quarter that was not completed at the time of formal lodgement of BlueScope's application.

It is appropriate to further highlight that exports of galvanised zinc steel exported from India and Vietnam were at an increased rate during the April to June 2014 quarter. The Commission was satisfied with the veracity of the information relied upon by BlueScope for estimating exports of the goods under consideration ("GUC") from Vietnam.

(ii) Material injury attributable to dumped exports

BlueScope notes that the ASA has not referenced the decline in Chinese exports the subject of anti-dumping measures with the emergence of dumped exports from India and Vietnam. Rather, the ASA has unreliably asserted that BlueScope's injury claims are linked to exports from Japan and New Zealand. BlueScope refutes the ASA's suggestions as inaccurate and based upon mere assertion only.

It was BlueScope's expectation that the imposition of measures on dumped and subsidized exports of galvanised zinc steel from P R China, and dumped exports from Korea and Taiwan, in July 2013 would

enable the Australian industry to recover from the injury experienced (in 2011/12) and evidenced by the then Customs and Border Protection.

This expectation, however, was not delivered.

Coinciding with the imposition of the measures by the Minister, exports of the GUC emerged from India and Vietnam. The dumped exports from India and Vietnam displaced a significant proportion of the dumped and injurious exports from China, Korea and Taiwan, and escalated substantially throughout 2013/14. The sales volume that was recovered by the Australian industry did not materialise in improved aggregate profits. The Australian industry's profit and profitability in 2013/14 has remained suppressed due to the emergence of increasing export volumes of the GUC from India and Vietnam.

In the absence of the dumped exports from India and Vietnam during 2013/14 that have captured approximately 25 per cent of the total import volume into Australia (described as "minimal" by the ASA), it would be expected that the Australian industry's increased sales volumes (from depressed levels) would have contributed to improved levels of profit and profitability. This did not occur.

The ASA claims that BlueScope has "enjoyed a 25% increase in pricing" in 2013/14, at levels greater than international parity pricing. The ASA's claims are speculative and do not reflect actual levels of pricing that followed the imposition of measures by the Minister on galvanised zinc steel exports from China, Korea and Taiwan. The suggested "pricing market offers" referenced by the ASA do not reflect actual selling prices with customers, and Figure 3 appears to depict pricing offers reflective of the broader market for coated products than just the GUC.

(iii) Closing remarks

The ASA's submission seeks to minimise the impact of the dumped exports of the GUC from India and Vietnam on the Australian industry. The aggregate volume of imports from India and Vietnam increased to a level of approximately 25 per cent of total imports in 2013/14, from negligible levels in the prior year. The dramatic rise in the dumped export volumes from India and Vietnam contributed to a continuing level of injury to the Australian industry as verified by the then Customs and Border Protection in 2011/12.

The ASA's claims that the rapidly increasing export volumes from India and Vietnam have not caused material injury to the Australian industry are not supported by the available evidence. Price undercutting by the dumped Indian and Vietnamese exports forced the Australian industry to respond to the dumped prices, suppressing Australian industry prices, impacting profit.

The claimed 25 per cent increase in Australian industry prices for the GUC in 2013/14 cannot be substantiated. This assertion is patently speculative and unsubstantiated.

BlueScope rejects the ASA's speculative remarks as unreliable and must be rejected. The Commission must be permitted to complete its investigation into the dumped exports from India and Vietnam and fully assess the applicant's claims in the context of a complete and thorough investigation.

If you have any questions concerning this letter or would like to discuss further, please do not hesitate to contact me on (02) 4275 3859.

Yours sincerely



Alan Gibbs
Development Manager – International Trade Affairs