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13 October 2014

Mr Geoff Gleeson
Director, Operations 1
Anti-Dumping Commission
C/o Customs House
1010 La Trobe Street
MELBOURNE DOCKLANDS VICTORIA 3008

Dear Mr Gleeson,

Public File

Re: Investigation No. 249 – Zinc Coated (galvanised) Steel exported from India and Vietnam – Submission by Hoa Sen Group

Introduction

I refer to the submission by Hoa Sen Group (“HSG”) detailing comments concerning BlueScope Steel Limited’s (“BlueScope”) application for anti-dumping measures on zinc coated (galvanised) steel exported from India and Vietnam.

Evidence of Dumping

It is argued by HSG that BlueScope’s application fails to evidence the existence of dumping on exports of galvanised steel exported from Vietnam. BlueScope rejects HSG’s suggestions. Export prices relied upon by BlueScope for galvanised steel exported from Vietnam were sourced from the Australian Bureau of Statistics (“ABS”). This data is considered reliable. *Prima facie* normal values for galvanised steel sold in Vietnam were determined [*confidential sources*], with adjustments made for varying thicknesses of the galvanised steel as required. BlueScope considers the normal value information to be reliable and representative of domestic selling prices in Vietnam.

HSG’s representations further suggest that BlueScope’s adjustments for thinner gauge galvanised steel are “erroneous and inaccurate”. BlueScope has made the adjustments on the basis of market intelligence for galvanised steel sold in Australia and sourced from Vietnam. The import data available to BlueScope does not distinguish between exporters; hence, BlueScope is unable to definitively comment on the gauge thicknesses of HSG’s exports to Australia.

BlueScope also rejects HSG’s contention that BlueScope “did not ensure a fair comparison between normal value and export in the Application” in light of the Anti-Dumping Commission’s (“the Commission”) comments at Section 5.6 of Consideration Report No. 249 to exclude adjustments made for varying thicknesses for goods exported to Australia. The Commission’s explanation to excluding the thickness adjustments was based upon its assessment of “risk” associated with the dumping margin assessment. The adjustments were not excluded on the grounds of being erroneous or inaccurate.

It is noted that HSG has not furnished any information in its submission in support of existing price differentials between thicknesses of galvanised steel sold in Vietnam.

Grounds for Injury

BlueScope's application for anti-dumping measures against dumped exports of galvanised steel exported from India and Vietnam was premised on financial data for years ending 31 March. BlueScope's financial performance for galvanised steel for the twelve months to 31 March 2014 highlighted a decline in unit profit per tonne when contrasted with the twelve month period to 31 March 2012 (where three of the four quarters aligned with the investigation period in investigation No.190).

BlueScope's application has demonstrated a diminution in profit in its galvanised steel business in the period to 31 March 2014 from an earlier period that the then Customs and Border Protection investigators confirmed BlueScope had suffered material injury. Despite an improvement in BlueScope's sales volumes in 2013/14 (year ending March), the profit for the galvanised steel business deteriorated further to be at a level lower than the earlier 2011/12 period.

BlueScope has demonstrated that it has continued to experience material injury from dumped exports of galvanised steel. The source of the injury experienced by BlueScope in 2013/14 has switched from the exports from China, Korea and Taiwan in 2011/12 to newly emerged supply sources India and Vietnam. The transition in sources of supply for dumped galvanised steel exports to Australia from India and Vietnam has not enabled the Australian industry an opportunity to recover from the injurious dumping determined for the 2011/12 period. BlueScope's claims of ongoing material injury with further profit impacts (at escalated levels in 2013/14 when contrasted with 2011/12) are demonstrable.

The comments by HSG that BlueScope has experienced increased production and sales volume since 2013/14 are correct (and evidenced in the indices at Section 8.2 of the application). BlueScope's profit in 2013/14, however, has deteriorated further from the injurious levels of 2011/12.

BlueScope's claimed injury is not based upon mere "allegation, conjecture or remote possibility" but on information that has been verified by the Commission.

Causal Link

On the basis of its assertions that galvanised steel exports from Vietnam were not at dumped prices, and that HSG could not evidence injury to the Australian industry in 2013/14, it is further alleged by HSG that there is no causal link between dumping and injury as claimed by BlueScope.

BlueScope of course rejects this proposition. On the contrary, BlueScope has evidenced that exports from India and Vietnam were at dumped prices during the twelve months to 31 March 2014, that the increasing export volumes from both countries had displaced exports from countries now the subject of measures (China, Korea and Taiwan), and that the Australian industry has experienced a further deterioration in profit in 2013/14 (from the earlier investigation period). Additionally, BlueScope included evidence in its application that it was experiencing price undercutting from dumped galvanised steel exports sourced from India and Vietnam. The price undercutting margins of the dumped exports have been significant to secure increasing sales volumes during 2013/14, limiting the Australian industry's ability to recover from previous injury experienced from exports from China, Korea and Taiwan.

Closing Remarks

BlueScope does not consider that the assertions of HSG accurately reflect the injurious impact of dumped galvanised steel exports from India and Vietnam on the Australian industry in 2013/14. The information available to the Commission confirms that the Australian industry has experienced further material injury following the imposition of measures on galvanised steel exports from China, Korea and Taiwan in February 2013.

BlueScope does not consider that the grounds for negligible margins of dumping and an absence of material injury have been demonstrated by HSG. The termination of the investigation into dumped exports of galvanised steel from India and Vietnam is therefore not warranted.

If you have any questions concerning this submission, please do not hesitate to contact me on (02) 4275 4638 (direct), or BlueScope's consultant John O'Connor on (07) 3342 1921.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C Uphill', written in a cursive style.

Chad Uphill
International Trade Affairs