



TOKYO BOEKI GROUP

TOKYO BOEKI STEEL & MATERIALS LTD.

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8 August 2012

Director Operations 1
International Trade Remedies Branch
Australian Customs and Border Protection Service
5 Constitution Avenue
Canberra ACT 2601
AUSTRALIA

Dear Ms. Cooke,

Re: Investigation into the alleged dumping of hot rolled coil steel exported from Japan, The Republic of Korea, Malaysia and Taiwan

We, Tokyo Boeki Steel & Materials Ltd. ("TBSM"), refer to the Australian Customs and Border Protection Service ("Customs") investigation into the alleged dumping of hot rolled coil steel ("HRC") initiated following an application lodged by BlueScope Steel Limited ("BlueScope").

TBSM are exporting HRC manufactured by Nippon Steel Corporation ("Nippon Steel") and JFE Steel Corporation ("JFE") to Tokyo Boeki (Australia) Pty. Ltd. ("TBA") for over 50 years. TBSM act as the exporter for Nippon Steel and JFE. TBA act as the importer for Ford Motor Company of Australia Limited ("Ford Australia"). TBSM are trading company and are paid a fixed commission from Nippon Steel and JFE for providing export service of their HRC. Prices for HRC are set by price negotiation between Nippon Steel/JFE and Ford Australia. Therefore, key decision makers on commercial matters are Nippon Steel, JFE and Ford Australia.

TBSM support the submissions made by Ford Australia, Nippon Steel, JFE Steel and TBA that the HRC exported from Japan to Ford Australia through TBA are not interchangeable with Australian grades. Therefore, we believe that remedies for HRC are not required for the following reasons.

1. Automotive steels are not like general steel and the claim that similar steels can be substituted is not true.
2. Market shares in the period discussed have not materially changed, steel volumes consumed by Ford Australia have reduced to historical lows, with no prospect of improvement. Thus, the application is inaccurate in this regard.
3. Prices for HRC are set by Nippon Steel/JFE and Ford Australia through direct negotiations. Neither the exporter nor the importer set those commercial terms. Australia being a member of WTO must acknowledge that these companies operate globally, deeply involved with global economy, and the inherent efficiency in Japanese Steel Industry, are reflected in the better pricing than the pricing which could be expected from BlueScope. Therefore, in global terms, we believe that the pricings are normal values.



4. The alleged injury claimed by BlueScope is caused by the collapse of automobile production in Australia which ultimately lead to decrease of steel consumption in the Australian automotive sector. Specific sector factors shall be fully considered in the investigation.

We do not support the Application and nor believe that Australian Industry has suffered material injury due to the existence of alleged dumping.

Yours sincerely,

A handwritten signature in black ink, appearing to read "H. Ikeno", is positioned above the typed name.

Hiroaki Ikeno
General Manager
Steel Department
Tokyo Boeki Steel & Materials Ltd.