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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

Investigation No. 249 – Zinc Coated (galvanised) Steel exported from India and Vietnam – BlueScope Submission re Preliminary Affirmative Determination and Extension to Statement of Essential Facts

Introduction

I refer to the recently published Australian Dumping Notice No. 2014/117 concerning Zinc Coated (Galvanised) Steel exported from India and the Socialist Republic of Vietnam ("Vietnam"). The notice announced the Parliamentary Secretary to the Minister for Industry's decision to grant an extension to the Anti-Dumping Commission ("the Commission") by 140 days to 18 March 2015.

BlueScope Steel Limited ("BlueScope") understands that the Commission is presently encountering a heavy workload associated with new investigations and reviews of measures inquiries. However, BlueScope seeks to highlight with the Commission that extended delays to the publication of a Preliminary Affirmative Determination ("PAD") in Investigation No. 249, contribute to further losses by the Australian industry that have been ongoing since the 2011/12 investigation period of Investigation No. 190.

To assist the Commission with its assessment on grounds for the publication of a PAD, BlueScope submits the following relevant considerations.

Additional supporting evidence of prima-facie dumping

BlueScope's application for anti-dumping measures identified the following prima facie dumping margins:

- India – 13.23 per cent; and
- Vietnam – 16.26 per cent.

The normal values prepared by BlueScope for India and Vietnam were based upon purchased galvanised zinc coated steel prices in India and Vietnam, to which adjustments for thickness differentials were applied.

BlueScope has sourced published prices for hot rolled coil (“HRC”) and cold rolled full hard (“CRFH”) coil as an alternative to the locally purchased galvanised coil that BlueScope-affiliated companies have purchased. The published prices have been sourced from industry publications including MEPS International, Steel Business Briefing (“SBB”), and ISSB (Iron and Steel Statistics Bureau).

The following constructed selling prices (details in Confidential Appendix 1) for galvanised zinc coated steel in India and Vietnam support BlueScope’s *prima facie* dumping margins included in its application.

For India, the SBB and MEPS prices are for domestic HRC/CRFH coil. The ISSB data is import HRC and CRFH. For Vietnam – as there is no coil manufacturer in this country – all coil prices are for import supply. The input HRC or CRFH coil accounts for approximately XX per cent of the Cost-To-Make-and-Sell (“CTM&S”) galvanised zinc coated steel, and is therefore the key driver of the normal values prepared for India and Vietnam.

The following Table 1 summarizes the normal values and dumping margins utilising the substrates HRC and CRFH sourced from MEPS International, SBB and ISSB.

Table 1 – Constructed normal values and dumping margins for India and Vietnam

Country (feed basis)	Normal Value A\$/MT	Export price A\$/MT	Dumping Margin A\$/MT	Margin as % of Export price
India				
SBB – HRC				9.8%
MEPS – CRFH				6.82%
ISSB – HRC Import				3.7%
ISSB – CRFH Import				8.7%
Vietnam				
SBB – E Asia import CRC				10.7%
SBB – HRC Import				5.4%
ISSB – HRC Import				1.7%
ISSB – CRFH Import				11.9%

Source: Refer Confidential Constructed Normal Values Spreadsheet at Attachment 1.

The above data is based upon the investigation period July 2013 to June 2014.

BlueScope has provided this information to the Commission in support of its application for a PAD to be made at the earliest opportunity. It is BlueScope’s position that the normal value and dumping margin calculations in Table 1 confirm that exports of galvanised zinc coated steel exported from India and Vietnam over the period July 2013 to June 2014 were at dumped prices.

BlueScope’s application evidenced that exports of galvanised zinc coated steel from India and Vietnam replaced volumes of dumped and subsidised exports from P R China, and dumped exports from Korea and Taiwan, following the imposition of measures in February 2013. It is BlueScope’s contention that only exports from India and Vietnam at **dumped** prices could have secured a large market share against a backdrop of measures applying to exports from China, Korea and Taiwan.

Exporter Questionnaire Responses

It is BlueScope's understanding that the delay in the Commission publishing a PAD may be attributed to the information on domestic selling prices and manufacturing costs included in the exporter respondent's Exporter Questionnaire Responses ("EQRs"). BlueScope encourages the Commission to carefully consider whether the claimed domestic sales are relevant "like goods" (including *accurate model matching*) to the exported goods, and whether any claimed adjustments to normal values are adequately supported.

Material injury to the Australian industry

BlueScope's application evidenced ongoing losses in its galvanised zinc coated steel business. The losses incurred in 2013/14 were greater than those experienced in the investigation period of 2011/12 in Investigation 190. The deterioration of profit in the years subsequent to the 2011/12 investigation period is of significant concern to BlueScope – the anti-dumping and countervailing measures have been circumvented by importers seeking new sources of supply from countries to which measures do not apply.

The delay in accessing adequate remedies to address changes in sources of supply in a timely manner is extremely disappointing to BlueScope. The delays undermine the effectiveness of Australia's Anti-Dumping System.

Request for remedy

BlueScope requests the Commission to examine the available grounds for publication of a PAD without further delay. The attached information supports BlueScope's assessment that exports of galvanised zinc coated steel from India and Vietnam have been at dumped prices. The dumping has resulted in ongoing material injury to the Australian industry in the form of lost profits and profitability that are at increased losses to the original investigation period in Investigation No.190.

It is BlueScope's expectation that the Commission shares the concern that the current Anti-Dumping System process is slow and non-responsive to the circumvention activities of importers, including the sourcing of exports from new countries in response to the imposition of measures on traditional import sources of supply.

If you would like to discuss the matters raised in this submission, please do not hesitate to contact me on (02) 4275 3859 (direct), or BlueScope's consultant John O'Connor on (07) 3342 1921.

Yours sincerely



Alan Gibbs
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