



16 July 2014

Ms Kerry Taylor
Director Operations 3
Anti-Dumping Commission
1010 La Trobe Street,
Docklands Vic 3008
Australia

Operations3@adcommission.gov.au

Attention: Kerry Taylor

For Public File

Dear Ms Taylor,

Re: Quenched & Tempered Steel Plate exported from Sweden, Japan and Finland – Submissions on behalf of SSAB Sweden

I refer to the recent submissions dated 4 and 8 July 2014 on behalf of SSAB Swedish Steel Pty Ltd ("SSAB") in the Quenched and Tempered ("Q&T") Steel Plate investigation.

Bisalloy Steel Group Limited ("Bisalloy") rejects the repeated contentions in the above submissions by SSAB concerning an absence of competition between Bisalloy's Q&T steel plate and exports by SSAB, including SSAB's reasons for technical/quality differences used to support claims of 'always higher prices' for SSAB Q&T steel plate compared to that of the Australian Industry.

SSAB Submission dated 4 July 2014

Regular competition between Bisalloy and SSAB

Bisalloy rejects SSAB's assertions that SSAB steel plate is sold to different customers occupying different markets and is of a substantially different quality. Bisalloy competes directly on a regular (at times daily) basis with SSAB across all market segments supplying high-quality locally produced Q&T steel plate as per the goods under investigation. Furthermore, Bisalloy's Q&T steel plate quality is considered by many of our customers to be of acceptable quality and providing as good as, if not better performance compared to SSAB and other imported Q&T Steel Plate.

SSAB's attempts at portraying Bisalloy's Q&T steel plate as technically inferior are not supported by any evidence that the goods have failed in designated applications. The Commission is aware of Bisalloy's customer base – it is both diverse across all segments of the market and is accepted by end-uses in all sectors.

The claimed "differences" referred to by SSAB do not impact the functionality or end-use capability of Bisalloy's locally produced Q&T steel plate in all segments of the Q&T steel plate market in Australia.

The Commission should also cautiously consider SSAB's statements that question the quality of steel manufactured by Bisalloy's supplier BlueScope Steel Limited. The Commission has viewed and investigated BlueScope's plate steel manufacturing process¹ and capability and the quality of steel manufactured by BlueScope is commensurate with 'World Class' steel manufacturing standards. The raw materials that go into Bisalloy's suppliers of Q&T Greenfeed including BlueScope and Jinan Iron and Steel are of a high quality nature typically utilised by world class integrated steel mills making all claims by SSAB to the contrary a nonsense.

¹ Refer Investigation No. 198.

It is noted by Bisalloy that SSAB has referred to a “comparison of toughness of Hardox 450 and BIS450” however, SSAB has not made this information available for public viewing. Bisalloy highlights to the Commission that when BIS450 has been compared by customers against Hardox 450 in their various applications, it has led to many Australian/global customers to comment that Bisalloy’s BIS450 ‘is as good as if not better performing’ than SSAB’s Hardox 450. Therefore, Bisalloy considers that SSAB’s comments contending that its always higher specifications and always higher price when compared with Bisalloy’s Bisplate products, is not supported by major consumers of Q&T steel plate in the Australian and Asian regional market places and should therefore be dismissed by the Commission.

In summary the repeated attempts by SSAB to suggest that its products are not alike to the locally produced goods cannot be supported by the evidence in the marketplace and has also been confirmed by the various industry visits and verification reports undertaken by the Commission as part of the investigation into the alleged dumping of Q&T steel plate from Sweden, Japan and Finland which have also resulted in preliminary findings to the contrary.

Bisalloy and indeed importers of Q&T steel plate from other countries included in the investigation concur that such claims by SSAB are incorrect and cannot be relied upon. Similarly, the Commission is requested to not terminate the investigation into the dumped and injurious exports of Q&T steel plate from Sweden as the available information does not support SSAB’s claims.

Bisalloy respectfully submits to the Commission that SSAB’s claim that their Q&T steel plate is sold to different customers, has always higher specifications is clearly untrue and incorrect and not borne out by the regular (often daily) competition that Bisalloy is engaged in with SSAB and other importers as well the evidence verified by the Commission’s investigation to date.

Aggressive pricing by SSAB and evidence of price undercutting

Bisalloy again draws to the attention of the Commission the comments of Commercial Metals that SSAB has been the price benchmark in the Australian market during the investigation period. The comments² of Commercial Metals Pty Ltd (“Commercial Metals”) “that the aggressive pricing of SSAB, the price leader in the Australian market has contributed to Bisalloy’s injury” cannot be ignored by the Commission.

Bisalloy contents that such comments by Commercial Metals are also supported by SSAB’s own submission of 4th July 2014, where SSAB states “the fact that SSAB’s Q&T steel has been sold at lower prices than SSAB would like to achieve is solely because of those depressed market conditions”. SSAB goes onto to also state in the same submission that, “however as an always higher priced and always higher specification product, SSAB Q&T steel cannot be said to have caused any injury by way of dumping”.

Bisalloy respectfully submits to the Commission that the above statements by SSAB are conflicting in that SSAB admits to selling its Q&T Steel at lower prices than they would like while at the same time maintaining that these lower prices were still always higher than the Applicants while providing no proof to support such claims.

The Commission’s Preliminary Affirmative Report (PAD) 234 confirms that imported goods from Finland, Japan and Sweden undercut Bisalloy’s domestic selling prices for the majority of the 12 months during the investigation. Furthermore the Commission stated in the PAD that it was satisfied the price undercutting related to a significant proportion of the overall market for Q&T Steel plate including that ‘It is the Commission’s preliminary view that Bisalloy’s injury in terms of price and profit effects, because of the impact of dumped Q&T plate steel is greater than that likely to have occurred in the normal ebb and flow of business in the contracting market.’

² Commercial Metals – Importer Visit Report p.25

SSAB Submission dated 8 July 2014

SSAB's submission seeks to discount Commercial Metal's claims that SSAB is the price leader on the Australian market, describing them as "not truly held" or "misconceived".

Bisalloy has contended that the dumped exports have undercut the Australian industry's selling prices. Commercial Metals' comments support Bisalloy's original allegations that the dumped exports have undercut Australian industry selling prices.

SSAB has sought to discredit Commercial Metals (and its predecessor entity CMC Australia Pty Ltd) so that Commercial Metal's comments cannot be considered. Commercial Metals (and CMC Australia) is well known to the Commission through previous steel industry inquiries.

It is Bisalloy's position that the information in the public domain does not support the termination of an investigation against Q&T steel plate exports from Sweden. Additionally, the comment of Commercial Metals that SSAB has influenced market prices is a relevant consideration in the Commission's assessment of injury to the Australian industry.

If you have any questions concerning this letter please do not hesitate to contact either myself on (02) 4272 0407 Mob: 0406317671 or Bisalloy's Consultant John O'Connor on (07) 3342 1931 Mob: 0411 252 451.

Yours faithfully,



Tom Matinca
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