



23 September 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

Public file

Dear Ms Taylor,

Re: Quenched and Tempered (Q&T) Steel Plate exported from Finland, Japan and Sweden – Responses to Statement of Essential Facts (SEF) No.234 by exporters, importers and other interested parties between 16-17 September 2014.

This submission by Bisalloy Steel Group Limited ("Bisalloy") provides comments on several of the submissions by interested parties in response to Statement of Essential Facts ("SEF") No. 234 published on 27 August 2014.

SSAB – Exporter from Sweden – 16 September 2014

SSAB Swedish Steels Pty Ltd and its related companies ("SSAB") claims in its submission of 16 September 2014 that amongst other things, its dumped goods did not cause injury to the Australian industry because SSAB's Q&T steel plate was proven to be a higher quality and higher priced so did not interfere with Q&T sales by Bisalloy. These claims have been rebutted by the Australian Industry in earlier submissions and there is no need to repeat these representations.

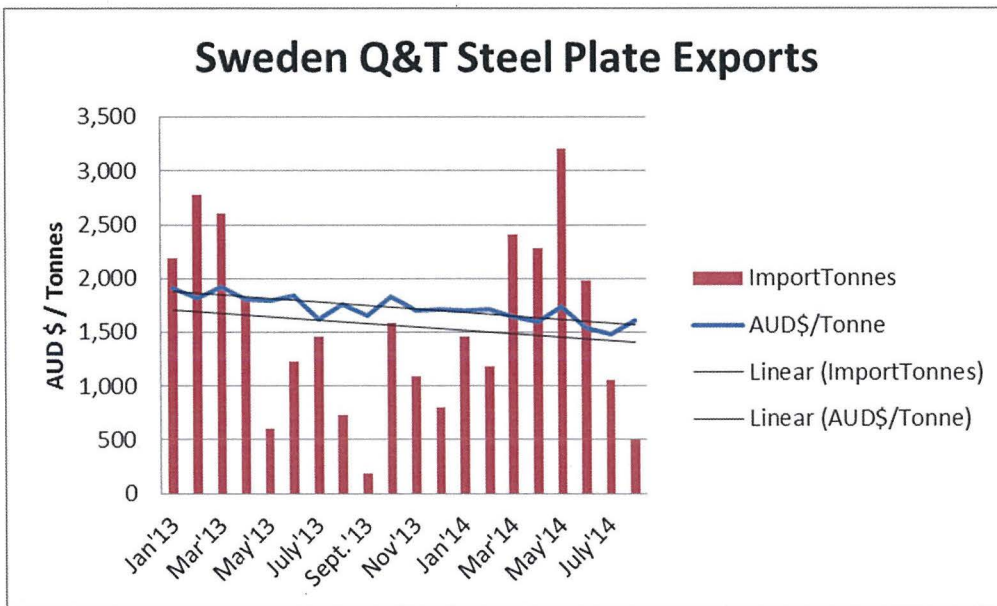
SSAB's submission has raised further issues which the Australian Industry considers should be addressed due to the inaccuracies and misleading assertions contained therein. These include:

1. SSAB's claim that there is no evidence of an intention or likelihood of it to circumvent dumping duties, and SSAB firmly declares that it has no such intention;
2. SSAB's claim that the basis put forward by Bisalloy for the Commission to ignore the lesser duty rule are two errant references within the SEF, neither of which are made in connection with the substantive NIP analysis, and neither of which can strip the detailed NIP analysis of its relevance and effect; and
3. SSAB's claim that the "materiality" of the Swedish dumping margin is essentially a result of the higher domestic market prices within Sweden. It was not a result of "unprofitable" sales to Australia from the collective perspective of the SSAB group of companies.

Bisalloy has previously (in submission of 12 September 2014) provided data to the Commission that appears to contradict SSAB's first abovementioned claim. Furthermore the recently published August 2014 ABS import statistics for Sweden (including Q&T imports under statistical codes 7225.40.00 statistical codes 22 & 24 previously highlighted by Bisalloy as also containing Q&T Steel plate imports) indicates that SSAB has decreased its declared average FOB export prices for Q&T Steel Plate. A comparison of the Swedish export prices for 2014 contrasted with the period of investigation ("POI") highlights an average 9.4% decline, excluding

the depreciation of the AUD against the Swedish Krona which also declined by an average of approximately 3%¹.

The chart below highlights the decrease in SSAB declared FOB export prices updated with August 2014 data (including imports under statistical codes 7225.40.00 statistical codes 22 & 24) since January 2013. It is apparent from this chart that SSAB has significantly decreased its declared FOB export prices to Australia, particularly in 2014.



The Commission considered in SEF No.234 that dumping and material injury would continue if anti-dumping measures are not imposed. The Australian Industry has previously explained in its submission of 12 September 2014 that the currently proposed anti-dumping measures as influenced by the Non-Injurious Price (“NIP”) will not be effective in preventing exporters from Sweden, Finland and Japan from continuing to impose further significant injury upon the Australian Industry. The above chart confirms that the SEF No.234 *revised* measures currently in place are clearly not effective as indicated by the further reductions in export prices (as is also the situation for export prices for Q&T steel plate from Finland and Japan – see graphs below).

In addressing the above second claim by SSAB, the Australian Industry considers that the Commission’s statements made in connection of the minimum level of interim duty required for Bisalloy to have operated profitably during the POI required an increase in price, equal to the lowest dumping margin calculated. It is the Australian Industry’s position that the Commission’s two statements which SSAB has described as ‘errant’ are in fact a result of rigorous analysis that has underpinned the Commission’s conclusions and determinations in connection with the continuing likelihood of injury to the Australian Industry. Furthermore, Bisalloy considers these measures correctly reflect the minimum measures that are required to return the Australian Industry to profit for longer term viability.

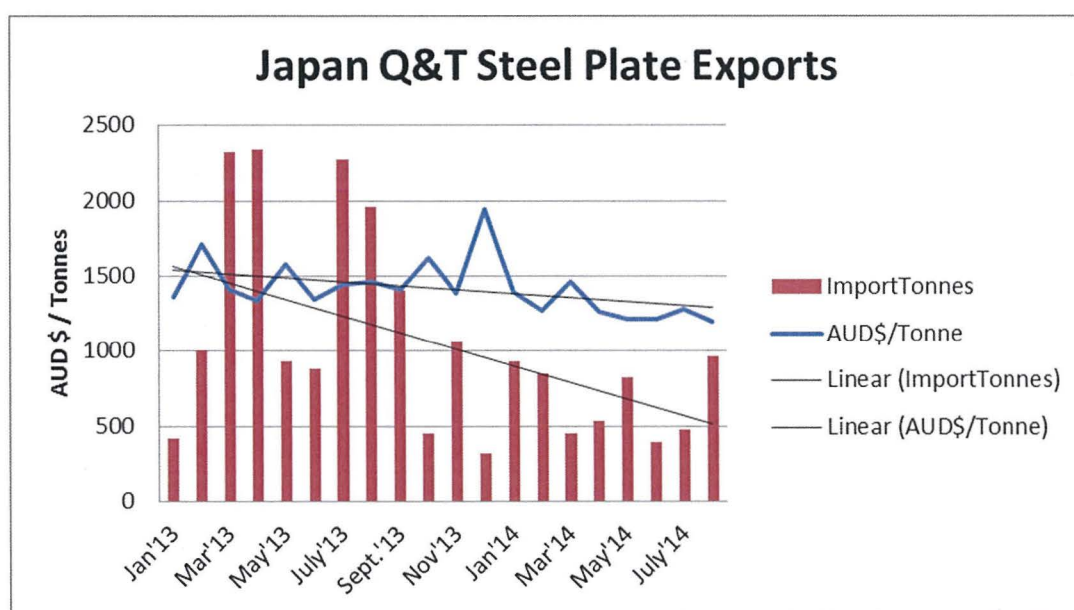
In response to the third claim made in Paragraph 3 of point A of submission 93 on behalf of SSAB Swedish Steel Pty Ltd (dated 16 September 2014) the Australian Industry believes that exports from Sweden during the POI were not only dumped, as is clearly conceded in the third sentence, i.e. *“that those sales were profitable to a lesser extent than the comparative domestic sales”* but the Commission also confirmed were sold at “non-arms length prices” to Australia within the SSAB Group. The admission by SSAB Swedish Steel Pty Ltd that it

¹ <http://www.ozforex.com.au/forex-tools/historical-rate-tools/yearly-average-rates>

received exported Q&T Steel Plate at dumped prices and the Commission’s finding that SSAB’s export prices were not at arms’ length, confirm that recommended measures reflect the full margin of dumping for exports by SSAB from Sweden.

Exporters from Japan – JFE and NSSMC

In Bisalloy’s submission of 12 September 2014 similar data was provided on ABS declared FOB export prices from Japan (to July 2014). This ABS import data has now been updated with the recently released August 2014 import figures and now also include 7225.40.00 - 22/24 statistical code imports in the chart below. In a similar manner to that described for SSAB, FOB export prices for goods exported from Japan have decreased by approx.16.5% excluding the decline in value of the AUD versus USD (Q&T Steel Plate from Japan is usually quoted in USD) of approximately 5%² over 2014.

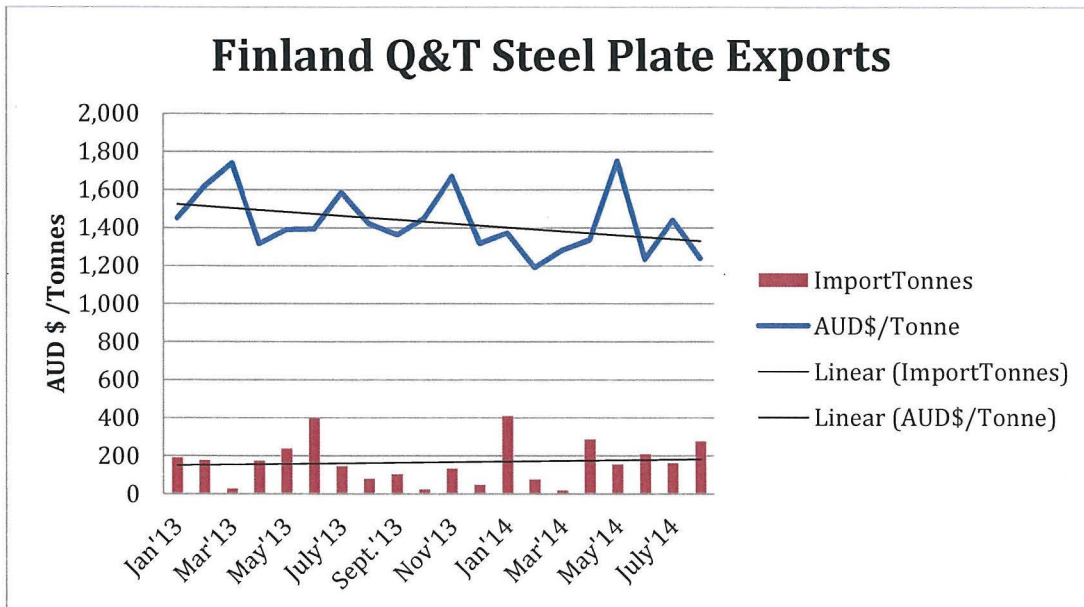


Exporters from Finland – Ruuukki

In Bisalloy’s submission of 12 September 2014 Bisalloy previously provided similar data on ABS declared FOB export prices from Finland, this information has been updated with the recently released August import figures and now also include 7225.40.00 - 22/24 statistical code imports in the chart below. It can be seen that similar to export prices from Japan and Sweden, declared average FOB export prices for goods exported from Finland have decreased by approximately 8.9% excluding the decline in value of the AUD against the Euro (currency of exchange for Finland) by an average of approximately 7.5%³ post the POI.

² <http://www.ozforex.com.au/forex-tools/historical-rate-tools/yearly-average-rates>

³ <http://www.ozforex.com.au/forex-tools/historical-rate-tools/yearly-average-rates>



In observing the decreases in declared FOB export prices from Sweden, Japan and Finland post the POI it is noted that the decreases in declared export prices (when taking into account the actual declared FOB export prices and movements in AUD forex with exporter countries) for each country are consistent with the preliminary provisional measures imposed in the PAD No.234 – Sweden (13.6%), Finland (15.4%) and Japan (18-26%). It would appear that the exporters in each country have deliberately reduced export prices to offset the provisional measures imposed by the PAD No. 234.

The Australia Industry considers that the above information provides compelling evidence that it is apparent that each of the three alleged dumping exporters are engaging in circumvention behavior which can only be addressed by actions as recommended by Bisalloy in its submission to the Commission dated 12 September 2014 (i.e. a NIP that reflects the full margin of dumping and a form of duty based upon the combination method).

Metso Minerals (Australia) Limited (MMAL)

The Australian Industry provides the following comments regarding a submission representing MMAL:

- Bisalloy supplied the non-standard size 75mm thick Q&T Bisplate product for MMAL's trial purposes to one of its Distributor within 8 weeks from receipt of order (including allowance for input Q&T greenfeed plate to be made by the steelmaker before it could be heat treated by Bisalloy).
- Bisalloy understand that MMAL has since indicated to the Bisalloy Distributor involved that it there is no urgency in undertaking the trial.
- Bisalloy's Distributor has indicated to MMAL that it will stock this non-standard product in future to address MMAL requirements if and when these are defined.

Bisalloy rejects the assertions of MMAL that it does not supply non-standard Q&T steel plate in a timely manner and that it does not stock such product.

Bisalloy does not consider that the remaining submissions in response to SEF No.234 have raised any new issues that have not been previously addressed by Bisalloy.

Bisalloy therefore requests the Commission to examine the further reductions in export prices from each of the investigated countries following the publication of PAD No. 234 in May 2014. Additionally, Bisalloy seeks the



**Bisalloy Steel
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Commission to recommend to the Parliamentary Secretary effective measures that will remove the likelihood of further material injury to the Australian industry, including measures that reflect the full margin of dumping, in a form based upon the combination method.

If you have any questions concerning this submission Bisalloy is available to discuss any aspect of the matters identified herein as appropriate. I can be contacted 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
Business Development and Strategy Manager
Bisalloy Steels Group Limited