



Australian Government
Anti-Dumping Commission

PUBLIC RECORD

CUSTOMS ACT 1901 - PART XVB

REPORT NO. 234

**DUMPING OF
QUENCHED AND TEMPERED STEEL PLATE
EXPORTED FROM FINLAND, JAPAN AND SWEDEN**

OCTOBER 2014

REP 234 – Q&T steel plate – Finland, Japan and Sweden

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ABBREVIATIONS

\$ or AUD	Australian dollars
ABS	Australian Bureau of Statistics
ACBPS	Australian Customs and Border Protection Service
the Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
the applicant	Bisalloy Steels Pty Ltd (also referred to as Bisalloy)
ASM	ASM Corporation Pty Ltd
Bisalloy Steel Group	Bisalloy Steel Group Limited
BREE	Bureau of Resources and Energy Economics
China	People's Republic of China
the Commission	The Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CTMS	Cost to make and sell
Dumping Duty Act	<i>Customs Tariff (Anti-Dumping) Act 1975</i>
EXW	Ex-works
FIS	Free into store
FOB	Free on board
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
JFE	JFE Steel Corporation
Metal One	Metal One Corporation
MMAL	Metso Minerals (Australia) Limited
the Minister	Minister for Industry
MPa	Mega Pascals
NIP	Non-injurious price
NSSMC	Nippon Steel & Sumitomo Metal Corporation
OCOT	Ordinary course of trade
PAD	Preliminary affirmative determination
PAD 234	Preliminary affirmative determination report no. 234
the Parliamentary Secretary	the Parliamentary Secretary to the Minister for Industry
Q&T greenfeed	Quenched and Tempered steel plate greenfeed
Q&T steel plate	Quenched and Tempered steel plate
RBA	Reserve Bank of Australia
REP 234	Final report no. 234 (this report)
Ruukki	Ruukki Metals Oy
SSAB Australia	SSAB Swedish Steel Pty Ltd
SSAB Emea	SSAB EMEA AB

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SSAB Singapore	SSAB Swedish Steel Pte Ltd
SEF	Statement of essential facts
SEF 234	Statement of essential facts report no. 234
TCO	Tariff Concession Order
TMCP	Thermo mechanically controlled process
TSA	Total Steel of Australia Pty Ltd
USP	Unsuppressed selling price
Vulcan	Vulcan Steel Pty Ltd
WTO	World Trade Organisation

1 SUMMARY AND RECOMMENDATIONS

1.1 Introduction

This investigation is in response to an application by Bisalloy Steels Pty Ltd (Bisalloy) in relation to the allegation that dumped Quenched and Tempered steel plate (Q&T steel plate) exported to Australia from Finland, Japan and Sweden caused material injury to the Australian industry producing like goods.

This report (REP 234) sets out the Commissioner of the Anti-Dumping Commission's (the Commissioner) recommendation to the Parliamentary Secretary to the Minister for Industry (the Parliamentary Secretary)¹ in relation to the application.

1.2 Recommendation

The Commissioner recommends to the Parliamentary Secretary that a dumping duty notice be published in respect of Q&T steel plate exported to Australia from Finland, Japan and Sweden.

If the Parliamentary Secretary accepts this recommendation, to give effect to the decision, the Parliamentary Secretary must sign the relevant notices and schedules, under s. 269TG(1) and s. 269TG(2) of the *Customs Act 1901* (the Act)², and s. 8 of the *Customs Tariff (Anti-Dumping) Act 1975* (the Dumping Duty Act).

1.3 Application of law to facts

Division 2 of Part XVB of the Act sets out, among other matters, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application for the publication of a dumping duty notice.

1.4 Application and initiation

On 20 November 2013, Bisalloy lodged an application requesting that a dumping duty notice be published in respect of Q&T steel plate exported to Australia from Finland, Japan and Sweden.

Following consideration of the application, the Commissioner decided not to reject the application and initiated an investigation on 8 January 2014. Public notice of the initiation of the investigation was published in *The Australian* newspaper on 8 January 2014. Anti-Dumping Notice (ADN) No. 2014/01 provides further details of the investigation and is available on the Anti-Dumping Commission's (the Commission) website at www.adcommission.gov.au.

¹ The Minister for Industry delegated responsibility for anti-dumping matters to the Parliamentary Secretary, and accordingly, the Parliamentary Secretary is the relevant decision maker for this investigation

² All legislative references in this report are to the *Customs Act 1901*, unless otherwise stated. The terms Division, section and subsection are used interchangeably in this report

1.5 Preliminary affirmative determination

The Commissioner, after having regard to the application, submissions and other relevant information, was satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice in respect of Q&T steel plate exported to Australia from Finland, Japan and Sweden. Accordingly, the Commissioner made a preliminary affirmative determination (PAD) to that effect on 15 May 2014. PAD report no. 234 (PAD 234) contains details of the decision and is available on the public record at www.adcommission.gov.au/cases/EPR234.

To prevent material injury to the Australian industry occurring while the investigation continues, securities were taken in relation to any interim dumping duty that may become payable in respect of Q&T steel plate from Finland, Japan and Sweden entered for home consumption on or after 19 May 2014.

1.6 Statement of essential facts

The Commissioner must, within 110 days after the initiation of an investigation, or such longer period as the Parliamentary Secretary allows, place on the public record a statement of essential facts (SEF) on which the Commissioner proposes to base a recommendation in relation to the application.

In formulating the SEF the Commissioner must have regard to the application concerned, and submissions concerning publication of the dumping duty notice that are received by the Commission within 40 days after the date of initiation of the investigation. The Commissioner may also have regard to any other matters considered relevant.

The initiation notice advised that the SEF for the investigation would be placed on the public record by 28 April 2014. However, the Commissioner was satisfied that the prescribed 110 days to place the SEF on the public record for the investigation was likely to be insufficient and requested that the Parliamentary Secretary extend the publication timeframes on two occasions.

The Parliamentary Secretary under s. 269ZHI of the Act extended the deadline for the publication of the SEF for the investigation to 27 August 2014. ADN Nos. 2014/36 and 2014/60 were issued on 24 April 2014 and 21 July 2014 respectively, notifying the Parliamentary Secretary's decisions to extend the due date of the SEF.

SEF report no. 234 (SEF 234) was placed on the public record on 27 August 2014. Interested parties were invited to make submissions to the Commission in response to SEF 234 within 20 days of it being placed on the public record (by 16 September 2014).

1.7 Report 234

In formulating REP 234, the Commissioner must have regard to the application, any submissions concerning the publication of the dumping duty notice to which the Commissioner has had regard to for the purpose of formulating SEF 234, SEF 234 and any submission in response to SEF 234 received by the Commission within 20 days of

the publication of SEF 234. The Commissioner may also have regard to any other matters considered relevant.³

1.8 Findings and conclusions

The Commissioner has made the following findings and conclusions based on available information provided during the course of the investigation.

1.8.1 The goods and like goods (Chapter 3)

The Commissioner's view in relation to the scope of the investigation is that:

- Q&T steel plate is the goods;
- quenched steel strip is not the goods; and
- thermo mechanically controlled process (TMCP) steel plate is not the goods.

The Commissioner considers, locally produced Q&T steel plate is like to the goods the subject of the application.

1.8.2 Australian industry (Chapter 4)

There is an Australian industry producing like goods, comprising of one Australian producer of Q&T steel plate, Bisalloy.

1.8.3 Australian market (Chapter 5)

The Australian market for Q&T steel plate is predominately supplied by locally produced Q&T steel plate and imports from Finland, Japan and Sweden, with a small volume of imports from other countries.

1.8.4 Dumping (Chapter 6)

The Commission has assessed that during the investigation period:

- Q&T steel plate exported to Australia from Finland, Japan and Sweden was dumped;
- the dumping margins were not negligible; and
- the volume of dumped goods from Finland, Japan and Sweden was not negligible.

The dumping margins determined are set out in Table 1 below:

Country	Exporter / Manufacturer	Dumping Margin
Finland	All Exporters	21.7%
Japan	JFE Steel Corporation	24.6%
	<i>Uncooperative exporters</i>	33.9%
Sweden	All Exporters	34.0%

Table 1 - Dumping margin summary

³ s. 269TEA(3)

1.8.5 Injury assessment (Chapter 7)

Based on verified information and data, the Commission has assessed that the Australian industry has experienced injury in respect of its sales of Q&T steel plate.

1.8.6 Has dumping caused material injury? (Chapter 8)

The Commission is satisfied that the Australian industry suffered material injury as a result of dumped imports from Finland, Japan and Sweden, in the form of:

- price depression;
- price suppression;
- reduced profits;
- reduced profitability; and
- reduced revenue.

1.8.7 Will dumping and material injury continue? (Chapter 9)

The Commission is satisfied that dumping and material injury will continue if interim dumping duties are not imposed.

1.8.8 Non-injurious price (Chapter 10)

The Commission has derived a non-injurious price (NIP) by setting the unsuppressed selling price (USP) as equal to the Australian industry's weighted average selling price during a period unaffected by dumping.

The Commission has determined that the NIP will be the operative measure for all exports of Q&T steel plate from Finland, Japan and Sweden and recommends to the Parliamentary Secretary that interim dumping duties be collected in accordance with the lesser duty rule.

1.8.9 Proposed measures (Chapter 11)

For imports of Q&T steel plate from Finland and Japan, the Commissioner recommends that interim dumping duties be calculated via the ad valorem method (i.e. a percentage of export price). In regards to imports from Sweden, the Commissioner recommends that interim dumping duties be calculated using a combination fixed and variable method, with the fixed component calculated as a percentage of the free on board (FOB) export price.

The Commission recommends that interim dumping duties be taken in respect of Q&T steel plate exported from Finland, Japan and Sweden at the rates outlined in Table 2, as shown below.

Country	Exporter / Manufacturer	Effective Rate Of Duty	Duty Method
Finland	All Exporters	10.8%	Ad valorem
Japan	JFE Steel Corporation	24.5%	Ad valorem
	<i>Uncooperative exporters</i>	26.1%	Ad valorem
Sweden	All Exporters	9.6%	Fixed and variable

Table 2 – Interim Dumping Duties

2 BACKGROUND

2.1 Initiation

On 20 November 2013, Bisalloy lodged an application for the publication of a dumping duty notice in respect of Q&T steel plate exported to Australia from Finland, Japan and Sweden.

On 10 December 2013, Bisalloy provided further information and data in support of its application. As a result, the Commission restarted the 20 day period for considering the application.

Following consideration of the application, the Commissioner decided not to reject the application and the Commission initiated an investigation on 8 January 2014. Public notification of initiation of the investigation was made in *The Australian* newspaper on 8 January 2014.

ADN No. 2014/01 provides further details of the investigation and is available on the Commission's website at www.adcommission.gov.au.

In respect of the investigation:

- the investigation period⁴ for the purpose of assessing dumping is 1 January 2013 to 31 December 2013; and
- the injury analysis period for the purpose of determining whether material injury has been caused to the Australian industry is from 1 January 2010.

2.2 Previous cases

There have been no previous dumping investigations into Q&T steel plate in Australia.

2.3 Responses to statement of essential facts 234

In formulating this report to the Parliamentary Secretary, the Commissioner had regard to:

- the application;
- submissions concerning publication of a dumping duty notice to which the Commissioner had regard to for the purpose of formulating SEF 234;
- SEF 234;
- submissions in response to SEF 234 received by the Commission within 20 days after it was placed on the public record; and
- other matters considered relevant.

The Commission received the following submissions in response to SEF 234 which were taken into account in preparing REP 234:

- Bisalloy – 12 September 2014;
- Japanese Mills – 15 September 2014;
- Metso Minerals (Australia) Limited (MMAL) – 16 September 2014;

⁴ As defined by s. 269T(1)

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- ASM Corporation Pty Ltd (ASM) – 16 September 2014;
- Total Steel of Australia Pty Ltd (TSA) – 16 September 2014;
- Metal One Corporation (Metal One) – 16 September 2014;
- JFE Steel Corporation (JFE) – 16 September 2014;
- Vulcan Steel Pty Ltd (Vulcan) – 16 September 2014;
- SSAB Swedish Steel Pty Ltd (SSAB Australia) – 17 September 2014; and
- Bisalloy – 23 September 2014.

In addition to the submissions listed above, in formulating REP 234, the Commissioner also had regard to two submissions received immediately prior to the publication of SEF 234 that were unable to be addressed as part of SEF 234:

- Nippon Steel & Sumitomo Metal Corporation (NSSMC) – 21 August 2014; and
- Bisalloy – 25 August 2014.

A submission by Drake Trailers Pty Ltd was received on 13 October 2014 and was not considered as part of the REP 234, because in the opinion of the Commissioner, to do so would prevent the timely preparation of REP 234 to the Parliamentary Secretary.⁵

2.4 Submissions raising matters of wider impacts

Whilst the Australian anti-dumping system does not include a legislated public interest test, the Parliamentary Secretary has an unfettered discretion to take into account wider impacts when deciding whether or not to impose anti-dumping measures.

This Section highlights to the Parliamentary Secretary submissions that raise matters of wider impacts in his decision whether or not to impose anti-dumping measures.

JFE submitted that the imposition of anti-dumping measures would adversely affect the mining industry in Australia, since Q&T steel plate is predominately used in mining machinery equipment. JFE submitted that Australian end use customers would be damaged and that those end use customers are important to the overall economic climate of Australia.⁶ Bisalloy responded to JFE's submission stating that it has been a key supplier to the Australian mining industry for over 30 years. It stated that anti-dumping measures are necessary to support and sustain the competitive supply of Q&T steel plate for the Australian market over the life cycle of its customers' investments.

Drake Trailers Pty Ltd expressed concern that the application may cause detriment to its business, forcing it to pay higher prices for a product it considers unavailable from Australia. Drake Trailers Pty Ltd considers that any increased costs would place unfair constraints on its business practices and standards making it vulnerable to overseas competition.

A joint submission by JFE, TSA and Vulcan described the application as “*a case of self interest when the need is to prevent any further adverse impact on the far wider economy that contributes far greater gross value add than Bisalloy's processing operation*”.

⁵ Nos. 96 and 97 on the public record

⁶ The below submissions (in order) are nos. 19, 26, 66, 69 and 87 on the public record

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Australian Steel Pty Ltd submitted that without the supply of imported Q&T steel plate, there will be a negative impact on the Australian market, stifling innovation and the future of businesses.

MMAL submitted that a cost increase for one of its main inputs would result in a significant impact on its business and have peripheral impacts on other businesses.

TSA submitted that should the imposition of measures be imposed on JFE's exports to Australia at rates specified in SEF 234, JFE would be totally uncompetitive on price to Australian customers. TSA claim this will exclude it from supplying the separate Australian market sector serviced by TSA and Vulcan. TSA consider that such an outcome will have an immediate, adverse impact on the downstream operations of Australian customers in the mining and resources sector.

3 THE GOODS AND LIKE GOODS

3.1 Findings

The Commissioner's view in relation to the scope of the investigation is that:

- Q&T steel plate is the goods;
- quenched steel strip is not the goods; and
- TMCP steel plate is not the goods.

The Commission considers that locally produced Q&T steel plate is like to the goods under consideration.

3.2 Legislative framework

Subsection 269TC(1) of the Act provides that the Commissioner shall reject an application for a dumping duty notice if, among other matters, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner firstly determines that the goods produced by the Australian industry are 'like' to the imported goods. Subsection 269T(1) defines like goods as:

Goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

An Australian industry can apply for relief from injury caused by dumped imports even if the goods it produces are not identical to those imported. The Australian industry must however produce goods that are 'like' to the imported goods.

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether they have characteristics closely resembling each other against the following considerations:

- physical likeness;
- commercial likeness;
- functional likeness; and
- production likeness.

3.3 The goods under consideration

3.3.1 Description

The goods the subject of the application (the goods) are:

Flat rolled products of alloyed steel plate commonly referred to as Quenched and Tempered ("Q&T") steel plate (although some Q&T grades may not be tempered), not in coils, not further worked than hot rolled, of widths from 600mm up to and including 3,200mm, thickness between 4.5-110mm (inclusive), and length up to and including 14 metres, presented in any surface

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condition including but not limited to mill finished, shot blasted, primed (painted) or un-primed (unpainted), lacquered, also presented in any edge condition including but not limited to mill edge, sheared or profiled cut (i.e. by Oxy, Plasma, Laser, etc.), with or without any other minor processing (e.g. drilling).

Goods of stainless steel, silicon-electrical steel and high-speed steel, are excluded from the goods covered.

3.3.2 Properties

In support of the goods description, Bisalloy stated that Q&T steel plate comprises grades with typical mechanical properties as follows:

- *High Hardness/Abrasion resistant Q&T steel plate (more commonly referred to as 'Wear' Grade Q&T steel plate) of Brinell hardness (HBW – 10/3000) range 320-640 or equivalent Rockwell C hardness range 34 – 59 or equivalent Vickers hardness range 230-670;*
- *High Strength Q&T steel plate (commonly referred to as 'Structural/High Tensile' Grade Q&T steel plate) of 0.2% Proof Stress of 475-890 MPa (min); and*
- *High Hardness/Impact resistant Armour Grades (more commonly referred to as 'Armour' Grade Q&T steel plate) of hardness up to 640 Brinell (HBW – 10/3000).*

3.3.3 Clarifying description

To clarify the goods description Bisalloy stated that Q&T steel plate has chemical compositions up to:

- *Carbon Max – 0.5%;*
- *Manganese Max – 2.5%;*
- *Silicon Max – 0.65%;*
- *Sulphur Max – 0.04%;*
- *Phosphorous Max – 0.04%;*
- *Nickel Max – 3.0%;*
- *Chromium Max – 3.0%;*
- *Molybdenum Max – 2.0%;*
- *Vanadium Max – 0.2%;*
- *Boron Max – 0.01%;*
- *Aluminium Max – 0.1%;*
- *Titanium Max – 0.1%;*
- *Copper Max – 0.5%;*
- *Niobium Max – 0.1%;*

The percentage of the above individual alloying elements may vary in accordance with each manufacturer's grade specifications and not all elements may be utilized in all Q&T steel plate grades. Additional other quantities of trace elements up to a max 0.1% each may also be utilised or found (as trace elements) in Q&T steel plate.

For further details regarding the goods, refer to ADN 2014/01, available on the public record.

3.3.4 Australian standards

The Australian and New Zealand Standard Industrial Classification Code for the goods is category 2711. There are no specific industry standards to which wear and armour grades of Q&T steel plate are manufactured in Australia.

Australian Standard AS3597 (Structural and pressure vessel steel – Quenched and Tempered Plate), AS4100 (Steel Structures) and AS1554.4 (Structural Steel Welding - Welding of High Strength Quenched and Tempered Steels) may be relevant to some structural/high-tensile Q&T steel products but are not a requirement of the goods described at Section 3.3.1.

3.4 Tariff classification

In its application, Bisalloy identified the applicable tariff subheading for Q&T steel plate as tariff subheading 7225.40.00 in Schedule 3 to the *Customs Tariff Act 1995*.

Tariff subheading 7225.40.00 refers to flat-rolled products of other alloy steel, of a width of 600mm or more, not further worked than hot-rolled, not in coils. The relevant statistical codes for tariff subheading 7225.40.00 are:

- statistical code 21 - high alloy: quenched and tempered; and
- statistical code 23 - other: quenched and tempered.

Bisalloy claimed in its application that some imported Q&T steel plate has been incorrectly classified to tariff subheading 7225.40.00, statistical codes 22 and 24.

During the course of the investigation, the Commission also identified, in relation to a small volume of imports, that Q&T steel plate was declared under tariff subheading 7225.99.00 during the investigation period.

Tariff subheading 7225.99.00 refers to other flat rolled products of other alloy steel of a width of 600mm or more, not specified or included in preceding tariff subheadings.

For tariff subheadings 7225.40.00 and 7225.99.00, the general rate of duty is 5 per cent for goods imported from Finland, Japan and Sweden.

3.4.1 Responses to statement of essential facts 234

In response to SEF 234, TSA submitted that goods which are heat treated (tempered) are properly defined as ‘further worked’ and are properly classified to tariff subheading 7225.99.00. The submission expresses a view that, because tariff subheading 7225.99.00 was not included in the goods description at initiation of the investigation, the Commission has no authority to add the additional tariff subheading 7225.99.00 and that the “*intent of the Commission*” is irrelevant as a means to “*change the goods description*”.⁷

The Commissioner’s finding in REP 234 (consistent with SEF 234) is based on the wording of the goods description, which indicates that Q&T steel plate which has undergone tempering was intended to be covered by the investigation. In forming its view,

⁷ No. 89 on the public record

the Commission also had regard to its discussions with the applicant prior to initiation of the investigation and the application itself. For this reason, the Commission considers that the inclusion of an additional tariff subheading subsequent to initiation of the investigation did not alter the goods description in any way. The inclusion of tariff subheading 7225.99.00 merely clarifies the goods description in response to an issue raised during the investigation and does not constitute part of the goods description.

3.5 Tariff Concession Orders

There are currently 13 Tariff Concession Orders (TCO) applying to tariff subheading 7225.40.00 and six TCOs applying to tariff subheading 7225.99.00. A full listing of these TCOs is at **Attachment 2**.⁸

3.6 Scope of the investigation

As discussed further in Chapter 6, the Commission received cooperation from three overseas exporters, Ruukki Metals Oy (Ruukki), JFE and SSAB EMEA AB (SSAB Emea).

In conducting on-site verification visits, the Commission observed different manufacturing processes and technology for making wear and structural grades of steel employed by the cooperating exporters (listed below). All three cooperating exporters are integrated steel mills, meaning that they perform all functions in the production of their steel products internally, including iron making, steelmaking, casting, rolling and heat treatment (including quenching and tempering).

In contrast, Bisalloy is not an integrated steel mill. Its production method involves sourcing Q&T steel plate greenfeed (Q&T greenfeed) (which has undergone all processes up to and including rolling) from external suppliers and subjecting the Q&T greenfeed to heat treatment.

This Section outlines the Commission's view of the scope of the investigation in the context of the goods description.

Q&T steel plate

All cooperating exporters manufacture Q&T steel plate via plate mill operations.

The cooperating exporters do so by producing iron, applying alloying elements and converting the iron into steel slabs. The steel slabs are heated in a furnace and blasted with jets of water to remove surface scale.

The slabs are cut to length and passed through a plate rolling mill until the required length and thickness is obtained.

The plate is either:

⁸ The Tariff Concession System is administered by Australian Customs and Border Protection Service and allows duty free entry for certain goods where there is no local industry producing those goods. The Commission has not assessed whether or not the TCO's applying to tariff subheading 7225.40.00 and 7225.99.00 listed at Attachment 2 are the goods under consideration

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- taken offline to a separate production line and quenched (and if required tempered), similar to the production process of Bisalloy as described at Section 4.4. This process is often referred to as ‘traditional’ or ‘offline’ quenching and tempering; or
- quenched (and if required tempered) as the plate continues through the plate mill. This process is often referred to as ‘direct’ quenching and all cooperating exporters have ‘direct’ quenching facilities combining the rolling and heat treatment into a single process.

Quenching involves the heating of the plate to a high temperature and rapid cooling with water. Particular grades of Q&T steel plate are also tempered depending on the final properties required. Tempering involves the reheating of the plate to a temperature below the recrystallization phase, followed by a gradual cooling process.

Incorporating the quenching (and tempering) process into the rolling stage eliminates the need to take the plate off-line which requires an extra stage of reheating. Cooperating manufacturers claim that the direct quenching (and tempering) process alters the final characteristics of the plate, reducing manufacturing time and costs.

The following diagram provided by Ruukki in a submission⁹ illustrates the differences between direct quenching (and tempering) process in comparison to a traditional or offline quenching and tempering process.

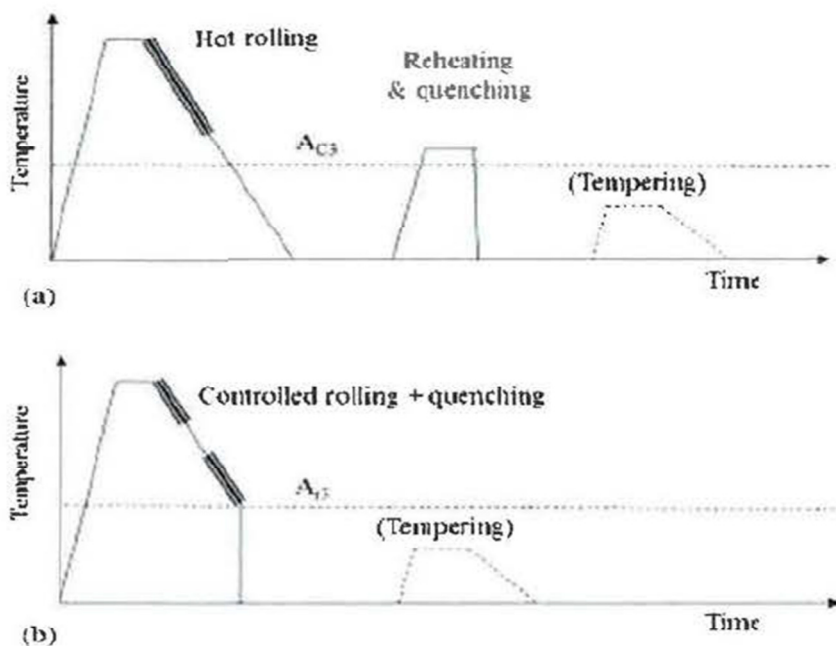


Figure 1. Temperature – time diagrams showing the differences between (a) the conventional production route and (b) direct quenching.

⁹ No. 9 on the public record. Please note similar diagrams have been provided by other exporters

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Whilst Bisalloy do not manufacture Q&T steel plate via a direct quenching (and tempering) process, the Commission considers that the Q&T steel plate it manufactures via the traditional quenching and tempering process closely resembles the goods manufactured by exporters.

Quenched steel strip

Certain cooperating exporters produce a quenched, flat rolled product, referred to as 'strip'. The quenched steel strip is manufactured by passing an alloyed slab through a reverse roughing mill multiple times until it is reduced in thickness and lengthened considerably. The strip travels to a coiler where it is rolled into a coil to manage its length. The coil is then uncoiled and passes through a number of rollers that gradually reduce the thickness of the strip. The strip is then rapidly cooled (quenched) with water as it passes through the strip mill and re-coiled. The final product can be sold as a coil or alternatively the coil can be cut to size and sold as a sheet.

Whilst the strip can be manufactured to have similar mechanical properties to a plate product, for example, Brinell hardness 400, 450 or 500 or tensile strength of 780MPa, the strip may have different characteristics to plate that has undergone quenching (and tempering) in a plate mill. For example, the strip may react differently to welding or bending and may have a different effective life in certain applications. Cooperating manufacturers claim that customers may require a strip over a plate for certain end-use applications.

The final dimensions of the strip are restricted in thickness and width considerably. Cooperating exporters claim that the strip is not suitable for tempering.

Thermo mechanically controlled process steel plate

The Commission notes that the term TMCP may have different meanings within the industry. For example, direct quenching as described above is sometimes referred to as a form of TMCP.¹⁰

In the context of determining the scope of this investigation, the Commission refers specifically to TMCP steel plate as that manufactured by heating an alloyed slab to a high temperature and controlling the temperature of the plate during the rolling process. This form of TMCP steel plate is not technically quenched as it does not involve rapid cooling. The desired mechanical properties of the plate are achieved through the combination of alloying chemistry and rolling processes.

TMCP steel plate can be produced with similar properties to certain grades of Q&T steel plate in terms of Brinell hardness or tensile strength; however the different production processes create a different grain structure of the steel, altering the characteristics and end-use applications of the TMCP steel plate. TMCP steel plate can also be manufactured by certain manufacturers via a strip mill similar to that described above.

¹⁰ For example, Ruukki's submission at no. 9 on the public record refers to direct quenching as a special case of TMCP. In addition, as part of JFE's verification visit report at no. 78 on the public record the Commission was of the view that the TMCP referred to by JFE was a form of direct quenching and tempering and considers it to be the goods under consideration

3.6.1 Views of interested parties

Immediately prior to the publication of SEF 234, Bisalloy made a submission in relation to Ruukki's verification visit report.¹¹

Bisalloy sought to clarify its view that quenched steel strip manufactured by "Q&T steel plate Greenfeed form" is the goods under consideration and is a like good to the Q&T steel plate manufactured by the Australian industry.

Bisalloy also indicated that it utilised Q&T steel plate greenfeed produced via a strip mill as the main input in manufacturing its Q&T steel plate in "some thicknesses of 4.5mm and greater".

3.6.2 Responses to statement of essential facts 234

Subsequent to the publication of SEF 234, Bisalloy repeated its view that quenched steel strip is the goods and that Q&T steel plate manufactured by Bisalloy is a like good on the basis that it closely resembles quenched steel strip.

Bisalloy expressed concern that the claims of cooperating exporters were not adequately tested with Bisalloy (or independent industry experts) to enable an adequate assessment as to whether the goods have similar performance attributes in the same end-use applications.

3.6.3 The Commission's assessment – scope of investigation

Q&T steel plate

Whilst Bisalloy do not manufacture Q&T steel plate via a direct quenching (and tempering) process, the Commission considers that the Q&T steel plate it manufactures via the traditional quenching and tempering process closely resembles the goods manufactured by cooperating exporters. The Commission considers Q&T steel plate (including Q&T steel plate from the direct quenching and tempering process) is the goods.

Quenched steel strip

The Commission's view is that the quenched steel strip is not the goods under consideration and that the Q&T steel plate manufactured by the Australian industry is not like to the quenched steel strip products manufactured by exporters.

The Commission had regard to tariff subheading 7225.40.00 (which the Australian industry identified as the relevant tariff subheading) in determining the scope of the investigation. Tariff subheading 7225.40.00 refers to "flat-rolled products of other alloy steel, of a width of 600mm or more – other, not further worked than hot-rolled, not in coils". The explanatory notes behind that tariff subheading clarifies the term "flat rolled products" to include "plates", "sheets" and "wide coils". The Commission considers it is relevant to note that the goods description is narrower than the tariff subheading by limiting the description to "Flat rolled products of alloyed steel plate". The goods

¹¹ No. 81 on the public record

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description and/or clarifying description at Section 3.3.3 make no reference to products manufactured or described as strip.

The Commission considered this relevant because the goods description specifies that the flat rolled product of alloyed steel plate is “commonly referred to as Q&T steel plate”. The Commission notes that the meaning of this particular component of the goods description was not made clear by Bisalloy as part of its application. As a result, the wording has created some confusion for interested parties in interpreting the scope of the investigation, particularly for certain exporters that refer to quenched steel strip as a distinct product to Q&T steel plate. For example, Ruukki’s product brochures distinguish between ‘heavy plate’ and ‘cut lengths with mill edges’.

Another relevant aspect of the goods description was the requirement that Q&T steel plate be “not in coils”. Whilst the Commission is aware that this part of the goods description follows the wording of tariff subheading 7225.40.00, the wording created confusion for interested parties because:

- quenched steel strip product exported to Australia in coiled form (and not cut to length) would legitimately avoid any potential anti-dumping measures;
- although it was brought to the attention of interested parties late in the investigation that the Australian industry manufactures some of its product range (in limited volumes of certain thickness ranges) from Q&T greenfeed manufactured by a strip mill, there is a point of difference in that Bisalloy’s Q&T greenfeed manufactured via strip mill is already cut to length and is subjected to the same processing as its Q&T greenfeed manufactured via plate mill. This is in contrast to cooperating exporters who manufacture Q&T steel plate and quenched steel strip in different processes. The cooperating exporters also have the ability to produce and export quenched steel strip in a coil or cut to length as a sheet; and
- there are differences in capital investment, research and development, and production methods required to direct quench strip products. The cooperating exporters claim, and demonstrated to the Commission that quenched steel strip has different surface quality, end-use, bendability, weldability, cost to make and pricing when compared to Q&T steel plate products. Some of those differences are reflected in product brochures of cooperating exports which list differences in carbon equivalents as well as different thickness, width and length standards.

Whilst not forming part of the Commission’s findings that quenched steel strip is not the goods under consideration, the Commission considers it relevant to add that quenched steel strip products are exported to Australia in relatively immaterial volumes by the cooperating exporters.

As highlighted in SSAB Emea’s verification visit report, SSAB Emea did not export to Australia any quenched steel strip products manufactured via its strip mill in Borlange (all exports to Australia were manufactured at its Oxelosund plate mill). Similarly, there were no exports of quenched steel strip exported to Australia from JFE of Japan. In relation to Finland, Ruukki exported a minor quantity of quenched steel strip during the investigation

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period, in one grade and a proportion of those goods may have fallen below the thickness parameters of the goods description.¹²

As a result, the Commission estimates that quenched steel strip accounted for less than 0.1 per cent of the total market for Q&T steel plate in Australia during the investigation period.

The Commission's analysis shows that the exclusion of quenched steel strip products from the scope of the investigation is unlikely to have impacted the dumping margin calculations.¹³ The Commission also considers it unlikely that there will be shift from Q&T steel plate to quenched steel strip, given that the majority of the quenched steel strip falls outside the parameters of what Bisalloy described in its verification visit report as the main source of competition and pricing pressure for Q&T steel plate in Australia (products with a tensile strength of 780 MPa equivalent and a Brinell hardness equivalent of 400 to 500¹⁴ in the thickness range of 10 to 50mm).

Thermo mechanically controlled process steel plate

The Australian industry does not manufacture TMCP steel plate products. The Commission's view is that TMCP is not the goods under consideration and that the Q&T steel plate manufactured by the Australian industry is not like to TMCP steel plate manufactured by exporters.

In forming its view, the Commission notes that, whilst not specifically excluded from the goods description, TMCP has been described as a substitutable product (in certain end use applications such as truck bodies) by Bisalloy in its application and verification visit report.

For the above reasons, the Commission is satisfied that quenched steel strip and TMCP steel plate (as sold by cooperating exporters) are not the goods and are not like goods and has not included them in its dumping margin calculations.

3.7 Like goods

Part XVB of the Act, and the Dumping Duty Act provide for the Parliamentary Secretary to impose anti-dumping measures where dumping has caused, or threatens to cause, material injury to an Australian industry producing like goods.

Like goods are defined in s. 269T of the Act as goods that are "*identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those goods under consideration*".

¹² This was verified at importer verification visit

¹³ Similarly, the injury assessment of Bisalloy in Chapter 7 is not materially affected by its relatively minor volume of sales of Q&T steel plate in some thickness of 4.5mm and above from strip product

¹⁴ Which covers the significant majority of Bisalloy's sales

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The Commission's approach to like goods is set out in the Dumping and Subsidies Manual.¹⁵

3.7.1 Claims by Australian industry

Bisalloy stated in its application that locally produced Q&T steel plate is like to the imported goods and possesses the same essential characteristics as the imported goods, because both goods:

- are alike in physical appearance;
- compete directly in the same market;
- are produced via similar manufacturing processes to the requirements of Australian and International standards or recognised industry requirements; and
- have comparable or identical end-uses.

3.7.2 Claims by interested parties

A number of interested parties made submissions claiming that the Australian industry's goods are not like to imported goods for reasons such as:

- differences in dimensions;
- product specification differences;
- quality differences;
- the goods competing in different markets; and
- production differences.

Differences in dimensions

Several interested parties lodged submissions alleging that the Australian industry cannot supply the entire range of dimensions of Q&T steel plate outlined by the goods description. SSAB Australia claimed that Bisalloy's production is limited to Q&T steel plate with a width of 3,140mm and a thickness range of 8mm to 100mm.¹⁶ Ruukki contend, based on Bisalloy's verification visit report, that Bisalloy is unable to produce Q&T steel plate greater than 9.5 metres in length.¹⁷ On this basis Ruukki sought an exemption under s. 8(7) of the Dumping Duty Act¹⁸ for Q&T steel plate greater than 9.5 metres in length. Similarly, a joint submission from JFE, TSA and Vulcan claimed that Q&T steel plate of a length greater than 9 metres should be excluded from the investigation.¹⁹

In response, Bisalloy refuted the above claims, stating that it "*will readily accept orders for non-standard plate above 9.5 metres subject to minimum order quantities and price considerations*". Bisalloy also submitted that its Q&T steel plate is "*substitutable for a*

¹⁵http://www.adcommission.gov.au/reference-material/manual/documents/DumpingandSubsidyManual-December2013_001.pdf December 2013 version, at Section 2.1

¹⁶ No. 28 on the public record

¹⁷ No. 51 on the public record

¹⁸ The Parliamentary Secretary may exempt goods from dumping duties where satisfied that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade

¹⁹ No. 66 on the public record

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substantial proportion of Q&T steel plate of a length greater than 9.5 metres (i.e. not all end-use requirements stipulate "no welding" of shorter plates)".²⁰

The Commission has examined confidential evidence submitted by Bisalloy and its verified sales data over the investigation period. The Commission is satisfied that the dimensions of Q&T steel plate sold by Bisalloy during the investigation period, whilst not matching exactly and entirely, are generally reflective of the dimensions in the goods description.

The Commission outlined in SEF 234 that the Parliamentary Secretary may exempt goods under certain situations as prescribed in s. 8(7) of the Dumping Duty Act and that there may be grounds to investigate exemption requests as raised by interested parties.

However, in relation to this investigation, the Commission will not be considering exemption requests until after the Parliamentary Secretary's final decision has been published.²¹

Subsequent to the publication of SEF 234, Vulcan (an end user) submitted that should the final report recommend the publication of a dumping duty notice that applies to imports of Q&T steel plate, all imports by Vulcan should be excluded. Vulcan's submission was on the basis that Bisalloy is not offering their product for sale to all purchasers on equal terms under like conditions and that imports by Vulcan are entirely used for further internal processing. As stated above (and in SEF 234) the Commission will not be considering exemption requests until after publication of the Parliamentary Secretary's decision.²²

Further information about dumping duty exemptions is available on the Commission's website at <http://www.adcommission.gov.au/system/exemption.asp>

Product specification and quality differences

JFE and SSAB Australia²³ lodged submissions claiming that the Q&T steel plate produced by Bisalloy is 'technically different' from their imported Q&T steel plate. In addition, a number of submissions were lodged alleging quality differences between locally produced and imported Q&T steel plate, such that the locally produced Q&T steel plate cannot be considered like goods.

The submissions alleging quality and technical differences are summarised below:

- JFE claimed that its Q&T steel plate product range was significantly different to that offered by Bisalloy (for example certain grades contain titanium carbide alloy and certain grades have an additional minus 40 degree Celsius Charpy impact test guarantee);
- SSAB Australia submit that SSAB Emea's Q&T steel plate exhibits enhanced mechanical properties including weldability and bendability, as well as hardness

²⁰ No. 55 on the public record

²¹ Interested parties were notified of this decision in a letter from the Commission to Ruukki dated 15 July 2014, available as no. 62 on the public record

²² The Commission wrote to Vulcan Steel Pty Ltd notifying them of this decision on 23 September 2014

²³ Nos. 19 and 28 on the public record

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and toughness properties. SSAB Australia asserted that the finish of SSAB Emea's Q&T steel plate is different to the applicants; and

- SSAB Australia and some end users of SSAB Emea's Q&T steel plate products contended that SSAB Emea's Q&T steel plate is manufactured to meet tighter flatness, surface and thickness tolerances. Drake Trailers Pty Ltd, an end user, submitted that Bisalloy's Q&T steel plate did not meet its flatness requirements and as such it was considered unfit for its applications.²⁴ Similarly, Shepherd Transport Equipment submitted that it had experienced quality issues using Bisalloy's Q&T steel plate including cracking, insufficient strength, variances in properties across the plate and inferior surface condition.²⁵

Bisalloy responded to the above submissions, stating that attempts at portraying its Q&T steel plate as technically inferior are unsupported by evidence. Bisalloy also stated that the claimed 'differences' by SSAB Australia do not impact the functionality or end use capability of Bisalloy's locally produced Q&T steel plate.²⁶

The Commission recognises that there may be some degree of technical and quality differences in locally produced and imported Q&T steel plate and that certain customers may have different requirements.

However, the Commission has determined that Bisalloy's Q&T steel plate has characteristics which, although not identical, closely resemble those of imported Q&T steel plate.

Production differences

Exporters from the countries under investigation, including cooperative exporters JFE, Ruukki and SSAB Emea and uncooperative exporter NSSMC²⁷, assert that their production processes for manufacturing Q&T steel plate are substantially different to Bisalloy's production processes.²⁸

The exporters mentioned above highlighted that they are fully integrated steel manufacturers, meaning that they perform all functions in the production of Q&T steel plate internally, including iron making, steelmaking, casting, rolling and heat treatment. In contrast, the exporters highlight that Bisalloy employ a different model of production whereby it externally sources Q&T greenfeed (which has undergone all processes up until and including rolling) and subject it to heat treatment.

The exporters and other interested parties highlighted that the fully integrated steel manufacturing model allows better quality control over the raw material inputs and production process throughout all stages of production of the Q&T steel plate.

²⁴ No. 27 on the public record

²⁵ No. 30 on the public record

²⁶ No. 65 on the public record

²⁷ The distinction between cooperative and uncooperative exporters is further outlined in Chapter 6

²⁸ Reference is made to submissions at nos. 9, 19, 28 and visit reports at nos. 75, 78 and 79

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SSAB Australia claimed that in addition to the advantages of being a fully integrated steel manufacturer, it employs unique production processes that result in Q&T steel plate with enhanced toughness and hardness properties.

Bisalloy refuted these claims reinforcing that, despite being externally sourced, its Q&T greenfeed is also manufactured by fully integrated steel manufactures, all of which provide similar benefits as claimed by SSAB Australia.²⁹ Bisalloy further submitted that in the current global market experiencing an oversupply of steel, its production model offers greater opportunity to negotiate based on price when sourcing its Q&T greenfeed.

As outlined in Chapter 4 of this report, the Commission considers that Bisalloy undertakes a substantial process in the production of Q&T steel plate, being quenching (and where required tempering) of Q&T greenfeed. The Commission acknowledges that exporters are fully integrated steel manufactures and may employ different production models and possess different or enhanced equipment and technology (as described in Section 3.7). Notwithstanding this, the Commission considers Bisalloy's production processes in converting Q&T greenfeed into Q&T steel plate through the quenching (and where required tempering) process is similar to production processes employed by overseas manufacturers in the manufacture of Q&T steel plate.

Goods competing in different markets

A submission from Vulcan and a joint submission by JFE, TSA and Vulcan³⁰ claimed that Bisalloy's Q&T steel plate does not compete in the same market as imported Q&T steel plate manufactured by JFE.

These submissions highlight that 80 per cent of Bisalloy's Q&T steel plate sales are made to distributors in the business of 'on-selling' the Q&T steel plate. In contrast, it was claimed that, other than a small proportion of full plate sales, imports of Q&T steel plate manufactured by JFE were used by importers in value add applications for servicing the repairs and maintenance segment of the mining and resources sector. On this basis, it was argued that JFE's imports compete in a separate market to Bisalloy.

Similarly, submissions from SSAB Australia claim that there is no competitive interaction between SSAB Emea's Q&T steel plate and Australian manufactured Q&T steel plate. SSAB Australia assert that SSAB Emea's Q&T steel plate is supplied to different customers occupying different markets and is sold at different pricing points.³¹

Bisalloy responded to these submissions stating that imports of Q&T steel plate similar to that manufactured by JFE is "*readily available from Bisalloy and compete directly with the Australian Industry. Furthermore they are sold to the same end-use customer markets after being value added processed*". Bisalloy also claimed that in the absence of dumping, it would be a competitive supplier to Vulcan and that import prices of dumped Q&T steel plate is a predominant factor influencing purchasing decisions. Bisalloy also dismissed

²⁹ No. 32 on the public record

³⁰ Nos. 31 and 66 on the public record

³¹ No. 28 on the public record

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SSAB Australia's claims stating that it regularly competes with SSAB Emea's Q&T steel plate across all market segments.³²

The Commission understands that some purchasers of Q&T steel plate may not be able to purchase Australian manufactured Q&T steel plate at a point in the supply chain they are satisfied with (i.e. direct from Bisalloy rather than via its distribution networks). However, it is apparent that Australian manufactured Q&T steel plate is available for purchase further along the supply chain. The Commission accepts that this may influence purchasers to look to imported sources of Q&T steel plate, rather than purchase Australian manufactured Q&T steel plate. However, the Commission does not consider there to be any grounds to exclude imported Q&T steel plate which undergo value added processing from the definition of like goods on the basis that it competes in a different market.

In this respect the imported Q&T steel plate still competes with the Australian manufactured Q&T steel plate based on pressure from import prices. As discussed in Section 8.5.2, the Commission has undertaken a price undercutting analysis of Q&T steel plate prices in the Australian market. This analysis reveals that Bisalloy competes with importers for the business of common customers. Further there was insufficient evidence to substantiate SSAB Australia's claims that its products were priced at a significantly higher point than the Australian industry with the effect that it competes in a different market. SSAB Emea's Q&T steel plate has not been excluded as like goods.

Responses to statement of essential facts 234

In response to SEF 234, SSAB Australia again submitted that although its product can be generically described as Q&T steel plate, the quality and technical acuity of its plate was such that customers did not consider SSAB Emea's Q&T steel plate to be substitutable or competitive with Q&T steel plate sold by the Australian industry. For the reasons outlined previously, the Commission considers that there is competitive interaction between SSAB Emea's Q&T steel plate and Q&T steel plate sold by the Australian industry.

3.8 The Commission's assessment – like goods

The Commission examined the evidence gathered from the applicant, importers and exporters. Based on the information verified, the Commissioner is satisfied that the applicant has demonstrated that:

- *physical likeness*: the primary physical characteristics of the goods and locally produced goods are similar, for example shape, dimension, appearance and weight;
- *commercial likeness*: the goods manufactured by the Australian industry and the imported goods are commercially alike, directly competitive and are sold to common customers in the Australian market;
- *functional likeness*: both the goods manufactured by the Australian industry and the imported goods are functionally alike as they have the same or similar range of end uses; and

³² Nos. 34 and 65 on the public record

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- *production likeness*: the goods manufactured by the Australian industry are manufactured in a similar manner to the imported goods.

The Commission considers that Bisalloy produces like goods that have characteristics closely resembling the goods the subject of the application. Accordingly, the Commission considers that the Australian industry produces like goods to the goods the subject of the application, as defined in s. 269T(1) of the Act.³³

³³ notwithstanding this finding, several exemption enquiries are pending

4 THE AUSTRALIAN INDUSTRY

4.1 Findings

The Commission has found that there is an Australian industry, consisting of Bisalloy, that produces like goods in Australia.

4.2 Australian industry

Bisalloy is an Australian manufacturer of high-tensile and abrasion-resistant Q&T steel plate with operations in Unanderra, New South Wales.

Bisalloy manufactures Q&T steel plate by heat treating Australian and imported sourced Q&T greenfeed in an Austenitising Furnace followed by water quenching and subsequent tempering if required. Bisalloy's locally produced goods are marketed under the registered brand name 'Bisplate'.

Bisalloy is 100 per cent owned by Bisalloy Steel Group Limited (Bisalloy Steel Group), a publicly listed company on the Australian Stock Exchange.

Bisalloy Steel Group has distribution operations in Thailand and Indonesia and also has a 33 per cent equity stake in a Bisalloy Jigang (Shandong) Steel Plate Co., Ltd, a joint venture that manufactures Q&T steel plate in the People's Republic of China (China).

During the Commission's investigation, Bisalloy was identified as the sole manufacturer of Q&T steel plate in Australia. Whilst there are other steel manufacturers in Australia, none of those manufacturers were identified as producing steel products which meet the Q&T steel plate goods description of this investigation. Furthermore, no submissions were received by the Commission identifying any other manufacturers within Australia.

4.3 Legislative framework

The Commissioner must be satisfied that the 'like' goods are produced in Australia. Subsections 269T(2) and 269T(3) of the Act specify that for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. In order for the goods to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

4.4 Australian industry's production process

The Commission undertook a verification visit to Bisalloy's Unanderra Q&T steel plate processing facility as part of this investigation. Bisalloy's production process was observed and is summarised as follows:

- Q&T greenfeed is shot blasted, whereby steel shots are air blasted at the steel plate to remove rust and other surface defects.
- the Q&T greenfeed passes through an Austenitising heat blast furnace to uniformly heat the plate to temperatures of around 900 degrees Celsius. Bisalloy explained that the heating of the Q&T greenfeed changes the grain microstructure of the steel to become more uniform. The plate is then rapidly cooled using water jets in a

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roller quench unit to lock in this uniform grain microstructure. The furnace temperatures and quenching rates are controlled using programmable logic controllers to obtain the optimum mechanical properties for each specific grade of Q&T steel plate.

- for structural grades of Q&T steel plate, an additional tempering process is undertaken. The plate is reheated in a tempering furnace (located next in the production line to the Austenitising heat blast furnace) and cooled. For structural grades of Q&T steel plate, this tempering process increases the hardness and removes stress from the plate. Bisalloy explained that it is able to simply switch the tempering furnace on and off as the product mix requires.
- the plate is again shot blasted to remove any scale created by the water treatment. Bisalloy has an additional shot blaster for this process which is located at the end of the production line.
- the Q&T steel plate is then tested for hardness and other mechanical properties before passing through a leveller (for plate up to 32mm in thickness) to ensure the desired flatness is achieved. Bisalloy performs its own testing in its National Association of Testing Authorities approved testing facility, with the exception of ballistics testing.
- the Q&T steel plate is finally stencilled and bar coded ready for delivery.

As part of its application, Bisalloy provided the following diagram (Figure 2) to illustrate its production process:

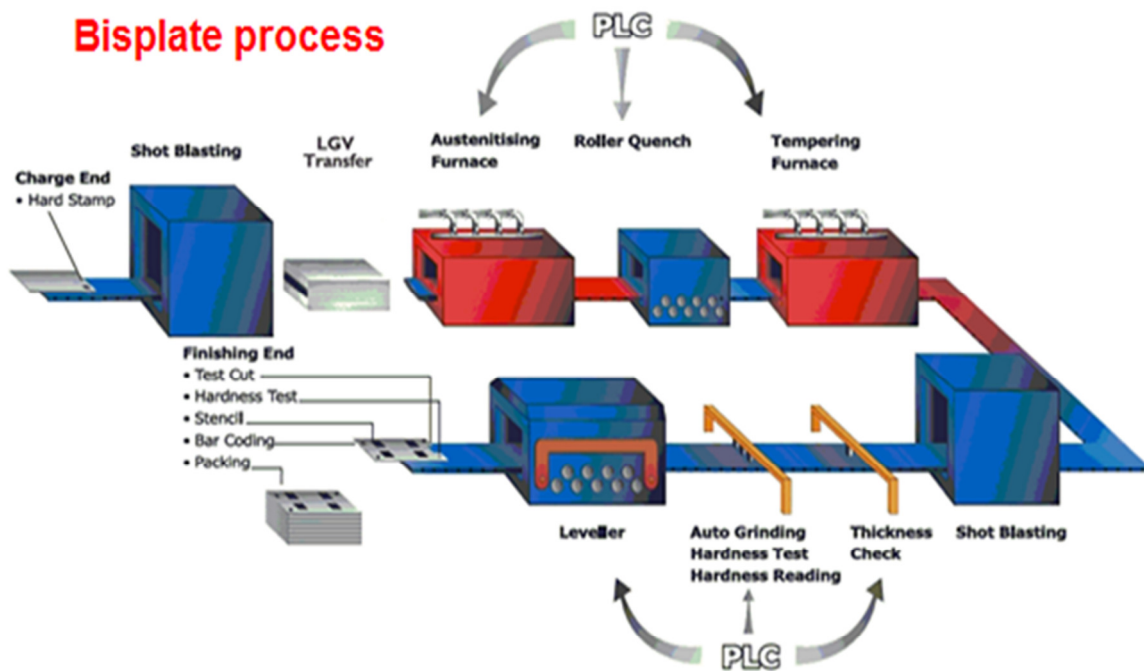


Figure 2: Bisplate Production Process

4.6 The Commission's assessment

The Commission is satisfied that:

- there is an Australian industry producing like goods in Australia, consisting of Bisalloy;
- the Q&T steel plate produced by Bisalloy is like to the imported goods;
- the like goods are wholly manufactured in Australia; and
- Bisalloy undertakes more than one substantial process of Q&T steel plate production at its manufacturing plant in Unanderra.

The Commission considers Bisalloy to be the only manufacturer of like goods in Australia.

5 AUSTRALIAN MARKET

5.1 Findings

The Commission has found there is an Australian market for Q&T steel plate, which the Commission estimates during the investigation period (2013 calendar year) was approximately 67,000 tonnes.

5.2 Market segmentation and end use

The Q&T steel plate market in Australia is driven by the resources and mining sector and, to a lesser degree, the general construction, infrastructure, and transport sectors.

Bisalloy stated that the most competitive subset in the Australian market is for wear grades of 400-450 Brinell hardness and structural grades of 790-930 Mega Pascals (MPa) tensile strength, in the thickness range of 10 to 50mm.

As part of its application, Bisalloy described its understanding of the Q&T steel plate market sectors and corresponding end use applications as follows:

Primary end use market	Applications
Mining Equipment Technology and Services Sector	Heavy Mobile Equipment used in extracting (above and below ground) and processing of bulk commodities such as Iron Ore & Coal as well as other valuable minerals resources such as Gold, Silver, Copper, Zinc, Manganese, Tin, Lead and rare earths, in components such as: <ul style="list-style-type: none"> • Excavator/Dragline Buckets; • Off Highway Dump Truck Bodies; • On Highway Truck Bodies; • Longwall Mining Equipment – Roof Shields, Pan-lines etc. • Front-end loader arms and buckets; • Primary and Secondary Ore Processing fixed plant equipment such as apron feeders, chute liners, ROM hoppers, Train Load-out Hoppers, Screens, Surge Bins, Rail Bins, Stackers & Reclaimers; • Crushers, Conveyors; • Ship loaders; • Ore Rail cars; • Sub-sea Oil and Gas valve actuator cylinders; and • Jack up rigs.
General Construction, Infra-structure, Ports & Rail Structural applications	<ul style="list-style-type: none"> • Bridges (including rail) and Gantries; • High Strength Structural beams; • Crane booms and lifting equipment ; • Building Construction – High Strength Beams and columns; and • General steel fabrication and heavy transport.
Defence Applications	<ul style="list-style-type: none"> • Australian Defence Force Bushmaster Infantry Mobility Vehicle; • Civil armoured vehicles; and • Submarine plate.

Table 3: End-use applications of Bisplate

5.3 Market distribution

The Australian Q&T steel plate market is supplied by the Australian industry and imports from a number of countries. Bisalloy competes with importers of Q&T steel plate in all states and territories and across each segment via similar distribution channels to sell product to the larger distributors and original equipment manufacturers/fabricators.

5.4 Demand variability

The variability of demand for Q&T steel plate in Australia is predominately driven by:

- the demand for bulk commodities (iron ore and coal);
- mining projects and the availability of capital for project expansion activity;
- global and domestic business and consumer confidence;
- off-shore fabrication for large fixed plant and mobile equipment; and
- mining repairs and maintenance requirements.

Demand for Q&T steel plate is also driven by seasonal fluctuation, in particular lower demand during the traditional industry holiday period in December and January.

As noted below in Sections 5.5 and 8.8, a downturn in the mining sector led to a rapid decline in demand for Q&T steel plate during the investigation period.

5.5 Market size

The Commission has used information gathered from the Australian industry, exporters, importers and the Australian Customs and Border Protection Services (ACBPS) import database to examine the Australian market size for Q&T steel plate.

Figure 3 depicts the Commission's estimate of the Australian market for Q&T steel plate. The Commission's estimate of the market size for Q&T steel plate during the investigation period was 67,000 tonnes.

Figure 3 shows that the market size (measured in tonnes) increased significantly in 2011 from 2010³⁴, remained constant in 2012 before a rapid contraction of approximately one third in 2013.

³⁴ 2010 was described by Bisalloy in its visit report as a period affected by the global financial crisis

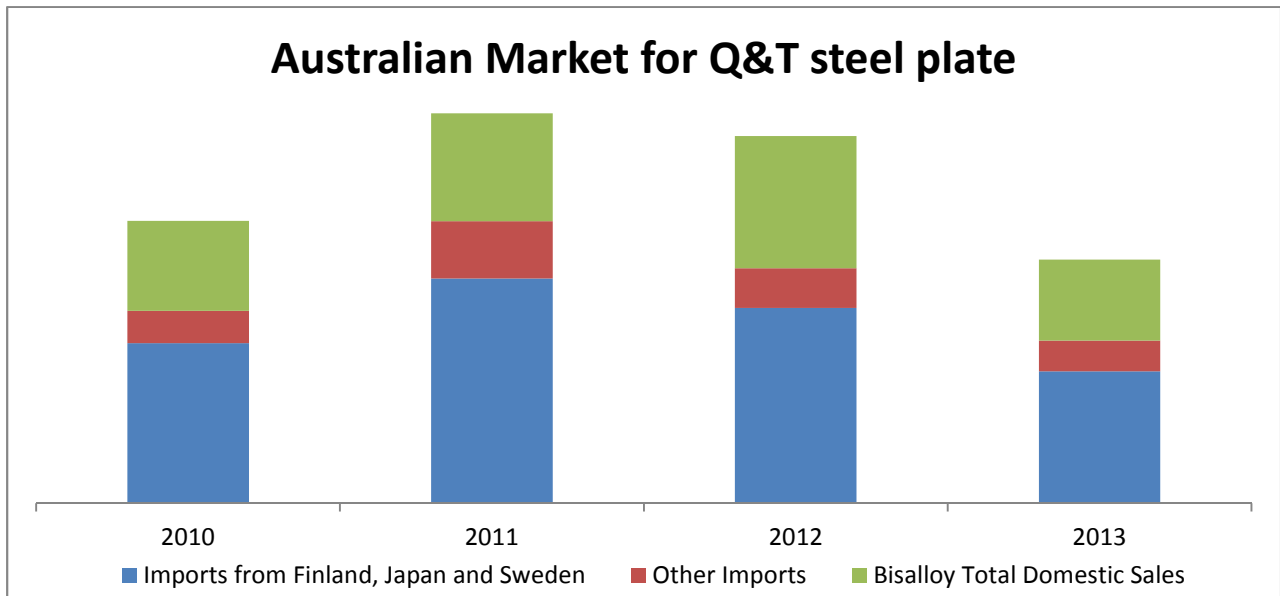


Figure 3: Australian market for Q&T steel plate by calendar year 2010 to 2014

The ACBPS import database does not fully allow the filtering of imports to the relevant statistical codes based on thickness, width or length. Therefore, the market size estimated above may not precisely match the parameters of the goods description at Section 3.3.1.³⁵ The Commission considers that the data in ACBPS' import database, which was cross checked during the importer and exporter verification visits, provides a reasonable estimate of import volumes.

The Commission's market size analysis for 2010 to 2013 is at **Confidential Appendix 1**.

5.6 Importers

The Commission examined the ACBPS import database and identified importers of Q&T steel plate. The seven largest importers accounted for approximately 75 per cent of total imports during the investigation period. These importers are listed alphabetically below:

- BlueScope Distribution Pty Ltd;
- Commercial Metals Pty Ltd;
- Mitsubishi Australia Limited;
- Sojitz Australia Limited;
- SSAB Australia;
- TSA; and
- Vulcan.

The Commission verified data provided and prepared reports for the following importers:³⁶

- BlueScope Distribution Pty Ltd;
- Commercial Metals Pty Ltd;
- Sojitz Australia Limited;

³⁵ This issue mainly affects the years 2010 to 2012 because import volumes for 2013 (with the exception of exports from countries not subject to the investigation) were verified by the Commission

³⁶ Importer visit reports can be found on the public record at nos.49, 50, 54, 57 and 64

- SSAB Australia; and
- TSA.

Mitsubishi Australia Limited and Vulcan provided relevant data and offered full cooperation in relation to the investigation. However, as the Commission was in possession of a substantial proportion (around 70%) of verified total imports during the investigation period, a verification visit was not conducted for these importers.

ASM also voluntarily provided confidential sales data following completion of importer visits and offered assistance in allowing the Commission to verify the data.³⁷ For the same reason above, the Commission did not conduct a visit of ASM.

5.7 Substitutable products

During the course of the investigation, substitutable products for Q&T steel plate were identified to include (but are not limited to):

- weld overlay or clad plate (most applications for Q&T steel plate);
- castings and forgings (typically in ground-engaging tools);
- ceramics (typically as wear-resistant liners in fixed plant);
- quenched steel strip products and TMCP steel plate; and
- fabricated wear/structural equipment components from Q&T steel plate.

³⁷ No. 67 on the public record

6 DUMPING INVESTIGATION

6.1 Findings

The Commission has found that Q&T steel plate exported to Australia from Finland, Japan and Sweden during the investigation period was dumped.

Dumping margins for the investigation period were calculated by comparing weighted average export prices with the corresponding weighted average normal values. Dumping margins are summarised in the following table.

Country	Exporter / Manufacturer	Dumping Margin
Finland	All Exporters	21.7%
Japan	JFE Steel Corporation	24.6%
	<i>Uncooperative exporters</i>	33.9%
Sweden	All Exporters	34.0%

Table 4 - Dumping margins

The dumping margins for Japan have changed from SEF 234, for the reasons set out in Section 6.5 below.

The Commission's calculations of export price, normal value and dumping margins in respect of Q&T steel plate are at **Confidential Appendix 2**.

6.2 Introduction

Dumping occurs when a product from one country is exported to another country at a price less than its normal value. The export price and normal value of goods are determined under s. 269TAB and s. 269TAC of the Act respectively.

This Chapter explains the findings of the investigation by the Commission into whether Q&T steel plate was exported from Finland, Japan and Sweden at dumped prices during the investigation period.

6.3 Exporters

At the commencement of the investigation, the Commission contacted all exporters of the goods within the relevant tariff subheading for Q&T steel plate, as identified in the ACBPS import database. Questionnaires were forwarded to all known exporters from the nominated countries, with a view to investigating their exportations.

The Commission received questionnaire responses that were assessed as being substantially complete from:

- Ruukki (Finland);
- JFE (Japan); and
- SSAB Emea (Sweden).

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The Commission completed verification visits and calculated individual dumping margins based on the verified information for each of the above cooperating exporters.

The verification visit reports for each of the cooperating exporters are available on the Commission's website at <http://www.adcommission.gov.au> and provide additional detail to what is discussed in this Chapter.³⁸

6.3.1 Traders

Four substantially completed exporter questionnaires were received from Japanese 'traders', being:

- Hanwa Co., Ltd;
- JFE Shoji Trade Corporation;
- Marubeni Itochu Steel Inc.; and
- Metal One.

The Commission considers that manufacturers are the exporters for all sales to Australia. Therefore, where a completed exporter questionnaire has been received by the Commission from a trader, a separate dumping margin has not been calculated. The dumping margin applicable for shipments from Japanese traders is the dumping margin applicable to the relevant manufacturer of the goods.

Response to statement of essential facts 234

In response to SEF 234, Metal One submitted that:

- under s. 269TAB and s. 269TAC of the Act, it should be regarded as an exporter of Q&T steel plate manufactured in Japan and should not be considered to be a trader;
- purchases by its Australian customers are arms' length transactions; and
- its export prices and normal values should be determined in accordance with s. 269TAB(1)(a) and s. 269TAC(1) of the Act respectively, with normal values adjusted in accordance with s. 269TAC(8).

In its submission, Metal One cited relevant Australian cases such as *Companhia Votorantim de Celulose e Papel v Anti-Dumping Authority* (1996) 71 FCR 80 (Celpav case) to support its views that it is an exporter in the context of the Act. Metal One listed a number of factors which it considers weigh in favour of it being the exporter, namely that:

- customers deal only with Metal One, and not with the manufacturer. Metal One stated that it has no exclusive arrangement with any manufacturer. Accordingly, Metal One considers its role is more than a commission or sales agent for a particular manufacturer;
- it selects the Australian market as a destination for the products it purchases from manufacturers in Japan;
- it takes ownership of the goods being exported to various destinations in the course of the exportation process; and
- the country of export and the location from which it does business are the same;

³⁸ Nos. 75, 78 and 79 on the public record

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- from time to time it maintains its own inventory of stock; and
- although redacted from the public record version of its submission, Metal One also outlined its role in shipping arrangements and credit risk to further support its view that it should be considered an exporter.

The Commission's assessment

The Commission's Dumping and Subsidy Manual outlines that the Commission will generally identify the exporter as a principal in the transaction located in the country of export from where the goods were shipped and who knowingly placed the goods in the hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia.

Based on exporter questionnaire responses and the ACBPS import database the Commission notes that all export sales by Japanese manufacturers were carried out through trading entities during the investigation period.

The Commission is satisfied that Japanese manufacturers are the principals who ship the goods to the port of export in Japan and knowingly place the goods in the hands of Metal One for delivery to end use customers in Australia.

Whilst Metal One has differentiated certain aspects of its involvement in the export of goods to Australia from the facts of the Celpav case, the Commission does not consider those aspects detract from its conclusion that the Japanese manufacturers are the exporters of Q&T steel plate manufactured in Japan during the investigation period.

6.3.2 Uncooperative exporters

In relation to exports from Japan, some exporters failed to respond to the Commission's requests for cooperation.

One major Japanese exporter, NSSMC, did not provide the Commissioner with all information the Commissioner considered to be relevant to the investigation, within a period the Commissioner considered to be reasonable. Pursuant to s. 269T(1) of the Act, the Commissioner is satisfied that NSSMC is an uncooperative exporter. A letter to NSSMC to this effect can be found on the electronic public record for this case at <http://www.adcommission.gov.au/cases/EPR234>.³⁹

For uncooperative exporters, the Commission has not calculated individual dumping margins. The export price for exports by uncooperative exporters was established under s. 269TAB(3) of the Act, having regard to all relevant information. The normal value for domestic sales by these parties was established under s. 269TAC(6) of the Act, having regard to all relevant information. Further information regarding uncooperative exporters can be found at Section 6.5.2 below.

³⁹ No. 18 on the public record

6.4 Finland

6.4.1 Ruukki Metals Oy

Export price

Export prices for exports by Ruukki were established under s. 269TAB(1)(a) of the Act, using the price payable by importers less any costs arising after exportation. In this case, to ensure comparability with Finnish domestic sales, the Commission considers it appropriate to use the price from Ruukki to Australian customers, less inland transport costs to establish an ex-works (EXW) export price.

Normal value

Normal values were established in accordance with s. 269TAC(1) of the Act, using Ruukki's quarterly weighted average domestic selling prices for like goods, by model, where those sales were in the ordinary course of trade (OCOT), and were sold in sufficient volumes.

Adjustments

The following adjustments were made to the normal value in accordance with s. 269TAC(8) of the Act:

Adjustment type	Description
Domestic inland freight	Deduct inland freight expenses to compare domestic selling prices with an EXW export price
Domestic warehousing/stockholding expenses	Deduct an amount for domestic warehousing/stockholding where applicable
Domestic technical customer support expenses	Deduct an amount for domestic technical customer support where applicable
Credit cost adjustment	Deduct credit cost for export and domestic sales to align them with cash credit terms
Export technical customer support expenses	Add an amount for export technical customer support where applicable

Table 5 – Summary of adjustments for Ruukki

Dumping margin

The dumping margin for Ruukki was established in accordance with s. 269TACB(2)(a) of the Act, by comparing the weighted average export prices to the weighted average corresponding normal values for the investigation period. The dumping margin for Ruukki is 21.7 per cent.

6.4.2 Finland – All Exporters

The Commission has established that there was only one exporter of Q&T steel plate from Finland, being Ruukki, during the investigation period. As there was only one exporter from Finland, it is recommended that Ruukki's dumping margin apply as an 'all exporters' rate for exporters from Finland.

6.5 Japan

JFE was the only Japanese manufacturer of Q&T steel plate during the investigation period to provide the Commission with a satisfactorily completed exporter questionnaire. Consequently, all other exporters of Q&T steel plate from Japan are considered uncooperative in relation to this investigation.

6.5.1 Response to statement of essential facts 234

In SEF 234, the Commission stated that, in relation to JFE, for exported models with insufficient comparable domestic sales volumes, an alternate model was used to establish normal values pursuant to s. 269TAC(2)(c) of the Act, with adjustments for specification differences as required under s. 269TAC(9) of the Act.

Submission by JFE Steel Corporation

In response to SEF 234, JFE submitted that it did not accept the preliminary findings regarding its dumping margin.⁴⁰ It questioned the Commission's methodologies and findings in the context of the World Trade Organization (WTO) Anti-Dumping Agreement and Australian legislation. In particular, JFE objected to the Commission:

- assessing the sufficiency of its domestic sales volumes in Japan at an individual model level;
- constructing a normal value for models with low domestic sales volumes in Japan pursuant to s. 269TAC(2)(c) of the Act by reference to an alternate model, with an adjustment for specification differences under s. 269TAC(9) of the Act; and
- not allowing its claims for certain adjustments to normal values under s. 269TAC(8) of the Act to allow a proper comparison with the export price of those goods.

In relation to the Commission's assessment as to the sufficiency of domestic sales volumes in Japan, JFE submitted that:

- it disagrees with the Dumping and Subsidy Manual which outlines that the Commission will, after calculating whether the overall domestic sales volume of like goods sold in the OCOT from that country are five per cent or more of the overall export sales volume to Australia, perform the same test individually for each model;
- its interpretation of the WTO Anti-Dumping Agreement and Australian legislation is that the sufficiency of domestic sales volumes is to be based on sales of all 'like goods' and not on individual models;
- it has transitioned certain models to a new series as part of a rebranding exercise, meaning that the Commission's model matching analysis is no longer representative; and
- under s. 269TAC(14)(c) of the Act, the Parliamentary Secretary has the discretion to treat low volumes of domestic sales as sufficient provided they permit a proper comparison when assessing dumping margins. JFE requested that the Commission and Parliamentary Secretary consider its sale of like goods in a

⁴⁰ No. 91 on the public record

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'global context', meaning that there would be no models with low domestic sales volumes.

In relation to models with low domestic sales volumes in Japan, JFE submits:

- that the Commission's methodology of calculating normal values based on the domestic sales price of alternate models, uplifted by an 'arbitrary price adjustment' based on internal price guidance has no evidential basis. JFE state that their internal price guidelines have no application and that the Commission's adjustments do not reflect the differences in cost to make the relevant models. JFE used an example of one particular model with low domestic sales volumes, which it described as the most critical) to show that an uplift for specification differences was unjustified because the cost to manufacture that model was lower than the alternate model; and
- the Commission erred because it did not construct normal values based on the cost to manufacture models with low domestic sales volume or by reference to sales to third countries, as was intended by the WTO Anti-Dumping Agreement and Australian legislation.

In relation to adjustments to normal value under s. 269TAC(8), JFE submits:

- its sales to the Australian market are different to its sales in Japan. Its sales to Australia are viewed by JFE as a 'commodity product', whereas its sales to Japan are manufactured to specific order requirements because Japan has no mining or resource sector. For this reason, it considers the most comparable domestic sales in Japan to be its sales to domestic construction customers only. JFE states that allowances should have been made to account for price comparability and that it provided relevant data to clearly evidence consistent and distinct price differences for its sales in Japan and Australia; and
- it is entitled to due allowance for domestic credit terms based on a higher rate than allowed in SEF 234, based on a statutory requirement for commercial debtor sales in Japan.

Taking into account the above submissions, JFE claim that its dumping margin would be considerably less than 27 per cent as calculated for SEF 234.

Metal One Corporation

In response to SEF 234, Metal One submitted that the Commission has not explained the reasons for increase in dumping margin for JFE from PAD 234 (18 per cent calculated on FOB basis) to SEF 234 (27 per cent calculated on EXW basis). Metal One submit that the failure of the Commission to provide an explanation for the increase in dumping margins has denied Metal One and other interested parties a fair opportunity to respond to the Commission's findings.⁴¹

⁴¹ No. 90 on the public record

6.5.2 Commission's assessment – submissions in response to statement of essential facts 234

JFE Steel Corporation

Sufficiency of domestic sales volumes in Japan by individual model

The Commission has assessed JFE's submission and notes that, whilst the WTO Anti-Dumping Agreement contains guidance on the methodologies to be applied in calculating dumping margins, it does not provide comprehensive and detailed provisions to deal with all issues involved.

The Commission considers it standard practice to analyse export price and normal value at an individual model level when performing dumping margin calculations, to neutralise, or at least minimise issues relating to comparability of sales data. The Commission considers this approach is consistent with the WTO Anti-Dumping Agreement.

The Commission has however reassessed which of JFE's models to compare for the purposes of the determining sufficiency of domestic sales volumes in Japan and for calculating the dumping margin for JFE.

The Commission considers it necessary to consolidate certain like models in response to JFE transitioning to a new branding of models during the investigation period. The Commission relied on a comparison of models pre and post transition as provided by JFE (Confidential Attachment GOODS2 of JFE's verification visit report refers).

The result of the changes is that:

- only three of JFE's models (instead of five) have low domestic sales volumes in Japan; and
- for one of the models with low domestic sales volumes in Japan, a more appropriate model (than that used in SEF 234) is available to use as an alternate model in normal value calculations.

Normal values for models with low domestic sales volumes in Japan

The Commission acknowledges that the legislative references to s. 269(2)(c) and s. 269TAC(9) in relation to normal values for models with low domestic sales volumes were incorrect in SEF 234. Whilst the legislative references were incorrectly stated in SEF 234, the calculations were correct.

The Commission clarifies that the normal values for models with low domestic sales volumes were established pursuant to s. 269TAC(1) of the Act, as the price of alternate like goods, with adjustments under s. 269TAC(8) of the Act, to account for specification differences to ensure comparability of domestic sales with export sales.

The relevance of using domestic selling prices of like goods is that third country sales or constructed costs weren't taken into consideration. The Commission considers this approach is consistent with Article 2 of the WTO Anti-Dumping Agreement and s.

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269TAC(1) of the Act and follows the Commission's preferred hierarchy for establishing normal values as outlined in the Dumping and Subsidies Manual.⁴² The Commission also considers this approach eliminates the need for the Parliamentary Secretary to exercise his discretion under s. 269TAC(14) to treat models with low domestic sales volumes as having sufficient domestic sales volumes for the purposes of assessing dumping margins.

Subsection 269TAC(8)(b) provides for adjustments where the domestic and export prices are not in respect of identical goods. After establishing the price of alternate like goods, the Commission had regard to information provided by JFE to determine whether, and to what extent, an adjustment, under s. 269TAC(8) of the Act was necessary to reflect differences between the alternate models and models with low domestic sales volumes in Japan.

The Commission acknowledges JFE's view, that in some instances, it may be appropriate to make adjustments in certain situations based on differences in the cost of production.

However, in this instance, the Commission considers that the difference between cost of production for alternate models and models with low domestic sales volumes in Japan does not reflect:

- the difference in price quoted in JFE's internal price guidelines; and
- the difference in actual selling prices of sales to Australia, third countries and domestic sales in Japan by JFE during the investigation period.⁴³

In contrast (and as was the approach in SEF 234), the Commission considers it more appropriate and reasonable to apply an adjustment based on internal price guidelines provided by JFE at verification visit, because the price guidelines more accurately reflect JFE's actual selling prices of export sales to Australia, third countries and domestic sales in Japan.

The Commission considers that the observed differences in JFE's selling prices of export sales to Australia, third countries and domestic sales in Japan do not support JFE's claims that its internal price guidelines play no part in the determination of its selling prices.

The Commission's comparison as to the suitability of specification adjustments is at **Confidential Appendix 3**.

JFE's claims for additional adjustments to normal value under s. 269TAC(8)

Adjustments to normal value may be made under s. 269TAC(8) if there is evidence that there are differences affecting the comparability of prices where export and domestic sales are:

⁴² Section 7.3 of the Dumping and Subsidies Manual states that model matching criteria will be followed in order to identify identical goods sold on the exporter's domestic market; or absent identical goods which goods most closely resemble the goods under consideration

⁴³ The Commission also notes that the cost to make figures stated by JFE in its submission do not reflect revised figures verified by the Commission as shown in Confidential Attachment CTMS1 of JFE's verification visit report. The revised CTMS figures do not support JFE's submission that the Commission's uplift for specification differences was unjustified because the cost to manufacture the model it highlighted was lower than the surrogate model, because it was in actual fact higher

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- sold at different times
- not in respect of identical goods; or
- modified in different ways by taxes or the terms or the circumstances of sale to which they relate.

A non-exhaustive list of factors that may affect price comparability are listed in the WTO Anti-Dumping Agreement including conditions and terms of sale, taxation, levels of trade, quantity and physical characteristics.

In JFE's verification visit report, the Commission assessed JFE's claims for differences in level of trade and physical characteristics affecting price comparability of domestic and export sales on its merits, consistent with Article 2.4 of the WTO Anti-Dumping Agreement.

As outlined in JFE's verification visit report, the visit team examined the selling prices of Q&T steel plate to each level of trade identified by JFE in the Japanese domestic market. Whilst it was found that the price to the construction sector was the lowest, there were significant differences in selling prices on a customer by customer basis in that sector. No consistent or distinct price differences between the different levels of trade were identifiable to warrant a comparison of export prices to normal values in the Japanese construction sector alone.

To support this analysis, the visit team also sought to examine whether physical characteristics raised by JFE such as dimension, additional customer requirements or volume affected price. The visit team found:

- a range of different dimensions were sold in each market sector. There was no one market sector that closely aligned to Australian sales in terms of dimensions including thickness, length and width. The visit team was unable to quantify JFE's claims that the overall mix of product dimensions affected price to particular customers;
- there were no identifiable trends in selling prices for product manufactured to additional customer requirements. In addition, JFE did not demonstrate that these requirements incurred additional costs; and
- there were no identifiable trends in price differences for different customers based on volume.

In relation to JFE's claim that it is entitled to credit term adjustment a higher rate, due to a statutory requirement for commercial debtor sales in Japan, the Commission is not satisfied that it reflects the actual cost incurred by JFE. The Commission therefore deducted the costs associated with credit terms from the price of domestic sales and export sales, using the prime rate, as the Commission considers this is reflective of a credit rate that JFE could obtain.

The Commission has considered JFE's comments in relation to all matters discussed in its submission, and has re-examined the evidence it provided. As no additional evidence has been provided by JFE in response to SEF 234 to justify additional adjustments under s. 269TAC(8) of the Act, the Commission considers the approach adopted by the verification team and outlined in JFE's exporter visit report is reasonable and the Commission's previous findings regarding adjustments have not been altered.

Metal One

In relation to Metal One's claims that the reasons for increase in JFE's dumping margin from PAD 234 to SEF 234 were not explained, the Commission draws attention to PAD 234 which clearly outlines that:

- any preliminary finding, conclusion or provisional calculation made for the purpose of a PAD, is based on information available at the time, including unverified information; and
- it is possible that PAD findings, conclusions and calculations will change between publication of the PAD and publication of the SEF as more information becomes available.

The Commission notes that JFE verification visit report was placed on the public record on 13 August 2014, two weeks prior to publication of SEF 234. As outlined at Section 1.2 of JFE's verification visit report,⁴⁴ the purpose of the meeting was to verify export prices, normal values and dumping margins.

Subsequent to undertaking verification visit of JFE, further information was available to the Commission to base its dumping margin calculations, in particular to establish normal values of JFE's domestic sales, the methodology of which was described in detail in JFE's verification visit report and summarised in SEF 234. This provided an opportunity for interested parties, including Metal One to make submissions regarding JFE's dumping margins.

6.5.3 JFE Steel Corporation

Export price

During the investigation it was established that JFE exports all its Q&T steel plate to Australia through various traders. Because goods have been purchased by the importer from an entity not considered by the Commission to be the exporter, export prices for exports by JFE were established pursuant to s. 269TAB(1)(c) being a price determined having regard to the circumstances of the exportation.

In this case, to ensure comparability with Japanese domestic sales, the Commission considers it appropriate to use the price from JFE to the trading companies, less inland transport costs to establish an EXW export price.

Normal value

Normal values for exported models were determined under s. 269TAC(1) based on quarterly weighted average domestic sales of like goods sold in the OCOT, and sold in sufficient volumes.

As noted in Section 6.5.2, for exported models with insufficient comparable domestic sales volumes, an alternate model was used to establish quarterly weighted average

⁴⁴ No. 78 on the public record

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normal values pursuant to s. 269TAC(1) of the Act with adjustments for specification differences as required under s. 269TAC(8), as outlined below.

Adjustments

To ensure the comparability of normal values to export prices the following adjustments were made to normal values, pursuant to s. 269TAC(8) of the Act:

Adjustment type	Description
Inland freight	Deduct inland freight expenses to compare domestic selling prices with an EXW export price
Domestic selling expenses	Deduct an amount to reflect the difference between domestic and export selling expenses
Credit cost adjustment	Deduct credit cost for export and domestic sales to align them with cash credit terms
Specification differences	Uplift an amount to reflect the price differences between surrogate grades and the required export models

Table 6 – Summary of adjustments for JFE

Dumping margin

The dumping margin for JFE was established in accordance with s. 269TACB(2)(a) of the Act, by comparing the weighted average export prices to the weighted average corresponding normal values for the investigation period. The dumping margin for JFE is 24.6 per cent.

6.5.4 Uncooperative exporters from Japan

In SEF 234, the Commission established export prices and normal values for uncooperative exporters under s. 269TAB(3) and s. 269TAC(6) having regard to all relevant information received in relation to the investigation period.

Responses to statement of essential facts 234

In response to SEF 234, ASM submitted that:⁴⁵

- the Commission determined the export price for NSSMC as the weighted average export price of Japanese exporters, which it assumed referred to JFE;
- the calculation of export price and normal value for NSSMC is erroneous because necessary adjustments were not made to ensure normal values were comparable with export prices. ASM's view is that the Commission is required to determine normal values for uncooperative exporters having regard to all relevant information, including negative adjustments;
- it considered Metal One to be an exporter of goods to Australia;⁴⁶ and

⁴⁵ Without detracting from its earlier submissions that export prices and normal values should be established as Metal One is the exporter, rather than NSSMC

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- the Commission has not provided any explanation in SEF 234 for the increase in dumping margin for NSSMC. ASM submits that the Commission has denied interested parties procedural fairness to make informed submissions to SEF 234.

The Commission's assessment

To address ASM's submission, the Commission firstly notes that, as outlined in Section 6.3.2, the Commission has not calculated an individual dumping margin for NSSMC and the relevant dumping margin for NSSMC is the dumping margin applicable to uncooperative exporters from Japan.

In calculating the dumping margin for uncooperative exporters from Japan, the Commission had regard to:

- information received from the cooperating exporter, JFE; and
- NSSMC's partially completed exporter questionnaire response (a non-confidential version is available on the public record).⁴⁷

In NSSMC's partially completed exporter questionnaire response, NSSMC submitted its Australian export sales data. The Commission had regard to this sales data in addition to data from the cooperating exporter JFE in establishing export prices for uncooperative exporters for Japan. For this reason, ASM's assumption that export prices for uncooperative exporters established under s. 269TAC(3) of the Act were based only on JFE's export sales data is incorrect.

The Commission also notes that NSSMC did not submit Japanese domestic sales data and for this reason the Commission was unable (and not required since NSSMC is taken to be an uncooperative exporter under the Act) to calculate a normal value and corresponding individual dumping margin for NSSMC. As a result, the Commission had regard to verified information from JFE as the only cooperating Japanese exporter in determining normal values for uncooperative exporters under s. 269TAC(6) of the Act.

In relation to adjustments to normal values under s. 269TAC(8) of the Act for uncooperative exporters from Japan, the Dumping and Subsidies Manual makes it clear that the extent of any adjustments will necessarily be limited where there is non-cooperation. In addition, Annex 2 to the WTO Anti-Dumping Agreement is considered relevant in this context where it states:

"It is clear, however, that if an interested party does not co-operate and thus relevant information is being withheld from the authorities, this situation could lead to a result which is less favourable to the party than if the party did co-operate".

In this regard, the absence of relevant Japanese domestic sales data by NSSMC (and other uncooperative exporters) limits the ability of the Commission to determine whether adjustments are necessary to compare export price and normal values under

⁴⁶ This issue is dealt with in Section 6.3.1

⁴⁷ No. 17 on the public record, where the Commission wrote to NSSMC to advise that the Commissioner considered NSSMC's response to be incomplete and that it was likely that the Commissioner will consider NSSMC to be an uncooperative exporter pursuant to section 269T(1) of the Act. The Commission also notified NSSMC that it would rely on other relevant information available in making recommendations and findings in relation to NSSMC.

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s. 269TAC(8). Given NSSMC is considered an uncooperative exporter there is also no requirement to consider whether adjustments are considered necessary.

Export Prices

Subsection 269TACAB(1) of the Act sets out the provisions for calculating export prices and normal values for uncooperative exporters, for the purposes of a dumping duty notice. The Act specifies that for uncooperative exporters, export prices are to be calculated under s. 269TAB(3) of the Act and normal values are to be calculated under s. 269TAC(6) of the Act.

The Commission established export prices for uncooperative Japanese exporters pursuant to s. 269TAB(3) of the Act having regard to all relevant information received from Japanese exporters in relation to the investigation period.

Normal Value

Normal values for uncooperative Japanese exporters were established pursuant to s. 269TAC(6) of the Act having regard to all relevant verified information from the cooperating exporter, JFE, in relation to the investigation period.

Dumping Margin

Dumping margins for uncooperative exporters from Japan were established in accordance with s. 269TACB(2)(a) by comparing the weighted average export price under s. 269TAB(3) and weighted average normal value under s. 269TAC(6) (being the JFE normal value without negative adjustments outlined in Table 6 at Section 6.5.1).

The dumping margin for uncooperative exporters from Japan is 33.9 per cent.

6.6 Sweden

6.6.1 SSAB EMEA AB

Export price

The Commission found that during the investigation period SSAB Emea exported all but a small volume of goods to Australia via its related entity, SSAB Swedish Steel Pte Ltd (SSAB Singapore). The Commission considers that, for goods exported by SSAB Emea through SSAB Singapore, SSAB Singapore was the importer. The Commission also found that purchases of the goods by the importer, SSAB Singapore from SSAB Emea were not arm's length transactions. Consequently, for goods imported by SSAB Singapore from SSAB Emea, export prices have been determined pursuant to s. 269TAB(1)(c) of the Act, having regard to all the circumstances of the exportation.

In this circumstance, the export price was calculated using the price at which the goods were first sold to an arm's length party outside of the SSAB group. That is the price from SSAB Australia to unrelated parties in the Australian market, less deductions to arrive at an FOB export price.

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The following deductions were made to the price charged by SSAB Australia to unrelated parties to calculate at a FOB export price:

- ocean freight;
- marine insurance;
- importation costs;
- import duty;
- inland transportation;
- SSAB Australia's selling, general and administration expense;
- a reasonable profit based on comparable verified data obtained from importer visits; and
- credit terms.

In respect of the small volume of goods exported by SSAB Emea to unrelated customers in Australia, export prices were established under s. 269TAB(1)(a) of the Act, that is the price payable by the importer less any costs arising after exportation.

Normal Values

Normal values for exported models with sufficient comparable domestic sales volumes were determined under s. 269TAC(1) of the Act based on the quarterly weighted average domestic sales of like goods sold in the OCOT.

Adjustments

To ensure the comparability of normal values to export prices the following adjustments were made to normal values, pursuant to s. 269TAC(8) of the Act:

Adjustment type	Description
Domestic inland freight	Deduct domestic inland freight to compare domestic selling prices with a FOB export price
Domestic selling expenses	Deduct the cost of domestic selling expenses
Export selling expenses	Add an amount for selling, general and administration expenses of SSAB Singapore
Export handling and loading expenses	Add weighted average cost for containerisation and bulk handling and loading expenses
Credit cost adjustment	Deduct credit cost for export and domestic sales to align them with cash credit terms

Table 7 – Summary of adjustments for SSAB Emea

Dumping Margin

The dumping margin for SSAB Emea was established in accordance with s. 269TACB(2)(a) of the Act, by comparing the quarterly weighted average export prices to the quarterly weighted average corresponding normal values for the investigation period.

The dumping margin for SSAB Emea is 34 per cent.

6.6.2 Sweden – All Exporters

The Commission has established that there was only one exporter of Q&T steel plate from Sweden, being SSAB Emea, during the investigation period. As there was only one exporter from Sweden, it is recommended that SSAB Emea's dumping margin apply as an 'all exporters' rate for exporters from Sweden.

6.7 Volumes

Pursuant to s. 269TDA(3) of the Act, the Commissioner must terminate an investigation if satisfied that the total volume of goods that are dumped is a negligible volume. Subsection 269TDA(4) defines a negligible volume as three per cent of the total volume of goods imported into Australia over the investigation period.

As outlined in Section 5.5, the Commission estimated the size of the Australian market. The Commission refined this information (for the investigation period only) by contacting importers to request commercial documents to substantiate whether they were importers of Q&T steel plate. The Commission also considered import volumes during the investigation period provided in questionnaire responses.

Based on this information, the Commission is satisfied that, when expressed as a percentage of the total imported volume of the goods, the volume of dumped goods from each country was greater than three per cent and therefore not negligible.

7 ECONOMIC CONDITION OF THE INDUSTRY

7.1 Findings

Based on verified information and data, the Commission has found that the Australian industry (Bisalloy) has experienced injury in respect of its sales of Q&T steel plate in the form of:

- lost sales volumes;
- price depression;
- price suppression;
- reduced profits;
- reduced profitability;
- reduced return on investment;
- reduced revenues;
- reduced capacity utilisation; and
- increased stock levels of like goods.

The findings do not support all injury claims by the applicant. In addition, as outlined in Chapter 8, the Commission has not found all injury factors listed above to have been caused by dumping.

7.2 Legislative framework

Under s. 269TG of the Act, one of the matters that the Parliamentary Secretary must be satisfied of in order to publish a dumping duty notice is that, because of the dumping, material injury has been, or is being caused, or has been threatened to the Australian industry producing like goods.

7.3 Australian industry claims

In its application, in respect of its sales of Q&T steel plate, Bisalloy claims to have been injured through:

- lost sales volumes;
- price depression;
- price suppression;
- reduced profits;
- reduced profitability;
- reduced return on investment;
- reduced attractiveness for re-investment;
- reduced revenues;
- reduced capacity utilisation;
- increased stock levels of like goods; and
- reduced wages for Bisalloy employees.

7.4 Commencement of injury, and analysis period

Bisalloy submitted in its application that material injury caused by the importation of dumped Q&T steel plate has been occurring for a number of years, with an increased

impact on profits and profitability experienced during the year ending 30 September 2013. As noted earlier, the Commissioner has set the investigation period as 1 January 2013 to 31 December 2013, and the period for assessing the condition of the Australian industry from 1 January 2010.

7.5 Injury approach

The injury analysis detailed in this Chapter is based on the financial information submitted by Bisalloy and verified by the Commission and import data from the ACBPS import database (some of which has been verified through visits to importers and exporters). Bisalloy provided production, cost and sales data (displayed by quarter) for 1 January 2010 to 31 December 2013.

7.6 Volume effects

7.6.1 Sales volumes

Figure 4 below illustrates Bisalloy's domestic sales volumes (in tonnes) on a calendar year basis. Figure 4 shows that Bisalloy's domestic sales volumes increased in 2011 and 2012, with a significant decline in 2013 (covering the period of investigation). Overall, Bisalloy's sales volume shows a marginal decline between 2010 and 2013.

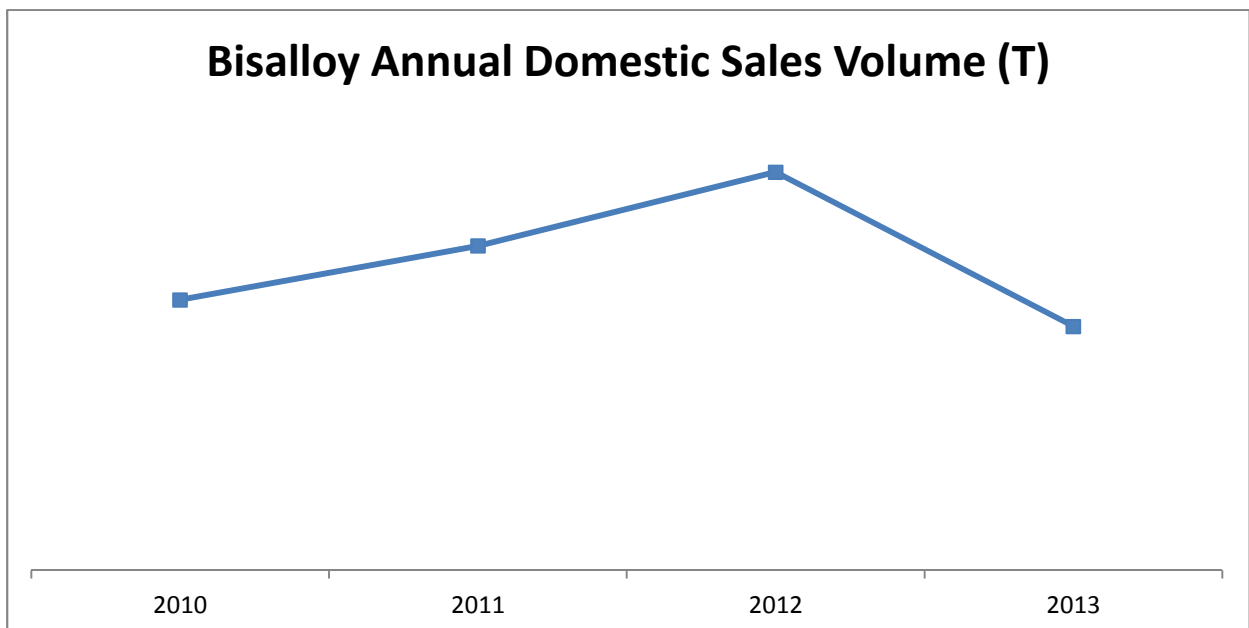


Figure 4: Bisalloy Annual Domestic Sales Volume (Calendar Years 2010-2013)

7.6.2 Australian market share

In its application, Bisalloy did not claim to be injured from a loss of market share. Following PAD 234, Bisalloy suggested that the Commission should reassess its findings in relation to volume injury. Bisalloy claimed that its contraction in sales was greater than those of dumped imports, resulting in a loss of market share.

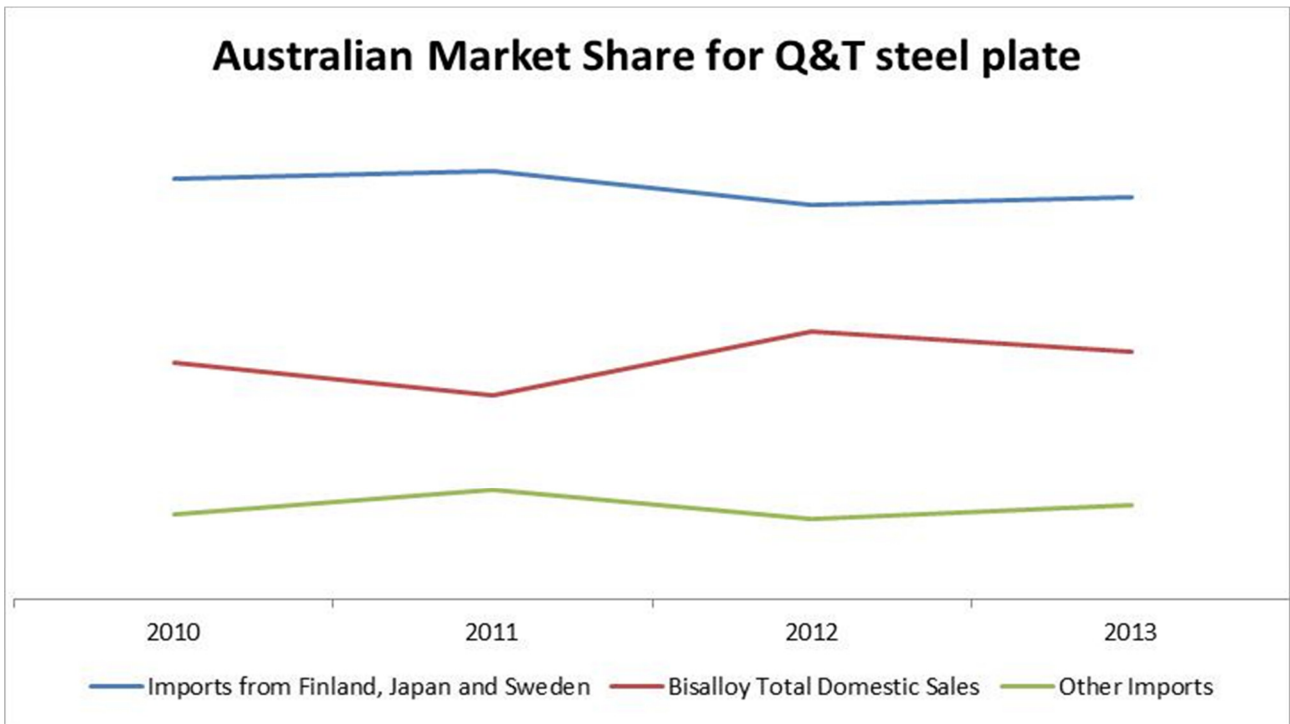


Figure 5: Australian Market Share for Australian Q&T steel plate

Figure 5 shows the market share held by the Australian industry and imports as a percentage of the total Australian market for Q&T steel plate. Figure 5 shows that the Australian industry’s market share increased marginally over the injury period, despite a minor reduction in market share during the investigation period.

As noted above in Section 5.5, the ACBPS import database cannot be accurately filtered to match the thickness, width and length requirements of the goods description. For this reason, changes in product mix of imported Q&T steel plate during the injury analysis period may be responsible for minor changes in market share.

As discussed in Section 8.4, the Commission does not consider dumping to have caused injury to Bisalloy’s sales volumes.

7.7 Price effects

7.7.1 Price depression and price suppression

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between revenues and costs.

Bisalloy claim it was forced to lower prices to compete with prices of imported Q&T steel plate, and that its prices have remained suppressed due to pressure by customers to compete with imports.

Figure 6 below illustrates the movements and relationship between Bisalloy’s average domestic unit cost to make and sell (CTMS) and unit revenue for Q&T steel plate on a calendar year basis.

From 2010 to 2013:

- unit revenue has generally trended downwards and was lower in 2013 compared to unit revenue in 2010;
- in 2012, unit revenue exceeded unit CTMS by the most significant margin during the injury period. In 2013, unit CTMS increased and unit revenue decreased, by which time unit CTMS exceeded unit revenue; and
- overall, unit CTMS went from being lower than unit revenue in 2010 to being higher than unit revenue in 2013.

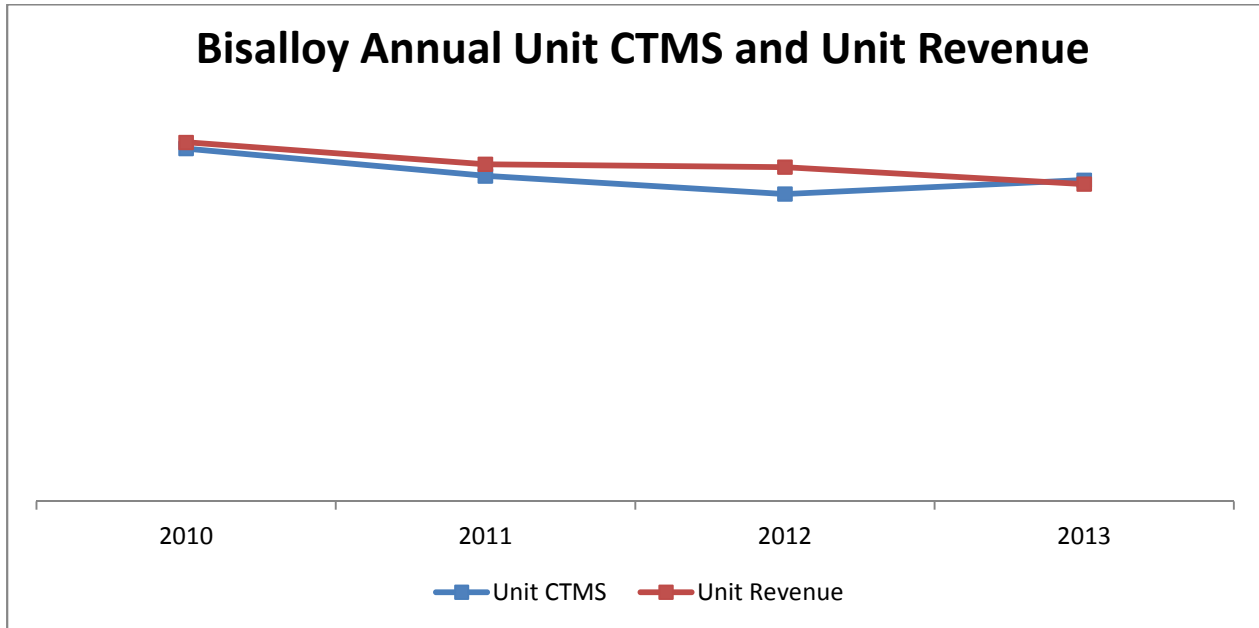


Figure 6: Bisalloy Annual Unit Revenue and Unit CTMS

The Commission considers Figure 6 supports Bisalloy’s claims of injury in terms of price suppression and price depression.

7.8 Profit effects

Movements in Bisalloy’s annual total domestic profit and unit profitability are illustrated in Figure 7 below. Figure 7 shows that Bisalloy’s total domestic profit and unit profitability (unit profit measured as a percentage of unit revenue) in respect of Q&T steel plate increased from 2010 to 2012, at which point it peaked. In 2013, total domestic profit and unit profitability both declined significantly. Overall, profit and profitability were significantly lower in 2013 compared to 2010.

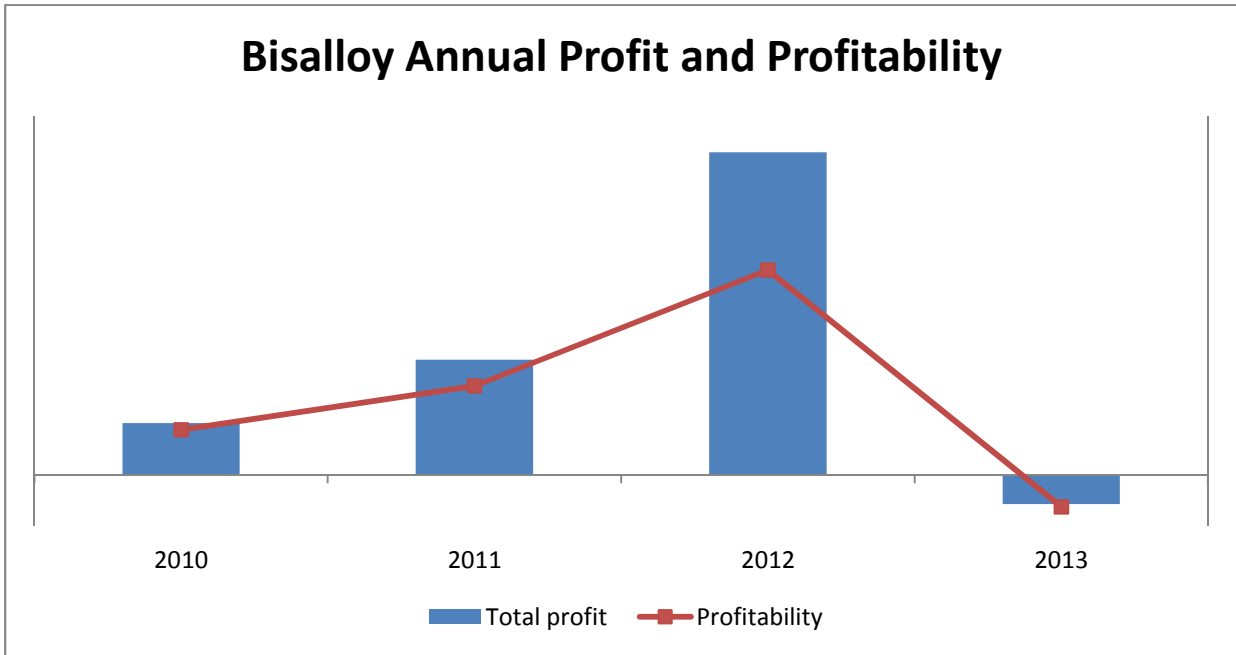


Figure 7: Bisalloy Annual Profit and Unit Profitability

7.9 Other injury trends

In support of its claim of injury, Bisalloy provided information in its application showing movements in assets, capital investment, revenue, return on investment, production capacity, capacity utilisation, employment, productivity, closing stocks, cash flow measures and wages from 1 January 2010 to 31 December 2013.

7.9.1 Reduced return on investment

Bisalloy stated that return on investment was measured based on return on sales. For the calendar years 2010 through to 2013, Bisalloy’s return on investment declined by approximately 8 per cent in total.

7.9.2 Reduced attractiveness for re-investment

During the Australian industry verification visit, Bisalloy stated that one of the ways it measured attractiveness for re-investment was in reference to the movements in Bisalloy Steel Group’s share price. For the calendar years 2010 through to 2013, Bisalloy Steel Group’s share price showed an overall decrease.

Bisalloy also outlined that due to injury experienced, it has reduced its research and development spending in areas including chemical composition of Q&T greenfeed, process improvements, testing, and entry into potential new markets.

The Commission has insufficient evidence to support Bisalloy’s claims for injury based on reduced attractiveness for re-investment. It is noted that changes to Bisalloy’s parent company’s share price and its decision to invest in research and development may be attributable to a range of other factors.

7.9.3 Reduced revenues

Bisalloy's revenues decreased by approximately 26 per cent in total for the calendar years 2010 through to 2013.

7.9.4 Reduced capacity utilisation

Bisalloy's capacity utilisation has decreased by approximately 23 per cent in total for the calendar years 2010 through to 2013.

7.9.5 Increased stock levels of like goods

For the calendar years 2010 through to 2013, Bisalloy's closing stock levels increased by 114 per cent in total.

As discussed below at Chapter 8, the Commission found that Bisalloy's reduced domestic sales volumes were attributable to factors other than dumping and that reduced domestic sales volumes had a resultant effect on capacity utilisation and closing stock levels.

7.9.6 Reduced wages for Bisalloy employees

For the calendar years 2010 through to 2013, average wages for Bisalloy employees decreased by approximately 8.3 per cent in total. Bisalloy explained that due to recent market contraction, it reduced its production shifts, resulting in less overtime and shift allowance for its employees. Bisalloy confirmed that it measured injury in this respect by reference to lower overall wage expenses, and not a reduction of staff or decrease in base wages.

7.10 The Commission's assessment

The Commission is satisfied there are sufficient grounds to support the claim that Bisalloy experienced injury in the form of:

- lost sales volumes;
- price depression;
- price suppression;
- reduced profits;
- reduced profitability;
- reduced capacity utilisation;
- reduced return on investment;
- reduced revenues; and
- increased stock levels of like goods.

The Commission's assessment of the injury factors is at **Confidential Appendix 4**.

8 HAS DUMPING CAUSED MATERIAL INJURY?

8.1 Findings

The Commission has found that Q&T steel plate exported to Australia from Finland, Japan and Sweden at dumped prices has caused material injury to the Australian industry producing like goods. Specifically, the Commission has found that Bisalloy has suffered injury caused by dumping in the form of:

- price depression;
- price suppression;
- reduced profits;
- reduced profitability; and
- reduced domestic revenue.

8.2 Introduction

The Commission has established that during the period of investigation, exports of Q&T steel plate from Finland, Japan and Sweden were dumped and that the Australian industry has suffered injury.

Section 269TAE outlines the factors that the Parliamentary Secretary may take into account in determining whether material injury to an Australian industry has been or is being caused or threatened. This Chapter examines whether imports of Q&T steel plate, at dumped prices, caused material injury to the Australian industry producing like goods.

8.3 Cumulation of injury

Subsection 269TAE(2C) of the Act sets out the requirements for assessing the cumulative material injury effects of exports of goods to Australia from different countries. Where exports from more than one country are simultaneously the subject of an anti-dumping investigation, the Parliamentary Secretary may cumulatively assess the effects of such imports if:

- the margin of dumping established for each country is not negligible; and
- the volume of imports from each country is not negligible; and
- cumulative assessment is appropriate in light of the conditions of competition as between the imported goods and between the imported goods and the like domestic goods.

As discussed in Chapter 6, the margin of dumping for each country ranges from 21.7 per cent to 34 per cent and is not negligible. Section 6.7 outlines that the volume of imports from each country is not negligible.

The conditions of competition between imported products and between imported and domestically produced Q&T steel plate are similar. The Commission has established that importers and Bisalloy are both selling goods into the same markets, or alternatively that domestically produced Q&T steel plate can be substituted with imported Q&T steel plate.

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Evidence indicates that the imported goods and domestically produced goods are used by the same or similar customers and that the importers' customers are competing with Bisalloy's distribution network.

The Commission also considers that domestic and imported goods are like, have similar specifications, are manufactured to similar recognised industry standards (such as Brinell hardness or tensile strength) and have similar end-uses. The above finding has been verified during importer, exporter and Australian industry visits.

8.3.1 Response to statement of essential facts 234

In response to SEF 234, SSAB Australia disagreed with the decision to consider the cumulative effects of imported goods and competition between the imported goods and the like domestic goods and stated that the analysis lacked rigour.

SSAB Australia stated that a major condition of competition is price and that price competition is of particular significance given the Commissioner's findings in SEF 234 that the Australian industry suffered material injury in terms of price depression and price suppression. SSAB Australia stated that its price is the highest in the Australian market, reflecting the superior quality of its product.

8.3.2 The Commission's assessment

The Commission assessed price competition in the context of competition between the imported goods and between the imported goods and the like domestic goods.

The Commission analysed the verified weighted average selling price of all products sold by Bisalloy and visited importers of Q&T steel plate from Finland, Japan and Sweden during the investigation period. Based on verified data from the Australian industry and visited importers, the Commission found that there was significant competition between imported goods and also between the imported goods and the like domestic goods.

In regards to competition between imported goods, the Commission found that weighted average selling prices of Swedish Q&T steel plate was marginally higher at an aggregated level, than Q&T steel plate from the other countries under investigation. The weighted average selling prices from Japan were the lowest, however the verified selling prices of imports from Japan varied considerably between importers, with one importer having the highest weighted average selling prices of all visited importers.

Whilst Swedish Q&T steel plate prices were highest based on sales of all grades, the Commission notes that SSAB Emea did not export 400 Brinell equivalents to Australia during the investigation period. This particular grade is generally at the lower end of Q&T steel plate pricing. The Commission removed sales of 400 Brinell grade from its analysis and compared the weighted average selling prices of the three next most commonly sold grades in Australia, grades 450 and 500 Brinell and 780 MPa tensile strength. This analysis showed that the weighted average selling prices SSAB Emea's Q&T steel plate was not the highest during the investigation period. The weighted average selling price from Japan was again lowest, however the verified selling prices of imports from Japan again varied considerably, with one importer of Japanese Q&T steel plate having the highest weighted average selling price of all visited importers.

The analysis also showed that the weighted average selling price of Bisalloy's Q&T steel plate was comparable with the weighted average selling prices of imported Q&T steel plate.

The Commission considers that the above analysis does not support SSAB Australia's claims that its pricing was consistently the highest over the investigation period.

The Commission also considers that cumulative assessment of injury is appropriate in light of the conditions of price competition between the imported goods and between the imported goods and the like domestic goods.

The Commission's assessment of price competition is at **Confidential Appendix 5**.

8.4 Volume injury

Bisalloy claims that it suffered volume injury from dumped imports primarily because:

- imports from the nominated countries held the dominant share of the Australian market;
- in a contracting market (as experienced during the investigation period), Bisalloy's sales volumes decreased at a faster rate than the decline in dumped imports; and
- in the absence of dumping, its sales volumes would have displaced a significant proportion of the dumped and injurious imports.

The Commission considers that there is insufficient evidence to establish that volume injury suffered by Bisalloy as a result of dumping is material and greater than that likely to have occurred in the normal ebb and flow of business in a contracting market.

The Commission's analysis shows that reduced demand resulting from a downturn in the mining sector is likely to have materially contributed to Bisalloy's reduced sales volumes during the investigation period. Bisalloy's volume injury claims are further addressed at Section 8.8.2.

8.5 Price injury

Bisalloy claims a reduction in selling prices was necessary in order for it to compete with import price offers for goods from the countries under investigation, which it claims undercut its selling prices. Bisalloy further claims that the price reduction coincided with a unit CTMS increase, resulting in price suppression.

The Commission took into consideration the following factors in assessing price injury:

8.5.1 Size of the dumping margins

Paragraph 269TAE(1)(aa) requires the Parliamentary Secretary to have regard to the size of each of the dumping margins, worked out in respect of goods of that kind that have been exported to Australia.

The dumping margins outlined in Chapter 6, ranging between 21.7 per cent and 34 per cent are above not negligible (above 2 per cent). The Commission considers that the

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magnitude of dumping provided exporters with the ability to offer Q&T steel plate at significantly lower prices than would otherwise have been the case.

8.5.2 Price undercutting

Price undercutting occurs when imported product is sold at a price below that of the Australian manufactured product.

The Commission undertook a price undercutting analysis based on verified sales data sourced from visited importers and Bisalloy as part of the investigation.

The Commission conducted a price undercutting analysis at an aggregated level, grade level and customer level as outlined below.

In conducting the price undercutting analysis, the Commission compared weighted average free into store (FIS) prices (AUD per tonne) of imported Q&T steel plate sold by importers, to Bisalloy's weighted average FIS prices (AUD per tonne). Where possible, the Commission analysed sales at a comparable level of trade.

The Commission was unable to make adjustments in relation to credit terms as each importer's credit terms were substantially different and in some cases varied by customer. The Commission does not consider that the impact of credit terms would significantly alter its conclusions in respect to price undercutting.

The Commission's price undercutting analysis is at **Confidential Appendix 6**.

Price undercutting at an aggregated level

The Commission assessed price undercutting at an aggregated level by comparing Bisalloy's aggregated weighted average selling price against an aggregated weighted average selling price of each visited importer.

The analysis showed that undercutting by visited importers ranged from negative 12.7 per cent to 18.6 per cent.

Price undercutting analysis was also conducted by comparing Bisalloy's weighted average selling price against each visited importer's weighted average selling prices for products with a tensile strength of 780 MPa equivalent and a Brinell hardness equivalent of 400 to 500 (which covers the significant majority of Bisalloy's sales) in the thickness range of 10 to 50mm.

The Commission notes that this product and thickness criteria matches that of Bisalloy's internal monthly management reports submitted to the Commission in its application and which Bisalloy described as the most competitive subset for Q&T steel plate in Australia.

For all importers analysed, the overall undercutting range was negative 18.9 per cent to 14 per cent. The analysis did not show undercutting for all importers, but did show evidence of undercutting for at least one importer from all nominated countries over the investigation period. Undercutting was also present from at least one importer from all nominated countries consistently across most months of the investigation period.

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Price undercutting by grade and level of trade

The Commission compared the weighted average FIS prices over the investigation period of imported goods sold by visited importers against Bisalloy's weighted average FIS prices for grades with a tensile strength of 780 MPa equivalent and a Brinell hardness equivalent of 400 to 500, in the thickness range of 10 to 50mm⁴⁸ at a distributor and end-user level of trade.⁴⁹

For 780 MPa grade equivalents in the thickness range of 10 to 50mm, price undercutting by importers during the investigation period ranged from:

- negative 7.4 per cent to 7.7 per cent at a distributor level of trade; and
- 3.4 per cent to 20.4 per cent at an end user level of trade.

For 400 to 500 Brinell hardness equivalent grades in the thickness range of 10 to 50mm, price undercutting by importers during the investigation period ranged from:

- negative 39.1 per cent to 13.1 per cent at a distributor level of trade; and
- negative 28.7 per cent to 27.3 per cent at an end user level of trade.

Price undercutting by customer

Price undercutting was also considered in the context of customers purchasing comparable grades of goods from both Bisalloy and importers.⁵⁰ The analysis where possible, took into account grade, dimension, and level of trade on a monthly basis within the investigation period (without a credit adjustment for reasons outlined previously).

The Commission notes that undercutting percentages varied on occasion by customer, grade and from month to month. However, the customer level price undercutting analysis showed undercutting of imported plate for at least one customer for each country under investigation. Price undercutting by customer is summarised in the below table:

	Monthly Ranges			
	780 MPa	400 Brinell	450 Brinell	500 Brinell
[Confidential – Customer]	-		8.6% to 10.9%	-
[Confidential – Customer]	16.2%	13.4% to 15.8%	-25.5% to 9.7%	3.7%
[Confidential – Customer]	-	33.1%	-	-
[Confidential – Customer]	-	0.7% to 9.7%	-	-
[Confidential – Customer]	-	-	-10.4% to -22.3%	-
[Confidential – Customer]	7.6% to 38.7%	17.6%	-47.1% to 10.5%	3.4% to 21.2%
[Confidential – Customer]	13.4%	17.8% to 24.3%	-31.3% to 13.3%	-
[Confidential – Customer]	-	-	-13.5% to -82.9%	-
[Confidential – Customer]	-	-	-42.9%	8.9%
[Confidential – Customer]	-	-	-2% to -15.5%	20.2%

Table 8: Summary of price undercutting by customer

⁴⁸ As mentioned previously this accounts for the vast majority of Bisalloy's sales

⁴⁹ It is noted that there were no or minimal volumes of sales of Q&T steel plate sold by some visited importers during the investigation period

⁵⁰ There were common customers in both distributor and end use level of trade

Submission by NSSMC prior to SEF 234

Immediately prior to SEF 234, NSSMC submitted that it did not injure the Australian injury on the basis that the “*significant bulk*” of its product, when sold by a confidential importer in Australia, was below the relevant market price in Australia at the relevant times.⁵¹ NSSMC submitted that proper modelling of the raw data would demonstrate alleged price undercutting and price suppression did not exist in relation to NSSMC.

As noted in SEF 234, the Commission had insufficient time to analyse NSSMC’s submission as part of SEF 234. The Commission has subsequently considered NSSMC’s submission as part of REP 234.

The Commission notes that sales data from both the confidential importer and NSSMC was not verified by the Commission. As such, the Commission cannot fully be satisfied that the data is complete, relevant and accurate.

Regardless, the Commission considered NSSMC’s submission and analysed the confidential importer’s sales data. The Commission filtered the data by grade and calculated a weighted average selling price for each quarter of the investigation period. This data was compared to Bisalloy’s quarterly selling prices. The Commission found that the selling prices of the confidential importer’s full plate sales, for each grade, were less than Bisalloy’s selling prices in at least three of out of four quarters of the investigation period. This analysis when combined with the Commission’s previous undercutting analysis of visited importers, confirms that there is evidence that NSSMC’s product undercut Bisalloy’s sales.

Submission by Japanese mills in response to SEF 234

In response to SEF 234, Japanese mills submitted that the Commission’s price undercutting analysis is “*not unconvincing, inadequate and incapable of positively satisfying the Minister to introduce dumping measures*”.

The Commission’s assessment – price undercutting

Based on the information analysed, the Commission found evidence of price undercutting on the basis of grades, customers and level of trade during the investigation period. The Commission notes that price undercutting could not consistently be demonstrated for every grade, customer, month and level of trade for each importer analysed. However, the Commission considers there is sufficient evidence from the price undercutting analysis to conclude that the dumping at the levels outlined in Chapter 6 (in the range of 21.7 per cent to 34 per cent) created a competitive benefit to importers, and demonstrates that the Australian industry faced price pressure from imported goods.

The Commission also took into account evidence provided by Bisalloy from its monthly management reports as part of its application and in a subsequent submission.⁵² Whilst the information provided by Bisalloy was not used in the price undercutting analysis

⁵¹ No. 80 on the public record

⁵² No. 16 on the public record

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conducted by the Commission above (in preference to verified data), the information did provide examples substantiating Bisalloy's claims that it faced pressure to lower its prices in order to compete with imported goods.

In response to the submission by Japanese mills, the Commission draws attention to the additional analysis at Chapter 8.3.2, which shows that the weighted average selling prices of Japanese Q&T steel plate was the lowest during the investigation period.

8.5.3 Price depression

As outlined at Section 8.5.2, the Commission notes that reduced demand from a downturn in mining investment is likely to have contributed to the lowering of prices within the Australian market for Q&T steel plate.

However, the Commission is satisfied, based on the undercutting analysis above, that the Australian industry was forced to reduce prices in order to compete with imported goods at dumped prices from Finland, Japan and Sweden and to maintain its market share.

8.5.4 Price suppression

Price suppression in terms of Article 3.2 of the WTO Anti-Dumping Agreement, is where price increases for the Australian industry's products, which otherwise would have occurred, have been prevented to a significant degree.

It is the Commission's view that lower market demand caused by a downturn in mining investment lowered Bisalloy's capacity utilisation and contributed to a higher unit CTMS. However, without the presence of dumping, it is likely that Bisalloy would be in a position to maintain pricing at levels necessary to cover the increase in CTMS.

The Commission is therefore satisfied that Bisalloy suffered material injury in the form of price depression and price suppression as a result of dumping.

8.6 Profit injury

Bisalloy submits that price suppression and price depression contributed to deterioration in profit and that the effects of dumping have a greater effect in a contracting market. Bisalloy claim that increased price competition and efforts by exporters in a contracting market to maintain market share unfairly impacts the Australian industry, resulting in a more dramatic deterioration of profit.

The dumping margins and price undercutting outlined in Chapters 6 and Section 8.5.2 support Bisalloy's claims that the impact of dumping is more detrimental to the Australian industry's profit and profitability in a contracting market. In this respect, the Commission notes the guidance published, in introducing the Ministerial Direction on Material Injury, which highlights the importance in the context of considering material injury:

*to consider ... the greater impact of injury during periods of economic downturn and reduced rates of growth as an element of injury.*⁵³

⁵³ ACDN No. [2012/24](#) – New Ministerial Direction on Material Injury

The Ministerial Direction on Material Injury goes further to say that, although the Australian industry may have overcome the effects of the presence of dumping at one point in time, at another time, weakened by other events, it can be more susceptible to injury from the same amount and extent of dumping.

A joint submission addressing material injury determinations was made by NSSMC, JFE and Kobe Steel Limited.⁵⁴ That submission stated that the aforementioned aspect of the Ministerial Direction is “*ultra vires and illogical*” on the basis that a determination of dumping can only be made in respect of the relevant investigation period. The Commission notes that the Ministerial Direction is expressly stated to be “*construed as always subject to the law*”. Indeed, the Commission agrees with the assertion that it would be erroneous to have regard to any alleged dumping in a period prior to the published investigation period in its injury determinations.

The submission goes on to assert that “*there is no scope for applying a differential impact test...because the market is (sic) decline*”. The Commission views the Ministerial Direction as stating that it is possible for the same amount and degree of dumping to cause material injury in some cases and not cause material injury in other cases, depending on the relative health of the domestic industry at the relevant time. As the submission points out, the Commission is under an obligation to not attribute injury caused by other factors to injury caused by dumping. However, that is not to say that a change in the general conditions of the market are not relevant to assessing whether dumping may have caused material injury.

The Commission is satisfied that an increase in price, equal to the lowest dumping margin calculated, is sufficient for Bisalloy to have operated profitability during the investigation period.

It is the Commission’s view that Bisalloy’s injury in terms of price and profit effects, due to dumped Q&T steel plate is greater than that likely to have occurred in the normal ebb and flow of business in the contracting market. The Commission considers that the size of the market for Q&T steel plate in Australia was sufficient for Bisalloy to operate profitably during the investigation period, but for the importation of goods at dumped prices.

8.7 Other injury factors

The Commission considers that the price depression and price suppression caused by dumping materially impacted on Bisalloy’s revenues.

The Commission considers that there is inconclusive evidence to establish injury in terms of reduced capacity utilisation, reduced return on investment and increased stock levels of like goods to dumping, or alternatively, that the injury suffered from dumping in relation to those factors was immaterial.

⁵⁴ No. 53 on the public record

8.8 Injury caused by factors other than dumping

Under s. 269TAE(2A) of the Act, in making a determination in relation to the exportation of goods to Australia:

... the Minister must consider whether any injury to an industry, or hindrance to the establishment of an industry, is being caused or threatened by a factor other than the exportation of those goods, such as:

- a) the volume and prices of imported like goods that are not dumped; or
- b) the volume and prices of importations of like goods that are not subsidised; or
- c) contractions in demand or changes in patterns of consumption; or
- d) restrictive trade practices of, and competition between, foreign and Australian producers of like goods; or
- e) developments in technology; or
- f) the export performance and productivity of the Australian industry.

Any such injury or hindrance from the above factors must not be attributed to the exportation of those goods.

The Commission has considered the factors outlined in s. 269TAE(2A) and submissions received by interested parties and has addressed the following other possible causes of injury:

- volume and prices of imported like goods that are not dumped;
- contractions in demand or changes in patterns of consumption;
- export performance and productivity of the Australian industry;
- the Australian industry's business model;
- importation of completed and partially completed products; and
- effects of high Australian dollar.

8.8.1 Volume and prices of like goods that are not dumped

In its application, Bisalloy identified Finland, Japan and Sweden as major sources of supply of imported Q&T steel plate.

SSAB Australia claimed that the lowest priced Q&T steel plate available in Australia is imported from China and Korea.⁵⁵ It also stated that injury from exports from countries such as Austria, Belgium, France, Germany and the United Kingdom must be examined. SSAB Australia state that injury caused by these other countries should not be attributed to imports from the countries subject to the investigation. Other interested parties also highlighted that imports from China and Korea were cheaper than those of the countries under investigation.

Bisalloy refuted these claims, stating that during the investigation period, volumes from other countries were negligible (at less than one per cent of the volume according to

⁵⁵ No. 28 on the public record

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Australian Bureau of Statistics (ABS) figures) and unable to influence price levels in the Australian market.⁵⁶

The Commission has examined the volume and declared FOB export prices from the ACBPS import database for other countries listed by SSAB Australia in its submission. The Commission has found that export volumes from other countries were negligible (individually below three per cent and combined less than six per cent of total imports) and that the declared FOB export prices are comparable, in some instances above but not materially below, those of the countries under investigation. Based on this evidence, the Commission does not consider that exports from other countries have caused significant injury to the Australian industry for Q&T steel plate.

The Commission also notes that it has not received evidence of lower price offerings from other countries mentioned by interested parties.

8.8.2 Contractions in demand or changes in patterns of consumption

Numerous interested parties have lodged submissions stating that a contraction in demand for Q&T steel plate in Australia was the primary cause of injury to the Australian industry during the investigation period. The submissions highlight that a downturn in the mining sector (which drives demand for Q&T steel plate) has led to a rapid decline in demand.⁵⁷

Various submissions highlight that the market for Q&T steel plate has shifted from peak levels in 2011 and 2012 on the back of new mining projects requiring heavy capital investment, to a cycle of reduced demand in the repair and maintenance of existing mining projects. On this basis, it is claimed that any injury to the Australian industry is attributable to market conditions, rather than dumping activity by exporters and that reduced demand has affected all operators in the market.

Interested parties claim that the contraction in demand and changed pattern of consumption caused Bisalloy's volume injury and that the lost sales volume has had flow on effects which explain the other injury factors it listed in its application. For example SSAB Australia and Japanese mills highlight that reduced sales volumes from decline in demand led to decreased capacity utilisation and wages, higher CTMS, increased stock levels, price depression and suppression from market adjustment, reduced return on investment, attractiveness for reinvestment, revenues and reduced profit and profitability.

Submissions also attributed injury to the Australian industry from weakened domestic growth in Australia, weakened international steel markets and reduced demand due to major customers relocating offshore.

Interested parties also highlighted that Bisalloy increased its market share during the injury analysis period, concluding that this contradicts Bisalloy's claims of injury.

In response, Bisalloy acknowledged a contraction in demand for Q&T steel plate during the investigation period, but countered arguments raised by stating that an oversupply of

⁵⁶ No. 32 on the public record

⁵⁷ For example, nos. 8, 9, 28, 41 and 45

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Q&T steel plate globally has driven integrated steel makers to sell excess stock in alternative markets such as Australia. Bisalloy highlighted examples of losses made by overseas integrated steel manufactures and recent merger and acquisition activity within the industry as evidence that overseas suppliers are being forced to reduce costs, increase productivity and increase profit margins.⁵⁸

Bisalloy also stated in its application that despite the contraction in the market, the overall size of the Q&T steel plate market in Australia exceeded Bisalloy's annual production capacity. Bisalloy stated that in the absence of dumping, its sales volumes would have displaced a significant proportion of the dumped and injurious imports.

Submissions in response to statement of essential facts 234

A submission in response to SEF 234 was received from Japanese mills, requests the Commission reassess various issues, including material injury, "*the misapplication of s. 269TAE*" of the Act and the existence of a causal link between injury suffered by the applicant and the presence of allegedly dumped goods.⁵⁹

In particular, the Japanese mills:

- encourage the Commission to give genuine weight to the significant structural changes that occurred in the Australian Q&T steel plate market during the period of investigation;
- submit that injury suffered by Bisalloy was substantially caused by changes in the dynamics of the Australian market during a period of significant economic transition;
- state that the Commission's analysis does not give proper emphasis on the scale of the decline and what it represents;
- urge the Commission to carefully consider the significance of market forces and to ensure that these are fully eradicated from all consideration in the context of establishing the causal link between dumping and material injury;
- highlight that the prognosis for the mining sector does not envisage a return to form and that the decline in the mining sector signals an adjustment to a new benchmark;
- state that the applicant incorrectly attempts to compare current market dynamics with historical benchmarks, which leads to exaggeration and distortion of results; and
- expressed concern regarding the specific analysis of price based effects in a transitioning market, where reduced demand means inhibits increases in prices. In this respect, it is stated that reduced sales volume relative to output leads to a rising CTMS per unit, causing prices of the goods to appear suppressed when compared to historical performance.

MMAL⁶⁰ and Japanese mills outlined that the mining sector in Australia is presently focussed on reducing costs which has resulted in a marked reduction in the implementation of new projects and the purchase of new capital equipment. MMAL and

⁵⁸ No. 16 on the public record

⁵⁹ No. 86 on the public record

⁶⁰ No. 87 on the public record

Japanese mills submitted that Australian experience is reflected overseas. MMAL provided details of the prices it paid for Q&T steel plate purchases in 2011, 2012 and 2013 in Chile, Peru and Sweden to support its view that a world-wide decline in demand for Q&T steel plate is responsible for Bisalloy's injury, rather than dumping.

The Commission's assessment

In its application, Bisalloy listed factors contributing to demand for Q&T steel plate including mining investment, demand for bulk commodities such as iron ore and coal, availability of capital for project expansion activity (largely based around whether or not the longer term demand will deliver the required investment return rate) and resource production volumes driving repairs and maintenance requirements.

Bisalloy also stated in its application, that in the year ending September 2013, the Australian market for Q&T steel plate declined substantially due to a downturn in mining activity and that approximately 70 per cent of its Q&T steel plate is used in resource related activities.⁶¹

Figure 8 below shows a correlation between Bisalloy's sales volumes and the actual mineral exploration expenditure statistics published by the ABS.⁶² The mineral exploration expenditure figures are a useful indicator of possible future mining activity. Prior to undertaking exploration activities, mining companies consider a number of factors to ensure revenue from exploration exceeds costs.

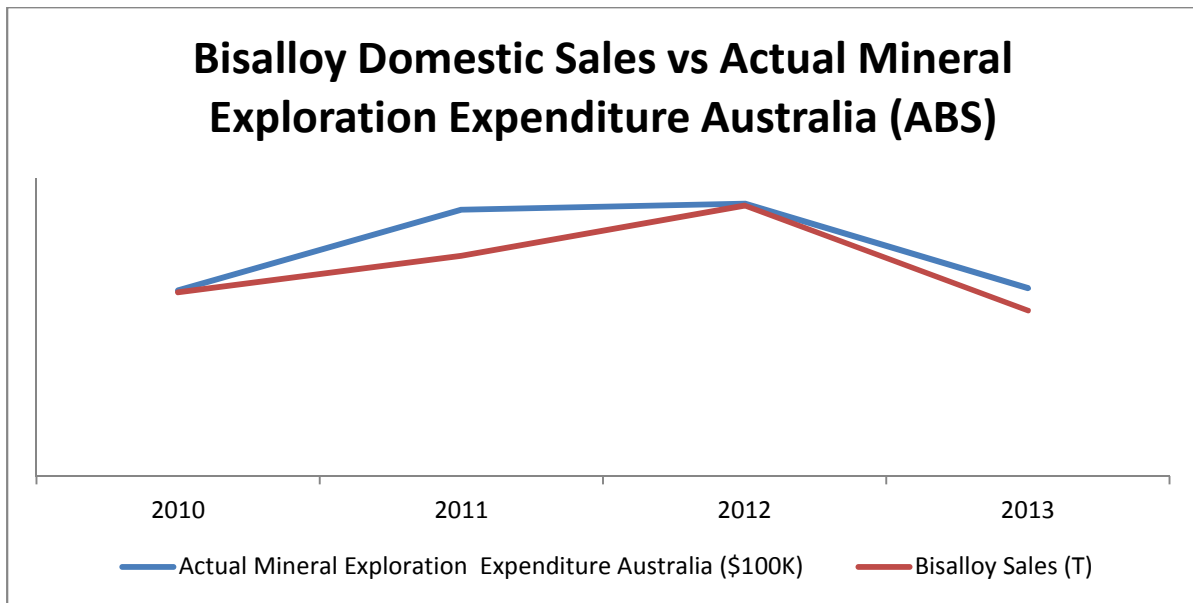


Figure 8: Bisalloy Sales vs. Actual Mineral Exploration Expenditure Australia (Source ABS)

In PAD 234, the Commission stated Figure 8 provided evidence that mining investment was a significant factor influencing Bisalloy's sales volumes and highlighted that reduced sales volume would likely have flow on effects to other injury factors.

⁶¹ Reference is made to Bisalloy Steel Group Annual Report 2013

⁶² Reference is made to <http://abs.gov.au/AUSSTATS/abs@.nsf/mf/8412.0>

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Subsequent to PAD 234, Bisalloy lodged a submission suggesting that the Commission should revisit the conclusions in the PAD 234 concerning demand for Q&T steel plate versus mineral exploration expenditure.⁶³

The Commission has compared Bisalloy's sales to actual mining expenditure in Australia between 2010 and 2013, as reported by ABS in Figure 9 below.⁶⁴

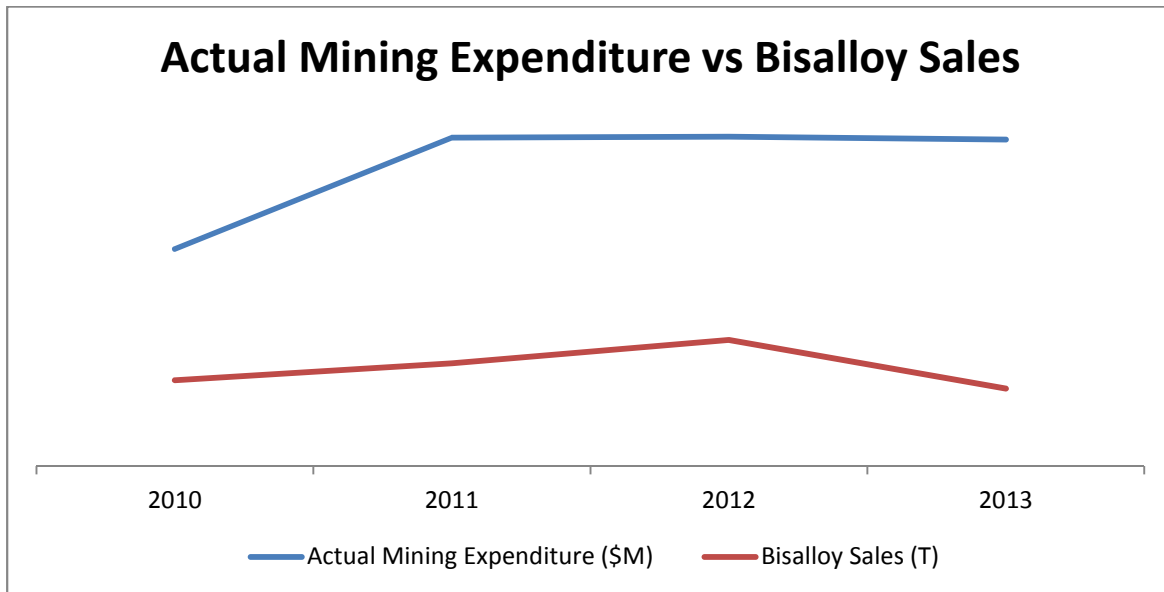


Figure 9: Bisalloy Sales vs. Actual Mining Expenditure Australia (Source ABS)

The Commission notes that Figure 9 does not show the same correlation as Figure 8.

However, based on various submissions and visits to importers and exporters⁶⁵, the Commission has established that:

- the Australian industry's market share increased marginally over the injury period, despite a minor reduction in market share during the investigation period. This finding indicates that exporters sales volumes have been equally affected by the decline in demand;
- many stockists/importers of Q&T steel plate in the Australian market were holding a significant amount of excess stock of Q&T steel plate leading into the investigation period, after a period of strong demand in 2011 and 2012. This is acknowledged in Chairman's address for the Bisalloy Steel Group in 2013 where it was stated that "*many companies are overstocked due to rapid decline in demand which increased the pressure for lower prices as excess inventory is cleared from the supply chain*". The clearing of excess stock may partly explain volume injury experienced by Bisalloy;

⁶³ No. 46 on the public record

⁶⁴ Reference is made to <http://abs.gov.au/AUSSTATS/abs@.nsf/mf/5625.0>

⁶⁵ In particular, reference is made to submissions by Metso Minerals Pty Ltd, Drake Trailers Pty Ltd, Vulcan Steel Pty Ltd, SSAB Swedish Steel Pty Ltd, Shepard Transport Pty Ltd and joint submissions from JFE, Total Steel of Australia Pty Ltd and Vulcan Steel Pty Ltd and Japanese Mills at nos. 24, 27, 28, 31, 45 and 66. In addition, importer visit reports for Total Steel of Australia Pty Ltd and BlueScope Distribution Pty Ltd at nos. 50 and 64 on the public record

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- Q&T steel plate is viewed as somewhat of a specialised product in the Australian market. Submissions from end users and visited importers have stated that purchasing decisions are based on a variety of factors, including dimension limitations, quality differences, access to and security of supply and global brand recognition. Whilst price also plays an important factor in purchasing decisions, it is not the only consideration.

For the above reasons, the Commission is unable to quantify Bisalloy's claims that in the absence of dumping, its sales volumes would have displaced dumped and injurious imports.

The Commission also notes that submissions claiming that the market for Q&T steel plate has shifted to a cycle of lower demand for use in the repair and maintenance of existing mining projects are supported. For example, the Bureau of Resources and Energy Economics (BREE)⁶⁶ who produce six monthly reports on the resources and energy major project developments, states in its April 2013 report:⁶⁷

"The decline in the number of projects at the Committed Stage is indicative of the emerging trend of project proponents delaying or cancelling high value resources and energy projects in Australia. In the past twelve months around \$150 billion of projects have either been delayed, cancelled or have had re-assessed development plans... Based on an assessment of internal project and external market factors, BREE has developed two scenarios that project the future stocks of committed investment in resources and energy projects in Australia. In the 'Likely Scenario', which includes all existing projects at the Committed Stage and projects assessed as likely to progress to the Committed Stage in the next five years, committed investment is projected to moderate to \$256 billion at the end of 2013 and then decrease to around \$70 billion in 2017."

BREE's October 2013 report notes that:

"This global surge in investment has seen the supply of resources and energy commodities catch up to, and in some cases exceed, the demand for these commodities, leading to a corresponding softening of commodity prices. Combined with rising costs this has seen a decline in the number of projects coming into the investment pipeline in Australia. The current phase of the commodity price cycle is presenting challenges for investment in resources and energy projects. Forward projections indicate that investment in the resources and energy sectors is likely to decline over the medium term.... The resources boom is starting to transition from a period of high capital investment to one where the projects start production."

In relation to the softening of demand for commodities, Bisalloy stated in its 2013 financial year annual report:

⁶⁶ BREE is an economic research unit within the Department of Industry, providing professionally independent, high quality economic research, data, analysis and advice to governments, industries and other stakeholders on issues affecting Australia's energy and resources sectors

⁶⁷ <http://www.bree.gov.au/publications/resources-and-energy-major-projects>

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“A fall in prices for Australia’s major commodities, particularly iron ore and coal, lead to widely publicised deferrals or cancellations of a number of planned resources projects which quickly led to a rapid decline in forecast demand and prices for steel, including Bisalloy’s products”

To illustrate the effect of oversupply of demand for bulk commodities such as iron ore and coal, the Commission has included bulk commodity prices released by the Reserve Bank of Australia (RBA), which show a decline in the investigation period.⁶⁸

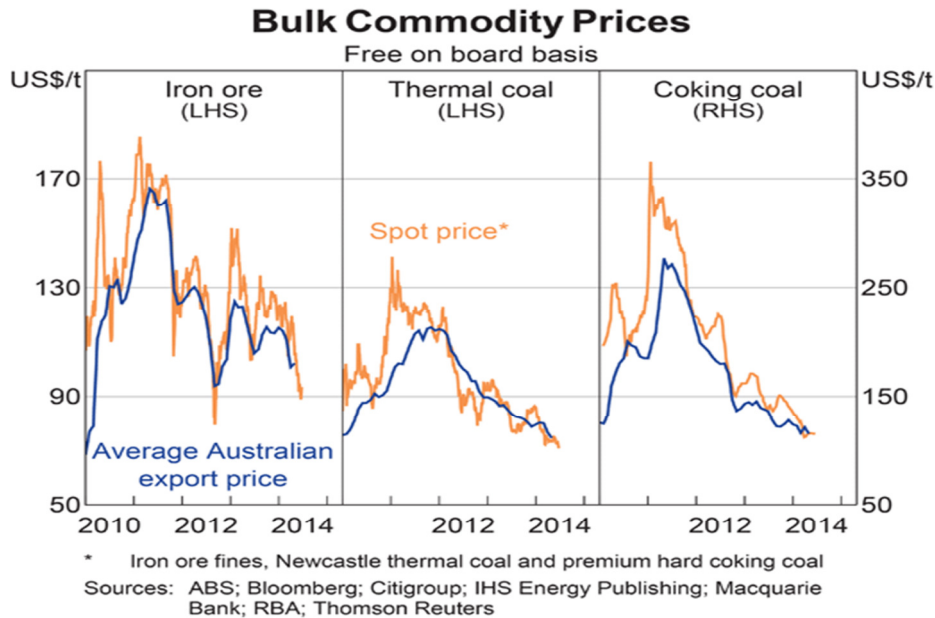


Figure 10: Iron ore and coal commodity prices (2010 to 2014 – source RBA)

Finally, the Commission notes BREE’s April 2014 report which states:

“The current state of the commodity markets is not supportive of further investment in resources and energy projects... The outlook for resources and energy investment therefore remains subdued in the near term with the investment cycle having peaked. The value of committed resources and energy project has now decreased from its peak of \$268 billion in April 2013 to \$229 billion at the end of April 2014.”

Based on the analysis above, the Commission finds that a contraction in demand and changed pattern of consumption has occurred in the Australian market for Q&T steel plate and this has caused material injury to Bisalloy’s domestic sales volumes. Whilst Bisalloy may have suffered some degree of injury in terms of lost sales volumes to dumped imports during the investigation period, the Commission considers that there is insufficient evidence to establish such injury as material.

The Commission acknowledges that reduced demand has flow on effects to other injury factors claimed by Bisalloy, such as:

⁶⁸ <http://www.rba.gov.au/chart-pack/pdf/chart-pack.pdf>

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- reduced capacity utilisation due to reduced sales volumes. The lower throughput of goods is likely to have contributed to higher CTMS;
- increased stock levels of inventory based on reduced demand;
- increased price competition due to the market's reaction in demand; and
- reduced profitability and revenue from reduced sales volumes.

However, the Commission notes that dumping need not be the sole cause of injury to the Australian industry.

The Commission's actual mineral exploration and actual mining expenditure comparisons are at **Confidential Appendix 7**.

8.8.3 The Australian industry's business model

Numerous submissions from interested parties attributed injury suffered by Bisalloy to a variety of factors relating broadly to its business model as summarised below.

Distribution strategy

Interested parties allege that Bisalloy's:

- distribution strategy whereby it sells approximately 80 per cent of product to distributors and 20 per cent to end users, results in a conflict of interest. Interested parties claim that underserved end user customers are forced to seek alternative channels of supply of Q&T steel plate from imports;⁶⁹
- pricing structure is uneven, putting Bisalloy at risk of undercutting its own product;⁷⁰ and
- stockholding arm has contributed to its injury. In this respect, SSAB Australia submitted that Bisalloy operates a limited number of warehouse sites and that this leaves Bisalloy at a competitive disadvantage. JFE, TSA and Vulcan claim that Bisalloy's move to holding stock has increased its costs in a period of decreased demand.⁷¹

Lack of competition

As outlined in Section 3.6.2, various interested parties claim that imported Q&T steel plate does not compete with the Australian industry's Q&T steel plate or that it is supplied to different markets. JFE and SSAB Emea have stated that its products are superior in quality and that they have developed long-term relationships with many international companies, who demand their products in their global operations.

Bisalloy has responded by stating that its locally produced goods are substitutable and is either sold to or is available to the same end use customers.

⁶⁹ For example, nos. 9 and 66 on the public record

⁷⁰ No. 45 on the public record

⁷¹ Nos. 28 and 66 on the public record

Production model and efficiency of operations

Many interested parties have described Bisalloy's Q&T steel plate greenfeed production model as inefficient and inferior to cooperating exporters who operate integrated steel mills. Interested parties also claim that Bisalloy is unwilling or unable to produce Q&T steel plate to certain thicknesses and lengths as required by the market.

Interested parties have raised issues relating to the quality of Bisalloy's greenfeed supply from China.⁷²

Business structure

Interested parties contend that Bisalloy incurred increased costs in servicing a significant amount of debt on its accounts throughout the injury analysis period.⁷³

The Commission does not consider that Bisalloy's business model contributed materially to the Commission's assessment of injury, in contrast to the impact from dumping.

8.8.4 Importation of completed and partially completed products

The Commission received a submission by Japanese mills, indicating that the importation of completed and partially completed products may be another cause of injury to Bisalloy. In this submission it was stated that original equipment manufacturers cannot compete with imported pre-fabricated products and accordingly demand for Q&T steel plate has decreased.⁷⁴

The Commission examined the ACBPS import database for evidence of this claim. The Commission notes that there are a large range of end-uses for Q&T steel plate, resulting in a number of potentially applicable tariff subheadings. The Commission attempted to examine one potentially applicable tariff subheading, 8431.41.00 (buckets, shovels, grabs and grips for machinery of tariff subheading 8426, 8429 or 8430) for evidence to support the Japanese mills' claims. This tariff subheading aligns with an example provided in Japanese mills submission (buckets for earth moving machinery).

The ACBPS import database showed a marginal increase in importations under tariff subheading 8431.41.00 during the investigation period. However, the Commission was unable to accurately filter, determine or reasonably estimate the volume of Q&T steel plate used in those imports. In the absence of further evidence, the Commission has not attributed injury to the Australian industry to imports of partially or completed products.

The Commission notes that injury from this factor would have affected Bisalloy's sales volumes and the Commission has found at Section 8.4 and Section 8.8.2 that Bisalloy's volume injury was not caused by dumping.

⁷² Nos. 28, 50 and 69

⁷³ Nos. 28 and 45 on the public record

⁷⁴ No. 45 on the public record

8.8.5 Effects of high Australian dollar

Bisalloy stated in its application that a strong Australian dollar during the injury analysis period made it more attractive for importers of Q&T steel plate to seek supply from overseas, consequently increasing competition for sales.

Bisalloy also claim that despite depreciation of the Australian dollar compared to the currencies of Finland, Japan and Sweden during the investigation period, imported Q&T steel plate prices have continued to decline. The Commission has examined the declared FOB import prices in the ACBPS database, and is satisfied of Bisalloy's claims that imported Q&T steel plate prices did not increase despite a depreciation of the Australian dollar against the currencies of Finland, Japan and Sweden over the investigation period.

The Commission is satisfied that the Australian dollar has had limited impact on Bisalloy in contrast to the impact from dumping.

8.8.6 The export performance and productivity of the Australian industry

A submission by Japanese mills suggested the Commission should investigate Bisalloy's export performance during the injury analysis period.⁷⁵

Bisalloy's export sales have shown a general decline in volume over the injury analysis period. The decline in export volumes is a contributing factor to its increased inventory levels and decreased capacity utilisation.

The Commission is satisfied that the export performance and productivity of the Australian industry is not a significant contributing factor to other injury factors such as the decline in the industry's domestic profit and profitability which is depicted at Figure 7.

8.9 The Commission's overall assessment – causal link

The Commission has established a connection between imports of Q&T steel plate from Finland, Japan and Sweden at dumped prices and the fact that prices of Q&T steel plate at dumped prices sold in Australia put significant downward pressure on the Australian industry prices throughout the investigation period. This price pressure has contributed to price depression and suppression for the Australian industry, which has resulted in lower profits and profitability and reduced revenues.

The Commission has taken into consideration other possible injury factors raised during the investigation. The Commission considers that the weakened demand for Q&T steel plate from a downturn in the mining sector, and to a lesser extent the decline in volume of export sales, has impacted upon Bisalloy's economic performance.

In order to differentiate the effects of dumping from the effects of other factors that may have caused material injury, the Commission has examined the effect dumping has specifically had on price and profit.

⁷⁵ No. 47 on the public record

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As noted in the price undercutting analysis, the Commission is satisfied that Bisalloy has been forced to lower prices to be competitive with dumped imports. As such the Commission considers that the minimum amount of injury suffered by Bisalloy that can directly be attributed to dumped exports is reflective of the individual dumping margins.

Given the materiality of the dumping margins found (between 21.7 per cent to 34 per cent), the Commission finds that weakened demand, decline in export sales and other injury sources of injury claimed by interested parties do not detract from the finding that Bisalloy's prices are lower than they otherwise may have been had Q&T steel plate not been exported to Australia at dumped prices.

The Commission is satisfied that an increase in price, equal to the lowest dumping margin calculated (after taking into account the size of the market for Q&T steel plate in Australia) was sufficient for Bisalloy to have operate profitably during the investigation period, if not for the importation of goods at dumped prices.

This assessment leads the Commission to conclude that dumping has caused injury to Bisalloy.

It is the Commission's view that there are sufficient grounds to establish that the price depression, price suppression, reduced profits, reduced profitability and reduced revenues, suffered by the Australian industry were caused by dumping and that the injury suffered by the Australian industry as a result of the dumping was material.

8.10 Termination for negligible injury

The Commission received a submission from SSAB Australia suggesting termination of this investigation under s. 269TDA(13) of the Act in regards to exports of Q&T steel plate from Sweden, on the basis that injury to the Australian industry from Swedish exports was negligible.⁷⁶

In *Guardian Industries Corp. Ltd v Attorney General of the Commonwealth of Australia* [2013] FCA 780, the Federal Court of Australia found that the CEO of ACBPS (now the Commissioner) had a duty to consider whether or not he is satisfied as to the relevant circumstances in s. 269TDA(13) of the Act where an occasion for such a consideration arises. The court found that the occasion arose because Guardian expressly submitted to the CEO, in good faith and accompanied by sufficient information to constitute an occasion, that the circumstances in s. 269TDA(13) of the Act existed and therefore the CEO must terminate the investigation.

Following the Federal Court's judgment in *Guardian*, the Commissioner considers whether or not he is satisfied as to the relevant circumstances in s. 269TDA(13) of the Act when a submission, made in good faith and accompanied by sufficient information, is received by the Commission.

⁷⁶ No. 28 on the public record

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The Commissioner has considered SSAB Australia's submission and is of the view that injury to the Australian industry has been caused by dumped goods from each country under investigation through:

- price depression;
- price suppression;
- reduced profits;
- reduced profitability; and
- reduced revenues.

The Commission notes that the volume of dumped goods as a percentage of the total Australian import volume during the period of investigation is approximately 22 per cent for Sweden, 4 per cent for Finland and 55 per cent for Japan. The volume of un-dumped goods imported from all other countries accounts for approximately 19 per cent of the total Australian import volume.

As outlined in Chapter 6, the Commissioner has determined a dumping margin for cooperating exporters of 34 per cent for Sweden, 21.7 per cent for Finland and 27 per cent for Japan and considers that the dumping margins were material.

The Commission has also considered SSAB Australia's claims that Swedish Q&T steel plate has not caused injury to the Australian industry based on its view that there is no competitive interaction between Swedish Q&T steel plate and the Australian industry's Q&T steel plate. In summary, SSAB Australia submit that Swedish Q&T steel plate is technically different, of a higher quality, supplied to different customers in different markets and sold at higher price points when compared to the Australian industry's Q&T steel plate.

As outlined in Section 3.7, the Commission has recognised there are some differences in manufacturing processes and perceived quality of different manufacturers of Q&T steel plate sold in the Australian market. Nonetheless, the Commission considers the Australian industry's Q&T steel plate to be like to the Q&T steel plate exported from each country under investigation. Further, the Commission has found there are common customers in the same markets and that pricing for all countries under investigation are at lower or similar levels to the Australian industry's prices, as discussed in Section 8.5.2.

8.11.1 Response to statement of essential facts 234

In response to SEF 234, SSAB Australia submitted that the Commission is mistaken insofar as it has decided not to terminate the investigation with regard to imports of Q&T steel plate from Sweden in accordance with s. 269TDA(13) of the Act.

SSAB emphasised that the materiality of the Swedish dumping margin is essentially a result of the higher domestic market prices in Sweden and not a result of unprofitable sales to Australia. SSAB Australia emphasise that a flow through analysis shows that the sales to Australia were profitable, albeit to a lesser extent than comparable domestic sales in Sweden.

SSAB Australia highlight that the dumping margin is not the effective rate of any duties that might be recommended and that the effective rate is the lowest of any of the cooperating exporters. In SSAB Australia's opinion, this supports the fact that its export

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prices' were higher than the prices for other Q&T steel plate on offer in the Australian market, even after work back adjustments. SSAB Australia submits this is because SSAB Emea's steel is superior quality and higher prices of its product which cannot be seen to have interfered with Bisalloy's Q&T steel plate sales.

8.11.2 Commissioner's assessment

As highlighted in Chapter 8.3, the Commission outlined that the pricing of Swedish Q&T steel plate in the Australian market, whilst higher at an aggregated product level, is not the highest for common grades after taking into account product mix.

The Commission also notes that SSAB's lower effective rate of duty is not only measure of export price. The effective rate of duty is calculated by reference to a NIP which as outlined in Chapter 10, takes into consideration post exportation expenses specific to each country under investigation.

Accordingly, the Commissioner is not satisfied that the dumping of Q&T steel plate from any one individual country under investigation is negligible pursuant to s. 269TDA(13) of the Act.

9 WILL DUMPING AND MATERIAL INJURY CONTINUE?

9.1 Findings

The Commission makes a finding that exports of Q&T steel plate from Finland, Japan and Sweden in future may be at dumped prices, and that continued dumping may cause further material injury to the Australian industry.

9.2 Introduction

When the Parliamentary Secretary is satisfied that material injury to an Australian industry has been caused by dumping, anti-dumping measures may be imposed on future exports of like goods if the Parliamentary Secretary is satisfied that the dumping and material injury may continue.

9.3 Will dumping continue?

The Commission's dumping analysis found dumping margins between 21.7 per cent and 34 per cent for Q&T steel plate from Finland, Japan and Sweden during the investigation period.

The Commission notes that forward orders exist for exports from the nominated countries and that the Q&T steel plate exported from these countries have a significant market share (approximately 54 per cent in 2013) and influence in the Australian market.

The Commission has examined import volumes from the ACBPS import database occurring during and post the investigation period. The Commission observes that import volumes for the nominated countries for the six month period following the end of the investigation period, that is January to June 2014, are comparable to verified volumes during the investigation period. Similarly, the Commission observes that the weighted average FOB export prices as recorded in the ACBPS import database are similar and in some instances lower than the declared export prices reported in the ACBPS import database during the investigation period.

Based on these observations and the dumping margins found, the Commission considers that dumping will continue if anti-dumping measures are not imposed.

ACBPS import data for 1 January 2014 to 30 June 2014 is at **Confidential Appendix 8**.

9.4 Will material injury continue?

The Commission has reviewed the Australian industry's performance over the injury analysis period and has made a finding that Q&T steel plate exported at dumped prices from Finland, Japan and Sweden has caused material injury to the Australian industry.

The Commission considers that the continuation of price competition from dumped imports from these countries is likely to have a continuing adverse impact on the Australian industry.

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Based on the available evidence, the Commission considers that exports of Q&T steel plate from Finland, Japan and Sweden in the future may be at dumped prices and that continued dumping may cause further material injury to the Australian industry.

10 NON-INJURIOUS PRICE

10.1 Findings

The Commissioner finds that the NIP can be determined by establishing an USP equal to the Australian industry's weighted average selling price for a period unaffected by dumping.

The Commission has calculated that the NIP will be the operative measure for all exports of Q&T steel plate from Finland, Japan and Sweden and the Commissioner recommends that interim dumping duties be collected at the lesser of dumping margins found and the duty necessary to remove injury to the Australian industry.

10.2 Lesser duty rule

Sections 8(5B), 8(5BA), 9(5AA), 10(3C), 10(3D) and 11(5) of the Dumping Duty Act require the Parliamentary Secretary to consider the desirability of fixing a lesser amount of duty than the dumping (or subsidy) margin where the imposition of that lesser amount is adequate to remove injury. This is referred to as the 'lesser duty rule'.

The requirement for the Parliamentary Secretary to have regard to the desirability of fixing a lesser amount of duty has changed for applications lodged with the Commission after 1 January 2014, such that the Parliamentary Secretary is no longer required to have mandatory consideration of the lesser duty rule where the satisfied that certain circumstances exist. However, as the application for this investigation was lodged on 20 November 2013, the Parliamentary Secretary is required to have mandatory consideration of the lesser duty rule.

10.3 Non-injurious price

The lesser duty rule is given effect through the calculation of a NIP. The NIP is the price that would be sufficient to remove the injury caused to the Australian industry by dumping.

The Commission generally derives the NIP by first establishing a price at which the Australian industry might reasonably sell its product in a market unaffected by dumping. This price is referred to as the USP.

Having calculated the USP, the Commission then calculates a NIP by deducting the costs incurred in getting the goods from the export FOB point (or another point if appropriate) to the relevant level of trade in Australia. The deductions normally include overseas freight, insurance, into-store costs and amounts for importer expenses and profit.

In this investigation, the Commission has verified data to calculate separate individual NIPs for each country under investigation to reflect the differences in post exportation costs.

10.4 Submissions from interested parties

10.4.1 Australian industry

Bisalloy submitted that the weighted average selling price for Q&T steel plate in a period unaffected by dumping, for example, the year immediately prior to the investigation period (calendar year 2012), is unsuitable due to its CTMS in 2012 being substantially lower than in 2013 (the investigation period). Bisalloy believes that the USP must reflect the higher costs of production incurred in the investigation period, when the alleged dumping occurred.⁷⁷

Bisalloy claimed that the most suitable method for determining a USP was therefore its average unit CTMS in 2013, uplifted by its weighted average unit profit achieved in 2012.

The Commission considered this methodology reasonable at the time of PAD 234, however further considered this issue as part of SEF 234.

10.4.2 Japanese mills

Subsequent to PAD 234, the Commission received a submission from Japanese mills claiming that the calculation undertaken by the Commission resulted in a skewed and inflated NIP.⁷⁸ It stated that Bisalloy's CTMS was highest in 2013 due to a slump in demand, and Bisalloy's profit from 2012 was at its maximum due to peak demand.

The Japanese mills provided two alternatives for deriving an USP:

- Bisalloy's 2010 selling prices - this being a time unaffected by any alleged dumping and before the market peaks experienced in 2011 and 2012; or
- selling price of un-dumped imports.

10.5 Findings in statement of essential facts 234

In SEF 234, the Commission took submissions by interested parties into consideration. The Commission noted its preferred approach (as outlined in the Dumping and Subsidy Manual) is to establish an USP observing the following hierarchy:

- Australian industry weighted average selling prices at a time unaffected by dumping;
- constructed industry prices - industry CTMS plus profit; or
- selling prices of un-dumped imports.

The Commission took into consideration its conclusions in Section 8.8.2 that lower market demand caused by the downturn in mining investment in Australia lowered Bisalloy's capacity utilisation and contributed to a higher unit CTMS. For this reason, the Commission found it necessary to reassess, as part of SEF 234, the methodology used to calculate the USP.

⁷⁷ No. 33 on the public record

⁷⁸ No. 42 on the public record

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In line with its preferred hierarchy, the Commission determined it more appropriate to base the USP on the Australian industry's weighted average selling prices at a time unaffected by dumping.

As outlined in the Commission's Dumping and Subsidies Manual⁷⁹, in establishing the Australian industry's weighted average selling price, the Commission's preference in setting weighted average selling prices is for a one year minimum period. However, seasonal fluctuations or longer cyclical trends may be taken into account, if applicable.

The Commission notes a substantial fluctuation in sales volumes in the three immediate years prior to the investigation period (2010 to 2012 as depicted at Figure 4). The Commission also notes that Bisalloy's selling prices in 2010 were at their highest and this was a period potentially affected by the global financial crisis (reference is also made to the Australian industry visit report at page 19).

For these reasons, the Commission considered it more appropriate to use the Australian industry's weighted average selling prices for a longer period than one year, being the three years covering the calendar years 2010 to 2012.

The Commission noted that this resulted in a minor one per cent downwards revision of the USP in SEF 234, from the methodology applied in PAD 234.

10.6 Responses to statement of essential fact 234

10.6.1 Unsuppressed selling price

In response to SEF 234, ASM submitted that the Australian industry's average weighted selling price for the period January 2010 to December 2012 is inappropriate to determine an USP for the investigation period.

ASM stated that it is unreasonable to expect, given the rapid contraction and significant residual supply in the market for Q&T steel plate in 2013, that the Australian industry would be able to sell its Q&T steel plate at prices identical to, or higher than, the average prices it obtained in the period 2010 to 2012. ASM submit that it is more appropriate to base the USP as the price of undumped imports.

The Commission acknowledges that using the price of undumped imports may be a suitable methodology for determining an USP in certain instances.

In relation to this investigation, the Commission examined the price of undumped imports by reference to the declared FOB values from the ACBPS import database under the relevant tariff subheadings and statistical codes for countries not subject to this investigation.

Whilst the Commission considers that the raw data from the ACBPS import database is suitable for certain purposes (such as supplementing verified data to estimate the total size of the Australian Q&T steel plate market), the data has not been verified by the Commission and is not reliable in this circumstance. This is because (as outlined in

⁷⁹http://www.adcommission.gov.au/reference-material/manual/documents/DumpingandSubsidyManual-December2013_001.pdf, December 2013 version, at pages 128-132

Section 5.5), the ACBPS import database does not fully allow the filtering of imports based on thickness, width or length and the Commission is not satisfied that it is able to fully filter the data to the extent necessary for the purposes of establishing an accurate USP. The Commission considers that the import volume from other countries were relatively minor and unlikely to have influenced the overall market prices for Q&T steel plate. The Commission also notes that its preliminary analysis of the raw data from ACBPS import database based on undumped imports leads to, in the Commission's view (compared with information gathered and verified as part of the investigation), an inflated NIP.

For this reason, the Commission considers that the average weighted selling price of the Australian industry from 2010 to 2012 is the most reliable methodology to calculate an USP.

10.6.2 Effectiveness of measures

Subsequent to SEF 234, Bisalloy submitted that the Parliamentary Secretary should not find it desirable to impose duties under the lesser duty rule.⁸⁰ In Bisalloy's view, duties calculated under the lesser rule are insufficient to remove injury to the Australian industry.

Bisalloy provided ABS data to support its view that injury from dumping has continued to occur subsequent to PAD 234 and that monthly export prices for all countries under investigation have shown an average decline, irrespective of the imposition of securities. Bisalloy stated that "*securities applied from 19 May 2014 have not dissuaded exporters in all countries from raising [sic] export prices (and subsequent market offers in Australia) to non-injurious levels*".

Bisalloy quoted the Commission's findings at Section 8.9 of SEF 234, in the context of establishing a causal link to submit that the NIP should reflect the full margin of dumping. In this respect, Bisalloy consider that a NIP at the full margin of dumping for each exporter is required for "*a return to profit and for sustainable reinvestment purposes*".

SSAB Australia responded to Bisalloy's submission, noting that the only grounds put forward by Bisalloy for the Commission to ignore the lesser duty rule are two errant references within SEF 234, 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.

Bisalloy responded to SSAB Australia's submission by submitting revised ABS import statistics for Finland, Japan and Sweden up until end of August 2014. Bisalloy stated that its analysis shows that:

- Finnish export prices have decreased by approximately 8.9% in 2014 in comparison with the period of investigation;
- Japanese export prices have decreased by approximately 16.5% in 2014 in comparison with the period of investigation; and
- Swedish export prices have decreased by approximately 9.4% in 2014 in comparison with the period of investigation.

⁸⁰ No. 85 on the public record

Bisalloy submitted that the above decreases in declared FOB value are in spite of a decline in the AUD to the respective currencies. Bisalloy also submitted that the declines in FOB values are consistent with the preliminary provisional measures imposed in PAD 234 (Finland 15.4 per cent, Japan 18-26 per cent and Sweden 13.6 per cent). Bisalloy stated that it would appear that the exporters in each country have deliberately reduced export prices to offset provisional measures imposed by PAD 234.

10.7 The Commission's assessment

The Commission notes that Bisalloy's conclusions on the ineffectiveness of measures are largely based on monthly import volumes and declared FOB values of Q&T steel plate from ABS statistics from the beginning of the investigation period, 1 January 2013, until 31 August 2014.

However, the Commission considers it more relevant to conduct any such analysis from the date securities were first imposed, e.g. Q&T steel plate that entered home consumption on or after 19 May 2014. The period of time between 19 May 2014 and 31 August 2014, is a period of approximately 14 weeks, which the Commissioner considers is insufficient to establish the effectiveness of the preliminary measures.

In this regard it is important to highlight that potentially all of the pricing negotiation for imports arriving between 19 May 2014 and 31 August 2014 are likely to have occurred prior to 19 May 2014, due to the significant lead time in the manufacture and export of goods from all countries under investigation. For example, cooperating exporter Ruukki estimated a lead time for delivery to Australia of at least 3 months from Finland.⁸¹ Similarly TSA indicated a lead time of 4 to 5 months from Japan.⁸²

Notwithstanding the above, the Commission considered Bisalloy's submissions and compared the ABS data it provided with statistical data from the ACBPS import database. The Commission filtered the ACBPS import data based on tariff subheading, statistical code, goods description and country of export.

The Commission's analysis shows that Bisalloy's estimated volumes for exports from Japan and Sweden in particular do not match verified data for 2013.

For 2014, the Commission's estimated volumes were broadly comparable with Bisalloy's analysis, although monthly volume and declared FOB value did vary on occasion.

Figures 11 to 13 below show the results of the Commission's analysis for 2014:

⁸¹ No. 9 on the public record

⁸² No. 50 on the public record

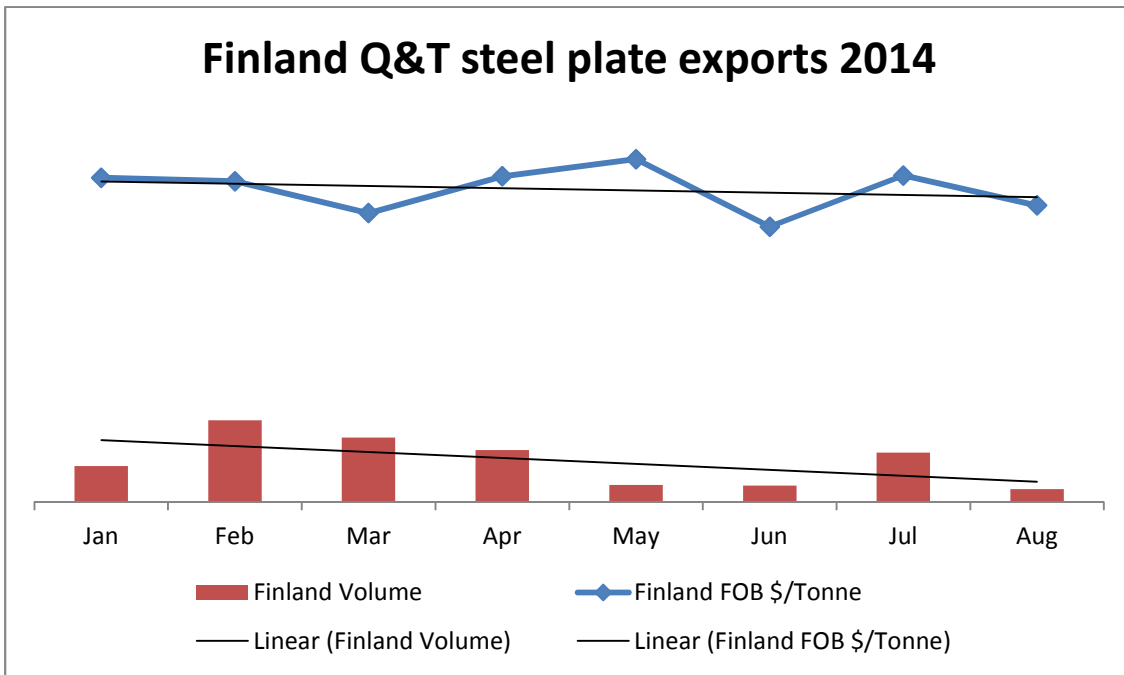


Figure 11: Finnish Q&T steel plate exports to Australia 2014

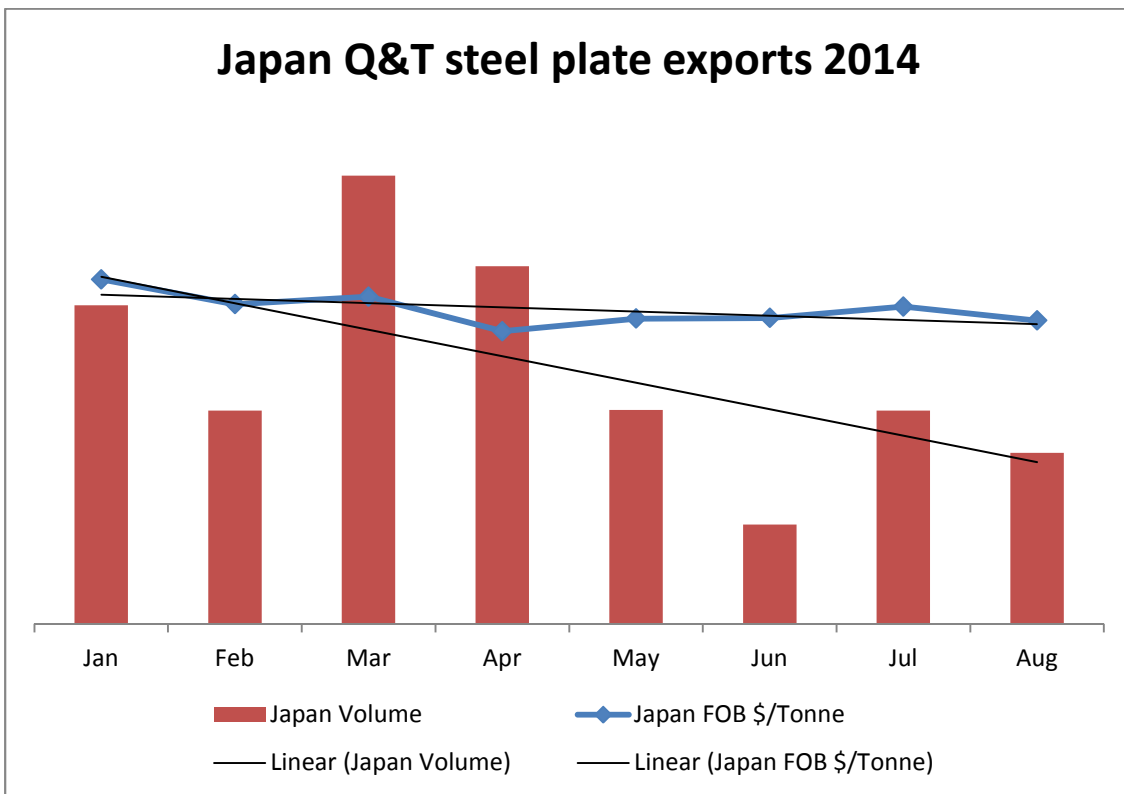


Figure 12: Japanese Q&T steel plate exports to Australia 2014

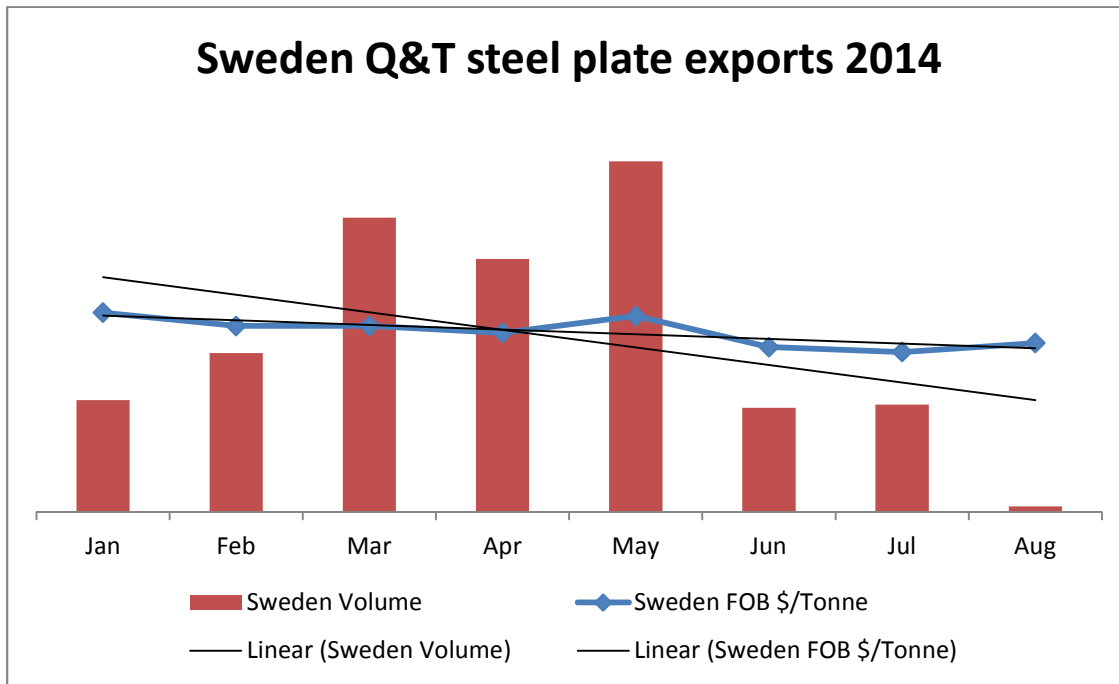


Figure 13: Swedish Q&T steel plate exports to Australia 2014

Figures 11 to 13 show that the:

- volume of imports from each country under investigation trended downward in 2014; and
- declared FOB values from Finland and Sweden have increased marginally between June 2014 (the first full month after imposition of the securities) and August 2014. Declared FOB values from Japan marginally decreased by (approximately 2 per cent) in the same period.

The Commission also notes that:

- findings from the investigation have shown price variations for various grades and in some instances dimensions (e.g. thickness) of Q&T steel plate. Therefore declared FOB values from ACBPS import database can vary, in short timeframes, e.g. from month to month based on product mix alone. The effect of product mix on declared FOB value is more pronounced where there are low monthly volumes, e.g. for Finland;
- in SEF 234, the Commission found that a contraction in demand and changed pattern of consumption occurred in the Australian market for Q&T steel plate during the investigation period. The Commission acknowledged in SEF 234 that reduced demand has some flow on effects in terms of increased price competition which may in part impacted on the declared FOB values into 2014;
- in its application, Bisalloy did not accept FOB prices from ABS were reflective of its market intelligence of Q&T steel plate prices, in particular it stated:

“Bisalloy is somewhat perplexed by the quoted pricing for imported Q&T steel plate that does not correlate with the declared FOB import prices sourced from the ABS. The declared import prices do not align with the quoted selling prices by distributors and customers in the Australian market. For this reason, Bisalloy has used deductive export price calculations for the dumped imports from Japan,

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Sweden and Finland as it is considered that the selling prices in the market are more reliable than the ABS A\$FOB prices declared in the import statistics.”

For the above reasons, the Commission does not support Bisalloy’s view that securities were ineffective and that there is a correlation between declared FOB values and the rate of securities subsequent to PAD 234.

In relation to Bisalloy’s claims that securities have not dissuaded exporters from raising export prices, the Commission notes that an increase in declared FOB values is not necessarily an automatic outcome following the imposition of securities. The declared FOB values shown in ACBPS import database and ABS are not inclusive of dumping duties. In addition, without further investigation or evidence to the contrary, it cannot automatically be assumed that a decline in FOB values following the imposition of measures equates to an increase in dumping or deliberate avoidance of measures.

In regards to Bisalloy’s view that securities and interim measures at the full margin of dumping are required for “*a return to profit and for sustainable reinvestment purposes*”, the Commission has calculated that an increase in price equal to the securities calculated for SEF 234 would have been sufficient to have enabled Bisalloy to have operated profitably during the investigation period. The Commission did not find injury in terms of attractiveness for reinvestment, as outlined in Section 7.9.2.

As a result, the Commissioner recommends to the Parliamentary Secretary that interim dumping duties can be collected under the lesser duty rule.

The Commission has calculated the NIP for Finland and Japan at EXW and the NIP for Sweden at FOB to align to the respective export price calculations as discussed in Chapter 6. The Commission’s NIP calculations are at **Confidential Appendix 9**.

Should the Parliamentary Secretary accept this recommendation, the Commission notes that it is open to Bisalloy to apply for a review of measures 12 months following publication of the Parliamentary Secretary’s decision.

11 ANTI-DUMPING MEASURES

11.1 Findings

For imports of Q&T steel plate from Finland and Japan, the Commission recommends that interim dumping duties be calculated via the ad valorem method (i.e. a percentage of export price). In regards to imports from Sweden, the Commission recommends that interim dumping duties be calculated using a combination fixed and variable method, with the fixed component calculated as a percentage of the FOB export price.

11.2 Forms of duty

The available forms of duty when implementing measures are prescribed in the *Customs Tariff (Anti-Dumping) Regulation 2013* and include:

- combination of fixed and variable duty method;
- floor price duty method;
- fixed duty method (\$X per tonne); or
- ad valorem duty method (i.e. a percentage of the export price).

11.3 Responses to statement of essential facts 234

In SEF 234, the Commission proposed to recommend that interim dumping duties be calculated for Finland and Japan using the ad valorem method and for Sweden using a combination method.

Subsequent to SEF 234, Bisalloy submitted that the form of interim duties to be applied to exports of Q&T steel plate from Finland and Japan should be based upon the combination method as was applied to Sweden.

Bisalloy concluded that a decline in average export prices for Q&T steel plate from Finland, Japan and Sweden subsequent to PAD 234, indicate that the ad valorem method (upon which securities for Finland and Japan are based) does not deter exporters from reducing export prices and thereby paying less amounts of interim duty. Bisalloy stated that “*further declines in export price points to the appearance of circumvention being undertaken by exporters from the nominated countries*”.

Bisalloy also highlighted the merger of Ruukki and SSAB Emea on 29 July 2014 as further support that securities and interim duties for Finland should be based on the combination method as was applied to Sweden.

SSAB Australia submitted that the Commission’s preliminary position that Swedish exports to Australia be based on the combination duty method is punitive and a bar to competition. SSAB Australia submits that the notion that transactions between related parties can be structured in a way to avoid duties is rebutted by SSAB Emea’s pricing policies, outlined to the Commission. SSAB also submit that there is no evidence to substantiate an intention or likelihood of it circumventing dumping duties, and it declared that it has no intention to do so.

SSAB Australia requested that it be treated fairly and equitably and only be subject to the ad valorem duty collection method as is intended to be the case for other cooperating exporters.

SSAB Australia stated that a fundamental consideration of its pricing to Australia is local market conditions, taking into account the unique position of SSAB Emea's products in that market) and compliance with multiple taxation regimes (applying OECD pricing guidelines). Within this frame work SSAB Australia stated that the SSAB group does not structure its prices to minimise or avoid dumping duties. SSAB Australia stated that dumping duties are a cost consideration taken into account in price setting the same way as any unrelated company and that there is no evidence of intention or likelihood of it circumventing dumping duties.

11.4 The Commission's assessment

The various forms of dumping duty available all have the purpose of removing the injurious effects of the dumping. However, in achieving this goal certain forms of duty will better suit particular circumstances more so than other forms of duty.

In determining the most appropriate form of measures, the Commission had regard to submissions lodged by interested parties, the *Guidelines on the Application of Forms of Dumping Duty – November 2013* available on the Anti-Dumping Commission website⁸³ and relevant factors influencing the Q&T steel plate market.

In response to Bisalloy's submission, reference is made to the Commission's findings at Section 10.5 of this report, which do not fully support Bisalloy's conclusion that there has been a decline in average export prices for all countries under investigation post PAD 234. It is also outlined at Section 10.5 that lower export prices do not in isolation indicate avoidance of measures.

11.3.1 Finland and Japan

The Commission, through its exporter and importer visits found that Q&T steel plate sales from Finland and Japan were conducted at arm's length and verified that there was no evidence of:

- any consideration in respect of the goods other than their price;
- price being influenced by a commercial or any other relationship between buyer and seller; and
- any direct or indirect reimbursement or compensation in respect of, the whole or part of the price.

For Finland and Japan it is recommended that interim dumping duties be calculated using the ad valorem method (i.e. a percentage of the export price). As outlined in the Commission's Guide to Measures, the ad valorem method:

- is suitable for goods with many different product levels of varying unit prices;

⁸³ Refer to Guidelines on the Application of Forms of Dumping Duty available at – <http://www.adcommission.gov.au/reference-material/documents/Guidelineformsofdumpingduty-November2013.pdf>

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- is the simplest and easiest form of duty to administer when delivering the intended protective effect;
- may require less frequent reviews than other duty methods;
- is the most common form of duty in other main jurisdictions;⁸⁴ and
- eliminates negative effects on downstream industries in a falling market, as was the case for Q&T steel plate during the investigation period.

11.3.2 Sweden

With respect to Sweden, the Commission recommends that interim dumping duties be calculated using a combination method. The combination duty in relation to Sweden includes a fixed ad valorem rate equal to the lesser duty calculated by reference to NIP (as shown in Table 8 below) and a variable amount of duty if the actual export price is below the ascertained export price.

The combination method is suitable where there are complex company structures involving related parties (as is the case for SSAB Emea from Sweden – refer to Section 6.6.1).

The Commission through its importer and exporter visits established that export sales transactions within the SSAB group were not arms' length as defined by the Act. Its pricing in Australia resulted in SSAB Australia making a loss for the investigation period confirmed in its 2013 Financial Statements lodged with the Australian Securities and Investments Commission.

The Commission considers the combination method is suitable for exports from Sweden and notes that that importers of Swedish Q&T steel plate can apply for a refund of any additional duty incurred, through the duty assessment process.

11.5 Interim dumping duties

Based on the Commission's analysis, the Commissioner recommends that the Parliamentary Secretary publish a dumping duty notice in respect of Q&T steel plate exported to Australia by all exporters from Finland, Japan and Sweden at the below rates, calculated under the lesser duty rule:

Country	Exporter / Manufacturer	Effective rate of duty	Duty Method
Finland	All Exporters	10.8%	Ad valorem
Japan	JFE Steel Corporation	24.5%	Ad valorem
	<i>Uncooperative exporters</i>	26.1%	Ad valorem
Sweden	All Exporters	9.6%	Fixed and variable

Table 9: Interim Dumping Duties

Any dumping security that has been taken on and after 19 May 2014 will be converted to interim dumping duty.⁸⁵

⁸⁴ The Commission examined the duties imposed in the USA and EU on various commodities such as steel, glass, and other commodities and observed that an ad valorem rate of duty had been favoured for such commodities

12 RECOMMENDATIONS

The Commissioner is satisfied that:

- the dumping of Q&T steel plate exported to Australia from Finland, Japan and Sweden has caused material injury to the Australian industry producing like goods (Section 8 refers).

The Commissioner recommends the Parliamentary Secretary impose:

- dumping duties on Q&T steel plate exported to Australia from Finland, Japan and Sweden (Chapter 11 refers).

The Commissioner recommends the Parliamentary Secretary be satisfied:

- in accordance with s. 269TAB(3), that sufficient information has not been furnished, or is not available, to enable the export price of Q&T steel plate exported to Australia from Japan by the category of 'uncooperative exporters' to be determined under s. 269TAB(1)(a), (b), or (c) (Chapter 6 refers);
- in accordance with s. 269TAC(6), sufficient information has not been furnished or is not available to enable the normal value of Q&T steel plate exported to Australia from Japan to be ascertained under s. 269TAC(1), (2), (5C) or (5D) for the category 'uncooperative exporters' (Chapter 6 refers);
- in accordance with s. 269TAE(2C), that the effects of the exportation of goods to Australia can be assessed cumulatively from Finland, Japan and Sweden, having had regard to:
 - the conditions of competition between those goods; and
 - the conditions of competition between those goods and like goods that are domestically produced (Chapter 8 refers);
- in accordance with s. 269TG(1) the amount of the export price of Q&T steel plate exported to Australia from Finland, Japan and Sweden is less than the amount of the normal value of those goods and because of that, material injury to the Australian industry producing like goods has been, or is being caused (Chapter 8 refers);
- in accordance with s. 269TG(2) the amount of the export price of Q&T steel plate exported to Australia from Finland, Japan and Sweden is less than the amount of the normal value of those goods and the export price of the goods that may be exported to Australia from Finland, Japan and Sweden in the future may be less than the normal value of the goods and because of that, material injury to the Australian industry producing like goods has been, or is being caused (Chapter 9 refers);

⁸⁵ Within the time limitations of section 45 of the Act

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The Commissioner recommends the Parliamentary Secretary determine:

- in accordance with s. 269TAB(1)(c) the export prices for certain exports by JFE and SSAB Emea be calculated having regard to all the circumstances of the exportation (Chapter 6 refers);
- in accordance with s. 269TAB(3), the export prices for the categories of 'uncooperative exporters' of Q&T steel plate exported to Australia from Japan be determined having regard to all relevant information (Chapter 6 refers);
- in accordance with s. 269TAC(6), normal values for the categories of 'uncooperative exporters' of Q&T steel plate exporters to Australia from Japan having regard to all relevant information (Chapter 6 refers);
- in accordance with s. 269TACB(1) by comparison of the weighted average of export prices during the investigation period and the weighted average of normal values during that period, that exports of Q&T steel plate from Finland, Japan and Sweden were dumped (Chapter 6 refers).

The Commissioner recommends the Parliamentary Secretary direct:

- in accordance with s. 269TAC(8), the price paid or payable for like goods sold in Finland, Japan and Sweden be taken to be such a price adjusted for differences between domestic and export sales to ensure a fair comparison (Chapter 6 refers).

The Commissioner recommends the Parliamentary Secretary compare:

- in accordance with s. 269TACB(2)(a), the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period (Chapter 6 refers).

The Commissioner recommends the Parliamentary Secretary declare:

- in accordance with s. 269TG(1), by public notice, that section 8 of the Dumping Duty Act applies to:
 - Q&T steel plate exported all exporters from Finland, Japan and Sweden to the extent permitted by s. 269TN; and
 - like goods that were exported to Australia by all exporters from Finland, Japan and Sweden, after the Commissioner made a PAD under s. 269TD on 19 May 2014 but before publication of the notice, to the extent permitted by s. 269TN (Attachment 3 refers); and
- in accordance with s. 269TG(2), by public notice, that section 8 of the Dumping Duty Act applies to like goods that are exported to Australia by all exporters from Finland, Japan and Sweden after the date of publication of the notice (Attachment 3 refers).

The Commissioner recommends the Parliamentary Secretary have regard:

- in accordance with subsection 8(5B) of the Dumping Duty Act, to the desirability of fixing a lesser amount of duty than the dumping margins found, where the imposition of that lesser amount is adequate to remove injury (Chapter 10 refers).

13 APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Market analysis 2010 to 2014
Confidential Appendix 2	Dumping margin calculations
Confidential Appendix 3	Suitability of adjustments
Confidential Appendix 4	Injury assessment
Confidential Appendix 5	Assessment of price competition
Confidential Appendix 6	Undercutting analysis
Confidential Appendix 7	Mining expenditure analysis
Confidential Appendix 8	ACBPS import data Jan-Aug 2014
Confidential Appendix 9	NIP calculations
Attachment 1	Interested party submissions
Attachment 2	List of TCOs
Attachment 3	Public Notice

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ATTACHMENT 1 – INTERESTED PARTY SUBMISSIONS

Electronic Public Record No.	Title of Submission	Party Making Submission	Date Received
008	<i>'Submission in response to initiation of anti-dumping investigation and proposed anti-dumping measures in relation to exports from Japan'</i>	Clayton Utz on behalf of Japanese mills	17/02/2014
009	<i>'Submission in the investigation into alleged dumping of quenched and tempered steel plate exported to Australia from Finland, Japan and Sweden'</i>	Ruukki Metals Oy	17/02/2014
016	<i>'Submission by Bisalloy Steel Pty Ltd further evidencing material injury and causal link'</i>	Bisalloy Steels Pty Ltd	5/03/2014
019	<i>'With respect to the investigation case: Quenched and Tempered Steel Plate'</i>	JFE Steel Corporation	7/03/2014
023	<i>'Addition to Ruukki's submission in the investigation into alleged dumping of quenched and tempered steel plate exported to Australia from Finland, Japan and Sweden'</i>	Ruukki Metals Oy	14/03/2014
024	<i>'Regarding Investigation into the alleged dumping of Quenched and Tempered Plate exported to Australia from Finland, Japan and Sweden'</i>	Metso Minerals (Australia) Ltd	17/03/2014
025	<i>'Bisalloy Comments re Submission by JFE'</i>	Bisalloy Steels Pty Ltd	1/04/2014
026	<i>'Submission by Bisalloy Steel Pty Ltd re Related Parties'</i>	Bisalloy Steels Pty Ltd	1/04/2015
027	<i>'This letter is in reference to your investigation "ADC234" into Q&T steel plate dumping'</i>	Drake Trailers Pty Ltd	3/04/2014
028	<i>'SSAB steel plate has not caused material injury to the Australian industry'</i>	SSAB Swedish Steel Pty Ltd	3/04/2014
029	<i>'Bisalloy comments re submissions by Ruukki Metals Oy'</i>	Bisalloy Steels Pty Ltd	4/04/2014
030	Submission addressing like goods issues	Shephard Transport Equipment	7/04/2014
031	<i>'Australian Dumping Notice (ADN) No.2014/01 – Investigation into the Alleged Dumping of Quenched & Tempered Plate Steel exported to Australia from Finland, Japan and Sweden'</i>	Vulcan Steel Pty Ltd	9/04/2014
032	<i>'Bisalloy comments re submissions representing SSAB Swedish Steel Pty Ltd – Dated 3rd April 2014'</i>	Bisalloy Steels Pty Ltd	11/04/2014
033	<i>'Proposed Unsuppressed Selling Price'</i>	Bisalloy Steels Pty Ltd	14/04/2014

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034	<i>'Vulcan Steel Submission'</i>	Bisalloy Steels Pty Ltd	17/04/2014
036	<i>'Submission replying to Bisalloy's claims concerning related parties'</i>	Clayton Utz on behalf of Japanese mills	28/04/2014
038	<i>'SSAB 2013 Financial Results'</i>	Bisalloy Steels Pty Ltd	9/05/2014
041	<i>'Submission by ASM Corporation Dumping Investigation ADC 234 – Quenched and tempered steel plate exported from Finland, Japan and Sweden'</i>	ASM Corporation Pty Ltd	21/05/2014
042	<i>'Response to PAD - Japanese Steel Mills'</i>	Clayton Utz on behalf of Japanese mills	23/05/2014
045	<i>'Japanese Mills Injury Submission'</i>	Clayton Utz on behalf of Japanese mills	30/05/2014
046	<i>'Preliminary Affirmative Determination No. 234 of 19 May 2014'</i>	Bisalloy Steels Pty Ltd	4/06/2014
047	<i>'Issues arising from the Visit Report - Australian Industry - Bisalloy Steels Pty Ltd'</i>	Clayton Utz on behalf of Japanese mills	10/06/2014
048	<i>'Submissions on behalf of Japanese Quenched and Tempered Steel Plate exporters'</i>	Bisalloy Steels Pty Ltd	13/06/2014
051	<i>'Request for exemption'</i>	Ruukki Metals Oy	20/06/2014
052	<i>'Quenched and Tempered Steel Plate exported from, inter alia, Japan'</i>	Clayton Utz on behalf of Japanese mills	25/06/2014
053	<i>'Quenched and Tempered Steel Plate exported from, inter alia, Japan'</i>	Clayton Utz on behalf of Japanese mills	26/06/2014
055	<i>'Submission by Ruukki Metals Oy of Finland'</i>	Bisalloy Steels Pty Ltd	30/06/2014
056	<i>'Submission on behalf of Japanese producers dated 24 & 25 June 2014'</i>	Bisalloy Steels Pty Ltd	30/06/2014
058	<i>'Investigation 234: Alleged dumping of Q&T exported from Finland, Japan and Sweden'</i>	CMC Commercial Metals	2/07/2014
059	<i>'SSAB Swedish Steel Pty Ltd - Further comments regarding the applicants material injury allegations'</i>	SSAB Swedish Steel Pty Ltd	4/07/2014
060	<i>'Comments regarding Commercial Metals Pty Ltd visit report'</i>	SSAB Swedish Steel Pty Ltd	8/07/2014
061	<i>'Submission by Commercial Metals of 2 July 2014'</i>	Bisalloy Steels Pty Ltd	10/07/2014
065	<i>'Submissions on behalf of SSAB Sweden'</i>	Bisalloy Steels Pty Ltd	17/07/2014
066	<i>'A response to the applicant's public record claims & the Commission's Preliminary Affirmative Determination of 19th May 2014'</i>	Staughton's	17/07/2014

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067	<i>'Submission in relation to ADC Investigation 219 – quenched and tempered steel'</i>	ASM Corporation Pty Ltd	18/07/2014
069	<i>'Q&T Steel Plate Antidumping Investigation'</i>	Australian Steel	21/07/2014
070	<i>'Letter from Moulis legal of 8 July 2014 and Visit Report –Importer'</i>	Commercial Metals	22/07/2014
071	<i>'With respect to Bisalloy's claims of material injury as having been caused by sales of NSSMC plate into the Australian market'</i>	Commercial Metals	22/07/2014
074	<i>'Submission by Staughton's on behalf of JFE of 15 July 2014'</i>	Bisalloy Steels Pty Ltd	29/07/2014
076	<i>'Bisalloy Steel Group Limited (Bisalloy) letter to the Anti-Dumping Commission (Commission) dated 30 June 3014'</i>	Clayton Utz on behalf of Japanese mills	04/08/2014
077	<i>'Submission by Clayton Utz dated 4 August 2014 on behalf of Japanese Mills'</i>	Bisalloy Steels Pty Ltd	08/08/2014
080	<i>'Submission in response to initiation of anti-dumping investigation and proposed anti-dumping measures in relation to exports from Japan'</i>	Clayton Utz on behalf of Nippon Steel & Sumitomo Metals Corporation	21/08/2014
081	<i>'Visit Report – Ruukki Metals Oy'</i>	Bisalloy Steels Pty Ltd	25/08/2014
085	<i>'Statement of Essential Facts No. 234 - Quenched & Tempered Steel Plate exported from Sweden, Japan and Finland'</i>	Bisalloy Steels Pty Ltd	12/09/2014
086	<i>'Response to Statement of Essential Fact 234'</i>	Clayton Utz on behalf of Japanese mills	15/09/2014
087	<i>'Statement of Essential Facts 234 – Quenched and Tempered Steel Plate Exported to Australia from Sweden, Japan and Finland'</i>	Metso Minerals (Australia) Limited	16/09/2014
088	<i>'Submission by ASM Corporation'</i>	ASM Corporation Pty Ltd	16/09/2014
089	<i>'SEF 234'</i>	Total Steel of Australia Pty Ltd	16/09/2014
090	<i>'Submission by Metal One Corporation'</i>	Metal One Corporation	16/09/2014
091	<i>'Response to SEF 234'</i>	JFE Steel Corporation	16/09/2014
092	<i>'Response to SEF 234'</i>	Vulcan Steel Pty Ltd	16/09/2014
093	<i>'Statement of Essential Facts 234'</i>	SSAB Swedish Steel Pty Ltd	17/09/2014
094	<i>'Responses to Statement of Essential Facts No.234 by exporters, importers and other interested parties between 16-17 September 2014'</i>	Bisalloy Steels Pty Ltd	23/09/2014
095	<i>'End User Submission: Product Fit for Purpose'</i>	Drake Trailers Pty Ltd	13/10/2014

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ATTACHMENT 2 – LIST OF TCOs

Tariff Concession Order Number	Description of Goods
TC 8341588	7225.40 PLATES AND SHEET, alloy steel, containing more than 11% by weight of manganese and more than 0.8% carbon Op. 06.12.1983 Dec. 06.12.1983
TC 8800908	7225.40 STEEL, to Specification AS 1239-1973, Types D2A, D3A, D4A or D5A Op. 30.12.1987 Dec. 27.04.1988
TC 1405583	7225.40.00 PLATES, high alloy steel, quenched AND tempered, having ALL of the following: (a) yield strength NOT less than 730 N/mm ² ; (b) tensile strength NOT less than 850 N/mm ² ; (c) elongation NOT less than 10%; (d) thickness reduction ratio during plate rolling NOT less than 3:1; (e) plate thickness NOT less than 120 mm; (f) plate length NOT less than 7 200 mm; (g) plate mass NOT less than 18 000 kg Op. 10.02.2014 Dec. 08.05.2014
TC 1115409	7225.40.00 STEEL PLATE, chromium-molybdenum alloy, conforming to European Standard 10028 10CrMo9-10 (EN 10028 10CrMo9-10), having ALL of the following: (a) length NOT less than 5 000 mm; (b) width NOT less than 1 200 mm; (c) thickness NOT less than 20 mm Op. 16.05.2011 Dec. 01.08.2011
TC 0943669	7225.40.00 PLATES OR SHEETS, high alloy steel, grain refined, quenched and tempered, having ALL of the following: (a) hardness NOT less than 570 HBW and NOT greater than 640 HBW; (b) yield strength NOT less than 1 300 N/mm ² ; (c) tensile strength NOT less than 2 000 N/mm ² ; (d) elongation NOT less than 7% Op. 18.11.2009 Dec. 19.03.2010
TC 0614205	7225.40.00 PLATES AND SHEET, high speed steel, but NOT including those that have been hollow ground OR those that have centre holes OR pin holes Op. 01.01.2007 Dec. 08.11.2006
TC 0807304	7225.40.00 PLATE OR SHEET, nickel alloy steel, complying with American Society for Testing and Materials (ASTM) designation A553

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	Op. 09.05.2008 Dec. 08.08.2008
TC 9504052	7225.40.00 PLATES, SHEETS AND FLATS, high alloy steel, to specification DIN X45NiCrMo4 Op. 14.02.1995 Dec. 31.05.1995
TC 9504075	7225.40.00 SHEETS, PLATES AND FLATS, high alloy steel, to specification DIN 90MnCrV8 Op. 14.02.1995 Dec. 31.05.1995
TC 9504095	7225.40.00 PLATES, SHEETS AND FLATS, high alloy steel, to specification DIN X155CrVMo12 1, BS BD2 or AISI D2 Op. 14.02.1995 Dec. 31.05.1995
TC 9504104	7225.40.00 PLATE, SHEET AND BAR, high alloy steel, specification DIN X40CrMoV51, BS BH13 or AISI H13 Op. 14.02.1995 Dec. 31.05.1995
TC 9508565	7225.40.00 PLATES, SHEETS AND FLATS, high alloy steel, to specification DIN 40CrMnNiMo8 6 4, hardened and tempered within the range of 980 N - 1 080 N per square millimetre (both inclusive) Op. 29.06.1995 Dec. 06.10.1995
TC 0210776	7225.40.00 PLATES OR SHEETS OR FLATS, high alloy steel, to specifications DIN 40CrMnMoS8 6, hardened and tempered Op. 14.11.2002 Dec. 31.01.2003
TC 1331764	7225.99.00 PLATES, ATMOSPHERIC PRESSURE LIQUID NATURAL GAS STORAGE TANK, nickel alloy steel, complying with American Society Testing and Materials standard A553/A553M - 10 (ASTM A553/A553M - 10), having ALL of the following: (a) bevelled edges NOT less than 30 degrees and NOT greater than 45 degrees; (b) plate thickness NOT less than 9.53 mm and NOT greater than 16.6 mm; (c) roll radius NOT less than 30 m and NOT greater than 31 m Op. 17.09.2013 Dec. 09.12.2013
TC 1316845	7225.99.00 STEEL, flat rolled, alloy, in coils, having ALL of the following: (a) hot dipped coating having BOTH of the following: (i) NOT less than 85% aluminium; (ii) NOT less than 5% silicon and NOT greater than 11% silicon; (b) coating mass NOT less than 60 g/m ² and NOT greater than 100 g/m ² on each side; (c) yield strength NOT less than 300 MPa; (d) tensile strength NOT less than 500 MPa;

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	<p>(e) elongation NOT less than 17%;</p> <p>(f) in ANY of the following sizes:</p> <p>(i) thickness 1.00 mm and width 938 mm;</p> <p>(ii) thickness 1.20 mm and width 1 202 mm;</p> <p>(iii) thickness 1.40 mm and width 918 mm;</p> <p>(iv) thickness 1.40 mm and width 995 mm;</p> <p>(v) thickness 2.00 mm and width 1 325 mm</p> <p>For the purposes of this order, tolerances allowable for specification (f) are:</p> <p>(a) thickness +/- 10%;</p> <p>(b) width +/- 1%</p> <p>Op. 22.05.2013 Dec. 12.08.2013</p>
<p>TC 1309157</p>	<p>7225.99.00 STEEL, flat rolled, alloy, having ALL of the following:</p> <p>(a) hot dipped coating aluminium content NOT less than 85%;</p> <p>(b) hot dipped coating silicon content NOT less than 5% and NOT greater than 11%;</p> <p>(b) total coating mass NOT less than 60 g/m2 and NOT greater than 100 g/m2 on each side;</p> <p>(c) yield strength NOT less than 300 MPa;</p> <p>(d) tensile strength NOT less than 500 MPa;</p> <p>(e) total elongation NOT less than 17%;</p> <p>(f) in BOTH of the following sizes:</p> <p>(i) thickness 1.00 mm and width 938 mm;</p> <p>(ii) thickness 1.40 mm and width 918 mm</p> <p>Tolerances allowable for specification (f) are:</p> <p>(a) thickness +/- 10%</p> <p>(b) width +/- 1%</p> <p>Op. 13.03.2013 Dec. 03.06.2013</p>
<p>TC 1218779</p>	<p>SHEETS, alloy steel, complying with American Society of Testing and Materials Standard ASTM A 463/A 463M-05 with Steel Sheet Designations CS, FS, DDS OR EDDS AND Coating Designations T1-25 OR T1-40, whether OR not in coils, having ALL of the following:</p> <p>(a) width of 630 mm, 685 mm, 699 mm, 780 mm, 790 mm, 810 mm, 900 mm, 914 mm, 930 mm, 990 mm, 1 000 mm, 1 025 mm, 1 030 mm, 1 035 mm, 1 066 mm, 1 078 mm, 1 084 mm, 1 100 mm, 1 120 mm, 1 126 mm, 1 134 mm, 1 146 mm, 1 160 mm, 1 165 mm 1 170 mm, 1 195 mm, 1 200 mm, 1 210 mm, 1 219 mm, 1 220 mm, 1 246 mm OR 1 250 mm, each having a width tolerance of + OR - 2 mm;</p> <p>(b) thickness of 0.55 mm, 0.60 mm, 0.72 mm, 0.75 mm, 0.80 mm, 0.90 mm, 0.96 mm, 1.00 mm, 1.15 mm, 1.20 mm, 1.50 mm, 1.55 mm, 1.60 mm, 1.90 mm OR 2.00 mm, each having a thickness tolerance of + OR - 0.2</p>

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	<p>mm;</p> <p>(c) aluminium AND silicon coating having BOTH of the following:</p> <p>(i) aluminium content NOT less than 88%;</p> <p>(ii) weight NOT less than 20 gsm and NOT greater than 90 gsm</p> <p>Op. 01.06.2012 Dec. 20.08.2012</p>
TC 0614207	<p>PLATES AND SHEET, high speed steel, but NOT including those that have been hollow ground OR those that have centre holes OR pin holes</p> <p>Op. 01.01.2007 Dec. 08.11.2006</p>
TC 0807297	<p>PLATE OR SHEET, nickel alloy steel, complying with American Society for Testing and Materials (ASTM) designation A553</p> <p>Op. 09.05.2008 Dec. 08.08.2008</p>