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**Director Operations 3
Trade Measures Branch
Australian Customs and Border Protection Service
5 Constitution Avenue
Canberra ACT 2601**

SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LTD - THAILAND

This response is made in relation to the Statement of Essential Facts 177of 23 April 2012.

Samchai notes that its total volume of HSS exported to Australia , when added to the volume of all other Thai exporters except Saha Thai Steel Public Pipe Co Ltd [Saha] and Pacific Pipe Public Co Ltd. [Pacific Pipe] , is less than 3% of the total Australian import volume of all HSS exported to Australia in the investigation period. And subject to the ongoing assessment of market situation, termination is recommended of the investigation in so far as it relates to Thailand on the basis that the volume of HSS exported to Australia from Thailand in the investigation period that has been, or may be, dumped is negligible [less than 3%].

In relation to the Market Situation in Thailand for HRC, Samchai has considered the statement made by the Chairman of SSI concerning the remarks made in the Thailand Press News Release of 5 August 2011. Samchai has no reason to change the facts as reported in its EQ Response and cannot understand the statement made concerning the "...**Government still capped the prices of HRC**". [emphasis added] As is known to the steel industry of Thailand, a "suggested price" for HRC exists. The last published suggested price for HRC was made for the 2nd period March 2 2009. Prices excluding VAT were 24.00 - 24.50 Baht per kg.

Samchai buys its domestic HRC requirements from [REDACTED]

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[REDACTED] will quote directly to Samchai SSI but only on a minimum order of [REDACTED]. The price quoted Samchai by [REDACTED] is set to be unacceptable to encourage Samchai to approach the [REDACTED] to buy. Price quotations between the [REDACTED] companies will vary and Samchai will buy at the best price quotation offered. During the 2nd quarter of 2011[the period of concern to SSI] Samchai purchased [REDACTED] metric tonnes of HRC from the [REDACTED] companies at an average price of [REDACTED] baht per kg. This is higher than the last suggested price. [Details are at confidential attachment "A"]

Samchai reiterates that there is no Government price control or "capped price" of HRC in Thailand and to date only suggested prices exist together with the list "Product Under Supervisory for 200 Items".

Samchai have not been informed of any price control or price capping of HRC despite the remarks made in the Press News Release of 15 August 2011 concerning SSI performance.

A calculated dumping margin of 13.1% has been found for Samchai based upon the response it made in its EQR. Samchai now understands it completed its EQR incorrectly and wishes to clarify the situation. Samchai considers it is not selling at dumped prices to Australia. .

Samchai, along with Saha and Pacific Pipe and others, manufacture the GUR and sells its product on both the domestic market of Thailand and to export. On the domestic market Samchai competes with Saha and Pacific as it sells to the identical domestic customer level. Samchai buys its HRC and other requirements in the same manner and at similar or identical prices to Saha and Pacific Pipe.

With regard to export sales to Australia – Samchai sell to one Australian customer only, [REDACTED]. The grade of HSS sold is listed [REDACTED] is in 6.5 metre lengths with [REDACTED]. The sales invoice to [REDACTED] details the HSS by size, the number of pieces, the net weight in kgs, and the unit prices in USD per metric tonne. The net weight shown is calculated on the theoretical weight basis.

Enquiries for HSS from [REDACTED] are received by telephone or email. A general price offer is prepared and based on the price Samchai will sell to [REDACTED] and is in USD per metric tonne, FAS.

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This pricing method to Australia is understood to be on the same basis as the other two mills, Pacific and Saha. Samchai correctly reported its selling prices to Stemcor.

On the domestic market, Samchai sell HSS at a price per piece. Prices are calculated from [REDACTED]

[REDACTED] The calculation is theoretical weight per metre, multiplied by baht per kg, multiplied by length equals price per piece. The domestic sales invoice details the number of pieces and the price per piece. The weight of the pipe is not shown.

On delivery to the customer the loaded truck is put over the Samchai factory weigh bridge. The actual weight of the HSS is recorded and taken into the accounting system. Amongst other things the actual weight is used in planning future HRC requirements, etc.

Samchai listed in its domestic sales spreadsheet response the [REDACTED] of the HSS. It failed to recognize the importance of the ratio of actual weight to theoretical weight.

Samchai have now provided revised Australian sales and domestic sales spreadsheets together with additional spreadsheets "Australian Sales – Internal working document" and "Domestic sales – Internal working document". The ratio of actual – theoretical weights is detailed. The ratios of difference are considerable. These spreadsheets are available if required.

The Samchai EQ Response resulted in the calculation of a dumping margin. It is accepted that opportunity was given to correct the situation but Samchai did not recognise the importance of the adjustments which were required. Samchai did provide certain necessary corrections, but not those relative to weight and the important ratios between actual and theoretical weight.

The data submitted in the Samchai EQR was not verified.

For your information and consideration. The revised spreadsheet data is available if required.

Yours Sincerely

John McDermott