PUBLIC FILE 1\0

NON CONFIDENTIAL

John McDermott and Associates Pty Ltd

27 Vagabond Cres McKELLAR ACT 2617 Postal Address PO Box 3414 BELCONNEN ACT 2617

> Telephone: 02 6258 9677 Mobile 0412 543 792 Email imcd49@optusnet.com.au

> > 13 May 2012

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

NON CONFIDENTIAL

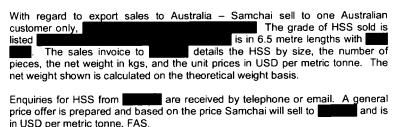
will quote directly to Samchai SSI bu	ut only on a minimum order of	I
	The price quoted Samchai by	is
set to be unacceptable to encourage Sa	amchai to approach the	
o buy. Price quotations between	een the companies will vary an	d
Samchai will buy at the best price quotation	on offered. During the 2nd quarter of	οf
2011[the period of concern to SSI] Samcha	ai purchased metric tonne	s
of HRC from the companies at		ər
kg. This is higher than the last suggest	led price. [Details are at confidential	a١
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.



FILE 108

NON CONFIDENTIAL

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

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 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