
HOWARD CONSULTING PTY LTD

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May 14, 2012

Mr Geoffrey Gleeson
Director
International Trade Remedies Branch
Australian Customs & Border Protection
Canberra ACT 2600

Dear Mr Gleeson,

POST SEF No 177**Re: Qingdao Xiangxing**

Qingdao Xiangxing an exporter of the GUC from China which has been deemed an interim dumping margin of 9.3% and a zero countervailing margin requests the CEO to consider recommending to the Minister that he accept a Price Undertaking in accordance with s 269 TEB(1).

As per data provided by ACBPS since the original negative dumping margin assessment, the data provided by Qingdao has been uplifted, with the major element being the uplift in the steel material inputs of [REDACTED] %.

Other uplifts have been given on the basis of export packing, inland cartage, handling costs, VAT rebate factor and profit.

On the steel input uplift of [REDACTED] % it would appear that based on the Taiwan/Korea Applied prices for galvanised narrow strip the uplift on our calculation should be [REDACTED] % :-

- actual average price per tonne was [REDACTED] RMB A
- benchmark average price per tonne was [REDACTED] RMB B
- difference = [REDACTED] RMB = [REDACTED] %. D

Qingdao only produced and exported pre galvanised product to Australia, and whilst the exporter is offering a PUT it needs to be stated that the exporter does not accept the findings or methodology on the ACBPS calculation of constructed normal values.

Qingdao submits that a more appropriate reference price for HRC, and thus the galvanised narrow strip price for any constructed N.V is the East Asian HRC

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prices stated on page 60 of Bluescope's Australian FY 2011 results which were US\$ 633 and US\$ 611 for the first and second half's respectively of FY 2011.

The Bluescope document referred to has been provided to the ACBPS and on the same page 60 Bluescope, the major supplier of HRC to Onesteel-ATM , also quotes the average US\$ -A\$ exchange rates for the respective periods, namely 0.894 and 0.945.

Bluescope supplied Onesteel-ATM with HRC at import parity pricing.

That price reflected Bluescope's export HRC prices.

Bluescope stated that the East Asian HRC prices quoted on page 60 of its Results Presentation are the most reliable price references for HRC.

Qingdao submits that those HRC prices, adjusted for narrow strip galvanised prices, are more appropriate than the benchmark prices applied in the SEF.

It is also noted that Attachment A to the SEF No 177 makes no specific mention of HR steel produced in China by the EAF process that uses only scrap, and not iron ore or coking coal. Attachment A does refer to steel produced in China using varying amounts of scrap, but the impression obtained is that "all" the HRC was produced from iron ore, scrap and coking coal.

Qingdao respectfully requests that consideration be given to its request for having a Price Undertaking offer recommended to the Minister.

Sincerely



M J Howard
Representative