



ADRP Conference Summary

Review No. 171 – Quenched and Tempered Steel Plate exported from Finland, Japan and Sweden

Panel Member	Leora Blumberg
Review type	Review of Minister's decision
Date	24 January 2025
Participants	Anti-Dumping Commission (ADC): <ul style="list-style-type: none">• [REDACTED] Director Investigations• [REDACTED] Assistant Director Investigations• [REDACTED] Senior Investigator• [REDACTED] Senior Legal Counsel• [REDACTED] Legal Counsel
Time opened	11:00am AEDT
Time closed	2:23pm AEDT

Purpose

The purpose of this conference was to obtain further information in relation to the review before the Anti-Dumping Review Panel (Review Panel) in relation to Quenched and Tempered Steel Plate exported from Finland, Japan and Sweden.

The conference was held pursuant to section 269ZZHA of the *Customs Act 1901* (the Act).

In the course of the conference, I was able to ask parties to clarify any argument, claim or specific detail contained in their application or submission. The conference was not a formal hearing of the review, and was not an opportunity for parties to argue their case before me.

In accordance with section 269ZZHA(2), in making a recommendation under subsection 269ZZK(1), I may have regard to:

- (a) further information provided at this conference to the extent that it relates to “relevant information” within the meaning of section 269ZZK(6) of the Act;
- (b) any conclusions reached at this conference based on “that relevant information”.

At the time of the conference, I advised the participants:

- That the conference was being recorded and transcribed by Loghic Events, and that the recording would capture everything said during the conference.
- That the conference was being recorded for the Review Panel to have regard to



when preparing a conference summary. The conference summary would then be published on the Review Panel's website.

- Any confidential information discussed during the conference would be redacted from the conference summary prior to publication.

Prior to the conference, participants were provided with a copy of the Review Panel's Privacy Statement. The Privacy Statement outlines who the conference recording and transcript may be disclosed to. The Privacy Statement is available on the Review Panel's website [here](#). The participants indicated that they understood the Privacy Statement and consented to:

- The recording of the conference; and
- The recording being dealt with as set out in the Privacy Statement.

Further information Requested and Provided¹

The specific information that the Review Panel sought in this conference, and that was provided, was in respect of Ground 1 of the application of review, regarding Section 7.7.2 of ADC Report No. 638 (REP 638), in particular relating to price undercutting in respect of Sweden, and Confidential Attachment 12, as follows:

1. Please could the ADC clarify the following regarding the comparison of "quarterly FIS selling prices [Footnote omitted] of Bisalloy and SSAB AU's Swedish sourced imports (on a weighted average basis) for the inquiry period", referred to on page 72 of REP 638:
 - a. Please indicate the timing of the comparison, that is, the point in the transaction of both Bisalloy sales and SSAB AU Swedish sourced imports, respectively, and indicate if the transactions of SSAB AU that were part of the price comparisons within "the inquiry period" were based on order, contract or invoice date, for the

¹ It should be noted that further information requested, and provided to the ADC prior to the conference, is set out in black ink and is numbered in accordance with the further information request so provided. The ADC's responses are set out below each such request in *purple ink italics*. In many instances reference is made the ADC's written responses provided after the conference and attached as Annexure A to this conference summary. Where additional further information was sought or further clarification requested during the conference, that was not part of the further information requested prior to the conference, this is indicated in **bold black ink**. The ADC's responses to these further requests are set out below those further requests in **bold purple ink italics**. In certain instances where the ADC has incorporated the responses to these additional requests into the ADC's written responses, reference is made to the ADC's written responses to further information sought, attached as Annexure A in *purple ink italics*.



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purpose of the comparison. Please also indicate if, for the purpose of the price comparison, the ADC took into consideration any time lag between the order or contract of SSAB AU and its domestic invoicing of the sales.

See the ADC's response to Request 1(a) of the ADC's written responses to further information sought, attached as Annexure A.

- b. Regarding SSAB's submission of 25 July 2024, and in particular the two confidential attachments referring to "forward orders", which appear to relate to the timing of the comparison, it was stated on page 45 of REP 638 that the information was found to be "incomplete" and that it appeared to be "unreliable", with the ADC further stating that:

"In the absence of any explanation or claim by SSAB as to the relevance of the forward orders to SSAB's submission or to the inquiry more generally, the commission has not assessed the information further."

Please could the ADC clarify:

- i. In what way the information was found to be "incomplete" and "unreliable"; and
- ii. Why after some analysis of the information, the ADC did not seek further clarification from SSAB as to an explanation of the information or regarding the alleged incompleteness and unreliability of the information.

See the ADC's responses to Request 1(b)(i) and 1(b)(ii) of the ADC's written responses to further information sought, attached as Annexure A.

2. It is stated on page 72 of REP 638 that the ADC separately compared prices of structural and wear grade plate sold by Bisalloy and SSAB AU, noting that structural grade plate accounts for around one quarter of the combined sales of Bisalloy and SSAB AU's imports, while wear grade accounts for just under three quarters."

[emphasis added] Please could the ADC provide the following further information:

- a. The percentage of the combined Bisalloy sales and SSAB AU imports of structural grade plate imports that SSAB AU's structural grade imports amounted to.



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- b. The percentage of the combined Bisalloy sales and SSAB AU imports of wear grade plate that SSAB AU's wear grade imports amounted to.

The ADC was also requested during the conference to provide further information of SSAB AU's and Bisalloy's structural and wear grade sales volumes, as a percentage of the total Australian market for structural and wear grade plate, respectively.

See the ADC's responses to Request 2(a) and 2(b) of the ADC's written responses to further information sought, attached as Annexure A. This includes the ADC's responses to the further information requested during the conference.

3. Regarding the following statement on page 73 of REP 638:

"SSAB AU on aggregate had a higher price for structural grade plate with a price premium of up to 28%, while Bisalloy had on aggregate a higher price for wear plate with undercutting by SSAB AU of up to 5%." [emphasis added]

Please could the ADC clarify the following, cross-referring to Confidential Attachment 12 – "Wear Grade Undercutting" sheet:

- a. Describe the methodology that was used to calculate the "up to 5%" undercutting by SSAB AU for wear plate, indicating which products or MCC's were compared for this calculation and the timing of the comparison, that is, the point in the transaction of both Bisalloy sales and SSAB AU Swedish sourced imports, respectively.

During the conference the Reviewing Member also requested clarification as to why on the "Wear Grade Undercutting" sheet of Confidential Attachment 12, the tables showing SSAB wear grade "Sum of FIS Price" and "Sum of Quantity" listed what appears to be SSAB wear grade products or models, while the two tables on the wear grade undercutting sheet showing Bisalloy wear grade "Sum of Price per tonne" and "Sum of Quantity – tonnes" respectively, listed what appears to be MCCs. The Reviewing Member requested clarification as to how the ADC therefore ensured comparability on both sides of the comparison regarding the physical characteristics of the product or product mix.

See the ADC's responses to Request 3(a) of the ADC's written responses to



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further information sought, attached as Annexure A. This includes the ADC's responses to the further information requested during the conference.

- b. As with 1a above, in the description of the methodology, please indicate if the wear plate transactions of SSAB AU that were part of the price comparisons within "the inquiry period" were based on order, contract or invoice date, for the purpose of the price comparison, and whether the ADC took into consideration any time lag between the order or contract of SSAB AU and its domestic invoicing of the sales.

During the conference, the Reviewing Member sought clarification as to whether each party was, during the inquiry, shown the workings of the undercutting analysis as it related to that party, respectively, so that the party could review its own figures, that formed part of the undercutting analysis.

The Reviewing Member requested further clarification as to whether it would raise confidentiality problems if, as part of the description of methodology in response to further information sought for this conference, that each party be shown those parts of the undercutting analysis calculations that related to that party's respective data.

See the ADC's responses to Request 3(b) of the ADC's written responses to further information sought, attached as Annexure A. This includes the ADC's responses to the further information requested during the conference.

- c. In describing the methodology, please explain the use of the words "on aggregate" in relation to the calculation, and the use of weighted averaging in the calculation.

See the ADC's responses to Request 3(c) of the ADC's written responses to further information sought, attached as Annexure A.

- d. Please confirm whether the reference to "up to 5%" refers to the highest level in the range of undercutting for each quarter on the "Wear – Grade Undercutting" sheet of Confidential Attachment 12. If so, please also provide the total percentage undercutting for wear grade generally when the undercutting for each quarter is aggregated (on a weighted average basis).

See the ADC's responses to Request 3(d) of the ADC's written responses to



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further information sought, attached as Annexure A.

- e. For the calculation and methodology referred to above, please indicate how the ADC ensured that there was price comparability on both sides of the comparison in terms of: (i) the level of trade, and (ii) the physical characteristics of the product or product mix.

See the ADC's responses to Request 3(e) of the ADC's written responses to further information sought, attached as Annexure A.

4. Please clarify the following, cross-referring to Confidential Attachment 12 – “Structural Grade Undercutting” sheet:

- a. Describe the methodology that was used to calculate the “up to 28%” premium by SSAB AU for structural grade plate, indicating which products or MCC's were compared for this calculation and the timing of the comparison, that is, the point in the transactions of both Bisalloy structural grade sales and SSAB AU Swedish sourced structural grade imports, respectively.

See the ADC's responses to Request 4(a) of the ADC's written responses to further information sought, attached as Annexure A.

- b. As with 1a and 3b above, in the description of the methodology, please indicate if the structural grade plate transactions of SSAB AU that were part of the price comparisons within “the inquiry period” were based on order, contract or invoice date, for the purpose of the comparison, and whether, for the purpose of the price comparison, the ADC took into consideration any time lag between the order or contract of SSAB AU and its domestic invoicing of the sales.

See the ADC's responses to Request 4(b) of the ADC's written responses to further information sought, attached as Annexure A.

- c. In describing the methodology, please explain the use of the words “on aggregate” in relation to the calculation and the use of weighted averaging in the calculation.

See the ADC's responses to Request 4(c) of the ADC's written responses to further information sought, attached as Annexure A.



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- d. Please confirm whether the reference to “up to 28%” refers to the highest level in the range of premium for each quarter on the “Structural Grade Undercutting” sheet of Confidential Attachment 12. If so, please provide the total percentage premium for structural grade generally when the premium for each quarter is aggregated (on a weighted average basis).

See the ADC’s responses to Request 4(d) of the ADC’s written responses to further information sought, attached as Annexure A.

- e. For the calculation and methodology referred to above, please indicate how the ADC ensured that there was price comparability on both sides of the comparison in terms of: (i) the level of trade, and (ii) the physical characteristics of the product or product mix.

During the conference, the Reviewing Member also requested clarification as to the difference in the ‘Structural Grade Undercutting’ worksheet and the ‘Wear Grade Undercutting’ worksheet, in that the former referred to MCCs for both SSAB and Bisalloy and the latter referred to products for SSAB AU.

See the ADC’s responses to Request 4(e) of the ADC’s written responses to further information sought, attached as Annexure A. This includes the ADC’s responses to the further information requested during the conference.

5. Regarding the comparison and price undercutting in respect of the identified 10 common wear grade models (MCCs) sold by both Bisalloy and SSAB AU during the inquiry period, referred to on page 73 of REP 638, and cross referring to Confidential Attachment 12 – “Wear – Common MCC” sheet:

- a. Please describe the methodology that led to the ADC’s statement on page 74 of REP 638 in respect of Figure 12 that “the magnitude of price undercutting is higher in relation to these common MCCs than for the wear grade category in general” and the ADC noting on the “Wear – Common MCC” sheet of Confidential Attachment 12 that, “in relation to common MCC Bisalloy is undercut by between 5% and 10%”.

See the ADC’s responses to Request 5(a) of the ADC’s written responses to further information sought, attached as Annexure A.



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- b. As with 1a, 3b and 4b above, in the description of the methodology please indicate if the wear plate transactions of SSAB AU making up the 10 common MCCs that were part of the price comparisons within “the inquiry period” were based on order, contract or invoice date, for the purpose of the price comparison, and whether the ADC took into consideration any time lag between the order or contract of SSAB AU and its domestic invoicing of the sales.

See the ADC’s responses to Request 5(b) of the ADC’s written responses to further information sought, attached as Annexure A.

- c. In describing the methodology, please explain which values were aggregated in relation to the calculation and the use of weighted averaging in the calculation.

See the ADC’s responses to Request 5(c) of the ADC’s written responses to further information sought, attached as Annexure A.

- d. For the calculation and methodology referred to above, please indicate how the ADC ensured that there was price comparability on both sides of the comparison in terms of: (i) the level of trade, and (ii) the physical characteristics of the product mixes, of the common MCCs.

See the ADC’s responses to Request 5(d) of the ADC’s written responses to further information sought, attached as Annexure A.

During the conference, the Reviewing Member requested clarification as to whether both parties were made aware of which were the 10 common MCCs.

The ADC responded during the conference that the common MCCs would potentially be an issue of confidentiality which is why the ADC ‘de-identified’ the MCCs in REP 638 referring only to the 10 common MCCs and the two largest MCCs. The ADC stated that given that the parties had different subsets of MCCs, which MCCs were common to both parties would be commercially sensitive information. The ADC further clarified that the ADC provided the parties with the MCC structure and that the parties provided that information to classify each sale transaction according to the MCC structure. Therefore, each party



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could analyse its own data by an analysis of those MCCs that were determined for the ADC. The ADC further clarified that part of the verification process undertaken is to ensure that each sale is classified in the correct MCC, based on the information submitted by the parties.

- e. Please confirm whether the range of undercutting of “between 5% and 10%” noted on the “Wear – Common MCC” sheet of Confidential Attachment 12 relates to the lowest and highest undercutting for each quarter, respectively, aggregated and weighted for the 10 common MCCs on a quarterly basis. If so:
- i. Please also provide the total percentage undercutting for the 10 common MCC’s for the inquiry period, aggregating the four quarters’ percentage undercutting (on a weighted average basis).
 - ii. Please calculate the undercutting percentage of each of the 10 common MCCs separately for the inquiry period and then calculate a total percentage undercutting for the 10 common MCCs based on an aggregate of the 10 undercutting margins (on a weighted average basis). Please indicate whether the result of this calculation differs from the above calculation based on the weighted average aggregate of undercutting for each quarter.

See the ADC’s responses to Request 5(e) of the ADC’s written responses to further information sought, attached as Annexure A.

- f. Regarding the statement on page 73 of REP 638 that these 10 common MCCs “accounted for nearly half of all wear grade products sold by Bisalloy and SSAB AU in the Australian market and accounted for around 78% of SSAB AU’s Swedish imports”, [emphasis added] please indicate:
- i. separately for Bisalloy and SSAB AU, respectively, the percentages of their own sales/imports for wear grade plate, that these 10 MCC’s accounted for.
 - ii. The percentage of Bisalloy’s total sales of steel plate (armour, structural grade and wear grade) that these 10 common MCCs accounted for.

See the ADC’s responses to Request 5(f) of the ADC’s written responses to



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further information sought, attached as Annexure A.

- g. Regarding the following statement on page 74 of REP 638:

“In relation to SSAB AU’s 2 highest volume wear grade MCCs price undercutting ranged between 8% and 19%. [Footnote omitted] The commission considers this demonstrates that SSAB AU is prepared to price more aggressively where direct competition exists within the wear grade category.”

Please clarify the following:

- i. Please confirm whether the reference to price undercutting ranging “between 8% and 19%” refers to the lowest and highest undercutting percentages calculated for each quarter of the 2 common MCC’s referred to. If so, please provide the total percentage undercutting for each of the two referenced common MCCs, respectively, when the undercutting percentage for each quarter is aggregated (on a weighted average basis).

See the ADC’s responses to Request 5(g)(i) of the ADC’s written responses to further information sought, attached as Annexure A.

- ii. Please also provide the total undercutting percentages for SSAB imports (indicating whether positive or negative) for each of the 8 others common MCCs.

See the ADC’s responses to Request 5(g)(ii) of the ADC’s written responses to further information sought, attached as Annexure A.

- iii. Please indicate how many of the 10 common MCCs have undercutting percentages for SSAB (rather than price premiums). Please also indicate:

- the percentage of the total volume (combined Bisalloy and SSAB) of the 10 common MCCs that those MCCs with undercutting by SSAB account for;
- the percentage of the total volume (combined Bisalloy and SSAB) of wear grade plate generally that those MCCs with



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undercutting by SSAB account for; and

- the percentage of the total volume of steel plate (combined Bisalloy and SSAB), including armour, structural grade and wear grade, that those MCCs with undercutting by SSAB account for.

See the ADC's responses to Request 5(g)(iii) of the ADC's written responses to further information sought, attached as Annexure A.

- iv. Please refer to the factual basis and analysis in REP 638 (and attachments) for the ADC's conclusion that the range of price undercutting of between 8% and 19% of SSAB AU's 2 highest volume wear grade MCCs demonstrated that "SSAB AU is prepared to price more aggressively where direct competition exists within the wear grade category." In this regard, please indicate whether the ADC considers that direct competition exists with regard to the other 8 common MCC categories including those MCCs where the combined volume of Bisalloy sales and SSAB imports exceeds the combined volume of each of the 2 MCCs referred to in the above statement.

During the Conference, the Reviewing Member requested clarification as to why the ADC focused on common MCCs with large SSAB volumes but did not focus on the common MCCs with large volumes across both Bisalloy and SSAB.

See the ADC's responses to Request 5(g)(iv) of the ADC's written responses to further information sought, attached as Annexure A. This includes the ADC's responses to the further information requested during the conference.

6. Please refer to the factual basis and analysis in REP 638 (and attachments) for the ADC's finding at the top of page 75 of REP 638 (with a focus on the emphasised portions of the text) that:

"The commission considers that if measures expire, the competitive price advantage that SSAB AU currently maintains on wear plate would likely be even greater, while the premium it has on structural grade Q&T steel plate would likely be lessened, reducing the competitive advantage the Australian



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industry presently has in relation to structural grade plate.” [emphasis added]

See the ADC’s responses to Request 6 of the ADC’s written responses to further information sought, attached as Annexure A.

7. Regarding the following statement on page 75 of REP 638, with reference to SSAB’s submission of 25 July 2024:

“While SSAB has provided one example where SSAB AU’s prices (as per its price guide) appeared to be higher than Bisalloy’s offered prices for both structural and wear grades of Q&T steel plate, the example is inconclusive as there is no information on SSAB’s actual prices offered to this customer.”

Please could the ADC clarify the following:

- a. Why the ADC considered the example to be inconclusive and whether it sought further clarification from SSAB AU regarding to the referenced price guide and actual price offers or transactions to the customer.

See the ADC’s responses to Request 7(a) of the ADC’s written responses to further information sought, attached as Annexure A.

- b. The reason for the ADC rejecting the information relating to the example, as being supportive of SSAB’s position on undercutting, on the one hand, while at the same time considering the example to be supportive of the finding that “Bisalloy is prepared to offer lower prices in order to compete with SSAB AU”.

See the ADC’s responses to Request 7(b) of the ADC’s written responses to further information sought, attached as Annexure A.

- c. Please refer to the factual basis and reasoned analysis in REP 638 (and attachments) for the ADC finding relating to price suppression, that as “Bisalloy is competing directly with SSAB AU which imports dumped goods from Sweden, it can be said that Bisalloy’s prices were suppressed, in part, because of competition with dumped goods” [emphasis added], bearing in mind that the factual basis and analysis preceding this finding related to price undercutting.

See the ADC’s responses to Request 7(c) of the ADC’s written responses to further information sought, attached as Annexure A.

8. Regarding the following statement on page 75 of REP 638:



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“In a price competitive market, the expiration of measures would therefore increase the attractiveness of dumped exports from Sweden relative to the Australian industry’s like goods. This would likely lead to price depression and/or price suppression and a reduction in profit and profitability should the Australian industry seek to compete with these dumped imports on price. Should the Australian industry choose not to lower prices to compete with dumped imports, it is likely that the Australian industry will cede sales volume and market share to dumped imports.” [emphasis added]

Bearing in mind that the factual basis and analysis preceding this finding related to price undercutting, please could the ADC refer to the factual basis and reasoned analysis in REP 630 (and attachments) for this likelihood assessment relating to “price depression and/or price suppression and a reduction in profit and profitability” as well as the likelihood assessment relating to “sales volume and market share”.

See the ADC’s responses to Request 8 of the ADC’s written responses to further information sought, attached as Annexure A.

Further Information Provided After the Conference

Prior to the conference, the ADC was requested to prepare a draft written version of its response to the further information sought, to be presented orally during the conference, with the final written version to be submitted following the conference. The final written version of the ADC’s response is attached as Annexure A.²

² The conference was held open for this purpose and the final written version of the ADC’s oral presentation of the response to the further information sought during the conference, was provided to the Review Panel following the conference. It should be noted that the ADC was in some instances not able to respond fully to certain of the clarifications requested and further information sought by the Review Panel during the conference. This information was subsequently provided by the ADC in the final written version of the ADC’s response to the further information sought and is reflected therein (in Annexure A) and in this conference summary, as if it had been provided during the conference.

ADRP 2025/171 – Quenched and Tempered Steel plate from Sweden

ADRP Conference Friday 24 January 2025

Written responses to request for further information – provided on 4 February 2025 (after conference)

ADRP Request 1

1. Please could the ADC clarify the following regarding the comparison of “quarterly FIS selling prices [Footnote omitted] of Bisalloy and SSAB AU’s Swedish sourced imports (on a weighted average basis) for the inquiry period”, referred to on page 72 of REP 638:
 - a. Please indicate the timing of the comparison, that is, the point in the transaction of both Bisalloy sales and SSAB AU Swedish sourced imports, respectively, and indicate if the transactions of SSAB AU that were part of the price comparisons within “the inquiry period” were based on order, contract or invoice date, for the purpose of the comparison. Please also indicate if, for the purpose of the price comparison, the ADC took into consideration any time lag between the order or contract of SSAB AU and its domestic invoicing of the sales.
 - b. Regarding SSAB’s submission of 25 July 2024, and in particular the two confidential attachments referring to “forward orders”, which appear to relate to the timing of the comparison, it was stated on page 45 of REP 638 that the information was found to be “incomplete” and that it appeared to be “unreliable”, with the ADC further stating that:

“In the absence of any explanation or claim by SSAB as to the relevance of the forward orders to SSAB’s submission or to the inquiry more generally, the commission has not assessed the information further.”

Please could the ADC clarify:
 - i. In what way the information was found to be “incomplete” and “unreliable”; and
 - ii. Why after some analysis of the information, the ADC did not seek further clarification from SSAB as to an explanation of the information or regarding the alleged incompleteness and unreliability of the information.

Response to Request 1.a.

The quarterly FIS selling prices comprised all sales transactions in the Bisalloy and SSAB AU sales listings provided in response to industry and importer questionnaires. These sales transactions were verified by the commission during on-site verification of Bisalloy and SSAB AU questionnaire responses (refer to EPR638, document 13 and EPR638, document 19).

The sales transactions in both Bisalloy and SSAB AU’s sales listings were based on invoice date. No sales transactions were based on contract or order date.

All transactions in Bisalloy’s sales listing were at a FIS or delivered price.

[REDACTED] a mix of “ex-warehouse equivalent” and FIS (delivered price). Therefore, for the purpose of price comparison, the commission [REDACTED] invoice value of the ex-warehouse equivalent sales to calculate a constructed delivered price (refer to the “SSAB sales listing (C-2 revised” worksheet), column AS. [steps taken to ensure comparable delivery terms]

The commission clarified that the comparison was of sales from SSAB AU to its customers in Australia with Bisalloy’s sales to its customers in Australia. Therefore, the comparison was made at the invoice date for SSAB AU sales transactions (to its non-related Australian customers). It was not made at the invoice date for the export sales transactions (between SSAB AU and SSAB EMEA).

Response to Request 1.b.i

The commission refers to REP638, page 5:

For the 13 orders that SSAB provided evidence for, the commission attempted to reconcile the information in the purchase orders to the relevant transactions in the worksheet listing SSAB AU’s sales (Confidential Attachment 5). While some unit prices as per the purchase orders reconcile to the unit prices as invoiced, the majority do not and there are discrepancies in the unit prices (including volumes) between the purchase order and the invoice. Further, as SSAB has not provided the order dates for all sales transactions, the information is incomplete. Noting the findings above, the commission considers that the submitted information is incomplete and appears unreliable. In the absence of any explanation or claim by SSAB as to the relevance of the forward orders to SSAB’s submission or to the inquiry more generally, the commission has not assessed the information further.

Response to Request 1.b.ii

The commission received the submission and further information from SSAB on 25 July 2024 (the last day for submissions responding to the SEF). The commission considered the submission and information, and formed a view that the information was incomplete and unreliable. The submission did not provide an explanation or claim as to the relevance of the information to SSAB’s submission or to the inquiry more generally, nor was the relevance of the information apparent from the submission. Therefore, the commission did not assess the information further.

The submission referred to the information as ‘Forward order information’ under the heading ‘Further information about pricing and non-subject country imports in the Australian market’.

At this point of the investigation, given the Commissioner’s recommendation to the Minister was due by 5 September 2024, the commission did not seek further information from SSAB. It was not obvious from the submission that there were further lines of inquiry to be made because it was not obvious from the submission how the information responded to the material findings of fact set out in the SEF.

ADRP Request 2

2. It is stated on page 72 of REP 638 that the ADC separately compared prices of structural and wear grade plate sold by Bisalloy and SSAB AU, noting that structural grade plate accounts for around one quarter of the combined sales of Bisalloy and SSAB AU’s imports, while wear grade accounts for just under three quarters.” [emphasis added] Please could the ADC provide the following further information:
 - a. The percentage of the combined Bisalloy sales and SSAB AU imports of structural grade plate imports that SSAB AU’s structural grade imports amounted to.

b. The percentage of the combined Bisalloy sales and SSAB AU imports of wear grade plate that SSAB AU’s wear grade imports amounted to.

Response to Request 2.a.

Structural grade volumes	Volume	%
SSAB	[REDACTED]	[REDACTED]
Bisalloy	[REDACTED]	[REDACTED]
Total structural grade	[REDACTED]	100%

Refer to “Grades in Aus market” worksheet in REP 638 – Confidential Attachment 14.

In the conference, the Panel Member requested some further information:

SSAB AU and Bisalloy structural grade sales volumes as a percentage of the total Australian market for structural grade Q&T steel.

The commission advised that it did not have that information as ABF import data does not differentiate imports by grade.

Response to Request 2.b.

Wear grade volumes	Volume	%
SSAB	[REDACTED]	[REDACTED]
Bisalloy	[REDACTED]	[REDACTED]
Total wear grade	[REDACTED]	100%

Refer to “Grades in Aus market” worksheet in REP 638 – Confidential Attachment 14.

In the conference, the Panel Member requested the following further information:

SSAB AU and Bisalloy wear grade sales volumes as a percentage of the total Australian market for wear grade Q&T steel.

The commission advised that it did not have that information as ABF import data does not differentiate imports by grade.

ADRP Request 3

3. Regarding the following statement on page 73 of REP 638:

“SSAB AU on aggregate had a higher price for structural grade plate with a price premium of up to 28%, while Bisalloy had on aggregate a higher price for wear plate with undercutting by SSAB AU of up to 5%.” [emphasis added]

Please could the ADC clarify the following, cross-referring to Confidential Attachment 12 – “Wear Grade Undercutting” sheet:

- a. Describe the methodology that was used to calculate the “up to 5%” undercutting by SSAB AU for wear plate, indicating which products or MCC’s were compared for this calculation and the timing of the comparison, that is, the point in the transaction of both Bisalloy sales and SSAB AU Swedish sourced imports, respectively.
- b. As with 1a above, in the description of the methodology please indicate if the wear plate transactions of SSAB AU that were part of the price comparisons within “the inquiry period” were based on order, contract or invoice date, for the purpose of the price comparison, and whether the ADC took into consideration any time lag between the order or contract of SSAB AU and its domestic invoicing of the sales.
- c. In describing the methodology, please explain the use of the words “on aggregate” in relation to the calculation, and the use of weighted averaging in the calculation.
- d. Please confirm whether the reference to “up to 5%” refers to the highest level in the range of undercutting for each quarter on the “Wear – Grade Undercutting ” sheet of Confidential Attachment 12. If so, please also provide the total percentage undercutting for wear grade generally when the undercutting for each quarter is aggregated (on a weighted average basis).
- e. For the calculation and methodology referred to above, please indicate how the ADC ensured that there was price comparability on both sides of the comparison in terms of: (i) the level of trade, and (ii) the physical characteristics of the product or product mix.

Response to Request 3.a

As discussed in the response to Request 1a, the calculation is based on the verified sales listings provided by Bisalloy and SSAB AU for the inquiry period.

This calculation is an aggregate of all wear grade sales by SSAB AU (of exports from Sweden) and by Bisalloy.

It therefore includes all wear grade MCCs and all customers.

The comparison is based on invoice date for SSAB AU and Bisalloy.

SSAB AU’s sales were a mix of “ex-warehouse equivalent” and FIS. On the “SSAB sales listing (C-2 revised)” tab ex-warehouse equivalent sales [REDACTED]. It is the [REDACTED] that has been used for the analysis. All Bisalloy sales were delivered. [steps taken to ensure comparable delivery terms]

A quarterly undercutting rate was determined. Undercutting was observed in each quarter with the range between 3-5%.

During the conference the Panel Member asked why on the “Wear Grade Undercutting” worksheet of Confidential Attachment 12, the tables showing SSAB wear grade (“Sum of FIS Price” and “Sum of

Quantity”) listed SSAB wear grade products or models, while the two tables on the wear grade undercutting worksheet showing Bisalloy wear grade (“Sum of Price per tonne” and “Sum of Quantity – tonnes”), listed MCCs. The Panel Member asked how the commission ensured comparability on both sides of the comparison regarding the physical characteristics of the product or product mix.

The commission explained that at this high-level of analysis (whether there was undercutting across the wear grade category in its entirety), all of the SSAB Hardox products listed were wear grade, so it was easier to use the wear grade models at this stage of the analysis. The commission pointed out that within those Hardox products, there will then be more than one MCC because they will refer to different dimensions and different specifications, which will be differentiated in the MCC-based analysis. The commission pointed out that this will be discussed in more detail below, in response to Request 5 (relating the MCC-based comparisons).

Response to Request 3.b

As discussed in the response to Request 1, the sales transactions in both Bisalloy and SSAB AU’s sales listings were based on invoice date. The price comparison was based on those sales listings.

At the conference, the Panel Member asked if the parties were shown the workings of the REP 638 price undercutting analysis so they could review the figures. The panel member also asked whether it would raise confidentiality problems if, each party was shown those parts of the undercutting analysis calculations that related to that party’s respective data.

At the conference, the commission explained that it does not provide the undercutting analysis, or even a component of the undercutting analysis due to confidentiality. However, it would be apparent to the parties what methodology was used given the commission relied on the parties’ sales data for the analysis. For example, SSAB would be capable of producing a table like the table (for SSAB’s wear grade prices) in the ‘Wear Grade Undercutting’ worksheet (in confidential attachment 12), on its own as the calculations are all pivot tables based on a finalised set of data that was provided to the commission by SSAB. However, given the parties do not have the other party’s selling prices, they could not replicate the undercutting analysis for themselves.

Response to Request 3.c

“Aggregate” refers to the inclusion of all wear grade sales (no segregation for example by MCC or customer).

Weighted average is total value of all sales for the period divided by the total volume of sales for the period.

Response to Request 3.d

	Q1	Q2	Q3	Q4	IP
SSAB Sweden	██████████	██████████	██████████	██████████	██████████
Bisalloy	██████████	██████████	██████████	██████████	██████████
Bisalloy undercut by SSAB Sweden	██████████	██████████	██████████	██████████	██████████

The undercutting rate for quarter █████ was the highest at █████.

The weighted average aggregated undercutting rate for the 12 months was █████.

Response to Request 3.e

The undercutting analysis presented in section 7.7.2 of REP 638 has been undertaken to assess SSAB's claim during the inquiry period that SSAB pricing has achieved a significant price gap over Bisalloy and Bisalloy distributor prices.¹

The commission's analysis commenced at an aggregate level for all sales of wear and structural grade combined to all customers regardless of MCC specifications or level of trade. The results are presented in REP 638 in Figure 9 on page 72. This analysis is broadly supportive of SSAB's claim.

The commission then sought to further interrogate SSAB's claim by refining the pricing analysis: firstly, by focusing on wear and structural grades separately; then, by analysing common MCC; and finally, by analysing specific MCCs within the context of key customer relationships.

For context, [REDACTED] of SSAB AU sales are to end users while Bisalloy sales are a mix of end user and distributor ([REDACTED] of Bisalloy's sales are to end users and [REDACTED] of its sales are to distributors).² Further, the [REDACTED] consumers of steel plate in Australia are [REDACTED]. Both source the goods from SSAB and Bisalloy. [REDACTED] sources goods from Bisalloy via a distributor, [REDACTED].

Sales to end users will typically be higher value, which is evident in this case where for all products across the inquiry period Bisalloy prices to distributors were on average [REDACTED] lower than its prices to end users across the inquiry period. If the commission's analysis had only included Bisalloy's sales to the same level of trade (i.e. end users), the rate of undercutting by SSAB AU would have been higher.

The focused undercutting analysis that followed the aggregated analysis in REP 638 endeavoured to provide greater insight (analysis by level of trade, by MCC, by customer).

The commission noted in the conference that additional analysis was undertaken in Confidential Attachment 12 on worksheet "Wear – Common MCC – end user" to ensure level of trade comparability (this involved filtering out any "distributor" transactions from the analysis). This analysis produced comparable results, though with a broader range of quarterly undercutting ([REDACTED] in quarter 1 escalating in each quarter to peak at [REDACTED] in quarter 4).

ADRP Request 4

4. Please clarify the following, cross-referring to Confidential Attachment 12 – "Structural Grade Undercutting" sheet:
 - a. Describe the methodology that was used to calculate the "up to 28%" premium by SSAB AU for structural grade plate, indicating which products or MCC's were compared for this calculation and the timing of the comparison, that is, the point in the transactions of both Bisalloy structural grade sales and SSAB AU Swedish sourced structural grade imports, respectively.
 - b. As with 1a and 3b above, in the description of the methodology please indicate if the structural grade plate transactions of SSAB AU that were part of the price comparisons within "the inquiry period" were based on order, contract or invoice date, for the purpose of the comparison, and whether, for the purpose of the price

¹ SSAB claims are summarised at page 68 of REP 638

² The commission provided an estimate of the breakdown of Bisalloy's sales during the conference. The commission calculated these percentages following the conference.

comparison, the ADC took into consideration any time lag between the order or contract of SSAB AU and its domestic invoicing of the sales.

- c. In describing the methodology, please explain the use of the words “on aggregate” in relation to the calculation and the use of weighted averaging in the calculation.
- d. Please confirm whether the reference to “up to 28%” refers to highest level in the range of premium for each quarter on the “Structural Grade Undercutting ” sheet of Confidential Attachment 12. If so, please provide the total percentage premium for structural grade generally when the premium for each quarter is aggregated (on a weighted average basis).
- e. For the calculation and methodology referred to above, please indicate how the ADC ensured that there was price comparability on both sides of the comparison in terms of: (i) the level of trade, and (ii) the physical characteristics of the product or product mix.

Response to Request 4.a.

Same methodology applied for wear and structural grade as detailed in response 3a.

Response to Request 4.b.

Invoice date for both SSAB AU and Bisalloy.

Response to Request 4.c.

“Aggregate” refers to the inclusion of all structural grade sales (no segregation for example by MCC or customer).

Weighted average is total value of all sales for the period divided by the total volume of sales for the period.

Response to Request 4.d.

	Q1	Q2	Q3	Q4	IP
SSAB Sweden					
Bisalloy					
SSAB Premium					

The price premium achieved by SSAB AU in quarter 4 was the highest at [REDACTED].

The weighted average aggregated premium for the 12 months was [REDACTED].

Response to Request 4.e.

The aggregated undercutting analysis is a high level snap shot of undercutting capturing all structural grade sales (all MCC) to all customers (all levels of trade) at the same delivery terms.

The additional undercutting analysis that follows the aggregated analysis in REP 638 endeavours to provide greater clarity (analysis by level of trade, by MCC, by customer).

During the conference, the Panel Member queried why the ‘Structural Grade Undercutting’ worksheet appeared different to the ‘Wear Grade Undercutting’ worksheet in that the former referred to MCCs and the latter referred to SSAB AU products (i.e. ‘Hardox’ products). The commission explained that as this analysis was at a high level (i.e. distinguished by grade only) the

reference to 'Hardox' products rather than MCCs did not change the analysis (as 'Hardox' is SSAB's brand name for wear grade).

ADRP Member Request 5

5. Regarding the comparison and price undercutting in respect of the identified 10 common wear grade models (MCCs) sold by both Bisalloy and SSAB AU during the inquiry period, referred to on page 73 of REP 638, and cross referring to Confidential Attachment 12 – “Wear – Common MCC” sheet:
 - a. Please describe the methodology that led to the ADC's statement on page 74 of REP 638 in respect of Figure 12 that “the magnitude of price undercutting is higher in relation to these common MCCs than for the wear grade category in general” and the ADC noting on the “Wear – Common MCC” sheet of Confidential Attachment 12 that, “In relation to common MCC Bisalloy is undercut by between 5% and 10%”.
 - b. As with 1a, 3b and 4b above, in the description of the methodology please indicate if the wear plate transactions of SSAB AU making up the 10 common MCCs that were part of the price comparisons within “the inquiry period” were based on order, contract or invoice date, for the purpose of the price comparison, and whether the ADC took into consideration any time lag between the order or contract of SSAB AU and its domestic invoicing of the sales.
 - c. In describing the methodology, please explain which values were aggregated in relation to the calculation and the use of weighted averaging in the calculation.
 - d. For the calculation and methodology referred to above, please indicate how the ADC ensured that there was price comparability on both sides of the comparison in terms of: (i) the level of trade, and (ii) the physical characteristics of the product mixes, of the common MCCs.
 - e. Please confirm whether the range of undercutting of “between 5% and 10%” noted on the “Wear – Common MCC” sheet of Confidential Attachment 12 relates to the lowest and highest undercutting for each quarter, respectively, aggregated and weighted for the 10 common MCCs on a quarterly basis. If so:
 - i. Please also provide the total percentage undercutting for the 10 common MCC's for the inquiry period, aggregating the four quarters' percentage undercutting (on a weighted average basis).
 - ii. Please calculate the undercutting percentage of each of the 10 common MCCs separately for the inquiry period and then calculate a total percentage undercutting for the 10 common MCCs based on an aggregate of the 10 undercutting margins (on a weighted average basis). Please indicate whether the result of this calculation differs from the above calculation based on the weighted average aggregate of undercutting for each quarter.
 - f. Regarding the statement on page 73 of REP 638 that these 10 common MCCs “accounted for nearly half of all wear grade products sold by Bisalloy and SSAB AU in the Australian market and accounted for around 78% of SSAB AU's Swedish imports”, [emphasis added] please indicate:
 - i. separately for Bisalloy and SSAB AU, respectively, the percentages of their own sales/imports for wear grade plate, that these 10 MCC's accounted for.
 - ii. The percentage of Bisalloy's total sales of steel plate (armour, structural grade and wear grade) that these 10 common MCCs accounted for.

g. Regarding the following statement on page 74 of REP 638:

“In relation to” SSAB AU’s 2 highest volume wear grade MCCs price undercutting ranged between 8% and 19%. [Footnote omitted] The commission considers this demonstrates that SSAB AU is prepared to price more aggressively where direct competition exists within the wear grade category.”

Please clarify the following:

- i. Please confirm whether the reference to price undercutting ranging “between 8% and 19%” refers to the lowest and highest undercutting percentages calculated for each quarter of the 2 common MCC’s referred to. If so, please provide the total percentage undercutting for each of the two referenced common MCCs, respectively, when the undercutting percentage for each quarter is aggregated (on a weighted average basis).
- ii. Please also provide the total undercutting percentages for SSAB imports (indicating whether positive or negative) for each of the 8 other common MCCs.
- iii. Please indicate how many of the 10 common MCCs have undercutting percentages for SSAB (rather than price premiums). Please also indicate:
 - the percentage of the total volume (combined Bisalloy and SSAB) of the 10 common MCCs that those MCCs with undercutting by SSAB account for;
 - the percentage of the total volume (combined Bisalloy and SSAB) of wear grade plate generally that those MCCs with undercutting by SSAB account for; and
 - the percentage of the total volume of steel plate (combined Bisalloy and SSAB), including armour, structural grade and wear grade, that those MCCs with undercutting by SSAB account for.
- iv. Please refer to the factual basis and analysis in REP 638 (and attachments) for the ADC’s conclusion that the range of price undercutting of between 8% and 19% of SSAB AU’s 2 highest volume wear grade MCCs demonstrated that “SSAB AU is prepared to price more aggressively where direct competition exists within the wear grade category.” In this regard, please indicate whether the ADC considers that direct competition exists with regard to the other 8 common MCC categories including those MCCs where the combined volume of Bisalloy sales and SSAB imports exceeds the combined volume of each of the 2 MCCs referred to in the above statement.

Response to Request 5.a.

At a high level, the methodology remains the same – the commission used the same data (sales listings) as it used for its broader analysis set out in the worksheet ‘Wear Grade Undercutting’.

Using the sales listings for SSAB AU and Bisalloy, the commission compared the wear grade MCCs to identify common wear grade MCCs (colour coded on “Wear – Common MCC” worksheet).

Non-common MCCs were then filtered out to give volume and price data for each common MCC as well as the weighted average selling price for each quarter and for the investigation period (refer to row 106 to row 125 of the “Wear – Common MCC” worksheet).

These prices were then compared to determine the levels of undercutting for these common MCC.

The levels of undercutting for these common MCCs (between 5-10% on a quarterly basis) were then compared with the aggregated levels of price undercutting described above in the response to Request 3.a (up to 5%).

The commission noted in the conference that additional analysis was undertaken on worksheet “Wear – Common MCC – end user” to ensure level of trade comparability (this involved filtering out any “distributor” transactions from the analysis). This analysis produced comparable results though, with a broader range of quarterly undercutting (█) in quarter 1 escalating in each quarter to peak at (█) in quarter 4).

As the margins of undercutting for the common wear grade MCCs were higher than the margins for the larger dataset of all wear grade MCCs, the commission concluded that “the magnitude of price undercutting is higher in relation to these common MCCs than for the wear grade category in general”.

Response to Request 5.b.

Invoice date for both SSAB AU and Bisalloy.

Response to Request 5.c.

Wear grade MCCs sold by both SSAB AU and Bisalloy as colour coded in the tables on “Wear – Common MCC” worksheet (row 106 – row125).

Response to Request 5.d.

The analysis in the “Wear – Common MCC” worksheet compares delivered prices across all levels of trade. The analysis is further expanded on in worksheet “Wear – Common MCC – end user” to account for level of trade.

The analysis in the “Wear – Common MCC” worksheet was undertaken using the MCC structure which captures specific physical characteristics of the products sold as detailed in the following table:

Item	Category	Sub-category	Identifier	Sales data	Cost data
1	Grade	Structural	S	Mandatory	Mandatory
		Wear	W		
		Armour	A		
2	Tensile strength (this category is only required for “structural” grade Q&T steel plate)	Under 700 MPa	A	Mandatory	Mandatory
		700-799 MPa	B		
		800-899 MPa	C		
		900-999 MPa	D		
		Above 1000 MPa	E		
3	Brinell hardness (this category is only required for “wear” or	Under 275	A	Mandatory	Mandatory
		275-324	B		
		325-374	C		

Response to Request 5.f.

Percentage of wear grade sales that common MCC account for:

	Total wear grade sales	Common MCC	Common MCC % of sales
SSAB Sweden			
Bisalloy			

Percentage of Bisalloy sales of all steel plate that common wear MCC account for:

	Total sales	Common wear MCC	Common wear MCC % of sales
Bisalloy			

Response to Request 5.g.

i)

SSAB largest volume wear grade MCC					
	Q1	Q2	Q3	Q4	IP
SSAB Sweden					
Bisalloy					
Bisalloy undercut by					

SSAB second largest volume wear grade MCC					
	Q1	Q2	Q3	Q4	IP
SSAB Sweden					
Bisalloy					
Bisalloy undercut by					

The lowest observed undercutting (of SSAB's highest volume wear grade MCC) was for MCC [redacted] in quarter [redacted] at 7.5% and the highest observed undercutting was for MCC [redacted] in quarter [redacted] at 19.1%.

ii) see table provided for each MCC in response 5e.

iii) from the table of the 10 common MCCs in response to 5e, only 3 common MCCs have undercutting on an annual basis across the inquiry period (for the other 7 common MCCs, SSAB had a price premium).

Total volume of 10 common MCC		
Volume undercut by SSAB		
% of common MCC undercut by SSAB		
Total volume of wear grade		
Volume undercut by SSAB		
% of wear grade undercut by SSAB		
Total volume of all steel plate		
Volume undercut by SSAB		
% of all steel plate undercut by SSAB		

iv) The analysis in relation to these 2 MCCs is in Confidential Attachment 12 worksheets “Wear MCC 1” and “Wear MCC 2”. The levels of undercutting observed as compared to those observed in worksheet “Wear – Common MCC” are significantly higher.

The 2 largest MCCs by volume of SSAB sales account for around [REDACTED] of SSAB sales. [REDACTED] of these sales are to [REDACTED] Bisalloy’s [REDACTED] customers ([REDACTED] via [REDACTED]). The commission considers this to be a significant point of competition. The levels of undercutting observed in relation to these common MCCs and common customers are significantly above the levels of undercutting observed at the broader category of common MCCs where less crossover exists with Bisalloy’s customer base, hence the conclusion that SSAB is prepared to price more aggressively where direct competition exists within the wear grade category.

Note that common customers may not necessarily be purchasing the same MCC (worksheet “Common MCC and customer” confirms this). For example, Bisalloy and SSAB both sell ‘Wear MCC 2’³ into the Australian market and both sell a range of MCCs to [REDACTED]. Bisalloy does not however sell ‘Wear MCC 2’ to either [REDACTED]. Bisalloy sells ‘Wear MCC 2’ to other customers and that is the basis of the price comparison. The inference the commission draws from this analysis is that due to the extent of price undercutting (between [REDACTED] and [REDACTED] during the inquiry period) these [REDACTED] customers have elected to source this MCC from SSAB rather than Bisalloy.

In terms of volume, SSAB sold [REDACTED] tonnes of ‘Wear MCC 2’⁴ to these [REDACTED] customers (and [REDACTED] tonnes of MCC 1⁵). This is a material volume in the context of the wear grade market quantified above.

While the remaining 8 common MCCs are also considered to be points of direct competition, the relative volumes for these remaining MCCs are much less significant to both SSAB and Bisalloy.

In the conference, the Panel Member queried why the commission focused on common MCCs with large SSAB volumes but did not focus on the common MCCs with large volumes across both Bisalloy and SSAB. The commission explained that it was seeking to identify where Bisalloy was experiencing injury.

The commission also noted its analysis of Bisalloy’s price (at the distribution level of trade) to [REDACTED] (a distributor supplying [REDACTED] relative to SSAB’s (end-user) price to [REDACTED] (refer to Section 7.7.5 of REP638 on page 88 under the heading ‘Distributor price pressure on Bisalloy’). The analysis identified that SSAB’s end user price to [REDACTED] undercut Bisalloy distribution price to [REDACTED] (refer also to chart on page 89 of REP638). This analysis supports the commission’s broader price undercutting analysis.

ADRP Request 6

6. Please refer to the factual basis and analysis in REP 638 (and attachments) for the ADC’s finding at the top of page 75 of REP 638 (with a focus on the emphasised portions of the text) that:

“The commission considers that if measures expire, the competitive price advantage that SSAB AU currently maintains on wear plate would likely be even greater, while the premium it has on structural grade Q&T steel plate would likely

³ [REDACTED].

⁴ Confidential Attachment 12 – Wear MCC 2 tab at cell M29

⁵ Confidential Attachment 12 – Wear MCC 1 tab at cell M29

be lessened, reducing the competitive advantage the Australian industry presently has in relation to structural grade plate.” [emphasis added]

Response to Request 6

The price undercutting analysis detailed in section 7.7.2 and 7.7.5 of REP 638 and Confidential Attachment 12 shows that SSAB AU is undercutting Bisalloy in the largest segment of the steel plate market, wear grade. As the analysis is fine-tuned from an aggregate analysis down to common MCC and common customer analysis, the levels of undercutting increase, indicating that at these points of direct competition SSAB is prepared to price more aggressively against Bisalloy.

This analysis has been conducted inclusive of the existing duties, hence removing the duties would result in SSAB AU’s prices undercutting Bisalloy to an even greater extent.

Bisalloy currently enjoys a price advantage in respect of structural steel. Again, this analysis has been conducted inclusive of duties, the removal of which would reduce SSAB AU’s price for structural steel, reducing Bisalloy’s price advantage.

ADRP Request 7

7. Regarding the following statement on page 75 of REP 638, with reference to SSAB’s submission of 25 July 2024:

“While SSAB has provided one example where SSAB AU’s prices (as per its price guide) appeared to be higher than Bisalloy’s offered prices for both structural and wear grades of Q&T steel plate, the example is inconclusive as there is no information on SSAB’s actual prices offered to this customer.”

Please could the ADC clarify the following:

- a. Why the ADC considered the example to be inconclusive and whether it sought further clarification from SSAB AU regarding to the referenced price guide and actual price offers or transactions to the customer.
- b. The reason for the ADC rejecting the information relating to the example, as being supportive of SSAB’s position on undercutting, on the one hand, while at the same time considering the example to be supportive of the finding that “Bisalloy is prepared to offer lower prices in order to compete with SSAB AU”.
- c. Please refer to the factual basis and reasoned analysis in REP 638 (and attachments) for the ADC finding relating to price suppression, that as “Bisalloy is competing directly with SSAB AU which imports dumped goods from Sweden, it can be said that Bisalloy’s prices were suppressed, in part, because of competition with dumped goods” [emphasis added], bearing in mind that the factual basis and analysis preceding this finding related to price undercutting.

Response to Request 7.a

The information has been assessed within the broader context of the commission’s price undercutting analysis which relied upon verified actual sales values and which showed that regardless of published price guidance in relation to the largest 2 wear grade MCCs sold by SSAB, they undercut Bisalloy in all quarters and in aggregate across the inquiry period.

The commission considers the price undercutting analysis to be more persuasive evidence of the actual price dynamics in the market than price guides which are indicative only (and are not always followed).

The commission did not seek further clarification from SSAB AU regarding the referenced price guide and actual price offers or transactions to the customer for the reasons explained in our response to request 1.b.ii.

Response to Request 7.b

The statement is not mutually exclusive – price guides may provide indicative market pricing which supports an inference that in a market comprised of 2 dominant suppliers one may offer prices lower than the other, however price guides are indicative only and are less persuasive than verified actual selling prices.

In this instance Bisalloy may have “offered” a lower price as per a price guide comparison yet still be undercut by SSAB on the actual sales transaction. The undercutting analysis at MCC level indicates that Bisalloy has been undercut on **actual** selling prices.

Response to Request 7.c

The commission found that Bisalloy experienced price suppression during the inquiry period (section 5.4.1 refers, page 35). The commission found that SSAB AU’s prices undercut Bisalloy’s prices in circumstances where SSAB AU supplies dumped imports from Sweden. That price undercutting coincided with price suppression. (section 7.7.2 refers)

Further, the commission also found that ‘SSAB AU is Bisalloy’s main competitor in the Australian market, particularly in relation to supply to large users of Q&T steel plate that are concerned about the quality and reliability of the steel plate used in their respective applications’.⁶

Together these findings support the commission’s finding that ‘Bisalloy’s prices were suppressed, in part, because of competition with dumped goods’.

ADRP Request 8

8. Regarding the following statement on page 75 of REP 638:

“In a price competitive market, the expiration of measures would therefore increase the attractiveness of dumped exports from Sweden relative to the Australian industry’s like goods. This would likely lead to price depression and/or price suppression and a reduction in profit and profitability should the Australian industry seek to compete with these dumped imports on price. Should the Australian industry choose not to lower prices to compete with dumped imports, it is likely that the Australian industry will cede sales volume and market share to dumped imports.”[emphasis added]

Bearing in mind that the factual basis and analysis preceding this finding related to price undercutting, please could the ADC refer to the factual basis and reasoned analysis in REP 630 (and attachments) for this likelihood assessment relating to “price depression and/or price suppression and a reduction in profit and profitability” as well as the likelihood assessment relating to “sales volume and market share”.

⁶ REP 638, page 78.

Response to Request 8

In section 7.7.3 of REP 638 the commission undertook an analysis of Bisalloy and SSAB customers and established that “based on the level of commonality of customers between Bisalloy, SSAB AU and imports from other suppliers and countries, Q&T steel plate supplied by each party is substitutable and the Australian market for Q&T steel plate is a competitive one”.

Section 7.7.2 details the commission’s extensive undercutting analysis which showed that at the most direct points of price competition (common wear grade MCC and customer) SSAB AU exhibits the greatest degree of price undercutting. Further analysis is contained in section 7.7.5 (under “Distributor price pressure on Bisalloy”) which details price undercutting in relation to SSAB AU’s [REDACTED] who are also supplied by Bisalloy through a distributor.

Section 5.4.1 shows that Bisalloy experienced price suppression during the inquiry period, and this is coincident with price undercutting by SSAB AU in relation to wear grade plate.

Section 5.3.2 shows that Bisalloy has experienced declining market share since the measures were last continued. Section 7.7.4 further refines the commission’s volume analysis and shows that since the measures were last continued Bisalloy’s sales of wear grade steel plate have been in decline in a growing market, while SSAB AU’s sales have experienced a growth in sales volume. The following table (Table 14) extracted from REP 638 (page 82) shows these trends in sales volumes.

	Inquiry 506	Inquiry 638
Bisalloy wear grade	100	93
Bisalloy structural grade	100	113
Bisalloy total	100	100
SSAB wear grade	100	109
SSAB structural grade	100	52
SSAB total	100	93
Imports from other suppliers	100	129
Australian market size	100	106

These volume trends are coincident with a change in SSAB AU’s pricing strategy – prior to the last continuation of measures, SSAB AU was undercutting on structural grade however since the measures were continued, SSAB AU has increased structural grade pricing.⁷ In conjunction with the pricing analysis in section 7.7.2 SSAB AU’s growth of sales volume for wear grade plate shown in section 7.7.4 has been coincident with the emergence of price undercutting on wear grade, while its structural sales have been in decline coincident with its increased pricing for structural grade. The analysis of wear and structural grade pricing and volume trends shows that price is an integral factor in purchaser decision making and that volumes have moved toward the lowest priced supplier in each sector following the last continuation of measures (sales moved to Bisalloy who had the cheaper structural product while sales moved to SSAB AU who were undercutting in the wear grade sector).

This analysis supports a conclusion that in the Australian market to maintain sales volumes, prices need to be competitive. SSAB AU and Bisalloy are the key suppliers to the market.

SSAB continues to sell dumped imports in the Australian market that undercut Bisalloy in the wear grade sector. Based on the identified price dynamics it follows that in the absence of measures SSAB

⁷ Refer to REP 506 Figure 11 on page 48 and related analysis.

will continue to undercut Bisalloy (and have scope to undercut to an even greater degree without the application of duties). In this instance Bisalloy can respond by:

- Lowering prices to remain competitive against SSAB leading to price depression and/or suppression, or
- Maintain prices above SSAB and likely lose sales volume and market share (as occurred in relation to wear grade plate following the continuation of measures in 2019).

As profit and profitability are a function of sales volumes and selling prices, any reduction in selling prices or loss of sales volume would translate to reduced profit and profitability.