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Mr John Bracic
Director, Operations 1
International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Dear Mr Bracic

Public File Copy

Re: Application for Exemption from interim measures on behalf of Nippon Steel and Sumitomo Metal Corporation

Background

I refer to the letter dated 30 January 2013 on behalf of Nippon Steel and Sumitomo Metal Corporation (formerly Nippon Steel Corporation, and hereafter referred to as "Nippon Steel") requesting exemption from interim dumping measures for pickled and oiled hot rolled coil ("HRC")

It has been suggested on behalf of Nippon Steel that the "Minister ought to exempt" goods if they satisfy the descriptions listed at Paragraph 2 of the Nippon Steel submission, namely:

- (a) the specific grade [not identified] of pickled and oiled HRC produced by the domestic producer, BlueScope, is not approved by [clients' names deleted];
- (b) [Clients' names deleted] has expressed a quality concern with the pickled and oiled HRC that BlueScope makes;
- (c) the specific grade [not identified] of pickled and oiled HRC is not produced by BlueScope (including because of width and thickness limitations).

An exemption authorized by the Minister on the basis of the above grounds has been requested on behalf of Nippon Steel.

Comment

BlueScope has significant reservations with the application for exemption sought by Nippon Steel.

Of prime concern to BlueScope are the assertions made on behalf of Nippon Steel that the goods for which the application for exemption is made appears to be based on grounds that BlueScope is not an "approved" supplier of the pickled and oiled HRC, and that "quality" concerns are associated with Australian-made pickled and oiled HRC. These grounds do not qualify the nominated imports for exemption from interim measures.

It is further claimed that BlueScope does not produce the specific grade of pickled and oiled HRC “including because of width and thickness limitations”. It is clear that this reasoning is not limited to apparent width and thickness limitations due to the use of the descriptor “including”.

BlueScope does not consider that a broad exemption can be made in respect of goods where the public file version of the application has all details concerning the grades of the imported goods and BlueScope’s equivalent have been redacted. This approach does not permit BlueScope the opportunity to adequately assess whether the claims made on behalf of Nippon Steel can be considered reliable.

It is considered by BlueScope that the exemption process should be open and transparent and that the goods for which the exemption application has been made can be readily identified. This is not the case with the current application made on behalf of Nippon Steel.

BlueScope is strongly opposed to a broad-ranging application that includes goods for which it would seem (from the wording of the exemption application letter dated 30 January 2013) substitutable equivalents are available from local manufacture.

Nippon Steel’s application does not adequately disclose or identify the goods that are the subject of the requested exemption. It is BlueScope’s assessment that based upon the level of limited disclosure in the Nippon Steel application, that certain HRC manufactured by BlueScope can be substituted by imports.

Conclusion

BlueScope requests Customs and Border Protection to recommend that the Minister reject the application for exemption made on behalf of Nippon Steel on the basis that the limited disclosure of grades of HRC for which the application is made, have not been adequately disclosed to the Australian industry.

If you have any questions concerning this letter, please do not hesitate to contact me on (02) 4275 3859.

Yours sincerely



Alan Gibbs
Development Manager – International Trade