



Australian Government
Anti-Dumping Commission

Application for the publication of
dumping duties

HOT ROLLED PLATE STEEL

exported from the Republic of Korea (by
Hyundai Steel Company and POSCO) and
Taiwan

PUBLIC FILE

February 2015

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with Section 269TB of the Customs Act 1901, that the Minister publish in respect of goods the subject of this application:

- ☒ a dumping duty notice, or
- ☐ a countervailing duty notice, or
- ☐ a dumping and a countervailing duty notice

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Signature: 

Name: Alan Gibbs

Position: Development Manager – International Trade

Company: BlueScope Steel Limited

ABN: 19 000 019 625

Date: February 2015

IMPORTANT INFORMATION

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, servant, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's Client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants: Application for the publication of dumping and or countervailing duty notices*
- *Instructions and Guidelines for applicants: Examination of a formally lodged application*

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 1300 884 159

Fax: 1300 882 506

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with up to 200 employees) may obtain assistance, at no charge, from the International Trade Remedies Adviser, employed by Australian Industry Group and funded by the Australian government. To access this service, visit www.aigroup.com.au/traderemedies or telephone (03) 9867 0267.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there are reasonable grounds to initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions (particularly in Parts A and B) are answered; and

- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form requests data over several periods (P^1 , P^2 P^n) to evaluate industry trends and to correlate injury with dumped imports. The labels P^1 ... P^n are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commission will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicant companies should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During the verification visit, the Commission will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

Appendices	<p>Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled <u>Attachment A2.2</u>. If a second organisation chart is provided in response to the same question, it should be labelled <u>Attachment A2.2.2</u> (the first would be labelled <u>Attachment A2.2.1</u>).</p>
Provision of data	<p>Industry financial data must, wherever possible, be submitted in an electronic format.</p> <ul style="list-style-type: none">• The data should be submitted on a media format compatible with Microsoft Windows.• Microsoft Excel, or an Excel compatible format, is required.• If the data cannot be presented electronically please contact the Commission's client support section for advice.
Lodgement of the application	<p>This application, together with the supporting evidence, should be lodged with:</p> <p style="padding-left: 40px;">The National Manager - Operations Anti-Dumping Commission Customs House 1010 Latrobe St Docklands VIC 3008</p> <p style="padding-left: 40px;">or</p> <p style="padding-left: 40px;">Sent by facsimile to 1300 882 506</p>
Public Record	<p>During an investigation all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.</p> <p>At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the conduct of a dumping and/or subsidy investigation, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.</p>

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

For advice about completing this part please contact the Commission's client support section on:

Phone: 1300 884 159
Fax: 1300 882 506
Email: clientsupport@adcommission.gov.au

A-1 Identity and communication.

Please nominate a person in your company for contact about the application:

This application is made on behalf of BlueScope Steel Limited ("BlueScope") the sole Australian manufacturer of plate steel products.

Relevant contact details for personnel within BlueScope that will assist with enquiries concerning this application are as follows:

Contact Name:	Alan Gibbs
Company and position:	Development Manager – International Trade
Address:	Five Islands Road, Port Kembla, NSW 2500
Telephone:	(02) 4275 3859
Facsimile:	(02) 4275 7810
E-mail address:	Alan.Gibbs@bluescopesteel.com
ABN:	19 000 019 625

Alternative contact

Name:	Chad Uphill
Position in company:	Senior Finance Analyst – International Trade
Address:	Five Islands Road, Port Kembla, NSW 2500
Telephone:	(02) 4275 4638
Facsimile:	(02) 4275 7810
E-mail address:	Chad.Uphill@bluescopesteel.com

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

The applicants have engaged the following consultant to assist with this application:

Name:	Mr John O'Connor
Business name:	John O'Connor & Associates Pty Ltd
Address:	P.O. Box 329, Coorparoo Qld 4151
Telephone:	(07) 3342 1921
Facsimile:	(07) 3342 1931
E-mail address:	jmoconnor@optusnet.com.au
ABN:	39 098 650 241

A-2 Company information.

1. **State the legal name of your business and its type (eg. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.**

The company seeking the imposition of anti-dumping measures is BlueScope Steel Limited (ABN 19 000 019 625).

BlueScope Steel Limited (hereafter referred to as “BlueScope” or “BSL”) is an Australian manufacturer of flat steel products. BlueScope produces the goods that are the subject of this application which is plate steel that is marketed under the following trade names “XLERPLATE” and “XLERPLATE LITE” and “TRU-SPEC” steel. These products are sold into the Australian market direct to manufacturing customers and via distributors.

2. **Provide your company’s internal organisation chart. Describe the functions performed by each group within the organisation.**

An internal group organisation chart for BlueScope is set out below (as at end January 2015):



Functions performed by each group within the organization:

1. *Coated & Industrial Products Australia*

- Largest supplier and only manufacturer of HRC, plate, metal coated and painted steel in Australia (including the goods under consideration “GUC”);
- Australian finished-product capacity of ~2.6Mtpa; domestic market 1.9Mt in FY2014

2. *Building Components and Distribution Australia*

- Major steel product supplier / distributor to the Australian building and construction, automotive, white goods manufacturing and general manufacturing industries

3. *New Zealand & Pacific Steel Products*

- Only fully integrated flat steel maker in New Zealand
- Includes iron sands mines (own consumption and export sales)

4. Building Products ASEAN, North America and India

- Operates metallic coating and painting lines and roll-forming in Indonesia, Malaysia, Thailand, Vietnam, India and North America
- Includes NS BlueScope Coated Products JV

5. Global Building Solutions

- Leading global designer and manufacturer of Engineered Building Solutions
- Key markets in China & Nth America; plants in ASEAN, India, Middle East
- Supplying buildings to global customers
- China coating & painting

6. Hot Rolled Products North America

- 2.0Mtpa mini-mill in Ohio
- 50/50 JV with Cargill Inc.

3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.

BlueScope Steel Limited is a publicly listed company. The Major (Top 20) shareholders within BlueScope as at December 2014 include:

Displaying 1-20 of 20 investors

Rank	Investor Name	Location	Style	23 Jan 15	%IC	Change	31 Dec 14	%IC
1	Perpetual Investments	Sydney	Value	50,654,628	9.06	(911,054)	51,565,682	9.22
2	Ausbil Investment Mgt	Sydney	Core/Style Neutral	30,518,825	5.46	(121,949)	30,640,774	5.48
3	Nikko Asset Mgt	Sydney	Value	28,783,002	5.15	(16,517)	28,799,519	5.15
4	Colonial First State - Growth Australian Equities	Sydney	Growth	27,482,432	4.91	0	27,482,432	4.91
5	Dimensional Fund Advisors	Sydney	Quant	25,681,628	4.59	(127,920)	25,809,548	4.62
6	Colonial First State - Core Australian Equities	Sydney	Core/Style Neutral	18,602,297	3.33	(1,473,800)	20,076,097	3.59
7	GIC	Singapore	Core/Style Neutral	18,127,247	3.24	58,587	18,068,660	3.23
8	Perennial Value Mgt	Sydney	Value	17,866,284	3.19	(2,945)	17,869,229	3.20
9	BT Investment Mgt	Sydney	Core/Style Neutral	17,422,277	3.12	(775,402)	18,197,679	3.25
10	Marathon Asset Mgt	London	Value	13,450,749	2.41	(35,474)	13,486,223	2.41
11	AMP Capital Investors	Sydney	Multi Style	11,011,442	1.97	(390,605)	11,402,047	2.04
12	Paradise Investment Mgt	Sydney	Value	10,212,027	1.83	2,493,888	7,718,139	1.38
13	State Street Global Advisors	Sydney	Index	10,206,392	1.83	83,756	10,122,636	1.81
14	Universities Superannuation Scheme	London	Core/Style Neutral	9,035,000	1.62	0	9,035,000	1.62
15	Merion Capital Partners	Sydney	Value	7,775,418	1.39	0	7,775,418	1.39
16	GMO	Boston	Value	7,519,067	1.34	(77,729)	7,596,796	1.36
17	Vanguard Group	Philadelphia	Index	7,189,639	1.29	81,254	7,108,385	1.27
18	Vanguard Investments Australia	Melbourne	Index	6,909,707	1.24	100,765	6,808,942	1.22
19	Antares Equities	Melbourne	Core/Style Neutral	6,665,076	1.19	(97,949)	6,763,025	1.21
20	Alphinity Investment Mgt	Sydney	Core/Style Neutral	6,663,619	1.19	0	6,663,619	1.19

4. If your company is a subsidiary of another company list the major shareholders of that company.

BlueScope is not a subsidiary of another company.

5. **If your parent company is a subsidiary of another company, list the major shareholders of that company.**

This question is not applicable to BlueScope.

6. **Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).**

Major Associated or affiliated companies

BlueScope is a publicly listed company, limited by shares. It has a number of subsidiaries and joint ventures both in Australia and overseas, which are included in Confidential Attachment A-2.6.1-4. A detailed listing of BlueScope's subsidiaries is also located in its Annual Full Financial Report, including the level of equity holding in each subsidiary company.

7. **Are any management fees/corporate allocations charged to your company by your parent or related company?**

This question is not applicable to BlueScope.

8. **Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.**

BlueScope Steel's International Affiliate, Tasman Steel Holdings Ltd (known as New Zealand Steel) exports a range of flat steel products from New Zealand into Australia via their local sales arm – New Zealand Steel Australia (NZSA).

BlueScope does have an arm's length relationship via its Distribution business with importers of the Goods Under Consideration ("GUC") – namely [suppliers].

9. **Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.**

BlueScope's 2014 Annual Report and Full Financials are included with this application. BlueScope's Annual Reports from 2003 to 2014 are available from its website at www.bluescopesteel.com.

10. **Provide details of any relevant industry association.**

BlueScope is a member of the following industry associations:

- Australian Steel Institute – refer www.steel.org.au.
- Bureau of Steel Manufacturers of Australia (BOSMA)

A-3 The imported and locally produced goods.

1. Fully describe the imported product(s) the subject of your application:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.

The goods the subject of this application is hot rolled plate steel exported to Australia by the two Korean exporters Hyundai Steel Company (“Hyundai”) and POSCO Steel (“POSCO”) of Korea, and all exports from Taiwan.

The imported goods the subject of this application were also the subject goods in Trade Measures investigation No. 198 – Hot Rolled Plate Steel exported from The People’s Republic of China, The Republic of Indonesia, Japan, The Republic of Korea, and Taiwan. In its application (for Inquiry No. 198) and this application, BlueScope has described the subject goods as follows:

‘Flat rolled products of:

- *iron;*
- *non-alloy steel; or*
- *“other alloy” steel;*

of a width greater than 600mm, with a thickness equal to or greater than 4.75mm, not further worked than hot rolled, not in coils, with or without patterns in relief.

Goods excluded from this application are:

- *250 grades of plate steel with a thickness greater than 150mm;*
- *350 grades of plate steel with a thickness greater than 100mm;*
- *Q&T Greenfeed grades of plate steel (Q&T Greenfeed is supplied only in the ‘non heat-treated condition’); and*
- *heat treated Q&T grades of plate steel.*

It is BlueScope’s understanding that the standard dimensions of imported plate product ranges within 1500mm – 3200mm in width, 5mm – 150mm in thickness and 6 – 12 metres in length.

Imported non-alloy and ‘other alloy’ steel plate product is most commonly offered in nominal yield strengths of 250 MPa and 350 Mpa, depending on application and end use.

The goods under consideration (“GUC”) are generically called hot rolled plate steel, plate steel or coil plate steel (used interchangeably with GUC in this application).

Trade or further generic names often used to describe these goods include:

- “XLERPLATE” steel
- “XLERPLATE LITE” steel
- “TRU-SPEC” steel
- Plate
- Pattern Plate
- Coil Plate
- Checker Plate

- Floor Plate

There are a number of relevant International Standards for plate steel products that cover their own range of products via specific grade designations, including the recommended or guaranteed properties of each of these product grades.

These relevant standards are noted below in Table A-3.1 (a) and A-3.1 (b) "Relevant International Standards for Plate Steel". Refer to Non-Confidential Attachment A-3.1 for Australia/New Zealand standards for plate steel.

Table A-3.1 (a) - Relevant International Standards for Plate steel – Structural Grades

Australian and International Standards:- Structural Grades			
AS/NZS 3678	ASTM	JIS	China
Grade	Grade	Grade	Grade
250	A36	G3101-SS400	GB/T 700 - Q275
250L15			
250L20			
250Y20			
250L40			
250Y40			
300			
300L15			
300L20			
300Y20			
300L40			
300Y40			
350	A572 -345 (50)	G3101-SS490	GB/T 1591 - Q345
350L15			
350L20			
350Y20			
350L40			
350Y40			
400	A572 -415 (60)		GB/T 1591 - Q390
400L15			
400L20			
400Y20			
400L40			
400Y40			
450	A572 -450 (65)		GB/T 1591 - Q420
450L15			GB/T 1591 - Q460
450L20			
450Y20			
450L40			
450Y40			

Table A-3.1 (b) - Relevant International Standards for Plate steel – PV Grades

Australian and International Standards:- Pressure Vessel and Boiler Grades	
AS 1548	ASTM
Grade	Grade
PT 430	A516 - 415 (60)
PT 460	A516 - 450 (65)
PT 490	A516 - 485 (70)
PT 490	A516 - 485 (70)
PT 490 N	A516 - 485 (70) N

2. What is the tariff classification and statistical code of the imported goods.

The GUC are classified within tariff sub-headings:

- 7208.40.00 statistical code 39;
- 7208.51.00 statistical code 40;
- 7208.52.00 statistical code 41; and
- 7225.40.00 statistical codes 22 and 24.

The GUC imported from Korea (ex Hyundai and POSCO) and Taiwan classified to 7208.40.00, 7208.51.00 and 7208.52.00 attract a rate of duty applicable to “DCS” countries (i.e. a “Free” rate of duty).

The GUC imported under 7225.40.00 attract a 5 per cent rate of duty (i.e. for Taiwan). Following the signing of the Korea-Australia Free Trade Agreement (“KAFTA”) the duty rate applicable to imports from Korea reduced to 4 per cent on 13 December 2014, and then reduced again to 3 per cent from 1 January 2015.

Please refer to Non-Confidential Attachment A-3.2 for a copy of the Customs Tariff Schedule 3 extract.

BlueScope highlights with the Anti-Dumping Commission (“the Commission”) that published Australian Bureau of Statistics (“ABS”) import clearance data for the GUC do not disclose “country of import” details due to current suppression orders. BlueScope has therefore relied upon export data from the nominated countries to determine volumes of the GUC. Please refer to Section B-1.2 below for further information concerning source data for exports of the GUC to Australia.

3. Fully describe your product(s) that are ‘like’ to the imported product:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.
- Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

Like Goods

BlueScope manufactures flat rolled products of 'non-alloy' steel and 'other alloy' steel of widths greater than 600mm, not further worked than hot rolled, not in coils, whether or not with 'patterns in relief'.

The locally produced goods are considered like goods to the imported flat rolled products of 'non-alloy' steel and 'other alloy' steel the subject of this application.

Physical properties

Plate products have been produced by BlueScope since 1962. Hot rolled plate products made by BlueScope are required to meet AS/NZS 3678 for structural and analysis plate steel grades, and AS/NZS 1548 for pressure vessel plate steel grades.

The steel chemistry, percent hot reduction and cooling process, are used to produce the required mechanical properties, as designated by Australian and International Standards.

BlueScope produces a wide variety of 250 and 350 type structural and pressure vessel plate steel grades with differing chemical and physical properties. The 250 and 350 grades of plate steel represent the majority of production and sales of plate steels manufactured by BlueScope. The 250 and 350 grade steel is the 'like' of the 250 and 350 imported grades.

BlueScope produces 250 and 350 in the following dimensions:

Yield Strength (MPa)	Width Range (mm)	Thickness Range (mm)	Length Range (m)
250	1250 – 3300	5 – 150	2.4 – 22
350	1250 – 3300	5 – 100	2.4 – 22

Copies of BlueScope's Product Brochures for the common grades of plate steel products are included at Non-Confidential Attachments A-3.3.1 to A 3.3.6.

More information can be found at:

<http://steelproducts.bluescopesteel.com.au/home/steel-products/plate>

4. Describe the ways in which the essential characteristics of the imported goods are alike to the goods produced by the Australian industry.

The GUC manufactured in Australia by BlueScope are like goods to the imported goods on the following grounds:

- (i) Physical likeness – the primary physical characteristics of imported and locally produced goods are similar (both are manufactured to achieve mechanical properties designated by Australian and International Standards);
- (ii) Commercial likeness – the imported and locally produced goods are commercially alike, directly competitive and are sold to common customers;

(iii) Functional likeness – the imported and locally produced goods are functionally alike as they have the same end-uses; and

(iv) Production likeness – The Commission previously determined (Report No. 198) that BlueScope and exporters of plate steel manufacture steel plate in a similar manner.

On this basis, BlueScope considers its locally-produced plate steel is “alike” to the imported goods, and possesses the same essential characteristics as the imported plate steel.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

The ANZSIC code applicable to plate steel product is category 2711.

6. Provide a summary and a diagram of your production process.

Summary of Plate manufacturing process

Plate steel product is produced from slab steel in either of two ways:

1. via a Plate Mill (XLERPLATE[®]) or
2. via a Hot Strip Mill and cut to length line – (XLERPLATE[®] LITE and TRU-SPEC[™])

The input steel product starts as a slab of steel for both methods of manufacture.

1. XLERPLATE[®]

Slab is heated in a furnace to around 1200 degrees Celsius then reduced in thickness from 230mm to the required thickness by passing through a series of rollers at great pressure, and then passing through a hot leveler to achieve the required flatness. After cooling, this 'pattern' plate is transferred to the processing area where the 'pattern' is then cut to the required XLERPLATE[®] size (size range is 5mm – 150mm thick, up to 3300mm wide and up to 22m long).

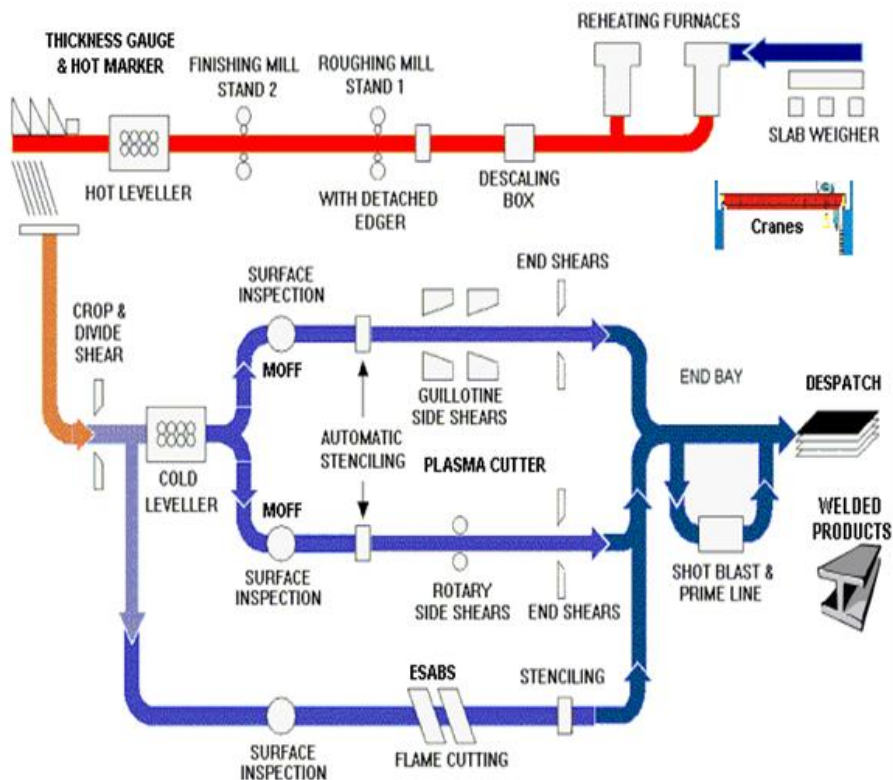
2. XLERPLATE[®] LITE

Slab is heated in a furnace to around 1200 degrees Celsius then reduced in thickness from 230mm to the required thickness by passing through a series of rollers at great pressure, is then control cooled, and wound up as a coil of steel, now known as hot rolled coil ("HRC"). The HRC is then sheared to length and leveled at a secondary processing facility to make XLERPLATE[®] LITE product (size range is 1.5mm – 12.7mm thick, up to 1550mm wide and 12m long).

3. TRU-SPEC[™]

Slab is heated in a furnace to around 1200 degrees Celsius then reduced in thickness from 230mm to the required thickness by passing through a series of rollers at great pressure, is then control cooled, and wound up as a coil of steel, now known as hot rolled coil ("HRC"). The HRC is then stretch leveled flat and sheared to length at a secondary processing facility to make Tru-Spec[®] product (size range is the same as XLERPLATE[®] LITE).

Diagrammatic representation of Slab conversion to XLERPLATE® product



7. If your product is manufactured from both Australian and imported inputs:
- describe the use of the imported inputs; and
 - identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

BlueScope manufactures steel plate in Australia from liquid steel, via flat steel production. The steel production process is a capital intensive one that converts raw material iron ore and coal into liquid steel, followed by casting into slab steel that is then converted into steel plate.

BlueScope is a fully-integrated flat steel product manufacturer with large capital intensive manufacturing operations at Port Kembla in NSW.

BlueScope submits that it undertakes more than one substantial process of manufacture in the production of the GUC.

BlueScope does not use imported steel in the manufacture of the GUC.

8. If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).

The GUC are not close processed agricultural goods.

9. Supply a list of the names and contact details of all other Australian producers of the product.

BlueScope is the sole Australian manufacturer of the goods the subject of this application.

A-4 The Australian market.

1. Describe the end uses of both your product and the imported goods.

BlueScope's main products, the markets for those products and their applications are shown below:

Table A-4.1 – Primary end-use applications

Product	Primary end use markets	Applications
	1. Mining, Oil & Gas	Tanks for oil and gas storage (incl. LNG), pipe racks, ore/coal shuttle cars, other materials handling including conveyor system supports, stacker reclaimers, coal loaders plus underground mining equipment & transport etc
	2. Engineering Construction	Bridge beams, tubular piles for bridges, ports, rail etc, culverts, heavy structural members for large plant & equipment (e.g. power stations, desalination plants etc) tanks for water storage, wind towers
	3. Transport & Equipment and general manufacturing	Truck trailers & bodies incl. mining dump trucks, ships & other marine (except for Oil & Gas) incl. mining trucks, earth moving equipment, sundry manufacturing incl. underground fuel tanks.
	4. General Construction	Structural sections for commercial and industrial buildings, sundry cleats, base plates end plates for steel stick construction etc

The locally produced and imported Goods are used interchangeably across a variety of applications in the Australian market, including the main end-use applications identified in Table A-4.1 above.

2. Generally describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- **sources of product demand;**
- **marketing and distribution arrangements;**
- **typical customers/users/consumers of the product;**
- **the presence of market segmentation, such as geographic or product segmentation;**
- **causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;**
- **the way in which the imported and Australian product compete; and**
- **any other factors influencing the market.**

Market Segmentation

The Australian market for plate steel products is dominated by three large segments. These are:

- Mining, Oil & Gas (that is the construction of new plant and the maintenance of that plant) including bulk commodities materials handling;
- Infrastructure including ports, wharves, bridges, wind towers, water storage; and
- Transport & equipment manufacture including marine, road transport, earth moving, general manufacture.

(i) Sources of demand

Key sources of demand in the Australian market for the GUC include:

- Mining Oil & Gas plant construction and operation plus the movement and storage of bulk commodities. Driven by Fixed Asset Investment & operations in the mining commodities markets;
- Infrastructure - Fixed asset investment or maintenance of existing infrastructure. Can be driven by need for assets to support by Fixed Asset Investment in Mining, Oil and Gas, population growth, expansion of trade (port facilities); and
- Transport & Equipment & General Manufacturing - Fixed Asset Investment and or repairs in road & rail haulage, agricultural equipment, earth moving equipment including wear surfaces. Demand for earth moving equipment can come from general construction, mining and infrastructure FIA.

(ii) Distribution arrangements

BlueScope sells over xx% of its steel plate via a network of distribution companies via distributor/resellers such as [entity], [entity] and [entity]. These distribution companies offer plate processing which includes the cutting, drilling, shaping of steel for customers who will incorporate these “components” into a finished article. Distributors hold stock, provide credit terms and can combine deliveries with other steel products e.g. pipe & tube and structural “I” beams and “H” columns.

BlueScope sells the balance of approximately xx% directly to larger end-users or “converters”. These larger end-users will mostly direct procure for large projects or they are manufacturers with regular off-take such as manufacturers that make proprietary products e.g. underground mining equipment.

The “converters” are generally large fabricators that will fabricate structures or items to a design e.g. a specific pressure vessel or a particular stacker reclaimer. As well as this, there are fabricators/maintenance companies that are drawing down steel from distributors for regular repairs & maintenance.

Both BlueScope and importers of the GUC compete in all States and Territories in Australia and across each segment via the same distribution channels in order to sell product directly to the larger “converters” or manufacturing companies in Australia, and to distributors/resellers that on-sell the product into the market.

(iii) Typical Customers

BlueScope's major customers can be described as the [number] main distributors in Australia as mentioned above.

Large fabricators/converters include [entities], etc.

Manufacturers include [entity], [entity], [entity], and the like.

(iv) Causes of demand variability

There are a variety of factors that influence demand variability for plate steel products within the Australian market, including:

- **Seasonal fluctuations**
 - Some variation in part due to Distribution customers reducing off-take toward the end of the year because of reduced fabrication/manufacturing activity and end of fiscal year stock management.
- **Factors contributing to overall market growth or decline**
 - Availability of capital for infrastructure spending – government and private;
 - General macro-economic factors such as bank interest rates directly impact on investment decisions by home buyers, investors and developers;
 - Global and domestic economic conditions (GDP, unemployment, inflation, interest rates);
 - Demand for Australian minerals, gas; and
 - Trend to off-shore fabrication of large mining/oil & gas project modules to off-shore – low cost labour countries.
- **Government regulation**
 - Standards – international manufacturers do not always manufacture to the same standards as Australian manufacturers; this is commonly not understood until installation;
 - Policy – major government spending on infrastructure such as roads ports; and
 - Incentives to develop renewable energy sources (wind power generation – 150t of steel in each tower).
- **Developments in technology affecting either demand or production;**
 - Not significant.

- **Short Term Pricing Volatility**

- Pressure on Australian manufacturing to compete with imported finished products;
- Can influence purchasing decision on inventory levels;
- More evident in the indirect distribution channel; and
- Influenced via global steel capacity utilisation.

(v) The way in which the imported and Australian products compete

All customers have the opportunity to purchase imported material either

- Direct from the overseas mill;
- via an international trader; and/or
- via an aligned / non-aligned Australian based distributor / reseller.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

Steel plate is generally not substitutable to any significant degree. Aluminium in some instances is substitutable but due to a quite different weight/cost proposition, generally these two products do not compete.

4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

BlueScope has completed Confidential Appendix A1 for the twelve months to 31 December 2014. Please refer to Confidential Appendix A1.

5. Complete appendix A2 (Australian market).

BlueScope has completed Confidential Appendix A2 for the period January 2008 to December 2014 inclusive. Please refer to Confidential Appendix A2.

6. Use the data from appendix A2 (Australian market) to complete this table:

BlueScope has completed Confidential Appendix A2 for the period 2008 to 2014. The 2008 year was used as the base year for Investigation No. 198. BlueScope considers it appropriate to continue the data presentation using the same base year for this application to demonstrate how the Australian industry's economic performance has further deteriorated following the imposition of measures by the Minister in December 2013.

Indexed table of sales quantities*

Financial Year	(a) Your Sales	(b) Other Aust ⁿ Sales	(c) Total Aust ⁿ Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	(g) Total Market (c+f)
2008	100	100	100	100	100	100	100
2009	50.9	100	50.9	54.5	34.9	37.4	46.1
2010	73.5	100	73.5	96.4	58.8	63.7	70.0
2011	87.2	100	87.2	173.3	44.3	61.0	77.9
2012	76.1	100	76.1	326.2	57.7	92.5	81.9
2013	66.9	100	66.9	150.3	28.1	43.9	58.8
2014	70.2	100	70.2	319.0	19.0	57.8	65.9

Notes:

1. BlueScope is the sole Australian manufacturer of the GUC.
2. Calendar year 2014 (year ending December) data is incomplete due to a lag in Country of Origin data supply. Export data for Taiwan for December 2014 not available at time of lodgement.
3. "Dumped Imports" includes all volumes from Korea and Taiwan. It is anticipated that exporters of the GUC to which anti-dumping measures apply in Korea (other than by Hyundai and POSCO) have ceased export following the imposition of measures in December 2013.
4. "Other Imports" includes exports from all other countries including those to which measures apply – i.e. Indonesia, Japan, China and Korean exporters (other than Hyundai and Posco).

The above table confirms the increase in imports (based upon export data) of volumes from Korea (being the exporters POSCO and Hyundai Steel) and all exporters in Taiwan (the "dumped imports") post the 2012 investigation period in Investigation No. 198. The dumped imports have more than doubled in volume in 2014 (over 2013) and are at similar levels to 2012 (the investigation period in Investigation No. 198).

As the dumped imports have risen dramatically in 2014, the Australian market for plate steel has expanded at only modest rates, along with BlueScope's domestic sales of like goods. It is apparent from the market data that the identified imports from Hyundai and POSCO of Korea and Taiwan have displaced imports from all remaining sources of supply (including those countries to which the anti-dumping measures apply – P R China, Indonesia, Japan, and the remaining Korean exporters). In 2012, import volumes from P R China, Indonesia and Japan accounted for approximately 30 per cent of total imports, with the share decreasing to less than 3 per cent of total imports in 2014.

The data at Confidential Appendix A2 highlights a sharp and dramatic increase in import volumes of steel plate from Korea of 134 per cent in 2014 (over 2013) and Taiwan of 60 per cent in 2014 (over 2013). The total market expanded in 2014 by only 7 percentage points, with imports from "other" sources contracting by 3.5 percentage points (down by 56 percentage points on 2012).

The growth in imports of steel plate from Hyundai and POSCO of Korea and Taiwan has surpassed all trends for other sources (including local production) in 2014. BlueScope submits that the further deterioration in the Australian industry's economic performance in 2014 has been as a consequence of the escalation in dumped imports from Hyundai and POSCO of Korea and Taiwan.

A-5 Applicant's sales.

1. Complete appendix A3 (sales turnover).

BlueScope has completed Confidential Appendix A3 for the period January 2008 to 31 December 2014.

Indexed data from Confidential Appendix A3 for the Like Goods (quantity and value) has been included below.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

BlueScope has completed the tables below from data included in its Confidential Appendix A3.

Indexed table of Applicant's sales quantities (metric tonnes) for like goods

Quantity	2008	2009	2010	2011	2012	2013	2014
Like goods							
Australian market	100	50.9	73.5	87.2	76.1	66.9	70.2
Export market	100	105.8	251.6	159.1	87.4	30.2	46.7
Total	100	55.6	88.6	93.3	77.0	63.8	68.2

Notes:

1. Refer to Confidential Appendix A3 for data.
2. Years are 1 January to 31 December.

BlueScope has experienced an increase in domestic sales of plate steel in 2014 from 2013, however, the volumes sold domestically in 2014 remain below the levels of the 2012 investigation period of Inquiry No. 198 by approximately 5.9 percentage points. To counter the reduced domestic sales volumes of plate steel that occurred in 2013, BlueScope increased its export volumes in 2014.

Indexed table of Applicant's sales values for like goods

Values	2008	2009	2010	2011	2012	2013	2014
Like goods							
Australian market	100	45.9	51.0	62.7	49.3	36.5	39.3
Export market	100	57.0	149.1	104.4	57.2	20.1	33.4
Total	100	46.7	58.3	65.8	49.9	35.2	38.9

Notes:

3. Refer to Confidential Appendix A3 for data.
4. Years are 1 January to 31 December.

BlueScope's domestic sales values of plate steel are approximately 10 percentage points below the levels of the 2012 investigation period, with a less than 3 per cent increase in sales values apparent from 2013 to 2014.

Indexed table of Applicant's sales quantities (metric tonnes) for All Products

Quantity	2008	2009	2010	2011	2012	2013	2014
All Products							
Australian market	100	65.4	87.0	77.0	62.5	63.9	63.6
Export market	100	99.0	155.2	129.9	37.3	29.3	30.4
Total	100	75.5	107.5	92.9	54.9	53.5	53.6

Notes:

1. Refer to Confidential Appendix A3 for data.
2. Years are 1 January to 31 December.

BlueScope's total domestic sales quantities of all goods in 2014 are approximately xx percent above 2012 levels, and have remained relatively stable over the period 2012 to 2014.

Indexed table of Applicant's sales values for All Products

Values	2008	2009	2010	2011	2012	2013	2014
All Products							
Australian market	100	54.7	67.6	62.9	50.0	48.3	47.9
Export market	100	51.1	103.8	92.0	22.7	17.1	21.1
Total	100	53.6	78.5	71.7	41.8	38.9	40.0

Notes:

1. Refer to Confidential Appendix A3 for data.
2. Years are 1 January to 31 December.

BlueScope's sales values of all steel products mirror the trends observed for sales quantities over 2012 to 2014.

3. Complete appendix A5 (sales of other production) if you have made any:

- internal transfers; or
- domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.

Confidential Appendix A5 has been completed by BlueScope for the GUC. Please refer Confidential Appendix A5.

4. Complete appendix A4 (domestic sales).

BlueScope has completed Confidential Appendix A4 for the twelve months to 31 December 2014. Please refer to confidential sales data provided by BlueScope on USB.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

BlueScope sells the GUC through owned, related and unrelated parties in the Australian domestic market. Owned or related domestic customers for plate steel include BlueScope Distribution Pty Ltd.

The approach to price setting for these owned or related companies is the same as that for the broader customer base whereby net prices are set to meet import competition. From time to time owned or

related parties may benefit from a nominally lower price (from xxx% to xxx% difference) than similar unrelated customers, due to the structure of the various rebate mechanisms.

6. Attach a copy of distributor or agency agreements/contracts.

BlueScope has supply agreements in place with many of its domestic customers which detail the terms of trade including supply arrangements, rebate structure, supply terms and conditions, etc.

An example of BlueScope's Standard Terms and Conditions for domestic customers is included at Confidential Attachment A-5.6.1, and a copy of a customer supply agreement is at Confidential Attachment A-5.6.2.

7. Provide copies of any price lists.

8. BlueScope has customer-specific price lists. This is due to the differing product purchase mix and differing service offers which exist across the customer base. Please find BlueScope customer price lists at Confidential Attachment A-5.7.1 for June 2014 and A5-7.2 for December 2014.

9. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.

- **Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).**
- **If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.**

BlueScope provides discounts and rebates for some sales identified in Confidential Appendix A4. Discounts and rebates are separately identified. There are [confidential commercial information].

10. Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.

BlueScope has included two complete sets of commercial documentation for two customers in each of the four quarters to 31 December 2014. Please refer to Confidential Attachment A-5.9 for BlueScope commercial documentation.

A-6 General accounting/administration information.

1. Specify your accounting period.

BlueScope's financial year is 1 July to 30 June.

2. Provide details of the address(es) where your financial records are held.

BlueScope's financial records for the goods the subject of this application are located at its Five Islands Road, Port Kembla premises.

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- **chart of accounts;**
BlueScope's Chart of Accounts has been provided electronically with this application.
- **audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);**
BlueScope's audited consolidated accounts are included in the company's annual report. The 2014 annual report is available from BlueScope's website at www.bluescopesteel.com
- **internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.**

These documents should relate to:

1. **the division or section/s of your business responsible for the production and sale of the goods covered by the application, and**
2. **the company overall.**

BlueScope has also included monthly management report extracts at Confidential Attachment A-6.3.1 (August 2014) to A-6.3.2 (December 2014).

4. If your accounts are not audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

BlueScope's accounts are audited annually. This question is therefore not applicable.

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

The accounting practices of BlueScope are maintained in accordance with Australia's generally accepted accounting principles.

6. Describe your accounting methodology, where applicable, for:

BlueScope's accounting methodology complies with the Australian Accounting Standards issued by

the Australian Accounting Standards Board (AASB) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Further detailed information can be sourced from BlueScope's full financial report that can be accessed on the internet at www.bluescopesteel.com

- **The recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;**

Revenue is recognised by BlueScope when the significant risks and reward of the ownership of the goods have passed to the buyer. This is considered to have occurred when the legal title of the product is transferred to the customer and BlueScope is no longer responsible for the product. The point at which title is transferred is dependent upon the specific terms and conditions of the contract under the sale.

Sales discounts are recognised at invoice date. Rebates and warranty claims are provided for on a monthly basis. Sales returns are recognised once the goods have been receipted into BlueScope inventory.

- **provisions for bad or doubtful debts;**

Collectability of trade receivables are reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount directly.

- **the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;**

General expenses are allocated on an absorption cost basis.

- **costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;**

BlueScope's mainstream costing system is designed to enable:

- Actual process costs to be reported monthly;
- Cost detail as low as the cost element level;
- Actual fully absorbed product cost per unit of output (e.g. per tonne) at a minimum of product group level. Where a standard costing system is adopted, standard product costs updated for significant changes in process cost are utilised;
- Product costs to be broken down into components such as feed, conversion costs, yield, depreciation, support costs, etc; as well as
- The distinguishing of the underlying behavior of costs (e.g. fixed, variable, cash, non-cash).

- **the method of valuation for inventories of raw material, work-in-process, and finished goods (eg FIFO, weighted average cost);**

Raw materials and stores, work in progress and finished goods, are stated at the lower of cost and net realisable value.

- **valuation methods for scrap, by-products, or joint products;**

The lower of cost and net realisable value.

- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**

The lower of cost and net realisable value.

- **valuation and revaluation of fixed assets;**

Regular purchases and sales of financial assets are recognised on trade-date - the date on which BlueScope commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and BlueScope has transferred substantially all the risks and rewards of ownership.

- **average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;**

Depreciation on assets other than land is calculated on a straight-line basis to allocate their cost over their estimated useful lives. The estimated useful lives of property, plant and equipment are as follows:

Buildings - up to 40 years.

Plant, machinery and equipment – up to 40 years.

- **treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on available-for-sale financial assets are included in equity until such time as the available-for-sale asset is sold and the translated amount is reported in the profit and loss.

- **restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.**

Liabilities arising directly from undertaking a restructuring program, defined as the closure of an operation, are recognised when a detailed plan of the restructuring activity has been developed and implementation of the restructuring program as planned has commenced.

7. If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.

The accounting and financial practices/principles of BlueScope complies with the Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

BlueScope's 2013 Annual Report included a note in relation to new and amended standards adopted by the reporting group, namely:

- AASB 112 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets; and*
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income*

Please refer to Note 1(a)(ii) of Summary of Significant Accounting Policies in the BlueScope 2013 Annual Report.

A-7 Cost information

1. Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.

BlueScope has completed Confidential Appendices A6.1 (for domestic sales) and A6.2 (for export sales). Please refer to Confidential Appendices A6.1 and A6.2.

A-8 Injury

The principal indicators of injury are prices, volumes and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where injury is threatened, but has not yet occurred, refer to question C.2.

1. Estimate the date when the material injury from dumped imports commenced.

In December 2012 BlueScope made an application for anti-dumping measures on hot rolled plate steel (Plate steel) exported to Australia from P R China, Indonesia, Japan, Korea and Taiwan. On 19 July 2013 the Anti-Dumping Commission ("the Commission") published a preliminary affirmative determination ("PAD") imposing provisional measures on certain plate steel exported from China, Korea, Indonesia and Japan.

Following investigation the Commission published a report and recommendations to the Minister (as contained in Trade Measures Report No. 198) to impose anti-dumping measures on exports of plate steel from P R China (with the exception of exports by Jigang), Indonesia, Japan and Korea (with the exception of exports by Hyundai Steel and Posco Steel). The Commission also determined that there were negligible volumes of exports at dumped prices from Taiwan.

The dumping investigation into exports of plate steel from Jigang of P R China, Hyundai and Posco from Korea, and all exports from Taiwan was terminated.

The decisions to terminate the investigations in respect of those exporters found not have exported at dumped prices and, the imposition of the measures, was notified on 19 December 2013 (refer AND 2013/72).

As indicated, the publication of PAD No. 198 in July 2013 did not extend to exports from Korea by Hyundai and Posco, or to exports from Taiwan. BlueScope considers that in the absence of provisional measures to these exporters (i.e. all exports from Taiwan, and exports by Hyundai and Posco of Korea), the parties considered that they had not exported at dumped prices and resumed exports to Australia in increasing volumes thereafter. However, BlueScope has conducted market

surveys of plate steel selling prices in Korea and Taiwan in 2014 and the available information confirm that the exports to Australia from the identified exporters in both countries have been at dumped prices.

This application for anti-dumping measures is in respect of dumped and injurious exports by Hyundai and Posco of Korea, and all exports from Taiwan. BlueScope considers that material injury from the dumped exports the subject of this application commenced during the period following the PAD published in July 2013 (i.e. in the second half of 2013).

2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model and grade of your production. Pⁿ is the most recent period.

Index of production variations (metric tonnes)

Year	2008	2009	2010	2011	2012	2013	2014
Index	100	55.6	88.6	93.3	77.0	64.1	68.8

Notes:

1. Production rates based upon Appendix A6.1 and Appendix A6.2 data sourced from "Plate steel".

BlueScope's Confidential Appendix A6.1 confirms a reduction in sales volumes in 2014 from the levels of the 2012 investigation (Inquiry No. 198). Domestic production volumes continued to decline in 2013 until provisional measures were imposed on injurious imports, with a small recovery evident. It should be noted that an increase in export volumes contributed – in part – to the improvement evident in production in 2014.

Index of cost variations (based on A\$ per metric tonne)

Year	2008	2009	2010	2011	2012	2013	2014
Index	100	106.4	99.0	106.4	111.3	108.0	102.8

Notes:

1. Unit cost variations based upon Appendix A6.1 data sourced for "Plate steel".

BlueScope's cost-to-make-and-sell ("CTM&S") plate steel has been reduced in 2013 and further again in 2014 as raw material prices and reductions in fixed cost (including employment numbers) have been implemented.

Index of price variations (based on A\$ per metric tonne)

Year	2008	2009	2010	2011	2012	2013	2014
Index	100	90.1	69.4	71.9	64.9	54.5	56.0

Notes:

1. Unit price variations based upon Appendix A6.1 data sourced for "Plate steel".

The Australian industry's selling price fell dramatically in 2013 (due primarily to dumped imports observed in 2012 that continued in 2013 prior to the imposition of measures). There has been a minor recovery in price in 2014 but this has been limited due to the rise in dumped exports from Hyundai and Posco, and imports from Taiwan.

Index of profit variations (based on A\$ per metric tonne)

Year	2008	2009	2010	2011	2012	2013	2014
Index	100	59.7	14.2	7.6	-21.6	-45.2	-31.3

Notes:

1. Unit profit variations based upon Appendix A6.1 data (Line M) sourced for "Plate steel".

The reduction in sales volumes for BlueScope in 2014 due to dumped imports from Hyundai and Posco of Korea and imports from Taiwan, has contributed to BlueScope's inability to raise its margin (i.e. recover) from the injurious imports in 2012/13.

BlueScope's unit profit in 2014 is approximately 10 percentage points worse-off than that observed in 2012 and confirmed as a period of sustained material injury by the former Customs and Border Protection Service.

Index of Profitability variations (based on unit profit as a % of unit selling price)

Year	2008	2009	2010	2011	2012	2013	2014
Index	100	66.2	20.4	10.5	-33.4	-83.0	-56.0

Notes:

1. Unit profitability variations based upon Appendix A6.1 (Line 0) data sourced for "Plate steel".

The index of profitability reflects the trend observed in unit profit for BlueScope's plate steel business over the period 2012 to 2014. Profitability in 2014 is at further diminished levels to 2012 and can be directly attributed to the substantial rise in dumped imports from Hyundai and Posco of Korea, and imports from Taiwan.

3. Complete appendix A7 (other injury factors).

Index of Revenue variations (\$)

Year	2009	2010	2011	2012	2013	2014	2015
Index	100	90.5	103.9	71.9	52.3	49.2	53.5

Notes:

1. Revenues sourced from Appendix A7.
2. Data presented on a financial year basis only. 2015 is for six months of July to December 2014.

BlueScope's revenues (domestic and export combined) for plate steel have increased to a comparable level to 2012 due primarily to an increase in export volumes. However, BlueScope's sales volumes remain approximately xx percentage points below the 2012 level, with the unit selling prices approximately xx percentage points below the 2012 average unit price. BlueScope's domestic revenue in 2014 is xx percentage points below the 2012 level.

Index of Employment numbers (number)

Year	2009	2010	2011	2012	2013	2014	2015
Index	100	96.7	95.3	85.4	86.9	77.0	68.5

Notes:

1. Employment numbers sourced from Appendix A7.
2. Data presented on a financial year basis only. 2015 is for July to December 2014.

BlueScope has continued to reduce its employment levels in response to increasing import volumes of steel plate from Korea (Hyundai and Posco) and Taiwan. Reductions in employment assist in maintaining competitiveness with low-priced imports.

Index of Capacity Utilisation (metric tonnes per annum)

Year	2009	2010	2011	2012	2013	2014	2015
Index	100	110.3	127.0	122.8	90.4	87.9	79.2

Notes:

1. Capacity Utilisation sourced from sourced from Appendix A7
2. Data presented on a financial year basis only. 2015 is for six months July to December 2014.

BlueScope's utilisation of production capacity for plate steel has deteriorated in financial year 2014 and the first half of the 2015 year. The reduced utilisation rates are reflected in the lower sales volumes for plate steel in calendar year 2014.

Index of Return On Investment (return on assets employed)

Year	2009	2010	2011	2012	2013	2014	2015
Index	100	48.8	21.1	-99.6	-91.7	-70.1	-81.4

Notes:

1. Revenues sourced from Appendix A7.
2. Data presented on a financial year basis only. 2015 is for July to December 2014.

The Return On Investment ("ROI") in BlueScope's plate steel business improved in financial year 2014 as measures were imposed on dumped imports from China, Indonesia, Japan and Korea (with exception of Hyundai and POSCO). As BlueScope has responded to increased price pressures from dumped imports sourced from Hyundai and Posco of Korea, and imports from Taiwan, BlueScope has experienced a deterioration in its ROI in calendar year 2014.

A-9 Link between injury and dumped imports.

To establish grounds to initiate an investigation there must be evidence of a relationship between the injury and the alleged dumping. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped imports on your quarterly sales volume and market share.

It is BlueScope's view that following the publication of PAD No. 198 in July 2013, exporters of the goods the subject of this application (i.e. Hyundai and Posco of Korea, and all exporters in Taiwan) sought to increase export volumes to Australia. This assessment is based upon the export volumes to Australia in the July to September 2013 quarter which were at the lowest point for Korea and Taiwan (610 tonnes and 1,517 tonnes, respectively). Thereafter, export volumes from Korea and Taiwan increased substantially, with Korea averaging approximately 16,000 tonnes per quarter, and Taiwan averaging 4,400 tonnes per quarter.

In 2013, exports from Korea and Taiwan accounted for approximately 44 per cent of total exports of plate steel to Australia. In 2014, the volume increased by 112 per cent, with exports from Korea and Taiwan accounting for more than 71 per cent of total exports to Australia of the GUC. Over the same period, exports from countries the subject of the measures decreased from 21,601 tonnes to 3,425 tonnes to account for just under 3 per cent of total exports to Australia. Exports from "other" countries also decreased between 2013 and 2014 from 52,222 tonnes to 35,222 tonnes (refer to Confidential Appendix A2 for export volumes from all source countries to Australia).

Sales of plate steel by the Australian industry increased from 2013 to 2014 by approximately 5 per cent – well short of the 112 per cent growth in exports from Korea and Taiwan. BlueScope highlights with the Commission the substantial and rapid increase in exports from Korea – in 2014 at levels not previously experienced across the injury period.

It is BlueScope's assessment that following the imposition of provisional measures in July 2013 on exports of plate steel from P R China, Indonesia, Japan and Korea (other than for exports by Hyundai and Posco), the exporters in Korea and Taiwan not the subject of measures dramatically increased export volumes to Australia at prices that undercut the Australian industry's selling prices. The impact of exports from Korea and Taiwan at injurious prices diminished the Australian industry's recovery from material injury that occurred in 2012 and into 2013, thereby preventing material and extended improvements in profit and profitability.

2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped imports on your quarterly prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

The impact of the dumped exports by Hyundai and Posco of Korea and all Taiwanese exporters has been observed in the Australian industry's quarterly selling prices. As would be anticipated following the imposition of provisional measures, a modest recovery in price was observed. BlueScope's selling prices increased by approximately xx per cent, however, with the increasing export volumes from Korea and Taiwan, price reductions were required to secure sales against the dumped and injurious import prices. BlueScope reduced its prices by xx percentage points in the third quarter of 2014, with a further xx percent price reduction in the fourth quarter of 2014. BlueScope's average price in 2014 was approximately xx percentage points below the average price in 2012, with cost reductions below this level.

Overall, due to lower sales volumes by BlueScope in 2014 (over 2012 – the investigation period in Inquiry No. 198) on account of the increase in dumped exports from Korea and Taiwan, BlueScope has experienced a reduction in profit achieved in 2012.

The applicant submits that the rapid growth in dumped exports from Korea (from Hyundai and Posco) and Taiwan in 2014 could only have been achieved through the undercutting of the Australian industry's selling prices during 2014. This application demonstrates that over this period the exports of plate steel from Korea and Taiwan were at margins of dumping of 11.7 per cent and 6.3 per cent, for Korea and Taiwan respectively. The undercutting of the Australian industry's selling prices was the contributing factor for Korean and Taiwanese exporters to increase by 112 per cent during 2014.

To highlight the price-effect competition from the dumped exports, BlueScope has identified examples where price undercutting was evident (see below).

Additionally, this application includes evidence of market offers for imported plate steel from exporters in each of the nominated countries (please refer to Summary of offers at Confidential Attachment A-9.2.1). Some of the offers have been provided in written form, with the remainder being verbal offers that have been documented by BlueScope. The hardcopy offers are included at Confidential Attachment A-9.2.2. Where available, BlueScope has identified the supplying mill in the country of export, along with the FIS price offer into the Australian market.

The price undercutting information at Confidential Attachments A-9.2.1 (summary) and A-9.2.2 (supporting documentation) support BlueScope's viewpoint that it has lost sales volume and market share to imported plate steel sourced from Korea and Taiwan, at prices that have been below BlueScope's prevailing price at the time of the offer. BlueScope's response to the dumped imported products is evident in its approximate xx per cent selling price decline in selling price in the third quarter of 2014, and the further xx percent decline in the following quarter.

BlueScope has previously demonstrated to the Commission that it is a price taker on the Australian market and that prices in Australia are driven by import parity. BlueScope monitors competitive import offers as it seeks to maximise sales volumes at competitive prices.

For the purposes of this application, BlueScope has also included its commercially sensitive Import Parity Pricing Policy at Confidential Attachment A-9.2.3.

BlueScope (where appropriate) responds to IPP offers to maintain domestic volumes of the GUC. The dumped and subsidised exports the subject of this application, however, are at price levels that significantly undercut BlueScope's selling prices.

As indicated above, BlueScope considers that it is appropriate to include in this application a number of Case Study examples of price undercutting experienced by it in the domestic plate steel market. The examples are tabulated below.

Case Study No.1 – [Entity/Entity] (Example No. 1)

BlueScope Steel Limited (“BSL”) was approached by [Entity] and [Entity] regarding ongoing [date] Korean import competition from [entity], [entity] and [entity] on standard 250 Grade [grade specifications] plate steel, a commonly stocked item for steel distributors.

BlueScope initially assessed that the import prices could not be sustained by the importers. However, this pricing behaviour continued to occur for several months, so BSL was then forced to consider a reduction in pricing to re-establish its presence in this high volume plate steel product.

To support the distribution network to compete on this product line, a price reduction of \$xx/tonne from \$xxx dollar via xxxxxxxxx against sales of this product was introduced (Aug 14) to bring the xxxxxxxxxx buy price to [pricing comments].

Refer to communications included at Confidential Attachment A-9.2.4 (i).

Case Study No.2 – [Entity] (Example No. 2)

BSL was approached by its distributor customer [entity] for price assistance to compete against Korean Hyundai plate steel pricing to one of their long term customers called [company]. This plate requirement was for a specific xxxxxx project.

The Hyundai [steel grade] plate offer pricing on [steel grade] plate to [entity] was \$xxx/tne and \$xxx/tne respectively, undercutting the [entity] price of \$xxx/tne for both plate thicknesses.

BlueScope reduced its selling price to [entity], so that [entity] could counter offer to [entity] this supply at \$xxx/tne for the [steel grade] and \$xxx/tne for the [steel grade] that was a \$xxx/tne premium to the Hyundai offer. This was an effective price reduction by BSL of \$xx – \$xxx/tne.

The initial parcel size was for [volume] with follow up orders to be placed. The BSL customer [entity] was successful in winning this business with [entity] with this project counter offer. Final volume was [volume].

Refer to Confidential Attachment A-9.2.4 (ii).

Case Study No.3 – [Entity] (Example No. 3)

[Entity] is a [entity details] of plate steel in Australia. BSL was presented an opportunity by [entity] to ‘price match’ against import supply (principally) from Hyundai Korea. This offer was on a like for like basis in respect of standard 250 Grade plate of 10mm thick– 50mm thick product with import lead times (12 – 16 weeks).

For [date], BSL price matched to the Hyundai import offer of \$xxx/tne. The IPP price was \$xxx/tne in September and the [date] IPP price was [price movement] at \$xxx/tne. This has meant that BSL has had to provide an effective discount by of \$xx - \$xx/tne to match the imported Korean plate steel offer.

This matching import offer process [entity] and [supply relationship details]. Refer Confidential Attachment A-9.2.4 (ii) for correspondence on this negotiation.

Case Study No.4 – [Entity] (Example No.4)

[Entity] advised BSL that it has a significantly better selling price from Shang Chen than the price offer from BSL. In order to secure this parcel of [parcel size], BSL had to discount its sell price of \$xxx/tne - \$xxx by \$xx/tne to a net price offer of \$xxx /tne - \$xxx/tne. This was the first plate business [entity] in [date].

Following on from this [date] negotiation, [entity] approach BSL with the opportunity to supply an [date of supply]. [Entity] stated they required a net price of \$xxx/tne which was [price point] \$xxx/tne for BSL's equivalent product. BSL counter offered a price of \$xxx/tne, a discount of \$xx/tne, however [entity] [sourcing details].

BSL made an offer to [entity] for [product] [date]. [Entity] ordered from BSL a [volume] \$xxx/tne after BSL discounted the selling price by \$xx/tne. BSL was [supply details].

Refer Confidential Attachment A-9.2.4 (iv) for the communications on this example.

Case Study No.5 – [Entity] (Example No. 5)

BSL was negotiating with [entity] for supply of a parcel of around [volume] of plate steel to [entity] in July 2014 for delivery in [date]. BSL was competing against an import offer to [entity] by Hyundai Korea. BSL offered a package rate of \$xxx tne for this plate parcel, a [price point] from the xx month IPP average. On the same day BSL provided this pricing, [entity] advised that Hyundai had lowered their offer price to \$xxx/tne. BSL counter offered that same day with a further discount of \$xx/tne (\$xx in total from IPP) to secure this business.

Refer Confidential Attachment A-9.2.4 (v) for the communications on this example.

Case Study No. 6 – [Entity] (Example No.6)

BSL made an offer to supply [entity] a parcel of xxxx tonnes of plate steel in [date]. This original offer was set at a base price of \$xxx/tne. At this time the [entity] [entity details]. He advised BSL that [supply arrangements] he required an offer by BSL to be \$xxx/tne less early settlement discount. BSL counter offered with a net price of \$xxx/tne a further discount of \$xx/tne from the original offer, made earlier that day. BSL was xxxxxxxxxxxxxxxx [price negotiations].

Refer Confidential Attachment A-9.2.4 (vi).

Case Study No. 7 – [Entity] (Example No. 7)

BSL was approached by [entity] regarding an opportunity to provide pricing for the [date] of xxx tne of plate steel to one of their [customer type], [entity]. BSL was informed by [entity] that Hyundai Korea had reduced their latest offer by \$xx/tne from their previous offer to [entity] to the low \$xxxs. BSL offered a net selling base price of \$xxx/tne at a \$xx/tne discount to the BSL [date] to compete for this business.

Refer Confidential Attachment A-9.2.4 (vii).

Case Study No.8 – [Entity] (Example No.8)

BSL was advised by [entity] in [date] that [entity] had an offer for plate steel ex Hyundai Korea [supply details] for delivery in [date]. This parcel was for xxx tne and [entity] was under pressure to lower their input material costs to compete with imported [goods].

The import price for this parcel of plate supplied [channel] was \$xxx/tne delivered. BSL counter offered a net price of \$xxx/tne delivered with costs predicted at that time to be between \$xx/tne and \$xx/tne. This was the current xxx price plus [other price components] xxxxxx, with up to an extra discount of \$xx/tne to account for the xxxxxx.

Refer Confidential Attachment A-9.2.4 (viii).

Cast Study No.9 – [Entity] (Example No. 9)

In [date], [entity] requested assistance from BSL against Taiwan's Shang Chen [product] for supply to [entity], on the basis that BSL's selling price to [entity] was not competitive against the Shang Chen product.

Shang Cheng plate product is purchased by [entity] from various Australian importers / distributors including [entities]. For [date] delivery, BSL discounted its price by \$xx/tne from \$xxx/tne to reach an offered net price of \$xxx/tne to [entity] for [product]. BSL also discounted \$xx/tne from \$xxx/tne to reach an offered net selling price of \$xxx/tne net for [product] for a [volume] parcel. BSL were not successful in securing this volume.

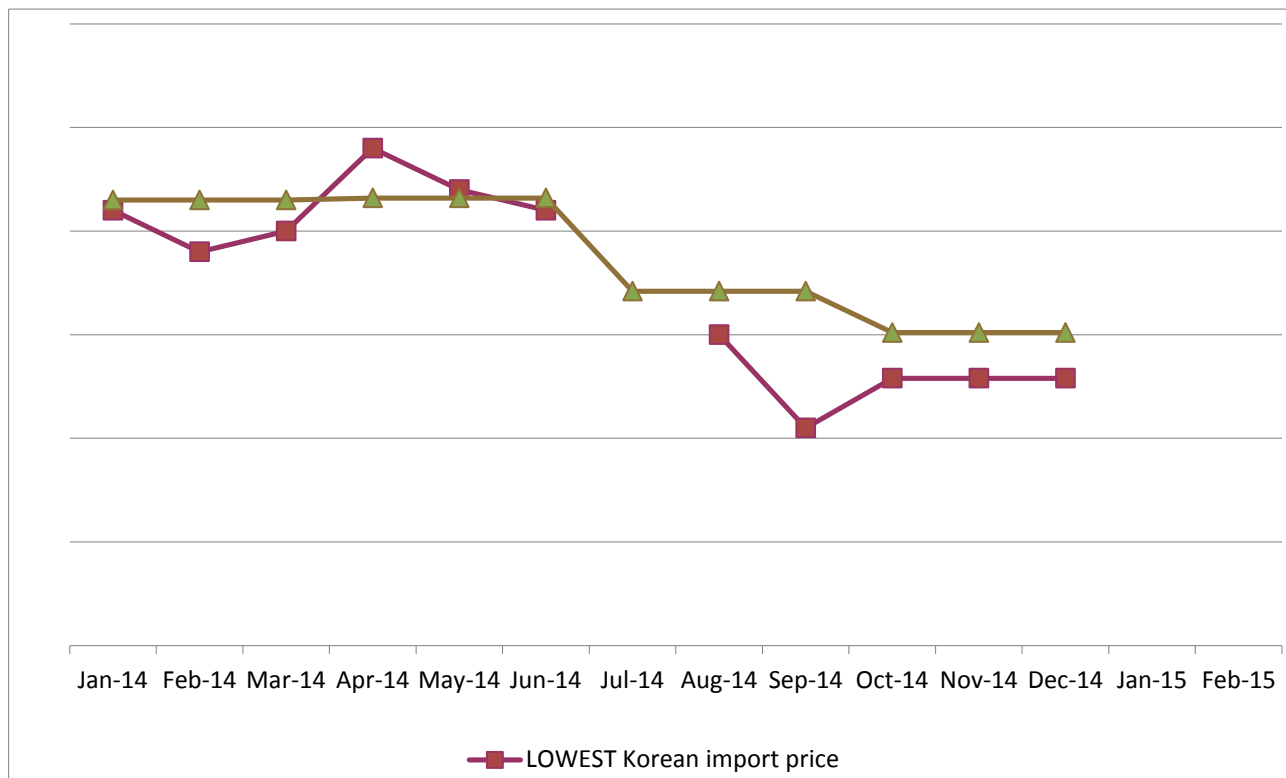
Refer Confidential Attachment A-9.2.4 (ix).

The cited examples highlight BlueScope's responses during 2014 to import offers for plate steel from Korea (exported by Hyundai and Posco) and Taiwan (all exporters) as the sources of supply of the dumped product, with price undercutting margins of up to xx per cent evident (case study No.4). The examples also demonstrate that BlueScope has responded with reduced prices (resulting in price depression) during 2014 (particularly in the second half of 2014).

BlueScope strongly asserts that it has experienced injury in the form of price undercutting from dumped plate steel exported from Korea and Taiwan during 2014.

The following graph depicts the price undercutting evident from Korean exports. It should be noted that exports from Korea by Hyundai and Posco account for a large proportion of the aggregate volume from Korea and Taiwan in 2014 (with less instances of price undercutting from Taiwan readily available).

Figure A-9.2 – Price undercutting of BSL average prices by Korean exports



3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

Following the publication of PAD No. 198 in July 2013, there was an expectation that BlueScope would be able to recover from the material injury experienced from dumped exports during 2012 and the first six-months of 2013. PAD No. 198 applied anti-dumping measures to exports from P R China, Indonesia, Japan and Korea (except to Hyundai and Posco). The notification that measures would not be applied to Hyundai and Posco of Korea, and all Taiwanese exporters conveyed a “nil dumping” edict to these exporters.

Immediately thereafter, the exporters to which measures were not applied in Korea (Hyundai and Posco) and Taiwan, recommenced exports at increased volumes.

The impact of the resurgent exports from Korea and Taiwan was such that attempts to raise prices to recover from the material injury sustained was stifled and short-lived. BlueScope was informed of low-priced imports from Korea and Taiwan in late 2013 and early 2014, and noticed increasing volumes from both source countries. By mid-2014, BlueScope was required to respond to prevalent instances of price undercutting (refer Confidential Attachment A-9.2.4) so that it could at least limit the damage in terms of minimizing lost sales volumes.

In the July to December 2014 period, BlueScope has experienced a minor reduction in its cost to make and sell (“CTM&S”) plate steel, however, domestic selling prices for the goods have fallen at a much faster rate.

The reductions in the Australian industry's selling prices were driven by the increased availability of dumped plate steel exports from Korea (by Hyundai and Posco) and Taiwan. The increased export volumes from both countries have retarded the Australian industry's ability to recover from material injury sustained from dumping in 2012 and 2013. The Australian industry has therefore experienced extended material injury from dumping in 2014 due to its inability to adequately recover from the injurious effects of dumping in 2012 and 2013.

- 4. The quantity and prices of dumped imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.**

It is BlueScope's submission that the dumped exports from Korea and Taiwan have caused injury to the Australian industry in the form of a range of additional economic indicators to the traditional volume and price effect factors. BlueScope is able to evidence declines and or suppressed levels in each of the following economic indicators in 2014:

- reduced capital expenditure;
- reduced return on income;
- reduced capacity utilisation; and
- reduced employment.

BlueScope contends that the increased availability of dumped exports from Korea and Taiwan significantly influence the company's performance in each of the identified economic indicators.

Please refer to Confidential Appendix A7 to evidence supporting data for declines in each of the above indicators.

- 5. Describe how the injury factors caused by dumping and suffered by the Australian industry are considered to be 'material'.**

In 2014 BlueScope has experienced a loss of approximately \$xxx million on domestic sales revenues of \$xxxx million (or approximately negative xx per cent). The loss experienced in 2014 is greater than that incurred in 2012 – the investigation period of Inquiry No. 198. The loss in 2014 on domestic sales has blown out by a further xx per cent of that incurred in 2012.

This loss is considered 'material' by BlueScope in terms of both the magnitude and as a percentage of domestic revenue achieved.

BlueScope is cognisant that it has had to adjust prices to compete with dumped exports from Korea and Taiwan during 2014 and that this has been a key influence on the loss incurred for the period.

- 6. Discuss factors other than dumped imports that may have caused injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping.**

The Australian market for plate steel contracted in 2013, with a modest recovery in 2014. The size of the market in 2014, however, remains approximately 20 per cent below that of 2012.

In a contracting market it would be expected that all participants would be impacted in a similar manner in terms of supply to the market. However, export volumes from Korea and Taiwan increased by 112 per cent in 2014 contrasted with declines in volumes from the countries the subject of measures and “other” countries of supply. BlueScope’s domestic sales increased by a very modest xx per cent in 2014.

The foregoing highlights that the dumped exports from Hyundai and Posco of Korea, and exports from Taiwan, have not been adversely impacted by the contraction of demand in the Australian plate steel market. In contrast, the dumping of plate steel into Australia by the identified exporters has enabled the injurious volumes to grow rapidly in 2014, resulting in further sustained material injury to the Australian industry manufacturing like goods.

7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped imports, forecast their impact on your industry’s economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.

It was BlueScope’s expectation that the imposition of measures in July 2013 on plate steel exported from P R China, Indonesia, Japan and Korea (with the exception of Hyundai and Posco) would enable the Australian industry to recover from the injurious effects of dumping (and subsidisation). This expectation was short-lived.

Coinciding with the completion of investigations by the Commission in Investigation No. 198 and the acceptance of the Commission’s recommendations by the Minister, exports of plate steel from Korea (by Hyundai and Posco) and Taiwan re-established their dominance on the Australian market and undercut the Australian industry’s selling prices in late 2013 and 2014.

The price undercutting contributed to increased sales volumes of the exported goods, enabling volumes to exceed 112 per cent in 2014 over the levels of 2013.

BlueScope’s recovery from material injury stagnated and in 2014 the company has experienced increased losses from those experienced in 2012. BlueScope attributes the increased loss to the aggressive price undercutting evident from the dumped exports. It is noted that in a contracting market the price undercutting is of greater impact and damage than in a market experiencing growth.

BlueScope urgently requests the Commission to commence an investigation into the dumping of exports of plate steel from Korea (by Hyundai and Posco) and Taiwan. The weighted-average margins of dumping have been estimated in this application at 11.7 per cent and 6.3 per cent respectively for exports from Korea and Taiwan. BlueScope further requests the Commission to make a preliminary affirmative determination (“PAD”) on Day 60 of a new investigation and impose measures on the dumped exports. A PAD at Day 60 is required to limit further material injury to the Australian industry, already experiencing extended injury from pro-longed dumping on the Australian market.

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

For advice about completing this part please contact the Commission's client support section on:

Phone: 1300 884 159
Fax: 1300 882 506
Email: clientsupport@adcommission.gov.au

B-1 Source of exports.

1. Identify the country(ies) of export of the dumped goods.

The countries of export of the goods the subject of this application are the Republic of Korea ("Korea") (for goods exported by Hyundai Steel Company and POSCO) and Taiwan.

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

It is understood that the country of export of the plate steel is also the country of origin of the goods.

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

Korea and Taiwan are not considered 'non-market economies' or 'economies-in-transition' countries under Australia's Anti-Dumping and Countervailing provisions.

4. Where possible, provide the names, addresses and contact details of:

- **producers of the goods exported to Australia;**

BlueScope has identified a number of plate producers that export the GUC to Australia.

- **exporters to Australia; and**

BlueScope understands the following nominated companies are both producers and exporters of the GUC to Australia:

Korea

(i) Hyundai Iron & Steel Co Ltd
1 songhyun-Dong Dong-Ku
Inchon 401-712 South Korea
Tel: +82 2 3464 6021
Fax: +82 2 3464 6460
Web: <http://www.hyundai-steel.com>

(ii) Posco Steel
Posco Centre, 892 Daechi 4-Dong,
Gangnam-gu Seoul
135-777 South Korea
Tel: +82 2 34570574
Fax: +82 2 34571943
Web: <http://www.posco.com>

Taiwan

- (i) China Steel Corporation
No. 1, Chung Kang Road, ,
Hsiao Kang, Kaohsiung,
Taiwan
Tel: +88 67 802111
Fax: +88 67 8020462
Web: <http://www.csc.com.tw>
- (ii) Shang Chen Steel Co, Ltd.
No. 7, Daye S Rd.
Xiaogang Dist., Kaohsiung City 812
Taiwan
Tel: +88 67 8716911
Fax: +88 67 8714153
<http://www.sssteel.com.tw>
- (iii) Chung Hung Steel Corporation
317, Yu Lino Road.
Chiao Tu District., Kaohsiung City 825
Taiwan
Tel: +88 67 6117171
Fax: +88 67 6130471
Web: <http://www.chsteel.com.tw>

• **importers in Australia.**

The following companies are understood to be importers of plate steel into Australia from the nominated exporting countries:

MinMetals Australia Pty Ltd
580 St Kilda Road
Melbourne Victoria 3001
Tel: (03) 9520 6810
Fax: (03) 9521 1815
Web: www.minmetals.com.au

Stemcor Australia Pty Ltd
Level 13, 15 Blue Street
North Sydney NSW 2060
Phone - 02-9959 3088
Fax - 02-9925 0844

GS Global Australia Pty Ltd
Level 38, 100 Miller Street
North Sydney, NSW. 2060
Phone – 02-9954 0911
Fax – 02-9954 0919

CMC Australia Pty Ltd
118 Dowd Street
Welshpool, WA 6986
Phone – 08-9258 6066
Fax – 08-9258 6366

Sanwa Pty Ltd
Suite 201, 2nd Floor
100 New South Head Road
Edgecliff NSW 2027 Australia
Phone 61 2 9362 4088
Fax: 61 2 9362 3622
Web Site www.sanwa.com.au

5. If the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

BlueScope has relied upon published export statistics for steel plate as Australian Bureau of Statistics ("ABS") import data for steel plate is the subject of 'No Country Declared' ("NCD") suppression orders. As such, import data from each of the countries nominated in this application are not available from ABS.

BlueScope has obtained export data from [entity]¹, a reputable European agency that specialises in the supply of import and export trade data. BlueScope has identified the following volumes of the GUC exported to Australia from January 2008 to December 2014 (inclusive), using the [entity] data:

Table B-1.5 – Total Export tonnes of plate steel to Australia

Country	2008	2009	2010	2011	2012	2013	2014	As % of Total Imports in 2014
Korea	22,310	11,239	21,991	42,716	67,191	29,307	68,663	55.6%
Taiwan	5,363	3,845	4,683	5,232	23,089	12,284	19,602	15.9%
Countries With meas	148,241	47,243	80,488	48,644	59,319	21,601	3,425	2.8%
Other	37,642	17,631	28,827	33,603	47,953	30,621	31,797	25.7%
Total	213,556	79,958	135,989	130,195	197,552	93,813	123,487	100.0%

Source: Data obtained from [entity].

Notes:

1. It is considered that all exports from Korea in 2014 are by Hyundai and POSCO.

As ABS data for the GUC does not disclose country of export details, BlueScope has relied upon published export data for determining the import shares held by exporting countries (export data to Australia will only be slightly different to import data, due to timing differences). Each of the exporting

¹ [Entity]. Is a xxxxxxx company involved in the publication of reports covering UK, European and Global trade in steel and raw materials. The following extract has been obtained from [entity].

"The company also maintains a database of the imports and exports of steel and steelmaking raw materials for more than 50 major steel producing nations, collectively accounting for 97% of global steel output. This high level of coverage also allows an accurate assessment of the trade flows for those countries where national trade data is not readily available and enables [entity] to map the worlds movements of steel and steelmaking raw materials.

[Entity] holds trade data at 6-digit HS tariff code level (and to 8-digit level for EU countries) and can analyse the international movements of steel and steelmaking raw materials using any combination of tariffs and any combination of countries.

countries named in this application – Korea and Taiwan – have exported volumes that exceed the 3 per cent negligible volume levels in 2014, with volumes from Korea and Taiwan accounting for approximately 55.6 per cent and 15.9 per cent respectively of total 2014 export volumes to Australia.

6. **In the case of an application for countervailing measures against exports from a developing country, if the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application**

This application is for anti-dumping measures to be applied only. This question, therefore, does not apply.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. **Indicate the FOB export price(s) of the imported goods. Where there are different grades, levels of trade, models or types involved, an export price should be supplied for each.**

As indicated at Section B-1.5 above, published ABS import data by country for the goods the subject of this application are not available due to the NCD suppression order.

BlueScope has included A\$ FOB values for the exported goods in Confidential Appendix A2 sourced from [entity]. An average A\$ FOB price (per metric tonne) for plate steel exported from the nominated countries has been calculated from the identified Tariff Sub-Heading categories for the goods the subject of this application.

In respect of the goods covered by this application, BlueScope has used [entity] published export prices to calculate dumping margins for goods exported from Korea (by Hyundai and POSCO) and Taiwan. It is considered by BlueScope that the [entity] export data is reliable and suitable for this purpose.

[entity] export prices for steel plate exported from Korea and Taiwan in 2014 were as follows:

Month	Korea A\$/MT	Taiwan A\$/MT
Jan 2014	742	759
Feb 2014	735	709
Mar 2014	739	702
Apr 2014	779	697
May 2014	717	718
Jun 2014	764	709
Jul 2014	723	718
Aug 2014	677	717
Sep 2014	689	713
Oct 2014	719	750
Nov 2014	747	743
Dec 2014	768	798

Source: Refer to monthly xxxx aggregate totals for 7208.40, 7208.51 and 7208.52. Non-alloyed steel

plate accounts for the major proportion of all steel plate (i.e. greater than 97 per cent of all exports of steel plate – non-alloyed and alloyed). Refer “Plate Summary” worksheet at Confidential Attachment B-6.1.

2. Specify the terms and conditions of the sale, where known.

The identified export prices (sourced from xxxx) are determined at the Free-on-Board (“FOB”) point in the country of export. Details of FOB export prices for Korea (by Hyundai and POSCO) and Taiwan are included in Confidential Attachment B-6.1.

3. If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.

As indicated above, BlueScope considers the published xxxx export volumes and pricing information for plate steel exports from Korea (by Hyundai and POSCO) and Taiwan to be reliable.

It should be noted that consistent with the negotiation process common in the steel industry, the price of steel imports to the Australian market is negotiated approximately 8 to 12 weeks in advance of delivery. Prices quoted to domestic customers by importers are in Australian dollars, but reflect a US dollar price hedged at the Australian dollar exchange rate on the day of offer. The final reported FOB Customs Value for the export shipment reflects the agreed US dollar price, converted into Australian dollar at the prevailing exchange rate. The price paid by the domestic customer of the importer reflects the originally negotiated Australian dollar offer, which is not further impacted by exchange rate movements.

4. It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

BlueScope has relied on the published xxxx export FOB pricing information for plate steel exports from Korea (by Hyundai and POSCO) and Taiwan.

B-3 Selling price (normal value) in the exporter's domestic market.

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. State the selling price for each grade, model or type of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

BlueScope has obtained specific domestic pricing information for steel plate sold in Korea and Taiwan from an independent consulting firm, [entity]. [Entity] conducted market research of the steel plate market in Korea and Taiwan and obtained domestic selling prices for steel plate sold to end-use customers and distributors in the respective markets in [date]. The domestic selling prices obtained in the market survey are considered more reliable than published hot rolled steel plate prices as prices per grade and thickness of the steel plate are specified in the market survey results.

A copy of the [entity] Confidential market survey is included at Confidential Attachment B-3.1.

BlueScope has determined market selling prices for plate steel sold in Korea throughout 2014 (on a quarterly basis) based upon a comparison of the market survey prices with prevailing [entity] published prices for hot rolled plate with a thickness of 15 to 40mm, and a width exceeding 2 metres. The price ratio observed for the market survey prices and the published [entity] prices have been used to calculate market prices for steel plate sold in Korea in the three quarters of 2014, converted to Australian dollars equivalent.

A similar ratio utilising market survey prices for steel plate sold in [date] was followed to arrive at Taiwanese domestic selling prices for steel plate sold in the three quarters of 2014.

The prevailing domestic selling prices relied upon for *prima facie* normal value purposes for steel plate sold in Korea and Taiwan are summarised in Table B-3.1 below.

Table B-3.1 – Prima facie normal values for Plate steel (A\$/MT)

Country	Jan-Mar 2014 Qtr	Apr-May 2014 Qtr	Jun-Aug 2014 Qtr	Sep-Dec 2014 Qtr
Korea	\$826	\$824	\$817	\$793
Taiwan	\$770	\$750	\$749	\$760

Source: Market survey report at Confidential Attachment B-3.1.

Notes:

1. Taiwanese and Korean Plate steel prices sourced from [entity] market survey January 2015 converted to A\$/MT using BlueScope corporate rate for relevant month.

Domestic selling prices for plate steel in Korea were relatively stable during 2014, with a decrease in the fourth quarter of 2014. For Taiwan, steel plate domestic selling remained stable across the 2014 year.

2. Specify the terms and conditions of the sale, where known.

The domestic selling prices included in the market survey exclude local freight expenses (i.e. are on an ex-factory basis). They typical size of purchase order for the identified goods is [volume].

3. Provide supporting documentary evidence.

Please refer to Confidential Attachment B-3.1 for market survey including Section B-4.1 below. Supporting evidence for normal values for plate steel in Korea and Taiwan is included at Confidential Attachments B-3.1 and B-3, respectively.

4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.

BlueScope has identified some known manufacturers of plate steel products in Korea and Taiwan in B-1.4 above.

B-4 Estimate of normal value using another method.

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
OR
- the selling price of like goods from the country of export to a third country.

1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).

As BlueScope has obtained market selling price information for plate steel sold in Korea and Taiwan, this question does not apply.

2. Provide supporting documentary evidence.

This question is not applicable as BlueScope has used actual selling price information as per Section B-3.1 above.

B-5 Adjustments.

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.

BlueScope understands that export prices sourced from [entity] are at the FOB level. The FOB export prices are therefore likely to include domestic inland freight in the country of export. BlueScope does not have access to inland freight charges from the manufacturer in the exporting country to place of export.

As the *prima facie* normal values for plate steel sold in Korea and Taiwan are at the ex-factory level, an uplift of the normal value is required to take account of the inland freight included in [entity] export prices (at FOB point). Additionally, the export price is likely to also include a charge for export sea worthy packaging as well as port and handling expenses that are not included in the domestic selling prices obtained in the market surveys. A further adjustment is required to the normal values to take account of these charges.

The uplifts to normal values Korea and Taiwan will result in higher dumping margins than determined at Section B-6 below. In the absence of actual export packaging and inland freight charges in the exporting country, BlueScope has not adjusted normal values to reflect the relevant costs.

2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

BlueScope does not have access to export sea worthy packaging, freight charges or port and handling charges in the countries of export for the exported goods from Korea and Taiwan, and has therefore not included relevant adjustments in normal values determined for Korea and Taiwan.

B-6 Dumping margin.

1. Subtract the export price from the normal value for each grade, model or type of the goods (after adjusting for any differences affecting price comparability).

BlueScope has calculated weighted-average dumping margins for plate steel exported from Korea and Taiwan to Australia during 2014.

Dumping margins have been calculated on a quarterly basis.

Table B-6.1 details margins determined for the 2014 year, on a quarterly basis.

Table B-6.1 – Dumping margins for plate steel exported from Korea and Taiwan in 2014

	Jan-Mar 2014 Qtr	Apr-Jun 2014 Qtr	Jul-Sep 2014 Qtr	Oct-Dec 2014 Qtr
Korea				
Normal Value	826	824	817	793
Export Price	738	736	694	748
Dumping Margin	87	88	123	45
% of Export Price	11.8%	12.0%	17.7%	6.0%
Taiwan				
Normal Value	770	750	749	760
Export Price	714	706	716	706
Dumping Margin	56	44	32	54
% of Export Price	7.8%	6.2%	4.5%	7.6%

Source: Refer to Confidential Attachment B-6.1 for normal values, export price and dumping margin calculations.

BlueScope has calculated weighted-average dumping margins for plate steel exported from Korea and Taiwan for the 2014 year. In respect of Korea (for Hyundai and POSCO), the weighted-average dumping margin is \$86 per metric tonne, or 11.7 per cent of export price. For exports from Taiwan, the weighted-average dumping margin in 2014 was \$46 per metric tonne, or 6.3 per cent of export price.

2. Show dumping margins as a percentage of the export price.

Please refer to Section B-6.1 above for estimated dumping margins as a percentage of export price during 2014.

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be essential for certain applications.

For advice about completing this part please contact the Commission's client support section on:

Phone: 1300 884 159
Fax: 1300 882 506
Email: clientsupport@adcommission.gov.au

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:

- (i) the nature and title of the subsidy;**
- (ii) the government agency responsible for administering the subsidy;**
- (iii) the recipients of the subsidy; and**
- (iv) the amount of the subsidy.**

This application for anti-dumping measures against exports of plate steel from Korea by the exporters Hyundai and POSCO and all exporters from Taiwan is based on material injury experienced in 2014 from dumped exports of plate steel.

The application does not allege the exported goods are subsidised. This question therefore does not apply.

C-2. Threat of material injury

Address this section if the application relies solely on threat of material injury (ie where material injury to an Australian industry is not yet evident).

1. Identify the change in circumstances that has created a situation where threat of material injury to an Australian industry from dumping/subsidisation is foreseeable and imminent, for example by having regard to:

- 1. the rate of increase of dumped/subsidised imports;**
- 2. changes to the available capacity of the exporter(s);**
- 3. the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;**
- 4. inventories of the product to be investigated; or**
- 5. any other relevant factor(s).**

BlueScope has indicated at Sections A-8 and A-9 above that it has experienced a continuation of material injury from dumping following the imposition of measures as imposed following the Minister's acceptance of recommendations contained in Report No. 198.

The injury from dumping has continued from an increase in export volumes from the exporters not the subject of measures in Korea (i.e. Hyundai and POSCO) and all exporters from Taiwan. This application demonstrates that the goods have been exported by Hyundai and POSCO of Korea and all exporters in Taiwan at dumped and injurious prices during 2014.

The application is therefore not based upon a future and foreseeable threat of material injury. The application is based upon material injury experienced by the Australian industry during 2014 and further

material injury that will likely occur if anti-dumping measures are not applied to the nominated exporters in this application.

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that the threat is both foreseeable and imminent.

As indicated at Section C-2.1 above, this application is not based on a “threat” of material injury. In the event that the Anti-Dumping Commission were to find that BlueScope had not suffered material injury from the dumped plate steel exports from Hyundai and POSCO of Korea and all exporters from Taiwan, BlueScope contends that future exports of plate steel from these exporters at dumped prices would threaten to cause material injury to the Australian industry manufacturing like goods.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission’s client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.

The goods the subject of this application are not considered ‘raw agricultural goods’.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

The goods the subject of this application are not considered ‘raw agricultural goods’, hence this question is not applicable.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

The goods the subject of this application are not considered ‘raw agricultural goods’, hence this question is not applicable.

4. Provide information to establish either:

- **a close relationship between the price of the raw agricultural goods and the processed agricultural goods; or**
- **that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.**

The goods the subject of this application are not considered ‘raw agricultural goods’, hence this question is not applicable.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. **Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.**

Korea and Taiwan are not considered “non-market economy” countries for the purposes of Australia’s Dumping and Countervailing Provisions. This question is therefore not applicable.

2. **Nominate a comparable market economy to establish selling prices.**

This question does not apply.

3. **Explain the basis for selection of the comparable market economy country.**

This question does not apply.

4. **Indicate the selling price (or the cost to make and sell) for each grade, model or type of the goods sold in the comparable market economy country. Provide supporting evidence.**

This question does not apply.

C-5 Exports from an ‘economy in transition’

An ‘economy in transition’ exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an ‘economy in transition’ are covered by the application. **Applicants are advised to contact the Commission’s client support section before completing this section**

1. **Provide information establishing that the country of export is an ‘economy in transition’.**

Korea and Taiwan are not considered “economy-in-transition” countries for the purposes of Australia’s Dumping and Countervailing Provisions. This question is therefore not applicable.

2. **A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide**

evidence that a price control situation exists in the country of export in respect of like goods.

This question does not apply.

- 3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.**

This question does not apply.

- 4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.**

This question does not apply.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Country A*				
Country B*				
etc*				
Total				

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at [Appendix A.2](#) (Australian Market) to complete the table.

Exports of the goods the subject of this application from Korea and Taiwan exceed 3 per cent of total import volumes from both countries in 2014. This question therefore is not applicable.

APPENDICES

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors
Appendix A8	Authority to Deal With Representative
Appendix B1	Deductive Export Price
Appendix B2	Constructed Normal Value