

PUBLIC RECORD
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Ha Noi, August 31st, 2016

THE ANTI-DUMPING COMMISSION
Australian Department of Industry, Innovation and Science
Operation 3, GPO Box 1632, Melbourne VIC 3001, Australia

RE: The submission of the Government of Vietnam on the application to request for the Initiation of an Anti-dumping and Anti-subsidy Investigation against Imports of Galvanised Steel exported from Viet Nam into Australia

On behalf of the Government of the Socialist Republic of Viet Nam (GOV), we would like to extend our greetings to the Anti-Dumping Commission of Australia (the Commission) and highly appreciate the holding of the consultation by the Commission with regard to the Application to request for the initiation of an anti-dumping and anti-subsidy investigation against the imports of Galvanised Steel exported from Viet Nam and some other countries into Australia.

The GOV, in this submission would like to express some concerns about the Application as follows:

1. The demonstration of material injury caused to Australian domestic industry

The GOV believes that the Application does not reasonably demonstrate the existence of material injury to Australia domestic industry of galvanised steel and the arguments made by the Petitioner are not convincing. Specifically:

The Application states that the material injury from the dumped exports from India, Malaysia and Viet Nam began in 2013/14 following the imposition of measures in 2013 on exports from P R China, Korea and Taiwan and the injury has continued in 2015/16.

However, a majority of the economic factors and indices provided in the Application show that in the period of 2013/14, the Petitioner was operating well and this has been continuing up to 2014/15 and even 2015/16. For example, the production of the Petitioner has increased significantly from the period of 2013/14 and peaked in 2015/16 with 136.45¹; or the profit has surged dramatically in the period of 2015/16 which is nearly 10 times as much as that of 2013/14²; and the revenue in 2015/2016, despite its slight drop, remained virtually the same as that of 2013/14³.

Although the Petitioner claims that the improvement of some indices in 2013/14 is due to the antidumping measures which took effect during the 2013/14 year, this positive figures should not remain up to 2014/15 and even 2015/16. The continued improvement of Petitioner's condition does not establish the impact of imports from Viet Nam.

Though the Application states that the material injury from the dumped exports from India, Malaysia and Viet Nam commenced in 2013/14, there seems to be no injury in the period of 2013/14 and 2014/15. While the period of 2015/16 illustrates some downturn, as explained above, some of the most important indices such as production, profit, profitability and revenue have recovered instead.

2. The alleged subsidy programs

The GOV believes that the Application does not provide adequate evidence for the Commission to initiate the investigation. The programs claimed by the Petitioner lack the basis to identify the existence of countervailing subsidy.

The Application largely bases its allegation on the investigation by Canada Border Services Agency (CBSA) against imports of Oil Country Tubular Goods (OCTG) from Viet Nam. However, the OCTG anti-subsidy investigation was terminated and therefore is not a reliable source of reference for this case. Moreover, all of the respondents in OCTG case decided not to participate the case despite the GOV's active participation, therefore, it cannot be confirmed that whether they actually received the benefits or not.

Most of the arguments by the Petitioner are based on assumption. For example, regarding Program 1, BlueScope contends that galvanised steel producers in Vietnam would similarly receive benefit under this program; or, with regard to

¹ Page 28, Application

² Page 29

³ Page 30

Program 2, by observing the CBSA findings' on OCTG subsidies that include exemptions or reductions in land-use taxes, the Petitioner assumes that exemptions/reductions in non-agricultural land use activities would also benefit companies in encouraged industries that are located in industrial parks and Hoa Sen Group is considered a beneficiary under this program. The GOV notes that the evidence in the Application should be based on actual fact, not prediction.

Besides, the Application does not provide the amount of subsidy received but only assumes that the amount is above negligible levels. The GOV notes that according to Article 11.2 (iii) of the Subsidy and Countervailing duty Agreement (SCM), the Application is required to provide evidence on the amount of subsidy in question. The simple prediction of the Petitioner, to a certain extent, demonstrates that the benefits seem not to exist.

Based on the above contents, the Application does not provide adequate basis for the Commission to initiate the investigation.

Regarding the nature of each alleged program, the GOV reserves its comments and clarification later.

3. The initiation of an investigation against a product after the termination

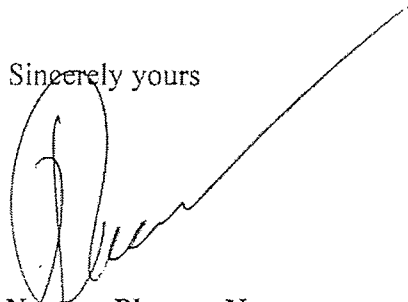
The GOV reminds that in July 2014, the Commission initiated an anti-dumping investigation against the same product. However, on July 2015, the Commission decided to terminate the case and determined that the anti-dumping margins of Viet Nam exporters/producers are de minimis.

The GOV notes that although the Anti-dumping Agreement and SCM Agreement of the WTO do not prevent one Member from initiating another investigation against the same product after terminating the previous one, the GOV believes that the investigation authority should take into consideration the waiting period between the two investigations. There has been only one year from the termination of the previous one and there could not be significant changes or changes in circumstance during this time. The continuous investigations against the same product from Viet Nam would cause Viet Nam exporters significant disadvantages. Therefore, given the good relationship between both countries which is further developed as both sides are engaged in numerous free trade agreements such as ASEAN- Australia- New Zealand (AANZ) and Regional Comprehensive Economic Partnership (RCEP), the GOV respectfully requests that

the Commission examine carefully and cautiously the Application to provide an objective and appropriate decision.

On the basis of the stated contents, the GOV respectfully requests the Commission to consider not initiating the anti-dumping and anti-subsidy investigation against galvanized steel imported from Viet Nam. Through this submission, the GOV hopes that the Anti-dumping Commission of Australia will carefully consider the arguments of Viet Nam.

Sincerely yours

A handwritten signature in black ink, consisting of a large, stylized initial 'N' followed by a series of loops and a long, sweeping horizontal stroke extending to the right.

Nguyen Phuong Nam
Deputy Director General
Viet Nam Competition Authority
Ministry of Industry and Trade of Viet Nam