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The Director, Operations 1
Anti-Dumping Commission
Level 35
55 Collins Street
Melbourne Victoria 3000

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Dear Sir/Madam

Review of Measures Investigation No. 454 - Hot Rolled Coil exported from Taiwan

I. Introduction

I refer to the above review of measures investigation involving hot rolled coil ("HRC") exported from Taiwan. Australian Dumping Notice No. 2017/173 notified the commencement of the review investigation on 27 November 2017.

Subsequent to the commencement of the investigation, the anti-dumping measures applicable to HRC were continued only against exports from Taiwan. Anti-Dumping measures applicable to exports from Japan, Korea and Malaysia were allowed to expire¹.

BlueScope Steel Limited ("BlueScope") seeks to comment on an appropriate basis for an unsuppressed selling price ("USP") and a non-injurious price ("NIP"), along with the appropriate form of measures to apply to exports from Taiwan.

II. USP/NIP

In Report No. 400, the Anti-Dumping Commission ("the Commission") referenced the basis of the USP in the original investigation No. 188. That is, the USP was determined at a level equal to the respective normal value for each exporter. However, in Report No. 400 the Commission altered its basis for determining an effective USP as it found that during the period of investigation (1 January 2016 to 31 December 2016) exports from uncooperative exporters in Taiwan and all exporters in Japan were at dumped and injurious prices. The Commission therefore proposed (and this was accepted by the Parliamentary Secretary) that the USP be based upon BlueScope's cost-to-make-and-sell ("CTM&S") plus an amount of profit achieved during the investigation period.

In arriving at a NIP, the Commission deducted a level of profit, and amounts for selling, general and administrative expenses and into store costs incurred by the most efficient importer as verified during the investigation period, along with a deduction for average overseas freight and insurance.

BlueScope does not see any reasonable basis for shifting away from this recently accepted basis for determining appropriate USP/NIP for each Taiwanese exporter the subject of the anti-dumping measures in the current review of measures inquiry.

¹ ADN 2017/166 refers.

III. Form of measures

Report 400 recommended a change in the basis for the form of measures to be applied to exports of HRC from Taiwan from the combination method (that applied following the imposition of measures in December 2012) to measures based upon the floor price duty method.

BlueScope submits that the measures that previously applied (based upon the combination method) are the most effective in addressing injurious dumping. Where the exporter reduces export prices that are not consistent with prevailing normal values, the variable component of the measure addresses any reductions in export price below the prevailing normal value and/or non-injurious price. Measures based upon the floor price method do not require the determination of an ascertained export price, as the floor price establishes the benchmark for measures to apply (if required).

However, the use of the floor price methodology is a disadvantage to the Australian industry in a rising market (as the floor price is determined based upon historic normal value information). The Commission is aware that the investigation period in Inquiry no. 400 was the lowest pricing for HRC in the last decade; prices have since recovered, however, the normal values upon which the floor price have been established for Taiwanese exporters is at historic lows. BlueScope, therefore, is required to compete with a floor-price established at ultra-low pricing levels (that occurred during the 2016 investigation period) whereas actual prices have recovered and are significantly above the prices that occurred in 2016.

BlueScope therefore urges the Commission to recommend to the Parliamentary Secretary that the preferred (and most effective) form of measure is that based upon the combination method (which requires the determination of an ascertained export price). BlueScope is cognisant that the Commission may – given that HRC prices have increased since Investigation No. 400 – consider an appropriate form of measure to be based upon the *ad valorem* method. BlueScope is not supportive of this methodology as it is open to circumvention (with the exporter reducing export prices to absorb duties payable).

IV. Conclusions

BlueScope recommends that the Commission determine a USP for the Australian industry based upon BlueScope's CTM&S plus an amount for profit as determined for the investigation period. From this USP, a NIP may be determined for each of the identified Taiwanese exporter categories (whether cooperative or uncooperative).

In respect of the proposed form of measures to be applied to future exports of HRC from Taiwan, it is BlueScope's preference that the measures be based upon the combination method (i.e. incorporating a fixed and variable component).

If you have any questions concerning this submission, please do not hesitate to contact me on (02) 4240 1214, or BlueScope's representative Mr John O'Connor on (07) 3342 1921.

Yours faithfully,



Chad Uphill
Senior Commercial Specialist – International Trade Affairs