

6 July 2018

The Case Manager
Investigations 3
Anti-Dumping Commission
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55 Collins Street
Melbourne Victoria 3000

Email: Investigations3@adcommission.gov.au

Public File

Dear Sir/Madam

Accelerated review inquiry – Anhui Sanfang New Material Technology Co., Ltd

I. Introduction

I refer to Anti-Dumping Notice No 2018/71 notifying the commencement of an accelerated review investigation into exports of grinding balls to Australia by Anhui Sanfang New Material Technology Co., Ltd (“Anhui Sanfang”).

Moly-Cop is an Australian manufacturer of grinding balls. Moly-Cop is an interested party for the purposes of this accelerated review inquiry involving the determination of variable factors applicable to Anhui Sanfang’s exports to Australia.

II. Investigation No. 316

Anhui Sanfang made a submission to the original investigation into the dumping and subsidisation of grinding balls exported to Australia from China. In a submission dated 10 May 2016, Anhui Sanfang contended that cast and forged grinding balls were not like goods, and sought to have high chrome grinding balls excluded from the goods coverage in the investigation.

The investigation period in the original investigation was 1 October 2014 to 30 September 2015.

III. Exemption Inquiry No. 0052

In January 2017 Anhui Sanfang made an application for exemption from anti-dumping measures for its high chrome cast grinding balls. Following investigation, the Commissioner recommended to the then Parliamentary Secretary¹:

“that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.”

The Parliamentary Secretary accepted the Commissioner’s recommendation and the application for exemption was not granted.

Moly-Cop notes that Anhui Sanfang’s application for exemption was supported by “an importer and end-user of the subject goods” CITIC Pacific Mining Management Pty Ltd (“CPM”).

¹ Refer ADN No. 2017/106.

IV. Accelerated review

According to Anhui Sanfang's application for accelerated review it did not export grinding balls to Australia during the original investigation period in Investigation 316.

Moly-Cop understands that Anhui Sanfang has previously exported grinding balls to Australia. In January 2015, [*commercially sensitive information about examination of imported grinding balls*] (please refer to Confidential Attachment 1).

As indicated above, the original investigation period in Investigation 316 was 1 October 2014 to 30 September 2015. The timing of import of the Anhui Sanfang grinding balls that were used at the identified mine in late 2014/early 2015 therefore requires investigation by the Commission.

V. Submission by Anhui Sanfang re benchmark for normal value

In a submission loaded onto the EPR dated 25 June 2018, Anhui Sanfang asserts that it manufactures grinding balls from iron shavings and not from steel billets as it claims is the case for forged grinding balls. Anhui Sanfang further alleges that iron shavings are the lowest grades of steel scrap. Anhui Sanfang states that producing grinding balls from steel billet is "quite different" when comparing with general scrap or heavy melting scrap.

In essence, Anhui Sanfang is contending that the raw material steel used in the manufacture of its grinding balls is sourced from lower-priced scrap steel, and that steel billet prices should not be used in the benchmark for inclusion in Anhui Sanfang's normal value. Anhui Sanfang's assertion that iron shavings are used in the manufacture of the steel grinding balls has not previously been raised by a Chinese exporter of grinding balls, and cannot be thoroughly examined by the Commission within the stipulated accelerated review timeframe as required by Section 269ZG (2).

Moly-Cop does not consider that Anhui Sanfang's claims that it uses iron shavings solely as a raw material in the manufacture of grinding balls can be relied upon. It is not reasonable for the Commission to accept, for the purposes of Anhui Sanfang's accelerated review, the exporter's untested claims and use an alternate benchmark methodology for determining relevant normal values for Anhui Sanfang in this accelerated review. The limited timeframe during which an accelerated review is required to be concluded prevents the Commission from fully investigating and examining claims that the benchmark used in the original Investigation No. 316 does not apply to Anhui Sanfang. A potential change in the benchmark from the original investigation requires thorough examination and investigation and can only reasonably be considered in the context of a Division 5 Review of Anti-Dumping Measures inquiry.

VI. Recommendations

For the purposes of this current accelerated review inquiry concerning the establishment of variable factors for the Chinese exporter Anhui Sanfang, Moly-Cop urges the Commission to:

- clarify that it can be satisfied that the exporter Anhui Sanfang did not export grinding balls to Australia (either directly or indirectly) during the original investigation period from 1 October 2014 to 30 September 2015 to be satisfied that the applicant is a "new" exporter of the goods; and
- use a benchmark in Anhui Sanfang's normal value that reflects the same benchmark used in Investigation No. 316 based upon steel billet prices and not for lower-priced steel scrap that the applicant claims it uses in the manufacture of grinding balls.

The claims by the applicant that the benchmark used in the constructed normal value under subsection 269TAC(2)(c) for its exports to Australia requires full investigation by the Commission and cannot be adequately established in a Division 6 Accelerated Review investigation timeframe.

If you have any questions concerning this submission, please do not hesitate to contact me on 0409 170 085 or Moly-Cop's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely

A handwritten signature in black ink, appearing to read 'KR', is positioned above the typed name.

Keith Ritchie
General Manager – Grinding Media Australia
Moly-Cop Australasia