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16 July 2012

Mr John Bracic  
Director, Operations 1  
International Trade Remedies Branch  
Australian Customs and Border Protection Service  
Customs House  
5 Constitution Avenue  
CANBERRA ACT 2801

Dear Mr Bracic

**Public File**

**Re: Hot Rolled Coil exported from Japan, Korea, Malaysia and Taiwan – response to letter on behalf of Nippon Steel**

Introduction

I refer to the submission dated 9 July 2012 made on behalf of Nippon Steel Corporation ("Nippon Steel") in respect of Investigation No. 188 on hot rolled coil ("HRC") exported from Japan, Korea, Malaysia and Taiwan.

The submission contends that the Applicant BlueScope Steel Limited ("BlueScope") has not adequately disclosed certain information concerning injury and that the non-disclosure is not sufficiently reasonable to allow Nippon Steel to defend its interests. Further assertions are made on behalf of Nippon Steel concerning causal link and material injury allegations included in the application.

Non-Confidential summaries of information

It is claimed on behalf of Nippon Steel that information contained in Confidential Attachment A-9.2.1 should be disclosed in a Non-Confidential summary. As indicated in the schedule "List of Attachments", Confidential Attachment A-9.2.1 includes offers and price quotations for HRC imported from Japan, Korea and Taiwan over the period January to December 2011. Where available, hardcopy evidence of the offer was included in the attachment. The information contained in the Confidential Attachment is commercially sensitive to BlueScope and its publication would result in the disclosure of BlueScope's confidential commercial business interests.

A non-confidential summary of A-9.2.1 is attached and identifies the description and the headings of each of the columns of the schedule.

Confidential Attachment A-9.2.3 includes a summary of pricing offers for imported HRC at the distributor level from January 2011 to April 2012. As this schedule is based on offers to distributors, the pricing offers for the Pipe and Tube segment of the HRC market are not included therein.

A non-confidential summary of the schedule headings is attached at Non-Confidential Attachment A-9.2.3.

Material Injury and Causal Link

It has been suggested on behalf of Nippon Steel that BlueScope has not taken account of the 'cost drivers' that apply in steel making when considering the material injury to the Australian industry. The submission further references a WTO Panel namely China – Countervailing and Anti-Dumping Duties on Grain Oriented Flat Rolled Electrical Steel From the United States that examined whether it could be "assumed that prices will always continue to increase as to recover cost increases....".

The distinction with BlueScope's HRC application is that despite the cost increases referred to by Nippon Steel evident in the Period of Investigation ("POI") the average prices over this time decreased. BlueScope was unable to pass on any cost increases that were evident across the industry at the time.

In terms of volume of the dumped goods, the exports volumes to Australia from each of Korea and Taiwan increased in the POI, in a contracting market (by 8 and 4 per cent respectively over volumes exported in 2010/11). The export volumes from Japan did decrease in 2011/12, however, as the volumes were substantially above the negligible level threshold and the export prices were considered at injurious levels (in both volume and price terms), BlueScope was unable to exclude the exports from Japan from the application.

The volume of HRC exports from Malaysia was also above the minimum threshold with BlueScope able to identify injury attributable to HRC exports from this source.

BlueScope rejects the assertions made in the Nippon Steel submission that it "should always enjoy a static cost price ratio" as baseless. Further, BlueScope has provided evidence that the injurious effects of the dumping has extended beyond the distribution market.

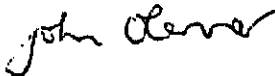
Closing remarks

It is BlueScope's position that the information contained in Confidential Attachments A-9.2.1 and A-9.2.3 are commercially sensitive to BlueScope and its customers in that the documents reflect pricing negotiation information. BlueScope has included Non-Confidential versions of each attachment, including the headings of the schedules as requested.

BlueScope rejects the claims made on behalf of Nippon Steel that it has not adequately addressed the causal link between the injurious imports and material injury experienced by the Australian industry. The information included in the Application and that verified by Customs and Border Protection evidence material injury experienced by BlueScope throughout the investigation period.

If you have any questions concerning this submission, please do not hesitate to contact me on (07) 3342 1921.

Yours sincerely



John O'Connor  
Director

Cc: Mr Alan Gibbs  
Development Manager – International Trade  
BlueScope Steel Limited

**Non-Confidential Attachment A-9.2.1**

**Monthly listed offers of HRC 2.95mm thick x1200 wide from import channel in the Australian Market**

Month of arrival	Origin Mill	Origin Country	SA offer (FIS)	offer exchange rate	USD value of offer (FIS)	Nature of Evidence
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