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6 April 2017

Ms Melissa Guilfoyle
Operations 5
Anti-Dumping Commission
Level 35, 55 Collins Street
MELBOURNE VICTORIA 3000

Email: operations5@adcommission.gov.au

Dear Ms Guilfoyle

Exemption Inquiry No. 0052: Grinding Balls exported from P R China

I. Introduction

I refer to the following two submissions received by the Anti-Dumping Commission ("the Commission") in relation to Exemption Inquiry No. 0052, namely:

- i. Anhui Sanfang New Material Technology Co., Ltd ("Sanfang"); and
- ii. CITIC Pacific Mining Management Pty Ltd ("CPM").

II. Submission by Sanfang

The Sanfang submission relies upon arguments that "like or directly competitive goods are not offered for sale to all purchasers on equal terms under like conditions having regard to the custom and usage of trade" as contained in subsections 8(7)(a) and 10 (8) (a) of the *Customs Tariff Anti-Dumping Act 1975* ("Dumping Duty Act").

It is submitted by Sanfang that the 'cost benefit analysis' of the locally manufactured forged grinding balls could be one of the relevant 'terms and conditions' of supply that it argues, cannot be met with locally manufactured grinding balls.

Moly-Cop Pty Ltd ("Moly-Cop") rejects the claim by Sanfang.

Grinding media is supplied in different sizes and material properties, but its function and purpose are the same – i.e. used in mills to grind material. Investigation No. 316 established that the Australian manufacturers of grinding media compete with imported high-chrome grinding media, with the latter viewed as a direct substitute for locally produced grinding media. Locally manufactured grinding media competes with imported high-chrome grinding media on the basis of delivered cost, product specification and type, logistics, quality and consistency, and service to customer.

Importantly, Moly-Cop draws to the attention of the Commission that grinding media does cross over market sectors. For example, grinding media supplied into the cement industry can readily be supplied into the mining industry. Whereas a pricing differential associated with material and quality can be identified, selling prices are market driven (by customer value and performance). If the price point on cast balls reduced considerably, this would cross industry boundaries and effect the forged ball pricing positions.

It is therefore incorrect to conclude – as has been submitted by Sanfang – that forged grinding balls manufactured by the Australian industry and imported high-chrome cast grinding balls do not compete on price. There exists price elasticity between the grinding media confirming the



existence of conditions that like or directly competitive goods are offered for sale to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

It has further been argued by Sanfang that the grounds for exemption of high-chrome cast grinding balls from the anti-dumping and countervailing measures be extended to include imports by a designated importer. This claimed ground for exemption is not a ground by which the Parliamentary Secretary may grant an exemption.

III. CPM Submission

Moly-Cop does not consider that the CPM submission – given the high level of redactions contained in the public file version - permits an interested party from understanding the arguments tendered by CPM.

It is well-established that the Australian industry does not produce high-chrome grinding media. Contentions concerning hardness associated with high-chrome grinding media do not detract from the fact that forged and cast grinding media can be used interchangeably. Moly-Cop is unable to comment on the arguments redacted in the CPM submission relating to diversification of supply and chain risk due to the high level of redaction in the submission.

Moly-Cop does not consider that CPM has adequately demonstrated that “*like or directly competitive goods are not offered for sale to all purchasers on equal terms under like conditions having regard to the custom and usage of trade*”. The CPM assertions therefore must not succeed.

IV. Conclusions

The assertion that the Australian industry does not supply locally produced grinding media to all purchasers in the Australian market on equal terms and conditions has not been established by Sanfang and CPM. The local industry manufactures grinding media that is a like good and is supplied to the Australian market for the same end-uses as the imported high-chrome grinding media on a competitive basis. Further evidence is available to demonstrate this if required.

Moly-Cop therefore requests the Commission to recommend to the Parliamentary Secretary that the subject goods not be granted an exemption from the measures.

If you have any questions concerning this submission, please do not hesitate to contact the undersigned on (02) 4974 0414.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Voigt', written in a cursive style.

Matthew Voigt

Manager Finance and Commercial Services

Moly-Cop