

The Director
Operations 5
Anti-Dumping Commission
Level 35, 55 Collins Street
Melbourne VIC 3000
operations5@adcommission.gov.au

Reply to Moly-cop's letter dated April 6 2017--- EX0052

Dear Melissa Guilfoyle,

On behalf of Anhui Sanfang New Material Technology Co., Ltd. (Sanfang), with reference to Moly-cop's letter dated April 6 2017, we would like to make certain comments as below.

According to the Anti-dumping Notice No. 2017/15, "Interested parties are invited to lodge written submissions concerning this inquiry no later than the close of business on 8 March 2017". If any interested party could submit any comment at any time and does not observe the deadline, this would significantly prejudice the due process rights of other interested parties and vitiate the orderly conclusion of the current inquiry. Thus, Sanfang kindly requests the Commission to reject Moly-cop's submission which is nearly one month after the submission deadline without any justification.

Notwithstanding Sanfang's position above, Sanfang contends that Moly-cop's comment is misleading. Sanfang would like to reiterate that simply because the forged grinding balls manufactured by Moly-cop and the high chrome casting grinding balls functionally alike is not sufficient to rebut Sanfang's claim 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 reasons have been sufficiently presented by Sanfang in its Application dated January 25 2017 and its Comments dated March 7 2017.

In this submission, Sanfang would like to give an example to illustrate its claim a bit

further. In daily life, people wash cloth by using normal laundry detergent. But for some heavy stained part of the cloth, people may choose special cleaner or soap to clean that part by hand. Both normal laundry detergent and special cleaner or soap are for the same cleaning purpose and functionally alike, but they are used under different situations or environments. It is possible to use special cleaner or soap to replace the normal laundry detergent, but it is not economical since the price for special cleaner or soap is normally high. It is also possible to apply the normal laundry detergent to the heavy stained part of the cloth by hand, but technically, it is difficult to achieve the same cleaning result.

Therefore, even if the small-sized high chrome cast grinding balls from China are blocked by the antidumping duty, Sanfang's Australian customer would not choose Moly-cop's forged grinding balls because these balls cannot meet its technical purpose. That is to say, Moly-cop's forged grinding balls are not offered on equal terms under like conditions of the small-sized high chrome cast grinding balls.

In addition, Moly-cop argues that grinding balls cross over market sectors and concludes on assumption that if the price of cast ball reduced considerably, this would cross the industry boundaries and effect the forged ball pricing position. Moly-cop also asserts that there exists price elasticity between the grinding media.

First, any argument based on assumption without positive evidence is not appropriate. In the current inquiry, both Donhad and Moly-cop have confirmed that the high chrome cast grinding balls attract a premium price because of the high chromium content. There is no factual basis to simply assert that Chinese producers will reduce these premium prices of cast grinding balls. Besides, the possibility of cross industry boundary price effect is remote. For the sake of argument, even Chinese producers reduce the price of high chromium cast grinding balls, Moly-cop fails to demonstrate that this could be attributed to dumping and thus should be subject to antidumping measure.

Second, except simple assertion, Moly-cop did not demonstrate how the price elasticity between forged grinding balls of Moly-cop and the small-sized high chrome cast

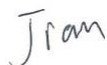
grinding balls works. In particular, how the price of the small sized high chrome cast grinding balls exerts influence on the price of forged grinding balls of Moly-cop.

Third, the product requested for exemption is limited to certain scope, i.e. small sized high chrome cast grinding balls. However, all Moly-cop's arguments are based on the general differences between the forged balls and the cast balls. Thus, Moly-cop fails to rebut Sanfang's request for exemption of the small sized high chrome cast grinding balls that 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".

In conclusion, Moly-cop fails to rebut Sanfang's claim and the small sized high chrome cast grinding balls should be exempted from the current antidumping and countervailing duties.

Your consideration of the above is highly appreciated.

Yours sincerely,



Jian Guan
Senior Partner



9/F, Tower C, Parkview Green FangCaoDi,
No.9, Dongdaqiao Road, Chaoyang District, Beijing 100020, China

E: guanjian@globe-law.com

T: 8610-8451 2800

F: 8610-8451 2790

www.globe-law.com

Beijing | Shanghai | Dalian | Hefei |