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Director Operations 1
Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001

**Review of aluminium zinc coated steel and zinc coated (galvanised) steel exported by
Dongbu Steel Co., Ltd**

Dear Director,

This submission is made on behalf of Stemcor Australia Pty Ltd (Stemcor) in response to the very late submission made by BlueScope Steel Limited (BlueScope). Stemcor notes that BlueScope requests the Commission to update Dongbu Steel Co., Ltd's (Dongbu) determined variable factors to reflect contemporary movements in international raw material prices and corresponding steel prices. Stemcor provides the following observations in response.

First, it is highly disingenuous for BlueScope to now be presenting this view to the Commission when it has previously argued that such an approach and methodology is inappropriate and unlawful. In its application for review¹ to the then Trade Measures Review Officer (TMRO), into hot rolled coil steel exported from Japan, the Republic of Korea, Malaysia and Taiwan, BlueScope disputed the indexing of variable factors by reference to contemporary movements in raw material benchmarks.

It stated:

Bluescope, however, seeks to challenge the methodology applied by the Minister to impose a fixed and variable component of measures based upon unverified information post the investigation period which it is claimed represents more "contemporary" prices post the investigation period.

¹ BlueScope application - HRC exported from Japan, Korea, Malaysia and Taiwan

BlueScope added:

It is BlueScope's contention that Customs and Border Protection should have used the weighted-average export price for the investigation period for each exporter. A downward adjustment to the investigation period's export price to establish an ascertained export price reflecting the six month period post the investigation period to October 2012 is inconsistent with the intent of the legislation to rely only on verified information from the investigation period for the purposes of establishing each of the variable factors (i.e. normal value, export price and non-injurious price).

Given BlueScope's complete reversal of its earlier position in the context of contemporary raw material prices increasing following the end of the Dongbu review period, the Commission should dismiss the suggested approach as being purely driven by self-interest and without any reasonable basis.

Second, it is also important to highlight that should the Commission wish to update variable factors to reflect contemporary normal values and export prices, then this must involve relying on Dongbu's actual contemporary export prices and normal values. To achieve this, Dongbu must be provided with sufficient and reasonable opportunity to further submit its export sales, domestic sales and corresponding costs to allow for the contemporary variable factors to be determined.

Finally, if the Commission considered it appropriate to determine contemporary variable factors, and given the observed short-term volatility of international steel and raw material prices, the Commission would be required to update variable factors in every steel dumping investigation and review that takes place. This would include adjusting normal values downwards where relevant benchmark prices have decrease following the end of the investigation or review period. That is, an approach to determining contemporary variable factors cannot only be applied in cases where post-investigation prices have increased.

For these reasons, Stencor contends and requests that the Commission ought to reject BlueScope's submission and its proposal for Dongbu's variable factors to be updated to reflect contemporary movements in raw material and steel prices.

Regards

John Bracic