

02 June 2014

Mr Rod Jones  
Case Manager, Operations 1  
Anti-Dumping Commission  
C/o Australian Customs and Border Protection Service  
Customs House  
1010 La Trobe Street  
DOCKLANDS VICTORIA 3008

### Public File

Dear Mr Jones

### **Rod-In-Coil exported from Indonesia, Taiwan and Turkey – Proposed Unsuppressed Selling Price**

#### Introduction

I refer to your visit to OneSteel Manufacturing Pty Ltd (“OneSteel”) as part of the verification of financial data supplied by OneSteel in the Anti-Dumping Commission’s (“ADC”) inquiry into Rod In Coil (“RIC”) sections exported from Indonesia, Taiwan and Turkey. During the verification visit the ADC requested OneSteel’s recommended basis for an Unsuppressed Selling Price (“USP”) for RIC sold in Australia.

#### USP methodology

It is understood that the ADC’s first preference for a USP is identifying a selling price from the marketplace that was unaffected by dumping. For the goods under consideration, Indonesian exports of RIC have held a substantial market share in the market since 2010. Prior to this, the market was impacted by the global economic downturn.

It is OneSteel’s assessment that it is not possible to identify a selling price in the RIC market since 2010 that is unaffected by dumping and/or the global economic downturn.

The ADC’s next preferred methodology for a USP involves a methodology that is based upon the Australian industry’s cost-to-make-and-sell (“CTM&S”) like goods during the investigation period, plus an appropriate amount for profit. The ADC has verified OneSteel’s 2013 CTM&S RIC during the recent industry visit and it is considered reasonable to rely upon OneSteel’s CTM&S RIC cost information during the 2013 investigation period as the basis for a constructed USP. A level of profit must also be applied to the Australian industry’s CTM&S during 2013.

OneSteel’s RIC business has performed at [REDACTED] over the last four-year period. As a result, it is necessary to seek an alternative basis for a level of profit to be applied to OneSteel’s 2013 CTM&S RIC for the purposes of establishing a constructed USP.

OneSteel submits that a suitable level of profit can be sourced from an internally-related manufacturing business where the raw material billet [REDACTED] [site] [REDACTED]. OneSteel [REDACTED] business sources the same raw materials as the Rod & Bar business (used in RIC manufactured in NSW) hence cost structures are not dissimilar. The Australian [REDACTED] market is supplied from local supply and imports. OneSteel

has prepared CTM&S data (in Appendix A6.1 format) for the [REDACTED] (see attached) for the years 2009/10 to 2012/13.

The level of profit achieved in the selling prices for OneSteel's domestic sales of [REDACTED] during the period 2009/10 to 2012/13 was in the range [REDACTED] to [REDACTED] per cent.

#### Rod In Coil Unsuppressed Selling Price

OneSteel has obtained its 2013 unit CTM&S RIC from its Confidential Appendix A6.1 verified data and applied the lowest level of profit achieved in the 2009/10 to 2012/13 period from its domestic [REDACTED] sales.

The RIC USP in 2013 is shown in the following Table:

	A\$ per metric tonne
CTM&S 2013 <sup>1</sup>	\$ [REDACTED]
Profit ([REDACTED] % <sup>2</sup> of CTM&S)	\$ [REDACTED]
<b>USP</b>	\$ [REDACTED]

#### Notes:

1. Sourced from OneSteel RIC Confidential Appendix A6.1 for Calendar 2013 Year – Unit CTM&S less domestic freight (i.e. \$ [REDACTED] – \$ [REDACTED]).
2. See Confidential Appendix A6.1 – [REDACTED] – Domestic for 2011/12 year.

OneSteel submits that the proposed USP for RIC in 2013 is \$ [REDACTED] per metric tonne, at the ex-factory level. OneSteel highlights with the ADC that a non-injurious FOB price calculated from the USP of \$ [REDACTED] remains above the declared FOB values as detailed in OneSteel's application for measures confirming that the exports from the nominated countries are injurious to the Australian industry.

It is OneSteel's position that exports of RIC to Australia from countries other than those involved in the current investigation are at volumes that are not sufficiently large enough to influence market selling prices for RIC in Australia. As such, OneSteel does not consider that export prices from countries not included in the investigation represent a suitable basis for determining a NIP.

OneSteel therefore recommends that the ADC base a USP for RIC upon the constructed selling price methodology that relies upon the Australian industry's CTM&S during 2013 plus an amount of profit from a related steel business from within the OneSteel portfolio.

If you have any questions concerning this letter please do not hesitate to contact OneSteel's representative Mr John O'Connor on (07) 3342 1921 or Mr Matt Condon of OneSteel on (02) 8424 9880.

Yours sincerely



Matt Condon  
Manager – Trade Development  
OneSteel Manufacturing Pty Ltd