

OneSteel Manufacturing Pty Ltd
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30 October 2015

Mr Justin Wickes
Director Investigations, Operations 1
Anti-dumping Commission

By email: operations1@adcommission.gov.au

cc. Mr Paul Sexton
 General Manager, Operations

 Mr Christopher Hill
 Assistant Director Investigations, Operations 1

Dear Mr Wickes,

Exporter visit program

Re. *Dumping Investigation No. 301: Rod in coils exported from China*

I refer to the above investigation, and the ostensible cooperation of two exporters of the goods under consideration, specifically:

- Hunan Valin Xiangtan Iron & Steel Co., Ltd (**Hunan Valin**); and
- Jiangsu Shagang Group Co., Ltd (**Jiangsu Shagang**).

The Australian industry writes to express in the strongest terms the importance of on-the-spot verification occurring in the case of **both** producer/exporters in this case. Although we are mindful of the resource constraints faced by the Anti-dumping Commission (**Commission**), the risk of error faced by anything less than on-the-spot verification is too great. Specifically, we note from the heavily redacted response of Jiangsu Shagang that there are numerous related and interposed entities involved in the case of that producer/exporter. Given their lack of transparency, the Australian industry will have little confidence in an outcome that was not subjected to a full and rigorous on-the-spot in-country verification. This lack of transparency means that the Australian industry sees no way that it can help the Commission manage the risk of inaccurate, unreliable or irrelevant information being submitted to it by Jiangsu Shagang.

In the case of Hunan Valin, the Australian industry notes that it is a cooperative producer in the current *Dumping Investigation No. 300*, namely steel reinforcing bar exported from China. The Commission has indicated that an in-country verification will not be conducted for Hunan Valin as part of Investigation 300. Given the similarities in production processes and equipment utilised for manufacturing steel reinforcing bar in coil and wire rod, the Australian industry would be indeed surprised if there was no capacity for the Commission to achieve some synergies between the two investigations, by subjecting this producer/exporter to an on-the-spot verification visit in this case.

If the Commission indeed faces a critical lack of resources to conduct two producer/exporter verification visits, then the Australian industry refers to the alternative verification options outlined in its submission on this issue in *Dumping Investigation No. 300*¹, specifically:

¹ Refer EPR 300, Folio 030.

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- the use of contracted independent and impartial auditors to conduct on-the-spot verification for and on behalf of the Commission; and
- the use of the “sampling” methodology available to the Commission under section 269TACAA of the *Customs Act 1901* and in accordance with the policy and practise outlined in the *Dumping and Subsidy Manual*².

The Australian industry again repeats the importance of conducting on-the-spot verification in this case, and would welcome the opportunity to continue discussing all resourcing options further with you

Yours sincerely



Matt Condon
Manager – Trade Development
OneSteel Manufacturing Pty Ltd

² Anti-Dumping Commission, *Dumping and Subsidy Manual*, Canberra, December 2013, pp. 117 -119.