

EXPORTER GENERAL SUBMISSION

FROM

TIANJIN JINSHENGDE STEEL TUBE PRODUCE CO., LTD

REGARDING

**INVESTIGATION INTO THE ALLEGED DUMPING OF
HOLLOW STRUCTURAL SECTIONS (HSS) EXPORTED FROM THE PEOPLE'S
REPUBLIC OF CHINA (CHINA, THE REPUBLIC OF KOREA (KOREA), MALAYSIA,
TAIWAI AND THE KINGDOM OF THAILAND (THAILAND)**

AND

**INVESTIGATION INTO THE ALLEGED SUBSIDISATION OF
HSS EXPORTED FROM CHINA
(INVESTIGATION NO. 177)**

Exporter self introduction

Tianjin Jinshengde Steel Tube Produce Co., Ltd (hereinafter referred to as the 'JSD') is HSS and other steel products producer based in Tianjin, China. JSD purchases steel rolls (non-galvanized, pre-galvanized and hot-dipped galvanized) from China's domestic suppliers, produces HSS and other steel products such as fence panels, and sells those goods to China's domestic and overseas market. During the period of this investigation, JSD exported HSS to Australian market, so that JSD is cooperating with Australian for this investigation

Responses

1. For the mentioned investigation mentioned in the report no.177, JSD cooperated the custom and welcome the result that 'the Minister accepted this recommendation and the measures were subsequently revoked' for the 2009/2010 review. We share China government's concern regarding the time gap between the 2009/2010 review and this investigation. The time gap is shorter than half year between the revoke decision was made and the initialization of this investigation, which brought great burden to Australian HSS importers and China's HSS exporters such as JSD in terms of preparing materials and cooperation for this investigation. We hope the frequency of the investigation can be more reasonable and longer if possible
2. JSD is a private enterprise without shareholding owned or controlled by China's government of any public body. We exported our products to Australian market is purely because we can obtainer higher margin by doing that. Actually, JSD did a lot to meet the stricter (compared with China's) requirement from Australian customers on the quality of HSS to win the business and the profitability we expected from the export. Due to targeting the Australian market, JSD produced higher quality of HSS compared with its fellow competitors in China and also avoided fierce competition in the domestic HSS market. JSD cannot accept the statement that China's HSS market is not a competitive market and the fact is this market is full of competition which forced, to some extent, JSD change its development strategy from domestic market to overseas. So that JSD's export to Australian market is totally for higher profitability rather than dumping cheap products to this specific market
3. We reckon the factors mentioned in the report, such as price of raw materials, state-owned enterprises' interference, are general ones and they already existed in China when the previous investigations were initiated and concluded. So that it is not appropriate to raise them as new evidences in this investigation. From the business between us and Australian importers of our products, we do not think there exist any clue about China's government or its state-owned enterprises' direct interference on the export price of the concerned HSS products
4. We strongly object using Japanese data as the normal price of China's exported HSS

- products. As everybody knows, Japan is a developed country with the high GDP per capita (top tier of the world). For various cost factors such as worker remuneration, transportation expenses, those of Japan are undoubtedly much higher than China's, and it is obvious that the reason we win the business is just because China has competitiveness in terms of cost factors as a developing country. It is ridiculous to employ a developed country's data to model out a developing country's HSS normal price. Even if China's domestic selling price of HSS products are much lower than Australian producers' expectation, it is not proper at all to change the data source to a developed country, with 10 times of GDP per capita compared with China
5. For subsidies, JSD seldom received subsidy from government or any public body. Maybe China's government listed aluminum and steel industries as 'pillar' industries, JSD as private companies are seldom subsidized as a player of this industry. JSD purchased steel roll, the main materials, from so call state-owned enterprise, but JSD is 100% sure that the price is determined by arm's length principle and JSD is granted nothing privilege such as lower price and longer credit term as export stimulus. So that JSD strongly objects that it as a HSS exporter is making dumping while benefited from special treatment from state-owned enterprises

Conclusion:

JSD exports HSS to Australian market is purely for higher profitability rather than dumping its products. JSD is a private company, it is not interfered by government or state-owned enterprise for its business and pricing policies. Also, JSD is not materially subsidized by China's government for its export