

19 September 2017

Mr Bora Akdeniz  
Case Manager  
Operations 3  
Anti-Dumping Commission  
Level 35, 55 Collins Street  
Melbourne Victoria 3000

**Public File**

Dear Mr Akdeniz

**Investigation No. 401 - BBRG Australia comments re submission by Scaw South Africa and Haggie Reid of 13 September 2017**

I refer to the submission dated 13 September 2017 on behalf of Scaw South Africa ("Scaw S.A.") and Haggie Reid Pty Ltd ("Haggie Reid"). The submission seeks to address two distinct matters, namely:

- (i) The European Commission merger approval; and
- (ii) The Bridon-Bekaert Ropes Group Annual Report 2016.

*The EC merger approval*

The submission attempts to suggest that comments in the EC's Merger Approval decision support a claim for adjustments to normal value for which are linked to the production cost and price of wire rope.

BBRG Australia Pty Ltd ("BBRG Australia") highlights with the Commission that the quoted extract in the Scaw S.A. and Haggie Reid submission of 13 September relating to the '*stages in the manufacturing process are different depending on the applicant....*' does not relate specifically to the manufacture of wire rope for the mining industry but rather to a broader range of applications and industries. The discussion by the EC Competition Authority related to the broader consideration of the manufacturing processes of each of the pre-merger parties, including Bekaert as a Belgian company involved in steel wire transformation and coatings, and Bridon (owned 80-90 per cent by Ontario Teachers' Pension Plan Board ("OTPP")) which was involved with the production and sale of wire rope and synthetic rope products for various applications.

The comments that refer to the manufacturing processes related to the pre-merger activities of the two entities and was not a comment about the manufacturing process of individual parties of wire rope used in the mining industry.

The comments of Scaw S.A. and Haggie Reid on this issue are therefore not relevant.

*Bridon-Bekaert Ropes Group Annual Report 2016*

BBRG Australia notes that the global Bridon-Bekaert Ropes Group is a diversified business operating in a range of different geographic markets and segments. The merger of the Bekaert rope businesses (of which the operation in Australia was part of) and the Bridon businesses occurred on 28 June 2016. This merger of the two businesses had no impact on the open pit mining market in Australia.

Scaw S.A. and Haggie Reid's comments concerning the Group's economic performance in 2016 most notably relate to the global "oil and gas" sector and do not apply to the Australian mining sector.

The representations attempt to target the high-level financial performance of the merged Bridon-Bekaert businesses in 2016 and cannot be considered to be representative of the performance of the Australian mining sector and demand for ropes in 2016. The commission obtained relevant and accurate data from BBRG Australia and the importer Haggie Reid to confirm the economic performance of the Australian wire ropes market during the 2016 investigation period. This data is considered representative and accurate for the Commission to determine

the impact of the dumped wire ropes from South Africa on BBRG Australia's sales in 2016. BBRG Australia also provided the Commission with data sourced from the Department of Industry, Innovation and Science (DIIS) confirming that exports of coal from Australian in 2016 were at comparable levels to 2015, thereby dismissing claims that the Australian coal industry (where wire ropes are principally sold) was experiencing a material downturn in 2016.

BBRG Australia welcomes any further clarification of the matters addressed in this submission. If you have any questions, please do not hesitate to contact me on (02) 4968 6500 or BBRG Australia's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely



**Stuart Callender**  
Vice President Oceania