



INVESTIGATION 254

ALLEGED DUMPING OF CERTAIN HOLLOW STRUCTURAL SECTIONS EXPORTED FROM THE KINGDOM OF THAILAND

PRELIMINARY AFFIRMATIVE DETERMINATION REPORT NO. 254

March 2015

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ABBREVIATIONS

\$	Australian dollars
ACBPS	Australian Customs and Border Protection Service
ADN	Anti-Dumping Notice
The Act	Customs Act 1901
The applicant	AusTube Mills Pty Ltd
ATM	AusTube Mills Pty Ltd
The Commission	The Anti-Dumping Commission
CFR	Cost and freight
CHS	Circular hollow sections
COGS	Cost of goods sold
CON254	Anti-Dumping Commission's consideration report for the investigation
CTM	Cost to make
CTMS	Cost to make & sell
CTS	Cost to sell
EBIT	Earnings before interest and tax
FOB	Free On Board
HDG	hot-dipped galvanised
HRC	Hot-rolled coil
HSS	Certain hollow structural sections (as defined in Section 4.1 of this report)
ITM	Independent Tube Mills Pty Ltd
ILG	In-line galvanised
NIP	Non-injurious Price
Orrcon	Orrcon Operations Pty Ltd
PAD	Preliminary Affirmative Determination
RHS	Rectangular hollow sections
SEF	Statement of Essential Facts
SHS	Square hollow sections
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
the Minister	the Minister for Industry and Science
USP	Unsuppressed Selling Price

1 SUMMARY AND PRELIMINARY FINDINGS

1.1 Introduction

This Preliminary Affirmative Determination (PAD) Report Number 254 sets out the reasons for the Commissioner of the Anti-Dumping Commission (the Commissioner) being satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice, and therefore for making a PAD under s. 269TD of the *Customs Act 1901* (the Act).¹

The preliminary findings, conclusions and provisional calculations discussed in this report are made for the purpose of the PAD and are based on information available at the time of making the PAD. It is possible for these findings, conclusions and calculations to change between publication of the PAD and publication of the Statement of Essential Facts (SEF) as more information becomes available.

1.2 Background

On 10 June 2014, Austube Mills Pty. Ltd. (ATM) lodged an application requesting that the Minister for Industry and Science (the Minister) publish a dumping duty notice in respect of hollow structural sections (HSS) exported to Australia from the Kingdom of Thailand (Thailand).

ATM alleges that the Australian industry has suffered material injury caused by HSS exported to Australia from Thailand at dumped prices. ATM claims that material injury in respect of HSS commenced in June 2012 following the imposition of anti-dumping measures on exports from the People's Republic of China (China), the Republic of Korea (Korea), Malaysia and Taiwan. ATM identified the injurious effects as:

- lost sales volumes;
- lost market share;
- price depression;
- price suppression;
- reduced profit;
- reduced profitability;
- reduced capital investment;
- reduced research and development expenditure;
- reduced return on investment;
- reduction in capacity utilisation for like goods;
- write-down of goodwill associated with the HSS business;
- reduction in employment levels; and
- reduced attractiveness to re-invest.

¹ References to any section or subsection of legislation are references to the *Customs Act 1901* unless otherwise specified.

After consideration of the application, an investigation was initiated on 21 July 2014, and public notification of the initiation of the investigation was published in *The Australian* on that day.

Anti-Dumping Notice (ADN) No. 2014/59 refers to the initiation of the investigation, and is available at http://www.adcommission.gov.au/notices-reports/acdn/acdn_2014.asp

1.3 Investigation process and timeframes

The Anti-Dumping Commission (the Commission) established an investigation period of 1 July 2013 to 30 June 2014 for the purpose of assessing dumping. Injury analysis commenced from 1 July 2011 for the purpose of analysing the condition of the Australian industry. Following initiation, interested parties were invited to make submissions and/or respond to the relevant importer or exporter questionnaires by 1 September 2014.

On 3 March 2015, the due date to publish the SEF on the public record was further extended by the Parliamentary Secretary to the Minister for Industry and Science (Parliamentary Secretary)² to 28 May 2015. The SEF will set out the material findings of fact on which the Commissioner intends to base his recommendations to the Parliamentary Secretary, and will invite interested parties to respond, within 20 days, to the issues raised therein. Following receipt and consideration of submissions made in response to the SEF, the Commissioner will provide his final report and recommendations to the Parliamentary Secretary. This final report is due no later than 13 July 2015, unless extended.

1.4 Summary of preliminary findings

The Commission makes the following preliminary findings, which are explained in further detail in this report.

1.4.1 Like goods and the Australian industry (Chapter 5 of this report)

The Commission is satisfied there is an Australian industry producing 'like goods' to the goods the subject of the investigation.

1.4.2 Preliminary Dumping Assessment (Chapter 7 of this report)

The Commission's preliminary assessment shows that HSS has been exported to Australia from Thailand in the investigation period at dumped prices where:

- the margin of dumping was not negligible; and
- the volume of dumped goods was not negligible.

The Commission has preliminarily assessed the following exporter-specific dumping margins in relation to HSS exported from Thailand to Australia in the investigation period:

² The Minister for Industry and Science has delegated responsibility for anti-dumping matters to the Parliamentary Secretary to the Minister for Industry and Science, and accordingly, the Parliamentary Secretary is the decision maker for this investigation.

Exporters	Preliminary dumping margin
Sahathai Steel Pipe Public Company Limited	12.4%
Pacific Pipe Public Company Limited	15.6%
Samchai Steel Industries Public Company Limited	18.4%
Uncooperative exporters	30.6%

Table 1: Preliminary dumping margins

1.4.3 Economic condition of the Australian industry (Chapter 8 of this report)

The Commission has preliminarily assessed that the Australian industry producing like goods has suffered injury in the form of price depression, price suppression, reduced profits and profitability, reduced domestic revenues, reduced capital investment, write-down of goodwill associated with HSS business, reduced research and development expenditure, reduced production and capacity utilisation rates and reduced employment numbers.

1.4.4 Causation (Chapter 9 of this report)

The Commission has preliminarily assessed that the dumping of HSS exported to Australia from Thailand has caused material injury to the Australian industry producing like goods.

1.5 Conclusion

Based on the available information and evidence available, the Commissioner preliminarily considers that:

- HSS has been exported from Thailand at dumped prices;
- there is an Australian industry producing like goods that is experiencing injury; and
- the dumped goods are causing material injury to the Australian industry.

Under s. 269TD(1)(a) of the Act, the Commissioner is satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice in respect of HSS exported to Australia from Thailand. The Commissioner considers that the Australian Customs and Border Protection Service (ACBPS) should take securities under s. 42 of the Act in respect of interim dumping duties that may become payable in relation to HSS exported to Australia from Thailand as it is necessary to do so to prevent material injury to the Australian industry while the investigation continues (s. 269TD(4)(b)).

Securities will apply to imports of HSS from Thailand entered for home consumption on or after **16 March 2015**.

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The following documents give effect to the Commissioner's decision:

- the determination for the PAD (**Confidential Attachment 1**); and
- the public notice (**Non-Confidential Attachment 1**).

2 ABILITY TO MAKE A PAD AND TAKE SECURITIES

2.1 Ability to make a PAD

At any time not earlier than 60 days after the date of initiation of an investigation into whether there are sufficient grounds for the publication of a dumping duty notice, in respect of goods the subject of an application, the Commissioner may, if he is satisfied that:

- there appears to be sufficient grounds for the publication of such a notice; or
- it appears that there will be sufficient grounds for the publication of such a notice subsequent to the importation into Australia of such goods;

make a PAD under s.269TD of the Act to that effect.

In deciding whether to make a PAD the Commissioner must have regard to the application concerned, any submissions concerning publication of the notice that are received by the Commission within 40 days after the date of initiation of the investigation, and any other matters that the Commissioner considers relevant.³ The Commissioner is not obliged to have regard to any submission received after day 40 if to do so would prevent the timely consideration of whether or not to make a PAD.⁴

2.2 Ability to take securities

The ACBPS may, at the time of the Commissioner making a PAD or at any later time during the investigation, require and take securities under s.42 of the Act in respect of interim duty that may become payable if the officer of the ACBPS taking the securities is satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigation continues.⁵

2.3 Information considered

In making the PAD in respect of HSS exported from Thailand, the Commissioner has had regard to:

- the application for the dumping duty notice;
- submissions and questionnaire responses (verified and unverified); and
- other matters that the Commissioner considered relevant.

³ s.269TD(2)

⁴ s.269TD(3)

⁵ S.269TD(4)(b)

3 EVIDENCE RELIED UPON BY THE COMMISSION

3.1 Evidence provided by the applicant on behalf of the Australian Industry

The Commission has verified the data provided by ATM in its application. The visit report (*ATM Verification Visit Report*) is available on the public record for this investigation.⁶ The Commission is satisfied as to the accuracy and relevance of the sales data, cost to make and sell data, data pertaining to injury claims and other information provided by ATM in connection with this investigation.

3.2 Evidence provided by importers

At the date of initiation, the Commission wrote to all known importers of HSS from Thailand. Among these importers, the Commission identified several importers considered to be the largest importers of the goods by volume, and requested their participation in the investigation by completion of an importer questionnaire, which requested information including:

- supplier details;
- imported goods (including cost to import and sell);
- forward orders; and
- Australian sales.

The Commission received a response to the importer questionnaire from the following importers:

- Commercial Metals Pty. Ltd (CMC);
- ThyssenKrupp Mannex Pty Ltd.(TKM);
- Marubeni-Itochu Steel Oceania Pty. Ltd. (MISO);
- Stemcor Australia Pty. Ltd.(Stemcor); and
- Sanwa Pty. Ltd. (Sanwa).

The data submitted by CMC, TKM, MISO and Stemcor has been verified by the Commission in terms of its relevance, completeness and accuracy. All verified importers cooperated with the investigation and provided their internal records and source documents for their import and sales transactions.

The importer verification visit reports are published on the public record for this investigation at www.adcommission.gov.au/cases/EPR254.asp.

3.3 Evidence provided by exporters

The Commission has received responses to the exporter questionnaires issued in relation to the investigation from the following Thai exporters:

- Sahathai Steel Pipe Public Company Limited (Saha Thai);

⁶ <http://www.adcommission.gov.au/cases/EPR254.asp>

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- Pacific Pipe Public Co. Ltd (Pacific Pipe); and
- Samchai Steel Industries Public Company Limited (Samchai).

The Commission has not yet verified the data submitted by these exporters. However, a comparison of the data submitted with the data available to the Commission from previous investigations on HSS showed a strong correlation and consistency.

3.4 Data from previous investigations

Several investigations, (including reinvestigations, reviews and continuation inquiries) have been conducted into HSS and specific sub-categories of the goods exported from various countries over a number of years.

On 19 September 2011, the ACBPS initiated an investigation into the alleged dumping of HSS exported to Australia from China, Korea, Malaysia, Taiwan and Thailand and the alleged subsidisation of HSS exported from China (Investigation 177).

Saha Thai, Pacific Pipe and Samchai cooperated with Investigation 177. The then International Trade Remedies Branch of ACBPS verified data submitted by Saha Thai and Pacific Pipe and exporter verification visit reports for these exporters were placed on the public record. The Commission had regard to data from Investigation 177 when preparing this PAD.

4 THE GOODS

4.1 Description

The goods the subject of this application (the goods), are:

Certain electric resistance welded pipe and tube made of steel, comprising circular and non-circular hollow sections in galvanised and non-galvanised finishes, whether or not including alloys. The goods are normally referred to as either CHS (circular hollow sections) or RHS (rectangular or square hollow sections). The goods are collectively referred to as HSS (hollow structural sections). Finish types for the goods include pre-galvanised, hot-dipped galvanised (HDG), and non-galvanised HSS.

Sizes of the goods are, for circular products, those exceeding 21 mm up to and including 165.1 mm in outside diameter and, for oval, square and rectangular products those with a perimeter up to and including 950.0 mm. CHS with other than plain ends (such as threaded, swaged and shouldered) are also included within the goods coverage.

Excluded goods

The following categories of HSS are excluded from the application:

- *conveyor tube made for high speed idler rolls on conveyor systems, with inner and outer fin protrusions removed by scarfing (not exceeding 0.1mm on outer surface and 0.25mm on inner surface), and out of round standards (i.e. ovality) which do not exceed 0.6mm in order to maintain vibration free rotation and minimum wind noise during operation);*
- *precision RHS with a nominal thickness of less than 1.6 mm (i.e. not used in structural applications); and*
- *stainless steel CHS and RHS sections.*

4.2 Tariff classification

The application stated that the goods are classified under the following tariff classifications and statistical codes:

- *7306.30.00 (statistical codes 31, 32, 33, 34, 35, 36 and 37);*
- *7306.50.00 (statistical code 45);*
- *7306.61.00 (statistical codes 21, 22, 25 and 90); and*
- *7306.69.00 (statistical code 10).*

Based on information provided in the application, the ACBPS Tariff Policy and Implementation Branch confirmed that the goods are correctly classified to tariff subheadings:

- *7306.30.00: circular hollow sections;*

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- *7306.61.00: rectangular or square hollow sections;*
- *7306.69.00: other non-circular cross-sections; and*
- *7306.50.00: other circular cross-sections of other alloys of steel,*

in Schedule 3 to the *Customs Tariff Act 1995*.

The goods exported to Australia from Thailand under the Thailand Free Trade Agreement are free from duty as of 1 January 2010.

The Commission notes that there are numerous Tariff Concession Orders applicable to the relevant tariff subheadings.

5 LIKE GOODS AND THE AUSTRALIAN INDUSTRY

5.1 Preliminary assessment

Based on information available at the time of making this PAD, the Commissioner is preliminarily satisfied there is an Australian industry producing like goods to the goods the subject of the application.

5.2 Australian industry producing like goods

Subsection 269T(1) of the Act defines like goods as:

goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

Subsection 269T(2) specifies that, for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. Subsection 269T(3) requires that for goods to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

In its application, ATM relied on ACBPS' previous findings in Investigation 177 in asserting that HSS manufactured in Australia is 'like goods' to imported HSS from the nominated countries. ATM identifies itself, Orrcon Steel and Australian Pipe and Tube (formerly Independent Tube Mills) as the members of Australian industry producing like goods. Orrcon, in its submission received on 13 October 2014 confirmed that it manufactures like products.⁷

In support of its claims ATM submitted a product brochure listing the numerous types of HSS produced and sold by ATM.

The Commission has inspected ATM's Newcastle plant and observed the production process and dispatch facility.

The Commission has observed that ATM manufactures a comprehensive range of HSS, in various shapes (rectangular (RHS), square (SHS), circular (CHS), oval and others), finishes, sizes (diameters and perimeters), gauges (wall thicknesses), lengths and grades.

The Commission is satisfied that there is an Australian industry producing like goods.

⁷ <http://www.adcommission.gov.au/cases/documents/008-Submission-Australianindustry-Allparties.pdf>

5.3 Like goods assessment

The Commission has determined that ATM undertakes at least one substantial process of manufacture in producing HSS in Australia, and therefore that there is an Australian industry producing like goods.

The Commission considers that ATM, a member of the Australian industry, produces goods that are like to the goods under consideration for the following reasons:

- physical likeness - the goods are produced in similar grades, weights, standards and appearance;
- commercial likeness - the goods directly compete with Australian produced goods and are interchangeable. The pricing behaviour in the market indicates that the imported goods and the like goods produced by Australian manufacturers are completely interchangeable. The goods are sold to the same types of end users (distributors, fabricators and retailers) and for the same purposes and end uses;
- functional - the goods are used to perform the same function and have the same end-use; and
- production - the goods are manufactured in a similar process.

Having regard to the above, the Commission is preliminarily satisfied that the Australian industry produces like goods to the goods the subject of the application, as defined in s.269T(1).

6 THE AUSTRALIAN MARKET

6.1 Background

From ATM's application and the information collected in the previous HSS investigations the Commission understands that the Australian HSS market is supplied from local production and imports. At the Australian industry verification visit, ATM advised that Orrcon Steel Pty Ltd (Orrcon) and Australian Pipe and Tube Pty Ltd (APT), which was formerly Independent Tube Mills Pty Ltd (ITM), are the only other known members of the Australian industry.

In its application, ATM identified Thailand, China, Korea, Malaysia and Taiwan as sources of import supply. Anti-dumping measures currently apply to the goods exported from China, Korea, Malaysia and Taiwan. An analysis of the ACBPS import database indicates that other significant sources of import supply include Japan, Vietnam, United Arab Emirates, India, South Africa and New Zealand.

6.2 Market participants

At the verification visit, ATM explained that the Australian HSS market is predominantly supplied by large distributors who on-sell HSS to resellers or sell directly to end users. Australian distributors purchase HSS from ATM or through large steel trading houses that import HSS. ATM explained that the majority of its customers are considered to be large to medium-sized distributors. ATM stated that distributors generally purchase a combination of imported and locally-produced HSS.

The Australian HSS market is summarised in Figure 1 below, which indicates the main participants in the market, as well as the distribution and selling channels of HSS in the Australian market.

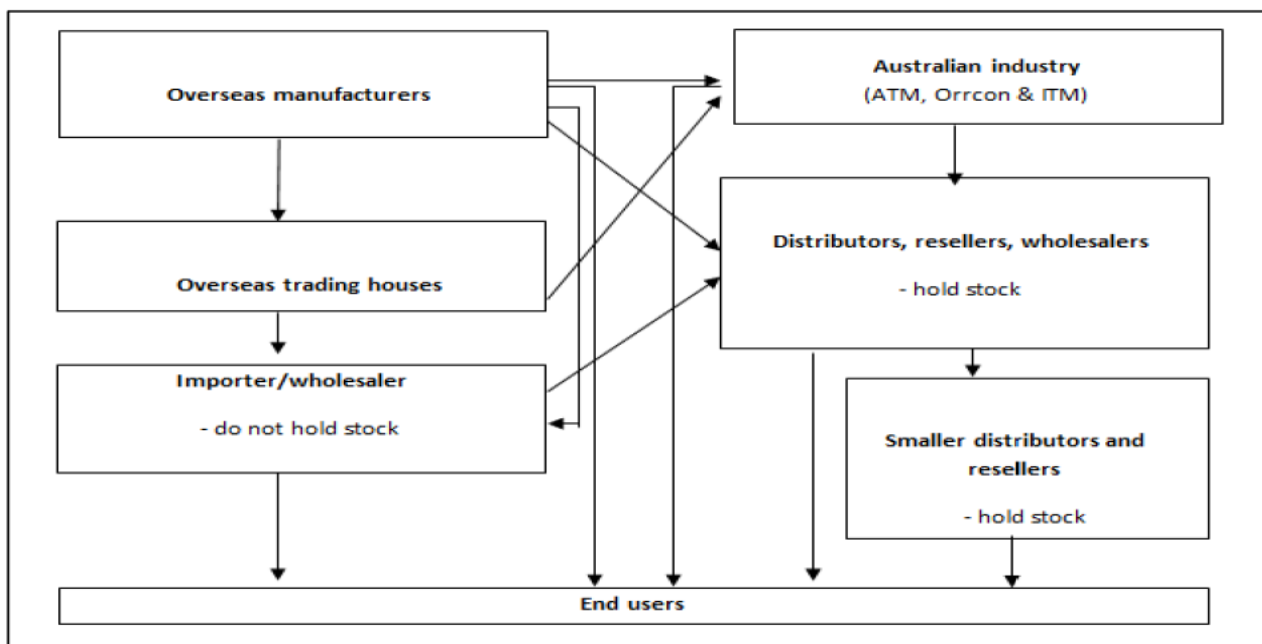


Figure 1: Australian market HSS distribution and supply channels

6.2.1 ATM and other Australian industry members

ATM's estimates of market size in its application. The available information shows that APT is a relatively small member of the Australian industry for HSS, with Orrcon and ATM accounting for the majority of the Australian industry's production.

Since the initiation of this investigation, the Commission has requested information from Orrcon and APT. APT did not provide any further information in relation to their Australian production and sale of HSS. However, Orrcon provided a submission stating that it supported ATM's application.

The Commissioner has had regard to the information verified with ATM and the matters discussed in its verification visit report, as well as the data available from the previous HSS dumping investigations.

6.2.2 Importers

Following the initiation of the investigation, the Commission performed a search of ACBPS' import database and identified potential importers of HSS from Thailand. Six of these importers were identified as 'major' importers.

Letters were sent to the two 'minor' importers informing them of the investigation and inviting submissions to the investigation. The major importers were sent Importer Questionnaires.

The Commission undertook verification visits to the following importers and is in the process of finalising reports of the visits:

- CMC;
- TKM;
- MISO; and
- Stemcor.

The Commission estimates that the above companies collectively accounted for more than 95 per cent of the volume of the goods imported from Thailand during the investigation period.

The Commissioner has had regard to the matters discussed and information verified during these importer visits, as well as the matters discussed in the in-progress importer visit reports, in making a PAD.

6.2.3 Exporters

From the search of ACBPS' import database, the Commission identified five possible exporters and suppliers of the goods manufactured in Thailand. Each of these companies was sent an invitation to participate in the investigation, and was requested to contact the Commission to obtain an export questionnaire.

The Commission received three exporter questionnaire responses from Saha Thai, Pacific Pipe and Samchai. The Commissioner has considered these exporter questionnaire responses in making a PAD.

6.3 Market size and share

ATM's application contained Australian HSS market size estimates from FY2010/11 to FY2013/14. The ACBPS previously estimated⁸ the size of the Australian market for HSS at approximately 500,000 tonnes in FY2010/11.

The Commission assessed the reasonableness of the Australian industry's estimate of the size of the Australian market by combining sales data provided by the industry with import data obtained from ACBPS import database. This confirms that ATM's estimation provided in the application is a reasonable indication of HSS market volume over the injury analysis period.

The Australian market size based on ATM's estimates in the application is charted in Figure 2 below.

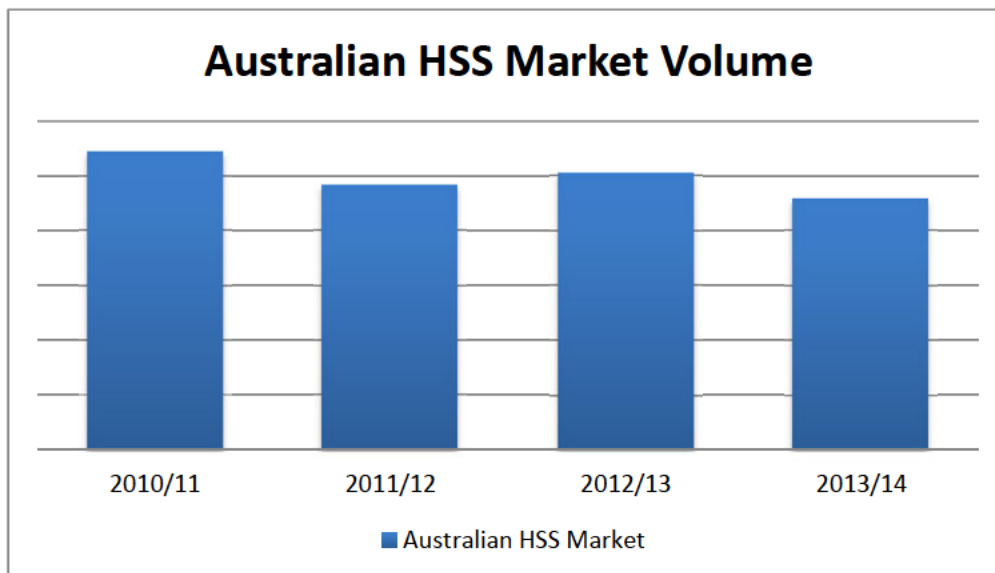


Figure 2: Australian HSS market volume

Market size and share analysis is discussed in Section 8.4 of this report.

⁸ International Trade Remedies Report No. 177

7 PRELIMINARY DUMPING ASSESSMENT

7.1 Introduction

The Commission has calculated preliminary dumping margins based on information lodged by HSS exporters in responses to the exporter questionnaire and by having regard to data from Investigation 177.

The Commission has received three responses to the exporter questionnaire in this investigation, all of which have been lodged by entities that manufacture HSS.

The preliminary dumping findings are outlined in the preliminary assessment below.

7.2 Preliminary assessment

The Commission's preliminary assessment shows that HSS has been exported to Australia from Thailand in the investigation period at dumped prices where:

- the margin of dumping was not negligible; and
- the volume of dumped goods was not negligible.

The Commission has preliminarily assessed the following exporter specific dumping margins in relation to HSS exported to Australia in the investigation period:

Exporters	Preliminary dumping margin
Saha Thai	12.4%
Pacific Pipe	15.6%
Samchai	18.4%
Uncooperative exporters	30.6%

Table 2: Preliminary dumping margins

The Commission has relied on the following methodologies to calculate these margins.

7.3 Export prices and normal values

7.3.1 Saha Thai

Export prices were established in accordance with s.269TAB(1)(a) of the Act, using Saha Thai's quarterly weighted average export invoice prices, by model, excluding any part of that price that relates to post-exportation charges.

Normal values were established in accordance with s.269TAC(1) of the Act using Saha Thai's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade. Adjustments to normal values to allow for comparison between export and domestic sales were calculated pursuant to s.269TAC(8).

Using relevant information contained in Saha Thai's questionnaire response and verified data from Investigation 177, the Commission calculated a product dumping margin in accordance with s.269TACB(2)(a) by comparing the quarterly weighted average export prices for each model with the corresponding quarterly weighted average normal values over the investigation period.

The preliminary dumping margin for Saha Thai is 12.4 per cent.

Saha Thai's normal value calculations are at **Confidential Appendix 1**.

Saha Thai's preliminary dumping margin calculations are at **Confidential Appendix 2**.

7.3.2 Pacific Pipe

Export prices were established in accordance with s.269TAB(1)(a) of the Act, using Pacific Pipe's quarterly weighted average export invoice prices, by model, excluding any part of that price that relates to post-exportation charges.

Normal values were established in accordance with s.269TAC(1) of the Act using Pacific Pipe's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade. Adjustments to normal values to allow for comparison between export and domestic sales were calculated pursuant to s.269TAC(8).

Using relevant information contained in Pacific Pipe's questionnaire response, the Commission calculated a product dumping margin in accordance with s.269TACB(2)(a) by comparing the quarterly weighted average export prices for each model with the corresponding quarterly weighted average normal values over the investigation period.

The preliminary dumping margin for Pacific Pipe is 15.6 per cent.

Pacific Pipe's normal value calculations are at **Confidential Appendix 2**.

Pacific Pipe's preliminary dumping margin calculations are at **Confidential Appendix 2**.

7.3.3 Samchai

Export prices were established in accordance with s.269TAB(1)(a) of the Act, using Samchai's quarterly weighted average export invoice prices, by model, excluding any part of that price that relates to post-exportation charges.

Normal values were established in accordance with s.269TAC(1) of the Act using Samchai's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade. Adjustments to normal values to allow for comparison between export and domestic sales were calculated pursuant to s.269TAC(8).

Using relevant information contained in Samchai's questionnaire response, the Commission calculated a product dumping margin in accordance with s. 269TACB(2)(a) by comparing quarterly weighted average export prices for each model with the corresponding quarterly weighted average normal values over the investigation period.

The preliminary dumping margin for Samchai is 18.4 per cent.

Samchai's normal value calculations are at **Confidential Appendix 5**.

Samchai's preliminary dumping margin calculations are at **Confidential Appendix 6**.

7.3.4 Uncooperative exporters

The Commission is treating all exporters of HSS from Thailand in the investigation period other than Saha Thai, Pacific Pipe and Samchai as 'uncooperative exporters', as defined in terms of s.269T(1).

The Commission has therefore determined an export price pursuant to s.269TAB(3) after having regard to all relevant information. Specifically, the Commission has used the lowest quarterly export price of those that were established for Saha Thai, Pacific Pipe and Samchai.

The Commission has determined normal value for the uncooperative exporters pursuant to s.269TAC(6) after having regard to all relevant information. Specifically, the Commission has used the highest normal value of those that were established for Saha Thai, Pacific Pipe and Samchai in the investigation period.

The preliminary dumping margin for uncooperative exporters from Thailand is 30.6 per cent.

These calculations are at **Confidential Appendix 7**.

7.4 Volumes

Subsection 269TDA(3) of the Act provides that the Commissioner must terminate an investigation if negligible volumes of dumped goods are found. The Commission examined the total volume of dumped imports from Thailand over the investigation period to determine if the volume of those goods calculated to be dumped was negligible.

As outlined in Section 6.3, the Commission calculated the size of the Australian market. The Commission further refined this information by contacting importers to request commercial documents to substantiate whether they were importers of HSS. The Commission also used import volumes provided in questionnaire responses. Using this information, the Commission is satisfied that when expressed as a percentage of the total Australian imported volume of the goods, the volume of dumped goods from Thailand was greater than three per cent and therefore not negligible.⁹

⁹ s. 269TDA(4)

8 ECONOMIC CONDITION OF THE AUSTRALIAN INDUSTRY

8.1 Preliminary injury assessment approach

The preliminary injury analysis detailed in this section is based on verified financial information submitted by ATM and import data from the ACBPS import database. The data provided by ATM was verified during an industry verification visit and through subsequent discussions held with ATM relating to the verification visit. Details of the outcome of the verification visit are contained in the Australian industry verification report, which is available on the public record.

As the Commission has preliminarily assessed that ATM represents a significant percentage of the Australian industry during the investigation period (over 60 per cent of production volume), in the absence of verified data from Orrcon and APT, the injury analysis discussed in this section is based on the economic performance of ATM.

The Commission has preliminarily assessed that the Australian industry producing like goods has suffered injury in the form of:

- price depression;
- price suppression;
- reduced profits and profitability;
- reduced domestic revenues;
- reduced capital investment;
- reduced return on investment;
- write-down of goodwill associated with the HSS business;
- reduced research and development expenditure;
- reduced production and capacity utilisation; and
- reduced employment.

8.2 Legislative framework

Under s.269TG of the Act, one of the matters that the Parliamentary Secretary must be satisfied of to publish a dumping duty notice is that because of the dumping, material injury has been or is being caused or is threatened to the Australian industry producing like goods.

8.3 Commencement of injury, and analysis period

As specified in *Consideration Report 254*, the Commission established an injury analysis period commencing 1 July 2011. ATM claimed that HSS exported to Australia from Thailand has caused injury to the Australian industry since June 2012 after the imposition of measures in respect of certain other countries following Investigation 177.¹⁰

¹⁰ As a result of Investigation 177, a dumping duty notice in respect of goods exported from China, Korea, Malaysia and Taiwan and a countervailing duty notice in respect of goods exported from China was published on 3 July 2012.

8.4 Volume effects

The Commission compared import volume estimates in ATM's application with data in ACBPS' import database and sales volumes provided in the Exporter Questionnaires for the injury assessment period.

This analysis establishes that the estimates provided in the application are a reasonable indication of export volumes to Australia from Thailand over the injury assessment period.

As such, the volume data provided in the application has been utilised in the volume analysis below.

8.4.1 Sales Volume

ATM's verified sales volumes for all finishes of HSS over the injury analysis period are illustrated in Figure 3 below.

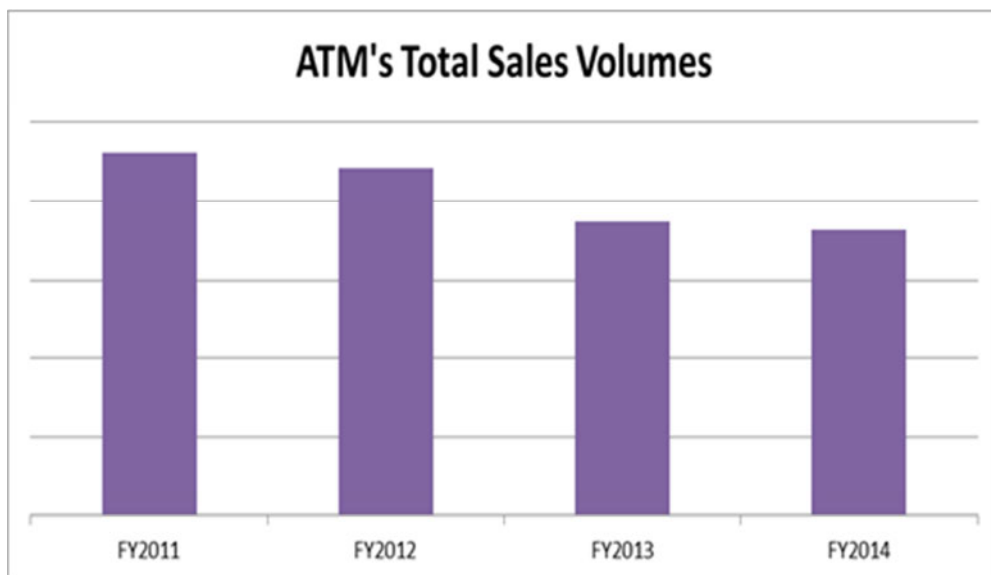


Figure 3: ATM's total sales volumes between 2011 and 2014 financial years

The above figure displays that there was a continuous decline in ATM's sales volumes from FY2010/11.

8.4.2 Loss of Market Share

Figure 4 below shows market share movements of the Australian industry, imports from Thailand and imports from other countries in the Australian HSS market for the period FY2010/11 to FY2013/14 based on the verified data in ATM's application and data from the ACPBS import database.

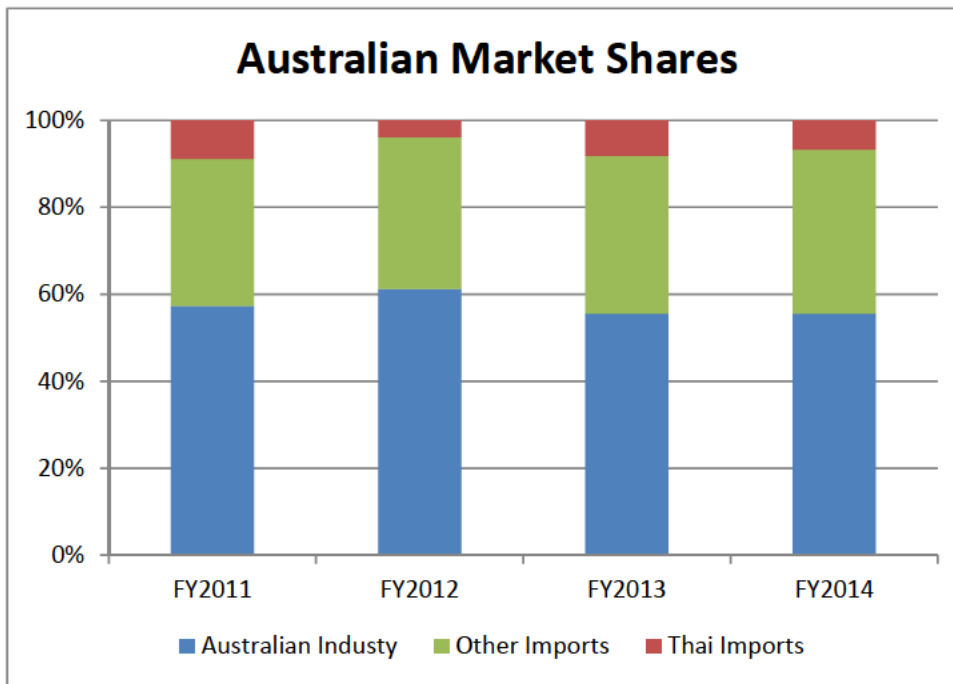


Figure 4: Australian HSS market shares for FY2010/11 to FY2013/14

Figure 4 shows that:

- the Australian industry's share of the Australian HSS market increased by around 4 per cent in FY2011/12 before falling in FY2012/13 to levels slightly below FY2010/11 volumes. The Australian Industry's market share remained constant in FY2013/14;
- the market share held by imports from Thailand fell in FY2011/12, however increased by over 100 per cent in FY2012/13 and fell marginally in FY2013/14; and
- in FY2013/14 the market share of the Australian industry was slightly lower than it was in FY2010/11.

Volume effects and causation analysis are further discussed in section 9.2.

8.5 Price effects

ATM's verified sales data used for this analysis excluded export sales and sales of HSS imported from other countries. HSS imported by ATM was excluded from HSS import data analysed.

Import price and volume data was sourced from completed importer questionnaires, with the Commission undertaking verification of the data prior to analysis.

The volume of import sales included in the price effects analysis represents an estimated 95 per cent of the import volume of HSS from Thailand included in the ACBPS import database.

The Commission considers that, as this sales data represents a significant proportion of total imports for the FY2013/14, it allows a reasonably representative and accurate assessment of price effects on the Australian industry.

8.5.1 Price depression and suppression

Price depression occurs when a company, for some reason, lowers its prices.

Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between revenues and costs.

Movements in ATM's weighted average annual unit sales revenues and CTMS are illustrated in Figures 5 and 6 below.

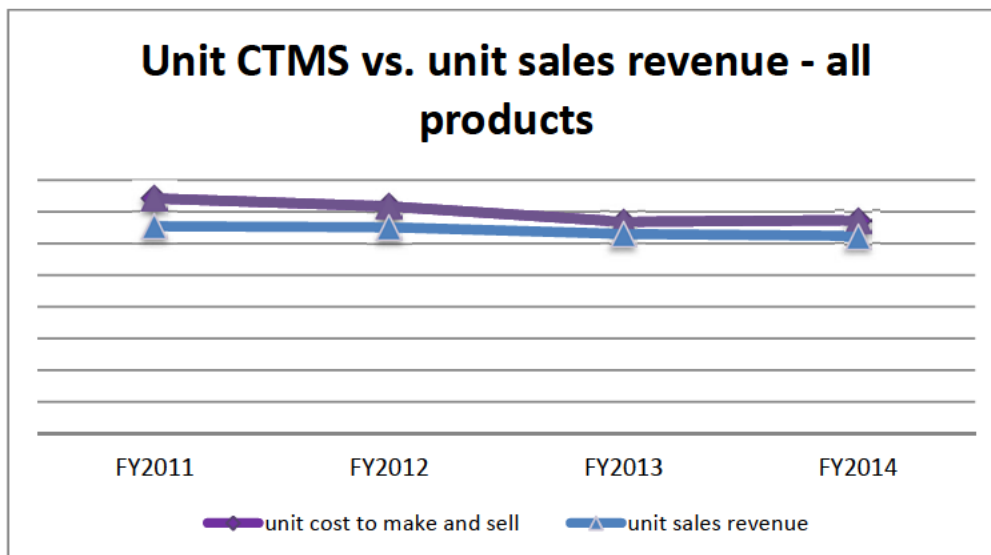


Figure 5: ATM's average unit CTMS vs. average unit sales revenue for ATM's own products

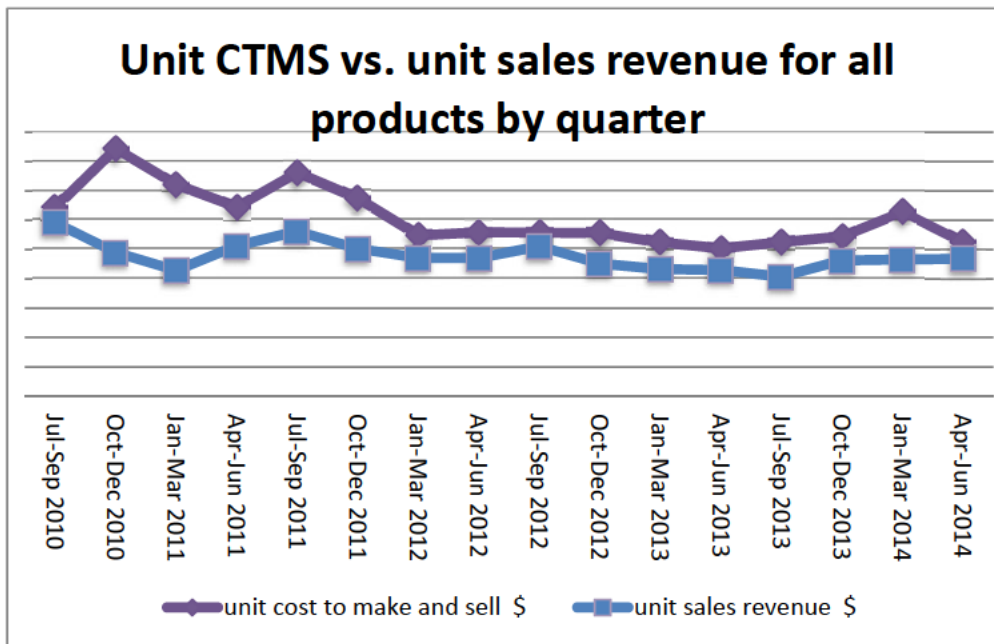


Figure 6: ATM's average unit CTMS vs. average unit sales revenues for ATM's own products by quarters

The Commission notes the above graphs suggest that ATM's prices:

- were suppressed between June 2013 to June 2014 as it was not able to increase its selling prices to recover increases in costs (though a price increase did occur in FY2014, it did not occur to the point where the full CTMS was recovered); and
- were depressed between September 2011 to June 2012 and September 2012 to June 2013, being lowered from the previous periods.

The Commission considers that ATM has suffered price depression within FY2010/11 and FY2011/12, and price suppression in FY2012/13 and FY2013/14.

8.5.2 Reduced profits and reduced profitability

The Commission has verified the profit and profitability (profits measured as a percentage of revenue) information provided by ATM at the time of its application. The analysis indicates that ATM's profits and profitability in respect of domestic HSS sales have been negative since FY2010/11.

Movements in ATM's quarterly and annual profits and profitability are illustrated in Figures 7 and 8 below.

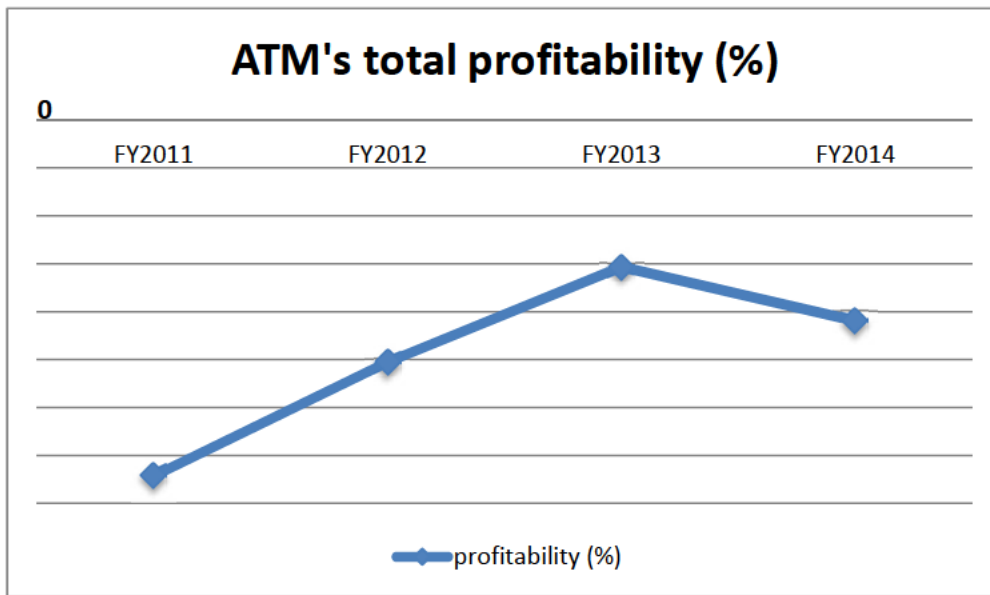


Figure 7: ATM's total profitability (total gain or loss / total sales revenue)

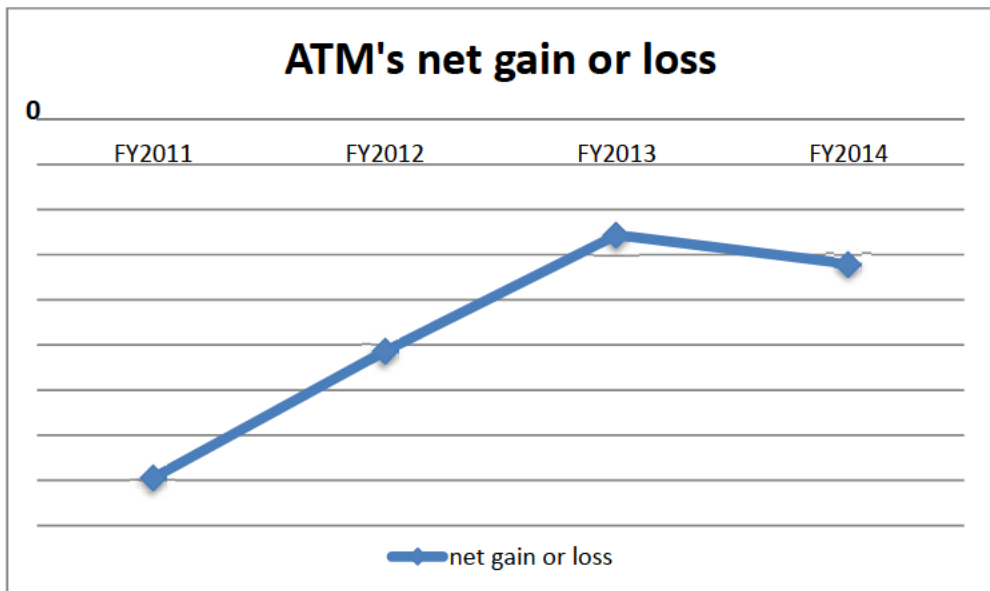


Figure 8: ATM's total net annual loss

From the graphs above, the Commission notes that ATM's profits and profitability have been consistently negative during the injury assessment period. ATM's loss decreased between FY2010/11 and FY2012/13 before increasing in FY2013/14.

8.5.3 Other economic factors

In its application, ATM claimed that it has experienced injury in respect of the following other economic / injury factors:

- reduced capital investment;
- reduced return on investment;
- write-down of goodwill associated with the HSS business;

- reduced research and development expenditure;
- reduced production and capacity utilisation; and
- reduced employment levels.

To support its claims regarding other economic injury factors, in its application ATM provided Confidential Appendix A7 for HSS for the period 2010/11 to 2013/14. The Commission has reviewed the data contained in Confidential Appendix A7 and found that the information submitted appears to support ATM's claims.

At the Australian industry verification visit, the Commission verified the accuracy of ATM's recorded employment numbers and capacity utilisation figures.

Employment Numbers

The Commission verified that over the period of FY2010/11 to FY2013/14, ATM's employee numbers (dedicated to the manufacture of HSS) decreased by 32 per cent.

Capacity Utilisation

At the Australian industry verification visit, ATM provided the Commission with a spreadsheet it used to calculate total manufacturing capacities of all mills in its three manufacturing facilities and their capacity utilisation figures with respect to the calculated total capacity figure in Confidential Appendix A7. The Commission verified the accuracy of ATM's manufacturing capacity calculations and the actual production rates. The Commission therefore verified that the capacity utilisation figures ATM provided in its application represents a true and fair account of its actual total production capacity and actual realised production figures.

Figure 9 below shows ATM's capacity utilisation rates for production of like goods.

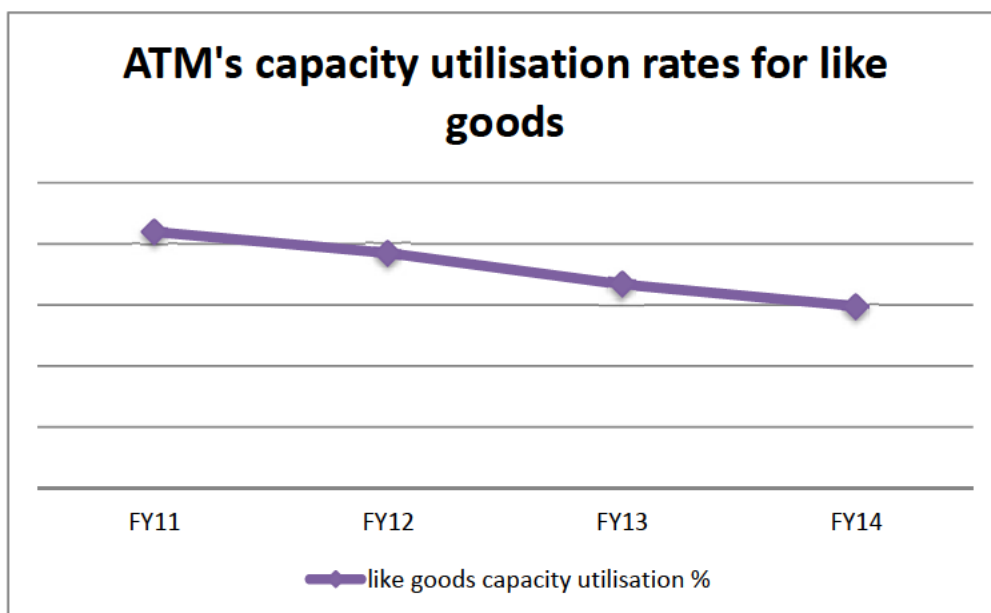


Figure 9: ATM's capacity utilisation rates for like goods

Capital Investment

ATM's capital investment for the production of HSS has decreased significantly from FY2010/11 to FY2011/12 and recovered slightly in FY2012/13. Capital investment has slightly declined from FY2012/13 to 2013/14. Figure 10 below shows that ATM's capital investment has reduced significantly between FY2010/11 and FY2013/14.

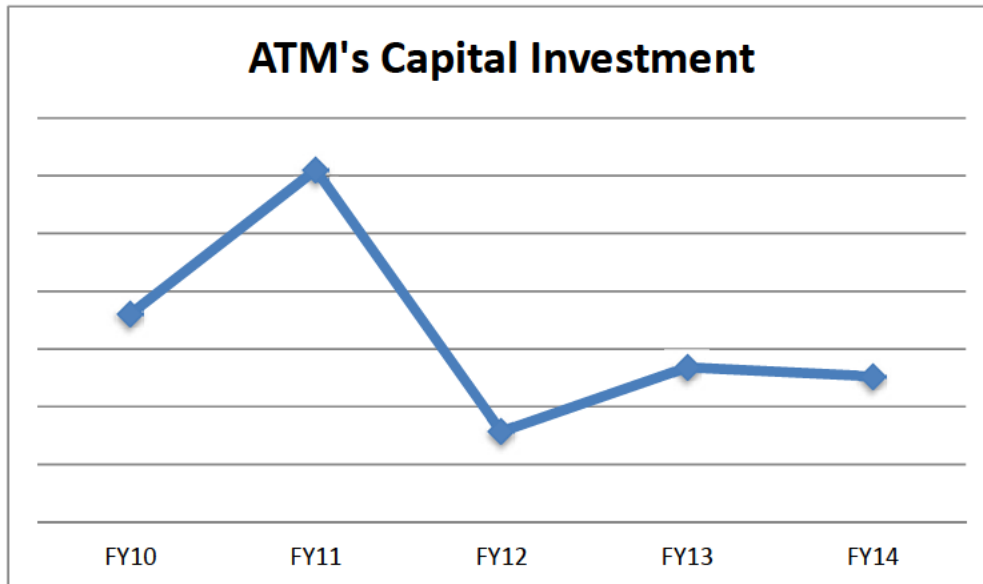


Figure 10: ATM's capital investment for production of the goods

Return on Investment

ATM provided its return on capital employed figures for the injury assessment period in Appendix 7 of its application. The Commission observed that the return on capital employed¹¹ (ROCE) increased between FY2010/11 and FY2011/12 but declined sharply in FY2012/13. While ROCE improved in FY2013/14 it failed to yield positive returns.

Reduced research and development (R&D) expenditure

ATM's Appendix 7 shows that R&D expenditure for HSS has increased between FY2010/11 and FY2011/12 but reduced significantly since FY2011/12 to levels well below of FY2010/11.

Write-down of goodwill associated with the HSS business

In its application, ATM did not provide sufficient information to support its claims that it lost goodwill associated with its HSS business. However, the Commission notes that on 6 February 2013, Arrium Ltd made an ASX release where it announced that it wrote down all the goodwill in its Austube Mills business.

¹¹ ATM states that return on capital (funds) employed is the standard measure for return on investment for Arrium Ltd. companies and reported its return on capital employed instead of return of investment.

8.6 Preliminary determination of injury indicators

Based on the preliminary analysis detailed above, there appear to be sufficient grounds to support the claim that ATM has experienced injury in the form of:

- price depression;
- price suppression;
- reduced profits and profitability;
- reduced domestic revenues;
- reduced capital investment;
- reduced return on investment;
- write-down of goodwill associated with the HSS business;
- reduced research and development expenditure;
- reduced production and capacity utilisation; and
- reduced employment.

Notwithstanding the preliminary conclusions on material injury, the Commission will further analyse any additional information obtained, or provided to it, during the investigation.

9 PRELIMINARY CAUSATION ASSESSMENT

9.1 Causation factors

Based on verified and unverified information and data available at the time of making the PAD, the Commissioner has made a preliminary assessment that HSS exported to Australia from Thailand at dumped prices caused material injury to the Australian industry producing like goods.

Section 269TAE outlines the factors that the Parliamentary Secretary may take into account in determining whether material injury to an Australian industry has been or is being caused or threatened. The following section of this report provides a summary of the Commission's key considerations in its causation assessment. The Commission is continuing to investigate, analyse and assess all causation factors.

9.2 Volume effects

ATM's claims in relation to effects on volume caused by the dumped imports of HSS from Thailand are detailed in *Consideration Report 254* and the *ATM Verification Visit Report*. In brief, ATM claim that sales volumes have decreased and it lost market share due to importation of dumped HSS.

Sales Volumes

During the Commission's verification visit, ATM submitted circumstantial evidence that it has lost some sales to imported products from Thailand.

The detailed analysis of the ACBPS import data in figure 11 below shows the volumes of HSS imported from Thailand between 2010 and 2014 calendar years versus volumes of HSS imported from countries having anti-dumping measures on them and from other countries that are not subject to this investigation and do not have anti-dumping measures.

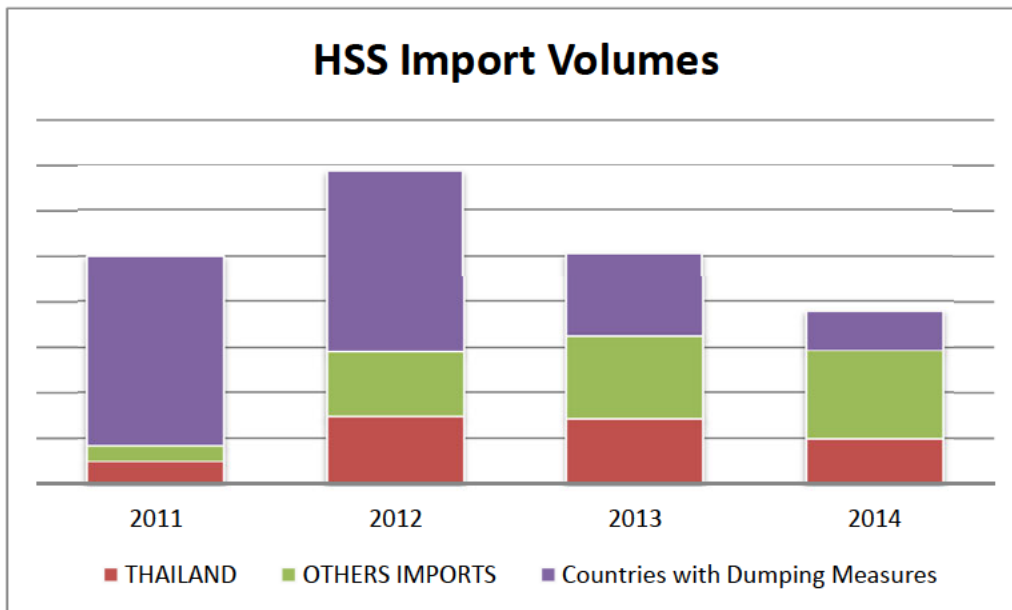


Figure 11: Comparison of volumes of HSS imports between 2010-2014 calendar years

Figure 12 below shows the level of contraction in Australian HSS market and Figure 3 in Section 8.4.1 shows ATM's domestic sales volumes between FY2010/11 and FY2013/14.

Despite a significant contraction in the total Australian HSS market, the volume of imported HSS from Thailand significantly increased between calendar year (CY) 2011 and CY2012, remained constant in CY2013 reduced in CY2014. However, Figure 11 shows that notwithstanding the contraction of the Australian HSS market, the imports from "other" countries that do not have measures imposed have shown the largest amount of increase.

The Commission notes that that reduced demand resulting from a downturn in the overall HSS market is likely to have contributed to ATM's reduced sales volumes during the investigation period. Figure 11 above displays that during the injury analysis period, volumes of HSS imported from Thailand have fluctuated. Australian industry's loss of sales volume appears to be due to increase of imports of HSS exported from the "other" countries that are not subject to this investigation and do not have anti-dumping measures imposed.

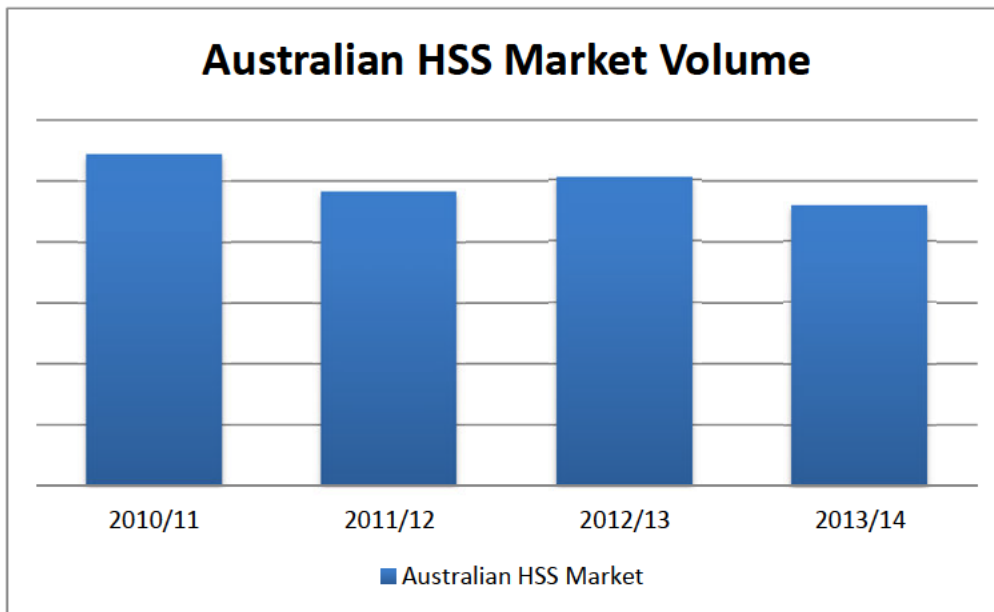


Figure 12: Total Australian HSS market volume

Based on the information gathered from the ACBPS import database and verified data from ATM, the Commission considers that it is not clear whether the dumped imports from Thailand have caused Australian industry material injury in form of reduced sales volumes.

Market Share

As discussed in Section 8.4 of this report, the Australian industry has lost market share between FY2011/12 to FY 2013/14. It is also observed that during that period, sales volumes and market share of the imports of HSS from Thailand have increased.

The ACBPS' import data as depicted in Figure 13 below shows that during the injury assessment period, percentage of the volume of HSS imported from Thailand with respect to total HSS imports has also increased.

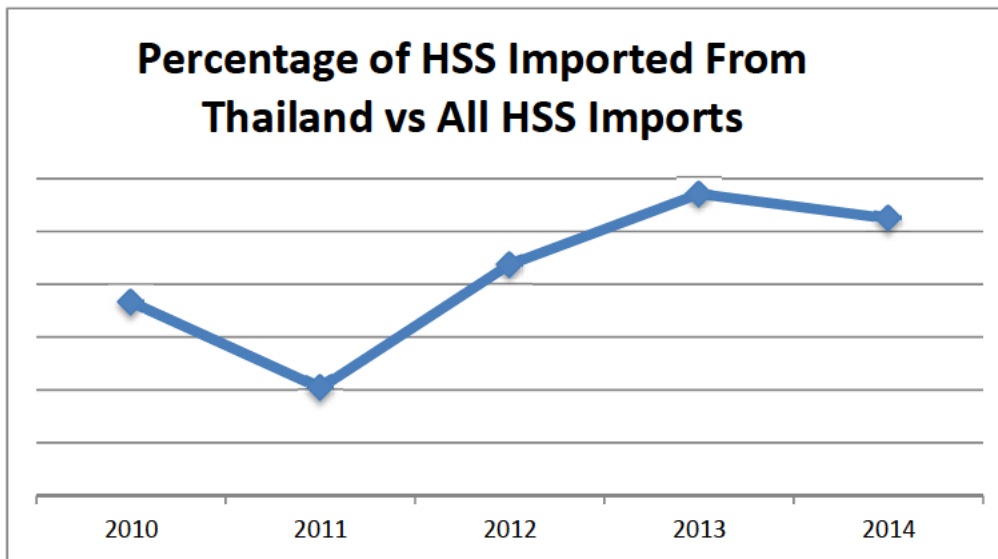


Figure 13: Percentage of Thai HSs imports with respect to total HSS imports

ATM claims that injury to the Australian industry caused by imports from Thailand commenced in June 2012, following the imposition of measures on certain other countries exporting HSS to Australia. The Commission notes that, Figure 4 in Section 8.4.2 indicates that the market share held by the Australian industry has remained constant between March 2012 and April 2014, and that the market share of imports from Thailand has dropped marginally within the same period. This is contrary to the claim of lost market share by ATM during the investigation period. ATM claims in its application that it was able to hold its market share only by means of reducing its prices below the levels it sold before.

However, Figure 11 shows that the volume of the imports from “other” countries that are not subject to this investigation and do not have anti-dumping duties imposed shows the highest rate of increase in a contracting Australian domestic HSS market. The Commission considers that the increase in volumes of imports from “other” countries during the investigation period is significant. The Commission notes that Figure 4 in Section 8.4.2 shows the market share of the “other” countries combined with the market share of the countries that do have measures imposed while Figure 11 clearly shows that import volumes from the countries that have anti-dumping measures have significantly declined over the injury assessment period. Therefore, Figure 4 does not represent the significance of rate of increase of imports from “other” countries.

As a result, the Commission is of the view that the Australian industry has not experienced injury in the form of lost market share due to the dumped imports of HSS from Thailand and it appears that the Australian industry has lost market share to HSS imports from “other” countries.

9.3 Price effects

9.3.1 Size of the dumping margins

Paragraph 269TAE(1)(aa) requires the Parliamentary Secretary to have regard to the size of each of the dumping margins, worked out in respect of goods of that kind that have been exported to Australia.

The dumping margins outlined in Section 7.2, ranging between 12.4 per cent and 18.4 per cent, are above negligible (two per cent) and enabled importers of HSS to have a competitive advantage on price compared to the Australian industry.

9.3.2 Price undercutting

The Commission considers that, whilst there may be slight differences in the characteristics of HSS from domestic and imported sources, evidence suggests that imported and domestically produced HSS are substituted by end users, and the degree of product differentiation is not significant.

In addition, the Commission has found that it is not uncommon for purchasers of HSS to procure supply from more than one source, including a combination of imported and domestically produced HSS. HSS purchasers have the ability to compare prices of domestically produced HSS with imported HSS, and there is evidence that indicates the prices of imported products are regularly used as leverage in price negotiations with ATM.

In this context, the Commission considers the market for HSS in Australia is price sensitive.

For the purposes of the PAD, the Commission has undertaken preliminary analysis of price undercutting claims by ATM. The analysis is based on verified sales data from importers visited by the Commission and ATM (**Confidential Appendix 8**). The volume of import sales included in the price undercutting analysis represents over 95 per cent of the import volume of HSS from Thailand included in the ACBPS import database.

The Commission compared weighted average free into store (FIS) prices of the imported goods sold by importers, to ATM's net selling price delivered for each product, at a comparable level of trade.

The Commission's analysis found that the prices of the imported goods from Thailand undercut ATM's domestic selling prices for all of the 12 months during the investigation period. The Commission is satisfied the price undercutting related to a significant proportion of the overall market for HSS.

9.3.3 Price Depression

The Commission notes that reduced demand from a downturn in construction activity and overall contraction in the HSS market are likely to have contributed to the lowering of prices within the Australian market for HSS. However, the Commission notes that, as a reaction to price undercutting, ATM has maintained a pricing strategy in order to compete with the price of imports in a bid to maintain market share.

At the verification visit to ATM, ATM explained that it considers Thai HSS offers to be price leaders in the market and benchmarks its import parity price to Thai prices. ATM's claims that it followed an import parity pricing methodology and established its prices based on market intelligence on Thai HSS import offers is verified by the Commission.

Consequently, as discussed in Section 8.5.1, the Commission is satisfied for the purposes of the PAD that the Australian industry was forced to reduce prices in order to compete with imported goods from Thailand and has suffered price depression with its selling prices showing a decreasing trend from FY2010/11 to FY2013/14.

9.3.4 Price Suppression

Price suppression in terms of Article 3.2 of the World Trade Organization Anti-Dumping Agreement, is where price increases for the Australian industry's products, which otherwise would have occurred, have been prevented to a significant degree.

The analysis shows that throughout the injury assessment period, ATM's CTMS exceeded its selling prices of the goods. The Commission considers that, without the presence of dumping, it is likely that ATM would be in a position to maintain pricing at levels necessary to cover its CTMS.

The Commission has compared the weighted average export prices from Thailand between January 2014 to July 2014 from the ACBPS import database with export prices from the countries that have anti-dumping measures imposed. This analysis shows that Thai export prices are considerably lower than the prices of the countries' that have anti-dumping measures imposed. This is consistent with ATM's claims about Thai prices being price leaders in the market.

Therefore, it is the Commission's preliminary view that ATM has suffered material injury in the form of price suppression.

9.4 Profit effects

The price undercutting and dumping margins outlined in Sections 7.2, 9.3.1 and 9.3.2 show that the impact of dumping is detrimental to the Australian industry's profit and profitability in a contracting market.

The Commission is satisfied at this time, that an increase in price, equal to the lowest dumping margin calculated, is sufficient to have taken ATM out of a position of negative profit. It is the Commission's preliminary view that due to the impact of dumped HSS from Thailand, ATM's injury in terms of price and profit effects is greater than that likely to have occurred in the normal ebb and flow of business in the contracting market.

The Commission therefore considers that as a direct consequence of the price injury caused by dumping, ATM has experienced reduced profits and profitability.

9.5 Injury caused by factors other than dumping

Under s. 269TAE(2A) of the Act, in determining material injury for the purposes referred to under s. 269TAE(1) and s. 269TAE(2), the Minister must consider whether any injury to

an industry, or hindrance to the establishment of an industry, is being caused or threatened by a factor other than the exportation of goods.

Interested parties have suggested there have been a number of factors other than dumping that would have contributed to injury experienced by ATM. These factors include:

- current economic condition of the HSS market, as the HSS market has significantly contracted since the global financial crisis;
- increase in imports of alloyed HSS which have not been included in the goods definition of the previous anti-dumping investigation for HSS (and therefore are not subject to anti-dumping measures);and
- ATM's choice of distribution and selling system (limiting access to direct purchases from ATM to larger 'franchised' distributors, thereby encouraging them to source imports).

The Commission will continue to assess the degree to which, if at all, these factors have caused injury to the Australian HSS industry.

9.6 Conclusion

The Commission preliminarily considers that the price depression, price suppression, reduced profits and profitability, and reduced revenue indicates that, for the purposes of making a PAD, the injury suffered by the Australian industry as a result of dumping is material.

10 NON INJURIOUS PRICE

10.1 Preliminary assessment

The Commission has made the preliminary assessment that the non-injurious price (NIP) can be determined by setting the unsuppressed selling price (USP) equal to ATM's CTMS during the investigation period uplifted by Australian Bureau of Statistics' (ABS') profit rate for primary metal and metal product manufacturing industry's profit rate for 2008-2009 period.

10.2 Introduction

Duties may be applied where it is established that dumped imports have caused or threatened to cause material injury to the Australian industry producing like goods. The level of dumping duty imposed by the Parliamentary Secretary cannot exceed the margin of dumping, but the Parliamentary Secretary must have regard to the desirability of fixing a lesser amount of duty if it is sufficient to remove the injury.¹²

Pursuant to s.8(5BAA) of the *Customs Tariff (Anti-Dumping) Act 1975*, the Parliamentary Secretary is not required to have regard to the desirability of fixing a lesser amount of duty in certain circumstances, including where the Australian industry producing like goods consists of at least two small-medium enterprises. However, this does not limit the Minister from having regard to fixing a lesser level of duty if considered reasonable in the circumstances.

The lesser duty provision is given effect through the calculation of a NIP. Subsection 269TACA of the Act identifies the NIP of the goods exported to Australia as the minimum price necessary to remove the injury caused by dumping.

Anti-dumping duties are based on free-on-board (FOB) prices in the country of export. Therefore a NIP is calculated in FOB terms for the country of export.

The Commission generally derives the NIP by first establishing a price at which the Australian industry might reasonably sell its product in a market unaffected by dumping. This price is referred to as the USP.

The Commission's preferred approach to establishing USPs observes the following hierarchy:

- industry selling prices at a time unaffected by dumping;
- constructed industry prices – industry CTMS plus profit; or
- selling prices of un-dumped imports.

Having calculated the USP, the Commission then calculates a NIP by deducting the costs incurred in getting the goods from the export FOB point (or another point if appropriate) to the relevant level of trade in Australia. The deductions normally include overseas freight, insurance, into-store costs and amounts for importer expenses and profit.

¹² s. 269TG(5)

10.3 Australian Industry

At the Australian industry verification meeting, ATM stated that it believed that the construction of industry prices would be an appropriate way of calculating the USP. However, ATM did not comment on what it considers to be a reasonable rate of profit to be added to the constructed selling prices to come up with an USP.

10.4 The Commission's assessment

The Commission has not received any submissions from interested parties that address either the desirability of the Parliamentary Secretary fixing a lesser amount of duty, or, if such an approach was to be taken, how this lesser amount of duty should be determined.

The Commission considers for the purposes of this preliminary assessment of NIP, that it is reasonable to adopt the constructed industry selling prices approach to calculating USP. The Commission is of the view that ATM's CTMS during the investigation period for its galvanised¹³ HSS should be used in constructed industry selling prices.

In order to decide a period that Australian industry's profits were not affected by dumping, the Commission refers to the findings of Trade Measures Branch Report Number 144¹⁴ on HSS which stated that:

...the Australian HSS industry performed strongly in the first three quarters of 2008 in terms of profits and profitability before the onset of the global financial crisis.

Therefore, the Commission considers that it is reasonable to use ABS' published profit rate for primary metal and metal product manufacturing industry for 2008-2009¹⁵ in calculating USP.

To calculate NIP, the Commission has calculated average amounts for overseas freight, insurance, into store costs, importer expenses and profit based on the verified data from the importers. These free into store costs are then deducted from the calculated USP to come up with a NIP.

Preliminary NIP calculations are at **Confidential Appendix 9**.

10.5 Comparison of NIP and normal values

The Commission compared the NIPs with the calculated weighted average normal values for each of the cooperating exporters. It was observed that the corresponding NIP was higher than the normal values for all exporters from Thailand.

¹³ Includes inline galvanised and pre-galvanised HSS

¹⁴ REP144 – in relation to investigation No 144.

¹⁵ ABS' published profit rate for primary metal and metal product manufacturing industry for 2008-2009 is 5.3 per cent

10.6 Comparison of NIP and export prices

The Commission compared the calculated NIP with weighted average export prices of HSS exported from Thailand during the investigation period. The NIP was higher than the weighted average export price.

This analysis supports the conclusion that dumped HSS exported to Australia from Thailand have caused material injury to the Australian industry.

11 REASONS FOR MAKING A PAD

11.1 General

The Commission has been able to complete preliminary assessments of dumping based on verified and unverified information. The Commission's assessment shows that exports of HSS from Thailand in the investigation period were at dumped prices. The volume and dumping margins of the dumped goods were not negligible.

The available evidence indicates that competition from dumped imports has caused the Australian industry to suffer from price depression, price suppression, reduced profits and reduced profitability.

Based on the available information the Commissioner is satisfied that for the purpose of the PAD:

- HSS has been exported from Thailand at less than their normal value;
- there is an Australian industry producing like goods that is experiencing injury; and
- the dumped goods are causing material injury to the Australian industry.

Consequently, the Commissioner is satisfied there appears to be sufficient grounds for the publication of a dumping duty notice in respect of HSS exported to Australia from Thailand (s. 269TD(1)(a)).

In making the PAD, the Commissioner had regard to the application and submissions received within 40 days of the public notice of initiation. Additionally, the Commissioner has also had regard to other matters considered relevant including verified information and data from previous investigations and information gathered by the Commission or submitted by interested parties (where appropriate), including:

- data from importers;
- data from exporters;
- data submitted by the Australian industry;
- submissions made to the investigations from day 40 of the investigation to the date of making the PAD (where possible); and
- verified data from Investigation 177.

12 PROVISIONAL DUMPING MEASURES

12.1 Finding

Based on the verified and unverified information and data outlined in this report, the Commission considers that securities are warranted to prevent material injury being suffered by the Australian industry whilst the investigation continues. The Commission therefore recommends that the Commissioner request the ACBPS to take securities in respect of imports HSS from Thailand entered for home consumption on or after **16 March 2015**.

12.2 Provisional measures

The methods for working out the amount of interim dumping duty payable are prescribed in the *Customs Tariff (Anti-Dumping) Regulation 2013* and include¹⁶:

- combination of fixed and variable duty method (combination method);
- floor price duty method;
- fixed duty method (\$X per tonne); or
- ad valorem duty method (i.e. a percentage of the export price).

The Commission recommends that securities be calculated by ad valorem duty method. The Commission calculated that the NIP is higher than the corresponding normal value of every exporter from Thailand. This means that the normal value is the operative measure. Therefore, securities will be at the level of the full dumping margins as shown in Table 3 below.

Exporter / Manufacturer	Effective level of securities
Sahathai Steel Pipe Public Company Limited	12.4%
Pacific Pipe Public Company Limited	15.6%
Samchai Steel Industries Public Company Limited	18.4%
Uncooperative exporters	30.6%

Table 3: Effective rate of securities

¹⁶ Refer to Guidelines on the Application of Forms of Dumping Duty available at: <http://www.adcommission.gov.au/reference-material/documents/Guidelineformsfordumpingduty-November2013.pdf>

13 APPENDICES AND ATTACHMENTS

Non-Confidential Attachment 1	Determination for the PAD
Confidential Attachment 1	Commissioner's Instrument
Confidential Attachment 1A	Securities Table
Confidential Appendix 1	Saha Thai Normal Value Calculations
Confidential Appendix 2	Saha Thai Dumping Margin Preliminary Calculations
Confidential Appendix 3	Pacific Pipe Normal Value Calculations
Confidential Appendix 4	Pacific Pipe Dumping Margin Preliminary Calculations
Confidential Appendix 5	Samchai Normal Value Calculations
Confidential Appendix 6	Samchai Dumping Margin Preliminary Calculations
Confidential Appendix 7	Non-Cooperative Exporters Normal Value and Dumping Margin Preliminary Calculations
Confidential Appendix 8	Injury Analysis - Price Undercutting
Confidential Appendix 9	Preliminary NIP Calculations