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SUBMISSION

PUBLIC RECORD

Case No: ADC 416

Period of Investigation: 1 April 2016 – 31 March 2017

16 November 2017

The Director

Operations 1

Anti-Dumping Commission

EMAIL: operations1@adcommission.gov.au

Ref: ***Anti-Dumping Investigation No.416 of Imports of Steel Rod In Coils from Indonesia, Republic of South Korea and Vietnam***

Sub: ***Comments on the Statement Essential Fact No.416***

Dear Director

On behalf of the Government of Vietnam (hereafter referred to as "GOV"), we hereby submit comments on the views expressed by the Anti-Dumping Commission ("the Commission") in the abovementioned Statement Essential Facts ("the SEF").

At the outset, the GOV highly appreciates the Commission's finding that the particular market situation ("PMS") is not prevailing in Vietnam and the Commission's proposal to terminate the instance investigation on the basis that the subject merchandises were exported from Vietnam to

Australia with the negligible dumping margins. Accordingly, the GOV urges the Commission to promptly terminate the instance investigation in accordance with Sub-Section 269TDA(1)(b) of the Custom Acts 1901.

While the GOV supports the investigation's outcome at overall, the GOV would like to note the following:

First, the GOV believes that its analysis on raw material inputs in the Submission submitted to the Commission on 19 October 2017 ("the Submission") properly and sufficiently demonstrates that none of the GOV's policy has distorted the market conditions of raw materials, specifically as follows:

1. During 2012-2016, export taxes imposed on coking coal and coke were gradually reduced from 20% to 10%;
2. Export of raw materials is not subject to value-added tax or any quantity restriction;
3. The GOV's imposition of lower import tariffs is to implement tariff schedules in accordance with its obligation under international treaties, rather than to target market conditions of any specific industry;
4. There was no evident that the GOV's high export taxes and low import tariff on raw materials created any effect on domestic supply and domestic price of raw materials. Instead, as correctly pointed out by the Commission,[1] strong demand of raw materials and RIC caused increase of raw material imports and prices.

Second, the GOV is of the view that the supply theory cannot be applied to Viet Nam in this case as the Commission did in REP 198 because, unlike in REP 198, there was a strong domestic demand of raw material and there was no downward pressure on domestic prices of raw material in Viet Nam during the period of investigation. As the Commission confirming in the SEF and showed in Exhibit 5 of the Submission, a significant uplift in demand of rod in coils in Vietnam[2] coupled with new investments in steel billet production by private sectors had led to a significant increase in demand of raw material inputs, even outstripping the ability of domestic supply. Exhibit 5 of the Submission shows that during the period 2015 – 2016 consumption quantity of

[1] *"It is apparent from the above that the Vietnam domestic producers of RIC have been unable to scale up sufficiently quickly to address the increase in demand over the injury assessment period",* the Statement of Essential Fact No.416, P.30

[2] Ibid.

iron ore was far higher than domestic production. Thus, raw material imports were significant and domestic prices of raw materials were at similar level as compared to those prices in other countries.

Once again, the GOV welcomes the proposed outcome of the instance investigation and the Commission's proposal to terminate its investigation. At the same time, the GOV urges the Commission to consider its concerns on the issue that is raised in this submission.

Your sincerely,

Dinh Anh Tuyet

IDVN Lawyers

Legal Counsel for the Government of Vietnam