



BlueScope Steel Limited
Sirius Building
Five Islands Road, Port Kembla NSW 2505
PO Box 1854, Wollongong NSW 2500
P +61 2 4275 7843 | M +61 419 427 730
E Alan.Gibbs@bluescope.com

14 November 2014

Mr Geoff Gleeson
Director, Operations 1
Anti-Dumping Commission
C/o Customs House
1010 La Trobe Street
MELBOURNE DOCKLANDS VICTORIA 3008

Dear Mr Gleeson

For Public File

**Investigation No. 249 – Zinc Coated (galvanised) Steel exported from India and Vietnam – BlueScope
Comments re Submission by Essar Steel India Ltd**

Introduction

I refer to the submission dated 6 November 2014 on behalf of Essar Steel India Ltd ("Essar"). The Essar submission raises a number of inaccuracies that BlueScope Steel Limited ("BlueScope") would like to address.

Material Injury to the Australian Industry

BlueScope has examined the assertions made on behalf of Essar. The claims that the Australian industry has not experienced injury in 2013/14 are based upon a limited examination that focuses entirely upon the year prior to the investigation period as a "benchmark" year against which injury should be assessed.

BlueScope respectfully rejects this limited analysis. The Commission is well versed in its approach to injury analysis and will ultimately examine the trend in economic performance of the Australian industry from 2008/09 to 2013/14. It is clear from the Commission's graphs included in the BlueScope Visit Report that the Australian industry's economic performance in 2013/14 has deteriorated further following the 2011/12 investigation period documented in Report No.190.

The representations on behalf of Essar do not address the irrefutable surge in exports of galvanised zinc coated steel from India and Vietnam in 2013/14. The application demonstrates that the combined volumes from both countries accounted for less than half of one per cent market share in 2012/13¹, and rapidly increased to almost 7 per cent market share in 2013/14. In percentage of total import volume terms, the imports from India and Vietnam were negligible in 2012/13 and held 24 per cent of total imports in 2013/14 (India accounting for 70 per cent of this volume). This represents a dramatic and sharp increase from one year to the next. It is BlueScope's contention that the surge in exports from one year to the next could only have been achieved by undercutting exports from other source countries and the selling prices of the Australian industry.

¹ For years ending March.

The BlueScope industry verification report did not examine price undercutting from the dumped exports – this will only occur following the completion of the Commission's verification visits to importers and exporters prior to the publication of the Statement of Essential Facts ("SEF").

Ultimately, BlueScope submits that the price undercutting by exports from India and Vietnam has caused price suppression and reduced profit and profitability to the Australian industry.

BlueScope would also highlight with the Commission the increasing deterioration of the Australian industry's economic performance in 2013/14 as the year progressed. This is confirmation that as the export volumes from India and Vietnam increase in 2013/14, there is a corresponding decline in the Australian industry's economic performance.

BlueScope therefore rejects the suggestions on behalf of Essar "there is no material injury to the Applicant/Australian industry" in the investigation period.

The Essar submission refers to commentary in the media concerning the *company's* performance in 2013/14. The comments are not specifically related to the galvanised zinc coated steel business and therefore are clearly not a reflection of the performance of BlueScope's galvanised zinc coated steel business.

Finally, reference is made to the ASA submission (dated 5 September 2014) and commentary included therein concerning both the repeated stating of *the company's* performance in 2013/4 rather than BlueScope's galvanised zinc coated steel business performance and the injury to the Australian industry. BlueScope has previously addressed these matters raised in the ASA submission – refer to submission dated 22 September 2014.

Closing remarks

The submission on behalf of Essar is based upon a limited analysis of injury to the Australian industry. BlueScope rejects the claim that the Australian industry has not suffered material injury in 2013/14 as this is not reflected in the impact of the industry's economic performance in the investigation period as imports from India and Vietnam increased from negligible levels to account for almost 7 per cent market share and 24% of the total imports in 2013/4.

BlueScope reaffirms its position as detailed in its application for measures on exports of galvanised zinc coated steel from India and Vietnam that the dumped goods have caused material injury to the Australian industry in 2013/14.

If you have any questions concerning this submission, please do not hesitate to contact me on (02) 4275 3859 (direct), or BlueScope's consultant John O'Connor on (07) 3342 1921.

Yours sincerely



Alan Gibbs
Development Manager – International Trade Affairs