

21 February 2014

Mr Adam Yacono  
Manager  
Anti-Dumping Commission  
C/o Australian Customs and Border Protection Service  
Customs House  
1010 La Trobe Street  
DOCKLANDS VICTORIA 3008

**Public File**

Dear Mr Yacono

**Hot Rolled Structural Sections – Proposed Unsuppressed Selling Price**

Introduction

I refer to the Anti-Dumping Commission's ("ADC") inquiry into hot rolled structural ("HRS") sections exported from Japan, Korea, Taiwan and Thailand. Following the ADC's verification at OneSteel Manufacturing Pty Ltd ("OneSteel"), OneSteel undertook to provide the ADC with a proposed Unsuppressed Selling Price ("USP") for HRS sold in Australia.

USP methodology

OneSteel understands that in determining a USP for the Australian industry manufacturing like goods the first preference is to look to the market for a price unaffected by dumping. As you would be aware, exports of HRS from each of Japan, Korea, Taiwan and Thailand have been sold into the Australian market for some years prior to the investigation period (i.e. twelve months ending June 2013). OneSteel is firmly of the view that the exports from the nominated countries have caused material injury to the Australian industry prior to the 2012/13 investigation period.

It is therefore inappropriate to assess a USP based upon market selling prices for like goods prior to the 2012/13 investigation period.

An alternative to a market-based selling price USP is a constructed USP based upon the Australian industry's costs to make and sell ("CTM&S") the like goods during the investigation period, plus an appropriate amount for profit. The ADC has verified OneSteel's 2012/12 CTM&S HRS as detailed in Confidential Appendix A6.1 at the recent verification visit conducted at Whyalla. The verified costs are suitable for use in the constructed USP, with a level of profit to be applied.

The HRS business has experienced negative returns in each of the three years preceding 2012/13. In the absence of a suitable level of profit sourced from the HRS business, a level of profit to apply to the constructed USP for HRS may be derived from a internally-related manufacturing business where the products are [REDACTED] site [REDACTED]

OneSteel Manufacturing's [REDACTED] manufacturing business sources the same raw materials as the HRS business, hence cost structures are not dissimilar. The Australian [REDACTED] market is supplied from local supply and imports. OneSteel has prepared CTM&S data (in Appendix A6.1 format) for the [REDACTED] business (see attached) for the years 2009/10 to 2012/13.

The rate of profit achieved on selling price in OneSteel's domestic [REDACTED] business has been in the range [REDACTED] to [REDACTED] per cent.

### HRS USP

For the purposes of the HRS USP, it is proposed to include OneSteel's 2012/13 CTM&S HRS as verified during the ADC's verification visit at Whyalla. A rate of profit to be included in the HRS USP is one derived from OneSteel Manufacturing's [REDACTED] business, using the lowest profit achieved during the 2009/10 to 2012/13 period (i.e. [REDACTED] per cent).

The HRS USP in 2012/13 is shown in the following Table:

	A\$ per metric tonne
CTM&S 2012/13 <sup>1</sup>	\$ [REDACTED]
Profit ([REDACTED]% <sup>2</sup> of CTM&S)	\$ [REDACTED]
<b>USP</b>	<b>\$ [REDACTED]</b>

**Notes:**

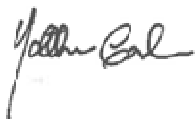
1. Sourced from OneSteel HRS Confidential Appendix A6.1 for 2012/13 Year – Unit CTM&S less domestic freight (i.e. \$ [REDACTED] – \$ [REDACTED]).
2. See Confidential Appendix A6.1 – Total [REDACTED] – Domestic for 2011/12 year.

The proposed USP for OneSteel's Australian HRS business in 2012/13 is estimated at A\$ [REDACTED] per metric tonne, at the ex-factory level. It is noted that a non-injurious FOB price calculated from the USP of \$ [REDACTED] remains above the declared FOB values as detailed in OneSteel's application for measures (i.e. the dumped exports are injurious).

OneSteel does not view the volume of imports from countries not named in the HRS application as being of sufficient volume from which to determine a non-dumped non-injurious price. This reinforces the requirement to construct a USP based upon OneSteel's CTM&S during 2012/13 plus a level of profit derived from a similar manufacturing business.

If you have any questions concerning this letter please do not hesitate to contact OneSteel's representative Mr John O'Connor on (07) 3342 1921 or Mr Matt Condon of OneSteel on (02) 8424 9880.

Yours sincerely



Matt Condon  
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OneSteel Manufacturing Pty Ltd