PUBLIC VERSION

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Director Operations 1
Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001

Dumping investigation into rod in coil exported from the Socialist Republic of Vietnam

Dear Director

This submission is made on behalf of the Hoa Phat Group (Hoa Phat), which comprises Hoa Phat Steel Joint Stock Company (HP JSC) and Hoa Phat Steel One Member Company (HP OM), in response to the submission by OneSteel Manufacturing Pty Ltd (OneSteel), dated 24 November 2017.

Export price

OneSteel questions the identity of the exporter of the goods to Australia and asserts that as such, '*the determination of the export price is confusing*'. There is no confusion surrounding the exporter of the goods to Australia, as all export sales and the export functions relating to those sales, including negotiating with the Australian customer, receiving orders, raising production requests, invoicing, receiving payment and arranging delivery, are all performed by [redacted].

Therefore, the correct finding by the Commission is supported by evidence contained in HP's questionnaire response and subsequently verified by the Commission.

Normal value

OneSteel again questions the identity of the producer of like goods and whether all of the relevant costs of production were captured in assessing whether domestic sales were sold in the ordinary course of trade. It also queries whether the transfer value of goods between related entities within HP were reasonably reflective of competitive market costs.

Firstly, simply being unaware of certain confidential information isn't a proper basis on which to doubt the findings of the Commission. The Commission undertook an exhaustive interrogation of HP's submitted costs and ensured that all relevant costs associated with the production and sale of the exported goods and domestic like goods were reported.

Second, transactions between [redacted] were not transfer sales as OneSteel suggests, but instead were legitimate actual sales. Irrespective of the nature of the sale between the related entities, the Commission was able to satisfy itself that the sales prices were [redacted].

Model matching

Without any basis, OneSteel further queries whether the Commission properly assessed if the domestic like goods were in sufficient volume, and whether it satisfied itself with respect to the comparable physical characteristics of relevant identified models.

Onesteel again appears to be raising concerns about the level of detail and amount of confidential information that ought to be included in the Commission's verification report. For the record, the Commission did undertake the sufficiency test at both the aggregate and model specific levels and as confirmed in the verification report, '*[t]he verification team found there was a sufficient volume of domestic sales made in the ordinary course of trade for all models.*'

HP can also confirm that it provided the Commission with requested mill test certificates and mechanical/chemical tables for relevant standards and specifications of rod in coils.

Adjustments to cost to make and sell

OneSteel continues to assert that HP's electricity and material costs are distorted by government intervention and/or not reflective of competitive market costs. HP rejects these claims as there is no evidence that its electricity costs are influenced by the Vietnamese government, or that its reported materials costs are not properly reflected in its records at competitive market costs.

Adjustments to normal value

OneSteel seeks clarity surrounding adjustments for domestic warehousing expenses and exportation expenses. HP confirms that its warehousing expenses are [redacted]. HP can also confirm that the submitted exportation expenses included [redacted] incurred at the port of dispatch.

Yours sincerely

John Bracic