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The Commissioner,
Anti-Dumping Commissioner,
55 Collins Street,
Melbourne, 3000.

29th March 2016

By email: operations1@adcommission.gov.au

Case No 301
Steel Rod in Coil (RIC) ex China.

Public Record Version.

Dear Commissioner,

I write in response to the SEF on Case No 301. As the Commission is aware I represent the importer VicMesh Pty Ltd (VicMesh) ,and as the SEF states, 95% of RIC imports from China during the I.P were by two importers, one of which was said to be VicMesh.

As the Commission would also know, there can be no issue of ‘cummulation’.

VicMesh however is greatly troubled by the fact that the SEF simply did not address the main concerns expressed on its part in my previous submissions to the Commission. The main things the Commission has ignored from my earlier submissions are refusal to supply, the non- trade exposed and exposed downstream market sectors and the relevance of non-dumped imports as price setters.

As you know, VicMesh could not buy from the applicant given the fact that it is a manufacturing competitor of the applicant’s own two, but independent and market competing subsidiaries ,or at least could not purchase on an equally competitive basis.

VicMesh formerly bought from New Zealand but that supplier company has been bought by Bluescope Steel that will also not supply. The applicant then attacked purchases from Taiwan and now attacks purchases from PRC.

The Commission can only recommend the imposition of interim dumping duty if there is injurious dumping caused to the product under investigation. Anti-dumping laws are not there to allow imports to be attacked by a company that has refused to supply competing manufacturers, where the effect will simply be to give a monopoly to the subsidiary manufacturers of the applicant. There is no reasonable basis for the SEF to have ignored this issue.

Allied to that is a proper evaluation of the trade exposed and non-trade exposed markets in this sector.

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The SEF also ignores the fact that there are many non-dumped sources of supply. As the Commission found that this is a product with high demand elasticity and world – oversupply, the Commission could only conclude that such countries would compete for sales at similar price levels to that impacted upon PRC prices.

VicMesh is also concerned with the way the China ‘market situation’ has been dealt with.

The Commission’s conclusions simply flow from general government plans referenced without articulation of what is wrong with such plans. Australia has a long history of industry plans. The Commission would have to find something improper contemplated by the ADA. The Commission’s conclusions are also supposedly supported by Canadian findings that the Commission is not entitled to rely upon. (Although the Commission can of course be guided in its own research and analysis by what other jurisdictions have done)

The Commission has also made references to subsidies without any supportive evidence that we could meaningfully respond to, and to comment vaguely about assistance for blast furnaces, again without data and which would mean that all PRC steel-making cannot have a real, non-engineered N.V.

Given the above logical flaws, it would be difficult for Australia to defend a WTO action brought by the GOC if that reasoning was adopted by the Assistant Minister.

Numerous other things concern VicMesh in the SEF, including:-

1. Commission states exporters cut prices to get volume (PAD) but simply ignore the reality that prices came down as iron ore and coking coal pricing came down.
2. Commission found that the applicant has been losing money since 2011, so why anti-dumping now, particularly as the applicant finally made a profit in the last quarter under review?.

On behalf of VicMesh I urge you to at least ensure that your final report addresses matters raised long ago and ask that the above additional matters also be addressed.

Regards,



M J Howard