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

For Public File

Investigation No. 249 – Zinc Coated (galvanised) Steel exported from India and Vietnam – BlueScope Comments re Submission by JSW Steel Coated Products Ltd/JSW Steel Limited (JSW Group) and Uttam Galva Steels Limited

1.0 Introduction

I refer to the replica submissions made on behalf of JSW Steel Coated Products Ltd/JSW Steel Limited ("JSW Group") and Uttam Galva Steels Limited ("Uttam") (the "respondents") as recently placed on the public file.

The submissions seek to contest, *inter alia*, BlueScope Steel Limited's ("BlueScope") allegations that it has suffered material injury from the emergence of dumped exports to Australia from India and Vietnam, following the imposition of measures in Inquiry No. 190.

2.0 Base Year & Market Segmentation

BlueScope's application included financial data utilising a 2008/09 base year. For consistency purposes and for demonstrating the impact of the exports from India and Vietnam on the Australian industry's performance, BlueScope used the same base year as in its application in Inquiry No. 190.

BlueScope's application has identified the markets within Australia where zinc coated galvanised steel is sold (i.e. the construction, general manufacturing, and automotive industries). It is suggested that any material injury analysis should take account of the market segments into which the goods are sold. The Anti-Dumping Commission ("the Commission") is aware that BlueScope sells locally manufactured zinc coated galvanised steel into the three market segments identified.

3.0 Material injury

The then Australian Customs and Border Protection Service ("Customs and Border Protection") confirmed in Inquiry No. 190 that the Australian industry has experienced material injury from dumped exports from P R China, Korea and Taiwan in 2011/12. BlueScope's application has demonstrated that it experienced further

material injury in 2012/13, with an improvement (volume driven) in 2013/14, however, the profit and profitability in 2013/14 remained below the previous inquiry's investigation period of 2011/12. Following the imposition of measures (provisional measures were imposed in February 2013, final measures in August 2013) there is an expectation that the Australian industry would be able to recover from the injurious effects of dumping. BlueScope's application demonstrates that the material injury continued in 2012/13, with losses still continuing in 2013/14. These ongoing losses can be attributed to the emergence of the dumped exports from India and Vietnam in the 2013/14 year to account for almost 25 per cent of the total import volume into Australia for zinc coated galvanised steel. The volumes also account for approximately 7 per cent of the Australian market (an increase from less than 1 per cent the previous year).

The upsurge in the dumped exports from India and Vietnam to displace exports from P R China, Korea and Taiwan the subject of measures, has had a significant impact on the Australian market through price undercutting that has prevented the Australian industry from recovering from the injury experienced from the dumped exports from P R China, Korea and Taiwan. The price undercutting has minimized increased selling prices and further impacted industry profit and profitability.

BlueScope submits that in the current circumstances it is impracticable that the material injury from dumped exports in a case involving the emergence of supply from countries that have displaced exports from countries the subject of measures, would be the same as in the original inquiry (i.e. Inquiry No.190). Despite this, BlueScope has experienced material injury from the dumped exports from India and Vietnam in 2013/14 (as the volumes from both countries rapidly increased).

The respondents have stated that the material injury claims raised by BlueScope in its application for anti-dumping measures are "contradictory" to BlueScope's investor presentation for 2014. It should be noted that the broader reporting of BlueScope's economic performance takes account of all of its steel interests and is not limited to zinc coated galvanised steel.

4.0 Internal transfers

The respondents have requested that the Commission take full account of BlueScope's internal transfers of the goods under consideration. BlueScope has not sought to remove the volumes from the analysis. The Commission has obtained information from BlueScope as to the treatment of the internal transfers for consideration in the current investigation.

5.0 Causal link

It is claimed by the respondents that none of the injury experienced by the Australian industry has been caused by the subject imports. This viewpoint cannot be relied upon as it would not have been possible for exporters in India and Vietnam to secure large export volumes and market share on the Australian market in a short timeframe, without the exports being at dumped prices. The claim that the Australian industry has "turned up its best result" since 2010 is incorrect, as the profit in 2013/14 was below that achieved in 2011/12.

The statements made on behalf of the respondents and suggestions that the injury from dumping has not been material are misguided and inaccurate.

The respondents have commented upon BlueScope's export performance for zinc coated galvanised steel. The performance of BlueScope's export sales have been examined separately by the Commission and do not impact BlueScope's domestic performance for the goods under consideration.

6.0 Exports from third countries

Exports of zinc coated galvanised steel exported to Australia from third countries have been analysed by BlueScope. Whilst a proportion of the volume of exports from Taiwan may be dumped and injurious, it does not detract from the fact that the exports from India and Vietnam have caused material injury from dumping. Material injury experienced by an industry can be due to a number of factors. It is sufficient that the Commission establish that the dumped exports from India and Vietnam have caused material injury to the Australian industry during the investigation period.

7.0 Zero spangled steel

BlueScope has addressed the issue of zero-spangle galvanised steel in Inquiry No. 190 in respect of exports by POSCO of Korea, and in response to its submission on representations made on behalf of POSCO Maharashtra in the current inquiry.

The respondents may avail themselves of the exemption from the anti-dumping measures process to demonstrate that its product is not alike to the goods manufactured by BlueScope.

8.0 Conclusion

The representations on behalf of the respondents have not demonstrated that the dumped exports from India (and Vietnam) have not caused material injury to the Australian industry. BlueScope highlights that the Commission is well versed in its material injury assessments and will examine the impact of all factors (including dumping) on the Australian industry's economic performance.

The representations have also sought to downplay or minimize the impact of the dumping on the Australian industry's economic performance. The identification of three key injury indicators highlights the materiality of the injury experienced in 2013/14. Anti-Dumping measures on exporters from India (and Vietnam) are required to halt the dramatic increase in export volumes from both countries that was observed in 2013/14. The increase in volumes was only achieved due to the dumping and price undercutting as evidenced in BlueScope's application.

If you have any questions concerning this submission, please do not hesitate to contact me on (02) 4275 4638 (direct), or BlueScope's consultant John O'Connor on (07) 3342 1921.

Yours sincerely,



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International Trade Affairs