

24 June 2015

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Mr Bora Akdenis
Case Manager
Anti-Dumping Commission
Level 35, 55 Collins Street
MELBOURNE VICTORIA 3000

Public File

Dear Mr Akdenis

Investigation No. 254 – Submission by Pacific Pipe Public Company Limited of 15 June 2015

Pacific submission

I refer to the submission on behalf of Pacific Pipe Public Company Limited (“Pacific”) of 15 June 2015 questioning the Anti-Dumping Commission’s (“the Commission”) determination of normal value for Pacific in Investigation No. 254.

Austube Mills Pty Ltd (“ATM”) takes this opportunity to briefly comment on matters raised in the Pacific submission.

Suitability of domestic sales

(i) Ineligibility of domestic sales

It is claimed on behalf of Pacific that sales of AS1163-C350 grade HSS were sold to a local customer for fabrication purposes with the finished goods subsequently exported. Irrespective of the end-use, the AS1163-C350 grade HSS sold to the Thai fabricator involve a domestic sale in Thailand. The sale(s) qualify as domestic sales.

(ii) Unsuitability

It is further suggested that as a proportion of the sales were made in the July – September 2013 quarter, these “...do not provide for a fair comparison with weighted average export prices over the IP”. The sales did occur within the IP and have been correctly identified as sales of like goods to those exported to Australia. These sales that the Commission determined were made in the ordinary course of trade certainly qualify as suitable sales for comparison purposes.

References to Investigation No. 177 and the approach followed by then Customs and Border Protection are not relevant to the current investigation period. The Commission is armed with a greater understanding of sales on the Thai domestic market by the exporter in the current investigation.

ATM notes Pacific’s comments that the HRC cost influences the HSS selling prices in Thailand.

(iii) Insufficiency

Pacific has suggested that the Commission has erroneously included “pipe thicknesses” in the normal value assessments that includes AS1163-C350 sales. ATM considers that the Commission has correctly calculated the volume of goods exported to Australia for comparison with like goods sold on the Thai domestic market.

Pacific's claims that the Commission's approach to normal value determination is irrational is unfounded.

Commission for related party sales

ATM submits that there are no grounds for recognising sales commissions paid for activities undertaken internally within Pacific. The Commission is therefore correct in rejecting claims for sales commission (for domestic and export activities) adjustments paid to Pacific's related entity Tamose Trading.

Duty drawback

The Commission's methodology in rejecting a duty drawback claim for Pacific's normal value was adequately addressed in Statement of Essential Facts ("SEF") No. 254. Pacific has not supplied any new information to the Commission to justify further consideration in this matter.

It is noted by ATM that in Investigation No. 177, Customs and Border Protection established¹:

"Most imported HRC is used in exported product and locally produced HRC is used in product sold on the domestic market. No import duty is paid in either case. We did not allow the adjustment claimed for duty drawback."

SEF No 254 affirms the same position assessed by the Commission and that "*Pacific Pipe's volume of HRC imports are very close to its total exports of HSS*" and hence rejected Pacific's claim for an adjustment for duty drawback. ATM agrees with this outcome.

Conclusion

Pacific has complained that the Commission's assessment of the applicable dumping margin on exports of HSS to Australia is "irrational" and that "something is wrong" with the assessment. This is not the case. The Commission has detailed its approach to normal value assessment and has correctly included Pacific's domestic sales of like goods as required. Pacific has sought to rationalise the outcome in the current investigation as inconsistent with the approach followed in Investigation No. 177. It should be noted that circumstances have changed since the earlier inquiry and the Commission has identified sales of like goods that are more closely aligned in terms of essential characteristics to the exported goods.

ATM submits that just because the outcome is not favourable to Pacific (and does not align with margins determined for another Thai producer - Saha Steel Pipe) does not mean that the Commission has erred in its assessment. ATM equally suggests that the findings in relation to a third Thai producer – Samchai Industries – is supportive of the outcome for Pacific.

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

Yours sincerely



Brett Willcox
Manager – Strategy and Business Planning

¹ Pacific Pipe Public Co., Ltd Exporter Verification Visit, January 2012, Section 9.1.5, P. 26.