



**VIEWS OF TURKEY REGARDING THE ANTI - DUMPING INVESTIGATION
INITIATED BY AUSTRALIA AGAINST ROD IN COILS IMPORTS FROM
INDONESIA, TAIWAN and TURKEY**

This document includes the views of Turkey, in accordance with Articles 6.1, 6.2 and 6.11 of the GATT 1994 Anti-Dumping Agreement (hereinafter referred to 'the Agreement' or 'the ADA'), regarding the anti-dumping investigation initiated by the Commonwealth of Australia against "Rod In Coils" (RIC) imports from Indonesia, Taiwan and Turkey.

A. General Remarks

Following an application dated February 24, 2014 lodged by OneSteel Manufacturing Pty Ltd (OneSteel or 'the Applicant'), which claims to be the only Australian producer of RIC products, Anti-Dumping Commission of the Australian Government ("the ADC") initiated an anti – dumping investigation against RIC imports from Indonesia, Taiwan and Turkey on April 10, 2014.

First and foremost, Turkey wishes to state several general issues regarding bilateral trade, Australia's anti-dumping system and the Australian Bureau of Statistics' (ABS) confidentiality on import data, and inadequacy of the initiation notice.

i. Bilateral Trade Between Turkey and Australia

From the aspect of trade volume, there has been a steadily increasing trend since 2010, and approximately \$1,7 billion trade volume has been achieved by the end of 2013. Turkey believes that the bilateral trade has high potential to easily reach quite larger trade volume in the near and medium terms.

However, Turkey has concerns that current proceeding which targets the exports of Turkish RIC alongside that of Indonesia and Taiwan will have significant adverse effects on the bilateral trade to the detriment of Turkey.



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Moreover, it is important to be emphasized that Australian market has never been one of the traditional export markets of Turkey with respect to the product concerned. Both in the iron-steel products and in RIC specifically, Turkey's major markets are in the regions of European Union, the Middle East and the Africa. In fact, 9 out of top 10 countries on the Turkish RIC exports in 2013 are located in the abovementioned regions of the world. Hence, Turkish iron-steel exporters have not considered Australia as a target market for proliferating their exports.

ii. Remarks on Australia's Anti-Dumping System and Discrepancy on Import Data Due to the Confidentiality of ABS

Turkey would like to underline a noteworthy issue stated in the aforementioned inquiry Report, namely, the confidentiality of import data. This issue should exclusively be discussed since it hinders to make a proper assessment regarding the import trend of nominated countries, including Turkey. In the Application, it is indicated that Turkey has RIC exports to Australia in the injury period except 2010 in which there was "... zero exports from Turkey¹". Consideration Report prepared by the ADC also confirms this information with the figure² demonstrating the import volumes. The Commission noted that imports from the nominated countries under this tariff subheading –7227.90.90- were negligible³. Hence, Turkey infers that Australian RIC imports have been mainly carried out from the tariff subheading of **7213.91.00**. At that point, it should be addressed that due to the strict confidentiality rules of ABS, Turkey is obliged to search for alternative sources to obtain reliable import data with regard to Australian imports of Turkish originating RIC. Nevertheless, the point which requires further explanation is that *Subject Merchandise* imports of 7213.91.00 and 7227.90.90 tariff subheadings exported from Turkey do not exist according to the International Trade Centre's (i.e. Trade Map) statistics. Certainly, this issue

¹ *Application for the publication of dumping and/or countervailing duty notices-Rod in Coil exported from The Republic of Indonesia, Taiwan and Turkey*, p. 22, 21 February 2014

² Australian Government Anti-Dumping Commission, *Consideration Report No. 240*, Figure 4, p. 22, 2 April 2014

³ *Ibid*, p. 14



creates confusion with regard to the accuracy of import data. Turkey is of the view that availability of Australian import data has become vital to clarify this serious discrepancy.

iii. Remarks on the Inadequacy of the Initiation Notice With Respect to the Article 5.5 of the ADA

According to the Article 5.5 of the ADA, *“The authorities shall avoid, unless a decision has been made to initiate an investigation, any publicizing of the application for the initiation of an investigation. However, **after receipt of a properly documented application and before proceeding to initiate an investigation, the authorities shall notify the government of the exporting Member concerned.**”*

Moreover, at its meeting of 29 October 1998, the Committee on Anti-Dumping Practices adopted a recommendation on the timing of notifications required under Article 5.5, providing that *“The notification required by the second sentence of Article 5.5 should be made as soon as possible after the receipt by the investigating authorities of a properly documented application, and as early as possible before the decision is taken regarding initiation of an investigation on the basis of that properly documented application.”*⁴

We are of the view that the ADC has failed to meet the requirements of Article 5.5 of the ADA. The Embassy of the Republic of Turkey in Canberra received an e-mail⁵ dated April 9, 2014, which was only one-day before the initiation of the proceeding, specifying the commencement of the investigation and publication of the investigation notice in a newspaper. In response, Turkey kindly requested the ADC to be informed concerning whether an official notification as per Article 5.5 of the ADA was made or not. The ADC

⁴ Committee on Anti-Dumping Practices, *Recommendation Concerning The Timing of The Notification Under Article 5.5*, G/ADP/5, 3 November 1998.

⁵ From the Anti-Dumping Commission Operations 1 to the Embassy of Canberra of the Republic of Turkey, *by email, Investigation Into The Alleged Dumping Of Rod In Coil Exported From Indonesia, Taiwan and Turkey*, 9 April 2014



responded that the abovementioned e-mail should be treated as the official notification within the framework of Article 5.5 of the ADA⁶.

However, it is clear that an e-mail stating the initiation of investigation cannot be regarded as the official notification made within the Article 5.5. It is also obvious that Turkey has not been informed in a timely fashion by Australian competent authorities in the context of this proceeding. In the light of this information, Turkey believes that the ADC has acted inconsistently with the Agreement by not abiding the principle of timely notification with respect to the receipt of properly documented application.

B. Remarks on the Applicant's Monopolistic Position and Vitality of the Imports

As specified in the Application, OneSteel is the only Australian producer of RIC products in Australia⁷ and has the 'price setter' status on the Australian RIC market. With respect to the Consideration Report, the size of the Australian market for RIC was 500.000 to 600.000 tonnes in 2013⁸. Total RIC imports to Australia in 2013, on the other hand, are 93.548 tonnes⁹. Hence, the share of total imports on the Australian market is approximately 18,7 %, at most. In other words, the Applicant enjoys its monopolistic condition on the market by more than 80 % share. In fact, the evaluation of the imports from nominated countries and Turkey shows that their shares in proportion to the total market are in the very negligible levels that are far beyond causing a material injury to the domestic market.

Monopolistic position of OneSteel is envisaged in some papers. Accordingly, Australian Steel Association (ASA) states on its submission to Productivity Commission on Australia's Anti-Dumping and Countervailing System that *"...since the merger of OneSteel and Smorgon (an Australian steel manufacturer which with merged OneSteel in 2007), there is now a single entity in each key steel sector that meets the statutory industry standards,*

⁶ From the Anti-Dumping Commission Operations 1 to the Office of the Commercial Counselor in Sydney, by email, Anti-Dumping Notice No. 2014/27, 11 April 2014

⁷ See the Application, p. 9

⁸ See the Consideration Report, p. 14

⁹ See the Application, p. 29



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giving rise to greater opportunity for market power abuse through anti-dumping applications. The domestic producers are OneSteel which has a monopoly on long products...¹⁰”

Besides, the Applicant acknowledges its strategy of making considerable amount of anti-dumping applications on various products that *“OneSteel, has been involved in a number of anti-dumping inquiries over recent years. OneSteel has been an applicant and an interested party, having been exposed to the various components of the system including applications, reviews and continuation inquiries. OneSteel’s anti dumping experience ranges across a broad range of product groups and end-user markets¹¹”*. Actually, as an experienced local player, the ASA is also aware of the Applicant’s strategy: *“The Productivity Commission is urged to consider a range of applications brought on behalf of OneSteel in recent years. Three separate unsuccessful applications were brought against HSS steel products from a range of countries.¹²”* Also, it is very likely that the said strategy would result in “chilling effect”. *“ASA experience has identified instances where there are refusals to supply by local producers who nevertheless then bring anti-dumping complaints against the imports... **The refusals to supply flow from the vertically integrated distribution networks utilised by OneSteel in particular**¹³”*.

The imports are even more vital to provide a fair competition environment in the circumstances when the domestic demand could not be met only from domestic production and there is a major “price setter” player in the market. In the Australian case for steel, specifically, *“Being a significant input product into construction, mining and fabrication, and given the fact that the local producers cannot meet domestic demand from their own production facilities, **it is vital to the Australian economy that competitively priced imports***

¹⁰ Australian Steel Association (ASA), *Submission to Productivity Commission on Australia’s Anti-Dumping and Countervailing System*, June 2009, p. 1

¹¹ OneSteel, *Submission to Productivity Commission Australia’s Anti-Dumping and Countervailing System Issues Paper*, June 2009, p. 3

¹² See ASA’s *Submission to Productivity Commission*, p. 2

¹³ *Ibid*, p. 22



*are readily and regularly available and that anti-dumping actions cannot be used to deter such competition.*¹⁴ Besides that “Most importantly, if competitively priced steel is not readily available, consumers will simply purchase imported finished product. In monopolistic or oligopolistic industries, competitive pricing can only arise if there is a viable import sector. **Where an import sector is blocked by tariff barriers, abusive standards or anti-dumping activity, true competition ceases with inevitable inefficiencies.**¹⁵”

C. Remarks on Injury

With regard to the Article 3.4 of the ADA, “The examination of the impact of the dumped imports on the domestic industry concerned shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments, or utilization of capacity; factors affecting domestic prices; the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital or investments...”

Besides, the Article 5.2 of the Agreement states that “An application ... shall include evidence of dumping, injury ... and a causal link between the dumped imports and the alleged injury. Simple assertion, unsubstantiated by relevant evidence, cannot be considered sufficient to meet the requirements of this paragraph.”

Interrelatedly, the Article 5.3 of the ADA sets forth “The authorities shall examine the accuracy and adequacy of the evidence provided in the application to determine whether there is sufficient evidence to justify the initiation of an investigation.”

Hence, the Panel in *Mexico-Steel Pipes and Tubes* specifies that “Although there is no express reference to evidence of ‘dumping’ or ‘injury’ or ‘causation’ in Article 5.3, evidence on the three elements necessary for the imposition of an anti-dumping measure may be inferred

¹⁴ See ASA’s Submission to Productivity Commission, p. 1

¹⁵ See ASA’s Submission to Productivity Commission, p. 9



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into Article 5.3 by way of Article 5.2 ... reading Article 5.3 in the context of Article 5.2 makes clear that the evidence to which Article 5.3 refers is the evidence in the application concerning dumping, injury and causation...¹⁶

In the light of this information, Turkey would like to express its comments concerning the indicators of alleged injury listed on the Application.

*i. **Sales:** At first, Consideration Report indicates that the Applicant made sales of RIC to both third party customers (external) and to its own trading division (internal). Additionally, it is stated that “internal sales of the Applicant accounted for the significant proportion of total sales¹⁷”. Therefore, “The Commission found that the data for external and internal sales of RIC indicates that OneSteel has experienced volume, price and profit injury. The Commission also found that this injury was still evident, if the analysis was based only on the Applicant’s external sales. Therefore, for the purpose of this Consideration Report, the Commission considers that despite the high proportion of OneSteel’s internal sales that this does not impact on overall injury trends. However the Commission will further examine OneSteel’s internal sales during the investigation¹⁸”.*

But, the important point concerning sales is proper definition of internal and external sales of the Applicant. In other words, whether different kinds of sales are correctly classified on the Application or not. In the Application, OneSteel divided its sales into two main categories as ‘Australian’ and ‘Export’¹⁹. Yet, there is an ambiguity regarding the context of these categories. For instance, it is not clear that either the Applicant’s **external** sales only contains the Export market or both the Australian and Export markets are treated as **external** since sales to the Australian customers other than the Applicant’s own wire and reinforcing mesh business may also be regarded as external.

¹⁶ Panel Report, *Mexico — Steel Pipes and Tubes*, para. 7.21.

¹⁷ See *the Consideration Report*, p. 20

¹⁸ *Ibid*, p. 21

¹⁹ See *the Application*, p. 15



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Moreover, Turkey opines that ADC's abovementioned consideration as "*despite the high proportion of OneSteel's internal sales that this does not impact on overall injury trends*" is flawed. The injury analysis based on the ground where the Applicant's internal sales accounted for the significant proportion of total sales can affect the injury analysis deeply. Bearing in mind the fact that the intercompany sales between two related entities of a parent company may have numerous advantages (being advantageous position in price adjustments, sales preferences, costs and fees etc.) than the ordinary transaction between two unrelated companies. The ADC should have examined the internal sales of the Applicant as specified in the Consideration Report more carefully.

Additionally, there are serious discrepancies between the Application and the Consideration Report concerning sales and the size of Australian RIC market which significantly hinder to achieve clear outcome about alleged injury. The Applicant points out that total size of Australian RIC market has grown 3,2 % on the injury period²⁰. Nevertheless, it is expressed in the Consideration Report that "*...the Australian market for rod in coils decreased consistently during 2010 to 2013.*"²¹ Turkey is of the view that the ADC should elaborate on this issue and satisfy all parties by eliminating these discrepancies.

ii. Production: As stated in the Application, "*OneSteel's production of rod in coil ("RIC") declined in 2011, increased in 2012 and increased further in 2013*"²². In the indexed form, it seems that only a minor (2,5 %) decrease has experienced in the injury period between 2010 and 2013. This decline, actually, should be considered as an example of typical changes in production levels which could regularly occur depending upon the variations on inventory, supply-demand balance etc.

iii. Cost: The Application indicates that "*Production increased in 2012 and further again in 2013 to assist in reducing unit costs for RIC. Coinciding with the increased*

²⁰ See the Application, p. 14

²¹ See the Consideration Report, p. 22

²² See the Application, p. 19



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production, OneSteel introduced costs reduction initiatives...²³ In fact, the Applicant enjoys with a decline in cost to make and sell (CTM&S) in the injury period. Most importantly, it achieves to reduce its CTM&S while raising its production level simultaneously. Therefore, this positive trend is enough to consider the injury allegations regarding the imports from nominated countries as fallacious.

iv. Price: The Applicant claims that *“OneSteel has experienced price depression in 2012 and 2013 in its external sales of RIC...²⁴”* On the other hand, the data provided concerning price variations does not support this argument. With regard to the base year (2010), the Applicant succeeded in raising RIC prices in both 2011 and 2012. There is only a very slight decrease (1,9 %) in 2013 which should be regarded as negligible. Besides, as demonstrated in the Application, both cost and price variations during the injury period are almost totally consistent with each other. Hence, it is clear that the allegedly dumped imports have not caused any depression or suppression in the price implementation of OneSteel.

At that point, the issue of “price premium” should also be highlighted. The Applicant expressed that *“Historically, OneSteel has been able to sell its products at a price premium to imports due to superior customer service, distribution capabilities, and the ability to provide value adding products and services.²⁵”* Hence, it is clear that the Applicant has enough room in its price adjustment to implement such a premium system. Additionally, OneSteel may present this practice as a justification of dumping. ASA clarifies that point and specifies: *“OneSteel has gone on record as saying that there is an **eight to nine percent price premium for domestic steel products** owing to timeliness of delivery, quality and the like. Yet if import prices are lowered in a naturally competitive environment to deal with these geographical advantages, the imports face an increased threat of dumping. When dumping duty has been*

²³ Ibid.

²⁴ See the Application, p. 20

²⁵ OneSteel Scheme Booklet, Part 4-Information on OneSteel, p. 60, 14 May 2001, http://www.onesteel.com/images/db_images/communications/39%20BHP_PART_4_30-08-0035.pdf



*applied, it invariably makes the imported product far more expensive than market prices. Even more perversely, many markets worked the other way round. The domestic supplier aware of the competitive advantages can naturally set their own prices slightly higher than import quotes that they hear about from their customers. **Thus they create a situation where it looks on its face as their prices are being undercut by imports**²⁶”.*

v. Profit-Profitability and Return on Investment (ROI): It is demonstrated in the Application that OneSteel has experienced improvements in both its profits and profitability. Comparing the average of the years from 2011 to 2013 with the base year within the injury period, the Applicant witnessed 1,3 % increase in profits and 29,5 % rise in profitability. Likewise, the positive outlook also exists in ROI. OneSteel succeeded in augmenting its ROI 47 % with the same comparison in spite of the decline in 2013.

Furthermore, it is asserted that *“The 2010 calendar year was adversely affected by the general economic global slowdown, hence the profit achieved by OneSteel in its RIC business in this year was low”* and *“OneSteel domestic RIC business achieved a ... per cent return on sales in 2010 (influenced by the economic downturn), and delivered improved returns in 2011 and 2012”*²⁷. It seems that the Applicant intends to simulate its noteworthy performance in these indicators as ordinary by specifying the year of 2010 as the year which was affected by economic slowdown. Essentially, this argument is baseless since the said global economic crisis has actually been most negatively influential in 2009, not in 2010. In fact, 2010 was the year when the global economic recovery has started and certain economic data also confirm this situation. For instance, in terms of annual GDP growth (%) – one of the major indicators of general economic outlook, in 2009, Australia experienced 1,6 % GDP growth with the decline from the 3,8 % growth level in 2008. Accordingly, worldwide annual GDP growth rate was -2,1 % in 2009, while the growth rate of 1,4 % occurred in 2008. On the other hand, in 2010, both worldwide and Australia’s growth rates have demonstrated

²⁶ See ASA’s Submission to Productivity Commission, p. 8

²⁷ See the Application, p.20



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considerable recovery signs. To illustrate, worldwide GDP growth reached 4,0 %; Australia achieved to acquire 2,1 % growth level in 2010²⁸. Therefore, the Applicant has steadily maintained good financial performance starting from the year 2010.

vi. Employment-Productivity: The Application points out that employment levels have declined nearly 7 % in the injury period²⁹. Yet, Turkey is of the view that the fall in employment levels cannot be attributed to the alleged injury which incurs the imports from nominated countries. Rather, it could be a conscious strategy of the Applicant to enhance labor productivity. In fact, the improvement in productivity levels more than 15 % confirms this argument. It is very likely that OneSteel has introduced a cost-saving approach which aims to maximize the work productivity with less labor force.

Besides, Turkey believes that certain domestic developments may also trigger the reduction in employment levels. For example, the Carbon Tax, which entered into force on July 1, 2012, has adversely affected Australian manufacturing industry, in general and the Applicant, in particular. In 2011, OneSteel Chairman Mr. Peter Smedley, for instance, has warned the viability of the Whyalla steelworks and associated 3500 jobs are at risk if the Government failed to protect the steel industry in its carbon tax³⁰.

In addition to these indicators, Turkey underlines that the Application does not contain any assessment concerning “capacity utilization”. In fact, the ADC also touches upon this issue on the Consideration Report by stating that “*capacity increased each year, but OneSteel did not provide sufficient information to calculate capacity utilisation*”³¹. Hence, it should be noted that the lack of any assessment regarding one of the injury indicators stated in Article 3.4 of the ADA seriously hinders the possibility of making a reliable injury analysis.

²⁸ United Nations Data Retrieval System, [online] data.un.org

²⁹ See *the Application*, p.21

³⁰ The Australian, *OneSteel chairman says Whyalla at risk*, 8 July 2011, [online]

<http://www.theaustralian.com.au/national-affairs/onesteel-chairman-says-whyalla-at-risk/story-fn59niix-1226090843283>

³¹ See *the Consideration Report*, p. 28



D. Remarks on Other Known Factors

Article 3.5 of the Anti-Dumping Agreement pins out that ***“The authorities shall also examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, and the injuries caused by these other factors must not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumping prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry.”***

In *US-Hot Rolled Steel*, the Appellate Body ruled that ***“As we said, in order to comply with the non-attribution language in that provision, investigating authorities must make an appropriate assessment of the injury caused to the domestic industry by the other known factors, and they must separate and distinguish the injurious effects of the dumped imports from the injurious effects of those other factors³²... Thus, in the absence of such separation and distinction of the different injurious effects, the investigating authorities would have no rational basis to conclude that the dumped imports are indeed causing the injury which, under the Anti-Dumping Agreement, justifies the imposition of anti-dumping duties³³... However, although this process may not be easy, this is precisely what is envisaged by the non-attribution language. If the injurious effects of the dumped imports and the other known factors remain lumped together and indistinguishable, there is simply no means of knowing whether injury ascribed to dumped imports was, in reality, caused by other factors.³⁴”***

In terms of other injury factors that cannot be attributed to the alleged dumped imports, Turkey considers that the existence of three main factors should not be overlooked:

³² Appellate Body Report, *US — Hot-Rolled Steel*, para. 226

³³ *Ibid*, para. 223

³⁴ *Ibid*, para. 228



i. **High Value of Australian Dollar:** The appreciation of Australian Dollar (AUD) had some adverse implications on the manufacturing industry which has been one of the most harmed branches in the last few years. The *Smarter Manufacturing for a Smarter Australia* prepared by the non-government members of the Prime Minister's Task Force on Manufacturing revealed these implications from different aspects: *"While the biggest factor has been **the high Australian dollar**, a compounding set of factors – rising living costs and weak economy-wide productivity growth – **have made Australia a 'high cost economy' by international standards**. This is occurring at the very time that low cost competitors are emerging, and that established manufacturing centres in Europe and the USA are growing stronger with favourable exchange rate movements and new competitive advantages. **The result is a serious erosion of our international competitiveness.**"*³⁵

Besides, *"The extent of the appreciation of the currency has meant that: **Some exports have become entirely unprofitable and some domestic markets are facing import competition for the first time**. In other markets there is a much more intense level of import competition than was previously the case."*³⁶

ii. **Declining Domestic Demand:** RIC is a commodity widely used in construction sector and in a host of other product applications such as fencing materials, nails, pins and many engineering applications. Hence, the domestic demand for RIC is closely related with the performance of Australian construction industry; mainly, residential (housing) sector. However, it will not be inaccurate to assert that Australia has struggled with a weak performance in residential construction.

For example, in 2012, the Australian Industry Group-Housing Industry Association (HIA) Performance of Construction Index fell 1.3 points in April from March to 34.9. HIA economist Geordan Murray said *'Evidence of a persistent weakening in Australia's residential*

³⁵ Prime Minister's Manufacturing Task Force – Report of the Non-Government Members, *Smarter Manufacturing for a Smarter Australia*, August 2012, p. 18

³⁶ *Ibid*, p. 19



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*construction industry is continuing unabated in 2012*³⁷. Likewise, Graham Wolfe, Chief Executive for Industry Policy of HIA, pointed out that ***“Residential construction is currently experiencing its longest trend decline in post war history, which is being driven in part by the excessive and inefficient taxation on housing, a tight credit supply and state planning systems that constrain the timely and cost effective delivery of housing***³⁸.

Accordingly, 2013 Annual Report of Arrium Limited (OneSteel changed its name as Arrium Limited in 2012) confirms the abovementioned factors. In the Segment Overview section, it is specified that ***“The Steel business continued to be challenged during the year by the difficult external environment, including the high Australian dollar and generally weak construction and manufacturing markets... In the non-residential and residential construction sectors, activity levels remained generally weak due to credit availability issues and soft business and consumer sentiment.***³⁹

iii. **Carbon Tax:** As briefly discussed earlier, the Carbon Tax has been effective in Australia since July 2012. The Tax has negatively affected OneSteel since the senior officials of the Applicant had indicated strong opposition against it before entered into effect. In 2011, OneSteel Chairman Mr. Peter Smedley, for instance, *told business leaders in Adelaide that of all the challenges facing the domestic steel industry, including the high Australian dollar, the most significant “with the potential to put the competitiveness of many Australian businesses and industry at risk, is the proposed carbon tax”.* He also questioned whether Australia had to rush into a carbon pricing scheme. *“For the steel industry, its major trade competitors are in the developing world and include China, India, Russia, South Korea,*

³⁷ The Australian, *Construction sector continued to shrink in April, hit by low demand*, 7 May 2012, [online], <http://www.theaustralian.com.au/business/economics/construction-sector-continued-to-shrink-in-april-hit-by-low/story-e6frg926-1226348487282#>

³⁸ PropertyWire, *Weakness in Australia’s residential construction industry set to continue says HIA*, 3 July 2013, [online], <http://www.propertywire.com/news/australasia/australia-construction-property-industry-201307037962.html>

³⁹ Arrium Limited, *2013 Annual Report*, p. 12



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Taiwan, Thailand and Indonesia and none of these have or are likely to impose carbon costs on their steel industries nationally.”⁴⁰

In addition, Mr. Geoff Plummer, OneSteel’s Managing Director and Chief Executive Officer, said: *“OneSteel had concerns with the proposed carbon tax as originally announced, due to the likely adverse implications the tax would have had on the industry’s competitive position. Steelmaking technology constraints mean there is little the industry can do to materially reduce emissions from its key manufacturing processes. **This means that rather than act as a price signal to reduce emissions, the tax as originally announced would merely have been an additional cost burden not faced by our international competition.**”⁴¹*

Consequently, since the Applicant has repeatedly raised its concerns about the Carbon Tax, it is clear that the Tax has injurious effects on the financial condition of OneSteel.

E. Conclusion

All in all, Turkey expresses its regrets for the initiation of this proceeding and underlines the fact that pursuant to the provisions of Articles 3.4, 3.5, 5.2, 5.3 and 5.5 of the ADA and the relevant findings of WTO Panel and Appellate Body reports; the current investigation does not meet conditions to impose an anti-dumping measure.

To the summary of Turkey’s views regarding this investigation, it should be reiterated that:

- Australian practice regarding the confidentiality of import data hinders to make a proper evaluation concerning the import trend of nominated countries, including Turkey.

⁴⁰ The Australian, *OneSteel chairman says Whyalla at risk*, 8 July 2011, [online] <http://www.theaustralian.com.au/national-affairs/onesteel-chairman-says-whyalla-at-risk/story-fn59niix-1226090843283>

⁴¹ OneSteel ASX Release, *Proposed Carbon Tax – Steel Transformation Plan Assistance Package*, 10 July 2011



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- ADC has not made its best effort to inform Turkey about the initiation of investigation in a timely manner in line with Article 5.5 of the ADA.
- Turkey is of the view that the Applicant has the 'price setter' status on the Australian RIC market. It enjoys with its monopolistic condition which undermined fair competition in the Australian market.
- As the indicators of sales, production, cost, price, profit, profitability, ROI, employment and productivity show there is no causal link between alleged dumped imports and the alleged injury on the Applicant.
- Any injury on the financial status of the Applicant caused by any other known factors including high value of AUD, declining domestic demand and negative impacts of the Carbon Tax should not be attributed to Turkish imports.

Turkish Government believes that Turkish originating RIC cannot be the "target" of this anti-dumping proceeding. Hence, Turkey cordially requests esteemed Commission to terminate the investigation without any measure.

Finally, Turkey closely follows the ongoing proceeding and also reserves all its rights under WTO rules and procedures.