



Ursine Steel Co., Ltd.

11 April 2018

Director Operations 4
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2600

Review 419 – Hollow Structural Sections exported from Taiwan

Dear Director

This submission on behalf of Ursine Steel (Ursine) addresses an overlooked query from the Anti-Dumping Commission (the Commission). The query relates to whether contracts were entered into for the material purchases.

Ursine can confirm that it [REDACTED], which as explained in our earlier submission, occurs at the time of the sales contracts being executed by the contracting parties. Ursine does [REDACTED] with the specified export grade of [REDACTED] HSS. As demonstrated in the previous submission, a common [REDACTED] coil is used for export grade [REDACTED] and domestic grade [REDACTED]. These two grades represent [REDACTED] of Ursine's overall production and therefore it is [REDACTED].

Therefore, in summary Ursine can confirm the following with respect to its date of sale claim which it contends demonstrates that the date of contract reflects the material terms of sale:

1. prices are negotiated taking into account [REDACTED] the month of the order inquiry being received;
2. both contracting parties are fully aware that the terms of sale are fixed upon executing the sale contract;
3. Ursine [REDACTED] after the contracting parties have agreed to terms and the relevant contract has been signed;
4. no amendments occurred to the sales contract after agreement by the contracting parties;
5. export sales involve extended lead times by approximately [REDACTED] months, whereas domestic sales are finalised in [REDACTED];
6. the differing lead times between export and domestic sales distorts the comparison of export and domestic sales when date of invoice is used given that prices are negotiated at the time of order;
7. the observed distortion was exacerbated by the significant fluctuations between monthly and quarterly [REDACTED] coil prices;

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8. the use of quarterly normal values which rely on invoice dates, creates a circumstance whereby export sales are being compared to domestic sales that don't occur [REDACTED];
9. Ursine presented the Commission with its domestic sales and domestic costs for the quarter prior to the commencement of the review period to allow for an alignment of sales and costs with the export contract dates that occurred in the June quarter 2017.

These confirmed circumstances and submitted evidence support a finding that the material terms of export sales are set at the date of contract and it is this date that should be used for comparing with corresponding domestic sales. In any case, an adjustment is warranted to take account of the different lead times which distort the comparison of sales occurring at different times.

Yours sincerely

John Bracic