

**PUBLIC RECORD**



**Australian Government**  
**Anti-Dumping Commission**

---

**INVESTIGATION 370**

**ALLEGED DUMPING OF ZINC COATED (GALVANISED) STEEL  
EXPORTED FROM THE REPUBLIC OF INDIA (INDIA),  
MALAYSIA AND THE SOCIALIST REPUBLIC OF VIETNAM  
(VIETNAM)**

**AND**

**ALLEGED SUBSIDISATION OF GALVANISED STEEL  
EXPORTED FROM INDIA AND VIETNAM**

**VERIFICATION VISIT REPORT - IMPORTER**

**mitsubishi australia pty ltd**

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN  
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT  
THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION**

**November 2016**

# PUBLIC RECORD

## CONTENTS

CONTENTS.....	2
<b>1 BACKGROUND.....</b>	<b>3</b>
<b>2 AUSTRALIAN SALES.....</b>	<b>4</b>
2.1 VERIFICATION OF SALES TO AUDITED FINANCIAL STATEMENTS.....	4
2.2 VERIFICATION OF SALES TO SOURCE DOCUMENTS.....	4
2.3 RELATED PARTY CUSTOMERS .....	4
<b>3 IMPORTS.....</b>	<b>5</b>
3.1 THE GOODS .....	5
3.2 VERIFICATION OF INTO-STORE COSTS.....	5
3.3 VERIFICATION OF THE IMPORT LISTING.....	5
3.4 FORWARD ORDERS .....	5
3.5 THE IMPORTER .....	5
3.6 THE EXPORTER.....	5
3.7 PROFITABILITY OF IMPORTS .....	6
3.8 RELATED PARTY SUPPLIERS.....	6
3.9 ARMS LENGTH.....	6
<b>4 RECOMMENDATIONS .....</b>	<b>7</b>
<b>5 GENERAL COMMENTS .....</b>	<b>8</b>
<b>6 ATTACHMENTS.....</b>	<b>9</b>

## **1 BACKGROUND**

On 7 October 2016, the Anti-Dumping Commissioner (the Commissioner) initiated an investigation into the alleged dumping of zinc coated (galvanised) steel exported to Australia from the Republic of India (India), Malaysia and the Socialist Republic of Vietnam (Vietnam) and the alleged subsidisation of galvanised steel exported from India and Vietnam. Public notification of the initiation of the investigation was published on the Commission's website on the same day. The background relating to the initiation of this investigation is contained in Consideration Report 370 which is available on the Commission's website [www.adcommission.gov.au](http://www.adcommission.gov.au).

Following the initiation, the Anti-Dumping Commission (the Commission) wrote to Mitsubishi Australia Pty Ltd. (Mitsubishi Australia) and other importers of galvanised steel inviting them to cooperate with the investigation. Mitsubishi Australia responded to the Commission's invitation and completed the importer questionnaire and relevant attachments.

The verification was conducted at the Mitsubishi Australia's Melbourne office.

## **2 AUSTRALIAN SALES**

### **2.1 Verification of sales to audited financial statements**

The verification team was able to reconcile Mitsubishi Australia's sales listing submitted in Part C responses of the Importer Questionnaire to its accounting system documents in accordance with ADN 2016/30.

The verification team is satisfied that Mitsubishi's sales is a reasonably complete and relevant list of all the sales of the goods over the investigation period.

Details of this verification process and relevant reports are contained in the verification work program at **Confidential Attachment 1**.

### **2.2 Verification of sales to source documents**

The verification team verified the accuracy of Mitsubishi Australia's sales listing by matching the details to source documents in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team did not find any issues with the verification of the sales listing to source documents.

### **2.3 Related party customers**

The verification team did not find any evidence that Mitsubishi Australia or its agent is related to any of its Australian customers during the investigation period.

## **3 IMPORTS**

### **3.1 The goods**

Mitsubishi Australia confirmed that it imported zinc coated (galvanised) steel from overseas during the investigation period, which matches the description of the goods that are the subject of this application.

### **3.2 Verification of importation and selling costs**

The verification team verified the accuracy of all the importation and selling costs listed by Mitsubishi Australia in its response to Part B of the questionnaire to the source documents in accordance with ADN 2016/30.

Details of the verification are contained within the verification work program at **confidential attachment 1**.

The verification team did not find any issues with the verification of importation and selling costs to source documents.

### **3.3 Import listing**

Mitsubishi Australia confirmed that the import listing extracted from the Australian Border Force import database is a complete list of imports of the goods over the investigation period.

The verification team calculated the weighted average FOB export price by supplier at **Confidential Appendix 1**.

### **3.4 Forward orders**

The verification team is satisfied that Mitsubishi Australia intend to continue to import the goods. The list of forward orders is at **Confidential Appendix 2**.

### **3.5 The importer**

The visit team considers Mitsubishi Australia to be the beneficial owner of the goods at the time of importation and is therefore the importer.

### **3.6 The exporter**

Subject to further inquiries, the verification team considers that Mitsubishi Australia's overseas suppliers to be the exporters of the goods.<sup>1</sup>

---

<sup>1</sup> The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

### **3.7 Profitability of imports**

The verification team compared the selling prices into the Australian market with the corresponding full cost to import and sell those shipments for each of the consignments on the Part B spreadsheet.

The verification team calculated the total profit for all selected shipments in the importer transaction form. The verification team observed that all sales of the selected shipments were profitable except one shipment, which was marginally unprofitable. The verification team considers that it is reasonable to consider the overall sales were profitable. The assessment forms **Confidential Appendix 3**.

### **3.8 Related party suppliers**

The verification team did not find any evidence that Mitsubishi Australia is related to its supplier of galvanised steel exported from overseas during the investigation period.

### **3.9 Arms length**

In respect of imports of the goods to Australia by Mitsubishi Australia during the investigation period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller.

The verification team found that selected shipments were profitable overall.

Therefore, subject to further inquiries, the verification team is satisfied that import transactions between Mitsubishi Australia and its suppliers are arms length.

## **4 RECOMMENDATIONS**

The verification team are of the opinion that for the goods imported by Mitsubishi Australia from overseas suppliers:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporters; and
- the purchases of the goods by the importer were arms length transactions.

Subject to further inquiries with exporters, the verification team recommends that the export price for the goods imported by Mitsubishi Australia can be established under s.269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less deductions, to the FOB level as required.

## **5 GENERAL COMMENTS**

The company representative made the following general comments during the visit:

- The comments Bluescope make in their application are contrary to its ASX announcements, in relation to injury suffered compared to positive ASX announcements.
- BlueScope have recently (through subsidiary New Zealand Steel) imported significant volumes of galvanised steel (the goods under consideration) from India into Australia, which they now claim as dumped. It is requested the Commission examine Bluescope Group's imports to ascertain reason (lack of capacity etc.), what quantity of Bluescope imports from India represent in relation to total Indian imports during the same period and how this should be assessed in relation to causation of material injury (if any).
- The administration of the Arrium Group has changed market supply and sourcing. Customers are looking for market certainty, and are concerned regarding having access to Bluescope material as a reliable supply source, if Bluescope management decide to pursue other market opportunities or force supply through vertical integrated distribution businesses rather than direct supply, if the import competition is removed.
- Exporters from India and Vietnam have expressed concern regarding the initiation of another investigation into the same goods under consideration, based on an application lodged 382 days after termination of the previous investigation. Many exporters are considering withdrawing from exporting to the Australian market, due to the cost of co-operating with such regular dumping investigations, because of viability and market size of Australian market compared to other export markets. The impact this may have on the Australian market by removal of this competitive discipline, to Bluescope being the sole Australian producer of the goods under consideration, needs to be considered.



## **PUBLIC RECORD**

### **6 ATTACHMENTS**

<b>Confidential Appendix 1</b>	Export price
<b>Confidential Appendix 2</b>	Forward orders
<b>Confidential Appendix 3</b>	Profitability of sales
<b>Confidential Attachment 1</b>	Verification Work Plan