

Public File Version

HRC Dumping Investigation – Certain Other injury indicators

The following comments are provided by BlueScope in respect of the injury indicators:

- (i) reduced employment;
- (ii) reduced wages expense; and
- (iii) reduced return on investment.

BlueScope supplied approximately xxx per cent of its HRC production [site] into the Australian domestic market. The [site] facility ceased production in October 2011 (with a loss of xxx jobs), and production volumes were transferred to Port Kembla.

The [site] facility was supplying domestic and export and employed circa xxx persons (for HRC production). Following the announcement that BlueScope would reduce its export volumes (with some volumes replaced by the [site] HRC tonnes), further job losses were experienced (down from xxx to xxx).

BlueScope xxxxxxxxxxxxxx job losses at both sites cannot be attributed to dumped imports. However, some of the reduction can be attributed to the dumped imports. BlueScope contends that the loss of the xxx jobs at [site] - which sold xxxxxx tonnes directly (i.e. xx per cent) into the domestic market - can be attributed to the impact of dumped imports.

Consequently, a reduction in wages expense is also evident.

In terms of the reduced return on investment, the explanatory notes (to Appendix A7) demonstrate that BlueScope's ROI is based on EBIT/Total Assets. The value of the total assets for like goods declined in 2011, and so too did BlueScope's EBIT (as evidenced by the reduction in domestic profit shown in Appendix A6.1). A reduction in the ROI therefore is a consequence of the reduced profit and profitability.

BlueScope's Appendix A7, indicates a reduction in its capital expenditure in 2011 - a decrease of more than xx per cent on 2010.