



BlueScope Steel Limited
ABN 16 000 011 058
BANZ
Port Kembla
Post Office Box 1854
Wollongong NSW 2500
Telephone 02 4275 3859
Facsimile +02 4275 7810
www.bluescopesteel.com

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Mr John Bracic
Director, Operations 1
International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Dear Mr Bracic

Public File

Hot Rolled Coil from Japan, Korea, Malaysia and Taiwan – Submission on behalf of JFE Steel, Kobe Steel and Nisshin Steel of 11 September

I refer to the submission dated 11 September on behalf of JFE Steel Corporation ("JFE"), Kobe Steel Ltd ("Kobe"), and Nisshin Steel Co., Ltd ("Nisshin") that asserts no causal link can be established on dumped exports of hot rolled coil ("HRC") from Japan, or cumulated exports from all nominated countries.

It has been argued that HRC used in the identified end-uses is a "heterogeneous" product and that *"there is no evidence to support a finding that goods produced by the applicant for use in one segment of the market are 'like goods' to those produced for use in another segment"*. The claims rely on an absence of substitutability of HRC used in Pipe and Tube ("P&T"), Automotive, and Manufacturing end-uses of the Australian market.

These assertions are incorrect.

HRC is a commodity product. HRC produced by BlueScope is commonly used across various applications including the P&T, automotive and manufacturing end-uses. BlueScope has examined its sales of HRC across the investigation period. BlueScope notes that locally-produced HRC sold into the automotive sector (either directly or via the distribution channel) is also sold into other market end-uses (e.g. general manufacturing).

BlueScope has [analysis] HRC domestic sales over the investigation period. The analysis confirms that automotive grade HRC is used in general manufacturing applications. Further, [type] grades of HRC as required by the P&T industry with brand names such as [grade] or [grade] are like products to the structural grades [grade] and [grade] (respectively) used widely across the Australian industry (specifically, in general manufacturing).

The level of substitutability is dependent upon the application, however, generally the high performance products (for strength and forming) can be used in other applications that require a lesser standard of performance¹. For example, any structural [grade] HRC can be used in an application that requires a lower minimum strength (such as [grades] or even when no minimum strength is required).

¹ A finding supporting the use of the cumulative provisions of s.269TAE(2C) was confirmed in Report No. 146 on imported octene grade LLDPE and the locally produced hexene grade LLDPE.

Further, any ductile/forming product such as [grade] can be used in lesser forming applications that require [grade] or [grade] grade HRC that has no minimum strength requirement.

In terms of whether the imported HRC from Japan (and the other nominated countries) are like goods to HRC manufactured by BlueScope, available information confirms that locally produced HRC and imported HRC:

- have the same physical characteristics;
- compete in the same markets;
- have similar end-uses; and
- are made using similar materials and in a similar manner.

The substitutability of HRC across the end-use applications (i.e. P&T and general manufacturing, and automotive and general manufacturing) confirm that for the purposes of causation, Customs and Border Protection can rely upon the cumulative provisions contained in s.269TAE(2C).

BlueScope has demonstrated that the imported HRC from Japan (and the remaining nominated countries) and HRC manufactured in Australia are like goods. It has also been demonstrated that HRC used in a certain application is not limited to that application and substitutability is evident across applications. BlueScope submits that the provisions of s269TAE(2C) are available to the Minister to cumulate exports of HRC from the nominated countries for the purpose of material injury assessment.

If you have any questions concerning this submission, please do not hesitate to contact me on (02) 4275 3859.

Yours sincerely



Alan Gibbs
Development Manager – International Trade