

PUBLIC RECORD VERSION

RECEIVED 16/02/2017

**Date:** 10<sup>th</sup> February 2017

**Submission to:** The Case Manager, Case No 370  
Operations 5,  
Anti-Dumping Commission,  
SAP House, Level 4,  
224 Bunda Street, Canberra ACT 2601

**Forwarded:** By email to: [operations5@adcommission.gov.au](mailto:operations5@adcommission.gov.au) by M.J. Howard of 'Staughtons'.

**Reference:** ADC Case No 370- Alleged Dumped/Subsidised Exports of Zinc Coated (Galvanised) Steel from India, Malaysia, Vietnam.

**Interest:** Hoa Sen Group (HSG) of Vietnam exported the subject goods (HDG) to Australia During this current Investigation Period (I.P.) of July 2015 to June 2016.

**Introduction:** By way of introduction we need to make the following points based on facts, relevance and market feedback including:

- HSG's actual Export data;
- ABS data;
- Applicant's claim on Normal Value;
- Unsubstantiated claims on a 'market situation' and 'subsidy' issues;
- Applicant's apparent market behaviour;
- Relevant Market consideration for 'Coated Steel Products';
- Need for Consistency on 'like goods' factor;
- Applicant's investment and market focus on 'new generation zinc-aluminium product'
- The fundamental change in the Applicant's domestic marketing strategy;

**Background:** The applicant in this Case 370 previously lodged an application on 8<sup>th</sup> May 2014 to have 'dumping duty measures' imposed on HSG exports of HDG during FY 2013/2014. The Commission initiated that investigation on 11<sup>th</sup> July 2014 and its evidence based findings on HSG determined a Negative dumping duty rate of 3.5% resulting in the Commission terminating the Case on 30<sup>th</sup> July 2015. (ADN # 2015/93)

This current application was initially lodged on the 15<sup>th</sup> August 2016, and on the basis the application was considered to contain 'critical and important' deficiencies, the Commission required the applicant provide further information and data up to 14<sup>th</sup> September 2016.

The Commission accepted the application on 4<sup>th</sup> October 2016.

Of particular note is the speed with which the applicant lodged this current application and more significantly, the applicant's failure to supply its FY 2016 Financial Results being for the Investigation Period and which were publicly available on the 22<sup>nd</sup> August 2016-three weeks prior to the 14<sup>th</sup> September. The applicant only provided its FY 2015 Annual Report instead of the obviously more relevant FY 2016 financial results.

**Support:** We welcome the time extension for publishing an SEF to 25<sup>th</sup> April 2017 as the applicant is to announce its first half results for FY 2017 on the 20<sup>th</sup> February 2017, and given the demise of Arrium (in Administration) we believe it more than likely that the applicant in this case will acquire the 'east coast operations' of Arrium which include the steel pipe producer ATM, Onesteel Metal Centres and other Arrium 'east coast operations'.

**PUBLIC RECORD VERSION**

We also welcome the Commission's restraint to date on imposing provisional measures despite the increasing desperation of the applicant and we support the general comments and claims by the Australian importers that have received Importer verification visits, and which are on the public record, namely:

Cedex Steel & Metal P/L ;Commercial Metal P/L; Mitsubishi Australia P/L.

This submission includes what we consider to be evidence of the applicant's affiliated trading operation having imported significant volumes of galvanised steel from the UAE & India (JSW) which we contend was on behalf of the applicant and we fully support the comment that this investigation was probably intended by the applicant to test the preparedness of the targeted exporters to continue supplying the Australian third party steel users because of the cost of their doing business in the applicant's 'back yard' and which has also been referred to as the CHILL factor from these investigations. Fortunately for third party steel users needing a competitive market environment on steel supply, targeted exporters are defending the allegations.

**Request:**

Given the Commission is required to consider both 'dumping' and 'injury causation' simultaneously and because of the prospective nature of any measures, the Commission is requested to exercise its discretion and authority to consider the applicant's behaviour, financial performance and marketing activities post the Importation Period of FY 2016.

As per the applicant's most recent notifications to the 'market' it has experienced considerable and significant improvement on its FY 2016 performance citing higher steel prices and spreads (margins) in the Australian and New Zealand markets and on the stock exchange its share price reached A\$11.21 on 31<sup>st</sup> January 2017 compared to A\$4.44 five years ago when in year 2011 it made drastic changes to its production volumes and costs structure. It has now been an outperformer and clearly the market has a very different view to what the applicant business is portraying on 'injury' in this case.

We submit that given the obvious and fundamental changes in the Australian market dynamics and trends created by the applicant since year 2011, it is imperative that the Commission seriously take those factors into consideration on its recommendation to the Assistant Minister as he needs to be satisfied that on all of the available evidence the claimed injury from either the alleged dumped or subsidised exports will continue.

The Commission should have enough relevant information on the applicant's business performance to determine that there is no injury and thus no dumping or countervailing measures are justified.

Based on our information source and market feedback we respectfully dispute the Commission's preliminary findings supporting the applicant's claimed injury from 'price effects' including price undercutting, price suppression, price depression.

For reasons expressed later in this submission it is our contention that the applicant may have intentionally orchestrated the so-called price undercutting examples which obviously include offers to its own Sheet Metal Supplies and a major rollformer end user' [REDACTED]. We request the Commission to re-visit this basis for the claimed injury for reasons including 'how realistic' the numerous, mostly secret, price undercutting offers had of translating into actual sales or if the offers may have been obtained as simply 'price bait' to enable the applicant to realise it's objective of increasing market share by it's \*'growth focus' and \*'sizeable participation in downstream channels'.

*Source \* Bluescope steel products briefing day on 15<sup>th</sup> November 2016.*

**PUBLIC RECORD VERSION**

**Concern:** We are also requesting the Commission to consider if the applicant's cited price undercutting offers fall within the scope of it employing any form of predatory pricing, in which case the claimed injury from price effects is simply self-inflicted and not attributable to the alleged dumped, subsidised exports.

The applicant's public file document dated 30<sup>th</sup> January 2017 again refers to price undercutting offers (namely 11) and it needs to be stated that neither the document in question or the public file document submitted on the Vietnam Exporter Brief provide any reasonable understanding of what evidence the applicant has in support of its injury claims. We do not want to have any reason for considering that in relation to redactions there may be one rule for the applicant and another for those targeted.

Predatory pricing is understood to involve one way in which a business may misuse its market power. Predatory pricing occurs when a company with substantial market power or share of a market sets its prices at a sufficiently low level with the purpose of damaging or forcing a competitor to withdraw from the market.

[REDACTED] (commercially sensitive information)

The text in question is provided as Confidential Attachment No 7. and essentially requires the customer:-

[REDACTED]

(Commercially sensitive information)

**Relevance:** The applicant already possesses obvious market power which we believe will be further strengthened by new opportunity acquisitions and because of its totally integrated operations from raw steel make to finished building products and pre-engineered buildings the reality is it is simply in competition with its own customer base.

Our market feedback indicates the applicant also has a 'customer loyalty' requirement meaning established third party volume direct end user buyers such as rollformers need to commit to buying up to █% of their requirements in order to receive the price benefits on offer from the applicant. We understand that █ is one such customer.

**The Applicant:** Bluescope Steel Limited, (BSL) because of its monopoly producer status has guaranteed access to Australia's anti-dumping system and has clearly adopted a totally anti-dumping business model as evidenced by the dumping and subsidy measures already in place on the majority of its product range-

Table No 1, Non Confidential Attachment No 1 refers.

**PUBLIC RECORD VERSION**

**BSL however is essentially a big business supplying the Australian market with coated steel products. It is also a truly global player on production of coated steels, a world leader on innovation, product development, technology, technical support, has hugely recognised and accepted product brands and financially, mainly due to its Australian operations ‘turnaround’, it has become increasingly profitable with a first half FY 17 forecast EBIT of \$600 Million as per Managements guidance dated 24<sup>th</sup> January 2017.**

**Other Benefits:**

**BSL has a \$60 million five year tax break from the NSW Government and the Gillard Government in 2011 committed \$300 million for Australia’s two steel producers under the Steel transformation plan of which around \$164 million was understood to have been paid by the Government.**

**We believe that it is in Australia’s National Interest that BSL continue to function efficiently and profitably and we totally agree with what BSL’s MD & CEO stated in a media release on 4<sup>th</sup> December 2012 “ Business expects a level playing field , where competition is tough but fair”.**

**Given all of the comparative advantages that BSL enjoy over its overseas competitors in growing and sustaining its domestic business there should be no valid reasons for it needing to adopt the use of a publicly funded anti-dumping system as a strategic marketing tool, when in our view, it only results in protectionism and whilst that results in more profit for a BSL, it can only be at a cost to Australian consumers, which in this case are mostly those wanting to invest in new domestic dwellings or additions and alterations to existing stock.**

**As BSL stated in its November 2016 Australian Steel Products (ASP) Briefing Day presentation, ASP is now a significant better business than it was in 2011**

**Conclusions:**

**In our opinion however, being one based on market feedback and for reasons outlined in this submission, BSL’s claims in this case clearly shows that at various points since it first lodged the application in August 2016 its motivation for initiating this investigation is not material injury caused by the subject exports from HSG or other imports per se, but instead a strategic marketing practice to achieve a lessening of truly competitive suppliers by obtaining a Government guaranteed market share to lock in captive third party downstream customers.**

**We do recognise that the purpose of Australia’s trade remedies system is as the name suggests, to remedy any, but not insignificant material injury caused to the local producer of the goods in question being injury which is attributable to ‘dumping’ or ‘subsidisation’. It does not mean that the system can be used for, or have the effect of shielding Australian producers from vigorous competition<sup>1</sup>.**

**We contend therefore that, in this instance, the applicant has not experienced injury as claimed and the case should be terminated.**

**This is evidenced by:**

- **Increased sales during the period under investigation**
- **Numerous, substantive price increases immediately following the period under investigation**
- **Profit upgrades and repeated outperformance of market guidance.**
- **The Applicant’s effective importing of the goods under consideration during and after the period under investigation reflecting a BSL inability to meet market demand.**

**PUBLIC RECORD VERSION**

**Other forum:** We clearly do not agree with BSLs submission to the recent Senate Economics Committee on proposed changes to section 46 which outlaws abuse of market power.

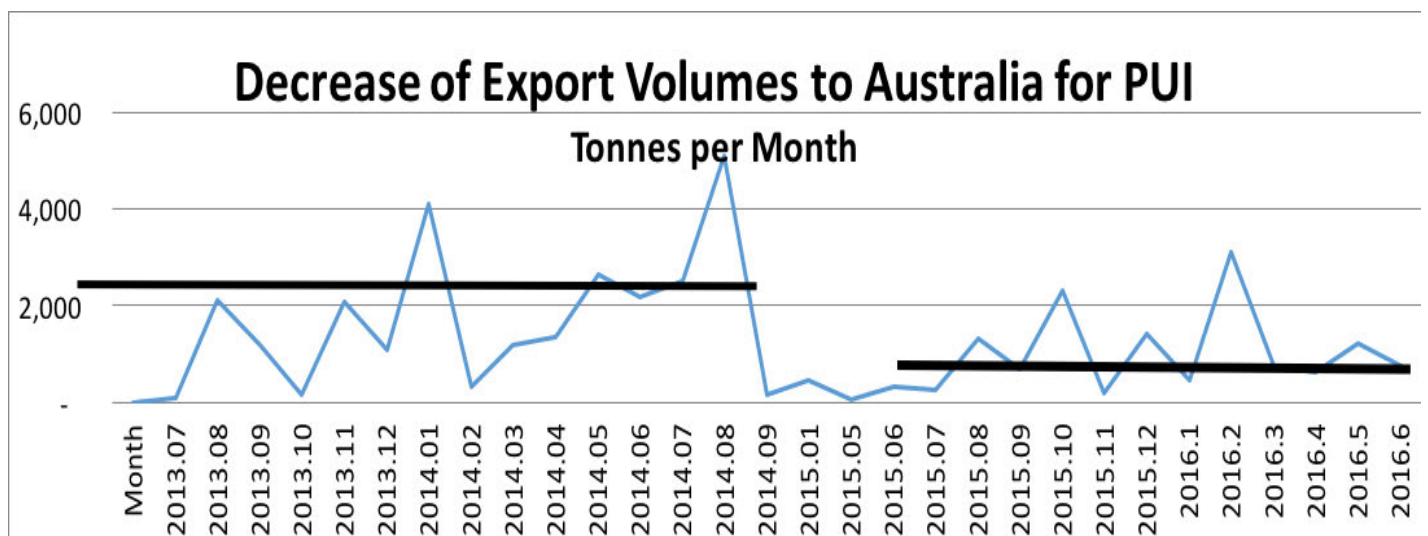
**BSL claimed that the ACCC did not “ fully appreciate the strong and potential impact of import competition”. Imports in our view provide the only discipline of market competition and any case of BSL sacrificing its obvious entitlement to a domestic price premium is entirely BSLs decision.**

**HSG ISSUES:**

**1.0 Reduced Export Volumes:**

**Contrary to the general assumption that an exporter, after having received a negative 3.5% dumping margin is likely to increase its volume of exports to Australia, HSG actually reduced its exports by 31% from █████ in 2013/14 to █████ in 2015/16.**

Fig 1: HSG Export Sales to Australia pre and during the Period Under Investigation



**This means there is no reasonable basis for HSG’s exports being ‘cumulated’ with other exports.**

**Nevertheless the Applicant has initiated ADC 370 immediately following the 12 month regulatory period following the publication terminating ADC249.**

**2.0 BSL exports of HRC to Vietnam:**

**Its common ground that Vietnam has no local producer of Hot Rolled Coil (HRC) and that HSG needs to import HRC to produce Cold Rolled Coil and the Coated Galvanised steel.**

**It should be noted also, that whilst BSL has had ‘measures’ imposed on HRC exports from Japan, Korea and Taiwan there are no ‘measures’ on exports of HRC from China. Please refer to Table No 1, Non confidential Attachment No 1.**

**PUBLIC RECORD VERSION**

**As is the case with Australia on China HRC , the HRC market in Vietnam is a free and open market and BSL has also exported HRC to Vietnam as per the following Table No 2;**

**Table No 2:**

<b>QUARTER ENDED</b>	<b>TONNES</b>	<b>A\$ FOB VALUE</b>	<b>A\$ Tonne value</b>
<b>June 2015</b>	<b>14,532</b>	<b>5,721,814</b>	<b>393.74</b>
<b>Sept 2015</b>	<b>7,950</b>	<b>2,245,244</b>	<b>282.42</b>
<b>Dec 2015</b>	<b>1,096</b>	<b>291,274</b>	<b>266.40</b>
<b>March 2016</b>	<b>5,954</b>	<b>1,674,654</b>	<b>281.27</b>
<b>June 2016</b>	<b>42,884</b>	<b>19,288,248</b>	<b>449.78</b>
<b>TOTALS</b>	<b>72,416</b>	<b>29,221,234</b>	<b>403.52 (WAV)</b>

Source: Confidential Attachment No 1:

**3.0 RELEVANCE:**

**BSL operates in the same Vietnam market as HSG as it has a 130kt Metal coating Line; a 50kt Paint Line; Lysaght, PEB, & Ranbuild outlets.**

**BSL, in its application claimed that despite being in the same market as HSG it was not able to obtain domestic pricing for Normal Value purposes. Instead, BSL applied a basket of totally irrelevant HRC reference prices, as distinct from actual transaction prices, being reference prices on HRC in Japan, Korea, Taiwan.**

**Why not use its own export prices of HRC to Vietnam ?**

**4.0 Particular Market Situation (PMS)**

**BSLs claims that the Government of Vietnam influences the domestic market for Galvanised steel, is on our instructions, totally unfounded and without substance, let alone evidence.**

**5.0 BSL ‘Subsidy claims’-Preferential Loans:**

**Based on WTO criteria, for a known subsidy to be actionable, there must be POSITIVE evidence of the following:**

- A financial contribution;**
- Being by a Government or any public body within the territory of the member;**
- And which confers a benefit.**

**In our view the so called evidence on preferential loans that the applicant claims is in the HSG 2014/2015 Annual Report is presumably the loan described as being from the VDB in US\$ and at an interest rate of 1.7%.**

**PUBLIC RECORD VERSION**

**This loan was arranged by the OECD's 'Overseas Development Assistance (ODA) in the year 2004 for the purchase of a Cold Rolling Mill from an [REDACTED] manufacturer and the actual loan was from the [REDACTED] Bank.**

[REDACTED]  
[REDACTED]  
[REDACTED] (Purpose of Loan)

**Exports to Australia did not commence until significantly later ([REDACTED]) and for the I.P. there was no cold rolled from the mill used to produce the GUC exported to Australia.**

**The Cold Rolling Mill purchased via the OECD's ODA program is located in the 'HSS' subsidiary in [REDACTED] which was established in November 2006.**

**That is, the Cold Roll mill (Lotus) was specified for domestic production and on our understanding of the circumstances relative to the WTO criteria, there is no issue in terms of the loan subsidising galvanised steel exports to Australia.**

**Brief details of the other HSG subsidiaries and their activities, being unrelated to the goods exported to Australia are provided in the following Table No 3.**

**With regard to other current outstanding loans the criteria on 'preferential' comprises how the comparable 'Government' type bank interest rate actually and fairly equates to the interest rate available from other privately owned, operated banks. i.e: no benefit conferred.**

**Table No 3:**

<b>HSG Subsidiary</b>	<b>Primary Activities</b>
<b>HSBM</b>	<b>MANUFACTURE &amp; TRADE IN PLASTIC BUILDING MATERIALS, STEEL PIPES</b>
<b>HSBD</b>	<b>MANUFACTURE &amp; TRADE IN PLASTIC BUILDING MATERIALS , STEEL PIPES</b>
<b>HTME</b>	<b>TRANSPORTATION SERVICES, CIVIL CONSTRUCTION</b>
<b>HSNC</b>	<b>MANUFACTURE &amp; TRADE IN STEEL PIPES</b>
<b>HSNA</b>	<b>MANUFACTURE &amp; TRADE IN METAL ROOFING SHEETS</b>
<b>HSHN</b>	<b>MANUFACTURE &amp; TRADE IN PLASTIC BUILDING MATERIALS , STEEL PIPES</b>
<b>HSNH</b>	<b>MANUFACTURE &amp; TRADE IN METAL ROOFING SHEETS</b>
<b>HSVH</b>	<b>TRADE IN REAL ESTATE</b>
<b>HSYB</b>	<b>HOTEL, RESTAURANT SERVICES</b>
<b>HSRE</b>	<b>GENERATION, DISTRIBUTION OF ELECTRICITY</b>
<b>HSCC</b>	<b>MANUFACTURE CEMENT, LIME, PLASTER</b>
<b>HSIP</b>	<b>TRADE IN REAL ESTATE</b>
<b>HSSP</b>	<b>INLAND WATER GOODS TRANSPORTATION</b>
<b>HSIC</b>	<b>MANUFACTURE OF IRON, CAST IRON PRODUCTS</b>
<b>HSPM</b>	<b>MANUFACTURE STEEL BUILDING PRODUCTS, CONSUMER GOODS</b>

**Note: The 2015/2016 Financials provide a full description of each subsidiary.**

**PUBLIC RECORD VERSION**

**6.0 Import Duty on equipment:**

As is the case in Australia, the substantive duty rate, or the comparable decreed rate in Vietnam, for the importation of a 'rolling mill' or a 'galvanising line' is ZERO, on the basis that there is no local producer of such equipment or of substitutable equipment in Vietnam and therefore no local producer requiring 'assistance' by way of an import Tariff, which has nothing to do with 'protection'.

HSG however paid all other expenses for the imported equipment including the domestic VAT.

HSG received no import duty concessions on the equipment for the reason provided.

**7.0 Corporate income Tax.**

HSG states it has paid the appropriate C.I.T rate in relation to the income assets producing the goods including the galvanised exported to Australia.

Table No 3 listing the subsidiary companies is considered relevant to this issue and a complete history of CIT payments etc has been provided to the Commission.

**8.0 CONCLUSIONS:**

HSG is of the firm opinion that it has not received any financial grants or preferential treatments from the Government of Vietnam, or any of its public bodies.

**9.0 USA CIRCUMVENTION ISSUE –BSLs 'Cheap Shot':**

BSL has obviously attempted to muddy the waters further by placing on the public record a USA submission alleging circumvention of Galvanised steel into the USA from Vietnam. HSG actually purchases its HRC and is not a toll processor of imported HRC.

For BSL to support this allegation would be completely disingenuous and a most cynical attempt to introduce an unsubstantiated, irrelevant claim on HSG exports of Galvanised to Australia.

As previously stated, Vietnam has no HRC production and there are no measures on imported HRC into Australia from China and the USA action submitted by BSL has absolutely no relevance to this case. To suggest that the production of Galvanised steel from HRC is simply a 'slight modification' is ludicrous and circumvention also involves the assembly of parts as per the following, none of which apply or are relevant to the HSG Galvanised exported to Australia:-

- Goods in the form of individual parts (the circumvention goods) are exported to Australia;
- Those parts are manufactured in a foreign country in respect of which the notice applies;
- Those parts are assembled in Australia, whether or not with other parts, to create the goods(the assembled goods) that would be the subject of the notice if they were exported to Australia by an exporter in respect of which the notice applies;
- The total value of the parts manufactured in that foreign country is a significant proportion of the value of the assembled goods;
- Section 8 or 10 of the Dumping Duty Act ,as the case requires, does not apply to the export of the circumvention goods to Australia.

**PUBLIC RECORD VERSION**

**10.0 The Australian Market-changed dynamics:**

The relevant market is considered to be the Coated Steel Product market comprising the like goods, Galvanised (100% zinc) and the Aluminium/Zinc (45% zinc) products which BSL produce.

We submit that the Australian market for coated steel products has seen a fundamental change in the marketing and distribution practices of BSL, in that it has changed from being an ex-mill supplier to major end users and its selective franchised distributors to what it now refers to as a clear strategy focusing on growth by having a sizeable participation in downstream channels.

(November 2016 ASP briefing day)

In effect the traditional BSL policy of ‘only supplying’ so called franchised stockist/distributors has been replaced by BSL going ‘direct’ to the smaller, medium sized end user customer that previously had to buy from a stockist/distributor with processing equipment because of volume factors.

Specifically relating to Galvanised however, of even more significance has been BSLs focus on developing a new generation of its ‘Zincalume’ product that required a reported investment of \$60 million in 2013 which needs to be compared to BSLs investment on the more traditional Galvanised product.

Based on the Commissions market estimate of 700kt of Galvanised coated product for the I.P. and our ABS import data, we estimate BSL still had a market share of at least 80% for the I.P.

Table No 4:  
IMPORTS of GALVANISED x Quarter.

Quarter ended	Sept 2015	Dec 2015	March 2016	June 2016	Sept 2016
Tonnes-rounded	34,068	33,983	44,426	29,374	30,219

Source; ABS –

Note: March, June & Sept qtrs. Include alloy coated of 72.25 .92.00.38

**CONCLUSIONS:**

Apparent Import supply for the I.P .was 141,851 tonnes or 20 % of the Commission’s estimated market supply.

This compares to the Commission’s estimate of 27%.

HSG exports for the I.P. accounted for less than █% of the above market supply.

Based on the Commissions data however, around 21% of imports are not from the subject countries of this investigation meaning they are either ‘non-dumped’ or subject to measures.

We also submit that the imports of Galvanised product includes non-competitive imports including the applicants own imports; exempt goods; and goods subject to TCO’s such as the Galvanealed for the automotive industry, and New Zealand Steel imports.

**PUBLIC RECORD VERSION**

**On that basis, the BSL's actual, real market share is far higher than stated by the Commission when the non-competitive imports are excluded, and based on historical data, that figure could be as high as 14% of the import volume.**

**The Commission has of course access to ABF import data and thus can actually determine the quantum of non-competitive imports during the I.P if the Commission is so inclined.**

**The other relevant factor from Table No 3 is the trend to significantly lower import volumes as evidenced by the volumes for the June and September 2016 quarters.**

**That clearly suggests BSL is gaining market share on the Galvanised product in the coated steels market and our outline on the changing market conditions is further provided in point # 13, 'Automotive'.**

**Relevant Market-'Like Goods' & Causality:**

**Whilst the reality is that heavy gauge Galvanised for example is more suited for producing certain products such as 'Purlins' and 'Decking', for the Commissions treatment on Like Goods to be consistent with Case No EX 0015 , an exemption application which we refer to as 'Arthurs Case', the relevant market for this Case has to include the BSL product 'Zincalume'(ZAL)**

**More importantly however ZAL is a significant factor when considering causality. But for ZAL, the more traditional Galvanised is the only BSL option for Building and other applications.**

**ZAL is produced to the same Australian standard as Galvanised (AS1397) , can be produced on the same BSL 'line' as Galvanised ( swing line) and has virtually replaced Galvanised in many of the traditional applications requiring corrosive resistant steels..**

**BSLs most value added and highest priced product is its pre-painted 'Colorbond'( and other pre-painted products) and currently all of the 'Colorbond' product has the new ZAL substrate.**

**'Colorbond' is considered the growth market for BSL, along with its ZAL house and commercial framing as dwelling investment in Australia by way of new construction and alterations and additions to existing dwellings was the highest on record during the I.P. of 2015/2016. 'Colorbond', to BSL's credit, is considered to have been very profitable.**

**Whilst most of BSLs ZAL is used internally to produce its pre-painted products, ZAL in bare form, because of its lighter coating weight when compared to Galvanised, provides at least a 3% yield advantage based on the 'old' generation of ZAL (AZ150) and that yield advantage would be even greater given the ZAL 'new generation' product has an even lighter coating weight (AZ 120). The ZAL product in 'dual type' applications is promoted rather than the Galvanised product, and if retailed at the same price as Galvanised, for many applications, ZAL is an obvious choice.**

**BSL 'pre-paint' line capacity is 745kt .**

**BSL 'combined coating line' capacity is currently 1,425kt**

**PUBLIC RECORD VERSION**

**Not all, but the vast majority of ‘pre-painted’ is of ZAL substrate, which suggests BSL optimum production of Bare Galvanised is less than 700kt and given the seasonal, logistical and product dimensional factors involved with BSL production of Galvanised, there must be a reliable source of imported Galvanised for third party Australian steel users.**

**Material Injury Claim-REMEDIED:**

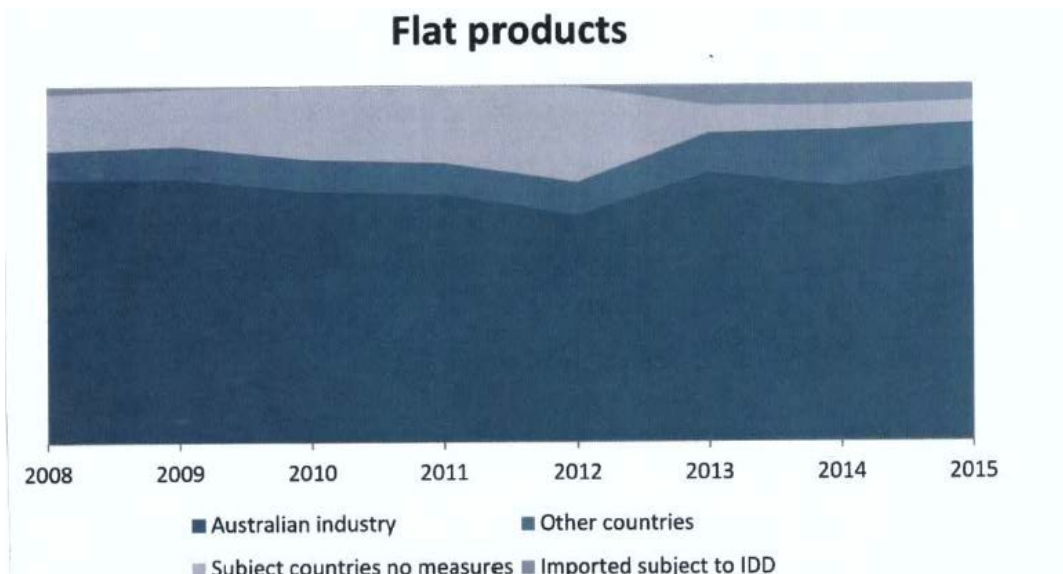
**In August 2012, the Applicant lodged a Galvanised steel application for dumping duties in relation to galvanised steel exported to Australia from China, Korea and Taiwan (ADC 190) and, in November 2012, for countervailing duties in relation to exports from China (ADC 193)**

**We contend that the actions undertaken by the ADC at that time addressed the material injury claims of the Applicant.**

**This was subsequently supported by the ADC’s findings in the recent Vietnam case (Termination Report 249) in July 2015.**

**ADC 249 investigation also determined a substantively negative dumping margin for HSG. The ADC’s own analysis of the supply of flat products demonstrates a dramatic narrowing of independent tonnes not affected by dumping measures<sup>ii</sup>**

FIGURE 2-Market Share of Flat Products by Source:



**This finding has also been acknowledged by the Applicant:**

**BlueScope acknowledges that it has experienced an improvement in profit since 2012/13 as anti-dumping measures took effect during the 2013/14 year<sup>iii</sup>.**

PUBLIC RECORD VERSION

**In the intervening 2015/16 LP., overall import volumes have decreased 14 per cent, whilst the Applicants sales have improved by 7.5 per cent; hardly consistent with material injury.**

The ADC 370 Consideration Report also notes that:

‘BlueScope’s market share for galvanised steel increased in the financial year 2014 following the imposition of anti-dumping measures against China, Korea and Taiwan. BlueScope’s market share remained stable in financial year 2015 and then showed an increase in financial year 2016’<sup>iv</sup>. By contrast we note that imports from HSG declined during the period under investigation<sup>v</sup>

**13.0 Changed Market Conditions - Automotive**

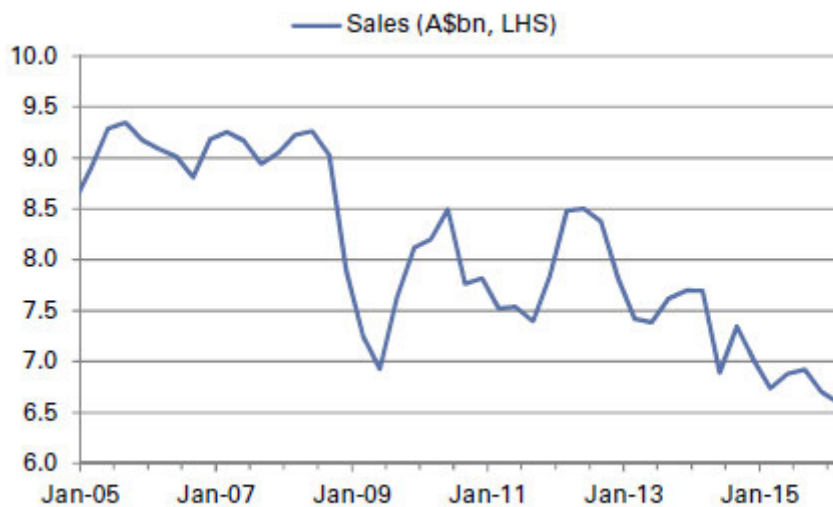
Of the eleven Goods Under Consideration, four products, namely ZINCANNEAL, ZINCSEAL, Hot Dip Zinc / Iron Alloy Coated Steels, and GALVANEAL are used almost exclusively for the auto sector and are in ‘our volume of non-competitive imports’.

The well documented announcement of the closure of Australia’s automotive manufacturers represents a not \* insignificant proportion of the Applicant’s coated steel business. We draw attention to the omission of this significant change to Australian coated steel market conditions from Section A-4 of the Application<sup>vi</sup>.

\*even if the quatum is circa 40kt.

FIGURE 3: Auto Decline ahead of OEM closures in 2017:

**Automotive – Transport equipment sales**



Source: ABS.

**Importantly, galvanised imports from India, Malaysia and Vietnam are not for use in the auto sector.**

**PUBLIC RECORD VERSION**

**This means that any decline in overall market conditions due to the cessation of auto manufacture is not attributable to coated steel imports from India, Malaysia and Vietnam and that the Applicant's sales volumes would have increased even further were it not for the closure of Australia's auto sector.**

**14.0 BSL Injury Claims**

**The Applicant has claimed that it has experienced material injury in 2015/16 in the following forms:**

- **lost sales volumes;**
- **price depression;**
- **continued price suppression; and**
- **continued reduced profit and profitability.**

**Considering each of these claims separately:**

**14.1 Lost Sales Volume**

**The Applicant has claimed a loss of sales volume during the Period Under Investigation (I.P.).**

**This claim is in conflict with the data provided with the Application (Figure 3)**

Figure 4: Index of Sales Quantities (abridged)

<b>Period</b>	<b>(a) Your Sales</b>	<b>(b) Other Austn Sales</b>	<b>(c) Total Austn Sales (a+b)</b>	<b>(f) Total Imports</b>	<b>Total Market</b>
<b>2012/13</b>	<b>100</b>	100	100	100	100
<b>2013/14</b>	<b>127.7</b>	100	127.7	87.8	111.7
<b>2014/15</b>	<b>124.8</b>	100	124.8	87.5	109.9
<b>2015/16</b>	<b>134.2</b>	100	134.2	75.5	110.7

**The provided data indicates that not only has the Applicant not experienced a loss of sales volume, they have enjoyed a substantive increase of 7.5 per cent during the PUI; and significantly a 34.2 per cent increase since the 2012/13 reference period.**

**In the same period total imports, the only form of competition, declined by 24.5 per cent.**

**Over the injury analysis period, BlueScope's market share increased from 59% to at least \*73% while the market share of imports from the countries subject to the application increased from 2% to 6%<sup>vii</sup>.**

**\*we claim the 73% is actually higher and above 80% for reasons previously outlined.**

**PUBLIC RECORD VERSION**

**14.1.1 BSL's Ability to Supply:**

**Critically, any claimed loss of sales volume must, of itself, be predicated on the capacity of the Applicant's Australian business to supply the market.**

**In this regard, we draw attention to:**

**Confidential Attachment 1: Exports by the Applicant during the Period Under Investigation**

**The confidential attachment details exports by the Applicant of HRC, the raw feed used to produce the goods under consideration.**

**Confidential Attachment 2: Imports, by the Applicant's affiliate, of the Goods.**

**Confidential attachment evidences that the Applicant \* effectively imported the goods under consideration during and immediately after the period under investigation. (\*via NZSA)**

**Of particular note are the approximately 2300 tonnes of galvanised steel imported by the Applicant, from one of the respondents in this case that landed in Australia in August 2016; immediately following the I.P.<sup>viii</sup>. We understand from market feedback that BSL had production problems in Oct 2016 and its imports from the UAE and India were significantly higher than the referenced 2300 tonnes.**

**Given excess raw feed capacity (Attachment 1), and a need to import the goods under consideration (Attachment 2); ipso facto indicates a lack of inherent capacity to produce the domestic demand for Galvanised, and hence no loss of sales volume, no need for aggressive pricing, and thus no material injury attributable to imports per se..**

**14.1.2 Related Party (Affiliated Party) Imports**

**We draw the Commission's attention to the WTO Agreement on the Implementation of Article VI regarding affiliated party transactions<sup>ix</sup>.**

**Additionally, we note WTO Definition Article 4 on Related domestic producers**

**The Agreement recognizes that in certain circumstances, it may not be appropriate to include all producers of the like product in the domestic industry. Thus, Members are permitted to exclude from the domestic industry producers related to the exporters or importers under investigation, and producers *who are themselves importers of the allegedly dumped product*. The Agreement provides that a producer can be deemed "related" to an exporter or importer of the allegedly dumped product if there is a *relationship of control* between them, and if there is reason to believe that the relationship causes the domestic producer to behave differently from non-related producers**

**Relevance of the USA legislation.**

**We cite the USA jurisdiction's legislation given the applicant's 'introduction' of the USA circumvention allegations on Galvanised exports to the USA.**

**PUBLIC RECORD VERSION**

**Furthermore, we draw attention to U.S legislation regarding Related Party transactions<sup>x</sup>**

**In this regard we query:**

- **whether these imports are a related party transaction and whether they should of themselves rule the Applicant ineligible to progress the claim of material injury?**
- **whether these imports, including imports from one of the parties subsequently named as a respondent in this case, negate the claims of injury**
- **whether the Applicants representative [REDACTED]**

**[REDACTED]. As such we request that the ADC consider whether such action, if substantiated, constitutes a `relationship of control' that should, under WTO protocols, render the Applicant ineligible.(Query circumstances of initiation of this investigation)**

**In our opinion, the actions of the Applicant collectively reflect a strategy more akin to shielding the Applicant from vigorous competition<sup>xi</sup>, than any claim of material injury.**

**Accordingly, we request that the Commission consider to investigate whether the allegations of material injury are in fact partially attributable to the Applicant's own imports.**

**Furthermore, we draw the ADC, and Australia's competition regulators, attention as to whether this Anti-Dumping application is simply an exercise that has the effect of substantially lessening competition in the relevant Australian coated steel market.**

**As a separate consideration, we request that the Applicant's exports of HRC feed for zinc coating / galvanising to Vietnam be used,(Table No 2 refers ) coupled with an industry referenced HRC to Galvanised spread, for the determination of a Non Injurious Price (NIP)<sup>xii</sup>.**

#### **14.1.3 Price Depression**

**The Applicant has claimed price depression as a source of material injury.**

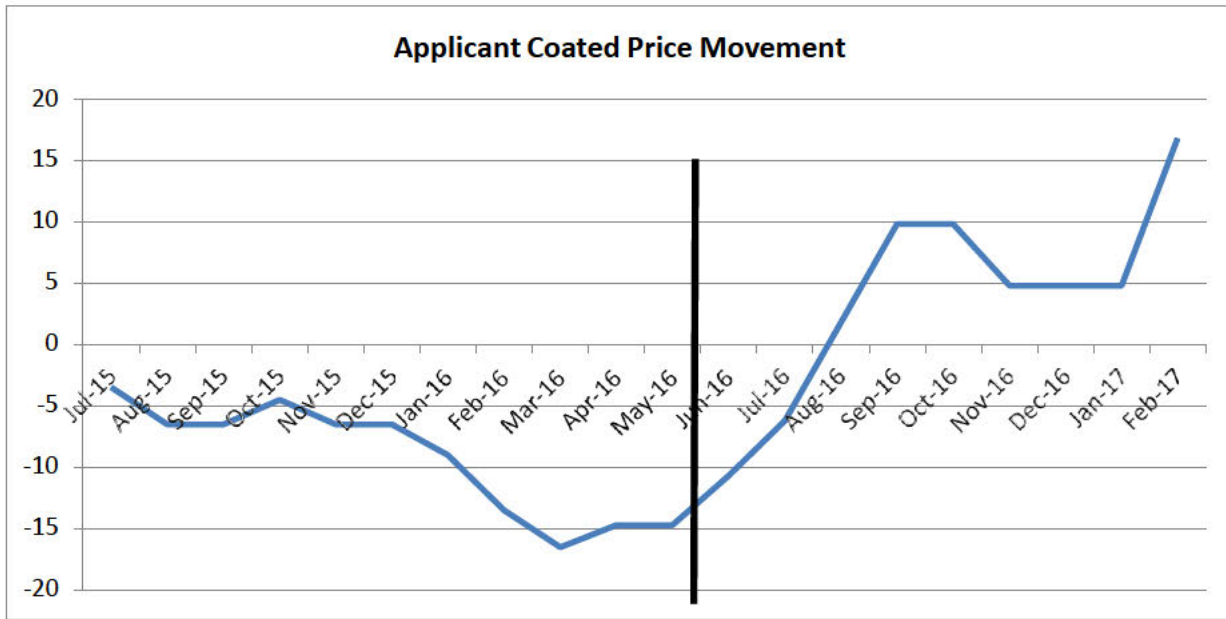
**However sales values have increased by 27.68 per cent since the 2012/13 reference period.**

**Whilst sales values have not surged to the same extent as sales volumes, this is explained by the Applicant's unilateral strategy to `drive' growth in premium branded `coated' and painted steel markets in (the) Asia – Pacific<sup>xiii</sup>, including Australia<sup>xiv</sup>.**

**Following Figure 5 graph refers.**

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Figure 5: Applicant Coated Steel Price Movement since commencement of I P. (%)

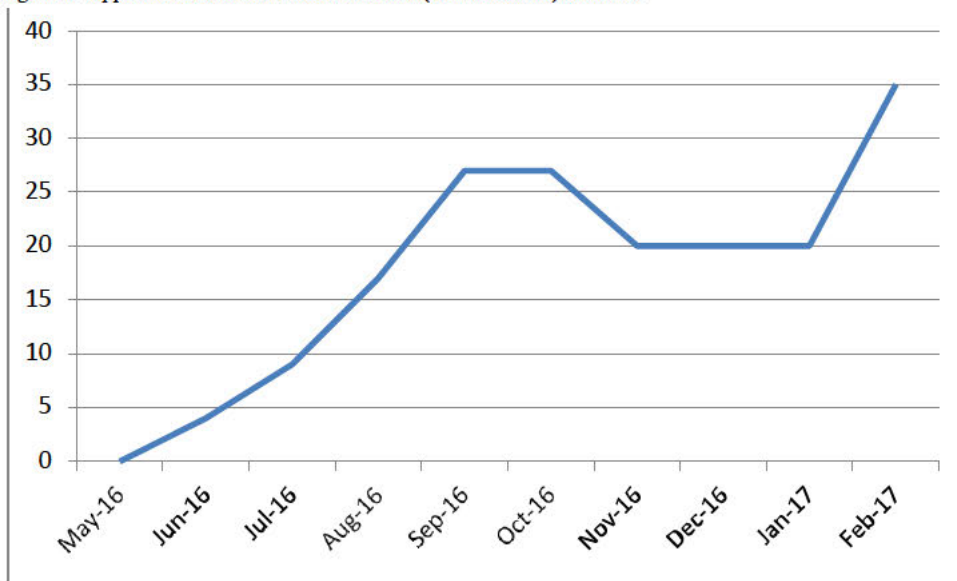


**14.1.4 Continued Price Suppression**

**This claim is predicated on the understanding that there was price suppression in the first instance. We contend that this claim is without basis.**

**Any claim of continued price suppression is countered by the unfettered capability of the applicant to repeatedly increase prices particularly since the conclusion of the period under investigation**

Figure 6: Applicant Coated Steel Price Increases (Cumulative %) since I.P.



## PUBLIC RECORD VERSION

Particularly noteworthy is the step change from constrained pricing during the I.P. to almost relentless prices increases since the conclusion of the I.P. (Figure 4). Market intelligence suggests a further \$120 per tonne (10% +) increase is being countenanced for March 2017 deliveries.

Apart from the abject lack of any continued price suppression, this raises serious questions with regard to this Application; namely:

- Have coated steel prices been artificially subdued during the period under investigation to effectively game the anti- dumping system?
  - With the integrated supply chain of the Applicant, do these subdued prices on the GUC during the I.P. deliver a compressed HRC v coated steel spread that artificially accentuates claims of injury on the coated steel component of the Applicant's business?
  - To what extent does an artificially compressed HRC vs coated steel spread impact on the Applicant's nomination of a non-injurious price (NIP)?
  - What level of market control does the Applicant have to be able to maintain subdued prices for the I.P. and then subsequently deliver a **35 per cent** plus increase immediately following the I.P.? The Applicant's substantive price increases are a stark contrast to CPI which was **0.7 per cent** for the June to September Quarter 2016
- In this regard we note the Australian Competition and Consumer Commission's framework for considering the misuse of market power<sup>xv</sup>

#### 14.1.5 Continued Reduced Profit & Profitability

The Applicant has consistently and repeatedly increased prices and delivered 'five' profit upgrades since the commencement of 2016 to the end of the period under investigation<sup>xvi</sup>.

Additionally we note that the Applicant has outperformed market guidance on profitability in each of the past six results.

Figure 7: BSL has beaten guidance at each of the last 6 results.

Result	Date	Guidance	Result	Variance	Notes
1H14	Initial Guidance	20-Aug-13	8.3	49.1	488.4% "We do not expect a 1HFY2014 outcome better than the 2HFY2013 outcome"
	AGM Update	14-Nov-13	8.3	49.1	488.4% "Expect 1HFY2014 underlying NPAT similar to 2HFY2013"
2H14	Initial Guidance	24-Feb-14	49.1	63.2	28.8% "Second half FY2014 NPAT similar to first half"
1H15	Initial Guidance	25-Aug-14	63.2	79.6	25.9% "We expect first half FY2015 underlying NPAT similar to second half FY2014"
	AGM Update	13-Nov-14	147.3	169.7	15.2% "Underlying EBIT growth over 2HFY2014 approaching 30%"
2H15	Initial Guidance	23-Feb-15	124.7	132.1	6.0% "Higher than 2HFY2014 by up to 20%" (i.e mid-point +10%)
1H16	Initial Guidance	24-Aug-15	132.1	230.1	74.2% "Similar to 2H15" of A\$132mn
	AGM Update	26-Oct-15	180.0	230.1	27.8% "1HFY2016 underlying EBIT will be approximately \$50mn higher, or 40% more than 2H FY2015"
	Trading Update	12-Feb-16	230.0	230.1	0.0% "Underlying EBIT ...is expected to be around \$230mn"
2H16	Initial Guidance	22-Feb-16	209.0	340.4	62.9% "Up to 60% higher than 2H15", implying "up to A\$209mn"
	Trading Update	23-May-16	270.0	340.4	26.1% "Around A\$270mn"
1H17	Initial Guidance	22-Aug-16	510.0		"A\$510mn"
	AGM Update	10-Nov-16	510.0		"At least A\$510mn"

Note: All guidance number are in A\$

Source: [REDACTED]

Whilst not impossible, the likelihood of exceeding the market guidance in each of six occasions has a 1 in 64 likelihood (i.e 2<sup>6</sup>) of occurring.

**PUBLIC RECORD VERSION**

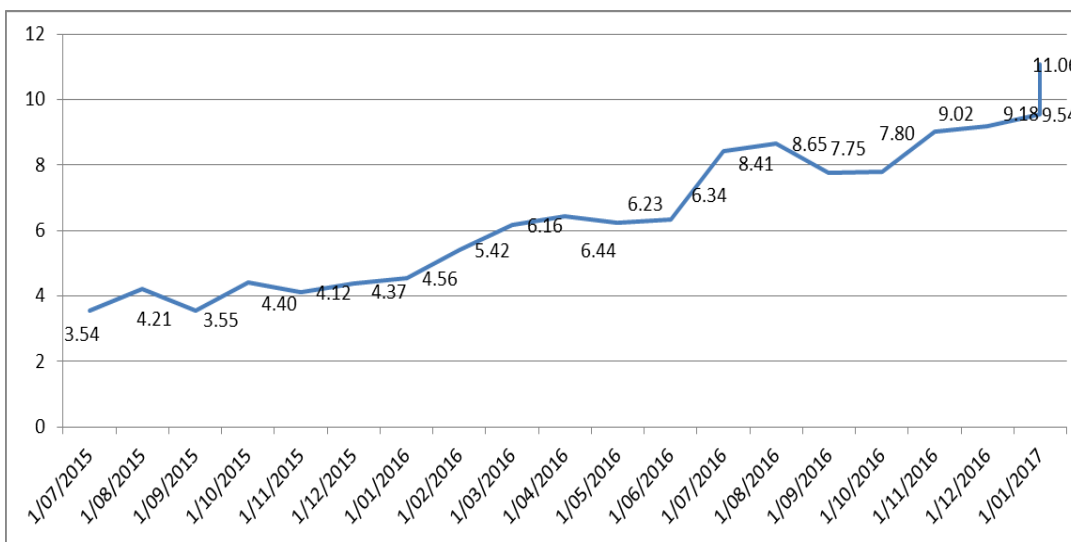
**What this suggests is that the combination of consistently under reported market guidance coupled with profit upgrades presents a perspective of the Applicant that is divorced from the true picture of how well the Applicant is performing.**

**Apart from ASX continuous disclosure considerations, we query whether subdued reporting is intended to suggest material injury where there is none.**

**14.1.6 Share price performance**

**Further countering the reduced profit and profitability claim is the performance of the Applicant’s share price since the commencement of the period under investigation.**

Figure 8: Bluescope Steel Share price:



**The first 9 months of 2016 capture share price growth prior to any nominal influence from the US election.**

**The early 2017 jump reflects continuing improved conditions in the Australian market.**

**The overall increase in the BSL share price, a measure of investors profitability expectations, since the commencement of the PUI has increased from \$3.55 to \$11.06; a threefold increase; hardly consistent with reduced profit and profitability.**

**For the investigation of zinc coated (galvanised) steel exported from India, Malaysia and Vietnam, it is evident that not only has material injury not occurred but rather the Applicant has enjoyed a dramatic improvement in outcomes against all the objective criteria used to assess material injury.**

**PUBLIC RECORD VERSION**

**15.0 Material Injury or Substantial Lessening of Competition?**

**15.1 Port Kembla Closure?**

**Despite the stellar performance of the Australian coated steel business since the commencement of the PUI, a case of injury continues to be prosecuted underpinned by the threat of closure of the Port Kembla plant. This is evidenced by:**

- **Inclusion of a hypothetical case study on the closure of the Bluescope Steel Operations in Port Kembla as part of the recent Analysis of Steel and Aluminium Markets Report to the Commissioner of the Anti-Dumping Commission August 2016<sup>xvii</sup>**
- **The ‘Buy Australia Bill<sup>xviii</sup>’ advocated by a South Coast NSW politician.**

**This Bill would effectively eliminate any competition to the Applicant or, at a minimum, subsidise a taxpayer funded 20 per cent price premium.**

**Price increases on the subject goods (Figure 4) have underpinned the regular and substantive upgrades to the profitability of the Australian coated steel business.**

**15.2 Injury to Australia’s steel intensive manufacturers – substantial lessening of competition and competitiveness.**

**In contrast to the conditions enjoyed by the Applicant, the situation is somewhat different for Australia’s steel intensive manufacturers who rely on competition in supply and competitive inputs to ensure their own survival:**

- (i) *“FYI I can hardly get an import offer now with all the dumping claims going on there is nothing viable out there. I now have no leverage on BSL pricing in a period where prices are rising rapidly!”*

**[REDACTED]**

- (ii) *Summit is of the opinion that the current Anti- Dumping duties on galvanised steel in response to the Application lodged by **Bluescope Steel Limited** have caused injury to the Australian steel shelving industry. The dumping duties had an immediate and direct impact increasing the input price of galvanised steel for downstream users such as Summit.*

*The current Anti-Dumping and countervailing duties relating to the Bluescope Steel Limited application have resulted in a large decline in imported galvanized steel into Australia. The decline in galvanized steel has added to Summit’s decline in domestic sales volume<sup>xix</sup>.  
(emphasis added)*

**PUBLIC RECORD VERSION**

**16.0 Other competition factors**

The risk we envisage is the subsequent sponsorship of dumping applications to select parties, to offset the injury caused by an increase in the Australian manufacturer's costs, also raises concerns under Section 45 of the *Competition and Consumer Act*. This issue involves small to medium businesses, which, on their own, have no ready current access to Australia's anti-dumping system, such as a captive BSL customer but by partnering with BSL satisfies the access criteria.

**17.0 Lack of Material Injury**

Independent Industry Analysis supports the view regarding the lack of injury for the Australian coated steel business: (Source provided confidentially)

**17.1 "Improving global steel complex drives confidence in BSL"**

"We reiterate our Buy ratings on BSL, notwithstanding their recent share price outperformance. In our view, BSL will benefit from softer Chinese steel exports which will drive earnings upside to consensus estimates at their respective 1H17 results"

**17.2 "BlueScope investor day highlights price rises and premiumisation on the horizon:**

Our key take outs from BSL's investor day: (1) BSL expects further price rises to come

We believe the market is beginning to appreciate the different investment proposition BSL present today vs. 12 months ago."

"Today,

(1) the business is no longer at risk of closure,

(2) it now has a portfolio of monopoly and/or premium businesses;"

**17.3 Higher prices and improved spreads.**

Supporting the abject lack of material injury, we draw attention to independent Analysts commentary on improved spreads and the lack of import competition to the Australian business:

"We forecast 1H17 EBIT of A\$568mn, 11% higher than the guidance of "at least A\$510mn" provided at BSL's November 10, 2016 AGM. This captures: (i) strong Australian domestic demand and poor import competition<sup>xx</sup>"

**PUBLIC RECORD VERSION**

**17.4 Analyst commentary on the magnitude of the improvement to previous profitability expectations:**

**“We expect 1HFY17 EBIT of \$600m in line with Management’s guidance for ~\$600m (provided on 24th January 2017).**

**We forecast 1HFY17 NPAT of \$368m. The main drivers for the result, which is a significant improvement on both 1HFY16 (EBIT of \$230m) and 2HFY16 (EBIT of \$340m) include: 1) higher steel prices and spreads (particularly Australia and NZ)<sup>xxi</sup>”**

**17.5 Applicant Commentary**

**The Applicant’s most recent profit upgrade acknowledges the improved conditions and performance of the Australian coated steel business:**

**1H17 Underlying EBIT guidance lifted to “around A\$600mn”, ahead of our prior GSe of A\$568mn, and up from “at least A\$510mn”.**

**Key drivers: (1) “stronger steel prices and spreads” (ASP, NZ&PS, Building Products)<sup>xxii</sup>**

**18.0 Price Undercutting by the Applicant**

**As we questioned earlier in this submission, predatory pricing (also undercutting) is a risky, and dubious pricing strategy where a product or service is set at a very low price, intending to drive competitors out of the market, or create barriers to entry for potential new competitors<sup>xxiii</sup>**

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].(Opinion on price undercutting claim)

**In response to a recent Australian competition law case, it was stated:**

**“Many suppliers are fearful of their dealings with larger corporations with significant market share and the failure of the case is a failure of our competition laws, which many would see as inadequate.**

**In terms of the common sense test most people would feel that there ought to be more protection for suppliers.**

**This goes beyond robust business practices and amounts to an unwarranted use of market power<sup>xxiv</sup>**

**We contend that these same principles apply whether the dominant party is a supplier or a customer.**

**Accordingly, we query whether this Application is reflective of a party experiencing material injury or whether the collated actions of the Applicant are more consistent with a dominant monopoly that would have the effect of eliminating the remnant of independent competition<sup>xxv</sup> in the Australian coated steel market**

**PUBLIC RECORD VERSION**

**19.0 Non Injurious Price**

Section (5A) of the Customs Tariff (Anti-Dumping) Act 1975 states that the Assistant Minister must, in exercising his or her powers under subsection (5) in respect of particular goods the subject of a notice under subsection 269TG(1) or (2) of the Customs Act, if the non-injurious price of goods of that kind as ascertained or last ascertained by the Minister for the purposes of the notice is less than the normal value of goods of that kind as so ascertained, or last so ascertained, have regard to the desirability of amount of duty such that the sum of:

- (a) the export price of goods of that kind as so ascertained or last so ascertained; and
- (b) that lesser duty;

does not exceed that non-injurious price.

**19.1 Unsuppressed Selling Price and Non Injurious Price**

The Commission generally derives the non-injurious price by first establishing a price at which the applicant might reasonably sell its product in a market unaffected by dumping. This price is referred to as the unsuppressed selling price.

Having calculated the unsuppressed selling price (USP), the Commission then calculates a non- injurious price (NIP) by deducting the costs incurred in getting the goods from the export free on board point (or another point if appropriate) to the relevant level of trade in Australia. The deductions normally include overseas freight, insurance, into-store costs and amounts for importer expenses and profit<sup>xxvi</sup>.

**19.2 Non Injurious Price Methodology**

We respectfully propose the following as one objective methodology to determine a non- injurious price.

- 1) Utilise industry reference to determine a HRC v Galvanised spread  
([REDACTED] data is an independently acknowledged industry source)
- 2) Convert from USD to AUD based on RBA average exchange rate for the relevant month
- 3) Substitute BSL 'referenced' HRC price based on HRC exports to Vietnam for the relevant Quarter (*Confidential Attachment 1*)
- 4) Determine NIP by adding BSL HRC with [REDACTED] spread.

Figure 9 follows

## PUBLIC RECORD VERSION

Figure 9: Methodology to establish of a Non Injurious Price (NIP)

Month	Hot Rolled Coil MEPS (USD)	Hot Dipped Galvanised Coil (USD)	Galvanised v Hot Rolled Spread (USD)	RBA USD/AUD Average	Galv v HRC Spread (AUD)	BSL Export Price AUD	NIP
Sep15	379	562	183	0.7054	259	282.42	542
Oct15	377	550	173	0.721	240	266.4	506
Nov15	367	545	178	0.7152	249	266.4	515
Dec15	343	532	189	0.7248	261	266.4	527
Jan16	348	520	172	0.7015	245	281.27	526
Feb16	352	523	171	0.7128	240	281.27	521
Mar16	376	550	174	0.7483	233	281.27	514
Apr16	408	591	183	0.7662	239	449.78	689
May16	439	641	202	0.7296	277	449.78	727
Jun16	434	635	201	0.7396	272	449.78	722

## 20.0 Summary:

In evaluating this case, we respectfully request that the ADC challenge the Applicant's claims of material injury and consider whether the actions are more those of a monopoly player with the likely effect of substantially lessening competition in the Australian coated steel market. In this regard, we request the ADC to consider:

- 20.1 The Applicant's exports of HRC (the feed material for producing Coated steel) during the period under investigation.
- 20.2 The Applicant's affiliated party importing substantive quantities of the GUC (Coated) to arrive in Australia in the narrow window immediately following the period under investigation, but prior to the announcement of ADC 370.
- 20.3 Reports that the [REDACTED]  
[REDACTED]  
[REDACTED]. (Reported actions by applicant's representative)
- 20.4 The subdued coated steel pricing followed by a stark and sustained jump in prices immediately following the conclusion of the period under investigation.
- 20.5 Confidential reports that shipping services to (and from) Australia are potentially to be withdrawn as a result of this case.
- Needless to say, Australia's trade, and reputation as a market economy, relies on the two-way flow of goods and services.
- 20.6: Restrictive supply agreements that may mandate up to [REDACTED]% of purchase volumes from the Applicant.

**PUBLIC RECORD VERSION**

**20.7** [REDACTED] import offers are sought and matched with the consequent effect of lessening competition<sup>xxvii</sup>. (Claimed basis for price undercutting examples)

We note that in relation to this pricing mechanism that HSG are not deemed a Tier 1 mill competitor and hence it may be reasonable to assume that HSG are not considered by the Applicant to be a cause of material injury.

**21.0 Conclusion**

In summary, we note that during the period under investigation, there has been a marked improvement in:

- sales volumes
- price and
- profitability

Subsequent to the period under investigation, the Applicant has also recently announced further profitability improvement supported by a 30 per cent coated steel price increase since the conclusion of the period under investigation..

Of major concern is that the Applicant is able to import significant volumes of the goods under consideration from the parties affected by this action with impunity from any remedies and prospectively draws competitive advantage from any trade measures applied.

In our view, this is entirely inconsistent with the Government's policy that anti-dumping measures should not shield individual businesses from vigorous competition.

Moreover if progressed, the undue competitive advantage delivered to one Australian business would be to the detriment of the many Australian businesses affected.

It is our opinion that:

- The improvement in sales volumes in contrast to the Applicant's claims.
- Subdued pricing during the period under investigation followed by exponential increases immediately following the I.P..
- Consistent outperformance of market guidance
- Five profit upgrades since commencement of the period under investigation.
- Perpetuation of a suggested closure of the Port Kembla steelworks.
- The Applicant's importation of the goods under consideration for delivery immediately following the I.P.
- The possible predatory pricing mechanisms of the applicant
- The restriction of alternate purchasing in the Applicant's purchase agreements.
- The new application against HSG as soon as possible after the negative dumping margin findings of the Anti Dumping Commission in ADC 249.

are more consistent with a monopoly operating in a competitive vacuum garnishing Government subsidies and exercising power to lessen competition, rather than evidencing any claim of material injury attributable to imports from HSG and others.



**PUBLIC RECORD VERSION**  
**Confidential Attachment 2:**

**Imports of Galvanised Steel by BSL during 2015/ 16**

Fig 1: GUC Imports ex India

Fig 2: GUC Imports ex India with BSL Subsidiary (Affiliated Party) Markings

**Confidential Attachment 2 (cont)**

Figure 3: GUC Imports from BSL Subsidiary (Affiliated Party) ex other sources

**Confidential Attachment 3**

**WTO AGREEMENT ON IMPLEMENTATION OF ARTICLE VI**

**PAGE 29 FOLLOWS:**

**Confidential Attachment 4: Related Party: Legislation**

*Antidumping and Countervailing Duty Handbook*

*II-36 The Investigation Process*

like product within a particular geographic region of the United States or (2) exclude from the domestic industry certain “related parties.” These exceptions are discussed in the following sections on “*Regional Industry*” and “*Related Parties*.”

**Related Parties**

**Confidential Attachment 5**

ACCC Misuse of Market Power determinants

Substantial Market Power:

**Confidential Attachment 6**

Buy Australia Bill excerpt

In this Act:

**PUBLIC RECORD VERSION**  
**Confidential Attachment 7**

**Text of Letter Referred to follows page # 31.**

**END NOTES:**

- 
- <sup>i</sup> ADC Analysis of Steel and Aluminium Markets Report to the Commissioner of the Anti-Dumping Commission August 2016; Government's Policy context; page 8
- <sup>ii</sup> ADC Analysis of Steel and Aluminium Markets Report to the Commissioner of the Anti-Dumping Commission August 2016; Steel sales volumes; page 95
- <sup>iii</sup> Application for the publication of dumping and countervailing duty notices Galvanised Steel exported from India, Malaysia & Vietnam; page 29
- <sup>iv</sup> ADC CON 370 Consideration Report; page 15
- <sup>v</sup> ADC CON 370 Consideration Report; Figure 9 Galvanised Steel Import Volume; page 51
- <sup>vi</sup> Application for Dumping Duties; Section A-4: The Australian market; pages 18-21
- <sup>vii</sup> Verification Visit Report Dec 16 2016
- <sup>viii</sup> Confidential Attachment 2 Applicant imports ex India & UAE.
- <sup>ix</sup> Attachment 3 WTO Agreement on Implementation of Article VI Affiliated Party transactions.
- <sup>x</sup> Attachment 4: Antidumping and Countervailing Duty Handbook (U.S) Related Party transactions
- <sup>xii</sup> Procedure for determining a Non Injurious Price (NIP)
- <sup>xiii</sup> BSL Strategic Initiatives and Outlook Update 25 October 2015; page 9
- <sup>xiv</sup> Independent Analysts Australia Steel December 2016 Report( source provided confidentially)
- <sup>xv</sup> Attachment 5 Australian Competition and Consumer Commission Misuse of Market Power
- <sup>xvi</sup> 'Bluescope shares surge on fourth profit upgrade'; The Australian, July 15 2016
- <sup>xvii</sup> Analysis of Steel and Aluminium Markets Report to the Commissioner of the Anti-Dumping Commission August 2016; page 73
- <sup>xviii</sup> Attachment 6 Buy Australia Bill excerpt
- <sup>xix</sup> Application for the publication of dumping and / or countervailing duty notices steel framed shelving units exported from China; page 43
- <sup>xx</sup> Independent Analysts Report 19 January 2017
- <sup>xxi</sup> Independent Analysts Report 31 January 2017
- <sup>xxii</sup> BSL Profit Upgrade 24 January 2017

**PUBLIC RECORD VERSION**

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<sup>xx</sup> Wikipedia

<sup>xxiv</sup> Woolies' win adds to case for law change: Xenophon; Australian Financial Review 10-11 December 2016; page 6

<sup>xxv</sup> Chernow. R Titan the Life of John D Rockefeller Sr; Chapter 13; pages 197-215.

<sup>xxii</sup> ADC methodology of establishing a Non Injurious Price; Investigation 370 Visit Report BSL November 2016; page 17

<sup>xxiii</sup> Confidential Attachment 7: BSL pricing mechanism.

## PUBLIC RECORD VERSION

**TABLE NO. 1 - Attachment No. 1**

Flat Products subject to 'Measures' (Bluescope / Bisalloy)

COUNTRY	PLATE	HRC	HDG	ZAL	BISALLOY
China	√	X	√	√	X
Indonesia	√	X	X	X	X
Korea	√	√	√	√	X
Japan	√	√	X	X	√
<b>Finland</b>	X	X	X	X	√
Malaysia	X	√	X	X	
Taiwan	X	√	√	X	
<b>Sweden</b>	X	X	X	X	√
<b>Notes:</b>	Non-Alloy		Zinc Alumin Alloy & non Alloy products		QT
<b>Measures expire on:</b>	19/12/2018	20/12/2017	5/08/2018	5/08/2018	5/11/2019