

PUBLIC RECORD



18 July 2014

The Director
Operations 3
Anti-Dumping Commission
1010 La Trobe Street
DOCKLANDS VIC 3008

Dear Sir/Madam

Submission in relation to ADC Investigation 219 - quenched and tempered steel

ASM Corporation Pty Ltd (**ASM**) writes to make submissions on two matters presently under consideration by the Anti-Dumping Commission (**Commission**) in this investigation, both of which arise out of the Commission's Preliminary Affirmative Determination Report No 234 of 19 May 2014 (**PAD Report**).

Alleged price undercutting

First, ASM wishes to make a submission on the issue of alleged price undercutting.

At section 9.3.2 of the PAD Report, the Commission found, on the basis of the verified sales data of importers of steel from Finland, Japan and Sweden, that "the [average weighted free into store] prices of the imported goods... undercut Bisalloy's domestic [net] selling prices for the majority of the... investigation period".

ASM has calculated the average weighted price for which it sold quenched and tempered steel during the four quarters of the investigation period, and compared those prices with ASM's estimated market prices, as follows:

	Average Weighted Price	Estimated Market Price
Q1 - 1 January 2013 to 30 March 2013	██████████	██████████
Q2 - 1 April 2013 to 30 June 2013	██████████	██████████
Q3 - 1 July 2013 to 30 September 2013	██████████	██████████
Q4 - 1 October 2013 to 31 December 2013	██████████	██████████

ASM does not believe, on the basis of the above calculations and its estimated market prices, that it undercut Bisalloy's prices. ASM requests that the Commission reconsider its conclusion in section 9.3.2 in light of the above calculations.

To assist the Commission, ASM encloses with this letter, on the condition that they be kept confidential, the sales data that formed the basis of ASM's calculation of its average weighted prices. ASM would welcome a further visit by the Commission at ASM's Brisbane head office to verify ASM's sales data and calculations.

The second issue on which ASM wishes to make a submission is the finding of the Commission at section 7.2 of the PAD Report that "traders" such as Metal One Corporation, from whom ASM sources its Japanese steel, are not "exporters" for the purposes of assessing dumping margins. This was an essential finding that led to a punitive preliminary dumping margin being imposed on exports from Japan, on the basis that the Japanese mills that supply to Metal One Corporation were "uncooperative exporters".

- ASM deals only with Metal One Corporation and has no direct dealings with the manufacturers.
- Metal One Corporation is not merely a trading house in another jurisdiction that only notionally takes title to the goods momentarily in the sales chain, as was the case with Dai Ei Papers Ltd in the Celpay case. Metal One Corporation is based in Japan and takes title to the goods in Japan.

- This difference in terms also leads to a difference in pricing. Metal One Corporation is not just a commission agent of the mills, as Dai Ei Papers Ltd was in the Celpav case.

- Unlike Dai Ei Papers Ltd in the Celpav case, ASM understands that Metal One Corporation does, in certain cases, maintain its own inventories against customer orders, and that it places orders with the mills that are consolidated into single invoices to Metal One Corporation from the manufacturers covering orders for multiple Metal One Corporation customers.

ASM requests that the Commission take these submissions into account in its further consideration of Bisalloy's complaint.

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COO, ASM Corporation Pty Ltd