

STAUGHTONS

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PUBLIC RECORD VERSION

CASE NO. EPR 249

HOA SEN GROUP

July 20th 2015

Mr Geoff Gleeson
Director, Operations 1
Anti-Dumping Commission
Level 35, 55 Collins Street
Melbourne Vic 3000

Via email: geoff.gleeson@adcommission.gov.au

Dear Mr Gleeson

I am writing on behalf of the Hoa Sen Group of Vietnam and in response to the public file submissions by Bluescope Steel Limited (Bluescope) dated the 9th of June and 6th of July 2015, being Submission No. 63 and 52.

Whilst appreciating that the designated response date to the SEF has now passed I am writing to request that the Commission respectfully consider announcing the termination of this investigation as it relates to the Hoa Sen Group prior to forwarding its final report to the Parliamentary Secretary.

I make this request pursuant to **s 269TDA(1)(b)(i)** of the 'Act' as the Commission's verified evidential findings on Hoa Sen have demonstrated no dumping and thus no causation of injury to Bluescope.

Bluescope wrongly asserts in Submission No. 63 that Hoa Sen Group exported at "dumped prices above negligible levels as only select sales to Hoa Sen Group's top 5 service centres were included in domestic sales".

As the Commission's report evidenced, the top 5 service centres represented the volume of Hoa Sen's domestic sales as the remaining [REDACTED] 'branches' only comprised from 1% to 2% of domestic sales.

Contrary to Bluescope's claim, the Commission, in our view, is only required to consider the most comparable domestic sales being sales that are appropriate in determining a Normal Value calculation.

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Bluescope's Submission No. 52 challenged the Commission to demonstrate that "it can reasonably be satisfied (via evidencing of information, rather than simple assertion) that Hoa Sen's packaging costs for export and domestic sales are equal".

Hoa Sen can assure the Commission that the packaging costs are in fact equal as demonstrated by the attached (confidential) illustrations depicting the respective packaging components.

Bluescope's Submission No. 52 also suggested an upwards adjustment is required to Hoa Sen's Normal Value to account for "the trader's margin", being "in respect of export sales to traders".

The suggestion is simply erroneous as any traders' margin in Hoa Sen's circumstance is clearly a post exportation expense and irrelevant for Normal Value purposes.

Bluescope's Submission No. 52 correctly stated that HRC represents a significant raw material input cost for cold rolled coil manufactured by the Hoa Sen Group.

Bluescope, however, failed to mention that Hoa Sen's production of cold rolled coil was 'full hard' material and Bluescope also suggested the Commission may not have subjected Hoa Sen's purchases of HRC to 'careful scrutiny'.

On the issue of HRC pricing therefore I would like to invite the Commission's attention to Bluescope's exports of HRC to Vietnam for the period April 2014 to March 2015. This Investigation commenced on 11/7/2014 following Bluescope's initial application of 8/5/2014.

Table No. 1

- HRC exports – in coil <3mm thick
- Source ABS export data
- Quantity = Tonnes
- Value = A\$ FOB (weighted average)
- Period = April 2014 to March 2015
- Countries selected = Vietnam and USA

COUNTRY	TONNES	A\$ FOB VALUE	A\$ WAV/T
VIETNAM			
USA			

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Conclusions:

- Bluescope is the sole Australian producer of HRC
- HRC <3mm exports to Vietnam at FOB Australian Port (NSW) are significantly lower in price than 'same' exports to USA

In summary the Commission is requested to treat Bluescope's assertions as being baseless and unfounded and to terminate the Investigation as it relates to the Hoa Sen Group.

Please contact the writer for any further information or clarification and thank you for your consideration.

Regards



M J Howard