

5 May 2017

The Director
Operations 5
Anti-Dumping Commission
Industry House
Binara Street
Canberra ACT 2601

Public File

Dear Sir/Madam,

Re Investigation No. 370 – Galvanised steel exported from India, Malaysia and Vietnam – Injurious exports from India, Malaysia and Vietnam.

I. Introduction

The Australian market for zinc coated (galvanised) steel ("the goods") is supplied by BlueScope Steel Limited ("BlueScope") and imports from India, Malaysia and Vietnam (the subject of Investigation No. 370), and imports from China, Korea and Taiwan (Investigation No. 190) and other sources including Japan.

It is important that the Commission understands the interaction of imports already the subject of measures with those from the nominated sources in Investigation No. 370, along with other sources of supply.

II. Countries the subject of measures

Anti-dumping measures were imposed on exports of galvanised steel from China, Korea (except exports by Union Steel Co., Ltd ("Union Steel")) and Taiwan (except exports by Sheng Yu Co., Ltd ("Sheng Yu") and Ta Fong Steel Co., Ltd ("Ta Fong") on 5 August 2013¹.

Following an application involving circumvention of the measures, the Commission commenced investigation No. 290 (in May 2015) into certain exports of the goods that were circumventing measures. The Commission's investigations confirmed that exports of the goods were circumventing measures, including exports by Angang Steel Co., Ltd ("Angang") and Benxi Iron and Steel Group International Economic & Trading Co. ("Benxi") of China, and Yieh Phui Enterprise Co., Ltd ("Yieh Phui") of Taiwan.

A notice announcing outcomes of the circumvention inquiry was published on 17 March 2016².

III. Investigation period in current inquiry

Circumvention Investigation No. 290 that resulted in the imposition of circumvention measures was completed toward the end of the investigation period in the current inquiry, Investigation No. 370. Representations made by the Taiwanese exporter Yieh Phui during the circumvention inquiry³ maintain the exporter's stance that the boron-added goods were not circumventing measures. Yieh Phui had continued

¹ Refer ADN No. 2013/66.

² Refer ADN No. 2016/23.

³ Refer Investigation No. 290, EPR Documents 30 & 38.

exports to Australia post the imposition of measures on 5 August 2013, including at injurious prices in the 2015/16 investigation period the subject of investigation No. 370.

The circumvention goods (ex Yieh Phui) from Taiwan would not have reflected non-dumped levels until at least June 2016, in light of the approximate three-month order to delivery standard timeframe.

BlueScope submits that throughout the 2015/16 investigation period (for Investigation No. 370) it considers injurious export prices from Yieh Phui of Taiwan (that did not attract anti-dumping measures at the time of importation due to the addition of boron) were competitively priced against exports from India, Malaysia and Vietnam.

An analysis of quarter-by-quarter A\$FOB prices for Taiwan (exclusive of Interim Dumping Duty) contrasted with export prices from India, Malaysia and Vietnam confirms that export prices for the former were declared at levels slightly below the latter. This pricing differential may be attributed to the higher overseas freight costs associated with shipping the goods from Taiwan to Australia, when compared with freight costs for the goods from Malaysia (for example) which are approximately [XX] per cent lower (than shipping rates from Taiwan).

The circumvention goods exported from Taiwan, therefore, were at A\$FOB price levels likely lower than equivalent exports from the subject countries, but which on a Free-Into-Store "FIS" basis were competitive with prices for the goods from India, Malaysia and Vietnam.

IV. Contrasting differences with Investigation No.249

In Investigation No. 249 involving exports of the goods from India and Vietnam the Commission determined that only one exporter (Essar Steel Limited of India) was exporting at dumped prices during the 2013/14 period. It was determined by the Commission that the exports from Essar Steel Limited were not injurious, however, this was influenced by the availability of circumvention goods also in the market during the investigation period at that time, that were not the subject of measures.

The investigation period in the current inquiry (Investigation No. 370) is influenced by a substantial proportion of dumped and subsidised exports from India, and dumped exports from Malaysia and Vietnam, along with injurious exports from Yieh Phui of Taiwan that did not attract measures at the time of importation (until the last quarter of the 2015/16 investigation period).

BlueScope contends that the Commission can readily attribute material injury to the Australian industry during 2015/16 from the dumped and subsidised exports of zinc coated (galvanised) steel from India, and dumped exports from Malaysia and Vietnam. Coinciding with these injurious prices from India, Malaysia and Vietnam were injurious exports of the circumvention goods from Yieh Phui that were not impacted by measures until the end of the 2015/16 investigation period.

V. Conclusions

BlueScope submits that there are compelling differences that exist involving the identification of injurious import prices from subject countries in Investigations 249 and 370. Unlike Investigation No. 249, the number of exporters that have been confirmed as exporting at dumped (and subsidised) prices is more prevalent in Investigation No. 370 and it can be readily identified that injurious exports of circumvented goods (by Yieh Phui) that were at FIS prices similar to the injurious exports from India, Malaysia and Vietnam did not – for the vast majority of the 2015/16 investigation period – attract anti-dumping measures (but which now do).

It is BlueScope's position that the exports of the goods from India, Malaysia and Vietnam are at dumped prices (with exports from India also at subsidised prices). Exports from Yieh Phui have, throughout the majority of the 2015/16 investigation period, competed directly with the dumped and subsidised prices in the absence of measures. The injurious prices from India, Malaysia and Vietnam were commensurate with the injurious prices from Taiwan prior to the notification of outcomes of the circumvention inquiry (i.e. Investigation No. 290) during the 2015/16 investigation period.

It is readily apparent that throughout the 2015/16 investigation period – unlike the investigation period in Inquiry No. 249 – the exports from the investigated countries (India, Malaysia and Vietnam) and from Yieh Phui were at dumped and injurious levels. Anti-dumping (and countervailing) remedies therefore are required to address the injurious impact of exports of zinc-coated (galvanised) from India, Malaysia and Vietnam (with Yieh Phui's exports actioned by the decision of the Parliamentary Secretary on 17 March 2016).

If you have any questions concerning this submission, please do not hesitate to contact me on (02) 4240 1214, or BlueScope's representative Mr John O'Connor on (07) 3342 1921.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'C Uphill', written in a cursive style.

Chad Uphill
Leader – Trade Affairs