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PUBLIC RECORD VERSION

September 22, 2015

Mr Tim King
Investigator
Anti-Dumping Commission
Level 35, 55 Collins Street
Melbourne Vic 3000

Via email: tim.king@adcommission.gov.au
Cc: candy.cadallero@adcommission.gov.au

Dear Mr King

Re: CASE NO. 264 SEF Response

This Submission is made on behalf of Wei Chih Steel Industrial Co., Ltd. (Wei Chih) of Taiwan and is in response to the Commission's SEF No. 264.

On 28th August 2015, Wei Chih submitted reasons why the commission's intended recommendation to have a Dumping Duty Notice published on its exports is flawed on the basis of consistency and reasonableness.

We would expect that Submission to have been considered by the Commission which dealt with two factors, namely:-

- (1) The imposition of an arbitrary profit margin based on a minor contribution of one sales transaction that under no reasonable assessment could be considered to have been either a sale in the OCOT or in any sense of the term, representative.
- (2) The Commission's refusal to accept the verified fact based on positive evidence that the involved weights were not the actual weights.
- (3) As demonstrated by the Verification of relevant export transaction documentation the invoiced weights were either ■% or ■% higher than actual weights.

The Commission must therefore determine FOB values for Wei Chih by adjusting the theoretical weight shipments by ■% and the actual weight shipments by ■%.

Consistency:

The basis for a profit element imposed by the Commission is considered to be contrary to how the Customs Act 1901 defines a transaction value which is based on a contract of sale, which in this case, was a end user customer order.

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Additionally s 269 T(5A) defines how to determine the weighted average of prices, values, costs or amounts in relation to goods over a particular period.

That formula must be applied for purposes of determining any profit element on the Wei Chih transactions and when applied, there can be no profit element.

We also note that in SEF para 6.12.3 on Power Steel, there is no mention of its export prices being adjusted for the weight tolerance factor which has obviously resulted in that exporter receiving a negligible Dumping Duty Margin.

Wei Chih submits that it should receive the same consideration.

Will Dumping continue?

The Commission has no evidence or basis for recommending that Wei Chih exports will continue to be dumped especially given the fact Wei Chih has not exported to Australia since September 2014 and the requirement of the Commission to determine that any Dumping Duty Margin on Wei Chih's exports during the I.P. will be negligible.

Accordingly the Commission has no basis to recommend the Minister publish a Notice vide s 269 TG(2).

Conclusion:

The Commission states that the applicant has increased its volume of sales over the injury period which, on our information on the Australian market for the period, has increased from circa ████k Tonnes in 2010/11 to circa ████k Tonnes in 2013/14, an increase of more than 16%.

The basic and continuing issue with the applicant is the fact it is both horizontally and vertically integrated resulting in it being in direct competition with its own customer base.

No degree of protection can remedy the applicant's self inflicted injury whilst it continues to compete with its own customer base.

Wei Chih thanks the Commission for its consideration.

Regards



Jack Howard