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19 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 – Price impact of imports from India, Malaysia and Vietnam.**

#### I. Executive Summary

BlueScope Steel Limited (“BlueScope”) recognises that injury causation is a difficult and sometimes objective process. In Investigation No. 370, the injury causation analysis is all the more difficult due to exporters in China, Korea and Taiwan already subject to measures, with certain exporters in Taiwan (and Korea to a much lesser extent) actively circumventing measures.

BlueScope, however, is concerned that the Anti-Dumping Commission (“the Commission”) may inadvertently attribute injury from dumping during the investigation period (i.e. 1 July 2015 to 30 June 2016) to imports from Korea and Taiwan when, imports from these sources were the subject of ongoing inquiries in Circumvention Investigation No. 290. Additionally, BlueScope would like to further detail to the Commission its Import Parity Pricing (“IPP”) process throughout the investigation period to assist the Commission’s understanding of relevant price benchmarks that were in play at the time.

To assist in the causation analysis, BlueScope has examined the impact of selling prices of zinc coated (galvanised) steel (“the goods”) from India, Malaysia and Vietnam in each of the key segments of the market, these being the [*commercially sensitive product details*]. The analysis confirms – once the timing of outcomes in Circumvention Investigation No. 290 have been considered – that selling prices for the goods from India, Malaysia and Vietnam have been influential in impacting BlueScope’s selling prices during the investigation period.

Based upon a segment-by-segment analysis the available evidence supports a finding that the dumped and subsidised exports from India and Malaysia, and the dumped exports from Vietnam have caused the Australian industry to adjust selling prices to hold and secure sales volumes.

#### II. Segment analysis

BlueScope has examined import parity offers that represented the basis for establishing import parity prices (IPP’s) across the investigation period. This analysis has been undertaken across the three key segments of the zinc coated (galvanised) steel market.

The analysis indicates:

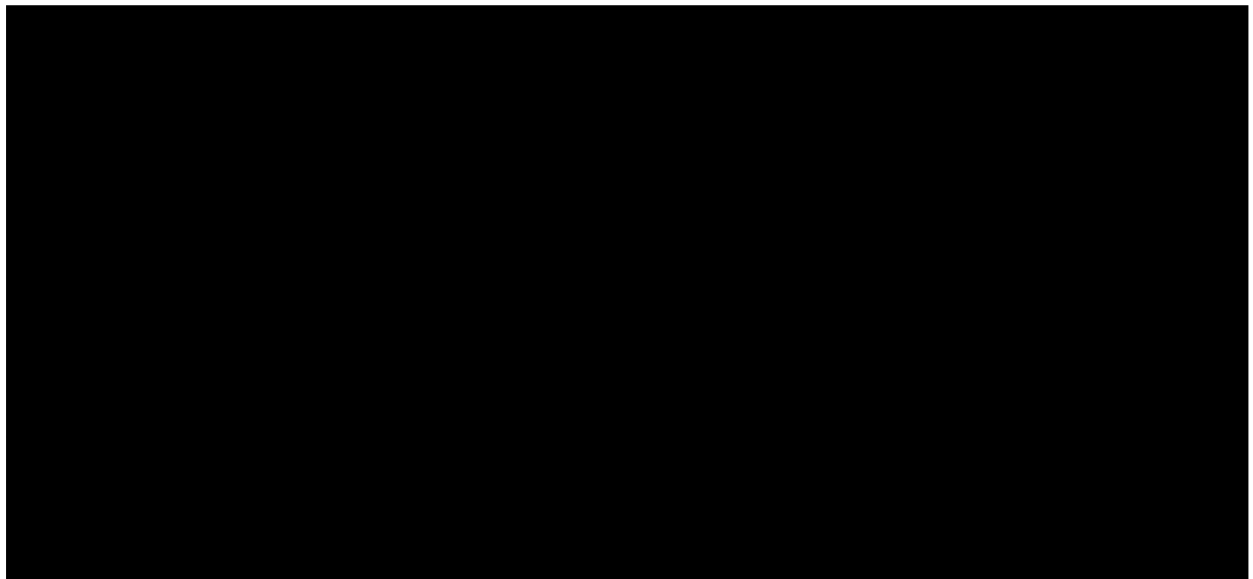
- In the *[product details / segment]* import prices influence the Australian industry's selling prices;
- In the *[product details / segment]* import offers from *[countries]* influence selling prices; and
- In the *[product details / segment]* prices are influenced by imports from *[countries]*.

Prior to detailing the actual competitive offers from the countries considered in BlueScope's IPP methodology throughout the investigation period, it is appropriate to examine what information is considered in *[commercially sensitive price setting process]*.

Turning to the key segments in zinc coated (galvanised) steel and the relative IPP benchmarks determined, BlueScope has identified the key competitive sources of supply that influenced the selection of the appropriate IPP during the investigation period.

*(a) [Product] segment*

The dominant source of *[product]* throughout the 2015/16 investigation period was *[confidential country source]*. *[Confidential country source]* did not supply *[product]* into the Australian market during the nominated period. The principal source of supply was *[confidential country source and export volumes]*. BlueScope has provided supporting *[sector]* segment pricing competitive offers for *[product]* confirming both sources as determinants of IPP benchmark pricing for *[product]* during the investigation period.



The above graph demonstrates that in the *[product]* market, BlueScope's selling prices for locally produced *[product]* were undercut by the import benchmark *[confidential country sources]*.

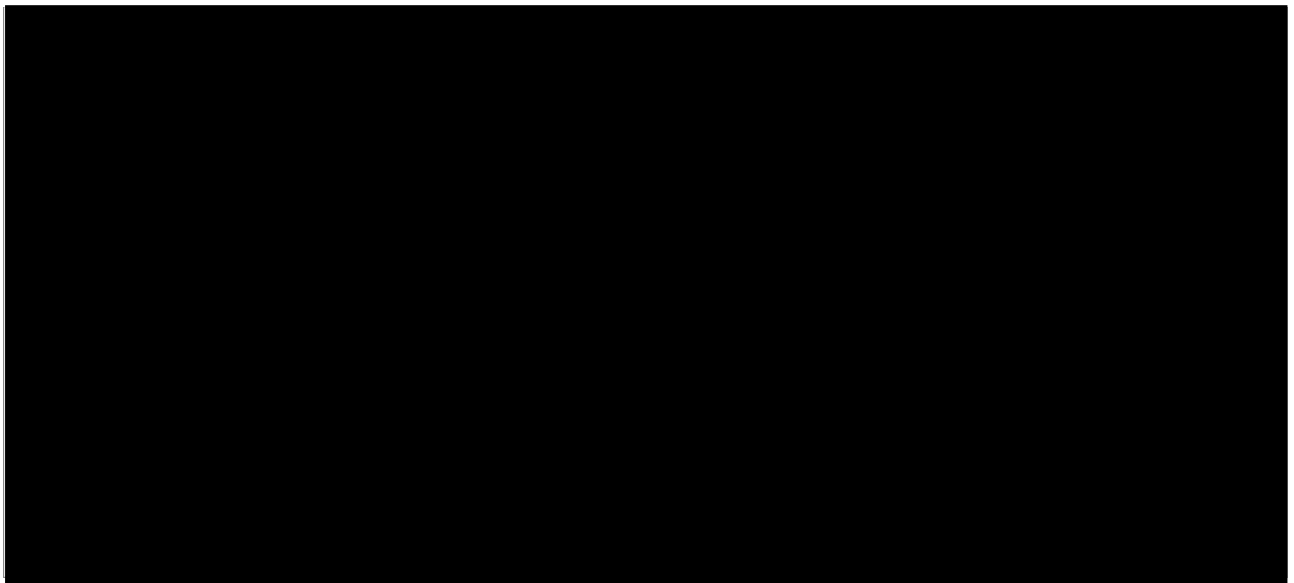
*(b) [Product] segment*

The Australian market is supplied with *[product]* from *[confidential country sources]*. BlueScope's *[product]* import benchmarks throughout the investigation period are influenced by *[confidential country sources]* toward the end of the investigation period.

The [confidential country source / product] was considered to be the lowest-priced [product] import equivalent on offer throughout the investigation period. BlueScope lost business to imported [confidential country source / product] at prices that undercut BlueScope by up to [XX] per cent. This is evidenced per BlueScope's application and the price undercutting examples cited therein (one relevant example being the customer [customer], who has an annual production capacity of approx. [XX] tonnes but of which BlueScope are unable to secure commercially viable [product] volumes due to [confidential country source] price-undercutting).

Offers from [confidential country source / product] were also submitted to the Commission in BlueScope's application. BlueScope would highlight that the offers from [confidential country source] were the subject of Investigation No. 290 throughout the 2015/16 investigation period.

The graph hereunder demonstrates that the import offers were primarily below (i.e. undercut) BlueScope's [product] throughout the 2015/16 investigation period.

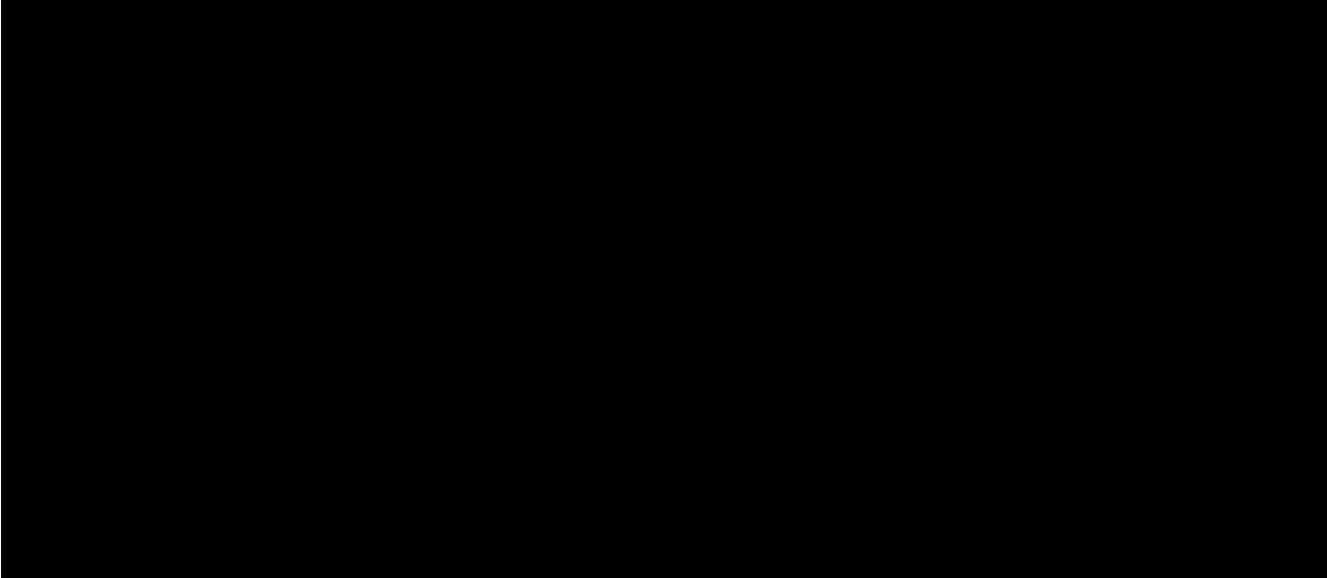


(c) [Product] segment

[Product] is the [size] segment of the market and therefore attracts the most offers (accounting for approximately [XX] per cent of total zinc coated (galvanised) steel sales). It is acknowledged by BlueScope that throughout the investigation period offers of [product] were available from [confidential country sources]. However, throughout the period, BlueScope considered offers from [confidential country sources] to be the subject of circumvention investigation No 290. It was anticipated that [confidential country sources] offers could be considered as likely to attract measures and that only exports from [confidential country sources] could be viewed as ongoing threats to BlueScope's locally-supplied [product].

[Commercially sensitive aspects of BlueScope's price benchmarking process]

BlueScope's analysis of import offers confirms that [confidential country source] offers for [product] are priced at, or above, BlueScope's average [product] selling price during the investigation period. The selling prices of imported [confidential country source / product] were at levels considered the lowest at the commencement of the investigation period, with offers from [confidential country sources] the lowest in the last remaining three quarters of the investigation period.



It is highlighted with the Commission that the [confidential data source] immediately prior to the 2015/16 investigation period confirmed increasing volumes of imports of zinc coated (galvanised) steel from [confidential country source], culminating in [confidential country source] volumes achieving the highest export volume to Australia in the [time period] of the 2015/16 investigation period. This increased activity was influential in establishing the IPP benchmark price over this time (i.e. was derived from increasing [confidential country source] export volumes).

Immediately following the [period] of the investigation period, aggressive import offers from [confidential country source] prevailed (see [period] in the [benchmark pricing] file). [Confidential country source] was therefore the predominant source of the lowest pricing throughout this period. In the [period], [confidential country source] export prices emerged as the lowest priced competitive offers (confirmed in export sales volumes ex-ISSB), with [confidential country source] supply again re-emerging in [period], matching [confidential country source] offers.

The import offers for [product] therefore confirm that [confidential country sources] were dominant suppliers throughout the 2015/16 investigation period, with [confidential country source] supply also evident towards the back-end of the period. [Confidential country source], however, were subject to a [measures method], whereas exporters in [confidential country sources] were able to lower prices below competitive [confidential country source] prices throughout the majority of the investigation period.

### III. Circumvention investigation No. 290

As indicated in the submission dated 4 May 2017, circumvention inquiry No. 290 was conducted throughout a significant proportion of the investigation period, with the Parliamentary Secretary's decision announced on 17 March 2016 and not considered to impact market selling prices until post 2015/16.

For these reasons it is considered that import selling prices for zinc coated (galvanised) steel exported from [confidential country sources] cannot be considered to have been instigators of the injury experienced by the Australian industry in 2015/16, as these exports were the subject of Investigation 290.

BlueScope would further highlight with the Commission that there is an absence of a material quantum of ongoing offers for supply of the goods from exporters not the subject of measures in [confidential country sources], namely exports [confidential country manufacturers].

IV. Conclusions

BlueScope acknowledges the existence of competing offers for zinc coated (galvanised) steel imports from [confidential country sources] during the 2015/16 investigation period that were heavily influenced by free-into-store selling prices from [confidential country sources] and that were not the subject of investigation by the Commission.

However, BlueScope reaffirms earlier representations that the exports of the goods from [confidential country sources] are at dumped prices (with exports from India also at subsidised prices) that have been the dominant sources of competitive offers throughout the 2015/16 investigation period.

Additionally, the injurious prices from India, Malaysia and Vietnam were commensurate with the injurious prices from [confidential country source] during the 2015/16 investigation period and prior to the notification of outcomes of the circumvention inquiry (i.e. Investigation No. 290).

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 black ink, appearing to read 'C Uphill', written in a cursive style.

Chad Uphill  
Leader – Trade Affairs