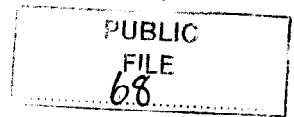


Ford Motor Company of Australia Limited

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Carl Parkin
General Purchasing Manager

22 October 2012

Director Operations 1
International Trade Remedies Branch
Australian Customs and Border Protection Service
5 Constitution Avenue
CANBERRA ACT 2601

To whom it may concern,

Ford Motor Company of Australia Limited ("Ford") would like to respond to the Statement of Essential Facts Number 188 ("SEF"), and the Preliminary Affirmative Determination 188, which details Australian Customs and Border Protection Services' ("Customs") findings regarding the alleged dumping of Hot Rolled Coil Steel ("HRC") from Japan, the Republic of Korea, Malaysia and Taiwan.

This response is made by Ford as an interested party, on the premise of being an end user of automotive grade HRC be it imported from Japan and the Republic of Korea, or purchased locally from Bluescope Steel Limited ("Bluescope") and its' subsidiary distributor, Bluescope Distribution (formerly Sheet Metal Supplies).

In this response, Ford submits that:

- In the very short term, the Anticipated Export Price (AEP) must be immediately adjusted to reflect the current market conditions and then regularly adjusted on a quarterly basis to reflect normal fluctuations in commodity prices and global demand for steel.
- An immediate exemption from both the AEP and/or anti-dumping duties is requested for HRC with thickness less than 1.6mm or a width greater than 1550mm.
- The Automotive Industry, having been judged that its imports do not cause injury to Bluescope Steel, requests an industry wide exemption from being subject to the AEP and any anti-dumping duties.
- The "Normal Value" for HRC within the Automotive Industry is equivalent to that of the prices being paid within the Asia Pacific Region.

Anticipated Export Price (AEP)

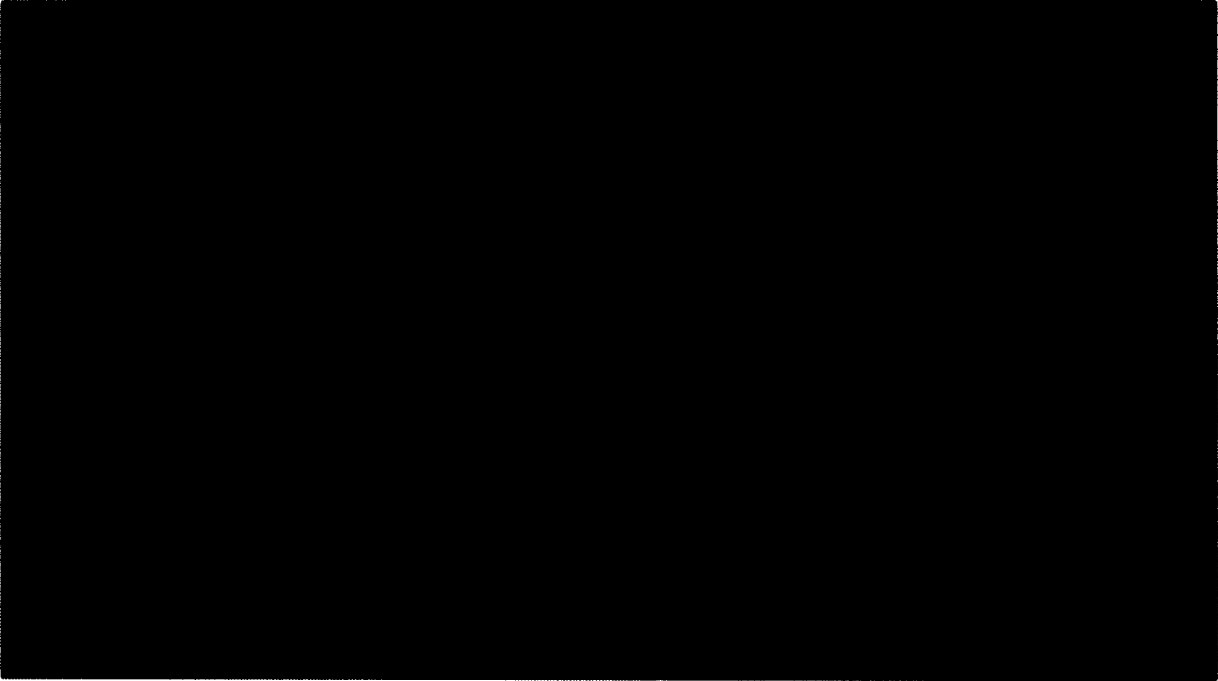
The published SEF by the International Trade Remedies Branch of Customs rules that Bluescope has not suffered injury in the automotive sector due to the importing of HRC¹. However, in order to prevent the potential dumping of HRC into the Australian market place in the future, an AEP has been set at a price determined to be competitive, reasonable and fair (a.k.a. Non-Injurious Price or NIP).

Ford interprets the NIP as a floor price at which HRC import pricing should not fall below, and was calculated using data acquired by Customs during the investigation period (April 2011 – March 2012). Ford has verified, as Customs had found, that the NIP was near-on-equal to the export price for Pickled & Oiled (PO) HRC from Japan during the investigation period.

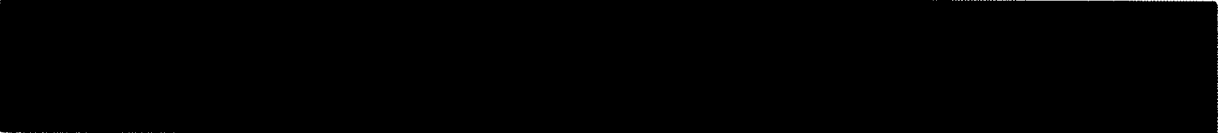
Ford is concerned however (based on our current understanding), that the AEP (NIP) does not allow or account for raw material price fluctuations as dictated by the global commodity markets. Since the end of the investigation period, global steel and related commodity prices have declined in line with commodity prices.

1. SEF 188 HRC Japan, Korea, Malaysia and Taiwan October 2012. Page 45, 8.7.1.

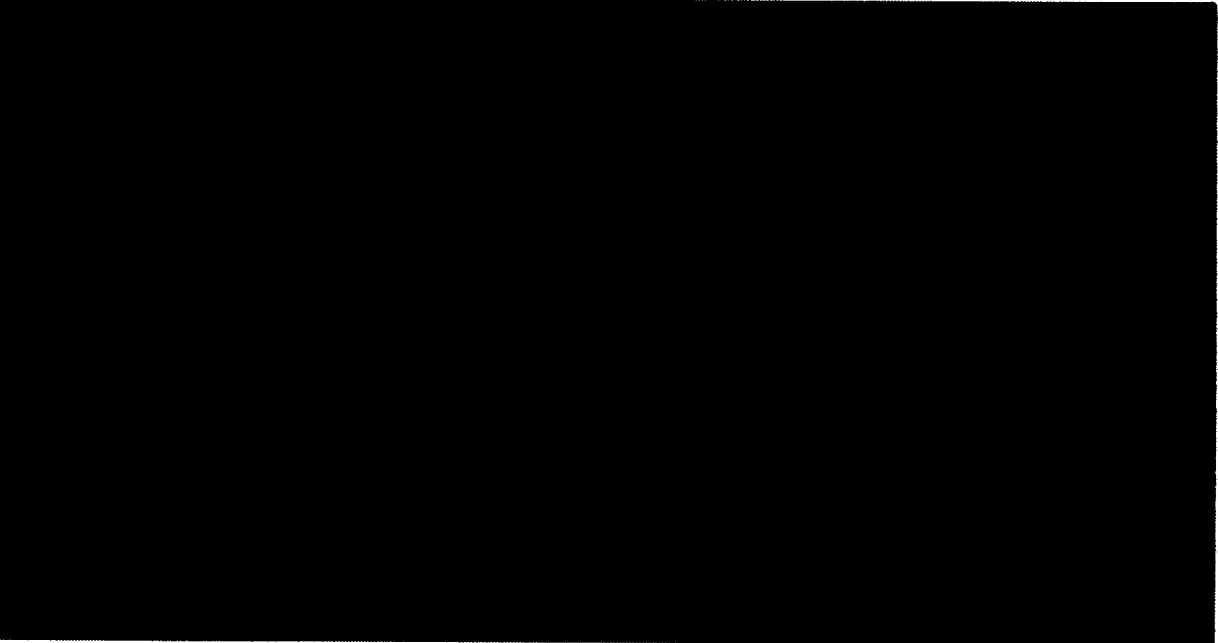
In the current market, the import price of HRC is therefore well below the AEP which is now uncompetitive.



When negotiating the price of steel with all of its customers (usually on a quarterly basis), the following key factors are primarily considered by Ford:



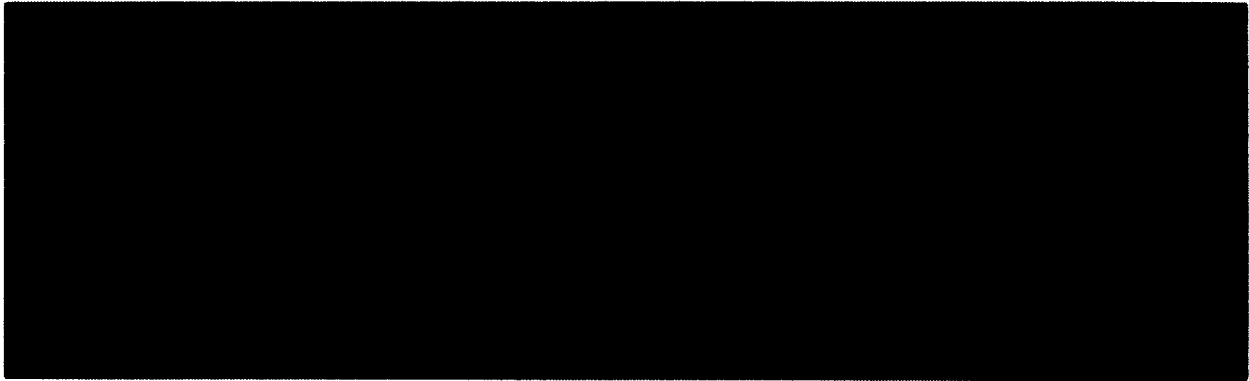
Using the first quarter in 2011 as a baseline, pricing fluctuations for all of Ford's steel suppliers (shown in figure 2 below) is comparable.



Ford is of the opinion that the NIP (& therefore AEP) must also take into account these factors. Ford implores Customs to adjust the AEP to reflect the current market price of HRC, and then again on a regular basis to account for commodity price fluctuations and market demand. If Customs does not act on this, it will cause unnecessary injury to the Australian automotive industry.

Size Exemption Categories

Ford is of the understanding that Bluescope does not have the capability to produce HRC with thickness less than 1.6mm or a width greater than 1550mm.



Ford requests that Customs confirms Bluescope's manufacturing capabilities for the purpose of correctly establishing an exemption category to any duties that may be applied immediately following this investigation. Ford has minimal exposure in these potential sizing exemption categories although will support the automotive industry in a request for any such exemption.

Ford's affected materials currently purchased are listed below.



Australian Automotive Industry Exemption Request & Normal Value



[REDACTED]

As Customs has found, *and* due to actions like those described above, Bluescope has not suffered material injury in the automotive sector due to dumping of steel¹. Ford considers Bluescope Steel to be an integral part of the Australian Automotive Industry.

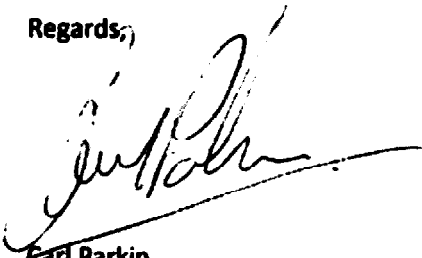
Ford vehicles produced in Australia compete with vehicles imported from Japan & Korea. These vehicles have HRC that is sourced from within these countries at a similar price to the export price that Ford currently pays for this product in Australia.

On the regional automotive industry scale, Ford Asia Pacific pays a similar export price across the region for HRC delivered into its' plants in countries including Thailand and India. The price of steel exported from Japan and Korea (by Ford Asia Pacific) is the price that Ford Australia (and perhaps the Australian Automotive Industry) considers to be the "Normal Value" of HRC.

Being a part of the Asia Pacific region, Ford's local operations are measured against its' regional peers and those local manufacturing operations are becoming less globally competitive; a situation that is exacerbated by anti-dumping measures on HRC. It is on this basis that Ford requests the Automotive Industry be exempt from any anti-dumping measures against HRC.

As per my previous statement, Ford remains committed to continue purchasing steel from Bluescope (pending quality, delivery and cost performance). We share a close working relationship and Bluescope has often, [REDACTED] assisted Ford with many of its issues. We are however, also of the firm belief that any duties added to imported HRC purchased by Ford will only add further cost pressure to our local operations. Please consider Ford's latest response and we hope you come to a solution that is favourable and fair to the Australian automotive industry.

Regards,



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1. SEF 188 HRC Japan, Korea, Malaysia and Taiwan October 2012. Page 45, 8.7.1.

