



Public Record

15 September 2014

Ms Kerry Taylor
Director Operations 3
Anti-dumping Commission
1010 La Trobe Street
Docklands, Vic
3008

By email: operations3@adcommission.gov.au

Dear Ms Taylor

Response to SEF 234: Investigation into the Alleged Dumping of Quench & Tempered Steel Plate Steel exported to Australia from Finland, Japan and Sweden

I refer to SEF 234 - in particular the comments relevant to Vulcan Steel – and to the supporting extracts from Bisalloy Steel's previous response dated 17 April 2014.

Goods competing in different markets

I refer to Section 3.6.2 of SEF 234 and the summary of Bisalloy Steel's response to Vulcan Steel's submission.

Bisalloy claim that "in the absence of dumped Q&T plate, Bisalloy would be a competitive supplier to Vulcan Steel" and that "import prices of dumped Q&T steel plate is a predominant factor influencing purchasing decisions."

It is both arrogant and ignorant of Bisalloy to assume that they have knowledge of Vulcan Steel's purchasing drivers and to claim that "price" is the "predominant factor" influencing our purchasing decisions. It would appear that, contrary to Bisalloy, we appear to listen to the feedback of our customers and place increased consideration on product quality and performance. The customers we sell to actively choose the Q&T plate that we stock and, in the absence of the JFE sourced plate, request alternatives prior to Bisalloy product. These decisions are based on the customer's experience of plate quality and performance.

In their response, Bisalloy claim further that "Vulcan Steel could access locally produced Q&T Steel Plate directly from the Australian Industry on equal terms under like conditions".



Vulcan Steel rejects this suggestion as a Bisalloy representative has visited Vulcan Steel's PCD site twice in the recent past and, on both occasions, promoted the Bisalloy plate but strictly via the established distribution channels. During the second visit, one of the distributors was promoted ahead of the others in an effort to lift their volumes.

As previously stated, Bisalloy's chosen distributors are the competitors of Vulcan Steel and, as per the express statements of Bisalloy's representative, we would not be purchasing "on equal terms under like conditions". Regardless of price, Vulcan Steel would be beholden to a competitors level of service, lead time and inventory. Vulcan Steel had no option but to develop reliable business relationships with overseas suppliers and import plate.

As previously stated, all of the Q&T plate that Vulcan imports is sold directly to PCD Steel for our own internal use and further downstream processing. PCD Steel sells small items of highly processed steel plate – not full plate.

We submit that the minimal volume of imports by Vulcan Steel, and the absence of evidence that those imports have caused any detriment to Bisalloy, provide grounds for the Minister to exclude from the goods description of any dumping notice, plate steel that is imported for further processing before resale.

Exemptions

We understand that the Commissioner has no authority to exempt goods but that the Minister does have such a power. Consequently we request, that if the final report recommends the publication of dumping notice that apply to imports of plate steel by Vulcan Steel, the following recommendations for exemption be made to the Minister:

1. All imports by Vulcan Steel on the ground that by selling via a limited distributorship, Bisalloy is not offering their product for sale 'to all purchasers on equal terms under like conditions'
2. Imports of plate steel by Vulcan that are entirely used for further internal processing and value adding and not in direct competition with Bisalloy's full plate sales.

Yours sincerely

Russell Kroon
Vulcan Steel Pty Ltd