



PUBLIC RECORD

21 August 2013

Ms Joanne Reid
Director, Operations 2
Anti-dumping Commission
Customs House
5 Constitution Avenue
Canberra
ACT 2601

By email.

Dear Ms Reid

Statement of Essential Facts Number 198 - Dumping of Hot Rolled Plate Steel exported from China, Indonesia, Japan, Korea and Taiwan

We refer to the Statement of Essential Facts Number 198 and in particular to the preliminary findings relating to exports from Japan.

Background

Vulcan Steel Limited is a New Zealand-based limited liability company that operates PCD Steel in Yatala, Queensland. PCD Steel is an Australian based wholly owned subsidiary of Vulcan Steel that further processes steel plate sourced from BlueScope and Vulcan Steel to meet specific customer requirements in Australia. Vulcan Steel imports a range of plate steel that it supplies exclusively to PCD Steel for further processing and subsequent selling to Australian customers.

Material Injury

We refer to page 20 of SEF 198 and note in particular the Commission's estimate that the 2012 Australia market for plate steel was in the order of 500,000 tonnes. In the same period Vulcan Steel imported a total of [REDACTED] tonnes of steel plate within the operational capability of BlueScope Steel. This represented about [REDACTED] of the total market and less than [REDACTED] of BlueScope's production for the year. These minimal volumes are completely inconsistent with any finding that they are the cause of material injury to the applicant.



We also stress that the entire [REDACTED] Tonnes of plate that was imported by Vulcan Steel was for internal processing by PCD. This plate undergoes further processing and value adding prior to being sold to many small end users. None of this plate was sold as full plate into the market in competition with BlueScope. Clearly the argument that BlueScope is forced to match IPP is irrelevant to any consideration of Vulcan's imports as is any suggestion that Vulcan is a competitor of BlueScope. Significant competition for Vulcan comes from semi-fabricated imports that are not part of the current investigation and as they will not be subject to any dumping duties that are imposed, Vulcan's competitive position will further deteriorate.

Vulcan's policy of dual sourcing PCD's raw material (a policy adopted by most members of the steel industry) is an imperative arising out of situations, some recent, in which, BlueScope, at short notice, has withheld the supply of plate to Vulcan Steel. In these commercially threatening situations Vulcan Steel had no option but to import plate and to develop reliable business relationships with overseas suppliers. In the absence of adopting this survival response we believe that our business would no longer be viable.

However, even this business model is now under threat from BlueScope's market dominance and unrealistically high price expectations whereby, [REDACTED]

[REDACTED] we will not have access to a competitive market price. Any reasonable assessment of material injury and its causes must take account of this unconscionable conduct of the applicant.

We submit that the minimal volume of imports by Vulcan and the absence of any evidence that those imports have caused any detriment to BlueScope 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, the following recommendations for exemption be made to the Minister:

1. All imports by Vulcan on the ground that by demanding [REDACTED] local sourcing, BlueScope 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 outside of BlueScope's manufacturing capability.

Yours sincerely

A handwritten signature in dark ink, appearing to read "R. Kroon", with a stylized flourish at the end.

Russell Kroon
Vulcan Steel Pty Ltd