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20th August 2013

Ms Joanne Reid
Director, Operations 3
International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Dear Ms Reid

Public File

Statement of Essential Facts No. 198 – Plate Steel exported from China, Indonesia, Japan, Korea and Taiwan – BlueScope Steel Limited submission

Attached for your consideration is BlueScope Steel Limited's ("BlueScope") submission in response to Statement of Essential Facts ("SEF") No. 198 on the dumping of plate steel exported from the People's Republic of China, the Republic of Indonesia, Japan, the Republic of Korea, and Taiwan, and the subsidisation of plate steel from the People's Republic of China

BlueScope welcomes any questions that you may have in respect of the attached submission. I may be contacted on (02) 4275 3859.

Yours sincerely

Alan Gibbs
Development Manager – International Trade

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20 August 2013

Ms Joanne Reid
Director, Operations 3
The Anti-Dumping Commission
C/o Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Dear Ms Reid

Public File

Re: Steel plate exported from China, Indonesia, Japan, Korea and Taiwan – Statement of Essential Facts No. 198 – BlueScope Steel Limited Comments

1. Executive Summary

BlueScope Steel Limited ("BlueScope") welcomes the publication of Statement of Essential Facts ("SEF") No. 198 concerning the dumping of hot rolled plate steel exported from the People's Republic of China ("China"), the Republic of Indonesia ("Indonesia"), Japan, the Republic of Korea ("Korea") and Taiwan, and the subsidisation of hot rolled plate steel from China.

In particular, BlueScope supports the preliminary findings that exports of dumped and subsidised hot rolled plate steel exported from China, and dumped exports from Japan and Indonesia, and certain dumped exports from Korea have caused material injury to the Australian industry manufacturing like goods.

It is BlueScope's position that the preliminary finding concerning exports by Shandong Iron and Steel Company Limited, Jinan Company ("JIGANG") of China at negligible dumping margins is incorrect. Similarly, BlueScope challenges the preliminary findings that exports of hot rolled plate steel by Hyundai Steel Company ("Hyundai"), POSCO of Korea, and China Steel Corporation/China Steel Global Trading ("CSC/CSGT") of Taiwan were at negative margins of dumping. BlueScope also rejects the preliminary finding that dumped exports by Chung Hung Steel Corporation ("Chung Hung") of Taiwan, by virtue of the preliminary negative dumping finding for CSC/CSGT, are negligible in volume and has also been recommended for termination (as is the remaining exports of hot rolled plate steel exported from Taiwan).

BlueScope is opposed to the proposed termination of inquiries in respect of the following exporters:

- JIGANG (dumping only);
- Hyundai;
- POSCO;
- Chung Hung; and
- all remaining exporters of hot rolled plate steel from Taiwan.

BlueScope submits that exports of hot rolled plate steel exported to Australia by JIGANG, Hyundai, POSCO, Chung Hung and the remaining exporters in Taiwan were at dumped prices and that the

dumping was not negligible and had caused, and threatens future, material injury to the Australian industry producing like goods.

2. Australian Market

The Anti-Dumping Commission ("the Commission") has confirmed that the Australian market for hot rolled plate steel was approximately 500,000 metric tonnes in 2012. Imports from all sources accounted for approximately 40 per cent of total hot rolled plate steel supplied to the Australian market in 2012, with the import volumes sourced predominantly from the nominated countries (i.e. China, Indonesia, Japan, Korea and Taiwan).

The goods the subject of investigation included non-alloyed plate steel and Quench and Tempered ("Q&T") green feed plate steel. There is a single customer for Q&T plate steel in Australia that has sourced product from BlueScope, JIGANG of China, and POSCO of Korea.

3.0 Dumping investigation

The Commission visited a number of cooperating exporters including JIGANG of China; Shang Chen Steel Co., Ltd of Taiwan ("Shang Chen"); Hyundai, POSCO, and Dongkuk Co., Ltd ("DSM") of Korea; PT Gunung Rajapaski ("Rajapaski"), PT Krakatau Steel ("Krakatau"), and PT Gunawan Dianjaya Steel ("Dianjaya") of Indonesia.

The dumping margins determined for all exporters of hot rolled plate steel were as follows (as per SEF No. 198):

Country	**Manufacturer/exporter**	**Dumping Margin**
China	JIGANG	0.3%
	All other exporters	22.1%
Indonesia	PT Gunung Rajapaksi	8.6%
	PT Krakatau Steel	11.3%
	PT Gunawan Dianjaya Steel	11.3%
	All other exporters	19%
Japan	*All exporters*	14.3%
Taiwan	Shang Chen Co., Ltd	-3.1%
	Chung Hung	5.0%
	China Steel Corporation and China Steel Global Trading	0.9%
Korea	Hyundai Steel Company	-7.9%
	Dongkuk Steel Mill Co., Ltd	18.4%
	POSCO	-4.9%
	All other exporters	20.6%

BlueScope has examined the exporter visit reports for each of the cooperating exporters (including those not visited by the Commission and subject to a desk audit) available on the electronic public file.

3.1 Normal values - China – JIGANG

3.1.1 Coking coal benchmark

The Commission determined normal values for JIGANG pursuant to s.269TAC(2)(c) due to the positive finding that hot rolled plate steel prices in China were the subject of a particular market situation. A constructed selling price was used for JIGANG, a state-owned integrated producer of hot rolled steel plate. The Commission found that coking coal prices in China were artificially low (by a margin of 16 per cent) during 2012 when compared with a benchmark price for coking coal. The Commission concluded that coking coal was provided by State Invested Enterprises ("SIEs") to manufacturers of galvanised steel and aluminium zinc coated steel at less than adequate remuneration. The selected benchmark (for establishing goods at less than adequate remuneration) was Chinese export prices for coking coal based upon Chinese export data supplied by the Government of China ("GOC"). The Commission has considered that at the time of the SEF, "*the price of coking coal exported from China during the investigation period is reflective of a competitive market cost in China*"[1].

In respect of JIGANG, the Commission considered that its "*coking coal costs do not reflect competitive market costs associated with the manufacture of like goods*[2]". JIGANG's purchase price for coking coal was compared with the benchmark price (i.e. Chinese export prices for coking coal) to establish an adjustment required to JIGANG's normal value.

At Appendix 2.3 to SEF No. 198, the Commission recognises that the use of Chinese export prices for coking coal is "*not without problems*". The Commission found that the quality of coking coal in China could not be determined. BlueScope understands that the Chinese market for coking coal is of a lower standard than the hard coking coal exported to China from Australia. It is further understood that the Chinese exported coking coal is of a similar quality to the domestic coking coal. For the purposes of steel production, Chinese manufacturers utilise a blend of domestic coking coal and imported hard coking coal or, alternatively consume hard coking coal only.

It is not clear in the Public File version of JIGANG's exporter visit report whether the Commission examined only JIGANG's domestic purchases of coking coal and/or any JIGANG purchases of imported coking coal. As indicated above, it is understood that Chinese steel manufacturers utilise a blend of domestic coking coal and imported hard coking coal for the manufacture of liquid steel. It is of concern to BlueScope that the comparison of JIGANG's purchase price for coking coal when contrasted with the Chinese export prices for coking coal understates the extent to which JIGANG's coking coal costs are less than full competitive market costs for coking coal. This concern is due to the industry awareness that Chinese domestic coking coal is of a lower quality than hard coking coal that is generally consumed by Chinese steel manufacturers.

A correct benchmark comparison would also include (within the coking coal benchmark comparison) prices for hard coking coal that is used in blended raw materials by Chinese steel manufacturers.

BlueScope submits that JIGANG's normal value requires further adjustment to reflect the higher margin apparent between the purchase price for low-quality Chinese domestic coking coal and the Chinese export price for low quality coking coal (i.e. which does not reflect any component for hard coking coal). An accurate "benchmark" for domestic Chinese coking coal prices for a Chinese steel

[1] Statement of Essential Facts No. 198, P.26.

[2] Shandong Iron and Steel Company Limited, Exporter Visit Report, P.36.

producer must reflect the reality that the producer "blends" low quality domestic coking coal with imported higher quality hard coking coal.

It is BlueScope's position that the Commission's adjustment to JIGANG's normal value (and consequently all Chinese exporters of like goods) under Program 3 (coking coal at less than adequate remuneration) understates the full differential between Chinese domestic prices for coking coal and the benchmark price. As Chinese steel manufacturers utilise a blend of low quality coking coal and imported high-grade hard coking coal, the benchmark price should similarly reflect a "blend" of low quality coking coal and hard coking coal prices (rather than merely an export price for low quality coking coal only). The global average usage of hard coking coal in the blend is [redacted]%. In the first two quarters of 2012 the Chinese steel industry blend was [redacted]% hard coking coal. (Refer to [redacted] - Confidential Attachment 1.)

3.1.2 Steel slab price

The Commission has confirmed that JIGANG (i.e. the Jinan Iron and Steel Company Limited) is a member of the Shandong Iron and Steel Group Co., Limited and is owned by the Shandong State-Owned Assets Supervision and Administration Commission ("SASAC"). JIGANG is an integrated producer of various steel products from liquid steel. As such, JIGANG purchases iron ore and coking coal in the manufacture of liquid steel. Prior to the manufacture of hot rolled plate steel, the integrated manufacture produces steel slab.

The Commission's cost verification process (as reflected in the JIGANG Exporter Visit report[3]) details the verification of certain raw materials consumed in the manufacture of liquid steel and steel slab. During the verification visit, JIGANG provided the Commission with profit and cost centre information within the parent company Shandong Iron and Steel Company.

For Chinese integrated steel manufacturers, a valid step in the verification process includes confirmation that steel slab manufactured within the entity is transferred to the hot rolled plate steel facility at full cost recovery. This verification step was undertaken by the Commission in the recent galvanised steel and aluminium zinc coated steel investigations to ensure hot rolled coil ("HRC") was transferred to the coating business at full cost recovery.

The JIGANG exporter visit report confirms that the Commission had been provided with information by JIGANG as to the cost of steel slab production, however, it is not clear from the report as to whether the transfer price for steel slab was at full cost recovery. It is evident that the raw materials consumed in the manufacture of steel slab were verified and that there were certain variances apparent. Whether the steel slab transfer price reflected all costs and variances is not clear.

The validation of the steel slab cost in the verification of all costs associated with hot rolled steel plate is critical. BlueScope requests the Commission to review JIGANG's transfer price for steel slab to ensure that the selling price is at full cost recovery. The Commission has available to it verified steel slab prices determined for exporters in Korea (e.g. Dongkuk) and Taiwan upon which it can adequately assess whether JIGANG's steel slab price reflects full cost recovery based upon competitive market selling prices. Additionally, the Commission could compare the non-alloy and Q&T export price differentials for JIGANG with those of POSCO to establish whether the margins are reflective of competitive market prices.

[3] JIGANG Exporter Visit Report, P. 21-27.

3.1.3 Level of profit

The JIGANG exporter visit report confirms that the Commission has applied a level of profit to JIGANG's cost to make and sell for hot rolled steel plate. The level of profit included by the Commission is based upon "*data related to the production and sale of like goods to unrelated customers in the ordinary course of trade*[4]".

BlueScope contends that the level of profit selected by the Commission is influenced by the artificially low selling prices and costs of JIGANG for goods sold on the Chinese domestic market. As both the selling prices (i.e. a positive finding as to a particular market situation for hot rolled steel plate has been confirmed) and the costs (artificially low input cost for coking coal) are not based upon competitive market input prices, it cannot be accepted that the level of profit achieved is anything but understated.

The level of profit to be applied to JIGANG's costs must reflect a level of profit based upon competitive market conditions. Where the Commission proposes a level of profit to be applied to JIGANG's cost-to-make-and-sell ("CTM&S") that is established upon a margin based upon government-influenced selling prices and costs, the determined normal value (and subsequent export prices that reflect the normal value) is injurious to the Australian industry.

The level of profit to be applied to JIGANG's constructed normal value (and that for all remaining Chinese exporters of the goods under consideration) should reflect a level of profit based upon market selling prices and costs for hot rolled steel plate and not an artificially low margin determined on Chinese selling prices and costs that are government influenced.

3.1.4 Quench & Tempered green feed

JIGANG's normal value for Quench and Tempered ("Q&T") green feed plate steel should reflect additional costs to the standard normal value for 250 grade hot rolled plate steel. There exist fundamental metallurgical differences in the processing of a slab of grade 250 plate steel and Q&T green feed plate steel.

The key compositional differences include as follows:

(i) 250 grade steel

- possesses a very lenient maximum Sulphur requirements – meaning that metal can be processed at steelmaking direct from the blast furnace without pre-treatment;
- does not require inclusion shape modification nor does it have specific hydrogen or nitrogen content limits;
- is not 'clinkable' – meaning the propensity of the slab to crack (due to brittle failure).

(ii) Q&T green feed steel

Has very stringent toughness, strength, anisotropy, through-thickness and other specifications that mean this product has:

[4] JIGANG Exporter Visit Report, P. 36.

1. to achieve 0.005% maximum Sulphur content;
2. low nitrogen requirements;
3. low hydrogen requirements;
4. inclusion modification requirements;
5. steelmaking de-Sulphurisation requirements;
6. A1 slab caster condition requirements;
7. increased losses from casting events – lower yield than 250 grade and;
8. hot processing required due the product being 'clinkable'.

To achieve the specific Q&T green feed requirements, the hot metal from the blast furnace must go through pre-treatment at a desulphurisation station:

- is processed only if low Sulphur is achieved (No. 1 above);
- is tapped hotter from the basic oxygen furnace (extra refractory wear);
- needs processing at a vacuum degasser (No. 2 & 3 above);
- needs processing at an injection station (No. 4 above);
- requires the slab caster to be in top alignment and condition; and
- incurs extra cost in handling within the slab yard (No. 8 above).

The above additional production requirements result in increased cost and require further processing time than 250 grade hot rolled steel plate. The standard additional costs include:

- alloys and fluxes +$[redacted]/tonne;
- desulphurisation +$[redacted]/tonne;
- injection station +$[redacted]/tonne and;
- yield difference +$[redacted]/tonne.

BlueScope's Confidential Appendix A6.1 evidenced a cost differential between standard 250 grade steel plate and Q&T green feed steel plate of $[redacted]/tonne.

Australian Bureau of Statistics ("ABS") data for imports from Korea indicate that POSCO exported approximately [redacted] tonnes of Q&T green feed during the investigation period with an A$FOB of $[redacted] per tonne. POSCO standard exports of 250 grade plate steel [redacted] were at an A$FOB of $[redacted] per [redacted]

The higher costs of production to manufacture Q&T green feed are driven by the additional processing costs and the capital required for the desulphurisation station [redacted], injection station [redacted] and Vacuum Degasser station [redacted]

BlueScope is concerned that JIGANG's normal value for Q&T understates the full cost of manufacture for the higher value-added plate steel. It is highlighted that the Commission has access to POSCO's costs associated with the manufacture of Q&T green feed plate steel that the Commission could have readily benchmarked the JIGANG's costs of production with.

BlueScope further considers that the profit applied to JIGANG's CTM&S for Q&T green feed plate steel should reflect the higher value add composition of the product (i.e. the profit margin applied to Q&T green feed should be higher than the standard commodity grade plate steel).

It is submitted that JIGANG's normal value for Q&T green feed plate steel is understated when contrasted with POSCO's normal value and export price for Q&T green feed during the investigation period.

3.2 Korean normal values

3.2.1 Hyundai

BlueScope has previously made representations concerning the Hyundai and POSCO exporter visit reports[5]. BlueScope's representations address the Commission's determination of preliminary normal values for Hyundai including the following issues:

- profit calculation;
- selling, general and administration expenses;
- adjustments for advertising and warranty; and
- payment guarantee charges.

The Commission indicated in SEF No. 198 that it examined BlueScope's representations concerning the determination of Hyundai's normal values. Specifically, the Commission stated that it examined Hyundai's:

- warranty expenses;
- advertising expenses;
- S,G&A;
- third country sales;
- non-arms length sales; and
- profit.

SEF No. 198 states that the "*S,G&A allocation methods were reviewed and the approach taken by the visit team is considered appropriate*." Whilst BlueScope's representations did address the basis for the allocation and the Commission has stated that it is satisfied with the basis for the allocation, BlueScope does not consider that the Commission has sufficiently examined the composition of the expenses and whether they are sufficiently linked to the production and sale of the goods under consideration.

In particular, BlueScope questions the validity of advertising expenses for hot rolled plate steel. It is recognised that there may be costs associated with the marketing and advertising of coated steel, however, it is not considered that a steel producer incurs advertising costs that can be directly linked to hot rolled plate steel. Advertising expenses have not been specifically raised by other cooperating exporters and therefore the relevance to hot rolled plate steel is questioned.

BlueScope is also concerned by the level of profit that has been applied to Hyundai's constructed cost normal value. SEF No. 198 does not include any specific comment relating to the level of profit applied. BlueScope anticipates that the negative 7.9 per cent dumping margin implies that the level of profit applied to Hyundai's CTM&S is low. BlueScope re-asserts its concern that the level of profit applied to Hyundai's CTM&S is not sufficient to ensure that Hyundai's exports to Australia are non-injurious. A level of profit adequate for re-investment purposes should be reflected in Hyundai's constructed normal value.

[5] Refer correspondence dated 4 July 2013.

The Commission has further indicated that the "*volumes and nature of trade of exports to Japan and Canada have been considered and the Commission determines that they are not similar to the volumes and nature of trade exported to Australia by Hyundai*[6]". The dismissive nature of these comments does not detract from the relevance of the export information for comparison purposes with export prices to Australia. BlueScope is of the view that the Commission should have verified Hyundai's export sales of hot rolled plate steel to Canada and Japan. It is not clear from SEF No. 198 on what basis the "nature of trade" for exports to Canada and Japan are not similar, although it should be recalled that Hyundai's exports of the goods under consideration are predominantly 250 grade hot rolled plate steel. BlueScope seeks further clarification as what constitutes volumes not being similar and what information was relied upon to reject the exports on the basis of the nature of the trade (to Canada and Japan).

It is noted from [redacted] that over the dumping period Korean plate non alloy steel product exports to Canada was [redacted]kt at a weighted average FOB of $[redacted]/tne (price ranged between $A[redacted] – $A[redacted]/tne) and Korean plate steel exports to Japan was [redacted]kt at a weighted average FOB of $A[redacted]/tne (price ranged between $A[redacted]/tne – $A[redacted]/tne). Exports to Australia over this same period from Korea were [redacted]kt at a weighted average selling price of $A[redacted]/tne (price ranged between $A[redacted] – $A[redacted]/tne).). BlueScope remains concerned that export sales of commodity plate steel products to Japan and Canada have not been considered for comparison to exports to Australia,(under s.269TAC(2)d) to allow the minister to consider whether dumping margins can be determined for Korean export sales to Australia by referencing export sales to Canada and Japan for like goods. (Refer to [redacted] data - Confidential Attachment 2.)

BlueScope does not receive any comfort from the Commission's statement that "*the magnitude of Hyundai's preliminary negative dumping margin is such that any adjustment to the above factors is unlikely to result in a positive dumping margin for Hyundai*". It is BlueScope's view that irrespective of the magnitude of the margin, each issue/matter identified requires examination to ensure that the verification methodology is conducted correctly and in accordance with the legislation.

3.2.2 POSCO

BlueScope's 4 July 2013 submission raised concerns about the verification of POSCO's transfer price for slab steel used in the production of hot rolled plate steel.

The Commission has not commented on BlueScope's representations in SEF No. 198.

BlueScope reiterates its concern that the verification (or the acceptance of sufficient validating evidence in the absence of an on-site verification visit) is required to be satisfied that POSCO's domestic sales (where appropriate) are made in the ordinary course of trade. The POSCO exporter visit report does not provide insight as to whether the Commission sufficiently examined whether POSCO's transfer price for steel slab recovered all fully absorbed costs, nor whether the Q&T green feed input was at full cost recovery.

Adjustment for export warehousing costs

BlueScope steel considers that an upwards adjustment to POSCO's normal value is required for export plate steel warehousing costs. Whilst there has been an adjustment made for domestic plate steel warehousing costs, no adjustment has been made for the warehousing costs involved in holding and consolidating plate steel product prior to export shipment.

[6] Statement of Essential Facts No. 198, P.33.

Adjustment for duty drawback

BlueScope steel understands that duty drawback is available to POSCO in respect of duty paid on certain imported raw materials where the finished product (in which the raw material was used) is exported. Additionally it is understood that POSCO negotiates its export sales prices on a case by case basis. POSCO export prices[7] are set as follows:- *"POSCO advised….that its customers will approach Posco and the price is negotiated based on the volume, market, type of goods and credit terms sought. Once this process is finalised an order is placed and the production of goods will commence"*

There is no evidence to suggest that the export duty drawback is included in the export prices when they are negotiated. POSCO makes a duty drawback application to the Korean Customs authority after the goods are exported. Accordingly it is not certain that the reduction in costs associated with the duty drawback is captured in the export price of the goods. Based on the above, BlueScope considers that for a fair value comparison between normal value and export price to be made, the normal value calculation should not be reduced by any drawback amounts.

3.3 Taiwan

3.3.1 Shang Chen

SEF No. 198 highlights that Shang Chen is the largest Taiwanese exporter of hot rolled plate steel to Australia. BlueScope has further reviewed the Shang Chen exporter visit report and seeks further clarification of two key adjustments to Shang Chen's normal values, namely for:

- physical differences; and
- timing differences.

Where there were insufficient domestic sales of a grade of hot rolled steel exported to Australia, normal values were adjusted on the basis of "physical differences". BlueScope seeks confirmation as to the basis for the adjustments – were these made on the basis of Shang Chen's "Extras Table" or on the basis of some alternate methodology? BlueScope is concerned that there is insufficient information available to assess whether the costs between grades have been adequately identified. BlueScope references the sufficiency of information to assess the differences between grades as disclosed on the PT Gunung (Indonesia) exporter visit report[8].

In respect of adjustments to normal values to account for timing differences, BlueScope suggests that the more appropriate methodology is to use market-determined adjustments – i.e. adjustments between selling prices for the goods exported (rather than cost-based adjustments). The adjustments are for differences between 250 and 350 grade hot rolled plate steel and could be examined by the Commission for periods where there are sufficient sales in the ordinary course of trade.

The weighted average normal value determined for Shang Chen could be influenced by the magnitude of the adjustments for physical and/or timing differences. Extra care is required to ensure that the appropriate market-based adjustments to Shang Chen's normal values are identified.

[7] POSCO Exporter Visit Report, P. 14.

[8] PT Gunung Raja Paski Exporter Visit Report, P. 10 and 11.

3.3.2 China Steel Corporation (CSC) and China Steel Global Trading (CSGT)

The Commission has indicated that due to the "ownership and commercial relationship between CSC and CSGT" that the two entities can reasonably be treated as a single entity for the purposes of determining a dumping margin.

BlueScope does not agree. BlueScope contends that the Commission should have considered separate normal values, export prices and dumping margins for CSC and CSGT. In circumstances where related parties are closely aligned (e.g. where one entity is a trading entity/exporter for the manufacturing entity) certain manufacturing and/or S,G&A costs may be disproportionate and hidden. Individual dumping margin calculations will identify any irregularities, and hence are appropriate for consideration.

4.1 Disparities of dumping margins between exporters in Korea

In its 4 July 2013 representations in respect of dumping margins determined for Hyundai, BlueScope highlighted its concern that the Commission had determined a negative 7.9 per cent dumping margin for Hyundai and an 18.4 per cent dumping margin for Dongkuk Steel Mill ("DSM").

BlueScope continues to question how a significant difference in dumping margins can arise between domestic producers in Korea, when both the Korean and Australian domestic plate steel markets are over-supplied and the intense domestic competition that prevails ensures each of these markets operate within a very narrow selling price band. A reasonable explanation emerges from the basis for normal value determination – Hyundai's normal values are on a constructed cost basis with a profit margin applied, whereas DSM's normal values are determined on the basis of domestic selling prices. The contrast in margins determined for each exporter indicates that the level of profit applied to Hyundai's normal value is inadequate.

BlueScope reiterates that the level of profit correctly applied to Hyundai's normal value should be sufficient for reinvestment purposes or, as a minimum, reflect a level of profit included in DSM's domestic selling prices.

5. Conclusions

BlueScope considers that the Commission has understated the amount by which coking coal in China is sold at less than adequate remuneration. The benchmark should include an amount for the higher quality hard coking coal that is used by Chinese steel mills in the manufacture of hot rolled steel plate. It is further considered that the Commission did not benchmark JIGANG's transfer price for steel slab to ensure that it was at full cost recovery. The level of profit applied to JIGANG's constructed normal value is understated due to Chinese domestic selling prices and export prices not reflecting competitive market prices, and the constructed full cost for Q&T green feed is also understated due to the additional processing costs uniquely associated with Q&T green feed not being included.

BlueScope does not view the Commission's comments in SEF No. 198 in relation to earlier representations concerning the verification of costs and third country export prices for Hyundai as sufficient. BlueScope reiterates that domestic advertising expenses are not generally incurred for hot rolled plate steel and the "volume and nature of trade" for the goods under consideration exported by Hyundai to Canada and Japan have not been adequately explained.

Adjustments to Shang Chen's normal values for physical and timing differences should be on the basis of market-determined price differentials and not cost-based. Further the impact of changes in Shang Chen's normal values will impact the preliminary determination that other export volumes at dumped prices from Taiwan are negligible.

BlueScope requests the Commission not to terminate investigations into exports of hot rolled plate steel exported by JINGANG from China (dumping only), Hyundai and POSCO of Korea, and all exporters from Taiwan. BlueScope's comments above relate to the identified exporters and will impact the Commission's assessment of the respective preliminary dumping margins.

Finally, BlueScope welcomes the Commission's findings concerning its findings in relation to all dumped (and subsidised ex China) and injurious exports of hot rolled plate steel from exporters in China, Japan, Indonesia and Korea. BlueScope requests the Commission to recommend to the Minister that interim duties be applied to all identified exporters of injurious exports of hot rolled plate steel to Australia.

Please do not hesitate to contact me on (02) 4275 3859 if you have any questions concerning this submission.

Yours sincerely

Alan Gibbs
Development Manager – International Trade