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commercial + international

24 April 2023

The Director
Investigations 4
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

By email

Dear Director,

KG Dongbu Steel Co Ltd Submission regarding Statement of Essential Facts 611

As you know, we act on behalf of KG Dongbu Steel Co Ltd ("KG Dongbu") in relation to this inquiry.

KG Dongbu has reviewed *Statement of Essential Facts 611* ("the SEF"). With regard to exports from Korea, KG Dongbu agrees that there is no basis upon which the Commissioner can be satisfied that the expiration of the measures would lead, or would be likely to lead, to a reoccurrence of dumping and the material injury that the anti-dumping measure was intended to prevent. Accordingly, after 10 years of operation, the measures must be allowed to expire.

KG Dongbu notes the following factors in the SEF which support the expiration of measures:

- After rigorous verification, the Commission has determined a significant no-dumping margin of negative 17.5% for KG Dongbu. KG Dongbu did not dump goods during any quarter of the inquiry period, and the commission did not consider whether the expiration of KG Dongbu's measures would cause material injury, due the unlikelihood of dumping recurring by Korean exporters.
- This finding continues a trend that predates any effect that COVID-19 has had in the global economy. In Review 521, relating to the period 1 July 2018 – 30 June 2019, KG Dongbu was verified to have a no-dumping margin of negative 4.1%.¹

¹ *Report 521 and 522 – Zinc Coated (Galvanised) Steel and Aluminium Zinc Coated Steel*, page 55.

- KG Dongbu's zinc coated aluminium steel has been subject to anti-dumping measures since 5 August 2013. Since initial engagement with the Commission, KG Dongbu has cooperated with the Commission in four reviews and now two continuation inquiries, and has been verified on numerous occasions. In each instance, KG Dongbu has fully complied with the Commission. In only one instance since the measures were imposed has the Commission found KG Dongbu's goods to be dumped. That occurred in 2017, almost 5 years ago.
- China's goods have been found to be the lowest priced in the market for seven consecutive quarters; nonetheless Korea's export volume and Australian market share has increased at prices that are significantly higher than in the domestic Korean market. Korea has not priced its goods to compete with the materially lower landed prices of Chinese goods and there is no basis to suggest that Korea (and KG Dongbu) would reduce prices to dumped levels because of the expiry of the measures.²
- Whilst the Australian market is stabilising after a period of disruption caused by the pandemic and it is expected that prices will trend downwards, the Commission does not consider that any resulting export price reductions relative to reductions in prices in the Korean domestic market will result in Korea's large negative dumping margin becoming positive.³ As we have noted above, Dongbu's goods were found not to be dumped prior to any impact of COVID-19.
- As noted in KG Dongbu's exporter questionnaire response the Australian market is supplied by numerous countries, and the bulk of zinc coated galvanised steel in the Australian market comes from manufacturers that are not subject to anti-dumping measures. The SEF confirms this to be the case, with "all other imports" appearing to be the largest category of imports, followed by non-dumped imports from Taiwan.⁴
- BlueScope Steel Ltd ("BlueScope") alleges that if the measures were to expire then the subject producers, including Korea, would export a significant volume of goods to the Australia market and take sales from Australian producers.⁵ They have provided nothing to substantiate that argument. Indeed, the SEF counters that conjecture, finding that export volumes from Korea have *increased* despite not being dumped, and have not, and continue not to be, influenced by the lower prices in the market.⁶ BlueScope has provided no evidentiary basis to support their position that the measures should continue. The onus is on BlueScope to demonstrate why the measures should continue; they have not met that onus.

KG Dongbu is a profit-making business that has been able to increase its export volumes and Australian market share, without reducing the price of its goods to compete with China. There is no incentive for KG Dongbu to change its behaviour and begin dumping goods injuriously once the measures are revoked. There is no basis in evidence, fact or law to continue these measures as they

² Pages 79 and 80 of the SEF.

³ Page 81 of the SEF.

⁴ Page 71 of the SEF.

⁵ Page 69 of the SEF.

⁶ Page 79 of the SEF.

relate to Korea.

KG Dongbu agrees with the Commission's recommendation that the measures applying to Korea should expire.

Yours sincerely

A handwritten signature in black ink, appearing to read "Alistair Bridges", with a long horizontal flourish extending to the right.

Alistair Bridges
Special Counsel

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