



ANTI-DUMPING NOTICE NO 2023/084

Customs Act 1901 – Part XVB

Quenched and tempered steel plate

Exported from Finland, Japan and Sweden

Initiation of a Continuation Inquiry No 638 into Anti-Dumping Measures

Notice under section 269ZHD(4) of the Customs Act 1901

I, Dr Bradley Armstrong PSM, the Commissioner of the Anti-Dumping Commission (Commissioner), have initiated an inquiry into whether the continuation of anti-dumping measures, in the form of a dumping duty notice, in respect of quenched and tempered steel plate (the goods) exported to Australia from Finland, Japan and Sweden is justified.

The anti-dumping measures are due to expire on 5 November 2024 (specified expiry day).¹

1. The goods

The goods subject to the anti-dumping measures and this inquiry are:

Flat rolled products of alloyed steel plate commonly referred to as Quenched and Tempered (“Q&T”) steel plate (although some Q&T grades may not be tempered), not in coils, not further worked than hot rolled, of widths from 600mm up to and including 3,200mm, thickness between 4.5-110mm (inclusive), and length up to and including 14 metres, presented in any surface condition including but not limited to mill finished, shot blasted, primed (painted) or un-primed (unpainted), lacquered, also presented in any edge condition including but not limited to mill edge, sheared or profiled cut (i.e. by Oxy, Plasma, Laser, etc.), with or without any other minor processing (e.g. drilling).

Goods of stainless steel, silicon-electrical steel and high-speed steel, are excluded from the goods covered.

¹ On and from 6 November 2024, if not continued, the anti-dumping measures would no longer apply.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*.²

Tariff subheading	Statistical code	Description
7225		FLAT-ROLLED PRODUCTS OF OTHER ALLOY STEEL, OF A WIDTH OF 600 mm or more:
7225.1		- Of silicon-electrical steel:
7225.40.00		- Other, not further worked than hot-rolled, not in coils, high alloy:
	21	<i>Quenched and tempered</i>
	22	<i>Other</i>
		- Other, not further worked than hot-rolled, not in coils, other:
	23	<i>Quenched and tempered</i>
	24	<i>Other</i>
7225.9		- Other:
7225.99.00	39	-- Other

2. Background to the anti-dumping measures

The anti-dumping measures were initially imposed by public notice on 5 November 2014 by the then Parliamentary Secretary to the Minister for Industry.³ This followed their consideration of the Commissioner's recommendation in *Anti-Dumping Commission Report No 234* (REP 234)⁴ as a result of Investigation No 234 (original investigation).

The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB of the *Customs Act 1901*⁵ by Bisalloy Steels Pty Ltd (Bisalloy) representing the Australian industry producing like goods to the goods subject to the anti-dumping measures.

Following an inquiry, the anti-dumping measures were continued by the then Minister for Industry, Science and Technology for a further five years from 5 November 2019.⁶ This followed their consideration of the Commissioner's recommendation in *Anti-Dumping Commission Report No 506* (REP 506).⁷

Further details on the goods and existing measures are available on the Dumping Commodity Register on the Anti-Dumping Commission's (commission) website (www.adcommission.gov.au).

² These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods subject to the anti-dumping measures.

³ [Anti-Dumping Notice \(ADN\) No 2014/123](#).

⁴ Electronic public record for case 234, [document no 98](#).

⁵ All legislative references in this notice are to the *Customs Act 1901*, unless otherwise stated.

⁶ [ADN No 2019/113](#).

⁷ Electronic public record for case 506, [document no 64](#).

3. Application for continuation of the anti-dumping measures

Division 6A of Part XVB sets out, among other things, the procedures to be followed in dealing with an application for the continuation of anti-dumping measures.

In accordance with section 269ZHB(1), I published a notice⁸ on the commission's website on 5 September 2023. The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (section 269ZHB(1)(b)(i)); or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (section 269ZHB(1)(b)(ii)).

On 3 November 2023, an application for the continuation of the anti-dumping measures was received from Bisalloy. A non-confidential version of the application is available on the commission's public record.

Having regard to the application, the original investigation, and the subsequent continuation inquiry, I am satisfied that Bisalloy is the person under section 269ZHB(1)(b)(i) because Bisalloy's application under section 269TB resulted in the existing anti-dumping measures.

4. Consideration of application under section 269ZHD(1)

Pursuant to section 269ZHD(1), I must reject an application for the continuation of anti-dumping measures if I am not satisfied of one or more of the matters referred to in section 269ZHD(2). These are:

- the application complies with section 269ZHC (section 269ZHD(2)(a)), and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (section 269ZHD(2)(b)).

5. Assessment under section 269ZHD(2)(a) - compliance with section 269ZHC

I consider that the application complies with the requirements of section 269ZHC because it:

- is in writing
- is in a form approved by me for the purposes of this section
- contains information that the form requires
- is signed in the manner indicated by the form, and
- was lodged in a manner approved under section 269SMS, being by email to the commission's email address provided in the instrument under section 269SMS.⁹

⁸ [ADN No 2023/053](#).

⁹ A copy of the instrument can be found on the commission's website at www.adcommission.gov.au.

6. Assessment under section 269ZHD(2)(b) - reasonable grounds

Applicant's claims

In its application, Bisalloy claims, among other things, that:

- Following the continuation of the measures in October 2019, exports of the goods to Australia from Finland, Japan and Sweden have continued. The continuing exports to Australia indicate the presence of well-utilised distribution links to the Australian market.
- The goods exported to Australia from Finland, Japan and Sweden were dumped following the imposition of the measures and were dumped in the year ending 30 September 2023 (the proposed inquiry period).
- Exports from Finland, Japan and Sweden comprised approximately 13 percent of the Australian market during the proposed inquiry period, which is a substantial and influential share of the market demonstrating a continued presence in the market that impacts the Australian industry's sales volumes and selling prices.
- Despite declining steel demand globally, and a weak outlook, capacity expansions continue at a robust pace, often in pursuit of export markets. The OECD's *2023 Latest Developments in Steelmaking Capacity* report concludes that global steelmaking capacity continues to increase at a rapid pace in a period of weakening steel market conditions. Excess capacity, over and above domestic demand, means that producers will seek to offload excess production by exporting the subject goods to open markets, including to Australia, at dumped and injurious prices.
- Exporters from the subject countries have extensive production capacity, and they have the means and motive to export substantial volumes of the goods to Australia. These exporters will seek to further increase export volumes to Australia in the absence of the measures.
- The current measures on exporters from the subject countries are not reflective of contemporary prices of the goods, which have increased substantially since the measures were continued in 2019. Further, Bisalloy has experienced price pressures from importers of the goods during the year ending 30 September 2023. As a consequence, the Australian industry has experienced price suppression, reduced profit and profitability.
- If the measures applicable to the goods exported from the subject countries were allowed to expire, it is likely that the Australian industry producing like goods would experience a recurrence of material injury that the measures were intended to prevent.

To support its assertions in its application, Bisalloy has relied on trade data, publicly available reports relating to the steel industry, market intelligence relating to prices and suppliers of the goods in the Australian market, and its own estimates of current export prices and normal values of the goods exported from the subject countries.

The commission's consideration

In assessing Bisalloy's application, the commission considered the information provided in the application, information obtained from the Australian Border Force (ABF) import database, findings from REP 234 and REP 506, as well as other information relevant to the application.

The commission examined information it obtained from the ABF import database and observes that exporters from Japan and Sweden have continued to export

the goods to Australia since the measures were continued in 2019. This appears to support Bisalloy's allegation that manufacturers in Japan and Sweden have maintained distribution links into the Australian market.

The commission also observes that exports of quenched and tempered steel plate from Finland have continued since 2019, albeit in relatively lower volumes than before the measures were continued in 2019.¹⁰ The commission notes that the largest exporter of the goods from Finland is related to the importer in Australia. The importer has maintained its distribution link to the Australian market and has continued to supply the Australian market since the measures were imposed in 2014. Noting this, the commission considers that there appear to be reasonable grounds to support Bisalloy's assertion that the exporter from Finland has an existing distribution link to the Australian market via its related importer. This existing link to the Australian market can be utilised to resume exporting the goods to Australia in greater volumes if the measures applying to the goods exported from Finland were to expire.

The commission also examined Bisalloy's estimate of the export price, normal value and dumping margin of the goods exported to Australia from Finland, Japan and Sweden in the year ending 30 September 2023. Based on data from the ABF import database and data from recent duty assessments relating to the goods, the commission derived its own estimate of the export price for each country. The commission also derived estimates of the normal value using information and data provided by Bisalloy in its application, data from recent duty assessments and publicly available information relating to exporters' selling and administrative expenses and profit. Based on these estimates, the commission considers that there appear to be reasonable grounds to assert that dumping has continued and may continue if the measures were to expire.

As outlined in REP 234 and REP 506, the commission found that the imported goods and like goods produced by the Australian industry are substitutable and are often sold to the same customers. The commission also found that the imported goods and like goods produced by the Australian industry competed primarily on price. In its application, Bisalloy provided information that suggests it still competes with imports on price and that it must price competitively to secure volumes.

The commission considers that given the price-sensitive nature of the Australian market for quenched and tempered steel plate, any pricing advantage achieved by exporters because of dumping will have an adverse impact on the Australian industry's relative competitiveness in the market. Therefore, should the measures expire, it appears reasonable to conclude that exporters from the subject countries would likely obtain a price advantage over the Australian industry by dumping, particularly in the context of excess production capacity. Such a price advantage might result in reduced or lost sales volumes and market share and might also result in price depression and/or price suppression (as was established in the original investigation) as the Australian industry strives to

¹⁰ The commission observes that the majority of quenched and tempered steel imported into Australia from Finland was declared as exempt from dumping duty, which appears to indicate that these particular goods are not the goods subject to the measures and therefore are not the subject of the application. Nevertheless, these shipments demonstrate that the exporter from Finland has an existing distribution link to the Australian market that it can use to export the goods to Australia.

compete with lower priced imports. Volume and price related injury would in turn likely be detrimental to other economic factors such as revenue, profit and profitability.

Having regard to the application, Bisalloy's claims and other relevant information set out in this notice, I am satisfied that, in accordance with section 269ZHD(2)(b), there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, dumping and material injury that the measures are intended to prevent.

7. Conclusion

Based on the above assessment and findings, I have decided to not reject the application.

8. This continuation inquiry

For the purpose of this inquiry, I will examine the period from 1 October 2022 to 30 September 2023 (the inquiry period) to determine whether dumping has occurred.

Following my inquiry, I will recommend to the Minister for Industry and Science (Minister) whether the notice should:

- (i) remain unaltered, or
- (ii) cease to apply to a particular exporter or to a particular kind of goods, or
- (iii) have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained, or
- (iv) expire on the specified expiry day.

9. Proposed model control code structure

The commission undertakes model matching using a Model Control Code (MCC) structure to identify key characteristics that will be used to compare the goods exported to Australia and the like goods sold domestically in the country of export.¹¹

Attachment 1 to this notice outlines the commission's proposed MCC structure. Proposals to modify the proposed MCC structure should be raised as soon as is practicable, but no later than 10 January 2024.

Interested parties are encouraged to make a submission on whether any proposed modifications to the MCC structure should be accepted by the commission. Any changes to the MCC structure will be considered by the commission and reported in verification reports or in the statement of essential facts (SEF).

10. Public record

I must maintain a public record for this inquiry. The Electronic Public Record (EPR) hosted on the commission's website (www.adcommission.gov.au) contains, among other things, a copy of all non-confidential submissions from

¹¹ Guidance on the commission's approach to model matching is in the Dumping and Subsidy Manual, available at www.adcommission.gov.au.

interested parties. Documents hosted on the EPR can be provided upon request to interested parties.

11. Submissions

Interested parties, as defined in section 269T(1), are invited to lodge written submissions concerning the continuation of the measures, no later than the close of business on **10 January 2024**, being 37 days after publication of this notice. The commission's preference is to receive submissions by email to investigations2@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Investigations 2
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Interested parties wishing to participate in the inquiry must ensure that submissions are lodged promptly. Interested parties should note that I am not obliged to have regard to a submission received after the date indicated above if to do so would, in my opinion, prevent the timely placement of the SEF on the public record.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "OFFICIAL: Sensitive ". Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

12. Statement of essential facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. I will place the SEF on the public record on or before **23 March 2024**, that is, within 110 days after the publication of this notice, or by such later date as I may allow in accordance with section 269ZHI(3). The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. Submissions received in response to the SEF within 20 days of the SEF being placed on the public record will be taken into account in completing my report and recommendation to the Minister.

13. Report to the Minister

I will make a recommendation to the Minister in a report on or before **7 May 2024**, that is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with section 269ZHI(3).

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate. If the Minister receives the report less than 30 days before the specified expiry day, the Minister must make the declaration before that day.

14. Commission contact

Enquiries about this notice may be directed to the Case Manager at investigations2@adcommission.gov.au.

Dr Bradley Armstrong PSM
Commissioner
Anti-Dumping Commission
4 December 2023

ATTACHMENT 1 – Proposed model control code structure

Item	Category	Sub-category	Identifier	Sales data	Cost data	Key category
1	Grade	Structural	S	Mandatory	Mandatory	Yes
		Wear	W			
		Armour	A			
2	Tensile strength (this category is only required for “structural” grade Q&T steel plate)	Under 700 Mpa	A	Mandatory	Mandatory	Yes
		700-799 Mpa	B			
		800-899 Mpa	C			
		900-999 Mpa	D			
		Above 1000 Mpa	E			
3	Brinell hardness (this category is only required for “wear” or “armour” grade Q&T steel plate)	Under 275	A	Mandatory	Mandatory	Yes
		275-324	B			
		325-374	C			
		375-424	D			
		425-474	E			
		475-524	F			
		525-575	G			
		Above 575	H			
4	Thickness	Under 8mm	1	Optional	Optional	No
		8-50mm	2			
		Above 50mm	3			
5	Width	Under 2000mm	A	Optional	Optional	No
		2000mm-3000mm	B			
		Above 3000mm	C			
6	Length	Under 6.5m	1	Optional	Optional	No
		6.5-8.49m	2			
		8.5-10.5m	3			
		Above 10.5m	4			

Item 1: *Grade* refers to quenched and tempered steel plate manufactured for structural, wear or armour purposes.

Item 2: *Tensile strength* refers to minimum tensile strength.

Item 3: *Brinell hardness* refers to the indentation hardness of the steel plate.

Item 4: *Thickness* refers to the minimum thickness.

Item 5: *Width* refers to the width of the steel plate.

Item 6: *Length* refers to the length of the steel plate.

As an example of how goods should be classified using only the mandatory categories of this MCC structure: Structural grade quenched and tempered steel plate with a tensile strength of 850 MPa would have an MCC of “S-C”.