



Australian Government
**Department of Industry,
Innovation and Science**

Anti-Dumping Commission

**Application for the
continuation of a dumping
and/or
countervailing notice
or
continuation of an undertaking**

APPLICATION UNDER SECTION 269ZHC OF THE *CUSTOMS ACT 1901* FOR THE CONTINUATION OF A DUMPING AND/OR COUNTERVAILING DUTY NOTICE OR CONTINUATION OF AN UNDERTAKING

I hereby request, in accordance with section 269ZHC of the *Customs Act 1901* (the Act) that the Minister:

- continue a dumping duty notice, or
- continue a countervailing duty notice, or
- continue the undertaking given under the Act by

Bisalloy Steels Pty Limited

(Name of company or organisation)

in respect of the goods the subject of this application.

I believe that the information contained in this application:

- provides reasonable grounds for continuation of the anti-dumping measure; and
- is complete and correct to the best of my knowledge and belief.

Signature:

Name:

██████████

Position:

Chief Executive Officer & Managing Director

Company:

Bisalloy Steels Pty Limited

ABN:

27 0014 641 292

Date

3 November 2023

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the '*Instructions and Guidelines for applicants: Application for continuation*' on the Commission's website.

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46

Fax: (03) 8539 2499

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission's website at www.adcommission.gov.au

Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the Department of Industry, Innovation and Science's International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.

Required information

1. Provide details of the name, street and postal address, of the applicant seeking the continuation.

The Applicant seeking the continuation of anti-dumping measures on exports of Quench and Tempered Steel Plate (**the subject goods** and/or **Q&T steel plate**) to Australia from Finland, Japan, and Sweden is Bisalloy Steels Pty Limited (**Bisalloy**). Bisalloy's head office is located at:

18 Resolution Drive
Unanderra, NSW 2526

2. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.

██████████
Chief Financial Officer
Bisalloy Steel Pty Limited
18 Resolution Drive
Unanderra, NSW 2526
Ph: ██████████
Email: ██████████

3. Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter e.g. Australian manufacturers, importers, exporters, users.

Exporters

Finland

Formerly Rautaruukki Oyj (**Ruukki**), now SSAB AB
Suolakivenkatu 1 P.O. Box 138
00811 Helsinki FINLAND
Ph: + 358 (0) 20 5925054

Japan

Nippon Steel and Sumitomo Metal Corporation (**NSSMC**)
2-6-1Marunouchi, Chiyoda-ku,
Toyko 100-8071, Japan
Ph: +81 3 6867 41111

JFE Steel Corporation (**JFE**)
2-2-3 Uchisaiwaicho, Chiyoda-ku,
Tokyo, Japan
Ph: + 81 3 3597 3111

Sweden

SSAB Swedish Steel Pty Ltd (**SSAB AB**)
Klarabergsviadukten 70, D6
P.O. Box 70
101 21 Stockholm SWEDEN
Ph: +46 8 45 45 700

Importers

Finland & Sweden

SSAB Swedish Steel Pty Ltd
P.O. Box 8074
Level 2/32 Logan Road
Woolloongabba QLD 4102
Ph: + 61 7 3891 353

Japan

The importers of the subject goods from NSSMC identified in the original Investigation 234 were Metal One Corporation, CMC, ASM Corporation and Amity Pacific Pty Ltd. Contact details are as follows:

Metal One Corporation (Mitsubishi Australia)
Level 36 AMP Centre
50 Bridge Street,
Sydney 2000, NSW
Ph: +61 2 9951 4800

Commercial Metals Pty Limited (CMC Australia)
Sydney head office
Level 3, 430 Forest Road Hurstville,
Sydney NSW 2220
Ph: +61.2.9585.6200

Sojitz Australia Limited (Sojitz Corporation)
Level 34/345 Queen Street
Brisbane QLD 4000
Ph: +61 7 3054 6901

ASM Corporation
1817 Lytton Road
Lytton QLD 4178
Ph: +61 7 3891 4900

Amity Pacific Pty Ltd
832 High Street,
Kew East Vic.3102
Ph: 03 92499550

The importer of the subject goods from JFE identified in CON 506 was Total Steels Australia. Contact details are as follows:

Total Steels Australia Pty Ltd
Suite 10/35-37 Railway Parade
Engadine NSW 2233
Ph: +61 2 8508 4800

- 4. The application must include a detailed statement setting out reasons for seeking continuation of the anti-dumping measure. Applicants must provide evidence addressing whether, in the absence of measures, dumped or subsidised imports would cause material injury to the local industry producing like goods. Applicants should refer to the “Guidelines for Preparing an Application for Continuation of Measures” for assistance.**

Please refer Non-Confidential Attachment A.

- 5. The applicant must provide details of the current anti-dumping measure(s) the subject of this continuation application, including:**
- **tariff classification**

- **the countries or companies**
- **specified date of publication of the measure**

Goods Description & Tariff Classification

The goods the subject of the anti-dumping measures 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.

The goods are generally, but not exclusively, classified to the following tariff subheadings and statistical codes in Schedule 3 to the Customs Tariff Act 1995:

- 7225.40.00: 21, 22, 23, 24; and
- 7225.99.00: 39.

Countries/companies the subject of the measures

The current anti-dumping measures, in the form of the below referenced Dumping Duty Notice, apply to the above-noted goods exported to Australia from Finland, Japan, and Sweden (**the subject countries**).

The Australian industry seeks continuation of the measures as they apply to all exporters of the goods exported to Australia from the subject countries.

Period of Review

The applicant for this continuation nominates a review period of twelve months ending 30 September 2023.

Date of publication of the measures

The relevant *Dumping Duty Notice* is ADN No. 2014/123, published 5 November 2014.

Provision of data

Industry financial data must, wherever possible, be submitted in an electronic format.

- The data should be submitted on a media format compatible with Microsoft Windows.
- Microsoft Excel, or an Excel compatible format, is required.
- If the data cannot be presented electronically please contact the Commission's client support section for advice.

Lodgement of the

This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act.

application

The Commissioner has approved lodgement of this application by either:

- preferably, email, using the email address clientsupport@adcommission.gov.au, or
- post to:
The Commissioner of the Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601, or
- facsimile, using the number (03) 8539 2499.

Public Record

During an investigation all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application must be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.

ATTACHMENT A
Application for Continuation of a Dumping Duty Notice
Quench and Tempered Steel Plate exported from Japan, Finland, and Sweden

The application must include a detailed statement setting out reasons for seeking continuation of the anti-dumping measure. Applicants must provide evidence addressing whether, in the absence of measures, dumped or subsidised imports would cause material injury to the local industry producing like goods.

Introduction

Bisalloy is seeking the continuation of anti-dumping measures to Q&T steel plate exported from Finland, Japan and Sweden. Following the continuation of measures in October 2019 resulting from continuation inquiry 506 (**CON 506**), exports of the subject goods from Finland, Japan and Sweden have continued. The variable factors applicable to the exported goods have not been reviewed since CON 506 and, it is Bisalloy's view that the current measures do not reflect the higher steel selling prices that are evident following recent global increases.

As evidenced below, exporters have maintained distribution channels into the Australian market. Total imports of the goods into Australia hold more than [XX] percent market share, and imports from Finland, Japan and Sweden in aggregate account for approximately [XX] percent of the total market in Australia in 2022/23, although SSAB Australia (SSAB Swedish Steel Pty Limited – **SSAB AU**) published financial statements would suggest that the share is much higher.

Bisalloy has determined that exports from Finland, Japan and Sweden have been at above negligible levels during the proposed 2022/23 investigation period.

It is Bisalloy's firmly held view that if the measures applicable to Q&T steel plate exports from Finland, Japan and Sweden are allowed to expire, it is likely that the Australian industry producing the like goods would experience a recurrence of material injury that the measures were intended to prevent.

Bisalloy is therefore seeking the Anti-Dumping Commission (**the Commission**) to commence an investigation into the continuation of the anti-dumping measures on Q&T steel plate exported from Finland, Japan and Sweden. Bisalloy contends that the expiration of the measures will likely lead to a recurrence of the material injury that the measures are intended to prevent and is therefore seeking the Commissioner to recommend to the Minister for Industry & Science that the measures not be allowed to expire.

i. Will the dumping or subsidisation continue, or recur?

Bisalloy submits that sufficient evidence exists for the Commission to conclude that the expiration of the measures would likely lead to a continuation or recurrence of dumping of the goods exported to Australia from Japan, Finland, and Sweden.

In CON 506, the Commission concluded as follows on the likelihood of dumping continuing or recurring:¹

The Commission has found that the goods exported from Japan and Sweden during the inquiry period were dumped at significant margins.

The Commission has also found that although there were no exports from Finland during the inquiry period, the dumping margin for Finland has increased significantly. As the only exporter from Finland is a wholly owned entity within the same group as the exporter from Sweden, the Commission considers it

¹ REP 506, p. 40.

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is likely that dumped exports from Finland would recur should the measures on Sweden continue and the measures on Finland expire.

Based on the historical and current trading behaviours of the relevant exporters, the Commission is satisfied that dumping has occurred during the inquiry period. In addition, the Commission is satisfied that the expiration of measures would be likely to lead to a continuation of dumping from Japan and Sweden, and a recurrence of dumping from Finland.

In assessing the likelihood of dumping continuing or recurring, the Commission's Dumping and Subsidy Manual outlines several relevant factors and considerations. Such factors may include exporters' dumping margins, the volume of exports before and after the measures were imposed, the effect of the measures, the level of dumping compared with the level of measures, and any change in those measures (e.g., as a result of a review).² Bisalloy addresses certain of these factors below.

- **Anti-dumping actions by other countries**

According to the World Trade Organisation (WTO) *Integrated Trade Intelligence Portal*, a total of seventeen anti-dumping measures are currently imposed by WTO member countries on Q&T steel plate, as classified to the six-digit tariff subheading for 7225.40.³

Bisalloy is not aware of anti-dumping measures in other jurisdictions applicable to the subject goods from Finland and Sweden. In relation to Japan, on March 30, 2017, the United States (U.S.) Department of Commerce (DOC) announced its affirmative final determinations in the antidumping duty investigations of imports of certain carbon and alloy steel cut-to-length plate from Austria, Belgium, France, Germany, Italy, Japan, Korea, and Taiwan, and the affirmative final determination in the countervailing duty investigation of imports from Korea.⁴

The products covered in the inquiry were carbon and alloy steel hot-rolled or forged flat plate products not in coils, whether or not painted, varnished, or coated with plastics or other non-metallic substances (i.e., cut-to-length plate). The subject merchandise included cut-to-length plate that had been further processed in the subject country or a third country, including but not limited to pickling, oiling, levelling, annealing, tempering, temper rolling, skin passing, painting, varnishing, trimming, cutting, punching, bevelling, and/or slitting.⁵

The Harmonised Tariff Schedule numbers covered by the inquiry included the tariff subheadings applicable to the continuation inquiry the subject of this application.

The DOC assigned the following margins to Japanese exporters:

Japanese exporter/producer	Dumping Margin
Tokyo Steel Manufacturing Co., Ltd.	14.79%
JFE Steel Corporation	48.67%
Shimabun Corporation	48.67%
All others	14.79%

In the January 2023 five-year sunset review, the U.S. International Trade Commission concluded that revoking the anti-dumping duty orders on imports of cut-to-length plate from Austria, Belgium, China, France, Germany, Italy, Japan, South Africa, South Korea, Taiwan, and Turkey would likely lead to continuation or recurrence of

² Dumping and Subsidy Manual, December 2021, p. 137.

³ Non-Confidential Attachment 1: WTO Integrated Trade Intelligence Portal; 7225.40 trade remedy measures (extract made 25/09/2023).

⁴ Non-Confidential Attachment 2: [Commerce Finds Dumping of Imports of Carbon and Alloy Steel Cut-To-Length Plate from Austria, Belgium, France, Germany, Italy, Japan, Republic of Korea \(Korea\), and Taiwan and Subsidization of Imports from Korea.](#)

⁵ Ibid.

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material injury within a reasonably foreseeable time.⁶ The measures against Japan were hence continued for a further five-year period.

- **Current normal values in the exporting countries**

In CON 506, the Commission determined that the variable factors for Finland, Japan, and Sweden had changed from the original investigation, and ascertained the following dumping margins and effective rates of duty:

Country	Exporter	Dumping Margin	Effective rate of duty	Form of measure
Finland	All exporters	129.7%	58.6%	Combination
Japan	All exporters	33.9%	25.8%	AD valorem
Sweden	SSAB EMEA	129.7%	58.6%	Combination
	All other exporters	129.7%	58.6%	Combination

Non-Confidential Table 2: CON 506 Dumping Margins Summary

Domestic selling prices for Q&T steel plate are not published in industry newsletters or similar publications. Manufacturers of Q&T steel plate do not publish list prices for the goods in Finland, Japan and Sweden. Domestic selling prices for the goods are therefore not publicly available.

Bisalloy has constructed normal values for Q&T steel plate in Finland, Japan and Sweden. Refer Confidential Attachment 9 for these quarterly home market selling prices during 2022/23. Bisalloy also provides in this attachment export price estimates (see below) and consequent prime facie dumping margins for the proposed continuation inquiry period.

- **Whether exports have continued post the imposition of measures, and estimates of export price**

Exports from the subject countries have continued post the imposition of measures. Bisalloy provides at Confidential Appendix A-2 an estimate of these volumes and consequent export prices and further refers to the published financial statements of SAB AU.

- **Whether exporters have maintained distribution links in Australia**

The existence of ongoing subject country export trade to the Australian market indicates the presence of well-utilised distribution links. The continued export activity via these established export pathways presents an opportunity for Swedish and Finnish exporters to quickly increase sales volume of dumped and injurious Q&T steel plate if the measures are removed. For Japan, its capability to opportunistically enter the Australian market when demand permits indicates the maintenance of distribution links notwithstanding the low volume of exports during the proposed continuation inquiry period.

Finland & Sweden

In CON 506, the Commission noted that exports from Sweden had approximately doubled between 2015 and 2018,⁷ and that they were likely to continue via well-established distribution links. For Finland, although exports had ceased during 2018, Australian distribution links with the Finnish exporter Rautaruukki Oyj (**Ruukki**) still existed through its related companies, SSAB Sweden and SSAB AU – it was hence likely that these links would continue into the foreseeable future.⁸

⁶ Refer https://www.usitc.gov/press_room/news_release/2023/er011012043.htm

⁷ REP 506, p. 39.

⁸ Ibid, p. 40.

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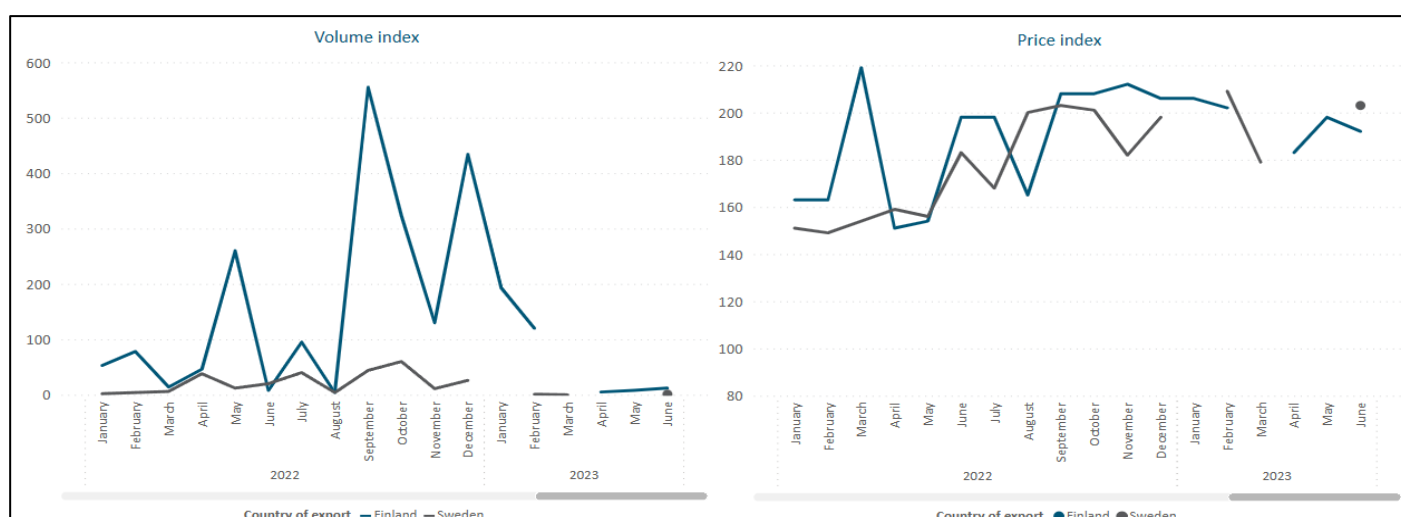
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SSAB AU's 2022 financial statements⁹ disclose transactions with related parties, including the purchase of goods and services between entities. Purchases between SSAB AU and the Swedish parent entity SSAB EMEA increased to AU\$45.4M for 2022, up from AU\$23.7M in 2021.¹⁰ Purchases between SSAB AU and SSAB RAAHE (Finland) increased from AU\$15.1M in 2021 to AU\$34.4M in 2022.¹¹ A historical analysis of this disclosure is tabled as follows, with year-on-year percentage increases calculated:

Purchases - SSAB Australia	2018	2019	2020	2021	2022
Singapore	32,601	5,824		8,291	40,119
Sweden	47,225,770	70,341,704	11,758,991	23,681,424	45,364,196
<i>Sweden YOY increase/-decrease</i>		48.95%	-83.28%	101.39%	91.56%
China		2,229,416	16,616,007	13,919,769	3,772,980
US		5,251,740	36,286,901	27,493,753	77,063,524
Finland			8,181,123	15,068,601	34,420,413
<i>Finland YOY increase/-decrease</i>				84.19%	128.42%
Poland				1,253	2,465
Total	47,225,770	77,822,860	72,843,021	80,164,802	160,623,580

Non-confidential Table 3: SSAB AU Related Party Country Sourcing

The Commission's trade remedy index (TRINDEX) provides the following for the January 2022 to June 2023 period:



Non-Confidential Charts 2 & 3: TRINDEX – Q&T steel plate

In addition to official Australian import statistics, the above therefore highlights the maintenance of well-utilised distribution links to the Australian market by exporters from Finland and Sweden.

Japan

In CON 506, the Commission concluded that Japanese exporters demonstrated a demand-driven capability to enter the Australian market, and that should the measures expire, the Australian market would likely be more

⁹ Confidential Attachment 3: SSAB Swedish Steel Pty Ltd – Financial Report for the Year Ended 31 December 2022.

¹⁰ Ibid, p. 31.

¹¹ This trend is not evident in the import statistics available to Bisalloy, which suggest lower Finland Australian export volumes than what would be the case given the quantum of purchasing activities between SSAB Finland and SSAB AU above. Disclosure of Finland's export volumes in this application is consequently understated and should otherwise be higher.

attractive to such exporters.¹² Bisalloy submits that Japan has maintained this capability since the measures were initially continued in 2019.

In October 2022, [**confidential text deleted**: comments regarding Japanese imports]. NSSMC, as one of the main Japanese exporters identified in CON 506 and earlier in the original investigation, can ship to the Australian market when the opportunity arises. Bisalloy considers [**confidential text deleted**: comments regarding Japanese imports] in the absence of continued measures.

- **Whether exporters retain excess capacity for direction to Australia**

Summary

Subject country Q&T steel plate producers have the capacity to export a substantial volume of subject goods to the Australian market in the event of the expiration of the measures. Subject producers maintain extensive production capacity, and they have the means and motive to export substantial volumes of the goods to Australia. Given the attractiveness of the Australian market, they would not hesitate to do so without the discipline of the measures.

Bisalloy estimates that the Q&T steel plate exports from Finland, Japan and Sweden held approximately [XX] percent market share over the proposed inquiry period – a substantial and influential share of the market demonstrating a continued presence that impacts the Australian industry's sales volumes and selling prices. On a historical trend basis, subject country exports have also increased year-on-year since CY2020.¹³ For the 12 months ending December 2021, subject country export volumes increased by approximately [XX] percent when compared to CY2020. They then increased a further [XX] percent during CY2022.¹⁴

The exporters of the goods are large producers that utilise their significant global distribution channels. This is no more evident than via [**confidential text deleted**: comments regarding subject exporter distribution channels].

For these reasons, Bisalloy submits that exporters retain an ability to increase sales into the Australian market as demand increases.

Global Capacity Developments

An analysis of excess capacity in the subject goods industry requires consideration of both overcapacity in the industry specifically, and the steel industry more generally. Overcapacity in the steel industry is the subject of continual critique, yet the conclusions remain the same – global excess capacity is one of the biggest challenges facing steel producers and exporters.

Earlier commentary & analysis

The OECD's 2021 *Latest Developments in Steelmaking Capacity* report concluded that steel capacity continues to expand in key producing economies, and that new plants were being built in economies that previously had little or no steel production. Its key findings were:¹⁵

- Global crude steelmaking capacity increased by 37.6 million metric tonnes (mmt), or 1.6%, in 2020 despite extremely weak market conditions. Over the past two years, global capacity has increased by a total of 73.7 mmt. Asia and the Middle East accounted for almost all of that growth.

¹² REP 506, p. 40.

¹³ The twelve months ending December 2020.

¹⁴ Confidential Attachment 4: *TradeData International* import statistics (refer <https://tradedata.net/>).

¹⁵ Non-Confidential Attachment 5: [OECD Latest Development in Steel Making Capacity, 2021](#). P. 5 (Introduction and key findings).

- Because of falling production and demand for steel, the global capacity increase led to a worsening excess capacity situation for the world steel industry in 2020. The gap between global capacity and production increased 624.9 mmt in 2020.
- Capacity is expected to continue expanding over the next few years. Many investment projects continue to take place around the world: for example, a total of 45 mmt of capacity is currently underway for completion over the next three years (2021-23) while an additional 68.7 mmt is in the planning stages. Should all these projects be realised, global steelmaking capacity could increase by almost 5% between 2021 and 2023 in the absence of closures, clearly adding to supply side pressures for the steel industry.
- Excess capacity pressures have emerged, and are getting worse, in regions that previously had strong steel demand and positive prospects for market growth; there are growing concerns in Southeast Asia for instance as capacity growth outpaces demand, supported by foreign investment particularly from China. These emerging problems, and the longevity of capacity once installed, highlight the need to address excess capacity issues early on.

During 2020, most steelmaking capacity additions took place in Asia, where an additional 28.8 mmt of capacity was deployed.¹⁶ Information on gross capacity additions expected in 2021-2023 suggests 45.0 mmt was under construction around the world, and that Asia and the Middle East were likely to experience a considerable increase in steelmaking capacity over the next few years.¹⁷

In Asia specifically, steelmaking capacity increased by 28.8 mmt in 2020, representing growth of 1.8 per cent from 2019. Capacity growth was expected to continue, supported by several investment projects that were underway or in the planning stages, with production operations expected to start during the three-year period 2021-2023. Projects underway were expected to add an additional 18.6 mmt of steelmaking capacity by 2023 (in gross terms), bringing Asia's total capacity to 1,664.9 mmt (+1.1% during the three-year period) in the absence of closures.¹⁸

Current commentary & analysis

The OECD's updated 2023 *Latest Developments in Steelmaking Capacity* report (**the report**) concludes that global steelmaking capacity continues to increase at a rapid pace in a period of weakening steel market conditions. A total of 329 steel investment projects are either currently underway or in the planning stages around the world. The three-year period of 2023-25 alone will see an additional 59.9 mmt of capacity coming on stream, with an additional 106.2 mmt potentially being added according to announced plans by steel producers. In total, the OECD contends that gross capacity additions could amount to 166.1 mmt globally from 2023 to 2025.¹⁹

The key findings from the report were as follows:²⁰

- The ongoing excess capacity crisis is at risk of a significant escalation. Despite declining steel demand, and a weak outlook, capacity expansions continue at a robust pace, often in pursuit of export markets. The gap between global capacity and crude steel production surged to 627.7 mmt in 2022 from 512.6 mmt in 2021. The recent rise in excess capacity poses risks for the long-term health and viability of the steel industry, and its ability to enable economic growth and prosperity.
- Capacity continues to increase unrelentingly. In 2022 alone, global steelmaking capacity increased by 32.1 million metric tonnes (mmt) to 2459.1 mmt, the highest global capacity figure in history. The recent

¹⁶ Ibid, p. 9.

¹⁷ Ibid, p. 10.

¹⁸ Ibid, p. 12.

¹⁹ Non-Confidential Attachment 6: [OECD Latest Development in Steel Making Capacity](#), 2023. P. 19 (Conclusions).

²⁰ Ibid, p. 4 (Executive Summary).

increases seen in global capacity are larger than the existing capacity levels of some large steel-producing economies (for example Vietnam, with a capacity of 26 mmt currently).

- As a result, capacity utilisation rates deteriorated in 2022. World steel production as a share of capacity decreased from 78.9% in 2021 to 74.5% in 2022.
- Steelmaking capacity could continue to expand unsustainably in the coming years. Capacity growth in recent years has been most pronounced in Southeast Asia and the Middle East, and more recently has picked up in northern Africa. Looking ahead, a total of 59.9 mmt of capacity is currently underway for completion over the next three years while an additional 106.2 mmt of capacity expansions are in the planning stages.
- Outward capacity investments by Chinese steel companies are proceeding rapidly, mainly in Asia but also Africa. While steelmaking capacity in China has remained relatively stable in the last few years, Chinese steel companies are investing heavily in capacity projects overseas. Chinese companies are involved in 13 cross-border investments and participate in nine joint venture investments abroad.

Specific to Japan, Finland, and Sweden, the report provides the following analysis:

- Finland's nominal crude steelmaking capacity remains at long term levels.²¹
- Japan's *Chubu Steel Plate Co.* is slated to increase steelmaking capacity by 700,000 tonnes during 2023.²²
- Sweden's *H2 Green Steel* has commenced adding 2.5 million tonnes of additional capacity, expected to be in-market by 2025.²³

Q&T steel plate capacity implications

Bisalloy contends that overcapacity in the global steel market generally has an impact on the subject goods specifically. Such global excess capacity leads to excess capacity and low prices for the subject goods. It is highly likely then that this global oversupply translates to a displacement of export volumes to open markets, making Australia an attractive destination for dumped and injurious excess Q&T steel plate.

Confidential Appendix A-2 evidences the ongoing trade of the subject goods into the Australian market, and by extension the Finland, Japan, and Sweden capacity that drives it.

Excess capacity, over and above domestic demand, means that producers will seek to offload excess production by exporting the subject goods to Australia at dumped and injurious levels.

SSAB's production plants in Finland, Sweden, and the United States have an annual steel production capacity of 8.8 million metric tonnes.²⁴ Of this, the United States accounts for 2.4 million metric tonnes,²⁵ leaving 6.4 million metric tonnes applicable to Finland and Sweden. SSAB's Raahe Finland plant, which manufactures heavy plate steel products, has a steel production capacity of 2.6 million metric tonnes.²⁶ SSAB Sweden therefore has annual steel production capacity of approximately 3.8 million metric tonnes.

²¹ Ibid, p. 51.

²² Ibid, p. 34.

²³ Ibid, p. 37. See also <https://www.h2greensteel.com/articles/on-course-for-large-scale-production-from-2025>

²⁴ Refer <https://www.ssab.com/en/ssab/about-ssab>

²⁵ Refer <https://www.ssab.com/en/company/about-ssab/our-business/sites-all-over-the-world>

²⁶ Ibid.

Crude steel production by the Japanese steel industry has been estimated at approximately 83 million metric tonnes, of which Nippon Steel (as a named exporter in CON 506) accounts for approximately 40 percent.²⁷ JFE Steel Corporation (as the other named exporter in CON 506) has heavy and medium plate steel production capacity of 5.5 million metric tonnes.²⁸

In Appendix A-2, Bisalloy has estimated the size of the Australian market to be approximately [XX] thousand tonnes for the twelve months ending September 2023.

The evidence is clear that, in the absence of effective trade measures, both previously high-volume exporters and likely new market participants from the named countries will return to the Australian market.

ii. **Will material injury recur?**

▪ **Volume and value of imports, and sources of imports**

Bisalloy has provided Confidential Appendix A-2 with this application.

▪ **Sales and market shares of all suppliers**

Bisalloy has referenced Australian import statistics from *TradeData International*²⁹ in estimating sales volumes, values, and consequent market shares for the both the subject and non-subject countries in Confidential Appendix A-2.

▪ **Performance of the local industry (profits, price trends, investment and employment)**

Bisalloy has provided Confidential Appendix A-6 and Confidential Appendix A-7 as part of this application.

▪ **Likelihood of material injury in the absence of anti-dumping measures**

Summary

Bisalloy submits that in the event the anti-dumping measures applicable to Q&T steel plate exports from Finland, Japan, and Sweden are allowed to expire on 5 November 2024, the Australian industry will suffer, and be threatened with a recurrence of, material injury that the measures are intended to prevent.

In CON 506, the Commission concluded as follows:³⁰

- for Japan, while imports had a diminished presence in the Australian market following imposition of measures, they were able to readily respond to changes in demand and compete with Bisalloy on price. Based on this, the Commission considered that the expiration of measures would have likely led to a recurrence of injury that the measures were intended to prevent.
- for Sweden, the Commission's analysis indicated that significant imports from Sweden were at dumped prices and competed directly with Bisalloy. As a result, the Commission considered that Bisalloy was suffering injury in the form of price depression, price suppression and reduced profits and profitability. Based on this, the Commission considered that the expiration of measures against exports from Sweden would have led to a continuation of injury that the measures were intended to prevent.

²⁷ Refer <https://www.nipponsteel.com/en/factbook/11-01.html>

²⁸ Refer <https://www.jfe-steel.co.jp/en/products/pipes/linepipe/facts.html>

²⁹ Refer <https://tradedata.net/>

³⁰ REP 506, p. 41.

- for Finland, the Commission considered the close relationship between Ruukki (as the only known exporter of the goods from Finland) and SSAB Sweden. The Commission found that exports from Finland would likely resume, at similar levels of dumping found for Sweden. Therefore, the Commission considered that the expiration of measures would have likely led to a recurrence of injury that the measures were intended to prevent.

The likely volume of imports would be significant in the absence of measures

In evaluating the likely effects of subject imports, the Commission looks to assess whether the likely volume of the subject goods would be significant if the measures were to expire. The Commission also considers all economic factors relevant to the inquiry in making this assessment, such as production capacities (and existing unused capacity), market size and share, changes in the structure and operation of the market since the measures were imposed, and the extent to which subject producers are export oriented.³¹ As shown below and above, taken together, these factors indicate that the likely volume of Q&T steel plate exports from Finland, Japan, and Sweden would be significant if the measures lapse.

Continuation 506

The Commission's market share assessment over the 2014 to 2018 period found that although Bisalloy increased sales volumes and market share over the first five-year period of the measures, Sweden's market share increased by a greater amount.³² Bisalloy's prices declined over that period, and the Commission considered that Bisalloy would not be the price setter under circumstances where it had not gained commensurate market share compared to its primary competition, in a growing market where it had not been able to raise prices.

Under its market share assessment, the Commission found that Sweden constituted a significant proportion of the Australian Q&T steel plate market, with SSAB as Bisalloy's major competitor – hence Swedish imports at dumped prices would likely cause material price injury to Bisalloy in the absence of measures.³³

Current Inquiry

Bisalloy considers that the expiration of measures would likely lead to material injury to the Australian industry in the form of reduced sales and a reduced market share. In the absence of measures, exporters from the subject countries are likely to increase export volumes to Australia.

Bisalloy has prepared Confidential Appendix A-2 – Australian market for Q&T steel plate using Bisalloy's domestic sales and available import statistics data. The market analysis confirms that over the four-year period 2019-2023 the Australian market for Q&T steel plate has evolved as a consequence, in part, due to the impacts of the SARS-CoV-2 (**COVID-19**) global pandemic.

COVID-19, commencing in late 2019, has disrupted global demand and the supply of many products including steel, and the raw materials to produce it. Bisalloy submits that had the COVID-19 not disrupted global supply chains, export volumes from the subject countries would have been higher. As supply chains stabilise, Australian industry sales volumes will become vulnerable to exports as a result of an increase in volumes.

The Commission has recently assessed the impact of COVID-19 on supply chains in HSS CON 590, noting:³⁴

³¹ Dumping and Subsidy Manual, December 2021, p. 137-138.

³² REP 506, p. 43.

³³ Ibid.

³⁴ CON 590 Statement of Essential Facts, p. 107-108, 109.

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While the economic uncertainty driven by the COVID-19 pandemic is likely to continue in the short term, the commission does not consider that the growth in the Australian market experienced during the inquiry period is likely to be replicated on an ongoing basis.

...

The commission considers that the growth in the Australian market during the inquiry period was anomalous when assessed against the longer term trend. The commission expects that as the impacts associated with the pandemic recede, the Australian market will return to more normalised conditions, characterised by gradual growth over the long term, within the context of the shorter time variability inherent to the business cycle (i.e. variance within shorter time periods).

...

The commission considers the Australian industry remains susceptible to injury from dumping and subsidisation as those favourable conditions evident during the inquiry period likely dissipate over coming years.

These above conclusions can be similarly applied to Q&T steel plate exports to Australia; logistical bottlenecks that had been contributing to rapidly rising inventory levels will eventually unwind, resulting in increased exports of the subject goods to Australia at materially injurious levels.

As evidenced above, subject producers have the means, existing supply channels, and motive to export substantial volumes of Q&T steel plate to Australia. Given the attractiveness of the Australian market and its geographic proximity, they would not hesitate to do so without the discipline of the measures.

The likely price effects would be significant in the absence of measures

In considering the likely price effects of subject imports, the Commission considers whether there is likely to be significant undercutting by the subject imports, and whether the subject imports are likely to enter the Australian market at prices that otherwise would have a significant depressing or suppressing effect on domestic like product prices. In this continuation review, the evidence relating to these factors demonstrates that the likely price effects of subject Q&T steel plate imports on the domestic like product would be significant.

Original Investigation – Investigation 234

The Commission's consideration of its injury determinations in the original investigation, reflecting the industry's condition prior to the imposition of measures, is important because that period was the most recent time during which imports from Finland, Japan, and Sweden competed in the Australian market free of the discipline of interim dumping duties.

Investigation 234, with an inquiry period ending December 2012 and an injury assessment period spanning 2010 – 2013, found that the Australian industry had suffered material injury, and that there was a causal link between the injury experienced and the dumped goods imported from the subject countries. The Commission found that due to the dumped imports, Bisalloy suffered injury in the form of price depression, price suppression, reduced profits, reduced profitability, and reduced domestic revenue.³⁵ Conclusively:³⁶

It is the Commission's view that there are sufficient grounds to establish that the price depression, price suppression, reduced profits, reduced profitability and reduced revenues, suffered by the Australian industry were caused by dumping and that the injury suffered by the Australian industry as a result of the dumping was material.

³⁵ INV 234, Final Report (REP 234), p. 56.

³⁶ REP 234, p. 74.

Continuation 506

With Sweden the predominant exporter during the inquiry period, and SSAB AU the predominant Australian importer, the Commission found that approximately 87 percent of Bisalloy's sales volumes are undercut by or directly competitive with SSAB AU.³⁷ For the highest volume wear grade Q&T plate steel model, Bisalloy was undercut by SSAB AU by an average of 9 percent over the inquiry period.³⁸ Bisalloy was undercut to a greater degree on its sale of structural grade products. Overall, a significant proportion of Bisalloy's sales volumes competed directly in a price sensitive market with SSAB undercutting Bisalloy for most of the Q&T steel plate grades sold.³⁹ The Commission was of the view that:

...Bisalloy faced competition from SSAB such that raising its prices would affect the ability of Bisalloy to maintain its market share. Exports from Sweden are dumped, by a significant margin, and Bisalloy is suffering injury in the form of price depression and price suppression. Consequently, the Commission considers that if the measures expired, Bisalloy would not be able to raise its prices and therefore the price injury it is experiencing would likely continue.

For Japan, the Commission found, irrespective of the small volumes exported during the inquiry period, that Japanese imports competed with Bisalloy as determined via a common customer price analysis. Based on this analysis, the Commission considered that Japanese imports would likely continue to compete with Bisalloy, and that price injury from dumped Japanese imports would continue, if the measures expired.⁴⁰

Having concluded that Bisalloy suffered injury in the form of price depression and price suppression (and reduced profits and profitability as a result thereof), it assessed the materiality of the injury as follows:⁴¹

...the Commission has assessed materiality by calculating the difference between the total revenue achieved by Bisalloy in 2018 for the goods (as determined from Bisalloy's verified sales data), a revenue considered to be affected by dumping, and the revenue Bisalloy could have achieved if its prices were set at the USP for the same volume of sold goods. The Commission also assessed materiality with respect to the volumes and revenue associated with sales of Q&T steel plate determined as being in direct competition with its major competition (SSAB AU). That is, the Commission calculated the difference to Bisalloy's 2018 revenue if prices were set at the USP for volumes directly competing with SSAB AU.

The Commission considers that the calculated percentage differences represent a material degree of injury that is greater than that likely to occur in the normal ebb and flow of business.

Current Inquiry

Given the substitutability of the domestic like goods and subject imports and price-based competition for Q&T steel plate in the Australian market, if the measures expire, a significant volume of the dumped goods from Finland, Japan, and Sweden would again substantially undersell the domestic like product to gain market share. In turn, this would depress and suppress domestic like product prices to a significant degree. With subject country exporters no longer bound by the measures, a recurrence of the price injury experienced by the Australian industry in the original investigation period and first continuation inquiry period is highly likely.

Exports of the goods from the subject countries are of significance in the Australian market, and compete directly with the like goods produced by the Australian industry. Sweden in particular has held a material share of total

³⁷ REP 506, p. 49.

³⁸ Ibid.

³⁹ Ibid, p. 52.

⁴⁰ Ibid, p. 55.

⁴¹ Ibid, p. 68.

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Q&T steel plate exports to Australia over the proposed continuation inquiry period, demonstrating that it is a major market participant in Australia.

Bisalloy has prepared Confidential Appendix A-2 using Bisalloy's domestic sales and available import statistics. The market analysis confirms that over the last four-year period to 2022/23 the Australian market for Q&T steel plate has, as noted above, trended in accordance with COVID-19. Imports from the countries the subject of the measures have increased by [XX] percent since 2020, with imports from countries not the subject of measures have declined by [XX] percent.

The effective rate of measures applicable to the exporters the subject of the measures (based upon normal values and ascertained export prices determined in the original investigation period of 1 January 2018 to 31 December 2018) as contrasted with the determined dumping margins for that period is shown at Non-Confidential Table 2 above.

The effective rate of measure in CON 506 was based upon the lesser duty rule. The Commission calculated an unsuppressed selling price (**USP**) for the Australian industry by taking the USP from the original investigation (based on a period unaffected by dumping) and updating it by indexing based on changes to Bisalloy's variable costs from the original investigation period to the CON 506 inquiry period.⁴² The USP was adjusted to arrive at a non-injurious price for the nominated exporters that, when contrasted with ascertained export prices for each exporter during the investigation period, resulted in the "effective rate" of measure applying (as the non-injurious price was below each of the determined normal values).

Global steel prices, and the relevant home-market prices, have increased significantly since CON 506. Although the form of measure applicable to exporters in Japan is ad valorem based, the combination form of measure applies to exports from Finland and Sweden. Under the ad valorem measure, Japanese exporters are able to absorb the impact of the applicable measure by not increasing the export price commensurate with rising normal values. Over the three years ending December 2022, Japan's export price to Australia has increased by approximately [XX] percent,⁴³ whereas the Japanese home market price for standard grade plate steel (used as the feed raw material for Q&T steel products) has increased over the same period by approximately [XX] percent.⁴⁴ Extending the period to the seven months ending July 2023, Japanese home market prices increased by approximately [XX] percent.⁴⁵

For exports from Finland and Sweden, floor prices apply and, as steel prices have increased significantly since 2018, these floor prices are now at such low levels that they are ineffective in addressing current margins of dumping. In relation to the fixed component of the measures, and in the same manner discussed above for Japan over the same time period, Finnish and Swedish export prices to Australia have increased by approximately [XX] to [XX] percent⁴⁶ whereas home market European plate prices have increased by approximately [XX] percent. Extending the period to the seven months ending July 2023, European plate steel prices increased by approximately [XX] percent.⁴⁷

The applicable measures on exporters in Finland, Japan, and Sweden therefore are not reflective of contemporary Q&T steel plate prices. As a consequence, the Australian industry has experienced price effect injury in 2022/23 as it competes with export prices reflecting measures determined for the 2018 CON 506 investigation period. This price-effect injury is in the form of price suppression (an erosion of the margin between selling prices and costs).

⁴² REP 506, p. 72.

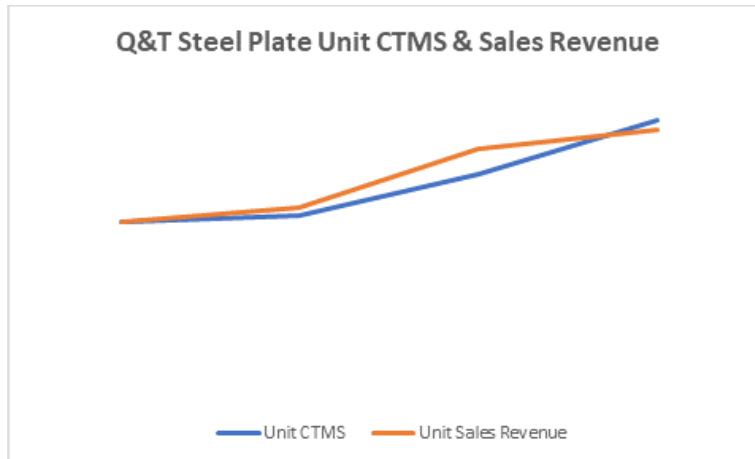
⁴³ Confidential Attachment 4.

⁴⁴ Ibid.

⁴⁵ Ibid.

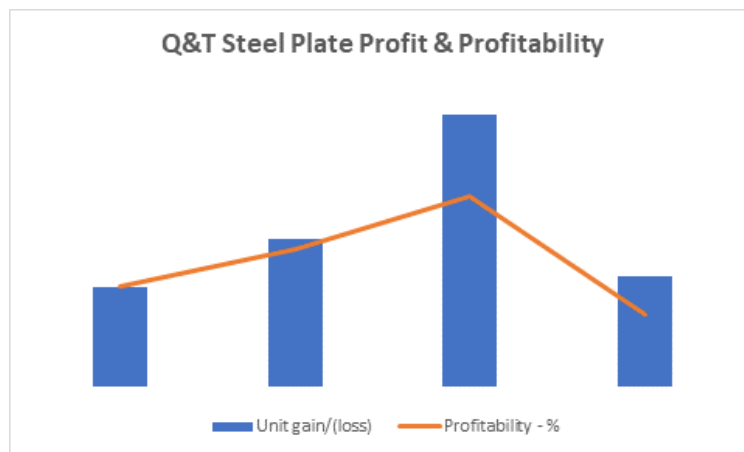
⁴⁶ Ibid.

⁴⁷ Ibid.



Non-confidential Chart 5: Q&T steel plate CTMS & Revenue indices⁴⁸

Bisalloy’s profit across the 2019 to 2023 period indicates an improvement in 2021 and 2022, with a fall in 2023 as Bisalloy was unable to recover cost increases. This trend is expected to continue.



Non-confidential Chart 6: Q&T steel plate Profit & Profitability indices⁴⁹

Bisalloy has experienced price pressures from importers of the goods during 2022/23 – as evidenced in Confidential Attachment 8 – Competitive market price offers. Competitive and contemporary market price offers confirm the price undercutting of Bisalloy’s selling prices by SSAB (from both Finland and Sweden).

This market intelligence concerning competitor’s price offers is limited, however, Bisalloy has obtained the above offers which confirm that the exports from Finland and Sweden have been at prices that undercut the Australian industry’s selling prices in 2022/23. The evidence available to Bisalloy confirms that throughout 2022/23 Bisalloy encountered price undercutting from the imports by SSAB AU and that, in order to secure volumes, Bisalloy was required to price competitively with these imports.

The measures have enabled the Australian industry to continue to supply the Australian market with Q&T steel plate. As there has been no review of the measures since CON506, the variable factors as determined do not reflect contemporary global steel prices. The Australian industry has therefore competed with dumped export prices during 2022/23 which has had a material impact of Bisalloy’s profit and profitability.

⁴⁸ Confidential Appendix A6.1.

⁴⁹ Confidential Appendix A6.1.

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In the event the Commissioner was to recommend to the Minister that the measures be allowed to expire, the Australian industry would again experience a recurrence of material injury that the measures are intended to prevent. This recurrence of material injury would be caused by:

- exports from Finland, Japan and Sweden at levels of dumping above negligible levels, as evidenced during 2022/23;
- further price suppression, as experienced by the Australian industry during 2022/23, as the cost to make and sell like goods increases and prices cannot be adjusted to recover these higher costs; and
- reductions in profit and profitability, as experienced in 2022/23, that renders the Australian industry susceptible to further injury in the absence of measures.

It is Bisalloy's position that it will experience further material injury should the anti-dumping measures on Q&T steel plate on export from Finland, Japan and Sweden be allowed to expire on 5 November 2024. Exporters will seek to further increase export volumes to Australia via their well-established distribution channels into the Australian market in the absence of these anti-dumping measures.

iii. Conclusion

The Commission needs to appropriately consider the period beyond the life of the current measures to determine if it is likely that dumped and injurious Q&T steel plate exports from Finland, Japan, and Sweden will likely recommence. The above indicates that the likely impact of Q&T steel plate imports from the subject countries on the domestic industry would be significant if the measures were discontinued. Should the discipline of the measures be removed, subject producers will likely export a significant volume of Q&T steel plate to the Australian market. Those unfairly traded imports would likely take sales from the Australian industry and depress and/or suppress Australian prices. These developments would then likely cause Australian industry's output, sales, market share, profits, productivity, return on investments, and capacity utilisation to decline. They would also likely have significant negative effects on other aspects of the industry's performance, such as employment, wages, growth, and investment.

Bisalloy has detailed in this application that the expiration of the measures on Q&T steel plate exported from Finland, Japan and Sweden will likely lead to a recurrence of the material injury that the measures are intended to prevent. Bisalloy is seeking the Commissioner to commence an investigation into the continuation of the anti-dumping measures and recommend to the Minister that the measures not be allowed to expire on 5 November 2024.