



Australian Government
Department of Industry,
Science and Resources

Anti-Dumping
Commission

Australian industry verification report

Verification and case details

Initiation date	4 December 2023	ADN	2023/084
Case number	638		
The goods under consideration	Quenched and Tempered steel plate		
Case type	Continuation Inquiry		
Australian industry	Bisalloy Steels Pty Ltd		
Location	18 Resolution Drive, Unanderra, New South Wales 2526		
Verification from	13 February 2024	to	15 February 2024
Inquiry period	1 October 2022	to	30 September 2023

The Anti-Dumping Commission will review this report, including its views and recommendations.

This report may not reflect the Anti-Dumping Commission's final position.

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Introduction

Bisalloy Steels Pty Ltd (Bisalloy) provided data to the Anti-Dumping Commission (the commission) in relation to Continuation Inquiry 638 (Inquiry 638) into quenched and tempered (Q&T) steel plate (referred to as the goods or the goods subject to the measures) exported to Australia from Finland, Japan and Sweden.

An industry verification team has verified whether the data Bisalloy submitted is complete, relevant and accurate for use in Inquiry 638. [Anti-Dumping Notice No \(ADN\) 2016/30](#) describes the commission's verification procedure.

This report explains the verification team's key findings, including the evidence considered and material issues identified. Where Bisalloy or the verification team materially revised the submitted data, this report outlines the nature, extent and outcomes of these revisions.

The commission prepared this report to publish on the electronic public record for Inquiry 638.

Verification teams are authorised to conduct verifications under sections 269SMG and 269SMR of the *Customs Act 1901* (Cth) (the Act).¹

¹ All legal citations in this report are to the Act unless otherwise stated.

1 Company background

1.1 Corporate structure and ownership

Bisalloy is wholly owned by Bisalloy Steel Group Ltd (BSG), a publicly listed company on the Australian Stock Exchange. The Australian operations are comprised of Bisalloy and BSG.

Bisalloy is headquartered at 18 Resolution Drive, Unanderra, New South Wales (NSW) where its production facility is located.

1.2 Related parties

The verification team examined the relationships between Bisalloy and parties involved in the production and sale of the goods.

1.2.1 Related suppliers

The verification team found that Bisalloy sourced certain raw materials (greenfeed) from a related party. The verification team assessed the price of these raw materials and is satisfied that these raw materials sourced from the related party were purchased at arms length.

1.2.2 Related customers

The verification team found that Bisalloy sold like goods to Australian customers that were related to a substantial shareholder of BSG. The verification team assessed the prices of like goods sold to related customers and is satisfied that these like goods were sold in arms length transactions.

2 Like goods manufactured in Australia

2.1 Manufacturing in Australia

Bisalloy manufactures Q&T steel plate in its production facility located in Unanderra in NSW.

Bisalloy was identified as the sole manufacturer of Q&T steel plate in the original investigation and in Continuation Inquiry 506. There is no evidence to suggest that there are other manufacturers of like goods in Australia, and no other parties have made submissions claiming the existence of other industry members.

2.1.1 Production process

Bisalloy outlined its production process for Q&T steel plate in its response to the Australian industry questionnaire and provided an in-person tour of its production facility during the verification team's visit.

Quenching and tempering is defined as a combination of heating and cooling of a metal or alloy, imparting permanent changes to the microstructure of the steel to improve the strength, hardness and toughness of the materials being treated.

The production process is illustrated in Figure 1 below, supplied by Bisalloy in its response to the Australian industry questionnaire:

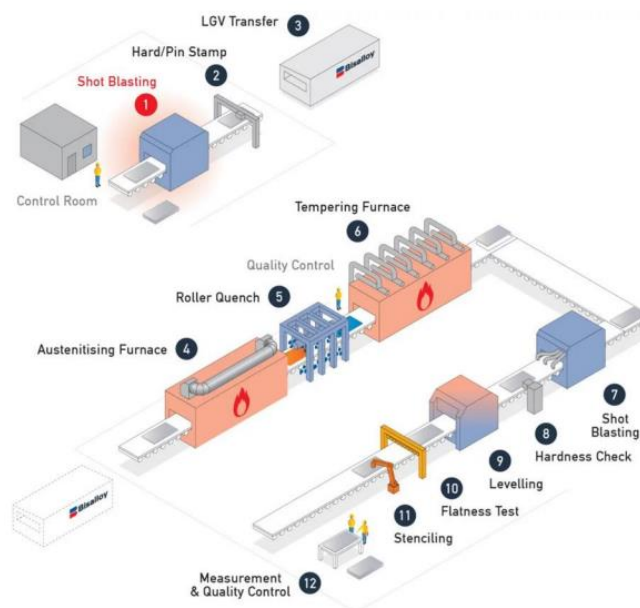


Figure 1: Production process

Bisalloy explained that the main input is steel plate (greenfeed plate) that Bisalloy purchases primarily from an Australian manufacturer. The main steps in the production process are:

1. Sinto shot blasting (pre-heat treatment): shot blasting greenfeed plates with steel shot removes scale, rust, and dirt, ensuring even heating and cooling during quenching and preserving optimal flatness.

PUBLIC RECORD

2. Hard/pin stamp: Plates are hard-stamped with a unique 6-digit plate number. Bisalloy uses the plate numbers to track & trace the processing of the plate in accordance with the Bisalloy quality assurance system.
3. Laser guided vehicle (LGV) transfer: Plates are transferred between the production lines from building 1 to building 2 with the purpose-built LGV. The LGV automatically shuttles plates between buildings 24 hours a day.
4. Austenitising furnace: The austenitising furnace heats the plates to 900°C. The time a plate spends in the furnace is dependent on the thickness of the plate. The purpose of heating the plate to 900°C is to change the microstructure in the plate to austenite, which is the ideal microstructure for quenching.
5. Roller quench: The plate then enters the continuous roller quench unit, where cooled water is delivered to both sides of the plate by a series of high-intensity spray pipes. The plate exits the quench unit at just above room temperature. During the quenching operation, a martensitic microstructure forms.
6. Tempering furnace: Tempering the plate at this stage is conducted to achieve the desired strength, hardness and toughness levels. In general, over the broad range of tempering temperatures, hardness decreases, and toughness increases as the tempering temperature is increased.
7. Shot blasting (post-heat treatment): After heat treatment is completed, the plates are then shot blasted in a second shot blaster. This removes any scale formed during heat treatment.
8. Hardness check: Bisalloy performs hardness tests on every plate produced. This testing procedure is fully automated, including automated milling and indentation.
9. Levelling: After the second shot blasting and hardness testing, the plates are then levelled to further improve flatness post-heat treatment.
10. Flatness test: Immediately after the plates are levelled, they run under a laser gate that automatically tests the plate for flatness.
11. Stenciling: In the production line is an automatic stencil arm, which marks on the plate surface the BISALLOY® steel grade, dimensions and weight.
12. Measurement and quality control: Plates are lifted off the production line onto the flatness inspection table, where plates are inspected, which includes surface inspection, dimension checking and test sample cutting.

The verification team is satisfied that at least one substantial process in the manufacture of Q&T steel plate is carried out in Australia by Bisalloy.

2.2 Model control codes

The sales data Bisalloy submitted complies with the model control code (MCC) structure detailed in ADN No 2023/084 and is found in Table 1 below:

PUBLIC RECORD

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			

Table 1: MCC structure

PUBLIC RECORD

Bisalloy sold like goods with the following MCCs during the inquiry period:

Armour grade	Wear grade	Structural grade
A---A-2-B-2	W---D-1-A-1	S-C---1-A-1
A---B-2-B-1	W---D-1-A-2	S-C---1-A-2
A---B-2-B-2	W---D-2-B-1	S-C---1-A-3
A---C-2-B-1	W---D-2-B-2	S-C---1-B-3
A---C-2-B-2	W---D-2-B-3	S-C---2-A-3
A---E-1-A-1	W---D-2-C-2	S-C---2-B-1
A---E-1-A-2	W---D-3-A-1	S-C---2-B-2
A---E-2-B-1	W---D-3-B-1	S-C---2-B-3
A---F-1-A-1	W---E-1-B-1	S-C---2-C-2
A---F-1-B-1	W---E-1-B-3	S-C---2-C-3
A---F-1-B-2	W---E-2-B-1	S-C---3-A-2
A---F-2-A-1	W---E-2-B-2	S-C---3-A-3
A---F-2-B-1	W---E-2-B-3	S-C---3-B-1
A---F-2-B-2	W---E-2-C-2	S-C---3-B-2
A---H-1-A-1	W---E-2-C-3	S-E---2-C-3
A---H-1-B-1	W---E-3-A-1	
A---H-2-B-1	W---E-3-B-1	
	W---F-1-A-1	
	W---F-1-B-1	
	W---F-1-B-2	
	W---F-2-A-1	
	W---F-2-B-1	
	W---F-2-B-2	
	W---F-2-B-3	
	W---F-2-C-2	
	W---F-2-C-3	
	W---F-3-A-1	
	W---F-3-B-1	

Table 2: MCCs relating to like goods sold by Bisalloy

2.2.1 Amendments to model control codes

The verification team found that the width and length of the steel plate are not taken into consideration by Bisalloy in its price lists. Furthermore, the verification team found no evidence of any consistent differences in price between products with different widths and lengths, all other characteristics being the same. The commission will further assess whether the width and length of the steel plate affects pricing during the course of the inquiry.

2.3 Like goods

Like goods are defined under section 269T(1) of the Act as:

goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

The verification team considers that the Q&T steel plates manufactured by Bisalloy have characteristics closely resembling the goods exported to Australia, as:

- locally produced Q&T steel plate possesses similar physical characteristics to the goods exported from the subject countries in terms of shape, dimension, appearance, strength, hardness, weight and chemical composition
- the imported and locally produced goods are produced using similar manufacturing processes in quenching and tempering steel plate
- the imported and locally produced goods have the same or similar end uses and are functionally substitutable
- the imported and locally produced goods compete in the same markets and are sold to common customers in the Australian market.

This is consistent with the commission's findings in the original investigation and Continuation Inquiry 506.

2.4 Preliminary like goods assessment

The verification team is satisfied that:

- the Q&T steel plate produced by Bisalloy is like to the goods the subject of this inquiry²
- at least one substantial process in the manufacture of Q&T steel plate is carried out by Bisalloy in Australia³
- the like goods were, therefore, wholly or partly manufactured in Australia by Bisalloy⁴
- there is an Australian industry, consisting of Bisalloy, which produces like goods in Australia.⁵

² Section 269T(1) (definition of 'like goods').

³ Section 269T(3).

⁴ Section 269T(2).

⁵ Section 269T(4).

3 Australian market

3.1 Australian market background

The Australian market for Q&T steel plate is currently supplied by Bisalloy and imports from numerous countries, including the countries subject to the measures.

3.2 Australian market structure

3.2.1 Marketing segmentation and end uses

Bisalloy indicated there is no market segmentation based upon geographical boundaries or product groups for the goods and like goods. Bisalloy disclosed the largest industry sectors that use Q&T steel plate include the mining, agriculture, construction, mineral processing, transport and defence industries.

Q&T steel plate is predominantly used in a range of resource sector applications, including:⁶

- excavator and dragline buckets
- off-highway dump truck bodies
- on-highway truck bodies
- longwall mining equipment applications including roof shields, pan-lines
- front-end loader arms and buckets, and
- primary and secondary ore processing fixed plant equipment such as apron feeders, chute liners, run-of-mine hoppers, train load-out hoppers, and rail bins.

General infrastructure applications include:

- bridges and gantries
- high strength structural beams
- crane booms and lifting equipment
- high strength beams and columns in buildings
- general steel fabrication, and
- heavy transport.

3.2.2 Supply and distribution arrangements

Bisalloy advised that it sells a significant proportion of its locally-manufactured Q&T steel plate via a network of distributor and processor companies. The remainder of its sales are made to large end-user customers in the mining sector where the product is used for major projects involving construction of mine infrastructure and repairs and maintenance activities.

In addition, Bisalloy also has international distribution agreements with a number of countries.⁷

3.2.3 Demand

Bisalloy stated in its response to the Australian industry questionnaire that demand for Q&T steel plate is principally driven by the mining and resources sector, but is also influenced by the construction, agriculture, transport and defence sectors.

⁶ Listing provided in Bisalloy's response to the Australian industry questionnaire, section B.

⁷ See <https://www.bisalloy.com.au/distributors/> for a list of Bisalloy's international distributors.

Bisalloy has further disclosed that variability in demand is principally influenced by growth in the resources sector, increased economic activity resulting in project expansions, and increased expenditure in repairs and maintenance. Defence projects will also influence demand on a year-to-year basis.

3.3 Australian market pricing

Bisalloy advised the verification team that its net prices are set to meet import competition, which takes into consideration the market price of the subject goods using contemporary price information for equivalent imported products.

Bisalloy further remarked that the market for Q&T plate steel is price sensitive, and customers will use competitor offers to negotiate more favourable pricing. Prices are continually monitored against trends, including:

- new or altered competition
- changes to the manufacturing cost base
- trends in other geographies that import to Australia
- customer opportunity and behaviour, and
- strategic reasons for project or customer support.

4 Verification of sales completeness and relevance

The commission typically verifies sales as complete and relevant by reconciling the revenue and quantity in sales listings up to management accounts and then audited financial accounts. ADN No 2016/30 further describes this verification process.

The verification team verified whether the sales listings Bisalloy submitted are complete and relevant by reconciling them to BSG's audited consolidated financial statements, consistent with ADN No 2016/30.

The verification team verified the relevance and completeness of the sales data as follows:

1. The verification team linked the year ending 30 June 2023 total sales value from BSG's consolidated financial statements to Bisalloy's accounting system, also verifying the total sales revenue for the other entities under BSG.
2. The verification team linked Bisalloy's total sales value from its accounting system to the accounting system profit and loss statement.
3. The verification team observed how Bisalloy filtered out exported goods and goods that are not like goods from the sales listing in its accounting system in order to replicate the domestic sales listing.
4. The verification team linked the total net invoice value in the domestic sales listing in the inquiry period to the filtered accounting system sales extracts.

The verification team did not identify any issues during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

4.1 Import sales by company

Bisalloy informed the verification team that it sporadically imports small volumes of Q&T steel plate when required to meet customer demand, including imports of products that are not like goods to the imported goods (e.g. thermo-mechanically controlled processed steel plate).

The verification team found that Bisalloy sold certain Q&T steel plate products during the inquiry period that were imported. The verification team found that the imports comprised less than 1% of Bisalloy's total sales volume in the inquiry period.

4.2 Export sales by company

Bisalloy exports Q&T steel. Based on the verification of the sales data outlined above, the verification team is satisfied that Bisalloy's domestic sales listing does not include any export sales of Q&T steel plate.

4.3 Sales completeness and relevance finding

The verification team is satisfied that the sales data Bisalloy submitted is complete and relevant.

5 Verification of sales accuracy

The commission typically verifies sales as accurate by reconciling a selection of volume, revenue and other key data in the sales listings down to source documents. ADN No. 2016/30 further describes this verification process.

The verification team verified whether the domestic (Australian) sales listing Bisalloy submitted is accurate by reconciling it to source documents, consistent with ADN 2016/30.

The verification team identified the following issues outlined below. The verification team detailed this process in the verification work program and its relevant attachments in **Confidential Attachment 1**.

Exception 1: Customers not identified

Description: For certain sales in the Australian sales listing, Bisalloy did not provide the customer name.

Resolution: Bisalloy revised the Australian sales listing to identify the customer for the relevant sales transactions.

Exception 2: MCCs not provided in sales listing

Description: Bisalloy did not provide the grade for one sales invoice in the Australian sales listing.

Resolution: Bisalloy revised the Australian sales listing to list the relevant grade.

Exception 3: Missing payment terms

Description: For certain sales in the Australian sales listing, Bisalloy did not provide the payment terms.

Resolution: Bisalloy revised the Australian sales listing to include the missing payment terms.

Exception 4: Revised sales listing with corrected net invoice values

Description: Bisalloy initially calculated the net invoice value in the Australian sales listing by adding rebates to the gross invoice value. The verification team flagged this with Bisalloy, and Bisalloy confirmed that the net invoice value should be gross invoice value, less rebates.

Resolution: The verification team revised the Australian sales listing by calculating the invoice value net of any rebates.

Exception 5: Revised sales listing including level of trade classifications

Description: For certain sales in the Australian sales listing, Bisalloy did not identify whether the customer was an end user or distributor.

Resolution: Bisalloy revised the Australian sales listing to identify the level of trade for each customer.

5.1 Related customers

The verification team found that Bisalloy sold like goods to Australian customers that were related to a substantial shareholder of BSG.

The verification team compared the prices between related and unrelated customers for each model (MCC) sold during the inquiry period. This analysis showed that prices to related customers were within the range of prices to unrelated customers and were comparable. Based on this, the verification team is satisfied that like goods sold to related customers were sold in arms length transactions.

5.2 Sales accuracy finding

The verification team is satisfied that the sales data Bisalloy submitted is accurate, including any revisions outlined in the exceptions above. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

6 Verification of CTMS completeness and relevance

The commission typically verifies cost to make and sell (CTMS) as complete and relevant by reconciling the total cost to make (CTM) and selling, general and administrative (SG&A) expenses in cost listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The verification team verified whether the CTM and SG&A listings Bisalloy submitted are complete and relevant by reconciling it to audited financial statements, consistent with ADN No 2016/30.

The verification team verified the relevance and completeness of the CTM data as follows:

1. Reconciled the total Cost of Goods Sold (COGS) for the BSG for FY2023 to the Cost of Sales of Bisalloy and other entities (PT Bima Bisalloy and Bisalloy (Thailand) Co. Limited) within BSG.
2. Reconciled Bisalloy's Cost of Sales as per the audited accounts to Bisalloy's management P&L/EBIT report for FY2023.
3. Reconciled the total costs in the EBIT/P&L report to the raw material, direct labour, overhead (variable and fixed), depreciation, distribution and other manufacturing costs recorded in the consolidated A6 CTMS spreadsheet.

The verification team verified the relevance and completeness of the SG&A data as follows:

1. Reconciled the total marketing, occupancy, administrative and distribution expenses in the consolidated financial statements for the BSG for FY2023 to the marketing, occupancy, administrative and distribution expenses of Bisalloy and other entities (PT Bima Bisalloy and Bisalloy (Thailand) Co. Limited) within the BSG.
2. Reconciled Bisalloy's marketing, occupancy, administrative and distribution expenses as per the audited accounts to Bisalloy's management P&L/EBIT report for FY2023.
3. Reconciled the marketing, occupancy, administrative and distribution expenses from the management report to the selling, distribution and administration (SG&A) expenses recorded in the A6 CTMS spreadsheet.

The verification team did not identify any issues during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

6.1 CTMS completeness and relevance finding

The verification team is satisfied that the CTMS data provided in the application by Bisalloy is complete and relevant.

7 Verification of cost to make and sell accuracy

The commission typically verifies CTMS data as accurate by reconciling a selection of volume, cost and other key data in the CTM and SG&A listings down to source documents. ADN No 2016/30 further describes this verification process.

The verification team verified whether the CTM and SG&A listings Bisalloy submitted are accurate by reconciling them to source documents, consistent with ADN No 2016/30.

The verification team did not identify any issues. The verification team detailed this process in the verification work program and its relevant attachments in **Confidential Attachment 1**.

7.1 Cost allocation method

Table 3 outlines how the verification team allocated each cost component to exported and domestically sold like goods.

Cost component	Method applied
Raw materials	Bisalloy allocated raw material costs to its exported (in A6.2 CTMS) and domestically-sold goods (in A6.1 CTMS) based on their relative production quantity.
Scrap offset	As scrap is already accounted for in the raw materials rows in A6.1 and A6.2 respectively, the allocation method is the same as for raw materials.
Direct labour	Bisalloy allocated direct labour costs to its exported (in A6.2 CTMS) and domestically-sold goods (in A6.1 CTMS) based on their relative production quantity.
Manufacturing overheads	Bisalloy allocated manufacturing overhead costs to its exported (in A6.2 CTMS) and domestically-sold goods (in A6.1 CTMS) based on their relative production quantity.
Depreciation	Bisalloy allocated depreciation costs to its exported (in A6.2 CTMS) and domestically-sold goods (in A6.1 CTMS) based on their relative production quantity.

Table 3: Cost allocation method

7.2 Related suppliers

Bisalloy predominantly purchases raw material (greenfeed) from BlueScope Steel Limited, however it also purchases and imports some greenfeed from a related supplier (Bisalloy Shangang (Shandong) Steel Plate Co., Limited) and other unrelated suppliers.

The verification team compared the unit purchase prices of the same greenfeed (where available) purchased from the related supplier and unrelated suppliers and observed that the unit price of greenfeed purchased from Bisalloy’s related supplier in China was comparable to the price of greenfeed imported from unrelated suppliers.

Based on this, the verification team does not consider that the price between Bisalloy and its related greenfeed supplier in China is influenced by the relationship between the two entities. Furthermore, the verification team found that the greenfeed sourced from the related party in China was purchased from an unrelated intermediary, which suggests that the purchases were made at arms length.

Given this, the verification team is satisfied that Bisalloy’s purchases of greenfeed from its related supplier were made at arms length.

7.3 Cost to make and sell accuracy finding

The verification team is satisfied that the CTMS data Bisalloy submitted is accurate and reasonably reflects the costs associated with the manufacture and sale of the goods.

8 Economic condition

8.1 Background

An assessment as to whether the expiration of measures would lead, or would be likely to lead, to a continuation or recurrence of the material injury that the anti-dumping measure is intended to prevent involves a consideration of future outcomes based on an evaluation of the present position. To assist with that assessment, this chapter considers the economic condition of the Australian industry from 1 October 2019.

8.2 Approach to injury analysis

The analysis detailed in this chapter is based on verified financial information submitted by Bisalloy.

The verification team has assessed the economic condition of the Australian industry from 1 October 2019 using the information provided by Bisalloy. The commission has compiled the figures presented on an annual basis for years ending 30 September. This preliminary assessment is at **Confidential Attachment 2**.

8.3 Volume effects

8.3.1 Sales volume

Figure 2 shows that Bisalloy's sales volumes have decreased from the year ending (YE) 30 September 2020 to the YE 30 September 2022. Bisalloy's sales volumes have increased in the YE 30 September 2023 (the inquiry period), albeit remaining relatively lower than what they were in the YE 30 September 2020.

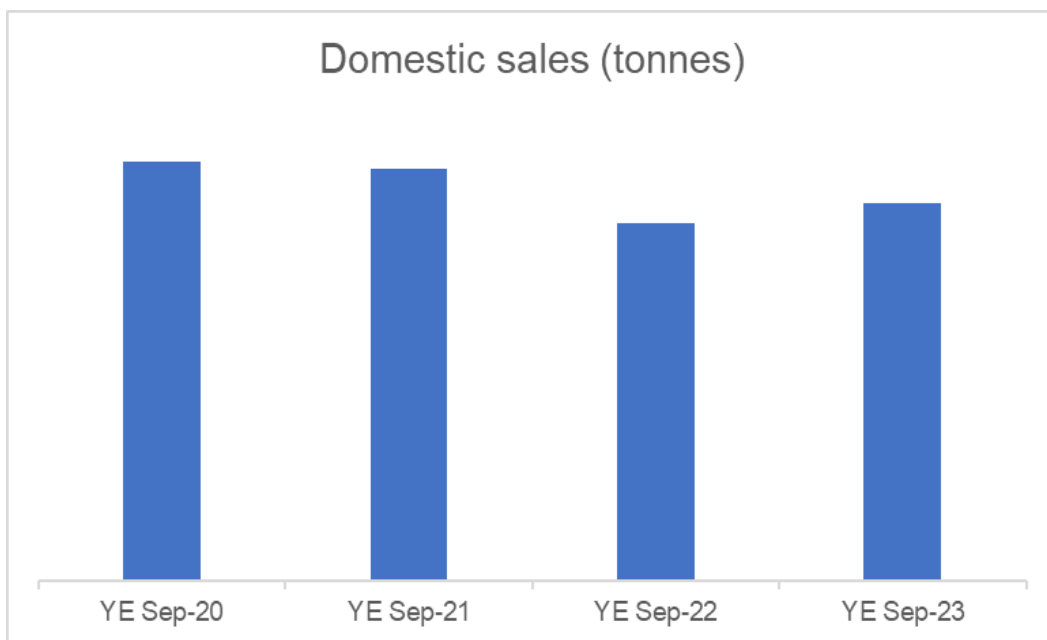


Figure 2: Bisalloy's sales volume

8.3.2 Market share

Figure 3 shows the market share since the measures were continued.

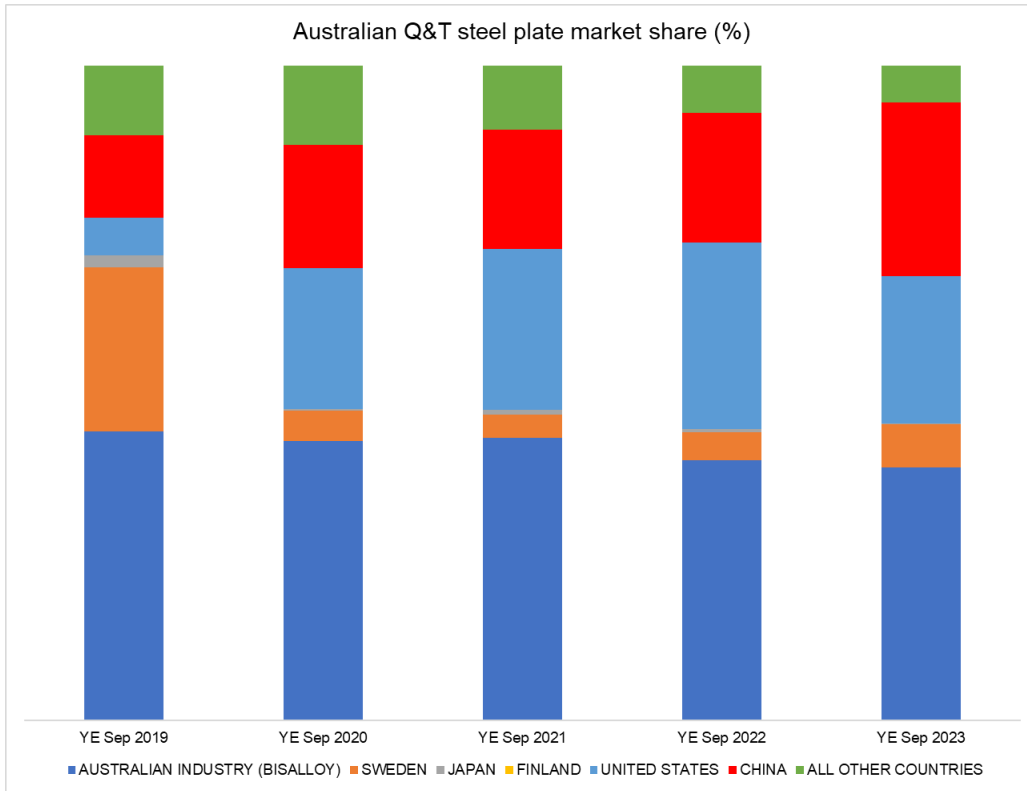


Figure 3: Market share (%)⁸

The verification team observes that since the continuation of the measures in November 2019:

- Bisalloy’s market share decreased
- there were no imports of the goods from Finland
- the market share of the goods imported from Japan decreased
- the market share of the goods imported from Sweden decreased
- the market share of Q&T steel plate imported from China and the US increased, and
- the market share of Q&T steel plate imported from all other countries decreased following YE 30 September 2020.

8.4 Price effects

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

Figure 4 shows that Bisalloy’s unit price generally increased in line with its unit CTMS, albeit its unit cost increased at a greater rate than price in the YE 30 September 2023, which is indicative of price suppression.

⁸ To identify relevant imports, the verification team examined the ABF import data relating to imported goods classified to tariff subheadings 7225.40.00 (statistical codes 21, 22, 23 and 24) and 7225.99.00 (statistical code 39). As the relevant tariff subheadings and statistical codes encompass goods that are both subject and not subject to the anti-dumping measures, the verification team had regard to the goods description, the value of the importation, the importer and supplier (exporter), and any declarations of exemptions from dumping duty in identifying the goods subject to the measures and other goods that are like to the goods subject to the measures.

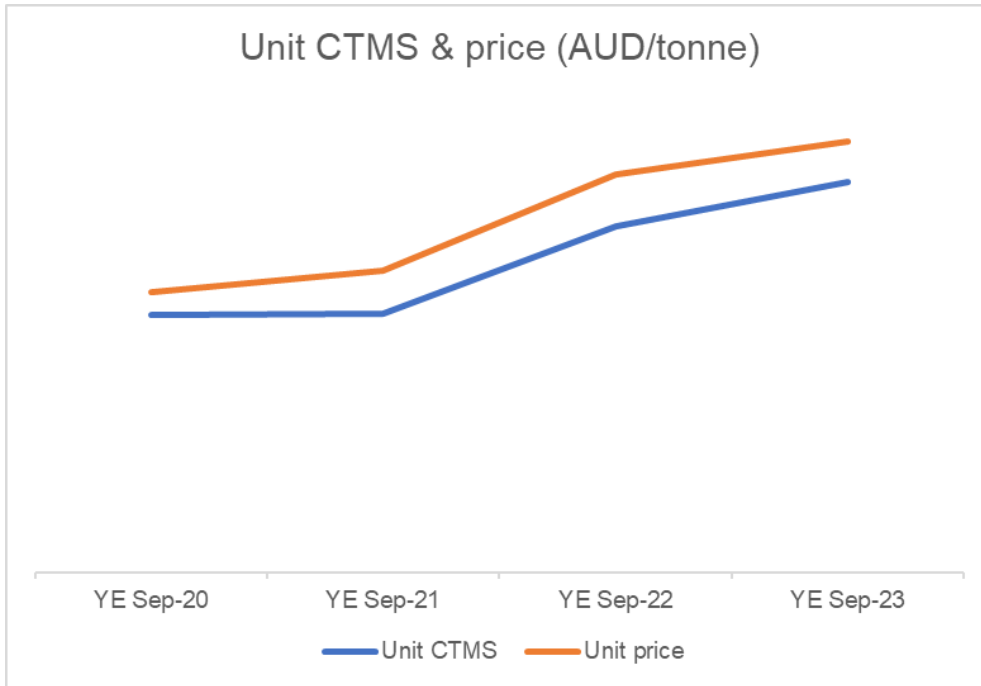


Figure 4: Bisalloy's unit CTMS and price

8.5 Profit and profitability

Figure 5 shows Bisalloy's profit increased from the YE 30 September 2020 to the YE 30 September 2022, while profitability increased in the YE 30 September 2020, and decreased in the subsequent years. Bisalloy's profit decreased in the YE 30 September 2023 (the inquiry period), which is likely due to price suppression experienced by Bisalloy in the inquiry period.

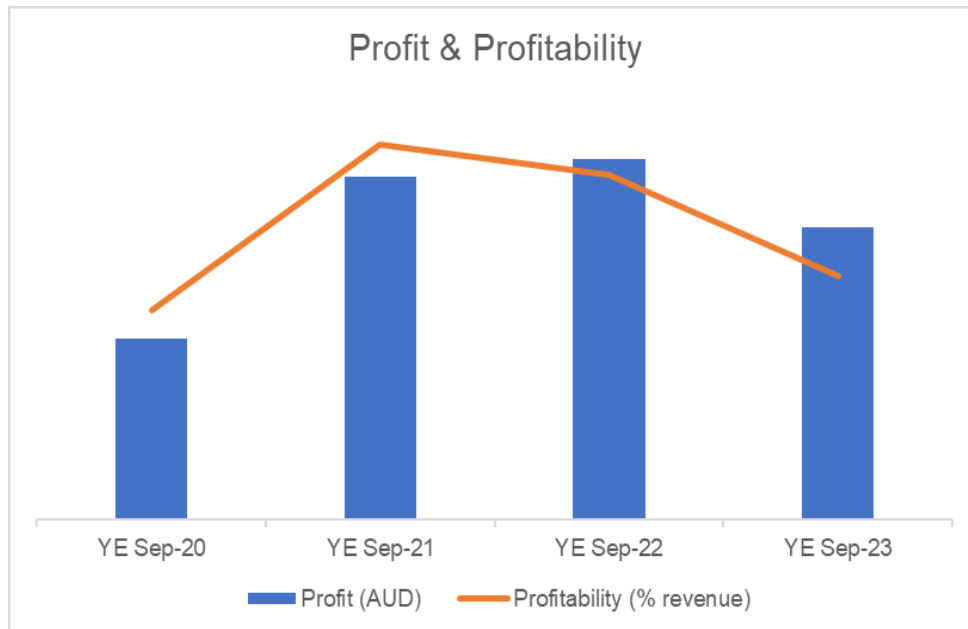


Figure 5: Bisalloy's profit and profitability

8.6 Other economic factors

Bisalloy did not claim any other injury factors in its application. The verification team verified the other economic data provided by Bisalloy in relation to assets, capital investment, revenue, return on investment, capacity and capacity utilisation, employment, wages, productivity, stocks, and cash flow measures. The verification team is satisfied that the other economic factor data provided by Bisalloy is accurate.

9 Impact of expiry of measures

Under the terms of section 269ZHF(2), in order to recommend that the Minister take steps to secure the continuation of the anti-dumping measures, the Commissioner must be satisfied that the expiration of measures would lead, or would be likely to lead, to a continuation or recurrence of dumping and the material injury that the anti-dumping measure is intended to prevent.

Accordingly, the verification team sought Bisalloy's views on the likely effects from the expiration of the measures and requested supporting evidence. The commission will consider Bisalloy's claims further during the course of the inquiry.

9.1 Continuation or recurrence of dumping and material injury

Bisalloy claimed that if the measures applying to Sweden expire, then SSAB will revert to sourcing a greater volume of Q&T steel plate from Sweden instead of from the US and China.

The verification team queried why Bisalloy did not increase its prices commensurate with the increase in costs observed in the inquiry period (indicative of price suppression in the inquiry period). Bisalloy claimed that it did not increase prices because of competitive pressure from imports from Sweden, the US and China.

The verification team further questioned Bisalloy about the decrease in its domestic sales volumes observed since YE Sep-20. Bisalloy claimed that its sales volumes decreased because of competition with imports, particularly from the countries subject to the measures.

9.1.1 Example of injury caused by imports of the goods from the subject countries

During the verification visit, Bisalloy claimed that it offered to supply a customer with Q&T steel plate in the Australian market. Bisalloy claimed that most of its offers to supply the customer were unsuccessful. Bisalloy stated that it was unsuccessful because the customer sourced the goods from an importer of the goods at a relatively lower price than what Bisalloy quoted.

In support of its claim concerning unsuccessful offers, Bisalloy provided price quotation details and evidence of communications with customers.

The commission will further assess Bisalloy's claims during the course of the inquiry.

10 Attachments

Confidential Attachment 1	Verification work program
Confidential Attachment 2	Economic condition of the Australian industry