

25 July 2024

Director  
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Anti-Dumping Commission  
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## Public File

Dear Director,

### Continuation No. 638 – Bisalloy comments on Statement of Essential Facts

Bisalloy Steel Pty Ltd (**Bisalloy**) refers to the recently published Statement of Essential Facts (**SEF 638**) dated 5 July 2024 (EPR document 024) and makes the following comments.

#### 1. Support for the SEF's findings

Bisalloy supports the SEF 638 conclusions and proposed measures extension. Specifically, Bisalloy agrees with the Commission that it is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, material injury that the measures are intended to prevent. The Commission has correctly identified the range of factors affecting the domestic industry's ability to supply the Q&T steel plate market in Australia and future expectations thereof, all of which relate to the subject goods covered by the measures.

Regarding current levels of assessed dumping, the determination of 58.6 percent margins for Sweden and Finland, and 25.8 percent for Japan, is decisive. These positive findings are a vital component in the Commission's assessment process, providing clear evidence of unfair pricing practices that will cause material injury to the domestic industry. It underscores the need for continued measures to prevent recurrence of such injury, thereby ensuring fair competition and the viability of domestic Q&T steel plate production.

On continuation/recurrence of materially injury, Bisalloy supports the SEF's country-specific findings. Regarding Sweden:

- Bisalloy and SSAB AU remain the dominant suppliers of Q&T steel plate in the Australian market;
- there is a significant overlap among all suppliers in the Australian market in terms of supplying the same or common customers, therefore SSAB AU and Bisalloy compete in the same market for the same customers;<sup>1</sup>
- SSAB AU's imports of dumped wear grade goods from Sweden undercut Australian industry's prices;

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<sup>1</sup> This finding has been made despite SSAB EMEA's continued representations throughout the inquiry to-date that SSAB AU has created and operates within its own distinct Australian market segment with strong market segmentation between it and Bisalloy. Bisalloy provided fact-based, logical, and commercially sensible counter assessments to these claims. The Commission's SEF subsequently finds that the repetitive representations made by SSAB EMEA were inaccurate.

- the magnitude of price undercutting is highest in relation to models/grades produced and sold by both the Australian industry and SSAB AU;
- in the absence of the measures, the price advantage that SSAB AU currently maintains on wear grade Q&T steel plate would likely be even greater, while the premium it currently enjoys on structural grade Q&T steel plate would likely be lessened as it seeks to regain lost market share; and
- SSAB AU's price advantage will likely lead to price depression and/or price suppression should the Australian industry seek to compete against these dumped exports on price, or lost sales volumes and market share if it is unable or unwilling to compete on price.

Regarding Finland:

- Rautaruukki Oyj is wholly owned by SSAB AB which also owns and controls SSAB EMEA AB (Sweden);
- SSAB is committed to origin-agnostic pricing; and
- in the absence of the measures, SSAB AU would likely source the goods from Finland when advantageous to do so at dumped prices that would undercut the Australian industry, likely leading to material price and volume related injury.

Regarding Japan:

- prior to the imposition of the measures, imports from Japan accounted for up to one third of the Australian market and undercut the Australian industry's prices;
- approximately 10 percent of imports prior to the imposition of the measures were imported by current customers of the Australian industry that shifted their sources of supply to countries not subject to measures as the effective rate of interim duties from the measures was maintained (or increased) over time;
- Japanese exporters currently have excess capacity, and
- given this current excess production capacity the prior reliance by current customers of Australian industry on imports from Japan at prices that undercut the Australian industry, it is likely in the absence of the measures that Japanese exporters would seek to regain market share at dumped prices undercutting Australian industry, leading to price, profitability and volume related material injury.

Bisalloy considers these findings to be objective, comprehensive, and well-reasoned.

On the form of measures, Bisalloy supports the Commission's SEF proposal that the combination duty method now be applied to goods exported from Japan, and that this same method continue for Finland and Sweden. This recommendation now aligns Japan with Finland and Sweden, and prevents (via the ad valorem method) the measures being circumvented by exporters lowering the export price.

## 2. Conclusion

The SEF is evidenced-based and well-reasoned. All relevant aspects have been considered and appropriately decided by the Commission in arriving at the continuation determination. Bisalloy therefore welcomes these preliminarily key findings and recommendations and looks forward to the same being made in the final report to the Minister.

If you have any questions concerning this submission, please do not hesitate to contact Bisalloy's representative Mr Chad Uphill on +61 (2) 412 377 603.

Yours sincerely,

Carl Bowdler  
Chief Financial Officer