



Anti-Dumping Notice No. 2018/59

**Public notice under subsection 269TC(4)
of the *Customs Act 1901***

Railway Wheels

**Exported from the People's Republic of China
Initiation of an investigation into alleged dumping and
subsidisation**

and

**Exported from France
Initiation of an investigation into alleged dumping**

Customs Act 1901 – Part XV B

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission, have initiated an investigation following an application lodged by Commonwealth Steel Company Pty Ltd, a manufacturer of certain railway wheels in Australia. The application seeks the publication of a dumping duty notice and a countervailing duty notice in respect of certain railway wheels exported to Australia from the People's Republic of China (China) and a dumping duty notice in respect of certain railway wheels exported to Australia from France.

The application alleges that the goods have been exported to Australia from both China and France at prices less than their normal value, and that countervailable subsidies have been received in respect of the goods exported from China. The application alleges that the dumping and subsidisation has caused material injury to the Australian industry through:

- lost sales volumes;
- loss of market share;
- price suppression;
- lost profit and profitability;
- reduced return on investment;
- reduced attractiveness to reinvest; and
- a reduction in employment numbers.

The non-confidential version of the application, which contains the basis of the alleged dumping and subsidisation and injury, is available on the public record.

Particulars of the reasons for the decision to initiate this investigation are in *Anti-Dumping Commission Consideration Report No. 466 (CON 466)*, which is available on the public record.

The date of initiation of this investigation is the date of publication of this notice.

The Goods

The goods the subject of the application (the goods) are:

Forged and rolled steel, high hardness, nominal 38-inch (or 966 mm to 970 mm) diameter, railway wheels, whether or not including alloys.

Axles and other components are excluded from the goods coverage.

Additional information

The railway wheels are manufactured in accordance with relevant user defined specifications and drawings, and are used on rail carriages used to transport iron ore. Further information on the goods is available in CON 466.

Tariff classification

The goods are generally, but not exclusively, classified to the following tariff classification in Schedule 3 to the *Customs Tariff Act 1995*:

- 8607.19.00 (statistical code 20)¹

This tariff classification and statistical code may include goods that are both subject and not subject to this investigation. The listing of this tariff classification and statistical code is for convenience or reference only and does not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods that are the subject of this investigation.

Investigation Process

The investigation period is 1 January 2017 to 31 December 2017. I will examine exports to Australia of the goods during this period to determine whether dumping and/or subsidisation has occurred. I will examine details of the Australian market from 1 January 2014 for injury analysis purposes.

Where the Assistant Minister for Science, Jobs and Innovation (the Assistant Minister)² is satisfied, as to goods of any kind, that:

- (a) the amount of the export price of the goods that have already been exported to Australia is less than the normal value of those goods, and the amount of the export price of like goods that may be exported to Australia in the future may be less than the normal value of the goods; and

¹ This statistical code became active from 1 July 2015, and relates specifically to wheels. Previously, these goods were classified to statistical code 17, which was inclusive of a broader range of good types.

² On 20 December 2017, the Prime Minister appointed the Parliamentary Secretary to the Minister for Jobs and Innovation as the Assistant Minister for Science, Jobs and Innovation. For the purposes of this investigation, the Minister is the Assistant Minister for Science, Jobs and Innovation.

- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened, or the establishment of an Australian industry producing like goods has been or may be materially hindered;

the Assistant Minister may, by public notice, impose interim dumping duties.³

Where the Assistant Minister is satisfied, as to goods of any kind, that:

- (a) a countervailable subsidy has been received in respect of the goods that have been exported to Australia, and (if applicable) may be received in respect of like goods that may be exported to Australia in the future; and
- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened, or the establishment of an Australian industry producing like goods has been or may be materially hindered;

the Assistant Minister may, by public notice, impose interim countervailing duties.⁴

Where there are grounds for the Assistant Minister to publish a dumping and/or countervailing duty notice in respect of the goods, I will examine whether the trade in the dumped and/or subsidised goods gives rise to retrospective notices being published pursuant to section 269TN of the *Customs Act 1901* (the Act), and make recommendations to the Assistant Minister accordingly.

Public Record

I must maintain a public record of each investigation. Documents included in the public record are available at www.adcommission.gov.au.

The public record will contain, among other things, a copy of the application, CON 466 and copies of all non-confidential submissions from interested parties. Letters and electronic mail are generally regarded as submissions if they contain information relevant to the investigation.

Lodgement of Submissions

Interested parties, as defined by subsection 269T(1) of the Act, are invited to lodge submissions concerning the publication of the dumping and countervailing duty notices sought in the application, no later than the close of business on **25 May 2018**, addressed to:

The Director, Investigations 4
GPO Box 2013
CANBERRA ACT 2601
AUSTRALIA

or by email to investigations4@adcommission.gov.au, or by fax to +61 3 8539 2499.

Interested parties wishing to participate in the investigation must ensure that submissions are lodged by the due date. Interested parties should note that I am not

³ In accordance with section TG of the *Customs Act 1901*.

⁴ In accordance with section TJ of the *Customs Act 1901*.

obliged to have regard to a submission received after the date above if to do so would, in my opinion, prevent the timely placement of the statement of essential facts on the public record.

Interested parties should also note that I am directed⁵ to consider the matters set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* in certain circumstances. This is available at www.legislation.gov.au.

Interested parties may reply to matters raised by other parties during the course of the investigation and in response to the statement of essential facts.

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

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

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

Lodgement of Exporter Questionnaires

Exporters of the goods to Australia are invited to participate in this investigation by completing the exporter questionnaire and the associated spreadsheets by **25 May 2018**.

The exporter questionnaire and the associated spreadsheets are available under the case information for ADC 466 (which can be found under 'Cases' on the Anti-Dumping Commission's (the Commission) website). Alternatively, exporters can email investigations4@adcommission.gov.au upon receipt of this letter and the Commission will forward the exporter questionnaire and spreadsheets for completion.

Provisional Measures

Pursuant to section 269TD of the Act, I will make a preliminary affirmative determination (PAD) provided I am satisfied that there appears to be sufficient grounds for the publication of a dumping and/or countervailing duty notice or there appears that there will be sufficient grounds for the publication of a dumping and/or countervailing duty notice subsequent to the importation of the goods into Australia. This can occur no earlier than day 60 of an investigation.

⁵ Certain powers and functions under the *Customs (Extensions of Time and Non-cooperation) Direction 2015* have been delegated to the Anti-Dumping Commission's General Managers (Anti-Dumping Notice No. 2017/10, available at www.adcommission.gov.au refers).

In accordance with section 269TD of the Act, the Commonwealth may apply provisional measures, including the taking of securities under section 42 of the Act, in respect of interim dumping and/or countervailing duty that may become payable on the goods, where a PAD has been made.

Where a PAD is not made 60 days after initiation of the investigation, the *Customs (Preliminary Affirmative Determinations) Direction 2015* (the PAD Direction) directs me to publish a status report providing reasons why a PAD was not made. The PAD Direction is available on the Federal Register of Legislation website, www.legislation.gov.au.

Statement of Essential Facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Assistant Minister within the legislative timeframe. In accordance with section 269TDAA of the Act, a statement of essential facts will be placed on the public record by **6 August 2018**, or by such later date as allowed in accordance with section 269ZHI of the Act.⁶ The statement will set out the essential facts on which I propose to base my recommendations to the Assistant Minister. Interested parties are invited to lodge submissions in response to the statement within 20 days of the statement being placed on the public record.

Submissions received in response to the statement of essential facts within 20 days of that statement being placed on the public record will be taken into account in completing the report and recommendation to the Assistant Minister.

Report to the Assistant Minister

A recommendation to the Assistant Minister will be made in a report on or before **20 September 2018** (or such later date as allowed under section 269ZHI), on the basis of the examination of exportations of the goods to Australia during the investigation period, unless I terminate the investigation.

The Assistant Minister must make a declaration within 30 days after receiving the report, or such longer period as the Assistant Minister considers appropriate.

Anti-Dumping Review Panel

Certain persons will have the right to seek review with the Anti-Dumping Review Panel in accordance with Division 9 of Part XVB of the Act of either a decision by me to terminate the investigation, or a decision of the Assistant Minister to publish or not to publish a dumping duty notice and/or countervailing duty notice after considering my report.

Interested Party List

Throughout the investigation, the Commission will maintain a list of interested parties. Updates on the investigation will be sent to parties on this list. If you would like to be added to the interested party list, please email investigations4@adcommission.gov.au.

⁶ On 19 January 2017, the former Assistant Minister delegated the powers and functions of the Minister under section 269ZHI of the Act to the Commissioner of the Anti-Dumping Commission. Refer to ADN No. 2017/10 for further information.

Anti-Dumping Commission Contact

Enquiries about this notice may be directed to the Case Manager on telephone number +61 2 6243 7446, or investigations4@adcommission.gov.au.

Dale Seymour
Commissioner
Anti-Dumping Commission

18 April 2018
