



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

# Anti-Dumping Commission

Anti-Dumping Commission  
Level 35  
55 Collins Street  
Melbourne VIC 3000

Mr Andrew Percival  
Percival Legal

Via email: [andrew.percival@percivallegal.com.au](mailto:andrew.percival@percivallegal.com.au)

Dear Mr Percival

I refer to your correspondence of 2 July 2018 concerning the Preliminary Affirmative Determination (PAD) I made on 18 June 2018 in relation to certain railway wheels exported to Australia from the People's Republic of China (China) and France. I note that I did not receive your email as you used an incorrect email address for me.

As set out in Anti-Dumping Notice (ADN) No.2018/99, I was satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice in relation to the railway wheels exported to Australia from China and France. The reasons for my satisfaction are set out in that notice. Having made the PAD, I was satisfied that it was necessary to require and take securities under section 42 of the *Customs Act 1901* to prevent material injury to the Australian industry occurring while the investigation continues.

Please note that the PAD did not involve a finding that the situation in the market of China is such that the price paid or payable for like goods sold in the country of export was not suitable for use in determining a normal value.

For the purposes of the PAD, I considered that Masteel's records did not reasonably reflect competitive market costs associated with the production or manufacture of like goods. This was based on the Anti-Dumping Commission's understanding of the Chinese steel industry based on previous investigations and recent analysis of the Chinese steel market undertaken by other jurisdictions.

I do not accept your submission that the imposition of securities is not justified on the basis that any injury that might occur has already occurred, or because price might not be the sole or primary factor upon which tenders are awarded. In my view, the commercial arrangements present in the Australian market for railway wheels do not preclude the prospect of the securities being effective in preventing injury to the Australian industry producing like goods. Also, the available evidence indicated to me that price was a key factor in the purchasing decisions of the iron ore mining companies and, therefore, that securities could be effective in preventing injury to the Australian industry while the investigation continues.

As the investigation proceeds, the Anti-Dumping Commission will continue to investigate a range of issues including: the causes of any injury suffered by the Australian industry; Masteel's claim in respect to like goods; whether there is a particular market situation for the subject goods in China; and whether Masteel's records reasonably reflect competitive market costs associated with the production of the goods.

As stated in ADN No.2018/99, the preliminary findings contained therein reflected the status of the investigation at that time. My findings may change as a result of further information, submissions, analysis or verification.

Yours sincerely

A handwritten signature in black ink, appearing to read "Dale Seymour". The signature is written in a cursive, flowing style.

Dale Seymour

11 July 2018