

2 October 2018

Mr Michael Kenna
Assistant Director
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Public File

Dear Mr Kenna

Re: Investigation No. 466 - Certain Railway Wheels exported from France and the People's Republic of China – Submissions on behalf of CCCME dated 20 & 25 September 2018

I refer to the submissions on behalf of the China Chamber of Commerce for Import and Export of Machinery and Electronic Products ("CCCME") dated 20 and 25 September 2018.

The 20 September 2018 submission on behalf of CCCME does not provide any supportive information that conclusively demonstrates the iron ore railway wheels (i.e. "like goods") manufactured by Commonwealth Steel Company Pty Ltd ("Comsteel") are of a lesser quality and/or standard than imported iron ore railway wheels ("the goods") from China.

In the absence of clear and creditable performance data in respect of the like goods, the assertions of CCCME must be considered unsupported.

In respect of the 25 September 2018 submission, a number of matters are addressed including:

- Matters contained in Comsteel's 31 August 2018 submission that addressed artificially low inputs into the manufacture of the goods in China;
- Raw material costs incurred by the Chinese exporter Masteel (and a range of statements and comments concerning the relevance of Masteel's costs in the determination of normal values);
- Further reiterations that Masteel makes its own steel from importer raw materials;
- Assertions re the apparent "wear" of Comsteel's wheels; and
- The categorization of "other exporters" for the purposes of the imposition of measures.

This latter CCCME submission poses numerous questions to which it is seeking responses from the Anti-Dumping Commission ("the Commission") in relation to the determination of normal values for the Chinese exporter. Comsteel asserted in its application that the Government of China ("GOC") influenced raw material input prices consumed in the manufacture of steel in China through a range of government policies and plans that were referenced by the Commission in PAD 463 (including, but not limited to, controlling the roles of state invested enterprises, influencing industry planning guidelines, providing direct and indirect financial support, various taxation arrangements).

As evident in the submissions on behalf of CCCME, the industry association does not consider that domestic selling prices in China are artificially low, nor are they influenced by the GOC. However, a number of recent investigations into the dumping and subsidization of steel products exported from China have established that steel input costs in China are lower than they otherwise would be in the absence of GOC influence. These earlier investigations are therefore relevant for the purposes of the current investigation as the GOC has not demonstrated that the plans and policies that have operated in earlier investigations are no longer applicable.

Comsteel maintains the position as detailed in its application that the GOC considers to exert influence over raw material input prices and that domestic selling prices for the goods in China are not determined on a competitive basis.

CCCME has not evidenced a contrary position that raw material steel prices are determined free of influence from the GOC.

CCCME also seeks to suggest that Comsteel supplies goods that in some way contravene the *Occupational Health & Safety Act 1984 (WA)* by suggesting – in the absence of any conclusive evidence – that the like goods supplied by Comsteel pose an OH&S risk. Comsteel rejects these assertions and refers the Commission to the independent AAR assessment that Comsteel supplies goods compliant with the relevant standard.

Finally, in relation to CCCME's comments concerning the "all other exporters" category for the purposes it should be noted that Masteel is not the only manufacturer of railway wheels (including iron ore railway wheels) in China. Should interim dumping and countervailing duties be applied to exports from Masteel, there is a likelihood that another Chinese exporter of the goods could emerge.

It is Comsteel's view that the CCCME submissions have not identified any new information not before the Commission at this point in time.

If you have any questions concerning this submission, please do not hesitate to contact me on (02) 4974 0346 or Comsteel's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely



Lindsay Reid
General Manager