



10 September 2019

Director  
Investigations 2  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601

**BY EMAIL:**  
**investigations2@adcommission.gov.au**

Dear Director,

**Continuation Inquiry 505 and Review of Measures 499 concerning Hot Rolled Structural Steel Sections exported from Japan, Korea, Taiwan and Thailand**

**SUBMISSION OF THE AUSTRALIAN INDUSTRY**

This submission is made on behalf of ONESTEEL MANUFACTURING PTY LIMITED (**Liberty Primary Steel**) in response to the SANWA submission following publication of the Statements of Essential Facts 499 and 505.<sup>1</sup>

The essence of the SANWA submission is criticism of the Commission's assessment that the Australian market for hot rolled structural steel sections is rising.

*Inspite [sic] of this the Anti Dumping commission somehow can say at para 7.3 that "In this review, the Commission has found that the market is rising" and then again • "the Australian HRS market can, at present, be considered to be a rising market" These two comments are slightly different in timing but both are extremely inaccurate. It seems possible that the only ADC research on this point was possibly asking the applicant what they their view on the market was. No surprise that blatant self interest might have distorted the applicants answer.<sup>2</sup>*

Instead of presenting the Commission with evidence to support their alternative view of the conditions in the Australian market with respect to hot rolled structural sections, SANWA present irrelevant graphs relating to European domestic prices, Turkish export prices and Asian import prices.

Despite SANWA's claims of extreme inaccuracy, the Commission has access to actual FOB prices for hot rolled structural sections exported to Australia that supports and validates the Commission's finding that the Australian market is rising. The Commission's most recent publication of the Trade Remedies Index (TRINDEX) price index for hot rolled structural steel sections graph shows that, for "All countries", the weighted average unit price of imported goods into Australia at the end of 2018 was

<sup>1</sup> EPR Folio No. 499/051 and EPR Folio No. 505/042

<sup>2</sup> EPR Folio No. 499/051 and EPR Folio No. 505/042 at p.2



over 20% higher than the weighted average unit price for the whole of 2017 and in July 2019 was approximately 40% higher than the weighted average unit price for CY 2017.<sup>3</sup>

The cap of “blatant self-interest distorting an answer” sits more comfortably on SANWA’s head than that of the applicant.

Based on SANWA’s erroneous view that the Australian market hasn’t been rising but falling, the argument is then made that the imposition of a floor price has a heightened risk of being unreasonably punitive. Again, the facts don’t support their self-interest based claims for several reasons:

- Firstly, the Commission’s TRINDEX price index, shows the weighted price of the Australian market would need to fall at least 20% before a floor price would even come into effect. Tung Ho (from whom SANWA purchase) actually state that their view is that after measures are imposed “prices will only rise”.<sup>4</sup>
- Secondly, Tung Ho claim that they have been able to obtain full interim duty refunds<sup>5</sup> for six of the relevant periods the measures were operative, irrespective of whether the measures were based on an *ad valorem* or floor price method.
- Thirdly, if the Australian market were to fall below 20% existing levels for an extended period of time, Tung Ho (or any other exporter having a floor price) has the ability to request a Review of the variable factors as it has previously done in Review 345.

FOR AND ON BEHALF OF THE AUSTRALIAN INDUSTRY APPLICANT

<sup>3</sup> TRINDEX for month ending 31 July 2019 at p.12

<sup>4</sup> Tung Ho submissions EPR Folio No. 499/048 and EPR Folio No. 505/039 at p.7

<sup>5</sup> Tung Ho submissions EPR Folio No. 499/048 and EPR Folio No. 505/039 at p.2

