

## PUBLIC RECORD VERSION

2 September 2019

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

By E-mail: [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

Dear Director

### Statement of Essential Facts – Review 499 - Hot rolled structural steel sections from Japan, Korea, Taiwan, Thailand

1. As you are aware, I am the authorised representative for Tung Ho Steel Enterprise Corporation ("THS").
2. We refer to the previous submission lodged on behalf of THS regarding Statement of Essential Facts – Continuation Inquiry 505 - Hot rolled structural steel sections from Japan, Korea, Taiwan and Thailand and provide the following supplementary submission, regarding the above.

#### Section 7.3 of Review 499 - Basis for recommendation on the forms of measures

3. States the following (**emphasis added**): -

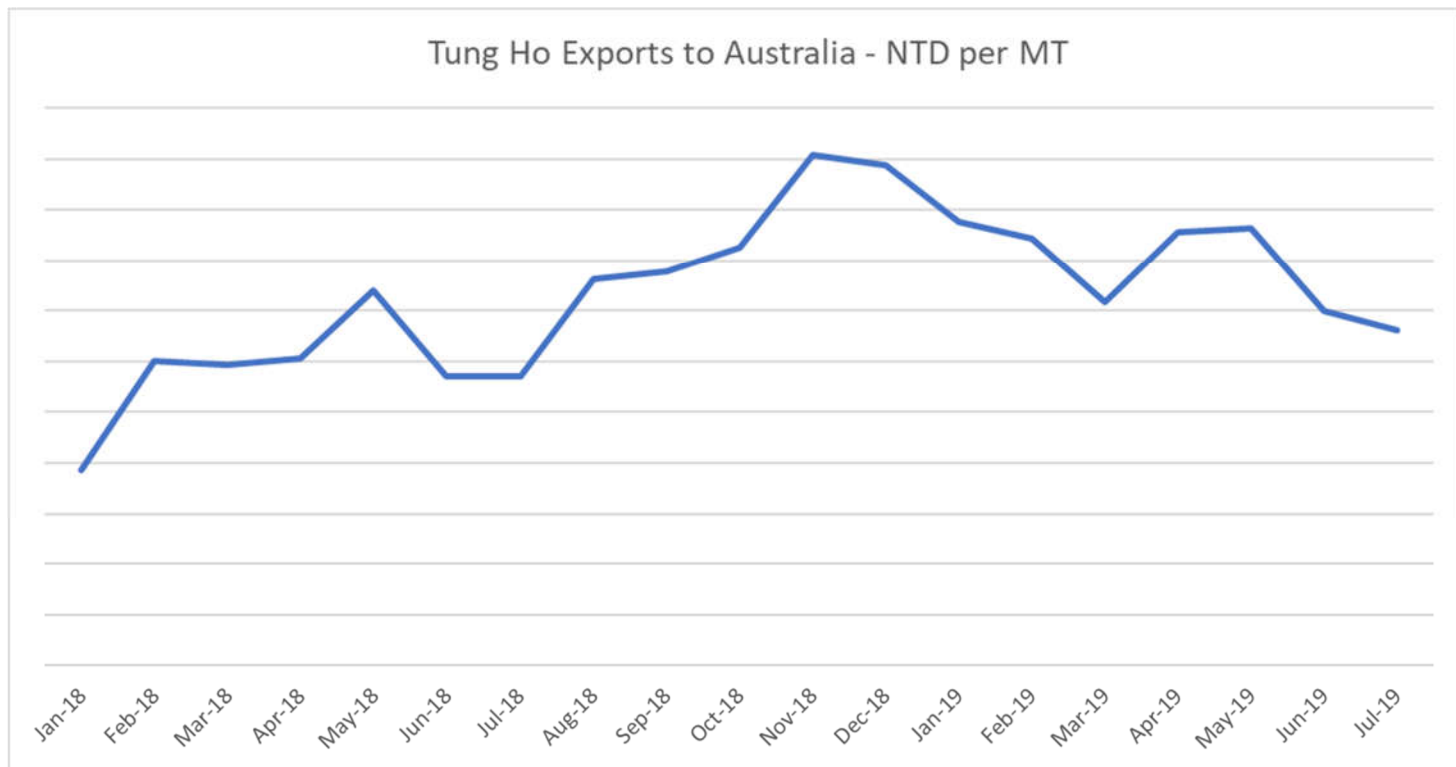
*The Commission notes that under the combination method, where the fixed component has been imposed as a fixed amount per unit, the effective rate of duty diminishes **in a rising market rendering it ineffective**. Conversely, the 'effective' rate **increases in a declining market, making it punitive**.*

4. Also (**emphasis added**): -

*In this review, the **Commission has found that the market is rising**. The Commission notes that in such a circumstance there is a reduced risk that the combination duty will be unreasonably punitive. As noted in the Guidelines, all forms of anti-dumping duty calculation have the purpose of removing the injurious effects of dumping. In this review, the Commission's analysis and findings have been based on **positive evidence**.*

5. THS reject this assessment, as the export price of HRS, and domestic selling prices, as always, fluctuates based on CTMS plus profit, which has been demonstrated by Review No 499, Review No 345, and six dumping duty assessments since 20 November 2014.
6. The following graph, as verified by the Commission between 1 January 2018 and 31 December 2018 and can be verified by the Commission's review of the Australian Border Force (ABF) import database, will verify, together with previous six duty assessments, demonstrates a fluctuating market, based on input costs: -





7. The above does not demonstrate a rising, but a fluctuating market, if not a falling market.
8. As noted in the Guidelines, all forms of anti-dumping duty calculation have the purpose of removing the injurious effects of dumping, in THS circumstances, a floor price cannot be imposed as per previous submission to Statement of Essential Facts – Continuation Inquiry 505 - Hot rolled structural steel sections from Japan, Korea, Taiwan and Thailand, and should not be continued.
9. Should you require any further information concerning this submission, please contact the writer.

Yours faithfully

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