

# STAUGHTONS

**PUBLIC RECORD VERSION.**

**Staughtons Trade Advisory Group Pty Ltd – ABN 65 605 424 459  
PO Box 867, Bacchus Marsh, Vic., 3340**

The DIRECTOR,  
INVESTIGATIONS 2,  
ANTI-DUMPING COMMISSION,  
CANBERRA, ACT 2600.

INVESTIGATION No 499  
CONTINUATION No 505  
SIAM YAMATO STEEL (SYS)

5<sup>TH</sup> August 2019.

BY Email: [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

Dear Director,

I am writing on behalf of the Thai exporter of HRS, Siam Yamato Steel (SYS) and in relation to the above mentioned investigations.

## REQUESTS:

On the basis of recent activity with, and submissions to the Commission by the applicant, SYS respectfully requests the Commission to determine that the findings and recommendations on this Review of measures be evidenced based and in accordance with the real world situation on SYS production in terms of actual Yield Strength (MPa) and domestic selling prices.

Whilst this is a review of measures, the new dynamic is the Commission's recent resolve to adopt an MCC structure and in this Review the Commission has initially adopted the MCC structure proposed by the applicant which SYS has claimed is simply inappropriate by reason of the mandatory Sub-category requirement on nominal Yield Strength and the total disregard for Actual Yield Strengths evidenced by Mill Test Certificates (MTC) and production performance testing on product conformity.

Initial MCC structures however can be modified as a consequence of exporter verification visits based on facts and evidence 'pertaining to a particular exporter' (ADN No 2018/77) and as previously submitted, SYS provided the Commission with its views on the initial MCC structure prior to when the exporter questionnaire responses were due on the 4<sup>th</sup> March 2019.

By way of a comparison with the adopted MCC structure on this review which has only two sub-categories on Yield Strength, the Commission's adopted MCC structure advised by ADN No 2019/22 on QT plate is considered to be both relevant and practical in that the QT plate categories on Grade, Tensile Strength, and Brinell Hardness cover up to eight sub-categories.

Of particular significance however is the Commission's report on the SYS verification that clearly evidenced that SYS produced GUC product with a higher than the required nominal MPa of a specific grade which is what the applicant also claims to do as its '300 PLUS' is advertised as exceeding the requirements of AS/NZS 3679.1 grade 300. Mill test Certificates.

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Importantly, it really needs to be noted and recognised that AS/NZS 3679.1 2016, being the relevant Australian standard, has a mandatory requirement that Test Certificates (MTC) be available for all products produced to that standard.

In a practical sense, the only evidence a steel user, specifier, estimator of the GUC has on the actual Yield Strength of the grade that has been ordered on, and supplied, by the manufacturing supplier-( eg; including by the applicant) is the MTC that is required to be supplied with every grade of AS/NZS 3679.1 steel.

Whilst the applicant can only claim to have obvious experience with the Australian and New Zealand markets, the situation in Thailand is the same in that the manufacturing/supplier's commercial invoice only ever describes the grade of steel ordered and supplied, not the actual MPa which is only provided on the MTC. Thus for the applicant to claim that MTC's are an 'irrelevance' is a nonsense. The actual MPa is what determines if a steel grade beam or channel is fit for purpose and not what is described on the commercial invoice by way of the steel grade ordered/supplied..

Also logically, for the applicant to argue that a product described as being, say grade SS400, is not directly comparable to say grade 300, then it must be unarguable that, say, grade [REDACTED] (DELETED), is directly comparable to grade 300.

Normal Value Calculations.

As evidenced during the verification visit, SYS had sufficient sales of identical models of the goods exported to Australia that were sold in the ordinary course of trade on the domestic market.

For those sales therefore the Commission has no requirement to select any surrogate grades of the GUC that are considered the most directly comparable domestic sales to the specific graded exported to Australia.

Confidential Attachment No 1 to this submission contains detailed Normal Value calculations on the GUC exported by SYS being in accordance with previous fully disclosed methodologies.

**That Normal Value outcome results in dumping duty margin of [REDACTED] (DELETED) and the Commission is requested to contact the writer for any clarification or further information relating to the details on Confidential Attachment No 1. The writer and SYS representatives are also fully prepared to meet with the Commission at a time and date convenient to the Commission.**

In terms of having to determine what should be treated as a surrogate grade of steel SYS maintains that price and the actual MPa as evidenced by the relevant MTC are the primary characteristics for consideration. Importantly however, the Commission has resolved to apply a single interim dumping duty to the totality of the GUC as described in the application and such a figure can only be based on the Normal Value calculated via a global WAV of the entirety. If separate MCCs are calculated on a WAV basis and the intent is then to combine them on a global basis, the Commission should end up with the same figure as per Normal Value calculated via a global WAV of the entirety.

If the Commission reaches a different figure it must be wrong and would be contrary to its resolve on applying an MCC structure. Global duty must be based on global WAV calculations from verified cost and sales data.

Also attached is Confidential Attachment No 2 being a domestic SYS advertisement depicting GUC which SYS maintains is the type of advertising the Commission should consider as being a due adjustment in that whilst it promotes

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SYS, it not only pertains to the GUC but in Thailand, similar to Australia but unlike other relevant markets that have more than one integrated GUC producer, SYS is the only integrated producer of the GUC and SYS is synonymous with the CUC.

SYS appreciates this further opportunity to provide its Normal Value calculations and related claims on the MTC and welcomes any further opportunity to communicate with the Commission on this submission.

Regards,

M J Howard  
Representative