



6 August 2019

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

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Dear Director,

**Public Record Case No. 505 - Hot rolled structural steel sections from Japan, Korea, Taiwan and Thailand**  
**Application by: OneSteel Manufacturing Pty Limited**

**SUBMISSION OF THE AUSTRALIAN INDUSTRY**

OneSteel Manufacturing Pty Limited, trading as 'Liberty Primary Steel' (**Liberty Primary**), being the applicant for *Continuation of a Dumping Duty Notice*<sup>1</sup> concerning *hot rolled structural steel sections from Japan, Korea, Taiwan and Thailand (HRS)* refers to the submission of the exporter, Hyundai Steel Company (**Hyundai Steel**), made in this matter.<sup>2</sup> There are a number of representations and claims made in that submission that are false and misleading. Although Liberty Primary believes that the evidence necessary to contradict those inaccurate representations are already before the Commission, for the avoidance of doubt in preparation of the *Statement of Essential Facts*, Liberty Primary refers to and repeats the following facts by way of rebuttal.

**Identity of Australian industry producing like goods**

OneSteel Manufacturing Pty Limited (ABN 42 004 651 325), was the original applicant under s.269TB (refer *Dumping Investigation No. 223*), in its capacity as the sole member of the Australian industry producing like goods, and remains the applicant for continuation under s.269ZHC, again in its capacity as the sole member of the relevant Australian industry. Following the acquisition of the company by the GFG Alliance, the trading name changed to 'Liberty Primary Steel'.

Whereas, the producer entity was historically also the entity once producing steel reinforcing bar (**rebar**) and steel rod in coils (**wire rod**), it did so in mills and facilities substantively geographically separate to the mills and facilities used to produce the like goods the subject of this continuation inquiry. We think this fact goes to rebut the suggestion that somehow the producer has relinquished up, or reduced its productive capacity of the subject like goods:

<sup>1</sup> Refer ADN No. 2019/021 (11 February 2019).

<sup>2</sup> EPR Folio No. 505/011.



*Nevertheless, however the Liberty Steel Group business structure is sliced, the same rolling line is necessary for the production of hot rolled structural steel, rails and other long products. This is a key capacity constraint that must be understood as the Commission considers injury allegations.<sup>3</sup> [emphasis added]*

This is simply not true, as the mills and facilities necessary for the production of the like goods are located in Whyalla, and the facilities responsibility for the production of *other long products*, such as rebar or wire rod are found in locations other than Whyalla.

### **Allegation that BlueScope “produces” a similar product**

We observe that the substance of the exporter’s claim here falls significantly short of the loaded rhetoric of the subheading, namely that BlueScope *produces a similar product*. Even the exporter’s representatives tacitly acknowledge that mere supply does not equate to domestic production as understood in s.269T(2).

The relevance of fabricated products not meeting the description of the subject goods, i.e. *welded steel beams and columns*, is identified for reasons only known to the exporter’s representatives, but the identification of other goods, produced by Liberty Primary and sold to BlueScope or otherwise imported by the latter, can be seen as nothing more than an attempt to conflate ‘supply’ with ‘production’.

### **“OneSteel’s economic conditions...”**

Liberty Primary take exception to the exporter’s suggestion that it lacks *financial disclosure* or that the subject producer *no longer disclose[s]... [its] financial results*.<sup>4</sup> Here the most cursory reference to the company’s public register with the Australian Securities & Investments Commission (**ASIC**) would indicate compliance with its obligation to disclose its financial statements and reports as lodged with its Form 388H.<sup>5</sup>

Furthermore, the exporter’s representative is wrong to suggest that Liberty Primary will be part of the reported public listing of the InfraBuild group of companies.

### **“Specific changes concerning like goods”**

The exporter incorrectly suggests that growth in rail products demand comes at the expense of a loss of production capacity for the like goods:

<sup>3</sup> EPR Folio No. 505/011, p. 5.

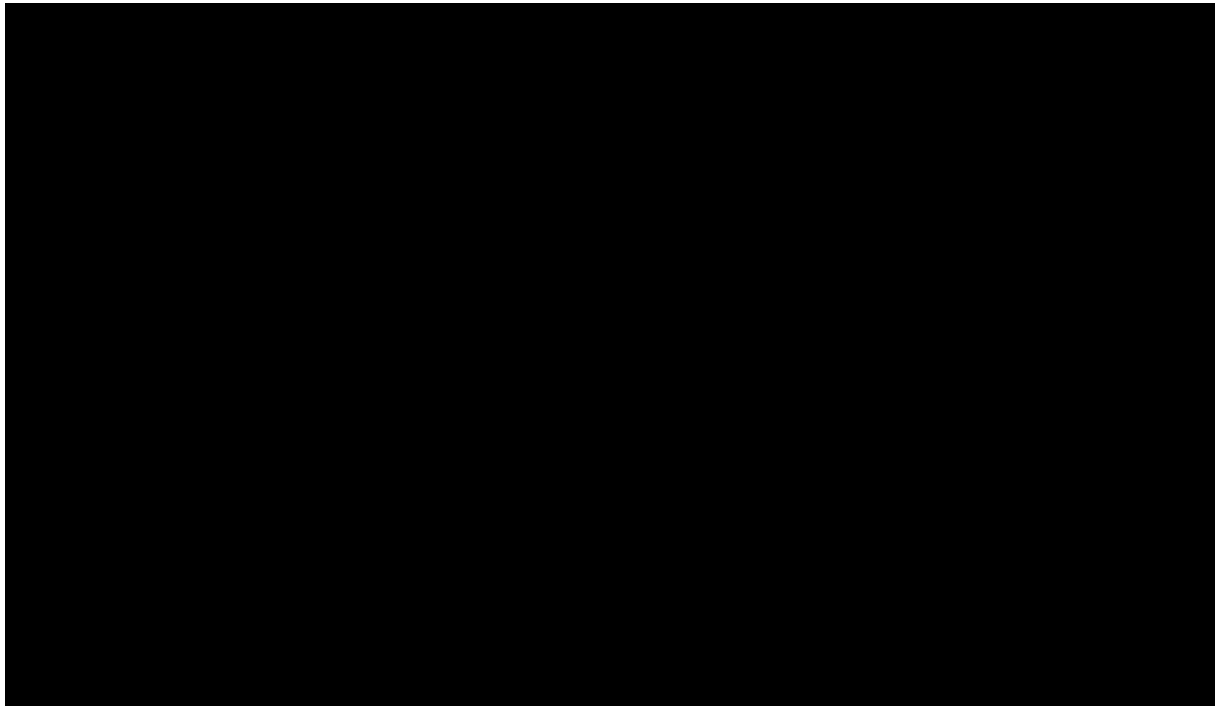
<sup>4</sup> EPR Folio No. 505/011, p. 6.

<sup>5</sup> [https://connectonline.asic.gov.au/RegistrySearch/faces/landing/SearchRegisters.jspx?\\_adf.ctrl-state=8iq62mk1d\\_4](https://connectonline.asic.gov.au/RegistrySearch/faces/landing/SearchRegisters.jspx?_adf.ctrl-state=8iq62mk1d_4) (accessed 04/08/2019)



*Of necessity, this influx of huge rail and ship industry orders must cause, and has caused, the capacity of OneSteel's one rolling line at Whyalla to be stretched, and has forced OneSteel to make choices about the use and availability of that line both now and in preparation for the future.<sup>6</sup>*

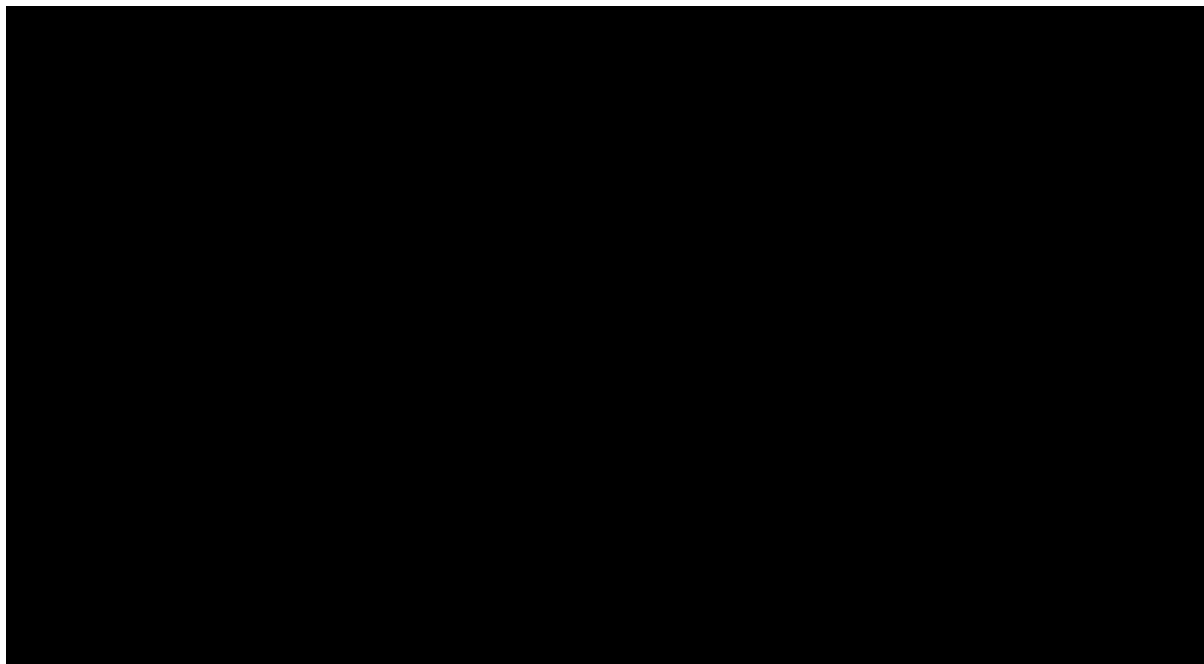
Again, this is simply not true. As **Confidential Figure 1** (below) clearly demonstrates, although there has been an increase in monthly rail production since January 2018, this has not come at the expense of production of the subject like goods, with output of the latter either tracking at or above historic levels.



**CONFIDENTIAL FIGURE 1:** *Monthly production of the subject goods and rail products* (Source: CONFIDENTIAL ATTACHMENT 1)

In fact the domestic industry's sales projections for rail products beyond Fiscal Year (FY) 2019 indicates that sales are to [REDACTED], sales of the subject like goods are projected to [REDACTED] [REDACTED] in FY 2020, and then [REDACTED] in subsequent fiscal periods (refer **Confidential Figure 2**, below).

<sup>6</sup> EPR Folio No. 505/011, p. 12.



**CONFIDENTIAL FIGURE 2:** Annual sales (actual and forecast) of the subject goods and rail products by fiscal period (Source: CONFIDENTIAL ATTACHMENT 2)

### **Exporter's contention of "No material injury, nor probability of recurrence based on present facts"**

On the basis of the exporter's misguided belief that sales of rail product have come at the expense of capacity to produce the like goods, it seeks to correlate imports of the subject goods to Liberty Primary's decision to reduce its domestic production:

*Notably, and we would think not coincidentally, the Australian industry started to import HRSS from Hyundai Steel shortly after it was awarded the Adelaide to Tarcoola rail contract in September 2016... This is evidence that OneSteel consciously decided to shift away from producing the GUC, from the September quarter of 2016, thereby creating a supply shortage that exports had to fill.*

*These patterns of trade indicate that the Australian industry has shifted its production and sales strategies since the original investigation. Hyundai Steel surmises that OneSteel is now much less focussed on the production of the GUC for the local market.<sup>7</sup>*

As evidence previously presented at the industry verification visit served to explain, the decision to import preceded the decision to restore an additional (fourth) work shift, not (in contradiction of the exporter's assertion) any growth in the rail products market (refer CONFIDENTIAL FIGURE 1, above).

### **Conclusion**

In making this submission, Liberty Primary does not seek to introduce any new evidence, but rather remind the Commission of arguments and materials already before it.

<sup>7</sup> EPR Folio No. 505/011, pp. 14-15.



Should the Commission seek clarification of any of the matters raised in this submission, please do not hesitate to contact your Australian industry representative on record.

**FOR AND ON BEHALF OF**

**THE AUSTRALIAN INDUSTRY APPLICANT**