

1. Provide details of the name, street and postal address, of the applicant seeking the continuation.

The applicant seeking the continuation of anti-dumping measures applicable to Quenched and Tempered Steel Plate ("Q&T steel plate") exported from Finland, Japan and Sweden, is Bisalloy Steels Pty Ltd ("Bisalloy").

Bisalloy's address and contact details are as follows:

Bisalloy Steels Pty Ltd
18 Resolution Drive
Unanderra NSW 2526

Tel: (02) 4272 0407
Fax: (02) 4272 0445
ABN: 27 001 641 292

2. Provide details of the name of the contact person, including their position, telephone number and facsimile number, and email address.

The contact details of personnel to contact at Bisalloy are as follows:

Mr Luke Beale
Chief Financial Officer/Company Secretary
Bisalloy Steels Pty Ltd
18 Resolution Drive
Unanderra NSW 2526
Tel: (02) xxxx xxxx
Email: luke.beale@bisalloy.com

This application for the continuation of anti-dumping measures on Q&T steel plate exported from Finland, Japan and Sweden has been prepared with the assistance of:

Mr John O'Connor
Director
John O'Connor and Associates Pty Ltd
P.O. Box 329
Coorparoo QLD 4151
Tel: (07) 3342 1921
Fax: (07) 3342 1931
Email: jmoconnor@optusnet.com.au

Please refer to Confidential Attachment 1 for a copy of an Authority to Represent.

3. Provide the names, addresses, telephone numbers of other parties likely to have an interest in this matter.

Exporters:

Finland

Formerly Rautaruukki Oyj ("Ruukki"), now SSAB AB
Suolakivenkatu 1
P.O. Box 138
00811 Helsinki FINLAND
Telephone: + 358 (0) 20 5925054

Japan

Nippon Steel and Sumitomo Metal Corporation (NSSMC)
2-6-1Marunouchi, Chiyoda-ku,
Toyko 100-8071, Japan
Tel +81 3 6867 41111

JFE Steel Corporation
2-2-3 Uchisaiwaicho, Chiyoda-ku,
Tokyo, Japan
Telephone: + 81 3 3597 3111

Sweden

SSAB Swedish Steel Pty Ltd ("SSAB AB")
Klarabergsviadukten 70, D6
P.O. Box 70
101 21 Stockholm SWEDEN
Telephone: +46 8 45 45 700

Importers:

Finland & Sweden

SSAB Swedish Steel Pty Ltd
P.O. Box 8074
Level2/32 Logan Road
Woolloongabba QLD 4102
Telephone: + 61 7 3891 3533

Japan

The importers of the goods from NSSMC as identified in Investigation 234 were Metal One Corporation, CMC, ASM Corporation and Amity Pacific Pty Ltd. Contact details are as follows:

Metal One Corporation
c/- Mitsubishi Australia
Level 36 AMP Centre
50 Bridge Street,
Sydney 2000, NSW
Telephone: +61 2 9951 4800

CMC Australia
Sydney head office
Level 3, 430 Forest Road Hurstville,

Sydney NSW 2220
Phone: +61.2.9585.6200

Sojitz Australia Limited
c/o Sojitz Corporation
Level 34/345 Queen Street
Brisbane QLD 4000
Tel: (07) 3054 6901

ASM Corporation
1817 Lytton Road
Lytton QLD 4178
Telephone: + 61 7 3891 4900

Amity Pacific Pty Ltd
832 High Street,
Kew East Vic.3102
Telephone: 03 92499550

The importer of the goods from JFE Steel Corporation identified in Investigation 234 was Total Steels Australia. Contact details are as follows:

Total Steels Australia Pty Ltd
Suite 10/35-37 Railway Parade
Engadine NSW 2233
Telephone: +61 2 8508 4800

4. The anti-dumping measures the subject of this continuation application cover the following:

(i) Tariff classification

The tariff classification for the goods the subject of this continuation application are as follows:

- 7225.40.00 statistical codes 21 (high alloy: quenched and tempered), statistical code 22 (other: quenched and tempered), statistical code 23 and statistical code 24;
- 7225.99.00 statistical codes 39 and 44.

(ii) The countries or companies

The countries the subject of the measures are Finland, Japan and Sweden. The measures extend to all exporters from the identified countries.

(iii) Specified date of publication of the measure

The then Parliamentary Secretary to the Minister for Industry signed the notice applying measures with effect on 28 October 2014. The measures are due to expire on 5 November 2019.

5. **The application must include a detailed statement setting out reasons for seeking continuation of the anti-dumping measure. Applicants must provide evidence addressing whether, in the absence of measures, dumped or subsidised imports would cause material injury to the local industry producing like goods. Applicants should refer to the “Guidelines for Preparing an Application for Continuation of Measures” for assistance.**

Request for Continuation of Measures

Bisalloy is seeking the continuation of anti-dumping measures to Q&T steel plate exported from Finland, Japan and Sweden. Following the imposition of measures in November 2014, exports of the subject goods from Finland, Japan and Sweden have continued. The variable factors applicable to the exported goods have not been reviewed since imposition and, it is Bisalloy's view following steel price increases in 2016/17, that export prices from the subject countries do not reflect the higher steel selling prices that were evident following recent global increases.

Exports of the subject goods have continued from each of the nominated countries following the imposition of the measures in November 2014. Exporters have maintained distribution channels into the Australian market. Whilst total imports of the goods into Australia hold more than 50 per cent market share, the imports from Finland, Japan and Sweden in aggregate account for approximately 45 per cent of the total market in Australia in 2018.

Bisalloy has determined that exports from Finland, Japan and Sweden have been at above negligible levels during 2018.

It is Bisalloy's firmly held view that if the measures applicable to Q&T steel plate exports from Finland, Japan and Sweden are allowed to expire, it is likely that the Australian industry producing the like goods would experience a recurrence of material injury that the measures were intended to prevent.

Bisalloy is therefore seeking the Anti-Dumping Commission (“the Commission”) to commence an investigation into the continuation of the anti-dumping measures on Q&T steel plate exported from Finland, Japan and Sweden. Bisalloy contends that the expiration of the measures will likely lead to a recurrence of the material injury that the measures are intended to prevent and therefore is seeking the Commissioner to recommend to the Minister for Industry that the measures not be allowed to expire.

(i) Will the dumping or subsidization continue, or recur?

Reasons must be given as to why dumping, or subsidization, would be expected to continue were the anti-dumping measure to expire.

- **Anti-dumping actions by other countries;**

Bisalloy is not aware of anti-dumping measures applicable to the subject goods (specifically to Quenched and Tempered steel plate exported from Finland, Japan and Sweden) in any other country.

- **Relevant evidence as to current normal values in the exporting country;**

Domestic selling prices for Q&T steel plate are not published in industry newsletters or similar publications. Manufacturers of Q&T steel plate do not publish list prices for the goods in Finland, Japan and Sweden. Domestic selling prices for the goods, therefore, are not publicly available.

Bisalloy has constructed normal values for Q&T steel plate in Finland, Japan and Sweden on a basis consistent with the constructed normal values in its original application. Please refer to Confidential Appendix B2 for normal values established for Finland, Japan and Sweden for each quarter throughout 2018.

- **Whether exports have continued following imposition of the measures and estimates of export price;**

Exports of Q&T steel plate have continued to be supplied to the Australian market following the imposition of measures in November 2014.

Table 1 below summarizes imports of Q&T steel plate from Finland, Japan and Sweden over the most recent three-year period 2016 to 2018. It should be noted that from September 2018, imports of Q&T steel plate from Finland and Sweden are the subject of a suppression order and are no longer published by the ABS in monthly import statistic releases. For the purposes of this application, Bisalloy has extrapolated import volumes for Finland and Sweden for the remainder of the 2018 year based upon import volumes until August 2018.

Table 1 – imports of Q&T steel plate from Finland, Japan and Sweden 2016 to 2018 (metric tonnes).

Country	2016	2017	2018
Finland	2317	4808	2164
Japan	1477	2245	4389
Sweden	17979	25840	29407
Sub-Total	21773	32894	35959
Other	16826	25484	21383
Total	38599	58378	57342

Source: ABS Import data at Confidential Appendix 2 (Raw data at Confidential Attachment 4).

Table 1 confirms that exporters in Finland, Japan and Sweden have continued to export Q&T steel plate to Australia following the imposition of measures in November 2014. Since 2016, imports from the nominated countries have increased by 65 per cent – reflecting increased demand in the mining industry.

Bisalloy's sales of Q&T steel plate have increased over the last three years coinciding with increased demand, however, Bisalloy's margin (i.e. selling price over costs) has been eroded and this can be attributed to the increased level of sales from the nominated countries (particularly from Sweden).

- **Whether the exporter has retained distribution links in Australia;**

The significant growth in Q&T steel plate exported to Australia from Finland, Japan and Sweden since 2016 – at approximately 65 per cent in aggregate – demonstrates that the exporters in the named countries have maintained distribution channels into the Australian market following the imposition of measures in November 2014.

Bisalloy understands that importers identified in Investigation 234 continue to be suppliers of the goods into the Australian market in 2018, and the importers continue to offer supply of Q&T steel plate from Finland, Japan and Sweden at competitive (i.e. dumped) prices (refer further at (iii) below).

- **Whether the exporter retains an excess capacity that may be directed to Australia.**

Bisalloy notes that in Report No. 234 the Commission observed that Q&T steel plate exported from Finland, Japan and Sweden accounted for 54 per cent market share¹. Additionally, the Commission determined that dumping margins for the goods were in the range 21.7 per cent to 34 per cent during the investigation period.

It is Bisalloy's estimate that the Q&T steel plate exports from Finland, Japan and Sweden held approximately xx per cent market share in 2018 – a substantial and influential share of the market

¹ Report No. 234 - Q & T steel plate exported from Finland, Japan and Sweden, P. 77.

demonstrating a continued presence that impacts the Australian industry's sales volumes and selling prices.

The exporters of the goods are large producers that have significant global distribution channels. For these reasons, Bisalloy submits that the exporters retain an ability to increase sales into the Australian market as demand increases – as reflected in the upsurge in exports to Australia from each of the nominated countries between 2016 and 2018.

Steel industry Overcapacity

The Commission's 2016 Report "Steel and Aluminium Market Analysis" identified the significant over capacity in steel products. In particular, it noted²:

"Although demand for steel grew at double digit rates over much of the last 15 years, the last few years have seen a significant easing in expansion rates and reducing utilization rates for steel production.. This reflects the slowing Chinese economic growth, especially in 2015, and the rebalancing of the Chinese economy towards more consumption-driven growth instead of investment-driven growth."

It was further observed:

"Excess capacity – a problem that afflicts the steel industry during every economic downturn in the business cycle – remains a significant issue for the sector. The growing gap between global steelmaking capacity and demand has led to a deterioration in the financial situation of steelmakers, and raised concerns about the longer-term economic viability and efficiency of the industry."

The substantial overcapacity in steel production – not only in South East Asia, but also globally - combined with the low utilization rates and financial viability concerns of steelmakers, provide sufficient incentive for opportunistic exporters with ongoing distribution links into the Australian market to capitalize on any opportunity that permits exports at a level that contribute to margin over raw material costs.

Bisalloy has examined that economics of exporters of Q&T steel plate exporting to Australia from Finland, Japan and Sweden and has assessed that dumping margins above negligible levels exist for exports to Australia during 2018 (refer Confidential Appendix B3 – Dumping Margins).

The recent exports to Australia during 2018 at heightened levels confirms that exporters the subject of measures in Finland, Japan and Sweden have available capacity to supply increased demand in the Australian Q&T steel plate market.

(ii) Will the material injury recur?

Applicants must provide evidence that in the absence of measures, the dumped or subsidized goods would cause, or be likely to cause, material injury to the Australian industry producing the goods in question. In considering this question applicants should provide information on key indicators such as profitability, price trends, and market share.

- Trends over last three years;

Bisalloy has prepared Confidential Appendix A2 – Australian market for Q&T steel plate using Bisalloy's domestic sales and available import statistics data from the ABS.

The market analysis confirms that over the last three year period 2016 to 2018 the Australian market for Q&T steel plate has expanded. Imports from the countries the subject of the measures have increased by 65 per cent since 2016, with imports from countries not the subject of measures have increased by 27 per cent. The total Australian market for Q&T steel plate has increased by approximately 60 per cent.

² Steel and Aluminium Market Analysis, Section 2.4.3 at P.31.

The increase in demand for Q&T steel plate since 2016 has been strongly contested by Bisalloy, exporters the subject of the measures, and other suppliers in countries not impacted by measures. The exporters in Finland, Japan and Sweden account for a greater share of the Australian market than is supplied by Bisalloy. The measures that apply to the exporters, therefore, do impact the pricing decisions of the exporters as they supply into the Australian market. The export prices to Australia throughout 2018, however, are at levels well above the ascertained export prices for exporters in Finland, Japan and Sweden so the “effective rate” of measure applies, even though significantly greater dumping margins are evident for exports during 2018 (refer Confidential Appendix B3 – Dumping Margins).

The effective rate of measures applicable to the exporters the subject of the measures (based upon normal values and ascertained export prices determined in the original investigation period of 1 January 2013 to 31 December 2013) as contrasted with the determined dumping margins for that period were as follows:

Table 2 – Effective rate of measure versus dumping margins – ex Report No. 234

Country	Exporter/Manufacturer	Effective Rate of Duty	Dumping Margin
Finland	All Exporters	10.8 per cent	21.7 per cent
Japan	JFE Steel Corporation	24.5 per cent	24.6 per cent
	Uncooperative exporters	26.1 per cent	33.9 per cent
Sweden	All Exporters	9.6 per cent	34.0 per cent

The effective rate of measure was based upon the ‘lesser duty rule’. The Commission calculated an unsuppressed selling price (“USP”) for the Australian industry based upon selling prices of the like goods over a three-year period between 2010 and 2012. The USP was adjusted to arrive at a non-injurious price for the exporters that, when contrasted with ascertained export price for each exporter during the investigation period, resulted in the “effective rate” of measure applying (as the non-injurious price was below each of the determined normal values).

Global steel prices have increased significantly since the original investigation period of calendar year 2013. Although the form of measure applicable to exporters in Finland and Japan are *ad valorem* based measures, the combination form of measure applies to exports from Sweden. For exporters from Finland and Japan, the exporters are able to absorb the impact of the applicable measure by not increasing the export price commensurate with rising normal values in the country of export. For exports from Sweden, a floor price applies and, as steel prices have increased significantly since 2013, the floor price is at such a low level that the Swedish exporter has exported at prices that reflect the originally determined floor price.

In short, the applicable measures on exporters in Finland, Japan and Sweden are not reflective of contemporary Q&T steel plate prices. As a consequence, the Australian industry has experienced price effect injury in 2018 as it competes with export prices reflecting measures determined for the 2013 investigation period. This price-effect injury is in the form of price suppression (an erosion of the margin between selling prices and costs) and continues into 2019.

Bisalloy's profit across the 2016 to 2018 period indicates an improvement in 2017, with a fall in 2018 as Bisalloy was unable to recover increases in costs in selling prices in the market. Coinciding with the increased costs to make and sell Q&T steel plate in Australia was the further increase in export volumes of the goods from the nominate countries. Bisalloy has experienced price pressures from importers of the goods during 2018 – as evidenced in Confidential Attachment 5 – Competitive market price offers.

The competitive market price offers confirm price undercutting of Bisalloy's selling prices by SSAB (sourcing from both Finland and Sweden). The recent price undercutting examples include:

- [supplier] offers to [customer] in [city] for QQ690 2500 x 9000 in range \$1620 to \$1650 per metric tonne;

- [Supplier] offers at [customer] (March 2018) for 10 to 40mm from \$1700 per metric tonne, with Strip 700 grade from \$1620 per metric tonne;
- [Supplier] at [customer] in [state] for 80 grade 8-60mm from \$1720 per metric tonne (Bisalloy price is 5 – 10 per cent higher);
- Lost 320 tonne to [Supplier] at [customer] at \$1680-\$1720 per tonne versus Bisalloy at \$1920 to \$2020 per tonne;
- [Customer] notified that [Supplier] 450 product available at \$1750 per metric tonne v Bisalloy at \$2020 per metric tonne.

Market intelligence concerning competitor's price offers (i.e. from the nominated countries) is limited, however, Bisalloy has obtained the above offers which confirm that the exports from Finland and Sweden have been at prices that undercut the Australian industry's selling prices in 2018. The evidence available to Bisalloy confirms that throughout 2018 Bisalloy encountered price undercutting from the imports by [supplier] and that in order to secure volumes Bisalloy was required to price competitively with the imports from Finland and Sweden.

Bisalloy has demonstrated in this application (refer Confidential Appendix B3 – Dumping Margins) that exports of Q&T steel plate from Finland, Japan and Sweden have been at dumped prices during 2018. In responding to price offers from imports sourced from [supplier], Bisalloy is experiencing ongoing injury through prices suppression (as it was prevented from raising selling prices to recover higher production costs).

It is therefore Bisalloy's firm view that should the measure be allowed to expire, Bisalloy would again experience further injury that is material – incremental to that already sustained with measures in place.

- *Likelihood of material injury in absence of measures*

In November 2013, Bisalloy made application for anti-dumping measures to be applied to dumped exports of Q&T steel plate exported from Finland, Japan and Sweden. The application was made on the basis of material injury that had been experienced by the Australian industry manufacturing like goods.

In accepting the final report and recommendations of the Commissioner (refer Report No. 234) the Minister for Industry was satisfied that the goods exported from Finland, Japan and Sweden were at dumped prices, there was a causal link between the dumping and the injury and the injury sustained was material. The Commissioner concluded that the Australian industry had suffered injury in the form of:

- Price depression;
- Price suppression;
- Reduced profits;
- Reduced profitability; and
- Reduced revenue.

The measures have enabled the Australian industry to continue to supply the Australian market with Q&T steel plate. As there has been no review of the measures since original imposition in November 2014, the variable factors as determined, do not reflect contemporary global steel prices. The Australian industry, therefore has competed with dumped export prices during 2018 and this has had a material impact of Bisalloy's profit and profitability.

In the event the Commissioner was to recommend to the Minister that the measures be allowed to expire, the Australian industry would again experience a recurrence of material injury that the measures are intended to prevent. This recurrence of material injury would be caused by:

- The dumping from Finland, Japan and Sweden at levels of dumping above negligible levels during as evidenced during 2018;

- Further price suppression experienced by the Australian industry during 2018 as the cost to make and sell like goods increased and prices could not be adjusted to recover higher costs; and
- Reductions in profit and profitability in 2018 that render the Australian industry susceptible to further injury in the absence of measures.

The likelihood of a recurrence of material injury in the absence of measures is reinforced by the upsurge in imports from the nominated countries since 2016 and the price undercutting evident from the dumped imports during 2018.

It is Bisalloy's position that it will experience further material injury should the anti-dumping measures on Q&T steel plate on export from Finland, Japan and Sweden be allowed to expire on 5 November 2019. Exporters will seek to further increase export volumes to Australia via their well-established distribution channels into the Australian market in the absence of these anti-dumping measures.

Conclusions – Q&T steel plate measures

By this application, Bisalloy is seeking the continuation of anti-dumping measures on exports of Q&T steel plate exported from Finland, Japan and Sweden. Bisalloy requests the Commissioner to commence an investigation into the continuation of the measures to examine Bisalloy's firmly held views that should the measures be allowed to expire it is likely that the Australian industry would experience a recurrence of material injury that the measures were intended to prevent.

Bisalloy is further seeking the Commissioner to conduct a review of measures (i.e. applicable variable factors) to ensure that revised variable factors reflect contemporary prices.

Bisalloy contends that the measures should not be allowed to expire as it is likely that the Australian industry would again suffer a recurrence of the material injury that the measures were intended to prevent. This view is based upon the following:

- exporters in Finland, Japan and Sweden have maintained distribution links into the Australian market for Q&T steel plate;
- exports of Q&T steel plate from Finland, Japan and Sweden have been at dumped prices during 2018 at above negligible levels;
- export prices for the goods from Finland and Sweden during 2018 do not reflect a depreciation in the Australian dollar (i.e. have remained relatively flat) with increasing margins of dumping;
- the sighting of market offers for the supply of imported Q&T steel plate from Finland and Sweden confirms that exporters have priced at levels that undercut the Australian industry;
- the prices offered by exporters in Finland and Sweden are possible as the level of variable factors determined for the dumped exports were established on pricing in 2013, and there has been significant global steel price increases since the measures were originally imposed;
- the export prices from Finland and Sweden during 2018 were injurious to the Australian industry as reflected in Bisalloy's deterioration in profit and profitability in 2018 (despite higher sales volumes in that year);
- exports of Q&T steel plate from Japan have also been assessed by Bisalloy as being at dumped prices above negligible levels and, when sold into the Australian market are competitive with the dumped export prices from Finland and Sweden (otherwise there would be a decline in export volumes from Japan) and are therefore injurious to the Australian industry; and
- the expiration of the measures will likely lead to a recurrence of material injury as exporters in Finland, Japan and Sweden seek to further undercut the Australian industry's selling prices and secure sales at the expense of the Australian industry.

Bisalloy has detailed in this application that the expiration of the measures on Q&T steel plate exported from Finland, Japan and Sweden will likely lead to a recurrence of the material injury that the measures were intended to prevent. Bisalloy is seeking the Commissioner to commence an

investigation into the continuation of the anti-dumping measures and recommend to the Minister that the measures not be allowed to expire on 5 November 2019.

List of Attachments

Attachment No.	Description	Confidential/Non-Confidential
1	Authority to Represent	Confidential
2	Steel plate prices - Japan	Confidential
3	Steel plate - Europe	Confidential
4	ABS Import statistics	Confidential
5	Market offers of imported Q&T steel plate – [source] and [source]	Confidential
Appendices A1 to A7 & Appendices B2 and B3	Bisalloy sales and cost data; Normal values and dumping margin calculations	Confidential