

2 June 2020

[REDACTED]
Investigations 1
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

[REDACTED]
PUBLIC FILE

Dear [REDACTED]

Investigation 520 – Grinding balls exported from P R China – Lesser Duty Rule

I refer to the Anti-Dumping Commission (“the Commission”) review of variable factors applicable to exports of grinding balls to Australia from The People’s Republic of China (“China”).

Molycop Pty Ltd (“Molycop”) is the Australian manufacturer and applicant company that has requested the review of the variable factors. As part of the review, the Commission is required to have consideration as to the applicability of a non-injurious price to exports from China.

In Report 316 the Commissioner determined that “.....the Parliamentary Secretary be satisfied that, in accordance with subsection 269TAC(2)(a)(ii), the situation in the Chinese grinding balls market is such that sales in that market are not suitable for use in determining a price under subsection 269TAC(1). Accordingly, for this investigation, the Commissioner considers that subsections 8(5BAAA) and subsection 10(3DA) of the Dumping Duty Act apply, and as a result, the Parliamentary Secretary is not required to consider the lesser duty rule for the purposes of subsections 8(5bA) and 10(3D) of the Dumping Duty Act.”

The Minister accepted the Commissioner’s recommendations in Report 316 and the lesser duty rule was not considered by the Minister.

Molycop submits that the conditions that existed at the time of the recommendation to the Minister in Report 316 continue to apply throughout the investigation period in the current review of variable factors investigation. The cooperative Chinese exporters have not demonstrated that the conditions of subsection 269TAC(2)(a)(ii) no longer apply to grinding balls during the investigation period.

Molycop contends that the Minister’s determination in Investigation 316 to not apply the lesser duty rule continues to apply and remains valid for this review of variable factors investigation.

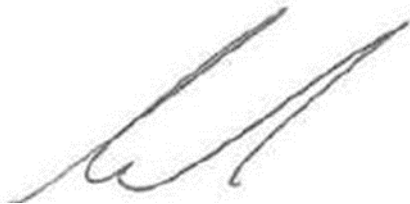
Molycop notes that where the Commission is required to have regard to the lesser duty rule (from which the non-injurious price is derived) it is the Commission’s first preference to look to the market for a selling price unaffected by dumping. Molycop submits that in the case of grinding balls, the market selling prices have been materially impacted by dumped and subsidised prices from prior to the investigation period in Investigation 316. In the absence of suitable prices, the Commission’s next preferred method is that based upon the Australian industry’s cost-to-make-and-sell (“CTMS”) plus an amount for profit. Molycop considers that the CTMS in 2018/19 is materially higher than earlier periods (due in the main to higher steel input prices) and would be the preferred basis for constructing

an unsuppressed selling price. A level of profit that reflects an adequate return on investment can then be applied.

Molycop reiterates that the Minister should not have regard to the lesser duty rule in this current review of variable factors investigation as the conditions in the Chinese market continue to be influenced in accordance with subsection 269TAC(2)(a)(ii).

If you have any questions concerning this letter, please do not hesitate to contact me on (02) 4974 0414 or Molycop's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely



Keith Ritchie
General Manager Operations