

16 June 2020

Ms Olivia Tsang
Assistant Director, Investigations Unit 4
Anti-Dumping Commission
GPO Box 1632
Melbourne Victoria 3001

Public File

Dear Ms Tsang,

Review of anti-dumping measures Investigation No. 521 – Zinc Coated (Galvanised) Steel exported from China, India, Korea, Malaysia, Taiwan, and Vietnam – Submission by Dongbu Steel Co., Ltd

I refer to the submission by Dongbu Steel Co., Ltd (“Dongbu Steel”) (EPR Document 031) concerning the determination of the non-injurious price and application of the lesser duty rule.

It is argued by Dongbu Steel that the Anti-Dumping Commission (“the Commission”) must determine a non-injurious price (“NIP”) from the unsuppressed selling price (“USP”) for the purposes of the review of variable factors inquiry and consider the applicability of the lesser duty rule. Dongbu Steel further contends that the most appropriate basis for a USP is that based upon the “*selling prices of undumped and unsubsidised imports in the Australian market*”.

In support of its claims for a USP based upon non-dumped and non-injurious import prices, Dongbu Steel states:

“.....Dongbu understands there are significant imports of the subject goods from Korea, which are exempt from measures. As these exporters are exempt from measures based on past inquiries, these exports can be considered to represent ‘undumped and unsubsidised imports in the Australian market’.”¹

The imports referred to by Dongbu Steel include exports to Australia by [*confidential exporter names*]. Dongbu Steel has proposed that the NIP for Dongbu Steel be determined based upon the alleged undumped and non-injurious Korean exporters that are not the subject of measures. BlueScope Steel Limited (“BlueScope”) submits that it cannot be “assumed” that all of the exports of the goods by the non-subject exporters are in fact the subject goods, or that they have been exported at undumped (and therefore, non-injurious) prices.

In the absence of the Commission validating the exports from non-subject exporters, it is unsafe and not reliable to consider the alleged exempt exports to be of subject goods that are not dumped and not injurious to the Australian industry.

Additionally, BlueScope considers that the import prices for exporters not the subject of measures are influenced by dumped exports to Australia. So that non-subject exporters remain competitive, their export prices must be competitive with the dumped exports in order to achieve sales. Hence it is unrealistic to

¹ Dongbu Steel submission, 27 May 2020, EPR Document 031, p. 5.

contend that the export prices from exporters not the subject of measures are not influenced by the dumped export prices.

BlueScope therefore remains of the view (and consistent with the findings in recent Reports 449 and 457) that the most appropriate basis for considering the non-injurious price for exports to Australia the subject of the measures is the Australian industry's CTMS plus a level of profit. The Australian industry's CTMS reflects contemporary raw material steel costs and, is the most contemporary pricing that the Commission has verified.

It was noted in Report No. 456 and 457 that the Commission confirmed that for exports of the subject goods from China, the then Assistant Minister was "*not required to have regard to the desirability of fixing a lesser amount of duty*". For exports from Korea and Taiwan, the Commission determined – in that investigation – that the NIP for the dumped exports was not lower than the normal values of those exported goods. Hence the NIP was not the operative measure.

It is BlueScope's assessment that it is unlikely that the circumstances evident in continuation investigation 456 and 457 will have altered significantly over the subsequent period and that the most appropriate methodology for determining a USP remains that based upon the Australian industry's CTMS plus an amount for profit.

If you have any questions concerning this submission, please do not hesitate to contact me on [REDACTED].

Yours faithfully,

[REDACTED]

Manager – Trade Measures