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The Director - Investigations 1
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

**Review of measures - Hot-rolled coil steel exported by
China Steel Corporation from Taiwan**

Dear Director,

This submission is made on behalf of China Steel Corporation (CSC) to the review of measures (Case 528) applying to exports of hot rolled coil steel (HRC) exported by CSC from Taiwan. The purpose of the submission is to respond to the Anti-Dumping Commission's (the Commission) findings outlined in Statement of Essential Facts Report No. 528 (SEF 528), and the submission made by BlueScope Steel Limited (BSL) date 20 July 2020.

CSC supports and confirms that the Commission's dumping findings outlined in SEF 528 provide an accurate summary of the verification team's findings following detailed examination of CSC's financial records.

In its submission, BSL seeks to confirm that the Commission's verification of CSC's submitted questionnaire response included a detailed examination of the cost of production by CSC's subsidiary, Dragon Steel Corporation (DSC). It is confirmed that the verification undertaken by the Commission involved a thorough testing and examination of DSC's financial records, including the full absorbed cost of manufacturing and selling the exported goods and like goods sold domestically.

BSL also queries whether specification adjustments made to two domestic models used as surrogate normal values, were based on a period covering the whole of the review period or quarters in which sales were made. CSC confirms that the specification adjustments were based on CSC's published prices extras, with the adjustment calculated using the difference in premiums for the relevant thickness and width categories during the review period.

BSL seeks clarification as to whether certain export adjustments were made to normal values. CSC confirms that the export adjustments identified by BSL were reported by CSC in

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its questionnaire response. Accordingly, the Commission has made upward adjustments to the normal values for these export related expenses.

Finally, BSL submits that the Commission's proposed non-injurious price does not include sufficient profit for ongoing investment in the industry. BSL is suggesting that the non-dumped export prices from Taiwan, have suppressed their domestic selling prices. To address this, BSL claims that the non-injurious prices should be increased to provide for a greater return on its investment.

In essence, BSL is confirming that it suffered price related injury from factors other than dumping, being fair priced exports from Taiwan. By proposing a higher non-injurious price, BSL is seeking to misuse the lesser duty mechanism to remedy injury caused by other factors. This is contrary to the fundamental principles underpinning the lesser duty rule. The lesser duty rule embodies the notion that the least onerous measure should be imposed that adequately addresses the effects of dumping and does not go further than is necessary to attain it.

To that end, it is clear that the Commission's proposed non-injurious price achieves this goal.

Yours sincerely

John Bracic