

12 December 2019

Case Manager  
Investigations 1  
Anti-Dumping Commission  
Level 35  
55 Collins Street  
Melbourne Victoria 3001

Email: [Investigations1@adcommission.gov.au](mailto:Investigations1@adcommission.gov.au)

Dear Sir/Madam

**Re: Accelerated Review No. 533 – Grinding Balls exported from the People’s Republic Of China by Growth Steel Grinding Ball (Suzhou) Co Ltd**

I refer to the application for accelerated review of anti-dumping measures by Growth Steel Grinding Ball (Suzhou) Co Ltd (“Growth Steel”) concerning exports of grinding balls to Australia from the People’s Republic of China (“China”).

The application for accelerated review of measures is Growth Steel's third application for separate variable measures to be applied to the Chinese exporter (Investigations 502 and 511 relate to earlier investigations).

Molycop is the sole Australian manufacturer of the goods the subject of the anti-dumping and countervailing notices.

The goods the subject of the application is as follows:

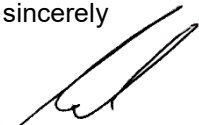
*“Ferrous grinding balls, whether or not containing alloys, cast or forged, with diameters in the range 22 mm to 170 mm (inclusive).”*

In the most recent investigation concerning Growth Steel’s request for separate variable measures, Molycop detailed relevant considerations concerning Growth Steel’s exports of the subject goods (refer attached letter). Molycop continues to be concerned about the matters raised in the correspondence of 7 June 2019.

Anti-Dumping Notice No. 2019/142 (“ADN 2019/142”) calls for submissions by interested parties by 14 December 2019. Molycop has not at this stage sighted Growth Steel’s Exporter Questionnaire Response (“EQR”) for this accelerated review Investigation No. 533. Following publication of the Public File version of Growth Steel’s EQR, Molycop will provide a further submission to the Anti-Dumping Commission concerning matters/issues that relate to the export of the goods to Australia by Growth Steel.

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

Your sincerely

  
Keith Ritchie  
Manager  
Molycop Australasia

## ATTACHMENT TO FILE



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7 June 2019

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### Public File

Dear Sir/Madam

#### **Accelerated Review Investigation No. 511 – Exports of grinding balls by Growth Steel Grinding Ball (Suzhou), Co., Ltd**

##### I. Introduction

I refer to ADN 2019/65 notifying the commencement of an accelerated review investigation into exports of grinding balls to Australia by the Chinese exporter, Growth Steel Grinding Ball (Suzhou) Co., Ltd ("Growth Steel").

The commencement of this inquiry follows the termination of an earlier application by Growth Steel for separate variable factors (Report No. 502 and ADN 2019/038 refers). Accelerated Review Investigation No. 502 was terminated as the Commissioner was unable to determine normal value for grinding balls in the domestic market for Growth Steel "*Due to the absence of sufficient and reliable data*". The Commissioner recommended to the Minister that the dumping duty notices remain unchanged for Growth Steel. The anti-dumping measures that apply to Growth Steel are those for "All other exporters".

Moly-Cop Pty Ltd ("Moly-Cop") is the Australian industry manufacturing grinding balls and is therefore an interested party to this accelerated review inquiry.

##### II. New application

The Commission is satisfied that Growth Steel is a "new exporter" – that is, Growth Steel did not export goods to Australia during the original investigation period (i.e. from 1 October 2014 to 30 September 2015). ADN 2019/65 states that Growth Steel did not export grinding balls to Australia during the original investigation period. It has come to Moly-Cop's attention [*comments relating to the manufacturer of grinding balls exported to Australia*].

Moly-Cop requests that the Anti-Dumping Commission ("the Commission") be satisfied that exports to Australia by Growth Steel [*supplier of goods exported to Australia*].

Moly-Cop highlights with the Commission that in Investigation No. 384 – alloy round bar exported from China – [*comment re relevant dumping margins in Investigation No. 384*] In that investigation, uncooperative exporters were found to have a dumping margin of 73.7 per cent. As grinding bar accounts for a substantial proportion of the cost to manufacture grinding balls [*supply by Chinese exporter of goods to the Australian market*].

Moly-Cop urges the Commission to investigate that the application for accelerated review by Growth Steel is intended for exports by the applicant itself [*source of exports to Australia*].



### III. Variable factors

Report No. 316 ("Report 316") confirms that there is a market situation for grinding balls in China. Normal values, therefore, were determined on the basis of cost construction under subsection 269TAC(2)(c) and, as required, by subsections 269TAC(5A) and 269TAC(5B), in accordance with sections 43, 44 and 45 of the *Customs (International Obligations) Regulation 2015* (the Regulations).

In Investigation 316, the Commission considered that the Government of China ("GOC") has distorted prices in the iron and steel industry and grinding balls market in China. As the GOC did not respond to the government questionnaire provided by the Anti-Dumping Commission ("the Commission") in Investigation 316, the Commission was not in possession of information to quantify the impact of GOC distortion on exporters' cost inputs. To quantify the impact of the GOC's influences, the Commission compared each cooperative exporter's costs of production with a benchmark.

The Commission's benchmark for grinding bar costs used in Report 316 consisted of the following:

- *A monthly Latin American export billet price in FOB terms; and*
- *Noting the Latin American billet grade ASTM A36/A36-08, the billet prices were uplifted using independently sourced ferroalloy prices to provide a matrix of billet grades reasonably reflecting the chemical composition of each exported grinding ball grade;*
- *Where available, the exporter's actual cost of converting steel billet to grinding bar was used to uplift the alloyed billet price to an alloyed grinding bar price. Where the exporter's actual cost of converting billet to grinding bar was not available (where grinding bar was purchased rather than produced from billet by the exporter) the alloyed billet price was uplifted by a conversion factor based on an average of the conversion costs of the cooperating exporters to determine an alloyed grinding bar cost.*

The Commission used the Latin American export billet prices at the FOB level published by McGraw Hill Financial Services (Platts) for the steel billet input cost.

Moly-Cop has examined the Latin American export billet prices for the investigation period in Investigation 316 and compared these with the export billet prices for the twelve-month period ending 31 March 2019. Moly-Cop has observed an approximate xxxx per cent increase in the Latin American export billet prices for the twelve months ending 31 March 2019 from the levels of the original investigation period<sup>1</sup>. A xxxx per cent increase in the steel billet price will translate to a proportionally higher normal value for the applicant than that determined for cooperative exporters in Investigation 316.

Moly-Cop anticipates that this higher steel billet input cost for the 2018/19 period will be reflected in the variable factors for Growth Steel in the current accelerated review investigation.

The Commissioner must also be satisfied that Growth Steel has provided detailed costs that are reasonable and can be adequately validated as reflecting production costs for grinding balls as included in Growth Steel's exporter questionnaire response ("EQR"). Moly-Cop is also aware that the government of China ("GOC") has also altered the VAT rate of refund on exports of grinding balls during 2018 to encourage the export of further value-added manufacturing items. The Commission is requested to be satisfied as to the timing of the VAT export rebate change and accurately reflect this change in Growth Steel's normal value assessment.

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<sup>1</sup> From Platts Latin America FOB export prices. Calculation is the movement in the average price in period October 2014 to September 2015 to the average price from April 2018 to March 2019.



#### IV. Closing remarks

Moly-Cop requests that the Commission be satisfied as to the reliability of data forwarded by Growth Steel in its EQR for Accelerated Review No. 511. This level of satisfaction should also include confirmation that Growth Steel is only seeking to export goods manufactured by itself for supply to Australia. It is Moly-Cop's view that this level of satisfaction can only be achieved via a verification visit at Growth Steel's premises in Suzhou-Jiangsu.

Moly-Cop has examined the recent pricing for steel billet as published for the Latin American export billet price benchmark and prices have increased by approximately xxxx per cent from the levels of the original investigation period. This pricing for steel billet would translate to higher (percentage) increases in the constructed selling price for grinding balls sold in China during the investigation period for the Growth Steel accelerated review.

Moly-Cop is available to provide the Commission with additional information concerning updated ferroalloy prices the costs associated with converting billet to grinding bar in the constructed cost normal value calculations, as required.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Keith Ritchie'.

Keith Ritchie  
Manager  
Moly-Cop Australasia