



2 November 2021

Director, Investigations Unit 4  
Anti-Dumping Commission  
GPO Box 2013  
CANBERRA ACT 2601  
AUSTRALIA

**Dumping investigation into aluminium zinc coated steel (≥600mm) exported from Vietnam**

Dear Director,

This submission is made on behalf of Hoa Sen Group Joint Stock Company (HSG) in response to the Anti-Dumping Commission's ("the Commission") revised dumping margin calculations, relating to the dumping investigation into aluminium zinc coated steel (≥600mm) from Vietnam.

**1. Incorrect timing adjustment**

The Commission's revision to the calculation of the timing adjustment is incorrect and inconsistent with its own stated policy and practice.

As noted in our earlier submission, the following export and surrogate domestic model control codes were confirmed during the investigation period, along with the Commission's identified model control code for the basis of the timing adjustments.

**[CONFIDENTIAL TABLE REMOVED]**

The case management team have overruled the verification team and considered that "[REDACTED]" '...was closer to the base MCCs'. This is a flawed approach as the Commission has ignored the model control code hierarchy. The Dumping and Subsidy Manual states:

*Where there are no sales or insufficient sales of identical models of the goods exported to Australia that are sold in the ordinary course of trade on the domestic market, the Commission may use a surrogate model and make appropriate specification adjustments. In deciding the appropriate surrogate model and specification adjustments, the Commission will rely on the MCC structure and the hierarchy of categories or sub-categories.*

...

*Importantly, the MCC structure will establish the model matching hierarchy. The categories in the MCC structure will be listed, in descending order, according to the significance of the category to the goods when model matching. This is to ensure that the most comparable surrogate models are chosen, for model matching purposes, when there are insufficient domestic sales of the identical model. The most comparable model is usually considered to be the surrogate model that has the closest physical characteristics (an indicator of this may be the model that has the smallest difference in cost of production per unit)*

[emphasis added]

The Commission's policy therefore requires that in identifying a suitable surrogate model for adjustment purposes, the model control code hierarchy must be followed. In this case, the Commission has not followed its own policy, as it has ignored the importance of the second category, coating mass, in identifying the surrogate model control code for calculating the timing adjustment.

It is also confirmed by the unit cost of production differences between the relevant model control codes. For December quarter 2019, the Commission's selected model control code for the timing adjustment "██████████", is approximately █% less than the export and surrogate domestic model control codes. This compares to the surrogate model control code for the timing adjustment proposed by HSG, "██████████", where unit production costs were only █% less than the export and surrogate domestic model control codes.

It is also important to note that the verification team confirmed that HSG's export and domestic prices ██████████ [price determining factors], as confirmed in Confidential Attachment A to our previous submission.

Given that prices ██████████ [price determining factor], the most comparable surrogate model control code to the export and surrogate domestic model control codes in the September quarter 2019, is "██████████", as the characteristics that affect price are identical. Likewise, the most comparable surrogate model control code to the export and surrogate domestic model control codes in the June quarter 2019, is "██████████", as the characteristics that affect price are identical.

The table below summarises the relevant model control codes proposed by HSG for the purposes of the timing adjustment.

**[CONFIDENTIAL TABLE REMOVED]**

Relying on the correct model control codes as per the table above, for the purposes of the calculating timing adjustments, results in HSG's dumping margin being reduced to █%.