



12 October 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") Statement of Essential Facts Report No. 559 ("SEF 559"), which contains the preliminary findings relevant to the dumping investigation into aluminium zinc coated steel (<600mm) from Vietnam. HSG submits the following views and comments for the Commission's consideration.

1. Incorrect MCC identifiers – Base metal thickness

During the verification, the Commission sought and was provided with HSG's extras price list which detailed relevant surcharges and price premiums for characteristics which exceeded the base product. The price list contained a matrix of prices referencing the various available base metal thickness (after coating), with the corresponding coating mass.

A summary of the HSG's different pricing for different combinations of thickness and coating mass is outlined in the table below. Next to it is a table showing the Commission's proposed combinations of base metal thickness and coating mass in its original MCC. It is evident that the Commission's proposed MCC includes fewer thickness ranges and fewer coating mass ranges.

[TABLE DELETED]

ADC Model Control Code - BMT x Coating mass			
	≤ 100 g/m ²	>100 g/m ² to ≤ 165 g/m ²	>165 g/m ²
< 0.40 mm			
≥ 0.40 mm to < 0.50 mm			
≥ 0.50 mm to < 0.75 mm			
≥ 0.75 mm to < 1.00 mm			
≥ 1.00 mm to < 2.00 mm			

As HSG domestic and export prices are determined on the basis of its own internal pricing guidance, it is important that the company's extras price list is used for identifying comparable export and domestic sales. HSG therefore requests that the Commission recalculate its dumping margin by reference to its own thickness and coating mass ranges. This would ensure proper comparison and eliminate the need for specification and timing adjustments, that are caused by the Commission's preference for incorrect sub-categories.

HSG attaches copies of its submitted price lists at **Confidential Appendix A**.

2. Incorrect margin for specification adjustment

HSG disagrees with the altered method to calculate the specification adjustment by reference to the net margin, when it is understood that the Commission's stated practice is to rely on the gross margin. There is no explanation in any report which would explain why it is correct or preferable in this case, for the Commission to depart from its own guidelines. The Commission's policy guidance states that a

specification adjustment should include a **gross margin**, which would include **‘the administrative, selling and general costs and profit’**.

The Commission’s revised calculations clearly do not rely on the gross margin but instead only adds the net margin. This error is worsened as the net margin is added only to the cost to make and not the full cost to make and sell. This is incorrect and clearly inconsistent with the Commission’s stated method of applying a gross margin that reflects the combined SG&A margin and profit margin.

HSG requests the Commission to revise the specification adjustment and revert to the original gross margin.

3. Negligible injury was caused by other factors

HSG agrees with and supports the Commission’s finding that injury attributable to subject goods exported by HSG was not material. The evidence shows that BlueScope Steel Limited (“BlueScope”) did not experience volume or price related effects during the investigation period, which could be considered ‘material’.

As the Commission’s causal link assessment demonstrates, non-dumped exports from Vietnam were the primary source of subject goods in the Australian market, and at prices which substantially undercut industry’s equivalent prices. It is also worth noting that HSG’s prices were either above or similar to the price of non-dumped Vietnamese exports.

This is confirmed by the MCC undercutting charts which show that HSG’s import prices increased in the March quarter 2020 to match BlueScope’s prices. In contrast, non-dumped Vietnamese import prices continued decreasing slightly, resulting in substantial undercutting of both BlueScope and HSG’s prices.

In these circumstances, the Commission has properly determined that injury caused by dumping was negligible, and proposed termination of the investigation. In doing so, the Commission should be cautious in considering possible future applications by BlueScope which are likely to be aimed at disrupting legitimate imports into the Australian market, in an effort to further strengthen their market dominance.