



## **Australian Market Questionnaire**

**Case number:** 569

**Product:** Grinding Balls

**From:** The People's Republic of China (China)

**Inquiry period:** 1 October 2019 to 30 September 2020

**Response due by:** 19 April 2021

**Return completed questionnaire to:** [investigations1@adcommission.gov.au](mailto:investigations1@adcommission.gov.au)

**Anti-Dumping Commission website:** [www.adcommission.gov.au](http://www.adcommission.gov.au)

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### **Why you have been asked to complete this questionnaire**

The Anti-Dumping Commission (the Commission) is currently undertaking an inquiry into whether anti-dumping measures applying to exports of grinding balls from the People's Republic of China (China) should be continued.

Information about the inquiry can be found [here](#).

In its application, Commonwealth Steel Company Pty Ltd (trading as Molycop) submits that if the anti-dumping measures applicable to Chinese exports of grinding balls were allowed to expire on 9 September 2021, the Australian industry will suffer and be threatened with a recurrence of material injury that the measures were intended to prevent.

The Commission is seeking input from participants in the Australian market for grinding balls to inform its understanding of the dynamics of the Australian market and hence factors that may be impacting the economic condition of the Australian industry producing grinding balls.

**Australian Market**

Please return your responses no later than 19 April 2021.

**A Products in the Australian market**

1. Generally describe the range of the goods offered for sale in the Australian market. Your description could include information about:

- quality differences;

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Discussion on Sino Grinding's view as to quality difference in products sold to Australia customers and technical developments by Sino Grinding's related party supplier]

- price differences; [REDACTED]. [Discussion of Sino Grinding's knowledge of competitor pricing]
- supply/availability differences; No difference.
- technical support differences; and: Technical support is key to business. Sino Grinding has been driving the industry forward in technology since it was founded in 2004 by continuously developing the design of our products. [REDACTED]

[REDACTED]

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[REDACTED]

**[Discussion of how Sino Grinding implements its technical expertise and Sino Grinding current levels of supply]**

- product segmentation. For most forged ball makers, there are one design for SAG mill balls and one design for Ball Mill balls. There is no real market segmentation. However, naturally, Sino Grinding does produce different balls for different conditions. This is set out below.

[REDACTED]

[REDACTED]

**[Technical specifications for Sino Grinding Productions]**

2. Describe the end uses of the goods in the Australian market from all sources. Magnetic Iron Ore mine, Copper mine, Gold Mine, Zinc mine, Lithium Mine etc. The balls are used to crush, grind and mill various materials.
3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the Australian market. Rank these preferences or purchasing influences in order of importance.

[REDACTED]

[REDACTED]

**[Sino Grinding views as to what is of most importance to Australian customers]**

4. Identify if there are any commercially significant market substitutes in the market for the goods in Australia. No, there is not.
5. Identify if there are any commercially significant market complements in the market for the goods in Australia. No, there is not
6. Have there been any changes in market or consumer preferences in the market for the goods in Australia in the last five years, particularly in respect of the use of low chrome grinding balls versus high chrome grinding balls? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response. We have not seen significant change in the Australian market in regard to ball types. Had there been more open competition, we believe that suppliers would have been forced to develop efficiency and quality improvements for

their clients.

[REDACTED]

[REDACTED]

[Discussion of the merits and performance characteristics of different types of balls]

**B Prevailing conditions of competition in the Australian market**

1. Describe the Australian market for grinding balls (the goods) and the prevailing conditions of competition within the market, including:
  - (a) Provide an overall description of the market for the goods in Australia which explains its main characteristics and trends over the past five years; The market has been quite quiet in the past five years. The competition is among a few beneficiaries of the initial ADC ruling only. The imported quantity of the goods from China rose a lot in the first two to three years and then remained stable. However, these exports have been limited to two exporters whose dumping duty rate was either zero or 3%. There has been no obvious improvement in quality as the protection provided by dumping duties to the local manufacturer and two Chinese exporters removed any motivation to improve quality. Our view is that if high dumping duties remain, the Australian mining industry will continue to suffer from the lack of good competition.
  - (b) Provide the sources of demand for the goods in Australia, including the categories of customers, users or consumers of the product; Magnetic Iron Ore mine, Copper mine, Gold Mine, Zinc mine, Lithium Mine etc.
  - (c) Describe the factors that influence consumption/demand in Australia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production; Commodity prices is the super driving factor. All other factors cannot match the mining boom, which seems to be happening again.
  - (d) Describe any market segmentations in Australia; such as geographic or product segmentations; Grinding balls are primarily used in mines in WA, Queensland and NSW. Forged steel grinding balls include SAG mill balls, BM balls and regrind mills. Chrome cast ball are only used in BMs or regrind mills.
  - (e) Describe the way in which Australian manufactured and other imported goods compete in the Australian market; Due to high dumping duties, for a long time Yute has not been able to compete in Australia. In the absence of high dumping duties, Yute competes on quality, price and overall cost to the customer. The overall cost takes into account both the cost of the goods plus the consumption rate. [REDACTED]

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[REDACTED]

**[Discussion of market offering by Sino Grinding and its level of sales in the Australian market]**

- (f) Describe the ways that the goods are marketed and distributed in the Australian market; and We cannot comment on our competitors as we don't know exactly how they market and distribute.

[REDACTED]

[REDACTED]

**[Discussion of Sino Grinding approach to the market with an example of sales to a particular Australian customer]**

- (g) Describe any other factors that are relevant to characteristics or influences on the market for the goods in Australia. Better quality products shall be able to save the mining industry [REDACTED] [Percentage] in usage.

2. Describe any entry restrictions for new participants into the market for the goods in Australia. Your response could include information on:

- patents and copyrights; No. However, knowhow regarding design will put you at an advantage with customers that value technical assistance and quality.
- licenses; No
- barriers to entry; YES. The big barrier is the different Anti-Dumping import duties on different exporters. The import dumping duty is the main issue as it protects the Australian manufacturer from genuine price competition and reduces the need for producers to design products that are more efficient or of a better quality.

[REDACTED]

**[Discussion of how Sino Grinding has had to operate due to this market condition]**

- import restrictions; and No
- government regulations (including the effect of those government regulations).  
No

*In responding to question 3 ensure that relevant regulations are referenced.*

**C Relationship between price and cost in Australia**

1. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:



[Ranking of factors affecting Sino Grinding's price]