



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

Received

Anti-Dumping Commission 08/02/2021

Application for the publication of
dumping and/or
countervailing duty notices
Quenched and Tempered Steel Plate
exported from
the United States of America

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with section 269TB of the *Customs Act 1901* (the Act), that the Minister publish in respect of goods the subject of this application:

- a dumping duty notice, or
- a countervailing duty notice, or
- a dumping and a countervailing duty notice.

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Please note that giving false or misleading information is a serious offence.

Signature: 

Name: Mr Glenn Cooper

Position: **Chief Executive Officer/Managing Director**

Company: Bisalloy Steels Pty Ltd

ABN: 27 001 641 292

Date: 5 February 2021

IMPORTANT INFORMATION

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's Client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants on the application for the publication of dumping and/or countervailing duty notices*
- *Instructions and Guidelines for applicants on the examination of a formally lodged application*

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46

Email: clientsupport@adcommission.gov.au

Information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there appear to be reasonable grounds for the publication of a dumping duty or countervailing duty notice and initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions are answered; and

- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to evaluate industry trends and assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form does not specifically address all the information required when making a claim that the establishment of an Australian industry producing like goods has been or may be materially hindered. If you are considering making such a claim, please contact the Commission to discuss information requirements.

The application form requests data over several periods (P¹, P²...Pⁿ) to evaluate industry trends and to correlate injury with dumped or subsidised imports. The labels P¹...Pⁿ are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commission will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicants should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During verification, the Commission will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

Appendices	Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled <u>Attachment A2.2</u> . If a second organisation chart is provided in response to the same question, it should be labelled <u>Attachment A2.2.2</u> (the first would be labelled <u>Attachment A2.2.1</u>).
Provision of data	Industry financial data must, wherever possible, be submitted in an electronic format. <ul style="list-style-type: none">• The data should be submitted on a media format compatible with Microsoft Windows.• Microsoft Excel, or an Excel compatible format, is required.• If the data cannot be presented electronically please contact the Commission’s client support section for advice.
Lodgement of the application	This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by either: <ul style="list-style-type: none">• preferably, email, using the email address clientsupport@adcommission.gov.au, or• post to: The Commissioner of the Anti-Dumping Commission GPO Box 2013 Canberra ACT 2601, or• facsimile, using the number (03) 8539 2499.
Public Record	During an investigation all interested parties are given the opportunity to defend their interests by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission’s website at www.adcommission.gov.au . At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> be submitted. Please ensure each page of the application is clearly marked “FOR OFFICIAL USE ONLY” or “PUBLIC RECORD”. The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the publication of a dumping duty or countervailing duty notice, or, if those reasons cannot be summarised, a statement of reasons why a summary is not possible.

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

A-1 Identity and communication

Please nominate a person in your company for contact about the application:

Contact Name:	Luke Beale
Company and position:	Chief Financial Officer/Company Secretary
Address:	P O Box 1246, Unanderra NSW 2526
Telephone:	+61 2 4272 0403
Facsimile:	+61 2 4272 0456
E-mail address:	Luke.beale@bisalloy.com.au
ABN:	27 001 641 292

Alternative contact

Name:	Glenn Cooper
Position in company:	Chief Executive Officer & Managing Director
Address:	P.O. Box 1246, Unanderra, NSW 2526
Telephone:	+61 2 4272 0444
Facsimile:	+61 2 4272 0400
E-mail address:	Glenn.Cooper@bisalloy.com.au

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

Name:	John O'Connor
Business name:	John O'Connor & Associates
Address:	P.O. Box 329, COORPAROO, QLD, 4151
Telephone:	+61 7 3342 1921
Facsimile:	+61 7 3342 1931
E-mail address:	jmoconnor@optusnet.com.au
ABN:	39 098 650 241

A-2 Company information

1. **State the legal name of your business and its type (e.g. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.**

The name of the applicant company is Bisalloy Steels Pty Ltd (“hereafter referred to as “Bisalloy” or “Bisalloy Steels”).

2. **Provide your company’s internal organisation chart. Describe the functions performed by each group within the organisation.**

A copy of Bisalloy’s internal organisation chart is included at Confidential Attachment A-2.2.

3. **List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.**

Bisalloy is owned 100 per cent by the Bisalloy Steel Group Limited (ABN 22 098 674 545).

4. **If your company is a subsidiary of another company list the major shareholders of that company.**

Bisalloy Steel Group Limited is listed on the Australian Stock Exchange (ASX: BIS). Major shareholders of the Bisalloy Steel Group Limited are identified in the 2020 Financial Report (P. 75).

5. **If your parent company is a subsidiary of another company, list the major shareholders of that company.**

Bisalloy Steel Group is not a subsidiary of any other company.

6. **Provide an outline diagram showing major associated or affiliated companies and your company’s place within that structure (include the ABNs of each company).**

A diagram detailing the Bisalloy Steel Group Limited structure is included at Confidential Attachment A-2.6.

7. **Are any management fees/corporate allocations charged to your company by your parent or related company?**

No management fees/corporate allocations are charged by Bisalloy to its parent company.

8. **Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.**

Bisalloy has a 42 per cent equity stake in a Cooperative Joint Venture (CJV) in the People’s Republic of China – Bisalloy Shangang (Shandong) Steel Plate Co., Ltd for the manufacture and distribution of Bisplate Quenched and Tempered Steel Plate under license in the People’s Republic of China. Bisalloy therefore imports some limited grades of Quenched and Tempered (“Q&T”) Steel Plate.

9. **Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.**

Bisalloy Steel Group’s annual reports and half-yearly financial statements can be accessed from the company website at www.bisalloy.com.au.

Please refer to Non-Confidential Attachment A-2.9 for a copy of the Bisalloy Steel Group 2019 and 2020 annual reports.

10. **Provide details of any relevant industry association.**

Bisalloy is a member of the following Industry Associations:

- Australian Steel Institute;
- Austmine;
- Defence Material Technology Centre (DMTC);
- 13 Net;
- WTIA-Welding Technology Institute Australia;
- Australian Standards Committee (WD3) – Q&T Steel Plate Welding; and
- Australia Industry Group (AIG).

A-3 The imported and locally produced goods

1. **Fully describe the imported product(s) the subject of your application:**

- **Include physical, technical or other properties.**
- **Where the application covers a range of products, list this information for each make and model in the range.**
- **Supply technical documentation where appropriate.**

(i) Goods description

The goods the subject of the application (“the goods”) are:

Flat rolled products of alloyed steel plate commonly referred to as Quenched and Tempered (“Q&T”) steel plate (although some Q&T grades may not be tempered), not in coils, not further worked than hot rolled, of widths from 600mm up to and including 3,200mm, thickness between 4.5 – 110 mm (inclusive), and length up to and including 14 metres, presented in any surface condition including but not limited to mill finished, shot blasted, primed (painted) or un-primed (unpainted), lacquered, also presented in any edge condition including but not limited to mill edge, sheared or profiled cut (i.e. by Oxy, Plasma, Laser, etc.), with or without any other minor processing (e.g. drilling).

Goods of stainless steel, silicon-electrical steel and high-speed steel, are excluded from the goods covered.

(ii) Physical properties

Q&T steel plate comprises the following typical mechanical properties as follows:

- High Hardness/Abrasion resistant Q&T steel plate (more commonly referred to as ‘Wear’ Grade Q&T steel plate) of Brinell hardness (HBW – 10/3000) range 320-640 or equivalent Rockwell C hardness range 34 - 59 or equivalent Vickers hardness range 230 – 670;
- High Strength Q&T steel plate (commonly referred to as ‘Structural/High Tensile’ Grade Q&T steel plate) of 0.2 % Proof Stress of 475 – 890 MPa (min); and
- High Hardness/Impact resistant Armour Grades (more commonly referred to as ‘Armour’ Grade Q&T steel plate) of hardness up to 640 Brinell (HBW – 10/3000).

(iii) Clarifying description

To clarify the goods description Bisalloy steel stated that Q&T steel plate has chemical compositions up to:

- Carbon Max – 0.5%;
- Manganese Max – 2.5%;
- Silicon Max – 0.65%;
- Sulphur Max – 0.04%;
- Phosphorous Max – 0.04%;
- Nickel Max – 3.0%;
- Chromium Max – 3.0%;
- Molybdenum Max – 2.0%;
- Vanadium Max – 0.2%;
- Boron Max – 0.01%;
- Aluminium Max – 0.1%;
- Titanium Max – 0.1%;
- Copper Max – 0.5%;
- Niobium Max – 0.1%.

The percentage of the above individual alloying elements may vary in accordance with each manufacturer's grade specifications and not all elements may be utilised in all Q&T steel plate grades. Additional other quantities of trace elements up to a max 0.1% each may also be utilised or found (as trace elements) in Q&T steel plate.

(iv) Australian standards

There are some Australian Standards that are relevant to the goods identified above, however, these are not a requirement that the goods must comply with. The relevant Australian Standards are:

- AS3597 – Structural and pressure vessel steel – Quenched and tempered plate;
- AS4100 – Steel structures; and
- AS1554.4 – Structural steel welding – welding of high strength Quenched and Tempered steels.

2. List the tariff classification(s) and statistical code(s) of the imported goods.

The goods the subject of this application are classified within Schedule 3 of the *Customs Tariff Act 1995* to subheading 7225.40.00 statistical codes 21 (high alloy, quenched and tempered), and 23 (other, quenched and tempered).

In investigation No. 234¹ the Anti-Dumping Commission ("the Commission") confirmed that some Q&T steel plate has been imported using subheading 7225.40.00 statistical codes 22 and 24, along with some smaller volume under subheading 7225.99.00.

The goods imported from the USA attract a "Free" rate of duty.

¹ Report 234, Quenched and Tempered Steel Plate exported from Finland, Japan and Sweden.

3. Fully describe your product(s) that are 'like' to the imported product:

- **Include physical, technical or other properties.**
- **Where the application covers a range of products, list this information for each make and model in the range.**
- **Supply technical documentation where appropriate.**
- **Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.**

Bisalloy manufactures Q&T steel plate by heat treating Q&T greenfeed in an Austenitising Furnace followed by water quenching and subsequent tempering if required and/or levelling if required for obtaining flatness of steel plate of thickness between 4.5 – 120 mm (5mm thickness has maximum width of 2000mm and 6mm thickness has a maximum width of 2500mm), widths up to 3,200 mm and lengths up to 14 metres.

The locally produced goods are marketed under Bisalloy's registered brand names 'Bisplate', 'Bisalloy', or 'BIS' and are considered like goods to imported wear, structural and armour grades of Q&T steel plate the subject of this application.

Physical properties

(i) Wear grades Q&T steel plate

There are no specific industry standards to which abrasion resistant/wear grades of Q&T steel plate is manufactured. However, Bisplate wear grade Q&T steel plate is manufactured to deliver specific mechanical properties of which Brinell hardness (HBW-10/3000) is the primary industry performance standard by which wear grades of Q&T steel plate are categorized and marketed against each other.

Wear grade Q&T steel plates are also typically measured or categorized on other mechanical properties such as Charpy V- notch impact (longitudinal) toughness, measured in Joules (J) at certain required temperatures typically at -20/-40 Deg. C as well as elongation percentage across 50mm in gauge length (GL).

(ii) Structural/High Tensile grades Q&T steel plate

Bisplate Structural Q&T steel plate products are made by Bisalloy to conform to Australian Standard AS3597 and also included in AS4100 and referenced in AS1554.4.

Structural grade Q&T steel plates are also typically measured or categorized on other mechanical properties such as Charpy V- notch impact (longitudinal) toughness, measured in Joules (J) at certain required temperatures typically at -20/-40 Deg. C as well as elongation percentage across 50mm in gauge length (GL)

(iii) Armour grades Q&T steel plate

Armour grade Bisplate Q&T conform to ballistic tests as required for the Australian Defence Force in applications such as the Collins Class Submarines and Bushmaster Infantry Mobility Vehicles (IMV). Bisplate Armour grades are also provided for armoured civilian vehicles and other ballistic applications.

Similar and substitutable for wear grade Q&T steel plate, Armour grade Q&T steel plate is manufactured to deliver specific mechanical properties of which Brinell hardness (HBW-10/3000) is the primary industry performance standard. In addition to this other mechanical properties such as Charpy V- notch impact (longitudinal) toughness, measured in Joules (J) at certain required temperatures typically at -20/-40 Deg. C as well as elongation percentage across 50mm in gauge length (GL). Ballistic properties are generally set by the customer.

Each Bisplate Q&T steel plate grade produced by Bisalloy is provided in the attached data sheets – Non-Confidential Attachments A-3-3.1 & A-3-3.2). A comparison of Bisalloy and SSAB Wear and Structural Grades for Q&T steel plate at Non-Confidential Attachment A-3.3.4.

4. Describe the ways in which the essential characteristics of the imported goods are like to the goods produced by the Australian industry.

Bisalloy submits that the GUC manufactured in Australia by Bisalloy are like goods to the imported goods on the following grounds, this applies to wear, structural and armour grades:

(i) Physical Likeness

- Products made locally by Bisalloy possess similar physical characteristics to the goods exported from the USA in terms of shape, dimensions, appearance, strength, hardness and weight. The products also have similar chemical compositions;
- Bisalloy's locally produced Q&T steel plate and the imported goods are manufactured to the requirements of Australian and International standards or in the case of wear grade Q&T to recognized industry hardness and/or toughness and/or elongation requirements.

(ii) Commercial likeness

- Australian Industry Q&T steel plate competes directly with imported Q&T steel plate and sold to common customers in the Australian Market;
- The locally produced goods and imported Q&T steel plate are produced via similar manufacturing processes; and

(iii) Functional Likeness

- Both the locally produced and imported steel plate have comparable or identical end-uses. They are both functionally substitutable and are capable of performing to the same standards.

(iv) Production Likeness

- Locally produced and imported Q&T steel plate are manufactured in a similar manner and via similar production processes.

Bisalloy therefore considers that it's locally produced Q&T steel plate is 'alike' to the imported goods, and possesses the same essential characteristics as the imported Q&T steel plate.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

Q&T steel plate is classified under category 2711 under the ANZSIC.

6. Provide a summary and a diagram of your production process.

Bisalloy is located at Unanderra, NSW and is Australia's only manufacturer of high strength, wear resistant and armour grade steel plate produced by the continuous roller quenching and tempering process.

Quenching and tempering is defined as a combination of heating and cooling of a metal or alloy, imparting permanent changes to the microstructure of the steel to improve the strength, hardness and toughness of the materials being treated.

Bisalloy's Bisplate Q&T steel plate is manufactured by utilising the most advanced heat treatment technology whereby furnace temperatures and quenching rates are scientifically controlled using 'state-of-the-art' automation and Programmable Logic Controllers (PLCs) to obtain the optimum mechanical properties for each specific grade of steel with low alloy content.

The resulting products of low alloy quenched and tempered steel offer designers the strength to weight advantages and wear resistant properties not available in conventional steels.

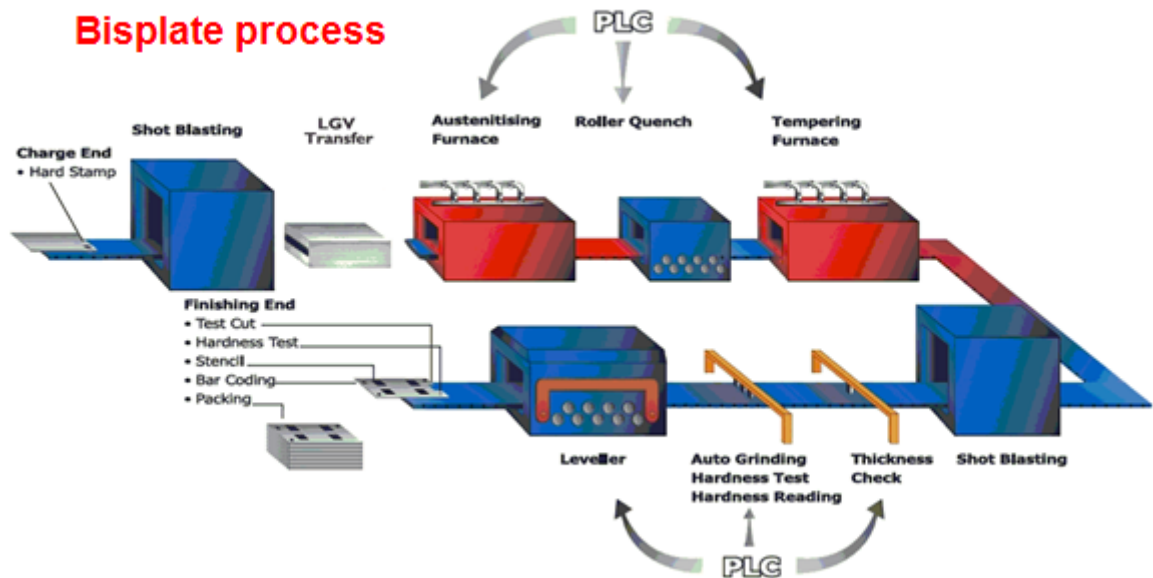
High strength Q&T steels exhibit strength to weight ratios of approximately three times that of conventional mild steel. Principal applications are in mining equipment, transport, telescopic cranes, materials handling equipment, high rise construction and forestry equipment. High hardness grades offer improved wear life making it ideal for applications such as liners for chutes, buckets, dump trucks etc.

Bisplate armour grades are suitable for armoured personnel carriers and ballistic protection of military and civilian fixed plant and transport equipment.

Bisplate grades can be readily cut, welded, formed and drilled using similar techniques to conventional mild steel.

Bisalloy Steels operates an approved mechanical testing laboratory registered and monitored by the National Association of Testing Authorities, Australia (NATA).

The company's quality control and management system is assessed by Lloyd's Register Quality Assurance and accredited to ISO9001. The process used for manufacturing Bisplate Q&T is shown by the diagram below and incorporates a highly automated approach to each stage of production.



7. **If your product is manufactured from both Australian and imported inputs:**
- describe the use of the imported inputs; and
 - identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

Bisalloy manufactures Q&T steel plate in Australia from Greenfeed Q&T steel plate that is largely supplied from BlueScope Steel who is also the only manufacturer of Q&T Greenfeed in Australia.

Bisalloy also sources some Q&T Greenfeed from China and Germany and others to provide necessary risk management around future raw material input supply security and price competitiveness for the business.

Bisalloy is an independent Q&T manufacturer with a significant capital intensive manufacturing facility including R&D and submits from the description of our manufacturing process above that it undertakes more than one substantial process of manufacture in the production of the GUC.

8. **If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).**

Q&T steel plate is not considered 'close processed agricultural goods'.

9. **Supply a list of the names and contact details of all other Australian producers of the product.**

There are no other Australian manufacturers of Q&T steel plate. Bisalloy Steels is the sole Australian producer of the subject goods.

10. **If different models can be established for the goods subject to the application:**

- **What are the differences in physical characteristics that give rise to distinguishable and material differences in price?**

The locally produced goods and the imported goods closely resemble each other. Whilst differences in dimensions, production specification, quality, competition and production are considered to exist by end-use customers, this is primarily due certain customers having different end-use requirements. In essence, the locally produced Q&T steel plate and the imported goods are physically alike and typically possess the same physical characteristics. As a result, the locally produced goods and the imported goods are similarly priced and considered competitive.

- **Provide supporting documentation or analysis supporting the differences in physical characteristics that affects price comparability. Unit costs may also be used to demonstrate differences in physical characteristics where it affects price comparability.**

As the locally produced goods and imported goods are alike, there are no selling price differences between the goods.

- **In providing the list of physical differences, identify the characteristics in order of significance.**

There are no physical differences between the locally produced goods and imported goods that impact pricing.

- **Identify key characteristics where the physical differences are significantly different**

and it is not meaningful to compare models with different physical characteristics.

Bisalloy has included a comparison of the locally produced grades with SSAB's imported grades. Please refer to Confidential Attachment A-3.10 (1).

- **Identify the physical characteristics that can be reported in relation to sales and cost data respectively. This should be reflected in the sales data provided in appendices A4 and A6.**

Bisalloy has identified the different product codes for each model manufactured by it in Confidential Appendix A4.

- **Complete the table below having regard to the information provided above. The Commission will consider this information in establishing a model control code structure for the investigation.**

In Investigation 506 the Commission re-visited model control codes ("MCC's") for Q&T steel plate. The following Table A-3.10 summarizes the MCC's applicable to Q&T steel plate the subject of this application.

Item	Category	Sub-category	Identifier	Sales Data	Cost data	Key category
1	Grade	Structural	S	Mandatory	Mandatory	Yes
		Wear	W			
		Armour	A			
2	Tensile Strength (this category is only required for "structural" grade Q+T steel plate)	Under 700 Mpa	A	Mandatory	Mandatory	Yes
		700-799 Mpa	B			
		800-899 Mpa	C			
		900-999 Mpa	D			
		Above 1000 Mpa	E			
3	Brinell Hardness (this category is only required for "wear" or "armour" grade Q+T steel plate)	Under 275	A	Mandatory	Mandatory	Yes
		275-324	B			
		325-374	C			
		375-424	D			
		425-474	E			
		475-524	F			
		525-575	G			
Above 575	H					
4	Thickness	Under 8mm	1	Optional	Optional	No
		8-50mm	2			
		Above 50mm	3			
5	Width	Under 2000mm	A	Optional	Optional	No
		2000mm-3000mm	B			
		Above 3000mm	C			
6	Length	Under 6.5m	1	Optional	Optional	No
		6.5-8.49m	2			
		8.5-10.5m	3			
		Above 10.5m	4			

Table A-3.10: Model control code structure for Quenched & tempered steel plate.

A-4 The Australian market

1. Describe the end uses of both your product and the imported goods.

The Australian market for Q&T steel plate is supplied from local production and imports. The imports are typically sourced from Sweden, Finland, Japan, China, Belgium, India, and the USA.

Q&T steel plate is a specialty steel comprising of wear, structural and armour grades. Wear grades account for approximately 70 per cent of sales, and structural grades for approximately 30 per cent. Armour grades are estimated at approximately one per cent of the market.

Q&T steel plate is predominantly sold into the resources sector and is used in storage bins, dump trucks and chutes. Specifically, the Q&T steel plate is used in excavator and dragline buckets, off-highway dump truck bodies, on-highway truck bodies, longwall mining equipment applications including roof shields, pan-lines, etc, front-end loader arms and buckets, primary and secondary ore processing fixed plant equipment such as apron feeders, chute liners, ROM hoppers, train load-out hoppers, etc., rail bins, etc.

General infrastructure applications include bridges and gantries, high strength structural beams, crane booms and lifting equipment, high strength beams and columns in buildings, general steel fabrication and heavy transport.

Q&T steel plate is also used in defence applications including ADF Bushmaster Infantry Mobility Vehicles, civil armoured vehicles and submarine plate.

2. Describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- **sources of product demand;**

Demand for Q&T steel plate is principally driven by the mining and resources sector and the construction, transport and defence sectors.

- **marketing and distribution arrangements;**

Bisalloy sells a significant proportion of its locally manufactured Q&T steel plate via a network of distributor companies. The remainder of the sales are made to large end-user customers in the mining sector on major project expansions and repairs and maintenance activities.

Bisalloy and importers compete in all states and territories in Australia and across each segment via similar channels of distribution.

- **typical customers/users/consumers of the product;**

Bisalloys customers can be included in two categories: large distributors and large OEM/Fabricators.

- **the presence of market segmentation, such as geographic or product segmentation;**

There is no market segmentation based upon geographical boundaries or product grounds for the subject goods.

- **causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;**

Variability in demand is principally influenced by growth in the resources sector, increased economic activity resulting in project expansions, etc, and increased expenditure in repairs and maintenance.

- **the way in which the imported and Australian product compete; and**

The locally produced and imported goods are wholly substitutable and are highly competitive with each other.

- **any other factors influencing the market.**

The Australian market is highly transparent and competitive for the subject goods.

- 3. Identify if there are any commercially significant market substitutes for the Australian and imported product.**

There are no commercially significant market substitutes for the subject goods.

- 4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.**

Bisalloy Steels has completed Confidential Appendix A1 for the 12 month period to 31 December 2020.

- 5. Complete appendix A2 (Australian market).**

Bisalloy Steels has prepared Confidential Appendix A2 – Australian market. It is noted that confidentiality restrictions apply to imported Q&T steel plate. Bisalloy has relied upon export statistics to assist in the preparation of Confidential Appendix A2.

- 6. Use the data from appendix A2 (Australian market) to complete this table:**

*Indexed table of sales quantities**

Period	(a) Your Sales	(b) Other Aust ⁿ Sales	(c) Total Aust ⁿ Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	Total Market (c+f)
2017	100	100	100	100	100	100	100
2018	116.8	100	116.8	59.5	118.6	109.0	112.6
2019	123.4	100	123.4	83.3	100.1	97.3	109.3
2020	123.8	100	123.8	341.5	82.5	124.6	124.3

Notes:

1. Data from Confidential Appendix A2;
2. Years ending December.

The Australian market for Q&T steel plate contracted following the imposition of measures in 2014, and continued at suppressed levels throughout 2016. In 2017, the market expanded with similar growth for the Australian industry and imports, and further again in 2018. There was a small contraction in 2019, with a spike in market growth in 2020.

The Australian industry did not benefit from any of the market growth that was evident in 2020.

The anti-dumping measures applicable to imports of Q&T steel plate from Finland, Japan and Sweden were the subject of a continuation investigation from the beginning of 2019. Prior to this, imports from these three countries held an aggregate market share as high as 43 per cent. In 2019, imports from the three countries the subject of the measures accounted for 24 per cent of the Australian market, with imports from the USA at 7 per cent. In 2020, however, imports from Finland, Japan and Sweden declined (due to the continuation of the anti-dumping measures) to account for 7 per cent of the market, with imports from the USA rapidly expanding to account for almost one-quarter of the Australian Q&T steel plate market.

The imports of Q&T steel plate from the USA have displaced import supply from Finland and Sweden in a very short twelve month period.

A-5 Applicant's sales

1. Complete appendix A3 (sales turnover).

Bisalloy Steels has completed Confidential Appendix A3 for the goods the subject of this application.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

*Indexed table of Applicant's sales quantities**

Quantity	2017	2018	2019	2020
All Products				
Aust. Market	100	116.8	123.4	123.8
Export Market	100	116.0	98.0	46.8
Total	100	116.6	116.6	103.2
Like Goods				
Aust. Market	100	116.8	123.4	123.8
Export Market	100	116.0	98.0	46.8
Total	100	116.6	116.6	103.2

*Index of data. For years ending March.

Bisalloy only produces and sells Q&T steel plate (i.e. the subject goods). Bisalloy's domestic sales volume of Q&T steel plate in 2020 remained stagnant, despite the Australian market experiencing an approximate 15 per cent expansion.

*Indexed table of Applicant's sales values**

Revenues	2017	2018	2019	20120
All Products				
Aust. Market	100	120.5	135.5	146.0
Export Market	100	126.9	115.7	59.0
Total	100	122.3	130.0	121.3
Like Goods				
Aust. Market	100	120.5	135.5	146.0
Export Market	100	126.9	115.7	59.0
Total	100	122.3	130.0	121.3

Bisalloy's revenues have increased to reflect higher raw material steel plate prices over the four-year period.

3. **Complete appendix A5 (sales of other production) if you have made any:**
- **internal transfers; or**
 - **domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.**

Bisalloy does not domestically sell goods to related parties. All domestic sales by Bisalloy are to third party companies. This question therefore does not apply and Bisalloy does not need to complete Confidential Appendix A5.

4. **Complete appendix A4 (domestic sales).**

Bisalloy Steels has completed Confidential Appendix A4 for the period 1 January 2020 to 31 December 2020.

5. **If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.**

Bisalloy Steels does not have any sales listed in Confidential Appendix A4 to related parties.

6. **Attach a copy of distributor or agency agreements/contracts.**

Bisalloy does not have formal agreements with its distributors. Bisalloy provides its distributors with an updated monthly price list for Q&T steel plate. Please refer to Confidential Attachment A-5.6 for an example of the monthly notification to a distributor with a price list attachment.

7. **Provide copies of any price lists.**

Bisalloy provides a monthly price list update to distributors. Please refer to Confidential Attachment A-5.6.

8. **If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.**

- **Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).**
- **If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.**

Bisalloy has included discounts/rebates as paid for certain customers and identified in Confidential Appendix A4. Whilst the rebates can be applied to customer, they have not been allocated to each invoice.

9. **Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.**

Bisalloy has included commercial documentation for two domestic sales in each quarter of the period 1 January 2020 to 31 December 2020. Please refer to Confidential Attachment A-5.9.

10. Provide a list of model control codes from appendix A4.

The following Table details the MCCs applicable to Q&T steel plate.

Item	Category	Sub-category	Identifier	Sales Data	Cost data	Key category
1	Grade	Structural	S	Mandatory	Mandatory	Yes
		Wear	W			
		Armour	A			
2	Tensile Strength (this category is only required for "structural" grade Q+T steel plate)	Under 700 Mpa	A	Mandatory	Mandatory	Yes
		700-799 Mpa	B			
		800-899 Mpa	C			
		900-999 Mpa	D			
		Above 1000 Mpa	E			
3	Brinell Hardness (this category is only required for "wear" or "armour" grade Q+T steel plate)	Under 275	A	Mandatory	Mandatory	Yes
		275-324	B			
		325-374	C			
		375-424	D			
		425-474	E			
		475-524	F			
		525-575	G			
		Above 575	H			
4	Thickness	Under 8mm	1	Optional	Optional	No
		8-50mm	2			
		Above 50mm	3			
5	Width	Under 2000mm	A	Optional	Optional	No
		2000mm-3000mm	B			
		Above 3000mm	C			
6	Length	Under 6.5m	1	Optional	Optional	No
		6.5-8.49m	2			
		8.5-10.5m	3			
		Above 10.5m	4			

A-6 General accounting/administration information.

1. Specify your accounting period.

Bisalloy Steels financial year is 1 July to 30 June.

2. Provide details of the address(es) where your financial records are held.

Bisalloy Steel's financial records are located at 18 Resolution Drive, Unanderra, NSW 2526.

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- **chart of accounts;**
- **audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);**
- **internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.**

These documents should relate to:

- 1. the division or section/s of your business responsible for the production and sale of the goods covered by the application, and**
- 2. the company overall.**

Bisalloy Chart of Accounts at Confidential Attachment A-6-3 (provided in soft copy form).

Annual reports for Bisalloy available at www.bisalloy.com.au.

Please refer to Confidential Attachment A-6.3 for the December 2020 internal management report). Further internal financial statements can be provided to the Anti-Dumping Commission upon the verification visit to the applicant.

4. If your accounts are not audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

The company's accounts are audited annually.

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

The company's accounting practices are in accordance with Australia's generally accepted accounting practices.

6. Describe your accounting methodology, where applicable, for:

- **The recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;**

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of products to third parties. Sales revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the customer. Risks and rewards of ownership are considered passed to the customer at the time of delivery of the goods to the customer.

- **provisions for bad or doubtful debts;**

Trade and other receivables are carried at amounts due less an allowance for any uncollectible amounts. The collectability of debts is assessed monthly and provision is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.
- **the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;**

General expenses (indirect overheads) and interest are accounted for separately and not allocated to cost of goods sold.
- **costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;**

Greenfeed (raw material) costs are allocated on an average cost basis. Production costs calculated on a per tonne basis.

There are no other goods or processes over which costs are allocated.
- **the method of valuation for inventories of raw material, work-in-process, and finished goods (e.g. FIFO, weighted average cost);**

Raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

 - Raw materials - Purchase cost is on an average cost basis.
 - Work in progress and finished goods - Cost of direct materials, labour and an appropriate proportion of manufacturing overheads is based on normal operating capacity but excluding borrowing costs.
- **valuation methods for scrap, by-products, or joint products;**

Scrap accounts for less than 1% of production and is sold at market value for scrap steel. There are no by-products or joint products.
- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**

Not applicable – goods can be reprocessed if required and scrapping or complete write-off accounts for less than 1% of production.
- **valuation and revaluation of fixed assets;**

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Land and buildings are measured at fair value, less accumulated depreciation on buildings and any impairment losses recognised after the date of the revaluation. Valuations are performed every three years, or sooner should there be a significant change in market conditions, to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

- **average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;**

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Land	not depreciated
- Buildings	50 years
- Plant and equipment	5 – 10 years
- Leasehold improvements	5 – 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

- **treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and**

The company hedges by means of forward contracts on all significant foreign currency transactions thereby minimising any foreign exchange gain or loss. Where a transaction is not hedged, then any resulting gain or loss is recognised in the profit and loss.

- **restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.**

Not applicable.

7. **If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.**

There have been no changes in accounting methods over the injury analysis period.

A-7 Cost information

1. **Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.**

Bisalloy Steels has completed Confidential Appendix A6.1 (Domestic sales) and Appendix A6.2 (export sales) by MCC grade for wear, structural and armour grades.

2. **Provide a list of model control codes from appendix A6.1 and A6.2.**

Bisalloy Steels has included all of the subject goods in a single category Appendix A6.1 format.

A-8 Injury

The principal indicators of injury are price, volume and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where the application includes a claim of threat of material injury you must also complete question C.2.

1. Estimate the date when the material injury from dumped and/or subsidised imports commenced.

Prior to the continuation of anti-dumping measures in November 2019 on Q&T steel plate exported from Finland, Japan and Sweden, imports of Q&T steel plate from the USA were in annual volumes of circa 4,000 tonnes (for 2017 and 2018). However, following the continuation announcement, there was a noticeable shift of the sourcing of Q&T imports by the Australian importer SSAB Australia Pty Ltd (SSAB Australia) away from Sweden (subject of measures) to the USA.

In 2019, Sweden's exports to Australia accounted for approximately 23 per cent of the total demand in the Australian Q&T market. Following the continuation of the anti-dumping measures in November 2019 with revised variable factors (and a new interim dumping duty (IDD) amount determined at 58.6 per cent), exports from Sweden dwindled to account for only 6 per cent of the market in 2020. Meanwhile, exports from the USA – that accounted for 7 per cent of the Q&T market in 2019 – increased to 24 per cent of the market in 2020. It is unquestionable that the exports of Q&T steel plate from the USA have replaced the exports previously sourced from Sweden by SSAB Australia.

The Australian industry's sales have stagnated in 2020. This is despite the Australian market expanding in 2020 by approximately 15 per cent (actual growth is likely to be higher once December 2020 import data is available). The Australian industry's expectation was that it would share in this rate of growth particularly as effective measures were applied with effect from 2 November 2019 to the dumped and injurious exports from Finland, Japan and Sweden. This expectation has not materialised as, particularly during the back half of 2020, the Australian industry's sales volumes has plateaued and market share has declined (from 52 per cent in 2019 to 46 per cent in 2020).

The Australian industry has experienced material injury in 2020 in the form of flat domestic sales volumes, reduced market share and an inability to secure increased sales volumes in a rapidly expanding Q&T steel plate market. The market share decline has contributed to profits forgone that would have been achievable in the absence of the dumped Q&T steel plate imports from the USA in 2020.

2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model control code of your production. Pⁿ is the most recent period.

Bisalloy has prepared Appendices A6.1 and A6.2 by the product grades – wear, structural and armour. An Aggregate Appendix A6.1 and A6.2 has also been prepared.

Index of production variations (model control code)

Period	2017	2018	2019	2020
Wear	100	104.6	106.2	107.4
Structural	100	127.3	130.5	124.2
Armour	100	123.2	224.4	359.1
Total	100	111.6	114.2	113.6

*Use data from label A of appendix A6.1 and Appendix A6.2 – local production.

Bisalloy has increased its production of Q&T steel plate from the low demand period of 2017 to achieve moderate improved production quantities in the subsequent three year period.

Index of cost variations (model control code)

Period	2017	2018	2019	2020
Wear	100	110.4	122.0	116.1
Structural	100	110.2	120.9	117.3
Armour	100	113.1	128.9	124.9
Total	100	110.4	121.8	116.9

*use data from label J of appendix A6.1

Bisalloy has experienced an increase in production costs of approximately 20 per cent since 2017, with the cost of steel plate accounting for the greatest proportion of increased cost inputs.

Index of price variations (model control code)

Period	2017	2018	2019	2020
Wear	100	103.8	107.7	115.7
Structural	100	99.4	107.8	118.5
Armour	100	123.3	106.7	102.7
Total	100	102.3	108.5	117.3

*Use data from label L of appendix A6.1

Bisalloy's selling prices have increased since 2017, however, the selling price increases have lagged production cost increases. In 2020, Bisalloy was steadfast in seeking to maintain pricing consistent with the Anti-Dumping Commission's ("the Commission") unsuppressed selling price for the industry. This has resulted in Bisalloy losing sales volumes (down 17 per cent in 2020 second half) and market share (down 7 per cent) in 2020.

Index of profit variations (model control code)

Period	2017	2018	2019	2020
Wear	100	25.1	-20.1	100.7
Structural	100	1.0	-22.3	114.9
Armour	100	144.0	82.0	68.6
Total	100	21.44	-9.6	107.8

*use data from label M or N (specify as appropriate) of appendix 6.1

Bisalloy has improved its profit per tonne between 2017 and 2020. The profit achieved in 2020 has reflected Bisalloy's commitment to hold prices consistent with the industry unsuppressed selling price. This, however, has resulted in missed opportunities including participation in the 15 per cent industry growth that was apparent in 2020.

Index of profitability variations (model control code)

Period	2017	2018	2019	2020
Wear	100	24.2	=18.7	87.0
Structural	100	1.0	=20.7	97.0
Armour	100	116.8	76.9	66.7
Total	100	21.0	-8.8	91.9

*use data from label O of [appendix A6.1](#)

Bisalloy's profitability (as a percent of sales revenue) has tracked unit profit since 2017.

3. Complete [appendix A7](#) (other injury factors).

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

Bisalloy has completed Confidential Appendix A7 for other economic indicators. The data is based upon Bisalloy's financial year.

Index of Revenue

Period	2017	2018	2019	2020	2021 Half
Index	100	1137.6	139.4	166.1	143.9

*use data from [appendix A7](#)

Bisalloy's revenues have increased in 2017 to 2020, with a sharp decline evident in the first half of the 2021 year.

Index of Return on Investment

Period	2017	2018	2019	2020	2021 Half
Index	100	138.8	42.9	192.0	194.5

*use data from [appendix A7](#)

Bisalloy has an improvement in return on investment.

Index of Capacity Utilisation

Period	2017	2018	2019	2020	2021 Half
Index	100	153.5	140.3	160.2	114.1

*use data from [appendix A7](#)

Bisalloy's utilisation rate has increased over the four-year injury period. However, in the first half of the 2021 financial year, Bisalloy's production utilisation rate has fallen sharply, consistent with declines in domestic sales for the same period.

Index of employment

Period	2017	2018	2019	2020	2021 Half
Index	100	113.0	114.5	118.8	118.8

*use data from appendix A7

Bisalloy's employment numbers have remained relatively stable across the injury period.

Index of Wages

Period	2017	2018	2019	2020	2021 Half
Index	100	131.5	134.1	140.0	133.3

*use data from appendix A7

Bisalloy has experienced an increasing wages bill across the period 2017 to 2020/21.

A-9 Link between injury and dumped or subsidised imports

To establish grounds to initiate an investigation there must be evidence of a causal relationship between the injury and the alleged dumping or subsidisation. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped and/or subsidised imports on your quarterly sales volume and market share.

The Australian market for Q&T steel plate recovered from earlier depressed levels in 2017. was suppressed in 2016, and commenced a recovery in 2017. In 2018, the market recovered by a further approximate 12 percent, with a slight contraction in 2019, and strong surge in growth of approximately 15 per cent in 2020.

Since November 2014, anti-dumping measures were operative against exporters in Finland, Japan and Sweden. The largest exporter – SSAB EMEA AB (“SSAB”) of Sweden – was found to have exported goods to Australia at margins of dumping of 34 per cent. The Minister applied the lesser duty rule and applied an IDD rate at 9.6 per cent. Up until 2 November 2019, the Swedish exporter was the subject of the 9.6 per cent IDD rate. Following the Commission’s continuation of measures investigation (concluding with the Minister’s decision to extend the measure and apply IDD at a rate of 58.6 per cent) the import volumes from Sweden declined from a market share in 2019 of 23 per cent reducing to 7 per cent in 2020.

Coinciding with the decline in the import volumes from Sweden, an upsurge in imports from SSAB’s USA Q&T steel plate facilities occurred. Imports from the USA increased from 4454 tonnes in 2019 to 18,263 tonnes in 2020 – a growth of approximately 260 percent. The market share held by imports from the USA increased from 7 per cent in 2019 to 24 per cent in 2020.

The import volumes from the USA replaced the previously major source of imports from Sweden as sourced by SSAB Australia.

Meanwhile, the Australian industry’s sales volumes in 2020 have stagnated – with a sharp decline in the second half of 2020 (i.e. July to December) which was approximately 17 per cent lower than for the same period in 2019.

Table A-9.1 – Import volumes of Q&T steel plate 2017 to 2020 (metric tonnes)

Country	2017	2018	2019	2020	% Change
Finland	1707	246	206	433	110.0% ↑
Japan	294	543	613	46	92.5% ↓
Sweden	23,818	23,047	15,234	4430	70.1% ↓
USA	5348	3184	4454	18,263	310.0% ↑
Other	1706	8807	11486	17794	54.9% ↑
Total	32,874	35,826	31,993	40,967	28.0% ↑

Notes:

1. Years ending December;
2. December 2020 data not available at time of application.

As is evidenced from Table A-9.1 the total import volumes for Q&T steel plate increased in 2020 by approximately 28 per cent. The import volumes from the largest source of supply Sweden, which accounted for approximately 50 per cent of imports in 2019 - declined by 70 per cent in 2020. Imports from the USA – which accounted for only 4454 tonnes in 2019 (or 14 per cent of total imports), increased to 18,263 tonnes in 2020 (or 44.6 per cent of total imports).

2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped and/or subsidised imports on your quarterly prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

In October 2019, the Commission published Continuation of Measures Report No. 506. The Minister accepted the Commissioner’s recommendations to continue anti-dumping measures on Q&T steel plate exported from Finland, Japan and Sweden for a further five-year period.

The variable factors applicable to exporters in the three countries were also reviewed. The revised measures confirmed in Report 506 resulted in revised IDD rates being applied as follows:

Table 9-2.1 – Effective rate of duty – Q&T steel plate

Country	Exporter	Effective Rate of Duty (2014)	Effective Rate of Duty (2020)
Finland	All Exporters	10.8%	58.6%
Japan	JFE Steel Corporation	24.5%	25.8%%
	All other Exporters	26.1%	25.8%
Sweden	All Exporters	9.6%	58.6%

Table 9-2.2 confirms that the exporters in Finland and Sweden (i.e. SSAB) had the IDD rates increased from 10.8 per cent and 9.6 per cent respectively, to 58.6 per cent with effect from 5 November 2019.

The increased in the rate of IDD on SSAB’s exports from Sweden contributed to the sharp decline in imports from that country in 2020. SSAB shifted supply to its production facilities in the USA and replaced the Swedish import volumes into Australia during 2020.

Report 506 also confirms that Bisalloy and SSAB compete head-to-head in the Australian Q&T steel plate market. In 2013, Bisalloy made an application for anti-dumping measures on exports of Q&T steel plate exported from Finland, Japan and Sweden. SSAB was the supplier of the goods from Finland and Sweden to its Australian affiliate SSAB Australia.

As indicated above, the measures were the subject of a continuation inquiry throughout 2019 culminating in the Minister’s decision of 2 October 2019 not to allow the measures to expire.

Throughout 2019 (particularly following the publication of SEF 506 on 3 June 2019), Bisalloy received feedback from customers that SSAB was assuring its customers that the findings of the Commission would not influence selling prices enjoyed by SSAB customers over recent periods.

This customer feedback was of significant concern to Bisalloy. The following examples demonstrate that SSAB has sourced Q&T steel plate from the USA as a source of supply for the Australian market.

- (i) [Customer] (refer Confidential Attachment A-9.2.1)

Feedback from [Customer] was that their “price had not changed at all” following the imposition of the revised variable factors in November 2019. This message was also advised at the following accounts:

- [Customer] – advised that SSAB had not raised prices and no impact due to increase in IDD;
- [Customer] and [Customer] – Notified Bisalloy that they had plenty of stock ex USA and that Bisalloy’s price was well above any pricing offered by SSAB. Purchased a further xxxx Tonnes from SSAB;
- [Customer] – SSAB will not produce a written price; all pricing on request only. The SSAB manager advised “list price has no bearing on what we actually

invoice anyway, so it is irrelevant". Supplied by SSAB ex USA.

(ii) [Customer] (Confidential Attachment A-9.2.2)

[Customer] notified (date) that it has tried to obtain a price for supply from SSAB. [Customer advice and commercially sensitive details concerning response]. Prices had not increased following change in IDD.

(iii) [Source] (Confidential Attachment A-9.2.3)

Confirmation imported Q&T steel plate had been imported from the USA into [state] produced by SSAB.

(iv) [Customer] (Confidential Attachment A-9.2.4)

[Customer] (date) seeking pricing for [Grades]. Bisalloy was competing with SSAB. Notified by [Customer] that \$xxx "isn't going to win it". This pricing reflects the levels of pre-November 2019.

Also notified by [Customer] that have stayed with SSAB. Unable to obtain a price list.

(v) [Source]– Confirmation re imports ex USA (Confidential Attachment A-9.2.5)

[Name] confirmed (17 February 2020) that SSAB supplying imports ex USA. Sufficient stock levels.

(vi) [Source of pricing information] (Confidential Attachment A-9.2.6)

Bisalloy advise in January 2020 that [competition] for wear and structural grades remains current – even post the change in measures of 2 November 2020. 'Business as usual' with no change in pricing on the horizon.

(vii) [Customer] (Confidential Attachment A-9.2.7)

Bisalloy quoted for supply at \$xxx per tonne for Wear Grade 450. [Competitor supply details]. Pricing circa \$xxx per metric tonne.

(viii) [Customer] (Confidential Attachment A-9.2.8)

Bisalloy notified by [Customer] (19 November 2019) that [Customer] purchasing SSAB. Confirmation from [Customer] that SSAB had not increased its pricing and was sourcing from USA.

(ix) [Customer] (Confidential Attachment A-9.2.9)

Bisalloy is not competitive against SSAB's price of A\$xxx per tonne for QT450 grade product. Bisalloy advised by [customer] that they did not envisage an increase in price from SSAB before March/April 2020.

Bisalloy understands that SSAB was able to secure the ongoing sales into the Australian market as it has reduced its selling prices from 2019 levels. Bisalloy has

[statement concerning offers re pricing by SSAB post October 2019 decision]

confirms that SSAB has **reduced** selling prices following the Minister's decision to extend measures in October 2019 (with effect from 2 November 2019), even though the IDD payable has increased from 9.6 per cent to 58.6 per cent. The ability of SSAB to reduce selling prices and offer on the Australian market is only made possible by the sourcing of SSAB's Q&T steel

plate requirements from the USA.

To demonstrate Bisalloy’s inability to secure additional sales in an expanding market, Bisalloy highlights the following [commercially sensitive concerning customers on the Australian Q&T steel plate market]. Bisalloy’s share of the sales volumes at each customer in 2020 and 2021 is identified.

Table A-9.2.2 – Customers purchase intentions

Customer	FY20			FY21		
	Bisalloy Supply	Total QT	Bisalloy %	Bisalloy Supply	Total QT	Bisalloy %
Customer	xxxx	xxxx	xx%	xxxx	xxxx	xx%
Customer	xxxx	xxxx	xx%	xxxx	xxxx	xx%

Table A-9.2.2 demonstrates that [customers] will expand their Q&T requirements in 2021 (over 2020 levels). These expansions are consistent with the growth in demand in the Australian Q&T steel plate market. Bisalloy notes the 14 December 2020 announcement by Austin Engineering that it was upgrading its earlier announced earning guidance due to “Strong Recent Order Flow” (refer Non-Confidential Attachment A-9.2.12). The Austin announcement is validation of an expanding Q&T steel market in 2020 and into 2021.

Meanwhile, Bisalloy’s sales volumes to both customers have fallen – with Bisalloy verbally advised that it will have its sales volumes at [customer] reduced by xxx per cent in 2021, and reduced at [customer] by xxx per cent.

Both [customer] and [customer] are [supply arrangements] at these customers.

The impact of the 310 per cent increase in export volumes of Q&T steel plate to Australia from the USA has impacted the Australian industry:

- Reduced sales volume in July to December 2020 half year of 17 per cent;
- A reduction in market share in 2020 of 7 per cent; and
- Profit forgone in an expanding Australian market that has grown by 15 per cent in 2020 where the Australian industry has not been able to participate in the additional sales volumes.

3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped and/or subsidised imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

Report 506 confirmed the continuation of anti-dumping measures on Q&T steel plate exported from Finland, Japan and Sweden for five years from 5 November 2019. The Report also notified new variable factors applicable to exports of Q&T steel plate from the three countries.

Following the release of Report 506, Bisalloy has sought to price consistent with the determined unsuppressed selling price methodology as represented in the Report. As a consequence, Bisalloy has been uncompetitive with the selling prices for imported Q&T steel plate from the USA. Bisalloy has subsequently been unsuccessful in securing sales – and is losing traditional sales volumes (as evidenced in Table A-9.2.2) – to dumped imports of Q&T steel plate from the USA.

The market sales data in Confidential Appendix A2 confirms that Bisalloy’s domestic sales volumes and market share have declined in the second half of 2020. The impact of the reduced production and sales volumes has seen Bisalloy’s CTMS increase in the July to December 2020 half, with price suppression evident. This has impacted Bisalloy’s profit which has deteriorated from [value] \$M in the January to June 2020 half year, to [value] \$M in the July to December

2020 half year.

4. **The quantity and prices of dumped and/or subsidised imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped and/or subsidised imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.**

Bisalloy has completed Confidential Appendix A7 – “Other economic indicators”.

The impact of the dumped exports from the USA are most noticeable in the economic indicator for capacity utilisation. In the period 2018 to 2020 (Bisalloy’s financial years) production utilisation averaged xx per cent. In the July to December 2020 half year, Bisalloy’s capacity utilisation has deteriorated to xx per cent, as sales volumes have declined (approximately 17 per cent from same July to December 2019 period) and market share has fallen.

It is also observed that Bisalloy’s stock levels in the July to December 2020 period are at [description] levels. Bisalloy therefore is experiencing additional costs in holding higher stocks as its domestic sales volumes decline.

The deterioration in production and sales volumes will impact Bisalloy’s future reinvestment intentions. Declining sales will red-flag whether any further capital improvements are viable.

5. **Describe how the injury factors caused by dumping and/or subsidisation and suffered by the Australian industry are considered to be ‘material’.**

Bisalloy submits that it is suffering injury that is “material” as a direct consequence of the dumping of exports of Q&T steel plate from the USA to Australia. As indicated, SSAB has switched supply sources away from its traditional source in Sweden (where the majority of its Q&T steel exports have been sourced from historically) to now sourcing from its facility in the USA which is free from any IDD.

The reduction in Bisalloy’s production and sales volumes in the July to December 2020 period indicate that Bisalloy will likely sustain further injury that will be material in nature. It is Bisalloy’s view that the injury that it has already experienced is ‘material’ because:

- Bisalloy’s production and sales volumes have declined 17 per cent in July to December 2020 when compared with the same period in 2019;
- Bisalloy has experienced a 7 per cent reduction in market share in 2020;
- The continuation of anti-dumping measures on exports of Q&T steel plate from Finland, Japan and Sweden was anticipated to remove the injurious effects from dumping and enable to the Australian industry to supply increased volumes to the Australian market at fair prices;
- The dumped exports from the USA have been priced at levels below Bisalloy’s selling prices which according to customer feedback are “uncompetitive”;
- Bisalloy has been notified at [customers] in the Q&T steel plate market that it will lose volumes in 2021 [estimates of lost volumes];
- Bisalloy has not secured any increased sales volumes in a rapidly expanding market that grew by 15 per cent throughout 2020; and
- The reduced sales volumes have increased Bisalloy’s CTMS in the July to December 2020 half, resulting in price suppression and reduced profit and profitability.

In 2012, the Commission published a *New Ministerial Direction on Material Injury*². The Ministerial Direction recognises that there may be circumstances “*where dumping or subsidisation may still result in injury where it has caused the rate of an industry’s growth to slow, without causing it to contract, or where an industry suffers a loss of market share in a growing market, without a decline in profits.*”

Specifically, the then Minister for Home Affairs directed:

“I note that anti-dumping or countervailing action is possible in cases where an industry has been expanding its market rapidly, and dumping or subsidisation has merely slowed the rate of the industry’s growth, without causing it to contract. In cases where it is asserted that an Australian industry would have been more prosperous if not for the presence of dumped or subsidised imports, I direct that you be mindful that a decline in an industry’s rate of growth may be just as relevant as the movement of an industry from growth to decline. I direct that it is possible to find material injury where an industry suffers a loss of market share in a growing market without a decline in profits. As in all cases, a loss of market share cannot alone be decisive. I direct that a loss of market share should be considered with a range of relevant injury indicators before material injury may be established.” (emphasis added).

The Minister’s direction is clear that where there is a loss of market share in a growing market without a decline in profits (as is evident in the 2020 calendar year for Bisalloy), then it is open to the Minister to find that the Australian industry has suffered injury that is material from the dumping. In relation to consideration of “other” injury indicators, Bisalloy confirms that it has also suffered injury in the following forms:

- Loss of sales volumes (at Austins Engineering and DT Hi Load);
- Reduced capacity utilisation;
- Increase in inventories; and
- Reduced attractiveness to re-invest.

Bisalloy therefore contends that the injury it has experienced in 2020 can be considered ‘material’ in light of the Ministerial Direction.

6. Discuss factors other than dumped and/or subsidised imports that may have caused or may threaten to cause injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping and subsidisation.

The Australian market for Q&T steel plate has been relatively buoyant over the last four year period, with an upsurge evident in 2020. The market is approximately 25 per cent greater than what it was in 2017. The industry has not been weakened by any other event, except for the recent COVID 19 pandemic. The market was relatively unaffected by COVID 19 with the only other influencing factor being the impact of the dumped exports from the USA.

² Australian Customs Dumping Notice No. 2012/024 refers.

7. **This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped and/or subsidised imports, forecast their impact on your industry’s economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.**

The Australian market for Q&T steel plate has been heavily influenced by dumped exports of Q&T steel plate since 2013. Bisalloy made an application for anti-dumping measures in 2014 to address the injurious impact of the unfairly priced exports from Finland, Japan and Sweden. Anti-Dumping measures were imposed in November 2014 for a five year period. The dumping measures applied were based on the lesser duty rule and despite dumping margins for exports from Sweden (largest source of supply) at 34 per cent, the effective rate of duty applied was 9.6 per cent.

The Australian industry continued to encounter injury from exports from Finland and Sweden as the exporter (SSAB EMEA AB) absorbed the impact of the measure and maintained export prices at injurious levels.

In January 2019, Bisalloy made an application for the continuation of the anti-dumping measures on exports of Q&T steel plate exported from Finland, Japan and Sweden. The application was made demonstrating that the expiry of measures would lead, or would be likely to lead to, a recurrence of the material injury that the measures were intended to prevent.

Report No. 506 was published on 2 October 2019 announcing the Minister’s decision to not allow the measures to expire. The Commission’s findings in Report 506 are summarised below:

Country	Exporter	Dumping Margin	Effective rate of duty	Duty Method
Finland	All exporters	129.7%	58.6%	Combination of fixed and variable duty methods
Japan	All exporters	33.9%	25.8%	Ad valorem duty rate method
Sweden	SSAB EMEA AB	129.7%	58.6%	Combination of fixed and variable duty method
	All other exporters	129.7%	58.6%	Combination of fixed and variable duty method

The exports from Finland and Sweden during the 2018 investigation period (all by SSAB) were found by the Commission to have been at dumped prices. The margins of dumping were significant. The exports from Finland and Sweden were made at prices consistent with the levels prior to the imposition of the dumping measures – that is, SSAB did not raise export prices to non-injurious levels and absorbed the impact of the 9.6 per cent IDD.

The publication of SEF 506 on 3 June 2019 confirmed that SSAB’s exports from Finland and Sweden were at dumped prices (although SSAB would have had prior knowledge to this following receipt of a confidential version of its exporter verification report). SSAB has responded to the continuation of the measures on Finland and Sweden by securing increased volumes from its US manufacturing facilities located at Alabama and Iowa. In the 2020 year, SSAB has exported 18,263 tonnes of Q&T steel plate from the USA to Australia and has replaced Sweden as its primary source of supply to the Australian market.

The source of the injury from SSAB entities continues to shift away from Finland and Sweden where import volumes have historically been the greatest with a recalibration to increasing sourcing from the USA. This change in the source of dumping to exports from the USA has continued to subject Bisalloy (i.e. the Australian industry) to further injury that is material. This can be evidenced via the following economic indicators:

- loss of sales volumes in Bisalloy’s 2021 financial year;
- loss of market share in 2020;

- price undercutting;
- price suppression, and reduced profits and profitability in the July to December 2020 period;
- reduced capacity utilisation in 2020; and
- reduced attractiveness to reinvest.

Bisalloy submits that the 2012 Ministerial Direction on Material Injury is relevant to Bisalloy's current circumstances in respect of the impact of increasing export volumes from the USA. Bisalloy's profit and profitability has not deteriorated (when contrasted with earlier periods), however, there is an observable deterioration in the July to December 2020 period. Bisalloy has also experienced reductions in sales volumes (during July to December 2020) which is impacting production utilisation – despite a growth in the size of the Australian market by approximately 15 per cent. Declines in production in sales are also impacting profit and profitability as Bisalloy's CTMS has increased in the second half of 2020. Bisalloy contends that the injury it has sustained in 2020 has been due to the increasing exports of Q&T steel plate from the USA and that this injury can be considered material in nature consistent with the loss of market share in a growing market element of the 2012 Ministerial Direction.

Bisalloy requests the Commissioner to commence an investigation into the dumping of Q&T steel plate exported to Australia from the USA that has caused, and will continue to cause, material injury to the Australian industry. It is contended by Bisalloy that SSAB has increased sourcing of supply away from Sweden and Finland to the USA where it has two production facilities that have a combined steel production output of 2.4 million tonnes per annum.

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

B-1 Source of exports

1. Identify the country(ies) of export of the dumped goods.

The country of export of the dumped goods is the United States of America ("USA").

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

The applicant understands that the country of export is also the country of origin for the goods (i.e. where the goods were manufactured).

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

The USA is not considered a non-market economy or an economy in transition for the purposes of Australia's Anti-Dumping provisions.

4. Where possible, provide the names, addresses and contact details of:

- **producers of the goods exported to Australia;**
- **exporters to Australia; and**
- **importers in Australia.**

The applicant understands that the following producer in the USA is also the exporter of the dumped exports to Australia:

SSAB Swedish Steel
0912, 801 Warrenville Road, Suite 800
Lisle, Illinois, USA 60532
Tel: +1 630 810 4800

SSAB Americas operates two manufacturing facilities located at Mobile, Alabama and Montpelier, Iowa with a combined production capacity of 2.4 million tonnes. Both facilities have Q&T steel plate lines.

SSAB America exports Q&T steel plate to its related-party importer in Australia, SSAB Swedish Steel Pty Ltd. Contact details for SSAB Swedish Steel in Australia are as follows:

SSAB Swedish Steel Pty Ltd
P.O. Box 8074
Level 2/32 Logan Road
Woolloongabba QLD 4102

Tel: +61 7 3891 3533

5. If the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

The import volumes from the USA exceeds 3 per cent of total imports over the period 1 January 2020 to 30 November 2020 (December 2020 data not available at time of application). The following Table B-1.5 details the volumes imported into Australia over recent periods.

Table B-1.5 – Import volumes of Q&T steel plate 2016/17 to 2019/20 (metric tonnes)

Country	2017	2018	2019	2020	% of 2020 volumes
Finland	1,707	246	206	433	0.01%
Japan	294	543	613	46	0.001%
Sweden	23,818	23,047	15,234	4,430	10.8%
USA	5,348	3,184	4,454	18,263	44.6%
Other	1706	8807	11,486	17,794	43.4%
Total	32,874	35,826	31,993	40,967	99.9%

Notes:

1. Years ending 31 December;
2. December 2020 data not available at time of application.

Table B-1.5 confirms that imports from the USA to Australia accounted for approximately 44.6 per cent of the total imports during the 2020 calendar year. Imports of Q&T steel plate from the USA therefore are above negligible levels.

6. **In the case of an application for countervailing measures against exports from a developing country, if the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application.**

This application is not an application for countervailing measures.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. **Indicate the FOB export price(s) of the imported goods. Where there are different model control codes or levels of trade involved, an export price should be supplied for each.**

Australian Bureau of Statistics (ABS) import data under subheading 7225.40.00 have been the subject of suppression from September 2018. Bisalloy has obtained export data for Q&T steel plate exported to Australia from September 2018.

The export data for Q&T steel plate exported to Australia have been obtained from TradeData International. This information is available on a purchase/subscription basis. The export data for Q&T steel plate from the USA is published at the Free On Board (FOB) level.

Monthly FOB export volumes and unit prices are included in Table B-2.1 below:

Quarter	Volume (Tonnes)	A\$FOB Value	Customs	Av. A\$FOB/Metric tonne
Jan-Mar 2020	4571.929	8255882		1806
Apr-Jun 2020	2577.439	6317832		2451
Jul-Sep 2020	6951.677	12666225		1802
Oct-Dec 2020	4313.827	8755980		2030

Source: TradeData International (refer Confidential Attachment B-2.1).

The data on exports of Q&T steel plate from the USA does not categorise imports by grade. Bisalloy considers, however, that unit A\$FOB export prices are adequate for determining dumping margins.

2. Specify the terms and conditions of the sale, where known.

The terms and conditions of the export prices are FOB, at port of loading, USA.

3. If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.

Bisalloy considers the data obtained from TradeData International is adequate for the purposes of establishing dumping margins.

4. It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

Please refer to Confidential Attachment B-2.1 for a breakdown of imports for Q&T steel plate (i.e worksheet "Final Imports") for the purposes of determining export prices from December 2019 to October 2020.

B-3 Selling price (normal value) in the exporter's domestic market

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. State the selling price for each model control code of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

Bisalloy is unaware of any industry newsletters or publications where domestic selling prices for Q&T steel plate in the USA are published. Industry market agencies that report on prices such as *SteelBenchmark*, SBB, etc do not publish domestic selling prices separately for Q&T steel plate. Bisalloy, therefore, does not have access to domestic selling prices for Q&T steel plate in the USA for the purposes of establishing normal values under subsection 269TAC(1) of the *Customs Act*.

2. Specify the terms and conditions of the sale, where known.

As Bisalloy does not have access to domestic selling prices information, this question is not applicable.

3. Provide supporting documentary evidence.

Not applicable.

4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.

SSAB EMEA AB is a global producer of Q&T steel plate. Bisalloy is not aware of other Q&T steel plate producers in the USA market.

B-4 Estimate of normal value using another method

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
- OR
- the selling price of like goods from the country of export to a third country.

1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).

Bisalloy does not have access to domestic selling prices for Quenched and Tempered Steel Plate ("Q&T steel plate") in the USA, nor does it have access to production costs for Q&T steel plate producers in the US market.

Bisalloy has therefore "constructed" selling prices for Q&T steel plate sold in the USA using the best available information in accordance with subsection 269TAC(6).

Bisalloy has obtained monthly domestic selling prices for plate steel sold in the USA, adjusted for a Q&T alloying, etc conversion cost. Bisalloy has then applied its own manufacturing conversion costs to arrive at a production cost for Q&T steel plate. In the absence of selling and general administration expenses for SSAB in the USA, Bisalloy has applied its selling and general administration expenses for the 2020 period.

A level of profit obtained from SSAB EMEA AB's 2019 annual report has been applied to the constructed CTMS for Q&T steel plate in the USA.

Please refer to Confidential Appendix B2 "Constructed normal value" for details of the constructed selling price for Q&T steel plate sold in the USA between January 2020 and December 2020, on a quarterly basis.

2. Provide supporting documentary evidence.

Please refer to Confidential Appendix B2 – Constructed Normal Value.

B-5 Adjustments

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

- 1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.**

The constructed normal value for Q&T steel plate sold in the USA has been determined at the ex-factory level. The export price information for shipments to Australia are at the FOB port, level. An adjustment to normal value is therefore required for the inland freight component for goods moved from the factory to port. Bisalloy does not have access to this information and is reticent to estimate the freight amount for adjusting the normal value.

- 2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.**

Please see response to B-5.1 above.

B-6 Dumping margin

- 1. Subtract the export price from the normal value for each model control code of the goods (after adjusting for any differences affecting price comparability).**

Bisalloy has calculated the dumping for Q&T steel plate exported from the USA to Australia during the period 1 January 2020 to 31 December 2020. The weighted-average dumping margin for the twelve-month period was A\$518 per tonne. Refer to Confidential Appendices A1 to A7, B2 and Dumping Margins spreadsheets.

- 2. Show dumping margins as a percentage of the export price.**

The weighted average dumping margin for Q&T steel plates exported to Australia during the period 1 January 2020 to 31 December 2020 is 26.5 per cent.

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be mandatory for certain applications.

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. **Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:**
 - (i) **the nature and title of the subsidy;**
 - (ii) **the government agency responsible for administering the subsidy;**
 - (iii) **the recipients of the subsidy; and**
 - (iv) **the amount of the subsidy.**

This application is not alleging that exports from the USA are the subject of subsidies.

C-2. Threat of material injury

1. **Identify the change(s) in circumstances that would make material injury foreseeable and imminent unless dumping or countervailing measures were imposed, for example by having regard to:**

- (i) **the rate of increase of dumped/subsidised imports;**

Bisalloy Steels considers that the increase in exports of Q&T steel plate from the USA is a concerning threat of further, increases in imports intended to replace the import supply from Finland and Sweden due to the imposition of IDD measures with effect from 2 November 2019. In 2019 Imports from the USA were at 4,454 tonnes and this has rapidly increased to approximately 18,263 tonnes in 2020 – an increase of 340 per cent. The largest proportion of the imports from the USA followed the imposition of measures on SSAB's production in Finland and Sweden.

There exists a high prospect of SSSAB further increasing exports to Australia to capitalise on the strong growth in the Australian Q&T steel plate market in 2021.

- (ii) **changes to the available capacity of the exporter(s);**

SSAB is a global steel plate producer with production facilities in the USA that are not impacted by anti-dumping measures on current exports to Australia. SSAB America produces approximately 2.4 million tonnes of steel and possesses available capacity to be able to replace the historic export volumes from Finland and Sweden (estimated at approx. 30,000 tonnes per annum) with production in the USA.

- (iii) **the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;**

Bisalloy has demonstrated that following the continuation of measures on SSAB's exports of Q&T steel plate from Finland and Sweden on 2 November 2019, SSAB switched sources of supply to the USA and has maintained pricing levels that undercut Bisalloy's selling prices (refer Part A-9.2 above).

- (iv) **inventories of the product to be investigated;**

Bisalloy does not have information concerning the level of inventories held by SSAB in the USA.

(v) for applications claiming subsidisation, the nature of the subsidies in question and the trade effects likely to arise therefrom; or

This application does not extend to an application for countervailing measures.

(vi) any other relevant factor(s).

The exports of Q&T steel plate to Australia from the USA are at margins of dumping above negligible levels and have continued the injury to the Australian industry that was previously due to exports from Finland and Sweden. Increasing export volumes from the USA – in the absence of anti-dumping measures – continue to cause material injury to the Australian industry through the suppression of prices, further impacting profit and profitability.

Bisalloy Steels submits that increasing export volumes of Q&T steel plate extend the material injury that has already been experienced from the dumping of exports from Finland and Sweden. Further increases in export volumes from the USA that displace the volumes sources from Finland and Sweden present a future threat of material injury to the Australian industry that is foreseeable and imminent.

Bisalloy Steels urgently seeks the Commissioner to initiate a formal investigation into the dumping and material injury caused by the exports of Q&T steel plate from the USA to prevent future material injury to the industry.

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that material injury is both foreseeable and imminent.

Refer to Response at C-2.1 above.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission’s client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.

Q&T steel plate is not a close processed agricultural goods. This question is not applicable.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

Not applicable.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

Not applicable.

4. Provide information to establish either:

- **a close relationship between the price of the raw agricultural goods and the processed agricultural goods; or**
- **that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.**

Not applicable.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.

The USA is not considered a “non-market economy” for the purposes of Australia’s Anti-Dumping provisions.

This question does not apply to this application.

2. Nominate a comparable market economy to establish selling prices.

This question does not apply to this application.

3. Explain the basis for selection of the comparable market economy country.

This question does not apply to this application.

4. Indicate the selling price (or the cost to make and sell) for each model control code of the goods sold in the comparable market economy country. Provide supporting evidence.

This question does not apply to this application.

C-5 Exports from an ‘economy in transition’

An ‘economy in transition’ exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an ‘economy in transition’ are covered by the application. **Applicants are advised to contact the Commission’s client support section before completing this section**

1. Provide information establishing that the country of export is an ‘economy in transition’.

The USA is not considered an “economy in transition” for the purposes of Australia’s Anti-Dumping provisions. This question is not applicable.

2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.

This question does not apply to this application.

3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.

This question does not apply to this application.

4. Estimate a ‘normal value’ for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

This question does not apply to this application.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Country A*				
Country B*				
etc*				
Total				

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at [Appendix A.2](#) (Australian Market) to complete the table.

The goods the subject of this application do not account for less than 3 per cent of the total import volume of goods imported into Australia during 2020.

APPENDICES

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors
Appendix A8	Authority to Deal With Representative
Appendix B1	Deductive Export Price
Appendix B2	Constructed Normal Value