

Investigation 578 – Quenched and Tempered Steel Plate exported from the United States

Exporter Briefing – SSAB Alabama

I. Introduction

SSAB Alabama is part of the SSAB Group with steel businesses in Europe (Finland and Sweden) and America (Alabama and Iowa).

In 2020, SSAB America's accounted for 20 per cent of the SSAB Group's total revenue and contributed 11 per cent of SSAB Group's total EBITDA.

The SSAB Alabama site is a scrap-based EAF steel production facility, specializing in heavy plate with an annual steel production of 1.2 million tonnes and 700 employees.

SSAB notes in its 2020 annual report that 2019 saw record iron ore prices. In early 2020 the iron ore price declined but "only to reverse sharply during the second half of 2020".

It is also noted that steel plate prices increased "close to 22% in the Americas during 2020".

II. SSAB Americas

SSAB considers itself to hold "number one position in the global market for Quenched and Tempered (Q&T) steel plate", and it claims it holds 33 per cent market share in the US.

Bisalloy notes that SSAB Americas 2020 revenue was down by 13 per cent compared with 2019, and the operating result was slightly up compared with 2019. SSAB Americas attributes the decline in revenues due to the Covid 19 reduction in shipments.

It is noted that SSAB claims that the 'Material Handling' customer segment which includes mining equipment, was "at a good level in 2020".

III. SSAB Alabama's domestic and export sales

At Section C of the SSAB Alabama EQR, it is claimed:

"SSAB Alabama and SSAB AU do not consent to the public disclosure of the grade and Australian MCC data that is advised to the Commission in the Exporter Questionnaire, and therefore request confidentiality with respect to the response to the questions that relate to that information."

Bisalloy competes [**commercially sensitive details of competition with SSAB imports**].

IV. Like goods

- In investigation No. 234 the Commission concluded that Bisalloy manufactured "like goods" to the imported goods from Finland and Sweden;
- Bisalloy continues to compete head-to-head with SSAB on all grades of Q&T steel plate (predominantly wear & structural);
- There has been no new technological advances that affords SSAB's product a commercial advantage over Bisalloy;
- No grounds exist for adjustments that the exporter may perceive based on quality of the goods produced by it;

V. Yield Strength v tensile strength

- Yield strength and Tensile strength together often are referred as tensile property of the steel and they have been correlated in the standards for quenched and tempered high strength steel;
- In Australian (AS3597) and European standards (EN10025-6) for quenched and tempered high strength products, both yield and tensile strength are listed in the clarification tables;
- Each grade has its own minimum yield strength and is correlated with its minimum tensile strength. For instance, a 20mm thick quenched and tempered high strength steel with 700MPa yield strength shall have a minimum tensile strength of 770 MPa (EU10025-6) or 790 MPa (AS3597);
- Globally, some manufacturers use minimum yield strength to clarify their products (e.g. SSAB), and other manufacturers use minimum tensile strength to clarify their products (e.g. Bisalloy. (Structural 80 in unit of kg/mm²);
- Irrespective what name it has used, Strenx700, Welten780 and Bisalloy Structural 80 are the same grade products with same tensile properties (same levels of minimum yield and tensile strength) per standard EU10025-6 and AS3597. End users of such product often replace one with other for the same end-use application;
- Clarification [name] of wear grade is based on the typical hardness of the product. 450 wear grades such Bisalloy Wear 450 and Hardox 450 have same typical hardness. They have often been replaced with each other in the application.
- A comparison of Bisalloy grades and SSAB grades is included at Confidential Attachment 1. Minimum tensile strengths and hardness (Brinell) are shown;
- A table comparing Bisalloy grades versus SSAB grades and the applicable standards (European, US, Australian, Japanese).

VI. Price relativities

- It is Bisalloy's view that SSAB the major proportion of sales of Q&T steel plate by SSAB are in the Structural and Wear categories.
- Bisalloy understands that SSAB offer prices based upon three basic thickness ranges:
 - (i) [size];
 - (ii) [size];
 - (iii) [size].
- Bisalloy also understands that SSAB Q&T steel plate is primed. This incurs an additional cost of \$xxx per m² on each side of every plate.
- There is also an "alloys" surcharge between the grades of Q&T supplied by SSAB.
- All manufacturers of structural grades of Q&T incur testing costs to ensure product meets the required tensile strength as required by the relevant Standard. Toughness is also measured via "charpy impact". Rubber wheel abrasion test (ASTM G65) is required for "wear" products. All testing attracts a cost to the manufacturer. These costs for relevant grades must be included in the CTMS of each SSAB grade.