

Thank you for requesting our industry perspective on the anti-dumping claim raised by Bisalloy Steels against SSAB for materials originating from USA.

Bisalloy Steels are the only domestic manufacturer of Quench and Tempered (Q&T) steel materials. They have been successfully specified as the only material supplier in all major Commonwealth Defence programs, which currently include, but are not limited to:

- Land400 Phase 2 (Rheinmetall Boxer CRV)
- Land400 Phase 3 (either Rheinmetall Lynx or Hanwha Redback – currently in Risk Mitigation Assessment phase)
- ASMTI Shoalwater Bay UOLF Facility Ballistic Protection

This business, coupled with their regular Bisalloy Wear supplies for mining and related industries, is resulting in demand that exceeds their current capacity.

It is our understanding that Bisalloy Steel are reliant on the Port Kembla facility of Bluescope Steel for their green feed into the Q&T line. It is widely known in the domestic steel industry that the Bluescope facility is struggling to keep up with demand for steel plate material. It is not uncommon for end users like TEI Services to be placed into a que for plate allocations. Even the steel distributors like Infrabuild, Bluescope Distribution and Southern Qld Steel have been told their plate allocations will be reduced as the mill is unable to meet market demand. On top of this, New Zealand Steel (a part of the greater Bluescope business) has advised they will no longer be sending plate material to Australia to top up the demand, as it is impacting their domestic business.

This leaves industry in a precarious position. On one hand, industry wants to support the use of Australian made materials, but on the other, the market demand for the product is not slowing, but in fact is increasing.

Bisalloy Steel targeted steel imports from Sweden, Finland and Japan in their last anti-dumping commission campaign, which saw an absurd tariff placed on imports from these nations. As a result, we have seen an increase in supply of Q&T material from the United States. In saying that however, we are seeing pricing of a similar magnitude for equivalent product from the imported supply as we are from the domestic Bisalloy production. We have seen significant price increases coming from Bisalloy in the recent months also.

For a current project we have, which has 8mm Bisalloy Wear 500 grate plate specified, with no substitution acceptable, we have seen the buying rate through our distributor rise from \$3,080 per tonne in June (when the job was quoted), to a current rate of \$3,750 per tonne for materials available in December, and \$4,250 per tonne for materials available in January/February. The delivery is out to the end of 2021/start of 2022 as the mill needs to manufacture the plate to order due to insufficient stock availability, but this demonstrates also the incredible level of price increases the Domestic supplier is placing on their product.

Please also bear in mind, as an end user fabricator, we are not able to buy direct from Bisalloy, but have to buy through a distributor, even in large quantity orders such as we have for this project (approx. 105 Tonne), whereas we can purchase directly from SSAB.

Bisalloy don't seem to be competitive against the imported product, but also can't meet market demand. Applying an anti-dumping tariff on plate importers who's companies are also leading in R&D towards producing "Green" steel cannot be seen to be in the nations interest.

We are firmly of the opinion that SSAB are not dumping quench and tempered plate into the Australian market.

And that the complainant is using the anti-dumping commission as a tool to reduce competition, a strategic move.

We note the following.

- 1) SSAB have had a presence in Australia for a couple of decades, in this time their pricing to us has increased in a regular way and consistent with other material we purchase.
- 2) This indicates the SSAB model of business in Australia is sustainable. Dumping of product is not a sustainable business model over time.
- 3) There is a high demand for all types of steel globally, currently and has been for some time. This further supports our view that SSAB are not dumping material into the Australian market.
- 4) SSAB are a good global corporate citizen. They are leaders in research and development and focus on reducing their carbon footprint. As a nation we should not be placing obstacles such as tariffs to leading manufacturers.
- 5) Tariffs or call it protectionism stifles innovation and progress.
- 6) For every steel mill job in Australia there are 11 jobs downstream in manufacturing and construction.
- 7) SSAB employ Australians in their Australian branches.
- 8) SSAB are producing their quench and tempered plates in advanced countries not low labour cost countries.
- 9) The Australian steel production does not cover domestic demand currently.
- 10) There is no plan to increase Australian production. Any such plan will take years to produce steel.
- 11) Australian Quench and Tempered plate manufacture is fed by Australian steel manufacturers.
- 12) As SSAB distribute their own product there is no support from steel distributors. Evidence to the anti-dumping commission from distributors should be viewed in this light.

TEi's interest in this.

- 1) TEi have a product line of Trommels. TEi Steel Trommels, are purpose built specialised mining equipment.
- 2) Most of our trommel business is overseas, Africa PNG and NZ.
- 3) Trommels are wearing equipment and give us repeat work.
- 4) TEi have a long established relationship with SSAB. SSAB allocate material from mill rollings to TEi giving us continuity of supply.
- 5) If we are unable to procure material to manufacture our rotating screens our customers will find another solution.
- 6) For most of our trommels the solution is most likely to be reverse engineering by overseas suppliers. We currently have competition from a US based manufacturer who have reverse engineered our product on two sites.
- 7) Our Trommel business model is based on reliability of supply and performance.
- 8) Local wear plate manufacturer cannot supply the entire domestic market, we see this will lead to non-availability of material.
- 9) Large defence projects will further put strain on this supply situation.
- 10) Historically Trommels have accounted for 60% of our income. We have approximately 50 employees including 12 apprentices.

Once again thank you for inviting comments from a Proud Regional Australian Manufacturer.

Kind Regards,

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