

To: Anti-Dumping Commission, The Director- Investigations Unit 1

From: Leadshiner Certified Public Accountants, Kan Yi Wei CPAs

Cc to: T S Steel Co., Ltd.

Case No: 584

Subject:

Comments on material injury allegation of Anti-dumping Investigation on Merchant Bar exported to Australia from Taiwan.

For the points claim that material injury arising from the dumped goods by the Applicant (InfraBuild NSW Pty Ltd), we would like to express different opinions. The imposition of dumping duty must meet three requirements. First, there must be the existence of subsidy or dumping. Second, the domestic industry must be injured. Finally, there must be a causal link between the dumped imports and material injury.

1. The Applicant unable to support the volumes required in Australia

According to Table 8 of the Australian Industry Verification Report¹ of case no. 546, the capacity utilization from 2016 to 2019 exceeded 100%. Besides, compared with Figure 3 of the Consideration Report No. 584, the consumer demand must depend on imports in consequence of the Applicant’s production capacity cannot satisfy Australian customer needs.

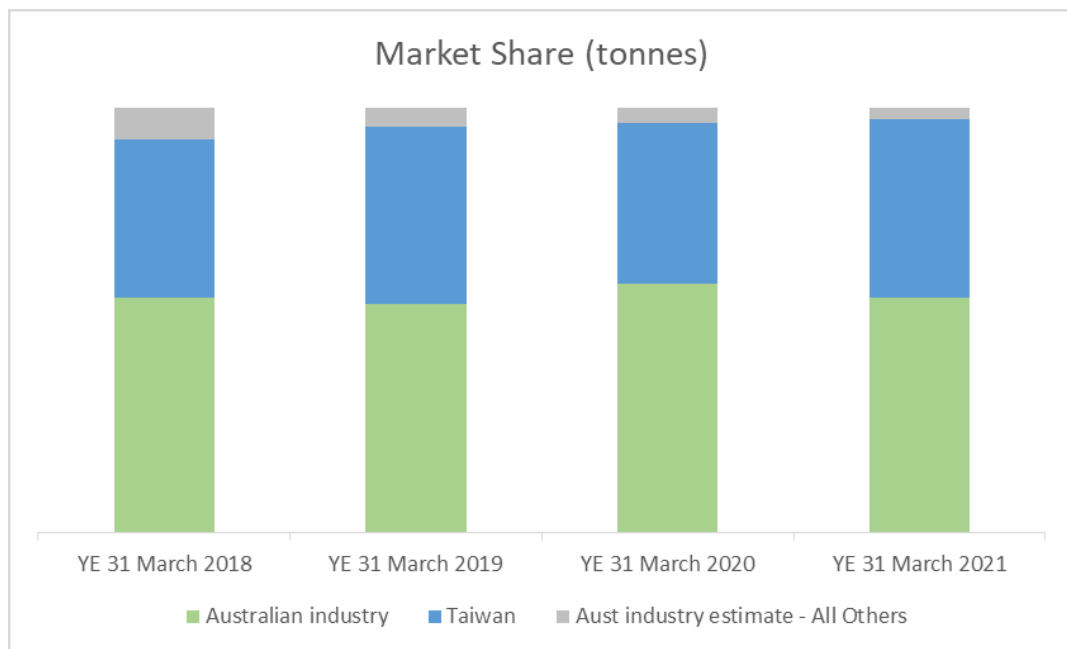


Figure 3 – Australian market share - InfraBuild estimate

¹ Case No. 546, file name: 546_-_019_-_verification_report_-_australian_industry_-_infrabuild.pdf

Index of other economic factors	2015	2016	2017	2018	2019
Assets (\$)	100	101	99	95	122
Capital investment (\$)	100	89	174	181	321
R & D Expense (\$)	100	217	-	144	121
Revenue (\$)	100	106	125	154	166
Return on investment (%)	100	-44	-91	-57	-33
Capacity (MT)	100	104	103	106	108
Actual production (MT)	100	121	117	124	139
Capacity utilisation (%)	100	107	107	112	105
Employment (persons)	100	109	110	111	135
Productivity (MT per shift)	100	108	108	113	110
Stock/inventory (closing stock MT)	100	133	105	142	106
Cash flow (receivables turnover)	100	95	78	92	87
Wages (\$)	100	110	119	132	142
Average wage (\$ per person)	100	102	108	120	105

Table 8: Indices of other economic factors

The table shows that the Applicant's assets and investments have continued to grow, and its ability to invest and raise funds has not been affected by the import of the goods. The income has unceasing growth during this period and there was no sharp decline due to imports of the goods.

2. The decline in revenue is proportional to costs and not affirmatively related to dumping

According to Figure 5 of the Consideration Report No. 584, the downward trend in unit selling price is roughly in line with the unit cost of production (CTMS). In addition, according to the export statistics of Taiwan Customs, from 2016 to 2020, the trend of price and quantity exported from Taiwan to Australia (Figure I) is as follows, showing that the export volume has been declining year by year since 2018.

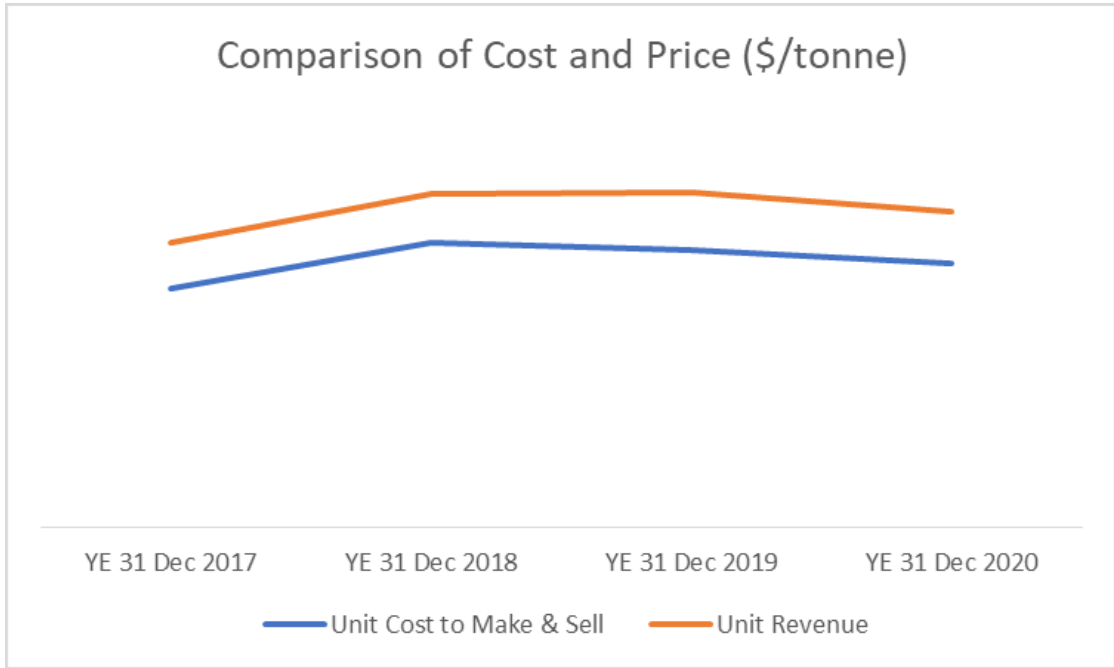


Figure 5 – Australian industry unit prices, unit costs for domestic sales

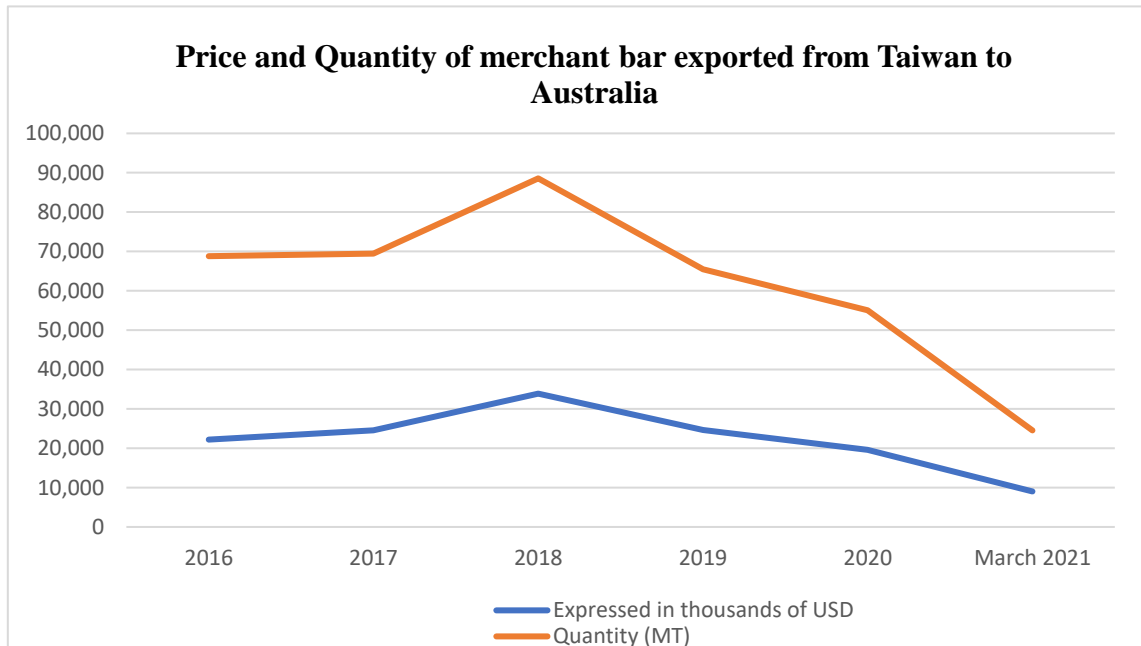


Figure I – Price and Quantity of merchant bar exported from Taiwan to Australia

3. The Applicant's economic factors cannot only ascribe to the imports of the goods

The Applicant's official website² indicates that they also produce merchant bars, reinforcing bar, structure steel, tubular, and other steel product. Therefore, the recession of the Applicant's operating performance is not merely related to the merchant bar but should also consider the price and quantity among other products and their market conditions.

4. The Applicant had imported the goods through Australian importer from a Taiwanese exporter

In accordance with the *Article 4.1(i) of the AGREEMENT ON IMPLEMENTATION OF ARTICLE VI OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994*: For the purposes of this Agreement, the term "domestic industry" shall be interpreted.....except that: when producers are related to the exporters or importers or are themselves importers of the allegedly dumped product, the term "domestic industry" may be interpreted as referring to the rest of the producers, quantities imported by domestic producers should be excluded when considering material injury and dumping. Therefore, we hope that the Commission should consider this factor when determining the material damage.

As stated above, there is no absolute causal relationship between imported products and the Applicant's drop in market share. As the Applicant's production capacity cannot meet the need of the Australian market, and the impact of the COVID-19 epidemic, the imposition of anti-dumping duties will cause price increases, which is a consumer detriment in the Australian market.

Thank you!

For any inquiries, please do not hesitate to contact us.

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² <https://www.infrabuild.com/>

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Respectfully,

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