

# STAUGHTONS

Staughtons Trade Advisory Group Pty Ltd – ABN 65 605 424 459  
PO Box 867, Bacchus Marsh, Vic., 3340  
Ph +61 (0) 459 212 702

29<sup>th</sup> October, 2021.

Director, Investigations 3,  
Anti-Dumping Commission,  
Department of Industry,  
Level 35, 55 Collins Street,  
Melbourne, VIC., 3000

Forwarded by Email:

**PUBLIC RECORD VERSION**  
**Case No 590- Continuation Inquiry-ADN No 2021/122**

Dear Director,

This submission is provided on behalf of the affected party, thyssenkrupp Materials Trading Australia (tkm), an importer of the GUC from the selected exporter Tianjin Youfa International Co. Ltd. (TJI) of China.

‘TJI’ is one of only two selected exporters nominated by the Commission in relation to this Inquiry with the other exporter being the China based ‘Dalian Steelforce’. According to the Commission’s ADN No 2021/122, the two selected exporters accounted for 96% of the subject exports from China.

‘tkm’ submits that in respect to the 96% of exports stated by the Commission in ADN No 2021/122, ‘TJI’ would only have accounted for an estimated ████%, being circa ████ tonnes of predominantly non-structural grade circular hot dipped galvanised pipe (HDGP) ordered and produced to AS 1074. ‘Dalian Steelforce’ however is considered to be the overall volume exporter of the GUC to Australia being predominantly the structural grade non-circular pre-galvanised and painted RHS/SHS produced to AS 1163.

‘tkm’ also submits that in respect to all of the other subject exporters of the GUC from Korea, Taiwan and Malaysia, ‘TJI’ is the only exporter of HDGP to Australia and that the only other exporters of HDGP to Australia with which ‘TJI’ exports need to compete with in Australia includes the AS 1074 HDGP exports by those exempt exporters from India, Pakistan and the UAE.

As the Commission would know, HDGP produced to the non-structural grade AS 1074 requires the immersion of ‘black pipe’ into a bath of molten zinc and that neither of the two applicants in this case actually possess the capability to produce HDGP resulting in both of the applicants needing to source imported HDGP.

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### 'TJI'-Exporter & 'tkm' orders::

It is our understanding that as a selected exporter 'TJI' will cooperate fully with this Inquiry and as such the Commission will have the opportunity to verify that the type and quantity of the 'TJI' exports to Australia during the investigation period were in fact predominantly non-structural grade HDGP in response to orders placed by 'tkm' on behalf of their Australian customers.

Samples of HDGP orders placed by Australian customers are provided as Confidential Attachments 1, 2 & 3.'tkm' does not take orders into stock.

Confidential Attachment No 1: ( [REDACTED] ) is a copy of an order [REDACTED] [REDACTED] (Order details) with every item being HDGP to AS 1074.

Confidential Attachment No 2: ( [REDACTED] ) is a copy of 'tkm' [REDACTED] [REDACTED] (order acceptance)

Confidential Attachment No 3: ( [REDACTED] ) is a copy of another order [REDACTED] [REDACTED] (Order details) [REDACTED] ) and every order item is HDGP to AS 1074.- [REDACTED]

### Market Reality:

For reasons previously expressed including the fact that neither applicant comprising the Australian 'industry' actually possess the capability to produce HDGP and that factually, both applicants actually source the imported product, the Australian market reality is that the imported AS 1074 circular HDGP clearly does not compete with any sales of their locally produced goods and for ATM and Orrcon to continue to claim that the imported HDGP causes them lost sales is not only disingenuous but a blatant abuse of not only their obvious market power but also their entitlement to Australia's anti-dumping system.

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### **‘Like Goods vs Material Injury’**

Since the ‘benchmark case’ No 177 which investigated the exports of the GUC during the period July 2010 and June 2011, there have been 29 investigations involving the GUC and the two applicants in this Inquiry continue to include a sub-set of goods they do not produce under the guise of the ‘like goods’ criteria. We respectfully submit that in relation to the HDGP exports in question it is not an issue of whether the HDGP is a like good to what the applicants can produce but a question of causality and material injury. ‘tkm’ is also keenly awaiting the outcome of EX0079 initiated July 2020.

As the Commission clearly and correctly determined in Case No 320 involving imports of AS 1074 HDGP from India and the UAE, the critical and relevant consideration in determining whether the dumping or subsidy was the cause of material injury is whether an imported sub-set of the GUC, namely AS 1074 HDGP, actually competes with those products produced by the two applicants. The real world situation is ‘no’ as the HDGP clearly does not compete with local production and even if the Commission’s ‘black box’ constructed Normal Value results in any actionable dumping or subsidy margin, there can be no causality and thus no material injury.

On the issue of countervailable subsidy action however, it truly is incongruous that Dalian Steelforce which clearly operates in the same PRC market and which procures prime Hot Rolled Coil and Zinc coated HRC (Galvanised) steel to produce their exports to Australia, is treated by the Commission as being immune from any countervailable action whereas ‘TJI’ has been penalised with Program 20 (HRC-LTAR) and other subsidy programs.

‘tkm’ also supports the submission on behalf of the Taiwan exporter/producer ‘Shin Yang’ regarding the proposed MCC item 2 category of ‘Galvanised’ being expanded to denote whether the goods are either (i) pre-galvanised or (ii) hot dipped galvanised. We await the Commission’s response on ‘Shin Yang’ and please contact the writer for any clarification or further information.

Regards,

Representative.