



**Regd. Office :** JSW Centre,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051  
CIN. : L27102MH1994PLC152925  
Phone : +91 22 4286 1000  
Fax : +91 22 4286 3000  
Website : [www.jsw.in](http://www.jsw.in)

November 1, 2021  
The Director, Investigations Unit 4  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601

PUBLIC DOCUMENT

Inquiry No.: 592

Total Pages: 4

Expiry Review

Inquiry Period: 1<sup>st</sup> Oct'20 to 30<sup>th</sup> Sep'21

**Re: Zinc Coated Steel from India – No Shipment Certification and General Submissions**

Dear Sir / Madam,

On 6 October 2021, the Commissioner of the Anti-Dumping Commission (“the Commission”) initiated Inquiry Number 592 (“Expiry Inquiry”) into whether the anti-dumping and countervailing duty measures applying to Zinc Coated (Galvanised) Steel (“Subject Merchandise”) exported to Australia from the Republic of India, Malaysia and the Socialist Republic of Vietnam should be continued for a further five years after 16 August 2022. This Expiry Inquiry follows an application by BlueScope Steel Limited (“BlueScope” or “the Applicant”), a member of the Australian industry manufacturing like goods, that the dumping duty and countervailing duty should be continued.

**I. NO EXPORTS TO AUSTRALIA DURING THE PERIOD OF REVIEW**

Pursuant to the initiation of Expiry Inquiry on 6 October 2021 JSW Steel Limited and JSW Steel Coated Products Limited (collapsed as one entity, hereinafter referred as "JSW Steel") hereby certify that JSW Steel had no exports sales or entries of the Subject Merchandise to Australia during the inquiry period i.e. from 1 October 2020 to 30 September 2021. As there are no exports to Australia during the Inquiry Period, JSW Steel lodges general written submissions requesting the Commission to allow expiry of measures that were originally imposed pursuant to Investigation 370 (“INV 370”).

**II. GENERAL SUBMISSIONS**



a. India's Growth Potential

India is one of the fastest growing major economies in the world. The International Monetary Fund has projected India's GDP to show a CAGR of 8.96% from 2020-25, at the back of manufacturing led economic growth with a high thrust on construction and infrastructure. Increased thrust on construction and infrastructure activity will augment the Indian steel demand, which is already expected to exhibit a strong recovery in 2021 with a y-o-y growth of 16.7%. The World Steel Association's medium term forecast has estimated the Indian steel consumption to show a CAGR of 6.4% from 2021-25, which is higher than most other regions. India's per-capita steel consumption at 70 kgs remains at a mere one-third of global per-capita steel consumption – exhibiting immense potential for growth.

b. Low Exports to Australia

JSW Steel takes note of the commercial reality that it has not made any exports of the Subject Merchandise to Australia during the Inquiry Period. Even during the investigation period (1 July 2015 to 30 June 2016) in the original investigation, JSW Steel had exported merely \*\*\* metric tonnes<sup>1</sup> (rounded-off), constituting a meagre (0-0.5)% of total Australian demand. In absence of exports from India during the Inquiry Period, the Applicant has relied on conjecture that Anti-dumping actions by other countries on India could result in recurrence of dumping of subsidized Subject Merchandise from India, should the Commission let current measures expire on 16 August 2022. The Commission is requested to base its determination on factual information, rather than consider conjecture based submissions made by the Applicant.

c. Supernormal Performance of the Applicant

The facts at **Annexure 1** clearly demonstrate that in the time since the imposition of duties in 2017, the Applicant now operates at a healthy and highly profitable level, which is consistent with the removal of any purported material injury caused by alleged dumping. The Applicant's financial performance in the period from 1 July 2020 to 30 June 2021 ("FY21"), which largely coincides with the Inquiry Period is outlined as below:

- Increase in sales revenue by \$430.4 million in FY21 as compared to preceding year, primarily due to higher volumes on robust domestic activity
- Increase in underlying EBIT by \$369.2 million in FY21 as compared to preceding year, largely due to higher steelmaking spread with higher sales realization, lower raw material costs and improved steel volumes, particularly in metal coated (which includes the Subject Merchandise) and painted products
- ROIC increased to 23.6% in FY21 as compared to 11% during the preceding year

It is an undeniable fact that the Applicant has performed exceedingly well during the Inquiry Period. In this light it is evident that the Applicant's expectation of material injury in the absence of trade remedial measures is fictional and far exceed those of the statutory framework.

---

<sup>1</sup> Confidentiality requested for business proprietary export related information



The statutory framework is directed towards the removal of material injury caused by dumping or subsidization, and not the removal of competition altogether.

d. Misplaced Concerns about the Injury Recurrence

The Applicant claims at Attachment A to its Application that the outcome of INV 370 is a relevant consideration for the Commission in determining the likely impact on the Australian industry of the measures expiring against *inter alia* India. The Applicant's application to INV 370 claimed that injury from India commenced in FY14 following the imposition of anti-dumping measures on exports from China, Korea, and Taiwan in August 2013. However, the Applicant conveniently omits the disclosure that the Commission had investigated allegations of dumping on exports from India vide Investigation 249 ("INV 249") in 2014/2015 which covered the investigation period from 1 July 2013 to 30 June 2014 (i.e. FY14), and returned a determination of negligible injury (if any) to the Applicant as a result of imports from India in INV 249.

The Commission is requested to reconsider its finding of dumping, subsidization and resultant injury caused by imports from India in INV 370, whereby duties were recommended despite 82% reduction in volume of imports from India in the investigation period (i.e. FY16) as compared to FY14 – with exports from India in FY16 constituting a mere 1.18% of Australian demand. In securing enforcement of trade remedial measure, it is clear that the Applicant's intent was to eliminate competition from the Australian market by amplifying its perception about material injury due to imports from India. The factual information relating to operational as well as financial performance of the Applicant clearly shows that its acumen about certainty over injury recurrence is unproven, superficial and unduly amplified for maintaining its market dominance.

e. Anti-competitive Behavior of the Applicant

The Australian Competition and Consumer Commission ("ACCC") has noted in its statement dated 29 August 2019 (attached as **Annexure 2**) that the Applicant had devised and introduced a strategy known as the 'Carrot and Stick Strategy' in relation to the Applicant's interactions with Overseas Steel Mills in order to protect and improve its position in the Australian steel market by: (a) restricting the volume of steel being imported into Australia from those mills; and / or (b) increasing the price of flat steel products being exported by those mills into Australia. The various 'carrots' and 'sticks' utilized by the Applicant were:

- (a) *inviting the Overseas Steel Mills to raise their prices on the basis that they had been pricing well below Australian prices and so could raise their price without losing their sales volume;*



- (b) informing Overseas Steel Mills that BlueScope would be increasing its own prices and publishing these prices so that the Overseas Steel Mills could see the prices they could charge and price accordingly;*
- (c) in at least one instance, offering to provide an Overseas Steel Mill with the BlueScope Price List;*
- (d) threatening that BlueScope would lodge an anti-dumping complaint against the country where the Overseas Steel Mill was located if it did not raise its prices to levels acceptable to BlueScope; and*
- (e) BlueScope offering to buy the steel that the Overseas Steel Mills would otherwise be exporting into Australia in competition with BlueScope.*

The Commission will appreciate the fact that the conduct of the Applicant in repeatedly applying for investigations of this sort is a commercial strategy to try to “lock out” competition, and force up the already profitable conditions that the Applicant presently enjoys in the Australian market. By seeking continuation of duties, the Applicant wrongly attempts to further extend their dominance of the Australian market for the Subject Merchandise. It cannot be the intent of the law to provide a premium to the Applicant by frustrating healthy competition in the market by continued enforcement of trade remedial measures.

### III. CONCLUSION

1. JSW Steel has not exported the Subject Merchandize during the Inquiry Period.
2. The growth outlook of India’s domestic steel demand is among the highest in the world.
3. JSW Steel submits that the Applicant has neither suffered any material injury in the Inquiry Period, nor is there any threat thereof in the event of expiry of duty.
4. The Applicant is looking to maintain dominance in the Australian market by repeatedly seeking enforcement of trade remedial measures on the subject merchandize.
5. In view of the aforementioned submissions, the Commission is requested to not continue the Anti-dumping and Countervailing duty on imports from India for a further period of 5 years.
6. Please do not hesitate to contact us if you have any questions concerning this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rakesh'.

Rakesh Sharma  
Sr. VP – International Marketing, JSW Steel Limited