



ANTI-DUMPING NOTICE NO. 2019/22

Customs Act 1901 – Part XVB

QUENCHED AND TEMPERED STEEL PLATE

Exported from Finland, Japan and Sweden

Initiation of a Continuation Inquiry No. 506 into Anti-Dumping Measures

Notice under subsection 269ZHD(4) of the Customs Act 1901

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission (Commissioner), have initiated an inquiry into whether the continuation of anti-dumping measures, in the form of a dumping duty notice, in respect of quenched and tempered steel plate (the goods) exported to Australia from Finland, Japan and Sweden is justified.

The anti-dumping measures are due to expire on 5 November 2019 (specified expiry day).¹

1. The goods

The goods subject to the anti-dumping measures and this inquiry are:

Flat rolled products of alloyed steel plate commonly referred to as Quenched and Tempered (“Q&T”) steel plate (although some Q&T grades may not be tempered), not in coils, not further worked than hot rolled, of widths from 600mm up to and including 3,200mm, thickness between 4.5-110mm (inclusive), and length up to and including 14 metres, presented in any surface condition including but not limited to mill finished, shot blasted, primed (painted) or un-primed (unpainted), lacquered, also presented in any edge condition including but not limited to mill edge, sheared or profiled cut (i.e. by Oxy, Plasma, Laser, etc.), with or without any other minor processing (e.g. drilling).

Goods of stainless steel, silicon-electrical steel and high-speed steel, are excluded from the goods covered.

¹ On and from 6 November 2019, if not continued, the anti-dumping measures would no longer apply.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*:²

Tariff Subheading	Statistical Code
7225.40.00	21, 22, 23, 24
7225.99.00	39

2. Background to the anti-dumping measures

The anti-dumping measures were initially declared by public notice on 5 November 2014 by the then Parliamentary Secretary to the Minister for Industry, taking effect from 6 November 2014.³ This followed his consideration of the Commissioner's recommendations in REP 234 as a result of Investigation No. 234 (original investigation).

The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB of the *Customs Act 1901*⁴ by Bisalloy Steels Pty Ltd (Bisalloy) representing the Australian industry producing like goods to the goods subject to the anti-dumping measures.

Further details on the goods and existing measures is available on the Dumping Commodity Register on the Anti-Dumping Commission's (Commission) website (www.adcommission.gov.au).

3. Application for continuation of the anti-dumping measures

Division 6A of Part XVB sets out, among other things, the procedures to be followed in dealing with an application for the continuation of anti-dumping measures.

In accordance with subsection 269ZHB(1), I published a notice⁵ on the Commission's website on 23 November 2018, advising that the measures were due to expire on 5 November 2019. The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (subsection 269ZHB(1)(b)(i)); or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (subsection 269ZHB(1)(b)(ii)).

On 22 January 2019, an application for the continuation of the anti-dumping measures was received from Bisalloy. A non-confidential version of the application is available on the Commission's public record.

Having regard to the application and the original investigation, I am satisfied that Bisalloy is the person under subsection 269ZHB(1)(b)(i) because Bisalloy's

² These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods subject to the anti-dumping measures.

³ Refer to ADN 2014/123.

⁴ All legislative references in this notice are to the *Customs Act 1901*, unless otherwise stated.

⁵ Anti-Dumping Notice (ADN) No. 2018/172 refers.

application under section 269TB resulted in the existing anti-dumping measures.

Like goods is defined under subsection 269T(1). Subsections 269T(2), 269T(3), 269T(4), and 269T(4A) are used to determine whether the like goods are produced in Australia and whether there is an Australian industry. Having regard to the application and the original investigation conducted by the Commission, I am satisfied that Bisalloy produces like goods to the goods under consideration and that it represents the Australian industry.

4. Consideration of application under subsection 269ZHD(1)

Pursuant to subsection 269ZHD(1), I must reject an application for the continuation of anti-dumping measures if I am not satisfied of one or more of the matters referred to in subsection 269ZHD(2). These are:

- the application complies with section 269ZHC (subsection 269ZHD(2)(a)); and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (subsection 269ZHD(2)(b)).

5. Assessment under subsection 269ZHD(2)(a) - compliance with section 269ZHC

I consider that the application complies with the requirements of section 269ZHC because it is in writing, in a form approved by me for the purposes of this section, contains the information that the form requires, is signed in the manner indicated by the form, and was lodged in a manner approved under section 269SMS, being by email to the Commission's email address provided in the instrument under section 269SMS.⁶

6. Assessment under subsection 269ZHD(2)(b) – appearance of reasonable grounds

Applicant's claims

In its application, Bisalloy claims, among other things, that:

- Exporters from the subject countries have maintained their distribution channels to Australia and have continued to export the goods under consideration to Australia;
- Export prices from the subject countries do not reflect the higher steel selling prices that were evident following recent global increases;
- Bisalloy's sales of Q&T steel plate have increased over the last three years coinciding with increased demand, however, Bisalloy's profit margin has been eroded and this can be attributed to the increased level of sales from the subject countries; and
- If the measures applicable to Q&T steel plate exports from the subject countries were allowed to expire, it is likely that the Australian

⁶ A copy of the instrument can be found on the Commission's website at www.adcommission.gov.au.

industry producing the like goods would experience a recurrence of material injury that the measures were intended to prevent, including:

- Price depression;
- Price suppression;
- Reduced profits;
- Reduced profitability; and
- Reduced revenue.

As part of its application, Bisalloy provided sales and cost data to evidence the erosion of their profit margin over the past three years. Bisalloy also provided export data for the goods to demonstrate that Finland, Japan and Sweden continue to export the goods to Australia. The Commission also considered information it obtained from the Australian Border Force (ABF) import database.

7. The Commission's consideration

The Commission has examined information it obtained from the Australian Border Force import database and has found that exporters from Finland, Japan and Sweden have continued to export the goods to Australia since the imposition of the anti-dumping measures. This confirms that manufacturers in Finland, Japan and Sweden have maintained distribution links into the Australian market. In considering ABF data, the Commission observed that import volumes of the goods from Finland, Japan and Sweden declined following the imposition of measures in 2014. However, in 2017 and 2018 the volume of imports has increased considerably.

In its application, Bisalloy states that the applicable measures are not reflective of contemporary Q&T steel plate prices which have increased significantly. As a result, Bisalloy claims to be experiencing ongoing price suppression as it competes with export prices based on measures determined for the 2013 investigation period. This in turn has had a material impact on the company's profit and profitability. In support of its claims, Bisalloy provided evidence of price undercutting.

The Commission has analysed the evidence provided by Bisalloy and considers that the need for Bisalloy to compete with the prices of dumped exports of Q&T steel plates might lead to injury in the forms set out above.

8. Conclusion

Having regard to the application, Bisalloy's claims and other relevant information set out in this notice, I am satisfied that, in accordance with subsection 269ZHD(2)(b), there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

Based on the above findings, I have therefore decided to not reject the application.

9. This continuation inquiry

For the purposes of this inquiry, I will examine the period from 1 January 2018 to 31 December 2018 (the inquiry period) to determine whether the anti-dumping measures should:

- (i) remain unaltered; or

- (ii) cease to apply to a particular exporter or to a particular kind of goods; or
- (iii) have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained; or
- (iv) expire on the specified expiry day.

10. Proposed model control code structure

On 9 August 2018, the Commission advised in ADN No. 2018/128 that a model control code (MCC) structure would be implemented in new investigations, reviews of exporters generally or continuations for cases initiated after this date.⁷

Attachment 1 to this notice outlines the Commission's proposed MCC structure. Proposals to modify the MCC structure should be raised as soon as is practicable, but no later than **20 March 2019**, the day submissions concerning the continuation of the measures are due.

Interested parties are encouraged to make submissions on whether proposed modifications to the MCC structure should be accepted by the Commission. Any changes to the MCC structure will be considered by the Commission and reported in verification reports or in the statement of essential facts.

11. Public record

I must maintain a public record for this inquiry. The public record must contain, among other things, a copy of all submissions from interested parties. Documents included in the public record may be examined at www.adcommission.gov.au or at the Commission's office by contacting the case manager on the details provided below.

12. Submissions

Interested parties, as defined in subsection 269T(1), are invited to lodge written submissions concerning the continuation of the measures, no later than the close of business on **20 March 2019**, being 37 days after publication of this notice. The Commission's preference is to receive submissions by email to investigations2@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Investigations 2
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

or faxed to +61 3 8539 2499.

Interested parties wishing to participate in the inquiry must ensure that submissions are lodged promptly. Interested parties should note that I am not obliged to have regard to a submission received after the date indicated above if to do so would, in my opinion, prevent the timely placement of the statement of essential facts (SEF) on the public record.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect

⁷ Full guidance regarding the Commission's application of an MCC structure is provided in ADN No. 2018/128 on the Commission's website at www.adcommission.gov.au.

their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "FOR OFFICIAL USE ONLY". Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

13. Statement of essential facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister for Industry, Science and Technology (Minister) within the legislative timeframe. I will place the SEF on the public record on or before **3 June 2019**,⁸ that is, within 110 days after the publication of this notice, or by such later date as I may allow in accordance with subsection 269ZHI(3). The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. Submissions received in response to the SEF within 20 days of the SEF being placed on the public record will be taken into account in completing my report and recommendation to the Minister.

14. Report to the Minister

I will make a recommendation to the Minister in a report on or before **16 July 2019**, that is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with subsection 269ZHI(3).

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate. If the Minister receives the report less than 30 days before the specified expiry day, the Minister must make the declaration before that day.

15. The Commission Contact

Enquiries about this notice may be directed to the Case Manager on telephone number +61 3 8539 2454 or investigations2@adcommission.gov.au.

Dale Seymour
Commissioner
Anti-Dumping Commission
11 February 2019

⁸ The due date is 1 June 2019. However, as this falls on a Saturday, the effective due date is the next business day.

ATTACHMENT 1 TO ADN 2019/22 – Proposed Model Control Code Structure

Item	Category	Sub-category	Identifier	Sales Data	Cost data	Key category
1	Grade	Structural	S	Mandatory	Mandatory	Yes
		Wear	W			
		Armour	A			
2	Tensile Strength (this category is only required for “structural” grade Q+T steel plate)	Under 700 Mpa	A	Mandatory	Mandatory	Yes
		700-799 Mpa	B			
		800-899 Mpa	C			
		900-999 Mpa	D			
		Above 1000 Mpa	E			
3	Brinell hardness (this category is only required for “wear” or “armour” grade Q+T steel plate)	Under 275	A	Mandatory	Mandatory	Yes
		275-324	B			
		325-374	C			
		375-424	D			
		425-474	E			
		475-524	F			
		525-575	G			
		Above 575	H			
4	Thickness	Under 8mm	1	Optional	Optional	No
		8-50mm	2			
		Above 50mm	3			
5	Width	Under 2000mm	A	Optional	Optional	No
		2000mm-3000mm	B			
		Above 3000mm	C			
6	Length	Under 6.5m	1	Optional	Optional	No
		6.5-8.49m	2			
		8.5-10.5m	3			
		Above 10.5m	4			

Grade refers to quenched and tempered steel plate manufactured for structural, wear or armour purposes.

Tensile strength refers to minimum tensile strengths.

Brinell hardness refers to the indentation hardness of the steel plate.

Thickness refers to the minimum thickness.

Width refers to the width of the steel plate.

Length refers to the length of the steel plate.

As an example of how goods will be classified using only the mandatory categories of this MCC structure: Structural grade quenched and tempered steel plate with a tensile strength of 850 MPa would have an MCC of S-C.