



AUSTRALIAN STEEL INSTITUTE

8th August 2019

Mr Karl Brennan
Manager Anti-Dumping Policy Section
Department of Industry, Innovation and Science
10 Binara St,
Canberra ACT 2601

Via email: - karl.brennan@industry.gov.au

Dear Mr Brennan,

Public Interest Test Comments

Thank you for the opportunity to outline the Australian Steel Institute's (**ASI**) views on the potential introduction of a *Public Interest Test* within Australia's anti-dumping system. The ASI is the nation's peak body that represents the Australian steel supply chain from steel manufacturing mills through to steel distributors, fabricators, roll formers, steel processors, galvanisers, engineers, detailers and associated service providers.

Steel is an important component for Australia's construction industries and for Australia's advanced manufacturing capability. A vibrant Australian steel industry ensures a secure, flexible and high-quality supply of finished steel for everything from roads and bridges to skyscrapers, hospitals, schools and homes. It also supports the country's transition to a more diversified, high value-adding growth-focused economy and plays a key role in achieving sustainability targets in both infrastructure and commercial development.

An independent and self-sufficient steel supply chain is a vital strategic national economic asset.

The ASI supports competitive free trade on the basis that it is fair trade and supports the rules-based system underpinned by WTO protocols. The local steel value chain has been operating within a free and highly competitive market environment for some decades and is accustomed to working within the current trade regime of low or no tariffs on fairly imported steels. The ASI understands that the Australian value chain must be competitive but believes that if given a level playing field against international supply it can compete.

The ASI does not support the introduction of a so-called *Public Interest Test* that would allow unfairly dumped or subsidised products to cause material injury to Australian manufacturers and consequently their up and downstream supply chain partners.

The ASI is particularly concerned that the introduction of a *Public Interest Test* would significantly disadvantage small and medium steel enterprises (SMEs) who already find it challenging to prepare and lodge applications to defend themselves against dumped and subsidised goods.

The introduction of a *Public Interest Test* as part of Australia's anti-dumping system would add unnecessary complexity, cost, delay and uncertainty to the current system outcomes.

If a *Public Interest Test* was introduced, investigation findings and decisions that are based on facts and evidence, would routinely be challenged and potentially overturned by local and foreign stakeholders with the strongest political and lobbying resources, severely undermining the confidence of Australian steel businesses in the anti-dumping system.

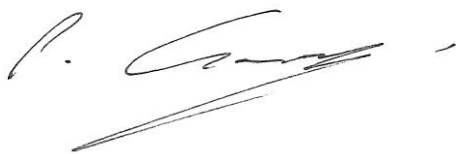
It is also incorrect for uninformed advocates of a Public Interest Test to assume that even if non-negligible volumes of dumped and/or subsidised imports have been found to cause material injury to Australian businesses, that dumping duties or the full amount of dumping duties are always imposed. Recent examples concerning steel products demonstrate the practice of the Anti-dumping Commission to reduce the measures or terminate investigations even where non-negligible dumping was found:

Case No.	Product	Country	Dumping Margins	Volumes non - negligible	Reduced Measure imposed
234	Quench and Tempered plate	Finland	21.7%	Yes	10.8%
		Sweden	34%	Yes	9.6%
384	Alloy Round Bar	China	21.9% to 73.7%	Yes	Nil
416	Rod in Coil	Korea	20.9%	Yes	Nil

Further, in the event that Australia was unfortunate enough to suffer a natural disaster such as the one that New Zealand faced following the Christchurch earthquake, Australia's anti-dumping system already provides the Minister with the power to accept or reject any recommendation to impose measures. This was not the case with New Zealand's anti-dumping system.

The ASI has a very strong view that the Australian steel industry enjoys an anti-dumping system that is transparent, rigorous and delivers outcomes based on fact and evidence. The 'public', or national, interest is already accounted for within the current system via the mandatory consideration of the lesser duty rule along with the Minister's discretion to not impose measures. As such there is no requirement for the introduction of a public interest test within the current anti-dumping system in Australia.

Yours sincerely



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