



*Productivity Commission
Inquiry into Australia's Anti-dumping and Countervailing
System*

Response to Draft Inquiry Report

*Submission by
BlueScope Steel*

9 November 2009

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Executive Summary

BlueScope Steel opposes the economic test proposed by the Commission in its draft report. We are concerned that the test, which purports to assess the public interest, is overly simplistic in its conception and design, does not take into account the broader benefits to domestic consumers of having local suppliers, will reduce certainty for investment, introduce a greater degree of subjectivity into the system, and will be administratively burdensome.

The practical application of an economic test in relation to anti-dumping is particularly problematic. In one sense, dumping is effectively a wealth transfer from foreign producers to domestic consumers or, in the case of subsidised goods, a wealth transfer from foreign taxpayers to domestic consumers. Accordingly, a simplistic analysis examining only costs and prices for domestic consumers would be likely to find that dumping benefits domestic consumers and ought to be encouraged.

However, this framework for analysis is not an adequate one for properly assessing the wider impacts of the anti-dumping and countervailing system. The introduction of an economic test that purports to assess “the public interest” must therefore be assessed against a broad and more comprehensive range of criteria, including:

- The benefits that flow to domestic consumers from having local suppliers;
- Whether the test disadvantages Australian industry relative to global competitors in terms of the redress available to it for dumping, which would discourage future investment by Australian industry;
- Recognition that not all markets will perform perfectly in all instances across the economic cycle;
- Whether such a proposal would weaken support for freer trade amongst industry;
- Whether the test can be applied in an objective and transparent manner, particularly given the difficulties in determining the meaning and practical application of terms such as “significantly reduce competition”, “low market share” and “reasonable profit margin”; and
- The administrative burden on applicants in preparing information and analysis for such a test.

BlueScope is concerned that the economic test proposed by the Commission does not meet these criteria and has a number of practical problems associated with its application.

Accordingly, we do not support the introduction of such a test.

In response to the specific recommendations contained in the Recommendation 6.1 – The New Public Interest Test:

- We are concerned that the tense of the wording in this recommendation (i.e. past tense references to “threatened” injury) could preclude industry from **taking action on the basis of the threat of future injury**. We are also concerned at the **assessment timeframes** and the **limiting of the test to one step up or down the production chain**. Limiting the test to one step up or down the production chain does not adequately take into account the potential broader impacts of dumping on the supply chain and consumers.
- At a minimum, **terms such as “short-term” and “long-term” need to be better defined** so industry can assess their likely effects.
- In analysing domestic competition and defining the markets for the goods that are the subject of an anti-dumping application, **“the market” should be defined as the market for all current and potential competitors for a particular product**. Such an assumption is consistent with the assumption that markets will function effectively, which underpins the public interest test.
- Defining what constitutes “a reasonable profit margin” is particularly problematic and will vary according to industry, location of that industry and ownership of that industry (i.e. private or state-owned). At a minimum, **“a reasonable profit margin” should be defined by the Commission as the margin that would support capital reinvestment on a commercial basis in the Australian market**.
- If an economic test were to be imposed, **BlueScope supports the recommendation to complete the test within 30 days and impose provisional measures where a finding is that there has been injurious dumping or subsidisation**. The extent of injury that can be caused to local industry over even a short period of time as a result of dumping should not be underestimated. This recommendation appropriately minimises the time impact of the introduction of a public interest test on industry seeking relief from unfair and potentially predatory trade.

BlueScope also strongly objects to the Commission's recommendation (7.4) that following expiry of an anti-dumping measure, there should be a two-year freeze on reapplication for new measures. Although we recognise the Commission's desire to improve the rigour of the measures continuation review process, this recommendation risks sending a signal to importers that they can dump with impunity for a prescribed period. Such a proposal could see serious injury to local industry or even failure of some businesses and is not supported. The risks created would be much more significant than the risks being addressed.

Finally, the company has also provided responses to other recommendations that are relevant to it; namely:

- Recommendation 7.3 – Other architectural changes (page 111)
- Recommendation 7.4 – Other architectural changes (page 115)
- Recommendation 7.5 – Other architectural changes (page 117)
- Recommendation 8.3 – Administration of the system (page 132)
- Recommendation 8.4 – Administration of the system (page 132)
- Recommendation 8.6 – Administration of the system (page 134)
- Recommendation 8.8 – Reporting on the outcomes of investigations (page 141)
- Recommendation 8.10 – Other matters (page 144)
- Recommendation 8.11 – Implementation of the new requirements (page 146)

Our position in relation to each of these recommendations is contained in the body of this submission.

1 Introduction

BlueScope Steel ('BlueScope') welcomes the opportunity to make a submission in response to the Productivity Commission's ('the Commission') draft inquiry report into the effectiveness and impact of Australia's anti-dumping and countervailing system ('the anti-dumping system').

We have structured our submission in accordance with the inquiry terms of reference and generally in the same order as the draft recommendations detailed in the Commission's *Draft Inquiry Report* of September 2009. We have provided initial commentary regarding the key policy questions, as well as responses to most of the recommendations, where they are relevant to BlueScope's interests. Where a question is not considered relevant or we are unable to provide a response, we have simply excluded the question from our submission.

We would be happy to provide further information in support of our submission if required. Any questions regarding this submission should be directed to Tom Carter, Marketing Manager Building Products, Tel: 02 4275 4143, or David Jenkins, Manager Government Relations, Tel: 03 9666 4022.

2 BlueScope Steel overview

BlueScope Steel is an Australian listed company (ASX: BSL) and the leading producer and supplier of flat steel products in the Australian market. BlueScope Steel produces flat steel products, including slab, hot rolled coil, cold rolled coil, plate and value-added metallic coated and painted steel products for use in the building and construction (commercial, residential and engineering/infrastructure), automotive and manufacturing industries.

The steel industry is an important segment of the Australian economy. Narrowly defined (as per ANZSIC code 2711), in 2005/06 the Australian steel industry employed approximately 24,000 people, paid wages of \$1.5 billion and generated domestic turnover of \$13 billion.

Normally, approximately half of BlueScope Steel's Australian production is sold domestically and the balance in the export market. The company's Australian exports were valued at some \$2.3 billion (comprising approximately 2.5 million tonnes) in the 2007/08 financial year. While rankings vary year-by-year, steel products are generally amongst Australia's top twenty goods exports by value. Key export destinations for BlueScope include the United States, South Korea, Thailand and Indonesia, and to a lesser extent Europe, Africa and the Caribbean.

BlueScope Steel has an Australian based direct workforce of approximately 9,000 employees, with a further 9,000 worldwide.

A more comprehensive overview of BlueScope Steel, its products and operations can be found in BlueScope Steel's initial submission to the Commission's Anti-dumping and Countervailing inquiry, dated 26 June 2009.

3 Proposed introduction of an economic impact test

We understand that one of the Commission's three fundamental operating principles is to have overarching concern for the well being of the community as a whole, rather than just the interests of any particular industry or group.

However, in the context of Australia's anti-dumping and countervailing system, the practical application of this principle is problematic. A simple cost benefit analysis examining the cost of anti-dumping measures to domestic consumers in terms of product prices and input costs, versus the benefits provided to import competing manufacturers, would in most cases be likely to find that the economy-wide costs of anti-dumping were greater than the benefits to domestic industry.

Access by domestic consumers to dumped goods is effectively a wealth transfer from foreign industry to domestic consumers, or in the case of subsidised imports, a wealth transfer from foreign consumers to domestic consumers. A simplistic analysis based solely on costs to domestic consumers would suggest this sort of wealth transfer ought to be encouraged.

Taken to its logical conclusion, this simplistic line of reasoning would suggest abolishing the anti-dumping and countervailing system altogether, in order to provide domestic consumers with unfettered access to dumped or subsidised imports. Yet no country, that we are aware of, has abolished its anti-dumping and countervailing system. Indeed, to do so would be tantamount to an open invitation to overseas firms to dump their goods without penalty. And as the Commission itself notes, there are important system preserving and political economy arguments for maintaining an anti-dumping system.

This suggests that a framework focused solely or principally on costs and prices for consumers is not an adequate one for properly assessing the wider impacts of the anti-dumping and countervailing system.

The introduction of an economic impact test into the anti-dumping and countervailing system needs, therefore, to be assessed against a broader and more comprehensive range of criteria.

BlueScope suggests that the following criteria should be taken into account when considering the rationale for, and practical application of, such a test:

- In attempting to meet the objectives of administrative simplicity and low cost implementation, the methodology for assessing the “public interest” must not be overly narrow or simplistic such that it ignores the broader community benefit of anti-dumping measures:
 - Accordingly, any such test must not be of a scope that is so limited as to only consider the direct, first order impact on the public interest of anti-dumping or countervailing measures.
 - The “benefit” of short-term consumer price reductions should be properly weighted against the full range of longer-term consequences including the broad range of benefits that flow to local consuming industries from having access to domestic suppliers.
- The test must not create a disparate competitive environment for Australian industry relative to global competitors, which may also discourage future investment in Australian industry
- The test must also recognise the reality of the Australian market situation, including size and geography, and not assume that all markets will perform perfectly in all instances across the economic cycle.
- Proposals to weaken the presumption in favour of measures must be considered against the danger that they would weaken support for freer trade amongst industry;
- The test must be applied in an objective and transparent manner, particularly in determining the meaning and practical application of terms such as “significantly reduce competition”, “low market share” and “reasonable profit margin”; and
- The administrative burden on applicants in preparing information and analysis for such a test should not be unduly demanding;

BlueScope is concerned that the recommendation of the Commission in its draft report, to introduce a bounded economic test, is based on an overly simplistic reading of the costs and benefits of the anti-dumping regime and does not adequately take into account the broader principles outlined above, which we believe are essential to any consideration of this matter.

- It has been proposed that a prima facie test of public interest be applied prior to the imposition and continuation of anti-dumping and countervailing measures. Such a simplistic “tightly bounded” test may not yield outcomes that are in the longer-term public interest as it is an approach that disregards any potential broader negative impact on the public interest of allowing injurious dumping to continue.
- The proposed test does not seem to consider the broader public impact of taking a decision to not impose anti-dumping or countervailing measures. For example allowing injurious dumping in a particular subset of a manufacturers range may result in that manufacturer becoming broadly unprofitable and leaving the industry. Downstream industry relying on product from that manufacturer which is not being dumped into the market, because of its small scale, may be consequently unable to access its required inputs at a price that enables it to compete in its markets.
- The proposed changes reduce the opportunity for local industry to protect itself against predatory behaviour by specific large-scale producers and against strategic predation by other governments. Without defence against predatory industries, not only will Australian industry become less competitive as a result of the impact of unfair trade, there is little incentive for investment in Australian industry.
- The apparent assumption by the Commission that markets function perfectly in all situations is problematic. The Commission has suggested that the risk of supply disruption or price gouging from international suppliers during high periods of international demand can be ameliorated by simply entering into long term supply contracts. The experience in the steel industry is that in periods of high global demand the small scale, geographically isolated Australian market is often abandoned by international industry. Despite “pure economic theory” to the contrary, this reflects the experience of those relying on imported steel in the Australian industry and demonstrates apparent market failure.
- There is still considerable ambiguity and subjectivity associated with the simplified prima facie public interest tests being proposed by the Commission. BlueScope is concerned that an unintended interpretation of these tests may further impact on the future viability of Australian industry.

BSL opposes imposing further restrictions on the system, which will place additional administrative burden on applicants, reduce certainty, introduce a greater degree of subjectivity into the system, and reduce incentives for domestic investment by industry.

While the Commission (rightly in our view) rejected the option of an unrestrictive test in all cases, the bounded test proposed has a number of significant, practical drawbacks that are likely to outweigh any benefits that might flow from it, particularly noting overseas experience that such a test is only likely to change outcomes in a very small number of cases.

Continuation of measures

BlueScope strongly objects to the Commission's recommendation 7.4 that "... Following expiry of a measure, there should also be a two-year freeze on reapplications for new measures. ..." (page 115).

Although recognising the Commission's desire to introduce mechanisms that improves the rigor of the measures continuation review process and to eliminate the potential for a perpetual continuation of measures, BlueScope considers the proposed recommendation to be extremely problematic and one that has the potential to be highly injurious to Australian Industry.

The notion of providing an importer, or group of importers, who have previously been proven to be causing injury to Australian industry with dumped product, a period of time during which they can re-offend and dump without fear of retribution is highly unusual. What is being proposed is analogous to releasing an offender from jail, and giving them permission to re-offend with impunity during a defined period.

Furthermore, this recommendation would seem to indicate that the Commission does not fully comprehend either the pace of change in industry or the extent of injury that can be caused to industry after only even a short period of dumping.

4 Response to specific recommendations

In the following pages, BlueScope Steel provides responses to the specific recommendations detailed in the Productivity Commission's draft enquiry report.

a. Recommendation: 6.1 - The New Public Interest Test (page 91)

"The imposition and continuation of anti-dumping and countervailing measures should be subject to a 'bounded' public interest embodying:.."

BlueScope Steel strongly opposes the inclusion of a bounded, theoretical, economic benefit based test in Australia's anti-dumping and countervailing system.

BlueScope's opposition to this recommendation is detailed earlier in this document.

b. Recommendation: 6.1 - The New Public Interest Test (page 91)

"The imposition and continuation of anti-dumping and countervailing measures should be subject to a 'bounded' public interest test, embodying: - A starting presumption that measures will be imposed if there has been dumping or subsidisation, which has caused, or threatened to cause, material injury, unless it would demonstrably be against the public interest to do so."
(emphasis added)

BlueScope Steel is concerned about the potential impact of the tense of the wording in this recommendation relating to "threatened injury" (as compared to threatens). Has this wording been chosen to preclude the opportunity for industry to take anti-dumping action on the basis of the threat of future injury?

Although used infrequently by industry, the opportunity (albeit limited) to take trade action in relation to the threat of future injury remains valuable to local industry as a potential means of addressing significant changes in the market situation that are expected to cause significant and ongoing injury.

c. Recommendation: 6.1 - The New Public Interest Test (page 91)

"The imposition and continuation of anti-dumping and countervailing measures should be subject to a 'bounded' public interest test, embodying: - general guidance on the matters (both short-term and longer-term) and range of interests that could be considered in applying the test – but with a directive that assessments are to be generally limited to consideration of effects one step up or down the production chain from the goods involved."

Assessment Timeframes

As a bounded test, there should be further guidance regarding the definition of the "short-term" and "long-term" timeframes over which the "public interest" would be considered. Too short a time frame does not necessarily consider the second order consequences on the public interest of dumping which results in the elimination of local industry.

Limited consideration of effects

Limiting a "public interest" test to simply one step up or down the production chain from the goods involved demonstrates a failure by the Commission to appreciate the potential broader impact on the public interest from dumping that is permitted on part of a local industry's manufactured product range, which causes that industry to become broadly unprofitable (perhaps through loss of economies of scale, or through loss of differential advantage over time from a reduced ability to invest in process and product technologies) and result in that industry exiting the Australian market.

BlueScope Steel is concerned that such a simplistic "tightly bounded" test will not yield outcomes that are in the longer-term public interest.

d. Recommendation: 6.1 - The New Public Interest Test (page 91)

"The imposition and continuation of anti-dumping and countervailing measures should be subject to a 'bounded' public interest test, embodying: - a further directive that the imposition of measures will prima facie not be in the public interest.....if any one of the following circumstances are met: - the imposition of measures could eliminate or significantly reduce competition in the domestic market for the goods concerned"

This recommendation is unclear and open to interpretation. What is the Productivity Commissions' intention regarding the market definition for the application of the test of whether "the imposition of the measures could eliminate or significantly reduce competition in the domestic market for the goods concerned"? An absence of clear guidance regarding the definition of the market may lead to interpretations which unintentionally further restrict industry's access to trade action.

For example, based on the current guidelines it is not clear whether the market would be defined on the basis of:

- Only the market of existing competitors for the sale a particular product, which would include domestic industry and only those foreign producers already active in the Australian market,
- All potential competitors for the sale a particular product, which would include domestic industry and all other foreign producers, regardless of whether they are active in the Australian market, or
- All potential competitors for the sale of a product intended to meet a particular design purpose (e.g. residential building; public transport).

It is BlueScope Steel's view that the market should be defined as the market of all potential competitors for a particular product. Such an assumption is consistent with the assumption that markets will function effectively, which underpins the public interest test.

e. Recommendation: 6.1 - The New Public Interest Test (page 91)

"a further directive that the imposition of measures will prima facie not be in the public interest.....if any one of the following circumstances are met: ... - the imported goods in question are being exported at a price which covers the overseas supplier's costs and a reasonable profit margin (plus the vale of any identifiable input subsidies)."

How is the value of a "reasonable profit margin" assessed? Is this "reasonable" by Australian industry standards, by Australian capital market standards, or by exporting country industry standards? How would such a determination alter in instances where the respective industry in the exporting country is predominately state owned?

Clear definition of the interpretation of a “reasonable profit margin” should be provided as part of the Commission’s recommendation. If left open to interpretation, this recommendation may unintentionally undermine the opportunity for local industry to obtain relief via Australia’s Anti-dumping and countervailing system to remedy injurious effects of ‘dumped’ imports.

BlueScope Steel is of the view that a “reasonable profit margin” for the purposes of this test should be the margin that would support capital reinvestment.

f. Recommendation: 6.1 - The New Public Interest Test (page 91)

“Assessments against the test should be undertaken by the Australian Customs and Border Protection Service (ACBPS) and generally be completed within 30 days. Provisional measures should be imposed in all cases where a finding that there has been injurious dumping or subsidisation provides the basis for moving to application of the public interest test.”

If such a test is to be introduced, BlueScope supports this recommendation. The extent of injury that can be caused to a local industry over even a short period of time as a result of dumping should not be underestimated. This recommendation appropriately minimises the time impact of the introduction of a public interest test on industry seeking relief from unfair and potentially predatory trade.

g. Recommendation: 7.3 – Other architectural changes (page 111)

“In combination with the introduction of the new public interest test (see draft recommendation 6.1), the arrangements governing the imposition of provisional measures should be modified as follows:

- *The Australian Customs and Border Protection Service should, without exception, be required to release a Preliminary Affirmative determination (PAD) and impose provisional measures prior to the commencement of any assessments against the public interest test*
- *Unless an extension of time has been granted, the release of a PAD should occur no later than day 110 in an investigation.”*

Although BlueScope does not support the introduction of a broad economic test to Australia's anti-dumping system, if such a test is to be introduced, BlueScope Steel supports the corresponding introduction of the proposed measures in recommendation 7.3 that will minimise the timeframe impacts on Australia's anti-dumping system of the introduction of a public interest test.

Decision making timeliness is a critical factor in minimizing the injury occurring to an industry as a result of material dumping. The Commission should not underestimate the significant magnitude of the injury that can be incurred by local industry in even a very short period of time as a result of dumping.

h. Recommendation: 7.4 – Other architectural changes (page 115)

“There should be no change to the current five-year default term for anti-dumping and countervailing measures”

BlueScope supports this recommendation. This recommendation is consistent with the notion that it is reasonable for an industry that has been found to have been injured as a result of dumping can expect the relief from that injury to last for a reasonable period of time. This is an important outcome given the significant time and resources that need to be invested to raise and pursue an application of anti-dumping duties, and the time required for the industry to recover from material injury.

i. Recommendation: 7.4 – Other architectural changes (page 115)

“However, extensions of anti-dumping and countervailing measures, following a continuation review, should be limited to one three-year term. Following expiry of a measure there should also be a two-year freeze on reapplication for new measures”

BlueScope strongly objects to the notion of a two-year freeze on reapplications for new measures.

Significant commentary relating to this recommendation is detailed earlier in this document.

j. Recommendation: 7.5 – Other architectural changes (page 117)

“The current ‘review of measures’ provisions should be terminated. Instead, the Australian Customs and Border Protection Service (ACBPS) should update normal values, non-injurious prices (if applicable) and applicable dumping duties, or the floor price in undertakings, every 12 months. These adjustments should be based on self-assessments by the relevant parties (subject to spot audits by the ACBPS and the possibility of penalties for false reporting), or some other cost-effective mechanism specified at the time that measures are imposed.”

Annual Reviews

In principle BlueScope supports annual reviews of normal values, non-injurious prices and applicable dumping duties, or the floor price in undertakings to ensure that anti-dumping measures remain effective in remediating injurious dumping/subsidisation.

However, BlueScope does not support the introduction of an annual review system that would impose additional administrative burden on applicant industries. There are already significant costs for local industry associated with preparing applications and providing any follow-up information requested by Customs during the initial investigation, further annual expense may push the cost of anti-dumping action beyond the reach of many industries.

Recommendation 7.5 does appear not to present any such burden.

BlueScope also supports the recommendation that “where this new adjustment process leads to a zero duty rate, measures should still remain in place for the original term”.

Self Assessment

BlueScope has significant concerns regarding the effectiveness of an annual review process that relies on exporters accurately self-reporting their normal values and export prices, and as such objects to recommendation 7.5.

With little opportunity for the Australian Government to impose punitive measures on exporters, other than with penalty duty provisions, there would appear to be little incentive for many exporters to provide accurate self-assessments. If the Australian market is already an unattractive destination for a particular exporter because of the imposition of anti-dumping

measures, and the exporter's interest in the Australian market is intermittent, there would seem to be little for them to lose in providing false data. Why would they worry about losing access to what in global terms is a small, geographically isolated market that they may not be particularly interested in other than as a place to dump goods when sales cannot be made in other markets?

How is the Commission proposing the annual assessment be handled in the instances where a particular exporter has failed to cooperate during Custom's initial anti-dumping investigation? These exporters would seem to be even less likely to provide reliable data.

If a self-assessment process for annual reviews were to be adopted by government, it is important that the outcomes of any such process be transparent to industry, and that decisions are supported by an appeals process.

k. Recommendation: 8.3 – Administration of the system (page 132)

"Provision should be made for the Australian customs and Border Protection Services to seek extensions of the investigation period at any time during an investigation. In addition to the notification of extensions through the issue of an Australian Customs dumping Notice, all correspondence relating to such requests should be made available on the public file"

BlueScope objects to this recommendation.

Given the Commission's comments that "[there is an] over-emphasis on investigative speed" and "the focus on improving the timeliness of Australia's anti-dumping system... has gone far enough", BlueScope has concerns that the Commission does not fully appreciate the overall timeframes associated with pursuing remedy via Australia's anti-dumping and countervailing system (which includes significant timeframes associated with the preliminary stages of preparing and prima-facie screening an anti dumping application), the speed and pace of change in trade exposed industries, nor the relatively short timeframes within which dumped imports can cause significant injury to an industry.

Recommendations that further extend the timeframe between a decision to pursue dumping action and a ministerial decision will only serve to increase the injurious effect of dumped (or

subsidised) imports. Rather than blowing out investigation timeframes, Customs should consider alternate strategies, such as increased manning or the use of investigation findings from other jurisdictions.

I. Recommendation: 8.4 – Administration of the system (page 132)

“Decisions by the Minister in response to advice from the Australian Customs and Border Protection Service, or from the Trade Measures Review Officer, should be subject to a 30-day time limit.”

Notwithstanding our view that Ministerial decisions should be made in the shortest possible timeframe once a recommendation has been received from the ACBPS, we support this recommendation that ensures Ministerial decisions are made in a timely manner.

Timely Ministerial decision-making regarding the imposition of measures is critical to Australian industry as it helps to minimise the injurious effects of dumped imports.

m. Recommendation: 8.6 – Administration of the system (page 134)

“In providing advice to the Minister on whether anti-dumping measures should be imposed or continued, the Australian Customs and Border Protection service should indicate whether there have been any comparable recent cases in other countries and what the outcomes where...”

BlueScope supports the use of findings from other jurisdictions in Australian anti-dumping investigations. It is thought that such an approach has the potential to reduce expense for applicant industry in preparing supporting evidence when lodging an application and also for government administration in the cost of investigating applications.

n. Request for further information – Treatment of confidential materials submitted to customs (page 141)

“The Commission is seeking further input from participants on ways in which more information on the magnitude of measures and the parameters underlying them could be made publicly available, without unreasonably detracting from the protection afforded to commercially sensitive information (see draft recommendation 8.8)”

BlueScope has significant concerns regarding any recommendation that removes the protection of confidentiality for those providing information in relation to an anti-dumping or countervailing investigation. Such a recommendation is likely to both reduce the willingness of industry to undertake trade action and also reduce the willingness of exporting industries to provide reliable data in response to an investigation. The disclosure of confidential information by local industry to its main importing competitor is likely to only further degrade the competitive position of that industry.

o. Recommendation: 8.10 – Other Matters (page 144)

“As part of its current review into the laws and practices relating to the protection of Commonwealth information, the Australian Law Reform Commission should give consideration to proposing a change to the legislation governing the operation of the Australian Bureau of Statistics to preclude the suppression of import data when the same or similar information can be publicly accessed from the export statistics of other countries”

BlueScope Steel supports this recommendation to minimize the range of Australian Bureau of Statistics (ABS) import information suppressed for confidentiality reasons. This change will assist industry to monitor for potential dumping behaviour in a reliable, timely and accurately manner. In instances where dumping is suspected, it will also help reduce the information burden associated with preparing to take anti-dumping action.

However, BlueScope questions whether this recommendation goes far enough to address the difficulties created for local industry by the current trade data confidentiality provisions. There is a widespread view that the ABS takes an overly conservative approach and suppresses information beyond that which is required to protect the legitimate commercial interests of international suppliers and the local importing industry.

p. Recommendation: 8.11 – Implementation of the new requirements (page 146)

“All of the proposed reforms should take effect as soon as practically possible, except for the new public interest test (see draft recommendation 6.1) and the changes to the continuation and reapplication provisions (see draft recommendation 7.4). These should take effect two years later.”

BlueScope supports this recommendation and believes it is appropriate that local industry be given the chance to complete the formulation and obtain custom's assessment of any trade action applications within what is essentially a consistent administrative framework, in a reasonable timeframe from the date on which any system changes are announced.

- Ends -