



EXEMPTION INQUIRY

CERTAIN HOT ROLLED COIL STEEL EXPORTED TO AUSTRALIA FROM JAPAN, THE REPUBLIC OF KOREA, MALAYSIA AND TAIWAN

REPORT TO THE MINISTER

REPORT EX 6

FORD MOTOR COMPANY OF AUSTRALIA

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PUBLIC RECORD

Exemption Inquiry 6 – Hot Rolled Coil Steel

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2 Summary and recommendations

2.1 Introduction

This inquiry is in response to an application by Ford Motor Company of Australia (Ford) requesting an exemption for certain goods from dumping duty (the measures) applicable to exports of hot rolled coil steel exported to Australia from Japan, the Republic of Korea (Korea), Malaysia and Taiwan.

Ford has applied for the exemption from the measures for the goods that it exports under section 8 of the *Customs Tariff (Anti-Dumping) Act 1975*¹ (the Dumping Duty Act).

Subsection 8(7) of the Dumping Duty Act set out, *inter alia*, the matters to be considered by the Minister for Industry (the Minister) in deciding whether to use his discretion to exempt goods from dumping duties.

An examination of Ford's exemption application indicates Tariff Concession Orders (TCOs) are in place for the goods subject to the application. These goods are therefore eligible to be exempt under subsection 8(7)(b) of the Dumping Duty Act, on the basis that a Tariff Concession Order under Part XVA of the *Customs Act 1901* in respect of the goods is in force. A list of these goods is at **confidential attachment 1**.

2.2 Recommendation

The Anti-Dumping Commission (the Commission) has found that for goods (as listed in confidential attachment 1) the subject of Ford's application, TCOs are in force. Therefore, the conditions of subsection 8(7)(b) of the Dumping Duty Act are satisfied in regards to these goods.

The Commission recommends that the Minister sign the instrument at **attachment 2** to exempt hot rolled coil steel from the measures for which the following TCOs are in force:

- TC 1309208
- TC 1309209
- TC 1309212
- TC 1309210
- TC 1309213

2.3 Findings and conclusions

The Commission has found that BlueScope Steel Limited (BlueScope), the sole Australian manufacturer of HRC, has applied for and was subsequently granted TCOs for several types of HRC subject to Ford's exemption application.

¹ A reference to a division, section or subsection in this report is a reference to a provision of the *Customs Tariff (Anti-Dumping) Act 1975* unless otherwise specified.

3 Background

3.1 Original investigation

In November 2012, the Commission completed an investigation into the alleged dumping of HRC exported to Australia from Japan, the Republic of Korea (Korea), Malaysia and Taiwan.

On 4 December 2012 the Minister accepted the Commission's recommendations and found that HRC from Japan, Korea, Malaysia and Taiwan had been dumped and that that dumping had caused material injury to the Australian industry. A dumping duty notice was published notifying of this decision on 20 December 2012.

The reasons for the Minister's decision in this case are contained in International Trade Remedies Report No.188 (REP 188) which is available on the Commission's website at www.adcommission.gov.au

3.2 Exemption application

In a submission dated 22 October 2012, Ford requested an exemption from measures in relation to certain imports of HRC (**confidential attachment 3**). They did not specify under what provision of the Dumping Duty Act they were applying for exemption under.

Ford's request outlined the grounds for an exemption from measures was based on the Australian industry being unable to supply certain goods imported by Ford.

3.3 Exemption inquiry

Discussions with Ford revealed that they were seeking an exemption on the basis of paragraph 8(7)(b) of the Dumping Duty Act. During the inquiry period, the Commission was aware that BlueScope Steel applied for TCOs which covered some of the goods included in Ford's exemption application.

4 The “goods subject to measures” and the “goods subject to the application for exemption”

4.1 The goods subject to measures

The goods exported from Japan covered by the current dumping duty notices are:

Hot rolled coil (including in sheet form), a flat rolled product of iron or non-alloy steel, not clad, plated or coated (other than oil coated).

Goods excluded from this application are hot rolled products that have patterns in relief (known as checker plate) and plate products.

4.2 Tariff classification

The goods may be classified to the following subheadings in Schedule 3 of the *Customs Tariff Act 1995*:

Tariff Classification	Statistical class code
7208.25.00	32
7208.26.00	33
7208.27.00	34
7208.36.00	35
7208.37.00	36
7208.38.00	37
7208.39.00	38
7208.53.00	42
7208.54.00	43
7208.90.00	30
7211.14.00	40
7211.19.00	41

The rate of duty for the goods from Japan is 5%.

4.3 Goods subject to the application for exemption

Ford provided a submission which outlined the scope of its request for exemption of HRC that meet any of the following criteria:

- HRC with a thickness less than 1.6mm, and
- HRC with a width greater than 1,550mm.

During a subsequent meeting with Ford, the Commission was advised that the request for exemption would only be limited to certain types of HRC meeting specific characteristics covered by TCO.

5 HRC subject to TCOs

5.1 Assessment

The Commission has found that on 3 June 2013, five TCO's came into effect following an application from BlueScope that identified specific grades and dimensions of HRC. The Commission will therefore recommend that the Minister exempt these goods from interim dumping duty under paragraph 8(7)(b) of the Dumping Duty Act on the basis that TCOs in respect of the goods is in force. The relevant TCOs and tariff classifications are:

- TC 1309208 (7208.27.00)
- TC 1309209 (7208.27.00)
- TC 1309212 (7208.27.00)
- TC 1309210 (7211.19.00)
- TC 1309213 (7211.19.00)

5.2 Conclusion

The Commission will recommend to the Minister that the goods the subject of Ford's exemption application which are covered by a TCO may be exempt under paragraph 8(7)(b) of the Dumping Duty Act.