

PUBLIC FILE

10 March 2017

The Commissioner
Anti-Dumping Commission
55 Collins Street
Melbourne
Victoria 3000

**APPLICATION FOR EXEMPTION FROM DUMPING DUTIES
ZINC-COATED (GALVANISED STEEL)**

Dear Commissioner,

On behalf of Australian Tube Mills Pty Ltd (**Austube Mills**), I hereby submit an application for an exemption from interim dumping duties applying to certain exports of zinc-coated (galvanised) steel.

1. Applicant's interest

Austube Mills is an importer of the subject goods.

2. Other parties having an interest

Australian flat steel producer: BlueScope Steel Limited, Five Islands Road, Port Kembla NSW 2505

3. Grounds for exemption

The exemption is being sought under Exemption Two, paragraphs 8(7)(b) and 10(8)(aa) where a TCO in respect of the goods is in force.

4. Details of current anti-dumping measures applying to the goods the subject of this application

a) Description of the goods

The International Trade Remedies Branch Report No. 190 [***Dumping of zinc coated (galvanised) steel and aluminium zinc coated steel exported from The People's Republic of China, The Republic of Korea and Taiwan***], describes the galvanised steel goods as follows

"flat rolled products of iron and non-alloy steel of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc".

Galvanised steel of any width is included.

The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²) with the prefix being Z (Zinc) or ZF (Zinc converted to a Zinc/Iron alloy coating). Common coating masses used for zinc coating are: Z350, Z275, Z200, Z100 and for zinc/iron alloy coating are: ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

b) Tariff Classification

This application applies to goods classified to tariff classification 7210.49.00.

c) Details of notice published

The applicable notice ADN 2013/66 forms Attachment A to this application.

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5. Reasons for seeking an exemption

As per *Customs Tariff (Anti-Dumping) Act 1975*, the Minister may, by notice in writing, exempt goods from dumping duty (paragraph 8(7)(b)) and countervailing duty (paragraph 10(8)(aa)) if he or she is satisfied that a Tariff Concession Order under Part XVA of the *Customs Act 1901* in respect of the goods is in force.

A Tariff Concession order TC 1663110 defined below currently exists for the subject goods:
(Decision date 20.02.17 and Operative date 25.10.16)

COILS, non-alloy steel, hot rolled, zinc coated, complying with American Society for Testing and Materials Standard A653/A653M- 11 (ASTM A653/A653M-11), having ALL of the following:

- (a) thickness NOT less than 3.60 mm and NOT greater than 6.0 mm;
- (b) width NOT less than 784 mm and NOT greater than 1 263 mm;
- (c) minimum yield strength NOT less than 175 Mpa;
- (d) minimum tensile strength NOT less than 280 Mpa;
- (e) inside diameter NOT less than 711 mm and NOT greater than 813 mm;
- (f) zinc coating mass NOT less than 0.040 kg/m² per side;
- (g) weight NOT less than 14 metric tonnes;
- (h) chemical composition by weight of ALL of the following:
 - (i) carbon content NOT greater than 0.20%;
 - (ii) phosphorus content NOT greater than 0.03%;
 - (iii) sulphur content NOT greater than 0.03%;
 - (iv) aluminium content NOT greater than 0.10%;
 - (v) copper content NOT greater than 0.25%;
 - (vi) nickel content NOT greater than 0.25%;
 - (vii) titanium content NOT greater than 0.04%;
 - (viii) silicon content NOT greater than 0.45%

The correspondence with BlueScope Steel, as the only domestic flat steel producer, to establish that there are no readily available substitutable domestic goods to the goods described by TC 1663110 (submitted along with the TCO application to Tariff Concessions Branch) is available as Confidential Attachment B to this application.

The exemption application is hereby submitted for your consideration. If you require any further clarification in relation to this exemption application please do not hesitate to contact me on [REDACTED].

Yours sincerely,



Brett Willcox
Trade Measures Manager



ANTI-DUMPING NOTICE NO. 2013/66

**Zinc coated (Galvanised) steel and Aluminum zinc coated steel
Exported from the People's Republic of China, the Republic of
Korea and Taiwan**

**Findings in relation to dumping and subsidisation
investigations**

Customs Act 1901 – Part XVB

The Anti-Dumping Commission (the Commission) has completed its investigations into:

- (i) the alleged dumping of zinc coated (galvanised) steel and aluminium zinc coated steel ("the goods"), exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea) and Taiwan, the investigation of which commenced on 5 September 2012; and
- (ii) the alleged subsidisation of galvanised steel and aluminium zinc coated steel exported to Australia from China, the investigation of which commenced on 26 November 2012.

Galvanised steel is currently classified to tariff subheadings 7210.49.00 (statistical codes 55, 56, 57 and 58) and 7212.30.00 (statistical code 61) in Schedule 3 of the *Customs Tariff Act 1995*. Aluminium zinc coated steel is currently classified to tariff subheading 7210.61.00 (statistical codes 60, 61 and 62).

A full description of the goods is available in Australian Customs Dumping Notice (ACDN) No. 2012/40 (relating to the initiation) and ACDN No. 2012/62 (relating to the clarification of the goods). These ACDNs are available at the Commission's website www.adcommission.gov.au.

The Commission reported its findings and recommendations to the Attorney-General in International Trade Remedies Report Nos. 190 and 193 (REP 190 and REP 193), which outlines the investigations carried out by the Commission and recommends the publication of a dumping duty notice and a countervailing duty notice in respect of the goods. The Attorney-General has considered REP 190 and REP 193 and has accepted the Commission's recommendations and reasons for the recommendations, including all material findings of fact or law on which the Commission's recommendations were based, and particulars of the evidence relied on to support the findings.

Notice of the Attorney-General's decision was published in *The Australian* newspaper and the *Commonwealth of Australia Gazette* on 5 August 2013.

Terminations

On 26 April 2013, the Commission terminated its dumping investigation into:

- galvanised steel and aluminium zinc coated steel exported from Korea by Union Steel Co., Ltd (Union Steel Korea);
- galvanised steel and aluminium zinc coated steel exported from Taiwan by Sheng Yu Co., Ltd (Sheng Yu); and
- galvanised steel exporter from Taiwan by Ta Fong Steel Co., Ltd (Ta Fong).

Termination Report No. 190A (TER 190A) sets out the reasons for these terminations. This report is available on the Commission's public record.

On 2 May 2013, the Commission terminated its dumping investigation into aluminium zinc coated steel exported from Taiwan. Termination Report No. 190B (TER 190B) sets out the reasons for this termination. This report is available on the Commission's public record.

On 17 June 2013, the Commission terminated its countervailing investigation into:

- galvanised steel exported by Angang Steel Company Limited (ANSTEEL) and ANSC TKS Galvanising Co., Ltd (TAGAL); and
- aluminium zinc coated steel exported by ANSTEEL,

Termination Report No. 193(i) (TER 193(i)) sets out the reasons for these terminations. This report is available on the Commission's public record.

Exemptions

The Attorney-General has considered REP 190 and REP 193 and accepted the Commission's recommendation to grant exemptions from dumping duty and countervailing duty for certain goods.

All goods meeting at least one of the descriptions for Tariff Concession Orders (TCOs) that are currently in force are eligible for an exemption from dumping duty under Ministerial Exemption Instrument No. 1 of 2013 and from countervailing duty under Ministerial Exemption Instrument No. 2 of 2013. Copies of these exemption instruments are available on the Commission's website.

If importers believe that goods they are importing are eligible for exemption under the abovementioned exemption instruments, when they or their broker enter the goods for home consumption via the integrated cargo system the exemption category 'GOODS' should be selected and no dumping or countervailing duties will be applied to the shipment.

The decision to grant the exemptions outlined above does not prevent further applications for exemptions being considered. Where a party has a legitimate claim that it is unable to source its products from the Australian market because they are not produced here, or that they are unable to source the products under certain trade conditions, they may apply for an exemption from the imposed measures. This involves writing a request to the

Commission outlining the details of the product an exemption is sought for, together with information as to why the exemption is being sought, including details of any quotes/correspondence obtained from the Australian industry when supply of products is an issue. Part of the inquiry process will then involve contacting the Australian industry to obtain its input before a recommendation is made.

Parties seeking an exemption should contact the Commission on 1300 884 159 for further information or by email clientsupport@adcommission.gov.au.

Imposed measures

In REP 190 Customs and Border Protection found that:

- galvanised steel exported from China, Korea and Taiwan to Australia was dumped with margins ranging from 2.6% to 62.9%;
- aluminium zinc coated steel exported from China and Korea to Australia was dumped with margins ranging from 5.5% to 19.3%;
- the dumped exports caused material injury to the Australian industry producing like goods; and
- continued dumping may cause further material injury to the Australian industry.

In REP 193, Customs and Border Protection found that:

- galvanised steel exported from China to Australia was subsidised with margins ranging from 5.2% to 22.8%;
- aluminium zinc coated steel exported from China to Australia was subsidised with margins ranging from 5.0% to 21.7%;
- the dumped and subsidised exports from China caused material injury to the Australian industry producing like goods; and
- continued dumping and subsidisation may cause further material injury to the Australian industry.

Particulars of the dumping and subsidy margins established for each of the exporters and the effective rates of duty are set out in the following table. The dumping duty that has been determined is an amount worked out in accordance with the combination of fixed and variable duty method.

Galvanised steel

Country	Exporter	Dumping Margin	Method to establish dumping margin	Countervailable subsidy program/s*	Subsidy Margin	Effective Rate of Duty*
China	Angang Steel Co., Ltd	20.1%	Weighted average export prices were compared with weighted average corresponding normal values over the investigation period in terms of ss. 269TACB(2)(a) of the Customs Act 1901.	N/A	N/A	20.1%
	Ansc-Tks Galvanizing Co., Ltd (TAGAL)	32.7%		N/A	N/A	32.7%
	Wuhan Iron and Steel Co., Ltd	18.5%		3, 5, 11-13, 15, 17-19, 22, 28-31, 33-35	12.5%	21.6%
	Yieh Phui (China) Technomaterial Co., Ltd	6.8%		1, 11	5.2%	6.8%
Korea	All other exporters	62.9%		1-3, 5, 9, 11-36	22.8%	69.9%
	Dongbu Steel Co., Ltd	3.2%		N/A	N/A	3.2%
	POSCO	9.1%		N/A	N/A	9.1%
	Union Steel Co., Ltd	<2%		N/A	N/A	N/A
	All other exporters	28.5%		N/A	N/A	28.5%
	Chung Hung Steel Corporation	8.5%		N/A	N/A	8.5%
Taiwan	Sheng Yu Steel Co., Ltd	<2%		N/A	N/A	N/A
	Yieh Phui Enterprise Co., Ltd	2.6%		N/A	N/A	2.6%
	Ta Fong Steel Co., Ltd	<2%	N/A	N/A	N/A	
	All other exporters	8.6%	N/A	N/A	8.6%	

Aluminium zinc coated steel

Country	Exporter	Dumping Margin	Method to establish dumping margin	Countervailable subsidy program/s*	Subsidy Margin	Effective Rate of Duty*
China	Angang Steel Co., Ltd	5.8%	Weighted average export prices were compared with weighted average corresponding normal values over the investigation period in terms of ss. 269TACB(2)(a) of the <i>Customs Act 1901</i> .	N/A	N/A	5.8%
	Union Steel China Co., Ltd	8.6%		1, 11, 35	7.9%	9.0%
	Yieh Phui (China) Technomaterial Co., Ltd	5.5%		1, 11	5.0%	5.5%
	Jiangyin Zong Cheng Steel Co., Ltd	18.1%		1, 11	10.3%	18.1%
	All other exporters	19.3%		1-2, 5, 9, 11-31, 33, 35-36	21.7%	29.5%
	Dongbu Steel Co., Ltd	5.8%		N/A	N/A	5.8%
Korea	Union Steel Co., Ltd	<2%	N/A	N/A	N/A	
	All other exporters	7.7%	N/A	N/A	7.7%	

* The calculation of combined dumping and countervailing duties is not simply a matter of adding the dumping and subsidy margins together for any given exporter, or group of exporters. Rather, the collective interim dumping duty and interim countervailing duty imposed in relation to the goods, is the sum of:

- the subsidy rate calculated for all countervailable programs, and
- the dumping rates calculated, less an amount for the subsidy rate applying to Programs 1 to 3.

The normal value is the operative measure for all exporters from Korea and Taiwan and for all cooperating exporters from China. The lesser duty rule is therefore not in effect and duty has been imposed at the full level of dumping and subsidisation for these exporters.

The non-injurious price (NIP) is the operative measure in relation to exports by all exporters from China other than Angang Steel Co., Ltd, TAGAL, Wuhan Iron and Steel Co., Ltd, Union Steel China Co., Ltd, Yieh Phui (China) Technomaterial Co., Ltd and Jiangyin Zong Cheng Steel Co., Ltd. The lesser duty rule has taken effect to reduce the duties to a level sufficient to remove the injury caused by dumping and subsidisation.

Measures apply to goods that are exported to Australia after publication of the Minister's notice.

The actual duty liability may be higher than the effective rate of duty due to a number of factors. Affected parties should contact the Commission on 1300 884 159 or at clientsupport@adcommission.gov.au for further information regarding the actual duty liability calculation in their particular circumstance.

Any dumping securities that have been taken on and from 6 February 2013, will be converted to interim dumping duty.¹ Securities will not be converted for imports of goods for which the Minister has granted an exemption from interim dumping duty. Importers will be contacted by the Regional Securities Officer in their respective capital city detailing the required conversion action for each security taken.

To preserve confidentiality, the export price, normal value and non-injurious price applicable to the goods will not be published. Bona fide importers of the goods can obtain details of the rates from the Dumping Liaison Officer in their respective capital city.

Clarification about how measures are applied to 'goods on the water' is available in ACDN 2012/34, available at the Commission website.

Interested parties may seek a review of this decision by lodging an application with the Anti-Dumping Review Panel in accordance with the requirements in Division 9 of Part XVB of the Act within 30 days of the publication of the Attorney General's notice.

REP 190, REP 193 and Termination Report Nos. 190A, 190B and 193(i) have been placed on the Commission's public record, available at www.adcommission.gov.au. Alternatively, the public record may be examined by contacting the Case Manager on the details provided below.

¹ Within the time limitations of section 45 of the Customs Act 1901 (the Act).

Enquiries about this notice may be directed to the case manager on 02 6275 5649, fax number 1300 882 506 or operations2@adcommission.gov.au .

Paul Benussi
Acting National Manager Operations
Anti-Dumping Commission

5 August 2013