



CONSIDERATION REPORT

REPORT NO. 274

**APPLICATION FOR AN ACCELERATED REVIEW
OF A DUMPING DUTY NOTICE AND A COUNTERVAILING
DUTY NOTICE APPLYING TO**

**ZINC COATED (GALVANISED) STEEL
EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA
BY**

JIANGYIN ZONGCHENG STEEL CO., LTD

30 October 2014

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1 Summary and recommendations

This report provides the results of the Anti-Dumping Commission's (the Commission) consideration of an application by Jiangyin Zongcheng Steel Co., Ltd (Zongcheng) for an accelerated review of the dumping duty notice and countervailing duty notice applying to its exports of zinc coated (galvanised) steel¹ to Australia from the People's Republic of China.

1.1 Recommendations

The Commission recommends that the Commissioner of the Anti-Dumping Commission (the Commissioner) decide not to reject the application.

1.2 Application of law to facts

Division 6 of Part XVB of the *Customs Act 1901*² (the Act) sets out, among other things, the procedures to be followed by the Commissioner in dealing with an application for the accelerated review of a dumping duty notice and a countervailing duty notice by certain exporters of goods covered by the notice.

The Division empowers the Commissioner to reject or not reject the application for an accelerated review of anti-dumping measures.

1.3 Findings and conclusions

Zongcheng's application for an accelerated review of anti-dumping measures applying to galvanised steel exported to Australia from the People's Republic of China has been examined.

The Commission finds:

- the application satisfies the requirements of section 269ZF;
- the conditions for rejection under subsection 269ZE(2) were not met; and
- the circumstances in which an accelerated review can be sought have been satisfied.

Accordingly the Commission concludes that the applicant is eligible to apply for an accelerated review, and recommends that the Commissioner not reject the application.

¹ A full description of the goods is contained in section 2.1.

² A reference to a division, section or subsection in this report is a reference to a provision of the *Customs Act 1901*, unless otherwise specified.

2 Background

2.1 Goods under review

The goods subject to anti-dumping measures, in the form of a dumping duty notice and a countervailing duty notice, are:

“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.

The application stated that trade and other names often used to describe galvanised steel include:

- *“GALVABOND®” steel;*
- *“ZINCFORM®” steel;*
- *“GALVASPAN®” steel;*
- *“ZINCHITEN®” steel;*
- *“ZINCANNEAL” steel;*
- *“ZINCSEAL” steel;*
- *Galv;*
- *GI;*
- *Hot Dip Zinc coated steel;*
- *Hot Dip Zinc/iron alloy coated steel; and*
- *Galvannea*

Product Treatment

The galvanised steel application covers galvanised steel whether or not including any (combination of) surface treatment, for instance; whether passivated or not passivated, (often referred to as chromated or unchromated), oiled or not oiled, skin passed or not skin passed, phosphated or not phosphated (for zinc iron alloy coated steel only).

The goods excluded from this definition are painted galvanised steel, pre-painted galvanised steel, electro-galvanised plate steel and corrugated galvanised steel are not covered by the application and subsequent investigation.

Tariff classification

The goods are classified under tariff subheadings 7210.49.00 (statistical code 55/56/57/58) and 7212.30.00 (statistical code 61) of Schedule 3 to the *Customs Tariff Act 1995*. These goods are duty free (based on DCS country rate).

2.2 Existing measures

On 5 August 2013 the then Attorney-General (decision maker at the time), following consideration of the *International Trade Remedies Report Nos. 190 and 193* (REP 190 and 193), published a dumping duty notice and a countervailing duty notice that imposed dumping and countervailing duties on the goods under review.

These measures were outlined in Anti-Dumping Notice No. 2013/66 (ADN 2013/66). Following a review of certain findings made by the Anti-Dumping Review Panel (ADRP), the Parliamentary Secretary³ decided to reduce the countervailable subsidies which are outlined in Anti-Dumping Notice No. 2014/12 (ADN 2014/12). Notice of the Parliamentary Secretary's decision was published on 20 February 2014. The notice has effect from 5 August 2013.

The current anti-dumping measures on imports from the People's Republic of China expire 5 August 2018. The current effective rates of duty applicable to zinc coated galvanised steel exported to Australia by Zongcheng are set in accordance with the dumping margin (62.9%) and the subsidy margin (6.9%).

2.3 The current review application

Name	Jiangyin Zongcheng Steel Co., Ltd
Role	Exporter
Address	Xia Gang Industrial Park, Jiangyin, Jiangsu Province People's Republic of China

2.3.1 Background to the application for an accelerated review

On 13 October 2014 Zongcheng lodged an application for an accelerated review of anti-dumping measures applying to exports of zinc coated galvanised steel from the People's Republic of China to Australia in so far as it affects Zongcheng.

Zongcheng's application detailed the circumstances regarding its export of galvanised steel to Australia. Aspects of the application are assessed in section 4.

2.3.2 Review Process

Pursuant to subsections 269ZG(1) and (2) the Commissioner must, no later than 100 days after the application is lodged, provide the Minister a report recommending:

- a) *that the dumping duty notice the subject of the application remain unaltered; or*
- b) *that the dumping duty notice the subject of the application be altered:*
 - i. *so as not to apply to the applicant; or*

³ On 25 September 2013, responsibility for anti-dumping matters was transferred to the Minister for Industry. The Minister for Industry subsequently delegated responsibility for anti-dumping matters to the Parliamentary Secretary to the Minister for Industry.

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- ii. so as to apply to the applicant as if different variable factors had been fixed;
and set out the Commissioner's reasons for so recommending.*

There is no legislative requirement for the Commission to maintain a public file for this accelerated review. However, in the interests of ensuring the process is conducted in an open and transparent manner, a public file will be opened.

This Consideration Report along with a non-confidential version of the application and response to the exporter questionnaire will be published on the Electronic Public Record, available at <http://www.adcommission.gov.au/cases/default.asp>.

Given the expedited nature of accelerated reviews and the shortened timeframe for the Commission to produce a final report, any submissions by interested parties should be lodged before day 60 of the review – 12 December 2014.

The Commissioner may not be able to have regard to submissions received after this date if to do so, would in the Commissioner's opinion, delay the timely preparation of the final report to the Minister.

2.3.3 Key dates

13 October 2014	Application lodged
7 December 2014	Response to exporter questionnaire due
12 December 2014	Submissions by interested parties due
21 January 2014	Final report to Minister due

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3 Application for an Accelerated Review

3.1 Legislative Background

Section 269ZF requires that an application for accelerated review must:

- be in writing (subsection 269ZF(1));
- be lodged in accordance with subsection 269ZF(2);
- contain a description of the goods to which the dumping duty notice relates; and
- contain a statement of the basis on which the exporter considers that the particular notice is inappropriate in so far as the exporter is concerned.

3.2 Application

On 13 October 2014, Zongcheng lodged an application for an accelerated review⁴. A copy of its application is at **Non Confidential Attachment 1**.

On receipt of the application, the Commission recorded the date on which the application was received as 13 October 2014 in accordance with subsection 269ZF(3). This date is the date of lodgement and if the Commissioner does not reject the application it is the date on which the 100 day review timeframe commences.

3.2.1 Assessment of the application

The application received from Zongcheng was in writing, lodged in accordance with subsection 269ZF(2), and contains a description of the goods to which the dumping duty notice and countervailing duty notice relates.

Zongcheng's grounds for lodging an application are that it had not exported galvanised steel to Australia during the period in which a new exporter is defined in section 269T of the Act.

3.3 Finding under section 269ZF

The Commission is satisfied that the application complies with subsections 269ZF(1) and 269ZF(2) of the Act.

⁴ Application by Jiangyin Zongcheng Steel Co., Ltd for an accelerated review of the dumping duty notice and countervailing duty notice applying to its exports of zinc coated galvanised steel to Australia from the People's Republic of China.

4 Circumstances in which an accelerated review may be sought

4.1 Status as a New Exporter

4.1.1 Background

Subsection 269ZE(1) sets out that only a new exporter may apply for an accelerated review. A new exporter is defined (section 269T) as an exporter who did not export such goods to Australia at any time during the period:

- (a) starting at the start of the investigation period in relation to the application; and
- (b) ending immediately before the day the Commissioner places on the public record the statement of essential facts (SEF) in relation to the investigation of the application.

Section 269T also defines “application” in relation to a dumping duty notice, as meaning an application for the publication of such a notice.

4.1.2 Application

The Commission considers that, due to the definitions in section 269T, the period within which a new exporter cannot have exported galvanised steel to Australia relates to the period commencing the day the investigation period commenced and ceases the day before the Statement of Essential Facts (SEF) was published.

Therefore, the Commission considers the period for which Zongcheng must not have exported to Australia (new exporter period) is from 1 July 2011, the start of the investigation period, to 14 May 2013, the day before the SEF for Investigation 193 (countervailing) was placed on the public record (note: dumping SEF was placed on the public file on 18 March 2013).

The application states that Zongcheng is “...a producer and exporter of zinc coated steel”, although it clarified that it “...has never exported galvanised steel to Australia.” The Commission also notes that Zongcheng states that it “seeks the determination of an ascertained normal value based on its own domestic selling prices or constructed selling prices, where appropriate”, which indicates that it does manufacture and sell the like goods domestically in China.

4.1.3 Exports during the New Exporter Period

A search of the Australian Customs and Border Protection Service (ACBPS) import database for any exports by Zongcheng did not reveal any exports from Zongcheng during the period 1 July 2011 to 14 May 2013.

4.2 Cooperation in regards to the application for a dumping duty notice

Paragraph 269ZE(2)(a) provides that, if the Commissioner is satisfied that because the exporter refused to cooperate in relation to the application for a dumping duty notice, the Commissioner may reject the application.

To determine if the application for an accelerated review is valid in relation to paragraph 269ZE(2)(a), the exporter files for the original investigation (REP 190 &

193) were examined for any correspondence between the Commission and Zongcheng in relation to the goods.

The exporter files were examined with no reference to Zongcheng found in relation to the goods. The Commission could not identify Zongcheng as an exporter for the original investigation⁵.

4.3 Relationships with selected exporters

Paragraph 269ZE(2)(b) provides that, if the Commissioner is satisfied that because the exporter is related to an exporter who was a selected exporter in relation to the application for a notice, the Commissioner may reject the application.

To determine if the application for an accelerated review is valid in relation to paragraph 269ZE(2)(b), the exporter questionnaire responses and/or visit reports for REP 190 and REP 193 for selected exporters were reviewed for company information and shareholding arrangements. The ACBPS database was also examined. No references to Zongcheng in relation to the goods under review were found.

Therefore the Commission could not identify Zongcheng as a related party to any of the selected exporters considered in the original investigation.

4.4 Circumstances in which accelerated review may be sought

In accordance with section 269ZE, on review of the application, the following findings have been made about whether the circumstances exist in which an accelerated review may be sought:

- the applicant did not export galvanised steel during the period for which new exporters cannot have exported. Therefore, the applicant meets the definition of a new exporter and satisfies the requirements for requesting an accelerated review as stated at subsection 269ZE(1);
- the applicant did not refuse to cooperate in relation to the application for a dumping duty notice, and the application should not be rejected under paragraph 269ZE(2)(a); and
- the applicant does not appear to be related to any selected exporters in the original investigation, and the application should not be rejected under paragraph 269ZE(2)(b).

⁵ International Trade Remedies Report Nos. 190 and 193 also included an anti-dumping investigation for aluminium zinc coated steel (7210.61.00 (statistical codes 60, 61 and 62)). Zongcheng were found to export aluminium zinc coated steel during the investigation period. Zongcheng received their own dumping duty and countervailing duty rate for aluminium zinc coated steel.

5 Conclusion

The Commission considered the application made by Zongcheng to determine if it was valid as required by sections 269ZE, 269ZF, and the definitions provided in section 269T of the Act.

The Commission concludes that:

- the application satisfies the requirements of section 269ZF;
- the conditions for rejection under section 269ZE were not met; and
- the circumstances in which an accelerated review can be sought have been satisfied.

Accordingly, the Commission considers that Zongcheng appears to be a new exporter that is eligible to apply for an accelerated review, and it recommends that the Commissioner not reject the application and the accelerated review continue.

Should the Commissioner decide to not reject this application and the accelerated review continues, it is recommended that the review period be 1 July 2013 to 30 June 2014.

6 Securities and Interim Dumping Duties (IDD)

When an application for an accelerated review of a dumping duty notice is lodged, section 269ZH states that no interim duty can be collected in respect of consignments of goods entered for home consumption after the application is lodged and until the completion of the review. Customs and Border Protection may, however, require and take securities under section 42 in respect of IDD that may be payable.

Should the Commissioner not reject the application, and continue an accelerated review, the ACBPS will require and take securities during the course of the accelerated review. A table outlining the variable factors relevant to calculating the amount of securities is provided at **Confidential Attachment 2**.

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7 Attachments	
Non Confidential Attachment 1	Application
Confidential Attachment 2	Table outlining variable factors for calculation of securities

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