



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

Application for a
review of
anti-dumping measures

**APPLICATION UNDER SECTION 269ZA OF THE *CUSTOMS ACT 1901*
FOR A REVIEW OF ANTI-DUMPING MEASURES**

In accordance with section 269ZA of the *Customs Act 1901* (the Act), I request that the Anti-Dumping Commissioner initiate a review of anti-dumping measures in respect of the goods the subject of this application to:

1. **revise the level of the measures** because one or more of the variable factors relevant to the taking of measures have changed (a variable factors review)

In this case the factors that I consider have changed are:

- normal value
 export price
 non injurious price
 subsidy

The variable factors review is in relation to:

- a particular exporter – Baoshan Iron & Steel Co., Ltd
 exporters generally

or

2. **revoke the measures** because the anti-dumping measures are no longer warranted (a revocation review)

In this case the measure I consider should be revoked is:

- the dumping duty notice
 the countervailing duty notice
 the undertaking

The revocation review is in relation to:

- a particular exporter (*if so provide name and country details*)
 exporters generally

NOTE


Where seeking variable factors review as well as a revocation review, indicate this in *both* 1 and 2 above.

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DECLARATION

I believe that the information contained in this application:

- provides reasonable grounds for review of the anti-dumping measure; and
- is complete and correct to the best of my knowledge and belief.

Signature:	
Name:	Mr. SHEN, Yan
Position:	Director of the Legal Dept.
Company:	Baoshan Iron & Steel Co., Ltd.
ABN:	Not applicable
Date:	14 April 2017

PUBLIC VERSION

About this form Subsection 269ZB(1)(b) of the Act requires that an application under subsection 269ZA(1) of the Act for a review of anti-dumping measures must be in a form approved by the Commissioner for those purposes. This is the approved form.

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the '*Instructions and Guidelines for applicants: Application for review or revocation of measures*' on the Commission's website.

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46 or +61 2 6213 6000 (outside Australia)

Fax: (03) 8539 2499 or +61 3 8539 2499 (outside Australia)

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with up to 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the Department of Industry, Innovation and Science's International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone 13 28 46.

Required information

1. Provide details of the name, street and postal address, of the applicant seeking the review or revocation of measures.
2. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.
3. Name other parties supporting this application.
4. Describe your interest as an affected party (eg are you concerned with the exportation of the goods, the importation of the goods, or part of the Australian industry, or acting on behalf of the Government of an exporting country).

PUBLIC VERSION

5. Provide details of the current anti-dumping measure(s) the subject of this review application, including:
 - tariff classification
 - the countries or companies
 - specified date of publication of the measure
6. Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter e.g. Australian manufacturers, importers, exporters and/or users.

Applications for review of variable factors

If you are applying for a variable factors review (in box 1 above) provide a detailed statement setting out your reasons. Include information about:

- the factor(s) you wish to have reviewed;
- the amount by which that factor is likely to have changed since anti-dumping measures were last imposed, and evidence in support; and
- in your opinion the causes of the change and whether these causes are likely to persist.

Application for a revocation review

If you are applying for a revocation review (in box 2 above), provide a detailed statement setting out your reasons.

Include evidence in support of your view that there are reasonable grounds for asserting that the measures are no longer warranted. Refer to the “Guidelines for Preparing an Application for Review of Measures” as part of preparing your response. If you consider anti-dumping measures are no longer warranted because of:

- *no dumping or no subsidisation*: provide evidence that there is no dumping, or no subsidy, and why dumping or subsidisation is unlikely to recur if measures were revoked.
- *no injury*: provide evidence that there is no current injury, and there is unlikely to be a recurrence of injury if the measures were to be revoked.

Lodgement of the application

This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by:

- preferably, email, using the email address clientsupport@adcommission.gov.au; or
- post to:

The Commissioner of the Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001; or
- facsimile, using the number (03) 8539 2499.

Public Record

It may be possible to lodge an application in a manner not described above provided that the Commissioner’s written approval is obtained.

During an investigation all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the

PUBLIC VERSION

Commission's website at www.adcommission.gov.au.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application must be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the review, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.

**APPLICATION FOR REVIEW OF VARIABLE FACTORS –
BAOSHAN IRON & STEEL CO., LTD.**

REQUIRED INFORMATION

1. Applicant:

Company: Baoshan Iron & Steel Co., Ltd (Baosteel)

Address: No. 885, Fujin Road, Shanghai, China

2. Contact person:

Name:

Tel:

Fax:

Email:



3. Applicant's representatives

Name: Mr Hu Fumao (Marco Hu)

Company: Dentons LLP (Beijing Office)

Address: 5/F Guohua Plaza,
Dongzhimennan Ave, Beijing, China

Tel: (86 10) 5813 7694

Email: fumao.hu@dentons.cn

Name: Mr John Bracic

Company: J.Bracic & Associates Pty Ltd

Address: PO Box 3026
Manuka, ACT 2603

Tel: +61 (0)499 056 729

Email: john@jbracic.com.au

4. Other parties supporting this application:

Not applicable.

5. Applicant's interest:

Baosteel is an integrated producer and exporter of coated steel products.

6. Details of current anti-dumping measures:

The goods subject of the dumping duty notice are:

Aluminium zinc coated steel that is:

- *a flat rolled product of iron and non-alloy steel;*
- *plated or coated with aluminium-zinc alloys;*
- *whether or not surface treated including combinations of surface treatments;*
- *whether or not including resin coating; and*
- *in widths equal to or greater than 600mm.*

PUBLIC VERSION

Tariff classification:

Aluminium zinc coated steel is classified to tariff subheadings 7210.61.00 (and statistical codes 60, 61, and 62) of Schedule 3 to the Customs Tariff Act 1995 (Tariff Act).

Country subject to the notice:

The Peoples Republic of China

Date of publication of the notice:

The publication date of the original notice was 5 August 2013. Subsequently, a review of the notice was undertaken and published on 3 August 2015.

1. GROUNDINGS FOR REVIEW

Baosteel submits that a review of the variable factors is warranted based on the change to the contemporary normal value and amount of countervailable subsidy received.

2. ASCERTAINED NORMAL VALUE

2.1 Basis for current ascertained normal values

The current applicable ascertained normal value for Baosteel was determined in the original investigation into aluminium zinc coated steel (REP 190) in accordance with s.269TAC(6) of the Act using *'the highest weighted average normal values for the entire investigation period from the selected cooperating exporters.'*

Baosteel is not currently aware of the ascertained normal value applying to all other exporters as it did not cooperate during the original investigation and has not exported aluminium zinc coated steel since. However, Baosteel understands that given the prevailing export prices at the time of the original investigation period and taking into account the 29.6% dumping margin determined for non-cooperating exporters, it is expected that the ascertained normal value applicable to Baosteel's exports would be approximately A\$ [REDACTED]/mt.

2.2 Grounds for review of ascertained normal values

As noted by the Commission in the original investigation into aluminium zinc coated steel (REP 190), hot-rolled coil (HRC) 'is the major raw feed material'. Since the decision to impose a fixed and variable measures on 5 August 2013 following REP 190, global iron ore prices and as a consequence hot-rolled coil prices, have experienced significant falls which has resulted in a corresponding decrease in the costs of producing aluminium zinc coated steel.

The graph below shows that HRC prices have fallen by approximately [REDACTED]% between the original investigation period and the proposed 2016 review period. This is based on a comparison of SBB East Asia HRC Import Prices during the original investigation period, and the weighted average HRC benchmark price determined in the current reviews¹, using HRC purchased data from cooperating Korean and Taiwanese exporters. (Confidential Exhibit A).

It is understood that the Commission has used these benchmark prices for constructing Chinese exporter's normal values, and given the [REDACTED]% decline in average HRC prices since the original investigation, and all other elements being equal, Baosteel estimates that its contemporary normal value would be A\$ [REDACTED]/mt or US\$ [REDACTED]/mt using the average rate of exchange for 2016.

[CONFIDENTIAL CHART REMOVED]

¹ Reviews 365, 366, 368, 371, 374, 376 and 386.

In Baosteel's opinion, the contemporary normal values are likely to persist given the stable and slight downward trend for HRC prices in the first quarter 2017 shown in the table below.

[CONFIDENTIAL TABLE REMOVED]

2.3 Conclusion

Baosteel considers that the submitted evidence supports the view that there appears to be reasonable grounds for asserting that the ascertained normal value relevant to the taking of anti-dumping measures has changed.

3. AMOUNT OF COUNTERAVAILABLE SUBSIDY

3.1 Basis for current countervailing duty

Following the then Parliamentary Secretary's decision to vary the countervailing duty notice relevant to aluminium zinc coated steel exported from China², the subsidy margin applicable to other non-cooperating Chinese exporters relates only to subsidy programs 5, 9 and 11 to 36.

3.2 Grounds for review of countervailable subsidy

- i) Program 5 - Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years.

Program 5 does not apply to Baosteel as it is not a foreign invested enterprise. Baosteel's largest and controlling shareholder is Baosteel Group Corporation, which is 100% owned and controlled by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

- ii) Location based programs:

- Program 9 – administered Huzhou City Local Taxation Bureau and Wuxing Sub-Bureau;
- Program 12 – administered by Guangdong Province;
- Program 14 - administrated by the Huzhou Economic Committee;
- Program 15 – administered by the Wuxing district and the Science and Technology Bureau of Wuxing District;
- Program 16 - administered by the Guangdong Province Department of Intellectual Property and Department of Personnel;
- Program 17 – administered by the Administrative Office of Science and Technology Bureau of Zhejiang province;
- Program 18 – administered by Yunnan Province;
- Program 19 - administered by the Chongqing Venture Investment Fund;
- Program 20 - administered by the local commerce authority of Guangzhou;

² Anti-Dumping Notice No. 2014/12

PUBLIC VERSION

- Program 21 - administered by the Municipal Economic and Trade Bureau and by the Municipal Leading Group of Accelerating Development of Equipment Manufacturing Industry of Zhongshan City;
- Program 22 - administered by the Local Taxation Bureau of Zhejiang Province;
- Program 23 - administered by the Finance Bureau of Huzhou City;
- Program 24 - administered by the Finance Bureau of Huzhou City;
- Program 25 - administered by the Government of Huzhou City and the Bureau for Quality and Technical Supervision;
- Program 26 - administered by the Bureau of Finance and the Economic and Information Committee of Huzhou City;
- Program 27 - administered by the Government of Wuxing District;
- Program 28 - administered by Wuxing District Foreign Economic and Trade Bureau;
- Program 29 - The Bureau of Finance and the Science and Technology Bureau of Huzhou City;
- Program 32 – administered by the Jinzhou District Science and Technology Bureau of Jinzhou New District;
- Program 34 - administered by the Department of finance of Dalian Economic & Technology Development Zone;
- Program 35 - administered by the Environment Protection Bureau and Finance Bureau of Changshu City;
- Program 36 - administered by the Jinzhou District Science and Technology Bureau of Dalian.

The Commission has determined and found that each of the location based programs listed above are administered and implemented by specific local, regional or provincial governments. None of those listed locations or government authorities are applicable to Baosteel, which is located in Baoshan, Shanghai.

- iii) Program 11 - Tariff and VAT Exemptions on Imported Materials and Equipment

Baosteel has no information which shows that it received benefits in the form of tariff or VAT exemptions on imported materials and equipment. However, as noted in its 2015 financial statements and shown below, it received a tax refund amounting to RMB 25,670,006. Whilst Baosteel does not consider this tax refund to be countervailable, it has included the amount for the purposes of estimating a contemporary subsidy margin.

PUBLIC VERSION

(2) Government grants recognized in profit and loss in the current period :

Items	Amount incurred in the current period	Amount incurred in the prior period	Assets related/Income related
Transfer of prior year government grants related to technology improvement	225,994,534.00	47,015,363.76	Assets related
Subsidies for high-tech achievement transformation	106,920,549.52	65,611,863.86	Both income and assets related
Local fiscal subsidy	3,631,796.45	42,717,453.32	Income related
Tax refund	25,670,005.91	23,116,492.45	Income related
Special fund for foreign trade and economic cooperation	-	256,660,000.00	Income related
Compensation for relocation	6,292,073.91	30,465,912.25	Income related
Other fiscal subsidies	177,829,643.18	17,602,176.77	
Total	506,388,802.97	637,191,272.45	

iv) Program 13 - Matching Funds for International Market Development for SMEs

The Commission has determined and found that this program is specific to small and medium size enterprises (SME). As Baosteel is not a SME, this program is not applicable.

v) Program 30 - Capital injection

Baosteel has no information which shows that it received benefits in the form of direct capital injections.

vi) Environmental / Technological based programs:

- Program 31 - Environmental protection grant;
- Program 33 - Independent Innovation and High-Tech Industrialisation Program.

Baosteel has no information which shows that it received benefits under these specific programs. However, as noted in its 2015 financial statements and shown below, it received subsidies for technological improvement amounting to RMB 332,915,084. Whilst Baosteel does not consider these grants to be countervailable, it has included these for the purposes of estimating a contemporary subsidy margin.

(2) Government grants recognized in profit and loss in the current period :

Items	Amount incurred in the current period	Amount incurred in the prior period	Assets related/Income related
Transfer of prior year government grants related to technology improvement	225,994,534.00	47,015,363.76	Assets related
Subsidies for high-tech achievement transformation	106,920,549.52	65,611,863.86	Both income and assets related
Local fiscal subsidy	3,631,796.45	42,717,453.32	Income related
Tax refund	25,670,005.91	23,116,492.45	Income related
Special fund for foreign trade and economic cooperation	-	256,660,000.00	Income related
Compensation for relocation	6,292,073.91	30,465,912.25	Income related
Other fiscal subsidies	177,829,643.18	17,602,176.77	
Total	506,388,802.97	637,191,272.45	

vii) Other subsidy programs.

PUBLIC VERSION

As noted above, Baosteel received additional fiscal subsidies amounting to RMB 147,983,714. Whilst Baosteel does not consider these grants to be countervailable, it has included these for the purposes of estimating a contemporary subsidy margin.

Based on the information available, Baosteel estimates that on the basis of subsidies received during the most recent audited financial year and assuming that all subsidies meet the definition of countervailable subsidies, a contemporary subsidy margin of 0.6%. This is significantly less than the currently applicable subsidy margin of 6.9%.