1 December 2017

The Director
Operations 1
Anti-Dumping Commission
GPO Box 2013
CANBERRA ACT 2601

Public File

Dear Sir/Madam,

Review Inquiry No. 456 – Aluminium zinc coated steel exported from the People’s Republic of China, and the Republic of Korea

I. Introduction

I refer to Anti-Dumping Notice No. 2017/156 published on 10 November 2017 concerning the initiation of a review of measures investigation applicable to certain aluminium zinc steel exported from the People’s Republic of China (“China”) and the Republic of Korea (“Korea”).

The review was commenced following a request by the Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (the “Parliamentary Secretary”) to review the dumping and countervailing measures as they affect exporters of aluminium zinc coated steel exported to Australia from China and Korea.

The decision of the Parliamentary Secretary was dated 2 November 2017.

The review period for the investigation is 1 October 2016 to 30 September 2017 and extends to all exporters of the goods from China and Korea (except Dongkuk Steel Mill Co Ltd). The review will examine whether any of the variable factors applicable to the measures have changed.

II. Interested party

BlueScope Steel Limited (“BlueScope”) is an interested party to this review of measures investigation. BlueScope was the applicant company that requested the imposition of anti-dumping measures that resulted in the then Attorney-General imposing the relevant anti-dumping and countervailing measures1.

The aluminium zinc coated steel measures were recently reviewed (Investigation Nos 367, 372, 375, and 385). The investigation periods in the earlier investigations were those periods ending 30 June 2016 (for certain Chinese exporters) and 30 September 2016 (for Dongbu Steel Co “Dongbu” of Korea). BlueScope participated as an interested party in these reviews.

---

1 Reports No. 190 and 193 refer.
III. **Variable factors**

In the recent aluminium zinc coated steel review investigations No’s 367, 372, 375 and 385, BlueScope notified the Commission that prevailing normal values and export prices for the goods in the period post the investigation period had increased substantially. In a submission dated 22 May 2017 in response to Statement of Essential Facts No. 385 and 386, BlueScope indicated that the domestic HRC price in Korea had increased by [XX] per cent following the investigation period\(^2\). BlueScope contended that over the same comparable period, the domestic aluminium zinc coated steel price in Korea had increased by a similar margin.

A further consideration impacting the review of measures relates to outcomes in Review Investigations No. 367 (Jiangyin Zongcheng Steel Co., Ltd “Zongcheng”) and 372 (Angang Steel Company Limited “Angang”) for exporters that did not export goods during the review investigation period. For these exporters, the Commission determined the export price to be equal to the normal value, and no interim duties were subsequently payable (following acceptance by the Parliamentary Secretary of recommendations in Reports No. 367 and 372).

Prior to the recent review of measures investigation, the amount of interim dumping duty payable by Zongcheng and Angang was 18.1 per cent and 5.8 per cent, respectively. However, following the acceptance of the Commissioner’s recommendations in Reports 367 and 372, the two exporters – that previously were liable for interim dumping duty (“IDD”) – were allocated a ‘zero’ rate of IDD due to an absence of exports of the goods during the investigation period.

The recent *Customs Amendment (Anti-Dumping Measures) Bill 2017*\(^3\) empowers the Minister to examine an appropriate export price for exporters that have not exported subject goods during a review investigation period. This legislative change addresses the identified loophole of exporters that have not exported goods during the review investigation period, but which have previously been the subject of IDD. The enacted Bill enables the Minister to calculate an export price (in the absence of actual export volumes) based upon alternate information.

The identified loophole in the review of measures outcomes that affected exports by Zongcheng and Angang, as being afforded ‘zero’ IDD rates of measures, is addressed by the *Anti-Dumping Measures Bill*. The Parliamentary Secretary has sought to address the loophole exploited by the exporters to ensure the correct and relevant IDD measures are applied, including in this current review of measures (which also addresses exports of aluminium zinc coated steel to Australia by Zongcheng and Angang).

BlueScope therefore welcomes the Parliamentary Secretary’s direction to the Commissioner to review the measures applicable to aluminium zinc coated steel exported from China and Korea to address the loophole that enabled exporters to cease exports to Australia for a twelve-month period and secure favourable IDD outcomes.

The variable factors in the period 1 October 2016 to 30 September 2017 have increased since the review investigation periods in Inquiries 367, 372, 375 and 385. Due to the non-publication of domestic selling prices in China and Korea, BlueScope has constructed selling prices for aluminium zinc coated steel. Raw material HRC prices in Korea increased by an average of [XX] per cent between the review period in Investigation 385 and the review period in the current investigation period\(^4\). It is BlueScope’s submission that domestic selling prices for aluminium zinc coated steel would have increased in China and Korea by similar

\(^{2}\) In Review Investigations No. 385 and 386 the investigation period was 1 October 2015 to 30 September 2016.

\(^{3}\) *Customs Amendment (Anti-Dumping Measures) Bill 2017* received Royal Ascent on 30 October 2017.

\(^{4}\) Average domestic HRC selling price in Korea of A$[XX]/MT compared with recent A$[XX]/MT (refer [confidential data source]).
magnitudes in the 1 October 2016 to 30 September 2017 review period. The following Table 1 details domestic selling prices for zinc coated (galvanised) steel in China and Korea during the 1 October 2016 to 30 September 2017 period (refer Confidential Attachment 1).

Table 1 – Constructed domestic selling prices for zinc coated (galvanized) steel in China and Korea; monthly

<table>
<thead>
<tr>
<th>Month</th>
<th>China A$/MT</th>
<th>Korea A$/MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 16</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Nov 16</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Dec 16</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Jan 17</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Feb 17</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Mar 17</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Apr 17</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>May 17</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Jun 17</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Jul 17</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Aug 17</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
<tr>
<td>Sep 17</td>
<td>$[XX]</td>
<td>$[XX]</td>
</tr>
</tbody>
</table>

Source: Refer Confidential Attachment 1, [confidential data source].

Following the Commission’s determination in Report No. 190 where a market situation was evident in China for aluminium zinc coated steel, a constructed normal value utilizing the Chinese exporter’s costs and surrogate domestic HRC steel prices in Korea and Taiwan was used. An examination of aluminium zinc coated steel prices in Korea and Taiwan confirms that HRC prices have similarly increased from the levels of the earlier reviews and that this would translate to higher aluminium zinc coated steel prices in China.

BlueScope therefore anticipates that the Commission will determine increases in variable factors for exporters in China and Korea that are consistent with the approximate [XX] per cent increase in export prices ex Korea in the current review investigation (when contrasted with the earlier investigation period in Review Investigation No. 385).

IV. Summary

BlueScope welcomes the Parliamentary Secretary’s direction to the Commissioner to commence a review of measures on aluminium zinc coated steel exported from China and Korea. It is BlueScope’s understanding that normal values and export prices for the goods the subject of the measures have increased substantially following the review investigation periods (twelve-months ending 30 June 2016, and 30 September 2016) and that there has been a material change in each of the existing variable factors when compared with variable factors applicable in the 1 October 2016 to 30 September 2017 review investigation period.

BlueScope will continue to monitor the EPR and provide submissions appropriately in the context of this review inquiry.
If you have any questions concerning this submission, please do not hesitate to contact me on (02) 4240 1214, or BlueScope’s representative Mr John O’Connor on (07) 3342 1921.

Yours faithfully,

Chad Uphill  
Senior Commercial Specialist – International Trade Affairs