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Australian Government
Anti-Dumping Commission

EXEMPTION INQUIRY EX0013

**ZINC COATED (GALVANISED) STEEL
EXPORTED TO AUSTRALIA FROM THE
PEOPLE'S REPUBLIC OF CHINA, THE
REPUBLIC OF KOREA AND TAIWAN**

REPORT TO THE MINISTER

WRIGHT STEEL SALES PTY LTD

NOVEMBER 2013

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Exemption Inquiry – Galvanised steel exported from China, Korea and Taiwan

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2 Summary and recommendations

This inquiry is in response to an application by Wright Steel Sales Pty Ltd (Wright) requesting an exemption from dumping duty and countervailing duty (collectively, the **measures**) under sections 8 and 10 of the *Customs Tariff (Anti-Dumping) Act 1975*¹ (the Dumping Duty Act) in relation to the export of zinc coated (galvanised) steel from the People's Republic of China (China), the Republic of Korea (Korea) and Taiwan.

This report sets out the facts on which the Minister for Industry (the Minister) may rely on to exempt goods from measures.

2.1 Recommendation

The Anti-Dumping Commission (the Commission) has found that for the goods (refer to **section 4.3**) the subject of Wright's application, a Tariff Concession Order (TCO) under Part XVA of the *Customs Act 1901* is in force. Accordingly, the Minister can be satisfied that the conditions of subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act for granting an exemption are met.

The Commission recommends the Minister exempt from measures for galvanised steel, the goods to which TC 1318527 applies, and that the Minister signs the instrument at **Attachment 1**.

2.2 Application of law to facts

2.2.1 Authority to make decision

Subsections 8(7) and 10(8) of the Dumping Duty Act set out, *inter alia*, the matters to be considered by the Minister in deciding whether to exempt goods from dumping duty and countervailing duty.

2.2.2 Application

On 31 May 2013, Wright wrote to the Commission requesting an exemption from measures in relation to its imports of galvanised steel (**Confidential Attachment 1**). As the investigation into whether a dumping and/or countervailing duty notice should be published was still underway at that stage, the application was not accepted. Subsequent to the publication of the dumping duty and countervailing duty notices, the Commission accepted Wright's further request for an exemption.

Wright has applied for an exemption under subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act. That is:

“that a Tariff Concession Order under Part XVA of the *Customs Act 1901* in respect of the goods is in force”.

2.2.3 Initiation of inquiry

After examining the application, the Commission was satisfied that:

- the claims put forward in the application warranted further inquiry;

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.

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- that an exemption inquiry should commence; and
- that a final report and recommendation to the Minister presenting evidence on which the Minister may rely to exercise his power to exempt goods from measures under sections 8 and 10 of the Dumping Duty Act be prepared.

2.3 Findings and conclusions

The Commission has found that Wright was granted a TCO for the type of galvanised steel subject to Wright's exemption application. The conditions for granting an exemption are therefore satisfied.

3 Background

3.1 Original investigation

In August 2013, the Commission completed an investigation into:

- the alleged dumping of galvanised steel exported to Australia from China, Korea and Taiwan, which commenced on 5 September 2012; and
- the alleged subsidisation of galvanised steel exported to Australia from China, which commenced on 26 November 2012.

The Commission reported its findings and recommendations to the Attorney-General. The Attorney-General accepted the Commission's recommendation that galvanised steel had been exported at dumped and subsidised prices and that dumping and subsidisation had caused material injury to the Australian industry. A dumping duty notice and countervailing duty notice in respect of the goods was published on 5 August 2013.

Anti-Dumping Notice No. 2013/66 contains details of the measures, including a description of the goods subject to measures.

The reasons for the Attorney-General's decision in this case are contained in Reports 190 and 193 (REP 190 and REP 193).

3.2 Exemption inquiry

On 22 October 2013 (after the notices were published), the Commission accepted Wright's email as an application for an exemption of measures (**Confidential Attachment 1**).

The Commission sent the sole Australian manufacturer, BlueScope Steel Limited (BlueScope), an invitation to respond to Wright's application on 30 October 2013 and requested that a response be received no later than 13 November 2013.

BlueScope responded on 31 October 2013 stating that it did not object to the granting of the exemption requested by Wright (**Confidential Attachment 2**).

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

4.1 The goods subject to measures

The imported goods subject to anti-dumping measures are described as:

“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”².

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/m^2) 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.

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
- Galvanneal.

Product Treatment

The anti-dumping measures cover 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).

Goods excluded from investigation scope

Painted galvanised steel, pre-painted galvanised steel, electro-galvanised plate steel and corrugated galvanised steel are not covered by the anti-dumping measures.

² Galvanised Steel Application, page 10.

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4.2 Tariff classification

Galvanised steel is classified to tariff subheadings 7210.49.00 (and statistical codes 55, 56, 57 and 58) and 7212.30.00 (and statistical code 61) of Schedule 3 to the *Customs Tariff Act 1995* (Tariff Act).

The general rate of duty is currently 5% for goods imported under these tariff subheadings. Imports from China are subject to the DCS duty rate which is free. Imports from Korea and Taiwan are subject to the DCT duty rate which is 5%.

4.3 Goods subject of the application for exemption

The goods the subject of this application for exemption are galvanised steel subject to TC 1318527.

Wright applied for the TCO which was initially objected to by BlueScope. Wright states that BlueScope removed its objection to the TCO application, and the TCO was subsequently granted on 21 October 2013.

TCO 1318527 covers the following:

STEEL, flat rolled, non-alloy, hot dipped galvanized, zinc coated, in coils, having ALL of the following:

- (a) yield strength NOT less than 120 MPa and NOT greater than 180 MPa;
- (b) tensile strength NOT less than 260 MPa and NOT greater than 350 MPa;
- (c) elongation NOT less than 37%;
- (d) total coating mass NOT less than 90 g/m²;
- (e) in ANY of the following sizes:
 - (i) thickness 0.75 mm and width 1 535 mm;
 - (ii) thickness 0.80 mm and width 1 640 mm;
 - (iii) thickness 0.90 mm and width 1 530 mm

For the purposes of this order, tolerances allowable for specification (e) are:

- (a) thickness +/- 10%
- (b) width +/- 1%

4.3.1 Uses for the goods

Wright advised in its original application that the galvanised steel the subject of its application is used for a specific purpose in the passenger motor vehicle industry.

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5 Galvanised steel subject to TCO

5.1 Assessment

The Commission has found that on 21 October 2013, TC 1318527 came into effect following an application from Wright that identified certain specifications of galvanised steel. The relevant TCO and tariff classification is TC 1318527 (7210.49.00).

5.2 Conclusion

The Commission recommends that the Minister exempt these goods from interim dumping duty and interim countervailing duty, under subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act on the basis that a TCO in respect of the goods is in force.

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6 ATTACHMENTS

Attachment 1	Instrument
Confidential Attachment 1	Wright's application
Confidential Attachment 2	BlueScope's response to the questionnaire