

8 September 2016

The Director
Operations 3
Anti-Dumping Commission
GPO Box 1632
Melbourne Victoria 3001

BlueScope Steel Limited

Sirius Building
Five Islands Road, Port Kembla NSW 2505
PO Box 1854, Wollongong NSW 2500
P+61 2 4275 4638 | M+61 412 377 603
E Chad.Uphill@bluescopesteel.com

Public File

Dear Sir/Madam,

Zinc coated galvanised steel review investigations – Synn Industrial Co., Ltd, Jiangyin Zongcheng Steel Co., Ltd, Yeih Phui Enterprise Co., Ltd, and Angang Steel Company Limited

I. Introduction

I refer to the review investigations for galvanised steel that commenced on 30 August 2016 for the following exporters:

- (i) Synn Industrial Co., Ltd ("Synn") Investigation No. 366;
- (ii) Jiangying Zongcheng Steel Co., Ltd ("Zongcheng") Investigation No. 365;
- (iii) Yieh Phui Enterprise Co., Ltd ("Yieh Phui") Investigation No. 368; and
- (iv) Angang Steel Company Limited ("Angang") Investigation No. 371.

BlueScope Steel Limited ("BlueScope") is the only Australian manufacturer of galvanised steel. As with previous investigations involving galvanised steel exports the subject of measures, BlueScope will seek to ensure that the anti-dumping measures continue to be effective in removing the injury that they are intended to prevent.

II. <u>Fair comparison</u>

BlueScope notes the practice of the Anti-Dumping Commission ("the Commission") when comparing domestic and export models for determining applicable dumping margins. At Section 7.3 of the manual it is stated:

"For normal value to be ascertained under s.269TAC(1), the Commission first examines whether there are suitable sales of like goods for home consumption in the country of export by the exporter, made in the ordinary course of trade and at arms-length over the investigation period. **Model-matching criteria will be followed in order to identify identical goods sold on the exporter's domestic market**; or absent identical goods which goods closely resemble the goods under consideration." (Emphasis added).

The practice of model-matching has been an area of concern to BlueScope. The model-matching practice of exporters in past investigations has been hidden by the redaction of relevant information that details the basis for model-matching comparisons of domestic and exported goods. BlueScope requests the Commission to be vigilant in ensuring that the basis for model-matching is fully agreed prior to verification. To assist in this process, BlueScope is proposing a Product Control Number ("PCN") System that permits the ready

identification of key attributes associated with galvanised steel grades/models produced by manufacturers/exporters.

The PCN Coding System permits the ready identification of galvanised steel products taking account of:

- Prime/non-prime;
- Hot/cold rolled base steel;
- Coating type;
- Coating mass;
- Grade designation (as per applicable standards);
- Thickness (Base Metal Thickness);
- Width; and
- Form (coil or sheet).

Please refer to the attached PCN Coding System for all galvanised steel products manufactured by BlueScope.

The adoption of the PCN coding system will permit ready model-matching comparisons to be undertaken by the Commission prior to verification visits. BlueScope has prepared all domestic sales in Appendix A4 format for galvanised steel for the July 2015 to June 2016 investigation period, referenced by PCNs. This Confidential Attachment will be forwarded to the Commission separately.

BlueScope is aware (and understands the Commission is also aware) that the use of the PCN Coding System is a current practice employed by the US Department of Commerce ("US DOC") and the European Commission ("EC") in anti-dumping investigations. The US practice involves the cooperative exporter providing the equivalent domestic sales by PCN Code for the investigation period prior to the scheduled deadline for the acceptance of all information from cooperative exporters. Any challenges to the PCN Coding System must be handled prior to the specified deadline for all requested information contained in the Exporter Questionnaire Response ("EQR"). Where information is not provided in PCN Code format, the exporter is considered 'non-cooperative'.

III. Recommendation

BlueScope requests the Commission request that those exporters the subject of review inquiries No. 365, 366, 368 and 371 prepare Appendix A4 domestic sales information in accordance with the attached PCN Coding System. The adoption of this methodology will enhance the model-matching process for the determination of dumping margins for the exported goods the subject of measures.

If you have any questions concerning this submission, please do not hesitate to contact me on (02) 4275 4638 or BlueScope's representative Mr John O'Connor on (07) 3342 1921.

Yours faithfully,

Chad Uphill

Leader - Trade Affairs

Product Control Number - Coding System			
ield Number		Category	Description
1		Prime / Non Prime	Reports whether the product is prime or non-prime (secondary) product. Non prime could also be described as not meeting the intended or applicable specification.
	Р	Prime	
	S	Secondary / Non Prime	
2		Base Steel	Reports whether the galvanised steel substrate is a hot rolled base or whether it is a cold rolled base (ie hot rolled further processed via pickling, side trimming and cold reduction).
	Н	Hot Rolled	
	С	Cold Rolled	
3		Hot Dipped Coating Type	Reports the type of zinc coating on the steel surface. This is either a hot dipped coating of zinc or a coating of zinc that has been converted to a zinc/iron alloy post the hot dip process (excludes electro galvanised steel). The common term for zinc/iron alloy galvanised steel is Galvanneal (BSL has a brand name ZINCANNEAL(r) for this product.
	Z	Zinc Coated (Z)	
	F	Zinc / Iron Alloyed Coating (Australian ZF = Japanese F)	
4		Coating Mass (weight)	Reports the amount of zinc (Z) or zinc/iron (ZF) coating that has been applied to the base steel. This is expressed as the total (both top and bottom sides) in grams/square metre of surface area. The designated coating mass is a guaranteed minimum value. Note: JIS 3302 expresses coating mass in a shortened manner compared to AS 1397 (i.e. AS 1397 coating of Z275 (g/m2) = Z27 in the JIS 3302 standard and AS 1397 coating of ZF100 (g/m2) = F10 in the JIS 3302 standard).
	1	<= 100 g/m2	
	2	>100 g/m2 to <= 220 g/m2	
	3	> 220 g/m2 to <= 300g/m2	
	4	>Z300 g/m2 to <= 400 g/m2	
	5	>400 g/m2	
5		Grade Designation (AS 1397 / JIS 3302)	Reports the steel grade of Galvanised steel. The steel grade determines the guaranteed or typical mechanical properties of the product. The Australian standard AS 1397 range of steel grades are noted in bold with the equivalent Japanese standard 1JS 3302 steel grades noted alongside unbolded. The Gandes are 'Formable' steel grades, whilst the G250 to G550 covers the range of 'Structural' steel grades. AS 1397 designates the structural grades via their minimum Yield Strength whilst the JIS 3302 designates their structural grades via their minimum Tensile Strength. All other special grades (for example as supplied to the Automotive industry /standards) will fall into the 'other' category for this investigation.
	1	G2 / SGCC / SGHC	
	2	G3 / SGCD /	
	3	G250 / SGC 340 / SGH 340 / SGC 340 / SGHC 340	
	4	G300 / G350 / SGC 400 / SGH 440 / SGC 440 / SGHC 440 / SGC 490 / SGCH 490	
	5	G450 / G500	
	6	G550 / SGC 570	
	9	Other	
6		Thickness (BMT)	Reports the Base Metal Thickness (BMT) of the substrate steel before the zinc coating or the zinc/iron coating is applied. For galvanised steel of the same coating mass, the thinner the base metal, the more square metres per tonne and therefore more coating metal is required to be applied and higher the cost and selling price.
	1	< 0.40 mm	
	2	=> 0.40 mm to < 0.50 mm	
	3	=> 0.50 mm to < 0.75 mm	
	4	=> 0.75 mm to < 1.00 mm	
	5	=> 1.00 mm to < 1.50 mm	
	6	=> 1.50 mm to < 2.00 mm	
	7	=> 2.00 mm to <2.50 mm	
	8	=> 2.50 mm	
7	1	NAC-JAL	Reports the width of the galvanised steel. In general narrow steel product requires extra processing via a slitting operation and incurs a price extra.
	1	Width < 600 mm	
	3	=> 600 mm to <= 1220mm > 1220mm	
	3	> 1220IIIII	
8		Form	Reports the final shape of the galvanised steel - either in coil form or in sheet form. Sheeted product requires extra
8			
8	С	Coil	processing via a shearing operation and incurs a price extra.

PCN Examples:- for equivalent AS 1397 and JIS G3302 galvanised steel products

AS 1397 Galvanised steel - Prime, Cold Rolled, Z275 coating, G2 grade, 1.20mm thick, 1200mm wide, Coil would have a PCN = PCZ3152C

JIS G3302 Galvanised steel - Prime, Cold Rolled, Z27 coating, SGCC grade, 1.20mm thick, 1200mm wide, Coil would have a PCN = PCZ3152C

AS 1397 ZINCANNEAL® steel - Prime, Cold Rolled, G2 grade, ZF100 coating, 0.75mm thick, 950mm wide, Coil would have a PCN = PCF1144C

JIS G3302 Galvanneal steel - Prime, Cold Rolled, SGCC grade, F10 coating, 0.75mm thick, 950mm wide, Coil would have a PCN = PCF1144C

AS 1397 Galvanised steel - Prime, Cold Rolled, Z200 coating, G300 grade, 0.50mm thick, 915mm wide, Sheet would have a PCN = PCZ422S

JIS G3302 Galvanised steel - Prime, Cold Rolled, Z20 coating, SGC 400 grade, 0.50mm thick, 915mm wide, Sheet would have a PCN = PCZ422S