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11 December 2014

Mr Geoff Gleeson  
 Director, Operations 1  
 Anti-Dumping Commission  
 C/o Customs House  
 1010 La Trobe Street  
 MELBOURNE DOCKLANDS VICTORIA 3008

Dear Mr Gleeson

#### Public File

**Investigation No. 274 – Accelerated Review involving Zinc Coated (Galvanised) Steel exported by Jiangyin Zongcheng Steel Co., Ltd of China**

#### Introduction

I refer to the accelerated review application by Jiangyin Zongcheng Steel Co., Ltd of China. ADN No 2014/119 details the process and timeframe for the Anti-Dumping Commission ("the Commission") to conduct an investigation to establish a separate normal value for Zongcheng for exports of zinc coated (galvanised) steel to Australia.

#### Investigation Period

The nominated investigation period for the review of measures is 1 July 2013 to 30 June 2014.

#### Normal Value - Zongcheng

The Commission considers that Zongcheng did not export zinc coated (galvanised) steel ("the goods") during the period which new exporters cannot have exported. Zongcheng did not refuse to cooperate in the original investigation and, it appears, is unrelated to any selected exporters in the original investigation.

According to Consideration Report No. 274, the Commission appears satisfied that Zongcheng meets the requirements of a new exporter.

ADN No. 2014/119 makes it clear that the accelerated review will not:

- reassess the finding of whether or not a market situation exists such that sales in that market (i.e. China) are not suitable for use in determining normal value as specified in Report No. 190; and
- reassess whether other subsidies exist beyond those originally investigated (Report No. 193).

The Commission may, therefore, subject to full cooperation by Zongcheng determine separate variable factors for a new exporter.

Zongcheng's representative has provided a submission (dated 17 November 2014) concerning relevant information for determining a hot rolled coil ("HRC") cost to be included in Zongcheng's normal value. It was suggested on behalf of Zongcheng that the following HRC prices should be used:

- (i) South East Asia CFR import prices sourced from "SteelFirst"; or
- (ii) India FOB prices (from Investigation No. 249).

BlueScope submits that neither of the suggested benchmarks are relevant or representative. The relevant HRC price to be included in the Zongcheng constructed normal value is a domestic HRC from either Korea or Taiwan. Domestic HRC prices in both the Korean and Taiwanese domestic markets are available from MEPS International.

BlueScope can provide this information to the Commission for incorporation into Zongcheng's constructed normal value.

It is further noted that the representations on behalf of Zongcheng have suggested using HRC costs for Indian and Vietnamese exporters from investigation No. 249. As at the date of this submission, exporter verification visits have not been conducted with Indian and Vietnamese exporters, therefore the data cannot be considered reliable at this stage.

BlueScope is surprised by Zongcheng's apparent concern in using Korean domestic HRC costs as obtained by the Commission in Investigation No.273. Whilst it is recognised that the investigation periods do not align, they certainly do overlap for nine months of the investigation period for this inquiry.

Finally, BlueScope rejects the suggestion that HRC costs represent 85 to 90 per cent of the total normal value for zinc coated (galvanised) steel. This is a purely arbitrary figure that more than likely reflects the suppressed selling prices associated with HRC and the goods sold in China.

#### Closing Remarks

BlueScope rejects the proposed benchmarks for HRC costs as suggested by Zongcheng that are based upon exported HRC selling prices. The more relevant and representative HRC prices for inclusion in Zongcheng's normal values must be based upon domestic HRC prices – in either Korea or Taiwan, as used in the original investigation No. 190. Monthly domestic selling prices for HRC in Korea and Taiwan are available from MEPS International.

The Commission can contrast the MEPS International monthly domestic HRC selling prices with the domestic selling prices for HRC in Korea from the Review investigation (Inquiry No. 273). A comparison of the Korean prices will enable the Commission to be satisfied as to the accuracy of the pricing information and further confirm the inadequacy of South East Asia CFR and Indian FOB prices for HRC.

BlueScope has attached updated Confidential Appendix A6.1 financial data for its zinc coated (galvanised) steel business through until 30 September 2014.

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

Yours sincerely

A handwritten signature in dark ink, appearing to read 'C Uphill', with a stylized, cursive script.

Chad Uphill  
International Trade Affairs

Confidential Attachment – Appendix A6.1 CTM&S data to 30 September 2014