REVIEW OF MEASURES 456 and 457

REVIEW OF ANTI-DUMPING MEASURES APPLYING TO CERTAIN ALUMINIUM ZINC COATED STEEL EXPORTED FROM THE PEOPLE’S REPUBLIC OF CHINA AND THE REPUBLIC OF KOREA AND CERTAIN ZINC COATED (GALVANISED) STEEL EXPORTED FROM THE PEOPLE’S REPUBLIC OF CHINA, THE REPUBLIC OF KOREA AND TAIWAN

VERIFICATION VISIT REPORT - IMPORTER

STEMCOR AUSTRALIA PTY LTD

THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION

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1 BACKGROUND

On 6 October 2017, applications were lodged by BlueScope Steel Limited (BlueScope) requesting inquiries into the continuation of anti-dumping measures in relation to the following goods:

- Zinc coated (galvanised) steel (galvanised steel) exported to Australia from the People’s Republic of China (China), the Republic of Korea (Korea) and Taiwan; and
- Aluminium zinc coated steel exported to Australia from China and Korea.

On 10 November 2017, public notifications of the initiation of the inquiries were made on the Anti-Dumping Commission’s (the Commission’s) website in Anti-Dumping Notice No. 2017/158 and 2017/159. The background relating to the initiation of the inquiries is also contained in those notices.

On this day the Commission also initiated reviews of the anti-dumping measures applying to certain galvanised steel exported to Australia from China, Korea and Taiwan, and aluminium zinc coated steel exported to Australia from China and Korea. The reviews were initiated after a request was made by the then Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science to review the dumping and countervailing measures as they affect exporters of galvanised steel and aluminium zinc coated steel from the countries mentioned above.

Public notifications of the initiation of the reviews were made on the Commission’s website in Anti-Dumping Notice No. 2017/156 and 2017/157. The background relating to the initiation of the reviews is also contained in those notices.

The review period is 1 October 2016 to 30 September 2017.

Following the initiation of the inquiry and review, the Commission wrote to Stemcor Australia Pty Ltd (Stemcor), an importer of the goods, inviting Stemcor to cooperate. Stemcor, cooperated and completed the importer questionnaire and relevant attachments.

The verification was conducted at Duferco International Trading Holding’s Sydney office.
## 2 AUSTRALIAN SALES

### 2.1 Verification of sales to financial statements

The verification team verified the completeness and relevance of Stemcor’s sales listing by reconciling it to financial statements in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at confidential attachment 1.

The verification team did not find any issues with the verification of the sales listing to financial statements.

### 2.2 Verification of sales to source documents

The verification team verified the accuracy of Stemcor’s sales listing by reconciling it to source documents in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at confidential attachment 1.

The verification team found no issues with the verification of sales listing to source documents.

### 2.3 Related party customers

The verification team did not find evidence that Stemcor is related to any of its customers during the review period.
3 IMPORTS

3.1 The goods

Stemcor confirmed that it imported goods from China and Korea during the review period, which match the description of the goods that are the subject of the inquiry and review.

3.2 Verification of importation and selling costs

The verification team verified the accuracy of the importation and selling costs by reconciling selected imports to the source documents in accordance with ADN 2016/30.

Details of the verification are contained within the verification work program at confidential attachment 1.

The verification team did not identify any issues with the verification of the importation and selling costs to source documents.

3.3 Import listing

Stemcor confirmed that the import listing extracted from the ABF import database is a complete list of imports of the goods over the review period.

The verification team calculated the weighted average FOB export price by supplier at Confidential Appendix 1.

3.4 Forward orders

Stemcor provided the verification team with details of future orders. The verification team is satisfied that this is a complete list of Stemcor’s forward orders. The list of forward orders is at Confidential Appendix 2.

3.5 The importer

The verification team considers Stemcor to be the beneficial owner of the goods at the time of importation. Stemcor is:

- named on the commercial invoice from its supplier;
- named as the consignee on the bill of lading,
- declared as the importer on the importation declaration to ABF;
- pays for all the importation charges; and
- arranges delivery from the port.
3.6 The exporter

Subject to further inquiries, the verification team considers that the manufacturer of the galvanised steel and aluminium zinc coated steel imported by Stemcor to be the exporter of the goods.¹

3.7 Profitability of imports

The verification team calculated the profitability for 7 selected shipments of zinc coated (galvanised) steel and 6 selected shipments of aluminium zinc coated steel.

The verification team found that all shipments except one was profitable. Overall, the shipments were profitable. Details are contained in confidential appendix 3.

3.8 Related party suppliers

The verification team did not find any evidence indicating that Stemcor is related to any of its suppliers during the review period.

3.9 Arms length

In respect of imports of the goods to Australia by Stemcor during the review period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price².

Therefore, subject to further inquiries, the verification team are satisfied that import transactions between Stemcor and its suppliers are arms-length transactions.

¹ The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

² Subsection 269TAA(2) of the Customs Act 1901.
4 RECOMMENDATIONS

The verification team are of the opinion that for the goods imported by Stemcor from China and Korea:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporters; and
- the purchases of the goods by the importer were arms length transactions.

Subject to further inquiries with these exporters, the verification team recommends that the export price for goods imported by Stemcor from China and Korea can be established under s.269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less transport and other costs arising after exportation.
## 5 ATTACHMENTS

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