



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

CUSTOMS ACT 1901 - PART XV B

STATEMENT OF ESSENTIAL FACTS

**NOS. 365, 366, 367, 368,
371, 372, 374, 375 & 376**

REVIEWS OF ANTI-DUMPING MEASURES APPLYING TO

**ZINC COATED (GALVANISED) STEEL AND
ALUMINIUM ZINC COATED STEEL**

**EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA AND
TAIWAN**

BY

**SYNN INDUSTRIAL CO., LTD;
YIEH PHUI ENTERPRISE CO., LTD;
JIANGYIN ZONGCHENG STEEL CO., LTD;
ANGANG STEEL COMPANY;
YIEH PHUI (CHINA) TECHNOMATERIAL CO., LTD; AND
CHUNG HUNG STEEL CORPORATION.**

FEBRUARY 2017

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ABBREVIATIONS

ABF	Australian Border Force
ACPBS	Australian Customs and Border Protection Service
the Act	the <i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
Angang	Angang Steel Company Limited, the applicant in Reviews 374 and 375.
the applicants	Zongcheng, Synn Industrial, YP Enterprise, Angang, YP Technomaterial, and Chung Hung.
BlueScope	BlueScope Limited
China	the People's Republic of China
Chung Hung	Chung Hung Steel Corporation, the applicant in Review 376.
CITIC	CITIC Australia Steel Products Pty Ltd
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CTMS	cost to make and sell
Dongbu	Dongbu Steel Co.
EPR	electronic public record
FOB	free on board
galvanised steel	zinc coated steel
the goods	the goods the subject of the application (also referred to as the goods under consideration)
HRC	hot rolled coil
IDD	interim dumping duty
Korea	Republic of Korea
NIP	non-injurious price
the Parliamentary Secretary	The Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science
PCN	product control number
the Regulation	<i>Customs (International Obligations) Regulation 2015</i>
REP 190	<i>International Trade Remedies Branch Report No. 190</i>
REP 193	<i>International Trade Remedies Branch Report No. 193</i>
review period	1 July 2015 to 30 June 2016
SEF	statement of essential facts

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SG&A	selling, general and administrative costs
Sheng Yu	Sheng Yu Co., Ltd
Stemcor	Stemcor (SEA) Pte Ltd
Synn	Synn Industrial Co., Ltd, the applicant in Review 366
Ta Fong	Ta Fong Steel Co., Ltd
Union Steel	Union Steel Co., Ltd
USP	unsuppressed selling price
VAT	Value added tax
YP Enterprise	Yieh Phui Enterprise Co., Ltd, the applicant in Review 386.
YP Technomaterial	Yieh Phui Technomaterial Co., Ltd, the applicant in Reviews 374 and 375.
Zongcheng	Jiangyin Zongcheng Steel Co., Ltd, the applicant in Reviews 365 and 367.

1 SUMMARY

1.1 Introduction

This report sets out the statements of essential facts (SEF) on which the Commissioner of the Anti-Dumping Commission (the Commissioner) proposes to base his recommendations to the Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (the Parliamentary Secretary)¹ in relation to nine separate reviews of anti-dumping measures. Six reviews are in relation to the anti-dumping measures (in the form of a dumping duty notice) applying to zinc coated (galvanised) steel exported to Australia from the People’s Republic of China (China) and Taiwan. Three reviews are in relation to the anti-dumping measures (in the form of a dumping duty notice) applying to aluminium zinc coated steel exported to Australia from China.

These nine reviews are in response to applications from six exporters. Details of the nine reviews are summarised below.

Review No.	Applicant	Goods	Country
365	Jiangyin Zongcheng Steel Co., Ltd	Galvanised steel	China
366	Synn Industrial Co., Ltd	Galvanised steel	Taiwan
367	Jiangyin Zongcheng Steel Co., Ltd	Aluminium zinc coated steel	China
368	Yieh Phui Enterprise Co., Ltd	Galvanised steel	Taiwan
371	Angang Steel Company Limited	Galvanised steel	China
372	Angang Steel Company Limited	Aluminium zinc coated steel	China
374	Yieh Phui Technomaterial Co., Ltd	Galvanised steel	China
375	Yieh Phui Technomaterial Co., Ltd	Aluminium zinc coated steel	China
376	Chung Hung Steel Corporation	Galvanised steel	Taiwan

Table 1: Summary of the reviews

Each application for review is based on a change in the variable factors² relevant to the taking of the anti-dumping measures in relation to the applicant. The variable factors in relation to each of the reviews are the normal value, export price and non-injurious price (NIP). The relevant review period for each review is 1 July 2015 to 30 June 2016 (the review period).

Due to the close nature of galvanised steel and aluminium zinc coated steel, the common review period, the common interested parties, and for administrative convenience, the SEFs for all nine reviews are detailed in this one report.

Exporter-specific rates of dumping duty currently apply to all applicants except Synn Industrial Co., Ltd (Synn), which is subject to the ‘all other exporter rate’ for galvanised steel exports from Taiwan.

¹ On 19 July 2016, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Industry, Innovation and Science. For the purposes of these reviews, the Minister is the Parliamentary Secretary to the Minister for Industry, Innovation and Science.

² Subsection 269T(4E) of the *Customs Act 1901*.

The basis for the calculation of the existing anti-dumping measures applying to exports of galvanised steel from Jiangyin Zongcheng Steel Co., Ltd (Zongcheng) is specified in *Final Report No. 274 – Accelerated review for zinc coated galvanised steel*.³ The basis for the calculation of all other existing anti-dumping measures applying to galvanised steel and aluminium zinc coated steel exports from China and Taiwan are specified in *International Trade Remedies Branch Report No. 190 (REP 190)*.⁴

1.2 Legislative background

Division 5 of Part XVB of the *Customs Act 1901* (the Act)⁵ sets out, among other things, the procedures to be followed by the Commissioner in dealing with an application for review of anti-dumping measures.

Division 5 empowers the Commissioner to reject or not reject an application for review of anti-dumping measures. If the Commissioner does not reject the application, he is required to publish a notice indicating that it is proposed to review the anti-dumping measures covered by the application.⁶

The Commissioner must, within 110 days after the publication of the notice or such longer period as the Parliamentary Secretary allows, place on the public record a SEF on which the Commissioner proposes to base his recommendation to the Parliamentary Secretary in relation to the review of anti-dumping measures.⁷

1.3 Preliminary findings

The Commissioner finds, in relation to exports of galvanised steel and aluminium zinc coated steel during the review period (1 July 2015 to 30 June 2016) that, for each review:

- the ascertained export price has changed;
- the ascertained normal value has changed; and
- the ascertained NIP should be set equal to the ascertained normal value, meaning that the ascertained NIP has changed.

1.4 Proposed recommendations

The Commissioner proposes to recommend to the Parliamentary Secretary that the dumping duty notice in respect of galvanised steel have effect as if different variable factors (being the export price, normal value and NIP) had been ascertained in respect of:

- Zongcheng;

³ This available at the following link: <http://www.adcommission.gov.au/cases/Documents/011-FinalReport-REP274.pdf>

⁴ This is available at the following link: <http://www.adcommission.gov.au/cases/Documents/142-REP190.pdf>

⁵ All legislative references in this report are to the *Customs Act 1901*, unless otherwise specified.

⁶ Subsection 269ZC(4).

⁷ Subsection 269ZD(1).

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- Synn;
- Yieh Phui Enterprise Co., Ltd; (YP Enterprise);
- Angang Steel Company Limited; (Angang);
- Yieh Phui Technomaterial Co., Ltd; (YP Technomaterial); and
- Chung Hung Steel Corporation (Chung Hung).

The Commissioner proposes to recommend to the Parliamentary Secretary that the dumping duty notice in respect of aluminium zinc coated steel have effect as if different variable factors had been ascertained in respect of:

- Zongcheng;
- Angang; and
- YP Technomaterial.

2 BACKGROUND

2.1 Applications and initiation

Between 5 August 2016 and 8 September 2016 the Commissioner received six applications for reviews of the anti-dumping measures applying to galvanised steel exported to Australia from China and Taiwan and three applications for reviews of the anti-dumping measures applying to aluminium zinc coated steel exported from China.

On 30 August 2016 and 22 September 2016, following consideration of each application, the Commissioner decided to publish notices announcing the initiation of nine reviews.

Lodgement date	Applicant	Goods	Country	Initiation date
5 August 2016	Zongcheng	Galvanised steel	China	30 August 2016
5 August 2016	Synn	Galvanised steel	Taiwan	30 August 2016
5 August 2016	Zongcheng	Aluminium zinc coated steel	China	30 August 2016
8 August 2016	YP Enterprise	Galvanised steel	Taiwan	30 August 2016
17 August 2016	Angang	Galvanised steel	China	30 August 2016
17 August 2016	Angang	Aluminium zinc coated steel	China	30 August 2016
1 September 2016	Chung Hung	Galvanised steel	Taiwan	22 September 2016
8 September 2016	YP Technomaterial	Galvanised steel	China	22 September 2016
8 September 2016	YP Technomaterial	Aluminium zinc coated steel	China	22 September 2016

Table 2: Summary of the application and initiation dates

Further details of the initiation of the nine reviews and a full description of the relevant goods is available in Anti-Dumping Notice (ADN) Nos. 2016/86, 2016/87, 2016/101 and 2016/102. These ADNs are available on the Commission's website at www.adcommission.gov.au.

On 10 November 2016, the timeframe for publishing the SEF and final report for each of the nine reviews was extended under subsection 269ZHI(3) to align the due dates for all of the reviews with each other and with an ongoing investigation into galvanised steel from the Republic of India, Malaysia, and the Socialist Republic of Vietnam.⁸

On 24 January 2017, the timeframe for publishing the SEF and final report for each of the nine reviews was again extended to enable verification to be completed in respect of certain review applicants.⁹

⁸ ADN 2016/122 refers.

⁹ ADN 2017/09 refers.

2.2 Additional reviews of anti-dumping measures

On 16 November 2016, the Commission received applications for a review of anti-dumping measures as they apply to exports of galvanised steel and aluminium zinc coated steel by Dongbu Steel Co. (Dongbu) from the Republic of Korea (Korea).¹⁰ Following consideration of the applications, the Commissioner decided not to reject the applications and initiated Review Nos. 385 and 386. These two reviews examine a different review period being 1 October 2015 to 30 September 2016.

2.3 Existing anti-dumping measures

2.3.1 Original investigation (Investigation 190)

On 5 September 2012, a dumping investigation into galvanised steel and aluminium zinc coated steel exported from China, Korea and Taiwan was initiated following an application by BlueScope Steel Limited (BlueScope).

On 26 November 2012, a countervailing investigation into galvanised steel and aluminium zinc coated steel exported to Australia from China was initiated following a further application by BlueScope.

The dumping investigation, as outlined in REP 190,¹¹ found that:

- galvanised steel exported to Australia from China, Korea and Taiwan during the investigation period was dumped with margins ranging from 2.6% to 62.9%;
- aluminium zinc coated steel exported to Australia from China and Korea was dumped with margins ranging from 5.5% to 19.3%;
- the volume of dumped goods from each of these countries, and the dumping margins were not negligible;
- the dumped exports caused material injury to the Australian industry producing like goods; and
- continued dumping may cause further material injury to the Australian industry.

In making its findings in relation to dumping, the then Australian Customs and Border Protection Service (ACBPS) determined that a market situation¹² existed in the domestic market for galvanised steel and aluminium zinc coated steel in China during the investigation period, such that selling prices in those markets are not suitable for determining normal value under subsection 269TAC(1).

The then ACBPS determined that the market situation required that Chinese HRC costs be adjusted to reflect an appropriate benchmark price, which it determined to be the weighted average of domestic HRC prices paid by cooperating exporters of galvanised steel and

¹⁰ Notice of the initiation of these reviews were made in ADN Nos. 2016/129 and 206/130.

¹¹ REP 190 investigated galvanised steel and aluminium zinc coated steel exported from China, Korea and Taiwan. Due to the close nature of these products and common interested parties, findings from both dumping investigations were detailed in one report.

¹² Subsection 269TAC(2)(a)(ii).

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aluminium zinc coated steel from Korea and Taiwan, at comparable terms of trade and conditions of purchase to those observed in China.¹³

The countervailing investigation, as outlined in *International Trade Remedies Branch Report No. 193* (REP 193),¹⁴ found that:

- galvanised steel and aluminium zinc coated steel exported to Australia from China was subsidised with margins ranging from 5.2% to 22.8%;
- aluminium zinc coated steel exported from China to Australia was subsidised with margins ranging from 5.0% to 21.7%;
- the dumped and subsidised exports from China caused material injury to the Australian industry producing like goods;
- the volume of subsidised goods from China was not negligible;
- the subsidised goods caused material injury to the Australian industry producing like goods; and
- continued subsidisation may cause further material injury to the Australian industry.

On 5 August 2013, the then Attorney-General, following consideration of REP 190 and REP 193, published:

- a dumping duty notice applying to galvanised steel exported to Australia from China, Korea (with the exception of Union Steel Co., Ltd (Union Steel)) and Taiwan (with the exception of Ta Fong Steel Co., Ltd (Ta Fong) and Sheng Yu Co., Ltd (Sheng Yu)). The form of anti-dumping measures applying to the dumping duty notice was the combination of fixed and variable duty method;
- a dumping duty notice applying to aluminium zinc coated steel exported to Australia from China and Korea (with the exception of Union Steel from Korea);
- a countervailing duty notice applying to galvanised steel exported to Australia from China (with the exception of Angang and ANSC TKS Galvanising Co., Ltd; and
- a countervailing duty notice applying to aluminium zinc coated steel exported to Australia from China (with the exception of Angang).

The anti-dumping measures in respect of galvanised steel and aluminium zinc coated steel were outlined in ADN No. 2013/66.

2.3.2 Review of Investigation 193 by Anti-Dumping Review Panel

As outlined in ADN No. 2014/12, following a review by the Anti-Dumping Review Panel of certain findings made by the then Attorney-General, the then Parliamentary Secretary to the Minister of Industry decided to vary the countervailing duty notices so as to reduce the applicable countervailable subsidies by the amounts referable to programs 1 to 3 described in REP 193. The then Parliamentary Secretary's decision to vary the countervailing duty notices required an amendment to the interim dumping duty (IDD) payable on imports of galvanised steel. This is because the original dumping margins were reduced by the amount of subsidy attributable to subsidy programs 1 to 3 in determining the IDD payable.

¹³ REP 190, Chapter 9.

¹⁴ REP 193 investigated galvanised steel and aluminium zinc coated steel exported from China, Korea and Taiwan. Due to the close nature of these products and common interested parties, findings from both countervailing investigations were detailed in the one report.

2.3.3 Accelerated review – galvanised steel exported by Zongcheng

On 13 October 2014, Zongcheng, a new exporter, applied for an accelerated review of the anti-dumping measures applying to its exports of galvanised steel from China. Zongcheng did not participate in Investigation 190 because it did not export galvanised steel to Australia during the original investigation period (1 July 2011 to 30 June 2012).

Anti-Dumping Commission Report No. 274 recommended that the dumping duty notice have effect in relation to Zongcheng as if different variable factors had been ascertained. It was also recommended that Zongcheng’s exports of galvanised steel be no longer subject to the countervailing duty notice.

The then Minister for Industry and Science accepted the findings in REP 274 and the then Minister’s decision to alter the notices as they applied to Zongcheng was published in the *Commonwealth of Australia Gazette* and *The Australian* newspaper on 17 February 2015.¹⁵

2.3.4 Current rate and form of duty

The current rate and form of duty applying to each applicant is summarised below.

Galvanised steel

Country	Exporter	Fixed rate of IDD	Subsidy rate	Duty method
China	Angang	20.1%	N/A	Combination duty method
	YP Technomaterial	6.8%	N/A	Combination duty method
	Zongcheng	N/A	N/A	Floor price duty method
Taiwan	Synn ¹⁶	8.6%	N/A	Combination duty method
	YP Enterprise	2.6%	N/A	Combination duty method
	Chung Hung	8.5%	N/A	Combination duty method

Table 3: Summary of the rate and form of duty – galvanised steel

Aluminium zinc coated steel

Country	Exporter	Fixed rate of IDD	Subsidy rate	Duty method
China	Angang	5.8%	N/A	Combination duty method
	YP Technomaterial	5.5%	N/A	Combination duty method
	Zongcheng	18.1%	N/A	Combination duty method

Table 4: Summary of the rate and form of duty – aluminium zinc coated steel

¹⁵ ADN 2015/10 refers.

¹⁶ Synn is currently subject to the all other rate for Taiwanese exports of galvanised steel.

2.4 Scope of reviews

Given that none of the Chinese applicants are subject to either the countervailing duty notice in respect of exports of galvanised steel or aluminium zinc coated steel from China, none of these reviews involve the examination of subsidies.

2.5 Review process

If anti-dumping measures have been taken in respect of certain goods, an affected party may consider it appropriate to review those anti-dumping measures as they affect a particular exporter or exporters generally. Accordingly, the affected party may apply for,¹⁷ or the Parliamentary Secretary may request that the Commissioner conduct,¹⁸ a review of those anti-dumping measures if one or more of the variable factors has changed.

The Parliamentary Secretary may initiate a review at any time. However, a review application must not be lodged earlier than 12 months after publication of the notice imposing the original anti-dumping measures or the publication of a notice declaring the outcome of the last review of the notice imposing the original anti-dumping measures.¹⁹

If an application for a review of anti-dumping measures is received and not rejected, within 110 days of the initiation of a review, or such longer time as the Parliamentary Secretary may allow, the Commissioner must place on the public record a SEF on which he proposes to base recommendations to the Parliamentary Secretary concerning the review of the anti-dumping measures.²⁰

The Commissioner has up to 155 days, or such longer time as the Parliamentary Secretary may allow, to conduct a review and report to the Parliamentary Secretary on the review of the anti-dumping measures.²¹

During the course of a review, the Commissioner will examine whether the variable factors have changed.

Variable factors in these reviews are a reference to:

- the ascertained export price;
- the ascertained normal value; and
- the NIP.

For each review, in making recommendations in his final report to the Parliamentary Secretary, the Commissioner must have regard to:²²

¹⁷ Subsection 269ZA(1).

¹⁸ Subsection 269ZA(3).

¹⁹ Subsection 269ZA(2)(a).

²⁰ Subsection 269ZD(1).

²¹ Subsection 269ZDA(1).

²² Subsection 269ZDA(3)(a).

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- the application for review of the anti-dumping measures;
- any submission relating generally to the review of the anti-dumping measures to which the Commissioner has had regard for the purpose of formulating the SEF;
- the SEF; and
- any submission made in response to the SEF that is received by the Commissioner within 20 days of it being placed on the public record.

The Commissioner may also have regard to any other matter the Commissioner considered to be relevant to the review.²³

In his final report the Commissioner must make a recommendation to the Parliamentary Secretary that the dumping duty notice:²⁴

- remains unaltered; or
- have effect, in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained.

The Parliamentary Secretary must make a declaration within 30 days of receiving the report or, if the Parliamentary Secretary considers there are special circumstances that prevent the declaration being made within that period, such longer period as the Parliamentary Secretary considers appropriate²⁵ that the dumping duty notice:²⁶

- remain unaltered; or
- have effect, in relation to a particular exporter or to exporters generally, as if different variable factors had been fixed relevant to the determination of duty.

The Parliamentary Secretary must give notice of the decision.²⁷

2.6 Responding to this SEF

This SEF sets out the essential facts on which the Commissioner proposes to base his final recommendations to the Parliamentary Secretary.

The SEF represents an important stage in these reviews as it informs interested parties of the facts established and allows them to make submissions in response to the SEF.

²³ Subsection 269ZDA(3)(b).

²⁴ Subsection 269ZDA(1)(a).

²⁵ Subsection 269ZDB(1A).

²⁶ Subsection 269ZDB(1)(a).

²⁷ Subsection 269ZDB(1).

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It is important to note that the SEF may not represent the final views of the Commissioner. The final report will recommend whether or not the dumping duty notice should be varied, and the extent of any interim duties that are, or should be, payable.

Interested parties are invited to lodge written submissions in response to this SEF no later than the close of business on **14 March 2017**. The Commissioner is not obliged to have regard to any submission made in response to the SEF received after this date if to do so would, in the opinion of the Commissioner, prevent the timely preparation of the report to the Parliamentary Secretary.²⁸

The Commissioner must report to the Parliamentary Secretary on or before **10 April 2017**.

Submissions should preferably be emailed to operations3@adcommission.gov.au.

Alternatively, submissions may be sent to fax number +61 3 8539 2499, or posted to:

The Director – Operations 3
Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001
AUSTRALIA

Confidential submissions must be clearly marked accordingly and a non-confidential version of any submission is required for inclusion on the public record. A guide for making submissions is available on the Commission's website at www.adcommission.gov.au.

The public record contains non-confidential submissions by interested parties, the non-confidential versions of the Commission's visit reports and other publicly available documents. The public record can be viewed online at www.adcommission.gov.au.

Documents on the public record should be read in conjunction with this SEF.

²⁸ Subsection 269ZDA(4).

3 THE GOODS AND LIKE GOODS

3.1 Galvanised steel

3.1.1 The goods subject to the anti-dumping measures

The goods to which the current anti-dumping measures apply (the goods) are:

“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; and

flat rolled products of alloyed steel, of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc exported from:

- *China by Angang Steel Co, Ltd or Benxi Iron and Steel (Group) International Economic & Trading Co., or*
- *Taiwan by Yieh Phui Enterprise Co., Ltd.”*

Sections and/or shapes in the dimensions described above, that have minimal processing, such as cutting, drilling or painting do not exclude the goods from coverage of the investigation.

The anti-dumping measures do not apply to the following goods:

- *hot rolled ‘T’ shaped sections, sheet pile sections and hot rolled merchant bar shaped sections, such as rounds, squares, flats, hexagons, sleepers and rails; and*
- *sections manufactured from welded plate (e.g. welded beams and welded columns).*

3.1.2 Additional information in relation to the goods

Zinc coated steel is commonly referred to as galvanised steel.

The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²) 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.

3.1.3 Product treatment

The applications 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).

3.1.4 Excluded goods

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

3.1.5 Tariff classification of the goods

Goods identified as galvanised steel, as per the description above, are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

- 7210.49.00 statistical code 55, 56, 57 and 58;
- 7212.30.00 statistical code 61;
- 7225.92.00* statistical code 38*; and
- 7225.99.00* statistical code 71*.

*The last two tariff subheadings only apply to the following exporters/suppliers:

- Angang;
- Benxi Iron and Steel (Group) International Economic & Trading Co.; and
- Yieh Phui.

The goods exported to Australia from Taiwan are subject to a 5 per cent customs duty. The goods exported to Australia from China under tariff subheadings 7210.49.00 and 7212.30.00 are currently subject to a 2 per cent rate of customs duty. As a result of the Australia and China Free Trade Agreement the customs duty is progressively reducing by 1 percentage point at the beginning of each calendar year, and will be duty free from 1 January 2019. Similarly the goods exported to Australia from China under tariff subheading 7225.92.00 and 7225.99.00 became duty free on 1 January 2017.

3.2 Aluminium zinc coated steel

3.2.1 The goods subject to the anti-dumping measures

The goods the subject of the aluminium zinc coated steel anti-dumping measures are:

“flat rolled products of iron and non-alloy steel of a width equal to or greater than 600mm, plated or coated with aluminium-zinc alloys, not painted whether or not including resin coating.”

3.2.2 Additional information in relation to the goods

The amount of aluminium zinc coating on the steel is described as its coating mass and is nominated in grams per square metre with the prefix being AZ (Aluminium Zinc). Common coating masses used are: AZ200, AZ150, AZ100, and AZ70.

Additional information in relation to the goods is available in Australian Customs Dumping Notice No. 2012/62 which is available at the Commission’s website at www.adcommission.gov.au.

3.2.3 Product treatment

The goods description covers aluminium zinc coated steel whether or not including any (combination of) surface treatment, for instance; whether passivated or not passivated, (often referred to as chromated or unchromated), resin coated or not resin coated (often referred to as Anti Finger Print (AFP) or not AFP), oiled or not oiled, skin passed or not skin passed.

3.2.4 Excluded goods

Painted aluminium zinc coated steel and pre-painted aluminium zinc coated steel are not covered by the dumping duty notice.

3.2.5 Tariff classification

The goods are classified to tariff subheading 7210.61.00 (statistical codes 60, 61, and 62) in Schedule 3 to the *Customs Tariff Act 1995*.

The goods exported to Australia from China under this tariff subheading are currently subject to a 2 per cent rate of customs duty. As a result of the Australia and China Free Trade Agreement the customs duty is progressively reducing by 1 percentage point at the beginning of each calendar year, and will be duty free from 1 January 2019.

3.3 Like goods

Subsection 269T(1) defines like goods as:

“...goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration”.

The definition of like goods is relevant in the context of these reviews, among other things, in determining the normal value of goods exported to Australia, the NIP and the goods subject to the dumping duty notice. The Commission’s framework for assessing like goods is outlined in Chapter 2 of the *Dumping and Subsidies Manual*.²⁹

²⁹ Available on the Commission’s website at www.adcommission.gov.au

4 EXPORT PRICE AND NORMAL VALUE

4.1 Findings

The Commission has found, in respect of exports of galvanised steel to Australia from Taiwan by Synn, YP Enterprise and Chung Hung and from China by Zongcheng, Angang and YP Technomaterial that:

- the ascertained export price has changed; and
- the ascertained normal value has changed.

The Commission has found, in respect of exports of aluminium zinc coated steel to Australia from China by Zongcheng, Angang and YP Technomaterial that:

- the ascertained export price has changed; and
- the ascertained normal value has changed.

4.2 Exporter questionnaires and verification

For each review, the Commission provided the applicant with an exporter questionnaire to complete.

Detailed information and data for each review was provided by the applicants in response to the exporter questionnaires, including data relating to export sales (where applicable) and domestic sales and details of the cost to make and sell (CTMS) the goods (where applicable) and like goods. Each applicant provided additional information when requested by the Commission.

The Commission conducted on-site verification visits in respect of YP Enterprise, Angang, YP Technomaterial and Chung Hung in November 2016.

The Commission elected not to conduct an on-site verification of the information and data provided in Synn's exporter questionnaire response because of the low volume of Synn's exports relative to the total export volume from Taiwan during the review period. Synn fully cooperated with a remote verification.

In respect of Zongcheng, the Commission is in possession of verified information regarding its galvanised steel sales and CTMS for six of twelve months of the review period, from a previous on-site visit.³⁰ The remaining six months of galvanised steel sales and CTMS data was verified remotely as was data relating to Zongcheng's domestic sales and CTMS of aluminium zinc coated steel. Zongcheng fully cooperated with this remote verification.

The Commission is satisfied as to the accuracy, relevance and completeness of the data provided for each review following exporter verification.

Exporter verification reports for each review are available on the Commission's website at www.adcommission.gov.au.

³⁰ This visit related to a duty assessment.

4.3 Importer questionnaires and verification

The Commission performed a search of Australian Border Force's (ABF) import database and identified importers of galvanised steel from the applicants during the review period.³¹

The Commission received and reviewed importer information from:

- CITIC Australia Steel Products Pty Ltd (CITIC);
- Austube Mills Pty Ltd;
- Stemcor (SEA) Pte Ltd (Stemcor); and
- Nippon Steel & Sumikin Bussan (Oceania) Pty Ltd.

Two importer verification visits were conducted in respect of CITIC and Stemcor. These reports are available on the Commission's website at www.adcommission.gov.au.

4.4 Model matching

4.4.1 Submissions made regarding model matching

In respect of model matching, BlueScope submitted, among other things that, in relation to the nine reviews:

- the Commission's practice of model matching has been an area of concern to BlueScope;
- the basis for model-matching should be fully agreed prior to verification;
- Product Control Numbers (PCNs) submitted by BlueScope should be adopted and that the Commission should request that exporters subject to the reviews prepare their domestic sales information in accordance with BlueScope's model matching process;
- BlueScope notes that US practice involves the co-operative exporter providing the equivalent domestic sales by PCN for the investigation period prior to the scheduled deadline for the acceptance of all information from cooperative exporters. Where information is not provided in PCN format, the exporter is considered non-cooperative; and
- the adoption of BlueScope's methodology will enhance the model-matching process for the determination of dumping margins for the exported goods the subject of anti-dumping measures.

In response to BlueScope's submissions regarding model matching, Zongcheng submitted, among other things that:

- the Commission has not sought to identify or request information for the reviews according to BlueScope's PCNs and the determination of co-operation must be made on the basis of the questionnaire provided by the Commission;
- in any case, the information requested by the Commission contains all the relevant characteristics that would enable the Commission to properly identify specific models;

³¹ There were no imports of aluminium zinc steel to Australia by the applicants during the review period.

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- there must be an opportunity for individual exporters to seek individual adjustments to any established PCNs, where they are able to demonstrate that the PCNs identified in the questionnaire do not properly or accurately reflect their particular circumstances; and
- it should be open to an exporter to demonstrate that its domestic and/or export sales are differentiated on a more detailed basis and request that PCN's be grouped across a greater number of categories identified by BlueScope.

4.4.2 Commission's approach to model matching for the current reviews

All nine reviews were initiated by the applicants who provided relevant information and fully cooperated with the Commission's exporter questionnaire requirements and verification.

The information provided by the applicants is sufficiently detailed to allow the Commission to apply model matching criteria consistent with BlueScope's submissions.

For the purposes of model matching, the Commission had regard to available evidence and applied the most appropriate model matching criteria depending on the specific circumstances of each applicant as outlined in the relevant exporter verification reports. For certain exporters with no exports to Australia during the review period, there is no ability to carry out model matching. In other instances, model matching was carried out taking into account factors which influenced selling prices, such as:

- Zinc Coating Range (g/m²);
- Base Metal Thickness (mm);
- Standard/grade;
- Hot Rolled Coil versus Cold Rolled Coil; and
- Prime versus non-prime product.

4.5 Export prices

The table below outlines how export prices were established for each review.

Review No.	Applicant	Goods	Country	Export Price Legislative Provision
365	Zongcheng	Galvanised steel	China	Subsection 269TAB(1)(a)
366	Synn	Galvanised steel	Taiwan	Subsection 269TAB(1)(a)
367	Zongcheng	Aluminium zinc coated steel	China	Subsection 269TAB(3) – equal to normal value
368	YP Enterprise	Galvanised steel	Taiwan	Subsection 269TAB(1)(c) ³²
371	Angang	Galvanised steel	China	Subsection 269TAB(3) – equal to normal value
372	Angang	Aluminium zinc coated steel	China	Subsection 269TAB(3) – equal to normal value
374	YP Technomaterial	Galvanised steel	China	Subsection 269TAB(3) – equal to normal value

³² As the price that the Minister determines having regard to all the circumstances of the exportation. Specifically, as the price at which the goods were sold by the importer less deductions of the kind prescribed by subsection 269TAB(2).

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375	YP Technomaterial	Aluminium zinc coated steel	China	Subsection 269TAB(3) – equal to normal value
376	Chung Hung	Galvanised steel	Taiwan	Subsection 269TAB(1)(a)

Table 5: Summary of export prices

4.5.1 Zongcheng export price - galvanised steel and aluminium zinc coated steel

During the review period, the Commission found that Zongcheng exported galvanised steel to Australia from China but did not export aluminium zinc coated steel which was confirmed by verification and a search of the ABF import database.

Zongcheng export price - galvanised steel

In respect of galvanised steel exported to Australia by Zongcheng during the review period, the Commission considers that:

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

Accordingly, the Commission considers it appropriate for Zongcheng's export price of galvanised steel to be established pursuant to subsection 269TAB(1)(a), using Zongcheng's export invoice prices, excluding any part of the price that relates to post-exportation charges.

The ascertained export price for Zongcheng's exports of galvanised steel has changed from that ascertained in accelerated review 274.

Details of the export price calculations for Zongcheng's exports of galvanised steel are at **Review 365 Confidential Appendix 1**.

Zongcheng export price – aluminium zinc coated steel

The Commission is satisfied that Zongcheng did not export aluminium zinc coated steel to Australia during the review period. Therefore, the Commission considers that there is insufficient information available to enable the export price of the goods to be ascertained under subsections 269TAB(1)(a), (b), or (c).

Accordingly, the Commission considers it appropriate to determine the export price of the goods under subsection 269TAB(3) having regard to all relevant information. The Commission considers that the export price of aluminium zinc coated steel exported to Australia from China by Zongcheng be the same amount as that determined to be the normal value. As a result, the ascertained export price for Zongcheng's exports of aluminium zinc coated steel has changed from that ascertained in Investigation 190.

4.5.2 Synn export price – galvanised steel

During the review period, Synn exported galvanised steel to Australia from Taiwan.

In respect of galvanised steel exported to Australia by Synn during the review period, the Commission considers that:

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

Accordingly, the Commission considers it appropriate for Synn's export price of galvanised steel to be established pursuant to subsection 269TAB(1)(a), using Synn's export invoice prices, excluding any part of the price that relates to post-exportation charges.

The resulting ascertained export price for galvanised steel exported by Synn has changed from the ascertained export price for 'all other exporters' from Taiwan established in Investigation 190, which is currently applicable to Synn.

Details of the export price calculations for Synn's exports of galvanised steel are at **Review 366 Confidential Appendix 1**.

4.5.3 YP Enterprise export price - galvanised steel

During the review period, YP Enterprise exported galvanised steel to Australia from Taiwan.

In determining the export price of galvanised steel exported by YP Enterprise the Commission had regard to the findings of an on-site verification visit of YP Enterprise's importer, CITIC. The importer verification report contains further information and is available on EPR 368.

In respect of export sales from YP Enterprise to CITIC, the Commission considers that the goods:

- have been exported to Australia otherwise than by the importer;
- were sold through an intermediary, therefore have not been purchased by the importer from the exporter;
- the purchases of the goods by the importer were not arms length transactions because the goods were sold at substantial losses by CITIC and that those losses are not recoverable within a reasonable period of time;³³ and
- the goods were sold by the importer in the condition in which they were imported, to a person who is not an associate of the importer.

As a result, in relation to these sales, the Commission considers the export price cannot be determined under subsection 269TAB(1)(a) or 269TAB(1)(b).

Accordingly, the Commission has determined the export price for these sales under subsection 269TAB(1)(c) having regard to all the circumstances of the exportation. Specifically, using a deductive export price methodology, being the price at which the goods were sold by CITIC to customers in Australia less deductions of the kind prescribed by subsection 269TAB(2). These deductions included amounts for duties of customs (including interim and final dumping duty where applicable) and expenses arising in relation to the goods after exportation.

³³ Subsections 269TAA(2) and (3).

As a result, the ascertained export price for YP Enterprises' exports of galvanised steel has changed from that ascertained in Investigation 190. Details of the export price calculations for galvanised steel exported by YP Enterprise are at **Review 368 Confidential Appendix 1**.

4.5.4 Angang export price - galvanised steel and aluminium zinc coated steel

During the review period, Angang did not export galvanised steel or aluminium zinc coated steel to Australia from China, which was confirmed by verification and a search of the ABF import database.

Angang export price – galvanised steel

The Commission is satisfied that Angang did not export galvanised steel to Australia during the review period. Therefore, there is insufficient information available to enable the export price to be ascertained under subsections 269TAB(1)(a), (b), or (c).

Accordingly, the Commission considers it appropriate to determine the export price of the goods under subsection 269TAB(3) having regard to all relevant information. The Commission considers that the export price of aluminium zinc coated steel exported to Australia from China by Angang be the same amount as that determined to be the normal value.

As a result, the ascertained export price for Angang's exports of galvanised steel has changed from that ascertained in Investigation 190.

Angang export price – aluminium zinc coated steel

The Commission is satisfied that Angang did not export aluminium zinc coated steel to Australia during the review period. Therefore, there is insufficient information available to enable the export price of the goods to be ascertained under subsections 269TAB(1)(a), (b), or (c).

The Commission considers it appropriate to determine the export price of the goods under subsection 269TAB(3) having regard to all relevant information. The Commission considers that the export price of aluminium zinc coated steel exported to Australia from China by Angang be the same amount as that determined to be the normal value.

As a result, the ascertained export price for Angang's exports of aluminium zinc coated steel has changed from that ascertained in Investigation 190.

4.5.5 YP Technomaterial export price for galvanised steel and aluminium zinc coated steel

During the review period, YP Technomaterial did not export galvanised steel or aluminium zinc coated steel to Australia from China, which was confirmed by verification and a search of the ABF import database.

YP Technomaterial export price – galvanised steel

The Commission is satisfied that YP Technomaterial did not export galvanised steel to Australia during the review period. Therefore, there is insufficient information available to

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enable the export price of the goods to be ascertained under subsections 269TAB(1)(a), (b), or (c).

Accordingly, the Commission considers it appropriate to determine the export price of the goods under subsection 269TAB(3) having regard to all relevant information. The Commission considers that the export price of galvanised steel exported to Australia from China by YP Technomaterial be the same amount as that determined to be the normal value.

As a result, the ascertained export price for YP Technomaterial's exports of galvanised steel has changed from that ascertained in Investigation 190.

YP Technomaterial export price – aluminium zinc coated steel

The Commission is satisfied that YP Technomaterial did not export aluminium zinc coated steel to Australia during the review period. Therefore, there is insufficient information available to enable the export price of the goods to be ascertained under subsections 269TAB(1)(a), (b), or (c).

Accordingly, the Commission considers it appropriate to determine the export price of the goods under subsection 269TAB(3) having regard to all relevant information. The Commission considers that the export price of aluminium zinc coated steel exported to Australia from China by YP Technomaterial be the same amount as that determined to be the normal value.

As a result, the ascertained export price for YP Technomaterial's exports of aluminium zinc coated steel has changed from that ascertained in Investigation 190.

4.5.6 Chung Hung export price - galvanised steel

During the review period, Chung Hung exported galvanised steel to Australia from Taiwan.

In respect of galvanised steel exported to Australia by Chung Hung during the review period, the Commission considers that:

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

Accordingly, the Commission considers it appropriate for Chung Hung's export price of galvanised steel to be established pursuant to subsection 269TAB(1)(a), using Chung Hung's export invoice prices, excluding any part of the price that relates to post-exportation charges.

As a result, the ascertained export price for Chung Hung's exports of galvanised steel has changed from that ascertained in Investigation 190.

Details of the export price calculations for Chung Hung's exports of galvanised steel are at **Review 376 Confidential Appendix 1**.

4.6 Normal values

The table below outlines how normal values were established for each review.

Review No.	Applicant	Goods	Country	Normal Value Legislative Provision
365	Zongcheng	Galvanised steel	China	Subsection 269TAC(2)(c)
366	Synn	Galvanised steel	Taiwan	Subsection 269TAC(1)
367	Zongcheng	Aluminium zinc coated steel	China	Subsection 269TAC(2)(c)
368	YP Enterprise	Galvanised steel	Taiwan	Subsection 269TAC(1)
371	Angang	Galvanised steel	China	Subsection 269TAC(2)(c)
372	Angang	Aluminium zinc coated steel	China	Subsection 269TAC(2)(c)
374	YP Technomaterial	Galvanised steel	China	Subsection 269TAC(2)(c)
375	YP Technomaterial	Aluminium zinc coated steel	China	Subsection 269TAC(2)(c)
376	Chung Hung	Galvanised steel	Taiwan	Subsection 269TAC(1)

Table 6: Summary of normal values

4.7 Determination of normal values – China

4.7.1 Particular market situation

Investigation 190 established that, in accordance with subsection 269TAC(2)(a)(ii), a situation exists in the domestic Chinese market that renders domestic selling prices of galvanised steel and aluminium zinc coated steel as being unsuitable for the purposes of determining normal values for galvanised steel and aluminium zinc coated steel under subsection 269TAC(1).

Accordingly, normal values for cooperating exporters were constructed pursuant to subsection 269TAC(2)(c). Subsection 269TAC(2)(c) provides that, where the normal value cannot be ascertained under subsection 269TAC(1), the normal value of the goods is to be calculated as:

- the cost of production or manufacture of the goods in the country of export; and
- on the assumption that the goods, instead of being exported, had been sold for home consumption in the ordinary course of trade in the country of export, the selling, general and administrative (SG&A) costs associated with such a sale; and
- the profit on that sale.

During Investigation 190, ACBPS found that, in determining the cost of production of the goods in China, the records of Chinese exporters of galvanised steel and aluminium zinc coated steel did not reasonably reflect competitive market costs associated with the production and manufacture of those goods, for the purposes of then Regulation 180 of the *Customs Regulations 1926*.

Specifically, the then ACBPS indicated that:

“HRC prices are affected by GOC influences and do not reasonably reflect competitive market costs”

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On the basis that HRC costs represented a significant proportion of the cost to manufacture galvanised steel and aluminium zinc coated steel, as part of Investigation 190, the then ACBPS adjusted the costs relating to HRC for each Chinese exporter, as recorded in the exporters' records, to reflect a competitive market cost for HRC, when constructing normal values.

In the Commission's 2016 report, *Analysis of Steel and Aluminium Markets Report to The Commissioner of the Anti-Dumping Commission*, it was stated that:

*"... analysis of subsidies and tax arrangements for the Chinese steel and aluminium industries, and the operation of state-owned enterprises, indicates that many ... market interventions have been economically inefficient and have resulted in distortions to market outcomes."*³⁴

Accordingly, the Commission is of the view that its previous findings outlined in Appendix 1 of REP 190 in relation to a market situation for galvanised steel and aluminium zinc coated steel remain relevant, and that the normal value for the Chinese exporters subject to these reviews cannot be established under subsection 269TAC(1).

The Commission has therefore followed the approach taken in Investigation 190 and the normal value for the Chinese exporters subject to reviews have been calculated under subsection 269TAC(2)(c).

In relation to these reviews the Commission does not consider that the records of the Chinese exporters of galvanised steel and aluminium zinc coated steel reasonably reflect competitive market costs associated with the production of the those goods, for the purposes of section 43 of the *Customs (International Obligations) Regulation 2015* (the Regulation). The Commission has adjusted the cost of HRC for these exporters by referencing a competitive market benchmark in order to establish a competitive market cost for HRC for these exporters. The Commission's approach to benchmarking is discussed in further detail in section 4.8 below.

4.8 The Commission's approach to benchmarking

4.8.1 Approach to adjusting HRC costs in Investigation 190

In Investigation 190, the ACBPS determined that the most appropriate competitive market cost benchmark for HRC costs in China was the weighted average domestic HRC price paid by cooperating exporters of galvanised steel and aluminium zinc coated steel from Korea³⁵ and Taiwan,³⁶ at comparable terms of trade and conditions of purchase to those

³⁴ Page 57, *Analysis of Steel and Aluminium Markets Report to the Commissioner of the Anti-Dumping Commission*, August 2016 which is available on the Commission's website at <http://www.adcommission.gov.au/adssystem/referencematerial>

³⁵ Dongbu and Union Steel.

³⁶ Chung Hung, YP Enterprise and Sheng Yu.

observed in China.³⁷ The ACBPS adjusted the Chinese exporters' records at the HRC level for both integrated and non-integrated producers.

To make the appropriate adjustment for non-integrated Chinese exporters, the ACPBS compared the benchmark prices to purchases of HRC by those exporters to arrive at a percentage difference to be applied to the raw materials cost recorded in the exporters' records.³⁸

To make the appropriate adjustment for integrated Chinese exporters, the ACPBS applied the weighted average percentage uplift found in relation to the co-operating non-integrated exporters and applied this to the costs recorded by the integrated exporters to manufacture HRC.³⁹

4.8.2 Approach to replacing HRC costs in accelerated review 274

For accelerated review 274, the Commission sought to adopt the same methodology used in REP 190, by adjusting Zongcheng's HRC costs to reflect competitive market costs for HRC from Korea and Taiwan.

However, because the review period for this accelerated review did not align with the investigation period for Investigation 190, and in the absence of contemporaneous verified data relating to Korean and Taiwanese exporters, the Commission used an alternative approach to establish a competitive market cost benchmark. The Commission compared the SBB East Asia HRC data for the original investigation period for Investigation 190, with that of the investigation period for the accelerated review. The percentage difference in the SBB data was then applied to the original HRC benchmark from Investigation 190 to form the new HRC benchmark.

4.8.3 Submissions regarding the appropriate benchmark for Chinese HRC costs

BlueScope made various submissions⁴⁰ in respect of the appropriate benchmark to be used to ensure the HRC costs for the current reviews involving galvanised and aluminium zinc coated steel from Zongcheng, Angang and YP Technomaterial reflect competitive market costs.

In summary, BlueScope indicated that:

- the relevant HRC price to be included in the current reviews for Chinese exporters is a domestic in-country price from Korea and Taiwan;
- HRC prices for both Korean and Taiwanese domestic markets are available from MEPS;
- information as to prevailing HRC domestic prices in Taiwan are available as a result of the current reviews and Korean HRC prices are available for periods covered by the current reviews;

³⁷ SEF 190 Galvanised steel and Aluminium zinc coated steel – China, Korea and Taiwan, March 2013, at p. 52.

³⁸ SEF 190 Galvanised steel and Aluminium zinc coated steel – China, Korea and Taiwan, March 2013, at p. 53.

³⁹ SEF 190 Galvanised steel and Aluminium zinc coated steel – China, Korea and Taiwan, March 2013, at p. 53.

⁴⁰ Submissions were made by BlueScope regarding the appropriate benchmark at a meeting on 16 September 2016 with the Commission and in submissions made on 28 September 2016, 29 September 2016 and 18 January 2017.

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- actual domestic HRC purchase prices of Korean and Taiwanese galvanised steel and aluminium zinc coated steel exporters are considered more reliable than benchmark prices sourced from industry newsletters; and
- the Commission should utilise domestic HRC purchase prices for Korean and Taiwanese exporters of galvanised steel and aluminium zinc coated steel for the purposes of applying a HRC benchmark in constructing normal values under subsection 269TAC(2)(c) for Chinese exporters in the current reviews. Where this information is not available, it is recommended that the Commission make reference to MEPS.

4.8.4 Approach to replacing HRC costs in the current reviews

As required by subsection 269TAC(5A)(a), the cost to manufacture the goods under subsection 269TAC(2)(c)(i) has been established in accordance with section 43 of the Regulation.

The Commission analysed the CTMS data of galvanised steel and aluminium zinc coated steel for all applicants. The Commission has again found that the cost of HRC represents the major proportion of the cost of producing galvanised steel and aluminium zinc coated steel.

Given that:

- as part of investigation 190 the competitive market cost benchmark for HRC comprised of the verified weighted average purchase price of HRC from cooperating Taiwanese and Korean exporters in their domestic markets;
- as part of the reviews relating to Taiwan the Commission has collected and verified the purchase prices of HRC from cooperating Taiwanese exporters in their domestic markets in relation to galvanised steel for the review period;
- the review period for all nine applicants is identical, being 1 July 2015 to 30 June 2016.; and
- the Commission is in possession of the purchase prices of HRC from a Korean exporter, Dongbu in separate reviews relating to nine of the 12 months of the review period,

the Commission considers that it is appropriate to calculate a competitive market cost benchmark for HRC comprised of the verified weighted average purchase price of HRC from cooperating Taiwanese and Korean exporters in their domestic markets for these reviews.

Consistent with the methodology applied in Investigation 190, the Commission has determined that the appropriate benchmark for HRC costs for Zongcheng, Angang and YP Technomaterial is the weighted average domestic HRC price paid by Chung Hung, YP Enterprise and Dongbu Steel Co Ltd.⁴¹ All other costs reported by Zongcheng, Angang and YP Technomaterial were verified and have been adopted without adjustment.

⁴¹ This information has been provided in the course of Review 376, Review 368 and Reviews 385 and 386. This is the best information available at the time of publication of the SEF. The other two exporters, Sheng Yu and Union Steel, whose HRC prices were used to formulate the benchmark HRC price in Investigation 190, are presently not subject to review.

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Details of the competitive market cost benchmark calculation is at **Confidential Attachment 1 – Calculation for HRC cost adjustment**.

4.8.5 Determination of constructed normal values

The Commission considers the costs of HRC provided by Zongcheng, Angang and YP Technomaterial relating to the review period do not reasonably reflect competitive market costs.

The Commission has adjusted these applicants' HRC costs by the difference between the prices they paid for that product and the price of the benchmark cost.

As required by subsection 269TAC(5A)(b), in calculating a constructed normal value under subsection 269TAC(2)(c) for galvanised steel and aluminium zinc coated steel, the SG&A costs in relation to those goods under subsection 269TAC(2)(c)(ii) for Zongcheng, Angang and YP Technomaterial have been established in accordance with subsection 44(2) of the Regulations.

In addition, in accordance with subsection 269TAC(5B), profit on the sale of those goods under subsection 269TAC(2)(c)(ii) has been worked out pursuant to subsection 45(2) of the Regulation. Subsection 45(2) of the Regulations requires that, where reasonably possible, profit for constructed normal values must be worked out using data relating to the production and sale of like goods by the exporter or producer of the goods in the ordinary course of trade.

Accordingly, the Commission has calculated a weighted average net profit, measured as a percentage mark-up on full CTMS, for Zongcheng, Angang and Technomaterial before adjusting their recorded costs incurred in relation to HRC.

4.8.6 Zongcheng normal values for galvanised and aluminium zinc coated steel

Consistent with the finding of a market situation in China for galvanised steel, normal values for Zongcheng's exports of galvanised steel and aluminium zinc coated steel have been constructed under subsection 269TAC(2)(c) for the purposes of Review 365 and Review 367.

Accordingly, the following adjustments to the normal value were made under subsection 269TAC(9) to ensure a proper comparison with the export price.

Adjustment Type	Deduction/addition
Domestic packaging	Deduct the cost of domestic packaging
Export inland transport	Add the cost of inland freight
Export handling	Add the cost of export handling
Export packaging	Add the cost of export packaging
Export commissions	Add the cost of export commission paid
Un-refundable value-added tax (VAT) liability	Add the difference in VAT liability between export and domestic sales.

Table 7: Zongcheng - galvanised steel adjustments

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Adjustment Type	Deduction/addition
Domestic packaging	Deduct the cost of domestic packaging
Export inland transport	Add the cost of inland freight
Export handling	Add the cost of export handling
Export packaging	Add the cost of export packaging
Export commissions	Add the cost of export commission paid
Un-refundable VAT liability	Add the difference in VAT liability between export and domestic sales.

Table 8: Zongcheng - aluminium zinc coated steel adjustments

The resulting ascertained normal value for Zongcheng in respect of galvanised steel has changed since Accelerated Review 274. The ascertained normal value for Zongcheng in respect of aluminium zinc coated steel has changed since Investigation 190.

Details of the normal value calculations for Zongcheng are at **Review 365 Confidential Appendix 2** and **Review 367 Confidential Appendix 2**.

4.8.7 Synn normal value for galvanised steel

The normal value for Synn was established in accordance with subsection 269TAC(1), using Synn’s domestic invoice prices for like goods, by model, sold in the ordinary course of trade in arms length transactions.

The following adjustments to the normal value were made under subsection 269TAC(8) to ensure proper comparison with the export price.

Adjustment Type	Deduction/addition
Domestic rebate	Deduct the cost of domestic rebates
Domestic packing	Deduct the cost of domestic packaging
Domestic inland transport	Deduct the cost of domestic inland transport
Domestic warranty	Deduct the cost of domestic warranty
Domestic credit	Deduct the cost of domestic credit
Export packing	Add the cost of export packing
Export inland transport	Add the cost of export inland transport
Export handling and other	Add the cost of export handling and other
Export customs brokerage fee	Add the cost of export brokerage fee
Export harbour service fee	Add the cost of export harbour services fee
Export trade promotion fee	Add the cost of export trade promotion fee
Export documentation fee	Add the cost of export documentation fee

Table 9: Synn normal value adjustments

The resulting ascertained normal value for Synn in respect of galvanised steel has changed from the rate applicable to ‘all other exporters’ from Taiwan as ascertained in Investigation

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190, which is currently applicable to Synn. Details of this normal value calculation for Synn is at **Review 366 Confidential Appendix 2**.

4.8.8 YP Enterprise normal value for galvanised steel

The normal value for YP Enterprise was established in accordance with subsection 269TAC(1) using YP Enterprise's domestic invoice prices for like goods, by model, sold in the ordinary course of trade in arms length transactions. The following adjustments to the normal value were made under subsection 269TAC(8) to ensure a proper comparison with the export price.

Adjustment Type	Deduction/addition
Domestic rebate	Deduct the cost of domestic rebates
Domestic inland transport	Deduct the cost of domestic inland transport
Domestic packaging	Deduct the cost of domestic packaging
Domestic warranty	Deduct the cost of domestic warranty
Export inland transport	Add the cost of export inland transport
Export packaging	Add the cost of export packaging
Export brokerage fee	Add the cost of export brokerage fee
Export trade promotion fee	Add the cost of export trade promotion fee
Export harbour construction fee	Add the cost of export harbour construction fee
Export cargo certification fee	Add the cost of export cargo certification fee
Export warehousing	Add the cost of export warehousing
Export cargo handling	Add the cost of export cargo handling

Table 10: YP Enterprise normal value adjustments

The resulting ascertained normal value for YP Enterprise in respect of galvanised steel has changed since Investigation 190. Details of this normal value calculation for YP Enterprise and is at **Review 368 Confidential Appendix 2**.

4.8.9 Angang normal values for galvanised and aluminium zinc coated steel

Consistent with the finding of a market situation in China for galvanised and aluminium zinc coated steel, normal values for Angang have been constructed under subsection 269TAC(2)(c) for the purposes of Review 371 and Review 372.

The following adjustments to Angang's normal values were made under subsection 269TAC(9) to ensure a proper comparison with the export price.

Adjustment Type	Deduction/addition
Export inland transport and handling	Add the cost of export inland freight and handling
Export commission	Add the export commission
Non-refundable VAT	Add the relevant non-refundable VAT amount

Table 11: Angang - galvanised steel adjustments

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Adjustment Type	Deduction/addition
Export inland transport and handling	Add the cost of export inland freight and handling
Export commission	Add the export commission
Non-refundable VAT	Add the relevant non-refundable VAT amount

Table 12: Angang - aluminium zinc coated steel adjustments

The resulting ascertained normal values for Angang have changed since those ascertained in Investigation 190. Details of these normal value calculations for Angang are at **Review 371 Confidential Appendix 2** and **Review 372 - Confidential Appendix**.

4.8.10 YP Technomaterial normal values for galvanised and aluminium zinc coated steel

Consistent with the finding of a market situation in China for galvanised and aluminium zinc coated steel, normal values for YP Technomaterial have been constructed under subsection 269TAC(2)(c) for the purposes of Review 374 and Review 375.

The following adjustments to YP Technomaterial's normal values were made under subsection 269TAC(9) to ensure a proper comparison with the export price.

Adjustment Type	Deduction/addition
Export Packing	Add an amount for export packing
Export Inland freight and insurance	Add an amount for domestic inland transport
Export charges	Add an amount for inland transport
VAT	Add an amount for non-refundable VAT.

Table 13: YP Technomaterial - galvanised steel adjustments

Adjustment Type	Deduction/addition
Export Packing	Add an amount for export packing
Export Inland freight and insurance	Add an amount for domestic inland transport
Export charges	Add an amount for inland transport
VAT	Add an amount for non-refundable VAT.

Table 14: YP Technomaterial - aluminium zinc coated steel adjustments

The resulting ascertained normal value calculations for YP Technomaterial have changed from those ascertained in Investigation 190. Details of these normal value calculations for YP Technomaterial are at **Review 374 Confidential Appendix 2** and **Review 375 Confidential Appendix 2**.

4.8.11 Chung Hung normal value for galvanised steel

The normal value for Chung Hung was established in accordance with subsection 269TAC(1), using Chung Hung’s domestic invoice prices for like goods, by model, sold in the ordinary course of trade in arms length transactions.

Adjustments to the normal value were made under subsection 269TAC(8) to ensure a fair comparison with the export price.

Adjustment Type	Deduction/addition
Domestic rebates	Deduct the cost of domestic rebates
Domestic credit	Deduct the cost of domestic credit
Domestic freight	Deduct the cost of domestic freight.
Domestic packaging	Deduct the cost of domestic packaging.
Export inland freight	Add the cost of export inland freight.
Export packaging	Add the cost of export packaging.
Export commissions and fees	Add the cost of export commissions and fees
Export expenses - other	Add the cost of other expenses
Export credit	Add the cost of export credit.

Table 15: Chung Hung adjustments

The resulting ascertained normal value for Chung Hung in respect of galvanised steel has changed from that ascertained in Investigation 190. Details of this normal value calculation for Chung Hung is at **Review 376 Confidential Appendix 2**.

4.9 Preliminary dumping margins

Where applicable, the Commission compared the weighted average of export prices over the whole of the review period with the weighted average of corresponding normal values over the whole of that period, in accordance with subsection 269TACB(2)(a).

The Commission has determined the following preliminary dumping margins for each applicant who exported the goods during the review period.

Case No.	Applicant	Goods	Country	Dumping margin
365	Zongcheng	Galvanised steel	China	7.85%
366	Synn	Galvanised steel	Taiwan	Negative 5.25% ⁴²
367	Zongcheng	Aluminium zinc coated steel	China	NA – no exports of aluminium zinc coated steel during the review period

⁴² This dumping margin has been revised since the publication of the Exporter verification report to correct a calculation error.

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368	YP Enterprise	Galvanised steel	Taiwan	84.47% ⁴³
371	Angang	Galvanised steel	China	NA – no exports of galvanised steel during the review period
372	Angang	Aluminium zinc coated steel	China	NA – no exports of aluminium zinc coated steel during the review period
374	YP Technomaterial	Galvanised steel	China	NA – no exports of galvanised steel during the review period
375	YP Technomaterial	Aluminium zinc coated steel	China	NA – no exports of aluminium zinc coated steel during the review period
376	Chung Hung	Galvanised steel	Taiwan	Negative 4.94%

Table 16: Summary of dumping margins

Details of the dumping margin calculations are at **Review 365 Confidential Appendix 3**, **Review 366 Confidential Appendix 3**, **Review 368 Confidential Appendix 3** and **Review 376 Confidential Appendix 3**.

⁴³ This dumping margin has been revised since the publication of the Exporter verification report to reflect the Commission's determination that the price between the exporter and importer was not at arms length as discussed at section 4.4.3 above.

5 NON-INJURIOUS PRICE

5.1 General

Dumping duties may be applied where it is established that dumped imports have caused or threaten to cause material injury to an Australian industry producing like goods. The level of dumping duty imposed cannot exceed the margin of dumping, but a lesser duty may be applied if it is sufficient to remove the injury.

Under subsection 8(5) of the *Customs Tariff (Anti-Dumping) Act 1975*,⁴⁴ the Parliamentary Secretary must specify a method for calculating the IDD payable. In doing so, the Parliamentary Secretary must, if the NIP is less than the normal value, have regard to the desirability of specifying a method of calculating the IDD such that the sum of the interim dumping duty payable and the ascertained export price is not greater than the NIP (lesser duty rule). Subsection 269TACA(a) identifies the NIP of the goods exported to Australia as the minimum price necessary to prevent the injury or a recurrence of the injury caused by the dumping.

The Commission generally derives the NIP by first establishing a price at which the Australian industry might reasonably sell its product in a market unaffected by dumping. This price is referred to as the unsuppressed selling price (USP). Deductions from this figure are made for post-exportation costs to derive a NIP that is expressed in similar delivery terms to export price and normal value (e.g. FOB).

Where the NIP is lower than the normal value, the duty is calculated with respect to the difference between export price and NIP, thereby giving effect to the lesser duty rule.

In Investigation 190, the ACBPS expressed the view that in a market unaffected by dumping, it is reasonable to expect that BlueScope would be able to achieve as a minimum, selling prices that reflected un-dumped import parity pricing. It was on this basis that the then ACBPS considered that the FOB NIP for each exporter be a price equal to their respective normal value.⁴⁵ As such, the then Attorney General was not required to and did not have regard to the lesser duty rule.

5.2 Assessment of the NIP

No submissions have been made regarding the NIP during the course of the current reviews.

The Commission considers that the approach to determining the NIP in REP 190 remains valid for the purpose of the nine reviews. The NIP for each applicant has been set equal to the respective normal value, and given the findings in section 4.6, the NIP for each applicant has changed since that last ascertained.

⁴⁴ Subsection 8(5B) of the *Customs Tariff (Anti-Dumping) Act 1975*.

⁴⁵ At page 112 of Report 190, p. 112.

6 FINDINGS AND PROPOSED RECOMMENDATIONS

6.1 Findings

Galvanised steel

The Commission has found, in respect of exports to Australia of galvanised steel from Taiwan and China by Zongcheng, Synn, YP Enterprise, Angang, YP Technomaterial and Chung Hung that:

- the ascertained export price has changed;
- the ascertained normal value has changed; and
- the ascertained NIP has changed.

Aluminium zinc coated steel

The Commission has found, in respect of exports to Australia of aluminium zinc coated steel from China by Zongcheng, Angang, and YP Technomaterial that:

- the ascertained export price has changed;
- the ascertained normal value has changed; and
- the ascertained NIP has changed.

6.2 Proposed recommendation

Galvanised steel

The Commissioner proposes to recommend to the Parliamentary Secretary that the dumping duty notice in respect of exports of galvanised steel from China, Taiwan and Korea have effect in relation to:

- Zongcheng,
- Synn,
- YP Enterprise,
- Angang,
- YP Technomaterial, and
- Chung Hung,

as if different variable factors had been ascertained and the NIP for each applicant be set in accordance with their respective weighted average normal values.

The Commissioner further recommends that the ascertained export price for Angang and YP Technomaterial be set equal to the ascertained average normal value.

Aluminium zinc coated steel

The Commissioner also proposes to recommend to the Parliamentary Secretary that the dumping duty notice in respect of exports of aluminium zinc coated steel from China have effect in relation to:

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- Zongcheng,
- Angang, and
- YP Technomaterial,

as if different variable factors had been ascertained and the NIP for each applicant be set equal to the ascertained normal value.

6.3 Effect of review

The form of duty that currently applies to Zongcheng’s exports of galvanised steel is the floor price method. The form of duty that applies to exports of galvanised steel exports for all other applicants and to exports of aluminium zinc coated steel by all applicants is the combination duty method.

Based on the information available at this stage of the reviews, the Commissioner proposes to recommend to the Parliamentary Secretary that the IDD payable for galvanised steel and aluminium zinc coated steel for each exporter subject to review to be an amount which will be worked out in accordance with the combination duty method pursuant to subsection 5(2) of the *Customs Tariff (Anti-Dumping) Regulation 2013*, consistent with Investigation 190.

Review No.	Manufacturer/Exporter	Goods	Country	Fixed Rate of IDD	Form of Measures
365	Zongcheng	Galvanised steel	China	7.85%	Combination of fixed and variable. Consisting of a fixed rate of IDD (ad valorem), plus a variable component of IDD equal to the amount, if any, by which the actual export price is lower than the ascertained export price.
366	Synn	Galvanised steel	Taiwan	0%	
367	Zongcheng	Aluminium zinc coated steel	China	0%	
368	YP Enterprise	Galvanised steel	Taiwan	84.47%	
371	Angang	Galvanised steel	China	0%	
372	Angang	Aluminium zinc coated steel	China	0%	
374	YP Technomaterial	Galvanised steel	China	0%	
375	YP Technomaterial	Aluminium zinc coated steel	China	0%	
376	Chung Hung	Galvanised steel	Taiwan	0%	

Table 17: Summary of anti-dumping measures

A summary of the variable factors as they apply to each applicant is at **Confidential Attachment 2 – Summary of variable factors**.

7 LIST OF APPENDICES AND ATTACHMENTS

Review 365 Confidential Appendix 1	Export price calculation for galvanised steel exported by Zongcheng
Review 365 Confidential Appendix 2	Normal value calculation for galvanised steel Zongcheng
Review 365 Confidential Appendix 3	Dumping margin calculation for galvanised steel exported by Zongcheng
Review 366 Confidential Appendix 1	Export price calculation for galvanised steel exported by Synn
Review 366 Confidential Appendix 2	Normal value calculation for galvanised steel Synn
Review 366 Confidential Appendix 3	Dumping margin calculation for galvanised steel exported by Synn
Review 367 Confidential Appendix 2	Normal value calculation for aluminium zinc coated steel Zongcheng
Review 368 Confidential Appendix 1	Export price calculation for galvanised steel exported by YP Enterprise
Review 368 Confidential Appendix 2	Normal value calculation for galvanised steel YP Enterprise
Review 368 Confidential Appendix 3	Dumping margin calculation for galvanised steel exported by YP Enterprise
Review 371 Confidential Appendix 2	Normal value calculation for galvanised steel Angang
Review 372 Confidential Appendix 2	Normal value calculation for aluminium zinc coated steel Angang
Review 374 Confidential Appendix 2	Normal value calculation for galvanised steel YP Technomaterial
Review 375 Confidential Appendix 2	Normal value calculation for aluminium zinc coated steel YP Technomaterial
Review 376 Confidential Appendix 1	Export price calculation for galvanised steel exported by Chung Hung
Review 376 Confidential Appendix 2	Normal value calculation for galvanised steel Chung Hung
Review 376 Confidential Appendix 3	Dumping margin calculation for galvanised steel exported by Chung Hung
Confidential Attachment 1	Calculation for HRC cost adjustment
Confidential Attachment 2	Summary of variable factors