



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

**Anti-Dumping
Commission**

CUSTOMS ACT 1901 - PART XVB

ANTI-DUMPING COMMISSION REPORT
NOs. 409 and 410

**REVIEWS OF ANTI-DUMPING MEASURES APPLYING TO
ALUMINIUM ZINC COATED STEEL EXPORTED TO
AUSTRALIA FROM THE PEOPLE'S REPUBLIC OF CHINA BY
BAOSHAN IRON & STEEL CO., LTD. AND
SHANGHAI MEISHAN IRON & STEEL CO., LTD.**

27 MARCH 2018

CONTENTS

CONTENTS 2

ABBREVIATIONS 3

1 SUMMARY 5

 1.1 INTRODUCTION 5

 1.2 LEGISLATIVE BACKGROUND..... 5

 1.3 FINDINGS 6

 1.4 RECOMMENDATIONS 6

2 BACKGROUND 7

 2.1 APPLICATIONS AND INITIATION..... 7

 2.2 CURRENT ANTI-DUMPING MEASURES 10

 2.3 REVIEW PROCESS..... 11

3 THE GOODS 13

 3.1 THE GOODS SUBJECT TO THE ANTI-DUMPING MEASURES 13

 3.2 ADDITIONAL INFORMATION IN RELATION TO THE GOODS 13

4 EXPORT PRICE AND NORMAL VALUE..... 14

 4.1 FINDINGS 14

 4.2 EXPORTER QUESTIONNAIRES AND VERIFICATION..... 14

 4.3 EXPORT PRICE..... 14

 4.4 NORMAL VALUE 25

 4.5 CONSTRUCTED NORMAL VALUE 27

 4.6 DETERMINATION OF CONSTRUCTED NORMAL VALUES 29

 4.7 DUMPING MARGINS 32

5 COUNTERAVAILABLE SUBSIDIES..... 33

 5.1 FINDINGS 33

 5.2 SUBSIDY PROGRAMS REVIEWED 33

 5.3 SUMMARY OF SUBSIDY PROGRAMS 33

 5.4 SUBSIDY MARGINS 37

6 NON-INJURIOUS PRICE AND FORM OF MEASURES..... 38

 6.1 INTRODUCTION 38

 6.2 ASSESSMENT OF THE NIP 38

 6.3 FORM OF MEASURES 39

7 FINDINGS AND RECOMMENDATIONS..... 41

 7.1 FINDINGS 41

 7.2 RECOMMENDATIONS 41

8 LIST OF APPENDICES..... 45

ABBREVIATIONS

Abbreviation	Full title
2016 Steel Report	<i>Analysis of Steel and Aluminium Markets Report to the Commissioner of the Anti-Dumping Commission</i>
ACBPS	Australian Customs and Border Protection Service
the Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
the applicants	Baoshan Iron & Steel Co., Ltd. and Shanghai Meishan Iron & Steel Co., Ltd.
Assistant Minister	the Assistant Minister for Science, Jobs and Innovation
Baosteel	Baoshan Iron & Steel Co., Ltd.
China	the People's Republic of China
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CRC	cold rolled coil
Dongbu	Dongbu Steel Co., Ltd.
Dumping Duty Act	<i>Customs Tariff (Anti-Dumping) Act 1975</i>
Dumping Duty Regulation	<i>Customs Tariff (Anti-Dumping) Regulation 2013</i>
EU	European Union
FOB	Free on Board
galvanised steel	zinc coated steel
GOC	the Government of the People's Republic of China
the goods	aluminium zinc coated steel
HRC	hot rolled coil
ICD	interim countervailing duty
IDD	interim dumping duty
Korea	the Republic of Korea
Meisteel	Shanghai Meishan Iron & Steel Co., Ltd.
NIP	non-injurious price
the notices	the dumping duty notice and countervailing duty notice applying to the goods exported from China
OCOT	ordinary course of trade
the Regulation	<i>Customs (International Obligations) Regulation 2015</i>
REP 190	<i>International Trade Remedies Branch Report No. 190</i>

PUBLIC RECORD

REP 193	<i>International Trade Remedies Branch Report No. 193</i>
REP 365 et al	<i>Anti-Dumping Commission Report Nos. 365, 366, 367, 368, 371, 372, 374, 375 and 376</i>
REQ	response to the exporter questionnaire
review period	1 April 2016 to 31 March 2017
SEF	statement of essential facts
South Africa	Republic of South Africa
VAT	value-added tax

1 SUMMARY

1.1 Introduction

This report sets out the Commissioner of the Anti-Dumping Commission's (the Commissioner) recommendations to the Assistant Minister for Science, Jobs and Innovation (the Assistant Minister)¹ in relation to two separate reviews of the anti-dumping measures (in the form of a dumping duty notice and a countervailing duty notice (together, the notices)) applying to certain aluminium zinc coated steel (also referred to as the goods)² exported to Australia from the People's Republic of China (China).

These two reviews are in response to separate applications lodged by Baoshan Iron & Steel Co., Ltd. (Baosteel) and Shanghai Meishan Iron & Steel Co., Ltd. (Meisteel) (together, the applicants).

Each application for review is based on a change in the variable factors³ 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, non-injurious price (NIP) and the amount of countervailable subsidy received.

Due to the common review period,⁴ and for administrative convenience, the recommendations in relation to the two reviews are detailed in this one report.

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. The division, among other matters:

- sets out the circumstances in which applications for the review of anti-dumping measures can be brought;
- sets out the procedure to be followed by the Commissioner in dealing with such applications or requests and preparing reports for the Assistant Minister; and
- empowers the Assistant Minister, after consideration of such reports, to leave the anti-dumping measures unaltered or to modify them as appropriate.

The Commissioner must, after conducting a review of the variable factors relevant to the taking of the anti-dumping measures, give the Assistant Minister a report recommending that:

- (i) the dumping duty notice remain unaltered; or

¹ On 20 December 2017, the Prime Minister appointed the Parliamentary Secretary to the Minister for Jobs and Innovation as the Assistant Minister for Science, Jobs and Innovation. For the purposes of these reviews, the Minister is the Assistant Minister for Science, Jobs and Innovation.

² Refer to Section 3 of this report for a full description of the goods.

³ Subsection 269T(4E) of the *Customs Act 1901*.

⁴ The review period for each review is 1 April 2016 to 31 March 2017.

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

PUBLIC RECORD

- (ii) the dumping duty notice have effect in relation to a particular exporter, or to exporters generally, as if different variable factors had been ascertained.

1.3 Findings

The Commissioner finds, in relation to exports of aluminium zinc coated steel to Australia from China during the review period (1 April 2016 to 31 March 2017), that, for each review:

- the ascertained export price has changed;
- the ascertained normal value has changed;
- the ascertained NIP has changed; and
- the amount of countervailable subsidy received has changed.

1.4 Recommendations

The Commissioner recommends to the Assistant Minister that the notices in respect of aluminium zinc coated steel have effect as if different variable factors (being the export price, normal value, NIP and amount of countervailable subsidy) had been ascertained in respect of Baosteel and Meisteel.

2 BACKGROUND

2.1 Applications and initiation

On 18 April 2017, the Commissioner received two separate applications (one from each of the applicants) for a review of the anti-dumping measures applying to certain aluminium zinc coated steel exported to Australia from China.

On 8 May 2017, following consideration of each application, the Commissioner decided not to reject the applications and published a notice announcing the initiation of two reviews. Further details of the initiation of the two reviews and a full description of the relevant goods is available in Anti-Dumping Notice (ADN) No. 2017/63.⁶

On 28 August 2017, the Commissioner published a statement of essential facts (SEF)⁷ in relation to the two reviews, which set out the essential facts on which the Commissioner proposed to base his final recommendations to the Assistant Minister for each review.

2.1.1 Submissions received from interested parties

The Commission received two submissions during the course of the reviews. The submissions are listed in the table below. The Commissioner had regard to these submissions in preparing this report and making his recommendations to the Assistant Minister.

Entity	Date received	Item no. on public record
Baoshan Iron & Steel Co., Ltd	28 November 2017	009
Baoshan Iron & Steel Co., Ltd and Shanghai Meishan Iron & Steel Co., Ltd	14 March 2018	014

Table 1: Submissions received during the course of reviews 409 and 410

2.1.2 Extensions of time

On 10 October 2017, an extension to the deadline for the Commissioner to provide his final report and recommendations to the Assistant Minister was granted.⁸

On 8 December 2017 and 26 February 2018, a further two extensions to the deadline for the Commissioner to provide his final report and recommendations to the Assistant Minister were granted.

As noted in ADN Nos. 2017/177 and 2018/30, an extension to the deadline for the Commissioner to provide his final report and recommendations to the Assistant Minister

⁶ This ADN is available on the Commission [website](#).

⁷ [SEF no. 409 and 410](#) refers.

⁸ [ADN No. 2017/139](#) refers.

was sought for the Commissioner to consider the application of new provisions of the Act (as a result of the *Customs Amendment (Anti-Dumping Measures) Act 2017*) relevant to determining an export price.⁹

2.1.3 Application of the new provisions

The *Customs Amendment (Anti-Dumping Measures) Act 2017* came into force on 31 October 2017. The amended legislation specifies additional methodologies (under section 269TAB) by which the Assistant Minister may determine an export price during a review of measures¹⁰ for exporters that have not exported the goods, or have exported low volumes of the goods, such that the export price cannot be reliably determined.

Under item 4 of Schedule 1 to the *Customs Amendment (Anti-Dumping Measures) Act 2017*, these amendments apply to reviews that were being undertaken immediately before the commencement of the Schedule, but for which a declaration in accordance with subsection 269ZDB(1) had not been made at that time.

Review nos. 409 and 410 were being undertaken immediately before the commencement of Schedule 1 to the *Customs Amendment (Anti-Dumping Measures) Act 2017* (the amending legislation); however, a declaration in accordance with subsection 269ZDB(1) had not been made at the time of the commencement of this Schedule. The amendments therefore apply to both reviews.

On 26 February 2018, the Commission published two position papers outlining the proposed approach taken in determining an export price for Baosteel and Meisteel in accordance with the new provisions under section 269TAB.¹¹ Given the retrospective application of the amending legislation, the Commission had revised the export price for Baosteel and Meisteel from that determined in SEF nos. 409 and 410.

2.1.4 Submissions from interested parties

The Commission invited interested parties to the reviews to lodge submissions concerning the Commission's proposed approach to determining Baosteel's and Meisteel's export price prior to the Commissioner providing his final report and recommendations to the Assistant Minister.

In a joint submission dated 14 March 2018, Baosteel and Meisteel submit that the amendments to section 269TAB should not apply to reviews 409 and 410 because the reviews cannot be considered to have been undertaken immediately before the commencement of the amendments.¹²

The submission cites item 4 of the *Customs Amendment (Anti-Dumping Measures) Bill 2017*, which notes that, inter alia, the amendments to section 269TAB would apply to 'such a review that was being undertaken immediately before the commencement of [Schedule 1] but for which a declaration in accordance with subsection 269ZDB(1) ... had not been made at that time'.

⁹ [ADN Nos. 2017/177](#) and [2018/30](#) refer.

¹⁰ Under Division 5 of Part XVB of the Act.

¹¹ Refer [Position Paper 409](#) and [Position Paper 410](#).

¹² Refer item no. [014](#) on public record.

PUBLIC RECORD

Baosteel and Meisteel submit that the term ‘immediately’ should be interpreted as applying only to reviews initiated after the Australian Government had announced its intention to amend the Act on 13 September 2017, and not to all reviews underway at the time of the amendments commencing.

Baosteel and Meisteel also contrasted the amending legislation with other legislation passed by the Australian Parliament that has retrospective application. The submission noted a particular example of legislation with retrospective operation that did not take effect earlier than the day it was released in draft form for public comment.

The Commission appreciates that some legislation passed by the Australian Parliament may have more limited retrospective operation, or no retrospective operation at all, compared to this amending legislation. However, that does not change the Commission’s view of the effect of this particular amending legislation.

The Commission considers that the amending legislation does not limit application of the amendments only to reviews initiated after 13 September 2017 in the way proposed by Baosteel and Meisteel. The Commission considers that the expression ‘immediately’ in section 4(b) of the amending legislation distinguishes between any review undertaken and completed prior to the commencement of the amendment, and those reviews that had been initiated, were underway and not yet completed prior to commencement.¹³ The Commission’s view is that the amendments were intended to apply to the latter reviews.

The explanatory memorandum to the *Customs Amendment (Anti-Dumping Measures) Bill 2017*¹⁴ notes and acknowledges the retrospective impact of the amendments:

The purpose of retrospectively applying the specific methods to applications lodged, or reviews being undertaken, prior to commencement is to apply the methods to all reviews currently on foot, without extending to reviews already finalised.

...

Procedural fairness will be afforded to affected parties. Affected parties will be notified of the intention to use the alternative methodologies to calculate their export price. Exporters and interested parties will be invited to make submissions prior to a decision being finalised.

Reviews 409 and 410 were being undertaken immediately before the commencement of the amendments, having been initiated on 8 May 2017, and a declaration in accordance with subsection 269ZDB(1) had not been made at the time of the commencement of this Schedule. Accordingly, the Commission is satisfied that the new provisions under section 269TAB should be considered for the purpose of reviews 409 and 410.

As noted previously, the Commission notified Baosteel and Meisteel (and other interested parties to the reviews) of its intended approach to determining the export price in accordance with the new provisions of section 269TAB and invited submissions in

¹³ Specifically, in the sense that a declaration in accordance with subsection 269ZDB(1) is required to complete a review of measures.

¹⁴ Refer pages 4 and 5 of the [explanatory memorandum](#) to the *Customs Amendment (Anti-Dumping Measures) Bill 2017*.

PUBLIC RECORD

response,¹⁵ as was anticipated in the explanatory memorandum, prior to finalising this report and recommendations to the Assistant Minister.

2.2 Current anti-dumping measures

The anti-dumping measures were initially imposed on 5 August 2013 by the then Attorney-General following consideration of *International Trade Remedies Branch Report No. 190* (REP 190) and *Trade Measures Report No. 193* (REP 193).

Both Baosteel and Meisteel are currently subject to a combined fixed interim dumping duty (IDD) and interim countervailing duty (ICD) of 29.6 per cent, and a variable component of IDD where the actual export price is below the ascertained export price.

A background to key cases in relation to the goods is summarised in the table below.

Case type	Date	Anti-Dumping Notice No.	Country of export	Measures/findings
Investigation nos. 190 ¹⁶ and 193 ¹⁷ (dumping and countervailing)	5 Aug 2013	ADN No. 2013/66	Dumping - China, the Republic of Korea (Korea) and Taiwan (galvanised steel only) Countervailing - China	Dumping measures imposed on the goods exported from China and Korea (with the exception of Union Steel Co., Ltd). Countervailing measures imposed on the goods exported from China (with the exception of Angang Steel Company Limited).
Review by the Anti-Dumping Review Panel of certain findings made in Investigation 193	20 Feb 2014	ADN No. 2014/12	China	The countervailing duty notice was altered so as to reduce the applicable countervailable subsidies by the amounts referable to programs 1 to 3 as described in REP 193. This had retrospective effect from 5 August 2013.
Review of measures No. 272	3 Aug 2015	ADN No. 2015/83	Korea	The dumping duty notice was altered to have effect in relation to Dongbu Steel Co., Ltd. (Dongbu) as if different variable factors had been ascertained.
Exemption inquiry No. 28	26 Nov 2015	ADN No. 2015/138	China and Korea	Aluminium zinc coated steel having all of the following characteristics was exempt from the anti-dumping measures: <ul style="list-style-type: none"> • width of 1,200 mm; and • thickness of 1.6 mm;

¹⁵ Refer [Position Paper 409](#) and [Position Paper 410](#).

¹⁶ [REP 190](#) investigated the dumping of aluminium zinc coated steel and zinc coated (galvanised) steel exported to Australia 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 the one report.

¹⁷ [REP 193](#) investigated the subsidisation of aluminium zinc coated steel and galvanised steel exported from China. Due to the close nature of these products and common interested parties, findings from both countervailing investigations were detailed in the one report.

PUBLIC RECORD

				with tolerance allowances for: width of +/- 1%; and thickness of +/- 5%.
Review of measures Nos. 367, 372, 375	12 May 2017	ADN No. 2017/48	China	The dumping duty notice was altered to have effect in relation to Jiangyin Zongcheng Steel Co., Ltd, Angang Steel Company Limited and Yieh Phui Technomaterial Co., Ltd as if different variable factors had been ascertained.
Review of measures No. 385	20 Jul 2017	ADN No. 2017/86	Korea	The dumping duty notice was altered to have effect in relation to Dongbu as if different variable factors had been ascertained.

Table 2: Summary of key cases in relation to aluminium zinc coated steel

2.3 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,¹⁸ or the Assistant Minister may request that the Commissioner conduct,¹⁹ a review of those anti-dumping measures if one or more of the variable factors has changed.

The Assistant Minister 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.²⁰

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 Assistant Minister may allow, the Commissioner must place on the public record a SEF on which he proposes to base recommendations to the Assistant Minister concerning the review of the anti-dumping measures.²¹ The Commissioner has up to 155 days, or such longer time as the Assistant Minister may allow, to conduct a review and report to the Assistant Minister on the review of the anti-dumping measures.²²

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;
- the NIP; and

¹⁸ Subsection 269ZA(1).

¹⁹ Subsection 269ZA(3).

²⁰ Subsection 269ZA(2)(a). At the time that the applications for review were made, the most recent notice declaring the outcome of a review of the dumping duty notice was published on 3 August 2015 ([ADN No. 2015/83](#) refers). The countervailing duty notice has not been reviewed since its original publication.

²¹ Subsection 269ZD(1).

²² Subsection 269ZDA(1).

PUBLIC RECORD

- the amount of countervailable subsidy received in respect of the goods.

For each review, in making recommendations in his final report to the Assistant Minister, the Commissioner must have regard to:²³

- 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 considers to be relevant to the review.²⁴

In his final report the Commissioner must make a recommendation to the Assistant Minister that the notices:²⁵

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

The Assistant Minister must make a declaration within 30 days of receiving the report or, if the Assistant Minister considers there are special circumstances that prevent the declaration being made within that period, such longer period as the Assistant Minister considers appropriate²⁶ that the notices:²⁷

- 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 Assistant Minister must give notice of the decision.²⁸

²³ Subsection 269ZDA(3)(a).

²⁴ Subsection 269ZDA(3)(b).

²⁵ Subsection 269ZDA(1)(a).

²⁶ Subsection 269ZDB(1A).

²⁷ Subsection 269ZDB(1)(a).

²⁸ Subsection 269ZDB(1).

3 THE GOODS

3.1 The goods subject to the anti-dumping measures

The goods to which the notices apply (the goods) 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 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 (g/m²) with the prefix AZ (aluminium zinc). Common coating masses are AZ200, AZ150, AZ100 and AZ70.

3.2.1 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.

3.2.2 Excluded goods

Painted aluminium zinc coated steel, pre-painted aluminium zinc coated steel and corrugated aluminium zinc coated steel are not covered by the dumping duty and countervailing duty notices.

3.2.3 Tariff classification

Goods identified as aluminium zinc coated steel, as per the description above, 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. Due to the *China-Australia Free Trade Agreement*, the customs duty is progressively reducing each calendar year and will be duty free from 1 January 2019.

4 EXPORT PRICE AND NORMAL VALUE

4.1 Findings

The Commissioner finds that the variable factors (the ascertained export price and the ascertained normal value) relevant to the taking of anti-dumping measures (in the form of a dumping duty notice) applying to aluminium zinc coated steel exported to Australia from China by Baosteel and Meisteel have changed.

The Commissioner recommends to the Assistant Minister that the dumping duty notice have effect in relation to Baosteel and Meisteel as if different variable factors (the export price and the normal value) had been ascertained.

4.2 Exporter questionnaires and verification

For each review, the Commission provided Baosteel and Meisteel with an exporter questionnaire to complete. Each applicant provided detailed information and data in its response to the exporter questionnaire (REQ), including data relating to domestic sales and details of the cost to make and sell. Each applicant provided additional information when requested by the Commission.

The Commission conducted on-site verification of the information provided by Baosteel and Meisteel. The Commission is satisfied as to the accuracy, relevance and completeness of the information provided by each applicant.

Verification reports in relation to each review are available on the Commission website.²⁹

4.3 Export price

As outlined in SEF nos. 409 and 410, the Commission considers that the application of subsection 269TAB(1) would require Baosteel and Meisteel to have exported the goods to Australia.

The Commission has found that Baosteel and Meisteel did not export aluminium zinc coated steel to Australia from China during the review period (1 April 2016 to 31 March 2017),³⁰ and therefore, the Commission considers there is insufficient information available to ascertain the export price in accordance with subsection 269TAB(1) of the Act.

As the Commission has found that neither Baosteel nor Meisteel exported the goods to Australia during the review period, the Commission has considered whether the requirements of subsection 269TAB(2A) have been met, and therefore whether Baosteel's and Meisteel's export price should be determined under subsection 269TAB(2B).

²⁹ Refer Baosteel's [verification report](#) and Meisteel's [verification report](#).

³⁰ Ibid.

PUBLIC RECORD

Subsection 269TAB(2A) specifies that the export price of the goods exported to Australia³¹ may be determined by the Minister in accordance with subsection 269TAB(2B) if:

- (a) the price is being ascertained in relation to an exporter of those goods (whether the review is of the measures as they affect a particular exporter of those goods, or as they affect exporters of those goods generally); and
- (b) the Minister determines that there is insufficient or unreliable information to ascertain the price due to an absence or low volume of exports of those goods to Australia by that exporter having regard to the following:
 - (i) previous volumes of exports of those goods to Australia by that exporter;
 - (ii) patterns of trade for like goods;
 - (iii) factors affecting patterns of trade for like goods that are not within the control of the exporter.

Previous volumes of exports - subsection 269TAB(2A)(b)(i)

The Commission found that, during the original investigation period (1 July 2011 to 30 June 2012),³² both Baosteel and Meisteel exported aluminium zinc coated steel to Australia from China. Neither Baosteel nor Meisteel have exported aluminium zinc coated steel to Australia since the December quarter of 2012.

In a joint submission dated 14 March 2018,³³ Baosteel and Meisteel submit that the Commission has not assessed or considered the 'relative volumes' as expressed in the explanatory memorandum to the *Customs Amendment (Anti-Dumping Measures) Bill 2017*.³⁴

The applicants further submit that their export volumes during the original investigation period represent a negligible proportion of the total Australian market for aluminium zinc coated steel and their own respective production capacities, and therefore, were not much higher than the volumes of exports during the period being examined by the review.

The explanatory memorandum states that:

New paragraph 269TAB(2A)(b)(i) requires consideration of the previous volumes of exports (if any) of the goods that are the subject of the review to Australia by that Exporter. If the previous volumes of exports are much higher than the volume of exports during the period being examined by the review...

...

³¹ As Baosteel and Meisteel did not export the goods to Australia during the review period, and as provided by subsection 269TAB(2C), the Commission has deemed such exports to have occurred for the purposes of applying subsections 269TAB(2A) and (2B).

³² Refer [REP 190](#) and [REP 193](#).

³³ Refer item no. [014](#) on public record.

³⁴ Refer paragraph 14 on page 31 of the [explanatory memorandum](#) to the *Customs Amendment (Anti-Dumping Measures) Bill 2017*.

PUBLIC RECORD

This may be relevant in the Minister's determination that the information (if any) provided by the Exporter is insufficient or unreliable for the purpose of determining an appropriate export price...³⁵

[emphasis added]

The Commission considers that subsection 269TAB(2A)(b)(i) is explicit in that it relates to the volume of exports by the particular exporter concerned. The text in paragraph 14 of the explanatory memorandum is consistent with the text in that provision. Accordingly, the volume of exports by Baosteel and Meisteel *relative* to the total aluminium zinc coated steel market, and the volume of exports relative to their respective production capacities, are not relevant considerations for the purpose of subsection 269TAB(2A)(b)(i).

While neither subsection 269TAB(2A)(b)(i) nor the explanatory memorandum specify a previous period to compare the volume of exports during the period being examined (being the review period 1 April 2016 to 31 March 2017), for the purpose of these reviews, the Commission has compared both Baosteel's and Meisteel's volumes of exports of the goods to Australia during the original investigation period to the review period (i.e. the period being examined). The Commission considers that Baosteel's and Meisteel's previous volumes of exports of the goods to Australia are relatively higher than the volume of exports during the review period during which neither Baosteel nor Meisteel have exported the goods to Australia.

This analysis is outlined at **Confidential Appendix 1**.

Patterns of trade for like goods - subsection 269TAB(2A)(b)(ii)

During the original investigation period and the period prior to the March quarter of 2013, imports of aluminium zinc coated steel from China comprised more than 50 per cent of the total volume of aluminium zinc coated steel imported into Australia (refer Figure 1).

Following the March quarter of 2013, the volume of aluminium zinc coated steel imported from China decreased considerably, and during many quarters since there were no imports of aluminium zinc coated steel from China.

While the volume of aluminium zinc coated steel imported from China has decreased considerably since the March quarter of 2013, the Commission notes that imports of aluminium zinc coated steel from other countries continued. This indicates that, despite a decline in imports of aluminium zinc coated steel from China, demand for aluminium zinc coated steel persists in the Australian domestic market, and this demand is being met by imports from other countries and by the Australian industry.

The Commission therefore considers that Baosteel's and Meisteel's lack of exports to Australia since the March quarter of 2013, and during the review period, does not pertain to an absence of exports, or low volume of exports, to Australia generally.

³⁵ Refer paragraph 14 on page 31 of the [explanatory memorandum](#) to the *Customs Amendment (Anti-Dumping Measures) Bill 2017*.

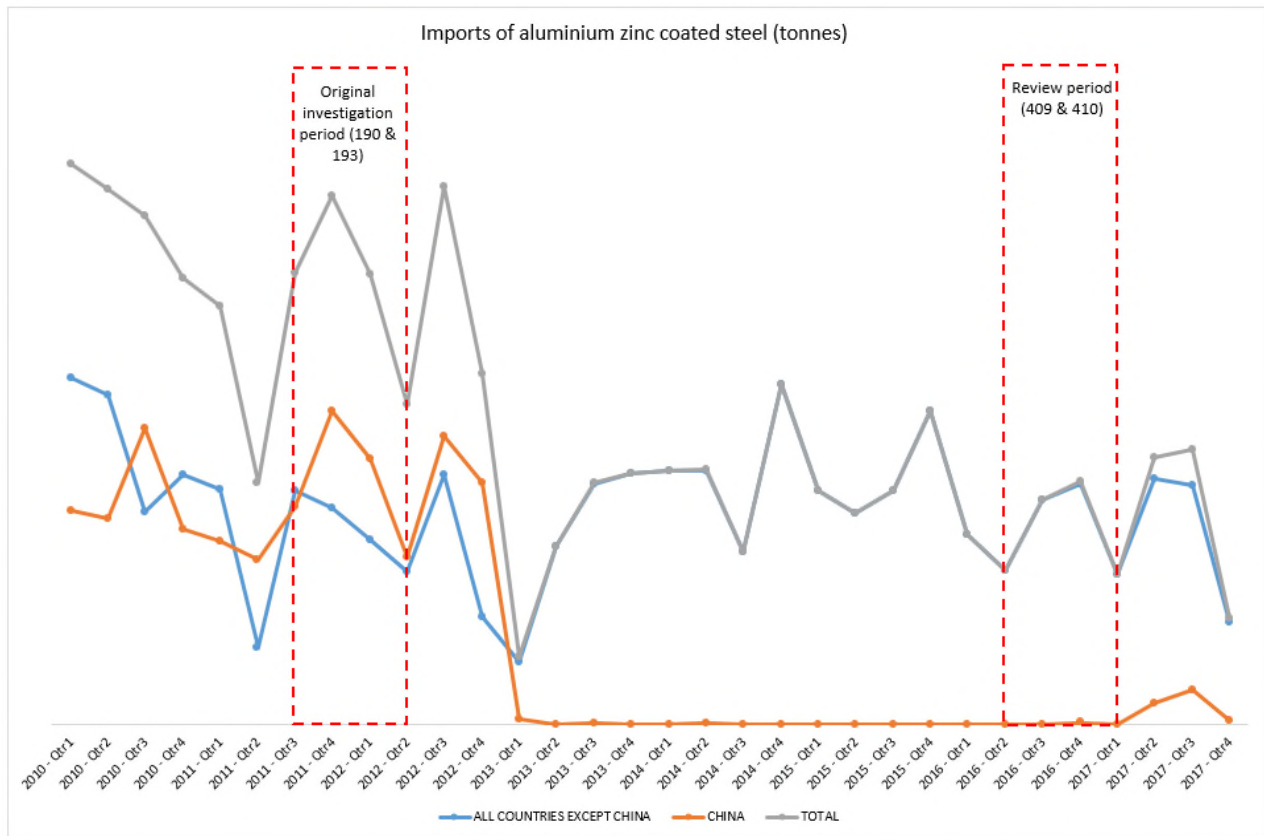


Figure 1: Imports of aluminium zinc coated steel (2010 - 2017)
 (Source: Australian Border Force import database)

In a joint submission dated 14 March 2018,³⁶ Baosteel and Meisteel submit that the Commission’s assessment and consideration of the patterns of trade for like goods is not consistent with the guidance provided in the explanatory memorandum to the *Customs Amendment (Anti-Dumping Measures) Bill 2017*.³⁷

The applicants submit that Figure 1 demonstrates and supports a conclusion that the patterns of trade of like goods exported to Australia are similar between Baosteel and Meisteel and the pattern of trade from China generally, and therefore, the Commission should ‘give weight to these facts’ and determine that Baosteel and Meisteel are not ‘low volume [exporters]’.

The Commission considers that while the explanatory memorandum to the *Customs Amendment (Anti-Dumping Measures) Bill 2017* specifically discusses an example where the pattern of trade from an exporter is compared to the pattern of trade from the country of export generally, neither subsection 269TAB(2A)(b)(ii) nor the explanatory memorandum limit such an assessment to a particular country or countries. The explanatory memorandum states that the ‘Minister may also consider the pattern of trade

³⁶ Refer item no. [014](#) on public record.

³⁷ Refer paragraph 15 on page 31 of the [explanatory memorandum](#) to the *Customs Amendment (Anti-Dumping Measures) Bill 2017*.

PUBLIC RECORD

in other ways', and the Commission's view is that the pattern of trade from other countries can also be taken into consideration when undertaking such assessment.

In accordance with subsection 269TAB(2A)(b)(ii), the Commission has assessed and considered the overall pattern of trade, including the patterns of trade relating to countries other than the country of export in this particular instance. The Commission observes that the notable decline in the volume of exports from China during the March quarter of 2013 corresponds to the quarter when securities³⁸ were imposed in respect of aluminium zinc coated steel exported from China. Therefore, it is not entirely unexpected that Baosteel and Meisteel's pattern of trade reflects the pattern of trade from other exporters from China generally, given the level of the anti-dumping measures imposed³⁹ on exports from China.

As noted previously, while the volume of aluminium zinc coated steel imported from China has decreased considerably since the March quarter of 2013 (when securities were imposed), the Commission notes that imports of aluminium zinc coated steel from other countries continued, and therefore considers that Baosteel's and Meisteel's lack of exports to Australia since the December quarter of 2012, and during the review period, does not pertain to an absence of exports, or low volume of exports, to Australia generally.

Factors affecting patterns of trade - subsection 269TAB(2A)(b)(iii)

The Commission notes that the explanatory memorandum⁴⁰ to the *Customs Amendment (Anti-Dumping Measures) Bill 2017* identifies factors that may affect patterns of trade for like goods that are not within the control of the exporter. Such factors may include supply disruptions or natural events (such as flood, drought or fire) that affect production levels.

The Commission has found that both Baosteel and Meisteel have manufactured and sold like goods on the domestic market and to third countries during the review period.⁴¹ The Commission considers that this indicates that there do not appear to be any factors (such as natural events) that are not within the control of either Baosteel or Meisteel that are affecting trade for like goods.

In a joint submission dated 14 March 2018,⁴² Baosteel and Meisteel submit that they applied for a review of measures because a particular Australian customer expressed interest in sourcing from the applicants certain aluminium zinc coated steel with particular product specifications which the applicant's refer to as 'non-standard'. Baosteel and Meisteel further submit that there is limited demand in the Australian market for this type of aluminium zinc coated steel. Therefore, Baosteel and Meisteel claim that this limited demand is 'beyond their control' and that this factor led to a reduction in their export volumes to Australia.

³⁸ Securities were imposed on the goods entered for home consumption on or after 6 February 2013.

³⁹ When imposed, the effective rate of combined duty (dumping and countervailing) ranged from 5.5 per cent to 29.6 per cent. Both Baosteel and Meisteel are currently subject to an effective rate of duty of 29.6 per cent.

⁴⁰ Refer page 31 of the [explanatory memorandum](#) to the *Customs Amendment (Anti-Dumping Measures) Bill 2017*.

⁴¹ Refer Baosteel's [verification report](#) and Meisteel's [verification report](#).

⁴² Refer item no. [014](#) on public record.

The Commission does not consider that this factor has somehow prevented Baosteel and Meisteel from exporting the goods to Australia. Although there may be limited market demand for a particular type of product falling within the goods description, the goods description is broader than just one product. The Commission has observed that there is still demand in Australia for aluminium zinc coated steel generally, as evidenced by the continued Australian production of those goods and imports into Australia of those goods.

The Commission considers instead that the most likely reason that Baosteel and Meisteel have not exported the goods to Australia since the December quarter of 2012 was because of the imposition of anti-dumping measures on exports from China to Australia. As previously noted, the notable decline in the volume of exports from China during the March quarter of 2013 corresponds to the quarter when securities were imposed in respect of aluminium zinc coated steel exported from China. Therefore, it is not entirely unexpected that Baosteel's and Meisteel's pattern of trade was affected by the imposition of the anti-dumping measures, given the significance of the measures⁴³ imposed on exports from China.

The Commission's consideration - subsection 269TAB(2A)

The Commission considers that both Baosteel and Meisteel have previously exported aluminium zinc coated steel to Australia. Despite a decrease in the volume of exports from China, exports from other countries have remained relatively constant and the Commission is not aware of any factors affecting the patterns of trade that are not within the control of Baosteel or Meisteel.

Having regard to the above, the Commission considers that, in accordance with subsection 269TAB(2A)(b), there is insufficient information to ascertain the export price due to an absence of exports of the goods to Australia by Baosteel and Meisteel.

The Commission therefore considers it appropriate to ascertain the export price in relation to Baosteel and Meisteel under subsection 269TAB(2B).

4.3.1 Baosteel

In accordance with subsection 269TAB(2B), the Commission can determine the export price of the goods having regard to any of the following:

- the export price for the goods exported to Australia by Baosteel established in accordance with subsection 269TAB(1) for a decision of a kind mentioned in subsection 269TAB(2D);⁴⁴
- the price paid or payable for like goods sold by Baosteel in arms length transactions for exportation from China to a third country determined to be an appropriate third country;⁴⁵ or

⁴³ When imposed, the effective rate of combined duty (dumping and countervailing) ranged from 5.5 per cent to 29.6 per cent. Both Baosteel and Meisteel are currently subject to an effective rate of duty of 29.6 per cent.

⁴⁴ Subsection 269TAB(2B)(a).

⁴⁵ Subsection 269TAB(2B)(b).

PUBLIC RECORD

- the export price for like goods exported to Australia from China by another exporter or exporters established in accordance with subsection 269TAB(1) for a decision mentioned in subsection 269TAB(2D).⁴⁶

Previous export price - subsection 269TAB(2B)(a)

The export price for the goods exported to Australia by Baosteel in the original investigation (Investigation 190 and 193), where the decision to publish a notice under sections 269TG and 269TJ was made, was established in accordance with subsection 269TAB(3).⁴⁷ Therefore, the Commission cannot determine the export price of the goods exported by Baosteel in accordance with subsection 269TAB(2B)(a).

Export price to third countries - subsection 269TAB(2B)(b)

The Commission found that, during the review period, Baosteel sold like goods to Belgium, Canada, Hong Kong, Papua New Guinea and the Republic of Suriname.⁴⁸

The Commission found that the sales of like goods to Belgium were at arms length, however, the Commission found that the sales to Canada were not at arms length.⁴⁹

Export price from another exporter or exporters - subsection 269TAB(2B)(c)

A decision under sections 269TG and 269TJ in relation to Investigation 190 was published on 5 August 2013, which is more than two years⁵⁰ before the Commissioner published a notice⁵¹ (under subsection 269ZC(4)) in relation to the initiation of this review.

Further, a decision under subsection 269ZDB(1) in relation to the most recent reviews of measures (reviews no. 367, 372 and 375) relating to aluminium zinc coated steel exported to Australia from China was published on 12 May 2017, which is within the time period prescribed in subsection 269TAB(2E).⁵² However, the export price for like goods exported to Australia by each exporter was established in accordance with subsection 269TAB(3).

Therefore, the Commission cannot determine the export price of the goods exported to Australia by Baosteel in accordance with subsection 269TAB(2B)(c) using the export price for like goods exported by another exporter or exporters.

⁴⁶ Subsection 269TAB(2B)(c).

⁴⁷ The decision to publish a notice under subsection 269TG(1) or (2) is a decision mentioned in subsection 269TAB(2D)(a)(i).

⁴⁸ Refer Baosteel's [verification report](#) (addendum to). The verification team had also found that Baosteel sold aluminium zinc coated steel to Vietnam; however, the aluminium zinc coated steel sold to Vietnam was found to be not the goods.

⁴⁹ Ibid. The verification team had selected sales to Belgium and Canada for arms length testing as these two countries comprised the largest proportion of Baosteel's export sales volume.

⁵⁰ As stipulated in subsection 269TAB(2E), which specifies that a decision referred to in subsection 269TAB(2D) must be made in the prescribed time period.

⁵¹ Refer [ADN No. 2017/63](#).

⁵² Refer [ADN No. 2017/48](#).

The Commission's consideration - subsection 269TAB(2B)

For the reasons set out above, the Commission considers that it cannot determine the export price of the goods exported to Australia by Baosteel under subsections 269TAB(2B)(a) and 269TAB(2B)(c).

The Commission has found that Baosteel has sold like goods in arms length transactions to third countries during the review period. In accordance with subsection 269TAB(2B)(b), the export price of aluminium zinc coated steel exported to Australia from China by Baosteel is the price paid or payable for like goods sold by Baosteel in arms length transactions for exportation from China to Belgium. The export price was calculated at Free on Board (FOB) terms.

The Commission did not make an adjustment to Baosteel's exports to Belgium (on which the export price is based)⁵³ for the following reasons:

- Baosteel exported aluminium zinc coated steel to Belgium during the review period, therefore, there is information available in relation to the price paid or payable for like goods sold by Baosteel during the period of review; and
- Baosteel's exports of aluminium zinc coated steel to Belgium have comparable product specifications and characteristics (such as coating mass, base metal thickness and width) to the aluminium zinc coated steel products sold in the Australian market (refer **Confidential Appendix 2**).⁵⁴

The Commission therefore considers that the determined export price (which is based on Baosteel's exports to Belgium) is a reasonable estimate of what the export price of the goods exported to Australia would have been had there not been an absence of exports.

The Commission's consideration of an appropriate third country is outlined in **Appendix A**.

The Commission found that the resulting ascertained export price for Baosteel in respect of aluminium zinc coated steel has changed since Investigation 190. The export price calculation is at **Review 409 - Confidential Appendix 1**.

4.3.2 Meisteel

In accordance with subsection 269TAB(2B), the Commission can determine the export price of the goods having regard to any of the following:

- the export price for the goods exported to Australia by Baosteel Meisteel established in accordance with subsection 269TAB(1) for a decision of a kind mentioned in subsection 269TAB(2D);⁵⁵

⁵³ In accordance with subsection 269TAB(2G).

⁵⁴ Australian market sales information provided by Australian importers of aluminium zinc coated steel and Australian industry as part of continuation inquiry no. 450 and review no. 456.

⁵⁵ Subsection 269TAB(2B)(a).

PUBLIC RECORD

- the price paid or payable for like goods sold by Meisteel in arms length transactions for exportation from China to a third country determined to be an appropriate third country;⁵⁶ or
- the export price for like goods exported to Australia from China by another exporter or exporters established in accordance with subsection 269TAB(1) for a decision mentioned in subsection 269TAB(2D).⁵⁷

Previous export price - subsection 269TAB(2B)(a)

The export price for the goods exported to Australia by Meisteel in the original investigation (Investigation 190 and 193), where the decision to publish a notice under sections 269TG and 269TJ was made, was established in accordance with subsection 269TAB(3).⁵⁸ Therefore, the Commission cannot determine the export price of the goods exported by Meisteel in accordance with subsection 269TAB(2B)(a).

Export price to third countries - subsection 269TAB(2B)(b)

The Commission found that, during the review period, Meisteel sold like goods to Belgium, Canada and the Republic of South Africa (South Africa).⁵⁹

The Commission found that the sales of like goods to Belgium and South Africa by Meisteel were at arms length, however, the Commission found that the sales to Canada were not at arms length.⁶⁰

Export price from another exporter or exporters - subsection 269TAB(2B)(c)

A decision under sections 269TG and 269TJ in relation to Investigations 190 and 193 was published on 5 August 2013, which is more than two years⁶¹ before the Commissioner published a notice⁶² (under subsection 269ZC(4)) in relation to the initiation of this review.

Further, a decision under subsection 269ZDB(1) in relation to the most recent reviews of measures (reviews no. 367, 372 and 375) relating to aluminium zinc coated steel exported to Australia from China was published on 12 May 2017, which is within the time period prescribed in subsection 269TAB(2E).⁶³ However, the export price for like goods exported to Australia by each exporter was established in accordance with subsection 269TAB(3).

⁵⁶ Subsection 269TAB(2B)(b).

⁵⁷ Subsection 269TAB(2B)(c).

⁵⁸ The decision to publish a notice under subsection 269TG(1) or (2) is a decision mentioned in subsection 269TAB(2D)(a)(i).

⁵⁹ Refer Meisteel's [verification report](#).

⁶⁰ Ibid.

⁶¹ As stipulated in subsection 269TAB(2E), which specifies that a decision referred to in subsection 269TAB(2D) must be made in the prescribed time period.

⁶² Refer [ADN No. 2017/63](#).

⁶³ Refer [ADN No. 2017/48](#).

PUBLIC RECORD

Therefore, the Commission cannot determine the export price of the goods exported to Australia by Meisteel in accordance with subsection 269TAB(2B)(c) using the export price for like goods exported by another exporter or exporters.

The Commission's consideration - subsection 269TAB(2B)

For the reasons set out above, the Commission considers that it cannot determine the export price of the goods exported to Australia by Meisteel under subsections 269TAB(2B)(a) and 269TAB(2B)(c).

The Commission has found that Meisteel has sold like goods to third countries in arms length transactions during the review period. In accordance with subsection 269TAB(2B)(b), the export price of aluminium zinc coated steel exported to Australia from China by Meisteel is the price paid or payable for like goods sold by Meisteel in arms length transactions for exportation from China to Belgium. The export price was calculated at FOB terms.

The Commission did not make an adjustment to Meisteel's exports to Belgium (on which the export price is based)⁶⁴ for the following reasons:

- Meisteel exported aluminium zinc coated steel to Belgium during the review period, therefore, there is information available in relation to the price paid or payable for like goods sold by Meisteel during the period of review; and
- Meisteel's exports of aluminium zinc coated steel to Belgium have comparable product specifications and characteristics (such as coating mass, base metal thickness and width) to the aluminium zinc coated steel products sold in the Australian market (**Confidential Appendix 2** refers).⁶⁵

The Commission therefore considers that the determined export price (which is based on Meisteel's exports to Belgium) is a reasonable estimate of what the export price of the goods exported to Australia would have been had there not been an absence of exports.

The Commission's consideration of an appropriate third country is outlined in **Appendix A**.

The Commission found that the resulting ascertained export price for Meisteel in respect of aluminium zinc coated steel has changed since Investigation 190. The export price calculation is at **Review 410 - Confidential Appendix 1**.

4.3.3 Submission in relation to determination of export price using sales to Belgium

In a joint submission dated 14 March 2018,⁶⁶ Baosteel and Meisteel submit that the level of trade between exports to Belgium (through a related intermediary) and the intended future exports to Australia are not similar. Baosteel and Meisteel submit that the intended

⁶⁴ In accordance with subsection 269TAB(2G).

⁶⁵ Australian market sales information provided by Australian importers of aluminium zinc coated steel and Australian industry as part of continuation inquiry no. 450 and review no. 456.

⁶⁶ Refer item no. [014](#) on public record.

PUBLIC RECORD

future exports to Australia are expected to be made directly to the final customer in Australia. Neither Baosteel nor Meisteel provided any evidence to support this claim.

Baosteel and Meisteel further submit that the Commission should treat both Baosteel and its related intermediary, and Meisteel and its related intermediary, as single entities, as per the Commission's 'normal practice' as set out in the Dumping and Subsidy Manual.

As outlined in the Dumping and Subsidy Manual, the Commission's current practice in relation to intermediaries involved in export sales transactions is as follows:

Typically the manufacturer, as a principal, and who knowingly sent the goods for export to any destination, will be the exporter. The export price will be the price received by that producer/exporter i.e. the manufacturer. Where an intermediary is involved the export price, for the purposes of calculating a dumping or subsidy margin, will be the price received by that exporter when selling to the intermediary (even if the intermediary is in the same country as the exporter).⁶⁷

Both Baosteel and Meisteel were found to be exporters of the goods to Belgium, and given that the sales transactions from Baosteel and Meisteel to their related intermediary were found to be at arms length,⁶⁸ the Commission determined the export price as the price paid or payable by or like goods sold by Baosteel and Meisteel in arms length transactions for exportation from China to Belgium, in accordance with subsection 269TAB(2B)(b).

The Commission notes that, even if the transactions between Baosteel and Meisteel and the related intermediary were found to be at non-arms length, the export price in these circumstances would be calculated by using a market price that is representative of an arms length sale (i.e. the price between the intermediary and the final customer in Belgium), less associated expenses incurred between exportation and resale, including an amount for profit.⁶⁹ Therefore, the resulting export price would be the same, regardless of which approach is used to calculate the export price.

Further, in relation to Baosteel's and Meisteel's domestic sales, which were used to determine an amount for profit for the purpose of constructing the normal value, the Commission notes that these domestic sales were all made to related intermediaries in transactions that were found to be at arms length, and the profit amount was determined using the sales between the applicants and the intermediaries. Given this, the Commission does not agree with Baosteel and Meisteel's claim that the export price is not comparable to the constructed normal value because the profit (relating to the export sales to Belgium via the related intermediary) does not reflect the overall profit achieved for the whole Baosteel group.

In relation to Baosteel and Meisteel's claim that their future exports to Australia are expected to be made directly to the final customer in Australia, the Commission has reviewed Baosteel's and Meisteel's previous exports to Australia and notes that these exports were made through a related intermediary. The Commission also reviewed

⁶⁷ Refer page 30 of the [Dumping and Subsidy Manual](#). As at the date of publication of this report, April 2017 is the latest version of this Manual.

⁶⁸ Refer Baosteel's [verification report](#) (addendum to) and Meisteel's [verification report](#).

⁶⁹ Refer page 31 of the [Dumping and Subsidy Manual](#).

Baosteel's and Meisteel's exports to countries other than Belgium and noted that all these exports were also made through related intermediaries (refer **Confidential Appendix 3**).

The Commission considers that, given the available information, both Baosteel's and Meisteel's future exports to Australia are likely to be made through a related intermediary, most likely through the same intermediary that both applicants had previously exported through to Australia, and the Commission has not received any evidence to suggest otherwise.

Therefore, the Commission has not altered its approach in determining an export price as suggested by Baosteel and Meisteel.

4.4 Normal value

4.4.1 Applicable legislation

Subsection 269TAC(1) provides that the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade (OCOT) for home consumption in the country of export in sales that are arms length transactions by the exporter, or, if like goods are not so sold by the exporter, by other sellers of like goods.

However, subsection 269TAC(2)(a)(ii) provides that, where the Assistant Minister is satisfied that:

...because the situation in the market of the country of export is such that sales in that market are not suitable for use in determining a price under subsection (1),

the normal value of the goods exported to Australia cannot be ascertained under subsection 269TAC(1).

Where such a market situation exists, the normal value can be determined on the basis of a cost construction (subsection 269TAC(2)(c)), or third country sales (subsection 269TAC(2)(d)).

4.4.2 Particular market situation

The Commission provided two questionnaires to the Government of China (GOC) to complete. The questionnaires requested detailed information in relation to the GOC's influence on the operations of Baosteel and Meisteel (identified as 'State-Invested Enterprises') and identification of any GOC initiatives and subsidies that affect the aluminium zinc coated steel industry. The GOC did not provide a response to the questionnaires.

In the absence of a response from the GOC, the Commission has had regard to other information that the Commission considers relevant in the preparation of this report.⁷⁰ Specifically, the Commission has considered findings in previous cases conducted by the Commission, including the original investigation relating to aluminium zinc coated steel

⁷⁰ As permitted by subsection 269ZDA(3)(b).

PUBLIC RECORD

(Investigation 190), and recent reviews (finalised in May 2017) of the anti-dumping measures applying to aluminium zinc coated steel exported to Australia from China.⁷¹

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 aluminium zinc coated steel as being unsuitable for the purposes of determining normal values for 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 OCOT in the country of export, the selling, general and administrative costs associated with such a sale and the profit on that sale.

During Investigation 190, it was found that, in determining the cost of manufacture of aluminium zinc coated steel in China, the records of Chinese exporters of 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 Australian Customs and Border Protection Service (ACBPS) indicated that:

HRC [hot rolled coil] prices are affected by GOC influences and do not reasonably reflect competitive market costs.

Because HRC costs represented a significant proportion of the cost to manufacture aluminium zinc coated steel, Investigation 190 adjusted the HRC costs recorded in the exporters' records in order to reflect a competitive market cost for HRC when constructing normal values.

The Commission, in *Anti-Dumping Commission Report Nos. 365, 366, 367, 368, 371, 372, 374, 375 and 376* (REP 365 et al), citing the Commission's 2016 report *Analysis of Steel and Aluminium Markets Report to the Commissioner of the Anti-Dumping Commission* (2016 Steel Report), came to the conclusion that:

...analysis of subsidies and tax arrangements for the Chinese steel and aluminium industries, and the operation of state-owned enterprises, indicates that many of these market interventions have been economically inefficient and have resulted in distortions to market outcomes.⁷²

In the absence of any information to indicate that the various taxes, tariffs, and export and import quotas (as identified in REP 190 and the 2016 Steel Report) applying to the raw materials (coke, coking coal, iron ore) used in the production of intermediate inputs (i.e. HRC, which is used in the production of the goods under review) have changed, the

⁷¹ REP 365 et al. refers.

⁷² Available on the Commission's [website](#); page 57 refers.

PUBLIC RECORD

Commission considers that the GOC continues to exert numerous influences on the Chinese iron and steel industry, which has substantially distorted competitive market conditions in the aluminium zinc coated steel industry in China.

The Commission is also aware that the GOC is actively encouraging, via 'rewards and subsidies for structural adjustments in industrial enterprises',⁷³ consolidation within the steel industry aimed at limiting the number of inefficient producers in the industry and concentrating steel production (through GOC authorised mergers) within the state-owned (or state-invested) enterprises, such as the newly formed China Baowu Steel Group.⁷⁴ This GOC policy will facilitate economies of scale within the steel industry and will eventually lead to lower costs of production, which will further distort market conditions within the steel industry.

Further, during the course of the reviews, the Commission found an additional 24 subsidy programs to be countervailable in relation to aluminium zinc coated steel (refer Chapter 5 of this report). This further demonstrates that the GOC, through subsidisation, directly supports and influences the aluminium zinc coated steel industry, which effectively lowers the costs of producing aluminium zinc coated steel and therefore distorts market outcomes.

The Commission therefore considers that a market situation for aluminium zinc coated steel exists, and that the normal values for the applicants cannot be ascertained under subsection 269TAC(1). The Commission has therefore ascertained the normal values for Baosteel and Meisteel under subsection 269TAC(2)(c).

4.5 Constructed normal value

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 had been sold for home consumption in the OCOT in the country of export, the administrative, selling and general costs associated with such a sale and the profit on that sale.

4.5.1 Cost of production

As noted above, subsection 269TAC(2)(c) requires that the cost of production or manufacture of the goods be used in determining constructed normal values. As required by subsection 269TAC(5A)(a), the cost of production or manufacture must be worked out in accordance with section 43 of the *Customs (International Obligations) Regulation 2015* (the Regulation).⁷⁵

⁷³ The 13th Five-Year Plan for Economic and Social Development of the People's Republic of China (2016 – 2020); available [here](#) (page 62 refers).

⁷⁴ In 2016, Baosteel Group [merged](#) with another state-owned enterprise, Wuhan Iron and Steel Group, to form China Baowu Steel Group. China Baowu Steel Group is currently the largest (by production volume) steel producer in China and the second largest in the world. Refer [here](#) for further information.

⁷⁵ Previously Regulation 180 of the *Customs Regulations 1926*. The *Customs Regulations 1926* were replaced by the *Customs Regulation 2015* and the *Customs (International Obligations) Regulation 2015* which became effective on 1 April 2015.

To determine the cost of production or manufacture, regulation 43(2) requires that if:

- an exporter or producer keeps records relating to like goods that are in accordance with generally accepted accounting principles in the country of export; and
- those records reasonably reflect competitive market costs associated with the production or manufacture of like goods;

the Assistant Minister must work out the cost of production or manufacture using information set out in the exporter or producer's records.

It is the Commission's policy and practice that, where the conditions of regulation 43(2) of the Regulation are not met, the cost records kept by that exporter are not required to be used in working out their costs, and the Commission may resort to other information to calculate these costs.

Given the significant distortions in the steel market in China outlined in section 4.4.2 of this report, the Commission considers that Baosteel's and Meisteel's recorded costs of HRC do not reflect competitive market costs.

4.5.1.1 Approach to replacing HRC costs in Investigation 190

In Investigation 190, the then 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 Korea and Taiwan, at comparable terms of trade and conditions of purchase to those observed in China.

The ACBPS adjusted the Chinese exporters' records at the HRC level for both integrated and non-integrated manufacturers. 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.⁷⁶

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.⁷⁷

4.5.1.2 Approach to replacing HRC costs in REP 365 et al.

Consistent with the methodology applied in Investigation 190, for the purpose of replacing Chinese exporters' HRC costs with a competitive market cost benchmark, the Commission used verified weighted average HRC prices paid by cooperating Taiwanese and Korean exporters in their domestic markets.⁷⁸

⁷⁶ [REP 190](#), page 62 refers.

⁷⁷ *Ibid*, page 63 refers.

⁷⁸ This information was provided in the course of REP 365 et al (as applying to exporters from Taiwan), and *Anti-Dumping Commission Report Nos. 385 and 386* (certain exporters from Korea).

4.5.1.3 Approach to replacing HRC costs in current reviews

For the purpose of these reviews, and consistent with the methodology applied in Investigation 190 and REP 365 et al, the Commission has replaced Baosteel's and Meisteel's recorded costs of producing HRC with verified weighted average HRC costs obtained from cooperating Korean and Taiwanese exporters and manufacturers of HRC (the competitive market cost benchmark).

Given that both Baosteel and Meisteel are fully-integrated manufacturers of aluminium zinc coated steel, and given the availability of verified and relevant information, the Commission considers that it is appropriate to use verified costs of HRC manufacturers (at comparable terms) in Korea and Taiwan for the purpose of replacing Baosteel's and Meisteel's HRC costs.

The Commission has verified cost data for the period April 2016 to December 2016, encompassing three of the four quarters of the review period. For the March 2017 quarter of the review period, the Commission has adjusted the weighted average cost in this quarter by reference to the percentage change in the East Asia HRC price⁷⁹ between the December 2016 and March 2017 quarters.

Details of the competitive market cost benchmark calculation is at **Confidential Appendix 4**.

4.6 Determination of constructed normal values

4.6.1 Baosteel

It is the Commission's policy and practice that, where the conditions of subsection 43(2) of the Regulation are not met, the cost records kept by that exporter are not required to be used in working out their costs, and the Commission may resort to other information to calculate these costs.

As outlined in section 4.4.2 of this report, the Commission considers the HRC costs provided by Baosteel do not reasonably reflect competitive market costs. Therefore, the Commission has replaced Baosteel's HRC costs with a competitive market HRC cost benchmark.

As required by subsection 269TAC(5A)(b), in ascertaining the normal value of the goods under subsection 269TAC(2)(c), the selling, general and administrative costs for Baosteel have been determined in accordance with regulation 44(2) of the Regulation.

In addition, as required by subsection 269TAC(5B), in ascertaining the normal value of the goods under subsection 269TAC(2)(c), the amount of profit included in the normal value is to be determined having regard to regulation 45 of the Regulation. Regulation 45(2) of the Regulation requires that, where reasonably practicable, profit 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 OCOT.

⁷⁹ Steel price data obtained from SBB Platts, refer <https://www.steelbb.com/steelprices/>.

PUBLIC RECORD

Accordingly, the Commission has calculated a profit margin, based on domestic sales of aluminium zinc coated steel in the OCOT, which were compared to Baosteel's actual cost to make and sell of those goods (i.e. prior to replacing Baosteel's recorded HRC costs as discussed above).

In order to ensure the normal value is properly comparable with the export price of the goods, the Commission adjusted Baosteel's normal value in accordance with subsection 269TAC(9).

The Commission made an upward adjustment for export inland freight and port charges (the export price was calculated at FOB), and export bank charges.

The Commission also made an upward adjustment to account for the difference in the amount of residual value-added tax (VAT) liability that would apply to export sales of aluminium zinc coated steel. The residual amount has been calculated at the rate of 4 per cent, which is the full VAT rate of 17 per cent less the 13 per cent VAT rebate that applies to exports of flat-rolled products of iron or non-alloy steel plated or coated with aluminium-zinc alloys.

The resulting ascertained normal value for Baosteel in respect of aluminium zinc coated steel has changed since Investigation 190.

Details of normal value calculations for Baosteel are at **Review 409 - Confidential Appendix 4**.

4.6.1 Submission in relation to the ordinary course of trade test

In a submission dated 28 November 2017,⁸⁰ Baosteel submits that the Commission has erred in treating each individual sales order as a discrete model in assessing whether domestic sales were made in the OCOT for the purpose of determining an amount of profit.

Baosteel submits that the Commission should treat identical products as the same model, even though these products may be subject to separate sales orders.

Post-SEF, the Commission had consolidated all identical products and treated these products as the same model when assessing whether the domestic sales were made in the OCOT, for both Baosteel and Meisteel.

4.6.2 Meisteel

The Commission also considers the HRC costs provided by Meisteel do not reasonably reflect competitive market costs. Therefore, the Commission has replaced Meisteel's HRC costs with a competitive market HRC cost benchmark.

⁸⁰ Refer item [009](#) on public record.

PUBLIC RECORD

As required by subsection 269TAC(5A)(b), in ascertaining the normal value of the goods under subsection 269TAC(2)(c), the selling, general and administrative costs for Meisteel have been determined in accordance with regulation 44(2) of the Regulation.

In addition, as required by subsection 269TAC(5B), in ascertaining the normal value of the goods under subsection 269TAC(2)(c), the amount of profit included in the normal value is to be determined having regard to regulation 45 of the Regulation. Regulation 45(2) of the Regulation requires that, where reasonably practicable, profit 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 OCOT.

Accordingly, the Commission has calculated a profit margin, based on domestic sales of aluminium zinc coated steel in the OCOT, which were compared to Meisteel's actual cost to make and sell of those goods (i.e. prior to replacing Meisteel's recorded HRC costs as discussed above).

In order to ensure the normal value is properly comparable with the export price of the goods, the Commission adjusted Meisteel's normal value in accordance with subsection 269TAC(9).

The Commission made an upward adjustment for export inland freight and port charges (the export price was calculated at FOB), and export bank charges.

The Commission also made an upward adjustment to account for the difference in the amount of residual VAT liability that would apply to export sales of aluminium zinc coated steel. The residual amount has been calculated at the rate of 4 per cent, which is the full VAT rate of 17 per cent less the 13 per cent VAT rebate that applies to exports of flat-rolled products of iron or non-alloy steel plated or coated with aluminium-zinc alloys.

The resulting ascertained normal value for Meisteel in respect of aluminium zinc coated steel has changed since Investigation 190.

Details of normal value calculations for Meisteel are at **Review 410 - Confidential Appendix 4**.

4.6.2 Submission in relation to yield rate used in constructing the normal value for Meisteel

In a submission dated 14 March 2018,⁸¹ Meisteel submits that the Commission erred in calculating its yield ratio for the conversion of HRC to cold rolled coil (CRC).

The Commission revised its calculation of the HRC to CRC yield ratio to take into account the recovery of HRC scrap and recycled materials.

⁸¹ Refer item no. [014](#) on public record.

As a result of this revision, the normal value and the dumping margin for Meisteel has also been revised from the normal value and dumping margin determined for the purpose of Position Paper 409.⁸²

4.7 Dumping margins

The dumping margin has been assessed by comparing the quarterly weighted average export prices with the quarterly weighted average of corresponding normal values over the whole of the review period in accordance with subsection 269TACB(2)(a).

In comparing the quarterly weighted average export prices with the quarterly weighted average corresponding normal value, the Commission has had regard to model matching.

The Commission has calculated the following dumping margins in respect of aluminium zinc coated steel exported to Australia from China:

Exporter	Dumping margin
Baosteel	23.4%
Meisteel	11.0%

Table 3: Summary of dumping margins

The dumping margin calculations for Baosteel and Meisteel are at **Review 409 - Confidential Appendix 5** and **Review 410 - Confidential Appendix 5** respectively.

⁸² Refer [Position Paper 410](#).

5 COUNTERAVAILABLE SUBSIDIES

5.1 Findings

The Commissioner finds that, in respect of aluminium zinc coated steel exported to Australia from China by Baosteel and Meisteel, the amount of countervailable subsidy received has changed.

The Commissioner recommends to the Assistant Minister that the countervailing duty notice have effect in relation to Baosteel and Meisteel as if a different variable factor, the amount of countervailable subsidy received, had been ascertained.

5.2 Subsidy programs reviewed

The Commission has reviewed the existing 33 subsidy programs that were found to be countervailable in Investigation 193. The Commission requested that Baosteel and Meisteel provide information relating to all subsidies received during the review period in their responses to the exporter questionnaire.

During examination of information provided in Baosteel’s and Meisteel’s REQs, the Commission became aware that benefits were received under several new subsidy programs not included in the 33 subsidy programs being reviewed by the Commission.

The Commission identified 36 additional subsidy programs that were not previously investigated. As such, a total of 69 subsidy programs have been investigated in this review.

5.3 Summary of subsidy programs

After assessing all relevant information available the Commission has found that the following programs are subsidies in respect of aluminium zinc coated steel exported to Australia from China.

The findings in relation each investigated program, including whether they are countervailable, are outlined in the table below.

Program number	Program name	Program type	Countervailable in relation to the goods? (yes/no)
4	Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones	Income tax	Yes
5	Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years	Income tax	Yes
6	Preferential Tax Policies for Enterprises with Foreign Investment Established in Special	Income tax	Yes

PUBLIC RECORD

	Economic Zones (excluding Shanghai Pudong area)		
7	Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai	Income tax	Yes
8	Preferential Tax Policies in the Western Regions	Income tax	Yes
9	Land Use Tax Deduction	Income tax	Yes
10	Preferential Tax Policies for High and New Technology Enterprises	Income tax	Yes
11	Tariff and value-added tax (VAT) Exemptions on Imported Materials and Equipment	Tariff & VAT	Yes
12	One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'	Grant	Yes
13	Matching Funds for International Market Development for Small and Medium Enterprises	Grant	Yes
14	Superstar Enterprise Grant	Grant	Yes
15	Research & Development (R&D) Assistance Grant	Grant	Yes
16	Patent Award of Guangdong Province	Grant	Yes
17	Innovative Experimental Enterprise Grant	Grant	Yes
18	Special Support Fund for Non State-Owned Enterprises	Grant	Yes
19	Venture Investment Fund of Hi-Tech Industry	Grant	Yes
20	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment	Grant	Yes
21	Grant for key enterprises in equipment manufacturing industry of Zhongshan	Grant	Yes
22	Water Conservancy Fund Deduction	Grant	Yes
23	Wuxing District Freight Assistance	Grant	Yes
24	Huzhou City Public Listing Grant	Grant	Yes
25	Huzhou City Quality Award	Grant	Yes

PUBLIC RECORD

PUBLIC RECORD

26	Huzhou Industry Enterprise Transformation & Upgrade Development Fund	Grant	Yes
27	Wuxing District Public List Grant	Grant	Yes
28	Anti-dumping Respondent Assistance	Grant	Yes
29	Technology Project Assistance	Grant	Yes
30	Capital injections	Equity	Yes
31	Environmental protection grant	Grant	Yes
32	High and New Technology Enterprise Grant	Grant	Yes
33	Independent Innovation and High-Tech Industrialisation Program	Grant	Yes
34	VAT refund on domestic sales by local tax authority	Tariff & VAT	Yes
35	Environmental Prize	Grant	Yes
36	Jinzhou District Research and Development Assistance Program	Grant	Yes
37#	Assistance for fixed assets investment project	Grant	Yes
38#	Funding for 'application of high precision optical comb coherent imaging analyser and its engineering development'	Grant	No
39#	Funding for 'ship ballast tank resistant microbial corrosion steel and its application technology research'	Grant	No
40#	Patent expenses assistance	Grant	Yes
41#	Funding for 'study on stability of multi-level nanostructure and industrial application exploration for part of the multi-level nano-metal materials'	Grant	No
42#	Funding for 'composite rolling technology of high-performance composite steel materials manufacturing technology research'	Grant	No
43#	High-tech achievement financial support fund	Grant	Yes
44#	Funding for 'research and development of control model and process key technology in metallurgical process'	Grant	Yes

PUBLIC RECORD

PUBLIC RECORD

45#	Funding for 'development and application research on slab continuous casting crystal multi-magnetic field control device'	Grant	Yes
46#	Funding for 'high-efficiency, low-loss silicon steel research and development'	Grant	No
47#	Funding for 'arctic and ultra-low temperature marine steel research and applications'	Grant	No
48#	Funding for 'sintering machine intelligent multi-component pollutant flue gas treatment island'	Grant	Yes
49#	Financial funds for 'high-strength spring steel and cutting steel key-tech development and application demonstration'	Grant	No
50#	Funding for 'high-precision shipboard key manufacturing technology research'	Grant	No
51#	Financial funds for the special adjustment of industrial enterprises structural adjustment	Grant	Yes
52#	Promotion special funds of Shanghai	Grant	Yes
53#	Trade remedy cases legal fee assistance	Grant	Yes
54#	Funding for 'technology research on thick plate continuous casting large pressure and slab internal quality control'	Grant	No
55#	Funding for 'research and development of continuous heat treatment of new heating and cooling technology'	Grant	Yes
56#	Environmental protection assistance allocated from Shanghai Municipal Environmental Protection Bureau	Grant	Yes
57#	Environmental protection special funds - mine OC, OD material C-type closed transformation and coal field E, F material conversion silo project in phase I and II	Grant	Yes
58#	Decentralized jobs	Grant	Yes
59#	Funding for 'key technology research on risk prevention and control of special equipment with high parameter and pressure'	Grant	No
60#	Special funds by the Shanghai Municipal Human Resources and Social Security Bureau	Grant	Yes
61#	Income tax return paid by the Shibao Mountain District Finance Bureau	Income tax	Yes

PUBLIC RECORD

PUBLIC RECORD

62#	2016 Shanghai Skills Master Studio construction and additional assistance by Shanghai Municipal Employment Promotion Centre	Grant	Yes
63#	Sulfur dioxide over-emission awards	Grant	Yes
64#	Funding for 'renovation project relating to seamless steel tube plant finishing area'	Grant	No
65#	Funding for 'localization development project of large diameter and high - grade pipeline pipe forming mould for oil and gas transportation'	Grant	No
66#	Funding for 'steel products, energy conservation & environment protection comprehensive technology upgrade project'	Grant	Yes
67#	Funding for 'no. 3 sintering machine flue gas desulfurization project'	Grant	Yes
68#	Industrial adjustment and revitalization special guidance fund	Grant	Yes
69#	Stable employment assistance – good jobs subsidy	Grant	Yes
70#	2016 government assistance (Yuhuatai District)	Grant	Yes
71#	2016 scientific and technological achievements for industrialization fund	Grant	Yes
72#	New industry guidance special fund	Grant	Yes

Table 4: Subsidy programs

Denotes programs not previously countervailed in relation to aluminium zinc coated steel.

The Commission's findings in relation to each program investigated are outlined in **Appendix B**.

5.4 Subsidy margins

After assessing all available information the Commission has determined that Baosteel and Meisteel have each received a number of financial contributions conferring a benefit in respect of the goods. Subsidy margins have been calculated for each applicant with reference to the specific programs that conferred a benefit during the review period.

The subsidy margin is expressed as a percentage of the ascertained export price. The subsidy margin for both Baosteel and Meisteel is 0.1 per cent.

The subsidy margin calculation for Baosteel is at **Review 409 - Confidential Appendix 6 - subsidy margin**.

The subsidy margin calculation for Meisteel is at **Review 410 - Confidential Appendix 6 - subsidy margin**.

6 NON-INJURIOUS PRICE AND FORM OF MEASURES

6.1 Introduction

Dumping duties and countervailing duties⁸³ may be imposed where the Assistant Minister is satisfied that dumped or subsidised exports of the goods to Australia have caused or threatened to cause material injury to the Australian industry producing like goods. Under subsections 269TACA(a) and (c) of the Act, the NIP of the goods exported to Australia is the minimum price necessary to prevent the injury, or a recurrence of the injury, to the Australian industry caused by dumped or subsidised goods.

Where the Assistant Minister is required to determine both IDD and ICD payable on goods the subject of a notice under subsections 269TG(1) or 269TG(2) and section 269TJ, subsections 8(5BA) and 10(3D) of the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act) apply. Subsections 8(5BA) and 10(3D) of the Dumping Duty Act require the Assistant Minister, in determining the IDD and ICD payable, to have regard to the 'lesser duty rule' which requires consideration of the desirability of fixing a lesser amount of duty such that the following does not exceed the NIP:

- (a) the export price of the goods as ascertained or last ascertained;
- (b) the amount of the ICD; and
- (c) the amount of the IDD.⁸⁴

6.2 Assessment of the NIP

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 and subsidisation. This price is referred to as the unsuppressed selling price. 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. free-on-board). 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 REP 193, the then ACBPS expressed the view that in a market unaffected by dumping and subsidisation, it is reasonable to expect that the Australian industry 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 free-on-board NIP for each exporter be a price equal to their respective normal value.⁸⁵ As such, the then Attorney General was not required to and did not have regard to the lesser duty rule.

⁸³ In the form of a dumping duty notice under subsection 269TG(1) or (2) of the Act and a countervailing duty notice under subsection 269TJ(1) or (2) of the Act.

⁸⁴ The Commission notes the policy position set out on page 134 of the *Dumping and Subsidy Manual*, which, when applied to the present circumstances, means that the Commissioner's recommendation will be consistent with the requirement that applied when the measures were imposed.

⁸⁵ [REP 190](#), page 130 refers.

The Commission considers that the approach to determining the NIP in REP 193 remains relevant for the purpose of these reviews. The NIP for the applicants' exports of aluminium zinc coated steel to Australia from China has therefore been set equal to the exporters' respective normal values. Given the findings in section 4.6 of this report, the NIP for each applicant has changed since last ascertained.

As the NIP is not less than the normal value, the Commission considers that the Assistant Minister is not required to have regard to the lesser duty rule.

6.3 Form of measures

Consistent with Investigation 190 and the form of measures currently imposed, the IDD payable on the goods the subject of the dumping duty notice is 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*.⁸⁶ The measures will consist of a fixed rate of IDD (ad valorem, equal to the dumping margin), plus a variable amount of IDD where the actual export price is below the ascertained export price which is a specified (confidential) amount per tonne.

Consistent with Investigation 193 and the form of measures currently imposed, the amount of ICD payable on the goods the subject of the countervailing duty notice will be ascertained as a proportion of the export price of the goods in accordance with subsection 10(3B)(a) of the Dumping Duty Act. In accordance with subsection 10(3E)(a) of the Dumping Duty Act, the rate of ICD applying to both Baosteel and Meisteel shall be 0.1 per cent.

6.3.1 Submission in relation to the form of measures

In a joint submission dated 14 March 2018,⁸⁷ Baosteel and Meisteel request that the Commission consider recommending the imposition of a floor price based on their respective normal values for their premium models sold domestically, as this would ensure that future exports to Australia are subject to a 'premium floor price'.

Baosteel and Meisteel submit that the decision to apply for a review of measures was prompted by a particular Australian customer seeking supply of certain aluminium zinc coated steel (referred to as 'non-standard' product in the submission) which the customer perceives is not manufactured in Australia. Baosteel and Meisteel claim that they intend to export these 'non-standard' products to Australia in the future. Neither Baosteel nor Meisteel have provided any evidence to support this claim.

The Commission reviewed Baosteel's and Meisteel's previous exports of aluminium zinc coated steel to Australia (exports up to the December quarter of 2012). The Commission considers that the characteristics and the specifications of these previously sold aluminium zinc coated steel products are similar, in terms of the coating mass, base metal thickness and steel grade, to the aluminium zinc coated steel currently produced and sold in the Australian market (refer **Confidential Appendix 2**).

⁸⁶ The proposed form of measures differs to that recommended in SEF no. 409 and 410.

⁸⁷ Refer item no. [014](#) on public record.

PUBLIC RECORD

Given that Baosteel and Meisteel have previously exported aluminium zinc coated steel to Australia with similar product characteristics and specifications to the aluminium zinc coated steel currently produced and sold in the Australian market, the Commission considers that it is likely, based on all the available information, that the applicants may do so again in the future and the Commission has no information to indicate otherwise.

The Commission does not consider that, because, as claimed by Baosteel and Meisteel, the aluminium zinc coated steel they intend to export to Australia in the future is 'non-standard', the measures imposed should reflect a floor price based on the normal value for their respective premium models sold domestically. When proposing a form of measures, the Commission does not base its consideration on particular product characteristics or specifications and does not impose different forms of measures on goods that may have certain product characteristics and specifications, as requested by the applicants.

Further, the Commission does not consider a floor price based on the normal value determined in the review period to be the most effective form of measures in these particular circumstances given that HRC (a major input) prices have increased substantially since the review period (refer **Confidential Appendix 5**); therefore, the applicants could export goods that are priced above the floor price in the future however they could still be dumping those goods and those dumped goods could cause injury to the Australian industry producing like goods.

Given that both Baosteel and Meisteel were found to be dumping, and given that there is an Australian industry producing like goods which directly competes with imported goods, the Commission instead considers that the most appropriate and effective form of measures is the combination duty method, which is consistent with the currently imposed form of measures.

PUBLIC RECORD

7 FINDINGS AND RECOMMENDATIONS

7.1 Findings

The Commissioner has found that, in relation to aluminium zinc coated steel exported to Australia from China by Baosteel and Meisteel:

- the ascertained export price has changed;
- the ascertained normal value has changed;
- the ascertained NIP has changed; and
- the amount of countervailable subsidy received has changed.

A summary of the variable factors as they apply to each applicant is at **Confidential Appendix 6**.

7.2 Recommendations

The Commissioner recommends that the Assistant Minister, after considering this report, **declare**, by notice published on the Commission's website, that:

- in accordance with subsection 269ZDB(1)(a)(iii), with effect from the date of publication of the notice, and for the purposes of the Act and the Dumping Duty Act, the dumping duty and countervailing duty notices are taken to have effect in relation to Baosteel and Meisteel as if different variable factors had been fixed relevant to the determination of duty.

7.2.1 Review 409 - Baosteel

The Commissioner recommends that the Assistant Minister be **satisfied** that:

- in accordance with subsection 269TAC(2)(a)(ii), the normal value of aluminium zinc coated steel exported to Australia from China cannot be ascertained under subsection 269TAC(1) because the situation in the market of China is such that sales in that market are not suitable for use in determining a price under subsection 269TAC(1);
- in accordance with subsection 269TAACA(1)(b)(i), Baosteel and the GOC have not provided the Commissioner information the Commissioner considers to be relevant to the review within a period the Commissioner considers reasonable; and
- in accordance with subsection 269TACD(1), countervailable subsidies have been received by Baosteel in respect of aluminium zinc coated steel.

The Commissioner recommends that the Assistant Minister **determine** that:

- in accordance with subsection 269TAB(2A)(b), there is insufficient information to ascertain the export price due to an absence of exports of aluminium zinc coated steel to Australia by Baosteel;
- in accordance with subsection 269TAB(2B)(b), the export price of aluminium zinc coated steel exported from China to Australia by Baosteel is the price paid or

PUBLIC RECORD

payable for like goods sold by Baosteel in arms length transactions for exportation from China to a third country determined to be an appropriate third country, as set out in **Review 409 - Confidential Appendix 1**;

- in accordance with subsection 269TAC(2)(c), the normal value of aluminium zinc coated steel exported to Australia from China is the sum of Baosteel's:
 - cost of production of the goods in China; and
 - on the assumption that the goods, instead of being exported, had been sold for home consumption in the OCOT in China, the selling, general and administrative costs associated with such a sale and the profit on that sale,

as adjusted in accordance with subsection 269TAC(9) to ensure that the normal value so ascertained is properly comparable with the export price, as set out in **Review 409 - Confidential Appendix 4**;

- having applied subsection 269TACB(2)(a), and in accordance with subsection 269TACB(4), the aluminium zinc coated steel exported to Australia from China is taken to have been dumped, and the dumping margin for Baosteel in respect of those goods is the difference between the weighted average export prices of the goods over the review period and the weighted average of corresponding normal values over that period as set out in **Review 409 - Confidential Appendix 5**;
- having had regard to subsections 269TAAC(2) and (3), and in accordance with subsections 269TAAC(4) and (5), that certain subsidies set out in **Appendix B** are specific, for the reasons explained in that appendix;
- in accordance with subsection 269TACC(1), that, having regard to all relevant information and subsections 269TACC(2) and (3), certain financial contributions conferred a benefit, as set out in **Appendix B**; and
- in accordance with subsection 269TACD(1), the amount of countervailable subsidy received in respect of aluminium zinc coated steel by Baosteel, expressed as a percentage of the ascertained export price, is 0.1 per cent as set out in **Review 409 - Confidential Appendix 6**.

The Commissioner recommends that the Assistant Minister **deem** that:

- in accordance with subsection 269TAB(2C), as there is an absence of exports of aluminium zinc coated steel to Australia by Baosteel, such exports have occurred for the purpose of applying subsections TAB(2A) and (2B).

7.2.2 Review 410 - Meisteel

The Commissioner recommends that the Assistant Minister be **satisfied** that:

- in accordance with subsection 269TAC(2)(a)(ii), the normal value of aluminium zinc coated steel exported to Australia from China cannot be ascertained under subsection 269TAC(1) because the situation in the market of China is such that sales in that market are not suitable for use in determining a price under subsection 269TAC(1);

PUBLIC RECORD

PUBLIC RECORD

- in accordance with subsection 269TAACA(1)(b)(i), Meisteel and the GOC have not provided the Commissioner information the Commissioner considers to be relevant to the review within a period the Commissioner considers reasonable; and
- in accordance with subsection 269TACD(1), countervailable subsidies have been received by Meisteel in respect of aluminium zinc coated steel.

The Commissioner recommends that the Assistant Minister **determine** that:

- in accordance with subsection 269TAB(2A)(b), there is insufficient information to ascertain the export price due to an absence of exports of aluminium zinc coated steel to Australia by Meisteel;
- in accordance with subsection 269TAB(2B)(b), the export price of aluminium zinc coated steel exported from China to Australia by Meisteel is the price paid or payable for like goods sold by Meisteel in arms length transactions for exportation from China to a third country determined to be an appropriate third country, as set out in **Review 410 - Confidential Appendix 1**;
- in accordance with subsection 269TAC(2)(c), the normal value of aluminium zinc coated steel exported to Australia from China is the sum of Meisteel's:
 - cost of production of the goods in China; and
 - on the assumption that the goods, instead of being exported, had been sold for home consumption in the OCOT in China, the selling, general and administrative costs associated with such a sale and the profit on that sale,as adjusted in accordance with subsection 269TAC(9) to ensure that the normal value so ascertained is properly comparable with the export price, as set out in **Review 410 - Confidential Appendix 4**;
- having applied subsection 269TACB(2)(a), and in accordance with subsection 269TACB(4), the aluminium zinc coated steel exported to Australia from China is taken to have been dumped, and the dumping margin for Meisteel in respect of those goods is the difference between the weighted average export prices of the goods over the review period and the weighted average of corresponding normal values over that period as set out in **Review 410 - Confidential Appendix 5**;
- having had regard to subsections 269TAAC(2) and (3), and in accordance with subsections 269TAAC(4) and (5), that certain subsidies set out in **Appendix B** are specific, for the reasons explained in that appendix;
- in accordance with subsection 269TACC(1), that, having regard to all relevant information and subsections 269TACC(2) and (3), certain financial contributions conferred a benefit, as set out in **Appendix B**; and
- in accordance with subsection 269TACD1 the amount of countervailable subsidy received in respect of aluminium zinc coated steel by Meisteel, expressed as a percentage of the ascertained export price, is 0.1 per cent as set out in **Review 410 - Confidential Appendix 6**.

PUBLIC RECORD

PUBLIC RECORD

The Commissioner recommends that the Assistant Minister **deem** that:

- in accordance with subsection 269TAB(2C), as there is an absence of exports of aluminium zinc coated steel to Australia by Meisteel, such exports have occurred for the purpose of applying subsections TAB(2A) and (2B).

PUBLIC RECORD

8 LIST OF APPENDICES

Appendix A	Consideration of appropriate third country
Appendix B	Assessment of subsidy programs
Confidential Appendix 1	Previous export volumes - Baosteel and Meisteel
Confidential Appendix 2	Specifications and characteristics of products sold in the Australian market and to Belgium
Confidential Appendix 3	Sales to other third countries
Confidential Appendix 4	HRC benchmark
Confidential Appendix 5	Trend in HRC prices
Confidential Appendix 6	Table of variable factors
Review 409 - Confidential Appendix 1	Export price - Baosteel
Review 409 - Confidential Appendix 2	Cost to make and sell - Baosteel
Review 409 - Confidential Appendix 3	Domestic sales and profit - Baosteel
Review 409 - Confidential Appendix 4	Normal value - Baosteel
Review 409 - Confidential Appendix 5	Dumping margin - Baosteel
Review 409 - Confidential Appendix 6	Subsidy margin - Baosteel
Review 410 - Confidential Appendix 1	Export price - Meisteel
Review 410 - Confidential Appendix 2	Cost to make and sell - Meisteel
Review 410 - Confidential Appendix 3	Domestic sales and profit - Meisteel
Review 410 - Confidential Appendix 4	Normal value - Meisteel
Review 410 - Confidential Appendix 5	Dumping margin - Meisteel
Review 410 - Confidential Appendix 6	Subsidy margin - Meisteel

APPENDIX A - CONSIDERATION OF APPROPRIATE THIRD COUNTRY

A1 Consideration of appropriate third country

In determining whether a third country is an appropriate third country (in accordance with subsection 269TAB(2F)), the Commission may have regard to the following matters:

- (a) whether the volume of trade from China to the third country is similar to the volume of trade from China to Australia;¹
- (b) whether the nature of the trade in goods concerned between China and the third country is similar to the nature of trade between China and Australia.²

Subsection 269TAB(2F) does not limit the matters that may be taken into account in determining whether a third country is an appropriate third country. Therefore, the Commission also had regard to other matters, such as market conditions for aluminium zinc coated steel.

The Commission has examined all third countries to which Meisteel and Baosteel sold like goods in arms length transactions.

For the reasons set out below, the Commission considers that Belgium is an appropriate third country for the purpose of determining an export price under subsection 269TAB(2B)(b).

A1.1 Volume of trade - Baosteel

Under subsection 269TAB(2F)(a), the Commission may have regard to the volume of trade from China to the third country, and China to Australia. Although subsection 269TAB(2F)(a) is not limited to a consideration of like goods, the Commission has reliable information concerning the volume of trade of like goods and has therefore limited its analysis to aluminium zinc coated steel.

The Commission compared the volume of imports of aluminium zinc coated steel from China (for all exporters, as a proportion of total imports) for Australia and the relevant third countries from 2011 to 2016 and does not consider the volumes to be similar (refer Figure 1).

¹ Subsection 269TAB(2F)(a).

² Subsection 269TAB(2F)(b).

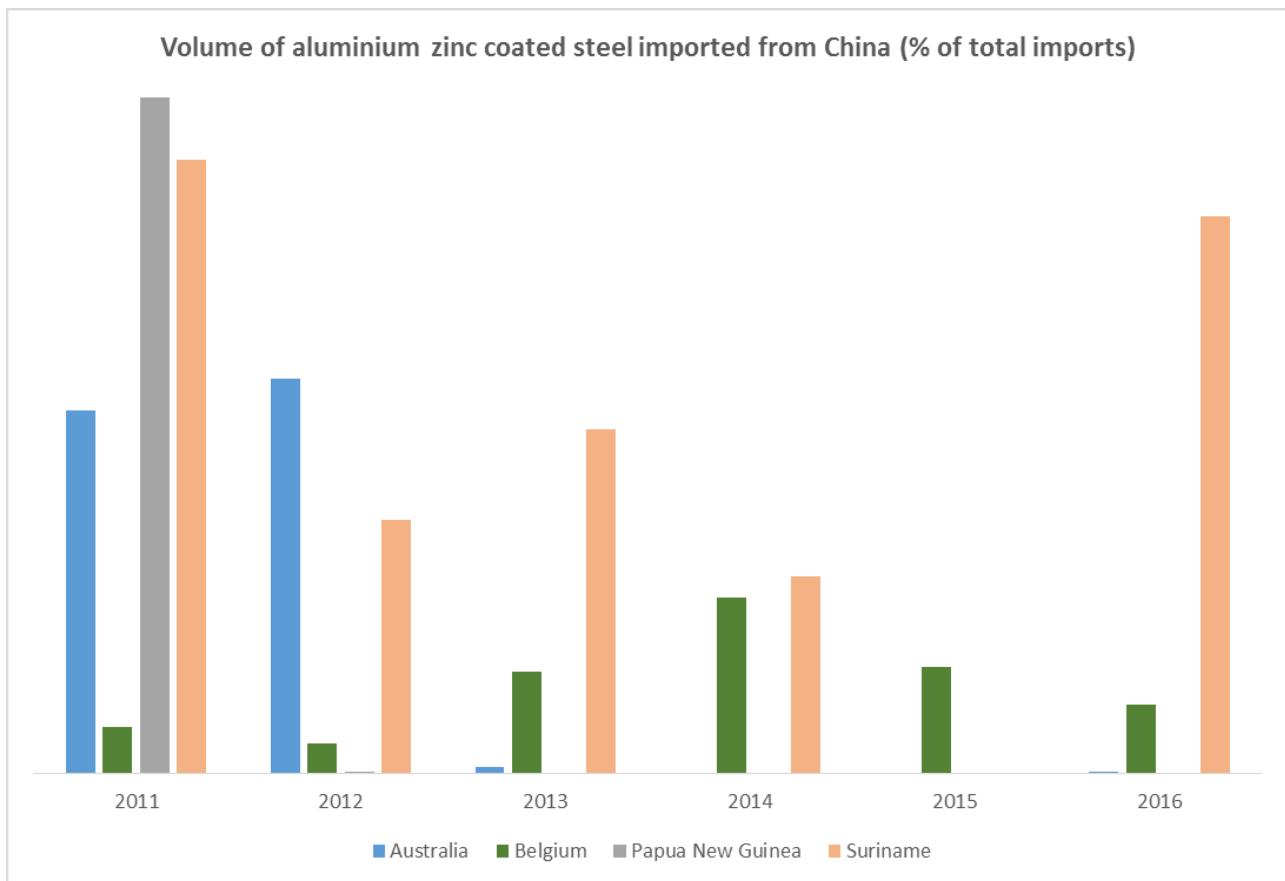


Figure 1: Volume of imports of aluminium zinc coated steel³ from China (2011 - 2016)
 (Source: UN Comtrade Database; Australian Border Force import database)

A1.2 Volume of trade - Meisteel

Under subsection 269TAB(2F)(a), the Commission may have regard to the volume of trade from China to the third country, and China to Australia. Although subsection 269TAB(2F)(a) is not limited to a consideration of like goods, the Commission has reliable information concerning the volume of trade of like goods and has therefore limited its analysis to aluminium zinc coated steel.

The Commission compared the volume of imports of aluminium zinc coated steel from China (for all exporters, as a proportion of total imports) for Australia and the relevant third countries from 2011 to 2016 (refer Figure 2).

The Commission notes that, during 2011 and 2012, the volume of aluminium zinc coated steel imported from China to Australia was relatively higher than the volume of imports from China to Belgium and South Africa. However, from 2013 to 2016, the volume of trade from China to these countries was relatively higher than the volume of trade to Australia.

The Commission has analysed the volume of trade of like goods from China to Australia and China to the relevant third countries and does not consider the volumes to be similar.

³ Goods classified to tariff subheading 7210.61.00.

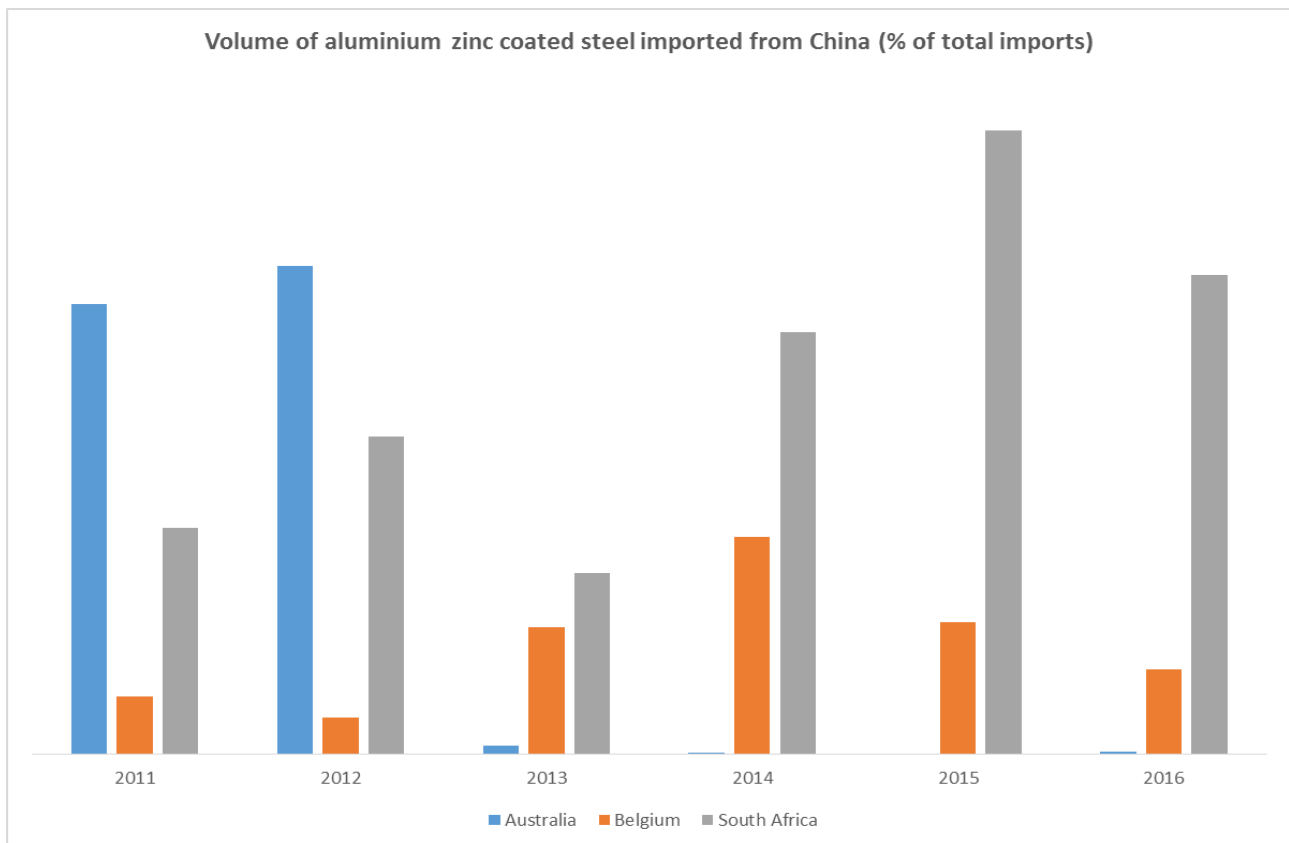


Figure 2: Volume of imports of aluminium zinc coated steel⁴ from China (2011 - 2016)
 (Source: UN Comtrade Database; Australian Border Force import database)

A1.3 Nature of trade

In accordance with subsection 269TAB(2F)(b), the Commission has considered whether the nature of the trade in goods concerned between China and the third country is similar to the nature of the trade between China and Australia. Although subsection 269TAB(2F)(b) is not limited to a consideration of like goods, the Commission has reliable information concerning the volume of trade of like goods and has therefore limited its analysis to aluminium zinc coated steel.

In comparing the nature of the trade, the Commission has considered the terms of trade, such as commercial trade terms including delivery and credit terms, and the level of trade.

The Commission has compared the terms of trade of Baosteel's and Meisteel's transactions to Australia during the original investigation period and the terms of trade of Baosteel's and Meisteel's transactions to Belgium during the review period and found that the terms were identical.

The Commission also found that the level of trade of Baosteel's and Meisteel's final customers in Belgium⁵ is similar to the level of trade of the final customers in Australia during the original investigation period, and is also similar to the level of trade of the majority of customers in the Australian aluminium zinc coated steel market.

⁴ Goods classified to tariff subheading 7210.61.00.

⁵ Sold via Baosteel's and Meisteel's related intermediary in transactions found to be at arms length.

The Commission has no other information to indicate that the nature of the trade in goods between China and Belgium, and between China and Australia, differs.

Therefore, the Commission considers that the nature of the trade in the goods exported from China to Belgium is similar to the nature of the trade from China to Australia.

A1.4 Other matters taken into account

In considering whether Belgium is an appropriate third country for the purposes of determining an export price of the goods exported by Baosteel and Meisteel, the Commission also had regard to the following matters:

- domestic production of like goods in the third country;
- the characteristics and specifications of products exported to third countries and products sold in the Australian market;
- the end-use applications and demand for aluminium zinc coated steel in the third country; and
- import tariffs.

In having regard to each of the matters listed above, the Commission considered whether the relevant factors were sufficiently similar to conclude that the market conditions in Belgium are reasonably similar to the market conditions in Australia, and therefore, whether the export price of like goods sold by Baosteel and Meisteel to Belgium would be a suitable proxy for the export price of the goods had Baosteel and Meisteel exported the goods to Australia.

Domestic production of like goods

In Investigation No. 190, the Commission found that aluminium zinc coated steel produced by the Australian industry directly competes with imports in the Australian market. The Commission considers that, given the close level of price competition found in Investigation No. 190, competition between domestically produced goods and imported goods is relevant to determining whether the export price in a third country is a suitable proxy for the export price of goods exported to Australia. Therefore, the Commission considered whether there are any domestic manufacturers that produce and sell like goods in the third country domestic market.

The Commission is aware that there are at least two steel manufacturers in Belgium producing like goods.⁶ The Commission is also aware that Belgium's domestic market is supplemented by imports from other countries in the European Union,⁷ given that there are no barriers to trade between member countries and that aluminium zinc coated steel is produced in other neighbouring countries in the European Union.

⁶ Refer ArcelorMittal's [website](#) and Societe Europeenne de Galvanisation (Segal) SA's [website](#). ArcelorMittal has four production facilities in Belgium with galvanising and coating lines. Segal has one production facility in Belgium specialising in producing coated steel products for the automotive sector.

⁷ In 2016, imports of aluminium zinc coated steel (classified to tariff subheading 7210.61.00) from Luxembourg made up the greatest proportion (by value and volume) of total imports into Belgium (refer [United Nations \(UN\) Comtrade database](#)).

The Commission considers that the market structure for aluminium zinc coated steel in Belgium and Australia is broadly similar to the extent that, in both markets, imports compete with domestically produced goods.

Similarity of products sold

The Commission has found that Baosteel's and Meisteel's exports of aluminium zinc coated steel to Belgium have similar product characteristics and specifications (such as coating mass, base metal thickness and width) to the aluminium zinc coated steel products sold in the Australian market.⁸

Given the similarity of the characteristics and specifications of the aluminium zinc coated steel sold by Baosteel and Meisteel to Belgium and the aluminium zinc coated steel sold in the Australian market, and given that product characteristics and specifications are one determinant of price, the Commission considers that the export price of like goods sold by Baosteel and Meisteel to Belgium would be a suitable proxy for the export price of the goods had Baosteel and Meisteel exported the goods to Australia.

End-use applications and demand - Baosteel

The Commission found that most of the aluminium zinc coated steel sold by Baosteel to Belgium is a general and commercial grade of steel, suitable for forming, pressing and drawing applications. Baosteel also sold a relatively smaller volume of aluminium zinc coated steel of a structural grade of steel, predominantly used in the building and construction sector.

The Commission found that the end-use application (based on the steel grade) of the like goods sold by Baosteel to Belgium is similar to the end-use applications of goods sold in the Australian market (**Confidential Attachment 1** refers).

The Commission also compared the apparent consumption of (or demand for) coated steel products⁹ for each country on a per capita basis. The Commission found that the apparent quantity consumed per capita in Australia is more comparable to that of Belgium than Suriname and Papua New Guinea, which have a very low level of consumption (**Confidential Attachment 2** refers).

Given that demand is one determinant of price, the Commission considers that the export price of like goods sold by Baosteel to Belgium would be a suitable proxy for the export price of the goods had Baosteel exported the goods to Australia.

End-use applications and demand - Meisteel

⁸ Australian market sales information provided by Australian importers of aluminium zinc coated steel, selected exporters and Australian industry as part of continuation inquiry no. 450 and review no. 456 (**Confidential Attachment 2** refers).

⁹ Apparent consumption calculated as production quantity less net exports (where exports greater than imports) of metal coated flat steel products, using production data obtained from the World Steel Association and trade data obtained from UN Comtrade Database. Metal coated steel products include galvanised steel, aluminium zinc coated steel and other metal coated flat steel products. Given the similar end-use applications of metal coated flat steel products, the Commission considers this is the best available information and therefore is a good proxy for consumption of aluminium zinc coated steel.

The Commission found that the aluminium zinc coated steel sold by Meisteel to Belgium is a structural grade of steel, predominantly used in the building and construction sector.

The Commission found that the end-use application (based on the steel grade) of the like goods sold by Meisteel to Belgium is similar to the end-use applications of goods sold in the Australian market (**Confidential Attachment 1** refers).

The Commission also compared the apparent consumption of (or demand for) coated steel products¹⁰ for each country on a per capita basis. The Commission found that the apparent quantity consumed per capita in Australia is more comparable to that of Belgium than South Africa, which has a very low level of consumption (**Confidential Attachment 2** refers).

Given that demand is one determinant of price, the Commission considers that the export price of like goods sold by Meisteel to Belgium would be a suitable proxy for the export price of the goods had Meisteel exported the goods to Australia.

Import tariffs

During the review period, aluminium zinc coated steel¹¹ exported to Belgium from China was subject to a zero per cent rate of duty.¹²

For most of the review period, aluminium zinc coated steel exported to Australia from China was subject to a 3 per cent rate of duty.¹³

The Commission considers that Belgium has a comparable tariff rate to Australia, and therefore, the market structure for aluminium zinc coated steel in Belgium and Australia would be broadly similar to the extent that, in both markets, the level of imports and domestic prices would be relatively unaffected by import tariffs.

A2 The Commission's consideration

In having regard to each of the matters listed above, the Commission considers that Belgium is an appropriate third country for the purpose of determining an export price under subsection 269TAB(2B)(b) because Belgium has a comparable domestic market for the goods to Australia (being a market that is comprised of imports and domestic production), similar end uses and product specifications and with a similar tariff on imports.

Accordingly, Baosteel's and Meisteel's sales to Belgium are a suitable proxy for the export price of the goods had Baosteel and Meisteel exported the goods to Australia during the review period.

¹⁰ Ibid.

¹¹ Goods classified to tariff subheading 7210.61.00.

¹² Belgium is a member of the European Union, therefore, the import duty that applies is common to all European Union members.

¹³ Under the *China-Australia Free Trade Agreement*, from 1 January 2016, the rate of duty applying to aluminium zinc coated steel (classified to tariff subheading 7210.61.00) exported to Australia from China was 3 per cent, and from 1 January 2017, the rate of duty was 2 per cent.

APPENDIX B - ASSESSMENT OF SUBSIDY PROGRAMS

B1 Introduction and summary of findings

This attachment details the Commission’s assessment of the 33 subsidy programs that currently apply to aluminium zinc coated steel exported to Australia from China. An additional 36 subsidy programs were also investigated in the reviews.

The Commission’s findings in relation to the investigated programs, and the Commission’s assessment of the countervailability of each program in relation to aluminium zinc coated steel, is summarised in the table below.

Program number	Program name	Program type	Countervailable in relation to the goods? (yes/no)
4	Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones	Income tax	Yes
5	Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years	Income tax	Yes
6	Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)	Income tax	Yes
7	Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai	Income tax	Yes
8	Preferential Tax Policies in the Western Regions	Income tax	Yes
9	Land Use Tax Deduction	Income tax	Yes
10	Preferential Tax Policies for High and New Technology Enterprises	Income tax	Yes
11	Tariff and value-added tax (VAT) Exemptions on Imported Materials and Equipment	Tariff & VAT	Yes
12	One-time Awards to Enterprises Whose Products Qualify for ‘Well-Known Trademarks of China’ and ‘Famous Brands of China’	Grant	Yes
13	Matching Funds for International Market Development for Small and Medium Enterprises	Grant	Yes
14	Superstar Enterprise Grant	Grant	Yes
15	Research & Development (R&D) Assistance Grant	Grant	Yes

PUBLIC RECORD

16	Patent Award of Guangdong Province	Grant	Yes
17	Innovative Experimental Enterprise Grant	Grant	Yes
18	Special Support Fund for Non State-Owned Enterprises	Grant	Yes
19	Venture Investment Fund of Hi-Tech Industry	Grant	Yes
20	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment	Grant	Yes
21	Grant for key enterprises in equipment manufacturing industry of Zhongshan	Grant	Yes
22	Water Conservancy Fund Deduction	Grant	Yes
23	Wuxing District Freight Assistance	Grant	Yes
24	Huzhou City Public Listing Grant	Grant	Yes
25	Huzhou City Quality Award	Grant	Yes
26	Huzhou Industry Enterprise Transformation & Upgrade Development Fund	Grant	Yes
27	Wuxing District Public List Grant	Grant	Yes
28	Anti-dumping Respondent Assistance	Grant	Yes
29	Technology Project Assistance	Grant	Yes
30	Capital injections	Equity	Yes
31	Environmental protection grant	Grant	Yes
32	High and New Technology Enterprise Grant	Grant	Yes
33	Independent Innovation and High-Tech Industrialisation Program	Grant	Yes
34	VAT refund on domestic sales by local tax authority	Tariff & VAT	Yes
35	Environmental Prize	Grant	Yes
36	Jinzhou District Research and Development Assistance Program	Grant	Yes

PUBLIC RECORD

PUBLIC RECORD

37#	Assistance for fixed assets investment project	Grant	Yes
38#	Funding for “application of high precision optical comb coherent imaging analyser and its engineering development”	Grant	No
39#	Funding for “ship ballast tank resistant microbial corrosion steel and its application technology research”	Grant	No
40#	Patent expenses assistance	Grant	Yes
41#	Funding for “study on stability of multi-level nanostructure and industrial application exploration for part of the multi-level nano-metal materials”	Grant	No
42#	Funding for “composite rolling technology of high-performance composite steel materials manufacturing technology research”	Grant	No
43#	High-tech achievement financial support fund	Grant	Yes
44#	Funding for “research and development of control model and process key technology in metallurgical process”	Grant	Yes
45#	Funding for “development and application research on slab continuous casting crystal multi-magnetic field control device”	Grant	Yes
46#	Funding for “high-efficiency, low-loss silicon steel research and development”	Grant	No
47#	Funding for “arctic and ultra-low temperature marine steel research and applications”	Grant	No
48#	Funding for “sintering machine intelligent multi-component pollutant flue gas treatment island”	Grant	Yes
49#	Financial funds for “high-strength spring steel and cutting steel key-tech development and application demonstration”	Grant	No
50#	Funding for “high-precision shipboard key manufacturing technology research”	Grant	No
51#	Financial funds for the special adjustment of industrial enterprises structural adjustment	Grant	Yes
52#	Promotion special funds of Shanghai	Grant	Yes
53#	Trade remedy cases legal fee assistance	Grant	Yes
54#	Funding for “technology research on thick plate continuous casting large pressure and slab internal quality control”	Grant	No

PUBLIC RECORD

PUBLIC RECORD

55#	Funding for “research and development of continuous heat treatment of new heating and cooling technology”	Grant	Yes
56#	Environmental protection assistance allocated from Shanghai Municipal Environmental Protection Bureau	Grant	Yes
57#	Environmental protection special funds - mine OC, OD material C-type closed transformation and coal field E, F material conversion silo project in phase I and II	Grant	Yes
58#	Decentralized jobs	Grant	Yes
59#	Funding for “key technology research on risk prevention and control of special equipment with high parameter and pressure”	Grant	No
60#	Special funds by the Shanghai Municipal Human Resources and Social Security Bureau	Grant	Yes
61#	Income tax return paid by the Shibao Mountain District Finance Bureau	Income tax	Yes
62#	2016 Shanghai Skills Master Studio construction and additional assistance by Shanghai Municipal Employment Promotion Centre	Grant	Yes
63#	Sulfur dioxide over-emission awards	Grant	Yes
64#	Funding for “renovation project relating to seamless steel tube plant finishing area”	Grant	No
65#	Funding for “localization development project of large diameter and high - grade pipeline pipe forming mould for oil and gas transportation”	Grant	No
66#	Funding for “steel products, energy conservation & environment protection comprehensive technology upgrade project”	Grant	Yes
67#	Funding for “no. 3 sintering machine flue gas desulfurization project”	Grant	Yes
68#	Industrial adjustment and revitalization special guidance fund	Grant	Yes
69#	Stable employment assistance – good jobs subsidy	Grant	Yes
70#	2016 government assistance (Yuhuatai District)	Grant	Yes
71#	2016 scientific and technological achievements for industrialization fund	Grant	Yes
72#	New industry guidance special fund	Grant	Yes

Table 1: Subsidy programs

PUBLIC RECORD

PUBLIC RECORD

Denotes programs not previously countervailed in relation to aluminium zinc coated steel.

B2 Relevant legislation

Section 269T of the Act defines a 'subsidy' as follows:

"subsidy", in respect of goods exported to Australia, means:

- a) a financial contribution:
 - i) by a government of the country of export or country of origin of the goods; or
 - ii) by a public body of that country or a public body of which that government is a member; or
 - iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that involves:

- iv) a direct transfer of funds from that government or body; or
 - v) the acceptance of liabilities, whether actual or potential, by that government or body; or
 - vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or
 - vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or
 - viii) the purchase by that government or body of goods or services; or
- b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.

(Emphasis added)

This reflects Article 1.1 of the World Trade Organization (WTO) *Agreement on Subsidies and Countervailing Measures*. Section 269TAAC of the Act defines a countervailable subsidy as follows:

- 1) For the purposes of this Part, a subsidy is a countervailable subsidy if it is specific.
- 2) Without limiting the generality of the circumstances in which a subsidy is specific, a subsidy is specific:
 - a) if, subject to subsection (3), access to the subsidy is explicitly limited to particular enterprises; or
 - b) if, subject to subsection (3), access is limited to particular enterprises carrying on business within a designated geographical region that is within the jurisdiction of the subsidising authority; or
 - c) if the subsidy is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance; or
 - d) if the subsidy is contingent, whether solely or as one of several conditions, on the use of domestically produced or manufactured goods in preference to imported goods.
- 3) Subject to subsection (4), a subsidy is not specific if access to the subsidy:
 - a) is established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and
 - b) those criteria or conditions do not favour particular enterprises over others and are economic in nature; and

PUBLIC RECORD

PUBLIC RECORD

- c) *those criteria or conditions are strictly adhered to in the administration of the subsidy.*
- 4) *Despite the fact that access to a subsidy is established by objective criteria, the Minister may, having regard to:*
- a) *the fact that the subsidy program benefits a limited number of particular enterprises; or*
 - b) *the fact that the subsidy program predominantly benefits particular enterprises; or*
 - c) *the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or*
 - d) *the manner in which a discretion to grant access to the subsidy has been exercised;*
- determine that the subsidy is specific.*

Subsection 269TACC(3) specifies the guidelines that the Parliamentary Secretary is to have regard to in determining whether a financial contribution confers a benefit.

Under subsection 269TJ(1)(a), one of the matters that the Parliamentary Secretary must be satisfied of to publish a countervailing duty notice under the Dumping Duty Act is that a countervailable subsidy has been received in respect of the goods.

B3 Information considered by the Commission

B3.1 Information provided by the applicants

Both applicants provided information in their REQs in relation to the subsidies (i.e. the subsidy amounts) received from various levels of government in China, including, in some instances, a description of the purpose of the subsidy received.

Neither applicant has provided any information in relation to the specific nature, eligibility criteria, application process or any other information relevant to the assessment of whether the subsidies are countervailable subsidies in accordance with section 269TAAC.

B3.2 Information provided by the Government of China

The Commission provided the GOC with a questionnaire including questions relating to the 33 subsidy programs found to be countervailable in REP 193. The due date for receipt of a response to the questionnaire was 14 June 2017. The Commission did not receive a response from the GOC.

During a review of information provided in the applicants' REQs, the Commission obtained information that indicated benefits were received by the applicants under several new subsidy programs that were not included in the 33 subsidy programs already being reviewed by the Commission.

Therefore, the Commission sent the GOC a supplementary questionnaire in relation to these identified subsidy programs. The due date for receipt of a response to the supplementary questionnaire was 26 July 2017. The Commission did not receive a response from the GOC to this supplementary questionnaire.

Given that the GOC has not provided any information the Commissioner considers relevant to the review, in determining the amount of a countervailable subsidy in respect of

PUBLIC RECORD

the goods, the Commission has relied on all facts available and made such assumptions as the Commissioner considers reasonable.¹

B4 Subsidy programs previously found to be countervailable

B4.1 Preferential tax policies - programs 4 to 10

Programs 4 to 10 were found to be countervailable in Investigation 193. The Commission is not aware of the current status of these programs given the GOC has declined to participate in the review. Furthermore, the applicants did not provide any new information in relation to these programs.

The Commission considers that no new information has been provided that would warrant a reconsideration of the determination made in relation to these programs in REP 193, and has therefore maintained its position that these programs are countervailable in relation to exports of aluminium zinc coated steel exported to Australia from China.

The amount of subsidy in respect of the goods

The Commission has determined that neither Baosteel nor Meisteel have received financial contributions in respect of the goods under these programs during the review period. The Commission therefore considers a zero subsidy rate is applicable to the applicants under these programs.

B4.2 Tariff and VAT exemptions

Program 11: Tariff and value-added tax (VAT) Exemptions on Imported Materials and Equipment

Program 11 was found to be countervailable in Investigation 193 as well as in recent investigations into aluminium extrusions, silicon metal and grinding balls. The Commission is not aware of the current status of this program given the GOC has declined to participate in the review. Furthermore, the applicants did not provide any new information in relation to this program.

The Commission considers that no new information has been provided that would warrant a reconsideration of the determination made in relation to this program in REP 193, and has therefore maintained its position that this program is countervailable in relation to exports of aluminium zinc coated steel exported to Australia from China.

The amount of subsidy in respect of the goods

The Commission has determined that neither Baosteel nor Meisteel have received financial contributions in respect of the goods under this program during the review period. The Commission therefore considers a zero subsidy rate is applicable to the applicants under this program.

Program 34: VAT refund on domestic sales by local tax authority

¹ In accordance with subsections 269TAACA(1)(c) and (d).

PUBLIC RECORD

Program 34 was found to be countervailable in Investigation 193. The Commission is not aware of the current status of this program given the GOC has declined to participate in the review. Furthermore, the applicants did not provide any new information in relation to this program.

The Commission considers that no new information has been provided that would warrant a reconsideration of the determination made in relation to this program in REP 193, and has therefore maintained its position that this program is countervailable in relation to exports of aluminium zinc coated steel exported to Australia from China.

The amount of subsidy in respect of the goods

The Commission has determined that neither Baosteel nor Meisteel have received financial contributions in respect of the goods under this program during the review period. The Commission therefore considers a zero subsidy rate is applicable to the applicants under this program.

B4.3 Financial grants – programs 12 – 33, 35 and 36

Programs 12 to 33, 35 and 36 were found to be countervailable in Investigation 193. Other investigations into aluminium road wheels, deep drawn stainless steel sinks, silicon metal and grinding balls also determined one or more of these programs to be countervailable. The Commission is not aware of the current status of these programs given the GOC has declined to participate in the review. Furthermore, the applicants did not provide any new information in relation to these programs.

The Commission considers that no new information has been provided that would warrant a reconsideration of the determination made in relation to these programs in REP 193, and has therefore maintained its position that these programs are countervailable in relation to exports of aluminium zinc coated steel exported to Australia from China.

The amount of subsidy in respect of the goods

The Commission has determined that neither Baosteel nor Meisteel have received financial contributions in respect of the goods under these programs during the review period. The Commission therefore considers a zero subsidy rate is applicable to the applicants under these programs.

B5 Additional subsidy programs identified by the applicants

In addition to the existing 33 subsidy programs that were considered as part of this review, the Commission has also had regard to 36 additional subsidy programs identified by Baosteel and Meisteel.

The Commission's assessment of these subsidy programs is summarised in table 2 and table 3.

PUBLIC RECORD

B5.1 Assessment of subsidy programs - Preferential taxation policies

The Commission investigated 8 programs in this category, comprising 7 preferential tax programs previously found to be countervailable (REP 193) and an additional program identified by the applicants. The Commission’s assessment as to whether this additional program is a countervailable subsidy in respect of aluminium zinc coated steel, and the method used to calculate the subsidy margin under this program, is contained in the below table.

Program number	Program description	Background	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
61	Income tax return paid by the Shibao Mountain District Finance Bureau	In its REQ, Baosteel reported receiving a benefit under this program from the Bureau of Human Resources & Social Security of Baoshan District. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that the tax benefit under this program would be a financial contribution by the GOC, which involves the foregoing, or non-collection, of revenue due to the GOC. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(b), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises carrying out business within a	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

						<p>aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because of the tax savings realised. Where exporters of aluminium zinc coated steel during the review period received tax savings under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>designated geographical region (i.e. Shibao Mountain District). The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
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Table 2 - Preferential taxation subsidy programs

PUBLIC RECORD

PUBLIC RECORD

B5.2 Assessment of subsidy programs - Financial grants

The Commission investigated 58 programs in this category, comprising 23 grant programs previously found to be countervailable (REP 193) and a further 35 programs identified by the applicants. The Commission’s assessment as to whether these programs are countervailable subsidies in respect of aluminium zinc coated steel, and the method used to calculate the subsidy margin under these programs, is contained in the below table.

Program number	Program description	Background	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
37	Assistance for fixed assets investment project	In its REQ, Baosteel reported receiving a grant under this program. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises over other enterprises in China.	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>(including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
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PUBLIC RECORD

PUBLIC RECORD

38	Funding for “application of high precision optical comb coherent imaging analyser and its engineering development”	In its REQ, Baosteel reported receiving a grant under this program from the Ministry of Science and Technology and the Shanghai Science Technology Commission. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.	Not applicable.	Not applicable.
39	Funding for “ship ballast tank resistant microbial corrosion steel and its application technology research”	In its REQ, Baosteel reported receiving a grant under this program from the Shanghai Science Technology Commission. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this financial	Not applicable.	Not applicable.

PUBLIC RECORD

PUBLIC RECORD

						contribution does not meet the definition of a subsidy under section 269T.		
40	Patent expenses assistance	In its REQ, Baosteel reported receiving a grant under this program from the Shanghai Intellectual Property Administration. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial	Due to the lack of information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises in possession of certain patents. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>subsidy program to be specific, and therefore countervailable.</p>	
41	<p>Funding for “study on stability of multi-level nanostructure and industrial application exploration for part of the multi-level</p>	<p>In its REQ, Baosteel reported receiving a grant under this program from the Ministry of Science and Technology. Information in relation to this program was requested in a supplementary questionnaire sent to the</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission is not aware of any legal basis for this program.</p>	<p>The Commission is not aware of the eligibility criteria for this program.</p>	<p>Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to</p>	<p>Not applicable.</p>	<p>Not applicable.</p>

PUBLIC RECORD

PUBLIC RECORD

	nano-metal materials”	GOC on 26 June 2017. The GOC did not respond to this questionnaire.				aluminium zinc coated steel exported to Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.		
42	Funding for “composite rolling technology of high-performance composite steel materials manufacturing technology research”	In its REQ, Baosteel reported receiving a grant under this program from the Shanghai Science Technology Commission. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.	Not applicable.	Not applicable.
43	High-tech achievement financial support fund	In its REQ, Baosteel reported receiving a grant under this program from the Department of Finance of Shanghai.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial	Due to the lack of relevant information provided by the GOC and the applicants, the	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the

PUBLIC RECORD

PUBLIC RECORD

		<p>Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.</p>				<p>contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China.</p> <p>The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel).</p> <p>In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p>	<p>Commission has based its finding on all the facts available and made such assumptions as considered reasonable.</p> <p>In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises undertaking high-tech transformations.</p> <p>The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>goods is the grant amount as reported by the applicant.</p> <p>The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.		
44	Funding for “research and development of control model and process key technology in metallurgical process”	In its REQ, Baosteel reported receiving a grant under this program from the Shanghai Science Technology Commission. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production,	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a</p>	<p>benefits particular enterprises undertaking certain research and development in relation to steel. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
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PUBLIC RECORD

PUBLIC RECORD

						subsidy under section 269T.		
45	“Development and application research on slab continuous casting crystal multi-magnetic field control device”	In its REQ, Baosteel reported receiving a grant under this program from the Shanghai Science Technology Commission and the Ministry of Science and Technology. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises developing and applying certain research in relation to steel processing. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3).	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
46	<p>Funding for “high-efficiency, low-loss silicon steel research and development”</p>	<p>In its REQ, Baosteel reported receiving a grant under this program from the Ministry of Science and Technology. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission is not aware of any legal basis for this program.</p>	<p>The Commission is not aware of the eligibility criteria for this program.</p>	<p>Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to</p>	<p>Not applicable.</p>	<p>Not applicable.</p>

PUBLIC RECORD

PUBLIC RECORD

		respond to this questionnaire.				Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.		
47	Funding for “arctic and ultra-low temperature marine steel research and applications”	In its REQ, Baosteel reported receiving a grant under this program from the Ministry of Science and Technology. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.	Not applicable.	Not applicable.
48	Funding for “sintering machine intelligent multi-component pollutant flue gas treatment island”	In its REQ, Baosteel reported receiving a grant under this program from the Ministry of Science and Technology.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as

PUBLIC RECORD

PUBLIC RECORD

		<p>Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.</p>				<p>transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC. Where exporters of aluminium zinc coated steel</p>	<p>available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises in the steel manufacturing industry. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.		
49	Financial funds for "high-strength spring steel and cutting steel key-tech development and application demonstration"	In its REQ, Baosteel reported receiving a grant under this program from the China Iron and Steel Research Institute. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.	Not applicable.	Not applicable.
50	Funding for "high-precision shipboard key	In its REQ, Baosteel reported receiving a grant under this program	The Commission is not aware of	The Commission is not aware of any	The Commission is not aware of the	Based on the information available, the	Not applicable.	Not applicable.

PUBLIC RECORD

PUBLIC RECORD

	manufacturing technology research”	from the Shanghai Administration of Science, Technology and Industry for National Defence. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	any WTO notification of this program.	legal basis for this program.	eligibility criteria for this program.	Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.		
51	Financial funds for the special adjustment of industrial enterprises structural adjustment	In its REQ, Baosteel reported receiving a grant under this program from the National Development and Reform Commission. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the</p>	<p>to and predominantly benefits particular enterprises in the steel manufacturing industry. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
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PUBLIC RECORD

PUBLIC RECORD

						definition of a subsidy under section 269T.		
52	Promotion special funds of Shanghai	In its REQ, Baosteel reported receiving a grant under this program from the Quality and Technology Supervision Bureau of Baoshan District. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(b), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises carrying out business within a designated geographical region (i.e. Baoshan District of Shanghai). The specificity of the subsidy is not excepted by reference to	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
53	Trade remedy cases legal fee assistance	<p>In its REQ, Baosteel reported receiving a grant under this program from the Shanghai Commission of Commerce.</p> <p>Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not</p>	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as	<p>In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant.</p> <p>The Commission allocated the amount of the</p>

PUBLIC RECORD

PUBLIC RECORD

		<p>respond to this questionnaire.</p>				<p>enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC. Where exporters of aluminium zinc coated steel during the review period received a grant under this</p>	<p>considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises participating in anti-dumping investigations. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.		
54	Funding for “technology research on thick plate continuous casting large pressure and slab internal quality control”	In its REQ, Baosteel reported receiving a grant under this program from the Shanghai Science Technology Commission. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.	Not applicable.	Not applicable.
55	Funding for “research and development of continuous heat treatment of new heating	In its REQ, Baosteel reported receiving a grant under this program from the Ministry of Science and Technology.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial	Due to the lack of relevant information provided by the GOC and the applicants, the	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the

PUBLIC RECORD

PUBLIC RECORD

	<p>and cooling technology”</p>	<p>Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.</p>				<p>contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China.</p> <p>The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel).</p> <p>In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p>	<p>Commission has based its finding on all the facts available and made such assumptions as considered reasonable.</p> <p>In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises undertaking certain research and development in relation to steel manufacturing.</p> <p>The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>goods is the grant amount as reported by the applicant.</p> <p>The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.		
56	Environmental protection assistance allocated from Shanghai Municipal Environmental Protection Bureau	In its REQ, Baosteel reported receiving a grant under this program from the Shanghai Environmental Protection Bureau. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production,	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a</p>	<p>benefits particular enterprises according over other enterprises in China. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
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PUBLIC RECORD

PUBLIC RECORD

						subsidy under section 269T.		
57	Environmental protection special funds - mine OC, OD material C-type closed transformation and coal field E, F material conversion silo project in phase I and II	In its REQ, Baosteel reported receiving a grant under this program. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises in the steel manufacturing industry. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>to be specific, and therefore countervailable.</p>	
58	Decentralized jobs	<p>In its REQ, Baosteel reported receiving a grant under this program from the Employment Service Office of Baoshan District. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission is not aware of any legal basis for this program.</p>	<p>The Commission is not aware of the eligibility criteria for this program.</p>	<p>The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China.</p>	<p>Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable.</p>	<p>In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of</p>

PUBLIC RECORD

PUBLIC RECORD

		respond to this questionnaire.				<p>The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore</p>	<p>In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises employing certain persons from certain regions. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>all goods as a proportion of sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.		
59	Funding for “key technology research on risk prevention and control of special equipment with high parameter and pressure”	In its REQ, Baosteel reported receiving a grant under this program from the Ministry of Science and Technology. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.	Not applicable.	Not applicable.
60	Special funds by the Shanghai Municipal Human Resources and Social	In its REQ, Baosteel reported receiving a grant under this program from the Bureau of Human Resources & Social Security of Shanghai.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as

PUBLIC RECORD

PUBLIC RECORD

	<p>Security Bureau</p>	<p>Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.</p>				<p>involves a direct transfer of funds by the GOC to the recipient enterprise in China.</p> <p>The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel).</p> <p>In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc</p>	<p>on all the facts available and made such assumptions as considered reasonable.</p> <p>In accordance with subsection 269TAAC(2)(b), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises carrying out business within a designated geographical region.</p> <p>The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>reported by the applicant.</p> <p>The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.		
62	2016 Shanghai Skills Master Studio construction and additional assistance by Shanghai Municipal Employment Promotion Centre	In its REQ, Baosteel reported receiving a grant under this program from the Bureau of Human Resources & Social Security of Shanghai. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>according over other enterprises in China. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
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PUBLIC RECORD

PUBLIC RECORD

63	Sulfur dioxide over-emission awards	<p>In its REQ, Baosteel reported receiving a grant under this program from the Shanghai Environmental Protection Bureau.</p> <p>Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.</p>	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	<p>The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China.</p> <p>The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel).</p> <p>In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of</p>	<p>Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable.</p> <p>In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises.</p> <p>The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant.</p> <p>The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						<p>aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>		
64	<p>Funding for “renovation project relating to seamless steel tube plant finishing area”</p>	<p>In its REQ, Baosteel reported receiving a grant under this program. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission is not aware of any legal basis for this program.</p>	<p>The Commission is not aware of the eligibility criteria for this program.</p>	<p>Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this</p>	<p>Not applicable.</p>	<p>Not applicable.</p>

PUBLIC RECORD

PUBLIC RECORD

						financial contribution does not meet the definition of a subsidy under section 269T.		
65	Funding for “localization development project of large diameter and high - grade pipeline pipe forming mould for oil and gas transportation”	In its REQ, Baosteel reported receiving a grant under this program from the Ministry of Science and Technology. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	Based on the information available, the Commission considers that a financial contribution under this program would not confer a benefit in relation to aluminium zinc coated steel exported to Australia, and therefore, this financial contribution does not meet the definition of a subsidy under section 269T.	Not applicable.	Not applicable.
66	Funding for “steel products, energy conservation & environment protection comprehensive technology upgrade project”	In its REQ, Meisteel reported receiving a grant under this program from the Department of Finance of Nanjing. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant.

PUBLIC RECORD

PUBLIC RECORD

		<p>The GOC did not respond to this questionnaire.</p>				<p>recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC. Where exporters of aluminium zinc coated steel during the review period received a</p>	<p>assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises in the steel manufacturing industry. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.		
67	Funding for “no. 3 sintering machine flue gas desulfurization project”	In its REQ, Meisteel reported receiving a grant under this program from the Department of Environment Protection of Nanjing. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises in the steel manufacturing industry.	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>(including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
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PUBLIC RECORD

PUBLIC RECORD

68	Industrial adjustment and revitalization special guidance fund	In its REQ, Meisteel reported receiving a grant under this program from Department of Finance of Nanjing and the Department of Finance of Jiangsu. Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises in the steel manufacturing industry. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.
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PUBLIC RECORD

PUBLIC RECORD

						<p>aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	therefore countervailable.	
69	Stable employment assistance – good jobs subsidy	<p>In its REQ, Meisteel reported receiving a benefit under this program from the Social Insurance Administration Center of Nanjing.</p> <p>Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.</p>	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of

PUBLIC RECORD

PUBLIC RECORD

						<p>that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the</p>	<p>269TAAC(2)(b), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises carrying out business within a designated geographical region. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						goods, and this financial contribution meets the definition of a subsidy under section 269T.		
70	2016 government assistance (Yuhuatai District)	In its REQ, Meisteel reported receiving a benefit under this program from the Government of Yuhuatai District of Nanjing (Meisteel Office). Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection	Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection 269TAAC(2)(b), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises carrying out business within a designated geographical region (i.e. the Meisteel sub-district within the Yuhuatai District	In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.

PUBLIC RECORD

PUBLIC RECORD

						<p>269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>of Nanjing Province).</p> <p>The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	
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PUBLIC RECORD

PUBLIC RECORD

71	2016 scientific and technological achievements for industrialization fund	<p>In its REQ, Meisteel reported receiving a benefit under this program from the Nanjing Yuhuatai District Finance Bureau.</p> <p>Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.</p>	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of the eligibility criteria for this program.	<p>The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China.</p> <p>The Commission further considers that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel).</p> <p>In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of</p>	<p>Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable.</p> <p>In accordance with subsection 269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises undertaking scientific and technological research and development for industry application.</p> <p>The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission</p>	<p>In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant.</p> <p>The Commission allocated the amount of the grant to sales of all goods as a proportion of sales revenue to determine a subsidy margin.</p>
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PUBLIC RECORD

PUBLIC RECORD

						<p>aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the goods, and this financial contribution meets the definition of a subsidy under section 269T.</p>	<p>considers this subsidy program to be specific, and therefore countervailable.</p>	
72	New industry guidance special fund	<p>In its REQ, Meisteel reported receiving a benefit under this program from the Government of Yuhuatai District of Nanjing (Meisteel Office). Information in relation to this program was requested in a supplementary questionnaire sent to the GOC on 26 June 2017. The GOC did not respond to this questionnaire.</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission is not aware of any legal basis for this program.</p>	<p>The Commission is not aware of the eligibility criteria for this program.</p>	<p>The Commission considers that a grant provided under this program would be a financial contribution by the GOC, which involves a direct transfer of funds by the GOC to the recipient enterprise in China. The Commission further considers</p>	<p>Due to the lack of relevant information provided by the GOC and the applicants, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable. In accordance with subsection</p>	<p>In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by the applicant. The Commission allocated the amount of the grant to sales of all goods as a proportion of</p>

PUBLIC RECORD

PUBLIC RECORD

						<p>that a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including aluminium zinc coated steel). In accordance with subsection 269TACC(2), this financial contribution is considered to confer a benefit to recipient manufacturers of aluminium zinc coated steel because it is a direct financial payment from the GOC.</p> <p>Where exporters of aluminium zinc coated steel during the review period received a grant under this program, this would therefore confer a benefit in relation to the</p>	<p>269TAAC(2)(a), the Commission considers that this subsidy is limited to and predominantly benefits particular enterprises in selected industries. The specificity of the subsidy is not excepted by reference to subsection 269TAAC(3). Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.</p>	<p>sales revenue to determine a subsidy margin.</p>
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						goods, and this financial contribution meets the definition of a subsidy under section 269T.		
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Table 3 - Financial grant programs

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