

# Ford Motor Company of Australia Limited

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Director, Operations 2  
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Australian Customs and Border Protection Service  
5 Constitution Avenue  
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To whom it may concern,

Ford Motor Company of Australia Limited ("Ford") would like to address the Australian Customs and Border Protection Service Dumping Notice No. 2012/40, "Zinc Coated (Galvanised) and Aluminium Zinc Coated Steel, Exported from the People's Republic of China, the Republic of Korea and Taiwan; Initiation of investigations into alleged dumping" initiated by Bluescope Steel Limited and Bluescope Steel (AIS) Pty. Ltd. (together "BSL").

This submission is made by Ford on the premise of being a direct and indirect end user of automotive grade coated steel purchased both locally and imported.

Ford submits that:

- Material outside of BSL's manufacturing capabilities must be omitted from anti-dumping measures
- Any anti-dumping measures imposed must include a mechanism for adjustment in line with commodity pricing and global demand

## Coated Steel supplied to Ford of Australia

Ford uses coated steel in many formed sheet metal parts built into its vehicles and plans to its expand coated steel usage in the near future to improve product quality. In the Automotive Industry, coated steel is most commonly used to increase corrosion resistance in areas that are exposed to environmental elements.

Much of the coated steel used in Ford vehicles is below the minimum thickness (and sometimes maximum width) that BSL can produce. Historically, in most cases where Ford has designed for the use of coated steel, or introduced it as a product action (upgrade), Ford has had no choice but to source this material off-shore.

[FORD'S COMMERCIAL OPINION REGARDING COMPETITION FOR STEEL OUTSIDE BSL CAPABILITY]

## The Design Process, Steel Selection & Sourcing

Steel grade selection in the Automotive Industry is based on performance. In the case of coated steel, validation is usually more rigorous due to stringent performance requirements involving a substantial amount of crash and corrosion testing.

The steel specification used by Ford is determined up to [REDACTED]. The steel specification is dictated by the design and development conducted for each part. The final specification is ultimately selected by the Engineering team and is based on the various performance attributes required (Stiffness, Strength, Formability, Weld-ability, Mechanical Behaviour, Corrosion Resistance, Paint Adhesion and Crash/Impact performance).

During the design process, various grades of steel are considered for each part. It is only after all of the engineering disciplines are satisfied that Ford will seek to source each grade and size required.

[REDACTED]

[FORD COMMERCIAL INFORMATION REGARDING SOURCING]

Should any AEP be applied to coated steel, Ford requests that it incorporates a mechanism to adjust for the rise and fall in commodity prices on a quarterly basis so that Ford, and other users of coated steel, are not unfairly disadvantaged.

Ford believes that BSL are competitive in the automotive coated steel segment in which they already have a strong market share. As per Ford's previous response on Hot Rolled Coil, we are committed to continue purchasing steel from BSL (pending quality, delivery and cost performance).

[FORD COMMERCIAL OPINION ON AUTOMOTIVE SEGMENT]

Ford will otherwise reserve further comments at this stage although we would like to stress that the Australian Automotive Industry is operating under various financial pressures and does so within a difficult economic environment. Any duty added to coated steel will only add further cost pressure to the local automotive industry where cheaper vehicle imports using the same coated steel are sold without any tariffs or duties imposed. Please consider Ford's position and arguments in your findings.

Regards,



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