

PUBLIC RECORD

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30 October 2015

BY E-MAIL

Mr. Roman Maevsky
Assistant Director
Operations 2
Anti-Dumping Commission
GPO Box 9839
Canberra City ACT 2601
Australia

Re: Anti-Circumvention Inquiry on Zinc Coated (Galvanized) Steel Exported from the People's Republic of China, the Republic of Korea and Taiwan (No. 290 and 298)

Dear Mr. Maevsky,

On behalf of Yieh Phui Enterprise Co., Ltd. ("Yieh Phui") and its related trader Asiazone Co., Limited ("Asiazone"), we hereby submit our comments to the recent representations made by BlueScope Steel Limited ("BlueScope") on 11 September 2015 in the above-captioned proceeding (Document No. 22).

First of all, we would like to bring your attention to a set of sales documents of Yieh Phui provided in Exhibit 1 of this submission, which involves one sale transaction of boron-added galvanized steel made by Yieh Phui to [buyer].¹ This sale was made by Yieh Phui to [buyer], before the imposition of anti-dumping measures.

¹ This set of sales documents was previously submitted in Exhibit 12 of Yieh Phui's initial questionnaire response dated 27 July 2015 as one of the samples of Yieh Phui's sales of boron-added galvanized steel to third countries.

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This transaction involved a product of [spec.] for which [buyer] specifically requested addition of boron of more than [%] into the galvanized steel purchased from Yieh Phui.² In addition, [buyer] specifically requested that the yield strength of this product not to exceed [] MPa, a requirement which is unusual for a typical boron-free product of [spec.] specification.

This transaction manifests several key points which are crucial for this anti-circumvention inquiry. First, the boron-added galvanized steel does have its own commercial significance which is distinct from the boron-free galvanized steel because it serves special purposes and utilizations in the market. Otherwise, [buyer] would not have placed an order specifically requesting for it.

Second, [spec.] under the Australian Standard requires a minimum yield strength of [] MPa and gives no cap on it because [spec.] is intended as a grade with higher yield strength for structural purposes. [Buyer]'s special request on the maximum yield strength in the above-mentioned transaction implies that a lower yield strength for a structural grade product like [spec.] was expected, and such expectation was a result of the addition of boron into the galvanized steel.

As detailed below, [buyer] of boron-added galvanized steel from Yieh Phui supports the metallurgical effects explained by Yieh Phui. More importantly, [buyer] of boron-added galvanized steel from Yieh Phui rebuts its own arguments.

² See page 2 of Exhibit 1. [Buyer] initially requested the boron level to be above [%] but later accepted the boron level to fall within a range of [%].

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In its submission dated 11 September 2015, BlueScope put forth lengthy arguments challenging Yieh Phui's explanations on the metallurgical effects caused by the addition of boron in the galvanized steel. From its point of view, the level of boron that Yieh Phui added into the galvanized steel is metallurgically insufficient to control the stretcher strain (or strain ageing).

BlueScope's arguments indicate that it misunderstood the metallurgical effects explained by Yieh Phui with regard to the boron-added galvanized steel and misplaced its focus on the stretcher strain effect of steel, instead of the effect of reducing the steel yield strength that was intended by Yieh Phui.

Yieh Phui did not claim that the level of boron added into the galvanized steel would be able to eliminate the stretcher strain (also known as "Lüders bands"). In fact, the purpose of adding boron into the galvanized steel sold to Australia by Yieh Phui was merely to reduce the yield strength of galvanized steel in order to "offset" or to "slow-down" the steel hardening after sales and before downstream consumptions (because the Australian customers were experiencing a longer inventory turn-over time) and to enhance the formability (because the steel had become softer). As explained clearly by Yieh Phui in the initial submission, at page 31:

"{T}he addition of boron has two major metallurgical effects (i.e., the boron nitride effect and the precipitation effect) to the low carbon steel like the one used by Yieh Phui for the production of galvanized steel. These effects cause a lower level of steel yield strength and consequently minimize the stain ageing and enhance the formability of steel. Commercially the boron-added steel meets the Australian customers' need to minimize the strain ageing when experiencing a longer inventory turnover time period."

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Yieh Phui's production experiences of the boron-added galvanized steel have shown that by adding boron at the level of [%] into low carbon hot-rolled steel, the yield strength of galvanized steel could be lowered after production is completed.³ This means the steel would become softer and easier to be processed by downstream processors. This also means that the boron offsets the increase of yield strength caused by the strain ageing effect occurs later after sale.⁴

[Buyer] of the boron-added galvanized steel supports these effects observed by Yieh Phui. The sample sale transaction provided in Exhibit 1 demonstrates that the level of boron added into the galvanized steel did result in a lower level of yield strength, and apparently, this effect was expected by [buyer]. Moreover, [buyer] of [spec.] from Yieh Phui with a special request of boron addition and a lower level of yield strength rebuts BlueScope's assertion that for higher strength grades such as G450 and G500, strain ageing is not of practical consequence.⁵ It also rebuts BlueScope's claim that it has not received any demand for non-strain ageing structural grades.⁶ Therefore, the arguments made by BlueScope with regard to the metallurgical effects of Yieh Phui's boron-added galvanized steel simply contradict with [buyer] from Yieh Phui and should be rejected.

³ The level of boron added into the galvanized steel shipped by Yieh Phui to Australia generally falls within the range of [%].

⁴ Strain aging is the later reappearance of the yield point at a higher stress. It happens as time passes (ageing) due to the diffusion of carbon and nitrogen atoms to form new interstitial atmospheres at dislocations, anchoring them once more. Thus, if the steel products are kept in hand by the customer for a long period of time without being processed, the steel would harden as time passes.

⁵ BlueScope's 11 September 2015 submission (Document No. 22), at page 6.

⁶ Id.

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Yieh Phui's production and sales of alloyed galvanized steel go way back to early 2000s, far before the imposition of anti-dumping measures. The addition of boron in the galvanized steel sold by Yieh Phui to Australia was not for the purpose to circumvent the anti-dumping measures. The supporting documents submitted by Yieh Phui in the initial questionnaire response have demonstrated that Yieh Phui produced and sold the boron-added galvanized steel to customers around the world (even including to [buyer]) both before and after the imposition of anti-dumping measures. The world-wide demand of boron-added galvanized steel has always been there for purposes other than circumventing anti-dumping measures. The change of market demand for boron-added galvanized steel in Australia from 2013, even though claimed by BlueScope as unknown, merely reflects a response to the downturn cycle of steel industries and should not necessarily be linked to circumvention of anti-dumping measures.

Again, the timing of Yieh Phui's inception of shipments of boron-added galvanized steel to Australia may coincide with the timing of anti-dumping measures imposed in year 2013 in respect of boron-free galvanized steel, this coincidence does not preclude the metallurgical and commercial reasons of the need for boron-added galvanized steel. More importantly, it should not preclude a finding that the boron-added galvanized steel is not a like product of boron-free galvanized steel with slight modification.

In light of the above, we respectfully request the Commission to find that the boron-added galvanized steel that Yieh Phui shipped to Australia during the inquiry period not a product with a slight modification of boron-free galvanized steel exported to Australia and terminate this inquiry.

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Please feel free to contact me if you have any questions regarding this submission.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jay Y. Nee', written in a cursive style.

Jay Y. Nee
Appleton Luff Pte Ltd

Exhibit 1

**DOCUMENT(S) INCAPABLE OF
SUMMARY**