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PUBLIC RECORD



Galvanised Steel Anti-Dumping

India ADC Exporter Briefing

25 January 2017

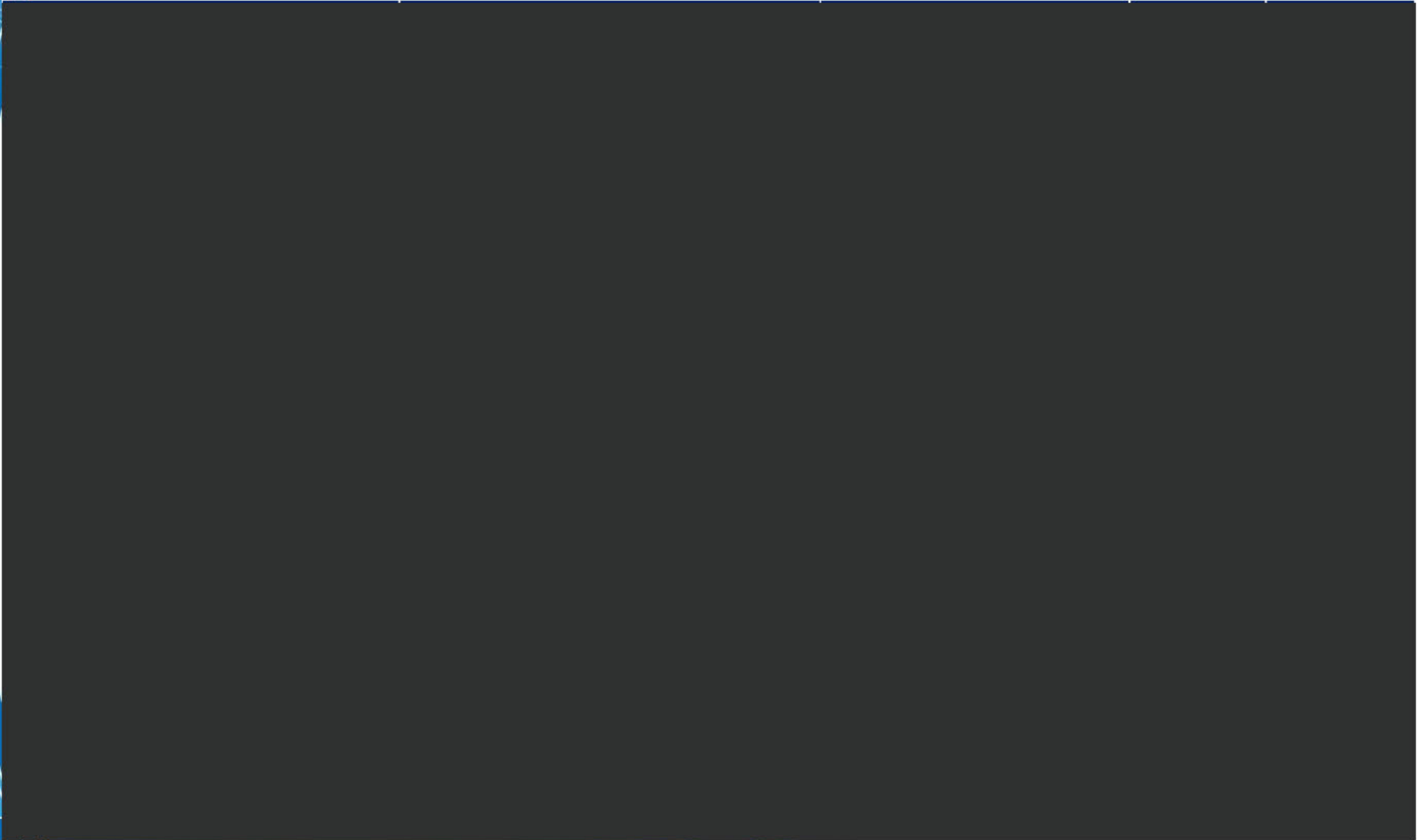
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1. Galvanised Steel – Indian Galv. Steel Suppliers

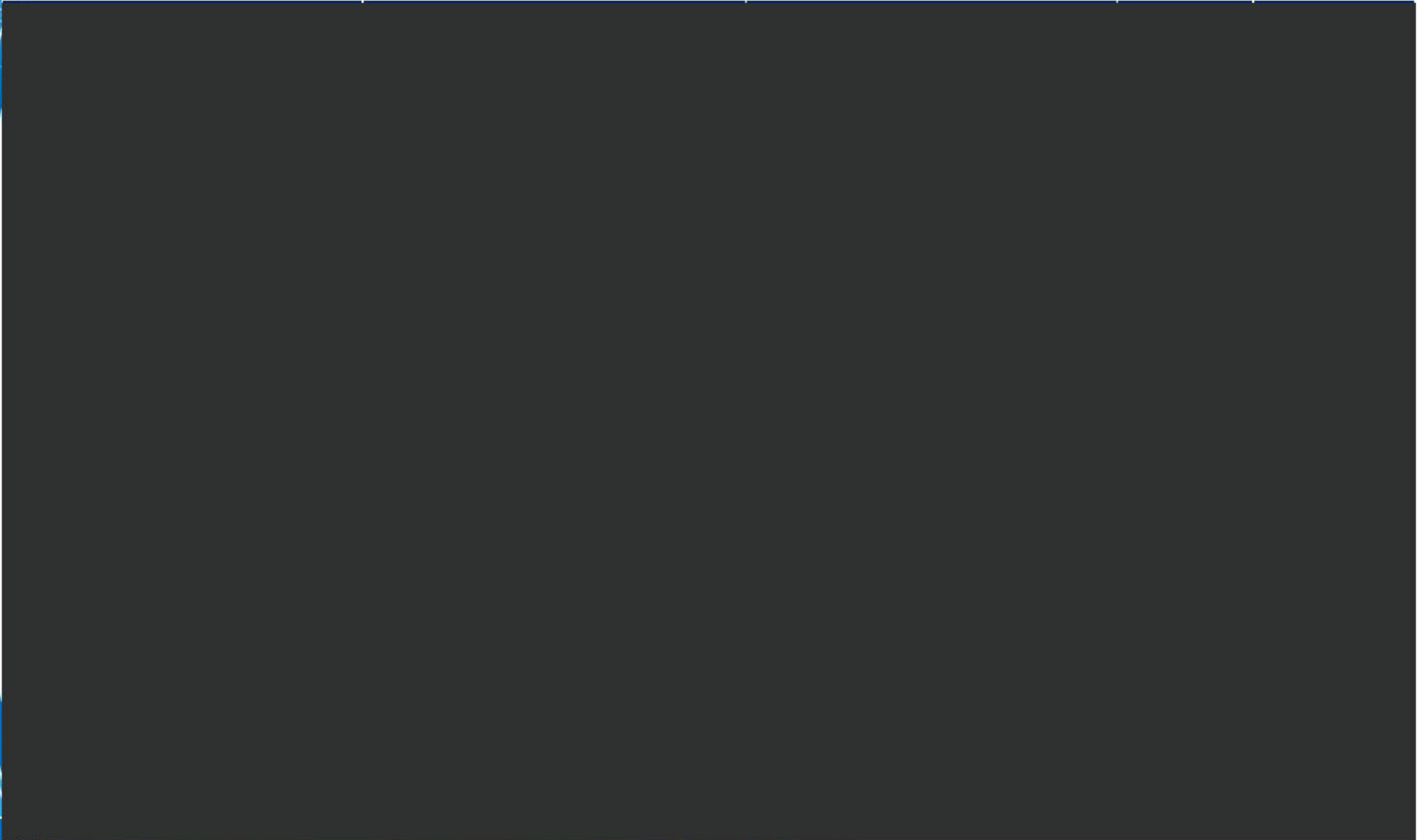
1. Galvanised Steel – Indian Galv. Steel Suppliers

Key Indian Galv. Steel Suppliers



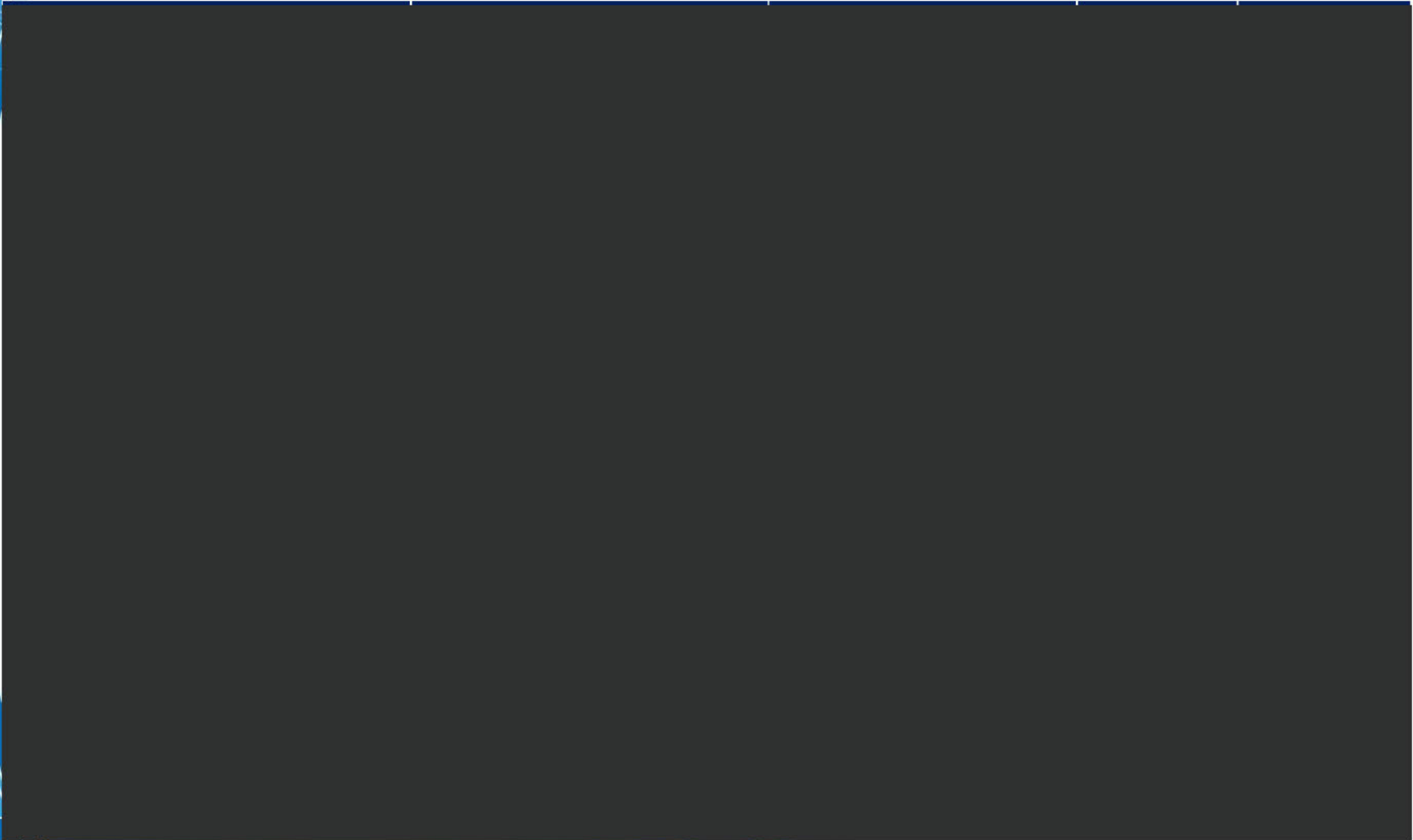
1. Galvanised Steel – Indian Galv. Steel Suppliers (cont.)

Key Indian Galv. Steel Suppliers (cont.)



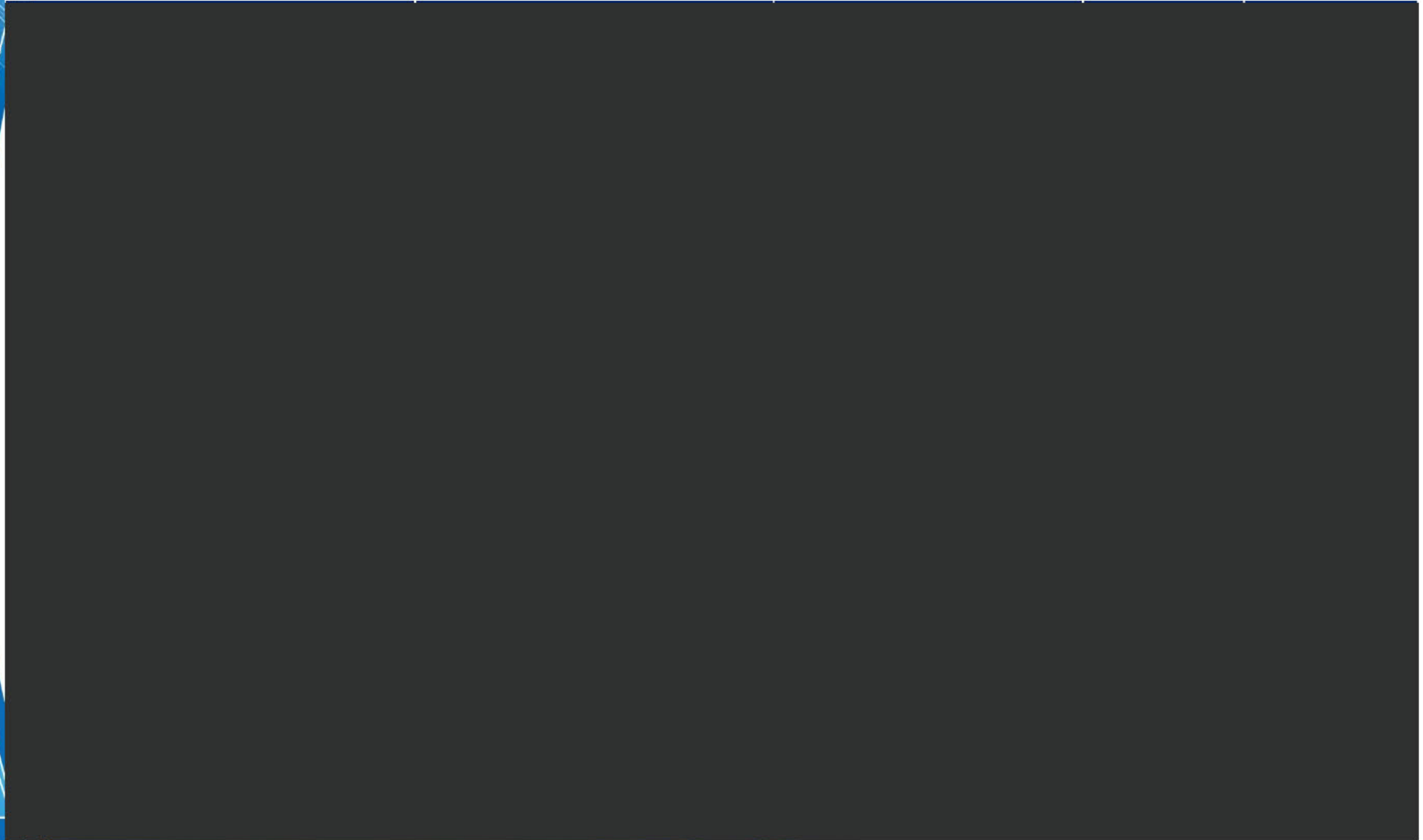
1. Galvanised Steel – Indian Galv. Steel Suppliers (cont.)

Key Indian Galv. Steel Suppliers (cont.)



1. Galvanised Steel – Indian Galv. Steel Suppliers (cont.)

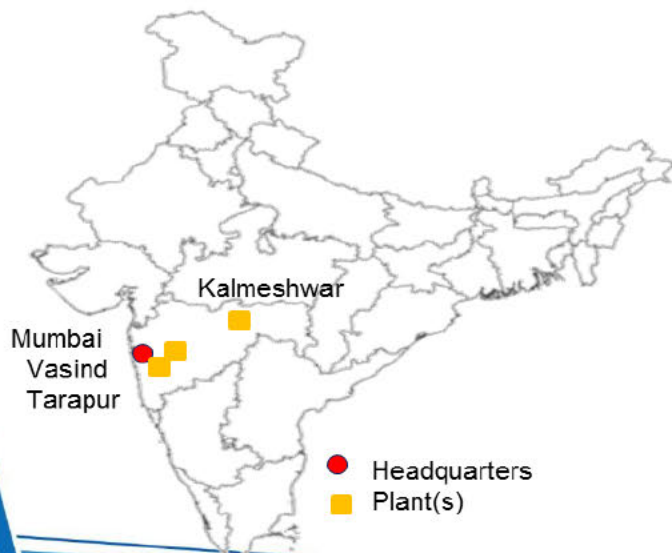
Key Indian Galv. Steel Suppliers (cont.)



1. Galvanised Steel – Supplier Profiles

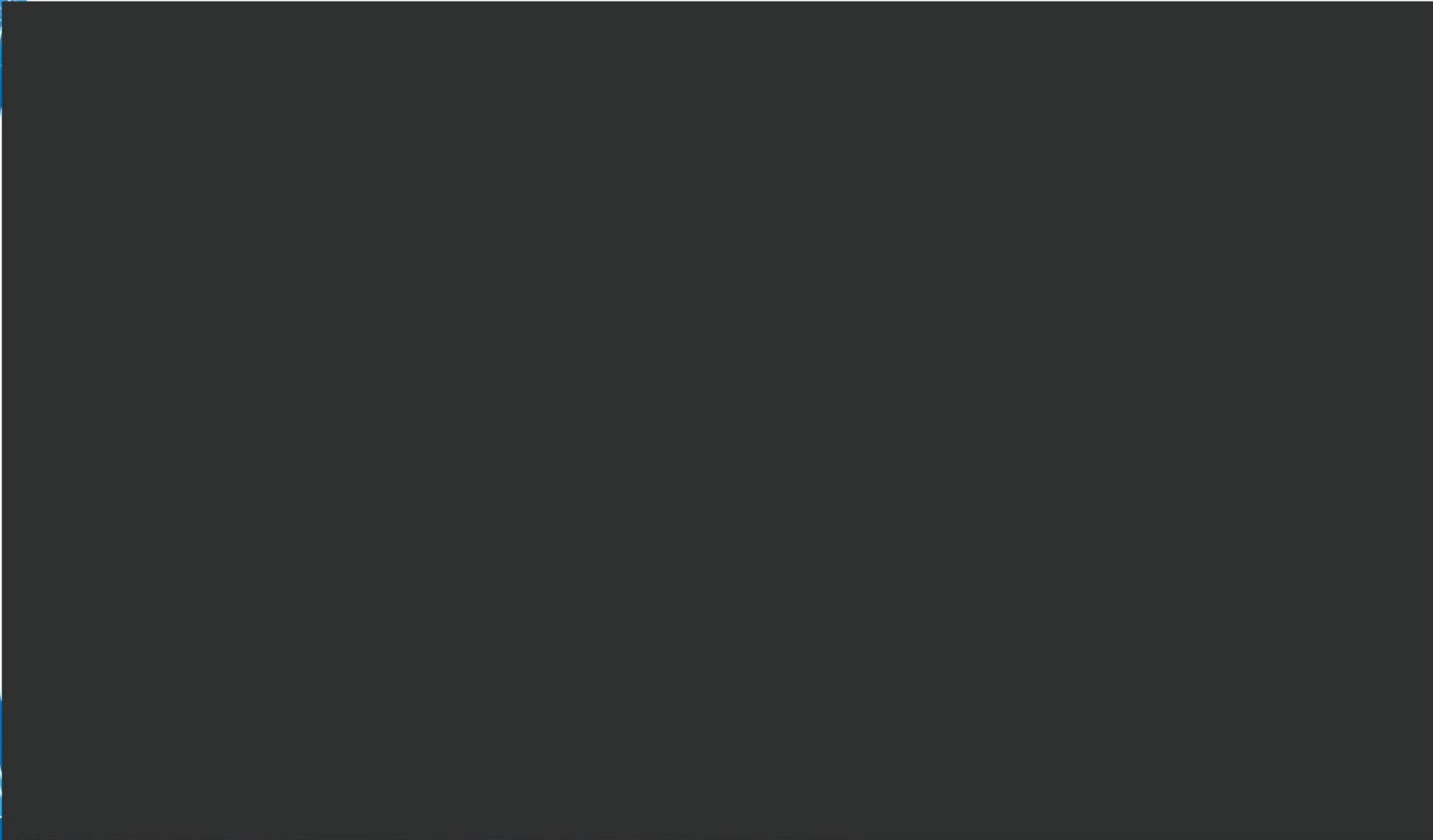
JSW Steel

- **Overview:** Established in 1982, JSW Steel is flagship company of JSW Group with diverse flat and long steel products
- Through forward and backward integration strategy, JSW Steel has become one of India's leading steel producers with combined installed capacity of 18 million mtpa



1. Galvanised Steel – Supplier Profiles

JSW Steel (cont.)



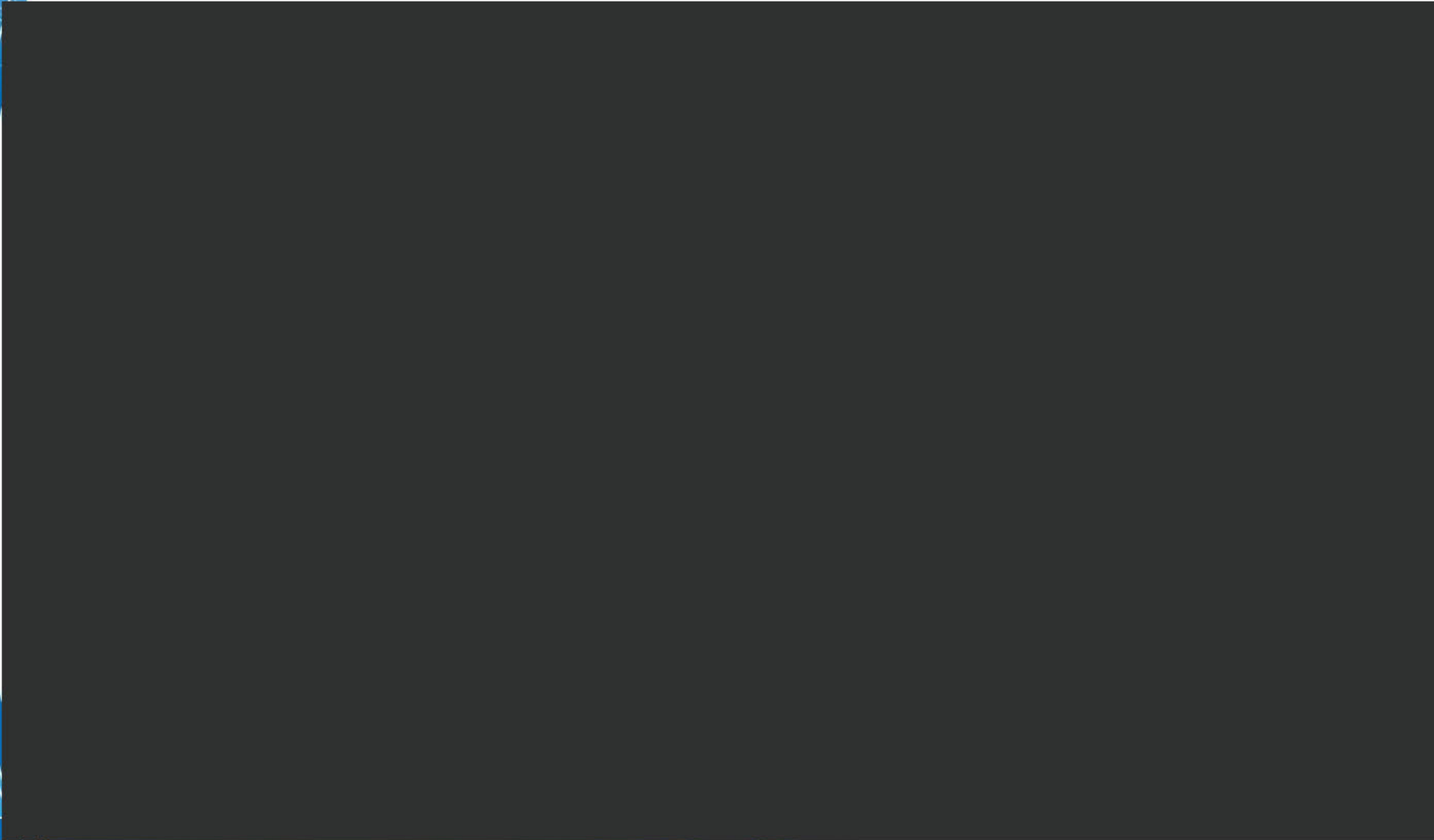
1. Galvanised Steel – Supplier Profiles

Essar Steel



1. Galvanised Steel – Supplier Profiles

Essar Steel (cont.)



2. Galvanised Steel – Indian Mill Capacities 2015

2. Galvanised Steel – Indian Mill Capacities 2015



3. Galvanised Steel – Indian Mill Demand/Supply 2015

3. Galvanised Steel – Indian Mill Demand/Supply 2015



4. Calender Year Mill Capacities

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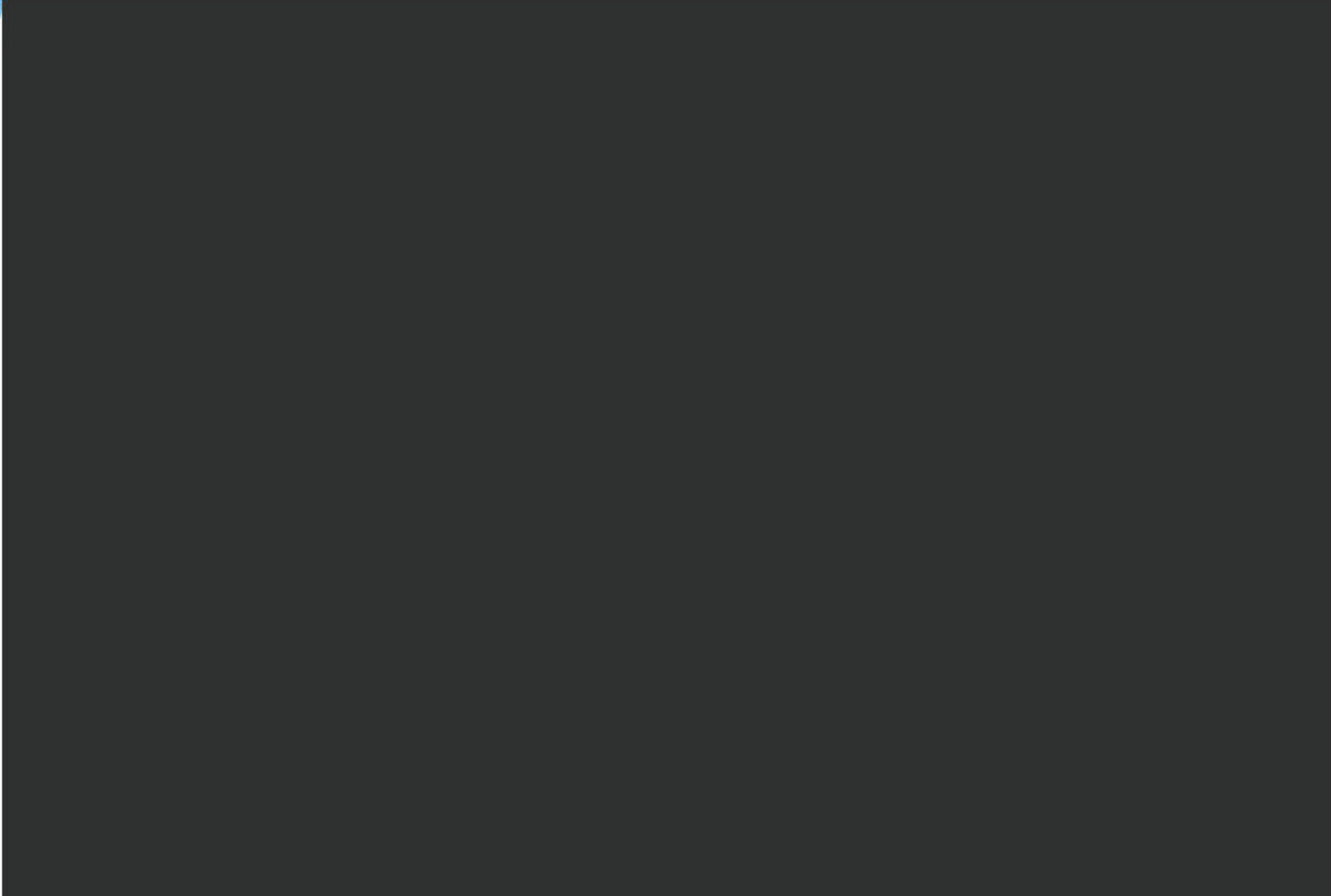


5. Galvanised Steel – Market Overview 2015

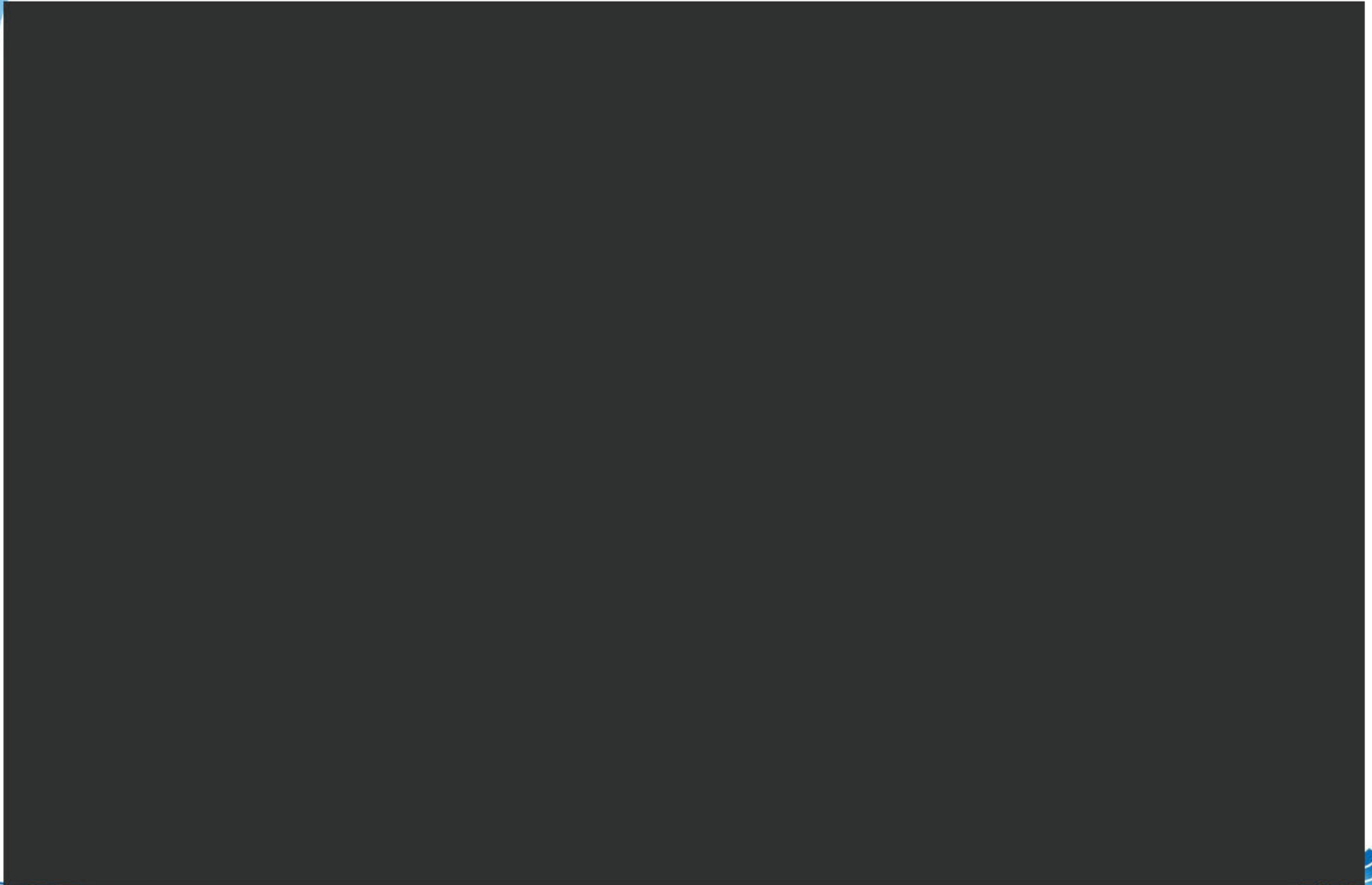
5. Galvanised Steel – Market Overview 2015



5. Galvanised Steel – Market Consumption 2015



5. Galvanised Steel – Supplier Volumes 2015



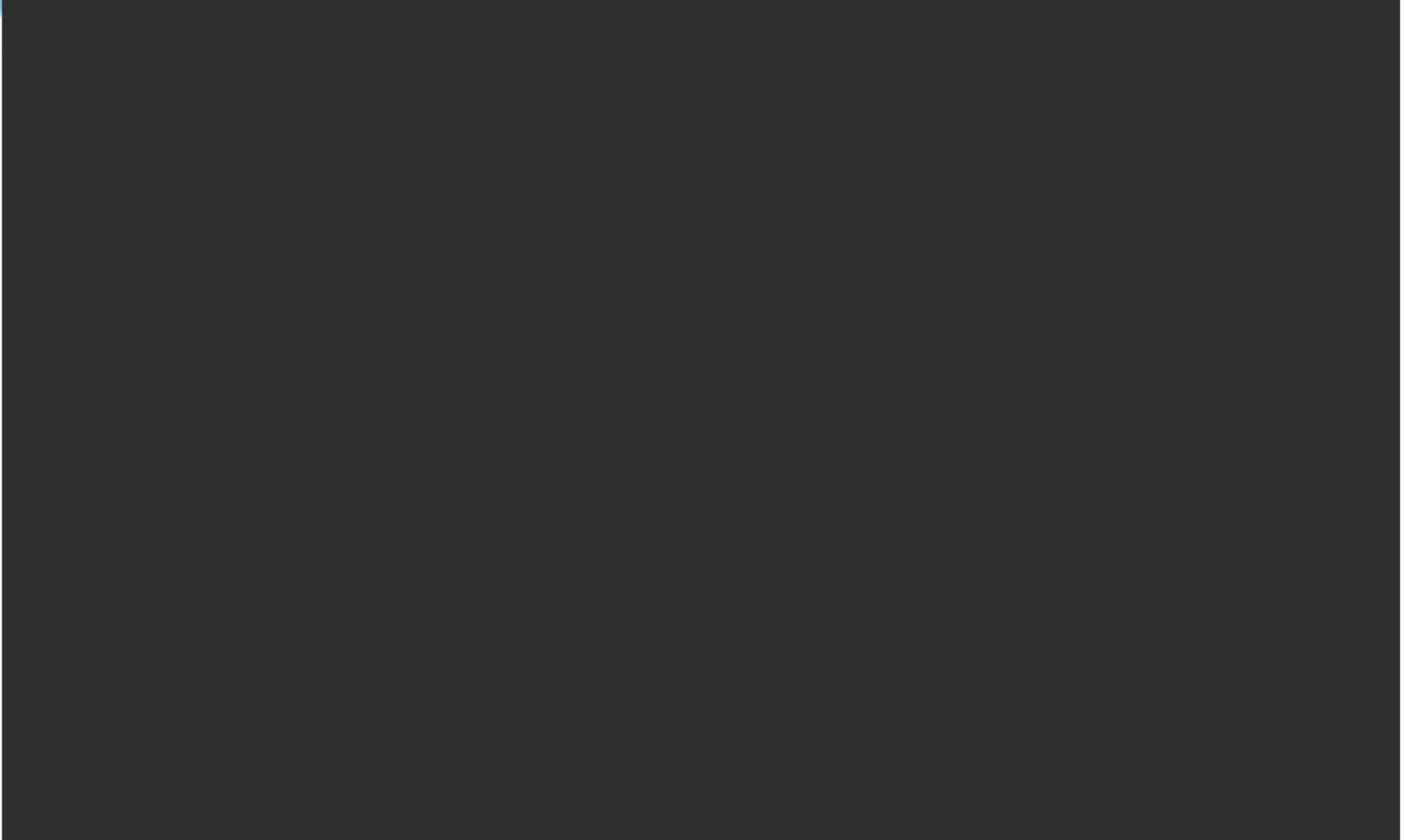
5. Galvanised Steel – Market Segments 2015



5. Galvanised Steel – Building & Construction Segment



5. Galvanised Steel – Non B&C Segment



5. In Summary – Level of Trade Assessment



6. Galvanised Steel – Exports to Australia

6. Galvanised Steel – Exports to Australia



Grade Designation (AS 1397 / JIS 3302)	Reports the steel grade of Galvanised steel. The steel grade determines the guaranteed or typical mechanical properties of the product. The Australian standard AS 1397 range of steel grades are noted in bold with the equivalent Japanese standard JIS 3302 steel grades noted alongside unbolded. The G2 and G3 type grades are 'Formable' steel grades, whilst the G250 to G550 covers the range of 'Structural' steel grades. AS 1397 designates the structural grades via their minimum Yield Strength whilst the JIS 3302 designates their structural grades via their minimum Tensile Strength. All other special grades (for example as supplied to the Automotive industry /standards) will fall into the 'other' category for this investigation.
G2 / SGCC / SGHC	
G3 / SGCD /	
G250 / SGC 340 / SGH 340 / SGC 340 / SGHC 340	
G300 / G350 / SGC 400 / SGH 440 / SGC 440 / SGHC 440 / SGC 490 / SGCH 490	
G450 / G500	
G550 / SGC 570	
Other	

Excerpt from BlueScope's proposed Product Control Numbers

6. Galvanised Steel – Exports to Australia (cont.)



	Coating Mass (weight)	Reports the amount of zinc (Z) or zinc/iron (ZF) coating that has been applied to the base steel. This is expressed as the total (both top and bottom sides) in grams/square metre of surface area. The designated coating mass is a guaranteed minimum value. Note: JIS 3302 expresses coating mass in a shortened manner compared to AS 1397 (i.e. AS 1397 coating of Z275 (g/m ²) = Z27 in the JIS 3302 standard and AS 1397 coating of ZF100 (g/m ²) = F10 in the JIS 3302 standard).
1	<= 100 g/m ²	
2	>100 g/m ² to <= 220 g/m ²	
3	> 220 g/m ² to <= 300g/m ²	
4	>300 g/m ² to <= 400 g/m ²	
5	>400 g/m ²	

– In terms of general ‘Thickness’ parameters:

- <0.50mm = Commercial quality galvanised
- =>0.50mm up to 1.50mm = Commercial quality, and high strength galvanised
- >1.50mm = High strength galvanised

	Thickness (BMT)	Reports the Base Metal Thickness (BMT) of the substrate steel before the zinc coating or the zinc/iron coating is applied. For galvanised steel of the same coating mass, the thinner the base metal, the more square metres per tonne and therefore more coating metal is required to be applied and higher the cost and selling price.
1	< 0.40 mm	
2	=> 0.40 mm to < 0.50 mm	
3	=> 0.50 mm to < 0.75 mm	
4	=> 0.75 mm to < 1.00 mm	
5	=> 1.00 mm to < 1.50 mm	
6	=> 1.50 mm to < 2.00 mm	
7	=> 2.00 mm to < 2.50 mm	
8	=> 2.50 mm	

Excerpts from BlueScope's proposed Product Control Numbers

7. Galvanised Steel – FY2016 Normal Values

7. Galvanised Steel – FY2016 Normal Values



– Prima facie Normal Values and Dumping Margins:

Weighted average normal value	A\$900 per tonne
Weighted average export price	A\$840 per tonne
Dumping margin	A\$60 per tonne (7.2%)

Weighted average normal value	A\$841 per tonne
Weighted average export price	A\$840 per tonne
Dumping margin	A\$2 per tonne (0.2%)

The aggregate weighted average dumping margin (commercial and purlin) is **5.4%**

7. Galvanised Steel – FY2016 Normal Values (cont.)

- In Consideration Report 370, the ADC compared the dumping margins proposed by BlueScope to those calculated by the Commission:

Country	Applicant's estimate	Commission's estimate
India	5.4%	4.3%
Malaysia	24.2%	24.2%
Vietnam	8.4%	7.3%

8. Galvanised Steel – Normal Value Adjustments

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Galvanised Steel Investigation ITR 249

- In ITR 249, the Commission made the following Normal Value adjustments to Essar Steel's Normal value:
 - Transport & Handling;
 - Duty Drawback;
 - Commissions; and
 - Timing.
- Essar Steel was assigned a **7.4%** dumping margin in ITR 249.
- BlueScope would expect similar adjustments to apply to Indian origin galvanised steel when confirming the mill-specific dumping margins.

8. Galvanised Steel – Normal Value Adjustments (cont.)

Indicative India Export Freight Costs (mill to FOB export point)



9. Galvanised Steel – Product Control Numbers

9. Galvanised Steel – Product Control Numbers

- BlueScope has proposed a Product Control Number (“PCN”) coding system to permit the ready identification of key attributes associated with galvanised steel grades/models produced by Indian manufacturers / exporters.
- The PCN Coding System permits the ready identification of galvanised steel products taking account of:
 - Prime/non-prime;
 - Hot/cold rolled base steel;
 - Coating type;
 - Coating mass;
 - Grade designation (as per applicable standards);
 - Thickness (Base Metal Thickness);
 - Width; and
 - Form (coil or sheet).
- Activity: PCN walk-through

10. Galvanised Steel – Cost to Make

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- The thicker the product the less Zinc coating is required. For example Indian specific comparable grade Zinc Costs for Zincanneal Z100 drop \$XX from 0.90mm thick to 1.50mm thick.

11. EQR's – JSW Steel / JSW Coated / Essar Steel

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JSW Steel Limited

Dumping

EQR Section	Page No.	Issue	Recommendation
Section D, E	21, 32	Level of trade	
Section D	23	Redacted content	
Section E	28, 35	Packing costs	
Section E	29, 35	Warranties / Guarantees (quality claims)	
Section G	39, 47, 48	HRC raw material feed source	

11. EQR's – JSW Steel / JSW Coated / Essar Steel

JSW Steel Limited

Countervailing

EQR Section	Page No.	Issue	Recommendation
Section H	53-54	Preferential Tax Programs	
Section H	57, 59	Program 23: Export Promotion	
Section H	61, 62, 63 Coated EQR p.70	Program 27: Duty Drawback	
Section H	65	Program 39: Electricity Exemption	
Section H	69-72	Program 34: Amba River Elec. Exemption	
Section H	74-76	Program 39: VAT / Sales Tax Deferral	
Section H	77-79	Program 39: Stamp Duty Waiver	
Section H	88-90	Merchandise Exports from India Scheme (MEIS)	

11. EQR's – JSW Steel / JSW Coated / Essar Steel

JSW Steel Coated

Dumping

EQR Section	Page No.	Issue	Recommendation
Section B	18	Redacted 'other' export expenses.	
Section E	30, 37	Packing Costs	
Section E	30-31, 37-38	Warranties / Guarantees (quality claims)	
Section E	31	Other export expenses	
Section E	34	Level of trade	
Section G	48-49	Major raw material costs	

11. EQR's – JSW Steel / JSW Coated / Essar Steel

JSW Steel Coated

Countervailing

EQR Section	Page No.	Issue	Recommendation
Section H	56, 58	Program 31: Tax deduction (power generation)	
Section H	60-63	Program 23: Export Promotion	
Section H	64	Program 25: Advanced Authorisation Scheme	
Section H	82-83	Category H-6: Sales Tax Deferral	
Section H	85-86	Category H-6: Electricity Duty Exemption	

11. EQR's – JSW Steel / JSW Coated / Essar Steel

Essar Steel

Initial comments

- Essar did not complete Sections C, D, E, F and G of its EQR.
- BlueScope would like to clarify Essar's level of co-operation in the investigation.

Dumping / Countervailing

EQR Section	Page No.	Issue	Recommendation
Section A (A3-6)	7	Parent co. charges	
Section H	24	Tariff Programs	
Section H	26	Export Promotion	
Section H	All	Eligibility to programs per JSW Steel / JSW Coated.	