SALANS



REQUEST TO EXEMPT PARTICULAR GOODS FROM ANTI-DUMPING INVESTIGATION (190A) AND COUNTERVAILING DUTY INVESTIGATION (193A) CONCERNING IMPORTS OF ZINC COATED (GALVANIZED) STEEL EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

ON BEHALF OF

THE CHINA IRON AND STEEL ASSOCIATION (CISA) AND ITS MEMBERS

Angang Steel Company Limited

Handan Iron and Steel Group Co. Ltd

Baoshan Iron & Steel Co. Ltd.

Wuhan Iron and Steel Company Limited

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NON-CONFIDENTIAL VERSION

- 1. This submission deals with the scope of products covered by Australian trade measures investigation numbers 190A and 193A into dumping and subsidisation of zinc coated galvanized steel ('Galvanized Steel Products') from China. CISA has also addressed this subject in its submissions dated 1 November 2012, 17 December 2012 (re 190A) and 15 January 2013 (re 193A).
- 2. CISA advances the contention that the description of the GUC is too wide and if antidumping and/or countervailing measures were imposed, it would not serve to protect or remedy Bluescope Steel Ltd, and it would simply add an unnecessary economic cost to exporters, importers and downstream users of particular products.
- 3. CISA submits that there are three categories of goods that should be exempted or the description of the Goods Under Consideration (GUC) be narrowed to exclude certain goods. These categories are:
 - a. Galvanized Steel Products having a width in excess of 1550mm;
 - b. Galvanized Steel Products that are known as 'non-spangled' or 'zero spangled' products;
 - c. Galvanized Steel Products which are:
 - i. Subject to existing Tariff Concession Orders (and which Bluescope Steel has not objected to); and
 - ii. Subject to new Tariff Concession Order Applications by Bluescope Steel.

Galvanized Steel Products with a width in excess of 1550mm

4. Regarding Galvanized Steel Products with widths in excess of 1550mm, we **enclose** two confidential contracts, associated shipping documents and an explanatory note which are marked 'Confidential Attachment 1'. The purpose of this documentation is to provide evidence that goods, being the subject of the exemption request, were exported from China to Australia in commercial quantities during the investigation period. These documents also show that the majority of the selected consignments were for widths in excess of 1500mm and that the end use was for the manufacture of motor vehicle bodies.

Zero Spangled Galvanized Steel

5. We enclose a confidential commercial invoice and an explanatory note which are marked 'Confidential Attachment 2'.

The purpose of this documentation is to provide evidence that goods, being the subject of the exemption request, were exported from China to Australia in commercial quantities during the investigation period. The goods that are zero spangled are clearly marked as such in the commercial invoice. We are instructed that zero spangled products are used exclusively for the manufacture of the exterior of motor vehicles, due principally to the high quality pain finish that it enables. We refer you to the submission filed by Moulis Legal dated 23 November 2012 on behalf of POSCO, in which the nature and application of Zero Spangled Galvanized Steel is described.

Tariff Concession Orders (TCOs)

- 6. Customs has referred to two TCOs for galvanized steel in its Consideration Report being TC 0939596 and TC 9612218. As the core criteria for the granting of a TCO is that no substitutable goods are produced in Australia, all goods falling within these TCOs should be exempted.
- 7. In addition, we refer to the Commonwealth of Australia Gazette No TC 13/03 dated Wednesday 23 January 2013 which lists 6 TCO applications being made by Bluescope Steel for galvanized steel products falling within tariff classification 7210.49.00. We enclose extracts of the relevant Government Gazette marked 'Attachment 3'. In all cases the stated use for these TCO applications is 'In PMV car body outer skins'. It is self-evident from Bluescope Steel's applications that no substitutable goods are produced in Australia and goods meeting the terms of these TCO applications should be exempted from the GUC and/or any measures imposed.
- 8. All of the categories of goods referred to above are likely to be utilised exclusively for the automotive industry in Australia.
- 9. We further **enclose** some confidential data marked '**Confidential Attachment 4**', which shows that galvanized products in excess of 1550mm and zero spangled products represent a material, but not significant percentage of imports of galvanized products from China. To the best of CISA's knowledge these products represent approximately [PERCENTAGE] of total of Galvanized Steel Products exported from China meeting the description of the GUC.

Conclusion

- 10. These categories of goods would not be difficult for Australian Customs to identify for the purposes of applying and enforcing any exemption or changes to the description of the GUC.
- 11. It is uncontentious that Bluescope Steel does not produce these types of goods and these matters would not be difficult to verify. For example, it is possible to verify Bluescope Steel's maximum widths for galvanized steel by checking its product range at http://steelproducts.bluescopesteel.com.au/home/steel-products/metallic-coated-steel which is referred in Bluescope Steel's dumping complaint.
- 12. CISA endorses comments made on behalf of GM Holden concerning this issue in its submission dated 15 October 2012 in relation to investigation number 190A and its submission dated 7 January 2013 in relation to investigation number 193A.
- 13. We request that Australian Customs deal with this request as part of its consideration of matters for inclusion in the Statement of Essential Facts. It would be unjust for exporters and importers to have to deal with this matter <u>after</u> the imposition of anti-dumping and countervailing duty measures.

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Gazette

No. TC 13/03, Wednesday, 23 January 2013

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The Australian Customs and Border Protection Service (Customs and Border Protection) publishes the Commonwealth of Australia Tariff Concessions Gazette (the Tariff Concessions Gazette) free of charge on the Customs internet site at: http://www.customs.gov.au
Please select "tariff", then "tariff concessions gazette".
The gazettes are listed in date order and may be selected from the list of Adobe (PDF) files.

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Schedule 4 Item Number Description of Goods including the General Duty Rate Customs Tariff Classification 50 STEEL, flat rolled, iron OR non-alloy steel, tin AND zinc alloy 7210.30.00 electrolytically coated, in coils, having ALL of the following: (a) yield strength NOT less than 115 MPa and NOT greater than 370 MPa; (b) tensile strength NOT less than 270 MPa; (c) total elongation NOT less than 33%; (d) total coating mass NOT less than 30 g/m2 and NOT greater than 50 g/m2 on each side; (e) in ANY of the following sizes: (i) thickness $0.6\bar{0}$ mm and width 980 mm; (ii) thickness 0.80 mm and width 1 159 mm; (iii) thickness 0.80 mm and width 1 209 mm; (iv) thickness 0.80 mm and width 890 mm; (v) thickness 1.00 mm and width 780 mm; (vi) thickness 1.00 mm and width 840 mm; (vii) thickness 1.00 mm and width 865 mm For the purposes of this Order, tolerances allowable for specification (e) are: (a) thickness +/- 10% (b) width +/-1%- TC 1349357 Op. 28.12.12 Stated Use: In PMV car body outer skins 5% Applicant: BLUESCOPE STEEL (AIS) PTY LTD 50 STEEL, flat rolled, non-alloy steel, hot dipped galvannealed 7210.49.00 zinc coated, in coils, having ALL of the following: (a) yield strength NOT greater than 210 MPa; (b) tensile strength NOT less than 270 MPa; (c) total elongation NOT less than 40%; (d) total coating mass NOT less than 30 g/m2 and NOT greater than 70 g/m2 on each side; (e) in ANY of the following sizes: (i) thickness 0.75 mm and width 1 390 mm; (ii) thickness 0.75 mm and width 1 450 mm; (iii) thickness 0.75 mm and width 1 475 mm; (iv) thickness 0.75 mm and width 1 530 mm; (v) thickness 0.75 mm and width 1 565 mm; (vi) thickness 0.75 mm and width 1 640 mm; (vii) thickness 0.76 mm and width 1 220 mm; (viii) thickness 0.80 mm and width 1 350 mm; (ix) thickness 0.95 mm and width 820 mm; (x) thickness 1.00 mm and width 624 mm For the purposes of this Order, tolerances allowable for

specification (e) are:

(a) thickness +/- 10%

(b) width +/- 1%

Op. 24.12.12

- TC 1248929

Stated Use: In PMV car body outer skins

Description of Goods including the Customs Tariff Classification

Schedule 4 Item Number General Duty Rate

STEEL, flat rolled, non-alloy steel, hot dipped galvannealed 50 7210.49.00 zinc coated, in coils, having ALL of the following: (a) yield strength NOT less than 190 MPa; (b) tensile strength NOT less than 340 MPa; (c) total elongation NOT less than 32%; (d) total coating mass NOT less than 30 g/m2 and NOT greater than 70 g/m2 on each side; (e) in ANY of the following sizes: (i) thickness 0.70 mm and width 865 mm; (ii) thickness 0.70 mm and width 980 mm; (iii) thickness 0.70 mm and width 1 225 mm; (iv) thickness 0.70 mm and width 1 244 mm; (v) thickness 0.70 mm and width 1 300 mm; (vi) thickness 0.70 mm and width 1 350 mm; (vii) thickness 0.70 mm and width 1 370 mm; (viii) thickness 0.70 mm and width 1 400 mm; (ix) thickness 0.70 mm and width 1 410 mm; (x) thickness 0.70 mm and width 1 455 mm; (xi) thickness 0.70 mm and width 1 500 mm; (xii) thickness 0.70 mm and width 1 585 mm; (xiii) thickness 0.70 mm and width 1 710 mm; (xiv) thickness 0.70 mm and width 1 720 mm; (xv) thickness 0.65 mm and width 865 mm; (xvi) thickness 0.65 mm and width 1 800 mm; (xvii) thickness 1.00 mm and width 1 160 mm For the purposes of this Order, tolerances allowable for specification (e) are: (a) thickness +/- 10% (b) width +/-1%- TC 1248930 Op. 24.12.12 Stated Use: In PMV car body outer skins 5% Applicant: BLUESCOPE STEEL (AIS) PTY LTD STEEL, flat rolled, non-alloy steel, hot dipped galvannealed zinc coated, in coils, having ALL of the following: 50 7210.49.00 (a) yield strength NOT less than 165 MPa and NOT greater than 325 MPa; (b) tensile strength NOT less than 270 MPa; (c) total elongation NOT less than 35% and NOT greater than 50%; (d) total coating mass NOT less than 45 $\ensuremath{\text{g/m2}}$ and NOT greater than 65 g/m2 on each side; (e) thickness 2.00 mm and width 1 070 mm For the purposes of this Order, tolerances allowable for specification (e) are: (a) thickness +/- 10% (b) width +/- 1% - TC 1349350 Op. 28.12.12 Stated Use: In PMV car body outer skins

Description of Goods including the Customs Tariff Classification

Schedule 4 Item Number General Duty Rate

50

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7210,49.00
              STEEL, flat rolled, non-alloy steel, hot dipped galvannealed
              zinc coated, in coils, having ALL of the following:
                (a) yield strength NOT less than 115 MPa and NOT greater than
                    305 MPa;
                (b) tensile strength NOT less than 270 MPa;
                (c) total elongation NOT less than 37% and NOT greater
                    than 57%;
                (d) total coating mass NOT less than 35 g/m2 and NOT greater
                    than 65 g/m2 on each side;
                (e) in ANY of the following sizes:
                         (i) thickness 0.65 mm and width 870 mm;
                        (ii) thickness 0.65 mm and width 930 mm;
                       (iii) thickness 0.65 mm and width 1 150 mm;
                        (iv) thickness 0.65 mm and width 1 640 mm;
                         (v) thickness 0.65 mm and width 1 645 mm;
                        (vi) thickness 0.65 mm and width 1 680 mm;
                       (vii) thickness 0.65 mm and width 1 710 mm;
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(x) thickness 0.70 mm and width 1 000 mm; (xi) thickness 0.70 mm and width 1 005 mm; (xii) thickness 0.70 mm and width 1 010 mm; (xiii) thickness 0.70 mm and width 1 045 mm; (xiv) thickness 0.70 mm and width 1 455 mm; (xv) thickness 0.70 mm and width 1 485 mm; (xvi) thickness 0.70 mm and width 1 550 mm; (xvi) thickness 0.70 mm and width 1 550 mm;

(viii) thickness 0.70 mm and width 925 mm; (ix) thickness 0.70 mm and width 930 mm;

(xv) thickness 0.70 mm and width 1 485 mm; (xvi) thickness 0.70 mm and width 1 550 mm; (xvii) thickness 0.75 mm and width 1 135 mm; (xviii) thickness 0.75 mm and width 1 140 mm; (xix) thickness 0.75 mm and width 1 625 mm; (xx) thickness 0.75 mm and width 1 670 mm;

(xxi) thickness 0.80 mm and width 1 060 mm; (xxii) thickness 0.80 mm and width 1 150 mm; (xxiii) thickness 0.80 mm and width 1 200 mm; (xxiv) thickness 1.00 mm and width 1 610 mm;

(xxv) thickness 1.20 mm and width 1 595 mm;
(xxvi) thickness 2.30 mm and width 985 mm
For the purposes of this Order, tolerances allowable for

specification (e) are:
(a) thickness +/- 10%

(b) width +/- 1

Op. 28.12.12

- TC 1349351

Stated Use: In PMV car body outer skins

Description of Goods including the Customs Tariff Classification

Schedule 4 Item Number General Duty Rate

50 STEEL, flat rolled, non-alloy steel, hot dipped galvannealed 7210.49.00 zinc coated, in coils, having ALL of the following: (a) yield strength NOT less than 155 MPa and NOT greater than 295 MPa; (b) tensile strength NOT less than 340 MPa; (c) total elongation NOT less than 34%; (d) total coating mass NOT less than 35 g/m2 and NOT greater than 65 g/m2 on each side; (e) in ANY of the following sizes: (i) thickness 0.70 mm and width 830 mm; (ii) thickness 0.70 mm and width 855 mm; (iii) thickness 0.75 mm and width 840 mm; (iv) thickness 0.75 mm and width 855 mm; (v) thickness 0.75 mm and width 1 630 mm; (vi) thickness 0.75 mm and width 1 645 mm; (vii) thickness 0.75 mm and width 1 683 mm; (viii) thickness 0.75 mm and width 1 700 mm; (ix) thickness 1.20 mm and width 1 170 mm; (x) thickness 1.20 mm and width 1 175 mm; (xi) thickness 1.20 mm and width 1 198 mm; (xii) thickness 1.60 mm and width 1 160 mm For the purposes of this Order, tolerances allowable for specification (e) are: (a) thickness +/- 10% (b) width +/-1%- TC 1349352 Op. 28.12.12 Stated Use: In PMV car body outer skins 5% Applicant: BLUESCOPE STEEL (AIS) PTY LTD 50 STEEL, flat rolled, non-alloy steel, hot dipped galvannealed 7210.49.00 zinc coated, in coils, having ALL of the following: (a) yield strength NOT less than 235 MPa and NOT greater than 400 MPa; (b) tensile strength NOT less than 390 MPa; (c) total elongation NOT less than 28%; (d) total coating mass NOT less than 35 g/m2 and NOT greater than 65 q/m2 on each side; (e) in ANY of the following sizes: (i) thickness 2.00 mm and width 975 mm; (ii) thickness 2.30 mm and width 948 mm; (iii) thickness 2.30 mm and width 1 030 mm; (iv) thickness 2.30 mm and width 1 190 mm; (v) thickness 2.60 mm and width 1 230 mm For the purposes of this Order, tolerances allowable for specification (e) are: (a) thickness +/-10%(b) width +/-1% - TC 1349354 Op. 28.12.12

Stated Use:

In PMV car body outer skins