



AUSTRALIAN CUSTOMS DUMPING NOTICE NO. 2012/46

Hot rolled coil steel (HRC)

Exported from Japan, the Republic of Korea, Malaysia and Taiwan

Preliminary Affirmative Determination and Imposition of Securities

CUSTOMS ACT 1901 – PART XVB

On 15 June 2012 the Chief Executive Officer (CEO) of the Australian Customs and Border Protection Service (Customs and Border Protection) initiated an investigation following an application lodged by BlueScope Steel Limited and BlueScope Steel (AIS) Pty Ltd (BlueScope), the sole manufacturer of hot rolled coil steel (HRC) in Australia. The application requested the publication of a dumping duty notice in respect of HRC exported to Australia from Japan, the Republic of Korea (Korea), Malaysia and Taiwan.

The goods the subject of the application (the goods) are described as:

Hot rolled coil (including in sheet form), a flat rolled product of iron or non-alloy steel, not clad, plated or coated (other than oil coated).

Goods excluded from this application are hot rolled products that have patterns in relief (known as checker plate) and plate products.

Customs and Border Protection has the view that plate products excluded from the investigation is plate that is 3/16th of an inch (4.75mm) thick or more. Sheet products, which are included in the goods to be investigated, are below this thickness.

The tariff classifications and statistical class codes in Schedule 3 to the *Customs Tariff Act 1995* and relevant rates of duty for HRC are shown below.

Tariff Classification	Statistical class code	Rate of duty - Japan	Rate of duty - Korea	Rate of duty - Malaysia	Rate of duty - Taiwan
7208.25.00	32	5%	0%	0%	0%
7208.26.00	33	5%	0%	0%	0%
7208.27.00	34	5%	0%	0%	0%
7208.36.00	35	5%	0%	0%	0%
7208.37.00	36	5%	0%	0%	0%
7208.38.00	37	5%	0%	0%	0%
7208.39.00	38	5%	0%	0%	0%

7208.53.00	42	5%	0%	0%	0%
7208.54.00	43	5%	0%	0%	0%
7208.90.00	30	5%	5%	4%	5%
7211.14.00	40	5%	0%	0%	0%
7211.19.00	41	5%	0%	0%	0%

In accordance with s.269TD(4)(a) of the *Customs Act 1901* (the Act), on 5 October 2012 the CEO gave public notice in *The Australian* newspaper that a preliminary affirmative determination has been made and that there appears to be sufficient grounds for the publication of a dumping duty notice in respect of the goods exported to Australia from Japan, Korea, Malaysia and Taiwan.

On 5 October 2012 the CEO also gave public notice, in accordance with s.269TD(5) of the Act, that the officer of Customs taking securities is satisfied that it is necessary to require and take securities to prevent material injury to the Australian industry occurring while the investigation continues.

Customs and Border Protection will require and take securities under s.42 of the Act in respect of any interim dumping duty that may become payable in respect of the goods from Japan, Korea, Malaysia and Taiwan entered for home consumption on or after 5 October 2012.

Customs and Border Protection made a preliminary comparison of weighted average normal values to weighted average export prices and calculated dumping margins as follows:

Japan	7.5%
Korea – POSCO	6.0%
Korea – Hyundai Co., Ltd	4.5%
Korea – other exporters	11.8%
Malaysia – Megasteel Sdn. Bhd.	15.45%
Malaysia – other exporters	15.45%
Taiwan – China Steel Corporation	3.4%
Taiwan – Chung Hung Steel Corporation	8.5%
Taiwan – Shang Chen Steel Co, Ltd	3.3%
Taiwan – other exporters	8.5%

Customs and Border Protection found that the NIP is lower than the normal value for pickled and oiled HRC exported from Japan. Therefore, the NIP is the operative measure for these goods. In these instances the NIP has been found to equal the export price and the effective rate of duty is 0%.

For all other goods and nominated countries, the NIP was not less than the ascertained normal value. This means that the effective rate of securities will be the full margin of dumping for all other goods and nominated countries.

In reaching this preliminary decision, Customs and Border Protection is satisfied that the goods appear to be dumped and appear to have caused material injury to the Australian industry producing like goods. The Statement of Essential Facts and Preliminary Affirmative Determination Report No. 188 (SEF/PAD 188) incorporating details of the preliminary affirmative determination was placed on the public record on 3 October 2012.

SEF 188 is available online at www.customs.gov.au, or by contacting the case manager on (02) 6245 5453.

The CEO is due to report to the Minister for Home Affairs (the Minister) with recommendations on or before 17 November 2012. The Minister will then decide whether to publish a dumping duty notice and, if relevant, the level of the measures to be imposed. Depending on the Minister's decision, any securities taken may be converted to interim dumping duty or acquitted.

Enquiries concerning this notice may be directed to the case manager on telephone number (02) 6245 5453, fax number (02) 6275 6990 or email itrops1@customs.gov.au.

Kim Farrant
National Manager
Trade Measures Branch
CANBERRA ACT

5 October 2012